TRACTEBEL ENERGIA S.A.
A Publicly Traded Company
Corporate Tax Payer Registration (CNPJ/MF) nbr. 02.474.103/0001-19
Rua Antônio Dib Mussi, no. 366, Florianopolis – Santa Catarina, Brazil

ANNUAL AND EXTRAORDINARY GENERAL MEETINGS

MANAGEMENT PROPOSAL

Due to the publication of the call notice for the Compnay's annual and extraordinary general meetings to be held on April 23, 2010, the Company, pursuant to articles 6, 8, 10 and 12 of CVM Instruction no. 481, dated December 17, 2009, is making the following information available:

- Information on the Service Agreement between Tractebel Energia S.A. and Suez-Tractebel S.A.;

- Data on the candidates indicated or supported by management and by the controlling block of shareholders, regarding the election of the Company's members of the board of directors and fiscal council, as per the requirements stipulated by items 12.6 to 12.10 of the reference form referred to in CVM Instruction 480/09; and

- Information regarding management compensation based on item 13 of the above mentioned reference form.

- Proposal for payment of the value of up to R$ 17 million with respect to the Share in Profits or Results (PLR) for the fiscal year 2009, to be distributed pursuant to the criteria established in the Company's Compensation System and Collective Labor Agreements.

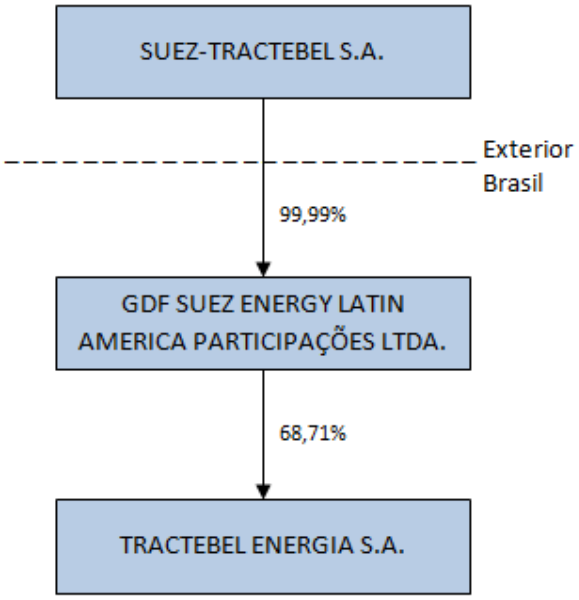
Additionally, on March 22, 2010 the Company filed the information contained in article 9 of CVM Instruction 481/09 using the periodic and eventual information system (IPE) employed by CVM and the Stock, Commodities and Futures Exchange for the state of São Paulo (BM&FBovespa). Among other matters, this information included management comments on the Company's financial situation, which are attached at the end of this document.

SERVICE AGREEMENT BETWEEN
TRACTEBEL ENERGIA S.A. AND SUEZ-TRACTEBEL S.A.

ARTICLE 8 OF CVM INSTRUCTION No. 481/2009

I – Name and qualification of the related interested party: Suez-Tractebel S.A., a company constituted and existing under the laws of the Kingdom of Belgium, headquartered at Place du Trône, 1, Brussels, Belgium, corporate tax payer registration (CNPJ/MF) no. 06.132.057/0001-20 ("Suez-Tractebel").

II – Nature of the relationship of the related interested party with the company: Suez-Tractebel is the indirect controlling party of Tractebel Energia S.A. ("Tractebel Energia" or "Company"), as demonstrated in the organization chart below:



III – Quantity of shares and other securities issued by the company that are directly or indirectly owned by the related interested party: Suez-Tractebel holds, through GDF Suez Energy Latin America Participações Ltda., 448.512.633 common shares issued by the Company, which represent 68.71% of its shareholders' equity.

IV – Eventual balances receivable or payable among the parties involved: A provision for payment of approximately R$ 790,000.00 (seven hundred and ninety thousand Reais) to Suez-Tractebel, referring to the as-yet unbilled maximum annual value foreseen in the Service Agreement between Suez-Tractebel and Tractebel Energia signed on April 17, 2007 (the "Service Agreement") is included in the accounting statements for the fiscal year ended on December 31, 2009. This agreement provides for Suez-Tractebel to render management,

operations, finance, accounting, legal, marketing and project development consulting services to Tractebel Energia. The aforementioned provision takes into consideration the maximum amount of annual payments due Suez-Tractebel for services rendered, set in the Service Agreement at €1.500.00,00 (one million, five hundred thousand Euros).

V – Detailed description of the nature and extent of the interests in question: The main interest is in the renewal of the Service Agreement between Suez-Tractebel and Tractebel Energia, through which Suez-Tractebel renders management, operations, finance, accounting, legal, marketing and project development consulting services to Tractebel Energia. The Service Agreement was originally signed on May 2, 2002 and was renewed on April 17, 2007 as approved by the Company's minority shareholders gathered at the nineteenth Extraordinary General Meeting of the company held on the latter date. It is an agreement among related parties, seeing that Suez-Tractebel is, indirectly, a controlling party of Tractebel Energia.

VI – Management's recommendation regarding the proposal, highlighting the advantages and disadvantages of the transaction to the company: The GDF SUEZ group is one of the leading world energy companies, active in the entire electric and natural gas energy chain, as much as in exploration and production as in transportation, distribution and sales. The GDF SUEZ group develops its business under a growth-with-responsibility model which takes into account the challenges of meeting energy requirements, combating climactic changes and optimizing the use of natural resources. The GDF SUEZ group possesses diversified supply sources and a flexible and highly efficient energy generation process, which aims at providing innovative energy solutions to people, cities and companies and currently manages an installed capacity of 72.633 MW. The Group employs approximately 200.000 people throughout the world and generated revenues of EUR$79.9 billion in 2009. For Tractebel Energia, counting on the significant background and international experience of the GDF SUEZ Group in the various areas it is active in signifies adding value to the products and services offered to its customers, in this manner maximizing results and directly benefitting its shareholders. The consulting services rendered by Suez-Tractebel under the Service Agreement have proven themselves to be valuable to the Company's management, mainly in the definition of strategic issues, new acquisitions, cost controls, international contract negotiations, sources of financing and new energy generation projects. Tractebel Energia's Executive Board understands that these consulting services are fundamental for creating value in the segments in which it is active, contributing in this manner to increasing the Company's profitability and financial soundness.

VII – In the event the matter submitted to the general meeting's approval involves an agreement subject to the rules established in article 245 of Law no. 6.404, of 1976:

a) Detailed analysis, prepared by the management, which demonstrates that the agreement foresees arm's length conditions or adequate compensatory payments: The Service Agreement deals with management, operations, finance, accounting, legal, marketing and project development consulting services. Any consulting services rendered by Suez-Tractebel must be previously requested by Company management or by the Executive Board who take into consideration objective and timely needs such as, for example, the New Business Development area of the Company requiring a model for financial feasibility analysis for a specific opportunity to purchase assets or to be used in negotiating supply agreements with parties located abroad or involving agreements subject to foreign legislation. The Company's Executive Board together with Legal Affairs Management, which is responsible for negotiating

the terms and conditions of the Service Agreement, understand that the selfsame is arm's length in nature in that it does not impose on either party what might be considered excessively burdensome obligations and much less inhibits any of the parties from terminating the contractual relationship in the event of repeated non-compliance with any of the assumed obligations when, as the case may be, Tractebel Energia can seek reparation for eventual losses and damage which it may incur as a result of default. In addition, the Service Agreement foresees compensatory payments adequate to the services rendered and includes contractually established control mechanisms that assure adequate compensation such as, but not limited to, the respective area of the Company that requested the service accompanying the progress of the selfsame in coordination with the Cost Controls and Disbursement areas. Notwithstanding the controls described above, the Service Agreement also foresees an annual ceiling for the amount due Suez-Tractebel for services rendered, set at €1.500.00,00 (one million, five hundred thousand Euros).

b) Analysis of the terms and conditions of the agreement compared with those prevailing in the market: Tractebel Energia's Legal Department, which is responsible for negotiating the terms and conditions of the Service Agreement with Suez-Tractebel, is of the opinion that the selfsame is in line with market terms and conditions for such types of contracts. In this sense the Legal Department highlights the following relevant issues included in the clauses of the Service Agreement: (i) Tractebel Energia' control with respect to the necessity, convenience and opportune nature of the services to be rendered as well as regarding timing, manner and place in which they are rendered so that they are compatible with the Company's needs; (ii) announcements and guarantees from Suez-Tractebel in the sense that services are rendered by professionals who are fully qualified in their area of expertise; (iii) a limitation on annual fees which may be billed by Suez-Tractebel, with the establishment of a maximum, non-cumulative ceiling of €1.500.00,00 (one million, five hundred thousand Euros) per year of services rendered; (iv) conditions for paying invoices in line with general market practices (i.e., 30 days from receipt); (v) forwarding of the semi-annual invoices to the Company's Fiscal Council's review; (vi) a pre-set term (36 months), during which minority shareholders of the Company may, in a 12-month period, revalidate the agreement and can ratify, cancel or modify the Service Agreement as long as it is justified; (vii) possibility of termination of the Service Agreement by any of the parties in the event of default in the obligations assumed by the other party; and (viii) The National Electric Energy Agency – ANEEL may inspect the terms and conditions pursuant to legislation in effect.

12.6 - Information on the candidates for the Board of Directors and Fiscal Council of the issuer, indicated by the Controller or by the company Management

BOARD OF DIRECTORS

NAME	AGE	OCCUPATION	INDIVIDUAL TAX PAYER REGISTRATION	POSITION	DATE OF ELECTION	DATE OF INVESTITURE	TERM IN OFFICE	OTHER POSITIONS HELD IN BY THE ISSUER	INDICATED BY THE CONTROLLING
Maurício Stolle Bähr	52	Engineer	748.528.847-49	Chairman of the Board	04.23.2010	04.23.2010	2 Years	Member of the Strategic Committee	Yes
Jan Franciscus Maria Flachet	54	Engineer	059.308.257-50	Vice-Chairman of the Board	04.23.2010	04.23.2010	2 Years	Member of the Strategic Committee	Yes
Manoel Arlindo Zaroni Torres	60	Engineer	115.116.056-34	Full member	04.23.2010	04.23.2010	2 Years	CEO	Yes
Victor-Frank de Paula Rosa Paranhos	63	Engineer	098.414.907-49	Full member	04.23.2010	04.23.2010	2 Years	Member of the Strategic Committee	Yes
Dirk Beeuwsaert	62	Engineer	EC128771	Full member	04.23.2010	04.23.2010	2 Years	Member of the Strategic Committee	Yes
Alain François Marie Louise Janssens	48	Engineer	EG311280	Full member	04.23.2010	04.23.2010	2 Years	Member of the Strategic Committee	Yes
Patrick Charles Clement Obyn	49	Lawyer	009.113.629-67	Deputy member	04.23.2010	04.23.2010	2 Years		Yes
Luiz Eduardo Simões Viana	55	Engineer	465.817.407-30	Deputy member	04.23.2010	04.23.2010	2 Years		Yes
Manuel François Colcombet	49	Engineer	09AF88078	Deputy member	04.23.2010	04.23.2010	2 Years	Member of the Strategic Committee	Yes
Alexandre Jean Keisser	40	Engineer	04RE76731	Deputy member	04.23.2010	04.23.2010	2 Years		Yes
Gil de Methodio Maranhão Neto	47	Engineer	734.574.937-15	Deputy member	04.23.2010	04.23.2010	2 Years		Yes
José Carlos Cauduro Minuzzo	58	Engineer	199.412.420-20	Deputy member	04.23.2010	04.23.2010	2 Years	Director of Energy Production	Yes

FISCAL COUNCIL

NAME	AGE	OCCUPATION	INDIVIDUAL TAX PAYER REGISTRATION	POSITION	DATE OF ELECTION	DATE OF INVESTITURE	TERM IN OFFICE	OTHER POSITIONS HELD IN BY THE ISSUER	INDICATED BY THE CONTROLLING
Paulo de Resende Salgado	64	Economist	161.008.917-00	Chairman of the Committee	04.23.2010	04.23.2010	1 Year		Yes
Carlos Guerreiro Pinto	67	Manager	047.615.457-04	Full member	04.23.2010	04.23.2010	1 Year		Yes
Flávio Marques Lisboa Campos	59	Engineer	118.388.096-00	Deputy member	04.23.2010	04.23.2010	1 Year		Yes
Manoel Eduardo Bouzan de Almeida	58	Accountant	269.006.377-87	Deputy member	04.23.2010	04.23.2010	1 Year		Yes

12.7 - Information on the members of the Strategic Committee

STRATEGIC COMMITTEE - SC

NAME	AGE	OCCUPATION	INDIVIDUAL TAX PAYER REGISTRATION	POSITION	DATE OF ELECTION	DATE OF INVESTITURE	TERM IN OFFICE	OTHER POSITIONS HELD IN BY THE ISSUER	INDICATED BY THE CONTROLLING
Maurício Stolle Bähr	52	Engineer	748.528.847-49	Member	06.25.1999	06.25.1999	Not specifie	Full Member Board of Directors	Yes
Jan Franciscus Maria Flachet	54	Engineer	059.308.257-50	Member	04.25.2003	04.25.2003	Not specifie	Full Member Board of Directors	Yes
Victor-Frank de Paula Rosa Paranhos	63	Engineer	098.414.907-49	Member	06.25.1999	06.25.1999	Not specifie	Full Member Board of Directors	Yes
Dirk Beeuwsaert	62	Engineer	EC128771	Member	03.15.2001	03.15.2001	Not specifie	Full Member Board of Directors	Yes
Alain François Marie Louise Janssens	48	Engineer	EG311280	Member	03.13.2009	03.13.2009	Not specifie	Full Member Board of Directors	Yes
Manuel François Colcombet	49	Engineer	04AE68520	Member	01.18.2000	01.18.2000	Not specifie	Deputy Member Board of Dir.	Yes

Observation:

In addition to the Strategic Committee, which is a statutory committee, the Company has instated other committees, among which a committee for risk management and a finance committee. However, these committees are composed of technical employees with support functions representing several areas within the Company , and as such have no participation in the management decision-making processes. The full list of committees is available on the Company's site (www.tractebelenergia.com.br) under the following tabs: Investor > Corporate Governance > Inspection and Support Bodies.

Tractebel Energia
GDF SUEZ

12.8 – Information on the candidates for Executive Management and Fiscal Council of the issuer:

a) Résumé, containing main professional experience in the last 5 (five) years and indicating all positions that he/she presently occupies or has occupied in publicly traded companies.

BOARD OF DIRECTORS:

Full member:
MAURÍCIO STOLLE BÄHR

Chairman of the Board of Directors.
Born on September 17, 1957, Mr. Båhr graduated in Mechanical Engineering from Gama Filho University in Rio de Janeiro and in Systems Analysis from the Pontificate Catholic University in Rio de Janeiro. He holds an MBA from COPPEAD - Federal University of Rio de Janeiro (UFRJ) and a master's degree in Corporate Finance from Berkeley University, USA. Mr. Båhr held the position of Finance Director at Mesa Energia S.A. and at Nacional Energética S.A. He is currently CEO at GDF SUEZ Energy Brasil Ltda., Director at GDF SUEZ Energy Latin America Participações Ltda., General Representative of GDF SUEZ in Brazil and Chairman of the Board of the National Electric System Operator (ONS), Chairman of the Board of Directors of Sustainable Energy of Brazil (Energia Sustentável do Brasil S.A.) and member of the Decision-Making Council at the Estreito Energia Consortium – CESTE.

Deputy member:
PATRICK CHARLES CLEMENT OBYN

Born on July 28, 1960, Mr. Obyn graduated from the Antwerp Law School in Belgium. Mr. Obyn was a corporate lawyer at Union Carbide (Chemical Industry) and at the Alcatel Group (Telecommunications). In 1995 he joined the Suez-Tractebel group as Senior Adviser for Electricity and Gas International. Since 2002, he holds the position of General Counsel at GDF SUEZ Energy Latin America Participações Ltda.

Full member:
JAN FRANCISCUS MARIA FLACHET

Vice-Chairman of the Board of Directors.
Born on March 6, 1956, Mr. Flachet is an Electromechanical Engineer, graduated from the Catholic University of Louvain - UCL, Belgium. He holds a Master degree in Management from the Administration and Management Institute at UCL and participated in the Management program at CEDEP, affiliated to INSEAD, in Fontainebleau, France. In 1979 he was Head of the Operation Department at Unerg, in Brabant, Belgium. From 1990 to 1996 he was General Manager of electricity distribution at Electrabel. Mr. Flachet was General Manager at Litoral Gás, in Argentina, Senior Vice President of Distribution and Commercial Operations at Tractebel EGI and Executive Vice-president of Business Development in South America. Currently, he holds the positions of Regional Manager in South America and CEO at GDF SUEZ

Deputy member:
LUIZ EDUARDO SIMÕES VIANA

Born on April 3, 1955, Mr. Viana is an Economist, graduated from the Rio de Janeiro College of Political Science and Economics in 1985. He received an MBA degree from COPPEAD/Federal University at Rio de Janeiro in 1998. Mr. Viana worked as an economist at BNDES Participações S.A. (BNDESPAR) from September, 1980 to June, 1991, always connected to the Capital Markets area. He was Underwriting Manager at Banco Nacional S.A. from September, 1991 to December, 1995. He acted as Institutional Relations Superintendent at Serra da Mesa Energia S.A. (former Nacional Energética S.A.) from January, 1996 to May, 1998. He is currently an Executive Director at Itá Energética S.A. (ITASA) without a specific designation, holding the position of Director of Investor Relations cumulatively.

Energy Latin America Participações. Ltda.

Full member:

MANOEL ARLINDO ZARONI TORRES

Born on December 18, 1949, Mr. Torres is an Electrical Engineer, graduated from the Federal School of Engineering of Itajubá (MG) and has a Specialist in General Management degree from CEDEP, affiliated to INSEAD, in Fontainebleau, France. From 1973 to 1998, he worked at Furnas Centrais Elétricas S.A. (FURNAS), where he held the position of Production Superintendent for the South and Operation Superintendent of the FURNAS System, as well as being a representative for the Operating Group for Interconnected Operations (Operações Interligados - GCOI), for the Joint Committee for Operations of the Itaipu Plant and for the Operation and Energy Sales Committee of the Eletrobrás System Companies (COESE). In 1998, Mr. Torres joined the Executive Board at Tractebel Brasil as Operation Director, being named President and CEO in 1999. He is a member of the Board of Directors at Itá Energética S.A. (ITASA). He also holds the position of CEO of some of the SPCs controlled by Tractebel Energia S.A.

Deputy member:

ALEXANDRE JEAN KEISSER

Born on March 14, 1970, Mr.Keisser graduated in Mechanical Engineering from the Superior School of Engineers in Marseille, France. He holds an MBA in Finance from Columbia University, USA. He was Project Engineer at ELYO, Suez, France, from 1994 to 1995. Mr. Keisser held the position of Project Director at TRIGEN, New York, USA, from 1996 to 1999, and that of Business Development Director in 2000. From 2001 to 2003, he held the position of Director for Mergers and Acquisitions at Suez Energy North America, New York and Houston, USA. He is currently responsible for managing Finance for the South American region (Regional América do Sul) of the GDF SUEZ group, in Buenos Aires, Argentina.

Full member:

VICTOR FRANK DE PAULA ROSA PARANHOS

Born on October 167, 1946, Mr. Paranhos graduated in Mechanical Engineering from the Catholic University of Petrópolis (RJ) and in Economics from the Bennett Methodist Institute. He is an actuary with a degree from the Augusto Motta Unified University (SUAM – Rio de Janeiro). He held the position of resident engineer at the Engineering and Representation Technical Company (Sociedade Técnica de Engenharia e Representação - STER). He moreover was an Executive Board member at GDF Suez, responsible for the project development / implementation area from 1999 to 2009 and CEO at Companhia Energética São Salvador, responsible for the implementation of the hydroelectric power plant of São Salvador, from 2002 to 2009. Mr. Paranhos held the position of CEO at the Estreito Consortium, being responsible for the implementation of the Estreito Power Plant, from 2002 to May, 2007. He has been CEO at the SPC Sustainable Energy of Brazil (SPE Energia Sustentável do Brasil), responsible for the implementation of the Jirau Plant, from 2007 to the present date.

Deputy member:

MANUEL FRANÇOIS COLCOMBERT

Born on July 9, 1960, Mr. Colcombert graduated in Industrial Engineering from ITBA, Buenos Aires, in 1984 and holds an MBA from IMD, Lausanne, Switzerland, where he graduated in 1990. Mr. Colcombert was active in the Energy sector, occupying General, Sales, Strategy and Business Planning Management positions. He is currently Senior Vice-president for Strategy & Portfolio Management for the South American region of the GDF SUEZ group (Regional América do Sul). He is or has been a member of the Board of Directors at several companies belonging to the GDF SUEZ group in South America and in Europe.

Full member:

DIRK ACHIEL MARC BEEUWSAERT

Born on January 14, 1948, Mr. Beeuwsaert is a Mechanical and Electrical Engineer, graduated from the University of Ghent, Belgium. He participated in the CEDEP Management Program in Fontainebleau, France. He was CEO at GDF SUEZ Energy International, President at GDF SUEZ Energy North America Inc., and held Executive Director positions at Glow Energy, a public company established in Thailand, at Suez Tractebel SA and at Eletrabel. He is currently Executive Vice-president at GDF SUEZ.

Deputy member:

GIL DE METHODIO MARANHÃO NETO

Born on October 18, 1963, Mr. Maranhão is a Civil Engineer, graduated from Veiga de Almeida and holds an MBA in Finance from IBMEC. He worked in the Capital Markets (underwriting and stock funds management) and Trading (Pension Funds) areas at Banco Nacional S.A.

Mr. Maranhão is currently responsible for the development of new expansion opportunities for the GDF SUEZ group in Brazil and is a Deputy Manager at GDF SUEZ Energy Latin America Participações Ltda., a company controlled by Tractebel Energia S.A. and is also a member of the Board of Directors at International Hydropower Association.

Full member:

ALAIN FRANÇOIS MARIE LUOISE JANSSENS

Born on December 5, 1961, Mr. Janssens graduated in Commercial Engineering from the Solvay Business School of the University of Brussels (ULB). He worked as a Senior Financial Analyst at Generale Bank. He held the position of Assistant Director of Corporate & Project Finance and Head of the Controller's Office and of Group Consolidation at Tractebel – Administration, Finance and Control. Mr. Janssens held the position of Head of Project Consulting at SUEZ – Tractebel and of CEO and member of the Strategic Committee at Distrigas. He was deputy CEO at GDF SUEZ's BeNeDelux division, Marketing and Sales Manager at Electrabel, Administration Director at Electrabel Customer Solutions and President of the Risk Committee at Electrabel. He is currently deputy CEO, President of the European and International Energy Risk Committee and President of Electrabel Customer Solutions, part of GDF SUEZ – Energy International.

Deputy member:

JOSÉ CARLOS CAUDURO MINUZZO

Born on October 29, 1951, Mr. Minuzzo graduated in Mechanical Engineering from the Pontificate Catholic University of Rio Grande do Sul. He began his professional career at Eletrosul in 1976, performing his functions in the Thermal production area at Jorge Lacerda Thermoelectric Power Plant up to 1992. From that point on, he managed the Thermoelectric Engineering and Maintenance division until 1997 and, subsequently, the Thermal Production Department up to June, 1999. Mr. Minuzzo currently holds the position of Operation Director at Lages Bioenergética Ltda., and also of Director of the Management Committee of the Itá and Machadinho Consortiums. He is furthermore a deputy board member for the Board of Directors at Tractebel Energia, Itá Energética S.A. and in the Council for Water Resources of the State of Paraná (Conselho Estadual de Recursos Hídricos do Paraná). Since 1999, he holds the position of Energy Production Director at Tractebel Energia. Mr. Minuzzo is also a Director in some of the SPC's controlled by Tractebel Energia S.A.

Tractebel Energia
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FISCAL COUNCIL:

Full member:

PAULO DE RESENDE SALGADO

Born on July 2, 1945, Mr. Salgado graduated in Economics from Cândido Mendes University in Rio and holds a graduate degree as a Financial Executive from the Getulio Vargas Foundation (FGV) as well as an MBA in the Management Development Program (PDG) and in the Capital Markets AID-USA program offered by FGV.

Mr. Salgado was Resident Vice-President at Citibank, Investment Superintendent at Banco Econômico de Investimentos S.A., Underwriting and Privatization Director at Banco Nacional S.A., where he was engaged in the privatization project of LIGHT and CSN. He was also Director at Nacional Energética S.A. and at IVEN S.A, and Finance Director at Nacional Energética S.A. He is currently an Economic Consultant at Agenda Corretora de Câmbio e Valores Mobiliários Ltda., a major securities brokerage firm.

Deputy member:

FLÁVIO MARQUES LISBOA CAMPOS

Born on November 17, 1950, Mr. Campos is a Civil Engineer who graduated in 1973 from the School of Engineering of the Mato Grosso Federal University (UFMG). He's been Managing Director and CEO at Leme Engenharia Ltda. since 2002, and he has held the following additional positions at this company: 1994 to 2002 – Executive and General Director; 1992 to 1994 – Business Development Director, where he coordinated all activities related to sales strategy, business prospecting and feasibility analysis, contract negotiation with clients and in which managed development expenses; 1988 to 1992 – Technical Director, managing Electricity Production and Dams, Electric Systems and Industrial Projects, most notably having supervised technical issues and developed contracts for several projects; and, from 1976 to 1988 – worked in the technical area as Head of the Hydraulic Engineering sector and as a Manager for several large projects.

Mr. Campos worked as a Civil Engineer from 1972 to 1976 at Elektrowatt Ingenieros Consultores, Guatemala City, Guatemala, Elektrowatt Engineering Services, Zurich, Switzerland and Eletroprojetos S.A. – Engineering studies.

He currently participates in the Executive Board of ABDIB (Brazilian Infra-structure and Base Industries Association) and is also member of the following Councils: Directive Council for the Entrepreneurial Arbitrage Chamber - Brazil; Economic Policy Council for FIEMG (Federation of Industries for the State of Minas Gerais); Directive Council for AMEC; Directive Council for the Brazilian Association of Engineering Consultants (ABCE); and the State Council for Minas Gerais Water Resources.

Tractebel Energia
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Full member:	Deputy member:
CARLOS GUERREIRO PINTO	**MANOEL EDUARDO BOUZAN DE ALMEIDA**
Born in 1943, Mr. Pinto graduated in Business Administration from the Augusto Motta Unified University (SUAM) and in Finance Management from Citibank N.A.'s training center. He also holds an Executive Management MBA from the Management Research and Post-Graduation Institute (COPPEAD) of the Federal University at Rio de Janeiro. Mr. Pinto was responsible for structuring the Open Market area of Banco Nacional, and was also assigned the Business Risk Area Director position. In addition, he held the position of President at Sinal Corretora de Valores. Mr. Pinto was elected a member of Tractebel Energia S.A.'s Fiscal Council at the Extraordinary General Meeting held on April 14, 2009.	Born on April 3, 1952, Mr. Almeida holds a bachelor degree in Accounting, having graduated in 1978 from Simonsen College (Faculdades Integradas Simonsen) in Rio de Janeiro. He worked in the Industrial sector from 1969 to June 1995 engaged in several administrative activities, reaching the position of Administrative and Accounting Manager. In the second semester of 1995 he was invited to act as the accountant for the Serra da Mesa energy project, belonging to Serra da Mesa S.A., which he agreed to up to June 1998, when he was transferred to the Tractebel Group, where he works at the Holding as an accountant up to the present date.

b) Description of any of the following events that may have occurred during the last 5 years

i. **Any criminal conviction;**

ii. **Any conviction or sentencing in a CVM administrative process; and**

iii. **Any final legal or administrative decision not subject to appeal that would effectively suspend or incapacitate the person from practicing any professional or commercial activity**

The Controlling Shareholder has obtained from the candidates for the positions of member of the Board of Directors and of the Fiscal Council, indicated above, a secure statement to the effect that they haven't suffered *i)* any criminal conviction, *ii)* any conviction or sentencing in a CVM administrative process or *iii)* any final legal or administrative decision not subject to appeal, that would effectively suspend or incapacitate a member from practicing any professional or commercial activity.

12.9 - Inform any marital relationship, stable union or kinship up to the second degree between:

a) issuer´s management

There are no family ties such as the ones described above between any of the candidates to the positions of member of the Board of Directors and of the Fiscal Council, as indicated above, and the Company management.

b) (i)issuer´s management and (ii) that of directly or indirectly controlled companies

There are no family ties such as the ones described above between any of the candidates to the positions of member of the Board of Directors and of the Fiscal Council, as indicated above, and the management of directly or indirectly controlled companies.

c) (i) Issuer´s management or that of directly or indirectly controlled companies and (ii) parties which have a direct or indirect controlling participation in the issuer

There are no family ties such as the ones described above between any of the candidates to the positions of member of the Board of Directors and of the Fiscal Council, as indicated above, and parties which have a direct or indirect controlling participation in the issuer.

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d) (i)Issuer´s management and (ii) that of companies which have a controlling participation in the issuer

There are no family ties such as the ones described above between any of the candidates to the positions of member of the Board of Directors and of the Fiscal Council, as indicated above, and the management of companies which have a controlling participation in the issuer.

12.10 - Inform any relationship of subordination, service rendering or control, maintained in the last 3 fiscal years, between issuer´s management and:

a) companies controlled directly or indirectly by the issuer.

None of the candidates indicated by the management or by the controlling shareholder to the positions of member of the Board of Directors and of the Fiscal council held, in the last 3 (three) fiscal years, executive positions in indirectly or directly controlled companies, with the exception of Mr. Manoel Arlindo Zaroni Torres and Mr. José Carlos Cauduro, who hold positions of Directors at the following controlled Companies:

i) **Manoel Arlindo Zaroni Torres** - Companhia Energética São Salvador, Delta Energética S.A., Energia América do Sul Ltda., Épsilon Participações Ltda., Lages Bioenergética Ltda.; Seival Participações S.A.; Suez Energia Renovável S.A.; Tractebel Energia Comercializadora Ltda. and Tractebel Energias Complementares Participações Ltda. Mr. Torres is also member of the Board of Directors at Itá Energética S.A. – ITASA.

ii) **José Carlos Cauduro Minuzzo** – Eólica Beberibe S.A., Companhia Energética São Salvador, Energia America do Sul Ltda., Hidropower Energia S.A., Lages Bioenergética Ltda., Eólica Pedra do Sal S.A., Ponte de Pedra Energética S.A., Tractebel Energias Complementares Participações Ltda. and Tupan Energia Elétrica S.A. Mr. Minuzzo is also Director of the Management Committee of Itá and Machadinho Consortiums and is a deputy member of the Board of Directors of Itá Energética S.A.- ITASA.

b) Parties which have a direct or indirect controlling participation in the issuer

The following candidates indicated by the Controlling Shareholder to the positions of member of the Board of Directors and of the Fiscal Council hold Executive positions in companies that have a directly or indirect controlling participation in the Company:

i) **Maurício Stolle Bähr** - Director of GDF Suez Energy Latin America Participações Ltda., a controlling company of the issuer;
ii) **Jan Franciscus Maria Flachet** - Director President of GDF Suez Energy Latin America Participações Ltda., a controlling company of the issuer;
iii) **Dirk Beeuwsaert** – Executive Vice-President of GDF SUEZ and CEO of GDF SUEZ Energy International, President of GDF SUEZ Energy North America Inc., Director of Glow Energy, public company established in Thailand, Director of Suez Tractebel SA and Director of Eletrabel;
iv) **Alain François Marie Luoise Janssens** – Market and Sales Executive Vice-President of GDF Suez Energy Europe & International;
v) **Manuel François Colcombert** - Senior Vice President of Strategy & Portfolio Management at Regional América do Sul of the GDF SUEZ group in Buenos Aires.

The remaining candidates indicated by the controlling shareholder to the positions of member of the Board of Directors and of the Fiscal Council did not hold, in the last 3 (three) fiscal years, executive positions in companies which have a direct or indirect controlling participation in the issuer.

c) If relevant, suppliers, clients, debtors or creditors of the issuer, of companies it controls, of its controlling parties or entities controlled by any of the previously mentioned parties

In the last 3 (three) fiscal years, there were no relations such as the ones described above between candidates indicated by the Controlling Shareholder to the positions of member of the Board of Directors and of the Fiscal Council, as indicated above, and suppliers, clients, debtors or creditors of the issuer, of companies it controls, its controlling parties or entities controlled by any of the previously mentioned parties.

ANNEX II – ITEM 13 OF THE REFERENCE FORM

CVM Instruction no. 480 of December 17, 2009

Amounts in R$ million

13. Management Remuneration

13.1. Compensation policy for the board of directors, executive board and fiscal council:

a. Objectives of the compensation policy or practices:

The compensation policy for the Board of Directors, Executive Board and Fiscal Council is based on market practices and aims at attracting and retaining professionals who are compatible with the Company's needs. It considers required knowledge, the complexity of the activities and the results expected from each position.

b. composition of remuneration:

i. description of compensation elements and the objectives of each:

The total amount of annual compensation paid to management (members of the Board of Directors, Executive Board and Fiscal Council) is defined annually in the General Shareholders' Meeting.

In the Annual General Meeting held on April 14, 2009 the total amount of compensation due management was set at up to R$ 18 million, including fixed, variable and social dues.

Its composition is determined by the Board of Directors, as per below:

Board of Directors

The annual amount of compensation established for each board member is paid in 12 monthly installments, and eventual variable portions may be considered within the total amount approved by the General Meeting.

Statutory Executive Board

Compensation for members of the Executive Board is composed of a fixed and variable portion, and the total annual amount is established in the General Shareholders' Meeting.

The benefits offered by the Company, such as medical health recovery assistance, life insurance, complementary pension plans and designated company cars for high-level director positions are part of the variable compensation,

Non-statutory Executive Board

The company does not have a non-statutory Executive Board.

Fiscal Council

The pro-labor paid to members of the fiscal council is set by the General Shareholders' Meeting which elects them and, for each member in term, cannot be less than 10% of the average compensation paid to executive board members excluding benefits and variable compensation.

Committees

The Company has committees which participate directly or indirectly in its decision-making process, and no additional compensation is foreseen for their members.

ii. proportion of each element making up total compensation

Compensation to the Board of Directors is composed approximately of 85% fixed and 15% variable. Compensation to the Fiscal council is entirely fixed.

The fixed portion of compensation to the Statutory Executive Board members is based on market values and is paid in 13 monthly installments. The variable portion is targeted to reach, on average, 50% of the annual compensation to the members of the Executive Board.

iii. methodology for calculating and adjusting each one of the compensation elements:

The value of the fixed installments is defined according to market practices for positions similar in nature and responsibility. In the same manner, the variable portion is established considering market practices for each position and is paid taking into consideration the results achieved by the Company, such as net profit, EBITDA, accomplishment of specific, previously negotiated objectives and managerial and behavioral aspects.

iv. Reasons that justify the composition of compensation:

The compensation policy for the Board of Directors, Executive Board and Fiscal council is based on market practices and aims at attracting and retaining professionals who are compatible with the Company's needs.

c. main performance indicators taken into consideration in determining each compensation element:

In the positioning of compensation to management in relation to the market, the following are considered: quantitative and qualitative indicators, degree of contribution to the results, overall performance and experience.

d. how compensation is structured to reflect the evolution of performance indicators:

The pro-labor (fixed compensation) and the benefits are not altered during the fiscal year as they are set for each year within the limits approved in the Annual General Meeting. Variable compensation is directly related the results achieved by corporate and individual performance.

e. how the compensation policy or practices align with the issuer's interests in the short, medium and long-term:

The Company's planning system is the basis for defining variable compensation, as it commits management to achieving short, medium and long-term results.

f. existence of compensation supported by subsidiary companies, controlled companies or direct or indirect controlling entities:

Not applicable to the Company.

g. existence of any compensation or benefit tied-to the holding of a specific corporate event, such as the sale of the controlling stock of the issuer:

Not applicable to the Company.

13.2. Regarding compensation to the board of directors, the executive board and to the fiscal council recognized in the results for the last fiscal year and that forecasted for the current fiscal year, develop a table with the following content:

Fiscal Year Ended December 31, 2009

Board of Directors (R$ thousand)	2007	2008	2009
Quantity of members	16	16	16
Fixed annual compensation	2,980	3,132	3,193
Pro-labor	2,980	3,132	3,193
Direct and indirect benefits	-	-	-
Compensation for participating in committees	-	-	-
Other	-	-	-
Variable annual compensation	406	352	521
Bonuses	406	352	521
Sharing in the results	-	-	-
Compensation for participating in meetings	-	-	-
Commissions	-	-	-
Other	-	-	-
Post-employment benefits	-	-	-
Benefíts due to termination of position	-	-	-
Stock option-based compensation	-	-	-
Total Compensation to the Board of Directors	**3,386**	**3,484**	**3,714**

Statutory Executive Board (R$ thousand)	2007	2008	2009
Quantity of members	6	6	6
Fixed annual compensation	4,397	4,282	5,230
Pro-labor	4,286	4,025	4,910
Direct and indirect benefits	111	257	320
Compensation for participating in committees	-	-	-
Other	-	-	-
Variable annual compensation	2,361	1,932	2,197
Bonuses	2,361	1,932	2,197
Sharing in the results	-	-	-
Compensation for participating in meetings	-	-	-
Commissions	-	-	-
Other	-	-	-
Post-employment benefits	603	587	670
Benefíts due to termination of position	-	-	-
Stock option-based compensation	-	-	-
Total Compensation to the Statutory Executive Board	**7,361**	**6,801**	**8,097**

Fiscal council (R$ thousand)	2007	2008	2009
Quantity of members	3	3	3
Fixed annual compensation	131	228	248
Pro-labor	131	228	248
Direct and indirect benefits	-	-	-
Compensation for participating in committees	-	-	-
Other	-	-	-
Variable annual compensation	-	-	-
Bonuses	-	-	-
Sharing in the results	-	-	-
Compensation for participating in meetings	-	-	-
Commissions	-	-	-
Other	-	-	-
Post-employment benefits	-	-	-
Benefits due to termination of position	-	-	-
Stock option-based compensation	-	-	-
Total Compensation to the Fiscal council	**131**	**228**	**248**
Total compensation (Boards and Committees)	**10,878**	**10,513**	**12,059**

Forecast for the 2010 Fiscal Year

The Board of Director's proposal to be reviewed during the General Shareholders' Meeting is to set the aggregate amount of compensation to the Statutory Boards and Committees at R$ 18 million. After the General Meeting, to be held on April 23, 2010 and depending on the amount that the Company's shareholders approve, the distribution of this limit among the bodies of management will be defined.

Board of Directors (R$ thousand)	Forecast for 2010
Quantity of members	16
Fixed annual compensation	3,740
Pro-labor	3,740
Direct and indirect benefits	-
Compensation for participating in committees	-
Other	-
Variable annual compensation	660
Bonuses	660
Sharing in the results	-
Compensation for participating in meetings	-
Commissions	-
Other	-
Post-employment benefits	-
Benefits due to termination of position	-
Stock option-based compensation	-
Total Compensation to the Board of Directors	**4,400**

Statutory Executive Board (R$ thousand)	Forecast for 2010
Quantity of members	7
Fixed annual compensation	6,300
Pro-labor	5,900
Direct and indirect benefits	400
Compensation for participating in committees	-
Other	-
Variable annual compensation	2,800
Bonuses	2,800
Sharing in the results	-
Compensation for participating in meetings	-
Commissions	-
Other	-
Post-employment benefits	800
Benefíts due to termination of position	-
Stock option-based compensation	-
Total Compensation to the Statutory Executive Board	**9,900**

Fiscal council (R$ thousand)	Forecast for 2010
Quantity of members	3
Fixed annual compensation	260
Pro-labor	260
Direct and indirect benefits	-
Compensation for participating in committees	-
Other	-
Variable annual compensation	-
Bonuses	-
Sharing in the results	-
Compensation for participating in meetings	-
Commissions	-
Other	-
Post-employment benefits	-
Benefíts due to termination of position	-
Stock option-based compensation	-
Total Compensation to the Fiscal council	**260**
Total compensation (Boards and Committees)	**14.560**

13.3. Regarding variable compensation to the board of directors, the executive board and to the fiscal council recognized in the results for the last fiscal year and that forecasted for the current fiscal year, develop a table with the following content:

Eventual variable compensation to the Board of Directors can be included in the total amount approved by the General Meeting. There is no variable compensation for members of the Fiscal council. Information regarding the members of the Executive Board is presented in the table below:

Statutory Executive Board (R$ thousand)	2007	2008	2009
Quantity of members	6	6	6
Bonuses			
Minimum amount foreseen in the compensation plan	-	-	-
Maximum amount foreseen in the compensation plan	2,361	2,012	2,455
Amount foreseen in the compensation plan assuming objectives are achieved	2,361	2,012	2,455
Amount effectively booked in the result	2,361	1,932	2,197
Sharing in results			
Minimum amount foreseen in the compensation plan	-	-	-
Maximum amount foreseen in the compensation plan	-	-	-
Amount foreseen in the compensation plan assuming objectives are achieved	-	-	-
Amount effectively booked in the result	-	-	-

Forecasted for Fiscal Year 2010

Statutory Executive Board (R$ thousand)	Forecast for 2010
Quantity of members	7
Bonuses	
Minimum amount foreseen in the compensation plan	-
Maximum amount foreseen in the compensation plan	2,800
Amount foreseen in the compensation plan assuming objectives are achieved	2,800
Sharing in results	
Minimum amount foreseen in the compensation plan	-
Maximum amount foreseen in the compensation plan	-
Amount foreseen in the compensation plan assuming objectives are achieved	-
Amount effectively booked in the result	-

13.4. Regarding the compensation plan based on stock options in effect for the board of directors and for the executive board during the last fiscal year and forecasted for the current year, describe:

Not applicable to the Company.

13.5. State the quantity of shares or quotas and of other securities which can be converted to shares or quotas, issued by the issuer, its direct or indirect controlling parties, companies it controls or that are under common control, held directly or indirectly, in Brazil or abroad, by members of the board of directors, of the executive board and of the fiscal council, grouped according to the body of management, on the date of the closing of the last fiscal year.

The Company does not offer an incentive program based on stock options. However, without detriment or connection to its results, Company management as well as its employees can participate in programs established by the Controlling Group, the amounts for which are not significant in terms of percentage of annual compensation.

13.6. Regarding compensation to the board of directors and to the executive board based on stock options booked in the results for the last 3 fiscal years and forecasted for the current fiscal year, develop a table with the following content:

Not applicable to the Company.

13.7. Regarding the open stock options available to the board of directors and to the executive board at the closing of the last fiscal year, develop a table with the following content:

Not applicable to the Company.

13.8. Regarding options exercised and shares transferred to the board of directors or executive board in relation to compensation based on stock options, in the last 3 fiscal years, develop a table with the following content:

Not applicable to the Company.

13.9. Summarized description of the information required to comprehend the data disclosed in items 13.6 to 13.8, such as an explanation of the method employed for pricing stock options, stating at least:

Not applicable to the Company.

13.10. Regarding pension plans granted to the members of the board of directors and executive board supply the following information in table format:

Board of Directors (R$ thousand)	
Quantity of members	1
name of the Plan	CD Plan
Quantity of managers who are eligible for retirement	1
Conditions for early retirement	-
Updated value of accumulated contributions to the pension plan up to the closing of the last fiscal year, after discounting the portion managers paid for directly	57
Total accumulated amount of the contributions paid to the plan over the last fiscal year, after discounting the portion managers paid for directly	17
If early pension withdrawals are possible and under which conditions	Not Applicable

Statutory Executive Board (R$ thousand)	
Quantity of members	6
name of the Plan	CD Plan
Quantity of managers who are eligible for retirement	4
Conditions for early retirement	1
Updated value of accumulated contributions to the pension plan up to the closing of the last fiscal year, after discounting the portion managers paid for directly	2.252

Total accumulated amount of the contributions paid to the plan over the last fiscal year, after discounting the portion managers paid for directly	459
If early pension withdrawals are possible and under which conditions	Not Applicable

13.11. State, in table format, for the last fiscal year and in relation to the board of directors, the executive board and the fiscal council:

Non-disclosed item due to the writ conceded by his honor the Judge of the 5th Federal Court of Rio de Janeiro, as per in the case record for process 2010.5101002888-5 to IBEF – Rio de Janeiro, with which the Company is associated.

13.12. Describe contractual arrangements, insurance policies or other instruments that create mechanisms to compensate or indemnify management in the event of dismissal or retirement, stating the financial consequences to the issuer:

Not applicable to the Company.

13.13. With regards to the last fiscal year, state the percentage of total compensation recognized in the results for each body of management of the issuer, that being the board of directors, the executive board and the fiscal council, that were parties related to direct or indirect controlling entities, as defined in accounting rules that deal with this matter:

About 73% of total compensation paid to the Board of Directors was to members with work contracts bound to the direct and indirect controllers of the Company.

None of the members of the Executive Board or of the Fiscal council are bound to the Company's controlling entities.

13.14. With regards to the last fiscal year, indicate amounts recognized in the issuer's results as compensation to members of the Board of Directors, statutory Executive Board or Fiscal council, grouped by body of management, for any reason other than the position they occupy, as for example, commissions and consulting or advisory services rendered:

Not applicable to the Company.

13.15 In relation to the three last fiscal years, indicate amounts recognized in the results of direct or indirect controllers, of companies under common control and controlled by the issuer, as compensation to members of the board of directors, statutory executive board or fiscal council, grouped by body of management, specifying under which title said amounts were credited to these individuals

No values are recognized in the results of our controllers, either direct or indirect, of companies under common control and of controlled companies by way of compensation as members of our Board of Directors, Board of Executive Directors and of our Fiscal Council.

13.16. Supply other information deemed relevant by the issuer

Other than the information disclosed in the other items above, there is no further information that may be considered relevant in relation to this item 13.

TRACTEBEL ENERGIA S.A.

A PUBLICLY TRADED COMPANY
CORPORATE TAX PAYER REGISTRATION (CNPJ) NBR. 02.474.103/0001-19
NIRE 4230002438-4

MANAGEMENT PROPOSAL FOR THE ANNUAL GENERAL SHAREHOLDERS' MEETING TO BE HELD ON APRIL 23, 2010 IN COMPLIANCE WITH CVM RULING Nº 481 DATED DECEMBER 17, 2009 (CVM RULING 481/09).

Pursuant to article 9 of CVM Ruling 481/09 the Company shall supply, no later than 1 (one) month before the date set for the Annual General Shareholders' Meeting, the following documents and information:

- **Management Report and Accounting Statements (Subsections I and II of article 9 of CVM Ruling 481/09)**
  The Management Report and the Complete Annual Accounting Statements were filed with the local Security and Exchange Commission (CVM) and with the Stock, Commodities and Futures Exchange (BM&FBovespa) on February 24, 2010 and were published in the Official Gazette of the State of Santa Catarina, and in the Diário Catarinense and Valor Econômico newspapers on March 18, 2010. These documents are also available on the Company's website: www.tractebelenergia.com.br

- **Management comments on the Company's financial situation, pursuant to item 10 of the reference form (Subsection III of article 9 of CVM Ruling 481/09)**
  Management's comments on the Company's financial situation are available in Annex I of this Proposal.

- **Independent Auditor's Report (Subsection IV of article 9 of CVM Ruling 481/09)**
  The Independent Auditor's Report is provided for in the Company's Management Report and in the Accounting Statements.

- **Fiscal Council's expert opinion, including dissident votes, as the case may be**
  The Fiscal Council's expert opinion is provided for in the Company's Management Report and Accounting Statements. We emphasize herewith that there were no dissident votes.

- **Paragraph 1 of article 9 - Subsection I – Standard Financial Statements Form - DFP**
  The Company submitted the DFP form on February 24, 2010, on the same date that the Management Report and the Complete Annual Accounting Statements were submitted.

- **Paragraph 1 of article 9 - Subsection II – Proposal for the allocation of net profits for the fiscal year containing, at least, information listed in annex 9-1-II of CVM Ruling 481/09.**
  Information relative to annex 9-1-II of CVM Ruling 481/09 is available in Annex II of this Proposal.

- **Paragraph 1 of article 9 - Subsection III – Fiscal Council's expert opinion, if available.**

The Company has not instated a Fiscal Council.

Annex I

Article 9 CVM Ruling 480/09 – Subsection III – Management Comments on the Company's financial situation, pursuant to item 10 of the reference form:

10. Comments of the Executive Board

10.1. The Executive Board shall comment on:

a) general financial and equity situation

The Company's financial and equity situation is favorable, demonstrating:

- Growing and consistent profit generation. Net income for fiscal year 2009 was R$ 1,134 million, representing a record value for the sixth consecutive year.
- Strong operating cash flow generation. EBITDA for 2009 amounted to R$ 2.178 million.
- A low level of debt reflecting the Company's potential to capitalize on growth opportunities. The total debt-to-EBITDA ratio, at December 31, 2009, was 1.6:1 and the net debt-to-EBITDA ratio was 0.99:1.
- A decrease in the level of default due to client portfolio diversification and a strict credit analysis process.
- Leadership maintained in the private sector for electric power production. Constant growth sustained by the Company's strategy to evaluate risk and opportunity in the market led to an increase in the Company's installed capacity to 6,431 MW, a growth of 73% during the 11 years it has been operating in Brazil.
- Remuneration to shareholders without depleting the Company's capital. The minimum dividends paid from 2005 to 2007, in 2008 and in 2009 amounted to, respectively, 95%, 68% and 55% of the fiscal year net income.

b) capital structure and possibility of stock redemption, stating:
(i) hypothesis for redemption; and
(ii) formula for calculating redemption value

The Executive Board understands that the Company's capital structure is adequate to its operations and that its financial leverage is comfortable.

The Company's business generates large operating cash flows, especially due a high margin as a result of the capital-intensive characteristic of electric power production and due to tight cost/expenses controls overseen by the Company's Management.

Tractebel Energia ended 2009 with net debt of R$ 2,160 million: total gross debt of R$ 3,415 million was partially offset by balance of cash and cash equivalents totaling R$ 1,255 million. Long-term debt corresponds to 90% of the total debt and the degree of operating leverage at 37% (net debt / net debt + shareholders' equity) guarantees that the Company is in a comfortable liquidity situation.

The Company's shareholder's equity at December 31, 2009 amounted to R$ 3,681 million with a positive variation of 16% in relation to the end of 2008, due to (i) fiscal year net earnings of R$ 1,134 million; and (ii) the allocation of part of the income to the distribution of dividends and interest on own capital in the amount of R$ 624 million.

Furthermore, the Company's Management has no intention of redeeming stock to use the funds generated by the Company in investments required to, at a minimum, maintain its market share in a scenario of strong growth in electric power consumption expected for Brazil in the coming years.

c) capacity for payment of financial commitments

The Company's Management, after analyzing performance and cash flow generation indicators, understands that the Company is in a favorable position, under a normal market situation, to honor its current short- and medium-term commitments, as well as to continue expanding its operations. The Company's Management understands that, under normal market conditions, the Company generates sufficient cash to allow it to comfortably honor all existing long-term commitments.

The Company's total debt-to-EBITDA ratio, at the end of 2009, was 1.6:1, and the EBITDA-to-financial-expenses ratio was 6.7:1.

The Company's risk classification (brAA+ by Standard & Poor's and AA (bra) by Fitch Ratings) is among the best in its sector.

d) funding sources used for working capital and for investments in non-current assets

In addition to using part of its cash flow, the main source of funding for the Company's investment projects is Brazil's National Bank for Economic and Social Development (BNDES - directly and through Financing Agents), which usually offers lower interest rates than private banks, in addition to payment terms compatible with the timing of the expected returns of the investment projects.

If the investment project is not eligible for BNDES funding, the Company usually resorts to the financial securities market by issuing promissory notes and debentures, or other such funding sources, aiming at maintaining an adequate capital structure and liquidity. The Company constantly evaluates funding alternatives for its operations.

e) funding sources for working capital and investments in non-current assets intended to be used to cover liquidity shortfalls

The Company has working capital lines of credit formally approved by first-line financial institutions in the amount of approximately R$ 400 million. Nevertheless, at December 31, 2009, none had been used.

Moreover, since the Company enjoys a Standard & Poor brAA+ credit rating and AA (bra) attributed by Fitch Ratings, it can rapidly resort to the financial market for eventual fund raising needs.

f) level of debt and characteristics of such debt, also describing:

(i) relevant loans and financing agreements

Main conditions of the agreements for all the loans and financing to the Company and to companies it controls

	Balance on Dec, 31, 2009 R$ Million	Charges	Payment Dates
Foreign currency			
Tractebel Energia S.A.			
STN	145	*Libor* + 1.075% p.a.	April 2024
BNP Paribas (Floating Rate Note)	101	*Euribor* + 2.75% p.a.	Nov, 2015
Local currency			
Tractebel Energia S.A			
Eletrobrás	41	12% p.a.	April 2011
BNDES	50	TJLP + 4% p.a. [a]	April 2013
Banco do Brasil	7	8.14% p.a. [d]	Dec. 2011
Itá Energética S.A. (Itasa)			
BNDES	46	TJLP + 4% p.a. [a]	Sept. 2013
Financial Agents (BNDES) [b]	57	TJLP + 3.85% p.a. [a]	Sept. 2013
Lages Bioenergética Ltda. (Lages)			
BRDE	18	TJLP + 2,25% p.a. [a]	Aug. 2012
Companhia Energética São Salvador (CESS)			
BNDES	222	TJLP + 2.7% p.a. [a]	Oct. 2023
Financial agents (BNDES) [b]	449	TJLP + 3.25% p.a. [a]	Oct. 2023

	Balance on 12.31.2009 R$ Million	Charges	Payment Dates
Ponte de Pedra Energética S.A. (PPESA)			
BNDES	88	TJLP + 5% p.a. [a]	April 2015
BNDES	7	UMBNDES + 5% + Variable rate. [c]	April 2015
Financial agents (BNDES) [b]	130	TJLP + 4.5% p.a. [a]	April 2015
Tupan Energia Elétrica S.A. (Tupan)			
Caixa Econômica Federal (CEF)	55	TJLP + 3.5% p.a. [a]	Dec. 2019
Hidropower Energia S.A. (Hidropower)			
Banco do Brasil	31	8.08% p.a. [d]	Oct. 2017
Hidrelétrica Areia Branca S.A. (Areia Branca)			
BNDES	64	TJLP + 2.5% p.a. [a]	June 2024
Eólica Beberibe S.A. (Beberibe)			
BNDES	103	TJLP + 3.5% p.a. [a]	Dec. 2023
Eólica Pedra do Sal S.A. (Pedra do Sal)			
BNDES	72	TJLP + 1.92% p.a. [a]	Dec. 2023

[a] The amount corresponding to the portion of the TJLP that exceeds 6% p.a. will be capitalized and included in the principal.
[b] BNDES financial agents are Itaú Unibanco Holding S.A., Banco Bradesco S.A., Banco Santander (Brasil) S.A. and Banco Votorantim S.A.
[c] A quarterly variable rate, readjusted in the months of January, April, July and October, based on the weighted average cost of all rates and expenses incurred by BNDES in obtaining funding in foreign currency.
[d] Fixed rate already considering a fulfillment bonus of 15% for payment on the due date.

Additional information on agreements with the most relevant values, entered into by the Company and the companies it controls

Agreements of Acknowledgement and Consolidation of Debt - STN

On April 28, 1997, the Company entered into an "Agreement of Acknowledgement and Consolidation of Debt" with the Federal Government, whereby the Company acknowledged a debt of R$ 202 million, equivalent to US$ 199 million on August 1, 1996. This debt refers to external commitments resulting from medium- and long-term loan agreements entered into with foreign creditors and which were not deposited with the Central Bank of Brazil pursuant to National Monetary Council (CMN) Resolutions no. 1.451/88 and 1.564/89, including installments due after December 31, 1993, which were subject to be exchanged for bonuses issued by the Government, pursuant to CMN Resolutions no. 98/92, 90/93 and 132/93.

Monetary adjustments and interest at variable rates accrues on the total acknowledged debt, in accordance with the provisions set forth in the acknowledgement agreement, and are calculated on the daily outstanding balances previously adjusted according to the type of bonus. Additionally the outstanding amounts incur other charges such as an administration fee to the bank where the guarantee funds described below are deposited.

The Company shall amortize the principal owed pursuant to this agreement three business days prior to April 15th and October 15th of each year, observing initial, final and lump-sum payment dates established for each type of bonus, as provided for in the acknowledgement agreement. Interest is payable semi-annually and the final installment is due together with the last principal installment of the respective bonus, on April 15, 2024. To guarantee the commitments assumed pursuant to the debt acknowledgement agreement, the Company (i) set-up a cash security deposit, discount bonus and par bonus equivalent to US$ 6 million and US$ 8 million, respectively; and (ii) assigned and transferred to the Federal Government credits to its current account generated by deposits against its receivables, up to the limit sufficient to cover the payment of installments and other charges owed by the Company at each maturity date, pursuant to the debt acknowledgement agreement.

Floating Rate Notes – BNP Paribas

On November 29, 1999 the Company issued in the international market 40 million Euros' worth of Floating Rate Notes which mature on November 30, 2007, under a private placement. Citibank N.A. London was the issuing and paying agent. These Notes were paid at EuroLibor rate plus a spread of 7% per annum on the outstanding principal in November of each year, being that the last installment was to be paid together with the principal at the end of the operation, foreseen for November 30, 2007. On this date the Notes were renegotiated: maturity dates were extended to eight years and interest, paid on an annual basis, were set to accrue at EuroLibor rate plus a spread of 2.75% per annum upon the outstanding principal. The payment of the principal will be made in a sole installment due on November 29, 2015.

Eletrobrás

On September 16, 1991 the Company entered into an R$ 128 million Financing Agreement with Eletrobrás for the construction of the Itá Hydroelectric Power Plant. Interest at a rate of 10% per annum is accrued to the principal, payment of principal and interest is to be made in 120 monthly installments paid on the 30th of each month and the maturity date of the last installment is April 30, 2011. As a guarantee for fulfilling this obligation, the Company (i) granted to Eletrobrás the right to collect the Company's own receivables (amounts overdue to the Company); and (ii) issued to Eletrobrás promissory notes for the instalments due under the terms of the agreement.

Financing Agreements with BNDES

Tractebel Energia: As a result of the incorporation of Companhia Energética Meridional (CEM) on March 23, 2008, existing guarantees from CEM to BNDES under a Credit Facility Agreement and a Debenture Subscription and Payment Agreement were replaced by a Letter of Guarantee from Itaú-Unibanco to the Company on December 19, 2007, in the amount of R$ 157 million, valid up to October 15, 2013. The First Amendment to the Credit Facility Agreement relative to the incorporation was signed on April 8, 2008, whereby the Company, as CEM's successor in its rights and obligations, confessed and assumed the debt in the amount of R$ 78 million at the base- date of January 15, 2008. The Second Amendment to the Debenture Subscription and Payment Agreement relative to the incorporation was signed on April 8, 2008, whereby the Company, as CEM's successor in its rights and obligations, confessed and assumed the debt in the amount of R$ 77 million on the base-date of January 15, 2008.

Project Finance was also contracted with BNDES. As a result, the following Specific Purpose Companies were formed for the implementation of the respective hydroelectric power plants.

Itasa: On June 3, 2001 jointly-owned subsidiary Itasa entered into R$ 542 million financing agreement with BNDES and with BNDES's Financing Agents Itaú-Unibanco, Bradesco, Banco Safra and Banco Votorantim, for the construction of the Itá Hydroelectric Power Plant. As a guarantee for the fulfillment of the finance agreement obligations, Itasa: (a) pledged Emerging Concession Rights to operate Itá Hydroelectric Power Plant; (b) pledged Credit Rights resulting from the Electricity Purchase and Sale Agreements entered into with its shareholders; (c) agreed to maintain a reserve account in an amount equivalent to three months of the servicing of BNDES debt (substituted by a bank guarantee), and three months of the plant's contractual operation and maintenance expenses. In addition to these guarantees, the shareholders pledged the entirety of ITASA's shares to BNDES and to BNDES's Financing Agents.

CESS: On March 19, 2007, wholly-owned subsidiary CESS entered into financing agreements, in the total amount of R$ 570 million, with BNDES and BNDES Financing Agents Itaú-Unibanco, Bradesco, Banco Santander and Banco Votorantim for the construction of the São Salvador Hydroelectric Power Plant. As a guarantee for the fulfillment of the finance agreement obligations, CESS: (a) pledged the Emerging Concession Rights to operate the São Salvador Hydroelectric Power Plant; (b) agreed to maintain a centralized credit rights account to receive CESS receivables; and (c) pledged to maintain a Reserve Account in an amount equivalent to three months of the cost of servicing the debt, plus an amount equivalent to three months of payments for the Project Operation and Maintenance Agreement. In addition to these guarantees, shareholders offered to BNDES and BNDES's Financial Agents the entirety of shares issued by CESS as collateral.

PPESA: On December 17, 2002 the indirectly owned subsidiary and parent company Ponte de Pedra Energética S.A. (PPESA) entered into an R$ 275 million financing agreement with BNDES and BNDES's Financing Agents Itaú-Unibanco, Bradesco and Banco do Brasil. As a guarantee for the fulfillment of the finance agreement obligations, Ponte de Pedra: (a) pledged Emerging Concession Rights for operating the Ponte de Pedra Hydroelectric Power Plant; (b) agreed to maintain a centralized credit rights account to receive PPESA receivables; (c) pledged to maintain a Reserve Account in an amount equivalent to the cost of servicing the debt for three months, plus an amount equivalent to three months of payments for the Project Operation and Maintenance Agreement. In addition to these guarantees, shareholders offered to BNDES and its Financial Agents the entirety of the shares issued by PPESA, as collateral. On February 17, 2010 PPESA conducted an early amortization of its total debt with BNDES and financing banks. The Company took the initiative to anticipate the amortization of the debt, in the amount of R$ 223.2 million, as part of its plan to incorporate PPESA and its controlling holding company, Energia América do Sul Ltda. thereby simplifying its corporate structure.

(ii) other long-term relationships with financial institutions

Long-term relationships with financial institutions besides those mentioned in item 10.f.(i) above are represented by debentures issued by the Company and by the companies it controls.

Main conditions of debentures issued by the Company and companies it controls

	Balance on Dec. 31, 2009 R$ Million	Quantity in circulation	Remuneration	Payment Conditions		Guarantee
				Interest/monetary adjustment	Principal	
Tractebel Energia						
1st Issue - 1st Series	147	14,000	IGPM + 9,29% p.a.	Annually on May 2nd	Lump-sum installment on May 2, 2011	None
1st Issue - 2nd Series	61	6,000	103.9% of CDI	Semi-annually on May 2nd and Nov. 2nd	Lump-sum installment on May 2, 2010	None
2nd Issue Single Series	414	35,000	IPCA + 7% p.a.	Annually on May 15th	3 installments, each on May 15, 2012 / 2013 / 2014	None
3rd Issue Single Series	616	60,000	117% of CDI	Semi-annually on April 1st and October 1st	Lump-sum installment on 01.04.2011	None
4th Issue Single Series	403	400	110% of CDI	Semi-annually on May 5th and Nov. 5th	5 installments, each on November 5th, 2011 / 2012 / 2013 / 2014 / 2015	None
Cana Brava 1st Issue Single Series	53	7,773	TJLP + 4% p.a. (*)	Semi-annually on April 1st and October 1st, up to April 1st, 2013	Semi-annual, varying from 4.7027% on April 1, 2008, to 7.5737% on April 1, 2013	Power production and sales receivables
Itasa						
1st Issue - 1st Series and 2nd Series	34	8,400	IGPM + 9.4% p.a.	Annually on December 1st (1st series) and June 1st (2nd series)	7 equal installments, on Dec. 1 (1st series) and June 1 (2nd series) of each year, up to Dec. 1, 2013 (1st series), and June 1, 2013 (2nd series)	Pledge of Creditors' Rights for energy sale agreements to its shareholders

(*) The amount corresponding to the part of the TJLP that exceeds 6% p.a. will be converted to capital an added to the par value of the debentures.

(iii) Degree of Debt Subordination

The Company has no subordination among debt.

(iv) eventual restrictions imposed on the Company, particularly in relation to debt limits and in contracting new debt, distribution of dividends, disposal of assets, issuance of new securities and the sale of corporate control

The Company is subject to the following covenants (indices and financial limits) established in its loan and financing and debenture agreements:

Loans and financing:

Debt	Covenants
Tractebel Energia	
BNDES	Shareholders' equity / Total Assets ≥ 30%
PPESA	
BNDES and Financial agents	Debt Service Credit Ratio ≥ 1,3
CESS	
BNDES and Financial agents	Debt Service Credit Ratio ≥ 1,3
Lages	
BRDE	(Current Liabilities + Long-Term Liabilities) / Total Assets ≤ 66%
Itasa	
BNDES and Financial agents	Shareholders' equity / Total Assets ≥ 40%
Hidropower	
Banco do Brasil	(i) Shareholders' equity / Total Assets ≥ 0,35 (ii) Current Assets / Current Liabilities ≥ 1,20 (iii) EBITDA Margin (EBITDA / ROL) ≥ 0,80 (iv) EBITDA / Financial Expenses ≥ 2,70 (v) Total Financial Debt/ EBITDA ≤ 4,0 (vi) Debt Service Credit Ratio ≥ 1,3
Tupan	
CEF	(i) Shareholders' equity / Total Liabilities ≥ 21% (ii) Capital Stock / Property, plants and equipment ≥ 21% (iii) Debt Service Credit Ratio ≥ 1,3

Loans contracted with BNDES are formalized by entering into financing agreements under which lines of credit are opened, and are subject to "Provisions Applicable to BNDES Agreements". Pursuant to the "Provisions Applicable to BNDES Agreements", in addition to the financial covenants included in the table above, BNDES's borrowers, including the Company, cannot, without permission of BNDES, (i) give preference to other credits, (ii) amortize stock; (iii) issue debentures; (iv) issue participation certificates; (v) take on new debt, (except for stipulations in writing set forth in the "Provisions Applicable to BNDES Agreements"); and (vi) sell or encumber property, plants and equipment.

Covenants for Eólica Pedra do Sal S.A. and Eólica Beberibe S.A. shall be required as of April 30, 2010 and Hidrelétrica Areia Branca S.A., as of June 30, 2010.

The Company is complying with the covenants established in loan and financing agreements, with the exception of Hidropower Energia S.A., as described below.

Hidropower has restrictive clauses in its financing agreements which require that certain financial ratios be maintained, among them current liquidity and debt-service coverage. When such ratios are not met, Hidropower, after being officially notified by the Financial Agent, must make a cash capital contribution to cover any shortfall.

Hidropower's current liabilities are above the level allowed by the financing agreement, which negatively affects both the current liquidity and debt-service coverage ratios. However, management does not believe that the agreement clause will not be complied with, which would consequently call for prepayment of the debt, since Hidropower's controlling company, Tractebel Energia, formally stated that it is negotiating to rectify this situation with the Bank and, if necessary, will make a capital contribution to Hidropower within the established deadline, should the Company be notified by the Financial Agent. Up to the present moment, said notification, foreseen in the agreement, has not occurred.

Debentures:

Debt	Covenants
Tractebel Energia	
1st, 2nd, 3rd e 4th Issues	(i) EBITDA/Consolidated Financial Expenses ≥ 2,0 (ii) Consolidated Debt/EBITDA ≤ 2,5 (a)
Cana Brava - 1st Issue (Single Series)	Shareholders' equity / Total Assets ≥ 30%
Itasa	
BNDES and Financial agents – 1st Issue	Shareholders' equity / Total Assets ≥ 40%

(a) For 3rd and 4th Issue of debentures, the covenant (i) may reach 3.5 should there be new investments/acquisitions, in which case, any new debt contracted by the Company shall only be due at a date after the maturity date of these issues.

In addition to the financial covenants described above and pursuant to the deeds of issue of the Company's debentures, the Company must comply with restrictions subject to the penalty of having to liquidate the debenture debt before maturity, according to the terms and specific conditions set forth in the respective deeds of issue. These restrictions are summarized as follows: (i) alteration in the Company's direct or indirect shareholder control; (ii) the sale, ineffectiveness or prolonged interruption of operation or any other form of disposal, by the Company, of property, plants and equipment representing, individually or collectively, 25% of the Company's capacity for generating electrical energy and which certifiably affect the Company's financial-economic capacity; and (iii) the Company becoming in arrears regarding any pecuniary obligation in relation to debentures, payment of dividends, interest on shareholders' equity or any other profit sharing foreseen in the By-laws, with the exception of payment of the minimum mandatory dividend pursuant to the dispositions of the Corporations Law.

The Company is complying with the financial covenants and restrictions described above as set forth in the documents regarding the issue of debentures.

g) Limits of use of the contracted loans

On December 31, 2009, an R$ 82 million financing agreement between the Company, by way of its controlled company Ibitiúva Bioenergética S.A. (Ibitiúva), and the BNDES was in effect. The loan was divided into 4 sub credits: (i) Sub credit A, for R$ 34 million, to be employed in the implementation of a plant and a substation; (ii) Sub credit B, for R$ 37 million, for the purchase of local machinery and equipment; (iii) Sub credit C, for R$ 8 million, to be used for the implementation of a transmission system restricted to the plant and an interconnection with the existing electric energy network; and (iv) Sub credit D, for R$ 3 million, to be used in the payment of the last installment of the EPC agreement. The deadline for using these funds is December 2010 for sub credits A, B and C and June 2011 for sub credit D.

Up to the date this document was presented, none of the sub credits had been disbursed.

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h) Significant changes in each item of the financial statements

Comparison of the Company's operating results for fiscal years ended on December 31, 2009, 2008 and 2007

(R$ million)	December 31st							
	2009	% of net revenue	2008	% of net revenue	2007	% of net revenue	2008/2009 (%)	2007/2008 (%)
GROSS OPERATING REVENUE	**3,886**	**-**	**3,793**	**-**	**3,338**	**-**	**2.5**	**13.6**
DEDUCTIONS FROM OPERATING REVENUE	**(390)**	**11.2**	**(393)**	**-11.6**	**(321)**	**-10.6**	**(0.8)**	**22.4**
NET REVENUE FROM SALES AND SERVICES	**3,496**	**100**	**3,400**	**100**	**3,017**	**100**	**2.8**	**12.7**
ELETRIC ENERGY AND SERVICE COSTS								
Electric energy purchased from third-party	(392)	11.2	(446)	13.1	(241)	8.0	(12.1)	85.1
Transactions conducted through the CCEE	(124)	3.5	(45)	1.3	(182)	6.0	175.6	(75.3)
Cost of electric energy production	(263)	7.5	(235)	6.9	(206)	6.8	11.9	14.1
Electric energy production cost	(674)	19.3	(651)	19.2	(616)	20.4	3.5	5.7
Costs of services rendered	(10)	0.3	(11)	0.3	(11)	0.4	(9.1)	-
	(1,463)	**41.8**	**(1,388)**	**40.8**	**(1,256)**	**41.6**	**5.4**	**10.5**
GROSS INCOME	**2,033**	**58.2**	**2,012**	**59.2**	**1,761**	**58.4**	**1.0**	**14.3**
OPERATING EXPENSES								
Selling expenses	(15)	0.4	(15)	0.4	(11)	0.4	-	36.4
General and administrative expenses	(163)	4.7	(162)	4.8	(130)	4.3	0.6	24.6
Operational provisions, net	(31)	0.9	(4)	0.1	(7)	0.2	-	(42.9)
Recovery of PIS, Cofins and favorable ruling on lawsuit	9	0.3	79	2.3	4	0.1		
Other net operating income (expense)	5	0.1	-	-	(1)	-	-	(100.0)
	(195)	**5.6**	**(102)**	**3.0**	**(145)**	**4.8**	**91.2**	**(29.7)**
Service income	**1,838**	**52.6**	**1,910**	**56.2**	**1,616**	**53.6**	**(3.8)**	**18.2**
Net financial income (expenses)								
Financial income	87	2.5	123	3.6	101	3.3	(29.3)	21.8
Financial expenses	(327)	9.4	(443)	13.0	(230)	7.6	(26.2)	92.6
	(240)	**6.9**	**(320)**	**9.4**	**(129)**	**4.3**	**(25.0)**	**148.1**
INCOME BEFORE TAXES	**1,598**	**45.7**	**1,590**	**46.8**	**1,486**	**49.3**	**0.5**	**7.0**
Income tax and social contribution	(464)	13.3	(475)	14.0	(440)	14.6	(2.3)	8.0
NET INCOME FOR THE PERIOD	**1,134**	**32.4**	**1,115**	**32.8**	**1,046**	**34.7**	**1.7**	**6.6**
NET INCOME PER SHARE	**1.74**	**-**	**1.71**	**-**	**1.60**	**-**		
EBITDA[1]	**2,178**	**62.3**	**2,177**	**64.0**	**1,851**	**61.3**	**-**	**17.6**

NET EARNINGS TO EBITDA RECONCILIATION [1]

	Fiscal year ended December 31		
	2009	**2008**	**2007**
Fiscal year net income	1,134	1,115	1,046
Depreciation and Amortization	340	267	236
Net Financial Result	240	320	129
Income Tax and Social Contribution	464	475	440
EBITDA[1]	**2,178**	**2,177**	**1,851**
EBITDA Margin (%)[2]	**62.3%**	**64.0%**	**61.3%**

[1] EBITDA, as calculated by the Company, equals net earnings/ (losses) before income tax and social contribution, net financial expenses and depreciation and amortization expenses. EBITDA is not a measure of financial performance according to the "Accounting Practices Adopted in Brazil" neither should it be considered individually as an alternative to or a substitution for net income as an indicator of operating performance, or an alternative to cash flow as an indicator of liquidity. Our calculation of EBITDA may not be comparable to the EBITDA or adjusted EBITDA of other companies. Since financial expenses, financial income, income taxes, social contribution taxes and depreciation and amortization are not taken into consideration in its calculation, EBITDA acts as a general economic performance indicator. Consequently, EBITDA is a very significant tool to periodically compare operating performance and a basis for management to take decisions. EBITDA permits a better understanding not only of financial performance, but also of the capacity to comply with borrowing obligations and to raise funds for capital expenditures and working capital. EBITDA, however, has limitations that impair it as a measure of profitability since it does not address certain business costs that could significantly affect profitability, such as financial expenses, taxes, depreciation, capital expenditures and associated expenses.

[2] EBITDA divided by Net Operating Revenue.

Comparative Analysis for the results of fiscal years ended December 31, 2009 and December 31, 2008

Gross operating revenue

In fiscal year 2009, gross operating revenue reached R$ 3,886 million, an increase of 2.5% over the R$ 3,793 million recorded in 2008. This trend largely reflects: (i) a reduction of R$ 231 million in the revenues resulting from the transactions conducted through the Electric Power Trade Board (CCEE), as explained below under a specific heading; (ii) a growth of R$ 26 million in revenue from energy exports to Argentina and Uruguay; (iii) a gain of R$ 35 million due to a settlement with the São Salvador Consortium to indemnify delays in the conclusion of works at the São Salvador Hydroelectric Power Plant; and (iv) an increase of R$ 265 million as a result of a 7.7% increase in the average selling price after discounting exports, which prices are volatile and distort the analysis of average selling prices, rising from R$ 112,46/MWh to R$ 121,11/MWh. This effect reflects changes made to the Company's sales portfolio which resulted in a decrease in volumes sold through bilateral agreements with distributors, resellers and free consumers and a corresponding increase in volumes sold to the *pool* of distributors in auctions, in which electricity begins to be supplied as of January 1st, 2009. Alternatively, it is correct to state that the increase in revenue as a result of sales of companies acquired or that entered into operation during or after 2008 was R$ 131 million, taking into account the indemnity referred to in item (iii) above.

Deductions in operating revenue

In 2009, deductions amounted to R$ 390 million, slightly lower than in 2008 which were R$ 393 million. These deductions accounted for 10.2% and 10.5%, respectively, of gross operating revenue, excluding exports which are exempt from PIS, Cofins and ICMS taxes. This variation is basically justified (i) by the increase in PIS and Cofins taxes in the amount of R$ 33 million, as a result of going from a cumulative system (3.65% tax rate) to a non-cumulative system (9.25% tax rate but with credit generated for certain transactions) on agreements with preset prices which matured during 2008 and 2009; and (ii) a drop in ICMS of R$ 37 million, due to the reduction in sales to industrial consumers, which are subject to this tax.

Net operating revenue from sales and services

For the 2009 fiscal year, total net operating revenue was R$ 3,496 million, 2.8% higher than the R$ 3,400 million verified in 2008. This increase is a direct result of combining the variation in gross operating revenue with that of operating revenue deductions, as explained above.

Year to date, the average price went from R$ 100.65/MWh in 2008 to R$ 108.81/MWh in 2009, a year-over-year 8.1% increase. This increase reflects the price readjustments on existing agreements and the pricing in new agreements, especially those with free consumers and with the *pool* of distributors as previously mentioned.

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Cost of electric energy and services

For the fiscal year 2009, costs rose 5.4% in relation to 2008, reaching R$ 1,463 million and R$ 1,388 million, respectively. This variation was mainly due to the following:

Electric power purchased for resale: declined by R$ 54 million, basically due to the combination of the following factors: (i) a reduction of 1,325 GWh (151 average MW) in purchased electricity, as a result of a drop in supply to free consumers and lower sales to resellers, due to less appealing Spot Prices (PLD) recorded during the fiscal year being analyzed, R$ 38.74/MWh versus R$ 98.51/MWh in 2008; and (ii) a19.1% increase in the average purchase prices. A considerable portion of these purchase agreements was executed years ago, and therefore had no relation with the lower PLD recorded in 2009, which allowed the Company to sell a 30-year-old product on the "Botox" energy auction, with delivery scheduled for 2009, at very attractive prices.

Transactions channeled through the Energy Trading Board - CCEE: a decrease of R$ 79.0 million in 2009, as commented below under a specific heading.

Charges for the use of the electricity network and connection: increased by R$ 28 million in 2009, especially due to the levying of these charges on companies acquired or that entered into operation during and after 2008.

Electricity production cost: increased by R$ 23 million due to the following considerations:

Electricity energy generation fuel expenses: dropped R$ 66 million especially as a result of a combination of the following factors: (i) consumption of R$ 92 million in diesel oil at the William Arjona and Alegrete TPPs in 2008 was not meaningful in 2009, as (i.i) the National Electricity System Operator (ONS) dispatched these plants to maintain the system's safety margin nationwide in 2008 due to diminished water flows at certain periods of the year (these costs were offset by an increase in CCEE revenue as mentioned in greater detail below under 'Energy Trading Board – Details of CCE Operations'), and (i.ii) energy was exported to Argentina and Uruguay from Alegrete TPP, also in 2008; (ii) consumption of coal at the Jorge Lacerda Thermoelectric Complex plants to generate energy for exports in the amount of R$ 32 million in 2009 was not meaningful in 2008; and (iii) a R$ 6 million decline due to the adjustment in the cost of biomass used in the production of electricity at the Lages Cogeneration Unit.

- **Financial compensation for the use of hydrological resources:** decreased by R$ 2 million mainly due to a combination of lower hydroelectric production because of drought conditions in the Southern region of the country in the second quarter of 2009 with the annual tariff readjustment.
- **Personnel:** a R$ 4 million increase, justified by readjustments to salaries and benefits.
- **Material and outsourced services:** increased R$ 9 million in 2009, mainly due to expenses with materials and services incurred by companies acquired or that entered into operation during and after 2008.

- **Depreciation and amortization**: an increase of R$ 75 million in 2009, due in large part to the consolidation of the depreciation on assets of companies acquired or that entered into operation during and after 2008.

Energy Trading Board – Details of CCEE operations

The various monthly credit or debit entries to the account of a member of the CCEE are consolidated into a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expense account. In this context it is worth pointing out that due to adaptations to the Company's portfolio management strategy, there have been changes in the profile of the aforementioned billing over the past few years. Such fluctuations make it difficult to directly compare the elements comprising each billing over the two-year period – the reason for including this topic in the present report. In this way, it allows us to analyze the oscillations of the principal elements in spite of their allocation either to income or expenses according to the credit or debit nature of the billing to which they relate.

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

For the fiscal year 2009, net income of R$ 59 million was recorded against an expense of R$ 251 million for the preceding year; that is, a negative year-to-year impact on the result of R$ 310 million was generated. This oscillation was due, especially, to the following factors:

I. the Energy Reallocation Mechanism (MRE) result deteriorated by R$ 27 million, as net revenue of R$ 12 million in 2008 became a net expense of R$ 14 million in 2009, due to a reduction of 3.4% in hydroelectric power generation in 2009 caused by less rainfall than in 2008. Part of this increase in expenses was offset by lower royalty payments as described in the "financial compensation for the use of water resources" item. Clarifications on the positive balance of R$ 239 million in 2008 and the negative balance of R$ 45 million in 2009 in CCEE operations are given in the following subsections II and III, respectively;

II. during 2008, spot prices varied substantially. As a consequence of the opportune strategy for allocating the annual assured energy to the hydroelectric plants, in general the Company was long in the months when spot prices were high while short positions coincided with months when spot prices were low. The effects of the combination of these monthly results were the main reason for the R$ 239 million in subsection I above; and

III. a combination of low and less volatile spot prices, and a lesser need for out-of-merit generation, allowed the Company to reduce in 2009 its thermal power generation by 22.8%, as commented on under the item "production". This contributed to increase short positions or reduce long positions in the CCEE, depending on a particular month. In addition to having decreased, spot prices reported a lower standard deviation during the course of 2009, reducing the potential for gains (and losses) under the aforementioned allocation strategy. In addition, short positions were more significant in the months when spot prices were slightly higher. These impacts are largely responsible for the R$ 45 million in subsection I above.

Gross operating revenue

In fiscal year 2009 gross operating revenue reached R$ 2,033 million, 1.0 % higher than that recorded in 2008, which largely reflects variations explained in sub-items "Gross operating revenue" and "Costs of Electric Energy and Services".

Operating expenses

General and administrative expenses

In 2009, general and administration expenses increased slightly from R$ 162 million to R$ 163 million, in large as a combined result of: (i) higher personnel costs of R$ 5 million due to annual wage and fringe benefits adjustments; (ii) a R$ 3 million reduction in expenses with contributions and donations; and (iii) a R$ 2 million drop in depreciation and amortization costs.

Net operating provisions

In 2009, these expenses amounted to R$ 31 million, or R$ 27 million higher than the R$ 4.0 million in 2008. This variation is the result of a combination of: (i) a provision for civil contingencies of R$ 30 million largely relating to litigation involving a revision of retirement benefits demanded by the private pension foundations sponsored by the Company; (ii) an increase in the annual provision for post-employment benefits of R$ 20 million; both partially offset by (iii) the reversal of a provision for labor and tax contingencies of R$ 23 million, due to favorable final decisions with no right of appeal and agreements reached in lawsuits against the Company.

Recovery of PIS and Cofins taxes and gains from legal proceedings

In fiscal year 2008, the Company recognized non-recurring income of R$ 76 million related to the reimbursement of PIS and Cofins taxes improperly levied in previous fiscal periods. This amount represents primarily taxes paid on values recovered on the consumption of fossil fuels acquired through the Fuel Consumption Account (CCC) and the Energy Development Account (CDE). Under an Aneel directive, as from November 2005 these items are no longer recognized as operating revenue and are now booked to an electric energy production cost rectifying account. In fiscal year 2009, the Company recorded a non-recurring gain of R$ 9 million as a result of a judicial agreement with respect to the rescission of the construction of the biomass-fired São João plant.

Service income

In fiscal year 2009, service income was R$ 1.838 million, 3.8% lower in comparison with 2008, due to variations previously mentioned in sub-items "Gross operating revenue" and "Operating expenses".

Financial result

Financial income

In 2009, financial income was R$ 87 million, R$ 36 million less than in 2008, which amounted to R$ 123 million, due in large part to: (i) a R$ 23 million reduction in income from financial investments due to lower market rates of interest in 2009, the result of government efforts to boost consumption and mitigate the impact of the global crisis; (ii) a R$ 4 million decline in the variation of monetary restatement on court escrow deposit accounts, mainly as a result of the lower Selic rate of interest between comparative periods; and (iii) a reduction of R$ 9 million in monetary restatement on long term receivables due to the suspension of adjustments to their face value.

Financial expenses

For fiscal year 2009 financial expenses at R$ 327 million dropped R$ 116 million from R$ 443 million in 2008. This was a combined result of the following: (i) unearned capital gain of R$ 158 million on loans and financing resulting from the devaluation of the US dollar and euro against the real; (ii) a growth in financial expenses of R$ 93 million - basically interest on the outstanding debt of companies acquired or that entered into operation during or after 2008, of R$ 54 million and balances payable on the 3rd and 4th debenture issue amounting to R$ 50 million, both partially offset by a reduction of R$ 9 million in charges on the 3rd issue promissory notes settled in 2009; (iii) a R$ 77 million reduction in monetary restatement on debts, due in large part to a decline in the variation of the IGP-M and IPCA inflation indices in 2009 compared to 2008; and (iv) a loss of R$ 19 million on the yield of United States Treasury Bonds used as collateral for the loan with the National Treasury Secretariat (STN).

Income tax and social contribution

Tax expenses decreased from R$ 475 million in 2008 to R$ 464 million in 2009, values that correspond to 29.8% and 29.0% of net earnings before income tax and social contribution, respectively.

Fiscal year net income

For fiscal year 2009, net income reached R$ 1,134.4 million, 1.7% higher than in the previous year, which was R$ 1,115.2 million, and representing R$ 1.74 per share. Discounting the 2009 pre-tax effect of the non-recurring indemnity regarding the rescission of the agreement for the construction of the biomass-fired São João plant, in the amount of R$ 5.5 million, and revenue - also non-recurring - of R$ 50.4 million recognized in 2008 with respect to the recovery of PIS and Cofins inappropriately collected in preceding years, the net income for the year under review would have been 6.0% higher in relation to the preceding fiscal period.

EBITDA and EBITDA Margin

Reflecting the effects mentioned above, EBITDA was R$ 2,178 million for fiscal year 2009, slightly higher than that of 2008, which equaled R$ 2,177. EBITDA margin reached 62.3%, in 2009, while in 2008 it was 64.0%.

Comparative analysis of results for the fiscal years ended December 31, 2008 and December 31, 2007

Gross operating income

In fiscal year 2008, gross operating revenue was R$ 3,793 million, an increase of 13.6% over the R$ 3,338 million recorded in 2007. This trend largely reflects: (i) an increase in the average selling price of 14.8%, rising from R$ 97.84/MWh in 2007 to R$ 112.31/MWh in 2008; (ii) a reduction of 6.5% in the amount of energy sold from 32,800 GWh (3,744 average MW) to 30,661 GWh (3,491 average MW) due to the imposition of reduced physical guarantees of certain thermoelectric plants by the Mining and Energy Ministry (MME) and the lapsing of Aneel's authorization excluding the Company from exposure to the spot price (PLD) for the 300 MW of imported energy under the agreement signed with Companhia de Interconexão Energética (CIEN); (iii) a growth of R$ 257 million in revenue from transactions channeled through the Energy Trading Board (CCEE), as explained below under a specific heading, (iv) a reduction in energy exports to Argentina and Uruguay of R$ 135 million, equivalent to 947.6 GWh, and (v) enhanced revenues from sales of energy generated by Ponte de Pedra HPP (UHPP) worth R$ 98 million and reflected in the breakdown of average price and variation in sales volume for 2008 as previously described.

It is worth noting that, with the exception of PPESA, gross operating revenue was little impacted by plants recently acquired and incorporated into the company's business during fiscal year 2008, namely those of the Beberibe and Pedra do Sal wind farms, Hidropower and Tupan.

Deductions in operating revenue

In 2008 deductions were R$ 393 million, 22.4% higher than in 2007 when the figure was R$ 321 million. This increase stems largely from a combination of the following factors: (i) growth of 13.6% in gross operating revenue; (ii) increased PIS and Cofins payments due to maturing sales agreements subject to the cumulative tax regime at a rate of 3.65%, and the subsequent re-

contracting of this energy via fresh sales agreements on a non-cumulative basis at a rate of 9.25%; and (iii) reduced energy exports which are exempt from ICMS, PIS and Cofins charges.

Net operating revenue from sales and services

For the 2008 fiscal year, net operating revenue totaled R$ 3,400 million, 12.7% higher than the R$ 3,017 million in 2007. The improved performance is directly linked to growth in gross operating revenue and deductions from operating revenue, as explained above.

The net price of energy sales rose from R$ 88.16/MWh in 2007 to R$ 100.65/MWh in 2008, an increase of 14.2%. This increase is mainly due to the growth of gross operating revenue and deductions from operating revenue as well as increased prices practiced by free customers.

Cost of electrical energy and services

For the fiscal year 2008 costs rose 10.5% to R$ 1,388 million against R$ 1,256 million in 2007. These variations were principally due to the following elements:

Electrical energy purchased for resale: there was an increase of R$ 205 million in 2008 due to the expansion of 25.7% in the volume of energy purchased for resale and the increase of 47.1% in average prices due to higher prices charged on new agreements. This percentage is in line with the increase in average spot prices (PLD) for 2008, approximately 40% higher than 2007.

Transactions channeled through the Energy Trading Board (CCEE): a reduction of R$ 137 million in 2008, as commented below under a specific heading.

Charges for the use of the electricity network and connection: an increase of R$ 29 million in 2009, principally due to the annual tariff readjustment and secondarily to the inflow of R$ 11 million related to the charges incurred by UHPP.

Cost of production of electrical energy: increase of R$ 35 million due to the following reasons:

- **Fuel expenses for electrical energy generation:** there was a reduction of R$ 23 million reflecting a combination of factors: (i) inflow of R$ 92 million due to diesel oil consumption at the William Arjona TPP and Alegrete TPP in the light of (a) the level of energy dispatch from the power plants by the National Electricity System Operator (ONS) to maintain the system's safety margin nationwide, and due to diminished water flows at certain periods of the year (these costs were offset by an increase in CCEE revenue), and (b) export of energy to Argentina and Uruguay from Alegrete TPP; (ii) a decline of R$ 104 million in consumption of coal used to generate energy for export, a relevant event in 2007; and (iii) a R$ 15 million decline in the consumption of natural gas due to the suspension of supplies of this fuel to William Arjona TPP as mentioned previously.

- **Financial compensation for use of hydrological resources**: an increase of R$ 4 million resulting largely from the annual tariff readjustment and the inclusion of the charge on generation from UHPP.

- **Personnel:** increase of R$ 13 million, due to the annual wage readjustment and to the additional fringe benefits granted to the employees as a result of the collective bargaining agreement negotiated with the occupational category, in addition to the increase in the number of employees consistent with the growth of the Company.

- **Materials expense and out-sourced services:** increase of R$ 11 million in 2008 due primarily to expenses with materials and services necessary for the maintenance the Company's units as well as those incurred by the companies purchased or those that began operations during and after 2008.
- **Depreciation and amortization:** an increase of R$ 28 million in 2008 due in large part to the inflow of the depreciation on assets of Ponte de Pedra Energética S.A. (PPESA).

Details of CCEE operations

The various monthly credit or debit entries to the account of a member of the CCEE are consolidated into a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expense account. Due to adaptations to the Company's commercialization strategy, over the past few years there have been changes in the profile of this billing. The Company, which is the principal member among the companies that are part of the consolidated group, made two entries to income accounts and ten entries to expense accounts in 2007. In 2008 nine entries were made to income accounts and three to expense accounts. Such fluctuations complicate direct comparison of the elements comprising each billing over the two-year period.

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

For fiscal year 2008, net income of R$ 251 million was recorded against an expense for the preceding year of R$ 143 million. In other words, there was a positive impact on the result of R$ 394 million between the two years analyzed.

The positive impacts on the Company's results between comparative periods were the result of a combination of factors, the principal of which were:

- an improvement in 2008 in the commercialization strategy of which the monthly allocation of the guaranteed annual energy from the plants is a part. Given the greater volatility in spot prices (PLD), this strategy allowed the Company to turn in significant positive results, particularly in January and February 2008;

- dispatch from the William Arjona and Alegrete TPPs in disaccord with the order of merit for this purpose, particularly in February and March 2008, for providing a safety margin for the Brazilian electricity system and in compliance with Electric Power Monitoring

Committee (CMSE) guidelines. Part of the increase in this income, however, was offset against the increased cost of fuel consumption used to generate this energy; and

- reduced exposure in the CCEE in fiscal year 2008 compared with the preceding year, principally due to: (i) the lapsed authorization excluding the Company from exposure to the spot price (PLD) under the agreement signed with CIEN and the reduction in thermoelectric power plants' physical guarantees ordered by the MME, as commented above under the gross operating revenue item; (ii) the fact that coal-fired thermoelectric generation in 2008 was totally directed to the National Interconnected System (SIN), while the year before part of this energy had been allocated to the export market; (iii) the intensification of energy purchases in the second half of 2008 as part of the Company's commercialization strategy; and (iv) the reduction in consumption by industrial customers, principally in December 2008.

Gross profit

In fiscal year 2008 the Company's gross profit was R$ 2,012 million, 14.3% better than in 2007, as a result of the variations explain in the "Gross operating income" and "Cost of electric energy and services" sub sections.

Operating expenses

General and administrative expenses

In fiscal year 2008 general and administrative expenses increased 24.6% from R$ 130 million to R$ 162 million in large part due to: (i) an increase of R$ 12 million in third party services paid principally to management consultants and consultancy fees for the issue of promissory notes, new businesses, human resources, and tax and legal questions; (ii) higher payroll overheads of R$ 4 million due to the annual wage increase and additional fringe benefits granted to employees in accordance with the collective bargaining agreement negotiated with the occupational category; (iii) R$ 3 million in additional depreciation and amortization costs; and (iv) an increase of R$ 13 million arising from judicial settlements and payment of contributions.

Recovery of PIS and Cofins and receipts from legal suits

In the first quarter of 2008 the Company recognized non-recurring revenue of R$ 76 million with respect to the recovery of PIS and COFINS charges improperly levied in previous fiscal periods. This amount represents primarily taxes paid on values recovered on the consumption of fossil fuels acquired through the Fuel Consumption Account (CCC) and the Energy Development Account (CDE). Under an Aneel directive, as from November 2005 these items are no longer recognized as operating revenue and are now booked to an electric energy production cost rectifying account.

Service revenue

In fiscal year 2008 service revenue was R$ 1,910 million, 18.2% higher than 2007 as a result of the variations described in the "Gross profit" and "Operating Expenses" sub-items.

Financial Result

Financial Income

For fiscal year 2008, financial income grew R$ 22 million on the back of: (i) an increase of R$ 17 million in income from money market investments, including R$ 5 million in income on PPESA's investments; (ii) a growth in monetary restatement of R$ 3 million in court deposits linked to legal actions due to the variation in indexes used for restatement and higher court deposits effected; and (iii) a R$ 2 million increase in monetary restatement on long term receivables accounts.

Financial Expenses

Fiscal year 2008 financial expenses rose R$ 213 million over those of 2007. The increase is due principally to: (i) an increase of R$ 113 million in foreign exchange variation expenses on loans and financing, net of R$ 22 million in income on a foreign exchange hedge operation still ongoing in 2007, due to the significant appreciation in the U.S. dollar and Euro against the Brazilian Real; (ii) an increase of R$ 63 million in interest on loans, financing, debentures and on concession charges payable to Aneel, largely due to interest payments of R$ 33 million on the promissory notes mentioned above, as well as R$ 37 million in charges on PPESA's loans and financing; (iii) an increase of R$ 50 million in monetary restatement of debt, due in large part to the significant appreciation of the IPCA and IGPM inflation indexes in 2008 and to the inflow of R$ 16 million in monetary restatement on Aneel's concession charges to PPESA; and (iv) a reduction of R$ 19 million in CPMF expenses.

Income Tax and Social Contribution

In fiscal year 2008 the Company reported an increase in income tax and social contributions of R$ 35 million compared with 2007 largely due to increased pre-tax profits.

Fiscal year 2008 net income reached R$ 1,115 million, 6.6% higher than in 2007 when the Company posted earnings of R$ 1,046 million, equivalent to R$ 1.71 earnings per share.

Net of taxes and excluding the effects of the increased foreign exchange variation of R$ 75 million and the year-on-year reduction in results for exports of R$ 36 million as well as revenues from the recovery of PIS and Cofins charges of R$ 50 million in 2008, the Company would have reported a 13.2% increase in net income over 2007.

EBITDA and EBITDA Margin

In fiscal 2008 EBITDA was R$ 2,177 million, 17.6% higher than the R$ 1,851 million in 2007. EBITDA margin was 64.0% in 2008, while in 2007 it was 61.3%.

Tractebel Energia
GDF SUEZ

Comparison of balance sheets as of December 31, 2009, 2008 and 2007

	December 31st (R$ million)							
	2009	%	2008	%	2007	%	2008/2009 (%)	2007/2008 (%)
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	1,255	13.0	420	5.0	794	12.0	198.8	(47.1)
Consumers, concessionaires and holder of permissions	435	4.5	388	4.7	350	5.3	12.1	10.9
Taxes and social contributon recoverable	73	0.8	27	0.3	11	0.2	170.4	145.5
Inventory	45	0.5	59	0.7	50	0.8	(23.7)	18.0
Pledges and restricted deposits	33	0.3	1	-	20	0.3	3,200.0	(95.0)
Deferred assets	16	0.2	15	0.2	12	0.2	6.7	25.0
Others	32	0.3	48	0.6	27	0.4	(33.3)	77.8
TOTAL CURRENT ASSETS	**1,889**	**19.6**	**958**	**11.5**	**1,264**	**19.2**	**97.2**	**(24.2)**
NON CURRENT ASSETS								
Long Term Assets								
Taxes and social contributon to offset	74	0.8	107	1.3	24	0.4	(30.8)	345.8
Pledges and restricted deposits	64	0.7	25	0.3	32	0.5	156.0	(21.9)
Deposits in court	168	1.7	161	1.9	151	2.3	4.3	6.6
Receivable on tangible assets disposal	87	0.9	69	0.8	81	1.2	26.1	(14.8)
Deferred assets	223	2.3	208	2.5	204	3.1	7.2	2.0
Others	22	0.1	18	0.2	8	0.1	22.2	125.0
	638	**6.5**	**588**	**7.0**	**500**	**7.6**	**8.5**	**17.6**
Investments	34	0.4	31	0.4	31	0.5	9.7	-
Property plant and equipment	6,978	72.3	6,638	79.6	4,725	71.6	5.1	40.5
Intangible and deferred (in 2007)	115	1.2	127	1.5	78	1.1	(9.4)	62.8
	7,127	**73.9**	**6,796**	**81.5**	**4,834**	**73.2**	**5.4**	**103.3**
TOTAL NON CURRENT ASSETS	**7,765**	**80.4**	**7,384**	**88.5**	**5,334**	**80.8**	**13.9**	**120.9**
TOTAL	**9,654**	**100.0**	**8,342**	**100.0**	**6,598**	**100.0**	**15.7**	**26.4**

	December 31st (R$ million)							
	2009	%	2008	%	2007	%	2008/2009 (%)	2007/2008 (%)
LIABILITIES								
CURRENT LIABILITIES								
Suppliers	246	2.5	212	2.5	274	4.2	16.0	(22.6)
Dividends and interest on shareholder´s equity	251	2.6	155	1.9	533	8.1	61.9	(70.9)
Loans and financing	348	3.6	733	8.8	178	2.7	(52.5)	311.8
Taxes and social contribution in installments	412	4.3	404	4.8	341	5.2	2.0	18.5
Related Parties	-	-	221	2.6	-	-	-	-
Research and development (R&D) program obligations	48	0.5	60	0.7	47	0.7	(20.0)	27.7
Concessions payable	37	0.4	2	-	2	-	1,750.0	-
Post-employment benefits	26	0.3	22	0.3	18	0.3	18.2	22.2
Others	120	1.3	103	1.3	87	1.2	16.5	18.4
TOTAL CURRENT LIABILITIES	**1,488**	**15.5**	**1,912**	**22.9**	**1,480**	**22.4**	**(22.2)**	**29.2**
NON CURRENT LIABILITIES								
Loans, financing and debentures	3,067	31.8	2,246	26.9	1,636	24.8	36.6	37.3
Concessions payable	920	9.5	557	6.7	234	3.5	65.2	138.0
Post-employment benefits	359	3.7	322	3.9	310	4.7	11.5	3.9
Others	139	1.4	134	1.6	121	1.9	3.7	10.7
TOTAL NON CURRENT LIABILITIES	**4,485**	**46.4**	**3,259**	**39.1**	**2,301**	**34.9**	**37.6**	**41.6**
SHAREHOLDERS' EQUITY								
Capital	2,446	25.3	2,446	29.3	2,446	37.1	-	-
Capital reserves	92	1.0	92	1.1	92	1.4	-	-
Profit reserves	1,143	11.8	633	7.6	279	4.2	80.6	126.9
TOTAL SHAREHOLDERS' EQUITY	**3,681**	**38.1**	**3,171**	**38.0**	**2,817**	**42.7**	**16.1**	**12.6**
TOTAL	**9,654**	**100.0**	**8,342**	**100.0**	**6,598**	**100.0**	**15.7**	**26.4**

Comparison of balance sheets as of December 31, 2009 and December 31, 2008

Current assets

Cash and cash equivalents

The increase is substantially due to a combination of the following factors: (i) funds from operating activities of R$ 1,416 million; (ii) investments of funds in property, plant and equipment of R$ 316 million; (iii) funds borrowed from third parties, net of principal repayments of R$ 236 million; and (iv) payment of dividends and interest on capital of R$ 495 million.

Consumers, distribution concessionaires and permittees

The growth is basically due to the increase in price of energy sold and to the amounts receivable from the sales of acquired companies or of those that began operating in 2009.

Recoverable Taxes

The increase occurred primarily as a function of the transfer of long-term assets related to PIS and Cofins credits from the acquisition of property, plants and equipment, due to the São Salvador HPP beginning operations and, as a consequence, the right to offset these credits.

Inventory

The reduction is due to a lower level of raw material and supplies for the production of electrical energy.

Collaterals and restricted deposits

The growth is due to the increase in compulsory deposits in guarantee of transactions channeled through the Energy Trading Board (CCEE)

Other

The principal reason for the decline was the transfer to long-term assets of the amounts receivable from the sale of Project Jacuí, due to a change in expectation of receipt of the credit, given that the debtor is in default.

Non-current assets

Long-term assets

Recoverable taxes

The reduction of R$ 33 million was caused principally by the transfer to current assets of the PIS and Cofins credits from the acquisition of property, plants and equipment, as mentioned above.

Collaterals and restricted deposits

The increase is basically due to the opening of a reserve account for the payment of services related to the financing of the São Salvador HPP by the National Bank for Economic and Social Development (BNDES) and financial agents.

Escrow deposits

The increase corresponds mainly to a combination of monetary restatement, new deposits and the write-off of amounts recovered or received by the beneficiaries.

Property, plants and equipment

The change arises from the following: (i) acquisitions in the amount of R$ 669 million of which R$ 456 million are related to the São Salvador HPP, including R$ 352 million for the concession

rights, R$ 52 million for work on the Destilaria Andrade TPP, R$ 35 million for the construction of the Areia Branca SHP and R$ 111 million for work to maintain the reliability and safety of the Company's generation system.

Current liabilities

Suppliers

The increase is principally due to; (i) the greater charges for the use of the electrical network because of the São Salvador HPP beginning operations and of the price readjustments; and (ii) the increase in supply of materials and services due the construction of the Destilaria Andrade TPP and Areia Branca SHP.

Dividends and interest on capital

The increase was caused due to the dividends related to 2008 being fully paid throughout that year while in 2009 there was a balance of complementary dividends in the amount of R$ 82 million still to be paid in 2010.

Loans, financing and debentures

The decrease was due to the following factors: (i) the issuance of promissory notes in the amount of R$ 309 million, since paid off with the funds provided by the Company's third issue of debentures; (ii) the transfer of R$ 303 million of non-current liabilities; (iii) financial expense of R$ 206 million; and (iv) interest payments and principal repayments of R$ 1,203 million.

Related parties

The balance of R$ 221 million on 12/31/2008 refers to the amount payable to a related company, SESA BidCo Ltd., for the acquisition of the Areia Branca, Beberibe, Pedra do Sal and Econergy Brasil Serviços Corporativos companies. The balance was fully paid in the beginning of 2009.

Concession fees payable

The increase is due to the booking of R$ 38 million relative to the São Salvador HPP concession rights payable, to the transfer of R$ 12 million of non-current liabilities and to payments of R$ 15 million.

Other

The growth is basically due to financial offset accounts for the use of hydrological resources, worker compensation obligations and provision for contingencies.

Non-current liabilities

Loans, financing and debentures

The increase is comprised of the following factors: (i) borrowed funds and the issuance of debentures in the amount of R$ 1,096 million; (ii) the transfer to current liabilities of R$ 303 million; (iii) financial charges of R$ 99 million; and (iv) a foreign exchange variation gain of R$ 70 million.

Concession fees payable

The increase is due to the booking of R$ 314 million related to the São Salvador HPP concession rights, to interest and monetary restatements of R$ 61 million and to the transfer of R$ 12 million to current liabilities.

Post-employment benefits

The growth is due to the following: (i) interest on technical reserves of R$ 129 million; (ii) income from plan assets of R$ 82 million; (iii) amortization of actuarial losses of R$ 24 million; and (iv) sponsor contributions of R$ 30 million.

Shareholders' Equity

The increase resulted from net profit for the year ended 12/31/2009 of R$ 1,134 million and from the decision to distribute R$ 624 million of this profit as dividends and interest on capital.

Comparative analysis of the balance sheets as of December 31, 2008 and December 31, 2007

Current assets

Cash and cash equivalents

The reduction is the result of a combination of the following factors: (i) funds from operating activities of R$ 1,637 million; (ii) financial investments of R$ 831 million; (iii) investments in property, plant and equipment and intangibles of R$ 467 million; (iv) funds borrowed from third parties, net of repayments, of R$ 397 million; and (v) payment of dividends and interest on capital of R$1,110 million.

Consumers, distribution concessionaires and permittees

The increase comes principally from the increase in the price of energy sold and from the amounts receivable related to the sales of companies acquired in 2008.

Recoverable taxes

The increase refers principally to the recognition of PIS and Cofins credits related to the acquisition of property, plant and equipment assets for the construction of the São Salvador HPP.

Inventories

The growth corresponds to larger raw material and supplies inventory for the production of electrical energy.

Collaterals and restricted deposits

The decrease is due to the substitution of deposits given in guarantee of payment of debt service with bank bonds.

Other

The increase occurred principally as a result of the transfer of amounts receivable from the sale of the Jacuí Project to current assets.

Non-current assets

Long-term assets

Recoverable taxes

The increase is mainly due to the recognition of PIS and Cofins credits related to the acquisition of property, plant and equipment assets for the construction of the São Salvador HPP, as mentioned previously.

Escrow deposits

The increase is due to a combination of monetary restatement, new escrow accounts and the write-off of amounts recovered or received by the beneficiaries.

Property, plants and equipment

The change arises from the following: (i) acquisitions in the amount of R$ 2,248 million, of which R$ 289 million are related to the construction of the São Salvador HPP, R$ 1,137 million for the purchase of the Ponte de Pedra HPP, R$ 737 million for the acquisitions of Tupan, Hidropower, Areia Branca, Beberibe and Pedra do Sal, R$ 10 million for the construction of the Destilaria Andrade TPP and R$ 75 million for work to maintain the reliability and safety of the generation system and modernization of the Company's plants; (ii) depreciation and amortization of R$ 249 million; and (iii) write-off of assets and transfer of PIS and Cofins credits related to construction of the São Salvador HPP to current assets in the amount of R$ 86 million.

Current liabilities

Suppliers

The reduction is principally the result of the decline in the supply of coal for the production of electrical energy and of materials and services.

Dividends and interest on capital

The drop is due to the reduction of dividends and interest on capital proposed in fiscal year 2008 over 2007, declining from 95% to 68% of net profit for the year.

Loans, financing and debentures

The increase occurred due to the following factors: (i) the issuance of promissory notes and loans in the amount of R$ 417 million; (ii) loans and financings of acquired companies in the amount of R$ 96 million; (iii) transfer of R$ 179 million from non-current liabilities; (iv) interest of R$ 178 million; (v) monetary restatements and foreign exchange variations of R$ 14 million; and (vi) interest payments and amortizations of R$ 329 million.

Taxes payable

The growth corresponds to a great extent to the higher amount of income tax and social contributions due to the increase in net profit in fiscal year 2008 and to interest on capital credited in December 2008.

Related parties

The balance of R$ 221 million on 12/31/2008 corresponds to the amount payable to SESA BidCo Ltd. for the acquisition of the Areia Branca, Beberibe, Pedra do Sal and Econergy Brasil Serviços Corporativos companies. On 12/31/2007 there was no balance in this account.

Other

The increase can be traced principally to the regulatory charges, worker compensation payments and provisions for contingency accounts.

Non-current liabilities

Loans, financing and debentures

The variation is comprised of the following: (i) financing from the BNDES for the construction of the São Salvador HPP in the amount of R$ 167 million; (ii) loans and financing of the companies acquired in 2008 in the amount of R$ 477 million; (iii) transfer of R$ 179 million to current liabilities; (iv) interest of R$ 37 million; (v) monetary restatement of R$ 38 million; and (vi) foreign exchange variation of R$ 70 million.

Concession fees payable

The growth is due to booking of the Ponte de Pedra HPP concession rights payable of R$ 242 million and to interest and monetary restatement of R$ 81 million.

Post-employment benefits

The increase is the result of the following: (i) interest on technical reserves of R$ 124 million; (ii) income from plan assets of R$ 80 million; and (iii) sponsor contributions of R$ 30 million.

Other

The increase was due mainly to provisions for civil contingencies.

Shareholders' Equity

The increase was the result of net profit of R$ 1,115 million in fiscal year 12/31/2008, of the allocation of R$ 756 million of this profit to be distributed as dividends and interest on capital, and to the adjustment related to Law 11,638/07 in the amount of R$ 5 million.

10.2 The directors shall comment on:

a) the Company's results, especially:

i. a description of any important components of revenue

The principal components of revenue are highlighted below

(R$ million)	December 31st							
	2009	%	2008	%	2007	%	2008/2009 (%)	2007/2008 (%)
GROSS OPERATING REVENUE								
Electricity supply	2,828	72.8	2,383	62.8	2,186	65.5	18.7	9.0
Electricity sales	879	22.6	1,060	27.9	929	27.8	(17.1)	14.1
Transactions conducted through the CCEE	65	1.7	296	7.8	39	1.2	(78.0)	659.0
Eletric energy exports	61	1.6	34	0.9	170	5.1	79.4	(80.0)
Other revenues	53	1.3	20	0.6	14	0.4	165.0	42.9
	3,886	**100.0**	**3,793**	**100.0**	**3,338**	**100**	**2.5**	**13.6**

In fiscal year 2009, revenue from energy provided to agents other than free customers equaled R$ 2,828 million, 18.7% higher than the R$ 2,383 million recorded in the previous year. This increase was principally due to the following: (i) increase of R$ 68 million in sales of companies acquired or of those that began operations during or after 2008; (ii) increase of R$ 428 million (equivalent to 3,251 GWh – 371 average MW) in energy supplied to distribution concessionaires as a result of the simultaneous combination of sales to the pool of distribution concessionaires with the expiration of bilateral agreements that were not renewed with some of them; (iii) decrease of R$ 94 million (equivalent to 974 GWh – 112 average MW) in sales to trading companies as a result of the need to respond to the change in the composition of the Company's sales portfolio; and (iv) increase of 5% in the average sales price to distribution concessionaires and trading companies, resulting in a growth in revenues of R$ 43 million.

Supply of electrical energy

Annual revenue in 2009 from supplying energy (sale to free customers) was R$ 879 million, which represented a decrease of 17.1% when compared to 2008 revenues of R$ 1,060 million. This reduction was a consequence of a combination of the following: (i) decrease in sales volume resulting from the expiration of agreements and a reduction of the amounts contracted due to the global crisis, causing lower sales of R$ 299 million (equivalent to 2,639 GWh – 301 average MW); and (ii) increase of 11.1% in the average sales price, giving rise to a R$ 118 million increase in revenue. It should be noted that the aforementioned decrease was offset by the increase in sales to the pool of distribution concessionaires, as previously described.

Transactions channeled through the Energy Trading Board (CCEE)

Revenue in fiscal year 2009 was R$ 65 million, substantially lower than 2008 revenue of R$ 296 million. Additional explanations regarding these operations can be found in item 10.1. h) i above ("Details of the CCEE operations").

Electrical energy exports

Revenue from exports to Argentina and Uruguay in fiscal year 2009 reached R$ 61 million, higher than the R$ 34 million obtained in 2008 due to the demand for energy in these countries.

Other

An increase of R$ 33 million over fiscal year 2008, going from R$ 20 million to R$ 53 million, due substantially to recognizing a gain of R$ 35 million resulting from the agreement with the São Salvador Consortium to offset the delays in the conclusion of the São Salvador generating units.

Comparative analysis of the operating revenue components for the fiscal years ended December 31, 2008 and December 31, 2007

Provision of electrical energy

In fiscal year 2008, revenue from energy provided to agents other than free customers equaled R$ 2,383 million, 9.0% higher than the R$ 2,186 million recorded in the previous year. This increase was principally due to a price increase of 32.4% and a 13.3% increase in sales to trading companies

Supply of electrical energy

Annual revenue in 2008 from supplying energy (sale to free customers) was R$ 1,060 million, which represented an increase of 14.1% when compared to 2007 revenues of R$ 929 million, as a consequence of a decrease of 6.9% in sales and a price increase of 21.9

Transactions channeled through the Energy Trading Board (CCEE)

Revenue in fiscal year 2008 was R$ 296 million, substantially higher than 2007 revenue of R$ 39 million. Additional explanations regarding these operations can be found in item 10.1. h) i above ("Details of the CCEE operations").

Electrical energy exports

Revenue from exports to Argentina and Uruguay in fiscal year 2008 reached R$ 34 million, lower than the R$ 136 million obtained in 2007 due to the lower demand for energy in these countries.

Other

Increase of R$ 6 million over 2007, going from R$ 14 million to R$ 20 million in 2008 due to higher revenue from sales of carbon credits.

ii. factors that materially affected operating results

The factors that materially affected the Company's results in 2009, 2008, and 2007 were the following:

Fiscal year 2009 – increase of 8.1% in the average net sales price of energy and the R$ 80 million favorable accounting foreign exchange variation related to loans and financing.

Fiscal year 2008 – (i) 14.2% increase in the average net sales price; (ii) reduction of 6.5% in the quantity of energy sold; (iii) net receipts of R$ 251 million from transactions channeled through the CCEE; (iv) consumption of R$ 92 million of diesel oil due to a determination of the National Electricity System Operator (ONS) intended to maintain the security of the country's electric energy system and due to the low water levels evidenced during certain times of the year (these costs were offset by the increase in CCEE revenue mentioned above) and from the energy exports to Argentina and Uruguay; (iv) energy exports of R$ 34 million; (v) R$ 76 million in income from the recovery PIS and Cofins credit; and (vi) foreign exchange variation on loans and financing of R$ 78 million.

2007 – (i) 12% increase in the average net sales price; (ii) income of R$97 million from energy exports; and (iii) foreign exchange variation on loans and financing of R$ 55 million.

b) variations in revenue attributable to price modifications, foreign exchange rates, inflation, changes in volumes and the introduction of new products and services

The Company's sales revenue is based on agreements with price readjustment clauses, using to a great extent the National Ample Consumer Price Index (IPCA) and the General Market Price Index (IGP-M). The Company's revenue has no exposure to foreign exchange rates, and it was not affected by the introduction of new products and services.

Variations in the Company's revenue due to price modifications, inflation, and changes in volume are explained in item 10.2 (a) (i) above.

c) impact of inflation, of price variations of its principal inputs and products, of foreign exchange and interest rates on the Company's operating results and on its financial results

Impact of inflation and price variations on the costs of electrical energy sales

Electrical energy purchased for re-sale – the long-term agreements have price readjustment clauses, most commonly using the IGP-M

Fuel for the production of electrical energy – the price of natural gas consumed in the William Arjona TPP is denominated in the Brazilian Real equivalent of U.S. dollars, and readjusted annually by the variation in the *Producer Price Index* (PPI), an American government indicator for industrial commodities. Coal prices that are not reimbursable by the Energy Development Account (CDE) are negotiated when contracted or when the agreement is renewed, and employ indexes whose principal parameters are based on the National Index of Consumer Prices (INPC) and specific sectorial indexes that are in the majority published by the Getulio Vargas Foundation (FGV).

Charges for the use of the electrical network and connection – these are calculated by multiplying the amount of use of the network, in KW, by the tariff established annually by Aneel, based on the proportional distribution of total connection and transmission costs measured for the entire system, and on the readjustment indexes contained in the transmission and connection agreements in force – in their majority the IGPM and IPCA.

Financial compensation for the use of hydrological resources – the value corresponds to 6.75% of the quantity of electrical energy produced valuated by an Annual Reference Tariff (TAR) defined by Aneel, based on the distribution concessionaires cost of acquiring energy, reviewed every 4 years and readjusted by the IPCA.

Impacts of foreign exchange, of inflation and of interest rates on the Company's financial results

Foreign exchange exposure

The value of loans expressed in foreign currency at 12/31/2009 was R$ 246 million (R$ 339 million at 12/31/2008), equal to 5.5% (11.4% at 12/31/2008) of the company's debt, of which 3.2% was indexed by the U.S. dollar (7.0% at 12/31/2008) and 2.3% by the Euro (4.4% at 12/31/2008). The maturities of the debt are long-term, being concentrated between 2015 and 2024.

As a result of foreign exchange variation, the Company's financial results in fiscal year 2009 were positively impacted in the amount of R$ 80 million and negatively in 2007 in the amount of R$ 78 million. This was equal to approximately 7% of the average net result over the two years, a very low figure given the foreign exchange fluctuation observed in these two years.

As a result of the low level of foreign currency debt and the long-term maturities of the loans, the risk of relevant impacts on the Company's financial results and cash position is relatively small.

Exposure to floating interest rate and index risks

The Company is exposed to floating interest rates and indexes related to variations of the Libor, Euribor, TJLP, DI rate, UMBNDES, IGP-M and IPCA. The table below presents the composition of the debt by interest rate and index, net of guarantees deposited, and the respective percentages related to the total debt, as follows:

Floating interest rates and indexes	Amount	%
TJLP	1.410	43,73
CDI	1.087	33,71

IPCA	415	12,86
IGP-M	181	5,63
Libor Dollar	23	0,71
Euribor	101	3,15
UMBNDES	7	0,21
	3.223	**100,00**

The impact of interest payments on the Company's financial result in fiscal year 2009 was R$ 361 million (R$ 242 million in fiscal year 2008) and the monetary restatement was practically nil in 2009 (R$ 79 million in fiscal year 2008)

10.3 The directors shall comment on the relevant effects that the events below have caused or are expected to cause in the future on the Company's financial statements and on its results:

a. New operational initiatives or sell-offs

There have been no new operational initiatives or sell-offs that have had or will have any relevant effects on the Company.

b. constitution, acquisition or sale of corporate shareholdings

The important information related to the constitution, acquisition or sale of corporate shareholdings by the Company in fiscal years 2009, 2008 and 2007 is:

Events related to the fiscal year ended on December 31, 2009

- *Acquisition of wind farm energy generating projects*

In November 2009 the Company acquired companies that possessed wind farm generated energy projects in the state of Ceará with an installed capacity of 121.9 MW. Some of these projects were qualified at the energy auction promoted by Aneel in the month of December, although no energy was contracted due to the low bids offered by competitors at the auction. The Company's expectation is to qualify the projects in future government auctions or make viable the sale of energy to the free renewable source market.

- *Agreement to Acquire SUEZ Energia Renovável S.A. (SER)*

In December 2009, after unanimous approval by its Board of Directors, the Company signed the Purchase and Sale Agreement for the total acquisition of common stock issued by SUEZ Energia Renovável S.A. (SER) and of the ownership of GDF SUEZ Energy Latin America

Participações Ltda. (GSELA), which controls the Company. SER holds a 40.07% participation in the Estreito Energia Consortium (Ceste), established to implement and exploit the Estreito HPP being built on the border of Tocantins and Maranhão states. It will have an installed capacity of 1,087 MW and guaranteed energy of 641.08 average MW that will be reduced to 590.41 average MW after the Serra Quebrada HPP begins operations in January 2017

The purchase price of the acquisition is R$ 604 million, based on an evaluation report from Banco Santander (Brasil) S.A. elaborated using the discounted cash flow methodology. The effectiveness of the acquisition is subject to the pre-conditions usual in transactions of this nature including, but not limited to, the approval of the acquisition by Aneel and the agreement of third parties, including the BNDES and other financial institutions that are creditors of SER, in accordance with the terms of their respective loan agreements with SER. The acquisition will only be concluded after these conditions precedent are satisfied.

The acquisition will also be submitted to a Tractebel Energia general shareholders meeting for ratification of its terms and conditions in accordance with Article 256, 1st paragraph of Law nº 6,406/76, as altered. Ratification of the acquisition will present the opportunity to the shareholders duly registered in the Tractebel Energia registers as at 12/21/2009 and who may dissent with the deliberations of the general meeting, to exercise the right of withdrawal, as prescribed in the Corporations Law (LSA). Additional information regarding the aforementioned right of withdrawal (such as the book value of the shares for the purpose of reimbursement, term, and procedures to be adopted by the dissenting shareholders) will be presented in a timely manner when the general meeting that shall occur to ratify the acquisition is called together.

Events related to the fiscal year ended on December 31, 2008

- ***Incorporation of CEM***

In March 2008 Tractebel Energia incorporated its wholly-owned subsidiary CEM for the principal purpose of simplifying the group's corporate structure, reducing costs and increasing value to its shareholders.

- ***Acquisition of shareholder control of PPESA***

In April 2008 the Company concluded the acquisition of the entire capital stock of PPESA. PPESA holds the Ponte de Pedra HPP concession with a value of R$ 613 million. The purchase provided an increase of 176.1 MW in installed capacity and 131.6 MW in the Company's consolidated guaranteed energy.

- ***Constitution of Ibitiúva***

In August 2008 the Andrade Consortium, comprised of Ibitiúva, an indirectly controlled company, and Andrade Açucar e Álcool S.A., controlled by Áçucar Guarani S.A., sold 20 average MW of electrical energy at the 1st Energy Reserve Auction, promoted by Aneel, at a price of R$ 158.11/MW (R$ 167.17 in corrected 12/31/2009 values). The Company holds a 76.0% indirect participation in Ibitiúva and 71.17% in the Andrade Consortium. Work is expected to be concluded in April 2010 and the total investment for the construction of this power plant is estimated at R$ 120 million. R$ 59 million had already been invested at 12/31/2009.

- ***Acquisition of shareholder control of Tupan and Hidropower***

In December 2008 the Company concluded the acquisition of the entire capital stock of Tupan and Hidropower for R$ 241 million. Tupan holds the authorization to exploit the Randonópolis SHP, with an installed capacity of 26.6 MW and 14 average MW of guaranteed energy, and Hidropower to exploit the Engenheiro José Gelazio da Rocha SHP with an installed capacity of 23.7 MW and 11.9 average MW of guaranteed energy.

- ***Acquisition of shareholder control of Beberibe, Pedra do Sal and Areia Branca***

In December 2008 the Company acquired the entire capital stock of Beberibe for R$ 101 million, of Pedra do Sal for R$ 52 million and of Areia Branca for R$ 47 million, equaling a total investment of R$ 200 million. Beberibe holds the authorization to exploit the Beberibe Wind Farm Park with an installed capacity of 25.60 MW; Pedra do Sal to exploit the Pedra do Sal Wind Farm Park with an installed capacity of 17.85 MW; and Areia Branca the authorization to exploit the Areia Branca SHP with an installed capacity of 19.80 MW and 10.9 average MW of guaranteed energy.

These investments were purchased from SESA BidCo Ltd., a corporation constituted and existing under the laws of the Isle of Man and controlled and managed by the GDF SUEZ group, which Tractebel belongs to.

Events related to the fiscal year ended December 31, 2007

- ***Acquisition of a shareholder participation in Machadinho Energética S.A. (Maesa)***

In March 2007 the Company acquired a 2.82% shareholding in Maesa, a specific purpose entity associated with Tractebel Energia in the Machadinho HPP, for R$ 29 million. The purchase resulted in an increase for the Company of 21.4 average MW of installed capacity and 11.1 average MW of guaranteed energy.

- *Acquisition of shareholder control of CESS*

In June 2007 the Company acquired 99.99% of the shares of CESS, holder of the São Salvador HPP concession, from its controlling shareholder GDF SUEZ Energy Latin America Ltda. for R$ 304 million.

•*Acquisition of shareholder control of Seival Participações S.A. (Seival)*

In November 2007 the Company acquired the 100% of the shares of Usina Termelétrica Seival Ltda. (Seival TPP) for R$ 24 million. The Seival TPP is a specific purpose entity constituted for the purpose of exploiting a steam-based thermoelectric generating plant, using coal for fuel. The Seival TPP at present has not implemented any project at the referred to power plant.

c. unusual events

In fiscal year 2008 the Company recognized non-recurring income of R$ 76 million related to the recovery of PIS and Cofins taxes paid on amounts related to the recovery of consumption of fossil fuel acquired with funds from the Fuel Consumption Account (CCC) and from the Energy Development Account (CDE). The latter funds, in accordance with a directive from Aneel, ceased to be recognized as income as of November 2005, and are booked since that time to an electric energy production cost rectifying account.

10.3. The executive board shall comment on

a. Significant changes to accounting practices

Law nº 11.638, enacted on December 28, 2007 alters, revokes and introduces provisions to the Brazilian Corporation Law (Law No. 6404 of December 15, 1976), especially with respect to chapter XV, which deals with accounting matters and is applicable to the closing of full fiscal year financial statements as of January 1, 2008. The law in question is designed mainly to update Brazilian corporate law so that accounting practices adopted in Brazil are convergent with those adopted in international accounting and to allow the CVM to issue new accounting rules and procedures in conformity with international accounting standards.

Provisional Measure nº 449/08, enacted on December 3, 2008 introduces some alterations to the Corporation Law and instituted the Transition Tax Regime (TRR) for determining taxable income, under which tax neutrality is possible on accounting adjustments effected during the

two-year period 2008/2009, resulting from the adoption of alterations enacted by Law nº 11.638/07 in companies that had not adhered to the RTT.

Preliminary Adoption of Law nº 11.638/07 and of Provisionary Measure nº 449/08

The Company adopted the provisions of Law nº 11.638/07 and of Provisional Measure nº 449/08 in the preparation and presentation of its financial statements, based on CVM's guidelines and/or the standards issued by the International Accounting Standards Board (IASB), establishing January 1, 2008 (or December 31, 2007) as the transition date, as per the option included in the CVM Resolution No. 565/08.

The changes introduced by said legislation are characterized as a change in the accounting practice, however, as allowed by the aforementioned CVM resolution, the adjustments affecting the results were made against retained earnings on the date of transition and have no retroactive effects on the accounting statements.

b. significant effects of changes to accounting practices

The adjustments and reclassifications which result from the recognized relevant options related to the initial adoption of Law nº 11.638/07 and of Provisionary Measure nº 449/08 were not significant. The sole adjustment conducted by the Company was in the writing-off of deferred assets, which resulted in a R$ 5 million decrease to its shareholders' equity on December 31, 2007 (January 1, 2008). Additional clarifications on the adjustments and reclassifications carried out by the Company can be found in the explanatory notes that accompany the Company's financial statements at December 31, 2008.

In 2009, 26 new technical pronouncements (CPC) and 12 technical interpretations (ICPC), as mentioned in the explanatory notes that accompany the Company's financial statements of December 31, 2008, had been issued by the Accounting Board (CPC) and been approved in CVM deliberations for mandatory use as of 2010 and are retroactive to 2009 results, for purposes of comparison.

The Company analyzed the respective technical pronouncements and believes that, with the exception of technical interpretation ICPC 08, the effects of which are mentioned in the following paragraph, all other pronouncements will not significantly affect its financial statements.

ICPC 08 establishes that the value of dividends over the minimum established in the Brazilian Corporation Law and which was not approved in general meetings shall not be provisioned and shall be highlighted within shareholders' equity. Had this technical interpretation been adopted in the fiscal year ended December 31, 2009, current liabilities would be lower and new worth would have been R$ 82 million higher.

c) reservations and emphatic statements in the independent auditor's report

There are no reservations nor emphatic statements in the Company's independent auditor's report for the fiscal years 2007 to 2009.

10.4. The executive board shall indicate and comment on critical accounting policies adopted by the Company, dwelling especially on accounting estimates conducted by the management regarding matters that are uncertain and relevant to the description of the financial situation and of the results, which require subjective or complex judgment, such as: provisions, contingencies, revenue accruals, tax credits, assets usable over the long-term, useful life of non-current assets, pension plans, foreign currency conversion adjustments, costs of environment recovery, criteria for testing the recovery of assets and financial instruments

The most critical accounting practices adopted by the Company are those which are based on subjective and complex judgment which normally require that estimates be made for registering certain transactions that affect its assets, liabilities, revenues and expenses as well as the disclosure of information in its financial statements.

The following estimates were considered the most critical and complex by the Company:

Useful life of property, plants and equipment – annual depreciation rates are established by Aneel and are based on technical studies on the useful economic life for each of the listed units. These rates are periodically reviewed by the agency.

Allowance for Doubtful Accounts (Loss Reserves) – is based on a case-by-case analysis, considering the history and risks of the transaction. It is set-up in an amount considered sufficient to cover probable risks in the sale of assets.

Provision for contingencies – is defined based on an evaluation and qualification of the risks related to tax, social and labor matters, in which the possibility of losses is considered probable. This evaluation is supported by management's judgment upheld by its legal counsel, taking into consideration jurisprudence, decisions in initial and superior courts, the history of eventual settlements and decisions, the experience of management and of legal counsel as well as other applicable aspects.

Post-employment benefits – are defined based on actuarial calculations which consider assumptions such as market discount rates, assets rate of return and mortality tables. The Company employed assumptions consistent with internal and external analyses conducted to define the estimates employed. Alterations to these assumptions could affect the actuarial liabilities presented by the Company.

Present Value Adjustment – is calculated according to market discount rates obtained from internal evaluations and from expert financial sources.

10.6 In relation to internal controls adopted to assure the elaboration of trustworthy financial statements, the executive board shall comment:

a. degree of efficiency of such controls, indicating any eventual flaws and measures adopted to correct them

The Company meets the corporate governance standards of the New Market and considers its internal controls adequate considering the type of activity and volume of transactions it is engaged in.

Additionally, considering the complexity of activities and technological innovations, the Company's management is directing its best efforts to deepen, revise and continually improve its processes and in the implementation of new tools for internal reviews and controls. Beginning in 2006, the Company formally reviews and tests its internal controls system, initially to meet the requirements of the Sarbanes-Oxley Law and currently, to conform to a specific program implemented by its main controller, the GDF SUEZ group. Eventual flaws detected in the internal control systems are registered and corrected in action plans, the implementation of which is verified by the independent auditors.

a. Flaws and recommendations on internal controls pointed-out in the independent auditor's report

The flaws and recommendations on internal controls reported by the independent auditors are analyzed by the CEO and by the Director of Finance and Investor Relations during the annual meeting for certifying the Company's internal controls program. The action plans for the necessary corrections are registered and their implementation is verified by independent auditors. No significant flaws relative to the fiscal year 2009 which could result in relevant impact to the Company were reported by the independent auditors.

10.7 In the event the Company has made a public offer for the distribution of financial securities, the executive board shall comment on:

a. How the funds obtained from the offer were employed.

2nd Debentures issuance (May, 2007) in the amount of R$ 350 million: The funds obtained by way of a public offer for the Company's second issue of debentures were applied to the purchase of the entire stock of CESS, which holds the concession for building the São Salvador Hydroelectric Power Plant with an installed capacity equivalent to 243,2 MW.

3rd Debentures Issuance (April 2009) in the amount of R$ 600 million: The funds obtained by way of a public offer for the Company's third issue of debentures were used to: (i) fully liquidate the Company's fourth issuance of promissory notes amounting to R$ 300 million, issued by the Company in April, 2009 and (ii) pay a portion of the R$ 400 million third issuance of promissory notes, issued by the Company in May, 2008 and which matured in May, 2009.

4th Debentures Issuance (December 2009) in the amount of R$ 400 million: The funds obtained by way of a public offer, under restricted placement efforts, for the Company's fourth issue of debentures were employed to acquire SUEZ Energia Renovável S.A. (SER), which holds participation in the Estreito Energia – Ceste Consortium, with the ultimate objective of reducing costs and lengthening debt payment terms while reinforcing working capital for conducting normal Company business.

b. if there were any relevant deviations regarding the effective application of funds and the proposed allocation of funds disclosed in the respective distribution brochures

There were no deviations regarding the effective application of funds generated by debentures issued by the Company and the proposed allocation.

c) In the event deviations occurred, the reasons for this

Not applicable.

10.8. The executive board shall describe relevant unnoticeable items in the Company's financial statements, indicating how the funds obtained from the offer were employed.

a) assets and liabilities held directly or indirectly by the Company, which are unnoticeable its balance sheet (off-balance sheet items), such as:

i. **operating leases, in assets and liabilities**

There are no off-balance sheet operating leases for relevant amounts in the Company's accounting statements.

ii. **Receivables portfolios which were written-off and over which the Company bears risks and responsibilities, indicating the respective liabilities.**

Not applicable.

iii. agreements for future sale and purchase of products or services

a. Bilateral Electric Energy Purchase and Sale Agreements

The table below presents the Company's energy balance up to 2015; considering the energy assured to it and the purchase and sale agreements in effect, it is the following:

Energy Balance

(avg MW)	2010	2011	2012	2013	2014	2015	Auction Gross Price (R$/MWh)	Reference Date	Gross price adjusted as of 12/31/2009 (R$/MWh)
Own Resources	3,365	3,504	3,617	3,617	3,617	3,617			
+ Purchases for Resale	680	352	306	278	253	200			
= Total Resources (A)	4,045	3,856	3,923	3,895	3,870	3,817			
Regulated Sales*	1,298	1,446	1,701	1,702	1,702	1,692			
2004-EE-2007-08	10	10	10	10	10	-	70.9	Dec-04	87.5
2005-EE-2008-08	150	150	150	150	150	150	81.6	Apr-05	97.8
2005-EE-2009-08	381	381	381	381	381	381	94.0	Oct-05	110.7
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	136.8
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	147.3
2006-NE-2011-30	-	148	148	148	148	148	135.0	Nov-06	157.0
2007-NE-2012-30	-	-	256	256	256	256	126.6	Jun-07	141.4
Proinfa	53	53	52	53	53	53	147.8	Jun-04	193.4
1st Reserve Energy Auction	11	11	11	11	11	11	158.1	Aug-08	167.2
+ Bilateral Sales	2,609	2,147	1,929	1,768	1,288	1,068			
= Total Sales (B)	3,907	3,593	3,630	3,470	2,990	2,760			
Balance (A - B)	**138**	**263**	**293**	**425**	**880**	**1,057**			
Sales average **net** price (R$/MWh)*1:	112.3	115.1	115.2						
Purchases average **net** price (R$/MWh)*2:	114.0	116.4	112.7						

* XXXX-YY-WWW-ZZ, where:
XXXX ⇨ year of auction
YY ⇨ EE = existing energy or NE = new energy
WWWW ⇨ year of delivery start
ZZ ⇨ supply contract duration (in years)

*1: Sales price is net of ICMS and taxes over revenues (PIS/Cofins, R&D), as of 12/31/09.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 12/31/09.

Note: The balance refers to the settlement point. It considers the energy generated by the Estreito, which start of operations is scheduled for 1Q11.

b. Connection agreements

The Company maintains a Connection Agreement with transmission and distribution companies in effect up to the date the concessions to the Company's energy generating units expire. The annual cost of connection is R$ 11 million. At December 31, 2009 the balance remaining of agreements up to the date the concession expires was R$ 237 million.

c. Transmission and distribution network usage agreement

For the Use of the Transmission and Basic Network System, the Company has entered into an agreement with the National System Operator (ONS) and with distributors (for the plants which are not directly connected to the basic network). The agreements, in their majority, are valid up to the date the concessions or authorizations to the Company's generating units expire. The annual cost for using the transmission and distribution system is R$ 252 million. At December 31, 2009 the balance remaining of the agreements is R$ 6.105 million.

d. Natural gas purchase agreement

On November 11, 2000 Tractebel Energia and MSGÁS (Companhia de Gás do Mato Grosso do Sul) entered into an agreement for regulating the supply of gas to the William Arjona thermoelectric power plant (UTWA). The supply of raw material to MSGÁS is, in its turn, regulated by the agreement signed between that concessionaire and Petrobras, and occurs through the distribution branch connected to GASBOL.

In February, 2006 Petrobras conditioned the renewal of its agreement with MSGÁS to an increase in prices over those that were in effect, which was unacceptable to Tractebel Energia. The parties being unable to reach an agreement and in the face of a threat to interrupt the supply of gas to the William Arjona thermoelectric power plant, the Company filed for an injunction with the objective of securing continuity in the supply of the fuel. On November 21, 2009 a writ of prevention was issued and the supply of gas as well as the continuity of the agreement over an additional five years from that date was guaranteed.

The current price, in local currency, is made-up of three portions, being that one is relative to the supply of gas, another to transportation and the third is related to the distributor's margin. This price is adjusted annually in May according to the *Producer Price Index* (PPI), an American government index for commodities employed in industrial uses.

The quantity contracted with MSGÁS is up to 1.350.000 cubic meters per day and, in the event the William Arjona thermoelectric power plant does not require this consumption, the Company is obligated to pay the amount regarding the distributor's margin, as per values established in agreement.

The maximum monthly cost to the Company with consumption of total capacity mentioned above is R$ 10 million. The minimum monthly cost, relative to the distributor's margin, is R$ 0,6 million.

iv. unfinished construction agreements

The Company has entered into the following construction-in-progress agreements, for implementing new plants.

- São Salvador Consortium - building site for the São Salvador hydroelectric power plant. The balance remaining at December 31, 2009 was R$ 20 million.
- Areva Koblitz S.A. – construction of the Destilaria Andrade hydroelectric power plant. The amount to be accrued was R$ 38 million at December 31, 2009.
- Santa Rita Comércio e Instalação - construction of the 138 Kv transmission line for the Destilaria Andrade hydroelectric power plant. The balance remaining at December 31, 2009 was R$ 5 million.

v. Future financing receipts agreements

Not applicable.

b) Other unnoticeable items in the financial statements

Not applicable.

10.9. In relation to each of the unnoticeable items in the financial statements indicated in item 10.8, the executive board shall comment:

a. How such items alter or may come to alter revenue, expenses, the operating result, financial expenses or any other items in the Company's financial statements.
b. Nature and purpose of the transaction
c. Nature and amount of the obligations assumed and of the rights generated in favor of the Company as a result of the transaction

a. Purchase and sale of energy – see in item 10.8. (iii) (a) above a table containing the quantities and average purchase and sale prices for energy contracted for the next years, which will bear an impact on the Company's future results.

b. Connection agreements – the annual costs with connection are R$ 11 million. On December 31, 2009 the balance remaining of agreements in effect up to the expiration of the concessions was R$ 237 million.

c. Transmission and distribution network usage agreement – the annual costs with using the transmission and distribution system are R$ 252 million. On December 31, 2009 the contractual balance remaining was R$ 6.105 million.

d. Natural gas purchase agreement - The maximum annual cost to the Company under consumption of total capacity is R$ 120 million. The minimum annual cost, relative to the distributor's margin, is R$ 7 million.

Greater clarifications regarding the items that may bear na impact on the Company's revenue and expenses can be found in item 10.8.

10.10. The executive board shall indicate and comment on the main points of the Company's business plan, expounding on the following specific topics:

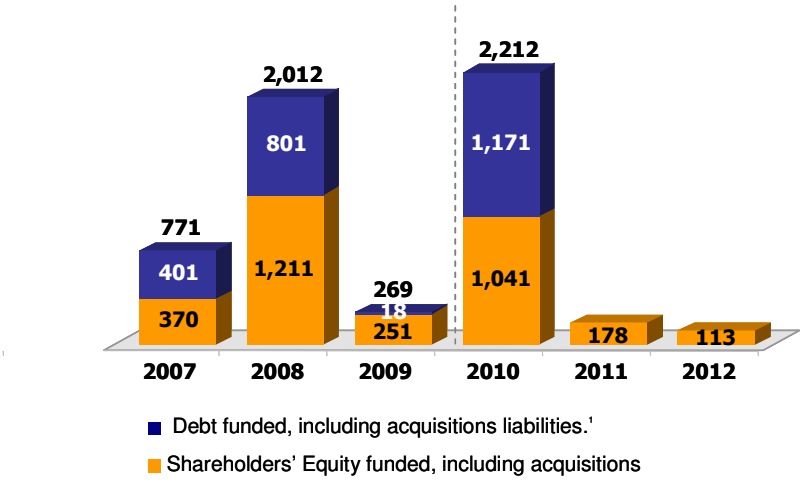
a) investments, including:

i. quantitative and qualitative description of investments in progress and those foreseen

Investment in the maintenance, revitalization and expansion of power generating facilities

The investments made in the 2006 to 2009 period, as well as those foreseen for the 2010 to 2012 period are indicated in the table below:

Accomplished/expected CAPEX and corresponding financing sources (R$ million)



Note:
[1] Does not consider interests incurred during the construction.

To execute its growth plan, Tractebel Energia invested a total of R$ 269 million in 2009. Investments were made in the São Salvador hydroelectric power plant, the Areia Branca small hydroelectric power plant, the Pedra do Sal wind farm, the Destilaria Andrade thermoelectric power plant, the Seival thermoelectric power plant project, the acquisition of aeolic energy generation projects and in the maintenance of the energy generation facilities of the Company.

The major projects foreseen for 2010 are as follows:

- Conclusion of the purchase of Suez Energia Renovável S.A. (SER), a participant in the Estreito Energia (Ceste) Consortium, and investments in the conclusion of the construction of the Estreito hydroelectric power plant. For additional information on this transaction and project, see item 10.3 (b) above.
- Conclusion of the construction of the Destilaria Andrade thermoelectric power plant. For additional information, see item 10.3 (b) above.

- Conclusion of the Areia Branca small hydroelectric power plant construction. For additional information, see item 10.3 (b) above.

ii. Sources of financing for investments

Sector projects generally finance in the order of 60% to 70% of total investments and the remainder is covered with own funds. The National Bank for Social Development – BNDES is the source of financing for the majority of the Company's projects.

iii. Relevant divestments in progress and foreseen

There are no relevant divestments in progress nor are any foreseen,

b) if previously disclosed, report on any purchase of plants, equipment, patents or other assets which should materially affect the Company's production capacity

For information on the acquisition of assets which should significantly affect the Company's production capacity, see item 10.3 (b) above.

c) New products and services, stating:

i. Description of previously disclosed research in progress
Not applicable.

ii. Total amounts spent by the issuer for research in the development of new products and services
Not applicable.

iii. Previously disclosed projects in progress
Not applicable.

iv. Total amounts spent by the issuer in the development of new products and services
Not applicable.

10.11. Comment on other factors that have significantly affected operational performance and that have not been identified or commented on in the other items in this section

All other factors that have significantly affected operational performance have been identified or commented on in the other items.

Annex II

Article 9, ICVM 481/09 – 1st paragraph, indent II – Proposal for allocating net profits earned over the fiscal year, which contains, at least, the information indicated in attachment 9-1-II of ICVM 481/09:

Allocation of the fiscal year net profit

1) State the net profit for the fiscal year	R$ 1,134.3 million
2.a) State the total amount of dividends, including prepaid and interest on shareholders' equity previously disclosed	R$ 623.9 million
2.b) State the value-per-share of dividends, including prepaid and interest on shareholders' equity previously disclosed	R$ 0.9558426155
3) State the amounts distributed as a percentage of the net profit for the fiscal year	55%
4) State the total amount and the value-per-share of dividends distributed based on prior fiscal year profits	Not applicable
5) State, after deducting previously disclosed prepaid dividends and interest on shareholders' equity:	
a) The Gross amount of dividends and interest on shareholders' equity, individually, per share according to type and class	R$ 81,9 million corresponding to R$ 0.1254900014 per common share
b) The manner in which and term over which dividends and interest on shareholders' equity are paid	To be approved at the Annual General Meeting to be held on April 23, 2010
c) Eventual application of monetary adjustments or interest on dividends and interest on shareholders' equity	Not applicable
d) Date of advice of payment of dividends and interest on shareholders' equity for purposes of identifying shareholders with a right to receive them	The date for advising payment will be defined by the Annual General Meeting

6) In the event dividends and interest on shareholders' equity have been declared based on profits closed in semi-annual or shorter statements	
a) State the total amount of dividends, including prepaid and interest on shareholders' equity previously disclosed	R$ 348.0 million (dividends) and R$ 194.0 million (interest on shareholders' equity)
b) State the date of the respective payments	Dividends paid on August 26, 2009 and Interest on Shareholders' equity credited in December, 2009, to be paid-out on a date to be determined by the Executive board of the Company.
7) Supply a table showing a comparison for the following values per share according to type and class:	
a) Net Profit in the fiscal year and in the prior three fiscal years	2009 = R$ 1.737895664 2008 = R$ 1.708412658 2007 = R$ 1.601898020
b) Dividends and interest on shareholders' equity paid-out in the last three fiscal years	2009 = R$ 0.9558426155 2008 = R$ 1.1586484519 2007 = R$ 1.5218031188
8) In the event profits are allocated to the legal reserve	
a) Identify the amount allocated to the legal reserve	R$ 56,7 million
b) Indicate the basis for calculating the legal reserve	5% of the net profit in the fiscal year.
9) In the event the company possesses preferred stock with a right to minimum fixed dividends	Not applicable

10) Regarding the mandatory dividend	
a) Describe how it is calculated pursuant to the by-laws	The Company's by-laws determine that in each fiscal year a mandatory dividend of not less than 30% (thirty percent) of the net profit, adjusted according to the law, be paid-out. The decision on whether to apply the full result of the fiscal year shall be submitted to the General Meeting. - The Company shall close a semi-annual financial statement and the Board of Directors may determine that intercalated dividends be paid-out based on the selfsame. - The Company may close financial statements and pay-out intercalated dividends in shorter periods as long as the total amount of dividends paid-out in each semester of the fiscal year does not exceed the value of the shareholders' equity reserves, pursuant to the 1st paragraph of article 182 of Law no. 6.404 of December 15, 1976. - The Board of Directors can determine that intermediate dividends be paid-out against retained earnings or profit reserves verified in the closing of the most recent annual or semi-annual financial statements. - The Company can credit or pay-out to shareholders interest on shareholders' equity at the discretion of the Board of Directors, observing applicable legislation. The amounts paid-out or credited by the Company regarding interest on shareholders' equity may be imputed to the mandatory dividend, pursuant to the applicable legislation. - Dividends may be claimed over a period of 3 (three) years, after which period unclaimed dividends will revert to the Company's benefit.

b) State whether it is being fully paid	Yes

c) State the amount eventually withheld	Not applicable

11) In the event the mandatory dividend is being withheld due to the financial situation of the company	

a) State the amount withheld	Not applicable

b) Describe in detail the company's financial situation, including aspects related to analyses of liquidity, working shareholders' equity and positive cash-flows.	Not applicable
c) Justify the withholding of dividends	Not applicable
12) In the event the result is applied to a reserve for contingencies	
a) State the amount applied to the reserve	Not applicable
b) Identify the loss that is considered probable	Not applicable
c) Explain why the loss is considered probable	Not applicable
d) Justify the setting-up of the reserve	Not applicable
13) In the event the result is applied to an unearned profits reserve	
a) State the amount applied to the unearned profits reserve	Not applicable
b) State the nature of the unearned profits that caused the reserve to be set-up	Not applicable
14) In the event the result is applied to statutory reserves	
a) Describe the statutory clauses that established the reserve	Not applicable
b) State the amount applied to the reserve	Not applicable
c) Describe how the amount was calculated	Not applicable

15) In the event profits were withheld as foreseen in the capital expenditures budget	
a) State the amount withheld	R$ 453,7 million
b) Supply a copy of the capital expenditures budget	It is presented in annex III of the present Proposal.
16) In the event profits were applied to a tax incentives reserve	
a) State the amount applied to the reserve	Not applicable
b) Explain the nature of the application	Not applicable

Annex III

Capital Expenditures

Capital Expenditures Budget for 2010 - R$ Million

Sources	To be Earned 2010	Total
Retained Earnings (art. 196)	454	454
Constituition of Legal Reserve (5%)	57	57
Third Party Capital for Investment Program	1,137	1,137
Internal Cash Generation	565	565
Total Sources	**2,212**	**2,212**

Applications	2010	Total
Estreito - Hydroelectric Plant	2,020	2,020
Maintenance of Productive Facilities	106	106
Ibitiúva Bionergética - Co-generation	44	44
Areia Branca - Small Hydroelectric Plant	12	12
São Salvador - Hydroelectric Plant	29	29
Total Applications	**2,212**	**2,212**