Table of Contents

Company Data / Capital Breakdown

Number of Shares ('000)	Current Quarter September 30, 2020
Of the Paid-In Capital	
Common Shares	15,527
Preferred Shares	23,044
Total	38,571
In Treasury	
Common Shares	0
Preferred Shares	0
Total	0

Income Statement - Parent Company /

Balance Sheet - Assets (Reais '000)

Code of the Account	Account Description	Current Quarter September 30, 2020	Previous Fiscal Year December 31, 2019
1	Total Assets	1,766,397	1,491,187
1.01	Current Assets	134,616	111,201
1.01.01	Cash & Cash Equivalents	31,218	28,451
1.01.06	Taxes to be Recovered	11,019	10,905
1.01.06.01	Current Taxes Recoverable	11,019	10,905
1.01.08	Other Current Assets	92,379	71,845
1.01.08.03	Others	92,379	71,845
1.01.08.03.01	Dividends Receivable	85,469	71,817
1.01.08.03.02	Other Credits	6,910	28
1.02	Noncurrent Asset	1,631,781	1,379,986
1.02.01	Long-term Receivables	158,942	160,819
1.02.01.02	Investments Appraised at Fair Value through Other Comprehensive Results	137,478	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Trading Securities	137,261	137,261
1.02.01.10	Other Noncurrent Assets	21,464	23,341
1.02.01.10.03	Court Deposits	21,464	23,341
1.02.02	Investments	1,467,755	1,213,703
1.02.02.01	Equity Interests	1,467,755	1,213,703
1.02.02.01.01	Investments in Associates	87,740	93,835
1.02.02.01.02	Interest in Subsidiaries	1,281,796	1,028,428
1.02.02.01.04	Other Investments	98,219	91,440
1.02.03	Property, Plant & Equipment	15	18
1.02.03.01	Property, Plant & Equipment in Operation	15	18
1.02.04	Intangible Assets	5,069	5,446
1.02.04.01	Intangible Assets	5,069	5,446
1.02.04.01.01	Concession Agreement	5,069	5,446

Income Statement - Parent Company /

Balance Sheet - Liabilities (Reais '000)

Code of Account	Account Description	Current Quarter September 30, 2020	Previous Fiscal Year December 31, 2019
2	Total Liabilities	1,766,397	1,491,187
2.01	Current Liabilities	69,682	79,525
2.01.01	Social and Labor Obligations	1,237	632
2.01.01.01	Social Obligations	1,237	632
2.01.01.01.01	Social Charges	1,237	632
2.01.02	Suppliers	233	1,028
2.01.02.01	National Suppliers	233	1,028
2.01.03	Tax Obligations	231	9,855
2.01.03.01	Federal Tax Obligations	101	9,851
2.01.03.01.02	Other Federal Tax Obligations	88	4,279
2.01.03.01.03	PIS/COFINS	13	5,572
2.01.03.03	Municipal Tax Obligations	130	4
2.01.05	Other Obligations	67,981	68,010
2.01.05.02	Others	67,981	68,010
2.01.05.02.01	Dividends and Interest on Shareholders’ Equity Payable	67,682	67,683
2.01.05.02.04	Other Current Liabilities	299	327
2.02	Noncurrent Liabilities	4,548	4,538
2.02.04	Provisions	4,548	4,538
2.02.04.01	Labor and Civil Security Tax Provisions	1,565	1,555
2.02.04.01.01	Tax Provisions	1,263	1,263
2.02.04.01.04	Civil Provisions	302	292
2.02.04.02	Other Provisions	2,983	2,983
2.02.04.02.04	Regulatory Provisions	2,983	2,983
2.03	Shareholders’ Equity	1,692,167	1,407,124
2.03.01	Share Capital Recognized	1,340,000	1,340,000
2.03.02	Capital Reserves	316	316
2.03.02.06	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	1,521,681	1,521,681
2.03.04.01	Legal reserve	170,374	170,374
2.03.04.05	Retained Profits Reserve	1,351,307	1,351,307
2.03.05	YTD Profit/Loss	285,466	0
2.03.06	Equity Valuation Adjustments	-1,455,296	-1,454,873

Income Statement - Parent Company ('000 Reais)

Code of Account	Account Description	Current Quarter July 1, 2020 to September 30, 2020	Current YTD Fiscal Year January 1, 2020 to September 30, 2020	Equal Quarter Previous Fiscal Year July 1, 2019 to September 30, 2019	Fiscal Year YTD Previous January 1, 2019 to September 30, 2019
3.04	Operating Expenses/Revenues	80,006	279,717	98,908	217,559
3.04.02	General and Administrative Expenses	-5,935	-15,288	-4,169	-17,636
3.04.04	Other Operating Revenues	0	0	529	529
3.04.05	Other Operating Expenses	-514	-1,533	-1,149	0
3.04.06	Equity Pickup	86,455	296,538	103,697	234,666
3.05	Income Before Financial Result and Taxes	80,006	279,717	98,908	217,559
3.06	Financial Result	317	5,326	233	706
3.06.01	Financial Revenues	338	5,382	249	760
3.06.02	Financial Expenses	-21	-56	-16	-54
3.07	Income Before Taxes on Profit	80,323	285,043	99,141	218,265
3.09	Net Income from Continuing Operations	80,323	285,043	99,141	218,265
3.11	Profit/Loss for the Period	80,323	285,043	99,141	218,265
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	1.96500	6.97340	2.42540	5.33970
3.99.01.02	Preferred Shares	2.16150	7.67070	2.66790	5.87370
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	1.96500	6.97340	2.42540	5.33970

Income Statement - Parent Company / Comprehensive

Income Statement ('000 Reais)

Code of Account	Account Description	Current Quarter July 1, 2020 to September 30, 2020	Current YTD Fiscal Year January 1, 2020 to September 30, 2020	Equal Quarter Previous Fiscal Year July 1, 2019 to September 30, 2019	Fiscal Year YTD Previous January 1, 2019 to September 30, 2019
4.01	Net Income for the Period	80,323	285,043	99,141	218,265

Income Statement - Parent Company / Statement of Cash Flow - Indirect Method (Reais '000)

Code of Account	Account Description	Current YTD Fiscal Year January 1, 2020 to September 30, 2020	Fiscal Year YTD Previous January 1, 2019 to September 30, 2019
6.01	Net Cash from Operating Activities	-24,965	-21,442
6.01.01	Cash Generated from Operations	-10,004	-17,014
6.01.01.01	Net Income before Income Tax and Social Contribution	285,043	218,265
6.01.01.02	Depreciation and Amortization	1,481	1,496
6.01.01.03	Equity Pickup	-296,538	-234,666
6.01.01.04	Interest and Monetary Variations	0	-19
6.01.01.07	Constitution (Reversal) Provision for Contingent Liabilities	10	-2,090
6.01.02	Changes in Assets and Liabilities	-14,961	-4,428
6.01.02.03	Court Deposits	1,877	-4,113
6.01.02.04	Suppliers	-795	-637
6.01.02.05	Social Security and Labor Obligations	552	254
6.01.02.06	Taxes to be Collected	-9,624	12
6.01.02.07	Other Accounts - Liabilities	25	-62
6.01.02.08	Taxes to be Recovered	-114	-58
6.01.02.10	Other Accounts - Assets	-6,882	176
6.02	Net Cash from Investing Activities	27,733	38,365
6.02.04	Dividends Received	27,733	38,365
6.03	Net Cash from Financing Activities	-1	-16,945
6.03.02	Dividends Paid	-1	-16,945
6.05	Increase (Decrease) in Cash and Cash Equivalents	2,767	-22
6.05.01	Opening Balance of Cash and Cash Equivalents	28,451	16,763

Income Statement - Parent Company / Statement of Changes in the Shareholders' Equity / DMPL -

January 1, 2020 to September 30, 2020 ('000 Reais)

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Profit or Loss YTD	Other Results Comprehensive	Shareholders' Equity
5.01	Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124
5.03	Adjusted Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124
5.05	Total Comprehensive Income	0	0	0	285,466	-423	285,043
5.05.01	Net Income for the Period	0	0	0	285,043	0	285,043
5.05.03	Reclassifications to the Result	0	0	0	423	-423	0
5.05.03.02	Assigned Cost Recognized	0	0	0	423	-423	0
5.07	Closing Balances	1,340,000	316	1,521,681	285,466	-1,455,296	1,692,167

Income Statement - Parent Company / Statement of Changes in the Shareholders' Equity / DMPL -

January 1, 2019 to September 30, 2019 (Reais '000)

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Profit or Loss YTD	Other Results Comprehensive	Shareholders' Equity
5.01	Opening Balances	1,340,000	316	1,302,766	0	-842,226	1,800,856
5.03	Adjusted Opening Balances	1,340,000	316	1,302,766	0	-842,226	1,800,856
5.04	Capital Transactions with Shareholders	0	0	27	0	0	27
5.04.05	Treasury Shares Sold	0	0	27	0	0	27
5.05	Total Comprehensive Income	0	0	6,259	218,677	-412	224,524
5.05.01	Net Income for the Period	0	0	0	218,265	0	218,265
5.05.03	Reclassifications to the Result	0	0	6,259	412	-412	6,259
5.05.03.02	Assigned Cost Recognized	0	0	0	412	-412	0
5.05.03.03	Adjustment of Equity in Subsidiary	0	0	6,259	0	0	6,259
5.07	Closing Balances	1,340,000	316	1,309,052	218,677	-842,638	2,025,407

Income Statement - Parent Company / Statement of

Added Value (Reais '000)

Code of Account	Account Description	Current YTD Fiscal Year January 1, 2020 to September 30, 2020	Fiscal Year YTD Previous January 1, 2019 to September 30, 2019
7.02	Inputs Purchased from Third Parties	-4,301	-937
7.02.02	Materials, Energy, Outsourced Services and Others	-4,301	-937
7.03	Gross Added Value	-4,301	-937
7.04	Withholdings	-1,481	-1,496
7.04.01	Depreciation, Amortization and Exhaustion	-1,481	-1,496
7.05	Net Added Value Produced	-5,782	-2,433
7.06	Added Value Received on Transfer	301,920	235,426
7.06.01	Equity Pickup	296,538	234,666
7.06.02	Financial Revenues	5,382	760
7.07	Total Added Value to Distribute	296,138	232,993
7.08	Distribution of Added Value	296,138	232,993
7.08.01	Personnel	10,455	14,020
7.08.01.01	Direct Compensation	9,440	13,230
7.08.01.02	Benefits	557	207
7.08.01.03	F.G.T.S.	458	583
7.08.02	Taxes, Charges and Contributions	379	431
7.08.02.01	Federal	187	264
7.08.02.02	State	10	6
7.08.02.03	Municipal	182	161
7.08.03	Compensation of Third-Party Capital	261	277
7.08.03.02	Rents	205	223
7.08.03.03	Others	56	54
7.08.04	Return on Shareholders' Equity	285,043	218,265
7.08.04.03	Retained Profit/Loss for the Period	285,043	218,265

Income Statement - Consolidated / Balance

Sheet - Assets ('000 Reais)

Code of Account	Account Description	Current Quarter September 30, 2020	Previous Fiscal Year December 31, 2019
1	Total Assets	10,420,055	9,498,257
1.01	Current Assets	3,735,561	2,358,072
1.01.01	Cash & Cash Equivalents	1,161,514	566,181
1.01.03	Accounts Receivable	1,552,640	1,421,771
1.01.03.01	Customers	1,331,874	1,258,367
1.01.03.01.01	Accounts Receivable from Customers	1,909,474	1,819,342
1.01.03.01.02	Allowance for Doubtful Accounts	-577,600	-560,975
1.01.03.02	Other Accounts Receivable	220,766	163,404
1.01.04	Inventories	12,015	14,696
1.01.06	Taxes to be Recovered	774,949	68,579
1.01.06.01	Current Taxes Recoverable	774,949	68,579
1.01.08	Other Current Assets	234,443	286,845
1.01.08.03	Others	234,443	286,845
1.01.08.03.03	Dividends Receivable	7,825	7,114
1.01.08.03.04	Other Credits	146,521	193,898
1.01.08.03.06	Financial Asset – Concession Bonus	33,065	32,597
1.01.08.03.07	CDE Funds for CVA Coverage	47,032	53,236
1.02	Noncurrent Asset	6,684,494	7,140,185
1.02.01	Long-term Receivables	2,645,786	3,261,941
1.02.01.02	Investments Appraised at Fair Value through Other Comprehensive Results	137,478	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Trading Securities	137,261	137,261
1.02.01.04	Accounts Receivable	37,929	49,227
1.02.01.04.01	Customers	148,475	159,297
1.02.01.04.02	Allowance for Doubtful Accounts - PCLD	-114,614	-114,614
1.02.01.04.03	Other Accounts Receivable	4,068	4,544
1.02.01.07	Deferred Taxes	991,865	1,004,094
1.02.01.07.01	Deferred Income Tax and Social Contribution	991,865	1,004,094
1.02.01.10	Other Noncurrent Assets	1,478,514	2,071,142
1.02.01.10.03	Taxes to be Recovered	291,022	1,092,845
1.02.01.10.04	Court Deposits	232,483	171,054
1.02.01.10.05	Financial Assets Indemnification - Concession	534,563	525,964
1.02.01.10.06	Financial Assets - Portion A – CVA	160,197	12,678
1.02.01.10.07	Financial Asset – Concession Bonus	260,249	258,113
1.02.01.10.08	Advance for Future Capital Increase	0	10,000
1.02.01.10.09	Credits with Investees	0	488
1.02.02	Investments	262,056	246,572
1.02.02.01	Equity Interests	262,056	246,572
1.02.02.01.01	Investments in Associates	163,837	155,132
1.02.02.01.04	Interest in Joint Ventures	98,219	91,440
1.02.03	Property, Plant & Equipment	191,420	174,796
1.02.03.01	Property, Plant & Equipment in Operation	138,282	140,796
1.02.03.03	Construction in Progress	53,138	34,000
1.02.04	Intangible Assets	3,585,232	3,456,876
1.02.04.01	Intangible Assets	3,585,232	3,456,876

Income Statement - Consolidated / Balance

Sheet - Assets ('000 Reais)

Code of Account	Account Description	Current Quarter September 30, 2020	Previous Fiscal Year December 31, 2019
1.02.04.01.01	Concession Agreement	3,577,715	3,448,815
1.02.04.01.02	Other Intangible Assets	7,517	8,061

Income Statement - Consolidated / Balance

Sheet - Liabilities ('000 Reais)

Code of Account	Account Description	Current Quarter September 30, 2020	Previous Fiscal Year December 31, 2019
2	Total Liabilities	10,420,055	9,498,257
2.01	Current Liabilities	3,401,219	2,427,690
2.01.01	Social and Labor Obligations	244,557	212,148
2.01.01.01	Social Obligations	244,557	212,148
2.01.02	Suppliers	844,553	996,725
2.01.02.01	National Suppliers	844,553	996,725
2.01.03	Tax Obligations	425,480	209,296
2.01.03.01	Federal Tax Obligations	274,203	63,400
2.01.03.01.01	Income Tax (IRPJ) and Social Contribution (CSLL) Payable	141,869	11,744
2.01.03.01.02	PIS/COFINS	129,808	45,183
2.01.03.01.03	Others	2,526	6,473
2.01.03.02	State Tax Obligations	149,241	144,156
2.01.03.03	Municipal Tax Obligations	2,036	1,740
2.01.04	Loans and Financing	983,742	488,756
2.01.04.01	Loans and Financing	880,841	383,623
2.01.04.01.01	In National Currency	871,089	377,317
2.01.04.01.02	In Foreign Currency	9,752	6,306
2.01.04.02	Debentures	102,901	105,133
2.01.05	Other Obligations	733,345	344,237
2.01.05.02	Others	733,345	344,237
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	67,682	67,683
2.01.05.02.04	Regulatory Fees	157,783	166,014
2.01.05.02.07	Financial Liabilities - "Portion A" - CVA	404,774	25,142
2.01.05.02.20	Other Current Liabilities	103,106	85,398
2.01.06	Provisions	169,542	176,528
2.01.06.01	Labor and Civil Security Tax Provisions	169,542	176,528
2.01.06.01.03	Provisions for Employee Benefits	169,542	176,528
2.02	Noncurrent Liabilities	5,326,669	5,663,443
2.02.01	Loans and Financing	864,171	1,172,820
2.02.01.01	Loans and Financing	670,998	904,008
2.02.01.01.01	In National Currency	163,226	435,718
2.02.01.01.02	In Foreign Currency	507,772	468,290
2.02.01.02	Debentures	193,173	268,812
2.02.02	Other Obligations	1,310,637	1,302,849
2.02.02.02	Others	1,310,637	1,302,849
2.02.02.02.03	Social and Labor Obligations	59,612	48,186
2.02.02.02.04	Regulatory Fees	166,360	189,425
2.02.02.02.09	PIS/COFINS to be Returned to Consumers	1,084,665	1,065,238
2.02.03	Deferred Taxes	22,225	19,596
2.02.03.01	Deferred Income Tax and Social Contribution	22,225	19,596
2.02.04	Provisions	3,129,636	3,168,178
2.02.04.01	Labor and Civil Security Tax Provisions	2,895,382	2,862,293
2.02.04.01.01	Tax Provisions	9,644	9,641
2.02.04.01.02	Social Security and Labor Provisions	55,617	60,123
2.02.04.01.03	Provisions for Employee Benefits	2,635,108	2,661,948
2.02.04.01.04	Civil Provisions	195,013	130,581

Income Statement - Consolidated / Balance

Sheet - Liabilities ('000 Reais)

Code of Account	Account Description	Current Quarter September 30, 2020	Previous Fiscal Year December 31, 2019
2.02.04.02	Other Provisions	234,254	305,885
2.02.04.02.04	Regulatory Provisions	232,138	303,762
2.02.04.02.05	Environmental Provisions	2,116	2,123
2.03	Consolidated Shareholders’ Equity	1,692,167	1,407,124
2.03.01	Share Capital Recognized	1,340,000	1,340,000
2.03.02	Capital Reserves	316	316
2.03.02.06	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	1,521,681	1,521,681
2.03.04.01	Legal reserve	170,374	170,374
2.03.04.05	Retained Profits Reserve	1,351,307	1,351,307
2.03.05	YTD Profit/Loss	285,466	0
2.03.06	Equity Valuation Adjustments	-1,455,296	-1,454,873

Income Statement - Consolidated / Income

Statement ('000 Reais)

Code of Account	Account Description	Current Quarter July 1, 2020 to September 30, 2020	Current YTD Fiscal Year January 1, 2020 to September 30, 2020	Equal Quarter Previous Fiscal Year July 1, 2019 to September 30, 2019	Fiscal Year YTD Previous January 1, 2019 to September 30, 2019
3.01	Revenue from Sale of Goods and/or Services	2,045,157	6,126,963	2,027,135	5,941,477
3.01.01	Sales and Services Revenue	1,605,405	5,248,597	1,662,160	5,742,547
3.01.02	Construction Revenue - CPC 47	173,388	396,171	130,161	378,186
3.01.03	Revenue Portion A - CVA	264,806	480,226	234,502	-182,171
3.01.04	VNR Financial Asset Restatement	1,558	1,969	312	2,915
3.02	Cost of Goods and/or Services Sold	-1,780,994	-5,316,843	-1,749,107	-5,176,813
3.02.01	Cost of Sale and Services	-1,442,981	-4,355,953	-1,427,439	-4,254,905
3.02.02	Cost of Goods Sold	-3,161	-9,734	-3,640	-8,971
3.02.03	Cost of Services	-161,464	-554,985	-187,867	-534,751
3.02.04	Construction Cost - CPC 47	-173,388	-396,171	-130,161	-378,186
3.03	Gross Result	264,163	810,120	278,028	764,664
3.04	Operating Expenses/Revenues	-144,771	-376,383	-121,070	-360,303
3.04.01	Selling Expenses	-39,486	-144,810	-42,227	-160,491
3.04.02	General and Administrative Expenses	-109,663	-301,019	-98,092	-280,296
3.04.04	Other Operating Revenues	0	32,194	10,606	46,997
3.04.05	Other Operating Expenses	-13,226	0	0	0
3.04.06	Equity Pickup	17,604	37,252	8,643	33,487
3.05	Income Before Financial Result and Taxes	119,392	433,737	156,958	404,361
3.06	Financial Result	14,974	6,455	-2,396	-58,506
3.06.01	Financial Revenues	57,886	151,759	62,400	192,451
3.06.02	Financial Expenses	-42,912	-145,304	-64,796	-250,957
3.07	Income Before Taxes on Profit	134,366	440,192	154,562	345,855
3.08	Income Tax and Social Contribution on Profit	-54,043	-155,149	-55,421	-127,590
3.08.01	Current	-26,014	-140,291	-33,067	-103,293
3.08.02	Deferred	-28,029	-14,858	-22,354	-24,297
3.09	Net Income from Continuing Operations	80,323	285,043	99,141	218,265
3.11	Consolidated Profit/Loss for the Period	80,323	285,043	99,141	218,265

Income Statement - Consolidated / Income Statement ('000 Reais)

Code of Account	Account Description	Current Quarter July 1, 2020 to September 30, 2020	Current YTD Fiscal Year January 1, 2020 to September 30, 2020	Equal Quarter Previous Fiscal Year July 1, 2019 to September 30, 2019	Fiscal Year YTD Previous January 1, 2019 to September 30, 2019
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	1.96500	6.97340	2.42540	5.33970
3.99.01.02	Preferred Shares	2.16150	7.67070	2.66790	5.87370
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	1.96500	6.97340	2.42540	5.33970

Income Statement - Consolidated /Comprehensive Income

Statement (Reais '000)

Code of Account	Account Description	Current Quarter July 1, 2020 to September 30, 2020	Current YTD Fiscal Year January 1, 2020 to September 30, 2020	Equal Quarter Previous Fiscal Year July 1, 2019 to September 30, 2019	Fiscal Year YTD Previous January 1, 2019 to September 30, 2019
4.01	Consolidated Net Income for the Period	80,323	285,043	99,141	218,265
4.03	Comprehensive Consolidated Result for the Period	80,323	285,043	99,141	218,265

Income Statement - Consolidated / Statement of Cash Flow - Indirect Method

('000 Reais)

Code of Account	Account Description	Current YTD Fiscal Year January 1, 2020 to September 30, 2020	Fiscal Year YTD Previous January 1, 2019 to September 30, 2019
6.01	Net Cash from Operating Activities	767,574	180,224
6.01.01	Cash Generated from Operations	573,418	419,845
6.01.01.01	Earnings before Income Tax and Social Contribution	440,192	345,855
6.01.01.02	Depreciation and Amortization	180,015	169,442
6.01.01.04	Equity Pickup	-37,252	-33,487
6.01.01.05	Restatement/Interest Return/Concession Bonus	-28,532	-30,504
6.01.01.06	Interest and Monetary Variations	131,666	156,262
6.01.01.08	Income Tax (IRPJ) and Social Contribution (CSLL) Paid	-129,249	-94,575
6.01.01.09	Interest Paid	-66,631	-80,599
6.01.01.11	Provision for Actuarial Liabilities	46,052	39,664
6.01.01.12	Constitution (Reversal) Provision for Contingent Liabilities	-11,702	-103,502
6.01.01.14	Write-off of Property, Plant & Equipment/Intangible Assets	34,110	36,551
6.01.01.15	Financial Assets Update – VNR	-1,969	-2,915
6.01.01.17	Estimated losses in Doubtful Accounts	16,625	17,603
6.01.01.18	Write-Off of Financial Indemnity Assets - Concession	93	50
6.01.02	Changes in Assets and Liabilities	194,156	-239,621
6.01.02.02	Financial Assets - (CVA, Concession Bonus)	-378,351	290,128
6.01.02.03	Accounts Receivable	-136,672	184,153
6.01.02.04	Subsidy Decree 7891/2013	6,204	244
6.01.02.05	Taxes to be Recovered	95,453	-1,159,883
6.01.02.06	Court Deposits	-61,429	-30,265
6.01.02.07	Inventories	2,681	-6,988
6.01.02.08	Advance for Future Capital Increase	10,000	0
6.01.02.10	Other Accounts - Assets	47,853	-50,605
6.01.02.13	PIS/Cofins to be Returned to Consumers	0	1,076,558
6.01.02.14	Suppliers	-152,172	-93,350
6.01.02.15	Taxes to be Collected	205,142	55,104
6.01.02.16	Social Security and Labor Obligations	43,835	12,577
6.01.02.17	Regulatory Fees	-37,205	-345,991
6.01.02.18	Financial Liabilities - "Portion A" - CVA	636,392	-25,248
6.01.02.19	Actuarial Liabilities	-105,283	-135,072
6.01.02.20	Other Accounts - Liabilities	17,708	-10,983
6.02	Net Cash from Investing Activities	-344,283	-323,255
6.02.01	Additions Property, Plant & Equipment/Intangible Assets	-364,727	-322,090
6.02.03	Capital Increase (Decrease) Investees	-9,801	-11,082
6.02.05	Dividends Received	30,245	9,917
6.03	Net Cash from Financing Activities	172,042	72,308
6.03.03	Amortization of Loans and Financings	-325,699	-164,642
6.03.04	Additions of Loans and Financing	574,213	371,562
6.03.05	Dividend Payment	-1	-16,945
6.03.07	Payment of Debentures	-76,471	-117,667
6.05	Increase (Decrease) in Cash and Cash Equivalents	595,333	-70,723
6.05.01	Opening Balance of Cash and Cash Equivalents	566,181	698,060

Income Statement - Consolidated / Statement of Changes in the Shareholders' Equity / DMPL - January 1, 2020 to September 30, 2020 ('000 Reais)

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	YTD Profit or Loss	Other Comprehensive Results	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124	0	1,407,124
5.03	Adjusted Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124	0	1,407,124
5.05	Total Comprehensive Income	0	0	0	285,466	-423	285,043	0	285,043
5.05.01	Net Income for the Period	0	0	0	285,043	0	285,043	0	285,043
5.05.03	Reclassifications to the Result	0	0	0	423	-423	0	0	0
5.05.03.02	Assigned Cost Recognized	0	0	0	423	-423	0	0	0
5.07	Closing Balances	1,340,000	316	1,521,681	285,466	-1,455,296	1,692,167	0	1,692,167

Income Statement - Consolidated / Statement of Changes in the Shareholders' Equity / DMPL - January 1, 2019 to September 30, 2019 ('000 Reais)

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	YTD Profit or Loss	Other Comprehensive Results	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	1,340,000	316	1,302,766	0	-842,226	1,800,856	0	1,800,856
5.03	Adjusted Opening Balances	1,340,000	316	1,302,766	0	-842,226	1,800,856	0	1,800,856
5.04	Capital Transactions with Shareholders	0	0	27	0	0	27	0	27
5.04.08	Reversal of Prescribed Dividends	0	0	27	0	0	27	0	27
5.05	Total Comprehensive Income	0	0	6,259	218,677	-412	224,524	0	224,524
5.05.01	Net Income for the Period	0	0	0	218,265	0	218,265	0	218,265
5.05.03	Reclassifications to the Result	0	0	6,259	412	-412	6,259	0	6,259
5.05.03.02	Assigned Cost Recognized	0	0	0	412	-412	0	0	0
5.05.03.03	Adjustments to Equity Valuation in Subsidiary	0	0	6,259	0	0	6,259	0	6,259
5.07	Closing Balances	1,340,000	316	1,309,052	218,677	-842,638	2,025,407	0	2,025,407

Income Statement - Consolidated / Statement of Added Value ('000 Reais)

Code of Account	Account Description	Current YTD Fiscal Year January 1, 2020 to September 30, 2020	Fiscal Year YTD Previous January 1, 2019 to September 30, 2019
7.01	Revenues	9,643,532	9,799,855
7.01.01	Sales of Goods, Products and Services Other	9,148,717	9,343,753
7.01.02	Other Revenues	115,269	95,519
7.01.03	Recipes related to Construction of Own Assets	396,171	378,186
7.01.04	Provision/Reversion of Credits. Doubtful Accounts	-16,625	-17,603
7.02	Inputs Purchased from Third Parties	-5,044,512	-4,901,356
7.02.01	Costs Goods and Services Sold	-4,442,128	-4,348,559
7.02.02	Materials, Energy, Outsourced Services and Others	-206,213	-174,611
7.02.04	Others	-396,171	-378,186
7.02.04.01	Costs refs. Construction of Own Assets	-396,171	-378,186
7.03	Gross Added Value	4,599,020	4,898,499
7.04	Withholdings	-180,015	-169,442
7.04.01	Depreciation, Amortization and Exhaustion	-180,015	-169,442
7.05	Net Added Value Produced	4,419,005	4,729,057
7.06	Added Value Received on Transfer	189,011	225,938
7.06.01	Equity Pickup	37,252	33,487
7.06.02	Financial Revenues	151,759	192,451
7.07	Total Added Value to Distribute	4,608,016	4,954,995
7.08	Distribution of Added Value	4,608,016	4,954,995
7.08.01	Personnel	579,306	552,655
7.08.01.01	Direct Compensation	493,258	466,650
7.08.01.02	Benefits	65,853	66,157
7.08.01.03	F.G.T.S.	20,195	19,848
7.08.02	Taxes, Charges and Contributions	3,581,326	3,916,621
7.08.02.01	Federal	1,931,590	2,142,251
7.08.02.02	State	1,643,482	1,768,934
7.08.02.03	Municipal	6,254	5,436
7.08.03	Compensation of Third-Party Capital	162,341	267,454
7.08.03.01	Interest	5,504	10,668
7.08.03.02	Rents	17,037	16,497
7.08.03.03	Others	139,800	240,289
7.08.03.03.01	Monetary and Exchange Changes	12,244	51,238
7.08.03.03.03	Other Financing Expenses	127,556	189,051
7.08.04	Return on Shareholders' Equity	285,043	218,265

Comments on the

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

1. INVESTMENTS

The funds invested in property, plant & equipment, intangible assets and shares in SHPs by the Company in the first three quarters of 2020 reached R$456,674, compared to R$415,407 in 2019, 9.93% higher than the same period of the previous year, as shown in the table below:

Description	September 30, 2020		September 30, 2019		Consolidated Analysis Horizontal
	R$ '000	%	R$ '000	%	
Electricity Distribution	**425,428**	**93.16%**	**402,787**	**96.96%**	**5.62%**
Own Funds	343,770	-	343,498	-	-
Consumer Financial Share	81,658	-	59,289	-	-
Electricity Generation	**31,246**	**6.84%**	**12,620**	**3.04%**	**147.59%**
Equity Interests	10,289	-	11,082	-	-
Own Generating Site	20,957	-	1,538	-	-
Total	**456,674**	**100%**	**415,407**	**100%**	**9.93%**

Of the total invested, the largest volume of R$425,428 was allocated to the expansion and improvement of the system, operational efficiency and modernization of the management of Celesc D. Of this amount, R$343,770 was related to its own resource (with R$305,164 in materials and services, R$38,606 in own funds) and R$81,658 were related to funds from third parties, derived from Consumer Financial Share in works of Celesc D. The rules of Consumer Financial Share are established in ANEEL Regulatory Resolution 414 from September 9, 2010.

Among the main investments made in the company's own generating site are the following: R$548 used in the software development service and drone with integrated camera for the Central Management; R$35 refer to the Bracinho Plant's electromechanical maintenance and hydrostatic pressure probe service; R$19,014 invested in hydromechanical equipment, turbines, generators, civil, environmental, electrical and mechanical design, mobilization and construction site, manufacture of the Celso Ramos Plant's elevator; R$39 spent on the Pam HMI Module, stationary battery, pole and gate of Palmeiras Plant; R$26 refer to aluminum boat, conveyor belt and guide, submersible pressure sensor, pole and gate of Pery Plant; R$353 invested in the automation of Rio dos Cedros Plant; R$702 exhaust system, electromechanical maintenance service, hydraulic turbine, Ethercat Module and maintenance of Salto Plant and R$184 demanded in the consultative engineering service of Caveiras Plant.

2. STOCK MARKET

The BOVESPA index closed the third quarter of 2020 with a 0.47% depreciation. The Energy Sector Index (IEE), indicator of the electricity sector, increased by 2.27% in the same period.

During this same period, the Common Shares (ON) of the Company appreciated 5.97%, while the Preferred Shares (PN) depreciated by 1.28%.

The table below presents the final quotations as of September 30, 2020 and the respective percentage changes in the Company's shares and the key market indicators:

Description	Closing September 30, 2020	Change % - 3Q2020	Change % In 12 months
Celesc Preferred Shares	R$52.81	-1.28%	19.72%
Celesc Common Shares	R$55.00	5.97%	20.69%
IBOVESPA	94,603	-0.47%	-9.68%
IEE	68,569	-2.27%	-0.80%

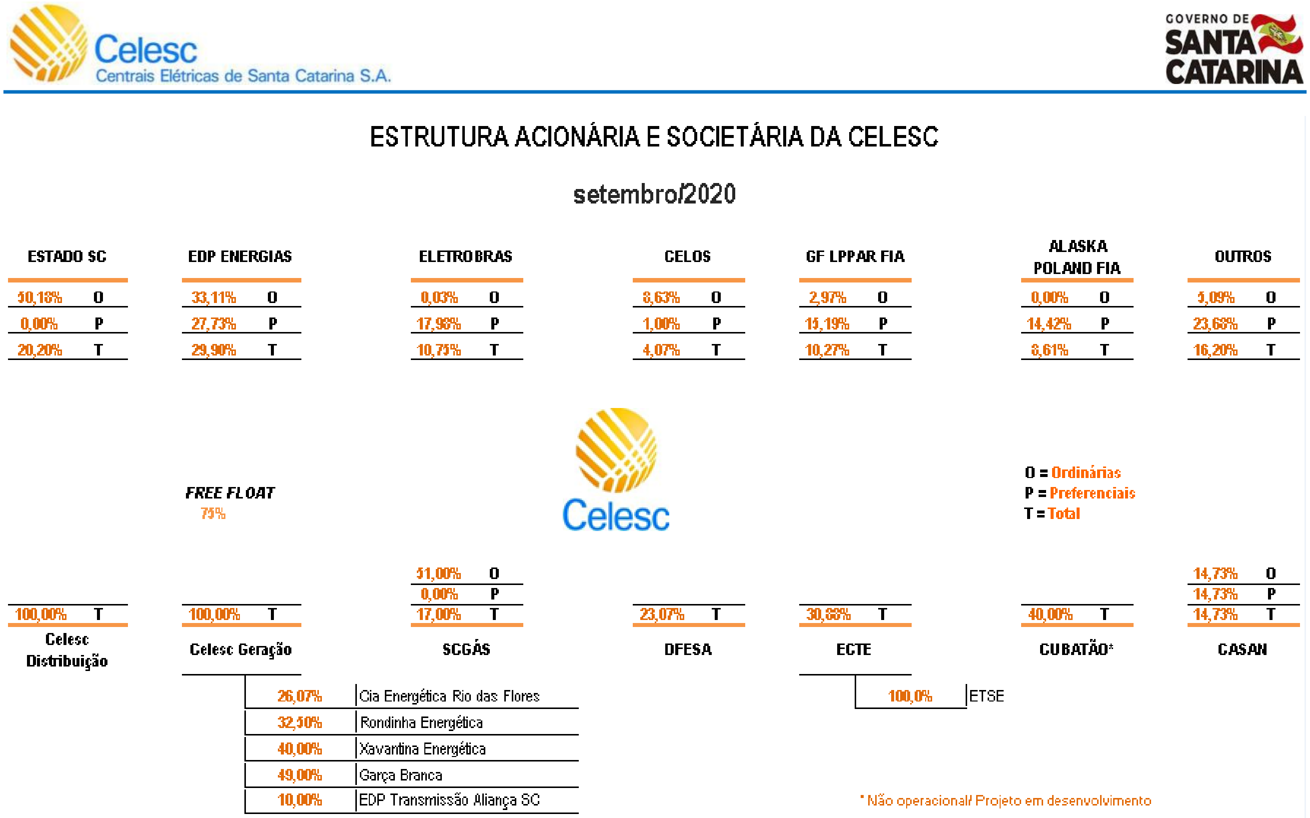
Percentage changes with adjustment to earnings

3. SHARE MARKET PRICE

The Company's share market price as of September 30, 2020, as shown above, are: R$55.00 (fifty-five reais) for each common share - ON (CLSC3) and R$52.81 (fifty-two reais and eighty-one cents) for each preferred share - PN (CLSC4).

Its majority shareholder is the State of Santa Catarina, which owns 50.2% of the Company's common shares, corresponding to 20.2% of the total capital. The shareholding and corporate structure, as of September 30, 2020, is presented in the following chart:

Comments on the



4. HUMAN FUNDS

Celesc ended the third quarter of 2020 with a staff of 3,254 employees. The total number of employees represents an decrease of 4.4% YoY (3,404 employees). The drop was mainly due to the adoption of employees to the Incentivized Dismissal Plan - PDI 2019 and the Emergency Incentivized Dismissal Plan - PDI-E.

5. ECONOMIC AND FINANCIAL PERFORMANCE

The Company's YTD Net Income, on September 30, 2020, reached R$285,043, up by around 30.59% compared to 2019, when it totaled R$218,265.

Gross Operating Revenue (GOR) reached R$9.5 billion, down by 1.83%, mainly due to the negative average annual tariff adjustment of 7.8%, occurred at Celesc D in August 2019, which reduced the revenue from electricity supply. Part of this drop was not recovered by the 2020 readjustment, on average, 8.14% positive, due to the preliminary decision on Public Civil Lawsuit 5018546-02.2020.4.04.7200/SC, which suspended this increase.

Net Operating Revenue (NOR) reached R$6.1 billion in the period, up by 3.12% year-on-year. The increase in NOR, reversing the negative GOR, is mainly due to the significant drop of the sector charge related to the Energy Development Account (CDE), in addition to the decrease deduction due to the billing of the Bill Level.

The Gross Operating Income was 5.94% better when comparing YTD 2020 and 2019. However, this performance would have been better excluding the increase in the readjustment of the transmitters, part of the electricity cost of the distributors.

Net Income for the period was also impacted by operating expenses, up by 4.46%, mainly driven by the net provisions. The financial result went from a negative R$58,506 in the first three quarters of 2019 to R$6,455 positive in the same period of 2020. This inversion occurred is mainly due to the significant decrease in interest and monetary restatement of debts.

Based on the Company's consolidated information, the main economic indicators, as of September 30, 2020, compared to September 30, 2019, are as follows:

Comments on the

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

Description - Amount in Reais ('000)	September 30, 2020	September 30, 2019	AH (%)
Gross Operating Revenue - GOR	9,546,857	9,724,854	-1.83%
Net Operating Revenue – NOR	6,126,963	5,941,477	3.12%
Operating Result	433,737	404,361	7.26%
EBITDA	613,752	573,803	6.96%
EBITDA Margin (EBITDA/NOR)	10.02%	9.66%	0.36 p.p.
Net Margin (LL/NOR)	4.65%	3.67%	0.98 p.p.
Financial Result	6,455	(58,506)	-111.03%
Total Assets	10,420,055	10,812,323	-3.63%
Property, Plant & Equipment	191,420	157,853	21.26%
Shareholders' Equity	1,692,167	2,025,407	-16.45%
Net Income	285,043	218,265	30.59%

Regarding the change in Net earnings before interest, taxes, financial result and depreciation/amortization (EBITDA), the following table details the situation:

EBITDA Reconciliation - Figures in '000 Reais	September 30, 2020	September 30, 2019
Net Income	285,043	218,265
Current and Deferred Income Tax (IRPJ) and Social Contribution (CSLL)	155,149	127,590
Financial Result	(6,455)	58,506
Depreciation and Amortization	180,015	169,442
EBITDA	**613,752**	**573,803**

6. EQUITY STRUCTURE

The equity structure, in the number of shares of shareholders with more than 5% of any kind or class, is represented according to the table below:

Shareholding Base on September 30, 2020						
Shareholder	**Common Shares #**	**%**	**Preferred Shares #**	**%**	**Total #**	**%**
State of Santa Catarina	7,791,010	50.18	191	0.00	7,791,201	20.20
EDP Energias do Brasil S.A.	5,140,868	33.11	6,390,720	27.73	11,531,588	29.90
Fundação Celesc de Seguridade Social - Celos	1,340,474	8.63	230,800	1.00	1,571,274	4.07
Geração LPar Fundo de Investimento	460,600	2.97	3,500,000	15.19	3,960,600	10.27
Centrais Elétricas Brasileiras - Eletrobras*	4,233	0.03	4,142,774	17.98	4,147,007	10.75
Alaska Poland FIA	-	0.00	3,322,000	14.42	3,322,000	8.61
Others	789,952	5.09	5,457,969	23.68	6,247,921	16.20
Total	**15,527,137**	**100.00**	**23,044,454**	**100.00**	**38,571,591**	**100.00**
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Share Capital: R$1,340,000,000.00 and Authorized Capital: R$1,340,000,000.00
*Public-Held Company

7. FOREIGN CAPITAL SHARE

Foreign investors closed the third quarter of 2020, representing 0.62% of the Company's total share capital, with a total of 238,092 shares, mostly preferred shares.

Investor Share by Residence	# of Initiatives	%
Foreign Investors	238,092	0.62%
Domestic Investors	38,333,499	99.38%
Total	**38,571,591**	**100.00**

8. SHARES HELD BY THE CONTROLLING SHAREHOLDER, MEMBERS OF THE MANAGEMENT AND MEMBERS OF THE FISCAL COUNCIL

The Company is bound to arbitration in the Market Arbitration Chamber, according to the arbitration clause contained in its Bylaws.

Comments on the

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

Shareholder	Commo Shares		Preferre Shares		Total	
	#	%	#	%	#	%
Controlling Shareholder	9,229,660	59.44%	234,305	1.02%	9,463,965	24.54%
Board of Directors	10	-	200	0.00%	210	0.00%
Executive Board	-	-	-	0.00%	-	0.00%
Fiscal Council	-	-	-	0.00%	-	0.00%
Other Shareholders	6,297,467	40.56%	22,809,949	98.98%	29,107,416	75.46%
Total	**15,527,137**	**100.00%**	**23,044,454**	**100.00%**	**38,571,591**	**100.00%**
Outstanding Shares	**6,297,467**	**40.56%**	**22,809,949**	**98.98%**	**29,107,416**	**75.46%**

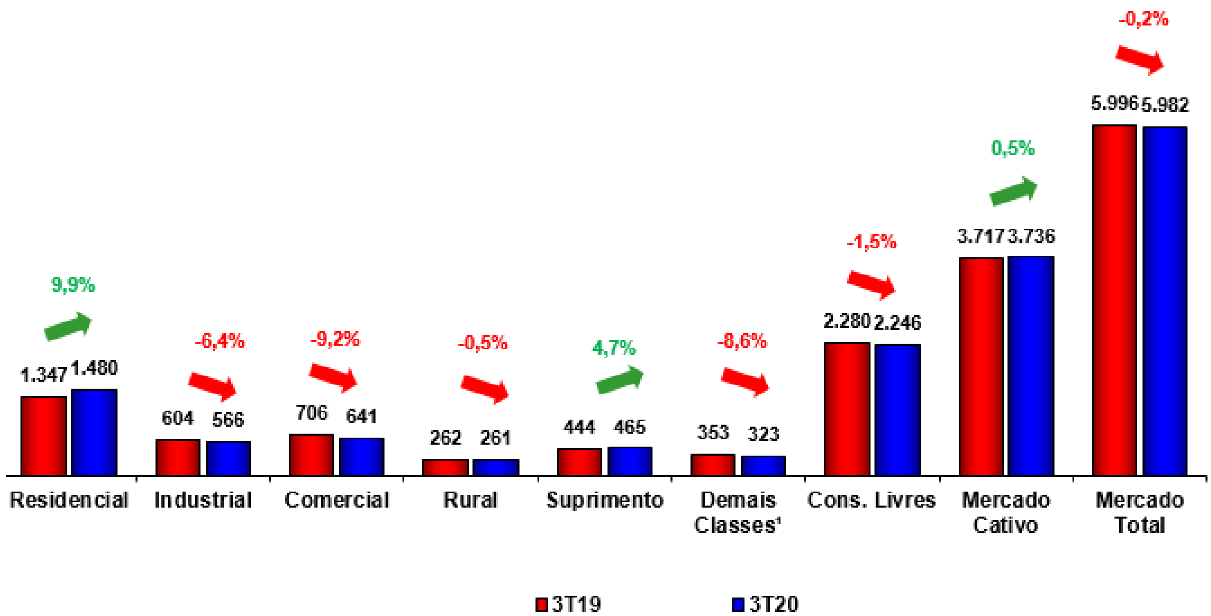
9. OUTSTANDING SHARES

Description	Common Shares – CLSC3		Preferred Shares – CLSC4		Total	
	#	%	#	%	#	%
Total Capital	15,527,137	100.0	23,044,454	100.0	38,571,591	100.00
Outstanding Shares	6,297,467	40.56	22,809,949	98.98	29,107,416	75.46

10. ENERGY BALANCE

Celesc D's Captive Market posted a drop of 0.5% in the third quarter of 2020 year-on-year, reaching 3,736 GWh. Regarding the Total Market, including free consumers, the decrease in electricity consumption was 0.2%, reaching 5,982 GWh.

The chart below shows the consumption values of each class in the captive market, as well as the total market:



Other Classes¹ = Government + Public Lighting + Public Service. Own Consumption not considered.

Comments on the

11. ELECTRICITY MARKET

ELECTRICITY CAPTIVE MARKET

	2020		2019		Vertical Change				Change Horizontal	
					- 3Q	YTD	- 3Q	YTD	3Q	YTD
Description	**3Q**	**YTD**	**3Q**	**YTD**	**2020**	**2020**	**2019**	**2019**	**20-19**	**20-19**
Sales Revenue by Consumption Class in R$ '000										
Residential	915,556	2,907,318	892,500	3,059,843	44.0%	43.7%	39.9%	41.3%	2.6%	-5.0%
Industrial	349,085	1,016,530	415,634	1,253,832	16.8%	15.3%	18.6%	16.9%	-16.0%	-18.9%
Commercial	433,097	1,492,743	512,272	1,790,383	20.8%	22.4%	22.9%	24.2%	-15.5%	-16.6%
Rural	131,654	436,510	127,822	416,974	6.3%	6.6%	5.7%	5.6%	3.0%	4.7%
Government	47,907	171,161	69,497	228,940	2.3%	2.6%	3.1%	3.1%	-31.1%	-25.2%
Public Lighting	59,661	178,016	69,848	201,625	2.9%	2.7%	3.1%	2.7%	-14.6%	-11.7%
Public Service	49,008	155,313	52,576	156,641	2.4%	2.3%	2.4%	2.1%	-6.8%	-0.8%
Subtotal	**1,985,968**	**6,357,591**	**2,140,149**	**7,108,238**	**95.4%**	**95.5%**	**95.8%**	**96.0%**	**-7.2%**	**-10.6%**
Supply	95,963	299,617	94,141	294,450	4.6%	4.5%	4.2%	4.0%	1.9%	1.8%
TOTAL	**2,081,931**	**6,657,208**	**2,234,290**	**7,402,688**	**100%**	**100%**	**100%**	**100%**	**-6.8%**	**-10.1%**
Consumption by Class in MWh										
Residential	1,480,183	4,741,270	1,346,761	4,580,663	39.6%	39.7%	36.2%	37.2%	9.9%	3.5%
Industrial	565,644	1,623,707	604,110	1,845,091	15.1%	13.6%	16.3%	15.0%	-6.4%	-12.0%
Commercial	641,047	2,261,155	706,190	2,502,204	17.2%	18.9%	19.0%	20.3%	-9.2%	-9.6%
Rural	261,062	864,910	262,433	875,543	7.0%	7.2%	7.1%	7.1%	-0.5%	-1.2%
Government	73,015	268,836	99,898	337,490	2.0%	2.2%	2.7%	2.7%	-26.9%	-20.3%
Public Lighting	158,167	478,399	163,903	490,832	4.2%	4.0%	4.4%	4.0%	-3.5%	-2.5%
Public Service	91,428	287,493	89,330	274,332	2.4%	2.4%	2.4%	2.2%	2.3%	4.8%
Subtotal	**3,270,546**	**10,525,770**	**3,272,625**	**10,906,155**	**87.6%**	**88.0%**	**88.0%**	**88.5%**	**-0.1%**	**-3.5%**
Supply	464,988	1,431,000	444,170	1,417,314	12.4%	12.0%	12.0%	11.5%	4.7%	1.0%
TOTAL	**3,735,534**	**11,956,770**	**3,716,795**	**12,323,469**	**100%**	**100%**	**100%**	**100%**	**0.5%**	**-3.0%**
Unit Average Price for the MWh in R$										
Residential	618.54	613.19	662.70	667.99	111.0%	110.1%	110.2%	111.2%	-6.7%	-8.2%
Industrial	617.15	626.06	688.01	679.55	110.7%	112.4%	114.5%	113.1%	-10.3%	-7.9%
Commercial	675.61	660.17	725.40	715.52	121.2%	118.6%	120.7%	119.1%	-6.9%	-7.7%
Rural	504.30	504.69	487.07	476.25	90.5%	90.6%	81.0%	79.3%	3.5%	6.0%
Government	656.13	636.67	695.68	678.36	117.7%	114.4%	115.7%	112.9%	-5.7%	-6.1%
Public Lighting	377.20	372.11	426.15	410.78	67.7%	66.8%	70.9%	68.4%	-11.5%	-9.4%
Public Service	536.03	540.23	588.56	570.99	96.2%	97.0%	97.9%	95.1%	-8.9%	-5.4%
Subtotal	**607.23**	**604.00**	**653.95**	**651.76**	**109.0%**	**108.5%**	**108.8%**	**108.5%**	**-7.1%**	**-7.3%**
Supply	206.38	209.38	211.95	207.75	37.0%	37.6%	35.3%	34.6%	-2.6%	0.8%
TOTAL	**557.33**	**556.77**	**601.13**	**600.70**	**100%**	**100%**	**100%**	**100%**	**-7.3%**	**-7.3%**

12. ARBITRATION CLAUSE

The Company informs that it is bound to arbitration in the Market Arbitration Chamber (CAM), according to the Arbitration Clause contained in its Bylaws, article 73. "The Company, its shareholders, administrators and members of the Fiscal Council undertake to resolve, through arbitration, before the Market Arbitration Chamber (CAM), any dispute or controversy that may arise between them, related to or arising in particular from the application, validity, effectiveness, interpretation, violation and its effects, of the provisions contained in the Brazilian Corporation Law, Company's Bylaws, rules issued by the National Monetary Council, the Central Bank of Brazil and the Brazilian Securities and Exchange Commission, as well as other rules applicable to the operation of the capital market in general, in addition to those Regulation of Level 2, the Level 2 Participation Contract, the Sanctions Regulation and the Arbitration Regulation of the Market Arbitration Chamber."

Comments on the

13. INDEPENDENT AUDITORS

Pursuant to CVM Instruction 381, of January 14, 2003, and ratified by Circular Order CVM/SNC/SEP No. 01, dated from February 25, 2005, the Company informs that the Independent Auditor did not provide any type of service other than those strictly related to the external audit activity.

Florianópolis, October 27, 2020.

Management

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

1. OPERATING CONTEXT

1.1. Business Information

Centrais Elétricas de Santa Catarina S.A. – Celesc ("Company" and, together with its subsidiaries, "Group"), is a publicly traded joint stock company, founded on December 9, 1955 by State Decree 22, headquartered at Avenida Itamarati, 160, bairro Itacorubi, CEP: 88.034-900, Florianópolis/SC, Brazil.

It obtained its first stock exchange listing on March 26, 1973, and today its shares are traded on the São Paulo stock exchange in Level 2 of Corporate Governance of B3 S.A. - Brasil, Bolsa, Balcão, in São Paulo.

The majority shareholder is the State of Santa Catarina, which holds 50.18% of the Company's common shares, corresponding to 20.20% of the total Capital. The updated, subscribed and paid-up share capital is R$ 1,340,000,000.00 represented by 38,571,591 nominative shares, with no par value, of which 40.26% are common voting shares and 59.74% are preferred shares, also nominative, without voting rights.

The main activities of the Company and its subsidiaries and affiliates are the Electricity Generation, Transmission and Distribution. In addition, its jointly-owned subsidiary Companhia de Gás de Santa Catarina S.A. - SCGÁS, operates in the piped natural gas distribution segment.

1.2. Coronavirus Pandemic

Human infection caused by the new coronavirus (COVID-19), has had a strong impact on Brazilian and global society and, therefore, severe measures have been adopted - both by the Federal Government and by the Health and Ministerial Bodies - to prevent the spread of the virus.

On February 6, 2020, Federal Law 13979/2020 was published, which established measures to deal with the public health emergency, of international importance, resulting from the coronavirus, responsible for the 2019 outbreak. On March 11, 2020, the World Health Organization (WHO) classified COVID-19 as a pandemic.

On March 16, 2020, the Government of the State of Santa Catarina published Decree 507, which dealt with measures to prevent and fight the coronavirus (COVID-19) in the Direct and Indirect bodies and entities of the State Government and establishes other measures. On the same day, Celesc published PRE/DGC Resolution 037/2020 with the necessary measures to fight infection within the scope of Celesc.

The Government of the State of Santa Catarina, aware of the effects of the pandemic, published, on March 17, 2020, State Decree 515, declaring an emergency situation throughout the territory of Santa Catarina, to have a drastic restriction of circulation of people.

On March 18, 2020, the Minister of State for Mines and Energy published Decree 117/GM and created the Sector's Crisis Committee. In its Exhibit II, item III, it was set that mixed and state-owned companies related should submit an action plan to the Ministry, covering their respective activities, to maintain the provision of services.

On March 18, 2020, Celesc created the Crisis Committee COVID-19 with the main focus on daily monitoring the cash flow and mitigating initiatives that were under discussion within the scope of ANEEL and ABRADEE.

On March 20, 2020, Federal Legislative Decree 6 was published, which recognized, exclusively for the purposes of Article 65 of Complementary Law 101/2000, a state of public calamity, with effect until December 31, 2020. On the same date, Decree 10282 was also published, which regulated the already mentioned Federal Law 13979/2020, to define essential public services and activities.

On March 23, 2020, State Decree 525 was published, with new measures to deal with the public health emergency, of international importance, resulting from the coronavirus (COVID-19).

The board of the Brazilian Electricity Regulatory Agency [ANEEL - Agência Nacional de Energia Elétrica], on March 24, 2020, in an extraordinary public meeting, listed a set of measures, through Regulatory Resolution 878, to preserve the provision of the public electricity distribution service due to the public calamity related to the coronavirus pandemic (COVID-19).

On April 2, 2020, through Celesc Resolution 49, following the Crisis Committee created on March 18, 2020, the COVID-19 Committee was created to identify the risks undertaken in the Company's budgetary and strategic plan for the current year and those arising from the pandemic crisis.

Notes

Celesc Centrais Elétricas de Santa Catarina S.A. GOVERNO DE SANTA CATARINA

On April 3, 2020, through Celesc Resolution 50, a committee was created to discuss the contingency plan for the staggered return of employees to on-site positions, and under the guidelines from Health Department of the State of SC, considering COVID-19.

On April 8, 2020, through Resolution 062/2020, Celesc created the specific committee to analyze group A's installment requests.

On April 24, 2020, State Law 17933/2020 was published, which prohibits cutting off electricity, water, sewage and gas services until December 31, 2020, within the scope of the State of Santa Catarina, and establishes other measures, given the health emergency due to the pandemic of the new coronavirus (COVID-19).

On May 12, 2020, Celesc Distribuição filed a writ of mandamus at the Court of Justice of Santa Catarina questioning the constitutionality of the aforementioned state rule, given that it dealt with regular matters affecting the Federal Government. The company initially requested the suspension of State Law 17933/2020 until the final court decision, a request granted by the Judge on May 13, 2020. The case is currently concluded by the Judge for a court decision.

Exposed to the regulations covering the legal provisions on "Coronavirus" and its effects, Celesc has been following the initiatives under discussion within the scope of the Ministry of Mines and Energy, ANEEL and ABRADEE, as well as implementing measures to fight the impacts that COVID-19 may have in the economic and financial result.

1.2.1. Actions in the Electric Sector

The electricity sector is having discussions, in different spheres, to minimize the impacts of the pandemic. The Energy Regulation and Management Board - DRG coordinates the discussions with different players, together with associations and other departments, thus seeking solutions to maintain the Company's essential activities.

a) Ministry of Mines and Energy - MME

On April 8, 2020, the Executive Branch issued Provisional Measure 950, which establishes important steps to deal with the impacts of the Covid-19 pandemic in the electricity sector.

The Government solved two urgent issues envisaged by the Ministries involved: the loss of the payment capacity of low-income consumers, beneficiaries of the social tariff, and a partial relief in the financial capacity of the electricity distributors, given the increased default and the decreased energy consumption.

The Provisional Measure exempts consumers who benefit from the social tariff from paying for a consumption of up to 220 kWh/month, for 3 months. Therefore, an investment of R$900 million is foreseen in the Energy Development Account (CDE), which will be made possible through the creation of extraordinary credit, subject of Provisional Measure 949, also signed on the same date.

The Government establishes the conditions to make credit operations feasible, to provide financial relief to distributors given the sudden decrease in the market. The measure will enable distributors to continue honoring their commitments to other sector agents, preserving the sustainability of the electricity sector. Additionally, it will ease the tariff pressure on consumers in 2020, due to extraordinary costs in the context of the Covid-19 pandemic.

On May 18, 2020, Decree 10350 was published, which provides for the creation of a financial package for the electricity sector to address the public health emergency, recognized by Legislative Decree 6, of March 20, 2020. It also regulates Provisional Measure 950, of April 8, 2020, among other provisions.

b) Brazilian Electricity Regulatory Agency [ANEEL - Agência Nacional de Energia Elétrica]

On July 21, 2020, Regulatory Resolution 891/2020 was approved, resulting CP 38/2020. According to the new rules, several activities must be resumed by distributors as of August 1, 2020, such as: in-person service to the public, delivery of the printed bill and compliance with previously required deadlines and indicators. However, any restrictions should be discussed with the local health authority, who have legal authority to assess the feasibility of the services in the context of the pandemic's restrictions.

ANEEL also decided to keep the ban on power cuts due to lack of payment for consumers classified as Low Income, while the pandemic's state of emergency lasts. According to Legislative Decree 06/2020, this period currently remains until the end of 2020. However, as of August 1, 2020, the possibility of power cuts due to non-payment for residential consumers was again allowed, as well as those related to the supply of energy to services and activities considered essential, provided that consumers are warned in advance.

The ban on cutting remains for some groups of consumers as long as the pandemic state of emergency lasts: low-income consumers, units where the person who depends on electrical equipment essential for the preservation of life resides, units that no longer receive the printed invoice without authorization of consumers, those in places with no collection posts in operation or where the circulation of people is restricted by an act of public power.

Notes

In addition, according to Federal Law 14015, of June 15, 2020, it is forbidden to make cuts due to non-payment on Fridays, Saturdays, Sundays, holidays and the days before the holidays. The requirements and deadlines for services previously required must also be re-fulfilled. In these cases, the following deadlines are foreseen for the regularization of the distributors' activities: until August 31, 2020, the services requested by the consumer and not yet met, including reimbursement for damage to equipment and, until October 31, 2020, payments compensation for the breach of continuity indicators, with monetary restatement calculated based on the IGP-M.

It should also be noted that the ban on the cancellation of the social tariff for electric energy remains. Its restart will be carried out in accordance with the provisions of the Ministry of Citizenship.

In addition, since March 24, 2020, public meetings of the board of directors are being held virtually, with live transmission and preservation of all rites, remaining this way so far.

The Regulatory Agency authorized the Electric Energy Trading Chamber (CCEE) to transfer to distributors and part of the free market agents the financial funds available in the reserve fund for future burden relief. The action’s purpose was to reinforce the electricity sector’s liquidity in the pandemic scenario and will anticipate R$2.0 billion reserved for future relief of charges for the distributors of the Regulated Contracting Environment - ACR and for 7,166 agents of the Free Contracting Environment - ACL. The highlight is the amount of R$71.4 million received by Celesc Distribuição S.A., on April 8, 2020 in the first tranche, R$7.2 million received in the second tranche, on May 14, 2020, and R$1.9 million in the third and last tranche, on July 1, 2020.

In addition, ANEEL established, on April 8, 2020, the Office to Monitor the Electricity Situation - GMSE. The action adds to others that the agency previously announced, focused on addressing the pandemic scenario. The Office was created to identify the effects of the pandemic on the energy market, monitor the economic and financial situation and the energy demand and supply, as well as coordinate studies of proposals focused on preserving the balance in the relations between agents in the sector. GMSE will be coordinated by the collegiate board of ANEEL and will have technical advisors from the board. The Technical Note 001/2020, issued by the Office, stands out with initial considerations of the effects of the pandemic.

Based on Decree 10.350/2020, ANEEL performed the first calculation of the needs of the COVID Account, having released the first version of the values on May 25, 2020 in Technical Note 77/2020–SGT/SFF/SRM/SRD/GMSE/ANEEL, whose main subject is the proposal for a regulatory act to regulate Decree 10350/2020. After the release of the Technical Note, ANEEL opened a public consultation for possible contributions.

On June 23, 2020, ANEEL approved the regulation of the COVID Account at a public board meeting, issuing Regulatory Resolution 885, of June 23, 2020, which regulates the COVID Account. The resolution also defines criteria and procedures for the management of COVID Account, establishing limits for funds by distributors, based on the loss of collection and market of each distribution agent. It also details the cost items that can be covered by the financial package and the operational flow of transfers.

Celesc Distribuição adhered to the Term of Acceptance of Regulatory Resolution 885/2020, related to ANEEL Decree 10320/2020 (“COVID Account”). The total required was R$583.2 million, referring to the amounts set by ANEEL. This represents 100% of the maximum amount established for the Company.

On July 21, 2020, ANEEL approved, through Order 2086/2020, the Credit Operation Contracts for the COVID Account. These contracts will be signed between the Electric Energy Trading Chamber and 16 financial institutions, as provided for in Decree 10350/2020 and Regulatory Resolution 885/2020. ANEEL's decision details the technical and legal aspects of the contracts widely discussed and improved in an intense dialogue between ANEEL, CCEE and financial institutions. During the discussion, were established: guarantees, gross amount of the open facility line, remuneration, calculation method, application of interest and late payment fine, grace period, amortization period, allocation of funds and necessary documents of the operation.

On July 31, 2020, Celesc was credited with the funds from COVID Account in full. The collateral for the payment was items accounted as regulatory assets in the Compensation Account for Change in Amounts of Portion A Items - CVA. With the prepayment of these amounts in cash, which would be received by the consumer during the tariff cycle (12 months), the insertion of a negative financial component with effect in 12 (twelve) months has already been carried out in the 2020 tariff process.

As for consumers, the measure allowed a postponement of this effect that would be perceived in a single cycle for up to five tariff cycles, starting in August 2021.

It is noteworthy that AP 35/2020 is in its second phase, in which it analyzes additional information to improve the proposal for Regulatory Resolution that regulates Article 6 of Decree 10350/2020, which provides for the impacts of the COVID-19 pandemic on the economic and financial balance of the electricity distribution concession and permit agreements.

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The second phase of Public Consultation 35/2020, in the Document Interchange modality, lasted 45 (forty-five) days, from August 19 to October 5, 2020.

The Distributor made an individual statement and also via ABRADEE, in addition to attending meetings with the technical areas and with the Reporting Director.

c) Brazilian Association of Electricity Distributors - ABRADEE

ABRADEE, due to the first legal acts related to the pandemic, still in March 2020, sent an official letter to sector agents, addressing the possible impacts on the distribution activity and in the entire chain of the electric sector.

ABRADEE stressed that, since the Association is at the end of the electricity industry chain, the energy distribution represents the link with consumers and has received requests from many segments of society affected by the crisis.

However, the Association recalled that in this gear that makes electricity reach the consumer units, there are several agents involved, emphasizing that over 80% of the electricity bill corresponds to costs that are not from energy distributors, such as taxes and charges of the sector, transferred to governments and other agents; as well as electricity purchase and transmission costs, which are transferred to generators and transmitters.

In short, it showed that the distributor is main responsible for collecting and transferring revenues to the other members of the electricity production chain and the taxes destined to the government.

Also, due to its minority share in the total of this revenue from the electricity supply, it is worth noting that the distributor, alone, does not have the financial and economic conditions to withstand the extraordinary impacts that this crisis has brought to the planet.

From an internal point of view, the Association discussed on its Board of Directors many possibilities, opening two working fronts: the first, addressing an immediate solution with the sector's entities to the distributor's cash and the second, creating two thematic groups, of which Celesc D participates, through the coordination of its regulatory department:
G1: Apportioning the intra-sector delinquency (formulating ABRADEE's position on the notifications issued by the associates);
G2: Formulating the new ACR Account and the Regulatory Asset of Portion B.

Celesc D participates, through the coordination of its regulatory area, of the two groups and, at this moment, both thematic fronts, with the contracted consultants, are defining new strategies aligned with the Board of Directors to reduce the impact on the energy distribution environment.

1.2.2. Actions in the Company

1.2.2.1. Protection of Celesc D's Cash

To keep a healthy short-term cash flow and minimize the impacts of the turbulent financial and global market scenario, some companies are using funds from committed credit lines.

In this sense, although Celesc D does not hold this type of agreement, it has a credit card, currently R$150 million, to make some types of transactions, such as payment of slips.

In addition to using special credit lines, Celesc D is adopting the following measures to protect the cash:

a) approval by the Board of Directors in an extraordinary meeting on March 25, 2020, of the submission of the Management's Proposal to the AESM with the postponement of the payment of the 1st installment of interest on shareholders' equity and Dividends of Celesc, Celesc D and Celesc G, for payment on December 28, 2020. The items were approved in the Management's Proposal sent to the AESM held on April 28, 2020;

b) approval, by the Board of Directors at an extraordinary meeting held on March 27, 2020, of a contigency with Materials, Services and Others – MSO by 26% and in Investments by 42%. The resolution was revised at a meeting held on June 18, 2020, which approved the spending of R$24.0 million on MSO, maintaining the freeze of 19.2%, and approved the realization of IDB Capex, in line with the 2020 budget, and R$40.0 million in Own Capex, maintaining the freeze of 54% of this item. And again, at the meeting on July 16, 2020, the Board of Directors approved the release of an additional R$25 million of MSO, thus remaining contingent the amount of R$41.1 million, which represents 11% of the original budget;

c) approval, by the Board of Directors, at an extraordinary meeting, on March 27, 2020, of the launch of a new Public Call notice to raise funds for Celesc D;

Notes

Celesc Centrais Elétricas de Santa Catarina S.A. GOVERNO DE SANTA CATARINA

d) deferral of the payment period for the Employer's Social Security Contribution (Decree 139, of April 3, 2020);

e) deferral of the FGTS's payment period (Provisional Measure 927, of March 22, 2020);

f) adjustments to the "S" System Contributions (Provisional Measure 932, of March 31, 2020);

g) start offsetting credits referring to the lawsuit, final and unappealable, of Celesc D on the exclusion of ICMS from the PIS/COFINS calculation base, the amounts of which have already been used in the refund statement in March 2020;

h) approval, by Resolution 050/2020, of April 8, 2020, of the change in the dates of the supplier payment schedule, provided for in item 5.2.2 of IN 212.0002 - Accounts Payable Procedures, exclusively for April and May of the 2020 fiscal year, establishing that payments will only be made on the 28th of each month, or on the immediately following business day, while the said amendment is in force, extended to wholly-owned subsidiaries;

i) approval, by Resolution 051/2020, of April 8, 2020, of the postponement to July 10, 2020 of the second installment of the 2019 Profit Sharing for employees and Executive Officers;

j) approval, by Resolution 062/2020, of April 8, 2020, of new installment rules, limiting it to 6 installments with a 33% down payment, previously it was possible to reach 24 installments;

k) approval, at a meeting of the Board of Directors on April 23, 2020, of an Emergency Incentivized Dismissal Plan for employees with over 33 years working at the company, in addition to the approval of the continuity of the dismissals in the 2019 Incentivized Dismissal Plan for employees with over 24 years working at the company;

l) approval, at an extraordinary meeting of the Board of Directors, on April 30, 2020, of the postponement of the installments due from May to December 2020 of the Mathematical Reserve contract with the Celesc Social Security Foundation – CELOS. The installments for the period will be recalculated in January 2021 and diluted in the remaining installments, keeping the contract's maturity in December 2024;

m) funding through a Promissory Note, totaling R$489 million, with CDI costs + 4.5% and a 12-month term. Said funding entered Celesc's cash on May 29, 2020 and will be settled in 12 months as a bullet;

n) ANEEL Order 2,086, of July 21, 2020, approved the credit operation contracts of Covid Account, regulated by Regulatory Resolution 885, of June 23, 2020. On July 31, 2020, Celesc D received R$583.2 million from CCEE related to the request made.

1.2.2.2. Protection of Celesc G's Cash

Celesc G received some notifications from customers regarding the possibility of reducing their contracts, however, no reduction or flexibility not provided for in the contract was granted. There was no default in the period.

From the budget's point of view, Celesc G revised its investment actions, postponing projects with lower priority.

During the first quarter of the year, Celesc G was working on a new issue of Debentures, totaling R$37 million, to implement the expansion project of the Celso Ramos Plant, whose works started in July 2019. However, with the pandemic's impact on the economy, the strong macroeconomic instability greatly affected the capital market and led to the discontinuity of this operation. Due to Federal and State Decrees, Celesc G suspended the works for the said expansion at the end of March 2020, establishing its restart for the end of April 2020, after the release of the main and related activities by the official bodies.

Celesc G, continuously following the capital market, monitors the best time to revisit the operation, starting all necessary procedures for its new issue structure, to fund the Celso Ramos Plant project.

1.2.2.3. Fighting the Pandemic

Celesc created a Crisis Committee in response to the pandemic and its possible implications for its operation, considering State Decree 515, of March 17, 2020, which decreed the emergency situation in Santa Catarina.

The Committee is responsible for forwarding measures and actions relevant to the current context, as per the notice to the market released on March 17, 2020: Covid-19 - Clarifications and Measures Adopted.

Accordingly, the Company issued a resolution with preventive measures, namely:

Notes

a) suspending in-person services since March 18, 2020, with stores remaining closed with the staff answering calls through transfers and back office;

b) making available hand sanitizers and masks for customer service points;

c) all interstate and international business trips have been suspended;

d) employees who return from trips abroad cannot go to their workplace up to 7 days after their arrival and, after the deadline, they must contact Celesc's medical team for evaluation;

e) employees with symptoms of infection by Covid-19 (symptomatic) must take a leave of absence for, at least, 14 (fourteen) days, after their from the trip or after contact, as established by a doctor;

f) employees with 60 years old or more, with chronic respiratory diseases, who live with elderly people with chronic diseases or live with people who have been abroad in the last seven days, pregnant women, nursing mothers and employees who have school-age children whose classes have been suspended and they have no other caregiver to take care of the child or they need to take turns in the care may work from home, as well as other management's employees; the essential services necessary must be maintained;

g) guidance to all managers under contract, so that contracted companies are notified of the responsibility to adopt all necessary measures to control the spread of the virus and comply with State Decree 507/2020.

h) in the unfolding of the first measures of social distancing, Celesc created, on April 3, 2020, through Celesc Resolution 50, a Committee to discuss the contingency plan for the staggered return of employees to on-site positions, and under the guidelines from Health Department of the State of SC, considering COVID-19. To date, Celesc has maintained part of its employees working remotely, with a gradual return of administrative and support activities, however, with priority remote work until the end of December.

It is important to highlight that the technical and commercial activities of customer service, such as works and new connections, are already under development, with all the protocol measures required to mitigate possible infections. In-person stores services resumed activities on August 3, 2020.

Lastly, the Crisis Committee, in line with the actions of the health authorities of the State of Santa Catarina, keep evaluating the possible impacts on the Company's operation, immediately adopting the appropriate mitigating measures for business stability.

1.3 Cyclone Bomba

According to the Environmental Funds and Hydrometeorology Information Center of Santa Catarina - CIRAM, between June 30 and July 1, 2020, winds with speeds above 100 km/h were recorded in several regions of the State. The weather phenomenon was highlighted by the wide area affected, the prolonged duration in some regions and the record breaking wind speed, reaching 168.8 km/h in the municipality of Siderópolis.

Through State Decree 700, of July 2, 2020, a state of public calamity was declared in the municipalities affected by the event classified as Cyclone Bomba.

The trail of destruction left by the phenomenon "swept" Santa Catarina and was considered the worst windy disaster in the state's history, leaving more damage than Hurricane Catarina in 2004 and Tornado Xanxerê in 2015, according to the Civil Defense's Weather Note, leading to the greatest damage ever recorded in the electrical distribution system, affecting even the states of Paraná and Rio Grande do Sul.

The cyclone led to many damages to the population, affecting, above all, the supply of electricity throughout Santa Catarina, with more than 1.5 million consumer units in the dark. Trees, poles and plates fell on the distribution network and access routes, causing serious problems in the restoration of the system, with the aggravation of the rupture of the fiber optic cable, which reached the telecommunication system of the Company and other distributors that serve the South of the country.

With the work of 300 teams and around 1,300 professionals, in 24 hours, more than 1 million consumer units had their situation restored. The uninterrupted continuity of the works allowed the recovery of the situation of 93.54% of the electrical system 48 hours after the phenomenon. After 120 hours, this had already reached 99% of the consumer units.

The complete restoration of the electrical system occurred after 20 days, as the places that remained without power, after the first 5 days of the event, presented extreme difficulty in access.

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Celesc is finalizing the accounting and appropriation of the costs involved in the recovery of the Electric System. The amounts reach R$12 million with third-party services, R$7.9 million with materials and R$0.8 million with own labor, totaling R$20.7 million. There remains an estimate of 70% of this amount to be designated as Capex (investment) and 30% as Opex (expense).

The accounting must be completed within this tariff cycle, that is, by the end of January 2021.

2. BUSINESS PROFILE

2.1. Wholly Owned Subsidiaries

2.1.1. Celesc Distribuição S.A. - Celesc D

Celesc D, constituted by public deed on September 29, 2006, as authorized by State Law 13570 of November 23, 2005, is a publicly-held company.

On July 22, 1999, Contract 56 was signed for the electricity distribution concession, which regulates the exploitation of public electricity distribution services, effective until July 7, 2015. With the de-verticalization process in 2006, the distribution activity, which belonged to Centrais Elétricas de Santa Catarina S.A. - Celesc was transferred to Celesc D. On December 9, 2015, in a lawsuit filed by the Ministry of Mines and Energy - MME, signed the 5th Addendum to the Concession Agreement 56/99, thus extending the concession for another 30 years.

Considering that the conditions established by ICPC01 - Concession Agreements were fully met, the Management of Celesc D concluded that its concession agreement, as well as the 5th Addendum that extended the concession, is within the scope of ICPC01.

Celesc D operates in the electricity distribution segment serving, in whole or in part, 285 municipalities, totaling 3,105,207 consumer units. Of the total served, 264 municipalities are included in the distributor's concession agreement (263 in Santa Catarina and 1 in Paraná) and 21 municipalities are served on a precarious basis, located in concession areas of other distributors (17 in Santa Catarina and 4 in Paraná). The precarious service occurs, according to ANEEL rules, due to technical and economic convenience, resulting from the lack of a network of the concessionaire holding the concession. Additionally, Celesc D is responsible for supplying electric power to the service of four concessionaires and 20 distribution permissionaires, which operate in Santa Catarina, in other municipalities not served by the Company.

2.1.1.1. Regulatory Environment

The Brazilian electricity sector is regulated by the Federal Government, acting through the Ministry of Mines and Energy - MME, which has exclusive authority over the electric sector. The regulatory policy for the sector is defined by the Brazilian Electricity Regulatory Agency [ANEEL - Agência Nacional de Energia Elétrica].

a) Concession Extension

On December 9, 2015, Celesc D signed the 5th Addendum to the Electricity Distribution Concession Agreement 56/1999, for a period of 30 years, which states that in the first 5 (five) years there will be targets to be indicators for technical quality and economic and financial sustainability, conditions for confirmation of the extension of the concession.

Note 5.3.1, item c, presents the status of the established indicators.

From the sixth year following the conclusion of the contract, non-compliance with the quality criteria for three consecutive years, or economic and financial management criteria for two consecutive years, will lead to the opening of the expiration process of the concession.

b) 2020 Annual Tariff Readjustment

ANEEL, through Ratifying Resolution 2756 from August 21, 2020, approved the Annual Tariff Adjustment of Celesc D, applied as of August 22, 2020. Said adjustment resulted in a tariff effect average to be perceived by consumers, around 8.14 %, being 7.67% on average for connected consumers in the High Voltage and 8.42% on average for consumers connected in the Low Voltage.

The Sector Charges have a 2.14% share, 3.38% of Transmission Costs, 5.89% of Energy Expenses, 0.54% with Distributor Costs, -0.64% of Financial Components of the current process, and -3.19% related to the withdrawal of the Financial Components of the previous ordinary process.

On September 4, 2020, the Judge of the 2nd Federal Court of Florianópolis understood, in summary cognition court decision, that the readjustment

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authorized by ANEEL in Ratification Resolution 2756, of August 18, 2020, violates, at this time, the Principle of Financial and Economic Balance and the Theory of Unpredictability, under the terms of Article 6, V, of the Consumer Protection Code, which is why it suspended its application during the public calamity period provided for in Federal Legislative Decree 06/2020. The preliminary decision issued in the records of Public Civil Lawsuit 5018546-02.2020.4.04.7200/SC was filed by PROCON/SC.

The aforementioned injunction's purpose is to suspend the implementation of the electricity tariff readjustment within the State of Santa Catarina until the end of the state of public calamity, due to the COVID-19 pandemic, recognized by Legislative Decree 06/2020, with effect until December 31, 2020. Also in court, it was established that Celesc, if it already has sent the bill to consumers with the new adjustment, must send a new electricity bill without the adjustment and, if the user has already paid the adjusted bill, the corresponding amount be credited to the bill for the following month.

Against the preliminary decision, Celesc filed an appeal at the Federal Regional Court of the 4th Region (5044167-67.2020.4.04.0000), requesting that, *in limine*, the emergency relief granted by the singular court be suspended. The appeal awaits analysis of the request for suspensive effect.

At the same time, a consultation was carried out with the Tariff Management Superintendence - SGT/ANEEL, regarding the maintenance of the treatment regarding the calculation of regulatory assets and liabilities in line with the provisions of REH 2756/2020. This understanding was ratified by SGT through electronic notice on October 19, 2020: *"for tariff purposes, SGT sees that CELESC's tariffs are in effect and once the injunction is reversed, CELESC will be able to proceed with the re-billing immediately*."

Thus, as for the items of regulatory assets and liabilities and other aspects, the definitions set by REH 2756/2020 will be used to calculate the next tariff process in August 2021, on a provisional basis, until ANEEL's new statement and/or decision in an interlocutory appeal in the injunction (Case Records 5044167-67.2020.4.04.7200) or decision on the merits in Case Records 5018546-02.2020.4.04.7200/SC.

c) Tariff Levels

At the public meeting of the board of ANEEL on May 26, 2020, the Brazilian Electricity Regulatory Agency [ANEEL - Agência Nacional de Energia Elétrica] decided to keep the green level activated until December 31, 2020.

This is an emergency measure by the Agency to unburden the electricity bill of consumers and help the electricity sector in the Covid-19 pandemic scenario. The figures of the tariff levels are updated every year and consider parameters such as market estimates, inflation, projected volume of hydroelectric power plants, operating history of the National Interconnected System, in addition to the amounts and limits of the Difference Settlement Price (PLD).

Since, on March 10, 2020 - the day before the World Health Organization (WHO) announced a pandemic - ANEEL had proposed the discussion for the 2020/2021 cycle of additional fees, the proposal was in Public Consultation from March 12 to April 27, 2020. However, the impacts of the pandemic on energy consumption and economic activities have significantly changed the studies and parameters used in the Agency's proposal.

The levels of activation and the additional tariff levels in force, but not applicable at the moment are:

i) Green Level: favorable conditions of energy generation. The tariff will not undergo any additional fees;
ii) Yellow Level: R$1,343 for every 100 kwh (until October 2019: R$1.50 for every 100 kwh);
iii) Red Level 1: R$4.169 for every 100 kwh (until October 2019: R$4.00 for every 100 kwh);
iv) Red Level 2: R$6,243 for every 100 kwh (until October 2019: R$6.00 for every 100 kwh).

The definition of the levels of activation will be carried out according to the Accumulated Distribution Function (FDA) method, defined in the PRORET - Manual on Tariff Regulation Procedures, sub-module 6.8, by the following criteria:

i) Green Tariff Level: statistical number of FDA associated with the probability of 75%;
ii) Yellow Tariff Level: average sample value of FDA comprised between 75% and 85%;
iii) Red Tariff Level: FDA range between 85% and 95%: iii-a) Level 1: average sample value of FDA comprised between 85% and 90%; and iii-b) Level 2: average sample value of FDA comprised between 90% and 95%.

The activation of the levels and the monthly values of the Centralizing Account of Tariff Levels Funds (CCRBT), transferred to Celesc D, as well as the amounts transferred from Celesc D to CCRBT for the purpose of settlement of short-term market Operations with the Electric Energy Trading Chamber - CCEE, in 2020 are:

Notes

Month	Level	Transfer from CCRBT to Celesc D (R$ '000)	Transfer from Celesc D to CCRBT (R$ '000)	Orders ANEEL
January	Yellow	2,048	-	257/2020
February	Green	10,854	-	662/2020
March	Green	2,187	-	903/2020
April	Green	1,886	-	1274/2020
May	Green	1,991	-	1572/2020
June	Green	1,905	-	1930/2020
July	Green	3,028	-	2250/2020
August	Green	3,054	-	2545/2020
September	Green	2,809	-	2824/2020

d) 2014 Contractual Exhibit – ANEEL Order 2642/2015 and 2078/2016

Celesc D filed a lawsuit against ANEEL, seeking to challenge Order 2078/16, in order to obtain the full recognition of contractual exposures as involuntary, at the same time that it requested the grant of an injunction to suspend the application of reducer R$ 256.6 million, expected to be applied together with the homologation of the Periodic Tariff Review process that would occured until August 22, 2016.

After the lawsuit was filed, Celesc D obtained an injunction to dismiss the application of the mentioned tariff reducer. This decision was met by ANEEL upon ratification of the tariff processes of 2016, 2017 and 2018.

In December 2018, the amount was updated to R$317,631 and is recorded under the provision for regulatory contingency.

In 2019, the judge in charge of the case, after examining ANEEL's statement regarding the arguments presented by Celesc D, decided to maintain the injunction previously granted. Also in 2019, before the 2019 Annual Tariff Adjustment (RTA) process, a court decision was rendered against Celesc D. Given this decision, Celesc D had to appeal to discuss the matter in the second instance and awaits a decision from judges.

Due to the decision in the first instance, in August 2019, ANEEL, through Ratification Resolution 2593, allocated in the tariff process the value of the non-transfer of tariffs. The Distributor requested a deferral in the amount of 5 tariff processes and ANEEL then partially accepted the request and ratified the deferral of the financial effect of the 2014 contractual exposure by a fifth of the amount in the 2019 tariff adjustment, totaling R$65,768.

In the 2020 RTA, the same method was adopted, this time with the treatment of R$68,540.

For the next tariff processes, the Agency will evaluate the possibility of maintaining the deferral or the full consideration of the amount. The remaining balance remains as a regulatory contingency, and the updated balance in September 2020 is R$206,695.

e) Reversal Financial Item: Extraordinary Tariff Adjustment - 2015 ETR and CVA CDE (2015 RTA and 2016 RTP)

As noted in Technical Note 194/2015-SGT/ANEEL 16, which instructed Celesc D's 2015 RTA, the reversal of the 2015 RTE's financial component was not carried out, due to the legal discussion regarding the payment of quotas and receipts of CDE's subsidies. Similarly, the previous CVA CDE for the same period had not been considered in the tariff processes.

Administratively, the CDE installment agreement has not yet been terminated by ANEEL. Therefore, a note was inserted in the process making it possible to revisit the amounts considered, if there is an unfavorable position in the proceedings.

Item 28 if the Vote assigned to the Rapporteur Officer of the Proceeding has the following wording:
"Given arguments and documents presented by the Concessionaire, as well as the Superintendence's analysis, while the decision is in force, Celesc-DIS's claim must now be accepted, so that the differences between payment and coverage are established in the original payment dates, without no prejudice to future analysis, possibly in the specific administrative proceeding 48500.003205/2017-9919, in the scenario of a unfavorable decision to the concessionaire."

2.1.2. Celesc Generação S.A. - Celesc G

Celesc G, constituted by public deed on September 29, 2006, as authorized by State Law 13570 of November 23, 2005, is a publicly-held company.

Celesc G is the wholly-owned subsidiary of the Celesc Group that operates in the electricity generation and transmission segments through the operation, maintenance and expansion of its own generation park and participation in power generation and transmission projects in partnerships with private investors.

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

On September 30, 2020, Celesc G had its own generating site with 12 plants: 6 hydroelectric plants (HPPs), 5 hydroelectric generating plants (HGPs) and 1 small hydroelectric plant (SHP).

Also in the generation segment, Celesc G holds a minority interest in another 6 generation projects, developed in partnership with private investors, in the format of Special Purpose Company - SPC, all already in commercial operation.

Celesc G's total generation capacity in operation in the period was 118.21 MW, being 106.97 MW referring to its own site and 11.24 MW referring to the generation site established through partnerships - already proportional to the Celesc G shareholding in these ventures.

2.1.2.1. Generating Site

2.1.2.1.1. Own Generating Site – 100% owned by Celesc G

Own Generating Site - Physical Characteristics

Plants	Location	Final Term Concession	Installed Power (MW)	Physical Guarantee (MW)	Physical Guarantee in Quotas
Pery HPP	Curitibanos/SC	July 9, 2047	30.00	14.08	100%
Palmeiras HPP	Rio dos Cedros/SC	November 7, 2046	24.60	16.70	70%
Bracinho HPP	Schroeder/SC	November 7, 2046	15.00	8.80	70%
Garcia HPP	Angelina/SC	July 7, 2045	8.92	7.10	70%
Cedros HPP	Rio dos Cedros/SC	November 7, 2046	8.40	6.75	70%
Salto Weissbach HPP	Blumenau/SC	November 7, 2046	6.28	3.99	70%
Celso Ramos SHP	Faxinal dos Guedes/SC	March 17, 2035	5.62	3.80	(**)
Caveiras HGP	Lages/SC	(*)	3.83	2.77	(**)
Ivo Silveira HGP	Campos Novos/SC	(*)	2.60	2.03	(**)
Rio do Peixe HGP	Videira/SC	(*)	0.52	0.50	(**)
Piraí HGP	Joinville/SC	(*)	0.78	0.45	(**)
São Lourenço HGP	Mafra/SC	(*)	0.42	0.22	(**)
Total			**106.97**	**67.19**	

(*) Plants with a power of less than 5 MW are exempt from the concession act (Federal Law 13360/2016). (**) Not applicable

2.1.2.1.2. Own Generating Site - Expansion Projects

In recent years, guided by the strategic position of increasing its own generation capacity, Celesc G started to invest in the expansion of its own plants and in the expansion of partnerships to enable projects focused on the construction of new projects. The following tables show the projects under development and their stages.

Regarding the physical guarantee (new or incremental), the goal is to obtain on average 55% of the capacity factor, a standard observed for other ventures in operation with similar characteristics.

Own Generating Site - Expansion Projects

Plants	Location	Final Concession Term	Installed Power (MW)	Power Increase (MW)	Final Power (MW)	Forecast Operation Start-Up	Status
Celso Ramos SHP	Faxinal dos Guedes/SC	March 17, 2035	5.62	8.30	13.92	2021	Construction Works in Progress
Salto Weissbach HPP	Blumenau/SC	November 7, 2046	6.28	23.00	29.28	(**)	Environmental Licensing
Cedros HPP Steps 1 and 2	Rio dos Cedros/SC	November 7, 2046	8.40	4.50	12.90	(**)	Review of the Basic Project
Palmeiras HPP	Rio dos Cedros/SC	November 7, 2046	24.60	0.75	25.35	(**)	Review of the Basic Project
Maruim HGP	São José/SC	(*)	0.00	1.00	1.00	(**)	Environmental Licensing
Caveiras HGP	Lages/SC	(*)	3.83	10.00	13.83	(**)	Review of the Basic Project
Total			**48.73**	**47.55**	**96.28**		

(*) Power plants with a power of less than 5 MW are exempt from the concession act
(**) Depends on regulatory procedures.

Generating Site with Minority Interest - Physical Characteristics

Plants	Location	Final Concession Term	Installed Power (MW)	Physical Guarantee (MW)	Celesc G Interest	Power Equiv. Equiv. Inst. (MW)	Physical Guarantee (MW)
Rondinha SHP	Passos Maia/SC	October 5, 2040	9.60	5.48	32.5%	3.12	1.78
Prata SHP	Bandeirante/SC	May 5, 2039	3.00	1.68	26.0%	0.78	0.44
Belmonte SHP	Belmonte/SC	May 5, 2039	3.60	1.84	26.0%	0.94	0.48
Bandeirante SHP	Bandeirante/SC	May 5, 2039	3.00	1.76	26.0%	0.78	0.46
Xavantina SHP	Xanxerê/SC	April 7, 2040	6.08	3.54	40.0%	2.43	1.42
Garça Branca SHP	Anchieta/SC	March 13, 2043	6.50	3.44	49.0%	3.19	1.69
Total			**31.78**	**17.74**		**11.24**	**6.27**

All the plants of the own generating site and all the plants in partnership participate in the Electric Power Reallocation Mechanism – MRE or ERM, share system of hydrological risks, in which the participating plants transfer the generated energy surplus to their

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

physical guarantee to the plants generated below.

Celesc G also has a Generation Operation Center (GOC), which is responsible for supervising, monitoring, centralizing and remotely operating Celesc Geração's generating plants.

Celesc Centrais Elétricas de Santa Catarina S.A. GOVERNO DE SANTA CATARINA

The GOC operates and supervises the entire own generating site, in shifts covering 24 hours a day, seven days a week.

2.1.2.2. Transmission Projects

2.1.2.2.1. Transmission Project - Celesc G/EDP Energias do Brasil - Minority Interest

Celesc G holds a 10% interest (90% under the control of EDP Energias do Brasil) in a transmission project, called EDP Transmissão Aliança SC S.A., whose purpose is to implement lot 21 of the Auction on 05/2016 of ANEEL, the third largest project, with investment forecast at R$1.1 billion.

The facilities aim to expand the system of the Southern and Plateau region of the State of Santa Catarina and will also enable Celesc G to connect its distribution system to the new structure in order to bring direct benefits to critical regions in the state's energy system. The deadline for the works execution is 60 months and the commercial start-up determined is August 2022, with a possibility of anticipation. The SPC was constituted in July 2017 and the Concession Agreement was signed in August of the same year.

The project includes 5 sections of Transmission Lines and a Substation, as follows:

Description	Origin	Destination	Circuit	Extension (KM)	Voltage (Kv)
TRANSMISSION LINES	Abdon Batista SE	Campos Novos SE	Simple	39.8	525
	Siderópolis 2 SE	Abdon Batista SE	Double	209	525
	Biguaçu SE	Siderópolis 2 SE	Simple	150.5	525
	Siderópolis 2 SE	Siderópolis SE	Double	6.0	230
	Siderópolis 2 SE	Forquilhinha SE	Simple	27.8	230
Total				**433.1**	
SUBSTATION	Siderópolis 2 SE				525/230

The environmental installation licenses of one section and the substation were issued in early 2019 and the license for the remaining four sections was issued at the end of the year. The construction works were started with the issuance of the licenses.

The following table summarizes the main venture information:

Project	Location	Final Concession Term	Transformation Power (MVA)	Transmission Lines (km)	Interest Celesc G
EDP – Transmissão Aliança SC	SC	August 11, 2047	1,344	433	10.0%

2.1.2.3. Regulatory Environment

a) Auction of Amortized Plants

Of the 12 plants that make up Celesc G's own site, 9 were covered by Provisional Measure (MP) 579/2012, converted into Federal Law 12783, of January 11, 2013: Palmeiras HPP, Bracinho HPP, Garcia HPP, Cedros HPP, Salto Weissbach HPP, Pery HPP, Celso Ramos SHP, Caveiras HGP e Ivo Silveira HGP.

With the entry into force of Federal Laws 13097, of January 19, 2015 and 13360, of November 17, 2016, since the Ivo Silveira and Caveiras Plants have an installed capacity of less than 5 MW, both were converted into HGPs, through ANEEL Authorizing Resolutions 5362 of July 21, 2015 (Ivo Silveira) and 7246 of August 21, 2018 (Skulls). To legitimize the change in the concession system, the addendums to the Concession Agreement 006/2013 were also signed. Accordingly, the effects of Federal Law 12783/2013 do not affect such plants.

In 2015, the MME, through Decree 218, established that ANEEL should promote a bidding process for the concessions of several Hydropower Plants, among which 5 owned by Celesc G, for which governance of the Company had decided not to adhere to the terms of the early extension of the concessions, in accordance with the terms and conditions established in Law 12783/2013.

According to the sectorial rule established by said Act, after the concession ends, the plant will be bidden in the form of revenue per tariff, established through the Annual Revenue Generation - AGR. Following the publication of Provisional Measure 688/2015, the economic conditions for share in the auction became considerably more attractive, since the Annual Compensation for Plant Management - GAG-O&M and the Compensation for improvements - GAC-Improvements were included, as well as the Concession Bonus - RBO at an actual rate of 9.04% p.a. On the other hand, the Concession Bonus was required as the portion of the bid to be carried out in the auction, whose winner would be the one offering the lowest cost management for generation assets.

Celesc G won Lot C by offering a discount of 5.21% of the ceiling price defined for the management of generation services for the 5 plants, added to the financial contribution of R$228.6 million as Concession Bonus. Last but not least, as a result of the auction, Celesc G signed the Concession Agreements for Generation Service 006/2016 and 007/2016 on January 5, 2016.

Notes

The Palmeiras, Bracinho, Cedros and Salto Weissbach plants had previous concessions to the Auction 12/15 still in force until the date of November 7, 2016, and from that date on, the execution of the new Concession Agreement was begun in the allocation of physical guarantee and energy quotas. Such contracts are effective for 30 years.

The table below shows the list of the plants in Lot C purchased by Celesc G:

Plants	Location	Installed Power (MW)	Physical Guarantee (MW)	Final Concession Term
Palmeiras HPP	Rio dos Cedros/SC	24.60	16.70	November 7, 2046
Bracinho HPP	Schroeder/SC	15.00	8.80	November 7, 2046
Garcia HPP	Angelina/SC	8.92	7.10	January 5, 2046
Cedros HPP	Rio dos Cedros/SC	8.40	6.75	November 7, 2046
Salto Weissbach HPP	Blumenau/SC	6.28	3.99	November 7, 2046
Total		**63.20**	**43.34**	

The energy generated by the plants was allocated to the quota system, which is the percentage of the plant's energy and power physical guarantee allocated to the Distributors of the National Interconnected System (SIN or NIS). The quota system was 100% of the Physical Guarantee in 2016 and 70% as of January 1, 2017.

b) Extension of the Pery HPP Concession

Regarding Pery HPP, there was judicial discussion regarding the possibility of extending the concession period, in the same conditions of the previous Provisional Measure 579/2012, that is, in order to totally commercialize its energy in the free market since the Plant was recently expanded. However, in July 2017, after several analyzes and discussions, and considering the change in the profitability scenario, Celesc G decided to extend the concession of this plant in accordance with Law 12783/2013, through the quota regime, so that judicial measures necessary for the termination of the existing Judicial Case, including remedies, are approved.

The concession was thus extended for 30 years, effective as of July 10, 2017, with the full allocation of energy in the quota system to energy and power physical guarantee. The HPP is already receiving the GAC Improvement with AGR, the indemnification of the unamortized assets, related to the expansion completed in 2013, will be paid to Celesc G over the new concession period. The rule for this will be defined by ANEEL.

c) Expansion of the Celso Ramos SHP

Celesc G obtained authorization to enlarge Celso Ramos SHP in the order of 7.2MW (5.62MW to 12.82MW) by means of ANEEL Authorization Resolution 5078/2015, as well as the extension of the concession for 20 years, conditioned to the conclusion of the projects by November 2021.

In 2018, the Basic Project for the expansion of the Plant was revised and consolidated, and this new configuration foresees the installation of a new adductor circuit, which will have a new water intake channel, forced conduit and a new powerhouse with two UG-3 and UG-4, with 4.15MW each, totaling an increase of 8.3MW in the utilization (going from 7.2MW to 8.3MW and totaling 13.92MW of installed capacity).

On March 29, 2019, ANEEL issued the Order 939/2019, registering the suitability for the use of the hydraulic potential of the revision of the Basic Project for the Expansion of Celso Ramos SHP and ratifying new parameters required to define the physical guarantee of the project. With the registration at ANEEL's 29th New Energy Auction, the Energy Research Company (EPE) defined the project's Physical Guarantee. The works started in July 2019, with 60% completed by September 2020.

It is also noteworthy that Celesc G participated in the aforementioned Auction A-4, successfully selling the energy of this project, effective in January 2023. Notice on the Approval and Grant of Auction Nr. 3/2019 was published on October 3, 2019.
Regarding the effects of the COVID-19 pandemic, the Company suspended construction works to expand the Celso Ramos Plant at the end of March, and its restarted the works at the end of April, after the release of the main and related activities by official decrees. Due to this suspension, the deadline for the construction works to expand the plant has moved to March 2021.

d) Extension of the Salto Weissbach HPP

In 2018, the basic expansion project of the Salto Weissbach HPP, located in the city of Blumenau, was approved by ANEEL through Order 1117, of May 21, 2018. The expansion project foresees the construction of a new adductor circuit in parallel to the existing one, with adduction channel, water outlet and each of force with two generating units of 11.5MW each, totaling the addition of 23MW of installed power in the plant, going to 29.28MW.

During 2019 and in the first half of 2020, Celesc G discussed with IMA/SC the aspects related to the project, to obtain the Environmental Installation License (EIL) to be later submitted to the analysis of the Energy Research Company (ERC).

Notes

Upon completion of the above steps, ANEEL will calculate the remuneration of this project, the energy of which will be fully dedicated to the quota system, so that the Company may proceed with the financial feasibility, bidding and construction steps.

e) Expansion of Caveiras HGP

In 2018, Celesc G filed at ANEEL an application to carry out inventory studies for the section of the river where the Caveiras HGP is installed, with a view to promoting the expansion of its installed capacity. In the same year, through Order 3005/2018, provided to Celesc G the inventory registration for a period of 630 days as of order's issuance.

In 2019, Celesc G hired the services to carry out the inventory study of Rio Caveiras. The study was completed in June 2020 and has already been sent to ANEEL for analysis and approval.

During the third quarter of 2020, Celesc G obtained approval for the inventory study. In this sense, the next steps in the process are the request for an Order of Registration of Intent to the Authorization Grant - DRI, with ANEEL, a project that, once issued, will proceed with the review and consolidation of the basic project and respective approval by ANEEL, environmental feasibility study and licenses (prior and installation) from IMA/SC, obtaining the financial feasibility and approval of the business plan by the Company, bidding construction works, construction and only then the commercial start-up.

f) Reactivation of Maruim HGP

Maruim HGP, built in 1910, is located in the municipality of São José/SC. Considered one of the oldest hydroelectric plants in the country, it has been decommissioned since 1972 and Celesc G has a project for the reactivation.

In 2018, Celesc G promoted the revision and consolidation of the Basic Project, and this new configuration foresees an installed capacity of 1 MW, using the existing powerhouse, listed as a historical heritage since 2005.

In 2020, Celesc G continued the negotiations with IMA/SC aiming to issue the Environmental Installation License (EIL), which was approved by IMA/SC in the third quarter of the year.

With EIL obtained, Celesc G started the financial feasibility study and preparation of the project's business plan. When finalized, the business plan will be submitted for approval by the Management and the process to hire the construction works will begin. Only after this, the Plant will start operating.

***g)* Generation Scaling Factor Adjustment - GSF**

Celesc G, as well as most generators in the country, seeks to suspend the registration of costs incurred by hydroelectric generators, resulting from the application of GSF, since the frustration of hydroelectric generation in the current scenario stems both from a structural and cyclical order.

The GSF represents an index that expresses the ratio between the sum of all the energy produced by the MRE Plants and the sum of the physical guarantees of the Plants.

Since August 2015, Celesc G has an injunction that obligates CCEE to limit the incidence of GSF to the maximum percentage of 5% of the total physical guarantee, including any collection or apportionment resulting from the GSF Adjustment Factor or from other legal proceedings.

In August 2018, the Judge who is competent to try the ordinary lawsuit raised the Incidence of Repetitive Claims - IRDR in case record nr. 1015846-64.2017.4.01.3400 before the Federal Regional Court of the 1st Region, suspending the process for 60 days. Currently the IRDR is awaiting admission by the Federal Court of the 1st Region. If the IRDR is still admitted, the Rapporteur shall order the suspension of all cases with the same matter, for a maximum period of one (1) year. If the IRDR is judged, the legal thesis will be applied by the other judges to the identical cases in process. In June 2019, an order was published by the competent court, determining the suspension for another 60 days, considering the non-appreciation of IRDR by Federal Court 1. Until September 30, 2020 there was no change in the procedural progress.

On September 9 of this year, Law 14.052/2020 was published, which regulates hydrological risk (GSF), establishing compensations for hydroelectric plants in the MRE that were impacted, by postponing the concession period. Celesc is evaluating which Plants will be covered by Law 14052/2020 and the impacts, considering the possible dropout of the lawsuit, a requirement to obtain compensation.

In this context, the Celesc G is carrying out a strategic analysis regarding the action in the case, maintaining permanent monitoring of the progress of the process, as well as evaluating the market movements, to anticipate measures, if necessary.

Notes

h) EDP Transmissão Aliança SC S.A.

The implementation of reinforcements and improvements in transmission facilities is mandatory to concessionaires of transmission services and is provided for in the Concession Agreement 39/2017 signed by EDP Transmission Aliança SC S.A. and ANEEL.

On January 10, 2019, ANEEL sent to the EDP Transmissão Aliança SC S.A. the Official Letter Nr. 011/2019 stating that the 2018 Plan of Electric Energy Transmission Grants (2018 POTEE), issued by the Ministry of Mines and Energy (MME), includes the third 525/230 kV autotransformer, 3 X 224MVA single-phase in the Siderópolis Substation 2, with date of need in December 2022, with its implementation is under the responsibility of EDP Transmissão Aliança SC S.A., requesting the submission of detailed technical and financial information related to this improvement by April 30, 2019.

After complying with ANEEL's request, on July 31, 2019, ANEEL issued Technical Note 501/2019 authorizing the implementation of the reinforcement. Therefore, the SPC decided to expand the scope of the current agreement to build SE Siderópolis (original project), immediately starting the implementation of the reinforcement together with the SE, minimizing environmental and land impacts and mitigating the risks of the work carried out.

The investment estimated by ANEEL is R$42 million and establishes an Allowed Annual Revenue (AAR) of R$5 million.

Regarding the effects of the COVID-19 pandemic on the project, activities related to the manufacture of equipment could be maintained, according to the current state decree. However, as the project covers around 30 municipalities in Santa Catarina and a large number of workers, civil construction works were suspended until the beginning of June 2020, when they were gradually resumed.

i) Adjustment of Annual Generation Revenue - 2020 AGR

ANEEL, by means of an Approval Resolution 2746 of July 28, 2020, ANEEL has ratified the readjustment of the Annual Generation Revenue (AGR) for hydroelectric Plants under quotas, under the terms of Federal Law 12783/2013. The new AGR readjustment term is effective from July 1, 2020 to June 30, 2021.

The AGRs established for Celesc G's Fixed Assets and which are to be charged on a monthly basis are:

Plants	Annual Revenue (R$) 2020/2021 Cycle	Monthly Revenue (R$) 2020/2021 Cycle
Pery HPP	10,474,530.55	872,877.55
Garcia HPP	10,821,565.74	901,797.14
Bracinho HPP	13,725,718.15	1,143,809.85
Cedros HPP	9,808,376.89	817,364.74
Palmeiras HPP	21,243,017.34	1,770,251.44
Salto HPP	6,739,359.83	561,613.32

j) Dam Safety Plan (DSP) and Emergency Action Plan (EAP)

The DSP has the conditions, characteristics and operational rules for each dam. The EAP, on the other hand, provides strategies in emergency situations. In 2017, Celesc G concluded the DSPs and EAPs of the plants and forwarded them to the regulatory body and related entities.

In 2019, Celesc G continued the EAP and held a meeting with the Civil Defenses of Angelina (Garcia Plant), Blumenau (Salto Weissbach Plant), Rio dos Cedros (Cedros and Palmeiras Plants) and Schroeder (Bracinho Plant).
In the same year, Celesc G hired a company to prepare and issue a dam safety report to corroborate the finding that the dams are in normal operating conditions, with no significant anomalies that put them at risk. The forecast to conclude services and deliver the reports is in the second half of 2020.

2.2. Other Interests

2.2.1. Companhia de Gás de Santa Catarina S.A. – SCGÁS

Companhia de Gás de Santa Catarina (SCGÁS) is the second largest gas distributor in the number of municipalities served in Brazil. Santa Catarina is the 4th State with the largest natural gas distribution network (1,251.4 km) and the 3rd largest in number of industries served with natural gas (289), besides having the 3rd largest network of vehicular gas stations (GNV) in the country (134).

With 100% of the concession to operate natural gas distribution services in the territory in Santa Catarina, the Company markets and distributes approximately 1.9 million cubic meters of natural gas daily to approximately 16,500 customers.

SCGÁS has a concession agreement for the operation of piped gas distribution services, signed on March 28, 1994, with a 50-year term (2044).

Notes

Celesc has 51.0% of the common shares, Petrobras Gás S.A. – Gaspetro has 23.0%, Mitsui Gás e Energia do Brasil Ltda – Mitsui Gás has 23.0% and Infraestrutura de Gás para a Região Sul S.A. – Infragás has 3.0%. The interest in the total share capital is as follows: Celesc 17.0%, Gaspetro 41.0%, Mitsui Gás 41.0% and Infragás 1.0%.

2.2.2. Empresa Catarinense de Transmissão de Energia S.A. - ECTE

Constituted with the specific purpose of exploring electric power transmission lines in the South, Southeast and coastal regions of Santa Catarina, the company is a concessionary of transmission line SE Campos Novos/SC – SE Blumenau/SC, with a length of 252.5 km. The line is responsible for the transportation of approximately 20% of the assured energy to supply demand in the concession area of Celesc D. ECTE, through its subsidiary Empresa de Transmissão Serrana S.A. – ETSE, has the transmission concession of Abdon Batista SE (525/230 kV) and SE Gaspar (230/138 kV).

The affiliate ECTE holds a power transmission concession contract dated from November 1, 2000, with a 30-year term. For its subsidiary ETSE, the concession contract for transmission of electric power is dated from May 10, 2012, with a 30-year term. Celesc holds 30.88% of the Company's share capital. The other shareholders are Alupar, with 50.02%, and TAESA, with 19.10%.

2.2.3. Dona Francisca Energética S.A. – DFESA

An independent power producer, DFESA owns the Dona Francisca, Hydroelectric Power Plant built on the Jacuí River in Rio Grande do Sul, with an installed capacity of 125MW and assured energy of 80MW.

The development was inaugurated in May 2001. The affiliate DFESA has a concession agreement dated from August 28, 1998, with a 35-year term. Celesc holds 23.03% of the company's share capital, Gerdau holds 51.82%, COPEL holds 23.03 and Statkraft holds 2.12%.

2.2.4. Companhia Catarinense de Água e Saneamento – Casan

As a mixed economy-held company controlled by the State Government of Santa Catarina, the role of Casan is to plan, execute, operate and explore the water supply and sanitation services in their areas of concessions (municipality). Currently, the company provides services to 194 municipalities in Santa Catarina and 1 in Paraná, serving approximately 2.7 million consumers with treated water and 702 thousand people with sewage collection, treatment and disposal. Celesc holds 14.736% of the company's total share capital, while the State of Santa Catarina holds 65.312%, SC Participações e Parcerias holds 17.704%, Companhia de Desenvolvimento do Estado de Santa Catarina S.A. - Codesc holds 2.238% and Others hold 0.010%. The investment in Casan is classified in the Company's Financial Statements as Fair Value through Other Comprehensive Income - VJORA.

2.2.5. Usina Hidrelétrica Cubatão S.A.

Special Purpose Company (SPC), established in 1996, for deploying the Cubatão Hydroelectric Power Plant. With the background of environmental obstacles, rejection of the postponement of the concession period and the consequent economic impracticability for developing the project, the venture requested ANEEL to amicably terminate Concession Agreement No. 04/1996 (ANEEL Case No. 48100.003800/1995-89).

By means of Decree 310, dated from July 27, 2018, the Ministry of Mines and Energy (MME), extinguished the concession for the use of Hydraulic Energy referred to as Cubatão HPP, registered with the Unique Code of the Generation Venture – CEG: UHE.PH.SC.027062-8.01. It further acknowledges that there are no reversible assets linked to the concession, nor any encumbrances of any nature to the Granting Authority or ANEEL. Celesc holds 40% of the company's share capital, Inepar S.A. 40%, and Statkraft Energias Renováveis S.A. 20%. The investment in the said plant is fully provisioned as a devaluation in equity interest. The SPC has been dealing with the corporate aspects for its dissolution.

3. BASIS OF PREPARATION

The preparation bases applied in this Parent Company and Consolidated Quarterly Information Reports are detailed below:

3.1. Compliance Statement

The Parent Company and Consolidated Financial Statements have been prepared and according to Technical Pronouncement CPC 21 (R1)
- Interim Statements and International Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented as per the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Financial Report (ITR).

The issuance of the Interim Financial Information was authorized by the Executive Board on October 27, 2020.

Notes

3.2. Functional Currency and Presentation Currency

The Parent Company and Consolidated Quarterly Information Reports are shown in Brazilian Reais, which is the functional currency and all amounts are rounded to thousands of Reais, except when indicated otherwise.

3.3. Critical Accounting Estimates and Judgments

Estimates and accounting judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events, which are considered reasonable for the circumstances. By definition, the resulting accounting estimates will rarely equal their actual results.

Estimates and assumptions may cause significant adjustments in equity and income values for the following periods, impacting on the following measurements:

a) Fair Value of Financial Instruments; (Note 5.7)
b) Estimated Losses in Doubtful Settlement Accounts - PECLD (Note 9);
c) Financial Asset - Concession Bonus (Note 13.2);
d) Impairment of Non-Financial Assets; (Notes 18 and 19);
e) Deferred Income Tax and Social Contribution (IRPJ and CSLL) Recognized; (Note 17);
f) Contingencies; (Note 27);
g) Actuarial Liabilities (CPC 33) (Note 28);
h) Unbilled Revenue - Celesc D (Note 9 - Item a and Note 31.1);
i) Depreciation - Celesc G (Note 19); and
j) Amortization of Indemnifiable Assets - Celesc D (Note 20).

4. ACCOUNTING POLICIES

The preparation basis and the accounting policies are the same used in the preparation of the annual Financial Statements for the year ended on December 31, 2019, contemplating the adoption of accounting pronouncements effective as of January 1, 2020. -

4.1. Measurement Basis

The Parent Company and Consolidated Quarterly Information Reports have been prepared based on historical cost, with the exception of Financial Assets measured at Fair Value through Other Comprehensive Income - VJORA and at Fair Value through Profit - VJR recognized in the balance sheet.

4.2. Accounting Policies, Change of Estimates and Error Rectification

The Company reviewed its accounting policies in order to better present its operating and financial income. As a result of these changes, the Financial Statements for the previous year are restated.

For comparability purposes, reclassifications were made to the corresponding amounts related to the Balance Sheet, both for Assets and Liabilities, for the fiscal year ended on December 31, 2019, as set forth in CPC 23 – Accounting Policies, Change of Estimates and Error Rectification (IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors), CPC 26 (R1) – Presentation of Financial Statements (IAS 1 – Presentation of Financial Statements) and CPC 21 (R1) – Interim Financial Reporting (IAS 34 - Interim Financial Reporting). It is worth mentioning that, even with reclassifications in the Balance Sheet, there was no change in the Statement of Cash Flow.

The Company decided to remove the “Related Parties” items from the Balance Sheet, both in Assets and Liabilities, adding them to “Others”, as it understands that there are other amounts that are also part of the same context and that were shown in specific items (Note 16, item b). The effects of these restatements are shown below:

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

Assets	December 31, 2019	Reclassification	December 31, 2019 (Restated)	December 31, 2019	Reclassification	December 31, 2019 (Restated)
	Parent Company			Consolidated		
Current	**111,201**	**-**	**111,201**	**2,358,072**	**-**	**2,358,072**
Cash & Cash Equivalents	28,451	-	28,451	566,181	-	566,181
Accounts Receivable from Customers	-	-	-	1,421,771	-	1,421,771
Inventories	-	-	-	14,696	-	14,696
Taxes to be Recovered	10,905	-	10,905	68,579	-	68,579
Dividends and Interest on Shareholders’ Equity Receivable	71,817	-	71,817	7,114	-	7,114
Financial Assets (CVA and Concession Bonus)	-	-	-	32,597	-	32,597
Subsidy Decree 7891/2013	-	-	-	193,898	-	193,898
Others	28	-	28	53,236	-	53,236
Noncurrent	**1,379,986**	**-**	**1,379,986**	**7,140,185**	**-**	**7,140,185**
Long-Term Receivables	**160,819**	**-**	**160,819**	**3,261,941**	**-**	**3,261,941**
Marketable Securities	137,478	-	137,478	137,478	-	137,478
Accounts Receivable from Customers	-	-	-	44,683	-	44,683
Related Parties	-	-	-	488	(488)	-
Deferred Taxes	-	-	-	1,004,094	-	1,004,094
Taxes to be Recovered	-	-	-	1,092,845	-	1,092,845
Court Deposits	23,341	-	23,341	171,054	-	171,054
Indemnifiable Financial Assets - Concession	-	-	-	525,964	-	525,964
Financial Assets (CVA and Concession Bonus)	-	-	-	270,791	-	270,791
Future Advance Capital Increase	-	-	-	10,000	-	10,000
Others	-	-	-	4,544	488	5,032
Investments	**1,213,703**	**-**	**1,213,703**	**246,572**	**-**	**246,572**
Property, Plant & Equipment	**18**	**-**	**18**	**174,796**	**-**	**174,796**
Intangible Assets	**5,446**	**-**	**5,446**	**3,456,876**	**-**	**3,456,876**
Total Assets	**1,491,187**	**-**	**1,491,187**	**9,498,257**	**-**	**9,498,257**

Liabilities 2019 Reclassification	December 31,		December 31, 2019 (Restated)	December 31, 2019 Reclassification		December 31, 2019 (Restated)
	Parent Company			Consolidated		
Current	**79,525**	**-**	**79,525**	**2,427,690**	**-**	**2,427,690**
Suppliers Foreign Domestic	1,028	-	1,028	996,725	-	996,725
Loans and Financing – Currency	-	-	-	377,317	-	377,317
Loans and Financing – Currency	-	-	-	6,306	-	6,306
Debentures	-	-	-	105,133	-	105,133
Social Security and Labor Obligations	632	-	632	212,148	-	212,148
Taxes to be Collected	9,855	-	9,855	209,296	-	209,296
Dividends and Interest on Shareholders’ Equity Proposed	67,683	-	67,683	67,683	-	67,683
Regulatory Fees	-	-	-	166,014	-	166,014
Related Parties	53	(53)	-	18,884	(18,884)	-
Actuarial Liabilities (CPC 33)	-	-	-	176,528	-	176,528
Financial Liabilities (CVA) Foreign Domestic	-	-	-	25,142	-	25,142
Others	274	53	327	66,514	18,884	85,398
Noncurrent	**4,538**	**-**	**4,538**	**5,663,443**	**-**	**5,663,443**
Loans and Financing – Currency	-	-	-	435,718	-	435,718
Loans and Financing – Currency	-	-	-	468,290	-	468,290
Debentures	-	-	-	268,812	-	268,812
Social Security and Labor Obligations	-	-	-	48,186	-	48,186
Deferred Taxes	-	-	-	19,596	-	19,596
Regulatory Fees	-	-	-	189,425	-	189,425
Provision for Contingencies	4,538	-	4,538	506,230	-	506,230
Actuarial Liabilities (CPC 33)	-	-	-	2,661,948	-	2,661,948
PIS/COFINS to be Returned to Consumers	-	-	-	1,065,238	-	1,065,238
Shareholders’ Equity	**1,407,124**	**-**	**1,407,124**	**1,407,124**	**-**	**1,407,124**
Share Capital	1,340,000	-	1,340,000	1,340,000	-	1,340,000
Capital Reserves	316	-	316	316	-	316
Profit Reserves	1,521,681	-	1,521,681	1,521,681	-	1,521,681
Equity Valuation Adjustments	(1,454,873)	-	(1,454,873)	(1,454,873)	-	(1,454,873)
Total Liabilities	**1,491,187**	**-**	**1,491,187**	**9,498,257**	**-**	**9,498,257**

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

5. RISK MANAGEMENT

The Company's Planning, Control and Compliance Board (DPL) develops the strategic management of risks and internal controls, drawing up a map of strategic risks, modeling these risks to mitigate them through action plans, aiming to reach the Company' s strategies.

Notes

5.1. Financial Risk Class

5.1.1. Credit Category

a) Delinquency

Risk of impairment of financial economic planning due to non-receipt of invoiced revenue due to communication, delivery and collection deficiencies in relation to customers.

5.1.2. Liquidity Category

a) Third-Party Capital

Risk of the impossibility or unavailability to obtain capital from third parties in the market or impacts due to the early maturity of debts with the financial market or due to untimely and unplanned changes in interest and exchange rates.

b) Cash flow

Risk of low financial liquidity is due to the low collection, impossibility of funding, defaults, excess expenses and/or investments, to fulfill financial commitments and the business strategy.

The amounts disclosed in the table are the undiscounted contracted cash flows on September 30, 2020.

							Consolidated
Description	**Fees %**	**Less than one month**	**From one to three months**	**From three months to one year**	**Between one and five years**	**Above five years**	**Total**
Accounts Receivable		1,440,200	60,683	51,757	29,775	4,086	1,586,501
Cash and Cash Equivalents		1,161,514	-	-	-	-	1,161,514
Court Deposits		-	-	-	232,483	-	232,483
CDE Subsidy (Decree 7891/2013)		47,032	-	-	-	-	47,032
Financial Assets – CVA	SELIC	-	-	-	167,915	-	167,915
Concession Bonus	IPCA	2,898	5,720	24,751	109,232	185,746	328,347
Total Assets		**2,651,644**	**66,403**	**76,508**	**539,405**	**189,832**	**3,523,792**
Banking Loans DS	CDI + 0.8% to 4.5%	23,098	84,764	769,504	170,851	-	1,048,217
Eletrobras	5% p.a.	77	147	665	3,614	-	4,503
Finame	2.5% to 9.5% p.a.	654	1,228	4,431	8,638	-	14,951
Debentures – Celesc D	CDI + 1.9% p.a.	18,255	-	50,279	-	161,259	229,793
Debentures – Celesc G	CDI + 2.5% p.a.	-	337	35,383	68,038	-	103,758
Suppliers		577,223	267,326	4	-	-	844,553
Financial Liabilities - CVA	SELIC	33,758	67,568	305,731	-	-	407,057
Mathematical Reserve to be Amortized	IPCA + 6% p.a.	-	6,804	63,957	358,491	-	429,252
IDB	CDI + 0.89% to 1.44% p.a.	9,769	-	-	42,219	577,241	629,229
Total Liabilities		**662,834**	**428,174**	**1,229,954**	**651,851**	**738,500**	**3,711,313**

c) Actuarial

Risk of financial losses as a result of the joint and several liability of the Company, as the sponsor of its employees' pension fund, by definition of a wrong actuarial rate, inadequate management, or in disagreement with market practices, or unexpected fluctuations in market variables.

5.2. Operational Risk Class

5.2.1. Management Category

a) Investments

Risk of losses due to non-compliance with schedules, insufficient rates of return, unforeseen disbursements and incorrect appropriation of funds.

5.2.2. Process Category

a) Safeguarding Assets

Risk of financial losses due to the lack of protection mechanisms, claims and/or unauthorized access.

b) Losses

Risk of revenue reduction due to surpassing, technical and/or non-technical losses, the limits recognized in the tariff by ANEEL.

Notes

c) Distributor Energy Contracting

Risk of non-full tariff transfer of contracted energy costs and penalties due to contracting outside regulatory limits.

5.2.3. Personnel Category

a) Health and Safety

Risk of labor liabilities, interdiction of activities and removal or death of workers caused by non-compliance with legal norms, lack of training and lack of adequate protective equipment.

b) Management and Development of Personnel

Risk of losses due to the limits of the mechanisms to hire and retain employees or inability to promote the development of the group’s professionals, with the available workforce out of date and unable to develop the challenges of the strategy.

5.2.4. Information and Technology Category

a) Cyber and IT Infrastructure

Risk of loss or damage arising from unauthorized access to critical data and information due to inappropriate security policies or parameters, or malicious intent of users, as well as the ability to process systems or failures/delays in the operations of the systems available and inadequate protection/physical safeguarding of network assets.

5.3. Compliance Risk Class

5.3.1. Regulatory/Legal Category

a) Social and Environmental

Risk of losses arising from environmental and social policies and practices that are not in compliance with the law (deliberate noncompliance, lack of knowledge of laws and operational failures), exposing the Company to inspection by inspection agencies, not obtaining licenses and image wear.

b) Tariff Review

Risk of losses in remuneration in the so-called Portion B, which represents the Company's manageable costs, as well as the risk of losses in the remuneration in Portion A for irrecoverable revenues and losses of electricity, caused by non-compliance with regulatory requirements established by ANEEL or by changes in the methodology applied in the tariff review process, resulting in lower than expected tariffs and resulting in a reduction in the distributors' margin.

c) Extinction of the Distribution Concession

Risk of extinction of the Concession Agreement for the exploitation of the public electricity distribution service due to non-compliance with the limits established in the amendment to the distributor’s Concession Agreement, for the collective indicators of economic and financial continuity and sustainability, whose obligations are as follows:

Technical Quality Indicators: Namely the reduction in Celesc D's DEC, must reach 9% and in 2020 – the deadline given by ANEEL for full proof of adjustments – the level becomes a 25% reduction. Following the historical pace, the reduction of this indicator should be 5% per year.

Financial Indicators: EBITDA, (EBITDA - QRR), (Net Debt/EBITDA - QRR). In 2017, EBITDA should be greater than or equal to 0 (zero) and in 2018 (EBITDA - QRR) greater than or equal to 0 (zero). Regarding (Net Debt/EBITDA - QRR) the indicator stipulated by ANEEL in 2019 should be less than or equal to (1/0.8*Selic) and in 2020 less than or equal to (1/1.11*Selic); in both cases, the Selic rate is limited to 12.87%. For 2019, the ratio (Net Debt/EBITDA - QRR) of Celesc D, Adjusted by the items mentioned in the 5th Addendum to the Concession Agreement, is 8.58x, with the goal established by ANEEL less than or equal to 21.04.

Notes

YEAR	ECONOMIC AND FINANCIAL MANAGEMENT	Quality Indicators (Established Limits)		VERIFICATION
		DECi [1]	FECi [2]	
2016		14.77	11.04	SERVED
2017	EBITDA>0	13.79	10.44	SERVED
2018	{EBITDA (-) QRR}≥0	12.58	9.84	SERVED
2019	{NET DEBT/[EBITDA(-) QRR[3]]}≤1/0.8*Selic[4]	11.56	9.25	SERVED
2020	NET DEBT/EBITDA (-) QRR}<1/1.11*Selic	11.30	8.65	

[1]**DECi**: Equivalent Frequency of Interruption of Internal Origin by Consumer Unit
[2]**FECi**: Equivalent Frequency of Interruption of Internal Origin by Consumer Unit;
[3]**QRR**: Regulatory integration quota or Regulatory Depreciation Expense. It will be the value defined in the last Annual Tariff Review-RTA, plus the IGP-M between the month prior to the RTA and the month prior to the twelve (12) month period of the economic-financial sustainability benchmarking;
[4]**Selic:** limited to 12.87% p.a.

d) Power Generation

Risk of extinction of the extension of the Celso Ramos SHP Concession Agreement due to the obligation to start commercial operations by 2021 of two new generating units to be built by Celesc G.

e) Regulation of the Electric Sector

Risk of administrative sanctions applied by ANEEL in the face of inadequate internal processes, loss of value due to changes in legislation that are out of alignment with Company's strategic interests, and exposure to defined government policies for the sector, as well as interference from external bodies.

f) Fraud

Risk of financial loss, image damage, service quality decrease and legal sanctions due to internal or external fraud caused by employees or third parties due to control or collusion failures.

g) Lawsuits

Risk of losses caused by practices in disagreement with Brazilian law and the Terms of Adjustment of Conduct (TAC) or internal deficiencies that hinder or prevent the construction of defense.

5.4. Strategic Risk Class

5.4.1. Governance Category

a) Image

Risk of falling in the reputation of the Company towards the main stakeholders.

5.4.2. Strategy Category

a) Innovation

Risk of loss of competitive advantage due to the difficulty to develop and/or implement new technologies, compromising several aspects such as access to new markets, maximizing revenues, acquiring new knowledge, valuing the brand and corporate sustainability.

5.5. Additional Sensitivity Analysis Required by CVM

The following table shows the sensitivity analysis of financial instruments, which describes the risks of interest rates that may generate material effects for the Company, with a more probable scenario (scenario I), according to an evaluation made by the Management, considering a three month horizon, when the next financial information containing such analysis should be disclosed.

In addition, two other scenarios are demonstrated, in the terms determined by CVM Instruction 475, dated from December 17, 2008, in order to present 25% and 50% of deterioration in the respective risk variable, respectively (scenarios II and III).

The sensitivity analysis presented considers changes in relation to a certain risk, keeping all other variables constant, associated to other risks, with balances as of September 30, 2020:

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

				Consolidated
Assumptions Effects of Accounts on Results	**Balance**	**(Scenario I)**	**(Scenario II)**	**(Scenario III)**
CDI		**2.48%**	**3.10%**	**3.72%**
Financial Investments (Note 8)	1,120,647	27,792	34,740	41,688
Loans (Note 22)	(1,534,022)	(38,044)	(47,555)	(57,066)
Debentures (Note 23.5)	(296,074)	(7,343)	(9,178)	(11,014)
Selic		**1.90%**	**2.38%**	**2.85%**
Financial Asset - CVA (Note 13.1)	(244,577)	(4,647)	(5,821)	(6,970)
IPCA		**3.14%**	**3.93%**	**4.71%**
Indemnifiable Financial Assets - Concession (Note 14)	270,282	8,487	10,622	12,730
Financial Asset - Concession Bonus (Note 13.2)	293,314	9,210	11,527	13,815
Mathematical Reserve to be Amortized	(373,436)	(11,726)	(14,676)	(17,589)

5.6. Capital Management

The objectives of managing its capital are to safeguard the Company's ability to continue to offer shareholder returns and benefits to other stakeholders, as well as to maintain an ideal capital structure to reduce this cost.

In order to maintain or adjust the capital structure, the Company may review the dividend payment policy, returning capital to the shareholders, or issue new shares or sell assets to reduce, for example, the level of indebtedness.

Consistent with other companies in the sector, the Company monitors the capital based on the financial leverage ratio. This index corresponds to the net debt divided by the total capital.

Net Debt, in turn, corresponds to total Loans and Financings, including short- and long-term loans, and Debentures, subtracted from the amount of Cash and Cash Equivalents. The total capital is determined by the sum of shareholders' equity with the net debt.

The table below shows the Financial Leverage Ratio:

		Consolidated
Description	**September 30, 2020**	**December 31, 2019**
Loans and Financing - National Currency (Note 22)	1,034,315	813,035
Loans and Financing - Foreign Currency (Note 22)	517,524	474,596
Debentures (Note 23.5)	296,074	373,945
(-) Cash and Cash Equivalents (Note 8)	(1,161,514)	(566,181)
Net Debt	**686,399**	**1,095,395**
Total Shareholders' Equity	**1,692,167**	**1,407,124**
Total Capital	**2,378,566**	**2,502,519**
Financial Leverage Ratio (%)	**28.86%**	**43.77%**

5.7. Fair Value Estimate

It is assumed that the accounts receivable from customers and accounts payable balances at the book value, less the impairment loss, are close to their fair values. The fair value of financial liabilities, for disclosure purposes, is estimated by discounting the future contractual cash flow at the prevailing market interest rate, which is available to the Company for similar financial instruments.

The Company applies CPC 46 - Measurement at Fair Value to financial instruments measured in the Balance Sheet at fair value, which requires disclosure of fair value measurements by the level of the following measurement hierarchy at fair value:

Quoted prices (unadjusted) in active markets for assets and liabilities that are identical to those that the entity may have access to at the measurement date (Level 1).

Information, in addition to the quoted prices, included in Level 1 that are adopted by the market for the Assets or Liabilities, either directly, that is, as prices or indirectly, that is, derived from prices (Level 2).

Inserts for assets or liabilities that are not based on the data adopted by the market, that is, unobservable inserts (Level 3).

The following table sets forth the Group's assets measured at fair value on September 30, 2020. The book value is close to the fair value of financial assets and liabilities. The Company does not have liabilities measured at fair value at that base date.

Notes

Description – Level 3	September 30, 2020	Consolidated December 31, 2019
Fair Value through Other Comprehensive Income - VJORA		
Marketable Securities (Note 15)	137,261	137,261
Others	217	217
Fair Value through Income - VJR		
Indemnifiable Assets - Concession (Note 14)	534,563	525,964
Total Assets	**672,041**	**663,442**

Specific valuation techniques used to value financial instruments include:

a) Market approach; b) cost approach; c) revenue approach; d) Other techniques, such as the analysis of discounted cash flows, are used to determine the fair value of the remaining financial instruments.

6. FINANCIAL INSTRUMENTS BY CATEGORY

The following table sets forth the financial instruments by category as of September 30, 2020.

Description	Amor tized Cost	Fair Value through Income	Fair Value through Other Comprehensive Income	Consolidated Total
Assets	**4,013,058**	**534,563**	**137,478**	**4,685,099**
Cash & Cash Equivalents	1,161,514	-	-	1,161,514
Accounts Receivable from Customers	2,278,715	-	-	2,278,715
Court Deposits	232,483	-	-	232,483
CDE Subsidy (Decree 7891/2013)	47,032	-	-	47,032
Marketable Securities	-	-	137,261	137,261
Indemnifiable Financial Assets - Concession	-	534,563	-	534,563
Financial Asset – Concession Bonus	293,314	-	-	293,314
Others	-	-	217	217
Liabilities	**2,821,325**	**-**	**-**	**2,821,325**
Suppliers	844,553	-	-	844,553
National Currency Loans	1,034,315	-	-	1,034,315
Foreign Currency Loan	517,524	-	-	517,524
Debentures	296,074	-	-	296,074
Mathematical Reserve to be Amortized	373,436	-	-	373,436
Financial Liabilities - CVA	(244,577)			(244,577)

The following table sets forth the financial instruments by category as of December 31, 2019.

Description	Cost Amortized	Fair Value through Result	Fair Value through Other Results Comprehensive	Consolidated Total
Assets	**3,211,248**	**525,964**	**137,478**	**3,874,690**
Cash & Cash Equivalents	566,181	-	-	566,181
Accounts Receivable from Customers	2,142,043	-	-	2,142,043
Related Parties	488	-	-	488
Court Deposits	171,054	-	-	171,054
CDE Subsidy (Decree 7891/2013)	53,236	-	-	53,236
Marketable Securities	-	-	137,261	137,261
Indemnifiable Financial Assets - Concession	-	525,964	-	525,964
Financial Asset – Concession Bonus	290,710	-	-	290,710
Financial Assets - CVA	(12,464)	-	-	(12,464)
Others	-	-	217	217
Liabilities	**3,053,936**	**-**	**-**	**3,053,936**
Suppliers	996,725	-	-	996,725
National Currency Loans	813,035	-	-	813,035
Foreign Currency Loan	474,596	-	-	474,596
Debentures	373,945	-	-	373,945
Related Parties	18,831	-	-	18,831
Mathematical Reserve to be Amortized	376,804	-	-	376,804

7. QUALITY OF FINANCIAL ASSETS CREDIT

The quality of credit of financial assets can be assessed by reference to the internal ratings of assignment of credit limits.

Notes

	Consolidated	
Accounts Receivable from Customers	**September 30, 2020**	**December 31, 2019**
Group 1 – Customers with Collection in Due Date	758,764	739,524
Group 2 – Customers with an average delay between 01 and 90 days	713,521	706,825
Group 3 – Customers with an average delay of more than 90 days	806,430	695,694
Total	**2,278,715**	**2,142,043**

All other financial assets held by the Company, mainly checking accounts and financial investments, are considered to be of high quality and do not show any signs of losses.

8. CASH & CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term commitments and not for other purposes.

	Parent Company		Consolidated	
Description	**September 30, 2020**	**December 31, 2019**	**September 30, 2020**	**December 31, 2019**
Funds at the Bank and in Cash	42	3,234	40,867	108,587
Financial Investments	31,176	25,217	1,120,647	457,594
Total	**31,218**	**28,451**	**1,161,514**	**566,181**

Financial investments are highly liquid, readily convertible into a known amount of cash, and are not subject to significant risk of change in value. These securities refer to repurchase agreements and Bank Deposit Certificates (CDBs), remunerated on average at the rate of 95.5% of the variation of the Interbank Deposit Certificate (CDI).

9. ACCOUNTS RECEIVABLE FROM CUSTOMERS

a) Consumers, Concessionaires and Permissionaires

					Consolidated
Description	**Falling Due**	**Past Due u p to 90 Days**	**Overdue for over 90 days**	**September 30, 2020**	**December 31, 2019 (Restated)**
Consumers	**1,056,705**	**206,959**	**704,910**	**1,968,574**	**1,863,255**
Residential	245,404	131,934	144,211	521,549	446,134
Industrial	123,021	27,938	383,157	534,116	493,335
Trade	128,624	36,961	136,504	302,089	286,334
Rural	36,735	9,532	13,179	59,446	58,220
Government	32,143	439	9,538	42,120	51,345
Public Lighting	17,796	5	16,943	34,744	35,870
Public Service	16,896	150	1,378	18,424	18,869
Unbilled Sales	456,086	-	-	456,086	473,148
Supply to Other Concessionaires	**210,831**	**9,289**	**90,021**	**310,141**	**278,788**
Concessionaires and Permissionaires	181,137	1,658	27,647	210,442	195,724
Transactions in the Scope of CCEE	22,711	-	33,298	56,009	55,845
Other Credits	-	7,631	29,076	36,707	20,484
Unbilled Concessionaires and Permissionaires	6,983	-	-	6,983	6,735
Total	**1,267,536**	**216,248**	**794,931**	**2,278,715**	**2,142,043**
PECLD with Customers (b)				(692,214)	(675,589)
Total Accounts Receivable from Customers - Net				**1,586,501**	**1,466,454**
Current				**1,552,640**	**1,421,771**
Noncurrent				**33,861**	**44,683**

The restatement mentioned in the figures for 2019 is qualitative, for the purpose of comparability with the figures for 2020, without any quantitative change.

b) Estimated Losses in Doubtful Settlement Accounts - PECLD

The estimated losses on the outstanding amounts are constituted by significant increases in credit risk since the initial recognition, assessed individually or collectively, considering all reasonable and sustainable information, including forward- looking information.

Celesc G, in addition to the defaults generated by bilateral contracts, is subject to defaults occurring in the electricity market of the national interconnected system, in which these are managed and recognized by CCEE and are distributed among market agents.

The composition, by consumption class is shown below:

Notes

Consumers	September 30, 2020	Consolidated December 31, 2019
Residential	109,755	104,230
Industrial	235,397	232,255
Textile (i)	114,614	114,614
Trade, Services and Others	116,309	110,284
Rural	9,482	8,569
Government	11,320	11,405
Public Lighting	16,479	16,481
Public Service	1,374	1,356
Concessionaires and Permissionaires (ii)	49,481	49,087
Free Consumers	1,312	1,312
Others	26,691	25,996
Total	**692,214**	**675,589**
Current	**577,600**	**560,975**
Noncurrent	**114,614**	**114,614**

b.1) Change

Description	Consolidated Total
Balance on December 31, 2019	**675,589**
Provision Constituted in the Period	20,932
Write-offs of Accounts Receivable	(4,307)
Balance on September 30, 2020	**692,214**

(i) Estimated Losses in Doubtful Settlement Accounts - PECLD with the Textile Sector

In 2009, Celesc D carried out a debt recovery action plan for textile companies, among them Buettner S.A., Companhia Industrial Schlösser S.A., Tecelagem Kuehnrich – TEKA and Têxtil Renaux View S.A.

In 2011, Buettner S.A. filed for a judicial recovery and based on the likelihood of recovery of these amounts being remote, Celesc D provided for the amount of R$ 18,231. In 2017, Celesc D, considering the possibility of not receiving the amounts of the company Buettner S.A., reversed the provisioning made in 2011 and launched for losses the amount of R$18,231.

Also in 2011, Companhia Industrial Schlösser S.A. also entered into a judicial reorganization, with a provision of R$ 16,888 in 2012. Celesc D received a judicial recovery in the amount of R$3,283, a reversed amount of the provision.

In 2012, TEKA filed an application for judicial recovery before the Blumenau District, Santa Catarina. The recovery plan was approved by most of the creditors, although Celesc D has voted against it and in favor of the company's bankruptcy. Therefore, the likelihood of receiving this amount is remote in the management's assessment, and Celesc D incorporated a provision for the full payment of the installment that TEKA has with Celesc D, totaling R$55,794.

In relation to Companhia Têxtil Renaux View S.A., the Management of Celesc D, considering the non-payment rate of the debt related to the installment agreement, and due to the remote possibility of receiving it, it constituted a provision of the total amount receivable in the amount of R$45,215 in 2013.

b.2) Changes in PECLD – Textile Sector

The composition, per company is shown below:

Description	Consolidated Total
Têxtil Renaux View S.A.	45,215
Teka Tecelagem Kuehnrich S.A.	55,795
Companhia Industrial Schlösser S.A	13,604
Balance on December 31, 2019	**114,614**
Provision Constituted in the Period	-
Reversal in the Period	-
Balance on September 30, 2020	**114,614**

***(ii)* Judgment of the Generation Scaling Factor Adjustment - GSF**

The amounts referring to the adjustments of the preliminary measures regarding the GSF in the reports of the results of the short-term market accounting, issued by CCEE, related to Celesc G are in the amount of R$33,298 as of September 30, 2020, with R$1,507 reversed throughout this period due to its receipt.

Notes

b.3) **GSF Changes in PECLD**

	Consolidated
Description	**Total**
Balance on December 31, 2019	**32,904**
Provision Constituted in the Period	1,901
Reversal in the Period (Settled in Accounts Receivable)	(1,507)
Balance on September 30, 2020	**33,298**

10. INVENTORIES

Inventories are made up of materials intended for the maintenance of energy distribution operations and materials for administrative use.

		Consolidated
Description	**September 30, 2020**	**December 31, 2019**
Warehouse	11,959	14,053
Others	56	643
Total	**12,015**	**14,696**

11. TAXES TO BE RECOVERED

	Parent Company		Consolidated	
Description	**September 30, 2020**	**December 31, 2019**	**September 30, 2020**	**December 31, 2019**
PIS/COFINS (Exclusion ICMS Calculation Base)	-	-	846,848	1,065,238
Income Tax/Social Contribution	11,019	10,905	143,752	21,692
ICMS	-	-	57,258	56,847
PIS/COFINS	-	-	17,117	16,652
Others	-	-	996	995
Total	**11,019**	**10,905**	**1,065,971**	**1,161,424**
Current	**11,019**	**10,905**	**774,949**	**68,579**
Noncurrent	**-**	**-**	**291,022**	**1,092,845**

On April 1, 2019, Celesc D obtained the final favorable decision from court, filed under number 5006834-93.2012.4.04.7200, which recognized the right to recover the overpayments as PIS/COFINS due to the inclusion of ICMS in the calculation basis of taxes paid. The amounts paid to be credited to Celesc D correspond to the period from April 2007 to December 2014, due to the time limit granted in the decision due to the supereminence of Law 12973/2014. Celesc D has recognized the amount of R$846.8 million of taxes to be recovered, restated in accordance with Brazilian Federal Revenue Service (RFB), solution 13/2018, in Other Non-Current Liabilities - Consumers. The Company obtained credits from the Federal Revenue Service in February 2020. Thus, it started the process to offset overdue taxes and reclassified this credit to current assets based on projected amounts to be offset in the next twelve months. The company is waiting for ANEEL (regulatory body) to define the transfer model to consumers.

In addition, it should be noted that the Company filed another lawsuit, under number 5016157-78.2019.4.04.7200, claiming the return of the amounts from January 2015 onwards, which is undergoing. The lawsuit was upheld at first instance, recognizing the concessionaire's right to exclude ICMS from PIS and COFINS calculation base as of January 1, 2015, an understanding confirmed by the Federal Regional Court of the 4th Region when assessing the Appeal filed by the Federal Government - National Treasury. At the moment, the lawsuit is awaiting a court decision on the Embargoes filed by the Federal Government. At the same time, it should be noted that Extraordinary Appeal 574706/PR at the Supreme Court addressing the matter in the scope of general repercussion, whose definition of the modulation of the effects of the decision is awaited by the Company, to then recognize the tax credits to be recovered.

The Income Tax (IRPJ) and Social Contribution (CSLL) balances are substantially comprised of amounts paid in advance and reductions in Source for income tax on financial investments and will be realized in the normal course of operations.

The ICMS credits recoverable recorded in non-current assets derive from acquisitions of property, plant & equipment and can be offset in 48 months.

The balance of PIS and COFINS is composed mainly of higher payments related to a request for a preliminary injunction granted by the Federal Court regarding the process of recognition of the 2014 contractual exposure (Note 2.1.1.1, item d and Note 27, item iv).

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

12. OTHER ASSETS - CURRENT AND NON-CURRENT

Description	September 30, 2020	December 31, 2019 (Restated)
		Consolidated
PIS/COFINS/ICMS Tax Replacement	53,708	56,128
Infrastructure Share	40,598	41,501
Proinfa Down Payment	14,220	14,220
CDE Refund Difference	205	21,698
Low Income Program	11,540	11,462
Prepaid Expenses	14,375	6,034
Eletrosul (ANEEL Order 4171/2017)	-	13,196
Bill Level	2,810	21,262
Other Credits	13,133	13,429
Total	**150,589**	**198,930**
Current	**146,521**	**193,898**
Noncurrent	**4,068**	**5,032**

13. FINANCIAL ASSETS/LIABILITIES

13.1. Portion A – CVA

Consolidated

Description	December 31, 2019	Addition	Amortization Compensation	Transfers	-	September 30, 2020	Amortization	Constitution	Current	No Current
CVA Active	**565,797**	**452,189**	**(560,691)**	**31,011**	**481,770**	**970,076**	**648,675**	**321,401**	**685,527**	**284,549**
Electric Power	438,497	62,101	(308,002)	16,668	77,927	287,191	192,402	94,789	202,407	84,784
Itaipu Electricity Cost	-	118,803	(25,049)	2,544	177,218	273,516	182,564	90,952	192,164	81,352
Proinfa	13,079	(2,051)	(11,409)	381	-	-	-	-	-	-
Basic Grid Transport	51,694	46,013	(16,034)	1,278	-	82,951	36,026	46,925	40,979	41,972
Electric Power Transport	11,953	9,670	(6,667)	349	-	15,305	8,881	6,424	9,559	5,746
CDE	10,148	46,503	(143,412)	9,115	189,275	111,629	104,592	7,037	105,335	6,294
Neutrality of Portion A	8,479	35,889	(3,858)	(451)	-	40,059	32,687	7,372	33,752	6,307
Over-contracting Electric Power	-	98,872	(7,311)	945	37,350	129,856	61,954	67,902	71,762	58,094
Others	31,947	36,389	(38,949)	182	-	29,569	29,569	-	29,569	-
CVA Liability	**(578,261)**	**(199,607)**	**788,334**	**(10,351)**	**(1,214,768)**	**(1,214,653)**	**(1,072,567)**	**(142,086)**	**(1,090,301)**	**(124,352)**
Proinfa	-	(22,092)	2,387	(283)	-	(19,988)	(19,988)	-	(19,988)	-
Electric Power Overcontracting	(68,138)	26,279	84,978	(524)	(103,900)	(61,305)	(61,305)	-	(61,305)	-
ESS	(242,504)	(42,441)	180,223	(6,929)	(79,326)	(190,977)	(176,291)	(14,686)	(177,841)	(13,136)
CDE	(103,594)	-	35,449	4,738	63,407	-	-	-	-	-
Neutrality of Portion A	(41,077)	-	34,272	-	6,805	-	-	-	-	-
Tariff Returns	(119,326)	(26,672)	286,373	(1,787)	(227,269)	(88,681)	(30,041)	(58,640)	(36,546)	(52,135)
Others	(3,622)	(134,681)	164,652	(5,566)	(874,485)	(853,702)	(784,942)	(68,760)	(794,621)	(59,081)
Assets/(Liabilities) Balance	**(12,464)**	**252,582**	**227,643**	**20,660**	**(732,998)**	**(244,577)**	**(423,892)**	**179,315**	**(404,774)**	**160,197**

Consolidated

Description	September 30, 2020	December 31, 2019
CVA 2019 - Period from August 23, 2018 to August 22, 2019	-	14,726
CVA 2020 - Period from August 23, 2019 to August 22, 2020	328,186	164,547
CVA 2021 - Period from August 23, 2020 to August 22, 2021	231,441	-
Total - CVA	**559,627**	**179,273**
Other Items - Period from August 23, 2018 to August 22, 2019	-	(74,856)
Other Items - Period from August 23, 2019 to August 22, 2020	(752,078)	(116,881)
Other Items - Period from August 23, 2020 to August 22, 2021	(52,126)	-
Total - Other Items - CVA	**(804,204)**	**(191,737)**
Total	**(244,577)**	**(12,464)**

13.2. Financial Asset – Concession Bonus

In 2016, Celesc G paid R$228.6 million as Concession Bonus - BO referring to the new Garcia, Bracinho, Palmeiras, Cedros and Salto Plant concessions. This amount is included in the tariff of these Plants and will be reimbursed by consumers over 30 years with an annual readjustment by the IPCA, as defined by ANEEL. The balance of the financial asset for each of the Plants is calculated by the amount paid:

a) By deducting the monthly amount received from Return on Concession Bonus - RBO, established by ANEEL Resolution 2746, of July 28, 2020;

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

b) Summing up the monthly interest calculated on the basis of the Effective Interest Rate (TIR); and
c) Adding the monetary adjustment by the IPCA, established by the Concession Agreement.

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

Description	Garcia Plant	Bracinho Plant	Cedros Plant	Salto Plant	Palmeiras Plant	Consolidated Total
Balance on December 31, 2019	**42,360**	**60,730**	**46,387**	**27,948**	**113,285**	**290,710**
Monetary Restatement	512	734	562	334	1,383	3,525
Interest	3,770	5,480	4,047	2,828	8,882	25,007
Amortization/Settled	(3,902)	(5,635)	(4,181)	(2,868)	(9,342)	(25,928)
Balance on September 30, 2020	**42,740**	**61,309**	**46,815**	**28,242**	**114,208**	**293,314**
Current						**33,065**
Noncurrent						**260,249**

14. INDEMNIFIABLE FINANCIAL ASSETS - CONCESSION

Description	Consolidated September 30, 2020	December 31, 2019
Concession Asset - Electricity Distribution (a)	**532,142**	**523,543**
In Service	270,282	223,353
Ongoing	261,860	300,190
Concession Assets – Power Generation (b)	**2,421**	**2,421**
Indemnifiable Assets	2,421	2,421
Total	**534,563**	**525,964**
Noncurrent	**534,563**	**525,964**

a) Indemnifiable Financial Asset - Electricity Distribution

Due to the extension of the 5th Addendum to Concession Agreement 56/1999, Celesc D bifurcated its assets related to the concession in intangible assets and indemnifiable assets.

Based on Technical Interpretation ICPC 01 - Concession Agreements, the portion of the infrastructure that will be used during the concession was recorded in intangible assets, consisting of electricity distribution assets, net of special obligations (consumer participations).

Description	Consolidated Total
Balance on December 31, 2019	**523,543**
(+) New Investments	45,053
(+/-) Change of Property, Plant & Equipment in Progress - AIC	(38,330)
(+) Update on Indemnifiable Financial Assets - Concession (i)	1,969
(-) Redemption	(93)
Balance on September 30, 2020	**532,142**

(i) IPCA

b) Indemnifiable Financial Asset - Power Generation

Celesc G requested to the granting power, at the end of the concessions granted by Power Plants Bracinho, Cedros, Salto and Palmeiras, as indemnification, according to criteria and procedures for calculation established by Regulatory Resolution 596 of December 19, 2013, investments made in infrastructure and not depreciated in the concession period, as it has an unconditional right to be indemnified, as provided for in the agreement.

Plants	Consolidated September 30, 2020	December 31, 2019
Bracinho HPP	85	85
Cedros HPP	195	195
Salto HPP	1,906	1,906
Palmeiras HPP	235	235
Total	**2,421**	**2,421**

15. MARKETABLE SECURITIES

Temporary investments classified as noncurrent assets are measured at fair value.

	Parent Company		Consolidated	
Fair Value through Other Comprehensive Income (VJORA)	**September 30, 2020**	**December 31, 2019**	**September 30, 2020**	**December 31, 2019**
Casan Shares	137,261	137,261	137,261	137,261
Other Investments	217	217	217	217
Noncurrent	**137,478**	**137,478**	**137,478**	**137,478**

15.1. Companhia Catarinense de Águas e Saneamento – Casan

Notes

The Company has 55,358,800 Common Shares - ON, and 55,357,200 Preferred Shares - PN, representing 14.74% of Casan's Share Capital.

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

The drop from 15.48% to 14.74% was due to two reasons, namely: dividends belonging to Celesc for 2012 and 2014, with the Company not allowing the retention of these dividends to recognize an AFAC, and the non-subscription of AFAC with Casan, by Celesc, in 2020.

As it did not have a significant influence on Casan, the Company measured the fair value of its equity interest in the temporary investment, adopting the discounted cash flow method for the annual evaluation of said investment. The historical acquisition cost of Casan's shares is R$110,716.

For the calculation of valuation, the projection period adopted is 17 years (up to 2035), with a terminal value (flow of the last 12 months of projection). The discount rate used was nominal WACC of 11.99% p.a. with a nominal long-term growth rate (perpetuity) of 3.75% p.a. (mid inflation target from 2021). The cost of debt after taxes is 7.13% p.a. and the cost of equity is 16.3% p.a. As there was no participant in the active market and because it is an estimate with several variables, which did not result in material additions, the Company did not change the fair value of this financial instrument on September 30, 2020.

Book Value Reconciliation

	Parent Company	Consolidated
Casan Shares	**Total**	**Total**
Balance on December 31, 2018	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
Balance on December 31, 2019	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
Balance on September 30, 2020	**137,261**	**137,261**

16. RELATED PARTIES

The Company has a related party transactions policy, approved by the Board of Directors in 2018. Balances recorded in related parties in current and noncurrent assets and liabilities and changes in results for the period are as follows:

a) The table below shows the changes in the result for the period.

	Parent Company		Consolidated			
Description	**Other Expenses**	**Financial Revenues**	**Taxes**	**Sales Revenue**	**Financial Revenues**	**Financial Expenses**
Government of the State of SC:						
ICMS	-	-	(1,768,888)	-	-	-
Sales Revenue	-	-	-	69,943	-	-
Underground Network	-	19	-	-	19	-
Celos						
Mathematical Reserve Update	-	-	-	-	-	(28,535)
Celesc D						
Personnel Available	(6,401)	-	-	-	-	-
Balance on September 30, 2019	**(6,401)**	**19**	**(1,768,888)**	**69,943**	**19**	**(28,535)**
Government of the State of SC:						
ICMS	-	-	(1,643,427)	-	-	-
Sales Revenue	-	-	-	50,310	-	-
Underground Network	-	-	-	-	-	-
Celos						
Mathematical Reserve Update	-	-	-	-	-	(25,404)
Celesc D						
Personnel Available	(3,841)	-	-	-	-	-
Balance on September 30, 2020	**(3,841)**	**-**	**(1,643,427)**	**50,310**	**-**	**(25,404)**

Notes

b) The table below shows the balances and transactions in the period.

	Parent Company		Consolidated				
Description	**Accounts Receivable**	**Others Liabilities**	**Taxes to Collect**	**Taxes to Recover**	**Accounts Receivable**	**Others Credits**	**Others Liabilities**
Government of the State of SC:							
ICMS (State VAT)	-	-	144,156	56,847	-	-	-
Accounts Receivable	-	-	-	-	8,013	-	-
Rondinha Energética S.A.							
Dividends	-	-	-	-	-	488	-
Celos							
Contrib. Pension Plan, Health Plan and Others	-	53	-	-	-	-	18,884
Celesc D							
Personnel Available	-	451	-	-	-	-	-
Balance on December 31, 2019	**-**	**504**	**144,156**	**56,847**	**8,013**	**488**	**18,884**
Government of the State of SC:							
ICMS (State VAT)	-	-	149,241	57,258	-	-	-
Accounts Receivable	-	-	-	-	5,635	-	-
Celos							
Contrib. Pension Plan, Health Plan and Others	-	44	-	-	-	-	13,359
Celesc G							
Dividends and Interest on Shareholders' Equity	21,165	-	-	-	-	-	-
Celesc D							
Advance to Suppliers	6,865	-	-	-	-	-	-
Personnel Available	-	-	-	-	-	-	-
Dividends and Interest on Shareholders' Equity	56,479	-	-	-	-	-	-
Balance on September 30, 2020	**84,509**	**44**	**149,241**	**57,258**	**5,635**	**-**	**13,359**

c) Remuneration of Key Management Personnel

The remuneration of administrators (Board of Directors - CA, Fiscal Council - CF, Statutory Audit Committee – CAE and Executive Board) is shown below:

	Parent Company		Consolidated	
Description	**September 30, 2020**	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
Fees	3,384	4,192	3,384	4,192
Share in Profits and/or Income	1,220	1,596	1,220	1,596
Social Charges	870	988	870	988
Others	557	207	557	207
Total	**6,031**	**6,983**	**6,031**	**6,983**

17. RESULT FROM CORPORATE INCOME TAX (IRPJ) AND SOCIAL CONTRIBUTION ON NET INCOME (CSLL)

a) Breakdown of Net Deferred Income Tax (IRPJ) and Social Contribution (CSLL)

Deferred Income Tax (IRPJ) and Social Contribution (CSLL) assets and liabilities were calculated based on:

(i) Provision for contingencies of legal proceedings;
(ii) ICPC 10 - Interpretation on the initial application to the property, plant & equipment;
(iii) CPC 01 (R1) - Impairment of assets on provision for losses on property, plant & equipment;
(iv) CPC 33 (R1) - Benefits to employee;
(v) Adjustment to the fair value of the property, plant & equipment, arising from the initial adoption of Technical Pronouncement CPC 27 - Property, Plant & Equipment;
(vi) CPC 39 - Financial Instruments in the recognition and measurement of the New Restitution Value - VNR.
(vii) Deferred taxes calculated on the Concession Bonus were calculated in accordance with RFB Regulatory Instruction 1700, of March 14, 2017, issued by the Federal Revenue Service.

The following table shows the balances of deferred Income Tax (IRPJ) and Social Contribution (CSLL) accounts:

		Consolidated
Description	**September 30, 2020**	**December 31, 2019**
Assets	991,865	1,004,094
Liabilities	(22,225)	(19,596)
Net Deferred Tax	**969,640**	**984,498**

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

Temporary Differences	Deferred Assets		Deferred Liabilities		Deferred Net (Consolidated)	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Provision for Contingencies	174,777	179,056	-	-	174,777	179,056
Provision for Losses on Assets	80,878	87,902	-	-	80,878	87,902
Post-Employment Benefit	870,575	875,252	-	-	870,575	875,252
Assigned Cost	-	-	7,588	7,806	(7,588)	(7,806)
Effects ICPC 01 - Concession Agreements	-	-	52,449	54,038	(52,449)	(54,038)
Effects CPC 39 - Financial Instruments	-	-	64,624	66,583	(64,624)	(66,583)
Concession Bonus	-	-	31,846	29,131	(31,846)	(29,131)
Other Provisions	-	-	83	154	(83)	(154)
Total	**1,126,230**	**1,142,210**	**156,590**	**157,712**	**969,640**	**984,498**

The Income Tax (IRPJ) and Social Contribution (CSLL) base derives not only from the profit generated, but from the existence of non-taxable revenues, non-deductible expenses, tax incentives and other variables, without an immediate correlation between the Company's net profit and income tax and social contribution. Therefore, the expectation of the use of tax credits should not be taken as the only indicative of the Company's future results.

The realization of deferred taxes is based on the budget projections approved by the Company's Board of Directors, with the purpose of defining and presenting actions necessary to meet regulatory demands, also converging to comply with the concession agreement.

In compliance with CVM Instruction 371 from June 27, 2002, the Company's Management considers that the deferred assets arising from temporary differences will be realized, in proportion to the final resolution of the contingencies and the events to which they refer when they will be offset against the profits taxable.

Deferred taxes on actuarial liabilities of employee benefits are being realized through the payment of contributions.

The remaining balance of the process of initial recognition of involuntary 2014 exposure by the regulatory body in the amount of R$206,695 million updated until September 30, 2020 is in judicial demand with the federal court and had the Income Tax (IRPJ) and Social Contribution (CSLL) amounts deferred until a final court decision is issued on the ongoing case. In August 2019, through Approval Resolution 2593, ANEEL approved the deferral of the financial effect of the 2014 contractual exposure, reflected in five subsequent annual tariff processes. Accordingly, the 2019 and 2020 tariff adjustments were financially recognized totaling R$65.7 million and R$68.5 million, respectively, with the deferred Income Tax (IRPJ) and Social Contribution (CSLL) recognized on this basis (Note 2.1.1.1, Item d).

The realization of estimates for the balance of the total assets of September 30, 2020 are:

Year	September 30, 2020	December 31, 2019 (Consolidated)
2020	38,535	54,142
2021	42,411	42,414
2022	35,132	35,135
2023	34,296	34,299
Over 2023	975,856	976,220
Total	**1,126,230**	**1,142,210**

c) Income Tax (IRPJ) and Social Contribution (CSLL) Reconciliation Recognized in the Shareholders' Equity

The amounts directly recognized in shareholders' equity include Income Tax (IRPJ) and Social Contribution (CSLL) referring to the assigned cost and initial adoption of CPC 48 - Financial Instruments with the amounts of Income Tax (IRPJ) and Social Contribution (CSLL). The change is shown below:

Description	Total (Consolidated)
Balance on December 31, 2018	**26,782**
(-) Write-off of Assigned Cost	(838)
(+) Taxes (Income Tax/Social Contribution)	285
Balance on December 31, 2019	**26,229**
(-) Write-off of Assigned Cost	(641)
(+) Taxes (Income Tax/Social Contribution)	218
Balance on September 30, 2020	**25,806**

d) Income Tax (IRPJ) and Social Contribution (CSLL) Reconciliation Recognized in other Comprehensive Results

The changes in the actuarial liabilities with Income Tax (IRPJ) and Social Contribution (CSLL) amounts, recognized directly in other comprehensive income, are shown below:

Notes

Celesc Centrais Elétricas de Santa Catarina S.A. GOVERNO DE SANTA CATARINA

Description	Consolidated Total
Balance on December 31, 2018	**857,932**
(+) Addition of Actuarial Liabilities	927,415
(-) Taxes (Income Tax/Social Contribution)	(315,321)
Balance on December 31, 2019	**1,470,026**
(+) Addition of Actuarial Liabilities	-
(-) Taxes (Income Tax/Social Contribution)	-
Balance on September 30, 2020	**1,470,026**

e) Current and Deferred Income Tax (IRPJ) and Social Contribution (CSLL) Reconciliation

The reconciliation of Income Tax (IRPJ) and Social Contribution (CSLL) expenses, at the nominal and effective rate, is shown below:

	Parent Company		Consolidated	
Description	**September 30, 2020**	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
Profit/(Loss) before Income Tax (IRPJ) and Social Contribution (CSLL)	**285,043**	**218,265**	**440,192**	**345,855**
Combined Nominal Rate of Income Tax (IRPJ) and Social Contribution (CSLL)	34%	34%	34%	34%
Income Tax (IRPJ) and Social Contribution (CSLL)	**(96,915)**	**(74,210)**	**(149,665)**	**(117,591)**
Permanent Additions and Exclusions				
Equity Pickup	100,823	79,787	12,666	11,386
Fiscal Benefit	-	-	(64)	(313)
Tax Incentive	-	-	2,403	2,461
Non-Deductible Provisions	(506)	207	(506)	181
Non-Deductible Fines	-	-	(8,042)	(5,121)
Income Tax/Social Contribution not recognized without tax loss	(4,827)	(5,567)	(4,827)	(5,567)
Members of the Management's Interest	(209)	(218)	(238)	(254)
Non-Technical Losses	-	-	(8,499)	(12,760)
Other Additions (Exclusions)	1,634	1	1,623	(12)
Total Current and Deferred Income Tax (IRPJ) and Social Contribution (CSLL)	-	-	**(155,149)**	**(127,590)**
Current	-	-	(140,291)	**(103,293)**
Deferred	-	-	(14,858)	**(24,297)**
Effective Tax Rate	**0.00%**	**0.00%**	**35.25%**	**36.89%**

f) Uncertainty about Income Tax (IRPJ) and Social Contribution (CSLL) Treatment

On September 24, 2018, the Special Office of the Brazilian Federal Revenue Service (SERFB) started the Tax Proceeding 0900100-2018-00117-1. This procedure resulted, on January 8, 2019, in the Deficiency Notice 10980.727742/2018-81 in the amount of R$306.8 million. Said Deficiency Notice is related to the calculation of the taxable income and the Social Contribution (CSLL) calculation basis, thus imputing to the Concessionaire:

a) undue adjustments attributed to the Variation Compensation Account of Portion A - CVA Items;

b) failure to comply with the remaining term of the concession agreement for the purposes of the determinations provided for in article 69 of Federal Law 12973/2014.

After the Management's analysis, it was found that the amounts determined by the tax entity are dissociated from tax rules, doctrine and court decisions in similar cases. The Management, supported by the position of its legal advisors, understands that the procedures adopted will probably be accepted in decisions of higher courts of last resort (probability of acceptance > 50%), for its total value and, therefore, did not record any liabilities of Income Tax/Social Contribution in relation to these lawsuits.

18. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND AFFILIATED COMPANIES

	Parent Company		Consolidated	
Description	**September 30, 2020**	**December 31, 2019**	**September 30, 2020**	**December 31, 2019**
Subsidiaries	**1,281,796**	**1,028,428**	-	-
Celesc D	724,969	513,651	-	-
Celesc G	556,827	514,777	-	-
Joint Ventures	**98,219**	**91,440**	**98,219**	**91,440**
SCGÁS	98,219	91,440	98,219	91,440
Affiliated Companies	**87,740**	**93,835**	**163,837**	**155,132**
ECTE	59,632	65,509	59,632	65,509
DFESA	28,108	28,326	28,108	28,326
SPCs	-	-	76,097	61,297
Cubatão	3,353	3,353	3,353	3,353
(-) Provision for Loss in the Cubatão Investment	(3,353)	(3,353)	(3,353)	(3,353)
Total	**1,467,755**	**1,213,703**	**262,056**	**246,572**

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

a) Information on Investments

Parent Company

Description	Company's Shares	Company's Interest		SE	Total -	Profit
	Common Shares	Share Capital	Voting Capital		Assets	(Loss)
Balance on December 31, 2019						
Celesc D	630,000	100.00%	100.00%	513,651	8,409,618	198,173
Celesc G	43,209	100.00%	100.00%	514,777	701,244	74,262
ECTE	13,001	30.88%	30.88%	212,108	461,521	48,119
SCGÁS	1,827	17.00%	51.00%	328,449	586,096	81,108
DFESA	153,382	23.03%	23.03%	122,993	130,883	42,781
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Balance on September 30, 2020						
Celesc D	630,000	100.00%	100.00%	724,969	9,388,495	220,731
Celesc G	43,209	100.00%	100.00%	556,827	727,259	45,577
ECTE	13,001	30.88%	30.88%	193,080	501,077	48,943
SCGÁS	1,827	17.00%	51.00%	374,805	583,052	46,356
DFESA	153,382	23.03%	23.03%	122,046	129,888	31,406
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)

Consolidated

Description	Company's Shares	Company's Interest		SE	Total	Profit
	Common Shares	Share Capital	Voting Capital		Assets	(Loss)
Balance on December 31, 2019						
ECTE	13,001	30.88%	30.88%	212,108	461,521	48,119
SCGÁS	1,827	17.00%	51.00%	328,449	586,096	81,108
DFESA	153,382	23.03%	23.03%	122,993	130,883	42,781
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Rondinha Energética S.A.	15,113	32.50%	32.50%	42,217	56,973	1,016
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	52,610	64,164	7,230
Xavantina Energética S.A.	266	40.00%	40.00%	24,722	38,264	(95)
Garça Branca Energética S.A.	22,326	49.00%	49.00%	36,783	63,842	(1,008)
EDP Transmissão Aliança SC	2,650	10.00%	10.00%	61,343	1,585,189	32,028
Balance on September 30, 2020						
ECTE	13,001	30.88%	30.88%	193,080	501,077	48,943
SCGÁS	1,827	17.00%	51.00%	374,805	583,052	46,356
DFESA	153,382	23.03%	23.03%	122,046	129,888	31,406
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Rondinha Energética S.A.	15,113	32.50%	32.50%	43,616	52,700	1,612
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	48,203	57,890	6,136
Xavantina Energética S.A.	266	40.00%	40.00%	25,117	38,211	388
Garça Branca Energética S.A.	22,326	49.00%	49.00%	37,166	63,417	(537)
EDP Transmissão Aliança SC	2,650	10.00%	10.00%	210,158	1,729,787	52,937

b) Changes in Investments

Parent Company

Description	Celesc D	Celesc G	ECTE	SCGÁS	DFESA	Total
Balance on December 31, 2019	**513,651**	**514,777**	**65,509**	**91,440**	**28,326**	**1,213,703**
Dividends and ISE Credited	(9,413)	(3,527)	(20,994)	-	(7,451)	(41,385)
Amortization of the Right to Use Concessions	-	-	-	(1,101)	-	(1,101)
Equity Pickup	220,731	45,577	15,117	7,880	7,233	296,538
Balance on September 30, 2020	**724,969**	**556,827**	**59,632**	**98,219**	**28,108**	**1,467,755**

Consolidated

Description	ECTE	SCGÁS	DFESA	SPCs	Total
Balance on December 31, 2019	**65,509**	**91,440**	**28,326**	**61,297**	**246,572**
Payments	-	-	-	10,289	10,289
Dividends and Interest on Shareholders' Equity (ISE) Credited	(20,994)	-	(7,451)	(2,511)	(30,956)
Amortization of the Right to Use Concessions	-	(1,101)	-	-	(1,101)
Equity Pickup	15,117	7,880	7,233	7,022	37,252
Balance on September 30, 2020	**59,632**	**98,219**	**28,108**	**76,097**	**262,056**

c) Acquisition of Concession Use Right

The balance of the concession use right generated in the acquisition of SCGÁS on September 30, 2020 is R$34,502 (R$35,603 on December 31, 2019). The concession use right is amortized by the concession term of provision of public services by said company.

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

19. PROPERTY, PLANT & EQUIPMENT

19.1. Balance Breakdown

Consolidated

Description	Land	Reservoirs Dams and Water Mains	Buildings and Constructions	Machinery and Equipment	Others	Construction in Progress (i)	Total
Balance on December 31, 2019	**9,610**	**13,051**	**31,565**	**86,185**	**385**	**34,000**	**174,796**
Property, Plant & Equipment Cost	20,202	169,822	50,169	170,673	1,752	34,000	446,618
Provision for Losses	(3,264)	(24,486)	(723)	(3,656)	25	-	(32,104)
YTD Depreciation	(7,328)	(132,285)	(17,881)	(80,832)	(1,392)	-	(239,718)
Balance on December 31, 2019	**9,610**	**13,051**	**31,565**	**86,185**	**385**	**34,000**	**174,796**
Additions	-	-	-	-	-	20,528	20,528
Gross Balance Write-offs	-	-	-	-	(24)	-	(24)
Depreciation Write-offs	-	-	-	-	24	-	24
Depreciation	-	(318)	(677)	(2,782)	(127)	-	(3,904)
(+/-) Transfers	-	-	-	926	464	(1,390)	-
Balance on September 30, 2020	**9,610**	**12,733**	**30,888**	**84,329**	**722**	**53,138**	**191,420**
Property, Plant & Equipment Cost	20,202	169,061	50,166	171,128	2,192	53,138	465,887
Provision for Losses	(3,264)	(24,486)	(723)	(3,656)	25	-	(32,104)
YTD Depreciation	(7,328)	(131,842)	(18,555)	(83,143)	(1,495)	-	(242,363)
Balance on September 30, 2020	**9,610**	**12,733**	**30,888**	**84,329**	**722**	**53,138**	**191,420**
Average Depreciation Rate	**0%**	**3.46%**	**2.41%**	**3.11%**	**13.18%**	**0.00%**	

(i) From January 1, 2020 to September 30, 2020, Celesc G concluded R$1,390 of the projects in progress.

19.2. Depreciation

The average annual depreciation rates estimated for the current year are as follows:

Consolidated

Management	Percentage (%)
Machinery and Equipment	5.2
Vehicles	13.4
Furniture and Utensils	6.3

Operation	Percentage (%)
Buildings and Constructions	2.4
Machinery and Equipment	3.1
Reservoirs, Dams and Water Mains	3.5
Vehicles	12.8
Furniture and Utensils	2.8

The linear depreciation method, shelf lives and residual values are reviewed at each financial year-end and any adjustments are recognized as changes in accounting estimates.

The Garcia, Palmeiras, Salto Weissbach, Cedros and Bracinho Plants are depreciated based on the concession term defined in the agreement.

The assets of Pery Plant, Celso Ramos SHP and Caveiras, Ivo Silveira, Piraí, São Lourenço and Rio do Peixe HGPs are depreciated at the rates established by ANEEL Resolution 674, of August 11, 2015, since they have a registration agreement.

The investments made for expansion in the Celso Ramos, Garcia, Palmeiras, Salto Weissbach, Cedros and Bracinho Plants, which are susceptible to indemnification at the end of the concession, are also depreciated by the same Resolution.

The assets of the Central Management (Buildings and Constructions, Machinery and Equipment, Vehicles, Furniture and Utensils) are also depreciated by the rates established in the said Resolution.

19.3. Fully Depreciated Property, Plant & Equipment Still in Operation

The gross accounting amount of Property, Plant & Equipment that are fully depreciated and which are still in operation on September 30, 2020:

Consolidated

Description	September 30, 2020	December 31, 2019
Reservoirs, Dams and Water Mains	132,349	132,349
Buildings, Works and Improvements	11,935	11,935
Machinery and Equipment	48,263	48,225
Others	13,931	13,956
Total	**206,478**	**206,465**

Notes

Celesc Centrais Elétricas de Santa Catarina S.A. GOVERNO DE SANTA CATARINA

20. INTANGIBLE ASSETS

i) Goodwill ECTE

The goodwill generated on the acquisition of ECTE is amortized by the concession term of provision of public services by said company.

			Parent Company
Description	December 31, 2019	Amortizations	September 30, 2020
Goodwill ECTE (i)	5,446	(377)	5,069

ii) Concession Agreements

The fees established by ANEEL are used in the tariff review processes, indemnification calculation at the end of the concession and are recognized as a reasonable estimate of the shelf life of the concession assets. Therefore, these rates were used as a basis for the evaluation and amortization of the intangible assets.

						Consolidated
Description	Concession Asset		Goodwill Total			
	Celesc D (ii)	Software Acquired		Service Range	Items in Progress	
Balance on December 31, 2019	**3,448,815**	**754**	**5,446**	**70**	**1,791**	**3,456,876**
Total Cost	5,362,938	6,495	14,248	70	1,791	5,385,542
Accrued Amortization	(1,914,123)	(5,741)	(8,802)	-	-	(1,928,666)
Balance on December 31, 2019	**3,448,815**	**754**	**5,446**	**70**	**1,791**	**3,456,876**
Additions	337,047	-	-	-	429	337,476
Write-offs	(34,110)	-	-	-	-	(34,110)
Amortizations	(174,037)	(596)	(377)	-	-	(175,010)
Balance on September 30, 2020	**3,577,715**	**158**	**5,069**	**70**	**2,220**	**3,585,232**
Total Cost	5,665,875	6,495	14,248	70	2,220	5,688,908
Accrued Amortization	(2,088,160)	(6,337)	(9,179)	-	-	(2,103,676)
Balance on September 30, 2020	**3,577,715**	**158**	**5,069**	**70**	**2,220**	**3,585,232**
Average Amortization Rate	**4.3%**	**17%**	**2.6%**	**0%**	**0%**	

21. SUPPLIERS

		Parent Company
Description	September 30, 2020	December 31, 2019
Employees Available	-	451
Materials and Services	233	577
Total	**233**	**1,028**

		Consolidated
Description	September 30, 2020	December 31, 2019
Electricity	532,014	503,374
Charges for Using the Electric Grid	132,488	93,916
Materials and Services	115,784	160,947
Electric Energy Trading Chamber – CCEE (i)	64,267	238,488
Total	**844,553**	**996,725**

(i) The CCEE has as one of its attributions, to determine the value of the accounting of agents. This value, in the case of the distributors, involves in addition to the sale and purchase in the short term, charges, effect of dispatch of thermals and also diverse impacts of hydrological risk.

The hydrological risk in the case of the distributors is associated with the energy contracts (CCEAR-QT) that have been renegotiated, contracts of physical guarantee quota and contract with Itaipu. Celesc D, even being a buyer, assumes the hydrological risk.

Regarding the amounts at the end of 2019 and September 2020, it should be noted that 2019 has a debt balance referring to the Installment of SUM001 of August and September 2018, a balance that was reduced during the year and ended in the March 2020 competition.

In addition, with the COVID-19 pandemic, the amounts paid directly to CCEE decreased due to the lower energy demand and the due reduction in PLD.

Notes

Celesc Centrais Elétricas de Santa Catarina S.A. GOVERNO DE SANTA CATARINA

22. LOANS AND FINANCING

Loans and Financing have five distinct classifications: (i) Bank Loans, (ii) Commercial Promissory Note, (iii) Eletrobras Loans, (iv) Finame Loans and (v) Loans - IDB, and are guaranteed by the Holding's receivables and surety, as per contractual provisions.

			Consolidated
Description		**September 30, 2020**	**December 31, 2019**
Total in National Currency		**1,034,315**	**813,035**
Bank Loans (i)	7.40% p.a.	-	150,357
Bank Loans (i)	CDI + 1.25% and CDI + 1.3%	180,912	301,388
Bank Loans (i)	CDI + 0.8% p.a.	335,564	336,200
Commercial Promissory Note (ii)	CDI+4.5%p.a.	500,022	-
Eletrobras Loans (iii)	5% p.a.	4,075	5,438
Finame Loans (iv)	2.5% to 9.5% p.a.	13,742	19,652
Total in Foreign Currency		**517,524**	**474,596**
Loans - IDB (v)	CDI + 0.89% to 1.44% p.a.	517,524	474,596
Total		**1,551,839**	**1,287,631**
Current		**880,841**	**383,623**
Noncurrent		**670,998**	**904,008**

i) Bank Loans

The Bank Loans balances refer to the contracting, whose funds were used exclusively to strengthen the Company's cash.

Through Bank Credit Note – CCB, in April 2018, an additional R$150 million was contracted with Banco Safra, with pre-fixed interest at 7.40% p.a. and required monthly. The contract term was 12 months and its settlement was provided in a single installment at the end of its term (bullet). However, in April 2019, the agreement was renegotiated and the payment term was extended for another 12 months, with a bullet maintained for its settlement at the end of its term. Due to the Company's strategy, this CCB was renegotiated once again, for 120 (one hundred and twenty) days, with maturity scheduled for August 2020. The amortization remains in bullet mode and the interest rate also remains at the same percentage that had been contracted. The settlement was made in a single installment on their maturity.

In November 2018, R$100 million was contracted with Banco do Brasil through a Bank Credit Note - CCB, with remuneration at the rate equivalent to the CDI + 1.25% p.a. and required quarterly. The 24-month term is expected to be amortized in 4 quarterly installments, beginning in February 2020 and ending in November 2020.

Also in November 2018 and through Bank Credit Bill, R$200 million were contracted with Banco Safra, with remuneration at the rate equivalent to the CDI + 1.3% p.a. required monthly. The term is 36 months, with an 18-month grace period for the beginning of the amortization of the principal amount, and settlement in 18 monthly installments, started in June 2020 and expected to end in November 2021.

At the end of the contracts classified as Bank Loans, in April 2019, R$335 million was contracted with Banco Safra through a Bank Credit Note -, with interest rate equivalent to the CDI + 0.80% p.a. and required monthly. The terms of validity, grace period and settlement of the principal are identical to those described in the previous contract, with the beginning of the amortization scheduled for November 2020 and the end for April 2022.

ii) Commercial Promissory Note

On May 29, 2020, Celesc D made the first issue of Commercial Promissory Notes, with 489 (four hundred and eighty-nine) securities issued with a unit value of R$1.0 million, totaling R$489.0 million. Maturities on May 24, 2021 and the amortization will be made in a single isntallment, in bullet mode. The Promissory Notes will bear interest corresponding to 100% of the accumulated variation of the average daily “over extra group” DI – Interbank Deposits rates for one day, calculated and published by B3, based on 252 business days, plus a spread of 4.50% (four point fifty per percent) per year, on a pro rata basis. Interest payments will also occur on the due date.

iii) Eletrobras

The funds of these hirings were intended, among other applications, to the rural electrification programs and come from the Global Reserve of Reversão - RGR and of the Financing Fund of Eletrobras. In general, the contracts have a grace period of 24 months, amortization in 60 monthly installments, interest rate of 5.00% p.a., management fee of 2.00% p.a. and commission rate of 0.83%. All contracts have ANEEL's consent.

Notes

iv) Finame

The funds of these contracts were useful to cover some of Celesc D's insufficient funds and were used to purchase machinery and equipment. Each acquisition constitutes a contract, which were traded at interest rates ranging from 2.50% to 9.50% p.a. and with amortizations estimated for 96 monthly installments. All contracts have ANEEL's consent.

v) Banco Interamericano de Desenvolvimento – IDB

On October 31, 2018, Celesc D and the Inter-American Development Bank - IDB signed an external credit operation called Loan 4404/OC-BR (BR-L1491).

The total amount of the transaction is US$ 276,051,000.00 (two hundred and seventy-six million and fifty-one thousand US dollars) and the amortization period is of 234 (two hundred and thirty-four) months with a grace period of up to 66 (sixty-six) months, reaching a total term of 300 (three hundred) months.

The amortization is semi-annual through the constant system and the interest rate is the 3-month libor (USD-LIBOR 3m) plus spread, with monetary restatement calculated by the exchange rate change. In addition, there is a requirement for a commitment fee of up to 0.75% per annum on the undisbursed balance and a supervisory fee of up to 1% of the loan amount, divided by the number of semesters included in the original disbursement term 5 (five) years.

The loan is guaranteed by the Federative Republic of Brazil and the State of Santa Catarina, and is intended for the partial financing of the Energy Infrastructure Investment Program within the jurisdiction of the Celesc D.

The first release occurred on December 10, 2018, in the amount of seventy million, three hundred seventy-four thousand, three hundred and two US dollars and ninety-five cents (US$70,374,302.95) and the second on January 28 2019, in the amount of nine million, seven hundred and four thousand, three hundred and twenty-eight US dollars and ten cents (US$9,704,328.10).

On May 2, 2019, Celesc D opted to convert, in national currency, the debt balance released up to that date, in the amount of eighty million, seventy-eight thousand, six hundred and thirty-one US dollars and five cents (US$80,078,631.05), and by the change in the interest rate applied to the contract, which became CDI + 0.89% p.a. (already considering the IDB costs) throughout the term of the contract for these releases, therefore, there is no longer any exchange rate change.

Continuing the transaction, three more releases took place: the third, on October 7, 2019, in the amount of twenty-six million, two hundred and ten thousand, seven hundred and fifty-five US dollars (US$26,210,755.00), the fourth, on December 10, 2019, in the amount of nine million, seven hundred and sixty-seven thousand, eight hundred and ninety-one US dollars and seventy-three cents (US$9,767,891.73) and the fifth, on June 9, 2020, in the amount of seven million, two hundred and seventy-three thousand, one hundred and sixty-nine US dollars and seventy-six cents (US$7,273,169.76).

As in the previous ones, it was also decided to convert the released balance at the national interest rate, linked to the CDI, with CDI + 0.935% p.a. for the release occurred on October 7, 2019, CDI + 0.77% p.a. for the release that took place on December 10, 2019 and CDI + CDI + 1.14% p.a. for the release that took place on June 9, 2020 (already considering the IDB costs) throughout the term of the agreement for these releases, to avoid any exchange rate change on this financing.

a) Breakdown of Investments

The amounts classified as non-current liabilities have the following composition, by year of maturity:

						Consolidated
Description	**Domestic**		**Foreigner**		**Total**	
	September 30, 2020	**December 31, 2019**	**September 30, 2020**	**December 31, 2019**	**September 30, 2020**	**December 31, 2019**
Year 2021 - 1Q to 3Q	-	272,493	-	-	-	272,493
Year 2021 - 4Q	79,356	79,356	-	-	79,356	79,356
Year 2022	79,107	79,107	-	-	79,107	79,107
Year 2023	3,259	3,259	-	-	3,259	3,259
Year 2024	1,139	1,139	25,389	23,415	26,528	24,554
Year 2025 +	365	364	482,383	444,875	482,748	445,239
Total	**163,226**	**435,718**	**507,772**	**468,290**	**670,998**	**904,008**

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

b) Movement of Loans and Financing - National

			Consolidated
Description	**Current**	**Noncurrent**	**Total**
Balance on December 31, 2019	**377,317**	**435,718**	**813,035**
Additions	538,000	-	538,000
Monetary Restatement	8,584	-	8,584
Provisioned Fees	37,494	-	37,494
Transfers	272,492	(272,492)	-
Amortizations of Principal	(325,699)	-	(325,699)
Payment of Charges	(37,099)	-	(37,099)
Balance on September 30, 2020	**871,089**	**163,226**	**1,034,315**

c) Movement of Loans and Financing - Foreign – IDB

			Consolidated
Description	**Current**	**Noncurrent**	**Total**
Balance on December 31, 2019	**6,306**	**468,290**	**474,596**
Additions	-	36,213	36,213
Monetary Restatement	-	3,269	3,269
Provisioned Fees	17,917	-	17,917
Payment of Charges	(14,471)	-	(14,471)
Balance on September 30, 2020	**9,752**	**507,772**	**517,524**

23. DEBENTURES

23.1. Debentures 2018 - Celesc D

Celesc D issued, on July 13, 2018, 250,000 (two hundred and fifty thousand) debentures, not convertible into shares, in the unit face value of R$1.0 thousand, totaling R$ 250 million, due on July 13, 2023, not convertible into shares. The proceeds of this issuance were used as an aid for the ordinary management of its business.

The actual guarantee is the assignment in trust of existing and/or future receivables arising from the gross electricity supply to Celesc D's customers and Celesc Holding will provide surety in favor of the debenture holders, being obligated as a guarantor and principal payment of all due amounts under the Deed of Issuance.

The debentures will have a 5 year term as of the date of issuance, so that they expire on July 13, 2023; with a remuneration of interest corresponding to 100% of the cumulative variation of the daily average rates of DI or ID – Interbank Deposits of one day, plus a surcharge or spread of 1.9% per year.

The amortization was scheduled in 15 consecutive quarterly installments, always on the 13th of January, April, July and October, starting on January 13, 2020 and the last one on the due date. The remuneration will occur in quarterly and consecutive installments, without a grace period, as of October 13, 2018. Until September 30, 2020, R$34 million in interests had been paid.

Annually, the Company, as guarantor, is committed to a covenant in which the Debentures issued do not present a Net Debt/EBITDA ratio above 2.5. Failure to comply with this financial indicator may entail the early due date of the total debt. On December 31, 2019, the Company had a ratio below this index, thus fulfilling this obligation.

23.2. Debentures 2018 - Celesc G

On June 1, 2018, Celesc G issued 15,000 debentures with a unit par value of R$10,000, not monetarily restated, totaling R$150 million. The issue was made in a single series, of the simple type and not convertible into shares. The actual guarantee was set as an assignment in trust of present and/or future receivables arising from the gross electricity supply to Celesc G's customers. In turn, a guarantee was set as the trust in favor of the Debentures owners, undertaking the role of guarantor and principal payment of all amounts due under the deed of issuance.

The debentures have a term of five years, as of the their issue date, and the remuneration interest corresponds to 100% of the accumulated variation of the average daily rates of interbank deposits - DI of one day, plus a surcharge or spread of 2.5% p.a., until the date of actual payment.

Interest has been paid since September 2018 and the amortization has been made since June 2019, both quarterly and consecutively. Until September 30, 2020, R$23.8 million in remuneration and R$52.9 million in principal had been paid.

On a semi-annual basis, the Company, as guarantor, and Celesc G, as issuer, have a covenant related to the issuance of the Debentures not to present a Net Debt/EBITDA ratio of more than 2. Failure to comply with this financial indicator may entail the early due date of the total debt. On June 30, 2020, both presented a ratio below this index, thus fulfilling these obligations.

23.5. Operations with Debentures

	Consolidated
Description	**Total**
Balance on December 31, 2019	**373,945**
Provisioned Fees	12,826
Payments of Charges	(15,061)
Principal Payment	(76,471)
Costs to Issue Celesc D Debentures	467
Costs to Issue Celesc G Debentures	368
Balance on September 30, 2020	**296,074**
Current	**102,901**
Noncurrent	**193,173**

23.6. Costs in the Collection of Debentures to be Owned

		Consolidated
Description	**September 30, 2020**	**December 31, 2019**
Year 2020	280	1,115
Year 2021	1,113	1,113
Year 2022	1,113	1,113
Year 2023	527	528
Total	**3,033**	**3,869**

23.7 Reconciliation of Liabilities Resulting from Financing Activities

	Parent Company
Description	
Dividends and Interest on Shareholders' Equity Balance on December 31, 2019	**67,683**
Payments - Changes in the Financing Flow	(1)
Changes that do not Affect the Cash	-
Dividends and Interest on Shareholders' Equity Balance on September 30, 2020	**67,682**

							Consolidated
Description	**December 31, 2019**	**Inflow of Funds**	**Principal Payment**	**Total Changes in the Financing Flow**	**Interest Payment**	**Changes that do not Affect the Cash (ii)**	**September 30, 2020**
Loans/Financing	1,287,631	574,213	(325,699)	248,514	(51,570)	67,264	1,551,839
Debentures	373,945	-	(76,471)	(76,471)	(15,061)	13,661	296,074
Dividends and Interest on Shareholders' Equity	67,683	-	(1)	(1)	-	-	67,682
Total	**1,729,259**	**574,213**	**(402,171)**	**172,042**	**(66,631)**	**80,925**	**1,915,595**

(i) Interest paid is classified in the Operating Activities flow in the Statement of Cash Flow.
(ii) Provision for Loans and Financing totaled R$55,411. Debentures totaled R$12,826, with R$835 regarding costs with debentures incurred in 2020.

24. SOCIAL SECURITY AND LABOR OBLIGATIONS

		Parent Company		Consolidated
Description	**September 30, 2020**	**December 31, 2019**	**September 30, 2010**	**December 31, 2019**
Provisions for Payroll and Social Charges	830	378	115,908	100,890
Incentivized Dismissal Plan - PDI (i)	-	-	132,420	119,173
Consignment in Favor of Third Parties	-	-	3,639	8,485
Provision for Profit Sharing - PLR	-	-	26,232	17,999
Net Payroll	407	254	25,970	13,787
Total	**1,237**	**632**	**304,169**	**260,334**
Current	**1,237**	**632**	**244,557**	**212,148**
Noncurrent	**-**	**-**	**59,612**	**48,186**

i) Incentivized Dismissal Plan - PDI (i)

The program is part of the Company's strategy to adjust its operating costs, optimize processes and improve indicators with a view to aggregating value to shareholders.

On February 22, 2016, Celesc D approved the regulation of Incentivized Dismissal Plan (PDI). This program was first implemented in December 2016. In the following years, new editions were made with the same criteria and regulations, with

Notes

changes only in the minimum company time as an eligibility rule.

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

Plans	Minim um Time Company	Number of Portions	Number of Installments with Adherence to the CD Plan
PDI 2016	25 years	From 24 to 60	None
PDI 2017	25 years	From 24 to 60	None
PDI 2018	25 years	From 24 to 60	None
PDI 2019	25 years	From 24 to 60	None
PDI 2020	24 years	From 24 to 60	None

On April 23, 2020, Celesc D obtained approval to carry out an Emergency Incentivized Dismissal Plan, called PDI-E, for employees with over 33 years of work.

Plan	Minim um Company Time	Number of Portions	Number of Installments with Adherence to the CD Plan
PDI-E 2020	33 years	From 36 to 60	18

In July 2020, a new edition was approved. The PDI 2020 dismissals started in September, with 4 dismissals, and should continue until May 2021. Until the third quarter of 2020 the cost is R$946.

Since the implementation of the program until September 2020, 928 dismissals have occurred, with expenses totaling R$340,921.

The table below shows the summary of dismissals and the expenses recognized for each edition:

Plans	Number of Employees Dismissed	Expense in R$ '000
PDI 2016	71	16,183
PDI 2017	181	79,531
PDI 2018	316	68,737
PDI 2019	272	87,250
PDI-E 2020	84	88,274
PDI 2020	4	946

In December of each year, installments are updated based on the INPC variation in the last 12 months.

25. TAXES

25.1. Income Tax (IRPJ) and Social Contribution (CSLL) on Net Income and Income Tax on ISE

		Parent Company		Consolidated
Description	**September 30, 2020**	**December 31, 2019**	**September 30, 2020**	**December 31, 2019**
Income Tax (IRPJ)	-	-	103,042	7,870
Social Contribution (CSLL)	-	-	38,827	3,874
Income Tax on Interest on Shareholder' Equity (ISE)	-	4,178	-	4,178
Total to be Collected	**-**	**4,178**	**141,869**	**15,922**
(-) Taxes to be Recovered	(11,019)	(10,905)	(143,752)	(21,692)
Net Taxes	**(11,019)**	**(6,727)**	**(1,883)**	**(5,770)**

25.2. Other Taxes

The Ministry of Economy issued Decrees 139 and 245/2020 extending the deadline to collect PIS and COFINS due to the COVID-19 pandemic. Accordingly, the PIS and COFINS due on September 30, 2020 includes April and May 2020 that, in the regular course of operations, would be collected in 2Q2020.

		Parent Company		Consolidated
Description	**September 30, 2020**	**December 31, 2019**	**September 30, 2020**	**December 31, 2019**
ICMS	-	-	149,241	144,156
PIS and COFINS	13	5,572	129,808	45,183
Others	218	105	4,562	4,035
Total to be Collected	**231**	**5,677**	**283,611**	**193,374**
(-) Taxes to be Compensated	-	-	(922,219)	(1,139,732)
Net Taxes	**231**	**5,677**	**(638,608)**	**(946,358)**

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

26. REGULATORY FEES

Description	September 30, 2020	Consolidated December 31, 2019
Energy Efficiency Program – PEE (EEP)	172,507	162,400
Emergency Capacity Charge - ECE or ECC	76,610	19,441
ECE Installments	-	67,000
Charge Bill Level	90	35,736
Research & Development – R&D	73,566	69,638
ANEEL Inspection Charge	-	654
Financial Compensation for the Use of Water Resources - CFURH (ii)	-	153
Emergency Electricity Acquisition Charge - EAEEE		417
Others	1,370	-
Total	**324,143**	**355,439**
Current	**157,783**	**166,014**
Noncurrent	**166,360**	**189,425**

(ii) Compensation for use of water resources – CFURH

CFURH is a reimbursement for the occupation of areas by hydroelectric plants and a payment for the use of water to generate energy. The tariff used to calculate the Financial Compensation (Updated Reference Tariff - TAR) is fixed by ANEEL, readjusted annually and revised every four years by the Agency (Financial Compensation = 6.75% x Generated Energy x TAR).

27. PROVISION FOR CONTINGENCY AND COURT DEPOSITS

On the dates of the Quarterly Financial Reports, the Company had the following liabilities and corresponding court deposits for contingencies:

a) Probable Contingencies

Contingencies	Court Deposits September 30, 2020	December 31, 2019	Parent Company Provision for Risks September 30, 2020	December 31, 2019
Tax	2,117	2,117	1,263	1,263
Labor	4,686	4,669	-	-
Civil Lawsuits	6,479	8,373	302	292
Regulatory	8,182	8,182	2,983	2,983
Environmental	-	-	-	-
Total	**21,464**	**23,341**	**4,548**	**4,538**

Contingencies	Court Deposits September 30, 2020	December 31, 2019	Consolidated Provision for Risks September 30, 2020	December 31, 2019
Tax (i)	3,754	3,752	9,644	9,641
Labor (ii)	43,310	45,382	55,617	60,123
Civil (iii)	138,720	75,221	195,013	130,581
Regulatory (iv)	46,699	46,699	232,138	303,762
Environmental (v)	-	-	2,116	2,123
Total	**232,483**	**171,054**	**494,528**	**506,230**

The operations in provisions and deposits are shown below:

Description	Parent Company Court Deposits	Parent Company Provision for Risks	Consolidated Court Deposits	Consolidated Provision for Risks
Balance on December 31, 2019	**23,341**	**4,538**	**171,054**	**506,230**
Constitution	303	98	125,071	118,853
Financial Update	-	-	-	(63,050)
Write-offs	(2,180)	(88)	(63,642)	(67,505)
Balance on September 30, 2020	**21,464**	**4,548**	**232,483**	**494,528**

The Company is a party involved in labor, civil, tax, regulatory and environmental proceedings in progress, and is discussing these issues at both the administrative and judicial levels.

These lawsuits, when applicable, are supported by judicial deposits. Provisions for possible losses arising from these lawsuits are estimated and updated by the management, supported by the opinion of its internal and external legal advisors.

Notes

The nature of the probable contingencies can be summarized as follows:

Notes

Celesc Centrais Elétricas de Santa Catarina S.A.   GOVERNO DE SANTA CATARINA

i) Tax Contingencies

They are related to tax contingencies at the federal level, related to the collection of COFINS and Social Security Contribution, and at the municipal level, associated with tax notices issued by the City of Florianópolis for ISS requirement.

The most relevant lawsuit, at the federal level, has an estimated loss of R$3.6 million and refers to the tax execution proposed by the Federal Government, with the object of the social security contribution, provided for in article 31 of Law 8212/91, incident on invoices of services provided by assigning labor. Celesc D filed appeals to tax enforcement, maintaining the non-enforceability of the tax, which were deemed partially valid, requiring the Federal Government to rectify the Active Debt Certificate (CDA) under the terms of the decision. The process is in the final stage of adjusting the CDA and determining the remaining tax credit.

At the municipal level, the contingencies for ISS requirements are of different types, totaling R$3.5 million and the tax procedures are in administrative process.

ii) Labor Contingencies

These are related to complaints filed by employees and former employees of the Group and companies that provide services (outsourced) related to overtime pay issues, mainly those related to breaches of intrajourney and interjourney intervals, as well as to a revision of the calculation basis of salary, additional fees, severance pay, among other labor rights.

iii) Civil Contingencies

They are related to civil actions in general, with the purpose, in sum, of compensation for damages (material and/or moral) arising from: undue suspension of electricity supply, registration of consumer names with credit protection agencies, electrical damages caused by loss of production (smoking, chickens), accidents involving third parties.

There are, in the same way, other types of demands that generate the payment of amounts by Celesc D, such as: billing review, tariff reclassification, revision of bidding agreements (economic and financial rebalancing), public bidding, among others.

iv) Regulatory Contingencies

Regulatory contingencies are associated with notifications made by ANEEL, ARESC or CCEE in punitive administrative proceedings arising from events that have already occurred, the settlement of which may result in the delivery of funds for contractual or regulatory violations of the electricity sector. Regulatory contingencies are also legal proceedings in which the Celesc D discusses with other sector agents (concessionaires for generation, trading, transmission or distribution of electric energy, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE and MME) sectorial regulation. The most significant regulatory contingency refers to the 2014 contractual exposure (Note 2.1.1.1, item d).

v) Environmental Contingencies

These are cases related to judicial discussions regarding the payment of material and moral damages, due to an environmental accident that occurred in the concession area of Celesc D.

b) Possible Contingencies

The Company also has tax, labor, civil, regulatory and environmental lawsuits, involving the risk of loss classified by the Management as possible, based on the assessment of its legal advisors, for which there is no provision made, according to the composition and estimate below:

		Consolidated
Contingencies	**September 30, 2020**	**December 31, 2019**
Tax(i)	4,238	4,227
Labor (ii)	17,467	15,676
Civil (iii)	247,239	276,243
Regulatory (iv)	154,491	148,679
Environmental (v)	45,570	46,962
Total	**469,005**	**491,787**

The nature of possible contingencies can be summarized as follows:

i) Tax Contingencies

These are related to tax contingencies at the federal level, related to the collection of PIS, COFINS.

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

ii) Labor Contingencies

Most of these are related to complaints filed by employees and former employees of the Group and companies that provide services (outsourced) related to issues of subsidiary/joint liability, overtime, severance pay, and other labor rights.

iii) Civil Contingencies

They are related to several civil actions filed by individuals and legal entities, related to indemnification issues caused by material damages, moral damages and loss of profits, accident, bidding processes and others.

iv) Regulatory Contingencies

Regulatory contingencies are associated with notifications made by ANEEL, ARESC or CCEE in punitive administrative proceedings that imply fines for breaching contractual or regulatory estimates of the electric sector, where the Company appealed at the administrative and judicial levels. At the same time, regulatory contingencies are the legal actions in which the Company discusses with sector agents (other concessionaires of generation, trading, transmission or distribution of electric energy, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE and MME) to the application of electricity sector regulation.

v) Environmental Contingencies

They are related to administrative and judicial environmental contingencies filed by individuals and legal entities, consisting mainly of indemnification for material damages, moral damages and loss of profits.

28. ACTUARIAL LIABILITIES

		Consolidated
Obligations Recorded	**September 30, 2020**	**December 31, 2019**
Social Security Plans	**1,454,034**	**1,467,554**
Mixed Plan and Transitional Plan (a)	1,454,034	1,467,554
Assistance Plans	**1,350,616**	**1,370,922**
Celos Healthcare Agreement Plan (b)	1,287,640	1,308,002
Other Benefits (c)	62,976	62,920
Total	**2,804,650**	**2,838,476**
Current	**169,542**	**176,528**
Noncurrent	**2,635,108**	**2,661,948**

Celesc D is a sponsor of the Celosc Social Security Foundation - Celos, a closed non-profit private pension fund entity, whose main objective is the managementof social security benefit plans for its participants basically represented by employees of Celesc D.

a) Mixed Plan and Transitional Plan

The Mixed Plan has defined benefit characteristics for the mathematical reserve portion already existing at the transition date and for the benefits granted, and defined contribution characteristics for the post-transition contributions related to the scheduled retirement benefits to be granted. The previous defined benefit plan, called the "Transitional Plan", continues to exist, exclusively covering retired participants and their beneficiaries.

Of the total amount, R$376.8 million refers to the debt agreed with Celos on November 30, 2001, for payment of 277 additional monthly contributions, with an interest rate of 6% p.a. and updated by the IPCA to cover actuarial liability of the Mixed and Transitional Plan.

Since this debt should be paid even in the event of a surplus of the Foundation, Celesc D recorded as of 2015 the monetary restatement and interest as a financial result, based on the Accounting Manual of the Electric Sector.

b) Celos Healthcare Agreement Plan

Celesc D offers health insurance (medical, hospital and dental care) to its active employees, retirees and pensioners.

c) Other Benefits

These are amounts referring to deficient aid, funeral aid, compensation for natural or accidental death and minimum benefit to the retiree.

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

28.1. Actuarial Assessment Results

a) Actuarial Obligations

Consolidated

Description	Mixed Plan	Transitional Plan	Celos Healthcare Agreement Plan	Savings Plan	Other Benefits	Total
Balance on December 31, 2018	**2,090,835**	**695,089**	**957,713**	**2,021**	**53,752**	**3,799,410**
Cost of Current Net Service	5,894	-	(20,065)	117	-	(14,054)
Participant Contributions Accomplished in the Period	28,934	14,601	40,806	-	(2,901)	81,440
Interest on Actuarial Duty	185,316	59,030	84,600	164	4,711	333,821
Benefits Paid in the Fiscal Year	(170,603)	(82,601)	(82,598)	(205)	(4,627)	(340,634)
(Gains) Losses on Actuarial Liabilities	547,102	92,828	355,069	49	11,985	1,007,033
Balance on December 31, 2019	**2,687,478**	**778,947**	**1,335,525**	**2,146**	**62,920**	**4,867,016**

b) Determination of Net Liabilities (Assets)

Consolidated

Description	Mixed Plan	Transitional Plan	Celos Healthcare Agreement Plan	Savings Plan	Other Benefits	Total
Liabilities (Assets) on December 31, 2018	**650,262**	**373,993**	**926,828**	**0**	**53,752**	**2,004,835**
Fair Value of Assets at the End of the Period	(1,637,050)	(361,821)	(27,523)	(11,362)	-	(2,037,756)
Actuarial Obligations at the End of the Period	2,687,478	778,947	1,335,525	2,146	62,920	4,867,016
Effect of Additional Asset and Liabilities Ceiling End of the Period	-	-		9,216	-	9,216
Liabilities (Assets) on December 31, 2019	**1,050,428**	**417,126**	**1,308,002**	**0**	**62,920**	**2,838,476**

c) Reconciliation of the Assets Fair Value

Consolidated

Description	Mixed Plan	Transitional Plan	Celos Healthcare Agreement Plan	Savings Plan	Total
Balance on December 31, 2018	**1,440,573**	**321,096**	**30,885**	**9,655**	**1,802,209**
Benefits Paid in the Period Using the Plan Assets	(170,603)	(82,601)	(82,598)	(205)	(336,007)
Contributions from Participants Made in the Period	28,934	14,601	40,806	-	84,341
Employer Contributions Accomplished in the Period	73,190	58,109	48,400	-	179,699
Expected Return on Assets	128,840	28,124	2,512	852	160,328
Gain (Loss) on the Fair Value of the Plan's Assets	136,116	22,492	(12,482)	1,060	147,186
Balance on December 31, 2019	**1,637,050**	**361,821**	**27,523**	**11,362**	**2,037,756**

d) Costs Recognized in the Income Statement for the Period

Consolidated

Description	September 30, 2020	September 30, 2019
Transitional Plan	8,870	12,595
Mixed Plan	38,603	26,925
Health Care Plan	20,738	25,058
Other Benefits	3,245	3,621
Total	**71,456**	**68,199**
Personnel Expenses	46,052	39,664
Financial Expenses	25,404	28,535
Total	**71,456**	**68,199**

e) Estimated Expenses for the 2020 Fiscal Year

The estimated expenditure for the 2020 financial year is shown below:

Plans	Expenses to be Recognized in 2020
Transitional Plan	11,826
Mixed Plan	51,469
Savings Plan	4,328
Health Care Plan	27,651
Total	**95,274**

f) Changes in Actuarial Liabilities

Consolidated

Description	Transitional/Mixed Plan	Celos Healthcare Agreement Plan	Other Benefits	Total (Restated)
Balance on December 31, 2019	**1,467,554**	**1,308,002**	**62,920**	**2,838,476**
Payment	(60,993)	(41,100)	(3,189)	(105,282)
Provision	47,473	20,738	3,245	71,456
Balance on September 30, 2020	**1,454,034**	**1,287,640**	**62,976**	**2,804,650**

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

29. SHAREHOLDERS' EQUITY

a) Share Capital

The Company's paid-in and subscribed share capital is R$ 1,340,000,000.00, represented by 38,571,591 nominative shares, with no par value, of which 15,527,137 are common shares (40.26%), with voting rights and 23,044,454 preferred shares (59.74%), also nominative. Preferred shares have a priority in the receipt of 25% non-cumulative dividends.

On January 21, 2020, the Board of Directors approved the proposal to amend the Company's Bylaws, increasing the amount of Authorized Share Capital to Two Billion and Six Hundred Million Reais (R$2,600,000,000.00).

In addition to the increase in the authorized Share Capital, it also approved the increase in the Paid-in Capital to Two Billion, Four Hundred and Eighty Million Reais (R$2,480,000,000.00). The payment will be made with the incorporation of part of the Profit Retention Reserves of previous years, without any issue of new shares.

The new Bylaws were sent to the Civil House of the Government of the State of Santa Catarina, following the natural rite of this corporate act, which has already expressed itself in favor of the proposal, sending the case to the Legislative Assembly.

The matter is currently being analyzed by the Constitution and Justice Commission (CCJ) and should also go through the Finance and Taxation Commission and the Economy, Science, Technology, Mines and Energy Commission before being sent to the Plenary for voting and approval.

b) Equity Valuation Adjustments

The table below shows the net effect in the amount of R$1,455,296 on September 30, 2020 and R$1,454,873 on December 31, 2019, in Shareholders' Equity:

		Consolidated
Equity Valuation Adjustments	**September 30, 2020**	**December 31, 2019**
Assigned Cost – Celesc G (a)	14,730	15,153
Actuarial Liabilities Adjustment - Celesc D (b)	(1,470,026)	(1,470,026)
Total	**(1,455,296)**	**(1,454,873)**

(a) The attributed cost, measured at fair value at the date of the initial adoption of the CPCs in 2009, was recognized in the equity assessment adjustment, in shareholders' equity, net of deferred income tax and social contribution, as a counter-entry to property, plant & equipment. Its realization is recorded as a counter-entry to the YTD profits account to the extent that the depreciation of the fair value of fixed assets is recognized in the income statement.

(b) Actuarial gains and losses arising from adjustments by experience and changes in actuarial assumptions are recorded directly in shareholders' equity, as other comprehensive income - equity valuation adjustments.

c) Basic and Diluted Earnings per Share

The calculation of basic and diluted earnings per share on September 30, 2020 and 2019 was based on the net income for the period and the weighted average number of common and preferred shares outstanding during the periods presented.

As of September 30, 2020 and 2019, the Company's shares were unchanged. During this period, there were no transactions involving ordinary shares or potential common shares between the balance sheet date and the date of completion of the Quarterly Information.

During the periods of September 30, 2020 and 2019, the Company did not have any convertible instruments in stock that would have a dilutive impact on profit/(loss) per share.

d) Breakdown of Basic and Diluted Earnings

Description	September 30, 2020	September 30, 2019
Weighted Average Number of Shares (thousands)		
Common Registered Shares - ON	15,527	15,527
Preferred Registered Shares - PN	23,044	23,044
Basic and Diluted Earnings per Share Assigned to Company Shareholders (R$)		
Common Registered Shares - ON	6.9734	5.3397
Preferred Registered Shares - PN	7.6707	5.8737
Basic and Diluted Earnings Assigned to the Company's Shareholders		
Common Registered Shares - ON	108,276	82,910
Preferred Registered Shares - PN	176,767	135,355
Total Basic and Diluted Profit Assigned to the Company's Shareholders	**285,043**	**218,265**

Notes

e) Legal Reserve and Profit Retention Reserve

The legal reserve is constituted annually as a 5% allocation of net income for the year and may not exceed 20% of the share capital. The legal reserve aims to ensure the integrity of the share capital and can only be used to offset losses and increase capital.

The profit retention reserve refers to the retention of the remaining balance of YTD profits in order to meet the business growth plan established in its investment plan, in accordance with the capital budget approved and proposed by the Company's administrators, to be deliberated at the Shareholders' General Meeting.

30. INSURANCES

Insurance coverage on September 30, 2020 was contracted at the amounts shown below, which are in accordance with the insurance policies:

				Consolidated
Company	**Field**	**Covered Assets**	**Validity**	**Insured Amount (i)**
Celesc D	Warranty Insurance	Concession Assets and Rights	December 29, 2017 to December 31, 2020	300,000
Celesc D	Named Risks	Substations	May 14, 2020 to May 14, 2021	25,000
Celesc G	Fire/Lightning/Explosion	Plants and Substations	August 8, 2020 to August 8, 2021	24,272
Celesc G	Aircraft Fall	Plants and Substations	August 8, 2020 to August 8, 2021	12,136
Celesc G	Windstorm	Plants and Substations	August 8, 2020 to August 8, 2021	12,136
Celesc G	Electrical Damage	Plants and Substations	August 8, 2020 to August 8, 2021	24,272

(i) The assumptions and risks adopted, given their nature, are not part of the scope of an audit of the Financial Statements, therefore they were not examined by our independent auditors.

31. INFORMATION BY BUSINESS SEGMENT

The Management has defined the Company's operating segments, based on the reports used to make strategic decisions, reviewed by the Executive Board.

The presentation of the segments is consistent with the internal reports provided to the Company's Executive Board, responsible for allocating funds and evaluating the segments' performance.

The information by business segment, as reviewed by the Executive Board for the years ended on September 30, 2020 and 2019, is as follows:

					September 30, 2020
Description	**Parent Company**	**Celesc D**	**Celesc G**	**Consolidation Adjustments**	**Total**
Net Operating Revenue – NOR	**-**	**6,032,277**	**99,020**	**(4,334)**	**6,126,963**
Cost of Sales	-	(5,295,298)	(25,879)	4,334	(5,316,843)
Gross Operating Income	**-**	**736,979**	**73,141**	**-**	**810,120**
Selling Expenses	-	(143,454)	(1,356)	-	(144,810)
General and Administrative Expenses	(15,288)	(274,423)	(11,308)	-	(301,019)
Other Net Revenues/Expenses	(1,533)	33,337	390	-	32,194
Equity Pickup	296,538	-	7,022	(266,308)	37,252
Income from Activities	**279,717**	**352,439**	**67,889**	**(266,308)**	**433,737**
Financial Revenues	5,382	145,019	2,773	(1,415)	151,759
Financial Expenses	(56)	(141,413)	(5,250)	1,415	(145,304)
Net Financial Result	**5,326**	**3,606**	**(2,477)**	**-**	**6,455**
Earnings before Income Tax and Social Contribution	**285,043**	**356,045**	**65,412**	**(266,308)**	**440,192**
Income Tax (IRPJ) and Social Contribution (CSLL)	-	(135,314)	(19,835)	-	(155,149)
Net Income for the Period	**285,043**	**220,731**	**45,577**	**(266,308)**	**285,043**

Total Assets	**1,766,397**	**9,388,495**	**727,259**
Total Liabilities	**74,230**	**8,663,526**	**170,432**

Notes

Celesc Centrais Elétricas de Santa Catarina S.A. GOVERNO DE SANTA CATARINA

September 30, 2019

Description	Parent Company	Celesc D	Celesc G	Consolidation Adjustments	Total
Net Operating Revenue – NOR	**-**	**5,837,083**	**108,407**	**(4,013)**	**5,941,477**
Cost of Sales	-	(5,155,688)	(25,138)	4,013	(5,176,813)
Gross Operating Income	**-**	**681,395**	**83,269**	**-**	**764,664**
Selling Expenses	-	(159,684)	(807)	-	(160,491)
General and Administrative Expenses	17,636	(251,197)	(11,463)	-	(280,296)
Other Net Revenues/Expenses	529	46,824	(356)	-	46,997
Equity Pickup	234,666	-	2,344	(203,523)	33,487
Income from Activities	**217,559**	**317,338**	**72,987**	**(203,523)**	**404,361**
Financial Revenues	760	189,412	7,931	(5,652)	192,451
Financial Expenses	(54)	(246,613)	(9,942)	5,652	(250,957)
Net Financial Result	**706**	**(57,201)**	**(2,011)**	**-**	**(58,506)**
Earnings before Income Tax and Social Contribution	**218,265**	**260,137**	**70,976**	**(203,523)**	**345,855**
Income Tax (IRPJ) and Social Contribution (CSLL)	-	(104,324)	(23,266)	-	(127,590)
Net Income for the Period	**218,265**	**155,813**	**47,710**	**(203,523)**	**218,265**

Total Assets	**2,051,631**	**9,739,251**	**690,226**
Total Liabilities	**26,224**	**8,602,139**	**182,324**

31.1. Consolidated Operating Revenue

Description	September 30, 2020	September 30, 2019
Gross Operating Revenue - GOR	**9,546,857**	**9,724,854**
Electricity Supply (a)	4,249,196	5,202,895
Unbilled Sales	(17,731)	(125,718)
Electricity Supply (a)	353,628	359,349
Unbilled Supply	248	(78)
Electric Grid Availability (i)	3,289,537	3,069,090
Update on Indemnifiable Financial Assets - Concession	1,969	2,915
Financial Income Concession Bonus (a)	28,532	30,504
Income from Services Provided	614	2,074
Short-Term Electricity	298,171	422,574
Revenue from Regulatory Assets and Liabilities	480,226	(182,171)
Other Operating Revenues	3,321	13,375
Donations and Subventions (ii)	462,975	551,859
Construction Revenue	396,171	378,186
Deductions from Gross Operating Revenue	**(3,419,894)**	**(3,783,377)**
ICMS	(1,643,427)	(1,768,888)
PIS	(150,636)	(153,864)
COFINS	(693,842)	(708,706)
Energy Development Account – CDE (EDA)	(902,356)	(1,046,521)
Research and Development – R&D	(28,886)	(28,027)
Energy Efficiency Program – PEE (EEP)	(28,216)	(27,355)
Inspection Charge – ANEEL	(6,206)	(5,535)
Compensation for use of water resources – CFURH	(1,971)	(770)
Other Charges (Tariff Level)	35,646	(43,711)
Net Operating Revenue – NOR	**6,126,963**	**5,941,477**

(i) In compliance with the Accounting Manual for the Electric Sector - MCSE, approved by Regulatory Resolution 605/2014, Celesc D segregated TUSD's revenue from Captive Consumers for Electricity Supply for Electric Network Availability.

(ii) Amount passed on by Eletrobras, referring to the reimbursement of discounts on the tariffs applicable to users of the public electricity distribution service. The amount of revenue recognized as CDE Subsidy (Decree 7891/2013) in the first three quarters of 2020 was R$466,715. The others refer to the Low Income Program, totaling R$12,121, supply of CCRBT Levels, totaling R$29,579 and difference in CDE reimbursement, totaling R$45,440, in the latter case, decreasing the revenue.

Notes

a) Electricity Supply and Provision

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Residential	2,445,628	2,382,161	4,741,270	4,580,663	2,907,318	3,059,843
Industrial	114,378	110,020	7,336,617	7,812,795	1,037,237	1,270,347
Commercial	284,003	277,340	3,031,022	3,264,419	1,498,545	1,796,508
Rural	232,541	233,727	912,419	920,450	436,509	416,974
Government	23,631	23,193	268,837	337,490	171,161	228,940
Public Lighting	875	840	478,398	490,832	178,016	201,625
Public Service	3,676	3,485	287,493	274,332	155,312	156,641
Reclassif. Rec. Subj. Electric Energy Grid Cons.Cat.	-	-	-	-	(2,152,633)	(2,053,701)
Total Supply	**3,104,732**	**3,030,766**	**17,056,056**	**17,680,981**	**4,231,465**	**5,077,177**
Electricity Supply	106	103	1,970,744	1,975,174	353,876	359,271
Revenues Fin. Concession Bonus	-	-	-	-	28,532	30,504
Total	**3,104,838**	**3,030,869**	**19,026,800**	**19,656,155**	**4,613,873**	**5,466,952**

(i) Non-Audited Information

31.2. Consolidated Operating Costs and Expenses

Consolidated operating costs and expenses consist of the following types of expenses:

					September 30, 2020
Description	**Cost of Goods and/or Services**	**Expenses - General and Administrative**	**Selling Expenses**	**Other Expenses/ Revenues, Net**	**Total**
Electricity Purchased for Resale (a)	3,456,895	-	-	-	3,456,895
Charges for Using the Electric Grid (a)	782,916	-	-	-	782,916
Proinfa (a)	116,142	-	-	-	116,142
Personnel (b)	306,292	141,858	44,388	15,565	508,103
Members of the Management	-	6,031	-	-	6,031
Actuarial Expense	-	46,052	-	-	46,052
Private Social Security Entity (b)	11,522	5,844	1,754	-	19,120
Material	7,832	4,039	-	-	11,871
Construction Cost	396,171	-	-	-	396,171
Third Party Costs and Services	73,784	54,516	43,175	841	172,316
Depreciation and Amortization	159,268	19,269	-	1,478	180,015
Net Provisions	-	-	16,625	51,347	67,972
Leases and Rents	1,482	15,124	431	(231)	16,806
Infrastructure Share (c)	-	-	-	(113,069)	(113,069)
Others	4,539	8,286	38,437	11,875	63,137
Total	**5,316,843**	**301,019**	**144,810**	**(32,194)**	**5,730,478**

					September 30, 2019 (Restated)
Description	**Cost of Goods and/or Services**	**Expenses - General and Administrative**	**Selling Expenses**	**Other Expenses/ Revenues, Net**	**Total**
Electric Energy Purchased for Resale (a)	3,442,115	-	-	-	3,442,115
Charges for Using the Electric Grid (a)	673,146	-	-	-	673,146
Proinfa (a)	139,644	-	-	-	139,644
Personnel (b)	287,159	139,354	47,141	11,979	485,633
Members of the Management	-	6,983	-	-	6,983
Actuarial Expense	-	39,664	-	-	39,664
Private Social Security Entity (b)	12,801	5,581	1,993	-	20,375
Material	7,412	5,089	-	-	12,501
Construction Cost	378,186	-	-	-	378,186
Third Party Costs and Services	79,731	56,296	42,916	699	179,642
Depreciation and Amortization	148,658	19,306	-	1,478	169,442
Net Provisions	-	-	17,603	14,993	32,596
Leases and Rents	1,478	14,488	531	(148)	16,349
Infrastructure Share (c)	-	-	-	(92,456)	(92,456)
Others	6,483	(6,465)	50,307	16,458	66,783
Total	**5,176,813**	**280,296**	**160,491**	**(46,997)**	**5,570,603**

The restatement mentioned in the figures for 2019 is qualitative, for the purpose of comparability with the figures for 2020, without any quantitative change.

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

a) Electricity Purchased for Resale

		Consolidated
Description	September 30, 2020	September 30, 2019
Electric Power Purchase in the Regulated Environment - CCEAR	1,739,132	1,646,104
Electric Energy Trading Chamber – CCEE	580,281	1,020,970
Itaipu Binacional	1,003,426	710,071
Bilateral Contracts	16,189	16,184
Nuclear Energy Quotas	147,119	132,721
Physical Guarantee Quotas	317,539	266,846
Proinfa	127,981	153,878
PIS/COFINS	(358,630)	(365,015)
Total	**3,573,037**	**3,581,759**

b) Personnel and Private Pension

		Parent Company		Consolidated
Description	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Personnel	**4,424**	**7,037**	**508,105**	**485,633**
Compensations	4,208	6,713	210,182	217,490
Social Charges	147	208	78,418	83,325
Profit Sharing	-	-	28,984	27,887
Assistance Benefits	-	-	46,104	45,406
Provisions and Indemnities	34	12	144,343	111,356
Others	35	104	74	169
Private Pension Plans - Celos	**-**	**-**	**19,118**	**20,375**
Total	**4,424**	**7,037**	**527,223**	**506,008**

c) Infrastructure Share

It refers to the use of attachment points on the posts of Celesc D, carried out by third parties, for the provision of telecommunications services of collective interest, such as telephony, internet, cable TV and others.

31.3. Financial Result

		Parent Company		Consolidated
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Financial Revenues	**5,382**	**760**	**151,759**	**192,451**
Financial Investment Income	315	755	11,541	22,099
Additions to Arrears without Electricity Bills	-	-	67,436	87,085
Monetary Variations	-	-	25,910	56,520
Monetary Restatement on Financial Assets - CVA	-	-	37,928	31,066
Supplier's Discount	-	-	-	72
Dividends Income	4,805	4	4,805	4
Reversal of provision for losses on Financial Assets	-	-	80	216
Other Financial Revenues	293	32	11,295	4,218
(-) PIS/COFINS w/o Financial Revenue	(31)	(31)	(7,236)	(8,829)
Financial Expenses	**(56)**	**(54)**	**(145,304)**	**(250,957)**
Debt Charges	-	-	(67,900)	(89,032)
Mathematical Reserve Update to be Amortized	-	-	(25,404)	(28,535)
Tax on Financial Transactions - IOF	-	-	(1,572)	(4,399)
Monetary Variations	-	-	(12,244)	(51,238)
R&D Update and Energy Efficiency	-	-	(5,980)	(12,511)
Monetary Restatement without Financial Liabilities - CVA	-	-	(24,358)	(37,305)
CDE Update	-	-	-	(14,710)
Interest and Expenditure with Debentures	-	-	(5,504)	(10,668)
Other Financial Expenses	(56)	(54)	(2,342)	(2,559)
Financial Result	**5,326**	**706**	**6,455**	**(58,506)**

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

32. COMPLEMENTARY INFORMATION OF CELESC D

32.1. Balance Sheet - Assets

Assets	September 30, 2020	December 31, 2019
Current	**3,589,129**	**2,133,010**
Cash & Cash Equivalents	1,094,244	400,090
Accounts Receivable from Customers	1,530,666	1,403,888
Inventories	11,922	14,594
Taxes to be Recovered	758,966	65,740
CDE - Subsidy Decree 7891/2013	47,032	53,236
Others	146,299	195,462
Noncurrent	**5,799,366**	**6,276,608**
Long-Term Receivables	**2,221,651**	**2,827,793**
Indemnifiable Financial Assets - Concession	532,142	523,543
Accounts Receivable from Customers	33,861	44,683
Deferred Taxes	991,865	1,004,094
Taxes to be Recovered	288,852	1,090,907
Court Deposits	210,666	147,344
Financial Assets - CVA	160,197	12,678
Others	4,068	4,544
Intangible Assets	**3,577,715**	**3,448,815**
Total Assets	**9,388,495**	**8,409,618**

32.2. Balance Sheet – Liabilities

Liabilities	September 30, 2020	December 31, 2019 (Restated)
Current	**3,428,009**	**2,347,280**
Suppliers	838,316	989,272
National Currency Loans	871,089	377,317
Foreign Currency Loans	9,752	6,306
Debentures	67,761	69,644
Social Security and Labor Obligations	243,320	211,516
Taxes to be Collected	404,995	194,446
Dividends and Interest on Shareholders' Equity (ISE) Declared	56,479	47,066
Regulatory Fees	156,597	165,049
Loans (i)	91,415	-
Actuarial Liabilities (CPC 33)	169,542	176,528
Financial Liabilities - CVA	404,774	25,142
Other Liabilities	113,969	84,994
Noncurrent	**5,235,517**	**5,548,687**
National Currency Loans	163,226	435,718
Foreign Currency Loans	507,772	468,290
Debentures	132,225	181,760
Regulatory Fees	163,769	187,073
Social Security and Labor Obligations	59,612	48,186
Actuarial Liabilities (CPC 33)	2,635,108	2,661,948
Provision for Contingencies	489,140	500,474
PIS/COFINS to be Refunded to Consumers	1,084,665	1,065,238
Shareholders' Equity	**724,969**	**513,651**
Share Capital Recognized	1,053,590	1,053,590
Profit Reserves	920,674	930,087
Equity Valuation Adjustments	(1,470,026)	(1,470,026)
YTD Profits	220,731	-
Total Liabilities	**9,388,495**	**8,409,618**

(i) Loan between Celesc D and Celesc G

At a regular meeting of the Board of Directors, held on January 21, 2020, the transfer of funds from Celesc G to Celesc D in the form of a Loan Agreement was approved. The purpose of the operation is for working capital and ANEEL's consent was given through Order 3679/2019 of December 27, 2019.

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

The contract was signed on February 26, 2020, effective for 12 (twelve) months. The transfers were made in the amounts of R$40 million on the date of signature and R$50 million the following day, totaling R$90 million, which is equivalent to the limit established.

The remuneration interest of the operation corresponds to 96.75% of the CDI per year, of the accumulated variation of the daily average rates of DI - Interbank Deposits of one day, over extra-group, based on 252 business days, calculated and disclosed daily by B3. Up to September 30, 2020, R$1,415 thousand of remunerative interest had been recognized.

32.3. Income Statement

Description	September 30, 2020	September 30, 2019
Net Operating Revenue – NOR	**6,032,277**	**5,837,083**
Net Revenue from Electricity Sales and Service	5,153,911	5,638,153
Revenue from Financial Assets (Liabilities) (CVA)	480,226	(182,171)
Construction Revenue - CPC 47	396,171	378,186
Update on Indemnifiable Financial Assets - Concession	1,969	2,915
Costs of Sales/Services	**(5,295,298)**	**(5,155,688)**
Cost of Goods Sold	(4,344,142)	(4,242,751)
Cost of Services	(554,985)	(534,751)
Construction Cost - CPC 47	(396,171)	(378,186)
Gross Operating Income	**736,979**	**681,395**
Operating Expenses	**(384,540)**	**(364,057)**
Selling Expenses	(143,454)	(159,684)
General and Administrative Expenses	(274,423)	(251,197)
Other Operating Revenues (Expenses)	33,337	46,824
Operating Income before Finance Result	**352,439**	**317,338**
Financial Result	**3,606**	**(57,201)**
Financial Revenues	145,019	189,412
Financial Expenses	(141,413)	(246,613)
Earnings before Corporate Income Tax and Social Contribution	**356,045**	**260,137**
Income Tax (IRPJ) and Social Contribution (CSLL)	**(135,314)**	**(104,324)**
Current	(123,085)	(84,947)
Deferred	(12,229)	(19,377)
Net Income for the Period	**220,731**	**155,813**

32.3.1. Operating Revenue

Description	September 30, 2020	September 30, 2019
Gross Operating Revenue - GOR	**9,439,346**	**9,608,676**
Electricity Supply (a)	4,222,689	5,179,301
Unbilled Sales	(17,732)	(124,764)
Electricity Supply (a)	299,617	294,450
Financial Assets and (Liabilities) – CVA	480,226	(182,171)
Electric Energy Grid Availability	3,291,325	3,070,877
Short-Term Electricity	298,171	422,574
Donations and Subventions	462,975	551,859
Construction Revenue	396,171	378,186
Update on Indemnifiable Financial Assets - Concession	1,969	2,915
Other Operating Revenues	3,935	15,449
Deductions from Gross Operating Revenue	**(3,407,069)**	**(3,771,593)**
ICMS	(1,643,427)	(1,768,888)
PIS	(148,903)	(152,056)
COFINS	(685,857)	(700,380)
Energy Development Account – CDE (EDA)	(902,356)	(1,046,521)
Research and Development – R&D	(28,216)	(27,355)
Energy Efficiency Program – PEE (EEP)	(28,216)	(27,355)
Inspection Charge	(5,740)	(5,328)
Other Charges	35,646	(43,710)
Net Operating Revenue – NOR	**6,032,277**	**5,837,083**

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

a) Electricity Supply and Provision

The composition of the Gross Revenue of electricity supply and provision, by class of consumers, is as follows:

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Residential	2,445,628	2,382,161	4,741,270	4,580,663	2,907,318	3,059,843
Industrial	114,370	110,012	7,240,242	7,734,639	1,016,531	1,253,832
Commercial	284,002	277,339	2,995,672	3,225,364	1,492,743	1,790,383
Rural	232,541	233,727	912,419	920,450	436,509	416,974
Government	23,631	23,193	268,837	337,490	171,161	228,940
Public Lighting	875	840	478,398	490,832	178,016	201,625
Public Service	3,676	3,485	287,493	274,332	155,312	156,641
Reclassif. Revenue Avail. Rede Elét.– Cons.Cativo	-	-	-	-	(2,152,633)	(2,053,701)
Total Supply	**3,104,723**	**3,030,757**	**16,924,331**	**17,563,770**	**4,204,957**	**5,054,537**
Electricity Supply	51	51	1,598,244	1,568,149	299,617	294,450
Total	**3,104,774**	**3,030,808**	**18,522,575**	**19,131,919**	**4,504,574**	**5,348,987**

(i) Non-Audited Information

32.3.2. Operating Costs and Expenses

Description	Costs of Goods and/or Services	Expenses - General and Administrative	- Sellin - g Expenses	Other Expenses/ Revenues, Net	September 30, 2020 Total
Electricity Purchased for Resale	4,344,142	-	-	-	4,344,142
Personnel	304,543	129,165	43,943	15,565	493,216
Actuarial Expense	-	46,052	-	-	46,052
Private Social Security Entity	11,522	5,842	1,754	-	19,118
Material	7,501	3,997	-	-	11,498
Construction Cost	396,171	-	-	-	396,171
Third Party Costs and Services	69,849	48,335	42,710	841	161,735
Depreciation and Amortization	155,495	18,542	-	-	174,037
Net Provisions	-	-	16,231	51,716	67,947
Others	6,075	22,490	38,816	(101,459)	(34,078)
Total	**5,295,298**	**274,423**	**143,454**	**(33,337)**	**5,679,838**

Description	Costs of Goods and/or Services	General Expenses and Administrative	Selling Expenses	Other Expenses/ Revenues, Net	September 30, 2019 Total
Electricity Purchased for Resale	4,242,751	-	-	-	4,242,751
Personnel	286,425	123,610	46,421	11,979	468,435
Actuarial Expense	-	39,664	-	-	39,664
Private Social Security Entity	12,801	5,581	1,993	-	20,375
Material	7,225	4,992	-	-	12,217
Construction Cost	378,186	-	-	-	378,186
Third Party Costs and Services	74,829	51,955	42,460	699	169,943
Depreciation and Amortization	145,305	18,639	-	-	163,944
Net Provisions	-	-	18,108	20,274	38,382
Others	8,166	6,756	50,702	(79,776)	(14,152)
Total	**5,155,688**	**251,197**	**159,684**	**(46,824)**	**5,519,745**

Notes

33. CELESC G'S COMPLEMENTARY INFORMATION

33.1. Balance Sheet - Assets

Assets	September 30, 2020	December 31, 2019 (Restated)
Current	**100,701**	**189,225**
Cash & Cash Equivalents	36,052	137,640
Accounts Receivable from Customers	21,974	18,116
Inventories	93	102
Taxes to be Recovered	4,964	635
Advance to Suppliers	4,376	-
Advanced Expenses	176	134
Dividends Receivable	-	-
Financial Asset – Concession Bonus	33,065	32,597
Others	1	1
Noncurrent	**626,558**	**512,019**
Long-Term Receivables	**356,608**	**273,329**
Loans	91,415	-
Court Deposits	353	369
Taxes to be Recovered	2,170	1,938
Indemnifiable Financial Assets - Concession	2,421	2,421
Financial Asset – Concession Bonus	260,249	258,113
Advance for Future Capital Increase	-	10,000
Others	-	488
Investments	**76,097**	**61,297**
Property, Plant & Equipment	**191,405**	**174,778**
Intangible Assets	**2,448**	**2,615**
Total Assets	**727,259**	**701,244**

33.2. Balance Sheet – Liabilities

Liabilities	September 30, 2020	December 31, 2019 (Restated)
Current	**83,828**	**76,249**
Suppliers	6,004	7,109
Debentures	35,140	35,489
Taxes to be Collected	20,254	13,696
Regulatory Fees	1,186	965
Dividends Payable	21,165	17,637
Others	79	1,353
Noncurrent	**86,604**	**110,218**
Debentures	60,948	87,052
Deferred Taxes	22,225	19,596
Regulatory Fees	2,591	2,352
Provision for Contingencies	840	1,218
Shareholders' Equity	**556,827**	**514,777**
Share Capital	250,000	250,000
Legal reserve	17,604	17,604
Retained Profits Reserve	228,493	228,493
Dividends Available at the ASM	-	3,527
Equity Valuation Adjustments	14,730	15,153
YTD Profits	46,000	-
Total Liabilities	**727,259**	**701,244**

Notes

33.3. Income Statement

Description	September 30, 2020	September 30, 2019
Net Operating Revenue – NOR	**99,020**	**108,407**
Net Revenue from Electricity Sales	99,020	108,407
Cost of Sales	**(25,879)**	**(25,138)**
Operation Costs	(25,879)	(25,138)
Gross Profit	**73,141**	**83,269**
Operating Expenses	**(5,252)**	**(10,282)**
With sales	(1,356)	(807)
General and Administrative	(11,308)	(11,463)
Other Net Revenues/Expenses	390	(356)
Equity Pickup	7,022	2,344
Operating Income before Finance Result	**67,889**	**72,987**
Financial Result	**(2,477)**	**(2,011)**
Financial Revenues	2,773	7,931
Financial Expenses	(5,250)	(9,942)
Earnings before Corporate Income Tax and Social Contribution	**65,412**	**70,976**
Income Tax (IRPJ) and Social Contribution (CSLL)	**(19,835)**	**(23,266)**
Current	(17,206)	(18,346)
Deferred	(2,629)	(4,920)
Net Income for the Period	**45,577**	**47,710**

33.3.1. Operating Revenue

Description	September 30, 2020	September 30, 2019
Gross Operating Revenue – GOR (a)	**111,845**	**120,191**
Electricity Supply - Industrial	20,705	17,469
Electricity Supply - Industrial - Unbilled	1	(954)
Electricity Supply - Commercial	5,802	6,125
Electricity Supply	46,331	54,314
Electric Energy Supply - Unbilled	248	(78)
Short-Term Electricity	10,226	12,811
Update/Interest on Concession Bonus Return	28,532	30,504
Deductions from Operating Revenue	**(12,825)**	**(11,784)**
PIS	(1,733)	(1,808)
COFINS	(7,985)	(8,327)
Supervisory Fee ANEEL	(466)	(207)
Research and Development – R&D	(670)	(672)
Compensation for use of water resources	(1,971)	(770)
Net Operating Revenue – NOR	**99,020**	**108,407**

a) Electricity Supply and Provision

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Industrial	8	8	96,375	78,156	20,706	16,515
Commercial, Services and Others	1	1	35,350	39,055	5,802	6,125
Electricity Supply	55	52	339,108	367,498	46,579	54,236
Short-Term Electricity (CCEE)	-	-	33,392	39,527	10,226	12,811
Update/Interest on Concession Bonus Return	-	-	-	-	28,532	30,504
Total	**64**	**61**	**504,225**	**524,236**	**111,845**	**120,191**

Notes

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

33.3.2. Operating Costs and Expenses

September 30, 2020

Description	Costs of Goods and/or Services	General Expenses and Selling Expenses Administrative	-	Other Expenses/ Revenues, Net	Total
Electricity Purchased for Resale	14,357	-	-	-	14,357
Charges for Using the Electric Grid	1,788	-	-	-	1,788
Personnel	1,749	8,271	445	-	10,465
Material	331	42	-	-	373
Third Party Costs and Services	3,935	1,994	465	-	6,394
Depreciation and Amortization	3,773	724	-	-	4,497
Insurances	169	-	-	-	169
Net Provisions	-	-	394	(379)	15
Taxes	(223)	69	52	-	(102)
Rents	-	208	-	-	208
Others	-	-	-	(11)	(11)
Total	**25,879**	**11,308**	**1,356**	**(390)**	**38,153**

September 30, 2019

Description	Costs of Goods and/or Services	General Expenses and Selling Expenses Administrative		Other Expenses/ Revenues, Net	Total
Electricity Purchased for Resale	14,380	-	-	-	14,380
Charges for Using the Electric Grid	1,787	-	-	-	1,787
Personnel	734	8,707	720	-	10,161
Material	187	97	-	-	284
Third Party Costs and Services	4,902	1,510	456	-	6,868
Depreciation and Amortization	3,353	649	-	-	4,002
Insurances	172	-	-	-	172
Net Provisions	-	-	(505)	(3,192)	(3,697)
Taxes	(226)	90	136	-	-
Rents	-	335	-	-	335
Donations	-	-	-	117	117
Others	(151)	75	-	3,431	3,355
Total	**25,138**	**11,463**	**807**	**356**	**37,764**

34. SUBSEQUENT EVENTS

34.1. IDB Funds

At a meeting on September 24, 2020, the Board of Directors authorized the Company to mandate the IDB, after completing the STN procedure, to contract the Currency Conversion to disburse USD 35 MM, referring to IBD's loan to Celesc D, under the following terms:

1) Interest Rate Cap updated to: CDI + 1.66% p.a. with additional margin up to CDI + 2.03% p.a.;
2) Exchange Rate Cap remaining at R$/ US $ 6.00; Both for
the full term of the operation.

On October 13, 2020, funds totaling R$196.11 million was internalized in Celesc D's cash, with an exchange rate of R$5.6030.

34.2. 2020 Annual Tariff Readjustment

On October 30th, the Federal District Court Judge of the 4th Region, approved the request for the advance of the appeal protection in the records of the interlocutory appeal filed against the decision rendered in the records of the public civil lawsuit filed against ANEEL and Celesc D, returning to its previous status (Note 2.1.1.1 - Item b).

Celesc D has already expressed its knowledge of the decision in the case file and started the procedures for re-issue bills to consumers, applying the adjustment duly ratified initially by ANEEL.

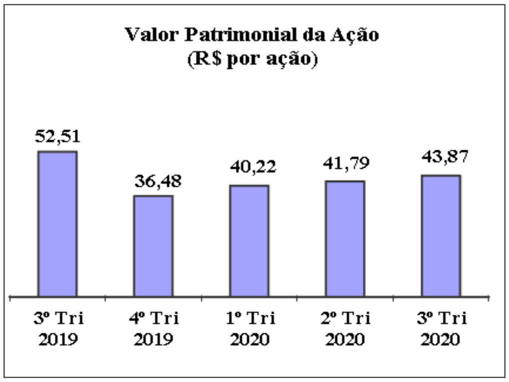
Other Information Deemed Relevant by the Company

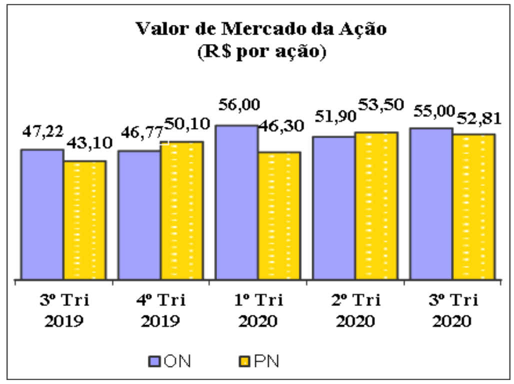
Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

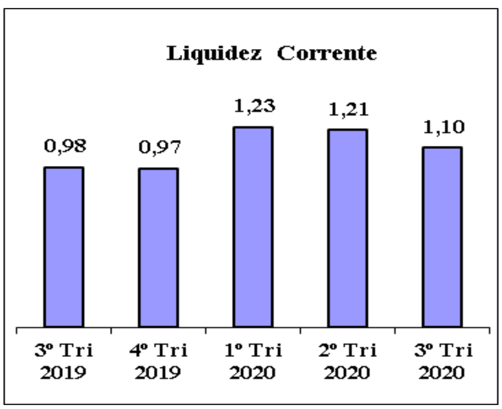
1. QUARTERLY FINANCIAL INDICATORS (Non-Audited Information)

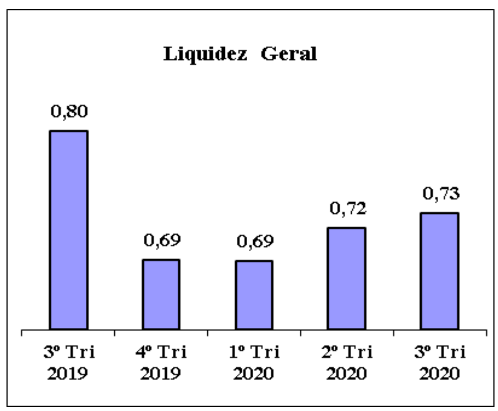
1.1. Equity



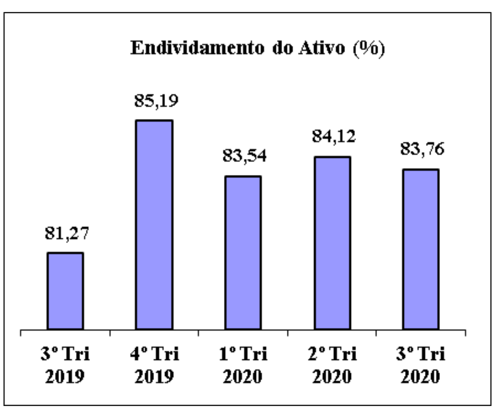


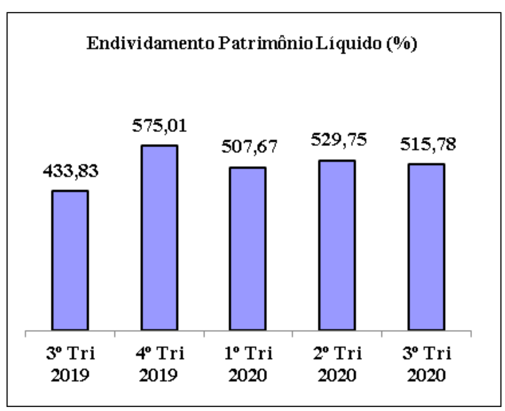
1.2. Liquidity





1.3. Indebtedness



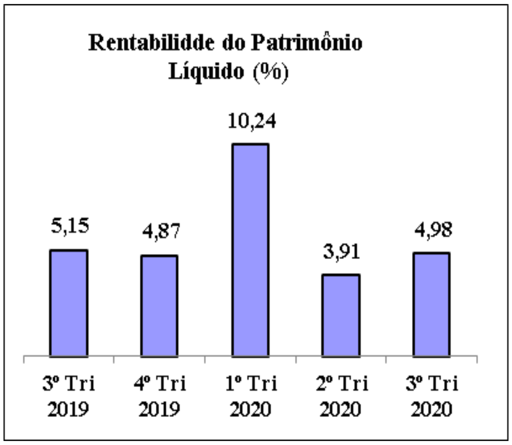


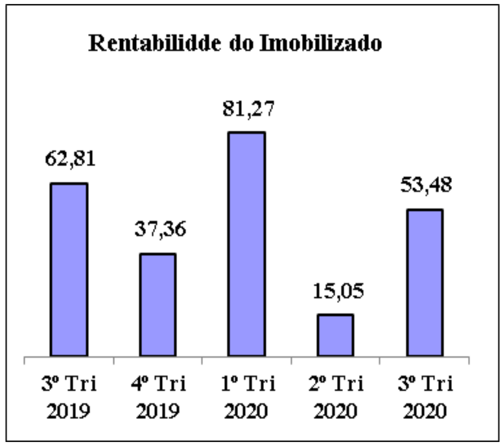
Other Information Deemed Relevant by the Company

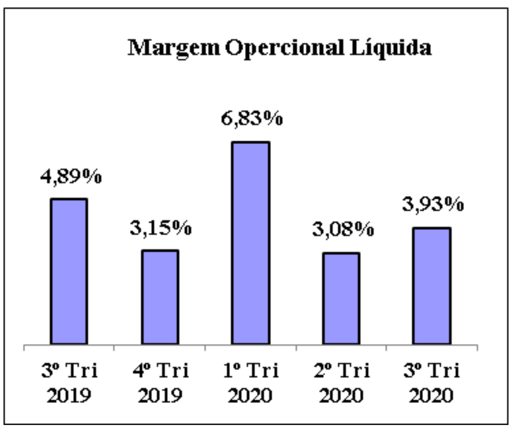
Celesc
Centrais Elétricas de Santa Catarina S.A.

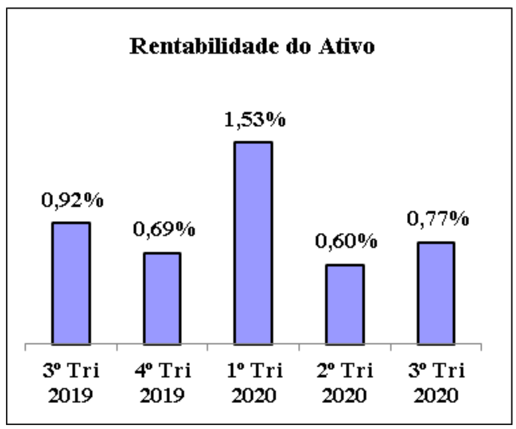
GOVERNO DE SANTA CATARINA

1.4. Profitability

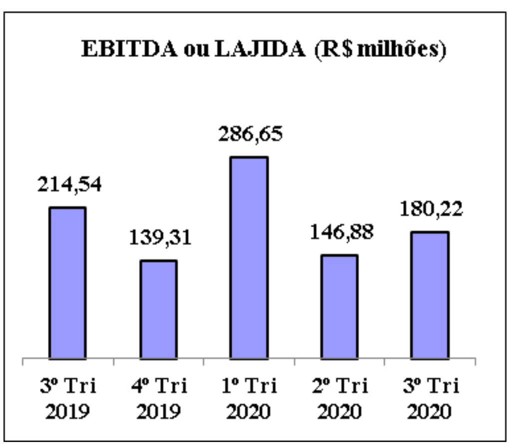


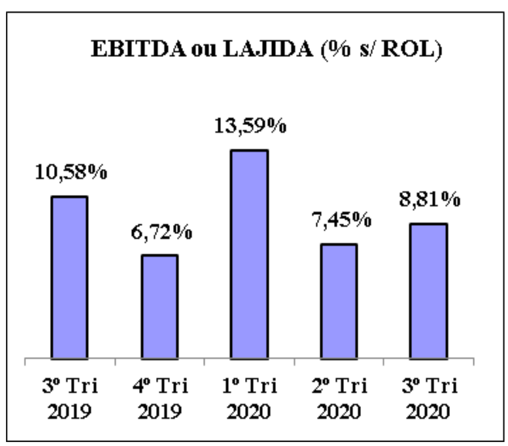






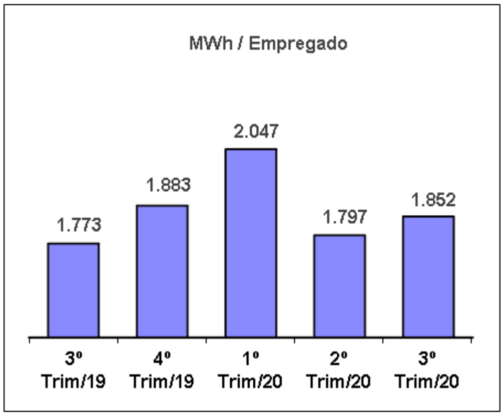
1.5. EBITDA

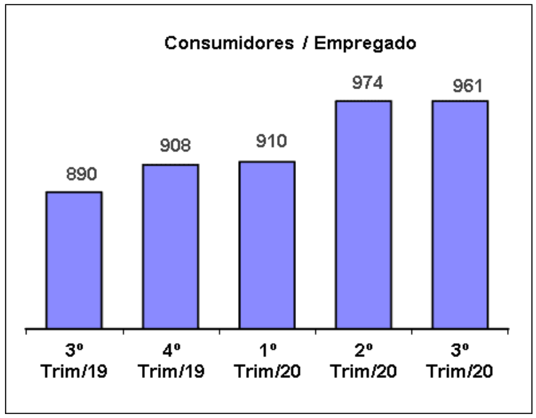


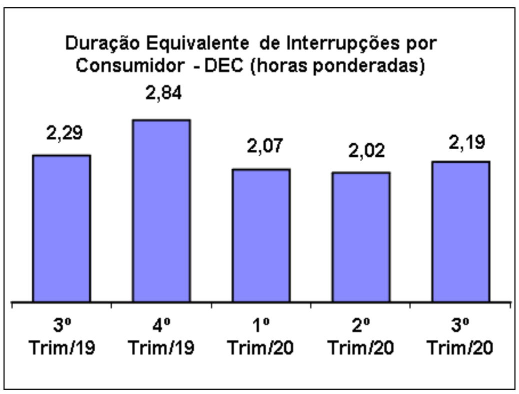


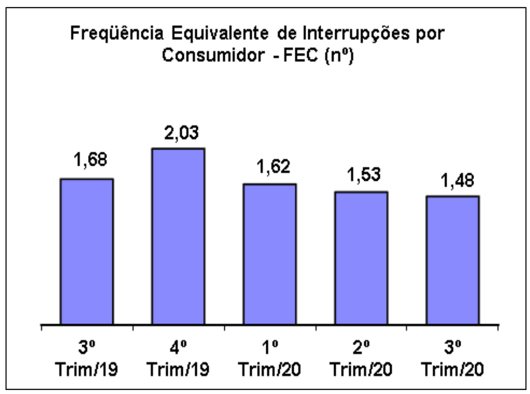
Other Information Deemed Relevant by the Company

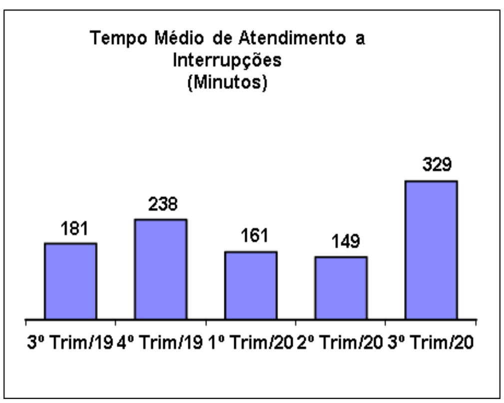
1.6. Efficiency

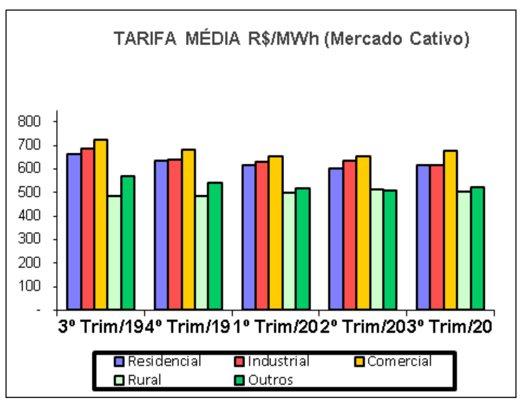












Expert Opinions and Statements / Special Review Report - Unqualified

Report on the review of quarterly financial information

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To the Management and Shareholders

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Centrais Elétricas de Santa Catarina S.A.

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Introduction

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We have reviewed the parent company and consolidated interim accounting information of Centrais Elétricas de Santa Catarina S.A. ("Company"), included in the Quarterly Information Form - ITR for the quarter ended September 30, 2020, comprising the balance sheet and the income statements and comprehensive income for the three-month and nine-month period then ended, and statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

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The Management is responsible for preparing the parent company and consolidated quarterly financial information as per Technical Pronouncement CPC 21 - Interim Financial Reporting and the international accounting standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as for presenting this information in compliance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Financial Report (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

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Scope of the Review

.

We have reviewed the interim quarterly financial information in accordance with Brazilian and international standards for reviewing interim information (NBC TR 2410 – “Revisão de Informações Intermediárias Executadas pelo Auditor da Entidade” and ISRE 2410 – “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, respectively). A review of interim financial information includes inquiries, mainly to those in charge of the financial and accounting matters, and the use of analytical procedures and other review procedures. The scope of a review is significantly smaller than the scope of an audit carried out in accordance with auditing standards and, therefore, we can’t be sure that we have all information on all material matters that could be identified in an audit. Therefore, we do not issue an audit opinion.

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Conclusion on the Interim Information

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Based on our review, we are not aware of any fact that would lead us to believe that the parent company and consolidated interim financial information mentioned above, have not been prepared, in all material respects, in accordance with CPC 21 and IAS 34, applicable to the preparation of Quarterly Financial Report (ITR), and in compliance with the standards issued by the Brazilian Securities and Exchange Commission.

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Other Subjects

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Statement of Added Value

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The quarterly information referred to above includes the parent company and consolidated statements of added value for the period of nine months ended September 30, 2020, which are the responsibility of the Company's management and presented as supplementary information for purposes of IAS 34. These statements have been subject to review procedures carried out with the review of the quarterly earnings release to conclude that they are reconciled with interim financial information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Added Value". Based on our review, we are not aware of any fact that leads us to believe that these statements of added value were not prepared, in all material respects, according to the criteria defined in this Technical Pronouncement and in a consistent manner in relation to the individual and consolidated interim financial information taken together.

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Florianópolis, November 12, 2020.

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PricewaterhouseCoopers

Independent Auditors

CRC 2SP000160/O-5

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Leandro Sidney Camilo da Costa

Accountant CRC 1SP 236051/O-

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Expert Opinions and Statements / Statement from the Executive Officers on the Financial Statements

STATEMENT FROM THE EXECUTIVE OFFICERS ON THE FINANCIAL STATEMENTS

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc state that they have examined, reviewed and agreed with all information in the Company's Interim Financial Statements for the 3rd quarter of 2020.

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Cleicio Poleto Martins

Chief Executive

Officer

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Claudine Furtado Anchite

Chief Financial and Investor Relations Officer

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Sandro Ricardo Levandoski

Commercial Officer

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Sandro Ricardo Levandoski

Distribution Officer

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Pablo Cupani Carena

Corporate Management Officer

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Pablo Cupani Carena

Generation, Transmission and New Business Officer

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Fábio Valentim da Silva

Regulation and Energy Management Officer

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Marcos Penna

Planning, Control and Compliance Officer

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Rogéria Rodrigues Machado

Accountant – CRC/SC 024.797/O-

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Expert Opinions and Statements / Statement from the Executive Officers on the Independent Auditor's Report

STATEMENT FROM THE EXECUTIVE OFFICERS ON THE INDEPENDENT AUDITORS' REPORT

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc state that they have examined, reviewed and agreed with all information included in the Independent Auditors' Report on the Company's Interim Financial Statements for the 3rd quarter of 2020.

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Cleicio Poleto Martins

Chief Executive

Officer

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Claudine Furtado Anchite

Chief Financial and Investor Relations Officer

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Sandro Ricardo Levandoski

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