Content

Company Information / Capital Breakdown

Number of Shares (Thousand)	Current Quarter 09/30/2022
Paid-up Capital	
Common Shares	15,527
Preferred Shares	23,044
Total	38,571
Treasury Shares	
Common Shares	0
Preferred Shares	0
Total	0

Parent Company Financial Statements / Statement of Financial Position – Assets

(R$ thousand)

Code	Description	Current Quarter 09/30/2022	Previous Year 12/31/2021
1	Total Assets	3,146,392	2,803,107
1.01	Current Assets	279,108	210,679
1.01.01	Cash and Cash Equivalents	26,663	26,872
1.01.06	Taxes Recoverable	46,148	37,879
1.01.06.01	Current Taxes Recoverable	46,148	37,879
1.01.08	Other Current Assets	206,297	145,928
1.01.08.03	Others	206,297	145,928
1.01.08.03.01	Dividends Receivable	205,644	145,877
1.01.08.03.03	Other receivables	653	51
1.02	Noncurrent Assets	2,867,284	2,592,428
1.02.01	Long-Term Receivables	192,046	189,462
1.02.01.02	Financial Investments at Fair Value through Other Comprehensive Income	130,865	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Marketable Securities	130,648	137,261
1.02.01.09	Receivables from Related Parties	0	15,251
1.02.01.09.02	Receivables from Subsidiaries	0	15,251
1.02.01.10	Other Noncurrent Assets	61,181	36,733
1.02.01.10.03	Judicial Deposits	61,181	36,733
1.02.02	CAPEX	2,670,969	2,398,187
1.02.02.01	Equity Interests	2,670,969	2,398,187
1.02.02.01.01	Interests in Affiliates	122,653	106,049
1.02.02.01.02	Interest in Subsidiaries	2,411,891	2,174,944
1.02.02.01.03	Interest in Joint Ventures	136,425	117,194
1.02.03	Property, Plant & Equipment	205	338
1.02.03.01	Fixed Assets in Operation	7	10
1.02.03.02	Right of Use - Lease	198	328
1.02.04	Intangible Assets	4,064	4,441
1.02.04.01	Intangible Assets	4,064	4,441
1.02.04.01.01	Concession Agreement	4,064	4,441

Parent Company Financial Statements / Statement of Financial Position – Liabilities

(R$ thousand)

Code	Description	Current Quarter 09/30/2022	Previous Year 12/31/2021
2	Total Liabilities	3,146,392	2,803,107
2.01	Current Liabilities	189,774	161,143
2.01.01	Social and Labor Obligations	1,755	1,312
2.01.01.01	Social Obligations	1,755	1,312
2.01.01.01.01	Social Charges	1,755	1,312
2.01.02	Suppliers	1,512	947
2.01.02.01	Domestic Suppliers	1,512	947
2.01.03	Tax Liabilities	8,943	23,304
2.01.03.01	Federal Tax Obligations	8,716	23,130
2.01.03.01.01	Income Tax and Social Contribution Payable	86	0
2.01.03.01.02	Other Federal Tax Obligations	3,915	10,228
2.01.03.01.03	PIS/COFINS	4,715	12,902
2.01.03.03	Municipal Tax Obligations	227	174
2.01.05	Other Liabilities	177,564	135,580
2.01.05.02	Others	177,564	135,580
2.01.05.02.01	Dividends and Interest on Equity Payable	176,111	134,356
2.01.05.02.04	Other Current Liabilities	1,243	1,001
2.01.05.02.08	Lease Liabilities	210	223
2.02	Noncurrent Liabilities	23,277	20,595
2.02.02	Other Liabilities	0	118
2.02.02.02	Others	0	118
2.02.02.02.05	Lease Liabilities	0	118
2.02.04	Provisions	23,277	20,477
2.02.04.01	Tax, Social Security, Labor, and Civil Provisions	19,794	16,994
2.02.04.01.01	Tax Provisions	19,222	16,813
2.02.04.01.04	Civil Provisions	572	181
2.02.04.02	Other Provisions	3,483	3,483
2.02.04.02.04	Regulatory Provisions	3,483	3,483
2.03	Shareholders’ Equity	2,933,341	2,621,369
2.03.01	Paid-up Share Capital	2,480,000	2,480,000
2.03.02	Capital Reserves	316	316
2.03.02.06	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	1,191,329	1,191,329
2.03.04.01	Legal Reserve	224,467	224,467
2.03.04.05	Retained Earnings Reserve	966,862	966,862
2.03.05	Retained Earnings/Accumulated Losses	319,061	0
2.03.06	Equity Valuation Adjustments	-1,057,365	-1,050,276

Parent Company Financial Statements / Income Statement

(R$ thousand)

Code	Description	Current Quarter 07/01/2022 to 09/30/2022	YTD Current Year 01/01/2022 to 09/30/2022	Same Quarter of the Previous Year 07/01/2021 to 09/30/2021	YTD Previous Previous 01/01/2021 to 09/30/2021
3.04	Operating Expenses/Revenues	79,189	442,453	174,039	464,825
3.04.02	General and Administrative Expenses	-6,278	-20,940	-6,818	-17,742
3.04.04	Other Operating Income	4,752	8,451	2,688	1,130
3.04.06	Equity Pickup	80,715	454,942	178,169	481,437
3.05	Income Before Financial Result and Taxes	79,189	442,453	174,039	464,825
3.06	Financial Result	-2,937	-5,176	621	5,578
3.06.01	Financial Income	-2,796	-4,796	649	5,653
3.06.02	Financial Expenses	-141	-380	-28	-75
3.07	Earnings Before Taxes on Income	76,252	437,277	174,660	470,403
3.08	Income Tax and Social Contribution	-87	-87	933	4,496
3.08.01	Current	-87	-87	0	0
3.08.02	Deferred	0	0	933	4,496
3.09	Net Income from Continuing Operations	76,165	437,190	175,593	474,899
3.11	Profit/Loss for the Period	76,165	437,190	175,593	474,899
3.99	Earnings per Share - (R$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	1.8633	10.6955	4.2957	11,618
3.99.01.02	Preferred Shares	2.0497	11.7651	4.7253	12.7798
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	1.8633	10.6955	4.2957	11,618
3.99.02.02	Preferred Shares	2.0497	11.7651	4.7253	12.7798

Parent Company Financial Statements / Statement of Comprehensive Income

(R$ thousand)

Code	Description	Current Quarter 07/01/2022 to 09/30/2022	YTD Current Year 01/01/2022 to 09/30/2022	Same Quarter of the Previous Year 07/01/2021 to 09/30/2021	YTD Previous Previous 01/01/2021 to 09/30/2021
4.01	Net Income for the Period	76,165	437,190	175,593	474,899
4.02	Other Comprehensive Income	0	-6,614	0	0
4.03	Comprehensive Income for the Period	76,165	430,576	175,593	474,899

Parent Company Financial Statements / Cash Flow Statement - Indirect Method

(R$ thousand)

Code	Description	YTD Current Year 01/01/2022 to 09/30/2022	YTD Previous Previous 01/01/2021 to 09/30/2021
6.01	Net Cash from Operating Activities	-63,685	-32,797
6.01.01	Cash Generated from Operations	-13,923	-9,045
6.01.01.01	Net Income before Income Tax and Social Contribution	437,277	470,403
6.01.01.02	Depreciation and Amortization	1,660	1,481
6.01.01.03	Equity Pickup	-454,942	-481,437
6.01.01.04	Interest and Monetary Variations	-141	0
6.01.01.06	Interest Paid	-17	0
6.01.01.07	Creation (Reversal) of Provision for Contingent Liabilities	2,800	508
6.01.01.08	Allowance/Reversal for Doubtful Accounts	-560	0
6.01.02	Variations in Assets and Liabilities	-49,762	-23,752
6.01.02.01	Taxes Recoverable	-8,269	8,029
6.01.02.02	Other Accounts - Assets	-42	0
6.01.02.03	Judicial Deposits	-24,448	-15,174
6.01.02.05	Social Security and Labor Obligations	443	620
6.01.02.06	Taxes Payable	-18,252	-18,308
6.01.02.07	Other Accounts - Liabilities	241	163
6.01.02.10	Other Accounts - Assets	0	-22
6.01.02.17	Suppliers	565	940
6.02	Net Cash from Investing Activities	136,701	80,250
6.02.01	Interest Received from Loans - Celesc D	409	0
6.02.02	Principal Amount Received from Loan - Celesc D	15,000	0
6.02.04	Dividends and Interest on Equity Received	121,292	80,250
6.03	Net Cash from Financing Activities	-73,225	-61,505
6.03.01	Payment of Lease Liabilities	-180	0
6.03.02	Dividends Paid	-73,045	-61,505
6.05	Increase (Decrease) in Cash and Cash Equivalents	-209	-14,052
6.05.01	Opening Balance of Cash and Cash Equivalents	26,872	50,421
6.05.02	Closing Balance of Cash and Cash Equivalents	26,663	36,369

Parent Company Financial Statements / Statement of Changes in Equity / 01/01/2022 to 09/30/2022 (R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Results Comprehensive	Shareholders' Equity
5.01	Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369
5.03	Adjusted Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369
5.04	Capital Transactions with Members	0	0	0	-118,604	0	-118,604
5.04.07	Interest on Equity	0	0	0	-118,604	0	-118,604
5.05	Total Comprehensive Income	0	0	0	437,665	-7,089	430,576
5.05.01	Net Income for the Period	0	0	0	437,190	0	437,190
5.05.02	Other Comprehensive Income	0	0	0	0	-6,614	-6,614
5.05.02.01	Financial Instrument Adjustments	0	0	0	0	-6,614	-6,614
5.05.03	Reclassifications to Profit/Loss	0	0	0	475	-475	0
5.05.03.02	Realization of Attributed Cost	0	0	0	475	-475	0
5.07	Closing Balances	2,480,000	316	1,191,329	319,061	-1,057,365	2,933,341

Parent Company Financial Statements / Statement of Changes in Equity / 01/01/2021 to 09/30/2021

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Results Comprehensive	Shareholders' Equity
5.01	Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642
5.03	Adjusted Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642
5.05	Total Comprehensive Income	0	0	0	475,230	-331	474,899
5.05.01	Net Income for the Period	0	0	0	474,899	0	474,899
5.05.03	Reclassifications to Profit/Loss	0	0	0	331	-331	0
5.05.03.02	Realization of Attributed Cost	0	0	0	331	-331	0
5.06	Internal Equity Changes	1,140,000	0	-1,140,000	0	0	0
5.06.04	Capital Increase	1,140,000	0	-1,140,000	0	0	0
5.07	Closing Balances	2,480,000	316	771,470	475,230	-1,267,475	2,459,541

Parent Company Financial Statements / Value Added Statement

(R$ thousand)

Code	Description	YTD Current Year 01/01/2022 to 09/30/2022	YTD Previous Previous 01/01/2021 to 09/30/2021
7.01	Recipes	16,949	4,173
7.01.02	Other Revenues	16,949	4,173
7.02	Inputs Acquired from Third Parties	-9,300	-5,506
7.02.02	Materials, Energy, Outsourced Services, and Others	-9,300	-5,506
7.03	Gross Value Added	7,649	-1,333
7.04	Retentions	-1,660	-1,481
7.04.01	Depreciation, Amortization, and Depletion	-1,660	-1,481
7.05	Net Value Added Produced	5,989	-2,814
7.06	Value Added Received in Transfer	462,786	487,154
7.06.01	Equity Pickup	454,943	481,437
7.06.02	Financial Income	3,844	1,394
7.06.03	Others	3,999	4,323
7.07	Total Value Added to be Distributed	468,775	484,340
7.08	Distribution of Value Added	468,775	484,340
7.08.01	Personnel	14,465	11,864
7.08.01.01	Direct Compensation	13,391	10,933
7.08.01.02	Benefits	469	367
7.08.01.03	Guarantee Fund for Length of Service (FGTS)	605	564
7.08.02	Taxes, Fees, and Contributions	16,548	-2,692
7.08.02.01	Federal	15,605	-2,796
7.08.02.03	Municipal	943	104
7.08.03	Return on Third-Party Capital	572	269
7.08.03.01	Interest	379	75
7.08.03.02	Rental	193	194
7.08.04	Return on Equity	437,190	474,899
7.08.04.01	Interest on Equity	118,604	0
7.08.04.02	Dividends	0	112,788
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	318,586	362,111

Consolidated Financial Statements / Statement of Financial Position – Assets

(R$ thousand)

Code	Description	Current Quarter 09/30/2022	Previous Year 12/31/2021
1	Total Assets	12,018,322	11,958,245
1.01	Current Assets	3,462,887	3,765,568
1.01.01	Cash and Cash Equivalents	1,436,105	844,088
1.01.03	Accounts Receivable	1,632,754	1,931,011
1.01.03.01	Trade Receivables	1,441,061	1,697,665
1.01.03.01.01	Trade Receivables	1,769,055	2,244,793
1.01.03.01.02	Allowance for Doubtful Accounts - PECLD	-327,994	-547,128
1.01.03.02	Other Accounts Receivable	191,693	233,346
1.01.04	Inventories	21,224	13,556
1.01.06	Taxes Recoverable	98,055	572,007
1.01.06.01	Current Taxes Recoverable	98,055	572,007
1.01.08	Other Current Assets	274,749	404,906
1.01.08.03	Others	274,749	404,906
1.01.08.03.01	Financial Asset - Indemnification of the Pery Plant Basic Project	17,456	34,115
1.01.08.03.02	Water Shortage Bonus	1,138	102,861
1.01.08.03.03	Dividends Receivable	16,391	14,865
1.01.08.03.04	Other receivables	152,840	167,063
1.01.08.03.06	Financial Assets – Concession Bonus	39,838	36,771
1.01.08.03.07	CDE Funds to Cover CVA	47,086	49,231
1.02	Noncurrent Assets	8,555,435	8,192,677
1.02.01	Long-Term Receivables	3,954,241	3,893,561
1.02.01.02	Financial Investments at Fair Value through Other Comprehensive Income	130,865	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Negotiable Values and Securities	130,648	137,261
1.02.01.04	Accounts Receivable	21,162	30,245
1.02.01.04.01	Trade Receivables	19,280	141,826
1.02.01.04.02	Allowance for Doubtful Accounts - PECLD	0	-114,614
1.02.01.04.03	Other Accounts Receivable	1,882	3,033
1.02.01.07	Deferred Taxes	719,840	708,001
1.02.01.07.01	Deferred Income Tax and Social Contribution	719,840	708,001
1.02.01.10	Other Noncurrent Assets	3,082,374	3,017,837
1.02.01.10.03	Taxes Recoverable	1,103,099	1,020,876
1.02.01.10.04	Judicial Deposits	336,276	329,106
1.02.01.10.05	Financial Assets Indemnification - Concession	1,018,390	757,193
1.02.01.10.06	Financial Assets - Portion A – CVA	167,066	470,286
1.02.01.10.07	Financial Assets – Concession Bonus	302,570	292,578
1.02.01.10.08	Advance for Future Capital Increase	17,600	15,000
1.02.01.10.09	Financial Asset - Indemnification of the Pery Plant Basic Project	137,373	132,798
1.02.02	CAPEX	352,662	311,666
1.02.02.01	Equity Interests	352,662	311,666
1.02.02.01.01	Interests in Affiliates	216,237	194,472
1.02.02.01.04	Interest in Joint Ventures	136,425	117,194
1.02.03	Property, Plant & Equipment	128,986	128,813
1.02.03.01	Fixed Assets in Operation	36,882	35,991

Consolidated Financial Statements / Statement of Financial Position – Assets

(R$ thousand)

Code	Description	Current Quarter 09/30/2022	Previous Year 12/31/2021
1.02.03.02	Right of Use - Lease	8,563	14,341
1.02.03.03	Construction in Progress	83,541	78,481
1.02.04	Intangible Assets	4,119,546	3,858,637
1.02.04.01	Intangible Assets	4,119,546	3,858,637
1.02.04.01.01	Concession Agreement	4,068,885	3,806,354
1.02.04.01.02	Hydrological Risk Renegotiation – GSF	46,597	47,842
1.02.04.01.03	Other Intangible Assets	4,064	4,441

Consolidated Financial Statements / Statement of Financial Position – Liabilities

(R$ thousand)

Code	Description	Current Quarter 09/30/2022	Previous Year 12/31/2021
2	Total Liabilities	12,018,322	11,958,245
2.01	Current Liabilities	3,660,097	3,282,108
2.01.01	Social and Labor Obligations	227,520	214,708
2.01.01.01	Social Obligations	227,520	214,708
2.01.02	Suppliers	938,520	1,088,186
2.01.02.01	Domestic Suppliers	938,520	1,088,186
2.01.03	Tax Liabilities	248,853	910,696
2.01.03.01	Federal Tax Obligations	86,406	58,496
2.01.03.01.01	Income Tax and Social Contribution Payable	32,673	2,235
2.01.03.01.02	PIS/COFINS	39,386	43,608
2.01.03.01.03	Others	14,347	12,653
2.01.03.02	State Tax Obligations	160,044	850,543
2.01.03.03	Municipal Tax Obligations	2,403	1,657
2.01.04	Loans and Financing	582,549	176,554
2.01.04.01	Loans and Financing	316,469	23,559
2.01.04.01.01	In Domestic Currency	242,584	5,404
2.01.04.01.02	In Foreign Currency	73,885	18,155
2.01.04.02	Debentures	266,080	152,995
2.01.05	Other Liabilities	1,434,659	672,437
2.01.05.02	Others	1,434,659	672,437
2.01.05.02.01	Dividends and Interest on Equity Payable	176,111	134,356
2.01.05.02.04	Regulatory Fees	50,334	295,631
2.01.05.02.07	Financial Liability - "Portion A" - CVA	1,083,124	39,826
2.01.05.02.08	Lease Liabilities	1,991	6,216
2.01.05.02.09	Water Shortage Bonus	1,189	102,861
2.01.05.02.20	Other Current Liabilities	121,910	93,547
2.01.06	Provisions	227,996	219,527
2.01.06.01	Tax, Social Security, Labor, and Civil Provisions	227,996	219,527
2.01.06.01.03	Provisions for Employee Benefits	227,996	219,527
2.02	Noncurrent Liabilities	5,424,884	6,054,768
2.02.01	Loans and Financing	1,982,657	1,845,411
2.02.01.01	Loans and Financing	1,546,492	1,229,741
2.02.01.01.01	In Domestic Currency	414,569	97,818
2.02.01.01.02	In Foreign Currency	1,131,923	1,131,923
2.02.01.02	Debentures	436,165	615,670
2.02.02	Other Liabilities	1,225,219	1,883,119
2.02.02.02	Others	1,225,219	1,883,119
2.02.02.02.03	Social and Labor Obligations	24,406	50,032
2.02.02.02.04	Regulatory Fees	120,432	70,745
2.02.02.02.05	Other Noncurrent Liabilities	0	5,250
2.02.02.02.09	PIS/COFINS to be Refunded to Consumers	1,073,311	1,748,472
2.02.02.02.10	Lease Liabilities	7,070	8,620
2.02.03	Deferred Taxes	86,482	82,592
2.02.03.01	Deferred Income Tax and Social Contribution	86,482	82,592
2.02.04	Provisions	2,130,526	2,243,646
2.02.04.01	Tax, Social Security, Labor, and Civil Provisions	2,004,518	2,040,717

Consolidated Financial Statements / Statement of Financial Position – Liabilities

(R$ thousand)

Code	Description	Current Quarter 09/30/2022	Previous Year 12/31/2021
2.02.04.01.01	Tax Provisions	33,736	26,461
2.02.04.01.02	Social Security and Labor Provisions	44,231	43,601
2.02.04.01.03	Provisions for Employee Benefits	1,738,992	1,798,736
2.02.04.01.04	Civil Provisions	187,559	171,919
2.02.04.02	Other Provisions	126,008	202,929
2.02.04.02.04	Regulatory Provisions	118,639	184,280
2.02.04.02.05	Environmental Provisions	7,369	18,649
2.03	Consolidated Equity	2,933,341	2,621,369
2.03.01	Paid-up Share Capital	2,480,000	2,480,000
2.03.02	Capital Reserves	316	316
2.03.02.06	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	1,191,329	1,191,329
2.03.04.01	Legal Reserve	224,467	224,467
2.03.04.05	Retained Earnings Reserve	966,862	966,862
2.03.05	Retained Earnings/Accumulated Losses	319,061	0
2.03.06	Equity Valuation Adjustments	-1,057,365	-1,050,276

Consolidated Financial Statements / Income Statement

(R$ thousands)

Code	Description	Current Quarter 07/01/2022 to 09/30/2022	YTD Current Year 01/01/2022 to 09/30/2022	Same Quarter of the Previous Year 07/01/2021 to 09/30/2021	YTD Previous Previous 01/01/2021 to 09/30/2021
3.01	Revenue from the Sale of Goods and/or Services	2,458,743	7,501,571	3,603,425	8,538,236
3.01.01	Revenue from Sales and Services	1,719,649	6,424,011	2,680,356	7,019,586
3.01.02	Construction Revenue - CPC 47	345,133	904,287	220,557	497,884
3.01.03	Revenue Portion A - CVA	397,031	162,047	696,864	1,007,293
3.01.04	Financial Asset Restatement VNR	-3,070	11,226	5,648	13,473
3.02	Cost of Goods and/or Services	-2,212,867	-6,400,234	-3,246,300	-7,549,157
3.02.01	Cost of Sale and Services	-1,649,939	-4,873,346	-2,841,315	-6,522,253
3.02.02	Cost of Goods Sold	-3,446	-10,046	11,025	5,003
3.02.03	Cost of Services	-214,349	-612,555	-195,453	-534,023
3.02.04	Construction Cost - CPC 47	-345,133	-904,287	-220,557	-497,884
3.03	Gross Profit (Loss)	245,876	1,101,337	357,125	989,079
3.04	Operating Expenses/Revenues	-138,550	-451,461	-119,536	-328,369
3.04.01	Selling Expenses	-49,584	-171,106	-57,702	-163,670
3.04.02	General and Administrative Expenses	-138,910	-388,556	-85,767	-243,751
3.04.04	Other Operating Income	14,926	39,914	0	0
3.04.05	Other Operating Expenses	0	0	-5,905	17,334
3.04.06	Equity Pickup	35,018	68,287	29,838	61,718
3.05	Income Before Financial Result and Taxes	107,326	649,876	237,589	660,710
3.06	Financial Result	-28,964	-57,732	19,836	53,742
3.06.01	Financial Income	133,334	362,432	70,530	201,464
3.06.02	Financial Expenses	-162,298	-420,164	-50,694	-147,722
3.07	Earnings Before Taxes on Income	78,362	592,144	257,425	714,452
3.08	Income Tax and Social Contribution	-2,197	-154,954	-81,832	-239,553
3.08.01	Current	-10,401	-162,901	-9,072	-146,931
3.08.02	Deferred	8,204	7,947	-72,760	-92,622
3.09	Net Income from Continuing Operations	76,165	437,190	175,593	474,899
3.11	Consolidated Profit/Loss for the Period	76,165	437,190	175,593	474,899
3.11.01	Attributed to the Parent Company’s Shareholders	76,165	437,190	175,593	474,899

Consolidated Financial Statements / Income Statement

(R$ thousands)

Code	Description	Current Quarter 07/01/2022 to 09/30/2022	YTD Current Year 01/01/2022 to 09/30/2022	Same Quarter of the Previous Year 07/01/2021 to 09/30/2021	YTD Previous Previous 01/01/2021 to 09/30/2021
3.99	Earnings per Share - (R$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	1.8633	10.6955	4.2957	11,618
3.99.01.02	Preferred Shares	2.0497	11.7651	4.7253	12.7798
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	1.8633	10.6955	4.2957	11,618
3.99.02.02	Preferred Shares	2.0497	11.7651	4.7253	12.7798

Consolidated Financial Statements / Statement of Comprehensive Income

(R$ thousands)

Code	Description	Current Quarter 07/01/2022 to 09/30/2022	YTD Current Year 01/01/2022 to 09/30/2022	Same Quarter of the Previous Year 07/01/2021 to 09/30/2021	YTD Previous Previous 01/01/2021 to 09/30/2021
4.01	Consolidated Net Income for the Period	76,165	437,190	175,593	474,899
4.02	Other Comprehensive Income	0	-6,614	0	0
4.03	Consolidated Comprehensive Income for the Period	76,165	430,576	175,593	474,899
4.03.01	Attributed to the Parent Company’s Shareholders	76,165	430,576	175,593	474,899

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(R$ thousand)

Code	Description	YTD Current Year 01/01/2022 to 09/30/2022	YTD Previous Previous 01/01/2021 to 09/30/2021
6.01	Net Cash from Operating Activities	942,558	217,498
6.01.01	Cash Generated from Operations	1,016,768	959,110
6.01.01.01	Earnings before Income Tax and Social Contribution	592,144	714,452
6.01.01.02	Depreciation and Amortization	205,717	174,201
6.01.01.03	Hydrological Risk Renegotiation – GSF	0	-45,879
6.01.01.04	Equity Pickup	-68,287	-61,718
6.01.01.05	Restatement/Interest Return/Concession Bonus	-62,131	-116,754
6.01.01.06	Interest and Monetary Variations	397,366	192,428
6.01.01.07	PIS/COFINS Credit Right-of-use asset depreciation	447	0
6.01.01.08	Income Tax and Social Contribution Paid	-8,287	33,151
6.01.01.09	Interest Paid	-180,072	-70,505
6.01.01.10	Asset and Lease Liability Write-offs	-45	0
6.01.01.11	Provision for Actuarial Liability	90,494	-3,738
6.01.01.12	Creation (Reversal) of Provision for Contingent Liabilities	-53,376	-48,109
6.01.01.14	Write-off of Property, Plant & Equipment/Intangible Assets	48,640	156,569
6.01.01.15	Financial Assets Adjustment – VNR	-11,226	-13,473
6.01.01.17	Allowance for Doubtful Accounts	63,870	48,068
6.01.01.18	Write-off of Indemnifying Financial Assets - Concession	1,514	417
6.01.02	Variations in Assets and Liabilities	-74,210	-741,612
6.01.02.01	Water Shortage Bonus Asset	101,723	0
6.01.02.02	Financial Assets - (CVA, Concession Bonus, Ind. Pery Plant Basic Project)	713,530	-617,956
6.01.02.03	Accounts Receivable	252,716	-39,055
6.01.02.04	Subsidy Decree 7,891/2013	2,145	-2,199
6.01.02.05	Taxes Recoverable	391,729	-1,136,152
6.01.02.06	Judicial Deposits	-7,170	-30,515
6.01.02.07	Inventories	-7,668	-4,884
6.01.02.08	Advance for Future Capital Increase	-2,600	-10,000
6.01.02.10	Other Accounts - Assets	4,977	2,420
6.01.02.11	Water Shortage Bonus Liability	-101,672	0
6.01.02.13	PIS/COFINS to be Refunded to Consumers	-778,357	579,802
6.01.02.14	Suppliers	-149,666	292,078
6.01.02.15	Taxes Payable	-820,261	-64,839
6.01.02.16	Social Security and Labor Obligations	-12,814	-15,968
6.01.02.17	Regulatory Fees	-204,355	6,689
6.01.02.18	Financial Liabilities - CVA	694,144	381,782
6.01.02.19	Actuarial Liability	-173,722	-158,053
6.01.02.20	Other Accounts - Liabilities	23,111	75,238
6.02	Net Cash from Investing Activities	-741,715	-427,630
6.02.01	Additions to PP&E/Intangible Assets	-766,379	-444,536
6.02.03	Capital Increase (Decrease) of Investees	-779	-4,497
6.02.05	Dividends Received	25,443	21,403
6.03	Net Cash from Financing Activities	391,174	-212,994
6.03.01	Principal Amortization of Lease Liabilities	-5,621	0

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(R$ thousand)

Code	Description	YTD Current Year 01/01/2022 to 09/30/2022	YTD Previous Previous 01/01/2021 to 09/30/2021
6.03.03	Amortization of Loans and Financings	-63,688	-761,493
6.03.04	Additions of Loans and Financing	610,000	141,025
6.03.05	Dividend Payment	-73,045	-61,505
6.03.06	Inflow of Debentures	0	545,450
6.03.07	Payment of Debentures	-76,472	-76,471
6.05	Increase (Decrease) in Cash and Cash Equivalents	592,017	-423,126
6.05.01	Opening Balance of Cash and Cash Equivalents	844,088	1,166,205
6.05.02	Closing Balance of Cash and Cash Equivalents	1,436,105	743,079

Consolidated Financial Statements / Statement of Changes in Equity / 01/01/2022 to 09/30/2022

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Results Comprehensive	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369	0	2,621,369
5.03	Adjusted Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369	0	2,621,369
5.04	Capital Transactions with Members	0	0	0	-118,604	0	-118,604	0	-118,604
5.04.07	Interest on Equity	0	0	0	-118,604	0	-118,604	0	-118,604
5.05	Total Comprehensive Income	0	0	0	437,665	-7,089	430,576	0	430,576
5.05.01	Net Income for the Period	0	0	0	437,190	0	437,190	0	437,190
5.05.02	Other Comprehensive Income	0	0	0	0	-6,614	-6,614	0	-6,614
5.05.03	Reclassifications to Profit/Loss	0	0	0	475	-475	0	0	0
5.05.03.02	Realization of Attributed Cost	0	0	0	475	-475	0	0	0
5.07	Closing Balances	2,480,000	316	1,191,329	319,061	-1,057,365	2,933,341	0	2,933,341

Consolidated Financial Statements / Statement of Changes in Equity / 01/01/2021 to 09/30/2021

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Results Comprehensive	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642	0	1,984,642
5.03	Adjusted Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642	0	1,984,642
5.05	Total Comprehensive Income	0	0	0	475,230	-331	474,899	0	474,899
5.05.01	Net Income for the Period	0	0	0	474,899	0	474,899	0	474,899
5.05.03	Reclassifications to Profit/Loss	0	0	0	331	-331	0	0	0
5.05.03.02	Realization of Attributed Cost	0	0	0	331	-331	0	0	0
5.06	Internal Equity Changes	1,140,000	0	-1,140,000	0	0	0	0	0
5.06.04	Capital Increase	1,140,000	0	-1,140,000	0	0	0	0	0
5.07	Closing Balances	2,480,000	316	771,470	475,230	-1,267,475	2,459,541	0	2,459,541

Consolidated Financial Statements / Value Added Statement

(R$ thousands)

Code	Description	YTD Current Year 01/01/2022 to 09/30/2022	YTD Previous Previous 01/01/2021 to 09/30/2021
7.01	Recipes	12,185,393	12,773,465
7.01.01	Sales of Goods, Products and Services	11,120,928	12,143,671
7.01.02	Other Revenues	224,609	179,978
7.01.03	Revenues from Construction of Company Assets	904,287	497,884
7.01.04	Provision/Reversal of Credits of Doubtful Accounts	-64,431	-48,068
7.02	Inputs Acquired from Third Parties	-6,756,933	-8,071,440
7.02.01	Costs of Products, Goods and Services Sold	-5,377,290	-7,171,216
7.02.02	Materials, Energy, Outsourced Services, and Others	-475,356	-402,340
7.02.04	Others	-904,287	-497,884
7.02.04.01	Revenues from Construction of Company Assets	-904,287	-497,884
7.03	Gross Value Added	5,428,460	4,702,025
7.04	Retentions	-206,163	-174,201
7.04.01	Depreciation, Amortization, and Depletion	-206,163	-174,201
7.05	Net Value Added Produced	5,222,297	4,527,824
7.06	Value Added Received in Transfer	461,960	272,998
7.06.01	Equity Pickup	68,287	61,718
7.06.02	Financial Income	389,311	206,752
7.06.03	Others	4,362	4,528
7.07	Total Value Added to be Distributed	5,684,257	4,800,822
7.08	Distribution of Value Added	5,684,257	4,800,822
7.08.01	Personnel	534,423	402,053
7.08.01.01	Direct Compensation	327,051	315,360
7.08.01.02	Benefits	182,575	66,873
7.08.01.03	Guarantee Fund for Length of Service (FGTS)	24,797	19,820
7.08.02	Taxes, Fees, and Contributions	4,295,144	3,753,599
7.08.02.01	Federal	2,286,343	1,798,051
7.08.02.02	State	2,004,551	1,953,276
7.08.02.03	Municipal	4,250	2,272
7.08.03	Return on Third-Party Capital	417,500	170,271
7.08.03.01	Interest	409,621	154,517
7.08.03.02	Rental	7,879	15,754
7.08.04	Return on Equity	437,190	474,899
7.08.04.01	Interest on Equity	118,604	0
7.08.04.02	Dividends	0	112,788
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	318,586	362,111

1. INVESTMENTS

The funds invested by the Company in PP&E, Intangible Assets, and Interest in Small Hydroelectric Power Plants totaled R$967.4 million in 9M22, exceeding by more than 77% the R$545.6 million reported in 9M21, as shown below:

					Consolidated
Description	September 30, 2022		September 30, 2021		Horizontal Analysis
	R$ thousand	%	R$ thousand	%	
Electricity Distribution	**959,399**	**99.17%**	**526,227**	**96.46%**	**82.32%**
Company Resources	759,160	-	430,066	-	-
Consumer Financial Share	200,239	-	96,161	-	-
Electricity Generation	**7,999**	**0.83%**	**19,328**	**3.54%**	**-58.61%**
Equity Interests	779	-	4,497	-	-
Own Generation Park	7,220	-	14,831	-	-
Total	**967,398**	**100%**	**545,555**	**100%**	**77.32%**

Electricity Distribution

Of the total invested, the largest portion of R$959.4 million was allocated to the expansion and improvement of the system, operational efficiency, and modernization of Celesc D's management. Of this amount, R$759.2 million was invested using the Company's funds (R$716.9 in materials and services and R$42.3 in company labor), and R$200.2 million was invested using third-party funds, arising from Consumer Financial Share in Celesc D's works. Consumer Financial Share rules are established in ANEEL Regulatory Resolution 1.000, of December 7, 2021.

Electricity Generation

Of the main investments made in the Company's generating complex in the period from January to September 2022, R$3.2 million was in supervision and control panels, voltage regulators, auxiliary services, and automation at the Caveiras Plant; R$1.1 million was spent on labor, maintenance, and engineering services at the Piraí Plant; R$1.1 million was allocated to plant automation, cleaning grids, and battery bank at the Palmeiras Plant; R$404 thousand was invested in the electrical executive project and battery bank in the Pery Plant, R$392 thousand was disbursed in improvements to the automation system, identification plates of the central administration, and software development services, R$380 thousand was invested in cleaning grids, civil maintenance services, battery bank, security and monitoring at the Salto Plant; and R$294 thousand was allocated to cleaning grids, battery bank, electric generator and mechanical assembly at the Bracinho Plant.

2. STOCK MARKET

The BOVESPA index closed 3Q22 with an 11.67% appreciation. The Energy Sector Index (IEE), an indicator of the electricity sector, fell by 0.38% in the same period.

In the same period, the Company's Common Shares (ON) depreciated by 9.94%, while Preferred Shares (PN) appreciated by 3.08%.

The table below shows the final quotations on September 30, 2022, and the respective percentage changes of the Company's shares and the key market indicators:

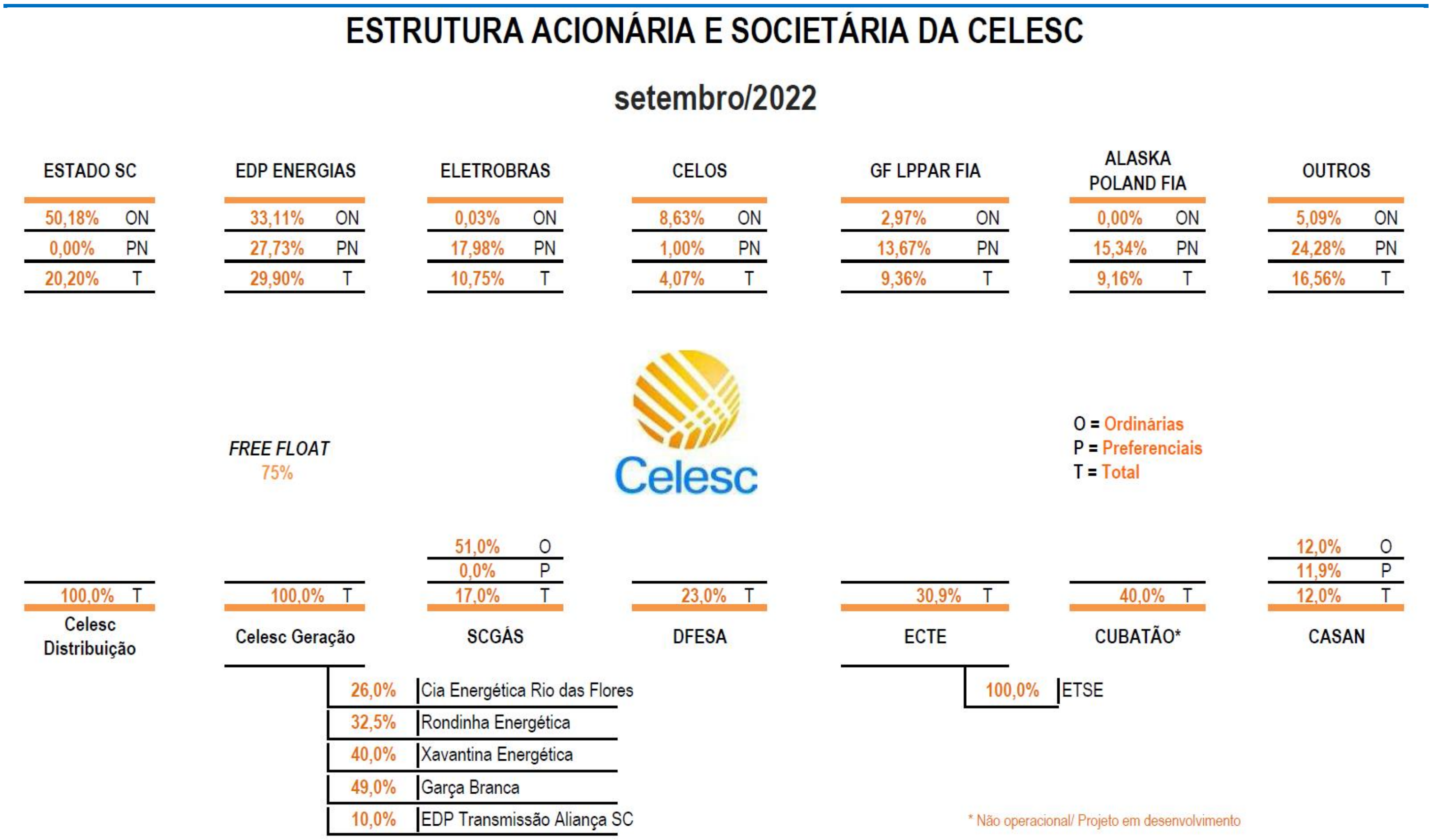
Description	Closing	Change %	
	September 30, 2022	3Q22	12 Months
Celesc Preferred Shares	R$57.22	3.08%	-4.95%
Celesc Common Shares	R$48.92	-9.94%	-29.23%
IBOVESPA	110,037	11.67%	0.85%
Electricity Index (IEE)	78,488	-0.38%	0.25%

Percentage variations with earnings adjustments

3. STOCK MARKET VALUE

The Company's stock market value on September 30, 2022, as shown above, is R$57.85 (fifty-seven reais and eighty-five centavos) per preferred share - PN (CLSC4) and R$48.92 (forty-eight reais and ninety-two centavos) per common share - ON (CLSC3).

The Santa Catarina state is the Company's major shareholder, holding 50.2% of its common shares, corresponding to 20.2% of the total capital. On September 30, 2022, the shareholding and corporate structure are shown in the following organization chart:



4. HUMAN RESOURCES

Celesc ended 3Q22 with 3,950 employees. The total number of employees rose by 7.13% YoY (3,687 employees last year).

5. ECONOMIC AND FINANCIAL PERFORMANCE

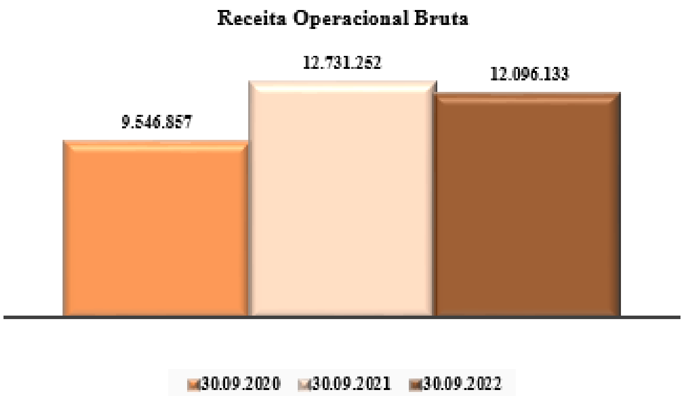
The following table shows the main economic and financial indicators for the year in comparison with the previous year:

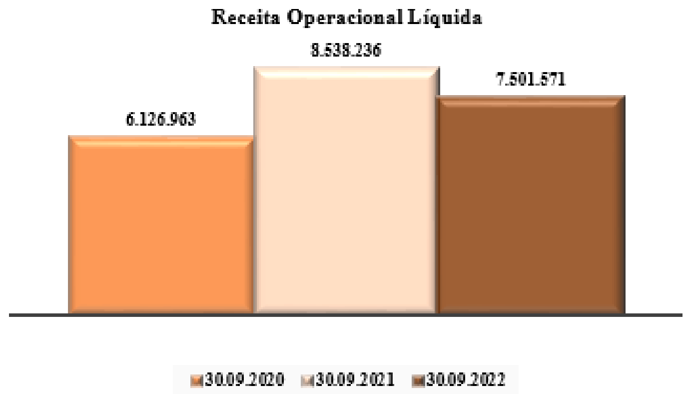
			Consolidated
Description	**September 30, 2022**	**September 30, 2021**	**Variation**
Gross Operating Income - GOI	12,096,133	12,731,252	-4.99%
Net Operating Income - NOI	7,501,571	8,538,236	-12.14%
Operating Result	649,876	660,710	-1.64%
EBITDA	855,593	834,911	2.48%
EBITDA Margin (EBITDA/NOI)	11.41%	9.78%	1.63 p.p.
Net Margin (Net Income/NOR)	5.83%	5.56%	0.27 p.p.
Financial Result	(57,732)	53,742	-207.42%
Total Assets	12,018,322	12,142,481	-1.02%
Property, Plant & Equipment	128,986	110,409	16.83%
Shareholders' Equity	2,933,341	2,459,541	19.26%
Net Income	437,190	474,899	-7.94%

5.1. Gross Revenue and Net Operating Income

The Gross Operating Revenue (ROB) from January to September 2022, totaled R$12.1 billion, nearly 5% lower than the R$12.7 billion reported in the same period in 2021. Among the factors that led to the decrease, we can emphasize the effects of Supplementary Law 194, of June 23, 2022, which limited ICMS rates in the States (this tax is included in electricity billing at the distribution companies). There was also a significant decrease in short-term electricity revenue, due to the drop in the Difference Settlement Price (DSP) at CCEE.

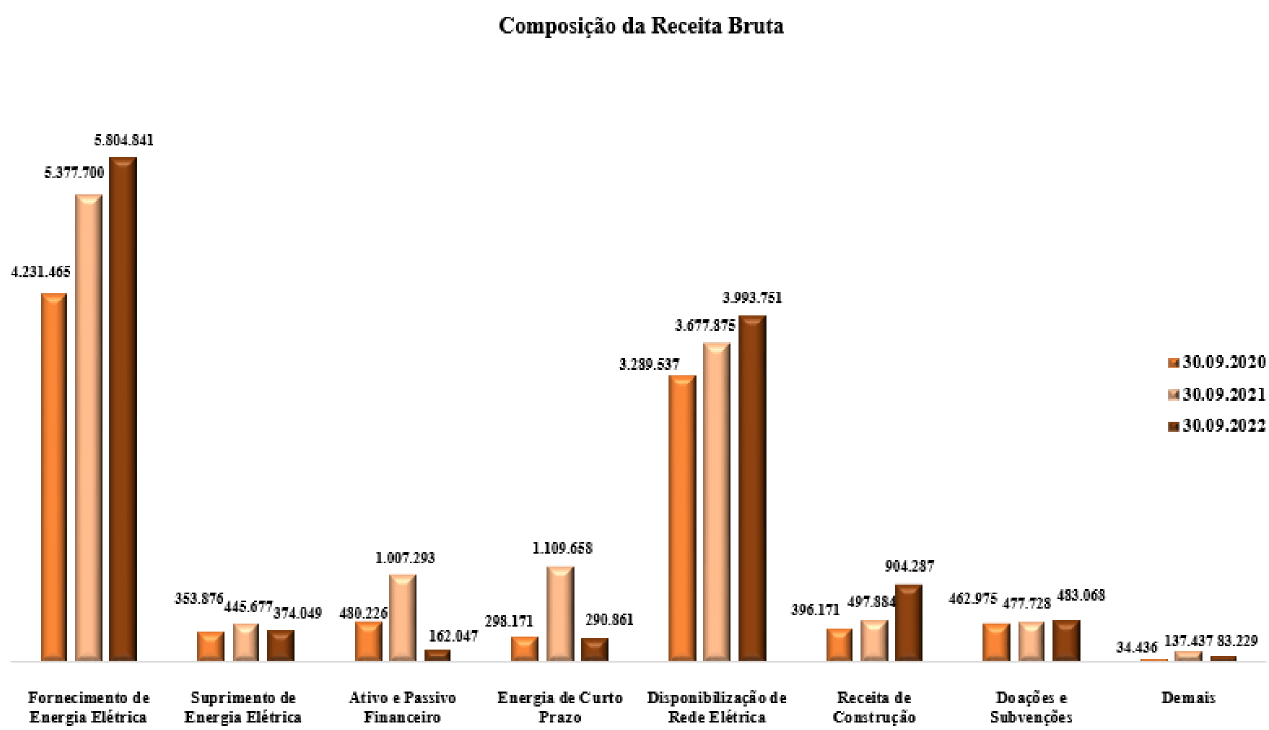
In the same period in 2022, the Net Operating Income (ROL) totaled R$7.5 billion, approximately 12% down from the R$8.5 billion reported in 2021. The disproportionality of the reductions between ROB and ROL was due to the nature of the impacted revenue. The effects from the creation of Financial Assets and Liabilities to offset the variation in the costs of portion A (CVA) at Celesc D led to a reduction in ROB in the analyzed periods, without, however, reducing by the same proportion taxes deducted to calculate ROL, given that such revenue is not subject to ICMS. In general, revenue was reduced but the deductions did not follow in the same proportion, leading to poorer performance of ROL compared to ROB.





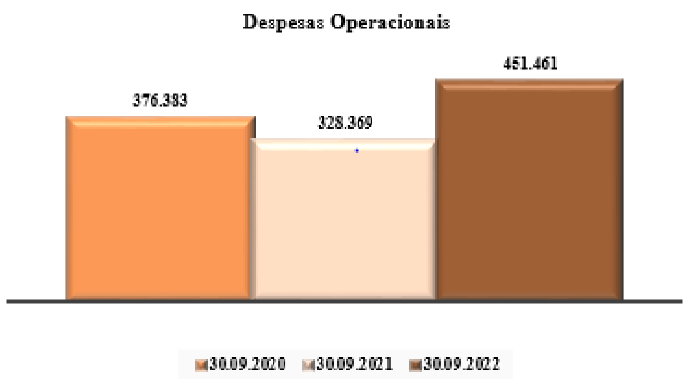
At Celesc D, the poorer performance of ROB was mainly due to the reduction of the positive impacts in the creation of Financial Assets and Liabilities to offset the variation in the costs of portion A (CVA) and the reduction of the ICMS rate imposed by Supplementary Law 194/2022, as previously mentioned. The significant increase in revenue from the availability of electricity was mainly due to the application of the average tariff adjustment of 5.65% as of August 22, 2021 (2021/2022 cycle), the application of the average tariff adjustment of 11.32% as of August 22, 2022 (2022/2023 cycle), and higher construction revenue, due to the higher investments made by the Company, which mitigated the reduction but were not sufficient to improve the performance.

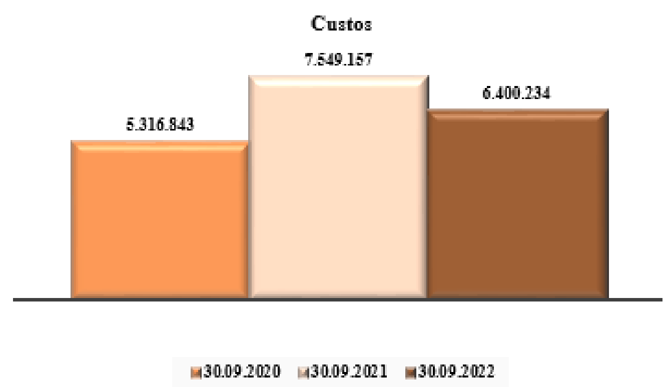
At Celesc G, the most significant effect for the reduction of ROB is related to the recognition of interest and the monetary adjustments of Financial Assets that are recorded in this group. Revenues moved up from R$199.5 million in 9M21 to R$125.6 million in 9M22, a decrease of approximately 37%. The decrease was because the first-time recognition of the indemnification of the Pery Plant basic project, in August 2021, included the full remuneration and monetary adjustment since the end of the previous concession, in July 2017.



5.2. Costs and Expenses

Electricity costs fell by approximately 15.22% YoY in the periods from January to September 2022 and 2021, especially the 29.1% downturn in Electricity Purchased for Resale.





Celesc D's higher YoY operating expenses in 2022 were due to the recognition of the actuarial expense, impacted by the rise in the nominal discount rate, which is related to the recognition of current service costs and interest costs on actuarial obligations, as well as the increase of around 7.13% in the company's workforce. Third-party services, especially those related to cleaning and conservation, fuel, surveillance, and maintenance of vehicles, notably related to the resumption of activities in the post-pandemic period, also contributed to the increase recorded in the group.

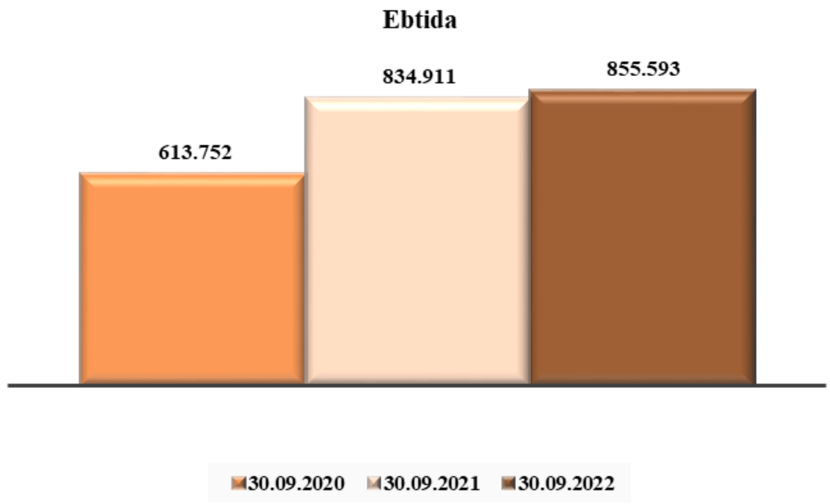
Operating costs and expenses increased by approximately R$18.3 million at Celesc G. The main factor was the reduction in the allowance for doubtful accounts up to the third quarter of 2021, driven by the partial adherence to Law 14,052, of September 8, 2020, which addressed the hydrological risk renegotiation of the plants participating in the Energy Reallocation Mechanism (MRE), except for Hydroelectric Generating Power Plants.

5.3. EBITDA

The changes in the Net Income for the Year before interest, taxes, financial result, and depreciation/amortization - EBITDA are as follows.

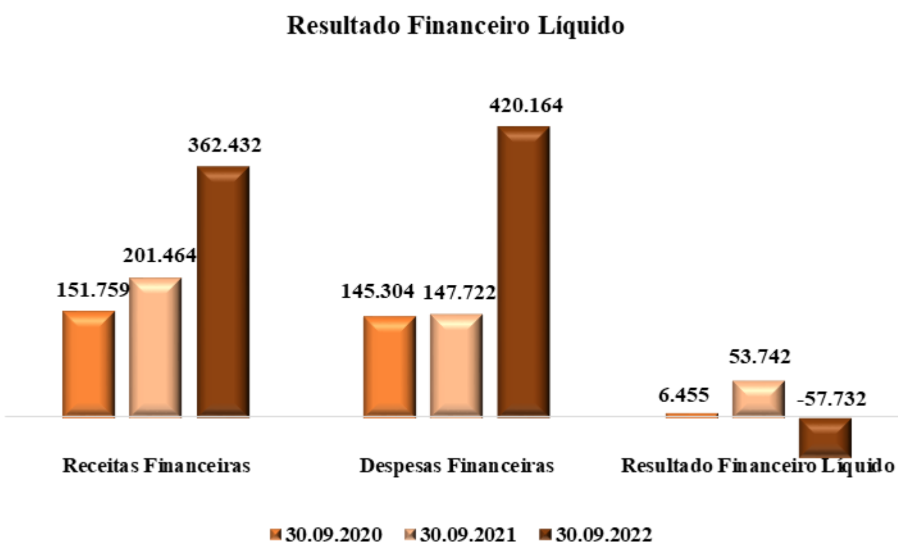
		Consolidated
Reconciliation of EBITDA (R$/thousand)	**September 30, 2022**	**September 30, 2021**
Net Income	437,190	474,899
Current and Deferred Income Tax and Social Contribution	154,954	239,553
Financial Result	57,732	(53,742)
Depreciation and Amortization	205,717	174,201
EBITDA	**855,593**	**834,911**

EBITDA totaled R$855.6 million in 9M22, around 48% higher than the R$834.9 million reported in 9M21.



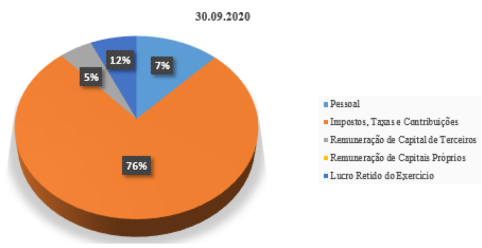
5.4. Financial Result

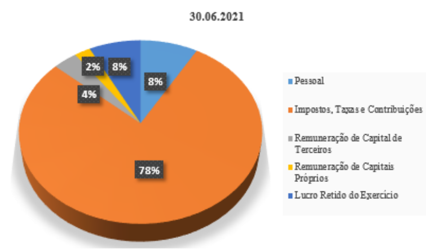
The Financial Result from January to September 2022 was negative by R$57.7 million. Considering the positive result of R$53.7 million reported in the same period in 2021, the R$111.4 million reduction in this group was mainly due to the significant rise in interest and monetary adjustments of the Company's debts, especially those remunerated at the Interbank Deposit Certificate (CDI) rate.

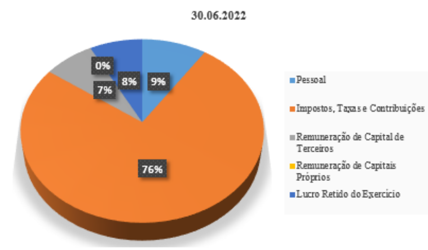


5.5. Added Value

The wealth created by the Company was distributed through "Personnel", "Taxes, Fees, and Contributions", "Return on Third-Party Capital" and "Return on Equity", and a portion remained as "Retained Earnings for the Year", in the following proportions:







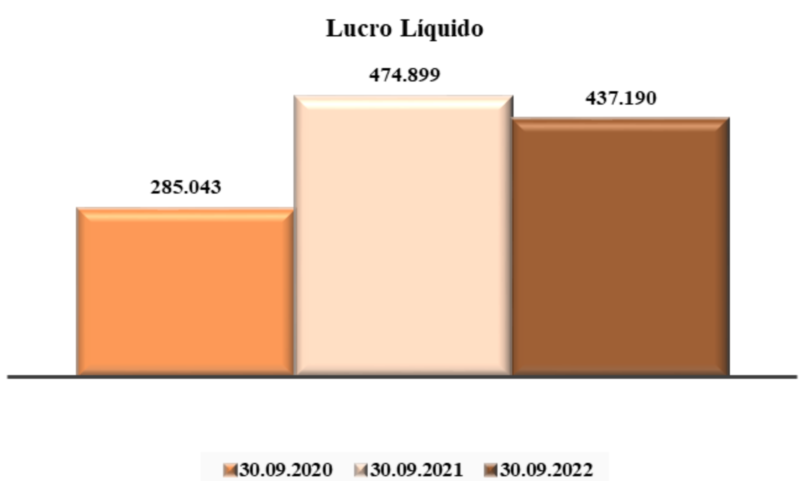
5.6. Economic and Financial Indices

Some economic and financial indices are shown below.

			Consolidated
Indices	**September 30, 2022**	**September 30, 2021**	**September 30, 2020**
General Liquidity	0.82	0.82	0.73
Current Liquidity	0.95	1.04	1.10
Shareholders' Equity Profitability	15.74%	21.37%	18.39%
General Indebtedness	75.59%	79.74%	83.76%

5.7. Net Income

Celesc's Net Income totaled R$437.2 million from January to September 2022, down by 7.9% from the R$474.9 million reported in the same period in 2021.



6. SHAREHOLDING STRUCTURE

The shareholding structure, in number of shares held by shareholders with more than 5% of any type or class, is as follows:

						Shareholder Base on September 30, 2022
Shareholder	**Common Shares**		**Preferred Shares**		**Total**	
	Quantity	**%**	**Quantity**	**%**	**Quantity**	**%**
Santa Catarina state	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	2.96	3,149,300	13.67	3,609,900	9.36
Centrais Elétricas Brasileiras – Eletrobras*	4,233	0.03	4,142,774	17.98	4,147,007	10.75
Alaska Poland FIA	-	0.00	3,534,800	15.34	3,534,800	9.16
Other	789,952	5.09	5,595,869	24.28	6,385,821	16.56
Total	**15,527,137**	**100.00**	**23,044,454**	**100.00**	**38,571,591**	**100.00**
Overall Total	**15,527,137**	**40.26**	**23,044,454**	**59.74**	**38,571,591**	**100.00**

Share Capital: R$2,480,000,000.00 and Authorized Capital R$2,600,000,000.00
*Public Held Company

7. FOREIGN EQUITY INTEREST

Foreign investors accounted for 0.60% of the Company's total share capital in 3Q22, holding a total of 230,699 shares, most of which were preferred shares.

Investors' Equity Interest by Residence	No. of Shares	%
Foreign Investors	230,699	0.60%
National Investors	38,340,892	99.40%
Total	**38,571,591**	**100.00**

8. SHARES HELD BY THE CONTROLLING SHAREHOLDER, EXECUTIVE BOARD, 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.

Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Controlling Shareholder	9,229,460	59.44%	234,305	1.02%	9,463,765	24.54%
Board of Directors	10	-	-	0.00%	10	0.00%
Executive Board	-	-	22	0.00%	22	0.00%
Fiscal Council	-	-	-	0.00%	-	0.00%
Other Shareholders	6,297,667	40.56%	22,810,127	98.98%	29,107,794	75.46%
Total	**15,527,137**	**100.00%**	**23,044,454**	**100.00%**	**38,571,591**	**100.00%**
Outstanding Shares	**6,297,667**	**40.56%**	**22,810,127**	**98.98%**	**29,107,794**	**75.46%**

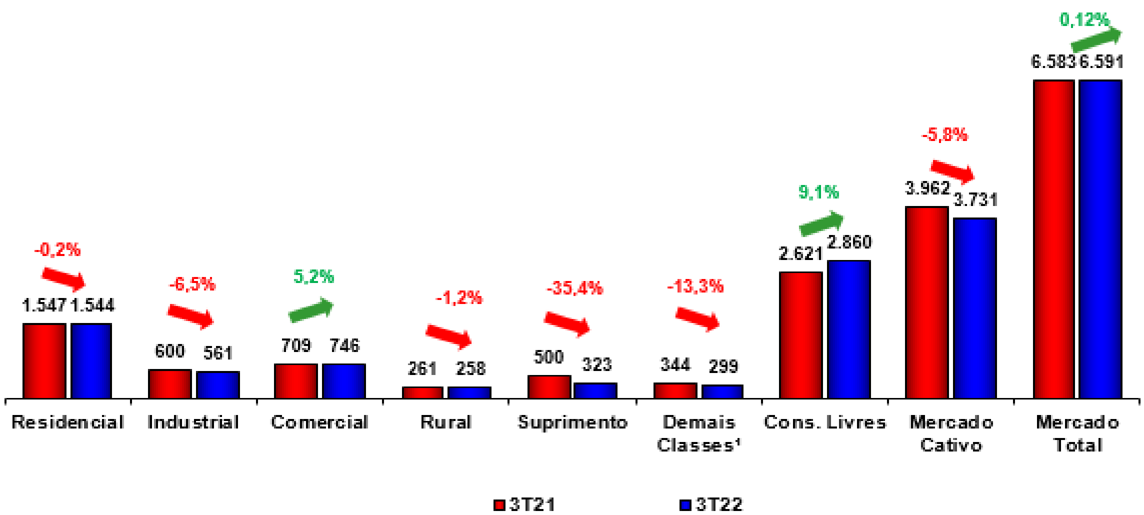
9. OUTSTANDING SHARES

Description	Common Shares - CLSC3		Preferred Shares - CLSC4		Total	
	Quantity	%	Quantity	%	Quantity	%
Total Capital	15,527,137	100.0	23,044,454	100.0	38,571,591	100.00
Outstanding Shares	6,297,667	40.56	22,810,127	98.98	29,107,794	75.46

10. ENERGY BALANCE

Celesc D's captive market decreased by 5.8% YoY in 9M22, reaching 3,731 GWh. In the Total Market, including free consumers, the increase in electricity consumption was 0.12%, reaching 6,591 GWh.

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



Other Categories¹ = Government + Public Lighting + Public Service. Excluding Own Consumption.

11. ELECTRICITY MARKET

ELECTRICITY CAPTIVE MARKET

Description	2022		2021		Vertical Variation				Variation Horizontal	
	3Q	9M	3Q	9M	3Q 2022	9M 2022	3Q 2021	9M 2021	3Q 22-21	9M 22-21
Sales Revenue by Consumption Category in thousands of Reais										
Residential	963,798	3,833,134	1,176,727	3,499,937	44.4%	44.2%	43.0%	43.4%	-18.1%	9.5%
Industrial	354,514	1,293,565	467,910	1,269,537	16.3%	14.9%	17.1%	15.7%	-24.2%	1.9%
Commercial	467,706	2,019,339	587,378	1,802,150	21.5%	23.3%	21.5%	22.3%	-20.4%	12.1%
Rural	137,163	553,321	177,931	528,174	6.3%	6.4%	6.5%	6.5%	-22.9%	4.8%
Government	61,171	249,946	70,979	204,625	2.8%	2.9%	2.6%	2.5%	-13.8%	22.1%
Public Lighting	53,619	217,791	78,746	213,071	2.5%	2.5%	2.9%	2.6%	-31.9%	2.2%
Public Service	47,566	190,677	66,348	186,005	2.2%	2.2%	2.4%	2.3%	-28.3%	2.5%
Subtotal	**2,085,537**	**8,357,773**	**2,626,019**	**7,703,499**	**96.0%**	**96.4%**	**95.9%**	**95.5%**	**-20.6%**	**8.5%**
Supply	86,831	315,027	111,318	366,410	4.0%	3.6%	4.1%	4.5%	-22.0%	-14.0%
TOTAL	**2,172,368**	**8,672,800**	**2,737,337**	**8,069,909**	**100%**	**100%**	**100%**	**100%**	**-20.6%**	**7.5%**
Consumption in MWh by Category										
Residential	1,544,334	5,108,254	1,547,230	4,945,463	41.4%	42.2%	39.1%	39.6%	-0.2%	3.3%
Industrial	561,342	1,619,142	600,143	1,720,544	15.0%	13.4%	15.1%	13.8%	-6.5%	-5.9%
Commercial	745,961	2,458,868	709,018	2,341,538	20.0%	20.3%	17.9%	18.8%	5.2%	5.0%
Rural	258,187	788,927	261,306	848,965	6.9%	6.5%	6.6%	6.8%	-1.2%	-7.1%
Government	94,052	326,279	90,661	280,538	2.5%	2.7%	2.3%	2.2%	3.7%	16.3%
Public Lighting	120,943	438,937	159,729	471,476	3.2%	3.6%	4.0%	3.8%	-24.3%	-6.9%
Public Service	83,545	257,771	93,843	283,427	2.2%	2.1%	2.4%	2.3%	-11.0%	-9.1%
Subtotal	**3,408,364**	**10,998,178**	**3,461,930**	**10,891,951**	**91.3%**	**90.8%**	**87.4%**	**87.3%**	**-1.5%**	**1.0%**
Supply	323,126	1,118,903	500,181	1,581,613	8.7%	9.2%	12.6%	12.7%	-35.4%	-29.3%
TOTAL	**3,731,490**	**12,117,081**	**3,962,111**	**12,473,564**	**100%**	**100%**	**100%**	**100%**	**-5.8%**	**-2.9%**
Unit Average Price of MWh in Reais										
Residential	624.09	750.38	760.54	707.71	107.2%	104.8%	110.1%	109.4%	-17.9%	6.0%
Industrial	631.55	798.92	779.66	737.87	108.5%	111.6%	112.9%	114.1%	-19.0%	8.3%
Commercial	626.98	821.25	828.44	769.64	107.7%	114.7%	119.9%	119.0%	-24.3%	6.7%
Rural	531.25	701.36	680.93	622.14	91.3%	98.0%	98.6%	96.2%	-22.0%	12.7%
Government	650.40	766.05	782.91	729.40	111.7%	107.0%	113.3%	112.7%	-16.9%	5.0%
Public Lighting	443.34	496.18	493.00	451.92	76.2%	69.3%	71.4%	69.9%	-10.1%	9.8%
Public Service	569.35	739.71	707.01	656.27	97.8%	103.3%	102.3%	101.4%	-19.5%	12.7%
Subtotal	**611.89**	**759.92**	**758.54**	**707.27**	**105.1%**	**106.2%**	**109.8%**	**109.3%**	**-19.3%**	**7.4%**
Supply	268.72	281.55	222.56	231.67	46.2%	39.3%	32.2%	35.8%	20.7%	21.5%
TOTAL	**582.17**	**715.75**	**690.88**	**646.96**	**100%**	**100%**	**100%**	**100%**	**-15.7%**	**10.6%**

12. ARBITRATION CLAUSE

The Company communicates that it is bound to arbitration in the Market Arbitration Chamber (CAM), according to the Arbitration Clause contained in article 73 of its Bylaws: "The Company, its shareholders, Management, and the 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 Brazilian Corporate Law, Company's Bylaws, the 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 markets in general, in addition to those provided for in Level 2 Regulation, Level 2 Participation Contract, the Sanctions Regulation, and the Arbitration Regulation of the Market Arbitration Chamber."

13. INDEPENDENT AUDITORS

According to CVM Instruction 381, of January 14, 2003, and ratified by Circular Order CVM/SNC/SEP 01, of February 25, 2005, the Company informs that the Independent Auditor was not engaged in any type of service other than those strictly related to external audit.

Florianópolis, November 10, 2022.

Management

1. OPERATIONAL CONTEXT

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

It was first listed on the stock market on March 26, 1973, and its shares are currently traded in Level 2 of Corporate Governance of B3 S.A. - Brasil, Bolsa, Balcão, in São Paulo.

The Company's controlling shareholder is the Santa Catarina state, which holds 50.18% of the Company's common shares, corresponding to 20.20% of the total capital. The authorized capital in the Company's bylaws is R$2,600,000,000.00, R$2,480,000,000.00 of which is subscribed and paid-up, represented by 38.571.591 registered shares with no par value, of which 40.26% common voting shares, and 59.74% registered preferred shares without voting rights.

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

In the consolidated balance sheet for the period ended September 30, 2022, the Company presented a positive net working capital of 0.95. The index was below 1.00, given that a significant portion of the debt reached the short-term status, and the portion of the amount refundable to consumers related to the exclusion of the ICMS from the PIS and COFINS calculation base, as provided for in Law 14,385/2022, which was included in Celesc D's annual tariff adjustment on August 22, 2022, was transferred from long to short term.

1.1. Delinquency

Delinquency corresponds to billed revenue not received. Through sub-module 2.2 of PRORET – Operating Costs and Regulatory Delinquency -, ANEEL defines the concepts related to Regulatory Delinquency, an amount that has a tariff coverage, and considers the sum of billed amounts not received between 49 and 60 months.

To calculate Default, it is necessary to divide it by the Gross Operating Revenue from the Supply of Electricity, Electricity Supply, Availability of Electricity Grid, and Taxed Service, and verify the percentage changes.

In September 2022, short-term delinquency, up to 90 days (period in which most collection actions are concentrated), had a decrease of 0.16 percentage points compared to the previous quarter. Delinquency over 90 days, in turn, increased by 0.17 percentage points, from 3.00% to 3.17. Total delinquency has not changed in 3Q22 compared to the previous quarter, accounting for 4.95% of Gross Operating Income.

The following table shows the evolution of Celesc D's default:

Delinquency up to 90 days											
Classes	3Q21		4Q21		1Q22		2Q22		3Q22		Var. 3Q22
	R$ '000	% ROB	R$ '000	% ROB	R$ '000	% ROB	R$ '000	% ROB	R$ '000	% ROB	
Residential	159,231	1.28%	174,965	1.35%	226,136	1.62%	160,810	1.13%	139,713	1.02%	-0.11 p.p.
Industrial	31,499	0.25%	35,124	0.27%	36,430	0.26%	31,124	0.22%	24,935	0.18%	-0.04 p.p.
Commercial	43,890	0.35%	55,599	0.43%	69,353	0.50%	49,325	0.35%	52,387	0.38%	+0.30 p.p.
Rural	11,459	0.09%	16,308	0.13%	19,968	0.14%	12,626	0.09%	10,514	0.08%	-0.01 p.p.
Government	392	0.00%	342	0.00%	584	0.00%	690	0.00%	308	0.00%	0.00 p.p.
Public Lighting	2,329	0.02%	3	0.00%	45	0.00%	8	0.00%	69	0.00%	0.00 p.p.
Public Service	111	0.00%	1,316	0.01%	35	0.00%	52	0.00%	43	0.00%	0.00 p.p.
Supplies	844	0.01%	757	0.01%	757	0.01%	1,213	0.01%	929	0.01%	0.00 p.p.
Order Use Electricity Grid	847	0.01%	873	0.01%	2,913	0.02%	1,548	0.01%	1,018	0.01%	0.00 p.p.
Miscellaneous Credits	324	0.00%	758	0.01%	15,127	0.11%	16,162	0.11%	1,333	0.01%	-0.10 p.p.
Charged Service	16,836	0.14%	12,162	0.09%	870	0.01%	988	0.01%	10,927	0.08%	+0.07 p.p.
Financial Participation	1,415	0.01%	402	0.00%	561	0.00%	921	0.01%	1,194	0.01%	0.00 p.p.
Total	**269,177**	**2.16%**	**298,609**	**2.31%**	**372,779**	**2.67%**	**275,467**	**1.94%**	**243,370**	**1.78%**	**-0.16 p.p.**
ROB (Accumulated from the last 12 months) in R$ thousand	**12,408,532**		**12,971,057**		**13,953,982**		**14,187,254**		**13,660,528**		

Delinquency over 90 days

Classes	3Q21 R$ '000	3Q21 % ROB	4Q21 R$ '000	4Q21 % ROB	1Q22 R$ '000	1Q22 % ROB	2Q22 R$ '000	2Q22 % ROB	3Q22 R$ '000	3Q22 % ROB	Variation 3Q22
Residential	168,786	1.36%	176,234	1.36%	188,356	1.35%	198,853	1.40%	207,423	1.52%	+0.12 p.p.
Industrial	254,227	2.05%	231,778	1.79%	235,143	1.69%	75,564	0.53%	74,803	0.55%	+0.02 p.p.
Commercial	154,444	1.24%	134,788	1.04%	142,119	1.02%	107,012	0.75%	103,605	0.76%	+0.01 p.p.
Rural	11,420	0.09%	10,862	0.08%	11,616	0.08%	9,917	0.07%	10,331	0.08%	+0.01 p.p.
Government	9,372	0.08%	8,847	0.07%	8,861	0.06%	309	0.00%	301	0.00%	0.00 p.p.
Public Lighting	16,485	0.13%	18,809	0.15%	16,485	0.12%	3,144	0.02%	1,717	0.01%	-0.01 p.p.
Public Service	1,475	0.01%	211	0.00%	183	0.00%	15	0.00%	13	0.00%	0.00 p.p.
Supplies	2,883	0.02%	2,883	0.02%	2,883	0.02%	35	0.00%	1,248	0.01%	+0.01 p.p.
Order Use Electricity Grid	3,376	0.03%	3,523	0.03%	10,536	0.08%	2,233	0.02%	3,848	0.03%	+0.01 p.p.
Miscellaneous Credits	1,082	0.01%	1,080	0.01%	31,840	0.23%	24,699	0.17%	933	0.01%	-0.16 p.p.
Charged Service	29,147	0.23%	31,736	0.24%	3,761	0.03%	3,799	0.03%	26,207	0.19%	+0.16 p.p.
Financial Participation	10,528	0.08%	10,534	0.08%	1,038	0.01%	829	0.01%	2,100	0.02%	+0.01 p.p.
Total	**663,225**	**5.33%**	**631,285**	**4.87%**	**652,821**	**4.69%**	**426,409**	**3.00%**	**432,529**	**3.17%**	**+0.17 p.p.**
ROB (Accumulated from the last 12 months) in R$ thousand	**12,408,532**		**12,971,057**		**13,953,982**		**14,187,254**		**13,660,528**		

Delinquency

Classes	3Q21 R$ '000	3Q21 % ROB	4Q21 R$ '000	4Q21 % ROB	1Q22 R$ '000	1Q22 % ROB	2Q22 R$ '000	2Q22 % ROB	3Q22 R$ '000	3Q22 % ROB	Var. 3Q22
Residential	328,017	2.64%	351,199	2.71%	414,492	2.97%	359,663	2.54%	347,136	2.54%	0.01 p.p.
Industrial	285,726	2.30%	266,902	2.06%	271,573	1.95%	106,689	0.75%	99,738	0.73%	-0.02 p.p.
Commercial	198,334	1.60%	190,387	1.47%	211,472	1.52%	156,337	1.10%	155,992	1.14%	+0.04 p.p.
Rural	22,879	0.18%	27,170	0.21%	31,584	0.23%	22,542	0.16%	20,845	0.15%	-0.01 p.p.
Government	9,764	0.08%	9,189	0.07%	9,445	0.07%	999	0.01%	609	0.00%	-0.01 p.p.
Public Lighting	18,814	0.15%	18,812	0.15%	16,530	0.12%	3,152	0.02%	1,786	0.01%	-0.01 p.p.
Public Service	1,586	0.01%	1,527	0.01%	218	0.00%	67	0.00%	56	0.00%	0.00 p.p.
Supplies	3,727	0.03%	3,640	0.03%	3,640	0.03%	1,248	0.01%	2,177	0.02%	+0.01 p.p.
Order Use Electricity Grid	4,223	0.03%	4,396	0.03%	13,449	0.10%	3,781	0.03%	4,866	0.04%	+0.01 p.p.
Miscellaneous Credits	1,406	0.01%	1,838	0.01%	46,967	0.34%	40,863	0.29%	2,266	0.02%	-0.27 p.p.
Charged Service	45,983	0.37%	43,898	0.34%	4,631	0.03%	4,786	0.03%	37,134	0.27%	+0.24 p.p.
Financial Participation	11,943	0.10%	10,936	0.08%	1,599	0.01%	1,750	0.01%	3,294	0.02%	+0.01 p.p.
Total	**932,402**	**7.50%**	**929,894**	**7.17%**	**1,025,600**	**7.37%**	**701,877**	**4.95%**	**675,899**	**4.95%**	**0.00 p.p.**
ROB (Accumulated from the last 12 months) in R$ thousand	**12,408,532**		**12,971,057**		**13,953,982**		**14,187,254**		**13,660,528**		

1.2. Water Scarcity Account

The Water Scarcity Account was established by Provisional Measure 1,078, of December 13, 2021, and regulated by Decree 10,939, of January 13, 2022. The detailing and completion of the operation were regulated by ANEEL, which published Normative Resolution 1,008, of March 15, 2022, the result of a discussion with society, through Public Consultation 02/2022.

Decree 10,939, of January 13, 2022, discusses measures to deal with the financial impacts on the electricity sector resulting from the situation of water scarcity. The reason that led to this new operation was the deficit between the collection of the Escassez Hídrica Flag and the generation cost, which totaled R$14.0 billion until November 2021. The Decree also authorized the creation and management of the Water Scarcity Account by the Electric Energy Commercialization Chamber - CCEE, intended to receive funds to cover, in whole or in part, the additional costs arising from the situation of water scarcity for service concessionaires and permissionaires. electricity distribution public, and the deferrals referred to in § 1-I of Art. 13 of Law 10,438, of April 26, 2002.

Celesc D adhered to the Term of Acceptance and the Provisions of Decree 10,939, of April 5, 2022. In the aforementioned document, Celesc D requested the ceiling on the resources of the first transfer referring to the Incentive Program for Voluntary Consumption Reduction (Bonus), as well as the import of energy authorized by the Chamber of Exceptional Rules for Hydroenergetic Management - CREG for July and August 2021, totaling R$133.6 million. The amounts were received by Celesc D from CCEE on May 9, 2022.

It was also requested full access to the resources that will be made available by the Water Scarcity Account referring to the costs related to the Balance of the Centralized Account of the Tariff Flag Resources - CCRBT for the April 2022 competence and referring to the costs related to the Simplified Competitive Procedure - PCS. However, due to the improvement of the hydrological conditions and the recovery of the reservoirs throughout the SIN, as well as, due to the April 2022 competence of the CCRBT account showing a surplus result, the subsequent tranches related to the Water Scarcity Account did not occur.

1.3. Bonus for Consumption Reduction - Incentive Program for Voluntary Reduction of Electric Energy Consumption

The Chamber of Exceptional Rules for Hydroenergetic Management (CREG) created the Voluntary Consumption Reduction Program, which stipulated the value of R$0.50 discount for each kilowatt-hour (kWh) of the volume of energy saved within the target of 10% to 20%. The comparison was based on the sum of consumption between September and December 2021, compared to the sum of the same four invoices from 2020. Once this comparison is made, if there was a reduction in consumption of 10% or more, the concessionaire would credit the discount to the January 2022 bill.

The amount calculated, for both Group A and Group B consumers, was R$102.8 million, effectively perceived in invoices issued as of January 2022, to be reimbursed to Celesc D, according to regulations stipulated by Normative Resolution 1,008, of March 15, 2022, to which Celesc D adhered on April 5 of that same year. The reimbursement for Celesc D was effective on May 9, 2022.

1.4. Implementation of Specific Level of Tariff Flags

Also within the scope of CREG's attributions, a specific level of Tariff Flags was defined to bear the costs that are specified as non-recurring consumption expenses simultaneously with the production of electricity.

CREG established that ANEEL implemented a specific Tariff Flag (Water Scarcity Tariff Flag) totaling R$142.00/MWh (one hundred and forty-two reais per megawatt-hora). Due to the extreme situation that was presented, this flag level was already activated for the entire period, signaling the precariousness of the SIN reservoirs.

The original term was from September 2021 to April 2022, with no application to consumers enrolled in the Social Electricity Tariff - TSEE (low income), who follow the current triggering methodology.

At the ordinary meeting of the CMSE, held on April 6, 2022, because of the significant improvement in service conditions and, therefore, less need for thermoelectric dispatches compared to previous projections and in favor of tariff affordability, it was decided to interrupt the collection of the Water Scarcity Flag, as of April 16, 2022, in line with the provisions of CREG Resolution 3/2021.

After the decision, ANEEL issued Circular Letter 6 /2022-DR/ANEEL, advising on the interruption of collection, as of April 16, 2022, which was then implemented by Celesc D with the adoption of the green tariff flag, that is, free of charge from the stipulated date.

2. BUSINESS PROFILE

2.1. Wholly-Owned Subsidiaries

2.1.1. Celesc Distribuição S.A. – Celesc D

On July 22, 1999, Centrais Elétricas de Santa Catarina S.A. – Celesc executed Contract 56 for power distribution concession, which regulates the operation of public electricity distribution services, effective until July 7, 2015.

On September 29, 2006, Celesc D was created as a privately held company, as authorized by State Law 13,570/2005. With the deverticalization process in 2006, the distribution activity was transferred to Celesc D.

On December 9, 2015, in a lawsuit filed by the Ministry of Mines and Energy (MME), Celesc D signed the 5th Amendment to Concession Agreement 56/99, thus extending the concession for another 30 years. The concession agreement, as well as the 5th Amendment that extended the concession term, is within the scope of ICPC01.

Celesc D operates in the power distribution segment and serves, totally or partially, 285 municipalities, accounting for 3,296,080 consumer units. Of the total, 264 municipalities are covered by the distributor's concession agreement (263 in Santa Catarina and 1 in Paraná) and 21 municipalities are covered as registered warrants, in concession areas of other distributors (17 in Santa Catarina and 4 in Paraná). Precarious service is provided, under ANEEL's regulations, for reasons of technical and economic convenience, resulting from the lack of a network of the concessionaire holder of the concession. Additionally, Celesc D is responsible for supplying power to four concessionaires and 20 distribution permissionaires, which operate in Santa Catarina, and in other municipalities not served by the Company.

2.1.1.1. Regulatory Environment

The Brazilian energy sector is regulated by the Federal Government, acting through the Ministry of Mines and Energy (MME), which has exclusive authority over the energy sector. The regulatory policy for the sector is defined by ANEEL.
a) Extension of the Concession

Celesc D signed, on December 9, 2015, the 5th Addendum to the Concession Agreement 56/1999 for the distribution of electricity, effective for 30 years, which states that in the first 5 (five) years there will be targets to be achieved for indicators of technical quality and economic and financial sustainability, which are conditions for confirming the extension of the concession.

From the sixth year following the conclusion of the contract, the failure to comply 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) 2021 Periodic Tariff Revision

ANEEL, through Ratifying Resolution 2,921, of August 17, 2021, approved the result of the 5th Periodic Tariff Review - RTP of Celesc D, applied as of August 22, 2021. Said readjustment resulted in an average tariff effect perceived by consumers, in the order of 5.65%, being 5.34%, on average, for consumers connected to High Voltage and 5.83%, on average, for consumers connected to Low Voltage.

c) Annual Tariff Adjustment of 2022

Through Ratifying Resolution 3,094 and Technical Note 161, ANEEL authorized the adjustment to the tariffs to be practiced by the subsidiary Celesc Distribuição as of August 22, 2022.

In the Tariff Adjustment, ANEEL considers the costs related to service provision, energy transmission costs, and sector charges. These items are part of Portion A, in which the Company has no management, only passing on the costs already incurred and projected by the Regulatory Agency. Portion B, in turn, reflects the amount available to cover its operations and make necessary investments.

The average effect perceived by consumers in the 2022 tariff adjustment was 11.32%. Portion A (Non-Manageable Costs) accounted for 15.65% of the tariff adjustment, of which 8.23% was from Sector Charges, 3.09% from Transmission Costs, 4.13% from energy costs, and 0.21% from Irrecoverable Revenue. Portion B (Manageable Costs) accounted for 1.92% of the tariff adjustment. Due to financial items that contributed to reducing the tariff, the effect on consumers was minimized.

As a percentage of Net Revenue, Portion A (Non-Manageable Costs) accounts for 81.1%, and Portion B (Manageable Costs) for 18.9%.

d) Tariff Flags

The activation of the flags and the monthly amounts of the Centralizing Account of Tariff Flag Resources - CCRBT, transferred to Celesc D, as well as the amounts transferred from Celesc D to CCRBT to settle short-term market operations with the Commercialization Chamber of Electric Energy - CCEE, from January to September 2022 were:

Month	Flag	Transfer from CCRBT to Celesc D (R$/thousand)	Transfer from Celesc D to CCRBT (R$/thousand)	No of Dispatches ANEEL
January	Water Shortage	7,067	-	593/2022
February	Water Shortage	4,527	-	860/2022
March	Water Shortage	-	52,505	1.132/2022
April	Green	-	18,413	1.452/2022
May	Green	3,824	-	1.741/2022
June	Green	3,716	-	2.061/2022
July	Green	3,400	-	2,374/2022
August	Green	3,141	-	2,835/2022
September	Green	3,371	-	3,158/2022

e) 2014 Contractual Exposure – ANEEL Orders 2642/2015 and 2078/2016

Celesc D filed a lawsuit against ANEEL, seeking to challenge Order 2078/16, 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 tariff reducer of R$256.6 million, expected to be applied together with the ratification of the Annual Tariff Revision process occurred on 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 through SELIC to R$317.6 million 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 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 2.593, allocated in the tariff process the value of the non-transfer of tariffs. The Distributor requested deferral of the amount in 5 tariff proceedings, and ANEEL then partially accepted the claim and approved the deferral of the financial effect of the 2014 contractual exposure in one-fifth of the amount in the 2019 tariff adjustment, in the amount of R$65.8 million.

In the 2020 RTA, the same method was adopted considering the request formally made to the Regulatory Agency for deferral in 5 cases, and this time with the treatment of the amount of R$68.5 million as a reduction.

In the 2021 Periodic Tariff Adjustment - RTP, the reduction amount was R$70.2 million. The Agency was supposed to evaluate the possibility of maintaining the deferral or full consideration of the remaining amount, and in the 2022 Annual Tariff Adjustment process the amount was deferred again, and the fourth portion (out of five) was considered a reducing component.

In the 2022 Annual Tariff Adjustment, R$76.8 million was considered a financial component, leading to a reducing effect of -0.79% to consumers.

The remaining adjusted balance until September 30, 2022, was R$78.5 million, recorded as a regulatory contingency.

2.1.2. Celesc Geração S.A. – Celesc G

On September 29, 2006, Celesc G, a privately held corporation, was created, as authorized by State Law 13,570/2005, as a result of the process of unbundling the electricity sector.

Celesc G is the wholly-owned subsidiary of Centrais Elétricas de Santa Catarina - Celesc and operates in the electricity generation and transmission segments through the operation, maintenance, sale, and expansion of its generation park and participation in power generation and transmission projects in partnerships with private investors.

2.1.2.1. Generation Park

On September 30, 2022, Celesc G has its generating site with 12 plants: 6 hydroelectric plants (HPPs), 5 hydroelectric generating plants (HGPs), and 1 small hydroelectric plant (SHP).

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 126.51 MW, 115.27 MW referring to its site and 11.24 MW referring to the generation site established through partnerships - already proportional to the Celesc G shareholding in these ventures.

All plants in the generating park and in partnership participate in the Energy Reallocation Mechanism - MRE, a hydrological risk-sharing system in which the participating plants transfer the energy generated in excess of their physical guarantee to the plants that generated below.

Celesc G also has a Generation Operation Center (GOC), which is responsible for supervising, monitoring, centralizing, and remotely operating Celesc G’s generating plants. The COG operates and supervises the entire in-house generator park, in shifts that extend 24 hours a day, seven days a week.

2.1.2.2. Company's Generation Park – 100% Celesc G

Plants	Location	Final Concession Term	Installed Capacity (MW)	Physical Guarantee (MW)	Physical Guarantee in Shares
Pery HPP	Curitibanos/SC	07/07/2054*	30.00	14.08	100%
Palmeiras HPP	Rio dos Cedros/SC	11/06/2053*	24.60	16.70	70%
Bracinho HPP	Schroeder/SC	11/06/2053*	15.00	8.80	70%
Garcia HPP	Angelina/SC	01/03/2053*	8.92	7.10	70%
Cedros HPP	Rio dos Cedros/SC	11/06/2053*	8.40	6.75	70%
Salto Weissbach HPP	Blumenau/SC	11/05/2053*	6.28	3.99	70%
Celso Ramos SHP	Faxinal dos Guedes/SC	05/31/2039*	13.92	6.77	(***)
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			**115.27**	**70.16**	

(*) Plants that adhered to the hydrological risk renegotiation according to REN ANEEL nº 895/2020 and received a 7-year extension to the concession period, except Celso Ramos, who received a 4.2-year extension of the concession.
(**) Plants with a power of less than 5 MW are exempt from the concession act (Federal Law 13,360/2016)
(***) Does not apply.

2.1.2.3. Generation Park with Minority Interest

Plants	Location	Final Concession Term	Installed Capacity (MW)	Physical Guarantee (MW)	Celesc G Interest	Pot Equiv. Inst. (MW)	Equiv. of Physical Warranty (MW)
Rondinha SHP	Passos Maia/SC	09/06/2041	9.60	5.48	32.5%	3.12	1.78
Silver CGH (CRF)***	Bandeirante/SC	(**)	3.00	1.68	26.07%	0.78	0.44
CGH Belmonte (CRF)***	Belmonte/SC	(**)	3.60	1.84	26.07%	0.94	0.48
Bandeirante CGH (CRF)***	Bandeirante/SC	(**)	3.00	1.76	26.07%	0.78	0.46
Xavantina SHP	Xanxerê/SC	04/07/2040	6.08	3.54	40.0%	2.43	1.42
Garça Branca SHP	Anchieta/SC	03/13/2043	6.50	3.44	49.0%	3.19	1.69
Total			**31.78**	**17.74**		**11.24**	**6.27**

(*) Plant that adhered to the hydrological risk renegotiation according to REN ANEEL nº 895/2020 and received an extension of 336 days to the concession period.
(**) Power plants with a power equal to or less than 5 MW are exempt from the concession act (Federal Law 13,360/2016).
(***) The Rio das Flores Energy Complex – CRF, is formed by the Prata, Belmonte, and Bandeirante CGHs.

2.1.2.4. Company's Generation Park - Expansion Project

The Company has a portfolio with projects to expand/reactivate its plants. The following table presents said projects and their respective developmental stages. As for the physical guarantee (new or additional), the Company seeks to obtain, on average, a 50% factor for the plants' total capacity after their expansion/reactivation, which is a standard observed in other similar operational projects.

Plants	Location	Final Concession Term	Installed Power (MW)	Power Increase (MW)	Final Power (MW)	Expected Start-Up	Status
Salto Weissbach HPP	Blumenau/SC	11/07/2046	6.28	23.00	29.28	(**)	EPE/ANEEL Analysis
UHE Cedros Stages 1 and 2	Rio dos Cedros/SC	11/07/2046	8.40	4.50	12.90	(**)	Basic Design Review
Palmeiras HPP	Rio dos Cedros/SC	11/07/2046	24.60	0.75	25.35	(**)	Basic Design Review
Maruim HGP	São José/SC	(*)	0.00	1.00	1.00	2022	Pending Bidding Process
Caveiras HGP	Lages/SC	(*)	3.83	5.57	9.40	(**)	Environmental Licensing
Total			**43.11**	**34.82**	**77.93**		

(*) Plants with a power of less than 5 MW are exempt from the concession act.
(**) Depends on regulatory, environmental, and construction procedures.

Seeking to diversify its activities in renewable sources, as one of the guidelines of its Master Plan, in 2022, the Company started to operate new businesses in remote distributed generation through solar farms. The company's strategic direction points to the opening of new business models that can increase extra-distribution revenues, including DG, given the segment's growth prospects.

The Distributed Generation Business Plan, approved by the company in December 2021 and reviewed in the third quarter of 2022, provides for the implementation of 11 MW in photovoltaic solar projects between 2022 and 2023, to be installed in the concession area of the Celesc Group distributor.

Accordingly, at the end of the 3rd quarter of 2022, a development of 1 MW was under construction, another development of 1 MW had already been tendered, and a tender offer with two lots of 2MW was pending.

2.1.2.5. EDP Transmissão Aliança SC

Celesc G has an equity interest in an electric power transmission project, containing five sections of 230 and 525kV transmission lines and a 525/230kV substation, as shown in the table below:

Enterprise	Location	Final Concession Term	Transformation Capacity (MVA)	Transmission Lines (km)	Celesc G Interest
EDP – Transmissão Aliança SC	SC	8/11/2047	1,344	433	10.0%

According to the Notice to the Market released by Celesc on February 18, 2022, the SPE obtained authorization from the ONS – National Operator of the System for the commercial operation of the facilities, six months in advance of the regulatory schedule, and a first stage of the project entered into partial operation on June 14, 2021, 14 months ahead of schedule established by ANEEL.

EDP Aliança SC is a partnership between Celesc G (10%) and EDP Energias do Brasil (90%), formed from the success of the Transmission Auction nº 05/2016 held in April 2017.

2.1.2.6. Regulatory Environment

a) Extension of the UHE Pery Concession

In 2017, the concession of the Pery Plant (Pery HPP) was extended according to Federal Law 12,783, of January 11, 2013, based on the quota system of the energy and capacity physical guarantee, and the Ministry of Mines and Energy - MME signed the 4th Amendment to Concession Agreement 006/2013 – ANEEL on July 7, 2017. The concession was extended for another 30 years, ending on July 09, 2047.

As part of the hydrological risk renegotiation, enacted by Law 14,052, of September 8, 2020, UHE Pery received a seven-year extension of the concession to the current term.

However, during the approval of the Annual Revenue Generation (ARG) in 2018, 2019, and 2020, ANEEL opted for readjusting the Improvement Cost of the Generation Asset Management – Improvement of the GAM, without defining the remuneration of investments in unamortized, undepreciated and non-indemnified reversible assets, according to article 15 of Law 12,783/2013, and article 3 of MME Ordinance 257, of July 5, 2017.

In sum, Celesc G had been receiving the full amounts related to the Improvement of the GAM, but on the other hand, it had not been receiving the indemnification amount it was entitled to as a result of the increase in the plant's installed capacity from 4.4 MW to 30 MW in 2013. For this reason, in 2018, Celesc G filed an administrative proceeding.

In 2021, after several negotiations, ANEEL decided to open Public Consultation 21/2021 from April 29 to June 14, 2021, to obtain subsidies and additional information to improve the proposal for the application of Submodule 12.1 of the Tariff Regulation Procedure (PRORET) for the payment of the Improvement of the GAM related to the Pery HPP.

Celesc G presented its view on the indemnification amounts related to the increase in the installed capacity and the additional improvement revenue, whose claims were largely accepted by ANEEL.

During the Public Consultation, the indemnification was considered differently from the Improvement of the GAM, and the provisional WACC of 10.85% p.y. was changed to the definitive WACC of 11.68% p.y., which was approved by Regulatory Resolution 882/2020, as per Celesc G's lawsuit.

ANEEL approved the results of Public Consultation 21/2021 through Order 2,018, of July 6, 2021. According to the document, Celesc G would receive an indemnification with an annualization factor of 0.1217615 to be applied to the annual installment calculation, as addressed in MME Ordinance 257/2017, with inclusion in the AGR of the Pery HPP.

As for the Improvement of the GAM, we considered a regulatory investment of R$19.1 million, with a price index of July 2017 and an annualization factor of 0.0498641, to be applied in the calculation for inclusion in the Pery HPP's Annual Revenue Generation.

The Order also determines that the annual installments related to the indemnification and the Improvement of the GAM calculated based on established parameters shall be retroactive to July 1st, 2018, with the due financial adjustments made to the readjustment process of the Annual Revenue Generation after its publication.

Therefore, in the 2021 tariff process, the amount of compensation was included in the RAG (cycle 2021/2022), retroactively, being distributed as follows: Annual Generation Revenue (RAG) from indemnity 2021/2022 - R$53.9 million (R$37.1 million from Indemnity and GAG updated until July 2021 and R$16.6 million from the Tariff Cycle).

According to Technical Note 55/2021, of June 28, 2021, issued by ANEEL, the indemnity amount and accumulated depreciation rates of the Generating Units - GU of UHE Pery are summarized in the table below:

GU	Indemnifiable Amount (R$ thousand)	VNR without JDC* (R$ thousand)	Non-Depreciated	Accumulated Depreciation	Indemnifiable Amount (R$ thousand) Reference date: July 2017
GU01-03(**)	2,880.03	30,816.65	9.35%	90.65%	2,893.28
UG04-05	111,091.41	125,599.11	88.45%	11.55%	111,602.44
Total	**113,971.44**	**156,415.76**	**72.86%**	**27.14%**	**114,495.72**

* Interest during the construction period.
** Does not include GU-02, whose assets are fully depreciated and amortized, considering that it started operating in July 1965, as per ANEEL’s Official Letter 331/2017, of June 16, 2017.

The amounts mentioned are net of sector charges and PIS/COFINS.

The compensation in the 2022/2023 cycle, through RAG, totaled R$18.6 million.

b) Generation Scaling Factor Adjustment Factor - GSF

The Generation Scaling Factor - GSF is an index showing the ratio between the sum of all power produced by the hydroelectric power plants that are part of the Energy Reallocation Mechanism - MRE and the sum of these plants’ physical guarantees. This factor is applied to the physical guarantee of all plants participating in the mechanism for accounting of the operations in the Electricity Trading Chamber – CCEE.

Since August 2015, Celesc G had a preliminary injunction obliging the CCEE to limit the reduction of physical guarantees of its plants exposed to hydrological risk, based on the GSF’s incidence, in the maximum percentage of 5%, forbidding any collection or apportionment arising from the GSF’s Adjustment or other related lawsuits.

On September 9, 2020, Law 14,052 was published, which established new conditions for the renegotiation of the hydrological risk of electricity generation (GSF), establishing compensation for the hydroelectric plants participating in the MRE that were impacted, by extending the term of the grant. The legal amendment aimed at compensating the holders of hydroelectric plants participating in the MRE for non-hydrological risks.

On August 3, 2021, ANEEL Ratifying Resolution 2,919 was published, which ratifies the extension period of the granting of the hydroelectric plants participating in the MRE, among which, 7 plants of Celesc G. Said decision was ratified in the Authorizing Resolution 11,998/2022.

In the calculation made by the CCEE, the financial amounts of compensation to each plant, related to periods in which the adjustment factor of the MRE was limited by court order, were updated based on the IPCA during the period in which there were no financial expenditures. In the period before the preliminary injunction, in addition to adjustment based on the IPCA, an interest of 9.63% p.y. was levied. The extension of the concession, limited to seven (7) years, was calculated based on these updated financial amounts, with future value based on the discount rate of 9.63% per year and the reference unit net margin calculated in R$/MWh.

In sum, the situation of Celesc G’s plants is as follows:

- The Garcia, Bracinho, Cedros, Palmeiras, and Salto HPPs: each concession was extended for another 7 years (2,555 days). All the plant’s physical guarantee related to the previous concession term (as of January 2013), including the physical guarantee of 30% related to the term of each new concession until December 2020, is considered eligible for the calculation (a physical guarantee of 70% is allocated to quotas, and therefore, the hydrological risk is taken by the consumer);

- Celso Ramos HPP: concession extended for another 4 years and 2 months (1,531) days. All the plant’s physical guarantee related to the current concession term (from January 2013 to December 2020) is considered eligible for the calculation;

- Pery HPP: concession extended for another 7 years (2,555 days). All the plant’s physical guarantee related to the previous concession term (from January 2013 to July 2017) is considered eligible for the calculation. In the current concession, the full physical guarantee is allocated to quotas, and therefore, the hydrological risk is taken by the consumer;

- The Ivo Silveira, São Lourenço, Piraí, Rio do Peixe, and Caveiras HGPs have not been covered by Law 14,052/2020. So far, ANEEL has not presented any renegotiation proposal to the HGPs.

On September 24, 2021, Celesc G filed a request for the partial dropping of its lawsuit related to the GSF’s monthly adjustments with the Federal Court. On September 27, 2021, Celesc G informed the CCEE of the dropping of the lawsuit.

On the other hand, Celesc G will maintain the existing preliminary injunctions against the Ivo Silveira, the São Lourenço, the Piraí, the Rio do Peixe, and the Caveiras HGPs, since ANEEL has not yet presented a renegotiation proposal to these plants.

By extending the concession term of the hydroelectric power plants, since they are not subject to IFRIC 12 (ICPC 01) - Concessions, the granting authority compensates the generators by granting a non-pecuniary right, in the form of an extension of the concession term, to recover the costs incurred from the non-hydrological risk portions, impacted in the formation of the GSF, as of 2013.

The extension of the concession period by the granting authority has the criteria indicated by CPC 04 (R1) – Intangible Assets for the recognition of this asset. The asset of R$45.9 million was recognized at fair value in the group of intangibles, after approval by the Board of Directors, on September 23, 2021, and will be amortized on a straight-line basis until the end of the new concession term of each renegotiated plant.

c) Salto Weissbach HPP

In 2018, ANEEL approved, through Order 1,117, of May 21, 2018, the basic project for the expansion of HPP Salto Weissbach, located in the municipality of Blumenau/SC. The expansion project provides for the construction of a new pipeline circuit in parallel with the existing one, with a pipeline, water intake, and powerhouse with two generating units of 11.5 MW each, adding up to 23 MW of installed power. at the Plant, rising to 29.28 MW.

In 2019, Celesc G filed the request to obtain the Environmental Installation License - LAI with the Santa Catarina Environment Institute - IMA, culminating in the issuance of LAI 3454/2022 on June 23, 2022.

With the issuance of the LAI, the process returns for technical and economic analysis by the Energy Research Company - EPE, which will then be forwarded to ANEEL to calculate the remuneration of this project, so that the Company can refer to the stages of financial feasibility, bidding, and construction. The energy resulting from the expansion of the Salto Weissbach Plant will be entirely dedicated to the quota system.

d) CGH Skulls

In 2018, Celesc G filed a request with ANEEL to carry out inventory studies for the stretch of the river where CGH Caveiras is installed, to promote the expansion of its installed capacity. In the same year, through Order 3005/2018, it granted the inventory record to Celesc G, for 630 days, counted from its publication.

On September 28, 2020, through Order 2,752, ANEEL approved the revision of the Caveiras River Inventory Studies and granted Celesc G the right of first refusal regarding hydroelectric use.

On December 17, 2020, ANEEL issued Order 3,592, which granted Celesc G the Order for the Registration of Intent to Grant Authorization - DRI PCH. Thus, in 2021, a company was hired to carry out the consolidation of the Basic Expansion Project, and in early 2022 it was forwarded to ANEEL.

On April 28, 2022, through Order 1,102, ANEEL decided to register the compatibility of the Executive Summary with the Hydroelectric Inventory Studies and with the use of hydraulic potential through the issuance of an Executive Summary Suitability Registration Order - DRS-PCH of PCH Caveiras, with 9,400 kW of Installed Power.

With the approval of the Basic Expansion Project, Celesc G started the environmental licensing process with the IMA. Subsequently, the stages of obtaining the grant from ANEEL, preparing and approving the Business Plan, so that the project can be tendered and built.

e) CGH Maruim

CGH Maruim, 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 deactivated since 1972 and the project for its reactivation is the object of Celesc G.

In 2018, Celesc G promoted the review and consolidation of the basic project, and this new configuration provides for an installed capacity of 1 MW, using the existing powerhouse, listed as a historical heritage since 2005.

In 2021, Celesc G obtained the Environmental Installation License from IMA, and with the approval of the Business Plan, it proceeded with the bidding stages for contracting the works. However, the macroeconomic scenario resulted in a strong variation in associated prices, leading to the need to adapt the public notices. Thus, in the second quarter of 2022, the Company approved the revision of the Business Plan and proceeded with the execution of new bidding processes for contracting the works.

In the same quarter, in June 2022, ANEEL held the New Energy Auction 003/2022, called Auction A-4. Celesc was successful in the commercialization of energy from CGH Maruim, whose energy should be delivered as of 2026.

f) EDP Transmissão Aliança SC S.A.

EDP Transmissão Aliança SC, a company formed by EDP – Energias do Brasil, with a 90.00% share, and Celesc G, with a 10.00% share, won the dispute for lot 21 of ANEEL Auction 05/2016, referring to the Bidding for the Concession of Public Electricity Transmission Service.

Description	Origin	Destiny	Circuit*	Extension (KM)	Voltage (Kv)
TRANSMISSION LINES	HE Abdon Batista	SE Campos Novos	CS	39.8	525
	SE Siderópolis 2	HE Abdon Batista	CD	209.0	525
	SE Biguaçu	SE Siderópolis 2	CS	150.5	525
	SE Siderópolis 2	SE Siderópolis	CD	6.0	230
	SE Siderópolis 2	SE Forquilhinha	CS	27.8	230
Total			**CS/CD**	**433.1**	**525/230**
SUBSTATION	SE 525/230 SIDERÓPOLIS 2		-	-	525/230

* CS: Simple circuit / CD: Double Circuit

The installations aim to expand the system in the southern region and plateau of the State of Santa Catarina and will also allow Celesc to connect its distribution system to the new structure, bringing direct benefits to critical regions in the State's energy system.

Nevertheless, the implementation of reinforcements and improvements in transmission facilities is an obligation of the transmission service concessionaires and is provided for in the Concession Agreement 39/2017 and ANEEL.

In this sense, on January 10, 2019, ANEEL sent EDP Transmissão Aliança SC S.A. Official Letter 011/2019, informing that the 2018 Electric Power Transmission Grant Plan 2018 - POTEE 2018, issued by the Ministry of Mines and Energy - MME, includes the installation of the third 525/230 kV, 3 X 224 MVA single-phase autotransformer in the SE Siderópolis 2, with a need date in December 2022, whose implementation is the responsibility of EDP Transmissão Aliança SC S.A. Through Technical Note 501/2019, ANEEL authorized the implementation of the reinforcement in 2019. Because of this, the SPE decided to expand the scope of the current contract for the construction of the Siderópolis SE (original project), immediately starting the implementation of the reinforcement simultaneously with the SE, minimizing the environmental and land impacts and mitigating the risks of the work performed.

In June 2021, the necessary steps were completed for the energization and integration of the stretches located on the Santa Catarina coast to the National Interconnected System. In this first stage, 180 km of transmission lines with voltage levels of 230 and 525 kV and the important substation Siderópolis 2 with voltage 525/230kV were concluded. The stretch was delivered 14 months earlier in relation to ANEEL’s calendar, partially anticipating revenues.

In February 2022, six months ahead of the regulatory schedule, the remaining stages were completed, corresponding to the stretch between the coast and the Santa Catarina mountains. As a result, the project was fully authorized for commercial operation. With the start of operations, the SPE starts to receive RAP of R$208.0 million, resulting in anticipated revenue of R$143.1 million.

g) Readjustment of Annual Revenue from Generation - RAG July/2021-June/2022 cycle

On July 20, 2021, ANEEL, through Ratifying Resolution 2,902, ratified the RAGs of hydroelectric plants under the quota regime for the 2021/2022 cycle. The new Annual Revenue Generation will be effective from July 1, 2021 to June 30, 2022.

The monthly RAG established for the plants owned by Celesc G are:

Plants	Annual Revenue (R$/thousand) 2021/2022 Cycle	Monthly Revenue (R$/thousand) 2021/2022 Cycle
Pery HPP	61,607	5,134
Garcia HPP	11,721	977
Bracinho HPP	14,849	1,237
Cedros HPP	10,447	871
Palmeiras HPP	23,006	1,917
Salto HPP	7,542	628

h) Readjustment of Annual Revenue from Generation - RAG July/2022-June/2023 cycle

ANEEL, through Ratifying Resolution 3,068, of July 12, 2022, approved the Annual Generation Revenues - RAGs of hydroelectric plants under the quota regime for the 2022/2023 cycle, according to Federal Law 12,783/2013. The validity period of the new RAG is from July 1, 2022 to June 30, 2023.

In the RAG to be received by HPP Pery, R$18,580 thousand refer to the indemnification of the portion of investments in non-depreciated reversible assets (Note 2.1.2.6 a).

The RAG established for the plants owned by Celesc G, which must be billed monthly, are:

Plants	Annual Revenue (R$/thousand) 2022/2023 Cycle	Monthly Revenue (R$/thousand) 2022/2023 Cycle
Pery HPP	26,615	2,218
Garcia HPP	12,417	1,035
Bracinho HPP	15,547	1,296
Cedros HPP	11,386	949
Palmeiras HPP	24,186	2,016
Salto HPP	8,073	673

i) Dam Safety Plan - PSB and Emergency Action Plan - PAE

The PSB presents the conditions, characteristics, and operational rules of each dam. The PAE provides strategies in emergencies. In 2017, Celesc G concluded the PSBs and PAEs of the plants and sent them to the regulatory body and related entities.

In 2021, the preparation of the RPS - Periodic Safety Review was contracted, with delivery for 2022, in which the PSB/PAE will be fully revised, with hydrological data updated, new "dam break" studies, computer simulation of the affected areas and dissemination of results to the civil defense bodies involved. According to ANEEL Resolution 695/2015, Celesc G has until the end of 2022 to deliver the revisions.

2.2. Other Participations

Investments	Classification	Description	Recognition
Companhia de Gás de Santa Catarina S.A. – SCGÁS	controlled in Set	A mixed-capital company, created on February 25, 1994, it has the concession for the exploration of natural gas distribution services in 100% of the territory of Santa Catarina, and its channeled gas distribution concession contract, signed on March 28, 1994, is valid for 50 years (2044). Celesc holds 51.0% of the common shares, and 17% of the company's total capital stock.	Equity Pickup
Empresa Catarinense de Transmissão de Energia S.A. – ECTE	affiliate	Established in August 2000, with the specific purpose of integrating the electricity transmission system in the state of Santa Catarina, with the exploration of electricity transmission lines in the eastern and coastal regions of Santa Catarina, the company is the concessionaire of the line transmission line SE Campos Novos/SC – SE Blumenau/SC C2, 252.5 km long. It is the second project in operation under the new modality designed for the new cycle of the electricity industry. After winning Lot D of Auction 006/2011, in December 2011, ECTE formed its subsidiary ETSE - Empresa de Transmissão Serrana S.A., which covers the concession of SE Abdon Batista (525/230 kV) and SE Gaspar (230/138 kV), both located in the state of Santa Catarina, to integrate the power generation plants with the SIN, enable access to Celesc's distribution system, and meet the increased power supply demand in the region of Vale do Itajaí. The affiliate ECTE has an electricity transmission concession contract 088/2000, dated November 1, 2000, with a term of 30 years. For its subsidiary ETSE, the electric power transmission concession contract nº 006/2012, of May 10, 2012, has a term of 30 years. Celesc holds 30.88% of the company's total share capital.	Equity Pickup
Dona Francisca Energética S.A – DFESA	affiliate	An independent electric energy producer, DFESA holds an 85% interest in the Dona Francisca Hydroelectric Power Plant, built on the Jacuí River, in Rio Grande do Sul. The plant has an installed capacity of 125 MW and assured energy of 80 MW. The venture opened in May 2001. DFESA holds the Concession Agreement 188/98 dated August 28, 1998. In 2021, the term of the concession increased from 35 to 39 years from the date of the signature of the contract. The extension was granted after the adhesion to Law 14.052/2020. Celesc holds 23.03% of the company's share capital.	Equity Pickup
Catarinense Water and Sanitation Company – Casan	Temporary Investment	Publicly-held mixed-capital company, controlled by the Government of the State of Santa Catarina, Casan's role is to coordinate the planning and execute, operate and explore public sanitation and drinking water supply services, as well as carry out basic sanitation works. , in agreement with municipalities in the State of Santa Catarina. Celesc holds 12.97% of the company's total capital stock.	Fair Value Through Other Comprehensive Income -VJORA.
Usina Hidrelétrica Cubatão S.A.	N/A	Specific Purpose Company – SPE, established in 1996, to implement the Cubatão Hydroelectric Power Plant, in Joinville/SC. With a history of environmental obstacles, denial of the request for postponement of the concession period, and consequent economic unfeasibility for the development of the project, the enterprise asked ANEEL for the amicable termination of Concession Agreement 04/1996 (ANEEL Process 48100.003800/1995-89). Through Ordinance 310, of July 27, 2018, the Ministry of Mines and Energy - MME decided to terminate the concession and also recognizes that there are no reversible assets linked to the concession, nor any burden of any nature to the Granting Authority or ANEEL . Celesc owns 40% of the share capital of the company, Inepar S.A. 40%, and Statkraft Energias Renováveis S.A. 20%. The investment in said Plant is fully provisioned as a devaluation in equity interest. The SPE has been dealing with the corporate aspects of its dissolution.	N/A

3. PREPARATION BASIS

The bases of preparations applied in this Interim, Individual and Consolidated Financial Information are described below:

3.1. Conformity declaration

The Interim Financial Information was prepared under Technical Pronouncement CPC 21 (R1) - Interim Financial Statements and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and must be read in conjunction with the last consolidated Annual Financial Statements of the Group, for the year ended December 31, 2021, previously disclosed. The rules issued by the Securities and Exchange Commission – CVM also apply to the preparation.

This parent company and consolidated Interim Financial Information was prepared based on the continuity assumption and authorized for disclosure by the Board of Directors on November 10, 2022.

3.2. Functional Currency and Presentation Currency

The Interim Financial Information is presented in reais, which is the functional currency, and all amounts are rounded to thousands of reais, unless otherwise indicated.

3.3. Critical Accounting Estimates and Judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, considered reasonable under the circumstances. By definition, the resulting accounting estimates will rarely equal the respective actual results.

Estimates and assumptions may cause material adjustments to equity values and income for the next periods, impacting the following measurements:

a) Fair Value of Financial Instruments (Note 5.4);
b) Estimated Losses on Doubtful Accounts – PECLD (Note 9.2);
c) Financial Assets – Grant Bonus (Note 13.2);
d) Indemnifiable Financial Asset – Celesc G (Pery Usina Basic Project) (Note 14.3);
e) Realization of Deferred IRPJ and CSLL (Note 17);
f) Impairment of Non-Financial Assets (Notes 18 and 19);
g) Depreciation (Note 19.2 and 19.4); and
h) Indemnifiable Intangible Asset – Celesc D (Note 20).
i) Intangible Assets – Celesc G (Extension of the concession term of the renegotiated plants) (Note 20).
j) Contingencies (Note 27);
k) Actuarial Liabilities – CPC 33 (Note 28);
l) Unbilled Revenue – Celesc D (Note 9 and 32.1).

4. ACCOUNTING POLICIES

The basis of preparation and accounting policies are the same as those used in the preparation of the Annual Financial Statements for the year ended December 31, 2021, contemplating the adoption of accounting pronouncements in effect as of January 1, 2022.

4.1. Measurement Base

The Individual and Consolidated Interim Financial Information was prepared based on the historical cost, except for financial assets measured at Fair Value through Other Comprehensive Income – VJORA and at Fair Value through Income – VJR, recognized in the Balance Sheet.

4.2. Accounting Policies, Change of Estimate, and Error Rectification

Technical pronouncement CPC 23 (IAS 8), which deals with accounting policies, changes in estimates and correction of errors, establishes that inaccuracies may occur in the recording, measurement, presentation, or disclosure of elements of the financial statements. It also establishes that the entity must correct material errors from prior periods retrospectively in the first set of financial statements, whose authorization for publication occurs after the discovery of such errors, defining as one of the alternatives the restatement of comparative amounts for the previous period presented. where the error occurred.

4.2.1. Restatement of the Comparative Figures of the Value Added Statement

The Company continually reviews how its financial statements are presented and disclosed, aiming at their construction in an appropriate manner and under the applicable regulations in force. In a more careful analysis, specifically for the preparation of the Statement of Added Value, based on technical pronouncement CPC 09, inadequate classifications were observed between the items, especially in the disclosure of tax credits on inputs purchased from third parties, and social charges, among others. Although such inadequacies do not cause changes and losses to the statements of equity and income, it was deemed prudent to make corrections to this disclosure, and, for purposes of comparability, reclassifications were carried out in the corresponding amounts for the period ended September 30, 2021.

The effects of these restatements are shown below:

			Parent Company			Consolidated
Description	**09.30.2021**	**Reclassification**	**09.30.2021 (Restated)**	**09.30.2021**	**Reclassification**	**09.30.2021 (Restated)**
Revenue	-	4,173	4,173	12,817,461	(43,996)	12,773,465
Sales of Goods, Products and Services	-	-	-	12,219,895	(76,224)	12,143,671
Other Revenues	-	4,173	4,173	147,750	32,228	179,978
Revenues from Construction of Company Assets	-	-	-	497,884	-	497,884
Provision/Reversal Doubtful Accounts	-	-	-	(48,068)	-	(48,068)
Inputs Acquired from Third Parties	(1,825)	(3,681)	(5,506)	(7,362,014)	(709,426)	(8,071,440)
Costs Products, Goods and Services Sold	-	-	-	(6,639,866)	(531,350)	(7,171,216)
Materials, Energy, Third Party Services and Others	(1,825)	(3,681)	(5,506)	(224,264)	(178,076)	(402,340)
Other	-	-	-	(497,884)	-	(497,884)
Own Asset Construction Costs	-	-	-	(497,884)	-	(497,884)
Gross Value Added	(1,825)	492	(1,333)	5,455,447	(753,422)	4,702,025
Retentions	(1,481)	-	(1,481)	(174,201)	-	(174,201)
Depreciation, Amortization, and Depletion	(1,481)	-	(1,481)	(174,201)	-	(174,201)
Net Value Added Produced	(3,306)	492	(2,814)	5,281,246	(753,422)	4,527,824
Added Value Received in Transfer	487,090	64	487,154	263,182	9,816	272,998
Equity Pickup	481,437	-	481,437	61,718	-	61,718
Financial Income	5,653	(4,259)	1,394	201,464	5,288	206,752
Other	-	4,323	4,323	-	4,528	4,528
Total Value Added to Distribute	**483,784**	**556**	**484,340**	**5,544,428**	**(743,606)**	**4,800,822**
Distribution of Value Added	**(483,784)**	**(556)**	**(484,340)**	**(5,544,428)**	**743,606**	**(4,800,822)**
Personnel	(12,779)	915	(11,864)	(467,180)	65,127	(402,053)
Direct Compensation	(11,500)	567	(10,933)	(374,218)	58,858	(315,360)
Benefits	(715)	348	(367)	(73,479)	6,606	(66,873)
Guarantee Fund for Length of Service (FGTS)	(564)	-	(564)	(19,483)	(337)	(19,820)
Taxes, Fees, and Contributions	4,163	(1,471)	2,692	(4,439,044)	685,445	(3,753,599)
Federal	4,199	(1,403)	2,796	(2,480,108)	682,057	(1,798,051)
State	(8)	8	-	(1,952,637)	(639)	(1,953,276)
Municipal	(28)	(76)	(104)	(6,299)	4,027	(2,272)
Return on Third-Party Capital	(269)	-	(269)	(163,305)	(6,966)	(170,271)
Interest	(75)	-	(75)	(5,999)	(148,518)	(154,517)
Rental	(194)	-	(194)	(15,583)	(171)	(15,754)
Other	-	-	-	(141,723)	141,723	-
Monetary and Exchange Variations	-	-	-	(21,304)	21,304	-
Other Financing Expenses	-	-	-	(120,419)	120,419	-
Return on Equity	(474,899)	-	(474,899)	(474,899)	(362,111)	(474,899)
Dividends	(112,788)	-	(112,788)	(112,788)	-	(112,788)
Retained Earnings/Accumulated Losses for the Period	(362,111)	-	(362,111)	(362,111)	-	(362,111)

4.3. New Standards and Interpretations

The following amendments to standards were issued by the IASB, but are not effective for the 2022 fiscal year. Early adoption of standards, although encouraged by the IASB, is not permitted by the Accounting Pronouncements Committee (CPC) in Brazil.

Standard	Corresponding CPC	change	Application
IFRS 17	CPC 50	Insurance contracts.	January 1, 2023

The standards shown do not have a significant impact on the Company's Interim Financial Information. In addition, there are no other IFRS standards or IFRIC interpretations, yet to come into force, that could have this impact, and are not even mentioned.

5. RISK MANAGEMENT

The Company's Planning, Controls, and Compliance Department - DPL develops the strategic management of risks and internal controls, preparing the corporate risk map, evaluating and monitoring these risks to mitigate them through action plans, thus aiming at the scope of the Company's long-term strategies.

The Group's Financial, Operational, Compliance, and Strategic Risk classes, and their categories, have not been updated concerning the policies disclosed in the Consolidated Annual Financial Statements as of December 31, 2021.

5.1. Financial Risk Class

5.1.1. Liquidity Category

a) Cash Flow

Risk of low financial liquidity, whether due to low collection, impossibility of funding, default, excess expenses, and/or investments, to meet financial commitments and the business strategy.

The amounts disclosed in the table are the undiscounted contracted cash flows as of September 30, 2022.

Consolidated

Description	Rates %	Less than a month	from one to three months	From three months to a year	Between one and five years	over five years	Total
Accounts Receivable (net of PECLD)		1,519,999	65,612	47,143	18,286	994	**1,652,034**
Cash and Cash Equivalents		1,436,105	-	-	-	-	**1,436,105**
Court Deposits		-	-	-	336,276	-	**336,276**
CDE Subsidy (Decree 7.891/2013)		47,086	-	-	-	-	**47,086**
Financial Asset - CVA	SELIC	-	-	-	227,623	-	**227,623**
Financial Asset - Grant Grant	IPCA	3,518	6,956	30,188	142,036	258,871	**441,569**
Financial Asset – Ind. Pery Plant Basic Project	IPCA	1,538	3,044	13,235	62,850	119,480	**200,147**
Total Assets		**3,008,246**	**75,612**	**90,566**	**787,071**	**379,345**	**4,340,840**

Consolidated

Description	Rates %	Less than a month	from one to three months	From three months to a year	Between one and five years	over five years	Total
Banking Loans - CDI	CDI + 0.8% to 1.65% p.a.	8,377	-	238,308	514,256	-	**760,941**
Electricity Development Account – CDE		19,472	-	-	-	-	**19,472**
Eletrobras	5% p.a.	75	146	667	1,643	-	**2,531**
Finame	2.5% to 9.5% p.a.	263	507	2,082	704	-	**3,556**
Debentures – Celesc D	CDI + 1.9% to 2.6% p.a.	49,878	25,630	170,033	499,546	-	**745,087**
Debentures – Celesc G	CDI + 2.5% p.a.	-	9,095	18,072	-	-	**27,167**
Debentures – Celesc G	IPCA + 4.3% p.a.	-	410	-	27,424	29,472	**57,306**
Suppliers		648,695	288,459	1,366	-	-	**938,520**
Financial Liabilities - CVA	SELIC	90,727	182,391	850,920	-	-	**1,124,038**
Mathematical Reserve to be Amortized	IPCA + 6% p.a.	19,684	18,601	88,336	190,089	-	**316,710**
IDB	CDI + 0.77% to 1.98% p.a.	74,231	-	-	262,263	1,636,941	**1,973,435**
Total Liabilities		**911,402**	**525,239**	**1,369,784**	**1,495,925**	**1,666,413**	**5,968,763**

5.2. Sensitivity Analysis

The table below shows the sensitivity analysis of financial instruments, which describes the interest rate risks that may generate material effects for the Company, with the most likely scenario (scenario I) according to an assessment carried out by Management, considering a horizon of three months, when the next financial information containing such analysis should be released.

Additionally, two other scenarios are shown to present 25% and 50% deterioration in the risk variable considered, respectively (scenarios II and III). The amounts are presented in absolute terms rather than concerning the probable scenario presented.

The sensitivity analysis presented considers changes concerning a given risk, keeping all other variables, associated with other risks, constant, with balances as of September 30, 2022:

						Consolidated
Assumptions	**Effects of the Accounts on the Result**	**NE**	**Balance**	**(Scenario I)**	**(Scenario II)**	**(Scenario III)**
CDI				**13.66%**	**17.07%**	**20.48%**
	Financial Investments	8	1,401,382	191,359	239,216	287,003
	Loans	22	(1,857,209)	(253,602)	(317,026)	(380,356)
	Debentures	23.5	(659,845)	(90,102)	(112,636)	(135,136)
Selic				**13.17%**	**16.46%**	**19.76%**
	CVA - Active	13.1	167,066	22,003	27,499	33,012
	CVA - Passive	13.1	(1,083,124)	(142,647)	(178,309)	(213,971)
IPCA				**7.17%**	**8.96%**	**10.76%**
	Indemnifiable Financial Assets - Concession	14	521,391	37,384	46,717	56,102
	Debentures	23	(42,400)	(3,040)	(3,800)	(4,560)
	Financial Assets – Concession Bonus	13.2	342,408	24,551	30,680	36,843
	Financial Asset – Ind. Pery Plant Basic Project	14.3	154,829	11,101	995	107
	Mathematical Reserve to be Amortized	28	(274,126)	(19,655)	(24,562)	(29,496)

5.3. Capital Management

The objectives when managing its capital are to safeguard the Company's ability to continue as a going concern to offer returns to shareholders and benefits to other stakeholders, in addition to maintaining an ideal capital structure to reduce this cost.

To maintain or adjust the capital structure, the Company may review the dividend payment policy, return capital to shareholders or even issue new shares or sell assets to reduce, for example, the level of indebtedness.
In line with other companies in the sector, the Company monitors capital based on the financial leverage ratio. This ratio corresponds to net debt divided by total capital.

Net debt, in turn, corresponds to total loans and financing, including short-term and long-term loans and debentures, less cash and cash equivalents. Total capital is calculated by adding net equity to net debt.

The following table presents the Financial Leverage Ratio:

			Consolidated
Description	**NE**	**09.30.2022**	**12.31.2021**
Loans and Financing – National Currency	22	657,153	103,222
Loans and Financing - Foreign Currency	22	1,205,808	1,150,078
Debentures	23.5	702,245	768,665
(-) Cash and Cash Equivalents	8	(1,436,105)	(844,088)
Net Debt		**1,129,101**	**1,177,877**
Total Shareholders' Equity		**2,933,341**	**2,621,369**
Total Capital		**4,062,442**	**3,799,246**
Financial Leverage Ratio (%)		**27.79%**	**31.00%**

5.4. Fair Value Estimate

It is assumed that the balances of trade accounts receivable and accounts payable to suppliers at book value, less impairment loss, are close to their fair values.

The fair value of financial liabilities, for disclosure purposes, is estimated by discounting future contractual cash flows at the prevailing market interest rate, which is available to the Company for similar financial instruments.

For financial instruments measured in the balance sheet at fair value, the Company applies CPC 46 – Measurement at Fair Value, which requires disclosure, by level, in the following hierarchy:

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

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

Inputs for assets or liabilities that are not based on data adopted by the market, ie, unobservable inputs (Level 3).

The following table presents the Group's assets measured at fair value as of September 30, 2022. The Company does not have liabilities measured at fair value on that base date.

			Consolidated
Description - Level 3	**NE**	**09.30.2022**	**12.31.2021**
Fair Value through Other Results Comprehensive – VJORA			
Marketable Securities	15	130,648	137,261
Other	-	217	217
Fair Value through Profit and Loss - VJR			
Indemnifiable Asset - Concession	14	1,018,390	757,193
Total Assets		**1,149,255**	**894,671**

Specific valuation techniques used to measure financial instruments at fair value include:

a) Market Approach; b) Cost Approach; c) Revenue Approach; d) Other techniques.

Assets accounted for as Bonds and Securities, valued by VJORA, other techniques were used, such as discounted flow analysis. The cost approach was applied to the Others account.

For the concession assets, valued at FVTPL, the measurement was done using the cost approach technique, referring to the current replacement/replacement cost, other techniques were used, such as the discounted flow analysis.

6. FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the financial instruments by category as of September 30, 2022.

				Consolidated
Description	**Cost Amortized**	**Fair Value through Middle of Result**	**Fair Value through Other Comprehensive Results**	**Total**
Assets	**4,135,804**	**1,018,390**	**130,865**	**5,285,059**
Cash and Cash Equivalents	1,436,105	-	-	1,436,105
Trade Receivables	1,652,034	-	-	1,652,034
Court Deposits	336,276	-	-	336,276
CDE - Subsidy Decree 7,891/2013	47,086	-	-	47,086
Marketable Securities	-	-	130,648	130,648
Indemnifiable Financial Assets - Concession	-	1,018,390	-	1,018,390
Financial Asset - CVA	167,066	-	-	167,066
Financial Assets – Concession Bonus	342,408	-	-	342,408
Financial Asset - Indemnification of the Pery Plant Basic Project	154,829	-	-	154,829
Other	-	-	217	217

				Consolidated
Description	**Cost Amortized**	**Fair Value through Middle of Result**	**Fair Value through Other Comprehensive Results**	**Total**
Liabilities	**4,876,162**	**19,472**	**-**	**4,895,634**
Suppliers	938,520	-	-	938,520
Celos	15,186	-	-	15,186
National Currency Loans	657,153	-	-	657,153
Foreign Currency Loan	1,205,808	-	-	1,205,808
Debentures	702,245	-	-	702,245
Mathematical Reserve to be Amortized	274,126	-	-	274,126
Sector Charges - CDE	-	19,472	-	19,472
Financial Liabilities - CVA	1,083,124	-	-	1,083,124

The following tables present the financial instruments by category as of December 31, 2021.

				Consolidated
Description	**Cost Amortized**	**Fair Value through Profit or Loss**	**Fair Value through through Other Comprehensive Income**	**Total**
Assets	**4,147,196**	**757,193**	**137,478**	**5,041,867**
Cash and Cash Equivalents	844,088	-	-	844,088
Trade Receivables	1,958,223	-	-	1,958,223
Court Deposits	329,106	-	-	329,106
CDE - Subsidy Decree 7,891/2013	49,231	-	-	49,231
Marketable Securities	-	-	137,261	137,261
Indemnifiable Financial Assets - Concession	-	757,193	-	757,193
Financial Asset - CVA	470,286	-	-	470,286
Financial Assets – Concession Bonus	329,349	-	-	329,349
Financial Asset - Indemnification of the Pery Plant Basic Project	166,913	-	-	166,913
Other	-	-	217	217

				Consolidated
Description	**Cost Amortized**	**Fair Value through Profit or Loss**	**Fair Value through through Other Comprehensive Income**	**Total**
Liabilities	**3,488,851**	**19,472**	**-**	**3,508,323**
Suppliers	1,088,186	-	-	1,088,186
Celos	5,142	-	-	5,142
National Currency Loans	103,222	-	-	103,222
Foreign Currency Loan	1,150,078	-	-	1,150,078
Debentures	768,665	-	-	768,665
Mathematical Reserve to be Amortized	333,732	-	-	333,732
Sector Charges - CDE	-	19,472	-	19,472
Financial Liabilities - CVA	39,826	-	-	39,826

7. CREDIT QUALITY OF FINANCIAL ASSETS

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

		Consolidated
Trade Receivables	**09.30.2022**	**12.31.2021**
Group 1 - Customers with Collection on Maturity	830,258	978,851
Group 2 - Customers with an average delay between 01 and 90 days	699,163	845,281
Group 3 - Customers with an average delay of more than 90 days	450,607	795,833
Total	**1,980,028**	**2,619,965**

All other financial assets that the Company maintains, mainly current accounts and financial investments, are considered to be of high quality and do not show signs of loss.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held to meet short-term commitments and not for other purposes.

		Parent Company		Consolidated
Description	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
Bank and Cash Resources	27	34	34,723	37,409
Financial Investments	26,636	26,838	1,401,382	806,679
Total	**26,663**	**26,872**	**1,436,105**	**844,088**

Financial investments are highly liquid, readily convertible into a known amount of cash, and are not subject to a significant risk of changes in value. These securities refer to repo operations and Bank Deposit Certificates – CDBs, remunerated on average at the rate of 96% of the Interbank Deposit Certificate – CDI variation.

9. TRADE RECEIVABLES

9.1. Consumers, Concessionaires, and Licensees

					Consolidated
Description	**dues**	**overdue up to 90 days**	**Overdue for more than 90 days**	**09.30.2022**	**12.31.2021**
Consumers	**1,049,354**	**227,969**	**404,579**	**1,681,902**	**2,310,487**
Residential	293,516	139,713	207,423	640,652	710,998
Industrial	77,448	24,935	81,188	183,571	504,926
Business	125,884	52,387	103,605	281,876	369,224
Rural	39,338	10,514	10,331	60,183	86,643
Government	34,344	308	302	34,954	55,457
Public Lighting	15,976	69	1,717	17,762	43,683
Public Service	17,066	43	13	17,122	26,137
Non-Invoiced Supply	445,782	-	-	445,782	513,419
Supply to Other Dealers	**255,995**	**4,273**	**37,858**	**298,126**	**309,478**
Concessionaires and Licensees	227,014	2,128	3,348	232,490	243,021
Transactions within the scope of the CCEE	19,755	-	436	20,191	1,118
Other Receivables	-	2,145	34,074	36,219	52,493
Concessionaires and Licensees not Billed	9,226	-	-	9,226	12,846
Total	**1,305,349**	**232,242**	**442,437**	**1,980,028**	**2,619,965**
PECLD with Customers (b)				(327,994)	(661,742)
Total Trade Receivables, Net				**1,652,034**	**1,958,223**
Current				**1,632,754**	**1,931,011**
Noncurrent				**19,280**	**27,212**

9.2. Allowance for Doubtful Accounts - ADA

Estimated losses on amounts due are recognized as a result of significant increases in credit risk since initial recognition, assessed individually or collectively, considering all reasonable and sustainable information, including forward-looking information.

Celesc G, in addition to defaults generated by bilateral contracts, is subject to defaults occurring in the electricity market of the national interconnected system, which is managed and accounted for by CCEE, and apportioned among market agents. The breakdown by consumption class is shown below:

		Consolidated
Consumers	**09.30.2022**	**12.31.2021**
Residential	139,060	121,104
Industrial	77,225	234,184
Textile (i)	-	114,614
Commerce, Services and Others	76,063	110,776
Rural	4,572	6,502
Government	250	10,711
Public Lighting	1,877	19,001
Public Service	17	225
Concessionaires and Licensees (ii)	1,016	2,459
Free Consumers	2,639	10,825
Other	25,275	31,341
Total	**327,994**	**661,742**
Current	**327,994**	**547,128**
Noncurrent	**-**	**114,614**

The changes are as follows:

	Consolidated
Description	**Total**
Balance on December 31, 2021	**661,742**
Provision/Reversal Recorded in the Period	53,473
Write-offs of Accounts Receivable	(387,221)
Balance on September 30, 2022	**327,994**

Celesc D, as required by CPC 48/IFRS 9, uses the provisions matrix as a practical expedient to estimate its expected credit losses over the next twelve months, having been updated in December 2021.

Below are the percentages of expected losses segregated by consumption class, applied in the recognition of receivables:

aging (Months)	General	Residential	Industrial	Commercial	Rural	Government	Public Lighting	Public Service
0	77.29%	77.72%	79.74%	68.60%	77.15%	98.59%	85.05%	98.20%
1	16.23%	24.33%	11.38%	12.83%	14.98%	5.93%	1.20%	3.57%
3	1.63%	2.69%	0.64%	1.23%	1.87%	0.20%	0.42%	0.05%
6	0.83%	1.23%	0.46%	0.80%	0.72%	0.07%	0.42%	0.02%
12	0.65%	0.92%	0.46%	0.65%	0.37%	0.03%	0.42%	0.02%
18	0.60%	0.81%	0.45%	0.59%	0.27%	0.01%	0.42%	0.02%
24	0.56%	0.73%	0.45%	0.56%	0.22%	0.01%	0.42%	0.02%
36	0.51%	0.64%	0.45%	0.48%	0.17%	0.01%	0.42%	0.02%
48	0.48%	0.60%	0.45%	0.43%	0.14%	0.01%	0.42%	0.02%
60	0.43%	0.55%	0.42%	0.42%	0.13%	0.01%	0.42%	0.02%

(i) Allowance for Doubtful Accounts (ADA) with the Textile Industry

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

Regarding the company Têxtil Renaux View S.A., the management of Celesc D, considering the default on the debt related to the installment agreement and due to the remote possibility of receiving it, constituted a provision for the total amount receivable in the amount of R$45.2 million, in 2013.

In 2012, TEKA filed a request for judicial reorganization before the Judicial District of Blumenau, Santa Catarina. The recovery plan was approved by the majority of creditors, although Celesc D voted not to approve it and thus the company's bankruptcy. Therefore, the probability of receiving the referred amount is remote in Management's assessment, and Celesc D set up a provision for the entire installment plan that TEKA has with Celesc D totaling R$55.8 million.

Also in 2011, Companhia Industrial Schlösser S.A. entered into judicial recovery, being provisioned in 2012 the amount of R$16.9 million. Celesc D received, in 2017, related to judicial recovery, the amount of R$3.3 million, which amount was reversed from the provision.

Aiming to sanitize electric energy billing credits and maintain compliance with the matrix of estimated losses with doubtful debts (PECLD) and with the criteria of current tax legislation (Federal Decree 9580/2018 and Normative Instruction of the Federal

Revenue Service of Brazil 1700/2017), which regulate the deduction of part of the amounts of losses in the IRPJ and CSLL calculation basis, the Company's Management approved, on June 7, 2022, the new rules for accounting entries for losses related to invoices overdue for more than 5 years, considering the possibility of successful collection as remote, even having started the collection process through administrative and/or judicial means.

The accounting entries for the definitive recognition of losses of credits previously provisioned must be limited to the write-off of the respective asset against the provision constituted, both in equity accounts, and must not be carried through the result.

Given the reduction in PECLD, which the definitive loss entries caused, Celesc D's default indicators showed a significant improvement.

With the new rule, electricity billing credits accumulate a reduction of R$387.2 million in the year, of which R$114.6 million refer to the entry for losses of receivables from the textile sector.

Finally, it is worth remembering that the accounting entries in question do not imply the closure of the collection process.

The following table shows the composition of balances by company:

	Consolidated
Description	**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, 2021	**114,614**
Write-offs of Accounts Receivable	(114,614)
Balance on September 30, 2022	**-**

(ii) Judicial Decision of the Generation Scaling Factor Adjustment Factor – GSF

On September 27, 2021, Celesc G communicated to CCEE the withdrawal of the existing lawsuit for UHE's Garcia, Bracinho, Cedros, Palmeiras, Salto, Pery, and PCH Celso Ramos. The PECLD value of these plants was fully reversed until October 2021. Celesc G maintains the preliminary injunctions referring to the CGH's and awaits an outcome from ANEEL.

The amounts referring to the adjustments in Celesc G of the preliminary measures related to the CGH's, until 3Q22, regarding the GSF in the reports of the results of the short-term market accounting, issued by the CCEE, totaling R$128.0 thousand. In 9M22, R$691.0 thousand was reversed as the such amount was received.

As of September 30, 2022, the balance of PECLD is R$436.0 referring to CGHs, for which Celesc G maintains the lawsuit (Note 2.1.2.6. – letter c).

The movement in the period is shown in the table below:

	Consolidated
Description	**Total**
Balance on December 31, 2021	**999**
Provision Recorded in the Period	128
Reversal in the Period (Write-off in Accounts Receivable)	(691)
Balance on September 30, 2022	**436**

10. STOCKS

Inventories comprise materials intended for the maintenance of generation operations and, mainly, energy distribution, in addition to materials for administrative use.

		Consolidated
Description	**09.30.2022**	**12.31.2021**
Warehouse	21,167	13,500
Other	57	56
Total	**21,224**	**13,556**

11. TAXES TO RECOVER

	Parent Company		Consolidated	
Description	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
PIS/COFINS (Exclusion of ICMS Calculation Base)	-	-	1,073,311	1,497,090
IRPJ/CSLL	46,148	37,879	75,506	46,543
ICMS	-	-	51,346	48,223
PIS/COFINS	-	-	-	5
Other	-	-	991	1,022
Total	**46,148**	**37,879**	**1,201,154**	**1,592,883**
Current	**46,148**	**37,879**	**98,055**	**572,007**
Noncurrent	**-**	**-**	**1,103,099**	**1,020,876**

The IRPJ and CSLL balances consist substantially of amounts paid in advance and reductions at source for income tax on financial investments and negative balance that will be realized in the normal course of operations to offset federal taxes.

ICMS credits to be recovered recorded in non-current assets arise from acquisitions of fixed assets and can be offset within 48 months.

11.1. Exclusion of ICMS from the PIS/COFINS calculation base

	Parent Company		Consolidated	
Description	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
PIS/COFINS (Exclusion ICMS Calculation Base) 1st action	-	-	-	498,392
PIS/COFINS (Exclusion of ICMS Calculation Base) 2nd action	-	-	1,073,311	998,698
Total	**-**	**-**	**1,073,311**	**1,497,090**
Current	**-**	**-**	**-**	**498,392**
Noncurrent	**-**	**-**	**1,073,311**	**998,698**

On July 9, 2019, Celesc D filed the second lawsuit, with record no. 5016157-78.2019.4.04.7200, claiming the refund of amounts as of January 2015. The action was upheld in the lower court, recognizing the concessionaire's right to exclude ICMS from the PIS and COFINS calculation basis as of January 1, 2015, a decision confirmed by the Federal Regional Court of the 4th Region when analyzing the Appeal filed by the Union - National Treasury. However, as a result of the modulation of the effects of the decision rendered in the leading case no. 574.706 - Topic 69 - there was, in a retraction court, the limitation of the right to repeat the undue payment from March 15, 2017, the date of the judgment on the merits of the Extraordinary Appeal by the Federal Supreme Court. The process became final and unappealable on May 26, 2022.

As long as the 2nd action does not have the credit authorization issued by the RFB, an administrative requirement for the start of the offset, the respective amounts will remain recorded in non-current assets.

12. OTHER CURRENT AND NONCURRENT ASSETS

		Consolidated
Description	**09.30.2022**	**12.31.2021**
ICMS ST (i)	36,949	57,173
Infrastructure Sharing (ii)	36,969	29,479
Proinfa advance (iii)	28,591	28,591
CDE Refund Difference (iv)	4,891	20,765
Low Income Program	15,366	12,336
Expenses Paid in Advance (v)	20,019	6,877
Account Flags	3,141	6,251
Intended for Alienation	1,882	3,032
Staff at your disposal	788	770
Other Receivables (vi)	6,126	4,822
Total	**154,722**	**170,096**
Current	**152,840**	**167,063**
Noncurrent	**1,882**	**3,033**

(i) ICMS Tax Replacement (ST)

Amounts receivable from Free Consumers arising from the collection of taxes on electricity bills linked to Convênio/CONFAZ 77, of August 5, 2011.

(ii) Shared Infrastructure

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

(iii) Early Payment of the Incentive Program for Alternative Electricity Sources - PROINFA

Refers to the advance of the charge regulated by Decree 5025/2004, at Celesc D, which aims to increase the share of alternative renewable sources in the production of electricity.

(iv) CDE Reimbursement Difference

Corresponds to the difference between the amounts granted for tariff discounts to consumer units of Celesc D and the amounts received from CEEE to offset the aforementioned discounts on tariffs applicable to generators and consumers of incentivized source; irrigation and aquaculture service at special hours; public water, sewage, and sanitation service; distributors with their own market; rural class; rural electrification cooperative subclass and; public irrigation service.

(v) Expenses Paid in Advance

The main prepaid expenses refer to early Christmas bonus payment, early payment of salary, early payment of food vouchers, early payment of travel, and insurance premiums. The main balances correspond to early Christmas bonus payment, totaling R$10.1 million, and early payment of food vouchers, totaling R$5.8 million.

(vi) Other receivables

They correspond mainly to amounts receivable from contractual fines with suppliers and damage caused to the company's assets by third parties.

13. FINANCIAL ASSETS/LIABILITIES

13.1. Installment A - CVA

Description	12.31.2021	Addition / Decrease	Amortization	Remuneration	transfers	09.30.2022	Amortization Balance	Incorporation Balance	Current	Noncurrent
Active CVA	**1,693,500**	**416,987**	**(701,028)**	**92,656**	**(460,989)**	**1,041,126**	**691,169**	**349,957**	**728,109**	**313,017**
Energy	823,056	(451,528)	(324,975)	31,878	120,765	199,196	108,017	91,179	117,642	81,554
Itaipu Energy Cost	60,794	(9,594)	(52,609)	1,409	-	-	-	-	-	-
Proinfa	16,491	88,655	(27,313)	5,089	-	82,922	82,922	-	82,922	-
Basic Network Transport	90,258	100,072	(70,166)	5,629	-	125,793	54,345	71,448	61,887	63,906
Energy Transport	16,725	19,232	(11,608)	1,402	-	25,751	17,066	8,685	17,982	7,769
ESS	578,433	165,249	(66,489)	24,908	(609,652)	92,449	83,433	9,016	84,384	8,065
CDE	40,579	403,635	(84,852)	18,932	-	378,294	343,944	34,350	347,570	30,724
Neutrality Installment A	4,080	16,740	-	259	-	21,079	-	21,079	2,225	18,854
Energy overcontracting	56,574	83,230	(56,574)	3,072	-	86,302	-	86,302	9,110	77,192
Other	6,510	1,296	(6,442)	78	27,898	29,340	1,442	27,898	4,387	24,953
Passive CVA	**(1,263,040)**	**(841,790)**	**1,110,455**	**(56,982)**	**(905,827)**	**(1,957,184)**	**(1,793,400)**	**(163,784)**	**(1,811,233)**	**(145,951)**
Energy Acquisition	-	(433,940)	-	(15,794)	449,734	-	-	-	-	-
Itaipu Energy Cost	-	(70,752)	1,602	(1,126)	-	(70,276)	(13,578)	(56,698)	(19,563)	(50,713)
Proinfa	-	(3,575)	-	(108)	-	(3,683)	-	(3,683)	(389)	(3,294)
Energy overcontracting	(103,002)	60,254	53,814	(6,825)	(76,832)	(72,591)	(72,591)	-	(72,591)	-
CDE	(29,747)	29,965	-	(218)	-	-	-	-	-	-
Neutrality Installment A	(65,302)	(23,635)	67,735	591	-	(20,611)	(20,611)	-	(20,611)	-
Tariff Refunds	(585,927)	(27,512)	632,072	(2,863)	(806,255)	(790,485)	(762,884)	(27,601)	(766,136)	(24,349)
Tariff Flags	-	(229)	-	-	-	(229)	-	(229)	(229)	-
Other	(479,062)	(372,366)	355,232	(30,639)	(472,474)	(999,309)	(923,736)	(75,573)	(931,714)	(67,595)
Balance Assets/(Liabilities)	**430,460**	**(424,803)**	**409,427**	**35,674**	**(1,366,816)**	**(916,058)**	**(1,102,231)**	**186,173**	**(1,083,124)**	**167,066**

		Consolidated
Description	**09.30.2022**	**12.31.2021**
CVA 2021 - from August 23, 2020 to August 22, 2021	-	538,216
CVA 2022 - from August 23, 2021 to August 22, 2022	676,149	1,058,373
CVA 2022 - from August 23, 2022 to August 22, 2023	154,297	-
Total – CVA	**830,446**	**1,596,589**
Other Items - from August 23, 2020 to August 22, 2021	-	(835,966)
Other Items - from August 23, 2021 to August 22, 2022	(1,778,380)	(330,163)
Other Items - from August 23, 2022 to August 22, 2023	31,876	-
Total - Other Items - CVA	**(1,746,504)**	**(1,166,129)**
Total	**(916,058)**	**430,460**

13.2. Financial Asset - Grant Bonus

In 2016, Celesc G paid R$228.6 million as Grant Bonus – BO referring to the new concessions of Usinas Garcia, Bracinho, Palmeiras, Cedros, and Salto. The refund of this amount is included in the RAG of these plants and will be reimbursed by consumers over 30 years with an annual adjustment by the IPCA, as defined by ANEEL.

The balance of the financial asset for each of the plants is calculated by the amount paid for the Return on Granting Bonus – RBO, through the RAG; monthly interest calculated based on the Effective Interest Rate – TIR; and monetary restatement by the IPCA.

						Consolidated
Description	**Garcia Plant**	**Bracinho Power Plant**	**Cedars Plant**	**Salto Plant**	**Palmeiras Plant**	**Total**
Balance on December 31, 2021	**47,986**	**68,907**	**52,589**	**31,789**	**128,078**	**329,349**
Restatement	1,965	2,822	2,153	1,302	5,243	13,485
Interest	4,399	6,407	4,727	3,315	10,345	29,193
Amortization / Write-off	(4,457)	(6,437)	(4,776)	(3,277)	(10,672)	(29,619)
Balance on September 30, 2022	**49,893**	**71,699**	**54,693**	**33,129**	**132,994**	**342,408**
Current						**39,838**
Noncurrent						**302,570**

14. INDEMNIFYABLE FINANCIAL ASSET - CONCESSION

		Consolidated
Description	**09.30.2022**	**12.31.2021**
Concession Asset - Energy Distribution	**1,015,969**	**754,772**
In service	521,391	393,021
Ongoing	494,578	361,751
Concession Asset - Power Generation	**157,250**	**169,334**
Indemnifiable Asset	2,421	2,421
Indemnifiable Asset - Basic Project Usina Pery	154,829	166,913
Total	**1,173,219**	**924,106**
Current	**17,456**	**34,115**
Noncurrent	**1,155,763**	**889,991**

14.1. Indemnifiable Financial Asset - Energy Distribution

Due to the extension of the 5th Addendum to the Concession Agreement 56/1999, Celesc D divided its assets linked to the concession into 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 the electricity distribution assets, net of special obligations (consumer participation).

	Consolidated
Description	**Total**
Balance on December 31, 2021	**754,772**
(+) New Applications	118,658
(+) Variation in Fixed Assets in Progress - AIC	132,827
(+) Update Indemnifiable Financial Asset - Concession (i)	11,226
(-) Redemption	(1,514)
Balance on September 30, 2022	**1,015,969**

(i) IPCA

14.2. Indemnifiable Financial Asset - Power Generation

Celesc G requested the granting authority at the end of the concessions of the Bracinho, Cedros, Salto, and Palmeiras plants, as compensation, according to the criteria and procedures for calculation established by Normative Resolution - REN nº 596, of December 19, 2013, the investments carried out in infrastructure and not depreciated during the concession period, as it has an unconditional right to be indemnified, as provided for in the contract.

More recently, as a conclusion of Public Hearing 3 of 2019, ANEEL published, on July 22, 2021, REN 942, amending REN 596/2013. To comply with the defined regulation, Celesc G. reinforced the lawsuit for compensation. Furthermore, an accredited appraiser was hired at ANEEL to draw an appraisal report of the assets to be indemnified. The report was filed and is pending inspection for the recognition of the amount, whose PP&E balances are presented in the table below:

	Consolidated	
Plants	**09.30.2022**	**12.31.2021**
Bracinho HPP	85	85
Cedros HPP	195	195
Salto HPP	1,906	1,906
Palmeiras HPP	235	235
Total	**2,421**	**2,421**

14.3. Indemnifiable Financial Asset - Basic Project Usina Pery

	Consolidated
Description	**Pery Plant**
Balance on December 31, 2021	**166,913**
Restatement	6,097
Interest	13,356
Amortization / Write-off	(31,537)
Balance on September 30, 2022	**154,829**

As of July 1, 2021, Celesc G began to receive compensation retroactively to July 1, 2018, through the RAG.

The balance of R$154.8 million as of September 30, 2022, refers to the amount recognized as compensation for the Basic Project of the Pery plant totaling R$114.5 million, approved by Order July 2021, issued by ANEEL, updated by IPCA, and monthly remuneration interest calculated based on the IRR.

The balance is amortized monthly, until the end of the concession period, which will take place in July 2047, according to amounts approved annually in the RAG, and for the 2022/2023 cycle, R$18.6 million refers to indemnification. Accounting recognition is based on CPC 48 - Financial Instruments. (Note 2.1.2.6, letter a).

15. MARKETABLE SECURITIES

Temporary investments classified as non-current assets are measured at fair value. Investments are as follows:

	Parent Company		Consolidated	
Fair Value through Other Comprehensive Income (VJORA)	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
Casan shares	130,648	137,261	130,648	137,261
Other Investments	217	217	217	217
Noncurrent	**130,865**	**137,478**	**130,865**	**137,478**

15.1. Catarinense Water and Sanitation Company – Casan

At a meeting held on September 15, 2022, the Board of Directors of Casan partially approved the Company's capital increase, which will be ratified at a future General Shareholders' Meeting. With the increase in the total number of shares, the 56,713,251 common shares and the 56,778,178 preferred shares held by Celesc now account for 11.95% of Casan's share capital.

As it does not have significant influence over Casan, the Company measured the fair value of its equity interest in the temporary investment, adopting the discounted cash flow method for the annual valuation of said investment. The historical cost of acquiring Casan shares is R$110.7 million.

To calculate the valuation, the projection period adopted is 5 years (until 2026), with a terminal value (flow from the last 12 months of projection). The discount rate used was a nominal WACC of 13.20% p.a., with a nominal long-term (perpetuity) growth rate of 4.45% (average) of the IPCA projections for the period from 2022 to 2026. The after-tax cost of debt is 7.29% p.a. and the cost of equity is 16.35% p.a.

The Company evaluated the assumptions and reduced the fair value through other comprehensive income by R$6.6 million. On September 30, 2022, the fair value measurement of this asset totaled R$130.6 million, and the next appraisal is expected for December 31, 2022, due to the year-end balance sheet.

The following table shows the accounting reconciliation statement:

	Parent Company	Consolidated
Casan shares	**Total**	**Total**
Balance on December 31, 2020	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
Balance on December 31, 2021	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	19,931	19,931
Balance on September 30, 2022	**130,647**	**130,647**

16. RELATED PARTIES

The Company has a policy of transactions with related parties and the balances in assets and liabilities, current and non-current, are shown in the following tables:

	Parent Company				Consolidated				
	Assets		Liabilities		Assets		Liabilities		
Description	**Trade Receivables**	**Other Receivables**	**Dividends and IoE Payable**	**Others**	**accounts to receive from Trade Receivables**	**taxes to To recover**	**taxes to To recall**	**Dividends and IoE Payable**	**Other**
Santa Catarina State Government									
Declared Dividends and Interest on Equity	-	-	23,586	-	-	-	-	23,586	-
ICMS	-	-	-	-	-	48,223	850,543	-	-
Electricity Bill	-	-	-	-	9,908	-	-	-	-
Available staff	-	-	-	-	256	-	-	-	-
Celos									
Contribution Pension Plan, Healthcare Plan, and Others	-	-	-	-	-	-	-	-	5,142
DFESA									
Purchase of Energy	-	-	-	-	-	-	-	-	2,712
Celesc G									
Dividends and Interest on Equity	39,379	-	-	-	-	-	-	-	-
Celesc D									
Agreement Collection Fee	-	-	-	35	-	-	-	-	-
Available staff	-	-	-	762	-	-	-	-	-
Dividends and Interest on Equity	92,687	-	-	-	-	-	-	-	-
Celesc D Loan	-	15,251	-	-	-	-	-	-	-
Balance on December 31, 2021	**132,066**	**15,251**	**23,586**	**797**	**10,164**	**48,223**	**850,543**	**23,586**	**7,854**
Santa Catarina State Government									
Declared Dividends and Interest on Equity	-	-	36,313	-	-	-	-	36,313	-
ICMS	-	-	-	-	-	51,346	160,044	-	-
Electricity Bill	-	-	-	-	7,878	-	-	-	-
Available staff	-	-	-	-	256	-	-	-	-
Celos									
Contribution Pension Plan, Healthcare Plan, and Others	-	-	-	78	-	-	-	-	15,264
DFESA									
Purchase of Energy	-	-	-	-	-	-	-	-	1,312
Celesc G									
Dividends and Interest on Equity	23,628	-	-	-	-	-	-	-	-
Celesc D									
Agreement Collection Fee	-	-	-	96	-	-	-	-	-
Available staff	-	-	-	763	-	-	-	-	-
Dividends and Interest on Equity	167,757	-	-	-	-	-	-	-	-
Balance on September 30, 2022	**191,385**	**-**	**36,313**	**937**	**8,134**	**51,346**	**160,044**	**36,313**	**16,576**

	Parent Company		Consolidated			
Description	**Other Expenses**	**Financial Revenue**	**Taxes**	**Sales Revenue**	**Financial Expense**	**Resale Costs Conventional**
Santa Catarina State Government:						
ICMS	-	-	(1,952,575)	-	-	-
Revenue from Sales	-	-	-	59,907	-	-
Celos						
Mathematical Reserve Adjustment	-	-	-	-	(40,869)	-
DFESA						
Purchase of Energy	-	-	-	-	-	10,975
Celesc D						
Available staff	(5,367)	-	-	-	-	-
Balance as of September 30, 2021	**(5,367)**	**-**	**(1,952,575)**	**59,907**	**(40,869)**	**10,975**
Santa Catarina State Government:						
ICMS	-	-	(2,003,511)	-	-	-
Revenue from Sales	-	-	-	76,506	-	-
Celos						
Mathematical Reserve Adjustment	-	-	-	-	(31,952)	-
DFESA						
Purchase of Energy	-	-	-	-	-	10,836
Celesc D						
Agreement Collection Fee	(1,332)	-	-	-	-	-
Available staff	(6,624)	-	-	-	-	-
Celesc D Loan	-	158	-	-	-	-
Balance on September 30, 2022	**(7,956)**	**158**	**(2,003,511)**	**76,506**	**(31,952)**	**10,836**

The remuneration of the managers (Board of Directors - CA, Fiscal Council - CF, Statutory Audit Committee - CAE, and Executive Board) are shown below:

	Consolidated	
Description	**09.30.2021**	**12.31.2021**
Fees	4,501	5,666
Participation in Profits and/or Results	1,752	1,241
Social Charges	1,221	1,493
Other	862	1,020
Total	**8,336**	**9,420**

17. INCOME WITH CORPORATE INCOME TAX – IRPJ AND WITH SOCIAL CONTRIBUTION WITHOUT NET INCOME – CSLL

17.1. Composition of Net Deferred IRPJ and CSLL

Deferred IRPJ and CSLL assets and liabilities were calculated from:

(i) CPC 25 – Provisions, Contingent Liabilities, and Contingent Assets. Provision for contingencies of legal proceedings;
(ii) ICPC 10 – Interpretation on the initial application to fixed assets;
(iii) CPC 01 (R1) – Reduction to the recoverable value of assets on the provision for losses on property, plant and equipment;
(iv) CPC 33 (R1) – Employee benefits;
(v) CPC 27 – Fixed Assets. Adjustment to the fair value of property, plant and equipment, arising from the first adoption of the Technical Pronouncement
(vi) CPC 39 – Financial instruments in the recognition and measurement of the New Replacement Value – VNR;
(vii) CPC 39 - Financial Instruments. The deferred taxes calculated on the Grant Bonus were calculated under the Normative Instruction of the Federal Revenue Service of Brazil – RFB 1,700, of March 14, 2017;
(viii) CPC 48 – Financial Instruments referring to the amounts of the Financial Asset related to the indemnification of Usina Pery;
(ix) CPC 04 (R1) – Intangible Assets referring to the values of the renegotiation of the GSF hydrological risk;
(x) CPC 06 – Leases. Expenses arising from leasing contracts.

The following table shows the balances of the deferred IRPJ and CSLL accounts:

Description	**09.30.2022**	**12.31.2021**
Assets	719,840	708,001
Liabilities	(86,482)	(82,592)
Net Deferred Tax	**633,358**	**625,409**

Temporary Differences	Deferred Assets		Deferred Liabilities		Consolidated Net Deferred	
	09.30.2022	12.31.2021	09.30.2022	12.31.2021	09.30.2022	12.31.2021
Provision for Contingencies	132,451	151,551	-	-	132,451	151,551
Provision for Asset Losses	22,349	65,335	-	-	22,349	65,335
Post-Employment Benefit	596,679	608,501	-	-	596,679	608,501
Lease - CPC 06	165	164	-	-	165	164
Attributed Cost	-	-	7,018	7,263	(7,018)	(7,263)
Deferred Income Tax and Social Contribution on Tax Losses	81,755	-	-	-	81,755	-
Effects of ICPC 01 - Concession Agreements	-	-	48,211	49,800	(48,211)	(49,800)
Effects of CPC 39 - Financial Instruments	-	-	59,402	61,361	(59,402)	(61,361)
Grant Bonus	-	-	52,134	46,174	(52,134)	(46,174)
Financial Asset - Pery Plant	-	-	18,152	19,940	(18,152)	(19,940)
Hydrological Risk Renegotiation – GSF	-	-	15,071	15,467	(15,071)	(15,467)
Other Provisions	-	-	52	137	(53)	(137)
Total	**833,399**	**825,551**	**200,040**	**200,142**	**633,358**	**625,409**

17.2. Realization of Deferred Assets

The taxable base of IRPJ and CSLL arises not only from the income generated, but from the existence of non-taxable income, non-deductible expenses, tax incentives, and other variables, with no immediate correlation between the Company's net income and the result of income tax and contribution Social. Thus, the expectation of the use of tax credits should not be taken as the only indication of the Company's future results.

The realization of deferred taxes is based on budget projections approved by the Company's Board of Directors, to define and present the necessary actions to meet regulatory demands to also converge towards compliance with the concession agreement.

The Company's Management considers that deferred assets arising from temporary differences will be realized, in proportion to the final resolution of the contingencies and events to which they refer, when they will be offset against taxable income.

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

The remaining balance of the process of initial recognition of the contractual exposure of 2014 by the regulatory agency totaling R$78.5 million updated until September 30, 2022 is in a lawsuit with the federal court and had its amounts of IRPJ and CSLL deferred until a final judgment on the ongoing process. In August 2019, ANEEL, through Ratifying Resolution 2,593, approved the deferral of the financial effect of the 2014 contractual exposure, reflected in five subsequent annual tariff processes. Thus, the tariff adjustment for 2019, 2021, and 2022 had a financial realization totaling R$65.8 million, R$68.5 million, and R$70.2 million, respectively, and the consequent realization of deferred IRPJ and CSLL on this base.

The realization estimates for the balance of total assets as of September 30, 2022 are:

		Consolidated
Year	**09.30.2022**	**12.31.2021**
2022	112,756	127,618
2023	135,702	84,222
2024	105,420	81,416
2025	32,549	40,029
2026 onwards	446,972	492,266
Total	**833,399**	**825,551**

17.3. Conciliation IRPJ and CSLL Recognized in Shareholders' Equity

Changes in deemed cost and the amounts of IRPJ and CSLL, recognized directly in equity, are shown below:

	Consolidated
Description	**Total**
Balance on December 31, 2021	**25,176**
(-) Write-off of the Attributed Cost	(720)
(-) Taxes (IRPJ/CSLL)	245
Balance on September 30, 2022	**24,701**

17.4. IRPJ and CSLL Reconciliation Recognized in Other Comprehensive Income

The change in actuarial liabilities and fair value of CASAN with the amounts of IRPJ and CSLL, recognized directly in other comprehensive income, is shown below:

	Consolidated
Description	**Total**
Balance on December 31, 2021	**1,064,375**
(+) CASAN fair value	6,614
Balance on September 30, 2022	**1,070,989**

17.5. Reconciliation of IRPJ and Current and Deferred CSLL

The reconciliation of IRPJ and CSLL expenses, at the nominal and effective rate, is shown below:

	Parent Company		Consolidated	
Description	**09.30.2022**	**09.30.2021**	**09.30.2022**	**09.30.2021**
Profit/(Loss) before IRPJ and CSLL	**437,277**	**470,403**	**592,144**	**714,452**
Combined Nominal Rate of IRPJ and CSLL	34%	34%	34%	34%
Income Tax and Social Contribution	**(148,674)**	**(159,937)**	**(201,329)**	**(242,914)**
Permanent Additions and Deletions				
Equity Pickup	154,681	163,688	23,218	20,984
Tax Benefit	-	-	(676)	(56)
Tax Incentive	-	-	2,189	2,646
Interest on Equity	(5,481)	-	39,665	-
Non-Deductible Provisions	(1,455)	(482)	(1,455)	(488)
Nondeductible Fines	-	-	(4,783)	(6,675)
IRPJ/CSLL w/o Tax Loss not recognized	45	-	45	-
Participation of Administrators	(298)	(244)	(338)	(275)
Non-Technical Losses	-	-	-	(14,256)
Other Additions (Exclusions)	1,096	1,471	(11,490)	1,481
Total Current and Deferred IRPJ and CSLL	**(86)**	**4,496**	**(154,954)**	**(239,553)**
Current	(86)	-	(162,901)	(146,931)
Deferred	-	4,496	7,947	(92,622)
Effective Rate	**0.02%**	**-0.96%**	**26.17%**	**33.53%**

17.6. Uncertainty about the treatment of IRPJ and CSLL

17.6.1. Tax action procedure no 0900100-2018-00117-1

On September 24, 2018, the Special Secretariat of the Federal Revenue of Brazil - SERFB initiated a tax action procedure no. 0900100-2018-00117-1. This procedure resulted, on January 8, 2019, in the issuance of tax assessment notice 10980.727742/2018-81 totaling R$306.8 million. The aforementioned tax assessment is related to the calculation of the taxable income and the CSLL calculation basis, thus attributing to the concessionaire:

a) Undue adjustments attributed to the Compensation Account for the Variation of Values of Portion A Items – CVA;

b) Failure to comply with the remaining term of the concession agreement for the determinations provided for in article 69 of Federal Law 12,973/2014.

After analysis by the Administration, it was found that the amounts calculated by the tax entity are dissociated from tax rules, doctrine, and judicial decisions in similar cases. Management, based on 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 their total value and, for this reason, did not record any liability of IRPJ/CSLL concerning these actions.

In 2020, the Administrative Council of Tax Appeals - CARF, in the judgment of the Voluntary Appeal filed by the Company, partially granted the request, to cancel the requirements regarding the adjustments (additions) referred to in art. 69 of Law 12,973/2014, and the application of isolated fines for failure to collect estimates, maintaining the requirement to tax positive adjustments related to CVA on an accrual basis. As a result, it is estimated that the granting of the appeal resulted in the reduction of the contingency to R$107.0 million. From the decision, the taxpayer filed a motion for clarification, which is awaiting judgment before CARF.

18. INVESTMENTS IN SUBSIDIARIES, JOINT SUBSIDIARIES AND AFFILIATES

	Parent Company		Consolidated	
Description	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
SUBSIDIARIES	**2,411,891**	**2,174,944**	**-**	**-**
Celesc D	1,654,463	1,483,521	-	-
Celesc G	757,428	691,423	-	-
jointly controlled	**136,425**	**117,194**	**136,425**	**117,194**
SCGÁS	136,425	117,194	136,425	117,194
affiliates	**122,653**	**106,049**	**216,237**	**194,472**
ECTE	95,284	78,988	95,284	78,988
DFESA	27,369	27,061	27,369	27,061
SPEs	-	-	93,584	88,423
Total	**2,670,969**	**2,398,187**	**352,662**	**311,666**

18.1. Investment Information

Parent Company

Description	shares of Company		participation of Company	Assets Current	Assets Noncurrent	Current Liabilities	Non-Current Liabilities	Patrimony Liquid	Revenue	Profit (Loss)
	Common Shares	capital Social	capital voter							
Balance on December 31, 2021										
Celesc D	630,000	100.00%	100.00%	4,540,682	7,440,911	4,259,895	6,238,177	1,483,521	11,087,657	385,205
Celesc G	43,209	100.00%	100.00%	158,629	771,987	91,917	147,276	691,423	261,763	165,808
ECTE	13,001	30.88%	30.88%	89,315	536,447	79,337	290,673	255,752	102,289	90,581
SCGÁS	1,827	17.00%	51.00%	240,380	610,859	270,048	83,972	497,219	1,658,113	162,728
DFESA	153,381	23.03%	23.03%	13,569	166,855	19,938	42,987	117,499	66,797	37,231
Balance on September 30, 2022										
Celesc D	630,000	100.00%	100.00%	3,198,319	7,378,189	3,650,338	5,271,707	1,654,463	7,370,474	320,822
Celesc G	43,209	100.00%	100.00%	179,689	800,572	92,933	129,900	757,428	137,908	73,881
ECTE	13,001	30.88%	30.88%	100,767	610,646	46,975	355,925	308,512	66,407	102,761
SCGÁS	1,827	17.00%	51.00%	435,198	688,141	369,271	137,247	616,821	1,939,807	138,747
DFESA	153,381	23.03%	23.03%	10,788	165,931	23,053	34,828	118,838	49,952	21,339

Consolidated

Description	Company shares		Company's interest	Assets Current	Assets No Current	Liabilities Current	Liabilities No Current	Patrimony Liquid	Revenue	Profit (Loss)
	Common Shares	capital Social	capital voter							
Balance on December 31, 2021										
ECTE	13,001	30.88%	30.88%	89,315	536,447	79,337	290,673	255,752	102,289	90,581
SCGÁS	1,827	17.00%	51.00%	240,380	610,859	270,048	83,972	497,219	1,658,113	162,728
DFESA	153,381	23.03%	23.03%	13,569	166,855	19,938	42,987	117,499	66,797	37,231
Rondinha Energética S.A.	13,332	32.50%	32.50%	5,434	44,528	3,575	2,700	43,687	11,314	2,665
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	13,979	53,490	25,180	4,988	37,301	15,235	(11,961)
Xavantina Energética S.A.	271	40.00%	40.00%	3,308	33,327	3,324	6,690	26,621	10,799	1,096
Garça Branca Energética S.A.	24,669	49.00%	49.00%	1,547	58,510	3,742	18,603	37,712	4,986	(1,037)
EDP Transmissão Aliança SC	16,450	10.00%	10.00%	90,066	2,187,484	65,261	1,847,240	365,049	560,540	88,464
Balance on September 30, 2022										
ECTE	13,001	30.88%	30.88%	100,767	610,646	46,975	355,925	308,512	66,407	102,761
SCGÁS	1,827	17.00%	51.00%	435,198	688,141	369,271	137,247	616,821	1,939,807	138,747
DFESA	153,381	23.03%	23.03%	10,788	165,931	23,053	34,828	118,838	49,952	21,339
Rondinha Energética S.A.	13,332	32.50%	32.50%	2,200	43,480	2,486	650	42,544	6,280	1,379
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	19,488	53,067	27,667	4,098	40,790	12,685	8,014
Xavantina Energética S.A.	271	40.00%	40.00%	3,105	32,108	3,580	4,713	26,920	8,625	1,148
Garça Branca Energética S.A.	24,669	49.00%	49.00%	1,343	57,592	4,122	16,030	38,783	3,674	(272)
EDP Transmissão Aliança SC	16,450	10.00%	10.00%	304,792	2,197,863	107,005	2,004,068	391,582	247,843	48,410

18.2. Changes in Investments

Parent Company

Description	Celesc D	Celesc G	ECTE	SCGÁS	DFESA	Total
Balance on December 31, 2021	**1,483,521**	**691,423**	**78,988**	**117,194**	**27,061**	**2,398,187**
Dividends and Interest on Equity Credited	(149,880)	(7,876)	(15,442)	(3,255)	(4,606)	(181,059)
Amortization Concession Use Right	-	-	-	(1,101)	-	(1,101)
Equity Pickup	320,822	73,881	31,738	23,587	4,914	454,942
Balance on September 30, 2022	**1,654,463**	**757,428**	**95,284**	**136,425**	**27,369**	**2,670,969**

					Consolidated
Description	**ECTE**	**SCGÁS**	**DFESA**	**SPEs**	**Total**
Balance on December 31, 2021	**78,988**	**117,194**	**27,061**	**88,423**	**311,666**
Payments	-	-	-	779	779
Dividends and Interest on Equity – Credited JCP	(15,442)	(3,255)	(4,606)	(3,666)	(26,969)
Amortization Concession Use Right	-	(1,101)	-	-	(1,101)
Equity Pickup	31,738	23,587	4,914	8,048	68,287
Balance on September 30, 2022	**95,284**	**136,425**	**27,369**	**93,584**	**352,662**

18.3. Acquisition of the Concession Use Right

The balance of the concession right of use generated in the acquisition of SCGÁS on September 30, 2022 is R$31.6 million (R$32.7 million on December 31, 2021). The right to use the concession is amortized over the term of the concession for the provision of public services by the said company (until 2044).

19. PROPERTY, PLANT AND EQUIPMENT

19.1. Balance Breakdown

				Parent Company
Description	**Machines and equipment**	**Furniture and utensils**	**Right of Use Assets**	**Total**
Balance on December 31, 2021	**10**	**-**	**328**	**338**
Property, Plant and Equipment Costs	50	1	547	598
Accumulated Depreciation	(40)	(1)	(219)	(260)
Balance on December 31, 2021	**10**	**-**	**328**	**338**
Additions	-	-	49	49
Depreciation	(3)	-	(179)	(182)
Property, Plant and Equipment Costs	50	1	596	647
Accumulated Depreciation	(43)	(1)	(398)	(442)
Balance on September 30, 2022	**7**	**-**	**198**	**205**
Average Depreciation Rate	**8.00%**		**50.00%**	

								Consolidated
Description	**land**	**Reservoirs Dams and Water Mains**	**Buildings and Constructions**	**Machines and equipment**	**Other**	**Construction in progress**	**Right of Use Assets**	**Total**
Balance on December 31, 2021	**7,451**	**9,214**	**2**	**18,784**	**540**	**78,481**	**14,341**	**128,813**
Property, Plant and Equipment Costs	19,209	164,515	16,400	97,986	2,068	78,481	22,369	373,980
Provision for Losses	(4,430)	(23,175)	(487)	(2,729)	78	-	-	(30,743)
Accumulated Depreciation	(7,328)	(132,126)	(15,911)	(76,473)	(1,606)	-	(7,755)	(214,151)
(-) PIS/Cofins Credit Depreciation Right to Use Assets	-	-	-	-	-	-	(273)	(273)
Balance on December 31, 2021	**7,451**	**9,214**	**2**	**18,784**	**540**	**78,481**	**14,341**	**128,813**
Additions	-	-	-	-	-	7,185	691	7,876
Write-offs - Gross Balance	-	-	-	-	-	-	(800)	(800)
Depreciation	-	(259)	18	(829)	(104)	-	(5,222)	(6,432)
(+/-) Transfers	-	-	170	1,562	369	(2,125)	-	(24)
(-) PIS/Cofins Credit Depreciation Right to Use Assets	-	-	-	-	-	-	(447)	(447)
Property, Plant and Equipment Costs	19,209	155,381	13,025	85,183	2,433	83,541	22,260	381,032
Provision for Losses	(4,430)	(23,175)	(487)	(2,729)	78	-	-	(30,743)
Accumulated Depreciation	(7,328)	(123,251)	(12,384)	(62,937)	(1,706)	-	(12,977)	(220,583)
(-) PIS/Cofins Credit Depreciation Right to Use Assets	-	-	-	-	-	-	(720)	(720)
Balance on September 30, 2022	**7,451**	**8,955**	**154**	**19,517**	**805**	**83,541**	**8,563**	**128,986**
Average Depreciation Rate	**-**	**3.38%**	**2.01%**	**2.91%**	**9.22%**	**-**	**8.33%**	

19.2. Depreciation

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

	Consolidated
Management	**Percentages (%)**
Buildings and Constructions	6.3
Machines and equipment	5.8
Vehicles	14.3
Furniture and utensils	6.4

Operation	**Percentages (%)**
Buildings and Constructions	1.9
Machines and equipment	2.9
Reservoirs, Dams and Pipelines	3.4
Vehicles	6.2
Furniture and utensils	2.4

The straight-line depreciation method, useful lives and residual values are reviewed at each end of the fiscal year and any adjustments are recognized as changes in accounting estimates.
The assets of Usinas Pery, Celso Ramos, Garcia, Palmeiras, Salto Weissbach, Cedros, and Bracinho are depreciated at the rates established in ANEEL Resolution 674, of August 11, 2015. The Caveiras, Ivo Silveira, Piraí, São Lourenço, and Rio do Peixe CGHs are also depreciated by the same Resolution, as they have a registration agreement.

Central Administration assets (Buildings and Construction, Machinery and Equipment, Vehicles and Furniture and Utensils) are also depreciated at the rates established in Resolution 674/2015.

19.3. Fully Depreciated Fixed Assets Still in Operation

The gross book value of property, plant and equipment that are fully depreciated and still in operation on September 30, 2022 are:

		Consolidated
Description	**09.30.2022**	**12.31.2021**
Reservoirs, Dams and Pipelines	121,992	121,610
Buildings, Civil Works and Improvements	11,401	11,331
Machines and equipment	44,533	43,647
Other	14,171	14,157
Total	**192,097**	**190,745**

19.4. Right-of-Use Asset - CPC 06 / IFRS 16 – Leases

In compliance with CPC 06 (R2), the Company records the amounts payable from leases and rentals, as a contra entry to the Fixed Assets item as Right-of-Use Assets.

The amounts recorded in liabilities are adjusted to present value, at the discount rate of 8.09%, calculated by the Company.

ASSETS	Parent Company	Consolidated
Balance on December 31, 2021	**328**	**14,341**
(+) Additions	49	691
(-) Depreciation	(179)	(5,222)
(-) PIS/COFINS Credit Depreciation Right to Use Assets	-	(447)
(-) Low	-	(800)
Balance on September 30, 2022	**198**	**8,563**
Current	**-**	**-**
Noncurrent	**198**	**8,563**

LIABILITIES	Parent Company	Consolidated
Balance on December 31, 2021	**341**	**14,836**
(+) Additions	49	691
(-) Write-offs	-	(845)
(+) Interest Incurred	17	718
(-) Principal Payment	(180)	(5,621)
(-) Interest Paid	(17)	(718)
Balance on September 30, 2022	**210**	**9,061**
Current	**210**	**1,991**
Noncurrent	**-**	**7,070**

19.4.1. Maturities of the Long-Term Installments:

		Parent Company		Consolidated
Years	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
2023	-	118	1,127	2,106
2024	-	-	1,193	1,158
2025	-	-	1,135	795
2026	-	-	1,112	800
2027	-	-	1,112	841
2027+	-	-	1,391	2,920
Total	**-**	**118**	**7,070**	**8,620**

Recognized assets have the following specialties:

a) Buildings: refer to the lease agreements related to the on-site service stores, located in the distributor's concession area;
b) Land: refer to land where telecommunication towers, substation, and warehouse are installed;
c) Vehicles: refer to the vehicle rental agreement, fleet, used in the provision of services, and vehicles used by the Executive Board.

20. INTANGIBLE ASSETS

Description	Parent Company Agio (i)
Balance on December 31, 2021	**4,441**
Total Cost	14,248
Accumulated Amortization	(9,807)
Balance on December 31, 2021	**4,441**
Amortization	(377)
Balance on September 30, 2022	**4,064**
Total Cost	14,248
Accumulated Amortization	(10,184)
Balance on September 30, 2022	**4,064**
Average Amortization Rate	**2.0%**

Consolidated

Description	Concession Asset Celesc D (ii)	Software Acquired	Renegotiation Hydrological Risk GSF (iii)	Agio (i)	Items in Progress	Total
Balance on December 31, 2021	**3,806,354**	**651**	**45,491**	**4,441**	**1,700**	**3,858,637**
Total Cost	6,198,904	7,404	45,879	14,248	1,700	6,268,135
Accumulated Amortization	(2,392,550)	(6,753)	(388)	(9,807)	-	(2,409,498)
Balance on December 31, 2021	**3,806,354**	**651**	**45,491**	**4,441**	**1,700**	**3,858,637**
Additions	507,674	-	-	-	35	507,709
Write-offs	(48,640)	-	-	-	-	(48,640)
Amortization	(196,503)	(139)	(1,165)	(377)	-	(198,184)
Transfer	-	41	-	-	(17)	24
Balance on September 30, 2022	**4,068,885**	**553**	**44,326**	**4,064**	**1,718**	**4,119,546**
Total Cost	6,657,938	7,445	45,879	14,248	1,718	6,727,228
Accumulated Amortization	(2,589,053)	(6,892)	(1,553)	(10,184)	-	(2,607,682)
Balance on September 30, 2022	**4,068,885**	**553**	**44,326**	**4,064**	**1,718**	**4,119,546**
Average Amortization Rate	**4.4%**	**19.5%**	**3.4%**	**2.0%**	-	

(i) The goodwill generated on the acquisition of ECTE is amortized over the concession period for the provision of public services by said company.

(ii) The rates established by ANEEL are used in the tariff review processes, and calculation of indemnity at the end of the concession and are recognized as a reasonable estimate of the useful life of the concession assets. Thus, these rates were used as a basis for the valuation and amortization of the intangible asset.

(iii) The extension of the concession period by the granting authority for plants renegotiated by the GSF hydrological risk was calculated at fair value and recognized as Intangible Assets. These assets will be amortized on a straight-line basis until the end of the new concession period for each renegotiated plant.

21. SUPPLIERS

	Parent Company		Consolidated	
Description	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
Electricity	-	-	535,263	681,233
Charges from the Use of the Power Grid	-	-	179,815	137,331
Materials and Services	1,512	947	144,177	133,097
Electricity Trading Chamber – CCEE (i)	-	-	79,265	136,525
Total	**1,512**	**947**	**938,520**	**1,088,186**

(i) Among its attributions, CCEE is responsible for determining the accounting value of the agents. This amount, in the case of distributors, involves, in addition to the short-term sale and purchase, charges, the effect of the dispatch of thermal plants, and also various impacts of hydrological risk.

The hydrological risk, in the case of distributors, is associated with energy contracts (CCEAR-QT), which have been renegotiated, contracts with physical guarantee quotas, and a contract with Itaipu, where the buyer assumes the hydrological risk.

In this context, the Summary costs (SUM001) were lower in the 3rd quarter of 2022, given the continuous recovery in the level of the SIN reservoirs, which led the operating bodies of the Brazilian Electric System to reduce the higher-cost thermal dispatch.

22. LOANS AND FINANCING

Loans and Financing have five distinct classifications: (i) Bank Loans, (ii) Eletrobras Loans, (iii) Finame Loans, and (iv) Loans – BID, and some of these are guaranteed by receivables and the Company's guarantee, under the contractual provisions.

			Consolidated
Description		**09.30.2022**	**12.31.2021**
Total Domestic Currency		**657,153**	**103,222**
Banking Loans (i)	CDI + 1.65% p.a.	558,247	-
Banking Loans (i)	CDI + 0.8% p.a.	93,154	93,772
Eletrobras Loans (ii)	5% p.a.	2,329	2,983
Finame Loans (iii)	2.5% to 9.5% p.a.	3,423	6,467
Total Foreign Currency		**1,205,808**	**1,150,078**
Loans - IDB (iv)	CDI + 0.87% to 1.98% p.a	1,205,808	1,150,078
Total		**1,862,961**	**1,253,300**
Current		**316,469**	**23,559**
Noncurrent		**1,546,492**	**1,229,741**

i) Bank Loans

Bank Loan balances refer to contracts, whose funds were used exclusively to reinforce the company's cash position.

In April 2019, through a Bank Credit Note – CCB, R$335.0 million was contracted with Banco Safra, with remuneration equivalent to CDI + 0.80% p.a. and monthly charge. The term was 36 months, with an 18-month grace period for the start of the amortization of the principal amount. The amortization began in November 2020 and the end would be in April 2022, however, on December 2, 2021, the contract was amended and the term for settlement of the principal became May 2023. In addition, its settlement is now scheduled in a single installment at the end of the contract (bullet). The interest rate was maintained at the same percentage as the original contract.

In February 2022, also through a Bank Credit Note – CCB, an additional R$550.0 million was contracted with Banco Safra, with remuneration at the rate equivalent to CDI + 1.65% p.a. and semiannual payment. The term was 36 months, with a grace period of 18 months for the start of amortization of the principal amount, which will be settled in 4 semiannual installments, starting in August 2023 and ending in February 2025.

ii) Eletrobras

The funds from this contracting were destined, among other applications, to rural electrification programs and come from the Global Reversion Reserve – RGR and from the Eletrobrás Financing Fund. The current agreement has a grace period of 24 months, amortization in 120 monthly installments, interest rate of 5% p.a., and administration fee of 1% p.a. It has the consent of ANEEL and the end is scheduled for May 30, 2025.

iii) Final

The funds from these contracts were used to make up for part of Celesc D's lack of funds and were used to purchase machinery and equipment. Each acquisition constitutes a contract, which is negotiated at interest rates ranging from 2.5% to 9.5% p.a. 96 monthly amortizations are foreseen for Finame of Banco do Brasil and 72 monthly amortizations for Finame of Caixa Econômica Federal. All contracts have the consent of ANEEL.

iv) Inter-American Development Bank – 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$276.1 million and the amortization period is 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.

Amortization is semi-annual using the constant system and the interest rate is 3-month LIBOR (USD-LIBOR 3m), plus a spread, with monetary restatement calculated by the exchange variation. In addition, there is a requirement for a commitment fee of up to 0.5% per annum on the non-disbursed US dollar balance and an oversight fee of up to 1% of the loan amount, divided by the number of semesters within the term. original of 5 (five) years of disbursements.

The loan is guaranteed by the Federative Republic of Brazil and the State of Santa Catarina and is intended to partially finance the Energy Infrastructure Investment Program in Celesc D.

The first releases took place on December 10, 2018 and January 28, 2019, totaling US$80.1 million. After that, on May 2, 2019, it was decided to convert the released amounts into national currency and to change the interest rate applied to the contract, already considering the costs of the IDB, therefore, there is no longer the incidence of exchange variation.

Releases continued and the option to convert into local currency and the aforementioned change in the contract's interest rate was maintained.

Below are all releases that occurred until September 30, 2022, with dates, amounts, and interest rates currently applied:

Dates	Amounts in US$	Interest Rate
December 10, 2018	70,374,302.95	CDI + 0.99 p.a.
January 28, 2018	9,704,328.10	CDI + 0.99 p.a.
October 7, 2019	26,210,755.00	CDI + 1.04 p.a.
December 10, 2019	9,767,891.73	CDI + 0.87 p.a.
June 9, 2020	7,273,169.76	CDI + 1.24 p.a.
October 13, 2020	35,000,000.00	CDI + 1.90 p.a.
March 19, 2021	25,000,000.00	CDI + 1.98 p.a.
December 14, 2021	50,000,000.00	CDI + 1.26 p.a.

All interest rates already consider the IDB's costs and may suffer some variation because one of the components of the spread is variable and defined by the IDB every quarter.

It should be noted that disbursements of the contracted financing are processed under the provisions of Loan Agreement 4404/OC-BR (BR-L1491), according to Chapter IV of the General Rules.

The Program's financial statements are subject to an independent audit performed by the Court of Auditors of the State of Santa Catarina - TCE/SC, according to Clause 5.02, of the Special Provisions of said Agreement.

22.1. Composition of Maturities

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

						Consolidated
Description	**Domestic**		**Foreign**		**Total**	
	09.30.2022	**12.31.2021**	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
2023	566	96,315	-	-	566	96,315
2024	276,139	1,139	56,596	56,596	332,735	57,735
2025	137,864	364	56,596	56,596	194,460	56,960
2026+	-	-	1,018,731	1,018,731	1,018,731	1,018,731
Total	**414,569**	**97,818**	**1,131,923**	**1,131,923**	**1,546,492**	**1,229,741**

22.2. Changes in Loans and Financing - National

Description	Current	Noncurrent	Total
Balance on December 31, 2021	**5,404**	**97,818**	**103,222**
Inflows	60,000	550,000	610,000
Accrued Fees	66,223	-	66,223
transfers	233,249	(233,249)	-
Principal Amortization	(63,688)	-	(63,688)
Charge Payments	(58,604)	-	(58,604)
Balances on September 30, 2022	**242,584**	**414,569**	**657,153**

22.3. Changes in Loans and Financing – Foreign – IDB

BID	Current	Noncurrent	Total
Balance on December 31, 2021	**18,155**	**1,131,923**	**1,150,078**
Inflows	-	-	-
Restatement	-	-	-
Accrued Fees	110,426	-	110,426
transfers	-	-	-
Payment of Charges	(54,696)	-	(54,696)
Balances on September 30, 2022	**73,885**	**1,131,923**	**1,205,808**

23. DEBENTURES

23.1. 2018 Debentures – Celesc D

On July 13, 2018, Celesc D issued two hundred and fifty thousand (250,000) debentures, not convertible into shares, at a face value of R$1.0 thousand, totaling R$250.0 million and maturing on July 13, 2023. The proceeds from this issue were used to strengthen the issuer's cash for the management of its business.

The issue has a personal guarantee of present and/or future receivables arising from the gross supply of electricity to the customers of Celesc D. Celesc Holding will provide suretyship in favor of the debenture holders, as a guarantor and main responsible for the payment of all due amounts under the Indenture.

The debentures will mature 5 years as of the issue date, i.e July 13, 2023, at 100% of the cumulative variation of the one-day daily average rates of the Interbank Deposit rate (DI), plus a surcharge or spread of 1.9% per year.

The amortization was expected to be paid in 15 consecutive quarterly installments, on January 13, April 13, July 13, and October 13, starting on January 13, 2020 and ending on the maturity date. The remuneration will occur in quarterly and consecutive installments, with no grace period, as of October 13, 2018. Until September 30, 2022, R$52 million in remuneration, and R$183.3 million in principal were paid.

As a guarantor, the Company is annually committed to a covenant linked to the Debenture issue to present a Net Debt/EBITDA ratio lower than 2.5. The failure to comply with this financial indicator may imply the early maturity of the total debt. In the year ended December 31, 2021, the calculation result of this ratio was 1.21, thus meeting this obligation.

23.2. 2021 Debentures – Celesc D

On April 15, 2021, Celesc D issued five hundred and fifty thousand (550,000) simple debentures, not convertible into shares, at a face value of R$1,000, totaling R$550.0 million and maturing on April 15, 2026. The proceeds from this issue were used to reinforce cash.

The debentures are unsecured, with no preference, thus not granting any special or general privilege to their holders. Moreover, they have a personal guarantee. The Company will provide suretyship in favor of the debenture holders, as a guarantor and main responsible for the payment of all due amounts under the Indenture.

Interest corresponding to 100% of the accumulated variation of the average daily rates of the "over extra-group" Interbank Deposit rate (DI), as a percentage per year, on a year with 252 business days, calculated and daily disclosed by B3, plus a surcharge or spread of 2.6 % p.a.

The remuneration is expected to be paid as follows: quarterly and as of the issue date, maturing on January 15, April 15, July 15, and October 15, and ending on October 15, 2022; and monthly as from November 15, 2022, with the other maturities on the 15th of the subsequent months until the end of the validity. Until September 30, 2022, R$69.2 million in remuneration were paid.

The amortization is expected to occur in forty-three (43) consecutive monthly installments, always on the 15th of each month, the first of which on October 15, 2022.

From the fiscal year to be ended on December 31, 2021, to the maturity date, the Company, as a guarantor, is annually committed to the covenant linked to the debenture issue to present a Net Debt/EBITDA ratio lower than 3. The failure to comply with this financial indicator may imply the early maturity of the total debt. In the year ended December 31, 2021, the calculation result of this ratio was 1.21, thus meeting this obligation.

23.3. 2018 Debentures – Celesc G

On June 1, 2018, Celesc G issued 15,000 debentures at a face value of R$10.0 thousand, not monetarily restated, totaling R$150.0 million. The simple debentures were issued in a single series, not convertible into shares.

The issue has a personal guarantee of present and/or future receivables arising from the gross supply of electricity to Celesc G's customers. The personal guarantee, in turn, was provided as a suretyship in favor of the debenture holders, as a guarantor and main responsible for the payment of all due amounts under the Indenture. They have a term of five years, counted from the date of their issuance, and the remunerative interest corresponds to 100% of the accumulated variation of the average daily rates of Interbank Deposits - DI for 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, 2022, R$33.8 million in remuneration, and R$123.5 million in principal were paid.

Every six months, the Company, as guarantor, and Celesc G, as issuer, have a contractual commitment (covenants) linked to the issuance of debentures not to present a Net Debt/EBITDA ratio greater than 2. Failure to comply with this financial indicator may lead to the early maturity of the total debt. On June 30, 2022, the result of the calculation of these ratios was 1.17 and 0.00, respectively, thus meeting these obligations.

23.4. 2020 Debentures – Celesc G

On December 10, 2020, Celesc G issued 37,000 debentures with a face value of R$1,000, totaling R$37 million. Inflation adjustment was defined by the accumulated variation of the IPCA monthly disclosed by the Brazilian Institute of Geography and Statistics (IBGE). The simple debentures were issued in a single series, not convertible into shares. The personal guarantee was provided as a suretyship in favor of the debenture holders, as a guarantor and main responsible for the payment of all due amounts under the Indenture. The debentures mature in ten years, as of the issue date, and yield 4.30% p.a., until the actual payment date.

Interest started to be paid in June 2021, and the amortization will start in December 2023, both half-yearly and consecutively. Up to September 30, 2022, R$2.6 million in compensation had already been paid.

As an issuer, Celesc G is annually committed to a covenant linked to the Debenture issue to present a Net Debt/EBITDA ratio higher than 3.50. Failure to comply with this financial indicator may lead to the early maturity of the total debt. In the year ended December 31, 2021, the calculation result of this ratio was 0.13, thus meeting this obligation.

23.5. Changes in Debentures

	Consolidated
Description	**Total**
Balance on December 31, 2021	**768,665**
Accrued Fees	74,485
Payments Charges	(66,054)
Principal Payments	(76,472)
Debenture Issue Costs - Celesc D	1,153
Debenture Issue Costs - Celesc G	468
Balance on September 30, 2022	**702,245**
Current	**266,080**
Noncurrent	**436,165**

23.6. Costs in the Funding of Debentures to be Appropriated

		Consolidated
Description	**09.30.2022**	**12.31.2021**
2022	546	1,542
2023	1,580	1,876
2024	1,056	1,252
2025	1,054	1,054
2026+	927	1,061
Total	**5,163**	**6,785**

23.7 Reconciliation of Liabilities Resulting from Financing Activities

						Parent Company
Description	**12.31.2021**	**Payments**	**Total Financing Flow Variations**	**Interest Payment (i)**	**Variations not affecting Cash (ii)**	**09.30.2022**
Dividends and Interest on Equity Payable	134,356	(73,045)	(73,045)	-	114,800	176,111
Lease Liabilities – CPC 06 (Note 19.4)	341	(180)	(180)	(17)	66	210
Total	**134,697**	**(73,225)**	**(73,225)**	**(17)**	**114,866**	**176,321**

							Consolidated
Description	**12.31.2021**	**Resource Tickets**	**Principal Payments**	**Total Financing Flow Variations**	**Interest Payment (i)**	**Variations not Affecting Cash (ii)**	**09.30.2022**
Loans and Financing	1,253,300	610,000	(63,688)	546,312	(113,300)	176,649	1,862,961
Debentures	768,665	-	(76,472)	(76,472)	(66,054)	76,106	702,245
Dividends and Interest on Equity	134,356	-	(73,045)	(73,045)	-	114,800	176,111
Lease Liabilities – CPC 06 (Note 19.4)	14,836	-	(5,621)	(5,621)	(718)	564	9,061
Total	**2,171,157**	**610,000**	**(218,826)**	**391,174**	**(180,072)**	**368,119**	**2,750,378**

(i) Interest paid is classified under Operating Activities in the Statement of Cash Flow.

(ii) Accrued interest and monetary variations of Loans and Financing totaled R$176.6 million. Debentures totaled R$76.1 million, and R$1,621.0 thousand of the total refers to debenture costs in 2022.

24. LABOR AND SOCIAL SECURITY OBLIGATIONS

	Parent Company		Consolidated	
Description	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
Provisions and Payroll Social Charges	1,475	1,030	138,929	104,110
Separation Incentive Plan - PDI	-	-	65,482	111,926
Consignment in Favor of Third Parties	-	-	4,514	9,034
Provision for Profit Sharing and Profit Sharing - PLR	-	-	28,827	24,665
Net Payroll	280	282	14,174	15,005
Total	**1,755**	**1,312**	**251,926**	**264,740**
Current	**1,755**	**1,312**	**227,520**	**214,708**
Noncurrent	**-**	**-**	**24,406**	**50,032**

24.1. Separation Incentive Plan - PDI

The program is part of the Company’s strategy to adjust its operating costs, optimize processes, and improve indicators to create value for shareholders.

On February 22, 2016, Celesc D approved the regulation of the Separation Incentive Plan - PDI. This program was first implemented in December 2016. New editions were made in the following years with the same criteria and regulations. The only change was regarding the minimum time worked at the Company which became an eligibility rule.

Plans	Time Minimum of Company	Number of Installments	Number of Installments by Joining the CD Plan
2016 PDI	25 years	From 24 to 60	None
2017 PDI	25 years	From 24 to 60	None
2018 PDI	25 years	From 24 to 60	None
2019 PDI	25 years	From 24 to 60	None
2020 PDI	24 years	From 24 to 60	None
2021 PDI	15 years (i)	From 24 to 60	None

(i) Provided that the employee is at least 50 years of age.

On April 23, 2020, Celesc D obtained approval to carry out an Emergency Separation Incentive Plan, called PDI-E, for employees with over 33 years of work. 86 employees voluntarily left the Company.

Plan	Time Minimum of Company	Number of Installments	Number of Installments by Joining the CD Plan
2020 PDI-E	33 years	From 36 to 60	18

In September 2021, the PDI 2021 (current edition) was approved. PDI 2021 shutdowns started in November and have a total of 98 exits so far.

From the implementation of the program until September 30, 2022, there were 1,126 dismissals, totaling expenses totaling R$429.9 thousand.

The table below shows the number of employees terminated and the amount of the expense, classified by year.

Years	Number of Employees Dismissed	PDI Expenses (R$/thousand)
2016	61	16,183
2017	125	79,531
2018	181	68,737
2019	273	87,250
2020	303	112,847
2021	93	63,896
2022	90	1,424
Totals	**1,126**	**429,868**

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

25. TAXES

25.1. Income Tax and Social Contribution on Net Income and IRRF on JSCP

	Parent Company		Consolidated	
Description	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
IRPJ	59	-	23,071	934
CSLL	27	-	9,602	1,301
Withholding Income Tax on Interest on Equity (IoE)	3,804	10,064	11,056	10,064
Total Payable	**3,890**	**10,064**	**43,729**	**12,299**
(-) Taxes Recoverable	(46,148)	(37,879)	(75,505)	(46,543)
Net Taxes	**(42,258)**	**(27,815)**	**(31,776)**	**(34,244)**

25.2. Other Taxes

	Parent Company		Consolidated	
Description	**09.30.2022**	**12.31.2021**	**09.30.2022**	**12.31.2021**
ICMS	-	-	160,044	850,543
PIS and COFINS	4,715	12,902	39,386	43,608
Other	338	338	5,694	4,246
Total Payable	**5,053**	**13,240**	**205,124**	**898,397**
(-) Taxes to be Offset	-	-	(1,125,649)	(1,546,340)
Net Taxes	**5,053**	**13,240**	**(920,525)**	**(647,943)**

i) On June 29, 2022, the Government of the State of Santa Catarina published Provisional Measure 255, amending articles 7 and 19 of Law of ICMS, dealing with the non-levy of ICMS on transmission and distribution services and sectoral charges linked to operations with electric energy, and also reducing the ICMS rate to 17% for operations with electricity from July 1, 2022. In this sense, Celesc D applied the new ICMS rate as of July 1, 2022.

26. REGULATORY FEES

	Consolidated	
Description	**09.30.2022**	**12.31.2021**
Energy Efficiency Program – PEE (i)	66,661	61,937
Research and Development – R&D (i)	53,604	47,187
Electricity Development Account – CDE	19,472	19,472
Emergency Capacity Charge - ECE (ii)	-	19,406
ECE Installment	29,843	39,637
Charge Account Flags	-	177,424
ANEEL Inspection Fee	824	734
Emergency Power Purchase Charge - EAEEE	-	416
Other	362	163
Total	**170,766**	**366,376**
Current	**50,334**	**295,631**
Noncurrent	**120,432**	**70,745**

i) R&D and PEE – According to Law 9,991, of July 24, 2000, concessionaires of public electric energy distribution services, generation concessionaires, and companies authorized to independently produce electric energy, except for some modalities, must apply, annually, a minimum percentage of their net operating revenues – NOR in Research and Technological Development projects in the Electric Energy Sector – R&D. Distributors must also apply in Energy Efficiency Programs - PEE, according to regulations established by ANEEL.

On March 30, 2021, ANEEL published Normative Resolution 229 and Order 904, defining the form and amounts to be transferred to the Energy Development Account - CDE. Payments to the CDE correspond to the balances not committed to the liabilities of the R&D and PEE programs on the base date of August 31, 2020, and 30% of the current values for the period from September 1, 2020 to December 31, 2025. Until December 2025, the calculated amounts will be transferred monthly, on the 10th of the second subsequent month.

ii) Emergency Capacity Charge - ECE - It was established by Law 10,438, of April 26, 2002, to cover the cost of contracting emergency thermoelectric plants installed in the country, available to generate energy in the event of a risk of shortages. This cost was paid by all consumers of the National Interconnected System, except for those classified as low-income.

27. PROVISION FOR CONTINGENCIES AND COURT DEPOSITS

As of September 30, 2022, the Company had the following liabilities and their corresponding escrow deposits related to contingencies:

27.1. Likely Contingencies

				Parent Company
Contingencies	**Court Deposits**		**Provisions**	
	09.30.2022	**12.31.2021**	**09.30.2022**	**12.31.2021**
Tax	45,301	17,276	19,222	16,813
Labor	4,704	4,686	-	-
Civil	2,994	6,589	572	181
Regulatory	8,182	8,182	3,483	3,483
Total	**61,181**	**36,733**	**23,277**	**20,477**

				Consolidated
Contingencies	**Court Deposits**		**Provisions**	
	09.30.2022	**12.31.2021**	**09.30.2022**	**12.31.2021**
Tax (i)	46,593	18,878	33,736	26,461
Labor (ii)	20,699	27,696	44,231	43,601
Civil (iii)	103,162	127,334	187,559	171,919
Regulatory (iv)	165,822	155,198	118,639	184,280
Environmental (v)	-	-	7,369	18,649
Total	**336,276**	**329,106**	**391,534**	**444,910**

Changes in provisions and deposits are as follows:

	Parent Company		Consolidated	
Description	**Court Deposits**	**Provisions**	**Court Deposits**	**Provisions**
Balance on December 31, 2021	**36,733**	**20,477**	**329,106**	**444,910**
Creation	29,044	4,295	132,792	146,887
Financial Adjustment	-	-	-	11,152
Write-offs	(4,596)	(1,495)	(125,622)	(211,415)
Balance on September 30, 2022	**61,181**	**23,277**	**336,276**	**391,534**

The most relevant judicial deposit refers to Tax Enforcement 5000685-32.2022.404.7200, in which Celesc's parent company is a party, totaling R$28.0 million, as a form of guarantee of the tax credit. The Company filed a motion to lodge a motion against the Tax Enforcement, arguing that the debt cannot be enforced due to the existence of a credit capable of offsetting. The case is in the preliminary investigation phase.

Another more relevant judicial deposit refers to the Declaratory Action of Unenforceability of Tax Credit 5012891-49.2020.4.04.7200, totaling R$15.1 million, proposed by Celesc to declare CDA's 91.2.18.003117-26 unenforceable; 91.2.18.003118-07; 91.6.18. 017006-01; 91.6.18.017009-46 and 91.7.18.002962-43 from the remaining balance of the REFIS and PAES programs, which remained included in the installment payment of Law 11,941/2009. The proceeding was dismissed in the lower court, awaiting analysis of the appeal in the Higher Court.

The most relevant write-offs due to losses in judicial deposits are:
(i) 2012 lawsuit: R$1.6 million from a lawsuit that deals with a collection action arising from the unilateral termination of a contract with a construction and electrical engineering company in 2011;
(ii) 2013 lawsuit: R$2.6 million referring to a lawsuit that questions the levy of ISS on COSIP in the Municipality of Biguaçu/SC in the period from 2005 to 2010;
(iii) 1996 lawsuit: R$5.1 million in a proceeding referring to unpaid payments and/or disallowance on invoices referring to contracts for the years 1993 and 1994 with the contractor;
(iv) 2004 lawsuit: R$2.3 million referring to a moral damage lawsuit resulting from an accident in the electrical network of an outsourced employee for repair services in 1986.

The changes in the creation of judicial deposits in the period is due to payments made for new shares and also for existing shares.

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

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

The nature of likely contingencies can be summarized as follows:

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 to demand ISS.

The most relevant lawsuit, at the federal level, has an estimated loss of R$15.1 million and refers to debts registered in active debt and object of tax execution 50290494820214047200, originating from PIS, IRPJ, IRRF, COFINS, and CSLL, which were excluded from the extraordinary installment program. Celesc opposed the Embargoes to Tax Enforcement, sustaining the unenforceability of the tax credit. The motion was denied and the Company is awaiting a decision on the appeal.

ii) Labor Contingencies

They are related to complaints filed by employees and former employees of the Group and service providers (outsourced) related to overtime payment issues, mainly those resulting from a violation of the intra-day and inter-day breaks, as well as revision of the calculation basis of salary, additional, severance pay, among other labor rights.

iii) Civil Contingencies

They are related to civil actions in general, having as their object, in summary, compensation for damages (material and/or moral) arising from the undue suspension of electricity supply, registration of consumers' names with credit protection agencies, electrical damages, damages involving loss of production (tobacco, 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 review of billings, tariff reclassification, and review of bidding contracts (economic-financial rebalancing), 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 transgressions in the electricity sector. Legal contingencies also constitute regulatory contingencies in which Celesc D discusses with other sector agents (electricity generation, commercialization, transmission or distribution concessionaires, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE, and MME) matters relating to the application of sectoral regulation. The most significant regulatory contingency refers to the contractual exposure in 2014 (Note 2.1.1.1, letter e).

v) Environmental Contingencies

These are lawsuits related to lawsuits regarding the payment of material and moral damages due to an environmental accident that occurred in Celesc D's concession area.

The most relevant lawsuit refers to the occupation of the right-of-way of Highway BR-101, with electrical energy distribution infrastructure equipment. In 3Q22, the estimated loss was partially reversed (R$11.1 million), due to the court decision that approved the settlement and defined the amount of the debt (R$5.6 million).

27.2. Possible Contingencies

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

		Consolidated
Contingencies	**09.30.2022**	**12.31.2021**
Tax (i)	144,481	118,542
Labor (ii)	19,384	24,167
Civil (iii)	375,608	374,429
Regulatory (iv)	187,680	188,328
Environmental (v)	28,429	22,988
Total	**755,582**	**728,454**

The nature of possible contingencies can be summarized as follows:

i) Tax Contingencies

They are related to tax contingencies at the federal level, related to the payment of PIS/COFINS, and IRPJ/CSLL on revenues recognized in sectoral financial assets (CVA), offered for taxation in the calculation period in which the positive differences were verified and recorded in the bookkeeping (Note 17.6.1).

ii) Labor Contingencies

They are mostly related to complaints filed by employees and former employees of the Group and service providers (outsourced) related to issues of subsidiary/joint liability, overtime, and severance pay, among other labor rights.

iii) Civil Contingencies

They are related to several civil lawsuits filed by individuals and legal entities, relating to issues of indemnity caused by material damages, pain and suffering and loss of profits, accidents, 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 violating contractual or regulatory provisions in the electricity sector, which the Company appealed at the administrative and judicial levels. At the same time, legal contingencies in which the Company discusses with sectorial agents (other electric energy generation, commercialization, transmission or distribution concessionaires, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE, and MME) to the application of the regulation in the electricity sector.

v) Environmental Contingencies

They are related to administrative and judicial environmental contingencies filed by individuals and legal entities, mostly constituted by matters of indemnity for material damages, moral damages, and loss of profits.

28. ACTUARIAL LIABILITIES

		Consolidated
Registered Obligations	**09.30.2022**	**12.31.2021**
Pension Plans	**819,697**	**880,682**
Mixed Plan and Transitional Plan (a)	819,697	880,682
Assistance Plans	**1,147,291**	**1,137,581**
Celos Health Plan (b)	1,088,133	1,078,690
Other Benefits (c)	59,158	58,891
Total	**1,966,988**	**2,018,263**
Current	**227,996**	**219,527**
Noncurrent	**1,738,992**	**1,798,736**

Celesc D is a sponsor of Fundação Celesc de Seguridade Social – CELOS, a non-profit closed supplementary pension entity whose main objective is to manage pension benefit plans for its participants, basically represented by Celesc D’s employees.

a) Mixed Plan and Transitional Plan

The Mixed Plan has defined benefit characteristics for the portion of the mathematical reserve already existing on the transition date and for the benefits granted, and defined contribution characteristics for contributions after the transition, related to the scheduled retirement benefits to be granted. The previously defined benefit plan, called the “Transitional Plan” continues to exist, exclusively covering retired participants and their beneficiaries.

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

As this debt must be paid even in the event of a Foundation surplus, as of 2015, Celesc D recorded the monetary restatement and interest as a financial result, under CPC 33 (R1) - Employee Benefits.

b) CELOS Health Plan

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

c) Other Benefits

These are amounts referring to disability assistance, funeral assistance, compensation for natural or accidental death, and minimum benefit to retirees.

28.1. Results of the Actuarial Valuation

28.1.1. Actuarial Obligations

Consolidated

Description	Plan Mixed	Transition Plan	Celos Health Plan	Plan savings	C) Other Benefits	Total
Balance on December 31, 2020	**2,722,988**	**766,510**	**1,257,122**	**1,933**	**64,087**	**4,812,640**
Net Current Service Cost	4,605	-	(36,439)	127	-	(31,707)
Contribution of Participant Held in the Period	26,928	15,837	52,941	-	-	95,706
Interest without Actuarial Obligation	183,423	46,446	88,080	120	4,164	322,233
Benefits Paid in the Period	(197,900)	(85,046)	(81,668)	(588)	(4,840)	(370,042)
(Gains) Losses on Actuarial Obligations	(231,016)	(60,934)	(151,249)	63	(4,520)	(447,656)
Balance on December 31, 2021	**2,509,028**	**682,813**	**1,128,787**	**1,655**	**58,891**	**4,381,174**

28.1.2. Determination of Net Liabilities (Assets)

Consolidated

Description	Mixed Plan	Transitional Plan	Celos Health Plan	Savings Plan	C) Other Benefits	Total
Liabilities (Assets) on December 31, 2020	**835,712**	**403,566**	**1,213,968**	**-**	**64,087**	**2,517,333**
Fair Value of Assets at the End of the Period	(1,941,920)	(369,239)	(50,097)	(12,800)	-	(2,374,056)
Actuarial Obligations at the End of the Period	2,509,028	682,813	1,128,787	1,655	58,891	4,381,174
Effect of Additional Assets and Liabilities Ceiling End of Period	-	-	-	11,145	-	11,145
Liabilities (Assets) on 12/31/2021	**567,108**	**313,574**	**1,078,690**	**-**	**58,891**	**2,018,263**

28.1.3. Reconciliation of the Fair Value of Assets

Consolidated

Description	Mixed Plan	Transition Plan	Celos Health Plan	Savings Plan	Total
Balance on December 31, 2020	**1,887,276**	**362,944**	**43,154**	**12,490**	**2,305,864**
Benefits Paid in the Period Using Plan Assets	(197,900)	(85,046)	(81,668)	(588)	(365,202)
Contributions from Participants Made in the Period	26,928	15,837	52,941	-	95,706
Employer Contributions Made in the Period	82,693	72,763	55,135	-	210,591
Expected Income from Assets	128,194	23,019	3,766	835	155,814
Gain (Loss) in the Fair Value of Plan Assets	14,729	(20,278)	(23,231)	63	(28,717)
Balance on December 31, 2021	**1,941,920**	**369,239**	**50,097**	**12,800**	**2,374,056**

28.1.4. Costs Recognized in the Income Statement for the Period

Consolidated

Description	09.30.2022	09.30.2021
Transition Plan	21,823	6,124
Mixed Plan	43,282	24,540
Medical Plan	52,758	3,249
Other Benefits	4,583	3,218
Total	**122,446**	**37,131**
Personal Expense	90,494	(3,738)
Financial Expenses	31,952	40,869
Total	**122,446**	**37,131**

28.1.5. Estimated Expense for the 2022 Fiscal Year

The estimated expense for the year 2022 is shown below:

Consolidated

Plans	Expense to be recognized in 2022
Transitional Plan	29,097
Mixed Plan	57,710
Savings Plan	136
Medical Plan	70,344
Other	5,975
Total	**163,262**

28.1.6. Movement of Actuarial Liabilities

Description	Mixed/Transitional Plan	Celos Health Plan	C) Other Benefits	Total
Balance on December 31, 2021	**880,682**	**1,078,690**	**58,891**	**2,018,263**
Payment	(126,090)	(43,315)	(4,316)	(173,721)
Provision	65,105	52,758	4,583	122,446
Balance on September 30, 2022	**819,697**	**1,088,133**	**59,158**	**1,966,988**

29. PIS/COFINS REFUND TO CONSUMERS

On April 1, 2019, according to the narrative already described in Note 11 of Recoverable Taxes, Celesc D obtained the final and unappealable decision in a judicial proceeding assessed under nº 5006834-93.2012.4.04.7200, in which the right to recover amounts overpaid as PIS/COFINS due to the inclusion of ICMS in the calculation basis of taxes paid. The decision limited the effects to the period from April 13, 2007 until December 31, 2014.

The Company has adopted the understanding that all amounts recovered in the lawsuit will be reimbursed to consumers through mechanisms to be defined by ANEEL. Due to the adopted system, the accounting records were made between Assets (Recoverable Taxes) and Liabilities (PIS/COFINS Refundable to Consumers).

Regarding Liabilities and the respective form of return, the topic is still the subject of administrative discussion by the ANEEL collegiate via the opening of Public Consultation 005/2021, published on February 10, 2021. The contribution period was defined until March 29, 2021, to obtain subsidies for the improvement of the proposal for the return of tax credits arising from the exclusion of ICMS from the aforementioned PIS/COFINS calculation basis.

Public Consultation 005/2021, despite having its deadline for contributions ended on March 29, 2021, remains under consideration by the Regulatory Agency.

As for the return proposal, the main points addressed by the regulatory agency are the following: i) how the values should be returned; ii) how long the return must take place; iii) measures of incentives for the action of the distributors in the judicial sphere in the resolution of the matter and iv) what are the alternatives for the operationalization of the return of credits and possible implications.

Taking into account the preamble of the discussion, Celesc D considered in its contribution that there is a need, among others, for an evaluation also regarding the prescription as a limitation mark for the return to consumers, fundamental to not incurring a repetition of undue payment. In this sense, the assessment of the regulatory body is considered relevant, concerning the statute of limitations of the respective credits, considering the discussion of the form of return due to the long period covered in the processes and the clear definition of the statute of limitations, which may fact be relegated to the judiciary, eventually, depending on the recommendation of the regulatory agency.

It should be noted that in the Tariff Review of Celesc D of August 22, 2021, the distributor advanced R$795.0 million to consumers in the area of its concession as an extraordinary negative financial component based on part of the authorized amount and in the process of approval with the Federal Revenue Service of Brazil.

Celesc D highlighted the prerogative of claiming future adjustments that equalize any financial differences between the aforementioned amount and the regulation to be edited by ANEEL, as well as financial adjustments in subsequent tariff processes, in the case of actions proposed by individual consumers that may not benefit from the return of PIS/COFINS.

On June 28, 2022, Law 14,385/2022 was published in the Federal Official Gazette, referring to the return of credits for reducing ICMS from the PIS/Cofins base to Distributor customers.

This enactment amended Law 9,427, of December 26, 1996, which was then in force with item II, of article 3B, where it was defined that the entirety of the amounts of credits required from the Special Secretariat of the Federal Revenue Service of Brazil to be offset until the subsequent tariff process. Furthermore, in paragraph 8 of article 3, it was also established that ANEEL will formulate equitable criteria, considering the tariff procedures and applicable contractual provisions.

The refund of the entire amount of credits already offset by Celesc D, totaling R$806.3 million, was included in the Annual Tariff Adjustment – RTA of 2022, leading to a negative effect of 8.32%.

Accordingly, the amounts to be refunded to consumers were adjusted under Law 14,385/2022, which equalized the adjustments of the amounts to be refunded to consumers at the same rule applied by the tax legislation, linked to the SELIC rate for federal notes, monthly accrued, calculated as of the date of the undue payment or over-payment until the month before the compensation or refund, and 1% related to the month it is made.

In line with the adopted accounting policy, Celesc D not only adjusted the tax credits until they are actually used through PERDCOMP, but also the credits refundable to consumers.

However, the amount included in the 2022 RTA was higher than the amount adjusted by Celesc D and the balance updated in August, of R$778.4 million, was transferred from Other Liabilities – PIS/Cofins Refundable to Consumers under Non-Current Liabilities to Financial Liability – CVA under Current Liabilities. Over the difference, of R$27.9 million, it was created a Financial Asset – CVA as a corresponding entry to the Financial Liability – CVA, both under Current Liabilities, as Celesc D understands that the amounts were unduly discounted in the last tariff process, as the adjustment made by ANEEL was not in line with the current tax legislation, according to Law 14,385/2022.

Management sent a letter to ANEEL stating its disagreement with the provisional methodology adopted by the Agency regarding the adjustment of the amounts and is awaiting the definition of the equitable criteria that are being claimed in lawsuits 48500.001747/2020-22 and 8500.004897/2021-79 and, additionally, stated in Technical Note 161/2022-SGT/ANEEL, of August 12, 2022:

> *56. Through CELESC S/N Letter of August 11, 2022, the concessionaire stated an opinion regarding the discrepancies in the form of adjusting and recording the reversal of PIS/COFINS credits to consumers. We emphasize that the matter is being discussed under CP 05/2021 and CELESC's notes will be taken into consideration when drafting the normative. When the regulatory methodology for such amounts is defined and approved, future adjustments to the amounts will be made.*

30. SHAREHOLDERS' EQUITY

30.1. Share Capital

The Authorized Capital Stock in the Company's Bylaws is R$2.6 billion, represented by registered shares, with no par value, divided into common and preferred shares.

Of the Authorized Capital, R$2.48 billion are subscribed and paid in, represented by 38,571,591 registered shares without par value, of which 15,527,137 are common shares with voting rights and 23,044,454 are preferred shares without voting rights.

30.2. Legal Reserve and Profit Retention

The legal reserve is constituted annually as an allocation of 5% of the net income for the year and cannot exceed 20% of the capital stock. The purpose of the legal reserve is to ensure the integrity of the capital stock and can only be used to offset losses and increase capital.

The profit retention reserve refers to the retention of the remaining balance of retained earnings, to meet the business growth project established in its investment plan, according to the capital budget approved and proposed by the Company's managers, resolved at the Meeting General Shareholders' Meeting.

30.3. Basic and Diluted Earnings per Share

The calculation of basic and diluted earnings per share on September 30, 2022 and 2021 was based on net income for the period and the weighted average number of common and preferred shares outstanding during the periods presented.

As of September 0, 2022 and 2021, the amounts of the Company's shares did not change. During this period, there were no transactions involving common shares or potential common shares between the balance sheet date and the date of completion of the Interim Financial Information.

In the periods ended September 30, 2022 and 2021, the Company did not have instruments convertible into shares that would generate a dilutive impact on earnings per share.

30.4. Breakdown of Basic and Diluted Income

Description	09.30.2022	09.30.2021
Weighted Average Shares (thousands)		
Nominative Common Shares - ON	15,527	15,527
Nominative Preferred Shares - PN	23,044	23,044
Basic and Diluted Earnings per Share Attributed to the Company's Shareholders (R$)		
Nominative Common Shares - ON	10.6955	11.6180
Nominative Preferred Shares - PN	11.7651	12.7798
Basic and Diluted Income Attributed to the Company's Shareholders		
Nominative Common Shares - ON	166,071	180,395
Nominative Preferred Shares - PN	271,119	294,504
Total Basic and Diluted Income Attributed to the Company's Shareholders	**437,190**	**474,899**

30.5. Interest on Equity

On March 24, 2022, the Company's Board of Directors approved the credit of Intermediate Interest on Equity - JSCP, related to the first quarter of 2022, in the gross amount of R$34.7 million, at the rate of R$0.84894080949 per common share and R$0.93383489043 per preferred share. Holders of shares issued by the Company on March 30, 2022 will be entitled to JSCP, with shares being traded “ex-interest on equity” as of March 31, 2022.

Additionally, on June 15, 2022, the Board of Directors approved the credit of Intermediate Interest on Equity - JSCP, related to the second quarter of 2022, in the gross amount of R$41.9 million, at the rate of R$1 .02498794722 per common share and R$1.12748674194 per preferred share. Holders of shares issued by the Company on June 30, 2022 will be entitled to JSCP, with the shares being traded “ex-interest on equity” as of July 1, 2022.

Maintaining the return of capital to shareholders, on September 22, 2022, the Board of Directors approved the payment of interim IoE for the third quarter of 2022, in the gross amount of R$42.0 million, at the rate of R$1.027628410 per common share and R$1.130391250 per preferred share. Holders of shares issued by the Company on September 30, 2022 will be entitled to JSCP, with shares being traded “ex-interest on equity” as of October 03, 2022.

The IoE resolved herein will be attributed to the minimum mandatory dividend for the year 2022.

The IoE will not be adjusted for inflation and income tax will be levied, according to applicable legislation, and must be paid in two installments, according to the Company’s Dividend Policy. Furthermore, the Board of Directors approved that the payment date of said JSCP will be decided in due course.

30.6. Equity Valuation Adjustments

The following table shows the net effect of R$1.057 billion on September 30, 2022 and R$1.050 billion as of December 31, 2021 on Shareholders' Equity:

		Consolidated
Equity Valuation Adjustments	**09.30.2022**	**12.31.2021**
Assigned Cost - Celesc G (a)	13,624	14,099
Actuarial Liability Adjustment - Celesc D (b)	(1,064,375)	(1,064,375)
Adjustment Fair Value Other Comprehensive Income (c)	(6,614)	-
Total	**(1,057,365)**	**(1,050,276)**

a) The deemed cost, measured at fair value on the date of the first-time adoption of the CPCs in 2009, was recognized in the equity valuation adjustment, in equity, net of deferred income tax and social contribution, as a contra entry to property, plant and equipment. Its realization is recorded as a contra entry to the retained earnings account to the extent that the depreciation of the fair value of property, plant and equipment is recognized in profit or loss.

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

c) Adjustment to the fair value of the temporary investment in Companhia Catarinense de Águas e Saneamento – Casan assessed through other comprehensive income (Note 15).

31. INSURANCE

Insurance coverage, September 30, 2022, was contracted for the following amounts, according to insurance policies:

				Consolidated
Company	**Branch**	**Covered Assets**	**Validity**	**Insured Amount (i)**
Celesc D	Warranty Insurance	Guarantee of Judicial/Administrative Proceedings	April 26, 2022 to April 26, 2023	500,000
Celesc D	Named Risks	substations	May 14, 2022 to November 13, 2022	25,000
Celesc G	Fire/Lightning/Explosion	Plants and Substations	September 01, 2022 to September 01, 2023	147,126
Celesc G	Flooding	Plants and Substations	September 01, 2022 to September 01, 2023	30,000
Celesc G	Electrical damage	Plants and Substations	September 01, 2022 to September 01, 2023	41,443
Celesc G	Machine Failure	Plants and Substations	September 01, 2022 to September 01, 2023	41,443
Celesc G	Claims Containment	Plants and Substations	September 01, 2022 to September 01, 2023	10,000

Celesc G	Errors and Omissions	Plants and Substations	September 01, 2022 to September 01, 2023	2,000
Celesc G	Waste Removal	Plants and Substations	September 01, 2022 to September 01, 2023	4,000
Celesc G	Riot and Strike	Plants and Substations	September 01, 2022 to September 01, 2023	30,000
Celesc G	Aircraft Crash and Windstorms	Plants and Substations	September 01, 2022 to September 01, 2023	73,563
Celesc G	Warranty Insurance	Hydroelectric Utilization Guarantee of the Caveiras Plant	November 25, 2020 to November 25, 2022	307
Celesc H	D&O Insurance	Civil Liability C&O (*Directors & Officers*)	August 5, 2022 to August 5, 2023	1,000,000

(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.

32. INFORMATION BY BUSINESS SEGMENT

The information by business segment, reviewed by Management and corresponding to the periods ended September 30, 2022 and 2021, is as follows:

09.30.2022

Description	Parent Company	Celesc D	Celesc G	settings of Consolidation		Total
Net Operating Income – NOI	**-**	**7,370,474**	**137,908**	**(6,811)**		**7,501,571**
Cost of Sales	-	(6,379,126)	(27,919)	6,811	(i)	(6,400,234)
Gross Operating Income	**-**	**991,348**	**109,989**	**-**		**1,101,337**
Selling Expenses	-	(170,926)	(180)	-		(171,106)
General and Administrative Expenses	(20,940)	(352,363)	(15,253)	-		(388,556)
Other Net Income/Expenses	8,451	31,459	4	-		39,914
Equity Pickup	454,942	-	8,048	(394,703)	(ii)	68,287
Result of Activities	**442,453**	**499,518**	**102,608**	**(394,703)**		**649,876**
Financial Income	(4,796)	361,188	13,743	(7,703)	(iii)	362,432
Financial Expenses	(380)	(419,313)	(8,174)	7,703	(iii)	(420,164)
Financial Result, Net	**(5,176)**	**(58,125)**	**5,569**	**-**		**(57,732)**
Profit Before IRPJ and CSLL	**437,277**	**441,393**	**108,177**	**(394,703)**		**592,144**
IRPJ and CSLL	(87)	(120,571)	(34,296)	-		(154,954)
Net Income for the Period	**437,190**	**320,822**	**73,881**	**(394,703)**		**437,190**
Total Assets	**3,146,392**	**10,576,508**	**980,261**			
Total Liabilities	**213,051**	**8,922,045**	**222,833**			

09.30.2021

Description	Parent Company	Celesc D	Celesc G	Settings of Consolidation	Total
Net Operating Income – NOI	**-**	**8,338,159**	**205,559**	**(5,482)**	**8,538,236**
Cost of Sales	-	(7,516,164)	(38,475)	5,482	(7,549,157)
Gross Operating Income	**-**	**821,995**	**167,084**	**-**	**989,079**
Selling Expenses	-	(192,414)	28,744	-	(163,670)
General and Administrative Expenses	(17,742)	(213,624)	(12,385)	-	(243,751)
Other Net Income/Expenses	1,130	17,610	(1,406)	-	17,334
Equity Pickup	481,437	-	6,509	(426,228)	61,718
Result of Activities	**464,825**	**433,567**	**188,546**	**(426,228)**	**660,710**
Financial Income	5,653	190,283	5,528	-	201,464
Financial Expenses	(75)	(142,415)	(5,232)	-	(147,722)
Financial Result, Net	**5,578**	**47,868**	**296**	**-**	**53,742**
Profit Before IRPJ and CSLL	**470,403**	**481,435**	**188,842**	**(426,228)**	**714,452**
IRPJ and CSLL	4,496	(182,067)	(61,982)	-	(239,553)
Net Income for the Period	**474,899**	**299,368**	**126,860**	**(426,228)**	**474,899**
Total Assets	**2,531,050**	**10,676,048**	**981,918**		
Total Liabilities	**71,509**	**9,386,679**	**286,071**		

(i) Energy purchase and sale transactions between Celesc D and Celesc G.
(ii) Equity in the equity of wholly-owned subsidiaries Celesc D and Celesc G.
(iii) Interest related to the loan agreement entered into between Celesc D and Celesc G.

32.1. Consolidated Operating Revenue

Description	09.30.2022	09.30.2021
Gross Operating Revenue - ROB	**12,096,133**	**12,731,252**
Electricity Supply (a)	5,872,478	5,344,644
Supply not invoiced (a)	(67,637)	33,056
Electricity Supply (a)	377,669	442,044
Supply not billed (a)	(3,620)	3,633
Availability of the Electricity Grid (i)	3,993,751	3,677,875
Update of Indemnifiable Financial Asset - Concession	11,226	13,473

Financial income	62,131	116,754
Income from the Provision of Services	1,862	1,011
Short-Term Electricity	290,861	1,109,658
Income from Financial Assets/(Liability) (Portion A - CVA)	162,047	1,007,293
Other Operating Income	8,010	6,199
Donations and Grants (ii)	483,068	477,728
Construction Revenue - CPC 47	904,287	497,884
Deductions from Gross Operating Revenue	**(4,594,562)**	**(4,193,016)**
ICMS	(2,003,511)	(1,952,575)
PIS	(151,130)	(192,910)
COFINS	(696,114)	(888,556)
Electricity Development Account – CDE	(1,598,875)	(981,992)
Research and Development - R&D	(33,391)	(40,152)
Energy Efficiency Program - PEE	(32,345)	(39,232)
Inspection Fee - ANEEL	(6,802)	(6,811)
Financial Compensation for the Use of Water Resources - CFURH	(1,476)	(1,091)
Other Charges	(70,918)	(89,697)
Net Operating Income – NOI	**7,501,571**	**8,538,236**

(i) In compliance with the Electricity Sector Accounting Manual - MCSE, approved by Normative Resolution 933, of May 18, 2021, Celesc D performed the segregation of TUSD's revenue from Captive Consumers of Electricity Supply for Availability of the Electrical network.

(ii) Amount transferred by Eletrobras, referring to the reimbursement of discounts levied on tariffs applicable to users of the public electricity distribution service. The amount of revenue recorded as CDE Subsidy (Decree 7,891/2013), from January to September 2022, was R$438.8 million. The other amounts refer to the Low Income Program, totaling R$21.5 million, the supply of CCRBT Brands, totaling R$43.1 million, and the difference in CDE reimbursement, totaling R$20.3 million (reducing effect).

a) Power Supply

Description	**Number of Consumers (i)**		**MWh (i)**		**Gross Revenue**	
	09.30.2022	**09.30.2021**	**09.30.2022**	**09.30.2021**	**09.30.2022**	**09.30.2021**
Residential	2,598,383	2,523,026	5,108,254	4,945,463	3,833,134	3,499,937
Industrial	132,086	124,759	8,365,450	8,391,557	1,315,649	1,284,308
Commercial	307,048	295,624	3,537,994	3,279,910	2,023,056	1,808,852
Rural	228,201	231,183	820,911	901,733	553,321	528,175
Government	24,712	24,065	326,280	280,537	249,946	204,625
Public Lighting	1,048	938	438,937	471,476	217,790	213,071
Public Service	4,106	3,896	299,793	288,279	190,677	186,005
Reclassified Rec. available Electric Network Cat. Cons.	-	-	-	-	(2,578,732)	(2,347,273)
Total Supply	**3,295,584**	**3,203,491**	**18,897,619**	**18,558,957**	**5,804,841**	**5,377,700**
Power Supply	138	109	2,161,590	2,167,645	374,049	445,677
Total	**3,295,722**	**3,203,600**	**21,059,209**	**20,726,602**	**6,178,890**	**5,823,377**

(i) Unrevised information

32.2. Consolidated Operating Costs and Expenses

09.30.2022

Description	**Cost of Goods and/or Services**	**General and Administrative Expenses**	**Selling Expenses**	**Other Net Expenses/Revenues**	**Total**
Electricity Purchased for Resale (a)	3,586,678	-	-	-	3,586,678
Charges for Use of the Electricity Grid (b)	1,286,668	-	-	-	1,286,668
Personnel (c)	272,307	183,532	41,128	678	497,645
Administrators	-	8,336	-	-	8,336
Actuarial Expense	-	90,494	-	-	90,494
Private Pension Entity (c)	12,460	6,706	1,413	-	20,579
Supplies	24,313	6,858	-	12,272	43,443
Construction Costs	904,287	-	-	-	904,287
Outsourced Costs and Services	117,235	78,050	37,680	1,080	234,045
Depreciation and Amortization	184,059	19,832	348	1,478	205,717
Net Provisions	-	-	63,870	122,781	186,651
Lease and Rents	510	7,499	143	(361)	7,791
Infrastructure Sharing (d)	-	-	-	(164,428)	(164,428)
Other Income/Expenses	11,717	(12,751)	26,524	(13,414)	12,076
Total	**6,400,234**	**388,556**	**171,106**	**(39,914)**	**6,919,982**

09.30.2021

Description	**Cost of Goods and/or Services**	**General and Administrative Expenses**	**Selling Expenses**	**Other**	**Total**

				Net Expenses/Revenues	
Electricity Purchased for Resale (a)	5,196,067	-	-	-	5,196,067
Hydrological Risk Renegotiation – GSF	28,110				28,110
Charges for Use of the Electricity Grid (b)	1,298,076	-	-	-	1,298,076
Personnel (c)	243,001	143,451	43,108	17,071	446,631
Administrators	-	6,877	-	-	6,877
Actuarial Expense	-	(3,738)	-	-	(3,738)
Private Pension Entity (c)	10,422	5,445	1,543	-	17,410
Supplies	15,402	5,450	-	-	20,852
Construction Costs	497,884	-	-	-	497,884
Outsourced Costs and Services	97,383	60,523	46,724	1,014	205,644
Depreciation and Amortization	155,890	16,833	-	1,478	174,201
Net Provisions	-	-	48,068	17,486	65,554
Lease and Rents	1,663	13,540	380	(205)	15,378
Infrastructure Sharing (d)	-	-	-	(134,072)	(134,072)
Other Revenues	-	-	-	(3,683)	(3,683)
Other	5,259	(4,630)	23,847	83,577	108,053
Total	**7,549,157**	**243,751**	**163,670**	**(17,334)**	**7,939,244**

a) Electricity Purchased for Resale

		Consolidated
Description	**09.30.2022**	**09.30.2021**
Purchase of Energy in the Regulated Environment - CCEAR	2,262,177	2,748,591
Energy Trading Chamber - CCEE	8,198	1,353,401
Itaipu Binacional	787,765	966,776
Bilateral Contracts	60,839	14,680
Nuclear Energy Quotas	168,132	121,398
Physical Guarantee Quotas	402,914	358,448
Proinfa	257,321	157,584
PIS/COFINS	(360,668)	(524,811)
Total	**3,586,678**	**5,196,067**

b) Charges for Use of the Electricity Grid

		Consolidated
Description	**09.30.2022**	**09.30.2021**
System Use Charge	952,164	900,409
System Services Charges - ESS	220,760	420,732
Itaipu Transport Charges	72,017	60,290
Reserve Energy Charge - EER	172,875	48,956
PIS/COFINS	(131,148)	(132,311)
Total	**1,286,668**	**1,298,076**

c) Personal and Private Pension

		Parent Company		Consolidated
Description	**09.30.2022**	**09.30.2021**	**09.30.2022**	**09.30.2021**
Guys	**7,201**	**5,895**	**497,645**	**446,631**
Remuneration	6,931	5,684	258,328	209,424
Social Charges	161	142	96,502	77,246
Participation in profits and results	-	25	36,005	28,968
Assistance Benefits	-	-	73,994	55,082
Provisions and Indemnities	37	-	32,686	75,632
Other	72	44	130	279
Private Pension - Celos	**6**	**7**	**20,579**	**17,410**
Total	**7,207**	**5,902**	**518,224**	**464,041**

d) Infrastructure Sharing

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

32.3. Financial Result

	Parent Company		Consolidated	
	09.30.2022	09.30.2021	09.30.2022	09.30.2021
Financial Income	**(4,796)**	**5,653**	**362,432**	**201,464**
Income from Financial Applications	1,587	1,051	98,580	22,275
Moratorium Additions w/o Electricity Invoices	-	-	86,927	82,139
Monetary Variations	158	-	41,136	66,043
Monetary Update without Financial Assets - CVA	-	-	132,361	28,026
Dividend Income	4,001	4,324	4,001	4,324
Interest on Equity	134,724	3	1,941	3
Reversal of Interest on Equity	(134,724)	-	(1,941)	-
Other Financial Income	2,099	340	30,307	8,267
(-) PIS/COFINS w/o Financial Revenue	(12,641)	(65)	(30,880)	(9,613)
Financial Expenses	**(380)**	**(75)**	**(420,164)**	**(147,722)**
Debt Charges	-	-	(166,784)	(52,818)
Update Mathematical Reserve to Amortize	-	-	(31,952)	(40,869)
Tax on Financial Transactions - IOF	-	-	(3,995)	(2,527)
Monetary Variations	-	-	(67,132)	(21,304)
Update R&D and Energy Efficiency	-	-	(8,847)	(5,312)
Monetary Update without Financial Liabilities - CVA	-	-	(107,433)	(11,341)
Interest on Equity	(118,604)	-	(118,604)	-
Reversal of Interest on Equity	118,604	-	118,604	-
Interest and Costs on Debentures	-	-	(9,199)	(5,999)
Interest on Rent Payable (CPC 06)	(17)	-	(718)	-
Other Financial Expenses	(363)	(75)	(24,104)	(7,552)
Financial Result	**(5,176)**	**5,578**	**(57,732)**	**53,742**

33. COMPLEMENTARY INFORMATION ON CELESC D

33.1. Statement of Financial Position – Assets

Assets	09.30.2022	12.31.2021
Current	**3,198,319**	**3,551,198**
Cash and Cash Equivalents	1,317,605	753,816
Trade Receivables	1,617,366	1,912,314
Inventory	21,150	13,479
Taxes Recoverable	41,089	552,179
CDE - Subsidy Decree 7,891/2013	47,086	49,231
Water Shortage Bonus	1,138	102,861
Other	152,885	167,318
Noncurrent	**7,378,189**	**7,095,883**
Achievable in the Long Term	**3,300,939**	**3,275,516**
Trade Receivables	19,280	27,212
Deferred Taxes	719,840	708,001
Taxes Recoverable	1,102,219	1,019,951
Court Deposits	274,683	292,261
Indemnifiable Financial Assets - Concession	1,015,969	754,772
Financial Asset - CVA	167,066	470,286
Other	1,882	3,033
Property, Plant and Equipment	**8,365**	**14,013**
Intangible Assets	**4,068,885**	**3,806,354**
Total Assets	**10,576,508**	**10,647,081**

33.2. Statement of Financial Position – Liabilities

Liabilities	09.30.2022	12.31.2021
Current	**3,650,338**	**3,270,411**
Suppliers	929,539	1,078,658
National Currency Loans	242,584	5,404
Foreign Currency Loans	73,885	18,155
Debentures	239,206	117,739
Labor and Social Security Obligations	225,765	213,396
Taxes Payable	207,548	901,233
Dividends and Interest on Equity - Declared Interest on Equity	167,757	92,687
Regulatory Fees	49,781	295,233
Loans - Affiliates, Subsidiaries or Parent Companies (i) (ii)	78,719	86,425
Lease Liabilities	1,781	5,993
Actuarial Liabilities (CPC 33)	227,996	219,527
Financial Liabilities - CVA	1,083,124	39,826
Water Shortage Bonus	1,189	102,861
Other	121,464	93,274
Noncurrent	**5,271,707**	**5,893,149**
National Currency Loans	414,569	97,818
Foreign Currency Loans	1,131,923	1,131,923

Debentures	394,172	558,269
Labor and Social Security Obligations	24,406	50,032
Regulatory Fees	119,007	69,714
Lease Liabilities	7,070	8,502
Actuarial Liabilities (CPC 33)	1,738,992	1,798,736
Provision for Contingencies	368,257	424,433
PIS/COFINS to be Refunded to Consumers	1,073,311	1,748,472
Other	-	5,250
Shareholders' Equity	**1,654,463**	**1,483,521**
Share Capital	1,580,000	1,250,000
Profit Reserves	950,799	1,297,896
Equity Valuation Adjustments	(1,064,375)	(1,064,375)
Retained Earnings	188,039	-
Total Liabilities	**10,576,508**	**10,647,081**

(i) Mutual payments between Celesc D and Celesc G

On October 28, 2021, Celesc G's Board of Directors approved the transfer of R$70.0 million to Celesc D in the form of a Loan Agreement. ANEEL's consent was given through Order 3,316, of October 19, 2021, and the contract was signed between the parties on November 1, 2021.

Interest of CDI +2.1% p.a. will be added to the principal, which will be paid at the end of the contract, effective for 12 months.

The funds are intended to mitigate cash dislocations, especially given the challenges of complying with the Concession Agreement and all regulatory requirements to achieve quality indicators.

The total amount was transferred on the date of execution f the agreement and, until September 30, 2022, R$7.5 million of compensatory interest was recognized.

(ii) Mutual between Celesc D and Celesc H

On October 28, 2021, the company's Board of Directors approved the transfer of R$15.0 million to Celesc D in the form of a Loan Agreement, signed on November 1, 2021, the date on which the amount was transferred.

ANEEL's consent was given through Order 3,317, of October 19, 2021, and the contracted amount will be remunerated by interest of CDI +2.1% p.a., which will be paid at the end of the 12-month contract.

The funds are intended to mitigate cash dislocations, especially given the challenges to comply with the Concession Agreement and all regulatory requirements for compliance with quality indicators.

On February 3, 2022, the Loan agreement between the Company (Lender) and Celesc D (Borrower) ended. On this date, Celesc D paid R$15.3 million. During the term of the agreement, R$409.0 thousand of remuneratory interest was recognized.

33.3. Results report

Description	09.30.2022	09.30.2021
Net Operating Income – NOI	**7,370,474**	**8,338,159**
Net Revenue from Electric Energy Sales and Service	6,292,914	6,819,509
Revenue from Financial Assets (Liabilities) - CVA	162,047	1,007,293
Construction Revenue - CPC 47	904,287	497,884
Update of Indemnifiable Financial Asset - Concession	11,226	13,473
Costs of Sales/Services Provided	**(6,379,126)**	**(7,516,164)**
Cost of Goods Sold	(4,862,218)	(6,484,224)
Cost of Services	(612,621)	(534,056)
Construction Cost - CPC 47	(904,287)	(497,884)
Gross Operating Income	**991,348**	**821,995**
Operational expenses	**(491,830)**	**(388,428)**
Selling Expenses	(170,926)	(192,414)
General and Administrative Expenses	(352,363)	(213,624)
Other Operating Income and Expenses	31,459	17,610
Operating Result before Financial Result	**499,518**	**433,567**
Financial Result	**(58,125)**	**47,868**
Financial Income	361,188	190,283
Financial Expenses	(419,313)	(142,415)
Profit Before IRPJ and CSLL	**441,393**	**481,435**
Income Tax and Social Contribution	**(120,571)**	**(182,067)**
Current	(132,409)	(137,989)
Deferred	11,838	(44,078)
Net Income for the Period	**320,822**	**299,368**

33.3.1. Operating income

Description	09.30.2022	09.30.2021
Gross Operating Revenue - ROB	**11,947,776**	**12,515,735**
Electricity Supply (a)	5,847,532	5,324,145
Unbilled Supply (a)	(68,493)	32,082
Electricity Supply (a)	315,028	366,408
Financial Assets and (Liabilities) - CVA	162,047	1,007,293
Availability of the Electricity Grid	3,996,083	3,679,854
Short Term Energy	287,126	1,109,658
Income from the Provision of Services	1,862	-
Donations and Grants	483,068	477,728
Construction Revenue	904,287	497,884
Update of Indemnifiable Financial Asset - Concession	11,226	13,473
Other Operating Income	8,010	7,210
Deductions from Gross Operating Revenue	**(4,577,302)**	**(4,177,576)**
ICMS	(2,003,511)	(1,952,575)
PIS	(148,614)	(190,668)
COFINS	(684,526)	(878,230)
Energy Development Account - CDE	(1,598,875)	(981,992)
Research and Development - R&D	(32,345)	(39,232)
Energy Efficiency Program - PEE	(32,345)	(39,232)
Inspection Fee - ANEEL	(6,168)	(5,950)
Other Charges	(70,918)	(89,697)
Net Operating Income – NOI	**7,370,474**	**8,338,159**

a) Power Supply

The breakdown of Gross Revenue from electricity supply and supply by class of consumers is as follows:

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	09.30.2022	09.30.2021	09.30.2022	09.30.2021	09.30.2022	09.30.2021
Residential	2,598,383	2,523,026	5,108,254	4,945,463	3,833,134	3,499,937
Industrial	132,075	124,750	8,274,893	8,325,662	1,293,565	1,269,538
Commercial	307,047	295,623	3,520,570	3,243,034	2,019,338	1,802,149
Rural	228,201	231,183	820,911	901,733	553,321	528,175
Government	24,712	24,065	326,280	280,537	249,946	204,625
Public Lighting	1,048	938	438,937	471,476	217,790	213,071
Public Service	4,106	3,896	299,793	288,279	190,677	186,005
Reclassified Available Revenue Electricity Network – Captive Cons.	-	-	-	-	(2,578,732)	(2,347,273)
Total Supply	**3,295,572**	**3,203,481**	**18,789,638**	**18,456,186**	**5,779,039**	**5,356,227**
Power Supply	54	51	1,756,489	1,777,729	315,028	366,408
Total	**3,295,626**	**3,203,532**	**20,546,127**	**20,233,915**	**6,094,067**	**5,722,635**

(i) Unaudited information

33.3.2. Operating Costs and Expenses

Description	Cost of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
					09.30.2022
Electricity Purchased for Resale	4,862,218	-	-	-	4,862,218
Personnel	270,225	165,107	40,677	678	476,687
Actuarial Expense	-	90,494	-	-	90,494
Private Pension Entity	12,460	6,700	1,413	-	20,573
Supplies	23,580	6,750	-	12,272	42,602
Construction Costs	904,287	-	-	-	904,287
Outsourced Costs and Services	112,440	70,846	37,434	1,080	221,800
Depreciation and Amortization	181,802	19,396	348	-	201,546
Net Provisions	-	-	64,993	119,980	184,973
Other	12,114	(6,930)	26,061	(165,469)	(134,224)
Total	**6,379,126**	**352,363**	**170,926**	**(31,459)**	**6,870,956**

Description	Cost of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
					09.30.2021
Electricity Purchased for Resale	6,484,224	-	-	-	6,484,224
Personnel	241,162	128,313	42,686	16,895	429,056
Actuarial Expense	-	(3,738)	-	-	(3,738)
Private Pension Entity	10,422	5,438	1,543	-	17,403

Supplies	15,119	5,113	-	-	20,232
Construction Costs	497,884	-	-	-	497,884
Outsourced Costs and Services	93,842	53,834	46,570	1,014	195,260
Depreciation and Amortization	166,536	16,554	-	-	183,090
Net Provisions	-	-	77,433	17,467	94,900
Other	6,975	8,110	24,182	(52,986)	(13,719)
Total	**7,516,164**	**213,624**	**192,414**	**(17,610)**	**7,904,592**

ANEEL made available the SFF Technical Note 154, of August 18, 2021, which deals with the revision of the Electric Sector Accounting Manual - MCSE, effective as of January 1, 2022.

With the update of the MCSE, Celesc D, prospectively, made adjustments in the accounting of some accounts in the corporate accounting to reflect the same accounting performed in the regulatory accounting. The adjustments made in the accounting are in line with the accounting practices adopted in Brazil and in accordance with IFRS.

In the Balance Sheet, the billing of the Tariff Flags, previously accounted for in the Regulatory Rates group, is now recorded in the Sectorial Financial Liabilities group, both in Current Liabilities.

In the Income Statement, adjustments were made to Gross Revenue and Revenue Deductions, due to the accounting of the billing of the Tariff Flags previously recorded in the group of Other Charges, being transferred to Revenue from Financial Assets (Liabilities), in addition to the adjustment to the Operating Costs and Expenses, where the payments of civil, labor, tax, and environmental indemnifications and mass lawsuits are now directly recorded under Net Provisions rather than in Other Revenue/ Expenses as previously done.

34. COMPLEMENTARY INFORMATION ABOUT CELESC G

34.1. Statement of Financial Position – Assets

Assets	09.30.2022	12.31.2021
Current	**179,689**	**158,629**
Cash and Cash Equivalents	91,837	63,400
Trade Receivables	15,727	18,980
Inventory	74	77
Taxes Recoverable	10,818	2,297
Advance to Suppliers	1,805	1,805
Prepaid expenses	-	125
Dividends and Interest on Equity Receivable	2,132	1,054
Financial Assets – Concession Bonus	39,838	36,771
Financial Asset - Indemnification of the Pery Plant Basic Project	17,456	34,115
Other	2	5
Noncurrent	**800,572**	**765,735**
Achievable in the Long Term	**539,975**	**515,008**
Loans (Note 33.2)	78,719	71,174
Court Deposits	412	112
Taxes Recoverable	880	925
Indemnifiable Financial Assets - Concession	2,421	2,421
Financial Assets – Concession Bonus	302,570	292,578
Financial Asset - Indemnification of the Pery Plant Basic Project	137,373	132,798
Advance for Future Capital Increase	17,600	15,000
Investments	**93,584**	**88,423**
Property, Plant and Equipment	**120,416**	**114,462**
Intangible Assets	**46,597**	**47,842**
Total Assets	**980,261**	**924,364**

34.2. Statement of Financial Position – Liabilities

Liabilities	09.30.2022	12.31.2021
Current	**92,933**	**91,917**
Suppliers	7,808	8,864
Debentures	26,874	35,256
Taxes Payable	32,362	6,507
Regulatory Fees	553	398
Dividends and Interest on Equity	23,628	39,379
Other	1,708	1,513
Noncurrent	**129,900**	**141,024**
Debentures	41,993	57,401
Deferred Taxes	86,482	82,592
Regulatory Fees	1,425	1,031
Shareholders' Equity	**757,428**	**691,423**
Share Capital	450,000	450,000
Profit Reserves	219,448	227,324
Equity Valuation Adjustments	13,624	14,099
Retained Earnings	74,356	-

Total Liabilities	**980,261**	**924,364**

34.3. Results report

Description	09.30.2022	09.30.2021
Net Operating Income – NOI	**137,908**	**205,559**
Net Revenue from Electricity Sales	137,908	205,559
Sales Costs	**(27,919)**	**(38,475)**
Cost of operation	(27,919)	(38,475)
Gross profit	**109,989**	**167,084**
Operational expenses	**(7,381)**	**21,462**
With sales	(180)	28,744
General and Administrative	(15,253)	(12,385)
Other Operating Income and Expenses	4	(1,406)
Equity Pickup	8,048	6,509
Operating Result before Financial Result	**102,608**	**188,546**
Financial Result	**5,569**	**296**
Financial Income	13,743	5,528
Financial Expenses	(8,174)	(5,232)
Profit Before IRPJ and CSLL	**108,177**	**188,842**
Income Tax and Social Contribution	**(34,296)**	**(61,982)**
Current	(30,405)	(8,942)
Deferred	(3,891)	(53,040)
Net Income for the Period	**73,881**	**126,860**

34.3.1. Operating income

Description	09.30.2022	09.30.2021
Gross Operating Revenue - ROB (a)	**155,168**	**220,999**
Electricity Supply - Industrial	21,294	13,829
Electricity Supply - Industrial - Unbilled	856	974
Electricity Supply - Commercial	3,718	6,703
Electricity Supply	67,054	60,170
Electricity Supply - Not Billed	(3,620)	3,633
Short-Term Electricity	3,735	18,936
Financial Income Grant Bonus	42,678	46,168
Financial Revenue Usina Pery	19,453	70,586
Deductions from Operating Revenue	**(17,260)**	**(15,440)**
PIS	(2,516)	(2,242)
COFINS	(11,588)	(10,326)
Inspection Fee	(634)	(861)
Research and development - R&D	(1,476)	(920)
Financial Compensation for the Use of Water Resources	(1,046)	(1,091)
Net Operating Income – NOI	**137,908**	**205,559**

a) Power Supply

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	09.30.2022	09.30.2021	09.30.2022	09.30.2021	09.30.2022	09.30.2021
Industrial	11	9	90,557	65,895	22,150	14,803
Commercial, Services and Other	1	1	17,424	36,876	3,718	6,703
Power Supply	84	58	405,101	375,372	63,434	63,803
Total	**96**	**68**	**513,082**	**478,143**	**89,302**	**85,309**

(i) Unrevised information

34.3.2. Operating Costs and Expenses

					09.30.2022
Description	**Cost of Goods and/or Services**	**General and Administrative Expenses**	**Selling Expenses**	**Other Expenses/Revenues, Net**	**Total**
Electricity Purchased for Resale	13,223	-	-	-	13,223
Electricity Purchased for Resale CP	2,318	-	-	-	2,318
Charges from the Use of the Power Grid	2,332	-	-	-	2,332
Personnel	2,082	11,224	451	-	13,757
Supplies	733	108	-	-	841
Outsourced Costs and Services	4,861	2,827	246	-	7,934
Depreciation and Amortization	2,257	254	-	-	2,511
Insurance	125	220	-	-	345
Net Provisions	-	-	(563)	-	(563)
Taxes	(7)	102	46	-	141
Rental	-	90	-	(5)	85
Other	(5)	428	-	1	424

Total	**27,919**	**15,253**	**180**	**(4)**	**43,348**

					09.30.2021
Description	**Cost of Goods and/or Services**	**General and Administrative Expenses**	**Selling Expenses**	**Other Expenses/Revenues, Net**	**Total**
Electricity Purchased for Resale	13,389	-	-	-	13,389
Hydrological Risk Renegotiation – GSF	28,110	-	-	-	28,110
Charges from the Use of the Power Grid	1,979	-	-	-	1,979
Personnel	1,839	9,243	422	176	11,680
Supplies	283	337	-	-	620
Outsourced Costs and Services	3,574	2,335	154	-	6,063
Depreciation and Amortization	(10,646)	276	-	-	(10,370)
Insurance	160	-	-	-	160
Net Provisions	-	-	(29,365)	(489)	(29,854)
Taxes	(213)	74	45	-	(94)
Rental	-	77	-	-	77
Other	-	43	-	1,719	1,762
Total	**38,475**	**12,385**	**(28,744)**	**1,406**	**23,522**

35. SUBSEQUENT EVENTS

35.1. Early Redemption of 2018 Debentures – Celesc G

At a meeting held on October 5, 2022, the Board of Directors approved the full early optional redemption of Celesc G's 2nd Debenture Issue (Note 23.3) on November 1, 2022, as it understands that it allows for more efficient management and economic-financial planning not only for the issuer Celesc G but also for the guarantor Celesc H.
The debentures were redeemed on November 3, 2022, with the payment of R$26.5 million from the remaining principal, in addition to R$682.1 thousand as remuneration incurred until that date, and R$95.0 thousand as a premium for the early redemption.

35.2. Extension of the Loan between Celesc G and Celesc D

At the same meeting held on October 5, 2022, as mentioned above, the Board of Directors approved the extension of the loan agreement (Note 33.2, item i) executed between Celesc G (lender) and Celesc D (borrower) to adjust the distributor's cash flow to the operating and investment requirements, mitigating the risks of not complying with the financial obligations in 2022 and 2023.

Accordingly, the original maturity expected for November 1, 2022, was extended for 12 months, to November 1, 2023.

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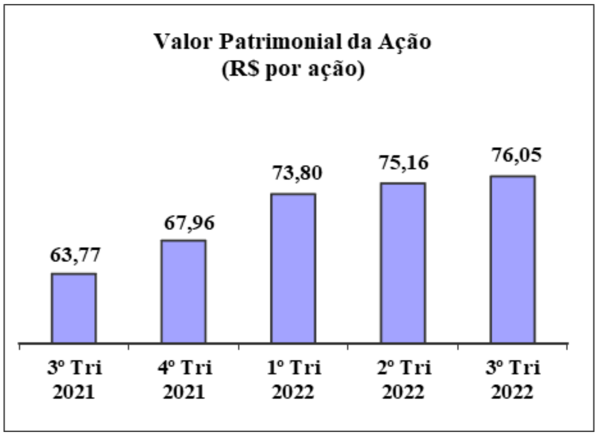
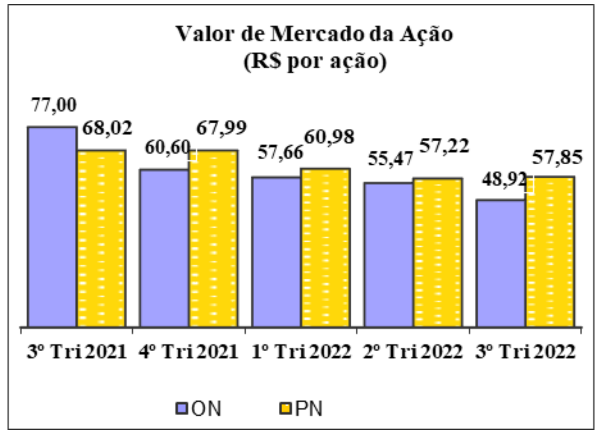
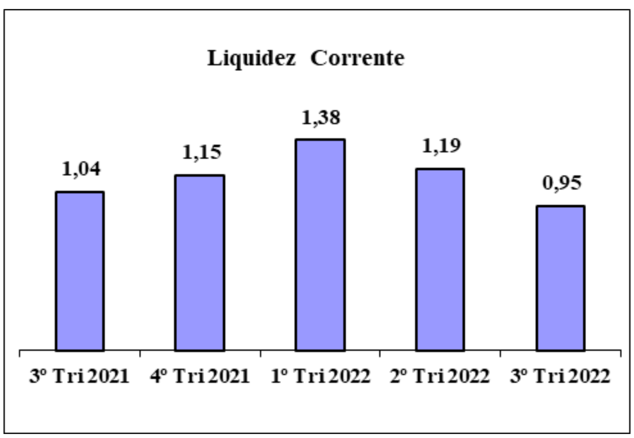
1. QUARTERLY FINANCIAL INDICATORS
(Unrevised information)

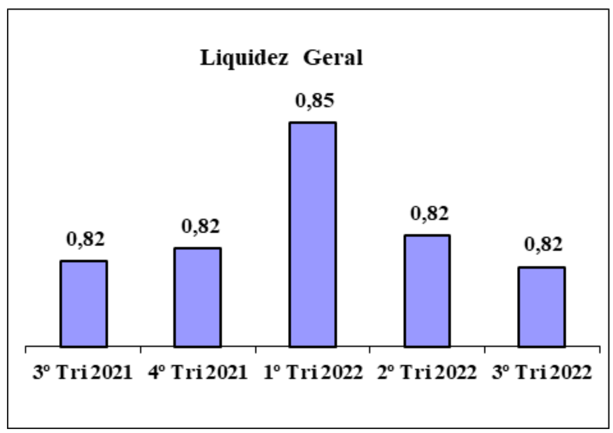
1.1. Equity



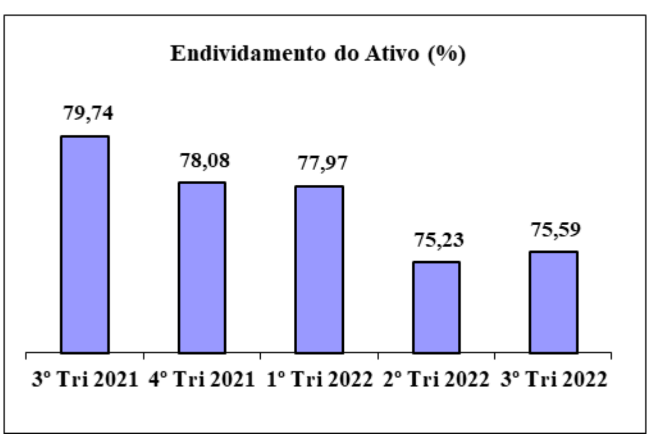


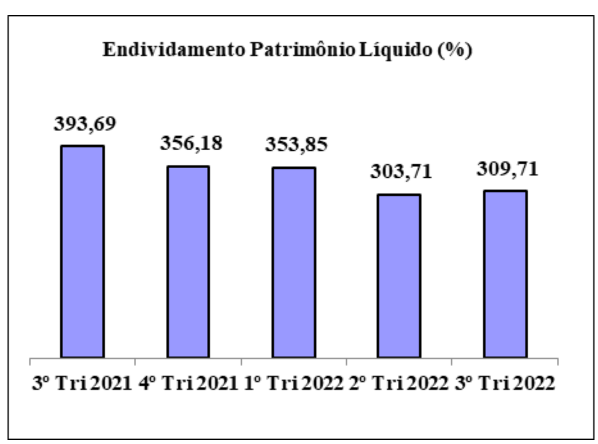
1.2. Liquidity



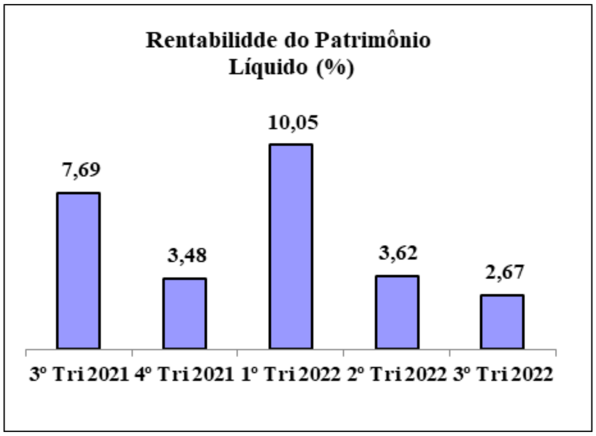


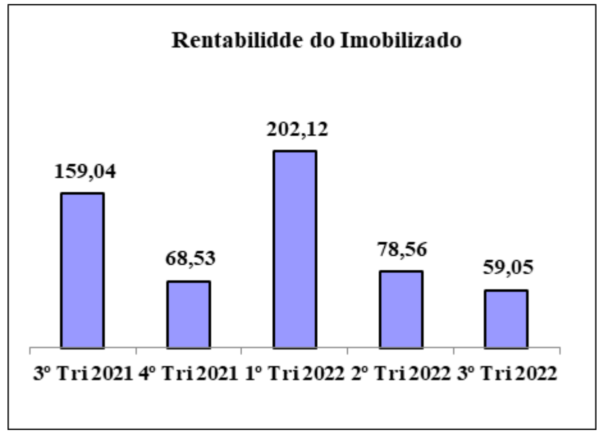
1.3. Indebtedness

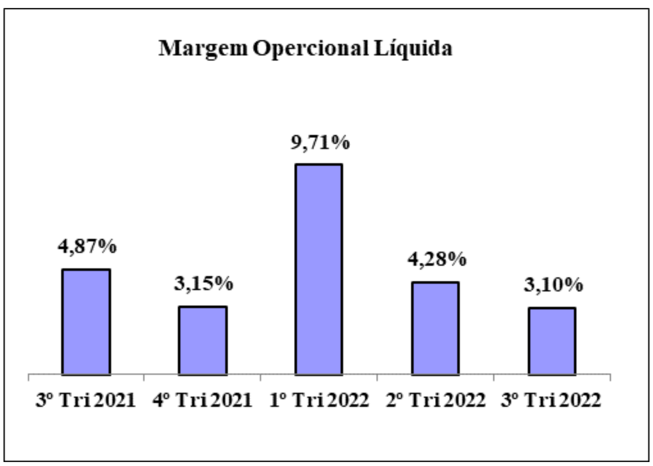


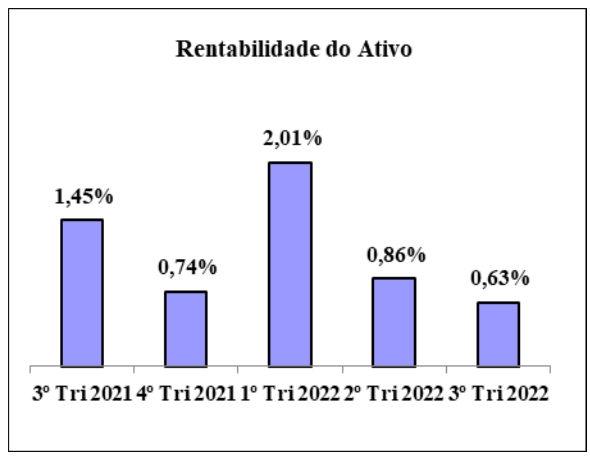


1.4. Profitability

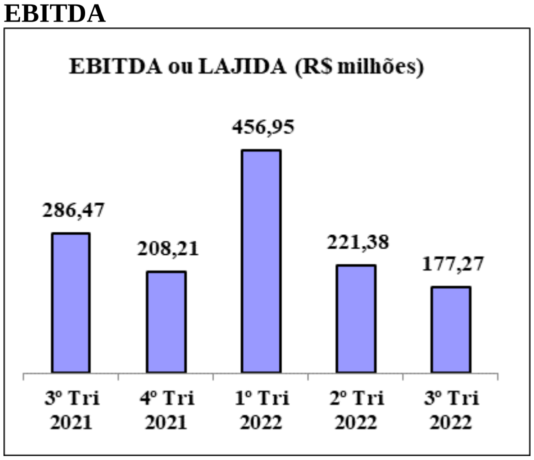


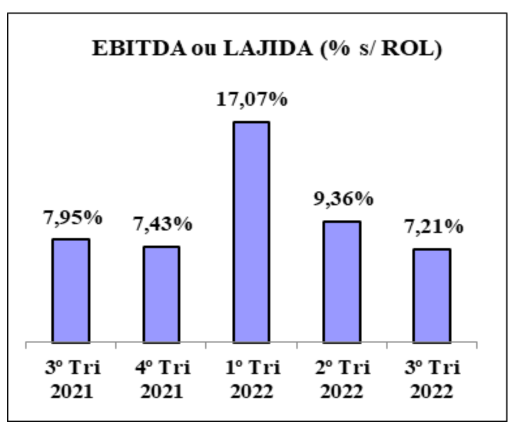






1.5. EBITDA





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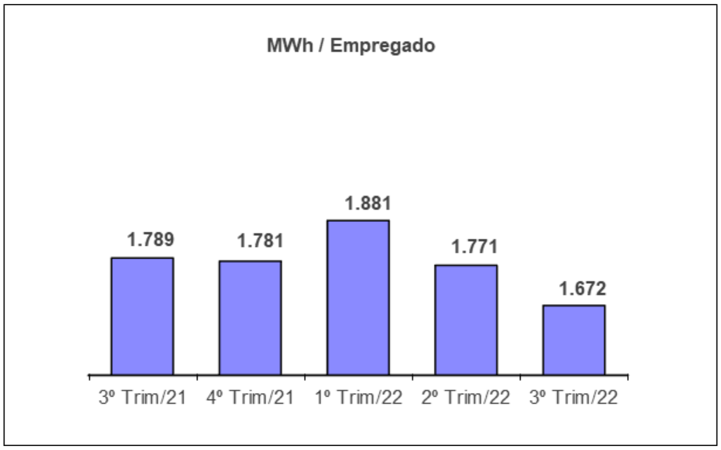
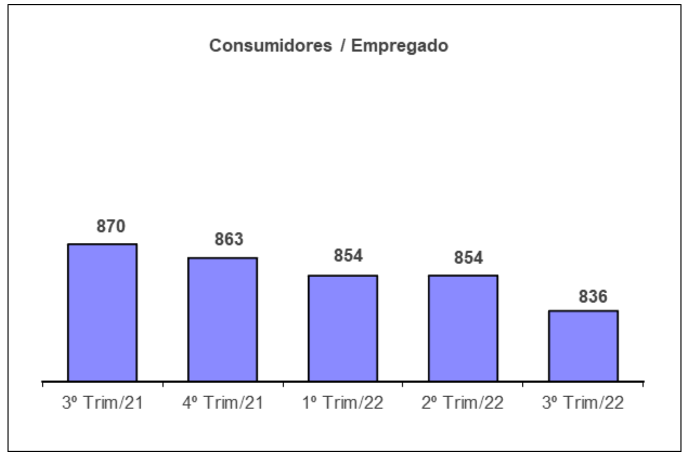
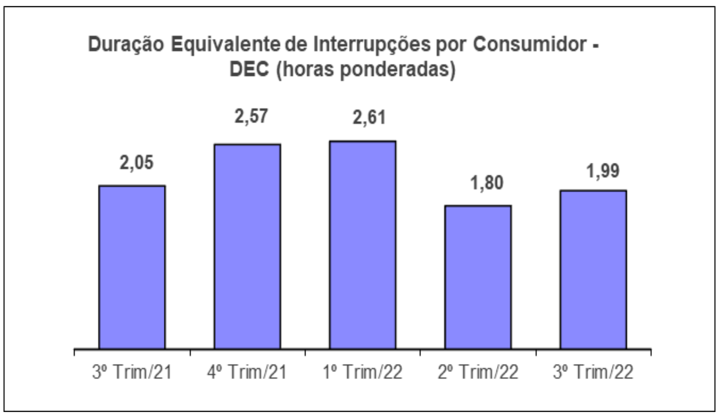
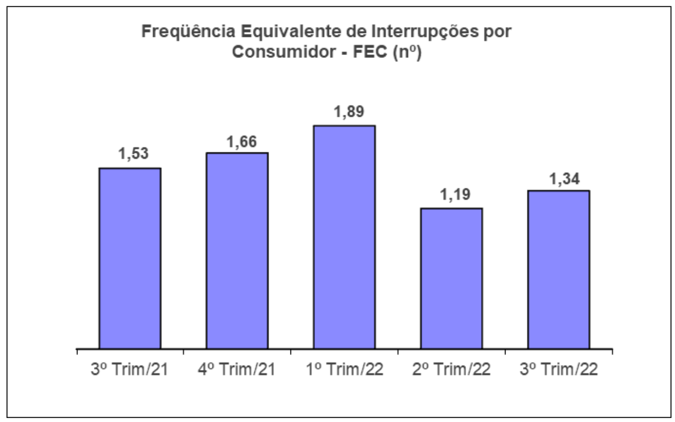
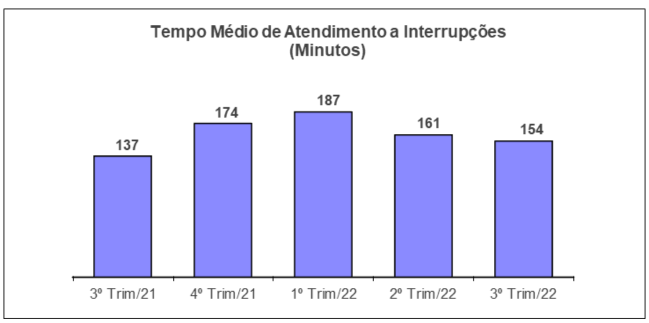
1.6. Efficiency

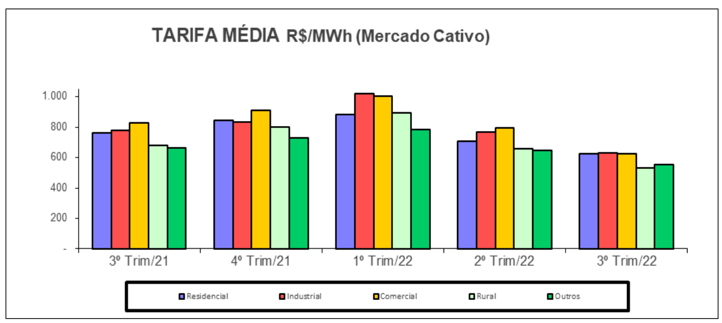












Centrais Elétricas de Santa Catarina S.A.

Quarterly Information (ITR) on September 30, 2022 and report on the review of quarterly information

Report on the review of quarterly information

To Management and Shareholders of
Centrais Elétricas de Santa Catarina S.A.

Introduction

We have reviewed the parent company and consolidated quarterly information of Centrais Elétricas de Santa Catarina S.A. ("Company") contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2022, including the statement of financial position as of September 30, 2022 and the respective income statements and statements of comprehensive income for the three- and nine-months periods then ended, as well as the statements of changes in equity and cash flows for the nine-month period then ended, including the notes to the quarterly information.

Management is responsible for preparing the parent company and consolidated quarterly financial information according to 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 Information Form (ITR). Our responsibility is to draw a conclusion on this quarterly information based on our review.

Scope of review

We have reviewed the quarterly information according to Brazilian and international standards on the review of quarterly information (NBC TR 2410 and ISRE 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of quarterly information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted under standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the quarterly information

Based on our review, nothing has come to our attention that causes us to believe that the parent company and consolidated quarterly information included in the quarterly information referred to above has not been prepared, in all material aspects, under CPC 21 and IAS 34, applicable to the preparation of the Quarterly Information Form (ITR) and presented under the standards issued by the Brazilian Securities and Exchange Commission.

PricewaterhouseCoopers Auditores Independentes Ltda., Avenida Rio Branco, 847, Salas 401, 402, 403 e 409, Florianópolis, SC, Brazil, 88015-205
Phone: 4004-8000, www.pwc.com.br

Centrais Elétricas de Santa Catarina S.A.

Other matters

Value Added Statement

The quarterly information referred to above includes the parent company and consolidated Value Added Statements for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's Management and presented as supplementary information for purposes of IAS 34. These statements were subject to review procedures performed together with the review of the quarterly information, with the purpose of evaluating whether they are reconciled to the interim financial information and accounting records, as applicable, and whether their form and content are under the criteria established in Technical Pronouncement CPC 09 – Value Added Statement. Based on our review, nothing has come to our attention that causes us to believe that the value added statements referred to above have not been prepared, in all material respects, according to the criteria defined in this Technical Pronouncement consistently to the parent company and consolidated quarterly information taken as a whole.

Florianópolis, November 11, 2022.

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Leandro Sidney Camilo da Costa
Accountant CRC 1SP236051/O-7

EXECUTIVE OFFICERS’ STATEMENT ON THE FINANCIAL STATEMENTS

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc have examined, reviewed, and agreed with all information in the Company’s Interim Financial Statements for the third quarter of 2022.

Cleicio Poleto Martins
Chief Executive Officer

Marcos Antônio Pacheco
Chief Financial and Investor Relations Officer

Fábio Valentim da Silva
Energy Regulation and Management Officer

Marcos Penna
Corporate Management Officer

José Carlos Ferreira Junior
Generation, Transmission and New Business Officer

Pilar Sabino da Silva
Planning, Control and Compliance Officer

Marco Aurélio Gianesini
Distribution Officer

Vitor Lopes Guimarães
Chief Commercial Officer

Rogéria Rodrigues Machado
Accountant – CRC/SC 024797/O-0

Celesc
Centrais Elétricas de Santa Catarina S.A.

GOVERNO DE SANTA CATARINA

EXECUTIVE OFFICERS' STATEMENT ON THE INDEPENDENT AUDITOR'S REPORT

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc have examined, reviewed and agreed with all information included in the Independent Auditors' Report on the Company's Interim Financial Statements for the third quarter of 2022.

Cleicio Poleto Martins
Chief Executive Officer

Marcos Antônio Pacheco
Chief Financial and Investor Relations Officer

Fábio Valentim da Silva
Energy Regulation and Management Officer

Marcos Penna
Corporate Management Officer

José Carlos Ferreira Junior
Generation, Transmission and New Business Officer

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