Business profile

Energisa Group has 112 years of history and is the sixth largest energy distribution group in Brazil in terms of energy consumption. In our segment we serve approximately 6.6 million consumers in nine Brazilian states - equal to 8.1% of the total number of consumers in Brazil. Energisa Group's activities include energy transmission investments, services and energy generation studies.

ENERGISA GROUP COVERAGE AREA

9 power distribution concessions across Brazil (*)

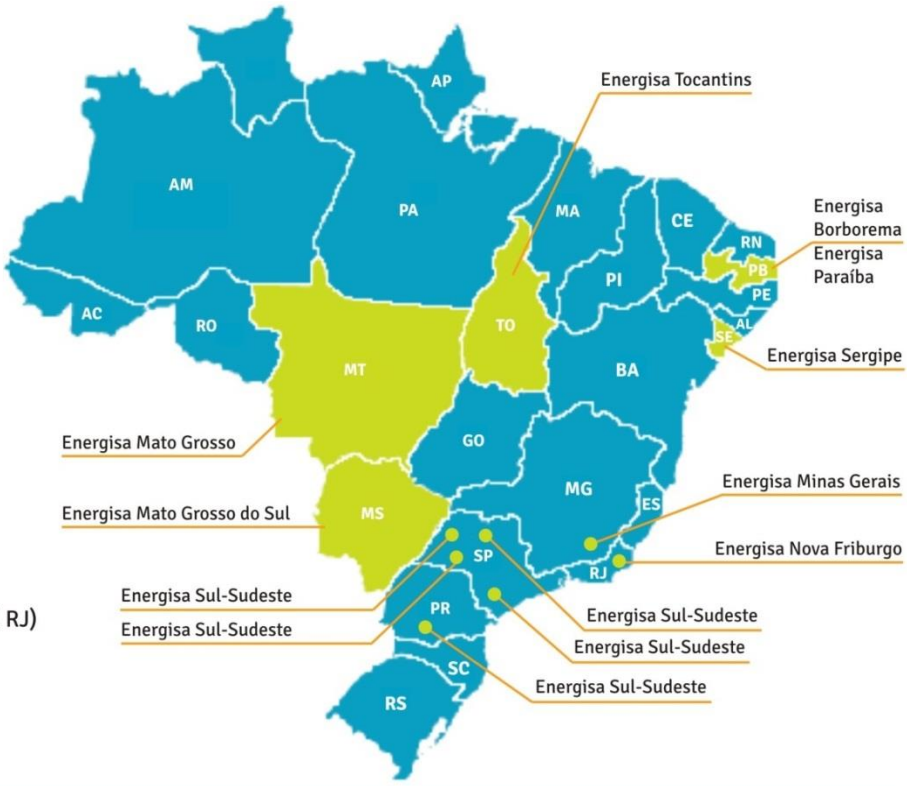
788
municipalities served

6.6 million
clients

16.3 million
people served
(8.1% of Brazil population)

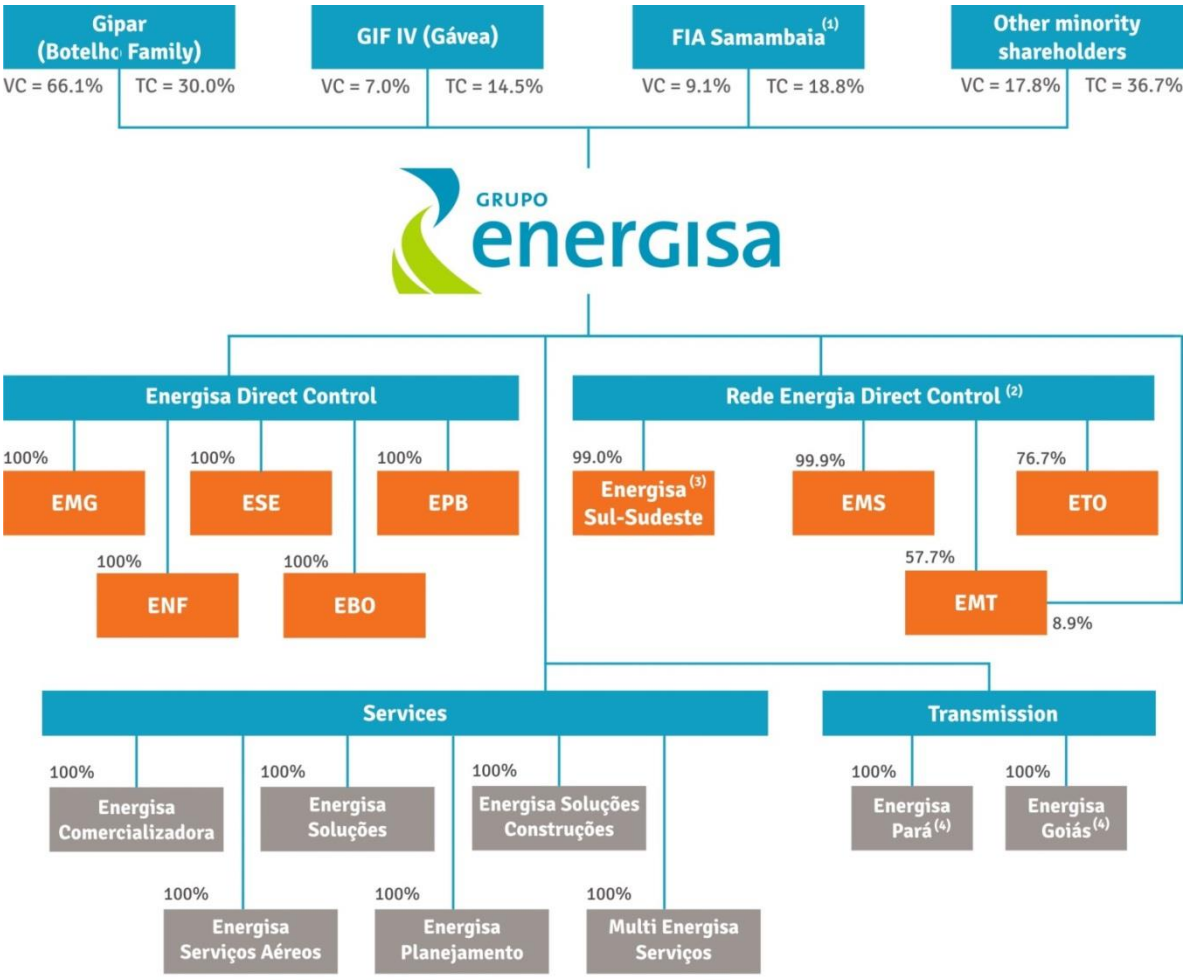
1,630,000 km²
total area covered
(19.1% of Brazil's territory)

6 Service companies (MG and RJ)



(*) On June 30, 2017, Energisa Sul-Sudeste (new company name for Caiuá Distribuidora de Energia S/A) incorporated the following distribution companies: CNEE, EDEVP, EEB and CFLO.

Corporate Structure of Energisa Group



VC = Voting Capital | TC = Total Capital
(1) Direct and indirect shareholding through investment vehicles.
(2) Energisa holds 96.2% of Rede Energia.
(3) On June 30, 2017, Energisa South Southeast (new company name for Caiuá Distribuidora de Energia S/A) incorporated the following distribution companies: CNEE, EDEVP, EEB and CFLO.
(4) Transmission SPEs under organization (Transmission Auction # 5/2016).

Highlights

Consolidated net income of R$ 75.0 million in 2Q17 and R$ 205.9 million in 6M17, an increase of 111.8%.

- **Consolidated consumption** (captive + free + uninvoiced) rose 2.6% in 2Q17 compared with 2Q16. In 6M17 consumption increased by 2.8% compared with the same period the previous year.
- **Adjusted EBITDA** amounted to R$ 471.2 million in 2Q17, an increase of 14.1% on the R$ 412.8 million reported in 2Q16. The figure in 6M17 was R$ 1,048.3 million, 22.6% more than in 6M16;
- **Consolidated net income** of R$ 75.0 million in 2Q17 compared with a loss of R$ 27.2 million in 2Q16. The year-to-date net income in 6M17 leapt to R$ 205.9 million, an increase of 111.8% over 6M16.
- Consolidated **PMSO** dropped 0,5% in 2Q17 (- R$ 2.2 million) and 2.4% in 6M17 (- R$ 23.0 million).
- **Net debt** of R$ 6,323.2 million, compared with R$ 6,141,9 million in March 2017 and R$ 6,021.5 million in December 2016. The ratio between net debt and Adjusted EBITDA (12 months ended June 2017) was 2.8, unchanged on March 2017;
- **Investments** amounted to R$ 645.7 million in 2Q17 and R$ 1,078.4 million in 6M17, growth of 50.5% and 47.4% over 2Q16 and 6M16 respectively.

Description	2Q17	2Q16	Change %	6M17	6M16	Change %
Financial indicators - R$ million						
Gross Operating Revenue	4,693.4	4,283.8	+ 9.6	9,383.8	8,798.4	+ 6.7
Net Operating Revenue, without construction revenue	2,699.4	2,345.2	+ 15.1	5,473.4	4,929.4	+ 11.0
PMSO	477.8	480.0	-0.5	925.6	948.6	- 2.4
EBITDA[1]	406.8	380.4	+ 6.9	937.8	784.2	+ 19.6
Adjusted EBITDA[1]	471.2	412.8	+ 14.1	1,048.3	855.2	+ 22.6
Net Income (loss)	75.0	(27.2)	-	205.9	97.2	+ 111.8
Net Indebtedness [2]	6,323.2	7,015.0	- 9.9	6,323.2	7,015.0	- 9.9
Investment	645.7	429.0	+ 50.5	1,078.4	731.7	+ 47.4
Consolidated Operating Indicators						
Invoiced captive energy sales (GWh)	6,139.7	6,235.2	- 1.5	12,384.5	12,609.9	- 1.8
Captive sales + Invoiced TUSD (GWh)	7,312.8	7,145.6	+ 2.3	14,685.2	14,358.0	+ 2.3
Captive sales + Uninvoiced TUSD (GWh)	7,199.2	7,014.7	+ 2.6	14,591.4	14,194.8	+ 2.8
Total Number of Consumers	6,593,918	6,446,779	+ 2.3	6,593,918	6,446,779	+ 2.3

(1) EBITDA is the sum of net income, taxes, finance income and depreciation/amortization, as per CVM Directive 527/12. Adjusted EBITDA = EBITDA + Arrears surcharge revenue. (2) Includes sector credits (CDE, CCC, CVA). (3) Excludes outsourced construction workers and outsourced workers of the distribution companies registered as company staff at the service providers.

Energy Market

Energisa Group's captive and free consumption (7,312.8 GWh) rose by 2.3% in the second quarter of 2017. If uninvoiced sales are included the consumption in 2Q17 rises to 7,199.2 GWh, an increase of 2.6% over the same quarter of 2016.

Total energy consumption was strong in the Midwest region, with an average increase of 3.9% at the distribution companies Energisa Mato Grosso (+ 4.8%) and Energisa Mato Grosso do Sul (+ 2.5%), driven by higher temperatures. Consumption in the quarter was also strong at Energisa Borborema (+ 3.5%) and Energisa Paraíba (+ 2.5%), thereby driving a consumption increase in the region of 1.3% compared with the same quarter the previous year. In the South/Southeast region, consumption grew by an average 1.1%, with Energisa Sul Sudeste recording a notable increase of 2.0%. Only three concessions experienced a market downturn on last year's quarter. Energisa Sergipe's free and captive consumption contracted by 0.7%, partly due to heavy rainfall and cooler temperatures in the quarter, in addition to lower consumption by two major clients. Energisa Nova Friburgo contracted by 2.1%, due to a colder winter in its concession area.

Description (Amounts in GWh)	2nd Quarter			1st Half		
	2Q17	2Q16	Change %	6M17	6M16	Change %
✓ Invoiced captive energy sales	6,139.7	6,235.2	- 1.5	12,384.5	12,609.9	- 1.8
✓ Energy transmitted to free clients (TUSD)	1,173.1	910.4	+ 28.9	2,300.7	1,748.1	+ 31.6
Subtotal (Captive Sales + Invoiced TUSD)	**7,312.8**	**7,145.6**	**+ 2.3**	**14,685.2**	**14,358.0**	**+ 2.3**
✓ Uninvoiced consumption	(113.6)	(130.9)	- 13.2	(93.8)	(163.2)	- 42.5
Subtotal (Captive Sales + Uninvoiced TUSD)	**7,199.2**	**7,014.7**	**+ 2.6**	**14,591.4**	**14,194.8**	**+ 2.8**

Net Income

Energisa presented consolidated net income of R$ 75.0 million in 2Q17, turning around the loss of R$ 27.2 million in 2Q16. This improvement is primarily explained by the R$ 121.1 million decrease in the financial result and higher gross cash generation (+R$ 26.4 million in EBITDA).

In 6M16 the consolidated net income amounted to R$ 205.9 million, an increase of 111.8% in relation to that recorded in the same period of 2016 due to the R$ 156.3 million increase in EBITDA.

See below the consolidated net income of Energisa and its subsidiaries by segment:

Net Income Amounts in R$ million	2nd Quarter			1st Half		
	2Q17	2Q16	Change %	6M17	6M16	Change %
Electricity distribution	**145.3**	**39.6**	**+ 266.9**	**359.9**	**269.4**	**+ 33.6**
Energisa Minas Gerais	0.9	(5.8)	-	13.4	(6.4)	-
Energisa Nova Friburgo	(1.1)	0.1	-	(1.1)	0.4	-
Energisa Sergipe	21.3	(1.2)	-	40.1	68.5	- 41.5
Energisa Borborema	6.3	6.1	+ 3.3	16.8	11.5	+ 46.1
Energisa Paraíba	40.6	15.2	+ 167.1	94.2	77.4	+ 21.7
Energisa Mato Grosso	49.3	32.6	+ 51.2	87.3	53.9	+ 62.0
Energisa Mato Grosso do Sul	(1.0)	4.8	-	32.5	33.7	- 3.6
Energisa Tocantins	24.6	(7.3)	-	30.8	7.9	+ 289.9
Energisa Sul-Sudeste (*)	4.4	(4.9)	-	45.9	22.5	+ 104.0
Sales and services	**0.5**	**4.4**	**- 88.6**	**5.6**	**3.0**	**+ 86.7**
ECOM	1.4	0.4	+ 250.0	4.7	(2.6)	-
ESOL Consolidated	(0.7)	0.6	-	(1.3)	2.9	-
Multi Energisa	0.2	3.3	- 93.9	2.0	2.3	- 13.0
Other operating expenses	(0.4)	0.1	-	0.2	0.4	- 50.0
Energisa - Consolidated	**75.0**	**(27.2)**	**-**	**205.9**	**97.2**	**+ 111.8**

(*) On June 30, 2017, the distribution companies: Empresa de Distribuição de Energia Vale Paranapanema S/A, Empresa Elétrica Bragantina S/A, Companhia Nacional de Energia Elétrica and Companhia Força e Luz do Oeste were merged into Caiuá - Distribuição de Energia S/A. For managerial purposes, the amounts shown in the table above denote the total of the five distribution companies.

Reconciliation of net income and EBITDA

Description (R$ thousand)	Quarters			Accumulated		
	2Q17	2Q16	Change %	6M17	6M16	Change %
(=) Consolidated net income	**75.0**	**(27.2)**	**-**	**205.9**	**97.2**	**+ 111.8**
(-) Income and social contribution taxes	(6.0)	23.3	-	(65.0)	(55.3)	+ 17.5
(-) Financial income/expenses	(141.0)	(262.1)	- 46.2	(293.0)	(287.0)	+ 2.1
(-) Depreciation and amortization	(184.8)	(168.8)	+ 9.5	(373.9)	(344.7)	+ 8.5
(=) EBITDA	**406.8**	**380.4**	**+ 6.9**	**937.8**	**784.2**	**+ 19.6**
(+) Arrears surcharge revenue	64.4	32.4	+ 98.8	110.5	71.0	+ 55.6
(=) Adjusted EBITDA, with asset sale	**471.2**	**412.8**	+ 14.1	**1,048.3**	**855.2**	+ 22.6
EBITDA Margin (%)	13.2	14.0	- 0.8 p.p	15.3	14.1	+ 1.2 p.p
Adjusted EBITDA Margin (%)	15.3	15.2	+ 0.1 p.p	17.1	15.4	+ 1.7 p.p

Capital market

Stock performance

Traded on the São Paulo Stock Exchange (B3), the Energisa shares with the greatest liquidity ENGI11 – Units (consisting of 1 common share and 4 preferred shares) appreciated by 30.1% in 6M17 and 42.8% in the last 12 months, which explains the 64% decrease in the dividend yield.

See below market indicators for the end of June:

Market Indexes	June/2017	June/2016	Change %
Price of ENGI11 (Unit) at close (R$ /Unit)	23.88	17.00	+ 40.5
Price of ENGI3 (ON - common) at close (R$ /share)	6.40	3.00	+ 113.3
Price of ENGI4 (PN - preferred) at closed (R$ /share)	4.28	2.91	+ 47.1
Market Value (R$ million)	9,021	4,352	+ 107.3
Enterprise Value (EV - R$ million) (1)	15,344	11,367	+ 35.0
Dividend yield of ENGI11 (Units) - % (2)	1.8	5.0	- 64.0
Market Value / Shareholders' Equity (times)	1.9	2.0	- 5.0
Average daily volume traded - Units (R$ million)	18.5	0.1	+ 18,400.0

(1) EV = Market value (R$/unit x amount of units) + consolidated net debt.
(2) Proceedings paid out in the last four quarters / closing price of the Units.

Subsequent events

Aneel approves first annual rate adjustment of Energisa Sul Sudeste

By way of Resolution 6318, on April 25, 2017 the National Electricity Regulatory Agency ("Aneel") approved the grouping of the CFLO, CNEE, EDEVP, EEB and ESS concession areas into a single concession, serving 756 thousand consumers in 82 municipalities, covering an area of approximately 30 thousand km². This concession grouping process was completed on June 30, 2017.

On July 11, 2017, the Aneel executive board approved the first rate adjustment index of Energisa Sul-Sudeste - Distribuidora de Energia S/A, effective from July 12, 2017, which will have a single rate. As the distribution companies used to have different rates, the average increase felt by consumers in the new concession grouped in this first year will be differentiated, as per the table below:

Average Effect on the Consumer (%)					
Description	Caiuá	EEB	EDEVP	CNEE	CFLO
High Voltage	6.35	- 9.19	0.70	7.85	13.01
Low Voltage	0.64	- 11.0	- 2.37	4.77	- 7.54
Average Total Effect	2.13	- 10.32	- 1.46	5.52	- 0.60

The annual rate adjustment process consists of passing through to consumers the uncontrollable concession costs (A Portion - energy purchases, sector charges and transmission charges) and the restatement of controllable costs (B Portion) by the variance of the IPCA price index less the X Factor, which passes through to consumers the annual productivity gains made by the concession operator.

The change in costs of ESS' A Portion was 6.60%, driven by transmission costs. The average pass-through price of energy purchase contracts ("PMix") was set at R$ 167.39 / MWh. The ESS' B Portion was ratified at R$ 361.7 million, an increase of 0.64%.

Energisa raises R$ 374.9 million in public debentures offering

On July 19, 2017 Energisa completed the financial settlement of the public distribution offering of 374,946 of its 8th issuance, including additional and supplementary debentures, all of which are registered, book-entered, simple, nonconvertible ordinary debentures with an additional guarantee in two series, amounting to R$ 374.9 million, as follows:

Description	Issuance Date	No. Securities Issued	Total Amount (R$ thousand)	Compensation	Maturity
First Series	6/15/2017	197,598	197.6	IPCA + 5.6000%	6/15/2022
Second Series	6/15/2017	177,348	177.3	IPCA + 5.6601%	6/15/2024

For this issuance the company secured a financial derivative with a view to swapping the entire compensation for approximately 102% of the CDI rate (Interbank Deposit Certificate).

The total net funds secured by the Company through this issuance will be used for the future payment and/or reimbursement of expenses that have occurred in a term equal to or less than 24 (twenty-four) months before the end of the Offering, and which are related to the project entailing investments in distribution lines (SDAT) and substations (SED) already made or to be made by the subsidiary distribution companies of the projects.

Subsidiaries raise R$ 374.9 million in private debenture offering

On July 19, 2017 the electricity distribution companies mentioned below, subsidiaries of Energisa S/A, completed the placement of simple, nonconvertible, ordinary debentures in two series for private placement, with an issuance date of June 15, 2017. The series 1 debentures will yield interest at the IPCA rate + 5.6000% per annum, maturing on June 15, 2022, and the series 2 debentures yield interest of IPCA rate + 5.6601% per annum, maturing on June 15, 2024, amounting to the total of R$ 374.9 million, as follows:

Description	Series 1 debentures (R$ million)	Series 1 debentures (R$ million)	Total Amount (R$ million)
EMT	81.9	73.5	155.4
ETO	39.8	35.7	75.5
EDEVP	24.6	22.1	46.7
EEB	18.4	16.5	34.9
EPB	15.2	13.6	28.8
ESE	9.3	8.4	17.7
EMG	8.4	7.5	15.9
Total	**197.6**	**177.3**	**374.9**

The total net funds secured by the distribution companies will be entirely invested in distribution lines (SDAT) and substations (SED) already made or to be made by the Companies.

Energisa to pay 2017 dividends in advance

On August 9, Energisa's Board of Directors approved the payment of intermediary dividends related to the 2017 net result, which amounted to R$ 96.9 million (R$ 0.28 per Unit or R$ 0.056 per common and preferred share). These dividends will be paid as of September 1st, and shareholders with a position in the Company on or before 08/14/17 will be entitled to such dividends.

Investments

In 2Q17, investments amounted to R$ 645.7 million, an increase of 50.5% on the R$ 429.0 million invested in the same period the previous year. Most of the investments in electricity assets were made in the concession operators that will undergo 4CRTP in 2017 and 2018 (EPB, EMT, EMS and ESE).

The investments made by subsidiary in 2Q17 and 6M17 were as follows:

Investment Quarter Amounts in R$ million	Total Investment			Total Investment		
	2Q17	2Q16	Change %	6M17	6M16	Change %
EMG	23.4	14.2	+ 64.8	45.1	22.2	+ 103.2
ENF	1.9	1.7	+ 11.8	3.6	3.2	+ 12.5
ESE	30.6	24.0	+ 27.5	53.5	42.9	+ 24.7
EBO	3.1	4.0	- 22.5	6.4	10.3	- 37.9
EPB	35.6	43.8	- 18.7	68.6	79.1	- 13.3
EMT	256.5	163.0	+ 57.4	373.8	282.6	+ 32.3
EMS	192.6	64.6	+ 198.1	341.8	107.5	+ 218.0
ETO	50.8	81.3	- 37.5	85.7	131.5	- 34.8
ESS	36.3	28.7	+ 26.5	59.6	42.5	+ 40.2
Total distribution companies	**630.8**	**425.3**	**+ 48.3**	**1,038.1**	**721.8**	**+ 43.8**
Energisa Soluções e Construções	8.8	1.4	+ 528.6	16.3	4.3	+ 279.1
Others	6.1	2.3	+ 165.2	24.0	5.6	+ 328.6
Total	**645.7**	**429.0**	**+ 50.5**	**1,078.4**	**731.7**	**+ 47.4**

The Consolidated Income Statement

Statement of Income Amounts in R$ million	2nd Quarter			1st Half		
	2Q17	2Q16 (Re-presented)	Change %	6M17	6M16 (Re-presented)	Change %
Gross Revenue	**4,693.4**	**4,283.8**	**+ 9.6**	**9,383.8**	**8,798.4**	**+ 6.7**
Deductions	(1,609.0)	(1,576.0)	+ 2.1	(3,237.4)	(3,247.2)	- 0.3
Net Revenue	**3,084.4**	**2,707.8**	**+ 13.9**	**6,146.4**	**5,551.2**	**+ 10.7**
Net Revenue ex. construction	**2,699.4**	**2,345.2**	**+ 15.1**	**5,473.4**	**4,929.4**	**+ 11.0**
Uncontrollable Expenses	(1,727.1)	(1,518.0)	+ 13.8	(3,494.3)	(3,172.0)	+ 10.2
Purchased Energy	(1,619.2)	(1,360.4)	+ 19.0	(3,249.1)	(2,807.4)	+ 15.7
Transmission of Electric Power	(107.9)	(157.6)	- 31.5	(245.2)	(364.6)	- 32.7
Controllable Expenses	(538.1)	(440.8)	+ 22.1	(1,028.9)	(956.0)	+ 7.6
PMSO	(477.8)	(480.0)	- 0.5	(925.6)	(948.6)	- 2.4
Personnel	(221.5)	(228.0)	- 2.9	(436.3)	(445.0)	- 2.0
Pension Fund	(18.7)	(15.5)	+ 20.6	(38.2)	(29.4)	+ 29.9
Material	(34.4)	(34.0)	+ 1.2	(65.8)	(72.9)	- 9.7
Services	(155.8)	(160.2)	- 2.7	(295.1)	(307.1)	- 3.9
Other	(47.4)	(42.3)	+ 12.1	(90.2)	(94.2)	- 4.2
Provisions/Reversals	(60.3)	39.2	-	(103.3)	(7.4)	+ 1,295.9
Provision for Contingencies	(23.9)	14.9	-	(39.2)	20.5	-
Allowance for Doubtful Accounts	(36.4)	24.3	-	(64.1)	(27.9)	+ 129.7
Depreciation and Amortization	(184.8)	(168.8)	+ 9.5	(373.9)	(344.7)	+ 8.5
Other Revenue/Expenses	(27.3)	(6.1)	+ 347.5	(12.3)	(17.1)	- 28.1
EBITDA	**406.8**	**380.4**	**+ 6.9**	**937.8**	**784.2**	**+ 19.6**
Financial Income/Loss	(141.0)	(262.1)	- 46.2	(293.0)	(287.0)	+ 2.1
Financial Revenue	*140.3*	*170.5*	*- 17.7*	*295.7*	*375.0*	- 21.1
Financial Expense	*(281.3)*	*(432.6)*	*- 35.0*	*(588.7)*	*(662.0)*	- 11.1
Equity in net income of subsidiaries and associated companies	-	-	-	-	-	-
Net income before tax	**81.1**	**(50.6)**	**-**	**270.9**	**152.6**	**+ 77.5**
Taxes	(6.0)	23.3	-	(65.0)	(55.3)	+ 17.5
Net Income	**75.0**	**(27.2)**	**-**	**205.9**	**97.2**	**+ 111.8**
Attributable to controlling interests	59.6	(31.1)	-	179.4	80.1	+ 124.0
Attributable to noncontrolling interests	15.4	3.9	+ 294.9	26.5	17.1	+ 55.0
Adjusted EBITDA	**471.2**	**412.8**	**+ 14.1**	**1,048.3**	**855.2**	**+ 22.6**

(1) The construction costs are represented by the same amount in construction revenue. These amounts must be recognized under ICPC 01 – Concession Agreements and denote the construction costs of assets in the electricity distribution concession, where the construction cost is the same as the construction revenue. | (2) EBITDA is the sum of net income, taxes, finance income and depreciation/amortization, as per CVM Directive 527/12. Adjusted EBITDA = EBITDA + Arrears surcharge revenue.

3 Services rendered by the independent auditor

In accordance with the mandatory rotation established in article 31 of CVM Normative Instruction 308, issued May 14, 1999, and pursuant to the guidelines issued by the Company's audit and risk committee, the board of directors approved the engagement of Ernst & Young Auditores Independentes as the Company's new independent auditor from the first quarter of 2017.

The total remuneration of these independent auditors for the services provided to Energisa S/A in the first six months of 2017 was R$ 843 thousand for reviewing the financial statements. The Company's engagement policy complies with the principles that sustain the auditor's independence, in accordance with existing standards, which mainly determine that the auditor should not audit its own work, perform managerial duties for its client or pursue its interests.

Management.

Financial Statements

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Individual Financial Statements - Statement of Financial Position - Assets
(Thousands of Reais)

	Current Quarter 6/30/2017	Previous Year 12/31/2016
Total Assets	**5,910,485**	**5,772,385**
Current Assets	**946,759**	**982,021**
Cash and Cash Equivalents	122,669	41,878
Short-term Investments	677,129	797,525
Short-term investments appraised at fair value	677,129	797,525
Marketable Securities	677,129	797,525
Accounts Receivable	27,326	5,989
Trade receivables	27,326	5,989
Inventory	63	59
Recoverable taxes	48,329	32,477
Other Current Assets	71,243	104,093
Other	71,243	104,093
Dividends receivable	2,225	32,293
Derivative financial instruments	1,163	-
Other accounts receivable	67,855	71,800
Non-current Assets	**4,963,726**	**4,790,364**
Non-current Assets	773,007	736,364
Related-party credits	763,791	710,946
Other non-current assets	9,216	25,418
Tax credits	2,375	2,375
Restricted deposits and escrows	99	96
Recoverable taxes	6,742	21,599
Derivative Financial Instruments	-	1,348
Investments	**4,142,061**	**4,026,069**
Equity Interests	4,142,061	4,026,069
Interest in Subsidiaries	4,132,082	4,016,090
Other Equity Interests	9,979	9,979
Property, plant and equipment	**38,862**	**18,332**
Intangible assets	**9,796**	**9,599**
Intangible assets	9,796	9,599

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Individual Financial Statements - Statement of Financial Position - Liabilities
(Thousands of Reais)

	Current Quarter 6/30/2017	Previous Year 12/31/2016
Total Liabilities	**5,910,485**	**5,772,385**
Current Liabilities	295,604	298,596
Payroll and labor obligations	5,826	3,791
Payroll Obligations	5,826	3,791
Taxes and social contributions	5,826	3,791
Trade accounts payable	2,398	2,370
Domestic Trade Payables	2,398	2,370
Loans and Financing	209,936	191,942
Loans and Financing	82,437	81,162
In foreign currency	82,437	81,162
Debentures	127,499	110,780
Other Obligations	77,444	100,493
Other	77,444	100,493
Dividends and interest on equity payable	2,971	14,533
Debt charges - foreign currency	284	568
Employee benefits - pension plan	597	597
Estimated obligations	5,301	2,338
Derivative financial instruments	12,665	27,637
Other accounts payable	55,626	54,820
Non-current Liabilities	**1,843,933**	**1,791,922**
Loans and Financing	1,448,610	1,503,850
Loans and Financing	-	81,163
In foreign currency	-	81,163
Debentures	1,448,610	1,422,687
Other Obligations	394,269	286,773
Related-party liabilities	382,454	269,608
Debts to other related parties	382,454	269,608
Other	11,815	17,165
Employee benefits - Pension Plan	1,953	1,655
Provision for labor, civil and tax risks	1,353	1,332
Derivative financial instruments	4,907	10,624
Other accounts payable	3,602	3,554
Deferred Taxes	1,054	1,299
Deferred Income and Social Contribution Taxes	1,054	1,299
Shareholders' Equity	**3,770,948**	**3,681,867**
Realized Capital	2,795,963	2,795,963
Capital Reserves	(62,727)	(59,602)
Stock issuance cost	(65,723)	(65,723)
Other Reserves	2,996	6,121
Profit Reserves	997,959	1,085,122
Legal Reserve	121,489	121,489
Profit Retention Reserve	876,470	876,470
Additional dividend proposed	-	87,163
Retained earnings/Accumulated losses	179,369	-
Other Comprehensive Income	(139,616)	(139,616)

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Individual Financial Statements / Income Statement
(Thousands of Reais)

	Current Quarter 4/1/2017 to 6/30/2017	Accrued Value of the Current Year 1/1/2017 to 6/30/2017	Same Quarter of the Prior Year 4/1/2016 to 6/30/2016	Accrued Value of the Prior Year 1/1/2016 to 6/30/2016
Revenue from Goods and Services Sold	**32,954**	**47,044**	**17,612**	**33,121**
Cost of goods sold and/or services sold	**(16,440)**	**(26,056)**	**(7,261)**	**(13,932)**
Personnel and management	(13,377)	(20,410)	(5,156)	(9,858)
Material	(102)	(170)	(37)	(80)
Outsourced Services	(1,942)	(3,271)	(1,222)	(2,186)
Depreciation and Amortization	(742)	(1,501)	(626)	(1,251)
Other expenses	(277)	(704)	(220)	(557)
Gross Profit	16,514	20,988	10,351	19,189
Operating Income/Expenses	52,138	180,445	(11,733)	123,503
General and Administrative Expenses	(9,905)	(15,447)	(5,074)	(9,305)
Personnel and management	(4,147)	(5,797)	(1,263)	(2,415)
Private Pension Fund	(136)	(239)	(76)	(148)
Material	(230)	(397)	(95)	(209)
Outsourced Services	(4,920)	(8,047)	(3,333)	(5,844)
Depreciation and Amortization	(383)	(735)	(288)	(577)
Other	(89)	(232)	(19)	(112)
Other Operating Income	-	-	2	13
Other	-	-	2	13
Other Operating Expenses	-	-	(35)	(35)
Other Expenses	-	-	(35)	(35)
Equity in Net Income of Subsidiaries	62,043	195,892	(6,626)	132,830
Earnings before Financial Income and Tax	**68,652**	**201,433**	**(1,382)**	**142,692**
Financial Income/Loss	**(9,040)**	**(22,064)**	**(35,605)**	**(68,481)**
Financial Revenue	**49,364**	**105,826**	**35,183**	**71,268**
Revenue from short-term investments	18,306	44,851	6,503	14,770
Revenue from loan restatement	24,973	48,771	22,782	44,781
Revenue on endorsement commission	8,533	16,700	6,146	12,789
Taxes on finance revenue	(2,510)	(5,100)	(1,873)	(3,850)
Other financial revenue	62	604	1,625	2,778
Financial Expenses	**(58,404)**	**(127,890)**	**(70,788)**	**(139,749)**
Charges and debts - interest	(34,226)	(69,153)	(68,584)	(148,475)
Mark-to-market of derivatives	4,007	10,676	26,066	43,038
Derivative financial instruments	(68)	(11,993)	(42,390)	(72,090)
Debt charges - monetary and exchange variance	(16,983)	(31,400)	27,264	64,363
Bank Charges	(641)	(2,481)	(1,667)	(3,109)
IOF	(1,518)	(2,763)	(788)	(1,071)
Expense on endorsement commission	(2,813)	(5,625)	(2,500)	(5,000)
Expense on loan restatement	(6,356)	(14,873)	(7,099)	(14,541)
Mark-to-market of debt securities	176	(362)	(361)	(813)
Other financial expenses	18	84	(729)	(2,051)
Earnings before tax on net income	**59,612**	**179,369**	**(36,987)**	**74,211**
Income and Social Contribution Taxes on Profit	**-**	**-**	**5,883**	**5,883**
Deferred charges	**-**	**-**	**5,883**	**5,883**
Net Income from Continued Operations	**59,612**	**179,369**	**(31,104)**	**80,094**
Net Income/Loss for the Period	**59,612**	**179,369**	**(31,104)**	**80,094**
Earnings per share - (Reais / Share)				
Basic Earnings per Share				
Common	0.034461	0.103692	(0.023270)	0.059920
Preferred	0.034461	0.103692	(0.023270)	0.059920
Diluted Earnings per Share				
Common	0.034461	0.103692	(0.023270)	0.059920
Preferred	0.034461	0.103692	(0.023270)	0.059920

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Individual Financial Statements / Statement of Comprehensive Income
(Thousands of Reais)

	Current Quarter 4/1/2017 to 6/30/2017	Accrued Value of the Current Year 1/1/2017 to 6/30/2017	Same Quarter of the Prior Year 4/1/2016 to 6/30/2016	Accrued Value of the Prior Year 1/1/2016 to 6/30/2016
Net income for the period	**59,612.00**	**179,369.00**	**(31,104.00)**	**80,094.00**
Other Comprehensive Income	**-**	**-**	**-**	**(236.00)**
Other Comprehensive Income	-	-	-	(236.00)
Comprehensive Income for the Period	59,612.00	179,369.00	(31,104.00)	79,858.00

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Individual Financial Statements / Statement of Cash Flows - Indirect Method
(Thousands of Reais)

	Accrued Value of the Current Year 1/1/2017 to 6/30/2017	Accrued Value of the Prior Year 1/1/2016 to 6/30/2016
Net Cash from Operating Activities	**(3,244)**	**(23,330)**
Cash Provided by Operating Activities	**9,217**	**12,176**
Net income for the period	179,369	80,094
Expenses on interest and monetary and exchange variance - net	21,825	39,102
Equity in income of associates	(195,892)	(132,830)
Depreciation and amortization	2,236	1,828
Derivative financial instruments	11,993	72,090
Mark-to-market of derivatives	(10,676)	(43,038)
Deferred income and social contribution taxes	-	(5,883)
Mark-to-market of debts	362	813
Changes in Assets and Liabilities	(12,461)	(35,506)
Decrease (increase) in receivables	(21,337)	(2,644)
(Increase) in secured funds	-	(18)
(Increase) in inventories	(4)	-
(Increase) in escrow deposits	(3)	-
Decrease (increase) in recoverable taxes	(995)	(38,938)
Decrease in other accounts receivable	3,945	6,576
Increase (Decrease) in trade payables	28	19
Increase in taxes and social contributions	1,790	2,963
Increase in estimated obligations	2,963	1,081
Increase (decrease) in other accounts payable	1,152	(4,545)
Net Cash from Investment Activities	**343,026**	**49,365**
Capital increase and acquisition of shares in subsidiaries and other investments	(311)	(1,207)
Acquisition of property, plant and equipment	(21,418)	(4,437)
Additions to Intangible assets	(1,545)	-
Receipt of dividends	107,154	96,627
Short-term Investments	165,247	(68,542)
Sale of property, plant and equipment	-	36
Related parties	93,899	26,888
Net Cash from Financing Activities	**(258,991)**	**(24,057)**
New loans and financing obtained	-	270,000
Payment of loans, debentures - principal	(79,617)	(250,274)
Payment of loans, debentures - interest	(58,828)	(62,505)
Settlement of derivative financial instruments	(21,821)	93,859
Payment of dividends	(98,725)	(75,137)
Increase (Decrease) in Cash and Cash Equivalents	**80,791**	**1,978**
Opening Balance of Cash and Cash Equivalents	41,878	222,737
Closing Balance of Cash and Cash Equivalents	122,669	224,715

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Individual Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2017 to 6/30/2017
(Thousands of Reais)

	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
Opening Balances	**2,795,963**	**(59,602)**	**1,085,122**	**-**	**(139,616)**	**3,681,867**
Prior-year Adjustments						
Adjusted opening balance	**2,795,963**	**(59,602)**	**1,085,122**	**-**	**(139,616)**	**3,681,867**
Capital transactions with shareholders	**-**	**(1,616)**	**(87,163)**	**-**	**-**	**(88,779)**
Additional dividends proposed	-	-	(87,163)	-	-	(87,163)
Capital transactions - MTM financial instrument - reflection	-	(1,616)	-	-	-	(1,616)
Total Comprehensive Income	**-**	**(1,509)**	**-**	**179,369**	**-**	**177,860**
Net income for the period	-	-	-	179,369	-	179,369
Other Comprehensive Income	-	(1,509)	-	-	-	(1,509)
Gain/Loss on Investments	-	(1,509)	-	-	-	(1,509)
Closing Balances	**2,795,963**	**(62,727)**	**997,959**	**179,369**	**(139,616)**	**3,770,948**

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Individual Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2016 to 6/30/2016
(Thousands of Reais)

	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
Opening Balances	**1,260,000**	**(67,800)**	**1,099,492**	**-**	**(80,039)**	**2,211,653**
Prior-year Adjustments						
Adjusted opening balance	**1,260,000**	**(67,800)**	**1,099,492**	**-**	**(80,039)**	**2,211,653**
Capital transactions with shareholders	**-**	**(20,951)**	**(75,201)**	**-**	**-**	**(96,152)**
Acquisition of equity interests	-	173	-	-	-	173
Distribution of dividends 2015	-	-	(75,201)	-	-	(75,201)
Capital transactions - MTM financial instrument - reflection	-	(21,124)	-	-	-	(21,124)
Total Comprehensive Income	**-**	**-**	**-**	**80,094**	**(236)**	**79,858**
Net income for the period	-	-	-	80,094	-	80,094
Other Comprehensive Income	-	-	-	-	(236)	(236)
Equity Income on Comp. Income Subsidiaries and Associated Companies	-	-	-	-	(236)	(236)
Closing Balances	**1,260,000**	**(88,751)**	**1,024,291**	**80,094**	**(80,275)**	**2,195,359**

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Individual Financial Statements - Statements of Added Value
(Thousands of Reais)

	Accrued Value of the Current Year 1/1/2017 to 6/30/2017	Accrued Value of the Prior Year 1/1/2016 to 6/30/2016
Revenue	**52,618**	**37,385**
Sales of Goods, Products and Services	52,618	37,372
Other Revenue	0	13
Consumables acquired from third parties	**(12,624)**	**(8,949)**
Material, Energy, Outsourced Services and Other	(11,884)	(8,320)
Other	(740)	(629)
Gross Added Value	**39,994**	**28,436**
Retentions	**(2,236)**	**(1,828)**
Depreciation, Amortization and Depletion	(2,236)	(1,828)
Net Added Value Produced	37,758	26,608
Transferred Added Value	306,818	207,948
Equity in Net Income of Subsidiaries	195,892	132,830
Financial Revenue	110,926	75,118
Total Added Value to be Distributed	**344,576**	**234,556**
Distribution of Added Value	**344,576**	**234,556**
Personnel	22,553	10,563
Direct Remuneration	17,314	8,059
Benefits	4,040	1,906
F.G.T.S.	1,199	598
Taxes, Duties and Contributions	14,565	4,081
Federal	13,858	3,320
Municipal	707	761
Interest expenses	128,089	139,818
Interest	127,890	139,749
Rent	199	69
Interest earnings	179,369	80,094
Retained Earnings/Loss for the Period	179,369	80,094

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Consolidated Financial Statements - Statement of Financial Position - Assets
(Thousands of Reais)

	Current Quarter 6/30/2017	Previous Year 12/31/2016
Total Assets	**20,215,344**	**20,022,820**
Current Assets	**6,219,243**	**6,347,068**
Cash and Cash Equivalents	726,504	797,200
Short-term Investments	1,643,682	1,765,232
Short-term investments appraised at fair value	1,633,540	1,755,584
Marketable Securities	1,633,540	1,755,584
Short-term investments valued at amortized cost	10,142	9,648
Accounts Receivable	2,065,168	1,990,788
Trade receivables	2,065,168	1,990,788
Inventory	45,543	40,732
Recoverable taxes	551,385	485,838
Recoverable current taxes	551,385	485,838
Other Current Assets	1,186,961	1,267,278
Other	1,186,961	1,267,278
Credit receivables	11,055	9,661
Derivative financial instruments	138,737	116,961
Financial sector assets	378,296	538,771
Other accounts receivable	658,873	601,885
Non-current Assets	**13,996,101**	**13,675,752**
Non-current Assets	**6,406,725**	**6,043,346**
Short-term investments appraised at fair value	153,957	138,524
Marketable Securities	153,957	138,524
Accounts Receivable	312,220	233,526
Trade receivables	312,220	233,526
Other non-current assets	5,940,548	5,671,296
Credit receivables	20,121	18,304
Recoverable taxes	215,129	233,421
Tax credits	1,271,649	1,273,990
Restricted deposits and escrows	241,868	208,223
Derivative financial instruments	67,432	140,998
Accounts receivable from the concession	3,812,700	3,484,798
Financial sector assets	158,277	152,130
Other accounts receivable	153,372	159,432
Investments	**23,631**	**23,648**
Equity Interests	23,631	23,648
Other Equity Interests	23,631	23,648
Property, plant and equipment	**171,736**	**142,413**
Property, plant and equipment in operation	**171,736**	**142,413**
Intangible assets	**7,394,009**	**7,466,345**
Intangible assets	**7,394,009**	**7,466,345**
Concession agreement	7,394,009	7,466,345

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Consolidated Financial Statements - Statement of Financial Position - Liabilities (Thousands of Reais)

	Current Quarter 6/30/2017	Previous Year 12/31/2016
Total Liabilities	**20,215,344**	**20,022,820**
Current Liabilities	**5,246,767**	**5,011,302**
Trade payables	1,225,671	1,170,254
Domestic Trade Payables	1,225,671	1,170,254
Loans and Financing	1,742,243	1,534,659
Loans and Financing	1,454,510	1,260,071
In local currency	406,294	385,241
In foreign currency	1,048,216	874,830
Debentures	287,733	274,588
Other Obligations	2,278,853	2,306,389
Other	2,278,853	2,306,389
Dividends and interest on equity payable	20,930	27,106
Financing of taxes	11,583	13,839
Estimated obligations	96,471	81,753
Public lighting fee	55,470	54,677
Employee benefits - pension plan	49,464	48,549
Debt charges	85,295	57,831
Taxes and Payroll Contributions	413,026	426,431
Sector charges	284,107	314,144
Financial sector liabilities	655,735	631,701
Regulatory fees	58,635	58,635
Incorporation of grids	214,767	234,398
CCRBT Rate flags	37,180	12,740
Derivative financial instruments	121,319	139,935
Other accounts payable	174,871	204,650
Non-current Liabilities	**10,101,870**	**10,238,477**
Loans and Financing	**5,832,196**	**6,069,233**
Loans and Financing	3,878,218	4,076,208
In local currency	2,847,198	2,904,049
In foreign currency	1,031,020	1,172,159
Debentures	1,953,978	1,993,025
Other Obligations	2,420,290	2,271,312
Other	2,420,290	2,271,312
Trade accounts payable	151,386	207,096
Derivative financial instruments	355,698	368,826
Taxes and social contributions	334,761	255,503
Payments of taxes in installments	67,556	70,907
Employee benefit - Pension plan	287,289	263,250
Provision for labor, civil and tax risks	550,729	504,345
Regulatory fees	66,993	95,705
Financial sector liabilities	230,331	171,638
Sector charges	182,843	175,799
Incorporation of grids	98,914	78,615
Other accounts payable	93,790	79,628
Deferred Taxes	1,849,384	1,897,932
Deferred Income and Social Contribution Taxes	1,849,384	1,897,932
Consolidated shareholders' equity	**4,866,707**	**4,773,041**
Realized Capital	**2,795,963**	**2,795,963**
Capital Reserves	(62,727)	(59,602)
Stock issuance cost	(65,723)	(65,723)
Other Reserves	2,996	6,121
Profit Reserves	997,959	1,085,122
Legal Reserve	121,489	121,489
Profit Retention Reserve	876,470	876,470
Additional dividend proposed	0	87,163
Retained earnings/Accumulated losses	179,369	0
Other Comprehensive Income	(139,616)	(139,616)
Minority interests	1,095,759	1,091,174

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Consolidated Financial Statements - Statement of Income
(Thousands of Reais)

	Current Quarter 4/1/2017 to 6/30/2017	Accrued Value of the Current Year 1/1/2017 to 6/30/2017	Same Quarter of the Prior Year 4/1/2016 to 6/30/2016	Accrued Value of the Prior Year 1/1/2016 to 6/30/2016
Revenue from Goods and Services Sold	**3,084,367**	**6,146,358**	**2,707,800**	**5,551,195**
Cost of goods sold and/or services sold	**(2,697,642)**	**(5,297,902)**	**(2,383,494)**	**(4,826,037)**
Electricity purchased for resale	(1,619,222)	(3,249,149)	(1,360,368)	(2,807,365)
Charge for using transmission and distribution system	(107,866)	(245,249)	(157,566)	(364,634)
Personnel and management	(196,132)	(385,418)	(181,069)	(356,585)
Private pension fund	(8,362)	(17,149)	(6,171)	(12,143)
Material	(30,095)	(56,773)	(29,458)	(63,778)
Outsourced services	(120,592)	(222,770)	(122,178)	(239,842)
Depreciation and amortization	(160,477)	(324,770)	(145,326)	(296,474)
Provisions for labor, civil and tax risks	(14,462)	(28,422)	4,097	268
Allowance for doubtful accounts	(36,446)	(64,079)	24,285	(27,903)
Construction cost	(385,041)	(672,977)	(362,612)	(621,820)
Other	(18,947)	(31,146)	(47,128)	(35,761)
Gross Profit	386,725	848,456	324,306	725,158
Operating Income/Expenses	(164,668)	(284,553)	(112,723)	(285,621)
General and Administrative Expenses	(137,364)	(272,291)	(106,639)	(268,551)
Personnel	(25,344)	(50,859)	(46,933)	(88,446)
Private pension fund	(10,314)	(21,016)	(9,344)	(17,225)
Material	(4,255)	(9,024)	(4,550)	(9,145)
Outsourced services	(35,185)	(72,340)	(38,000)	(67,284)
Provisions for labor, civil and tax risks	(9,484)	(10,827)	10,834	20,273
Depreciation and amortization	(24,326)	(49,156)	(23,508)	(48,260)
Other	(28,456)	(59,069)	4,862	(58,464)
Other Operating Income	14,339	56,485	14,184	22,231
Other	14,339	56,485	14,184	22,231
Other Operating Expenses	(41,643)	(68,747)	(20,268)	(39,301)
Other	(41,643)	(68,747)	(20,268)	(39,301)
Earnings before Financial Income and Tax	**222,057**	**563,903**	**211,583**	**439,537**
Financial Income/Loss	**(140,982)**	**(292,971)**	**(262,147)**	**(286,955)**
Financial Revenue	**140,300**	**295,796**	**170,483**	**374,988**
Revenue from short-term investments	60,997	137,307	63,147	130,141
Monetary variation and arrears surcharge on energy	64,441	110,517	32,372	70,988
Interest earned/Selic base interest rate	5,372	12,128	3,151	7,868
Restatement of judicial deposits	1,971	5,156	2,162	2,310
Adjustment to present value	11,489	15,448	-	-
Restatement of financial sector assets	9,883	14,899	28,777	100,534
Taxes on finance revenue	(8,566)	(19,691)	(5,920)	(18,272)
Other revenue	(5,287)	20,032	46,794	81,419
Financial Expenses	**(281,282)**	**(588,767)**	**(432,630)**	**(661,943)**
Debt charges - interest	(146,228)	(302,609)	(233,267)	(431,736)
Debt charges - monetary and exchange variance	(128,409)	(120,175)	239,260	450,905
(-) Transfer to orders in progress	1,244	2,399	8,529	22,119
Restatement of assets	-	-	(3,319)	(4,589)
Mark-to-market of derivatives	(10,591)	2,163	85,079	174,509
Derivative financial instruments	53,092	(50,810)	(353,523)	(573,021)
Restatement PEE and R&D	(5,112)	(10,944)	(7,200)	(13,780)
Bank expenses	(2,956)	(7,754)	(7,784)	(13,155)
Restatement of contingencies	(3,644)	(7,135)	(11,213)	(27,966)
Mark-to-market of debt	(6,611)	(7,611)	(51,346)	(31,615)
Restatement of financial sector liabilities	(7,219)	(30,712)	(53,941)	(76,128)
ENDORSEMENT expense	(3,341)	(5,625)	(2,500)	(5,000)
Incorporation of grids	-	-	(21,330)	(27,904)
Other financial expenses	(21,507)	(49,954)	(20,075)	(104,582)
Earnings before tax on net income	**81,075**	**270,932**	**(50,564)**	**152,582**
Income and Social Contribution Taxes on Profit	**(6,032)**	**(65,035)**	**23,348**	**(55,347)**
Current	**(12,829)**	**(111,242)**	**31,394**	**(119,649)**
Deferred charges	**6,797**	**46,207**	**(8,046)**	**64,302**
Net Income from Continued Operations	**75,043**	**205,897**	**(27,216)**	**97,235**
Consolidated Net Income/Loss for the Period	75,043	205,897	(27,216)	97,235
Attributed to Partners of the Parent Company	59,612	179,369	(31,104)	80,094
Attributed to Minority Partners	15,431	26,528	3,888	17,141
Earnings per share - (Reais / Share)				
Basic Earnings per Share				
Common	0.034461	0.103692	(0.023270)	0.059920
Preferred	0.034461	0.103692	(0.023270)	0.059920
Diluted Earnings per Share	-	-	-	-
Common	0.034461	0.103692	(0.023270)	0.059920
Preferred	0.034461	0.103692	(0.023270)	0.059920

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Consolidated Financial Statements / Statement of Comprehensive Income
(Thousands of Reais)

	Current Quarter 4/1/2017 to 6/30/2017	Accrued Value of the Current Year 1/1/2017 to 6/30/2017	Same Quarter of the Prior Year 4/1/2016 to 6/30/2016	Accrued Value of the Prior Year 1/1/2016 to 6/30/2016
Consolidated net income for the period	**75,043**	**205,897**	**(27,216)**	**97,235**
Other Comprehensive Income	-	-	(849)	(1,216)
Other Comprehensive Income	-	-	(849)	(1,216)
Consolidated comprehensive income for the period	**75,043**	**205,897**	**(28,065)**	**96,019**
Attributed to Partners of the Parent Company	59,612	179,369	(31,104)	79,858
Attributed to Minority Partners	15,431	26,528	3,039	16,161

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Consolidated Financial Statements / Statement of Cash Flows – Indirect Method
(Thousands of Reais)

	Accrued Value of the Current Year 1/1/2017 to 6/30/2017	Accrued Value of the Prior Year 1/1/2016 to 6/30/2016
Net Cash from Operating Activities	**995,051**	**788,060**
Cash Provided by Operating Activities	**1,094,616**	**714,423**
Net income for the period	205,897	97,235
Current and deferred income and social contribution taxes	65,035	55,347
Expenses on interest and monetary and exchange variance - net	299,362	(158,039)
Depreciation and amortization	373,926	344,734
Allowance for doubtful accounts	64,079	27,903
Provisions for labor, civil and tax risks	39,249	(20,541)
(Gain) on the sale of aircraft	(18,560)	-
Residual value of retired fixed assets	30,822	17,070
Mark-to-market of debts	7,611	31,615
Mark-to-market of derivatives	(2,163)	(174,509)
Derivative financial instruments	50,810	573,021
Adjustment to fair value of compensatable financial asset of the concession	(21,452)	(79,413)
Changes in Assets and Liabilities	(99,565)	73,637
(Increase) decrease in consumers and concessionaires	(199,653)	179,423
(Increase) in credit receivables	(2,532)	(24,325)
(Increase) decrease in inventories	(4,811)	871
(Increase) in recoverable taxes	(52,875)	(142,770)
(Increase) in escrow deposits	(43,306)	(13,958)
(Increase) decrease in other accounts receivable	(77,534)	99,258
Decrease in financial sector assets	169,227	257,049
incorporation of grids	-	-
Increase (Decrease) in trade payables	67,629	(191,096)
Increase (Decrease) in taxes and social contributions	75,169	(129,808)
Income and social contribution taxes paid	(105,861)	(68,335)
Increase in estimated obligations	14,718	19,096
Increase in financial sector liabilities	52,015	202,866
Increase (decrease) in other accounts payable	8,249	(114,634)
Net Cash from Investment Activities	**(355,483)**	**(998,853)**
Investment in property, plant and equipment	(42,625)	(9,565)
Additions to Intangible assets	(600,481)	(631,842)
Short-term investments and secured funds	243,424	(387,674)
Sale of PP&E and intangible assets	44,199	30,228
Net Cash from Financing Activities	**(710,264)**	**203,854**
New loans and financing obtained	880,501	1,440,922
Payment of loans, debentures – principal	(989,456)	(739,050)
Payment of loans, debentures – interest	(272,516)	(284,614)
Settlement of derivative financial instruments	(28,601)	(65,713)
Dividend payments	(115,079)	(82,786)
Financing of taxes	(5,607)	(6,195)
Payment of grid acquisition	(52,112)	(22,198)
Payment of financed payables	(90,825)	(26,643)
Financing of sector charges	(36,569)	(9,869)
Increase (Decrease) in Cash and Cash Equivalents	**(70,696)**	**(6,939)**
Opening Balance of Cash and Cash Equivalents	797,200	1,083,627
Closing Balance of Cash and Cash Equivalents	726,504	1,076,688

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Consolidated Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2017 to 6/30/2017
(Thousands of Reais)

	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Minority interests	Consolidated shareholders' equity
Opening Balances	**2,795,963**	**(59,602)**	**1,085,122**		**(139,616)**	**3,681,867**		**3,681,867**
Prior-year Adjustments							**1,091,174**	**1,091,174**
Adjusted opening balance	**2,795,963**	**(59,602)**	**1,085,122**	**-**	**(139,616)**	**3,681,867**	**1,091,174**	**4,773,041**
Capital transactions with shareholders	**-**	**(1,616)**	**(87,163)**	**-**	**-**	**(88,779)**	**(21,741)**	**(110,520)**
Additional dividends proposed	-	-	(87,163)	-	-	(87,163)	(21,740)	(108,903)
Capital transactions - MTM financial instrument - reflection	-	(1,616)	-	-	-	(1,616)	(1)	(1,617)
Total Comprehensive Income	**-**	**(1,509)**	**-**	**179,369**	**-**	**177,860**	**26,326**	**204,186**
Net income for the period	-	-	-	179,369	-	179,369	26,528	205,897
Other Comprehensive Income	-	(1,509)	-	-	-	(1,509)	(202)	(1,711)
Gain/Loss on Investments	-	(1,509)	-	-	-	(1,509)	(202)	(1,711)
Closing Balances	**2,795,963**	**(62,727)**	**997,959**	**179,369**	**(139,616)**	**3,770,948**	**1,095,759**	**4,866,707**

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Consolidated Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2016 to 3/31/2016
(Thousands of Reais)

	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Minority interests	Consolidated shareholders' equity
Opening Balances	**1,260,000**	**(67,800)**	**1,099,492**		**(80,039)**	**2,211,653**	**1,106,517**	**3,318,170**
Prior-year Adjustments								
Adjusted opening balance	**1,260,000**	**(67,800)**	**1,099,492**	**-**	**(80,039)**	**2,211,653**	**1,106,517**	**3,318,170**
Capital transactions with shareholders	**-**	**(20,951)**	**(75,201)**	**-**	**-**	**(96,152)**	**(4,276)**	**(100,428)**
Acquisition of minority interest	-	173	-	-	-	173	9	182
Distribution of dividends 2015	-	-	(75,201)	-	-	(75,201)	(4,278)	(79,479)
Other transactions - MTM Financial instrument - reflection	-	(21,124)	-	-	-	(21,124)	(7)	(21,131)
Total Comprehensive Income	**-**	**-**	**-**	**80,094**	**(236)**	**79,858**	**16,161**	**96,019**
Net income for the period	-	-	-	80,094	-	80,094	17,141	97,235
Other Comprehensive Income	-	-	-	-	(236)	(236)	(980)	(1,216)
Equity Income on Comp. Income Associated companies	-	-	-	-	(236)	(236)	(980)	(1,216)
Closing Balances	**1,260,000**	**(88,751)**	**1,024,291**	**80,094**	**(80,275)**	**2,195,359**	**1,118,402**	**3,313,761**

ITR - Quarterly Information - 6/30/2017 - ENERGISA SA
Consolidated Financial Statements - Statements of Added Value
(Thousands of Reais)

	Accrued Value of the Current Year 1/1/2017 to 6/30/2017	Accrued Value of the Prior Year 1/1/2016 to 6/30/2016
Revenue	**9,378,615**	**8,814,796**
Sales of Goods, Products and Services	8,710,833	8,176,529
Other Revenue	56,485	22,231
Revenue relating to construction of company assets	675,376	643,939
Allowance/(Reversal of allowance) for doubtful accounts	(64,079)	(27,903)
Consumables acquired from third parties	**(4,935,339)**	**(4,522,716)**
Cost of goods and services sold	(3,793,538)	(3,209,419)
Material, Energy, Outsourced Services and Other	(493,918)	(468,358)
Other	(647,883)	(844,939)
Gross Added Value	**4,443,276**	**4,292,080**
Retentions	**(373,926)**	**(344,734)**
Depreciation, Amortization and Depletion	(373,926)	(344,734)
Net Added Value Produced	4,069,350	3,947,346
Transferred Added Value	315,487	393,260
Financial Revenue	315,487	393,260
Total Added Value to be Distributed	**4,384,837**	**4,340,606**
Distribution of Added Value	**4,384,837**	**4,340,606**
Personnel	405,460	405,797
Direct Remuneration	268,314	272,350
Benefits	106,740	80,842
F.G.T.S.	30,406	52,605
Taxes, Duties and Contributions	3,173,612	3,142,202
Federal	1,436,134	1,433,005
State	1,728,189	1,700,037
Municipal	9,289	9,160
Interest expenses	599,868	695,372
Interest	591,166	684,062
Rent	8,702	11,310
Interest earnings	205,897	97,235
Retained Earnings/Loss for the Period	179,369	80,094
Minority interests in retained earnings	26,528	17,141

Notes to the Financial Statements

Energisa S/A
Notes to the quarterly information for the period ended June 30, 2017
(In thousands of reais, unless stated otherwise)

1. Reporting entity

Energisa S/A ("Energisa" or "Company") is a publicly traded company listed on the São Paulo Stock Exchange (BOVESPA), with its head office in Cataguases, Minas Gerais state. In addition to holding equity interests in other companies, its core activity is to provide administrative services to its distribution companies and other subsidiaries listed in note 4.

Accession to Level 2 Corporate Governance of B3

On July 28, 2016 the Company confirmed it had signed up to B3 Level 2 Governance and would begin trading its shares in this special segment. This places Energisa amongst companies listed on the stock exchange that follow the best market transparency and governance practices.

Equity interests

Energisa S/A holds the share control of distribution, transmission, generation and trading subsidiaries which are subject to regulatory obligations as stated in the electricity distribution and transmission concession agreements and the authorizations awarded to the generation and sale companies, as follows.

Electricity distribution:

I - to supply electricity to consumers located in their concession area, at the levels of quality and continuity established in specific legislation

II - to carry out the work necessary to provide the concession services, replace assets and operate the infrastructure so as to ensure the regular, continuous, efficient and safe provision of services and charging of rates, in accordance with the specific technical and legal standards

III – to organize and maintain a record and inventory of the concession assets and strive for the integrity thereof, where concession operator may not sell or submit as collateral such assets without the prior explicit consent of the regulatory agency

IV - to meet all tax, labor, social security and regulatory obligations, including the provision of information to consumers

V - to implement measures to combat energy waste, through energy consumption reduction programs and innovations

VI – to submit to the prior approval of the Agência Nacional de Energia Elétrica ANEEL any changes in equity positions that could result in control changing hands. In the event share control is transferred, the new controlling shareholders should sign an agreement accepting the terms of the concession arrangement and the concession legislation and regulations.

The concession may be discontinued by terminating the agreement, expropriation of the service, cessation, rescission, irregularities or bankruptcy of the concession operator, and may be extended by way of an application from the concession operator and at the sole discretion of the concession authority Ministério de Minas e Energia - MME. The Concession Agreements of the subsidiaries Energisa Minas Gerais – Distribuidora de Energia S/A ("EMG"), Energisa Nova Friburgo – Distribuidora de Energia S/A ("ENF"), Energisa Sul – Sudeste – Distribuidora de Energia S/A ("ESS") (the new name of Caiuá Distribuição de Energia S/A ("CAIUÁ"), Companhia Nacional de Energia Elétrica ("CNEE"), Empresa de Distribuição de Energia Vale Paranapanema S/A ("EDEVP"), Empresa Elétrica Bragantina S/A ("EEB") and Companhia Força e Luz do Oeste ("CFLO"), expired in July/2015,

were renewed by the Concession Authority (Ministério de Minas e Energia - MME) for a further 30 years, i.e. until July/2045. In December 2015 the amendments extending the agreements were signed.
The information regarding rate reviews and adjustments, sector financial assets and liabilities accounts receivable of the concession, concession assets and construction revenue can be seen in notes 11, 12, 16 and 19 respectively.

Grouping of concession areas

The concession areas established in the public electricity distribution concession agreements 12/1999, 13/1999, 14/1999, 16/1999 and 22/1999, held respectively by Empresa Elétrica Bragantina S.A. - EEB, by Caiuá Distribuição de Energia S.A. - Caiuá, by Empresa de Distribuição de Energia Vale Paranapanema S.A. - EDEVP, by Companhia Nacional de Energia Elétrica - CNEE and by Companhia Força e Luz do Oeste – CFLO, were grouped on July 1, 2017 into a single company pursuant to ANEEL Resolution 6318 issued April 25, 2017.

The Extraordinary General Meeting held June 30, 2017 consequently approved the merger of the companies Companhia Nacional de Energia Elétrica ("CNEE"), Empresa de Distribuição de Energia Vale Paranapanema S/A ("EDEVP"), Empresa Elétrica Bragantina S/A ("EEB") and Companhia Força e Luz do Oeste ("CFLO") into Energisa Sul Sudeste – Distribuidora de Energia S/A (the new name of Caiuá Distribuição de Energia S/A ("CAIUA"), so that the new concession area would be operated by Energisa Sul-Sudeste (ESS) by way of the sixth amendment to concession agreement 13/1999.

In accordance with the existing regulations, this operation aimed to obtain synergies in the processes to further enhance the services provided to consumers by integrating the systems used and is part of a project to streamline Energisa Group's corporate structure, which should result in lower operational, administrative and financial costs and create greater managerial and organizational efficiency at Energisa Group.

After the merger, ESS will serve 739 thousand clients in an area covering more than 30 thousand km², in 82 municipalities in the states of São Paulo, Minas Gerais and Paraná. The new concession operator will continue with a headcount of 1.4 thousand of employees currently working at the five distribution companies.

Lastly, in order to implement the operation, the shareholders' equity of the companies EDEVP, EEB, CNEE and CFLO was valued at the reference date of May 31, 2017, based on the carrying amount, in the amounts of R$ 141,800, R$ 101,434, R$ 80,782 and R$ 17,726 respectively, as per the appraisal prepared for merger purposes issued by expert appraisers.

The net assets appraised are as follows:

	EDEVP	EEB	CNEE	CFLO	Total
Cash, cash equivalents and short-term investments	52,315	46,561	53,296	21,326	173,498
Consumers and concessionaires	63,993	49,495	24,756	13,681	151,925
Recoverable taxes	15,127	40,529	11,387	12,541	79,584
Tax credits	21,827	11,502	6,020	5,478	44,827
Financial sector assets	4,861	5,216	12,197	5,559	27,833
Escrow and secured deposits	13,570	4,229	2,939	127	20,865
Accounts receivable from the concession	5,256	8,394	5,895	1,548	21,093
Other assets	25,756	18,046	13,878	8,749	66,429
Intangible assets	119,526	158,967	98,370	26,368	403,231
Suppliers	27,872	38,581	33,450	10,240	110,143
Loans, financing and debt charges	36,192	81,839	42,522	40,053	200,606
Taxes and social contributions	47,226	40,502	27,072	6,175	120,975
Financial sector liabilities	28,350	31,623	15,315	2,821	78,109
Derivative financial instruments	-	18,503	-	6,403	24,906
Provisions for labor, civil and tax risks	5,251	3,245	1,998	499	10,993
Sector charges	16,934	15,930	10,912	4,761	48,537
Other accounts payable	18,606	11,282	16,687	6,699	53,274
Net	**141,800**	**101,434**	**80,782**	**17,726**	**341,742**

The receivable and payable balances of the companies were eliminated in the merger process.

Concession Renewals:

The concession agreements of the subsidiaries EMG, ENF, ESS (current name of Caiuá), CNEE, EDEVP, EEB e CFLO expired on July 07, 2015. Amendments to the concession agreements were signed in December 2015, extending them until July 07, 2045. The amendments were made official by the publication of the order by the State Ministério de Minas e Energia on December 09, 2015, in Law 12783 issued January 11, 2013, Decree 7805 issued September 14, 2012 and Decree 8461 issued June 02, 2015.

These amendments required the distribution companies accept the following criteria:

I - efficiency in relation to quality of the service provided;
II - efficiency in relation to economic and financial management;
III - operational and economic rationalization; and
IV - minimum rate increases

The scope of said indicators will be monitored by the regulatory agencies, and there could be penalties if they are not complied with. As a result of the new amendments extending the concession term until 2045, the property, plant and equipment in progress receivable recorded by the subsidiaries as a financial asset until the signing of said amendments, were transferred to intangible assets, to be amortized over the remaining useful life of the assets in the course of the concession's term.

The other concession agreements are in effective until January/2020 (Energisa Tocantins – Distribuidora de Energia S/A – "ETO"), December/2027 (Energisa Sergipe Distribuidora de Energia S/A – "ESE"), (Energisa Mato Grosso – Distribuidora de Energia - "EMT") and (Energisa Mato Grosso do Sul – Distribuidora de Energia S/A - "EMS"), February/2030 (Energisa Borborema – Distribuidora de Energia S/A - "EBO") and January/2031 (Energisa Paraíba – Distribuidora de Energia S/A - "EPB").

Electricity generation:

Energisa has ventures to install wind farms in Bahia state, a small energy generation plant in Nova Friburgo (RJ) and solar generation ventures.

In addition to these projects, the subsidiary EMT has Generation Concession Agreement 04/1997 for 3 thermal power plants, with the respective associated substations, expiring on December 10, 2027.

According to article 8 of Law 10848 issued March 15, 2004, and regulated by Decree 5163 issued July 30, 2004, concession operators engaged in electricity distribution cannot carry out generation activities in the national interconnected transmission system. An exception was made for cases of serving the insulated electric grid, i.e. those not connected to the interconnected transmission grid. Although it has 3 of its own thermoelectric plants in the insulated system, the subsidiary EMT's core activities are the distribution of electricity, and the requirement to maintain the generation assets only applies for serving these insulated communities. The subsidiary EMT's management therefore considers its core activity to be electricity distribution and its minor generation activity to be an integral part of its core activity, which required the segregation of the concession's assets into financial assets and intangible assets as the agreement guarantees the right to indemnification.

The obligations established in the ANEEL authorizations/concessions to explore energy generation are as follows:

I - Operate thermal power plants

II - Enter into the contracts for connecting to and using the transmission and distribution systems;

III - Organize and maintain permanently up-to-date the record of generating facilities and assets;

IV - Maintain a file at the disposal of the ANEEL audit all the studies and projects of the plants;

V - In an adequate operating and conservation structure permanently maintain the equipment and facilities of the SHPs, and wind farm and solar ventures in a perfect state of repair and conservation with an inventory of spare parts, technical and administrative personnel legally qualified and trained in order to ensure the continuity, regularity, efficiency and safety of the exploration of the generation asset.

VI - Perform all tax, labor, social security, environmental and regulatory obligations and any other related obligations; and

VII – Request the prior consent of ANEEL, in the event the share control is transferred.

Electricity transmission:

Energisa prevailed in two lots of the Transmission Auction held by the Agência Nacional de Energia Elétrica - ANEEL, acquiring the concessions for the Goiás (lot 3) and Pará (lot 26) lines, in a total investment of R$ 625,085. The transmission auction took place on April 24, 2017, at the São Paulo Stock Exchange (Bovespa). Aneel stated the deadline for the line in Goiás to come into commercial operation is August 2021 and February 2022 for the Pará line. Energisa will secure the licenses and contract all the works to bring the ventures into operation before these deadlines.

Lot 3 - consists of facilities in the state of Goiás, including the 230 kV Rio Verde Norte - Jataí transmission line, with 136 kilometers in a dual electricity circuit, and the Rio Verde Norte substation. The investment forecast for the venture amounts to R$ 295,294 and the timeframe for delivering the works is 48 months. The line is located in the proximity of Mato Grosso and Mato Grosso do Sul, where Energisa Group has two companies.

Lot 26 - to be located in Pará state, in an area lying on the border between Tocantins and Mato Grosso. The lot consists of the Xinguara II – Santana do Araguaia 230 kV transmission line, with 296 kilometers in a dual electricity circuit, and the Santana do Araguaia substation. The investment forecast amounts to R$ 329,791 and the timeframe for delivering the works is 54 months. These projects are crucial for completing the reinforcements in the Baixo Araguaia region of Mato Grosso, which is the most dynamic agricultural frontier in the state.

Electricity trading:

The sale of electricity and related services proposing integrated solutions with objectives to optimize costs is made through the subsidiary Energisa Comercializadora de Energia Ltda (“ECOM”), which also participate in the Ambiente de Contratação Livre - ACL.

Services:

By way of its direct and indirect subsidiaries Energisa Soluções S/A (“ESOL”) and Multi Energisa Serviços S/A (“MULTI”), Energisa provides operating, maintenance services and services related to electricity distribution generation, commission, preparation, remote and local operation and electrical and mechanical maintenance of plants, substations, transmission lines and facilities. The subsidiary Energisa Serviços Aéreos de Aeroinspeção S/A (“ESER”) provides aerial surveying services (SAE), mainly supporting companies operating high-voltage lines, oil pipelines and reforestation engineering works.

History of the acquisition of the share control of Rede Energia and its subsidiaries:

The main events that succeeded Energisa's acquisition of the control of Rede Energia and its subsidiaries took place over the following time line:

- On August 31, 2012 the Agência Nacional de Energia Elétrica - ANEEL imposed administrative intervention in the subsidiaries: EMT, ETO, EMS, CFLO, ESS (current name of CAIUÁ), EEB, EDEVP and CNEE. On this date and due to losing the control over the electricity distribution companies, the Company reclassified its investments to “financial assets classified as available-for-sale”.

- November 26, 2012: Rede Energia S/A (“REDE”) announced it had filed for Judicial Reorganization (“RJ”). On the same date applications for judicial reorganization were submitted by Companhia Técnica de Comercialização de Energia (“CTCE”), QMRA Participações S/A. (“QMRA”), Empresa de Eletricidade Vale Paranapanema S/A. (“EEVP”) and Denerge Desenvolvimento Energético S/A. (“Denerge”).

- September 9, 2013: The RJ Plan was ratified at the 2nd Bankruptcy and Judicial Reorganizations Court for the companies Rede, CTCE, EEVP, Denerge and QMRA, accepting the proposal submitted by Energisa.

- October 16, 2013: The operation subject to the ratified Plan was approved by the Administrative Council for Economic Defense – CADE.

- December 17, 2013: ANEEL approved the reorganization plan of the distribution concession operators under intervention ("ANEEL Plan") submitted by Rede, which was detailed and updated by Energisa.

- January 28, 2014: ANEEL consented to the transfer of the share control from Rede to Energisa.

- April 8, 2014: ANEEL declared the end of intervention in the concession operators and on April 11, 2014 a company announcement was made on that date informing that the share control had been officially transferred from Rede to Energisa. Following the end of the intervention, the Company's consolidated financial statements then reflected the assets and liabilities of the subsidiaries, electricity distribution companies, as measured at fair value at the transaction date.

All of the provisions of the reorganization plans submitted to ANEEL are currently being strictly complied with, and we are now merely waiting for the final and unappealable decision to complete the judicial reorganization process.

Judicial Reorganization of subsidiaries: In February 2016 the trustee filed a petition stating that the reorganization plan was being duly performed, requesting the termination of the Judicial Reorganization. In August 2016, the trustee's opinion was accepted, and a decision delivered declaring the judicial reorganization over, as all of the obligations established in the Judicial Reorganization Plan have been performed, within the period of two years established in article 61 of Law 11101/2005. A number of creditors submitted motions for clarification against these decisions, which were duly rejected by the reorganization court in a decision dated 10/11/2016. One of the creditors then appealed against the termination decision, which is pending judgment by the São Paulo Court of Appeal. Although judgment of this appeal is pending, the reorganization court authorized the term "under judicial reorganization" to be removed from the name of the companies under judicial organization, a change which was registered at the respective board of trade.

The position as of June 30, 2017 of the remaining balance of the debts qualified under the Judicial Reorganization is as follows:

Description	Rede Energia	Denerge	CTCE	Total
= Balances as of December 31, 2015	**139,513**	**244,230**	**42,036**	**425,779**
(+) Restatement (1)	11,410	43,267	3,559	58,236
Reversal of the provision for adjustment to present value (1) and (2)	11,414	2,919	3,169	17,502
(-) Settlement/Assignment of Credits (3)	(6,980)	(28,842)	(1,013)	(36,835)
= Balances at December 31, 2016	**155,357**	**261,574**	**47,751**	**464,682**
(+) Restatement (1)	5,686	21,629	1,743	29,058
Reversal of the provision for adjustment to present value (1) and (2)	5,163	1,881	1,888	8,932
= Balances at June 30, 2017	**166,206**	**285,084**	**51,382**	**502,672**

(1) Adjustments made to other finance revenue in the statement of income of Rede, Denerge and CTCE. At Energisa these amounts were recorded in finance income in the income statement for the period/year.

(2) Adjustments to Present Value: Denotes the adjustment to present value recorded by the subsidiaries Rede, Denerge and CTCE, for the credits of the creditors who chose to receive their credits in accordance with options A and B in the Judicial Reorganization Plan. A rate of 15.19% p.a. was used to discount the amount to present value, which the Company believes is an adequate rate of return for realizing the credits. This rate is compatible with the nature, tenor and risk for similar transactions on market conditions in the current situation. Company Management believes this discount rate adequately denotes the capital cost at the companies' acquisition date.

(3) The payments stipulated in the judicial reorganization plan began to be made on April 11, 2014. In the period January 1, 2016 to June 30, 2017 around R$ 36,835 was directly settled by Energisa (R$ 6,980 debt of the subsidiary Rede Energia, R$ 28,842 debt of the subsidiary Denerge S/A and R$ 1,013 debt of the indirect subsidiary CTCE).

2. Presentation of the interim financial information (quarterly information)

Approved by the Board of Directors on August 9, 2017, the Company's interim financial information (quarterly information) consists of:

- The individual and consolidated interim financial information prepared and presented in accordance with CPC Technical Pronouncement 21 (R1) - Interim Statements and the international standard IAS 34 - Interim

Financial Reporting, issued by the International Accounting Standards Board - IASB, and in accordance with the standards issued by the Brazilian Securities Commission, that apply to the preparation of Quarterly Information - ITR.

The other information regarding the preparation bases, presentation of the interim financial information and summary of the main accounting practice has not changed in relation to that disclosed in Note 2 to the Annual Financial Statements for the financial year ended December 31, 2016 (hereinafter referred to as "Financial Statements as of December 31, 2016"), published in the official press on March 27, 2017.

This interim financial information (quarterly information) should therefore be read in conjunction with the aforesaid financial statements.

Company Management represents that all the material information in the individual and consolidated interim financial information is being disclosed and corresponds to that used by Management.

3. Adoption of international accounting standards

3.1 New accounting pronouncements issued by IASB - International Accounting Standards Board

The information about the new accounting pronouncements issued by the IASB has not undergone any significant changes in relation to that disclosed in Note 3.1 to the Financial Statements as of December 31, 2016.

3.2 Re-presentation of the interim financial information

After reassessing certain issues and in order to better present its equity position and operational and financial performance, Company Management made reclassifications in its statements of income, cash flows and added value as of June 30, 2016, published on August 12, 2016, as shown below, based on the instructions issued by CPC 23 - Accounting Policies, Changes in Estimation and Correction of Errors":

Consolidated				
Statement of Income	Re.	Disclosed 4/1/2016 to 6/30/2016	Reclassification	Re-presented 4/1/2016 to 6/30/2016
Revenue from Goods and Services Sold	(a)	2,679,443	28,357	2,707,800
Allowance for doubtful accounts	(b)	43,291	(19,006)	24,285
Others	(b)	(66,134)	19,006	(47,128)
Gross income		295,949	28,357	324,306
Income before financial income/loss and taxes		183,226	28,357	211,583
Finance income		(233,790)	(28,357)	(262,147)
Financial revenue	(a)	198,840	(28,357)	170,483
Restatement of accounts receivable from the concession - VNR		28,357	(28,357)	-

Consolidated				
Statement of Income	Re.	Disclosed 1/1/2016 to 6/30/2016	Reclassification	Re-presented 1/1/2016 to 6/30/2016
Revenue from Goods and Services Sold	(a)	5,471,782	79,413	5,551,195
Allowance for doubtful accounts	(b)	23,974	(51,877)	(27,903)
Others	(b)	(87,638)	51,877	(35,761)
Gross income		645,745	79,413	725,158
Income before financial income/loss and taxes		360,124	79,413	439,537
Finance income		(207,542)	(79,413)	(286,955)
Financial revenue	(a)	454,401	(79,413)	374,988
Restatement of accounts receivable from the concession - VNR		79,413	(79,413)	-

Consolidated				
Statement of Added Value	Re.	Disclosed 1/1/2016 to 6/30/2016	Reclassification	Re-presented 1/1/2016 to 6/30/2016
Revenue		8,787,260	27,536	8,814,796
Sales of Goods, Products and Services	(a)	8,097,116	79,413	8,176,529
Allowance/(Reversal of allowance) for doubtful accounts	(b)	23,974	(51,877)	(27,903)
Consumables acquired from third parties		(4,574,593)	51,877	(4,522,716)
Other	(b)	(896,816)	51,877	(844,939)
Gross added value		4,212,667	79,413	4,292,080
Net added value		3,867,933	79,413	3,947,346
Transferred added value		472,673	(79,413)	393,260
Finance income	(a)	472,673	(79,413)	393,260

Consolidated				
Cash flow	Re.	Disclosed 1/1/2016 to 6/30/2016	Reclassification	Re-presented 1/1/2016 to 6/30/2016
Statement of cash flow				
Operating activities				
Cash Provided by Operating Activities		662,546	51,877	714,423
Expenses on interest and monetary and exchange variance - net	(a)	(237,452)	79,413	(158,039)
Allowance for doubtful accounts	(b)	(23,974)	51,877	27,903
Adjustment to fair value of compensable financial asset of the concession	(a)	-	(79,413)	(79,413)
Changes in Assets and Liabilities		125,514	(51,877)	73,637
Consumers and concessionaires	(b)	231,300	(51,877)	179,423
Net cash produced by operating activities		788,060	-	788,060

The nature of the adjustments and reclassifications made have been described below:

(a) The Company revised its accounting practices and concluded that the adjustment to fair value of the compensable financial asset of the concession, originally presented under "Financial revenue – Restatement of concession accounts receivable VNR", in finance income, should be reclassified to the group operating revenue - compensable financial asset of the concession, as it better reflects its equity position and performance and its electricity distribution activity. This change of practice under CPC 23 was based on the fact:

(i) The return on the distribution business on the investment in infrastructure is determined by the fair value of this infrastructure plus the "WACC" rate (weighted average cost of capital);

(ii) Investing in infrastructure is the energy distribution business activity, and its model is supported for controlling the construction, maintenance and operation of this infrastructure.

(iii) The new classification adopted has been substantiated by paragraph 23 of OCPC 05 – Concession Agreements.

The impact in the period ended June 30, 2016 on the Company was a reclassification of R$ 79,413 from financial revenue - restatement of the concessions' accounts receivable VNR to operating revenue - compensable financial asset of the concession.

(b) The Company reclassified write-offs of energy bills previously classified as cost of goods sold and/or services sold - other to Cost of goods sold and/or services sold - Allowance for doubtful accounts, in order to better present the statement of income.

(c) Changes to the notes to the financial statements and statement of financial position:

1. Note 34 – "Financial Instruments" in the section "Capital Risk Management" - changing the balance of the "Debt" from R$ 7,659,309 to R$ 7,661,723. The balances of net debt consequently changed from R$ 6,862,109 to R$ 6,864,523 for the year ended December 31, 2016.

2. Note 21 – Loans, financing and debt charges - After the analytical presentation of debts, the total local currency and foreign currency loans as of December 31, 2016 was reclassified in the amount of R$ 500, (R$ 250 in the current liabilities and R$ 250 in non-current liabilities), but without resulting in any change to the total debt.

   Loans, financing – local currency of R$ 3,299,096 to R$ 3,298,596;
   Loans, financing – foreign currency of R$ 2,021,416 to R$ 2,021,916.

The adjustment in the statement of financial position is as follows:

Consolidated				
Liabilities	Re.	Disclosed 12/31/2016	Reclassification	Re-presented 12/31/2016
Current liabilities				
Loans and Financing		1,260,071	-	1,260,071
In local currency	(c)	384,991	250	385,241
In foreign currency	(c)	875,080	(250)	874,830
Non-current liabilities				
Loans and Financing		4,076,208	-	4,076,208
In local currency	(c)	2,903,799	250	2,904,049
In foreign currency	(c)	1,172,409	(250)	1,172,159

4. Interim consolidated financial information (quarterly information)

The consolidated financial information includes the financial information of Energisa and the subsidiaries:

	Line of business	% interest	
		6/30/2017	12/31/2016
Direct subsidiaries			
Energisa Sergipe - Distribuidora de Energia S/A (ESE) (2)	Electricity distribution	100	100
Energisa Borborema - Distribuidora de Energia S/A (EBO)	Electricity distribution	100	100
Energisa Paraíba - Distribuidora de Energia S/A (EPB) (2)	Electricity distribution	100	100
Energisa Minas Gerais - Distribuidora de Energia S/A (EMG) (2)	Electricity distribution	100	100
Energisa Nova Friburgo Distribuidora de Energia S/A (ENF)	Electricity distribution	100	100
Energisa Soluções S/A (ESO) (3)	Energy distribution and generation services	100	100
Energisa Serviços Aéreos de Aeroinspeção S/A (ESER)	Aerial thermographic inspections	99.99	99.99
Energisa Planejamento e Corretagem de Seguros Ltda. (EPLA)	Insurance brokerage	100	100
Energisa Comercializadora Ltda. (ECOM)	Electricity trading	100	100
Parque Eólico Sobradinho Ltda (1)	Wind energy generation	100	100
Energisa Geração Usina Maurício S/A (GUM)	Electricity generation	100	99.99
Energisa Geração Central Solar Coremas S/A	Solar energy generation	100	100
Energisa Geração Eólica Boa Esperança S/A	Wind energy generation	100	100
Energisa Geração Eólica Mandacaru S/A	Wind energy generation	100	100
Energisa Central Eólica Alecrim S/A	Wind energy generation	100	100
Energisa Geração Central Eólica Umbuzeiro -Muquim S/A	Wind energy generation	100	100
Energisa Geração de Energia S/A	Non-financial institution holding company	100	100
FIM Zona da Mata	Exclusive investment fund	100	100
Caixa FI Energisa	Exclusive investment fund	100	100
Dinâmica Credit Receivables	Securitization of credits	100	100
Alvorada Direitos Creditórios	Securitization of credits	100	100
Denerge Desenvolvimento Energético S/A (4)	Holding Company	99.97	99.97
Energisa Pará Transmissora de Energia I S/A	Electricity transmission	100	-
Energisa Góias Transmissora de Energia I S/A	Electricity transmission	100	-
Indirect subsidiaries			
Empresa Energética Vale Paranapanema S/A	Holding Company	99.9	99.99
Rede Energia S.A (2)	Holding Company	96.21	96.21
Energisa Mato Grosso Distribuidora de Energia S/A	Electricity distribution	66.6	66.6
Energisa Mato Grosso do Sul Distribuidora de Energia S/A	Electricity distribution	99.93	99.93
Energisa Tocantins Distribuidora de Energia S/A	Electricity distribution	76.67	76.67
Companhia Força e Luz do Oeste (5)	Electricity distribution	-	98.3
Empresa Elétrica Bragantina S/A (5)	Electricity distribution	-	95.85
Companhia Nacional de Energia Elétrica (5)	Electricity distribution	-	98.7
Empresa de Distribuição de Energia Vale Paranapanema S/A (5)	Electricity distribution	-	100
Multi Energisa Serviços S/A	Services	99.9	99.9
Vale do Vacaria Açucar e Alcool	Services	100	100
Energisa Sul - Sudeste - Distribuidora de Energia S/A (5)	Electricity distribution	98.99	100

(1) Preoperational.

(2) Publicly held companies

(3) Company with a 99.99% interest in the capital of Energisa Soluções Construções e Serviços em Linhas e Redes S/A, founded in November 2013.

(4) Holding company - has a direct equity interest in the share capital of EEVP and Rede Energia and the control of the Companies: EEVP, Rede Energia S.A, Energisa Mato Grosso Distribuidora de Energia S/A, Energisa Mato Grosso do Sul Distribuidora de Energia S/A, Energisa Tocantins Distribuidora de Energia S/A, Companhia Força e Luz do Oeste; Empresa Elétrica Bragantina S/A; Companhia Nacional de Energia Elétrica; Empresa de Distribuição de Energia Vale Paranapanema S/A and Energisa Sul Sudeste - Distribuição de Energia S/A.

(5) The Extraordinary General Meeting held on June 30, 2017 approved the mergers of Empresa Elétrica Bragantina S.A, Empresa de Distribuição de Energia Vale Paranapanema S.A., Companhia Nacional de Energia Elétrica and Companhia Força e Luz do Oeste into Energisa Sul-Sudeste – Distribuição de Energia S.A (the new name of Caiuá - Distribuição de Energia S/A).

Description of main consolidation procedures:

1) Intercompany asset and liability account balances are eliminated;

2) Elimination of the balances of investments and corresponding interests in the capital and earnings of subsidiaries, and

3) Elimination of intercompany income and expense balances arising from intercompany transactions.

5. Segment reporting - consolidated

An operational segment is a component of the Company that develops business activities from which revenue streams can be derived and expenses incurred, including revenue and expenses related to transactions with other Company components. All operational income from segments is reviewed frequently by Management to support decisions about new resources to be allocated to the segment and to evaluate its performance, for which individual interim financial information is made available.

Segment results reported to Management include items directly attributable to the segment and items that can be reasonably allocated. Items not allocated primarily consist of corporate assets.

The Company and its subsidiaries operate in energy generation, distribution and sale and the provision of maintenance and operation of services for electricity distribution generation ventures. Summary segment reporting follows:

a) Segment reporting

	6/30/2017				
	Distribution	Generation	Sales	Services	Total
External Revenue	5,815,831	158	305,357	25,012	6,146,358
Intersegment Revenue	-	-	-	107,290	107,290
Total	**5,815,831**	**158**	**305,357**	**132,302**	**6,253,648**
Financial Revenue	252,313	4	1,427	123,794	377,538
Financial Expenses	(459,358)	(10)	(2,189)	(208,952)	(670,509)
Total	**(207,045)**	**(6)**	**(762)**	**(85,158)**	**(292,971)**
Depreciation and amortization	**357,377**	**16**	**14**	**16,519**	**373,926**
Reportable net income by segment before income and social contribution taxes	**359,502**	**(91)**	**7,077**	**(95,556)**	**270,932**

	6/30/2016				
	Distribution	Generation	Sales	Services	Total
External Revenue	5,313,570	164	192,179	45,282	5,551,195
Intersegment Revenue	-	-	-	89,442	89,442
Total	**5,313,570**	**164**	**192,179**	**134,724**	**5,640,637**
Financial Revenue	357,464	24	1,664	87,945	447,097
Financial Expenses	(504,370)	(2)	(2,709)	(226,971)	(734,052)
Total	**(146,906)**	**22**	**(1,045)**	**(139,026)**	**(286,955)**
Depreciation and amortization	**329,388**	**16**	**21**	**15,309**	**344,734**
Reportable net income by segment before income and social contribution taxes	**280,765**	**(84)**	**(3,914)**	**(124,185)**	**152,582**

	Distribution	Generation	Sales	Services	6/30/2017	12/31/2016
Assets of reportable segments	**18,197,282**	**4,555**	**123,622**	**1,914,960**	**20,240,419**	**20,071,908**
Current assets	5,029,305	360	111,113	1,103,540	6,244,318	6,396,156
Non-current assets	13,167,977	4,195	12,509	811,420	13,996,101	13,675,752
Liabilities by reportable segment	**11,561,472**	**87**	**114,457**	**3,697,696**	**15,373,712**	**15,298,867**
Current liabilities	4,867,951	82	70,543	333,266	5,271,842	5,060,390
Non-current liabilities	6,693,521	5	43914	3,364,430	10,101,870	10,238,477

b) Reconciliation of segment revenue, profits, assets and liabilities

	4/1/2017 to 6/30/2017	1/1/2017 to 6/30/2017	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016
Revenue				
Total net revenue of reportable segments	3,147,795	6,253,648	2,741,926	5,640,637
Elimination of intersegment revenue	(63,428)	(107,290)	(34,126)	(89,442)
Consolidated net revenue	**3,084,367**	**6,146,358**	**2,707,800**	**5,551,195**
Depreciation and amortization				
Total depreciation and amortization of reportable segments	184,803	373,926	168,834	344,734
Consolidated depreciation and amortization	**184,803**	**373,926**	**168,834**	**344,734**
Financial revenue				
Total financial revenue of reportable segments	181,916	377,538	208,911	447,097
Elimination of intersegment revenue	(41,616)	(81,742)	(38,428)	(72,109)
Consolidated financial revenue	**140,300**	**295,796**	**170,483**	**374,988**
Financial expense				
Total financial expense of reportable segments	(322,898)	(670,509)	(471,058)	(734,052)
Elimination of intersegment expense	41,616	81,742	38,428	72,109
Consolidated financial expense	**(281,282)**	**(588,767)**	**(432,630)**	**(661,943)**
Profits				
Total earnings of reportable segments	81,075	270,932	(50,564)	152,582
Income before tax	**81,075**	**270,932**	**(50,564)**	**152,582**

	6/30/2017	12/31/2016
Assets		
Total reportable segment assets	20,240,419	20,071,908
Other unallocated amounts	(25,075)	(49,088)
Total consolidated assets	**20,215,344**	**20,022,820**
Liabilities		
Total reportable segment liabilities	15,373,712	15,298,867
Other unallocated amounts	(25,075)	(49,088)
Total consolidated liabilities	**15,348,637**	**15,249,779**

6. Cash and cash equivalents, short-term investments in the money market and secured funds.

6.1. Cash and cash equivalents (stated at fair value through profit and loss)

Description	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Cash and at sight deposits	**1,392**	**731**	**83,406**	**81,817**
Liquid financial investments:	**121,277**	**41,147**	**643,098**	**715,383**
Bank Deposit Certificate (CDBs)	57,762	3,494	141,804	474,400
Subject to repurchase commitments (1)	63,515	37,653	501,294	240,983
Total cash and cash equivalents (2)	**122,669**	**41,878**	**726,504**	**797,200**

The portfolio of short-term investments primarily consists of Bank Deposit Certificates (CDBs), Securities subject to repurchase agreements and Debentures. Weighted average interest on the portfolio at June 30, 2017 was 101.69% of the CDI rate (100.70% of the CDI at December 31, 2016).

(1) Debentures held under repurchase agreements - Sales of securities subject to a repurchase agreement undertaken by the seller, alongside the resale commitment undertaken by the buyer. These operations have immediately liquidity, yielding 50.0% to 102.5% of the CDI rate.

(2) The short-term investments presented have daily liquidity and can be redeemed at the rate contracted.

6.2. Money market and secured funds (stated at fair value through profit and loss)

Description	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
1) At fair value through profit or loss	**677,129**	**797,525**	**1,787,497**	**1,894,108**
Bank Deposit Certificate (CDBs)	28,101	41,272	110,837	129,573
Bank Deposit Certificates Commercial Guarantees (CDB) (1)	-	-	9,808	6,264
Subject to repurchase commitments (2)	15,671	46	16,181	644
Debentures (3)	263,829	298,142	263,829	298,142
Investment Funds (4)	172,819	149,642	327,778	273,849
Exclusive Investment Funds (5)	**89,632**	**208,015**	**854,986**	**994,610**
Bank Deposit Certificate (CDBs)	4,739	20,045	38,342	68,420
Bank Credit Note (CCB)	717	1,077	5,800	8,397
Debentures	20,275	21,202	164,033	165,270
Securities subject to repurchase agreements	1,380	1,347	11,161	10,496
Government securities	10,070	15,127	133,469	32,685
Credit Fund	180	4,063	1,452	31,670
Fixed-Income Fund	14,295	27,931	115,658	217,727
Financial Treasury Bills (LFT)	-	8,513	-	66,363
Financial bill (LF)	37,633	108,373	382,300	390,956
Financial bill (LFS)	343	337	2,771	2,626
CCB bills (6)	78,667	78,781	78,667	78,781
(-) Provision for losses on CCB bills (6)	(78,667)	(78,781)	(78,667)	(78,781)
Commercial paper (7)	107,077	100,408	107,077	100,408
Other instruments	-	-	312	314
Credit receivables investment funds (8)	-	-	96,689	90,304
2) Held to maturity	**-**	**-**	**10,142**	**9,648**
Credit receivables investment funds (8)	-	-	10,142	9,648
Total balance of money market and secured funds (9)	**677,129**	**797,525**	**1,797,639**	**1,903,756**
Current	677,129	797,525	1,643,682	1,765,232
Non-current	-	-	153,957	138,524

(1) Bank Deposit Certificate (CDB) - Commercial Guarantees - These investments denote funds underlying commercial client guarantees, pursuant to the energy sale contract. Funds in this amount were credited to current liabilities, yielding 99.0% to 100.0% and a weighted average of 99.12% of the CDI rate.

(2) Debentures held under repurchase agreements - Sales of securities subject to a repurchase agreement undertaken by the seller, alongside the resale commitment undertaken by the buyer. They yield 67.0% to 101.0% and the weighted average of 100.18% of the CDI rate and underlie debentures;

(3) Debentures (related parties) - 33,540 debentures issued by the indirect subsidiary EMT that can be traded in the secondary market, with immediate liquidity and yielding the CDI rate + 2.28% p.a., maturing on 5/15/2021.

(4) Investment Funds - Includes funds classified as fixed income and Multimarket and yield 63.33% to 106.83% and the weighted average of 103.43% of the CDI rate.

(5) Exclusive investment fund, includes investments in CDB, CCB, Debentures, Securities subject to a repurchase agreements, Fixed-Income Funds, Credit Funds and LFT, LFS, LF bills and yield 103.78% of CDI Fundo FI Energisa and 103.18% of the CDI Fundo Zona da Mata.

(6) CCB bills - the Company has securities issued by or whose payment is the responsibility of an unrelated party that has filed for judicial reorganization. As the Judicial Reorganization Plan was only approved in April 2017 and to be conservative, a provision was made for credit impairment of R$ 78,667 (R$ 78,781 on December 31, 2016). In the period ended June 30, 2017 R$ 114 was reversed from the provision for receipt of part of the amount, recorded under other financial expenses.

(7) Series 1 and 2 commercial papers (related parties) - issued by the subsidiary Energisa Tocantins maturing on 12/21/2018 and 12/21/2019, highly liquid and yielding CDI + 1.85% p.a. and 1.95% p.a., respectively.

(8) Non-standardized credit receivables investment fund IV Energisa Centro Oeste - FIDC maturing on 10/1/2034 and Credit receivables investment fund (FIDC) Energisa 2008 maturing on 12/1/2020, respectively, and

(9) Includes R$ 15,758 (R$ 14,888 as of December 31, 2016) at the parent company and R$ 222,036 (R$ 216,924 as of December 31, 2016) in the consolidated statements referring to funds linked to loans, energy auctions and funds blocked by court.

The investment portfolio consists largely of Closed-End Investment Funds investing in assets selected to improve returns with minimal risk, including fixed-income securities, government bonds, repurchase agreements, debentures and CDBs. Weighted average interest on the portfolio at June 30, 2017 was 104.76% of the CDI rate (108.83% of the CDI at December 31, 2016).

Accounting estimates: Energisa Group controls its short-term investments via a Financial Market Risk Management Policy, which seeks to mitigate the counterparty risk, i.e. the risk associated with the possibility of the entity not honoring its payment commitments. This policy establishes requirements on eligibility for investment and minimum ratings. It also establishes limits on the concentration of investments (equity investments by banks) in specific investees based on size, rating and assets. The Financial Market Risk Management Policy is in the public domain and can seen on Energisa's site.

7. Clients, consumers and concessionaires

	Parent Company		Consolidated								
			Outstanding balances		Overdue balances				Allowance for doubtful accounts (7)	Total	
	6/30/2017	12/31/2016	Up to 60 days	Over 60 days	Up to 90 days	91 to 180 days	181 to 360 days	over 360 days		6/30/2017	12/31/2016
Current amounts: (1)											
Residential	-	-	240,563	56	282,668	36,131	5,164	5,667	(46,962)	523,287	501,534
Industrial	-	-	128,750	-	28,823	2,985	5,195	30,031	(30,031)	165,753	151,447
Commercial	-	-	194,676	19	67,965	9,619	6,479	22,469	(28,945)	272,282	264,524
Rural	-	-	75,327	-	33,932	7,633	1,178	1,381	(1,381)	118,070	97,750
Government	-	-	69,985	-	19,679	2,529	3,140	8,508	(8,508)	95,333	87,362
Public lighting	-	-	23,804	-	8,569	5,146	465	3,872	(3,872)	37,984	34,591
Public utility	-	-	37,217	-	8,034	2,490	5,066	87,462	(87,462)	52,807	55,793
Unbilled sales	-	-	415,752	-	-	-	-	-	-	415,752	449,980
Collection Classification Process	-	-	45,717	-	-	-	- -	-	-	45,717	45,124
Renegotiated amounts:											
Residential	-	-	14,387	30,900	9,187	4,078	4,703	32,037	(53,644)	41,648	52,577
Industrial	-	-	5,087	10,140	2,154	865	2,522	14,448	(20,033)	15,183	18,368
Commercial	-	-	7,841	43,763	4,591	1,576	1,740	11,863	(26,246)	45,128	53,279
Rural	-	-	2,700	6,918	1,326	413	450	2,648	(5,667)	8,788	7,000
Government (2)	-	-	13,083	171,965	3,083	500	1,244	21,073	(29,049)	181,899	153,062
Public lighting	-	-	1,804	12,183	219	9	94	279	(414)	14,174	12,989
Public utility	-	-	3,707	10,483	164	63	41	1,521	(1,226)	14,753	8,916
(-) Adjustment to present value (3)	-	-	(5,469)	(59,686)	-	-	-	-	-	(65,155)	(84,169)
Subtotal - receivables	-	-	1,274,931	226,741	470,394	74,037	37,481	243,259	(343,440)	1,983,403	1,910,127
Sales to distributors - Local Currency (4)	-	-	57,958	-	6,978	6,974	12,714	52,934	(528)	137,030	189,726
Electricity grid usage charges	-	-	3,956	-	-	-	-	-	-	3,956	3,933
Specialized Services	27,326	5,989	4,552	-	-	-	-	-	-	4,552	15,787
Decrease in use of the distribution system (5)	-	-	12,201	-	-	-	-	-	-	12,201	12,201
Others (6)	-	-	155,335	643	43,049	18,241	5,133	38,226	(24,381)	236,246	92,540
Total	**27,326**	**5,989**	**1,508,933**	**227,384**	**520,421**	**99,252**	**55,328**	**334,419**	**(368,349)**	**2,377,388**	**2,224,314**
Current	27,326	5,989								2,065,168	1,990,788
Non-current	-	-								312,220	233,526

(1) Maturities are scheduled for the 5th working day after the bills are delivered, except for government consumers who have 10 working days to pay.

(2) This includes the renegotiation conducted on August 3, 2016 whereby the subsidiary EMT signed a debt financing and acknowledgment agreement with the municipal government of Cuiabá and Companhia de Saneamento da Capital (SANECAP) for the provision of electricity in the amount of R$ 86,592, net of interest, monetary restatement and fines, which is being received in installments equal to 50% of the amount paid monthly by Companhia de Saneamento to the municipal government of Cuiabá, commencing September 30, 2016. The debit balance incurs interest of 0.5% per month limited to the portion of the concession through the end of the concession (April/2042). In the third quarter of 2016 the indirect subsidiary EMT reversed the entire provision previously made in the same amount and made the provision for the adjustment to present value on the debt of R$ 31,470, recorded in profit or loss for the period under other financial expenses in the consolidated statement, calculated by applying the annual CDI rate of 12.13% p.a.

(3) Adjustment to present value: calculated for renegotiated contracts without interest and/or those with an interest-rate of IPCA or IGPM. The annual average rate of CDI of 13.63% p.a. was used for discounting to present value (10.14% p.a. as of December 31, 2016). This rate is compatible with the nature, tenor and risk for similar transactions on market conditions in the current situation. Management believes that this discount rate adequately reflects the capital costs, given the nature, complexity and volume of the renegotiations.

(4) Includes energy sold at the Câmara de Comercialização de Energia Elétrica - CCEE.

The balance of the consolidated sales to distributors account - local currency as of June 30, 2017, includes amounts referring to the sale of energy at the Câmara de Comercialização de Energia Elétrica – CCEE to the amount of R$ 136,115 (R$ 132,469 as of December 31, 2016). These balances were determined based on calculations prepared and published by the CCEE.

The breakdown of these amounts, including the balances recorded under "suppliers payable" in the current liabilities of R$ 214,444 (R$ 108,102 as of December 31, 2016), derive from the acquisition of electricity and system service charges, as shown below:

	Consolidated	
	6/30/2017	12/31/2016
Outstanding balances	56,514	74,986
Credits linked to court injunctions up to December 2002 [(a)]	21,906	21,906
Overdue credits [(b)]	57,695	35,577
Sub-total credits CCEE	**136,115**	**132,469**
(-) Energy acquisitions at CCEE	(174,555)	(83,650)
(-) System service charges	(39,889)	(24,452)
Total CCEE credits (debits)	**(78,329)**	**24,367**

Transactions at the CCEE are being settled 45 days after the accrual month.

(a) Current energy amounts linked to court injunctions are subject to change, depending on the outcome of the legal proceedings in progress. These proceedings have been brought by various companies in the sector relating to the interpretation of existing market rules. Not included in the rationing area, these companies obtained a court injunction which overturned ANEEL Resolution 288 issued May 16, 2002 which aimed to clarify companies operating in the sector about the treatment and means of applying certain MAE (now the CCEE) accounting rules set out in the General Electric Sector Agreement. These companies' claim involves the sale of Itaipu's quota in the southeast/central and western submarket during the period of rationing between 2001 and 2002, when there was a significant discrepancy in short-term energy prices between the submarkets. The subsidiaries ESE, EMG, ENF and ESS did not make a provision for possible loan losses referring to the balances bound to these injunctions, as they hold that the amounts will be received in full either from the borrowers judicially contesting the loans or from other companies which the CCEE specifies in the future.

(b) Overdue credits:

Includes RGE SUL (the new name of AES SUL) – R$ 13,921
The subsidiaries EMG, ESE, EPB, EBO and ENF filed collection proceeding against the creditors which had not settled energy acquisitions at CCEE and MAE since 2002, for which an allowance for doubtful accounts was made.

On October 12, 2016 the monition action filed by the subsidiary EMG (representing the other subsidiaries) against RGE SUL was made final and unappealable, which placed the award amount in a judicial deposit, leading to the recognition of a duly restated asset receivable and the reversal of part of the provision. The balance of R$ 14,951 was received on 3/29/2017.

CCEE – R$ 57,695 (R$ 35,577 as of December 31, 2016)
As of June 30, 2017 the subsidiaries EBO, EEB and EDEVP have amounts receivable from CCEE for the period December 2015 through December 2016, duly restated monetarily, which CCEE has not yet passed through. The funds are expected to be received by the end of the third quarter of 2017.

Use of estimates: the recording of electric power purchase and sale transactions through the CCEE are recognized on the accrual basis based on calculations prepared and disclosed by the entity or by Management estimate, when this information is not available in time.

(5) Decrease in use of the distribution system: ANEEL Ratifying Resolution 1270 issued April 03, 2012 awarded the indirect subsidiary EMT the amounts due to the financial loss of the discounts awarded in the TUSD. The amount is intended to restore the subsidiary's revenue for providing the transmission grid to free consumers, generators and incentivized sources. For the remaining balance of R$ 12,201 (R$ 12,201 as of December 31, 2016) suspended by injunction, the same amount is recorded against other accounts payable in the

consolidated non-current liabilities.

(6) The subsidiaries EMT, ETO, EPB, ESE, EBO, EMG and ENF have R$ 64,201 (R$ 59,130 as of December 31, 2016) relating to ICMS on the use of the distribution and transmission system by free consumers and ICMS on energy demand which has been suspended under injunctions. The amount has been recorded in the consolidated financial statement as ICMS in taxes and social contributions, under non-current liabilities. The figure denotes service fees and other consumer receivables.

(7) Allowance for doubtful accounts - The allowance for doubtful accounts was made to an amount deemed sufficient to cover any losses incurred on the realization of credits on trade accounts receivable, consumers and concession operators, and in accordance with ANEEL instructions, which have been summarized below:

Customers with material debts:

- Individual analysis of the trade accounts receivable by consumption sector, with little prospect of realization.

For the other cases:

- Residential consumers more than 90 days overdue
- Commercial consumers more than 180 days overdue
- Industrial, rural and government consumers, street lighting, public services and others more than 360 days overdue.
- Renegotiated contracts - (i) overdue portions - the portions are provisioned for (ii) more than 3 overdue portions - the overdue and outstanding portions are provisioned for.

For the public service, government and public lighting sectors: the indirect subsidiaries EMT, ETO, EMS, and ESS individual assess credits undergoing judicial collection subject to a final and unappealable decision which have been subject to a payment order, as in these cases the realization of the credit is a certainty. An impairment loss is recognized for all other government credits more than 360 days overdue.

See the changes occurring in the period/year:

Changes in provisions	6/30/2017	12/31/2016
Opening balance - current - 12/31/2016 and 12/31/2015	**353,151**	**464,581**
Provisions (reversals) made in the period/year – Operating expenses (*)	64,079	25,353
Reversal of the provision made in the period/year-Other financial expenses	-	(35,524)
Write-off of electricity bills - uncollectible	(37,628)	(101,259)
Closing balance - current - 06/30/2017 and 12/31/2016	**375,918**	**353,151**
Allocation:		
Clients, consumers and concessionaires	368,349	344,068
Credit receivables	2,386	3,900
Other accounts receivable	5,183	5,183

(*) The reversals of provisions as of December 31, 2016 basically refers to the settlement of energy bill receipt proceedings against the municipal government of Cuiabá, the renegotiation of the debt of Companhia de Saneamento da Capital (Sanecap), the government securities and the end of the decision under the monition action filed against RGE SUL regarding electricity sold at CCEE in 2002, as follows:

a) In the year the indirect subsidiary EMT reversed the entire provision previously made of R$ 86,592 regarding the renegotiations conducted with Companhia de Saneamento da Capital de Cuiabá (SANECAP).

On June 17, 2016 the signing of the petition at the Securities Reconciliation Center under security requirement 13699/2004 resulted in the agreement between the indirect subsidiary EMT and the municipal government of Cuiabá/MT. The indirect subsidiary has an allowance for doubtful accounts of R$ 35,524, which was reverted to the item other financial expenses as it consisted of fines, interest and monetary restatement.

b) The indirect subsidiary EMT has renegotiated other electricity supply debits for public lighting and other municipal agencies in amount of R$ 10,021, including reductions to the interest, fines and 95% of the monetary restatement, also received in full in 2016.

c) The subsidiaries EMG, ESE, EPB, EBO and ENF reversed a provision of R$ 2,004 against the final and unappealable decision under the monition action filed against RGE SUL.

d) The balance of specialized services at the parent company as of June 30, 2017, includes amounts for Services provided to Centrais Elétricas de Rondônia in the amount of R$ 115 (R$ 46 in December 2016) and R$ 27,211 (R$ 5,943 in December 2016) referring to transactions, as stated in note 14.

8. Credit receivables - consolidated statement

	Consolidated	
	6/30/2017	12/31/2016
Credit receivables [b]	35,257	31,155
Enforcement of PM securities of Cuiabá [a]	23,750	25,320
Adjustment to present value [b]	(25,445)	(24,610)
Allowance for doubtful accounts	(2,386)	(3,900)
	31,176	**27,965**
Current	11,055	9,661
Non-current	20,121	18,304

(a) Enforcement Proceeding (383/2001 - 3rd Lower Treasury Court – Cuiabá) of the indirect subsidiary EMT, filed against the municipality of Cuiabá, which resulted in order 13.699/2004/TJMT. On June 17, 2016 the petition was signed at the Security Reconciliation Center of security requirement 13699/2004 which resulted in the agreement between the indirect subsidiary EMT and the municipal government of Cuiabá/MT, establishing a credit to be paid in installments in the original amount of the security requirement, of R$ 28,321, which is being received in 66 fixed installments of R$ 500 restated at the 0.5% per month and the final payment no. 67 of R$ 183. Receipts of the portions commenced on August 10, 2016 and the others are due on the 25th of each month. The receipts are taking place on the maturity dates. An adjustment to present value was made of R$ 1,889 (R$ 1,977 as of December 31, 2016) using the average annual CDI rate of 12.13% per annum, recorded in other financial expenses.

(b) In 2003 the subsidiaries EDEVP, EEB, CNEE and CFLO merged into ESS on June 30, 2017 have non-tax credits arising from an award against the Federal Government in proceedings seeking a right to offset federal taxes and contributions recognized under a *res judicata* court decision. These credits are under proceedings brought by the party holding credit rights against the Federal Government. The subsidiaries brought these proceedings with a claim for assistance which was rejected by the first instance court for purely procedural reasons. An appeal was brought against the decision which is pending adjudication by the Federal Court of the 1st Region. Following their accession to the Special Tax Financing Program (PAEX) on 12/15/2006 under Provisional Measure 303/2006, the subsidiaries withdrew from their claim to offset those credits but remain party to the proceedings to seek recognition of their credit rights. The realization of these credits depends on a successful outcome from the proceedings, the probability of which has been rated as "possible" by the Company's legal advisers. Management recognized a provision for impairment losses of this asset, recorded as a deduction to consolidated credits receivable of R$ 21,400 (R$ 21,400 as of December 31, 2016).

As of June 30, 2017 the credits mature as follows:

Overdue receivables	Consolidated (*)
Overdue	3,304
2017	7,000
2018	7,328
2019	7,277
2020	5,887
2020 onwards	2,766
Total	**33,562**

(*) Presented net of the adjustment to present value.

9. Dividends receivable

See below a statement of dividends receivable from subsidiaries:

	Parent company	
Dividends receivable	6/30/2017	12/31/2016
Energisa Mato Grosso - Distribuidora de Energia S/A	-	1,852
Rede Energia S/A	-	11,295
Denerge Desenvolvimento Energético S/A	-	13,947
Energisa Minas Gerais Distribuidora de Energia S/A	-	1,043
Energisa Nova Friburgo Distribuidora de Energia S/A	-	2,208
Energisa Comercializadora de Energia Ltda.	-	862
Energisa Planejamento e Corretagem de Seguros Ltda.	2,225	1,086
Total Current Assets	**2,225**	**32,293**

10. Recoverable taxes

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Value-added tax on sales and services - ICMS [(a)]	-	-	213,678	200,017
Income tax withheld at source - IRRF [(b)]	24,092	11,541	44,506	29,801
Corporate Income Tax – IRPJ [(c)]	26,753	38,665	284,723	291,072
Social contribution on net income – CSSL [(c)]	3,466	3,549	60,147	57,788
PIS and COFINS Contributions [(d)]	746	320	127,124	107,007
Other	14	1	36,336	33,574
	55.071	**54,076**	**766.514**	**719,259**
Current	48,329	32,477	551,385	485,838
Non-current	6,742	21,599	215,129	233,421

(a) Basically relates to ICMS tax credits originating from property, plant and equipment and intangible asset purchases which may be offset monthly by subsidiaries over the following 48 months against taxes incurred on electricity sales. Moreover, this includes R$ 19,924 in a letter of credit provided to the State of Mato Grosso by the indirect subsidiary EMT. The letter of credit was provided as a guarantee to secure tax benefits under Act 9165/2009, for which supporting documentation was provided on November 07, 2014 and is pending approval by the Mato Grosso tax authorities. Management makes a provision for losses for all of the credits due to the uncertainty of their realization.

(b) Income tax largely originating from withholdings on interest on financial investments and loans, and on services provided to third parties. The balances are offset against monthly prepayments of income tax and the amount unused within the relevant financial year is incorporated into a negative income tax balance for the calendar year.

(c) At the parent company this denotes amounts withheld on yields on short-term investments and loan agreements, not offset in previous years which will be included in the negative balances of IRPJ and CSLL. At the subsidiaries, this denotes the negative income and social contribution tax balances for previous calendar years, deriving from overstated tax estimates, which will be offset against federal taxes.

(d) This denotes the overpayment of PIS and COFINS relating to the acquisition cost of energy purchased for resale, connection charges, services and other costs related to the subsidiaries' electricity distribution activity and includes the 18 remaining payments of credit constituted on or before December 31, 2014 on machinery, equipment, materials and services recorded in intangible assets and property, plant and equipment, recoverable at the rate of 1/48, in accordance with the existing legislation when the balance was made. Due to the amendment of Law 12973/2014, in FY 2016 the distribution credits began to be recorded on the depreciation/amortization of assets and equipment used in operations.

11. Periodical rate adjustment and review - consolidated

11.1 Rate adjustments:

As consideration for services rendered the concession operator is entitled to charge consumers the rates determined and ratified by the concession authority. The rates are adjusted annually and the concession operator's revenue is divided into two portions: A Portion (consisting of uncontrollable costs) and B Portion (efficient operating costs and capital costs). The annual rate adjustment aims to pass through uncontrollable costs and to monetarily restate controllable costs.

The subsidiaries' rates have been readjusted as follows:

Distribution company	Ratifying Resolution	Average effect to be faced by (%)	Valid from
ESS	Resolution 1888, issued 5/5/2015	1.85%	5/10/2015
CFLO	Resolution 1907, issued 6/23/2015	16.54%	6/29/2015
CNEE	Resolution 1889, issued 5/5/2015	-3.62%;	5/10/2015
EBO	Resolution 2019, issued 2/2/2016	6.91%	2/4/2016
EDEVP	Resolution 1886, issued 5/5/2015	-0.09%	5/10/2015
EEB	Resolution 1887, issued 5/5/2015	-0.23%	5/10/2015
EMG	Resolution 2254, issued 6/13/2017	0.76%	6/22/2017
EMS	Resolution 2215, issued 4/4/2017	-1.92%	4/8/2017
EMT	Resolution 2216, issued 4/4/2017	-2.10%	4/8/2017
ENF	Resolution 2253, issued 6/13/2017	-4.32%	6/22/2017
EPB	Resolution 2126, issued 8/23/2016	5.13%	8/28/2016
ETO	Resolution 1919, issued 6/30/2015	5.88%	7/4/2015
ESE	Resolution 2224, issued 4/19/2017	9.29%	4/22/2017

Thought the Authorizing Resolution 6318 and Resolution 2271 issued on June 11, 2017, ANEEL approved the first-rate adjustment index of Energisa Sul Sudeste, which will have a single rate. As the distribution companies used to have different rates, the average increase felt by consumers in the new concession grouped in this first year will be differentiated, as per the table below, applied from July 12, 2017.

Average Effect on the Consumer	Caiuá	EEB	EDEVP	CNEE	CFLO
Average Total Effect	2.13%	-10.32%	-1.46%	5.52%	-0.60%

11.2 Extraordinary rate readjustment:

At a meeting held February 27, 2015, the Agência Nacional de Energia Elétrica (ANEEL) resolved to award an Extraordinary Rate Adjustment (RTE) for all electricity distribution concession operators in Brazil, effective from March 02, 2015. The Energisa Group subsidiaries received the following average adjustments:

Average RTE increase by distribution company:

Distribution company	ANEEL Ruling	Average effect on consumers (%)	Valid from
EMG	Resolution 1858, issued 2/27/2015	26.89%	3/2/2015
ENF	Resolution 1858, issued 2/27/2015	26.05%	3/2/2015
EPB	Resolution 1858, issued 2/27/2015	3.82%	3/2/2015
EBO	Resolution 1858, issued 2/27/2015	0.61% (*)	3/2/2015
ESE	Resolution 1858, issued 2/27/2015	8.00%	3/2/2015
EMT	Resolution 1858, issued 2/27/2015	26.80%	3/2/2015
ETO	Resolution 1858, issued 2/27/2015	4.46%	3/2/2015
EMS	Resolution 1858, issued 2/27/2015	27.86%	3/2/2015
CNEE	Resolution 1858, issued 2/27/2015	35.21%	3/2/2015
ESS	Resolution 1858, issued 2/27/2015	32.36%	3/2/2015
EDEVP	Resolution 1858, issued 2/27/2015	29.40%	3/2/2015
EEB	Resolution 1858, issued 2/27/2015	38.49%	3/2/2015
CFLO	Resolution 1858, issued 2/27/2015	31.88%	3/2/2015

(*) amount ratified by Ratifying Resolution 1870 issued 4/7/2015.

The extraordinary rate adjustment (RTE) introduced aims to adjust rates to cover the current costs of the Energy Development Account (CDE) and energy purchases.

11.3 Rate flags:

Since 2015 energy bills started using the Rate Flag System.

The rate flags are used to inform consumers of the electricity generation conditions in the Sistema Interligado Nacional - SIN by including a surcharge in the Energy Rate - TE.

The rate flag system consists of:
Green rate flag
Yellow rate flag
Red rate flag, segregated into Tiers 1 and 2

The green rate flag signals favorable energy generation conditions, with no surcharge.

The Yellow Rate Flag signals less favorable generation conditions. The rate rises R$ 2.00 for each 100 kilowatt-hours KwH consumed in the month.

The Red Rate Flag signals costlier energy generation conditions. This flag is split into the following two tiers:
Tier 1: a rate of R$ 3.00 for each 100 kilowatt-hours (KwH) consumed in the month;
Tier 2: a rate of R$ 3.50 for each 100 kilowatt-hours (KwH) consumed in the month.

The values of the yellow and red rate flags by tier are established annually by ANEEL by way of the Ratifying Resolution by forecasting the energy generation costs of thermal power plants and exposure to the spot market that affects distribution agents.

Effective from February/2017, Ratifying Resolution 2203/2017 ratified the previously mentioned values of the yellow and red rate flags.

The red rate flag came into force in April and May 2017, at tier 1, and the green flag applied for the other months.

11.4 Rate review:

The subsidiaries' periodic rate reviews take place: (i) every four years at EBO, EPB and ETO, and (ii) every five years at ESE, EMT, EMS, EMG, ENF, ESS, EEB, CNEE, EDEVP and CFLO.

In this process ANEEL recalculated the rates according to the changes in the structure of the concession operator's costs and sales, in order to foster the efficiency and affordability of the rates. The adjustments and reviews are rate restatement mechanisms, both stipulated in the concession agreement. The concession operator may also request an extraordinary review whenever an event causes a significant economic and financial imbalance in the concession.

The rate adjustments in force have been summarized below:

Distribution company	ANEEL Ruling	Average effect on consumers (%)	Valid from
CAIUÁ (*)	Resolution 2071, issued 5/3/2016	-0.94%	5/10/2016
CFLO (*)	Resolution 2095, issued 6/21/2016	-16.48%	6/29/2016
CNEE (*)	Resolution 2073, issued 5/3/2016	-0.37%	5/10/2016
EBO	Resolution 2200, issued 1/31/2017	0.43%	2/4/2017
EDEVP (*)	Resolution 2072, issued 5/3/2016	1.69%	5/10/2016
EEB (*)	Resolution 2074, issued 5/3/2016	1.84%	5/10/2016
EMG	Resolution 2092, issued 6/21/2016	2.16%	6/22/2016
EMS	Resolution 1505, issued 4/5/2013	-3.17%	4/8/2013
EMT	Resolution 1506, issued 4/5/2013	0.95%	4/8/2013
ENF	Resolution 2091, issued 6/21/2016	8.86%	6/22/2016
EPB	Resolution 1592, issued 8/27/2013	-3.02%	8/28/2013
ESE	Resolution 1513, issued 4/16/2013	4.08%	4/22/2013
ETO	Resolution 2105, issued 6/27/2016	12.81%	7/4/2016

(*) As of June 30, 2017 CAIUÁ, currently named ESS, took over CFLO, CNEE, EDEVP and EEB.

11.5. Other regulatory issues - over purchasing:

Over purchasing by the Energisa Group distribution companies is primarily due to the obligation imposed on electricity concession operators to acquire energy at the 2015 A-1 auction and the migration of special clients to the Free Contracts System (ACL).

Because of the rule set out in Decree 5163/04, regardless of their requirement, electricity distribution companies in Brazil are subject to the mandatory acquisition of at least 96% of their Replacement Amounts in the last auction of 2015, where failure to comply with this rule will constitute risks outside the agents' management, including the imposition of losses on the subsidiaries, electricity distribution companies due to an activity that does not compensate (energy acquisition).

To counter the losses resulting from the energy acquisition imposed on it, thereby mitigating the overpurchase, in the course of 2016 and in 2017 Energisa Group made every effort and is making every effort and using all means available, such as participating in the monthly MCSDs and New Energy auctions and entering into bilateral agreements with generators. Nevertheless, as one of the ultimate mechanisms has not yet been used (Ex-Post MCSD), the Energisa Group distribution companies estimate they will jointly close 2016 with a contracting level of 110.3% (revised in 2Q17 due to the updating of regulatory parameters and retroactive bilateral agreements), where the surplus in excess of 100% up to the limit of 105%, is settled by the Differences Settlement Price (PLD), at the Câmara de Comercialização de Energia Elétrica (CCEE) over the course of the year.

Energisa Group is therefore basing itself on both the technical opinion of the renowned law firm and ABRADEE statements and interactions with Aneel. It appealed to this agency to have this overpurchase recognized as involuntary, thereby cancelling the losses of the distribution subsidiaries.

Stating its agreement with the opinion of Energisa Group, a number of months after auction A-1 and after beginning discussions regarding the mistake in its realization, given the economic downturn and income contraction and therefore the load handled by its agents, the Concession Authority issued Decree 8828/16, altering the obligation to acquire the minimum mandatory amount in future auctions, when unnecessary. In respect of the past, the matter continues to be discussed and analyzed with the agents.

Similarly, in relation to the migration of special clients from the captive market to the free market ANEEL changed the regulations permitting the returning to them of the corresponding energy as from the A-1 auction in 2016. As it is not possible to reduce the existing contracts as this possibility was not clear for the winner in the notice of the previous auctions, these surpluses have to be recognized as involuntary.

At an Executive Board meeting held April 25, 2017, Aneel determined that each distribution company's involuntary contracting be assessed individually, considering the maximum effort to achieve the contractual coverage level, as established in Normative Resolution 453/2011. Note that the administrative proceedings opened by the electricity companies have not been resolved by ANEEL.

In the period ended June 30, 2017, the subsidiaries, electricity distribution, reviewed the contracting levels due to the updating of regulatory parameters and bilateral retroactive agreements. Therefore, the provision for non-reimbursable losses was applied, in the same proportion as the costs based on the aforementioned information, for rates of R $ 4,212, of R $ 45,036 recorded in December 2016, recognized in the income statement consolidated.

12. Assets and liabilities financial sector – Consolidated

The Recoverable Cost Variations – "Portion A (CVA) is a mechanism intended to record the changes in costs incurred on energy purchases and regulatory charges in the period, including rate adjustments and/or periodical revisions, in order to permit greater neutrality when passing through the changes to the rates.

In FY 2014 ANEEL decided to amend the concession and permission agreements of the electricity distribution subsidiaries, in order to eradicate any hitherto existing uncertainty regarding the recognition and realization of temporary differences, the amounts of which are passed through annually to the electricity distribution rate - A Portion and other financial items, which permitted the CVA balances to be recorded on a prospective basis in accordance with OCPC 08.

In its amendment ANEEL guarantees that the CVA amounts and other financial item shall be incorporated into the compensation calculation upon termination of the concession.

The recognized amounts of financial sector regulatory assets and liabilities were accordingly charged to revenue from the sale of goods and services.

The electricity distribution subsidiaries recorded the changes in these costs as financial sector assets and liabilities, as shown below:

Financial sector assets and liabilities	Balance as of 12/31/2016	Operating Revenue		Finance income	Balance as of 6/30/2017
		Addition	Amortization		
Items of Portion A (i)					
Electricity purchased for resale	243,701	91,399	(188,640)	92	**146,552**
Alternative Energy Sources Incentive Program - PROINFA	12,635	(7,051)	(10,035)	(197)	**(4,648)**
Transportation of electricity to national grid	29,905	(30,673)	(13,571)	665	**(13,674)**
Transportation of electric power - Itaipu	4,094	(5,723)	(2,193)	(394)	**(4,216)**
System Service Charges - ESS (iii)	(242,831)	(140,310)	73,251	(9,193)	**(319,083)**
Energy Development Account - CDE	(9,311)	(100,047)	(72,514)	(6,351)	**(188,223)**
Financial components					
Neutrality of Portion A (iv)	65,240	(1,702)	(19,720)	1,035	**44,853**
Overcontracting of energy (ii)	(24,785)	(86,108)	56,148	520	**(54,225)**
Rate Returns (*)	(19,982)	(11,264)	16,119	(1,060)	**(16,187)**
CUSD	13	5,570	(305)	14	**5,292**
Submarket exposure	(99,713)	96,714	33,224	(946)	**29,279**
Financial Guarantees (v)	4,875	1,957	(2,089)	179	**4,922**
Balance offsettable of the CVA of the previous cycle (vi)	(33,338)	4,635	33,256	-	**4,553**
Other financial items (vii)	(42,941)	(10,689)	69,389	(447)	**15,312**
Total Assets and Liabilities	**(112,438)**	**(193,292)**	**(27,680)**	**(16,083)**	**(349,493)**
Current Assets	**538,771**				**378,296**
Non-current Assets	**152,130**				**158,277**
Current Liabilities	**(631,701)**				**(655,735)**
Non-current Liabilities	**(171,638)**				**(230,331)**

(*) The addition for the period of R$ 11,264 (R$ 17,746 as of December 31, 2016) denotes the addition of the Excess Demand and Excess Power Factor revenue recognized by the indirect subsidiaries ESS, EEB, CNEE, EDEVP and CFLO and the direct subsidiaries EMG and ENF, under ANEEL Order 245/2016, which establishes that for accounting effects to be produced in accordance with the Rate Regulation Procedure, as from the 4th Tariff Review cycle any new Excess Demand and Excess Reactive Power amounts should be recognized under Sectoral Financial Liabilities – (IPCA) and will only be amortized following the approval of the 5th Rate Review Cycle (CRTP).

Special obligations were transferred in the period of R$ 16,119 and R$ 270, demonstrated in amortization and financial income for the period respectively, referring to Official Circular 112/2017-SFF/ANEEL, exclusively for distribution companies that had their concession agreements renewed, which stated that the Excess Demand and Excess Power Factor accumulated through February/2017 and data for March/2017 onwards be recorded as a sector financial liability.

This had a net impact of R$ 4,854 on the consolidated Excess Demand and Excess Power Factor revenue and R$ 270 on financial revenue, in accordance with the previously mentioned rules.

(i) **Recoverable uncontrollable rates of the A Portion - CVA**

Interministerial Ordinance 25, issued January 24, 2002 by the Ministries of State Finance and Mines and Energy, established the Compensation Account for the Variation in the Values of the Items of "A Portion - CVA", as the account for recording negative or positive changes in costs occurring in the period between annual rate adjustments, relating to the items established in the electricity distribution concession agreements.

These changes are determined as the difference between the expense effectively incurred and the expenses estimated when the rate is established in the annual rate adjustments. The amounts included in the CVA are restated monetarily based on the Selic base interest rate.

(ii) **Pass-through of over contracting /involuntary exposure of energy**

By way of the regulated energy contracts, distribution companies should ensure the entire market demand is met.
Purchases greater than or lower than this parameter will result in ANEEL applying the rate of review and adjustment processes to determine the cost of passing through the acquisition of the excess amount contracted, limited to five percent in relation to the annual regulatory supply charge of the distribution company and the energy cost regarding exposure to the spot market. As mentioned in note 11.5, amounts exceeding the limit of one hundred and five percent are being discussed and have not therefore been recognized.

(iii) **System Service Charges - ESS**

Denotes a charge intended to cover the system service costs, which includes auxiliary services provided by users.

(iv) **Neutrality**

Denotes the neutrality of sector charges in the rate, determining the monthly differences between the amounts invoiced and the amounts included in the rates.

(v) **Financial Guarantees**

Pass-through of costs deriving from the settlement and custody of financial guarantees established in the contracts addressed in article 15 (generation distributed by public order), art. 27 (CCEAR of new and existing energy auctions) and art. 32 (adjustment auctions) of Decree 5163/2004.

(vi) **Balance offsettable of the CVA of the previous cycle**

Pursuant to article 3 (4) of Interministerial Ordinance MME/MF 25/2002, we found that the balance of the CVA being process included in the rate process was effectively offset, taking into account the changes occurring between the electricity market used to define this rate process and the market verified in the 12 months of the offsetting, in addition to the difference between the projected interest rate and the actual Selic base interest rate.

(vii) **Other financial items**

This includes the other nonrecurring specific financial items of the distribution companies, such as Reversal of the financial RTE2015, Eletronuclear Differential, Eletronuclear Offsetting Pass-through, etc.

13. Other accounts receivable

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Eletrobrás low-income subsidiary [1]	-	-	45,586	41,255
Service orders in progress - PEE and R&D	-	-	132,943	131,516
Service orders in progress - other	-	-	23,424	27,970
Deactivation orders in progress	-	-	9,009	7,870
Expenses to be reimbursed - ODR	-	-	326	651
Advances to suppliers and employees	527	709	42,702	24,157
CDE subsidy - rate discount [2]	-	-	158,205	113,769
CDE subsidy - rate flags	-	-	23,709	5,033
Banco Daycoval [3]	-	-	176,873	176,791
Provision for losses Banco Daycoval [3]	-	-	(176,791)	(176,791)
Other credits receivable -CELPA - in 'Judicial Reorganization" [4]	-	-	67,317	66,144
(-) Adjustment to present value - CELPA [4]	-	-	(21,580)	(22,626)
Subrogation of CCC [5]	-	-	23,997	24,617
Acquisition of fuel via CCC account	-	-	39,752	42,537
Low income standard	-	-	2,927	3,105
Universalization Plan	-	-	1,567	2,089
Pension fund advance	-	-	8,704	8,704
Credits receivable Banco Pine	-	-	1,663	1,663
Prepaid expenses	1,905	7,541	20,928	28,549
Accounts receivable from sale of generation companies [6]	62,020	62,020	62,020	62,020
Credits receivable from third parties [7]	-	-	24,388	26,420
Reimbursement to the generators	-	-	1,175	1,175
Credits receivable from Tocantins state [8]	-	-	103,305	109,682
(-) Provision for adjustment to realizable value of credits receivable [8]	-	-	(20,328)	(20,328)
Advances – Inergus [9]	-	-	12,589	12,589
Credits receivable from Eletrobrás – LPT [10]	-	-	26,546	26,546
Other [*]	3,403	1,530	21,289	36,210
Total	**67,855**	**71,800**	**812,245**	**761,317**
Current	67,855	71,800	658,873	601,885
Non-current	-	-	153,372	159,432

(*) In the parent company this includes R$ 20,328 (R$ 20,328 as of December 31, 2016) of the provision for the adjustment to the realization value of credits receivable and in the consolidated statement this includes the amount of R$ 5,183 (R$ 5,183 as of December 31, 2016) referring to the allowance for doubtful accounts. At the parent company the amount of R$ 2,915 (R$ 2,067 as of December 31, 2016) denotes related-party transactions for endorsement commission services provided.

(1) Low income - consolidated

These credits consist of the subsidy for the low-income residential sector with monthly consumption of under 220 kWh, subject to certain requirements being met. This revenue is paid for with funds from the RGR – Global Reversal Reserve and the CDE – Energy Development Account, both administrated by Eletrobrás. The balances not yet reimbursed have been recorded in the balance sheet under “other receivables” in the consolidated current assets. The subsidiaries’ management does not expect to incur any losses on the realization of the balances.

See the changes occurring in the period/year:

	EMG	ENF	ESE	EPB	EBO	EMT	ETO	EMS	ESS (*)	Total
Consolidated balances on 12/31/2016	**4,099**	**292**	**6,302**	**7,401**	**1,548**	**6,939**	**5,375**	**5,344**	**3,955**	**41,255**
Low-income subsidy	8,660	891	18,965	37,416	4,215	20,789	15,251	15,440	9,244	130,871
Eletrobrás Reimbursement	(7,209)	(875)	(18,638)	(37,930)	(3,670)	(17,610)	(15,368)	(16,052)	(9,188)	(126,540)
Consolidated balances on 6/30/2017	**5,550**	**308**	**6,629**	**6,887**	**2,093**	**10,118**	**5,258**	**4,732**	**4,011**	**45,586**

(*) Includes the subsidiaries CFLO, CNEE, EEB and EDEVP, merged into ESS on June 30, 2017.

(2) CDE subsidy - rate discount - consolidated

Funds transferred to the concession operators authorized by the Federal Government via Decree 7891 dated January 23, 2013 to cover the CDE subsidy for the discounts applicable to the rates applying to the public electricity distribution service users, pursuant to article 13 (VII) of Law 10438 dated April 26, 2002.

The subsidiaries EMG, ENF, (CNEE, EDEVP, EEB, CFLO merged into ESS on June 30, 2017) and EMS filed an ordinary proceeding on September 2, 2015 claiming the right to monthly offset the CDE and low-income subsidies receivable against the CDE amounts payable to CCEE - Câmara de Comercialização de Energia Elétrica. Through June 2017, R$ 106,298 was accordingly offset as the CDE subsidy and R$ 33,314 as the low-income subsidy.

As of June 30, 2017 the balance corresponding to the subsidy incurred in May to June 2017, the reimbursement of which company management will offset in the third quarter of 2017.

See the changes occurring in the period:

	EMG	ENF	ESE	EPB	EBO	EMT	ETO	EMS	ESS (*)	Total
Consolidated balances on 12/31/2016	9,417	86	4,236	15,082	193	48,629	8,835	14,830	12,461	113,769
Rate discount due to Irrigation and Rural subsidy	27,155	1,223	21,724	26,863	3,778	105,588	24,999	70,595	36,260	318,185
Eletrobrás Reimbursement	(24,013)	(832)	(21,664)	(26,728)	(1,856)	(92,364)	(24,839)	(55,836)	(25,617)	(273,749)
Consolidated balances on 6/30/2017	**12,559**	**477**	**4,296**	**15,217**	**2,115**	**61,853**	**8,995**	**29,589**	**23,104**	**158,205**

(*) Includes the subsidiaries CFLO, CNEE, EEB and EDEVP, merged into ESS on June 30, 2017.

(3) Banco Daycoval

Refers to the amounts transferred by Banco Daycoval S/A to the current account of the shareholder Rede Energia S/A – "Under judicial reorganization" on February 28, 2012 to settle outstanding debts of this holding company, as justified by the Financial Institution. Management of the indirect subsidiaries EMT, CAIUÁ and EMS consider these transfers improper and have filed suit to recover this amount.

It transpires that the Transgression and Failure Correction and Recovery Plan that led to the intervention of EMT, CAIUÁ and EMS was amended after the General Creditors' Meeting approved the Judicial Reorganization of Rede Energia S/A – "Under judicial reorganization". On December 17, 2013 ANEEL Authorizing Resolution 4463 approved the ANEEL Plan and accepted ENERGISA's proposal to make an advance for future capital increase (AFAC) in the amount equal to the withdrawal made by Banco Daycoval S/A.

The reimbursement of the short-term investment of the indirect subsidiaries EMT, ESS and EMS only therefore relied on the suit filed by the subsidiaries, therefore constituting a contingent asset, as the realization thereof will only be confirmed as a result of future events occurring or not, which are uncertain and not completely under the entity's control. Because of this, the indirect subsidiaries' management decided to provision for losses while the legal issue is in progress.

(4) Credits receivable CELPA

Credit that the indirect subsidiaries EMT, ETO, EMS and ESS (into which CNEE, CFLO and EDEVP were merged) and Rede Serviços have against Centrais Elétricas do Pará S/A – CELPA – "under judicial reorganization", deriving from related-party transactions. The intercompany credits will be partially assumed by Rede Power do Brasil S/A, to the extent this is worthwhile, which will be liable to the related parties for the portion of the credit assumed and will be offset. Around 69% of the total balance was assumed by Rede Power do Brasil S/A and the remainder will be paid in semi-annual payments from the end of September 2019, ending in September 2034. The indirect subsidiaries maintain adjustments of credits receivable to present value of R$ 21,580 (R$ 22,626 as of December 31, 2016).

(5) CCC sub-rogation

In accordance with ANEEL Resolution 784 issued December 24, 2002 and ANEEL Authorizing Resolution 81 issued March 09, 2004, the indirect subsidiary EMT was classified in the subrogation of the right to use the Fuel Consumption Account - CCC due to the implementation of electricity ventures that led to a decrease in the CCC expense, which helped secure rates for end consumers. The following ventures with outstanding receivables were approved to calculate the benefit:

- Energized on October 31, 2013, Sapezal / Comodoro Transmission System has a project and subsidy approved of R$ 32,254, via Authorizing Resolution 1,877 issued April 07, 2009. R$ 1,215 was received in 2014, R$ 3,111 in 2015, R$ 3,311 in 2016 and R$ 620 through June 2017, amounting to R$ 8,257. The remaining balance is R$ 23,997 (R$ 24,617 as of December 31, 2016).

ANEEL order 4722 issued December 18, 2009 applying to publications in FY 2009 addresses items 53 and 54 regarding the accounting of the subsidy received by the concession operator from the CCC fund due to works deactivating thermal plants, and consequently reducing the diesel oil in energy generation in Brazil.

This order determined that all amounts already received or approved be recorded under group of accounts "223 - Special Obligations linked to the Public Electricity Service Concession". Amounts already received and amounts pending receipt that have been approved by the regulatory agency are segregated in this group.

The subsidiary EMT has recorded the following subsidies:

Project	Status	Amount invested	Amount subrogated	Received	Receivable	
					6/30/2017	12/31/2016
Sapezal / Comodoro Transmission System	in service	45,166	32,254	8,257	23,997	24,617
Total					**23,997**	**24,617**
Current (Principal)					2,601	2,204
Total Current					**2,601**	**2,204**
Non-current (Principal)					**21,396**	**22,413**
Total Non-current					**21,396**	**22,413**

(6) Accounts receivable from sale of generation companies

Energisa is entitled to receive R$ 113,500 from the selling its generation assets relating to additional price adjustments subject to other conditions precedent under the purchase and sale agreements signed with the buyer.

The Company has estimated the dispute to be worth R$ 51,480, an amount Energisa has charged to income from discontinued operations in the financial year ended December 31, 2016.

Receipt of this amount is part of an arbitration proceeding filed by the Company against the buyer.

(7) Credits receivable from third parties

Denotes mutual use of a pole and sale of scrap.

(8) Credits receivable from state of Tocantins

Denotes the receivables of the indirect subsidiary ETO against the Tocantins state government, as follows:

	6/30/2017	12/31/2016
Opening balance - non-current - 12/31/2016 and 12/31/2015	**109,682**	**98,781**
Amortization realized in the period/year	(7,497)	(2,326)
Monetary restatement - IGPM	1,120	13,227
Balance before the provision	**103,305**	**109,682**
(-) Provision for adjustment to realizable value of credits receivable	(20,328)	(20,328)
Closing balance - non-current - 6/30/2017 and 12/31/2016	**82,977**	**89,354**

Reluz Tocantins Program:

The National Efficient Public Lighting Program - RELUZ was introduced in 2000 by Eletrobrás with the support of the Ministério de Minas e Energia, and implemented by electricity concession operators with the participation of state and municipal governments. The Program aims to develop efficient public lighting and traffic light systems and to value public urban areas, thereby improving the population's safety. Authorities are qualified to operate the programs (municipalities, state governments and districts) by way of electricity concession operators. Federal entities wishing to include their projects in the RELUZ Program should directly approach the local electricity concession operators which will negotiate and present the request for Eletrobrás financing, as per the Program's Instructions Manual. The Eletrobrás financing is up to 75% of the project's total value. The remaining 25% should constitute the payment of the federal entities and/or electricity concession operators.

In order to enhance and expand public lighting in municipalities in Tocantins state, the Tocantins State Government introduced the Reluz Tocantins Program, which entails works to improve the energy efficiency of the public lighting system in the 139 municipalities comprising the state.

On June 24, 2010 the State Government entered into a financing agreement with the indirect subsidiary ETO, as authorized by Law 2305 issued 3/24/2010. This contract entails financing of R$ 82,423 from the State government for ETO and the delivery by the Company of the works and services necessary to implement the Reluz Tocantins Program. The means of payment is established in the contract as follows:

i. Transfer of electricity grids and structures owned by the state government

ii. Transfer of common shares accounting for 9% of the capital of ETO and owned by the state government
iii. Use of the entire dividends credited

iv. The remaining balance after the previous items have been realized should be paid over 24 monthly, equal and successive installments.

The indirect subsidiary ETO delivered all the works and services under the Reluz Program and received the approval of the program's finalization by Eletrobrás via letter CTA-DF-5975/2013 dated September 11, 2013. The subsidiary sent to the state government all the payment event notifications, according to the conclusion of the physical events established in the contract schedule and Eletrobrás approval.

By way of a payment in kind, on July 9, 2014 9% of ETO shares owned by the Tocantins State government was transferred, totaling 34,085,056 preferred shares worth R$ 33,063.

The balance receivable related to the Reluz Tocantins Program was restated in accordance with the contractual clauses, which generally entail 7.5% p.a. of the financial restatement on the principal balance and for overdue payments monetary restatements based on the monthly variance of the IGPM/FGV price index, plus interest of 0.5% (zero point five percent) and a fine of 10% (ten percent) on the total overdue amount, which stood at R$ 78,211 as of June 30, 2017 (R$ 84,848 as of December 31, 2016), including the deduction from the debit balance of dividends credited for the 2009, 2010, 2011, 2014, 2015 and 2016 financial years, and the payment in kind consisting of the transfer of 9% of the shares.

The Extraordinary General Meeting held April 28, 2017 ratified the distribution of dividends of R$ 23,329 to Tocantins state, which will be used to pay down the debit balance. Of this amount R$ 7,497 was amortized on May 16, 2017 and R$ 15,832 will be amortized in July 2017.

As stipulated in the contract of the Reluz Tocantins Program, the indirect subsidiary ETO retained the dividends credited to the shareholder Tocantins state, in compliance with the contractual provision stating that at any time ETO can use the dividends credited to settle overdue installments of the Program's debt. On 9/29/2013 the shareholder Tocantins state filed suit to receive the dividends and an injunction ordered the amounts be placed in a court deposit until the substance of the demand be judged. After the chief justice of the High Court of Appeal had stayed the injunction, the frozen amounts were returned to the indirect subsidiary ETO on April 07 and 09, 2014. If the final decision goes against the indirect subsidiary ETO, the debit balance will be recalculated net of the payment made via the dividend offset.

Arrangement made to implement 125 km of transmission lines interconnecting Tocantinópolis and Xambioá. The accounting for completion of the works was submitted to the state government by way of correspondence CE – 003/2012-DFC, dated February 29, 2012. The restated amount receivable is R$ 25,094 (R$ 24,834 as of December 31, 2016). By the closure of this quarterly information Tocantins state had not released the funds in accordance with the work plan established in the Arrangement.

On July 1, 2016 the Tocantins state government issued Official Notice 909/2016/SEFAZ/GASEC confirming the debit balance to the indirect subsidiary ETO of R$ 103,305, as of June 30, 2016 under arrangement 028/2008 - the Xambioá to Tocantinópolis transmission line and the Reluz program. This Official Notice also confirms that the parties are in the process of finding a means of financing and settling this balance, where the final amount will be confirmed upon completion of the work of the committee analyzing active contracts between Tocantins state and Energisa Group S/A, created via Decree 5346 issued May 25, 2016 by the State Governor. On November 21, 2016 the State Government published Decree 5541, once again electing the committee. In light of these new facts and prospects of completing negotiations due to the creation of this Committee, management has reassessed the expected realization of the credits held by the indirect subsidiary ETO against the shareholder Tocantins state and estimated a provision of R$ 20,328 for the adjustment to realization value of credits receivable, recorded other under finance expenses in profit or loss for FY 2016.

(9) Advances - INERGUS

Refers to funds advanced by the subsidiary Energisa Sergipe to Instituto Energipe de Seguridade Social ("INERGUS") to guarantee the liquidity and financial flow from the Defined-Benefit Plan (BD). The amounts transferred to the BD Plan comprise an advance for covering part of the technical deficit, which will be subject to a debt acknowledgement agreement to be entered into by the subsidiary ESE and INERGUS.

(10) Credits receivable from Centrais Elétricas Brasileiras S/A - Eletrobrás (LPT)

The indirect subsidiary Energisa TO recognized in the year credits receivable of R$ 26,546 (R$ 26,546 as of December 31, 2016) referring to the final releases of Tranches 4 and 5 of the economic subsidy under the Light for All Program established in Contract ECFS-343/2013 entered into on 12/19/2013 with Eletrobrás, given the completion of the account provision process, where the funds come from the Energy Development Account (CDE), and are intended for full application in the Program, charged to obligations related to the public electricity service concession and permission.

14. Related-party transactions

The Company is the holding company of Energisa Group, which holds the share control of the companies presented in note 4, and is directly controlled by Gipar S/A (66.13% of the voting stock).

Gipar S/A is controlled by Nova Gipar (100% of the voting stock), which in turn is controlled by Itacatu S/A (67.27% of the voting stock) and by Multisetor Ltda (29.58% of the voting stock). Itacatu S/A is controlled by Multisetor S/A (72.15% of the voting stock).

Multisetor is controlled by Mr. Ivan Muller Botelho (77.64% of the voting stock).

The related-party balances are as follows:

Parent company	6/30/2017		12/31/2016	
	Assets	Liabilities	Assets	Liabilities
Clients, consumers and concession operators - specialized services	27,211	-	5,943	-
Other receivables - other - Endorsement commission	2,915	-	2,067	-
Loans (1):				
. Energisa Soluções S/A (1)	23,697	-	18,459	-
. Rede Energisa Participações S/A (new name of (Rede Energia S/A) (1)	-		-	
. Companhia Técnica de Comercialização de Energia S/A (1)	2,414	-	2,291	-
. Empresa de Eletricidade Vale Paranapanema S/A (2)	-	36,702	-	36,428
. Companhia Técnica de Comercialização de Energia S/A (3)	106,896	-	100,372	-
. QMRA Participações (option "C" credits - RJ) (3)	23,448	-	22,243	-
. QMRA Participações - Under judicial reorganization (1)	-	76,202	-	72,702
. Rede Energia Participações S/A (new name of Rede Energia S/A) - RJ (3) and (4)	602,230	263,285	563,225	140,266
. Denerge Desenvolvimento Energético S/A (2)	-	6,265	-	20,212
. Multi Energisa Serviços S/A (1)	737	-	700	-
. Rede Energisa Participações S/A (new name of Rede Energia S/A) - RJ - EDP effect	4,369	-	3,656	-
Total Non-current	**763,791**	**382,454**	**710,946**	**269,608**
Investments - Funds allocated to future capital increase (5):				
. Energisa Geração Central Solar Coremas S/A	-	-	25	-
. Parque Eólico Sobradinho S/A	379	-	875	-
. Energisa Geração Usina Maurício S/A	93	-	44	-
. Energisa Geração Central Eólica Boa Esperança S/A	2	-	13	-
. Energisa Geração Central Eólica Mandacaru S/A	12	-	13	-
. Energisa Geração Central Eólica Alecrim S/A	2	-	13	-
. Energisa Geração Central Eólica Muquim S/A	2	-	13	-
. Energisa Geração Energia S/A	1	-	16	-
. Energisa Serviços Aéreos de Aeroinspeção S.A	-	-	180	-
. Energisa Soluções S/A	-	-	3,000	-
	491	**-**	**4,192**	**-**
Total	**794,408**	**382,454**	**723,148**	**269,608**

(1) The loans have a term of 24 months under the contracts, and can be extended for equal and successive periods. The loans with related parties are charged interest at the average borrowing rate, which in the period was an average of the CDI rate + 0.9663 p.a. (CDI + 1.1236 p.a. as of December 31, 2016) and includes the private assignment and acquisition of credit receivables and other covenants entered by Energisa on June 30, 2017 with the subsidiaries Rede Energia and Rede Power, as follows:

.Private instrument for the assignment and acquisition of credit receivables entered into on September 30, 2016 by the subsidiaries Rede Energia and Rede Power in the amounts of R$ 15,782 and R$ 8,857, respectively, due to the transaction of the subsidiaries Rede Energia and Rede Power on June 18, 2008 with EDP - Energias do Brasil S.A., entailing a private commitment for a share swap entailing the exchange of shares in Energisa Mato Grosso do Sul, held by EDP, for (i) common shares issued by Lajeado and preferred shares issued by Investco, held by Rede Energia; and (ii) common shares issued by Lajeado and common shares issued by Tocantins, held by Rede Power; Pursuant to the terms and conditions of the swap agreement, EDP is liable to Rede Energia and Rede Power for certain liability contingencies of Energisa Mato Grosso do Sul. Because of the obligation to compensate EDP under the private assignment between Energisa, Rede Energia and Rede Power, the total debit of R$ 24,639 with Energisa was directly settled on September 30, 2016, which in turn is now the debtor in conjunction with Rede Energia, which is also the debtor in conjunction with its subsidiary Rede Power. The respective amounts were recognized by the subsidiaries in the consolidated statement of income for the period under other operating revenue.

On September 30 Energisa S.A. acquired credits from Companhia Lajeado Energia, relating to the Judicial Reorganization of Rede Energia S.A. - Under judicial reorganization for a fair value of R$ 2,418. These credits have been recorded as an intercompany loan. The credits will be restated in accordance with the rules already established in the Judicial Reorganization.

(2) Credit facility agreements with a maturity of 24 months extendable for equal and successive periods, with the borrower paying only IOF (financial transaction) tax or other charges incurred on financial transactions over the term of the agreement.

(3) Acquisition of credits assigned under judicial reorganization.

(4) The credits receivable of Rede Energia S/A, acquired from the creditors, will be paid initially by the company undergoing reorganization on the following conditions: (i) amount equal to 25% of the total credits assigned will be paid in a lump sum within up to 1 year of the date this assignment is paid, incurring interest of 12.5% p.a. as from the date the assignment is made; and (ii) remaining amount equal to 75% of the total credits assigned will be paid after 22 years in a lump sum with capitalized interest of 0.5% p.a. due as from the date the assignment is paid. In 2014 the parties agreed to extend the maturity of the single installment maturing in July 2015 by 10 years, corresponding to 25% of the total debt amount. However, the term is maintained of 22 years for payment of the remaining amount equal to 75% of the total debt with capitalized interest of 0.5% per annum, due as from the date of payment.

(5) The funds intended for future capital increase are not remunerated and are recorded under investments.

Contract conditions:

Subsidiaries	Rate	Maturity
. Energisa Soluções S/A (1)	Weighted average of interest on loans taken out by group companies + variance of the CDI rate	1/1/2019
. Rede Energia S/A - Under judicial reorganization (1)	Weighted average of interest on loans taken out by group companies + variance of the CDI rate	6/30/2018
. Companhia Técnica de Comercialização de Energia S/A - Under judicial reorganization (1)	Weighted average of interest on loans taken out by group companies + variance of the CDI rate	9/12/2018
. Empresa de Eletricidade Vale Paranapanema S/A (2)	Interest-free	6/30/2018
. Companhia Técnica de Comercialização de Energia S/A (option "C" credits - RJ) - Under judicial reorganization (3)	1% p.a*	4/11/2036
. QMRA Participações (option "C" credits - RJ) - Under judicial reorganization (3)	1% p.a*	2/13/2036
. QMRA Participações - Under judicial reorganization (1)	Weighted average of interest on loans taken out by group companies + variance of the CDI rate	6/30/2018
. Rede Energia S/A (option "C" credits - RJ) - Under judicial reorganization (3 and 4)	1% p.a*	10/11/2036
. Denerge Desenvolvimento Energético S/A (2)	Interest-free	5/6/2019
. Multi Energisa Serviços S/A (1)	Weighted average of interest on loans taken out by group companies + variance of the CDI rate	8/3/2019

* Effective rate 15.19%

Transactions conducted in the period/year by the Company and its subsidiaries:

Direct and indirect subsidiaries and their parent company	Administrative services provided (1)	Endorsement commission (2)	Restatement of loans and security yield (Financial revenue (expense)) (3)	Balance receivable (Receivables, consumers and concession operators)	Balance receivable (Endorsement commission)
. Energisa Minas Gerais - Distribuidora de Energia S/A	4,832	2,232	-	1,460	399
. Energisa Paraíba - Distribuidora de Energia S/A	11,156	4,466	-	3,745	801
. Energisa Sergipe - Distribuidora de Energia S/A	6,583	4,554	-	2,092	759
. Energisa Borborema - Distribuidora de Energia S/A	2,416	327	-	688	63
. Energisa Soluções S/A	759	-	1,147	434	-
. Energisa Nova Friburgo - Distribuidora de Energia S/A	1,529	500	-	293	84
. Energisa Mato Grosso - Distribuidora de Energia S/A (4)	10,110	2,004	15,297	6,143	353
. Energisa Mato Grosso do Sul - Distribuidora de Energia S/A	5,060	892	-	4,315	151
. Energisa Tocantins - Distribuidora de Energia S/A (4)	4,132	1,164	6,669	2,702	210
. Companhia Força e Luz do Oeste (5)	486	29	-	466	5
. Empresa Eletrica Bragantina S.A (5)	1,125	132	-	1,078	23
. Empresa de Distribuiçao de Energia Vale Paranapanema S.A (5)	1,162	110	-	1,113	19
. Companhia Nacional de Energia Eletrica (5)	827	100	-	792	17
. Caiua - Distribuiçao de Energia S.A (5)	1,257	190	-	1,204	31
. Energisa Soluçoes Construçoes e Serv em Linhas e Rede S.A	65	-	-	34	-
. QMRA Participações S/A	-	-	(3,098)	-	-
. Companhia Técnica de Comercialização de Energia	-	-	6,659	-	-
. Multi Energisa Serviços S/A	519	-	41	517	-
. Energisa Planejamento e Corretagem de Seguros Ltda	1	-	-	1	-
. Energisa Serviços Aéreos e Aeroinspeção S/A	1	-	-	1	-
. Alvorada Direitos Creditórios	-	-	-	2	-
. Energisa Comercializadora de Energia S/A	183	-	-	131	-
. Gipar S/A (i)	-	(5,625)	-	-	-
. Rede Energia S/A	-	-	29,149	-	-
6/30/2017	**52,203**	**11,075**	**55,864**	**27,211**	**2,915**
6/30/2016	**37,655**	**7,789**	**43,527**	**5,588**	**1,951**
12/31/2016	**-**	**-**	**-**	**5,943**	**2,067**

(1) Consists of administrative services and sharing of human resources for delivering the portion of macro processes provided to its subsidiaries. The costs are benchmarked to the benchmark company model used by the ANEEL regulated department for rate purposes. The contracts have been approved by ANEEL. The sharing contracts were signed on March 1, 2017, with a term of validity of 60 months, and can be extended via an amendment subject to approval by ANEEL.

(2) This consists of the endorsement commission on loans charging 1.5% p.a. for subsidiaries - electricity distribution companies and the parent company Gipar, with interest of 1% p.a.

(i) The endorsement commission referring to the contract between Gipar S/A yields interest of 1% p.a. and includes prepayments. In FY 2016, the amount of R$ 11,249 was paid and classified as a prepayment recorded under "prepaid expenses" and recognized in profit and loss at the rate of 1/12 per month. R$ 5,625 was recorded in the period ended June 30, 2017 (R$ 5,000 as of June 30, 2016) recorded in other financial expenses - endorsement commission in profit and loss for the period. The unappropriated balance as of June 30, 2017 is R$ 1,874, which will be recognized by September 2017.

(3) This denotes the interest costs on loans entered into with the subsidiaries for the period ended June 30, 2017, comprising the respective balances of each loan.

(4) The amount of R$ 15,297 (R$ 13,287 as of June 30, 2016) denotes the yields on short-term investments in the 33,540 debentures issued by the subsidiary EMT and R$ 6,669 of series 1 and 2 commercial papers issued by the subsidiary ETO – see note 6.2.

(5) The Extraordinary General Meeting on June 30, 2017 approved the mergers of Empresa Elétrica Bragantina S.A, Empresa de Distribuição de Energia Vale Paranapanema S.A., Companhia Nacional de Energia Elétrica and Companhia Força e Luz do Oeste into Energisa Sul-Sudeste – Distribuição de Energia S.A (the new name of Caiuá - Distribuição de Energia S/A) .

D&O compensation

In the period ended June 30, 2017 the members of the Board of Directors received remuneration of R$ 430 (R$ 329 as of June 30, 2016) and the Executive Board R$ 286 (R$ 52 as of June 30, 2016), at the parent company, and R$ 2,266 (R$ 2,271 as of June 30, 2016) and R$ 7,373 (R$ 7,464 as of June 30, 2016) in the consolidated statement.

In addition to this remuneration, the Company and its subsidiaries provide private pension, health insurance and life insurance benefits to their directors, generating an expense of R$ 43 (R$ 17 as of June 30, 2016) at the parent company and R$ 1,511 (R$ 1,520 as of June 30, 2016) in the consolidated statement. Payroll charges on compensation amounted to R$ 31 (R$ 79 as of June 30, 2016) at the parent company and R$ 3,643 (R$ 2,386 as of June 30, 2016) in the consolidated statement.

The highest and lowest compensation attributed to directors for June 2017 was R$ 118 and R$ 1 for the parent company and R$ 187 and R$ 2 in the consolidated statement (R$ 18 and R$ 1 for the parent company and R$ 156 and R$ 2 in the consolidated statement as of June 30, 2016) respectively. The average monthly compensation in the period ended June 30, 2017 was R$ 15 at the parent company and R$ 42 in the consolidated statement (R$ 5 at the parent company and R$ 41 in the consolidated statement as of June 30, 2016).

The AGM/EGM held April 27, 2017 approved the overall annual compensation limit of D&O for 2017 at R$ 4,732 (R$ 3,225 in FY 2016) at the parent company and a consolidated R$ 69,718 (R$ 64,969 in FY 2016).

15. Tax credits, deferred taxes and current income tax and social contribution expenses

Refers to tax credits deriving from tax loss carryforwards, negative social contribution bases and temporary differences recorded in accordance with CPC 32 (IAS 12) and presented in accordance with CPC 26 (IAS 1).

Based on technical studies, management compiled taxable earnings projections, demonstrating its capacity to realize tax credits in the periods ahead, as required by CPC 32. The consolidated estimated for the realization of deferred taxes can be seen below, and the earnings projections used in the impairment study of these assets were approved by the Company's Boards of Directors.

Deferred taxes recognized in the individual and consolidated financial information are presented as follows:

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Assets				
Tax loss carryforward	1,746	1,746	341,173	370,937
Negative basis of social contribution	629	629	132,161	146,704
Temporary differences	-	-	798,315	756,349
Total non-current assets	**2,375**	**2,375**	**1,271,649**	**1,273,990**

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Liabilities				
Temporary Differences:				
Income Tax	775	955	1,359,841	1,395,539
Social Contribution	279	344	489,543	502,393
Total - non-current liabilities	**1,054**	**1,299**	**1,849,384**	**1,897,932**
Total net non-current assets (liabilities)	**1,321**	**1,076**	**(577,735)**	**(623,942)**

The deferred credits have the following nature:

	Parent company			
	6/30/2017		12/31/2016	
	Calculation base	IRPJ + CSSL	Calculation base	IRPJ + CSSL
Assets/Liabilities				
Tax loss carryforward	6,984	1,746	6,984	1,746
Negative basis of social contribution	6,984	629	6,984	629
Mark-to-market of debt securities	(187)	(64)	(441)	(150)
Unappropriated cost of the debt	(2,912)	(990)	(3,379)	(1,149)
Total	**10,869**	**1,321**	**10,148**	**1,076**
Total Non-current Assets	**13,968**	**2,375**	**13,968**	**2,375**
Total - Non-current Liabilities	**(3,099)**	**(1,054)**	**(3,820)**	**(1,299)**

	Consolidated			
	6/30/2017		12/31/2016	
	Calculation base	IRPJ + CSSL	Calculation base	IRPJ + CSSL
Assets/Liabilities				
Tax loss carryforward	1,364,691	341,173	1,483,748	370,937
Negative basis of social contribution	1,468,456	132,161	1,630,045	146,704
Allowance for doubtful accounts - (PCLD and Daycoval)	577,344	196,297	550,270	187,092
Provisions for labor, civil and tax risks	549,376	186,788	503,015	171,025
Tax credits - goodwill (1)	303,261	103,109	315,936	107,418
Provision for actuarial adjustment	346,319	117,748	322,942	109,800
Other provisions (PEE; R&D; Fees and Other)	306,801	104,312	275,079	93,527
Mark-to-market of debt securities	29,459	10,016	25,574	8,695
Financial sector assets (liabilities) (CVAs)	123,826	42,101	123,826	42,101
Other temporary additions	111,599	37,944	107,915	36,691
Adjustments to present value	(2,693,351)	(915,739)	(2,684,339)	(912,675)
Intangible assets - appreciation	(1,806,869)	(614,335)	(1,897,268)	(645,071)
IRPJ and CSSL on the portion of the VNR of the concession receivables and restatement	(463,505)	(157,592)	(457,060)	(155,400)
Revaluation reserve charges	(188,595)	(64,122)	(209,479)	(71,223)
Negative goodwill on interest in EMS	(189,030)	(64,270)	(188,407)	(64,058)
Mark-to-market - derivatives	(96,105)	(32,336)	(134,040)	(45,574)
Other temporary exclusions	(2,912)	(990)	(11,562)	(3,931)
Total	**(259,235)**	**(577,735)**	**(243,805)**	**(623,942)**
Total Non-current Assets	**5,181,132**	**1,271,649**	**5,338,350**	**1,273,990**
Total - Non-current Liabilities	**(5,440,367)**	**(1,849,384)**	**(5,582,155)**	**(1,897,932)**

(1) The tax credits - goodwill of R$ 103,109 (R$ 107,418 as of December 31, 2016) are being realized over the remaining term of the subsidiaries' concession terms: EBO (16 years) and EPB (17 years) by the straight-line method.

Tax credits were realized as follows:

Years	Parent company	Consolidated
2017	2,375	70,473
2018	-	107,320
2019	-	117,710
2020	-	105,194
2021	-	102,009
2022 to 2026	-	768,943
Total	**2,375**	**1,271,649**

The income and social contribution amounts which affected the income for the period, in addition to the offsetting of the tax credits recorded, are shown below:

	Parent company			
	4/1/2017 to 6/30/2017	1/1/2017 to 6/30/2017	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016
Income before tax on net income	59,612	179,369	(36,987)	74,211
Combined tax bracket	34%	34%	34%	34%
Income and social contribution taxes calculated at the total tax bracket	(20,268)	(60,985)	12,576	(25,232)
Adjustments to:				
Permanent items:				
Equity in net income of subsidiaries	21,094	66,603	(2,253)	45,162
Tax credits - IRPJ and CSLL not recorded in the period	(826)	(5,618)	(4,440)	(14,047)
Income tax and social contribution	**-**	**-**	**5,883**	**5,883**
Effective rate	-	-	(15.91%)	(7.93%)

	Consolidated			
	4/1/2017 to 6/30/2017	1/1/2017 to 6/30/2017	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016
Income before tax on net income				
on net income	81,075	270,932	(50,564)	152,582
Combined tax bracket	34%	34%	34%	34%
Income and social contribution taxes calculated at the total tax bracket	(27,566)	(92,117)	17,192	(51,877)
Adjustments to:				
Permanent items:				
Decrease in income tax and surcharges (*)	31,283	53,209	31,059	33,865
Effect of Tax Losses not used	(13,966)	(25,721)	(25,151)	(34,759)
Other	4,217	(406)	248	(2,576)
Income tax and social contribution	**(6,032)**	**(65,035)**	**23,348**	**(55,347)**
Effective rate	7.44%	24.00%	(46.18%)	35.97%

(*) The subsidiaries ESE, EPB, EBO, ETO and EMT have qualified for income tax and surcharge incentives. In December/2012 ESE, EPB and EBO obtained approval from the Ministry of Social Integration of their tax incentive applications, thereby reducing the income tax and surcharges by 75% on exploration profit for the period 1/1/2012 to 12/31/2021. Its applications to the federal tax authorities were approved by the following acts: ESE - Decision 126 – DRF/ASJU dated 3/4/2013, EPB - Decision 128 – DRF/JPA dated 5/23/2013, EBO – Decision 206 – DRF/JPA dated 12/19/2012.

The indirect subsidiaries ETO and EMT located in the area embraced by SUDAM – Amazônia Development Department had their income tax and surcharge reduction applications approved by the Ministério de Integração Social in December 2014, accordingly, reducing the income tax surcharges calculated on operating profit for the period 1/1/2014 to 12/31/2023 by 75%. Its applications to the federal tax authorities were approved as follows: EMT- Executive Declaration 17 – DRF/CBA, issued February 02, 2015 and SUDAM Constitutive Report 114/2014 and e ETO - Executive Declaration 3 issued March 18, 2015 and Constitutive Report SUDAM 113/2014.

The decreases to the income tax and surcharges obtained by the subsidiaries amount to R$ 53,209 (R$ 33,865 as of June 30, 2016), where: R$ 20,337 at EPB, R$ 3,510 (R$ 3,594 as of June 30, 2016) at EBO, R$ 8,845 at ESE, R$ 15,223 (R$ 26,221 as of June 30, 2016) at EMT and R$ 5,294 (R$ 4,050 as of June 30, 2016) at ETO. These amounts were recorded directly in the income statement for the period under "current income and social contribution taxes", and will be allocated to the tax incentive reserve at the subsidiaries. The subsidiaries EPB and ESE did not determine the calculation base for the exploration profit as of June 30, 2016.

Use of estimates: the tax credits are recognized on tax losses and the negative basis of social contribution in relation to temporary differences between the book values of assets and liabilities for accounting purposes and the corresponding amounts used for tax purposes. If they are recognized to the extent it is probable that the taxable income in coming years will be able to be used to offset tax credits, based on projected future earnings relying on internal assumptions and future economic scenarios, which are therefore subject to change. The recorded amounts are periodically revised and any effects of realization or settlement are recorded in accordance with the legislation.

16. Accounts receivable from the concession - consolidated

As of January 14, 2013 Law 12783 was published, enacted from Provisional Law 579/2012, which determined the use of the VNR – New replacement value to determine the value of credits receivable at the end of the concession as compensation for investments made and not recovered when providing the concession services.

Management believes that this fact changed the contractual terms of the concession regarding the means of compensating the subsidiaries and electricity distribution companies Company for investments made in concession assets, which was recognized at historic cost until FY 2011.

On December 31, 2012 the subsidiaries EMG, ENF, ESE, EPB, EBO, EDEVP, EMT, ESS, ETO, EEB, CNEE, CFLO and EMS began recognizing the VNR - New Replacement Value, ratified by ANEEL, for assets comprising the concession, restated by the variance of the IGP-M price index. In November 2015, ANEEL Normative Resolution 686/2015 approved a revision of Submodule 2.3 of the Rate Review Procedures (PRORET) for the Regulatory Asset Base (BRR), which determined the compensation basis be restated by the IPCA price index.

In the period ended June 30, 2017, the subsidiaries EMG, ENF, ESE, EPB, EBO, EMT, ESS, ETO and EMS recognized the remuneration on concession accounts receivable – VNR on consolidated operating revenue as a compensable financial asset of the concession in the amounts of R$ 21,452 (R$ 79,413 as of June 30, 2016).

The concession's accounts receivable are classified as available-for-sale financial assets in the consolidated non-current assets.

See the changes occurring in the period/year:

	Balance as of 12/31/2016	Additions	Write-offs	Monetary restatement (1)	Balance as of 6/30/2017
EMG	12,075	2,519	-	143	14,737
EPB	425,000	1,097	(473)	(2,185)	423,439
ESE	345,783	(6,546)	(217)	2,408	341,428
ENF	3,046	5	(5)	36	3,082
EBO	47,949	2,151	(7)	266	50,359
EMT	1,327,640	213,902	(4,215)	11,599	1,548,926
ETO	704,017	65,438	(14,449)	6,626	761,632
EMS	585,801	49,580	(2,441)	2,198	635,138
ESS (**)	33,487	111	-	361	33,959
	3,484,798	**328,257**	**(21,807)**	**21,452**	**3,812,700**

(1) The assets are recorded at fair value by applying the monthly variance of the IPCA price index, which is the index used by the regulatory agency in rate adjustment processes. Any variation resulting from New Replacement Value (NRV) calculation criteria is also taken into account.

(**) On June 30, 2017 Empresa Elétrica Bragantina S.A, Empresa de Distribuição de Energia Vale Paranapanema S.A., Companhia Nacional de Energia Elétrica and Companhia Força e Luz do Oeste were merged into Energisa Sul-Sudeste – Distribuição de Energia S.A (the new name of Caiuá - Distribuição de Energia S/A)

	Balance as of 12/31/2015	Additions	Write-offs	Operating revenue - compensable financial asset of the concession (1)	Balance as of 12/31/2016
EMG	9,091	76	(487)	3,395	12,075
EPB	349,759	57,844	97	17,300	425,000
ESE	274,526	57,562	417	13,278	345,783
ENF	3,555	23	(37)	(495)	3,046
EBO	40,871	5,695	(13)	1,396	47,949
EMT	1,074,263	209,729	(4,028)	47,676	1,327,640
ETO	635,021	61,476	(21,933)	29,453	704,017
EMS	438,954	134,512	(192)	12,528	585,802
ESS (**)	32,670	256	(4)	564	33,486
GRAND total	**2,858,710**	**527,173**	**(26,180)**	**125,095**	**3,484,798**

(1) The assets are recorded at fair value by applying the monthly variance of the IPCA price index, which is the index used by the regulatory agency in rate adjustment processes. Any variation resulting from New Replacement Value (NRV) calculation criteria is also taken into account.

(**) On June 30, 2017 Empresa Elétrica Bragantina S.A, Empresa de Distribuição de Energia Vale Paranapanema S.A., Companhia Nacional de Energia Elétrica and Companhia Força e Luz do Oeste were merged into Energisa Sul-Sudeste – Distribuição de Energia S.A (the new name of Caiuá - Distribuição de Energia S/A)

17. Investment

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Interest in subsidiaries	4,132,082	4,016,090	-	-
Other	9,979	9,979	23,631	23,648
Total	**4,142,061**	**4,026,069**	**23,631**	**23,648**

Interest in subsidiaries:

6/30/2017									
Information about subsidiaries								Information about the parent company's investment	
Subsidiary	%	No. shares/quotas held/thousand	Capital	Assets	Liabilities	Shareholders' Equity	Net income in the period	Equity in net income of subsidiaries and associated companies	Investment
Distribution								**169,220**	**1,821,894**
Energisa Minas Gerais (EMG)	100	819	228,428	859,825	581,728	278,097	13,439	13,439	278,097
Energisa Sergipe (ESE)	100	196	400,475	1,535,579	1,192,359	343,220	40,139	40,139	343,220
Energisa Paraíba (EPB)	100	918	526,991	2,083,845	1,302,333	781,512	94,228	94,228	781,512
Energisa Borborema (EBO)	100	293	78,159	319,704	190,745	128,960	16,770	16,770	128,960
Energisa Nova Friburgo (ENF)	100	30	63,343	202,755	121,339	81,417	(1,140)	(1,140)	81,417
Energisa Mato Grosso (EMT)	8.94	19,026	1,514,569	6,010,262	3,674,928	2,335,334	66,896	5,784	208,688
Generation								**(98)**	**4,468**
Parque Eólico Sobradinho	100	7,577	7,577	3,160	44	3,116	(64)	(64)	3,116
Energisa Geração Usina Maurício	100	1,621	1,621	1,073	16	1,057	16	16	1,057
Energisa Geração Solar Coremas	100	989	989	317	8	309	(12)	(12)	309
Energisa Geração Eólica Boa Esperança	100	45	36	1	-	1	(2)	(2)	1
Energisa Geração Eólica Mandacaru	100	46	37	1	-	1	(12)	(12)	1
Energisa Geração de Energia S.A	100	38	38	1	-	1	(1)	(1)	1
Energisa Geração Eólica Alecrim	100	46	37	1	10	(9)	(12)	(12)	(9)
Energisa Geração Eólica Umbuzeiro - Muquim	100	45	36	1	9	(8)	(11)	(11)	(8)
Transmission								**-**	**2**
Energisa Pará Transmissora de Energia I S/A	100	1	1	1	-	1	-	-	1

Energisa Goias Transmissora de Energia I S/A	100	1	1	1	-	1	-	-	1
Sales								**4,685**	**9,166**
Energisa Comercializadora	100	5,119	5,119	123,623	114,457	9,166	4,685	4,685	9,166
Rendering of Services								**(1,003)**	**81,607**
Energisa Soluções	100	80,000	80,000	146,957	72,915	74,042	(1,259)	(1,259)	74,042
Energisa Serviços Aéreos de Aeroinspeção	100	6,313	6,313	4,965	240	4,725	(986)	(986)	4,724
Energisa Planejamento	100	1,685	1,685	5,880	3,040	2,840	1,242	1,242	2,840
Holding companies and other companies								**30,504**	**2,031,248**
Alvorada Direitos Creditórios S.A	100	400	251	105	1	104	(33)	(33)	104
Dinâmica Credit Receivables	100	8,080	7,570	1,834	19	1,815	55	55	1,815
Denerge S/A	99.97	531	1,316,157	1,715,084	563,781	1,151,303	16,509	12,655	1,151,002
Rede Energia Participações S/A (new name of (Rede Energia S.A.)	29.49	606,928	2,777,404	4,434,112	1,456,018	2,978,094	66,224	17,827	878,327
Goodwill paid in the acquisition of subsidiaries								**(7,416)**	**183,697**
Total								**195,892**	**4,132,082**

12/31/2016

Information about subsidiaries								Information about the parent company's investment	
Subsidiary	%	No. shares/quotas held/thousand	Capital	Assets	Liabilities	Shareholders' Equity	Net income in the period	Equity in net income of subsidiaries and associated companies	Investment
Distribution								**292,240**	**1,727,766**
Energisa Minas Gerais (EMG)	100	819	228,428	833,151	565,366	267,785	4,389	4,389	267,785
Energisa Sergipe (ESE)	100	196	382,900	1,503,667	1,190,320	313,347	109,361	109,361	313,347
Energisa Paraíba (EPB)	100	918	526,991	2,059,943	1,314,341	745,602	163,864	163,864	745,602
Energisa Borborema (EBO)	100	293	73,540	261,188	145,617	115,571	16,935	16,935	115,571
Energisa Nova Friburgo (ENF)	100	30	63,343	215,234	132,677	82,557	(3,304)	(3,304)	82,557
Energisa Mato Grosso (EMT) (1)	8.94	19,025	1,469,786	6,203,188	3,932,576	2,270,612	106,719	995	202,904
Generation								**(793)**	**4,075**
Parque Eólico Sobradinho	100	6,702	6,702	2,828	27	2,801	(116)	(116)	2,801
Energisa Geração Usina Maurício	100	1,577	1,577	1,020	73	947	79	(586)	948
Energisa Geração Solar Coremas	100	964	964	320	-	320	(24)	(24)	321
Energisa Geração Eólica Boa Esperança	100	32	23	1	-	1	(13)	(13)	1
Energisa Geração Eólica Mandacaru	100	33	24	1	-	1	(13)	(13)	1
Energisa Geração de Energia S.A	100	22	22	1	-	1	(15)	(15)	1
Energisa Geração Eólica Alecrim	100	32	23	1	-	1	(13)	(13)	1
Energisa Geração Eólica Umbuzeiro - Muquim	100	32	23	1	-	1	(13)	(13)	1
Sales								**(598)**	**4,481**
Energisa Comercializadora	100	5,119	5,119	108,254	103,773	4,481	(597)	(598)	4,481
Rendering of Services								**316**	**84,461**
Energisa Soluções	100	77,000	77,000	139,370	64,069	75,301	(1,311)	(1,311)	75,301
Energisa Serviços Aéreos de Aeroinspeção	100	6,313	6,313	6,051	158	5,893	(599)	(599)	5,893
Energisa Planejamento	100	1,685	1,685	4,752	1,485	3,267	2,226	2,226	3,267
Holding companies and other companies								**68,403**	**2,004,194**
Alvorada Direitos Creditórios S.A	100	400	251	139	1	138	(38)	(38)	137
Dinâmica Credit Receivables	100	7,570	7,570	2,068	308	1,760	564	564	1,760
BBPM Participações (3)	-	-	-	-	-	-	12,488	8,347	-
Denerge S/A	99.97	531,035,291	1,316,157	1,692,165	550,519	1,141,646	43,157	27,787	1,141,347
JQMJ Participações (3)	-	-	-	-	-	-	3,801	2,606	-
Rede Energia S/A (2)	29.49	606,867	2,777,404	4,337,644	1,418,469	2,919,175	139,776	29,137	860,950
Goodwill paid in the acquisition of subsidiaries								**(14,545)**	**191,113**
Total								**345,023**	**4,016,090**

(1) EMT shares – In FY 2016 the Company acquired the total of 16,982,241 shares, consisting of 3,380,906 common shares and 13,601,335 preferred shares comprising the capital of the indirect subsidiary Energisa Mato Grosso, making a gain in the transaction of R$ 42,361.

(2) Rede Energia shares - on September 30, 2016 the Company acquired from EDP – Energias do Brasil S.A., 6,602,113 preferred shares comprising the share capital of Rede Energia S/A, for the amount of R$ 10,267, recording goodwill under the transaction of R$ 1,621, recorded directly under transactions between partners in shareholders' equity.

(3) Companies merged into Denerge S/A in November 2016.

Changes in the investments:

Subsidiary	Balance as of 12/31/2016	Acquisition/Advances for future capital increase	Gain/Loss on share acquisition (1)	Capital transactions (2)	Dividends	Equity in net income of subsidiaries and associated companies	Balance as of 6/30/2017
Distribution	**1,727,766**	**-**	**162**	**-**	**(75,254)**	**169,220**	**1,821,894**
Energisa Minas Gerais (EMG)	267,785	-	-	-	(3,127)	13,439	278,097
Energisa Sergipe (ESE)	313,347	-	-	-	(10,266)	40,139	343,220
Energisa Paraíba (EPB)	745,602	-	-	-	(58,318)	94,228	781,512
Energisa Borborema (EBO)	115,571	-	-	-	(3,381)	16,770	128,960
Energisa Nova Friburgo (ENF)	82,557	-	-	-	-	(1,140)	81,417
Energisa Mato Grosso (EMT)	202,904	-	162	-	(162)	5,784	208,688
Generation	**4,075**	**491**	**-**		**-**	**(98)**	**4,468**
Parque Eólico Sobradinho	2,801	379	-		-	(64)	3,116
Energisa Geração Usina Maurício	948	93	-		-	16	1,057
Energisa Geração Solar Coremas	321	-	-		-	(12)	309
Energisa Geração Eólica Boa Esperança	1	2	-		-	(2)	1
Energisa Geração Eólica Mandacaru	1	12	-		-	(12)	1
Energisa Geração Eólica Alecrim	1	1	-		-	(1)	1
Energisa Geração de Energia S/A	1	2	-		-	(12)	(9)
Energisa Geração Eólica Umbuzeiro - Muquim	1	2	-		-	(11)	(8)
Transmission	**-**	**2**	**-**	**-**	**-**	**-**	**2**
Energisa Pará Transmissora de Energia I S/A	-	1	-	-	-	-	1
Energisa Goias Transmissora de Energia I S/A	-	1	-	-	-	-	1
Sales	**4,481**	**-**	**-**		**-**	**4,685**	**9,166**
Energisa Comercializadora	4,481	-	-		-	4,685	9,166
Rendering of Services	**84,461**	**(182)**	**-**		**(1,669)**	**(1,003)**	**81,607**
Energisa Soluções	75,301	-	-		-	(1,259)	74,042
Energisa Serviços Aéreos de Aeroinspeção	5,893	(182)	-		-	(986)	4,725
Energisa Planejamento	3,267	-	-		(1,669)	1,242	2,840
Holding companies and other companies	**2,004,194**	**-**	**(1,671)**	**(1,616)**	**(163)**	**30,504**	**2,031,248**
Alvorada Direitos Creditórios S.A	137	-	-	-	-	(33)	104
Dinâmica Credit Receivables	1,760	-	-	-	-	55	1,815
Denerge S/A	1,141,347	-	(1,384)	(1,616)	-	12,655	1,151,002
Rede Energia Participações S/A (new name of (Rede Energia S.A.)	860,950	-	(287)	-	(163)	17,827	878,327
Goodwill paid in the acquisition of subsidiaries	**191,113**	**-**	**-**	**-**	**-**	**(7,416)**	**183,697**
Total	**4,016,090**	**311**	**(1,509)**	**(1,616)**	**(77,086)**	**195,892**	**4,132,082**

(1) Gain/loss on transactions with parent companies as of June 30, 2017, recorded directly in shareholders' equity.

(2) Includes a portion resulting from the percentage interest in the subsidiary EEVP, referring to the derivative financial instrument described in note 34, which in the period amounted to R$ 1,616, which was charged to shareholders' equity.

Subsidiaries	Balance as of 12/31/2015	Acquisition /Advances for future capital increase	Gain/Loss on share acquisition (1)	Capital transactions (2)	Merger	Dividends	Other comprehensive income	Equity in net income of subsidiaries and associated companies	Balance as of 12/31/2016
Distribution	**1,444,011**	**239,886**	**42,361**	**-**	**-**	**(241,319)**	**(49,411)**	**292,240**	**1,727,766**
Energisa Minas Gerais (EMG)	198,184	84,999	-	-	-	(18,820)	(967)	4,389	267,785
Energisa Sergipe (ESE)	325,434	-	-	-	-	(75,509)	(45,939)	109,361	313,347
Energisa Paraíba (EPB)	694,805	-	-	-	-	(111,390)	(1,675)	163,864	745,602
Energisa Borborema (EBO)	132,111	-	-	-	-	(33,475)	-	16,935	115,571
Energisa Nova Friburgo (ENF)	71,396	15,000	-	-	-	(276)	(259)	(3,304)	82,557
Energisa Mato Grosso (EMT)	22,081	139,887	42,361	-	-	(1,849)	(571)	995	202,904
Generation	**3,771**	**1,102**	**-**	**-**	**-**	**-**	**(5)**	**(793)**	**4,075**
Parque Eólico Sobradinho	1,953	969	-	-	-	-	(5)	(116)	2,801
Energisa Geração Usina Maurício	1,489	45	-	-	-	-	-	(586)	948
Energisa Geração Solar Coremas	324	21	-	-	-	-	-	(24)	321
Energisa Geração Eólica Boa Esperança	1	13	-	-	-	-	-	(13)	1
Energisa Geração Eólica Mandacaru	1	13	-	-	-	-	-	(13)	1
Energisa Geração Eólica Alecrim	1	13	-	-	-	-	-	(13)	1
Energisa Geração de Energia S/A	1	15	-	-	-	-	-	(15)	1
Energisa Geração Eólica Umbuzeiro - Muquim	1	13	-	-	-	-	-	(13)	1
Sales	**5,765**	**-**	**-**	**-**	**-**	**(646)**	**(40)**	**(598)**	**4,481**
Energisa Comercializadora	5,765	-	-	-	-	(646)	(40)	(598)	4,481
Rendering of Services	**84,725**	**3,179**	**-**	**-**	**-**	**(1,863)**	**(1,896)**	**316**	**84,461**
Energisa Soluções	75,421	3,000	-	-	-	-	(1,809)	(1,311)	75,301
Energisa Serviços Aéreos de Aeroinspeção	6,313	179	-	-	-	-	-	(599)	5,893
Energisa Planejamento	2,991	-	-	-	-	(1,863)	(87)	2,226	3,267
Holding companies and other companies	**1,438,278**	**541,478**	**(1,041)**	**(10,074)**	**-**	**(26,703)**	**(6,147)**	**68,403**	**2,004,194**
Alvorada Direitos Creditórios S.A	175	-	-	-	-	-	-	(38)	137
Dinâmica Credit Receivables	1,196	-	-	-	-	-	-	564	1,760
BBPM Participações (3)	405,430	-	1,582	(7,525)	(411,315)	3,531	(50)	8,347	-
Denerge S/A	514,292	-	36,412	598	574,592	(8,118)	(4,216)	27,787	1,141,347
JQMJ Participações (3)	161,636	-	661	(3,147)	(163,277)	1,542	(21)	2,606	-
Rede Energia S/A	355,549	541,478	(39,696)	-	-	(23,658)	(1,860)	29,137	860,950
Goodwill paid in the acquisition of subsidiaries	**205,658**							**(14,545)**	**191,113**
Total	**3,182,208**	**785,645**	**41,320**	**(10,074)**	**-**	**(270,533)**	**(57,499)**	**345,023**	**4,016,090**

(1) Gains/losses on share acquisition transactions. In the financial year ended December 31, 2016 Energisa S/A purchased shares from noncontrolling shareholders in the companies: EMT and Rede Energia, resulting in a capital gain of R$ 41,320 (R$ 2,393 as of December 31, 2015), which was charged to shareholders' equity.

(2) Includes a portion resulting from the percentage interest in the subsidiary EEVP, referring to the derivative financial instrument described in note 34.

(3) Companies merged into Denerge S/A in November 2016.

Accumulated amortization of intangible assets in the period ended June 30, 2017, which are recorded in the income statement under amortization and depreciation and income tax and social contribution originate as follows:

				Total	
	EMT	ETO	EMS	6/30/2017	12/31/2016
Amortization in the period	(31,933)	(31,817)	(35,704)	(99,454)	(198,910)
IR and CSSL	10,857	10,818	12,139	33,814	67,630
Amortization net of taxes	**(21,076)**	**(20,999)**	**(23,565)**	**(65,640)**	**(131,280)**

The Company holds indirect interests in the electricity distribution and services companies, directly controlled by Rede Energia S/A, as follows:

6/30/2017					
Indirect subsidiaries	% indirect	Assets	Liabilities	Shareholders' Equity	Net income in the period
Electricity Distribution					
Energisa Tocantins	73.74	2,103,564	1,249,581	853,983	9,921
Energisa Mato Grosso	55.47	6,010,262	3,674,928	2,335,334	66,896
Energisa Mato Grosso do Sul	96.12	3,406,664	2,120,833	1,285,831	9,063
Energisa Sul - Sudeste - Distribuidora de Energia S/A (1)	95.21	1,612,847	1,051,974	560,873	15,791
Multi Energisa Serviços S/A	96.19	47,250	36,862	10,388	1,977
QMRA Participações S.A.	96.18	78,059	49,716	28,343	2,192
Rede Power do Brasil S.A.	96.18	528,534	52,685	475,849	3,366
Companhia Técnica de Comercialização de Energia	96.19	127,743	296,147	(168,404)	(1,771)
Vale do Vacaria Açucar e Álcool S/A	96.18	1,744	449	1,295	(119)

(1) On June 30, 2017 Empresa Elétrica Bragantina S.A, Empresa de Distribuição de Energia Vale Paranapanema S.A., Companhia Nacional de Energia Elétrica and Companhia Força e Luz do Oeste were merged into Energisa Sul-Sudeste - Distribuição de Energia S.A (the new name of Caiuá - Distribuição de Energia S/A), based on the statement of financial position at May 31, 2017.

12/31/2016					
Indirect subsidiaries	% indirect	Assets	Liabilities	Shareholders' Equity	Net income in the period
Electricity Distribution					
Empresa Elétrica Bragantina S.A.	92.19	345,497	243,824	101,673	3,841
Companhia Nacional de Energia Elétrica	94.93	215,149	134,351	80,799	10,596
Companhia Força e Luz do Oeste	94.55	90,578	71,547	19,031	2,517
Energisa Tocantins	73.75	2,102,605	1,166,579	936,026	2,728
Energisa Mato Grosso	55.47	6,203,188	3,934,750	2,268,438	104,545
Energisa Mato Grosso do Sul	96.12	3,435,120	2,082,696	1,352,424	59,990
Caiuá Distribuição de Energia S.A.	96.18	558,420	364,771	193,649	995
Empresa de Distrib. De Energia Vale Paranapanema S.A.	96.18	320,886	179,418	141,468	14,333
Multi Energisa Serviços S/A	96.19	41,644	33,232	8,412	2,729
QMRA Participações S.A.	96.18	74,156	48,005	26,151	5,074
Rede Power do Brasil S.A.	96.18	523,051	50,568	472,483	28,115
Companhia Técnica de Comercialização de Energia	96.19	121,721	288,354	(166,633)	1,112

18. Property, plant and equipment

Parent company						
	Balance as of 12/31/2016	Addition	Transfers	Write offs	Amortization / Depreciation	Balance as of 6/30/2017
Property, plant and equipment in service						
Cost:						
Land	16	-	-	-	-	16
Buildings and improvements	5,291	-	-	-	-	5,291
Machinery and equipment	8,977	-	2,201	-	-	11,178
Vehicles	8,450	-	7,392	-	-	15,842
Furniture and fixtures	13,764	-	-	-	-	13,764
Total property, plant and equipment in service	**36,498**	**-**	**9,593**	**-**	**-**	**46,091**
Accumulated depreciation:						
Buildings and improvements	(2,333)	-	-	-	(92)	(2,425)
Machinery and equipment	(4,023)	-	-	-	(550)	(4,573)
Vehicles	(7,930)	-	-	-	(56)	(7,986)
Furniture and fixtures	(12,385)	-	-	-	(190)	(12,575)
Total accumulated depreciation	**(26,671)**	**-**	**-**	**-**	**(888)**	**(27,559)**
Subtotal Property, Plant and Equipment	**9,827**	**-**	**9,593**	**-**	**(888)**	**18,532**
Property, plant and equipment in progress	8,505	21,418	**(9,593)**	-	-	**20,330**
Total of Property, plant and equipment	**18,332**	**21,418**	**-**	**-**	**(888)**	**38,862**

	Parent company					
	Balance as of 12/31/2015	Addition	Transfers	Low	Depreciation	Balance as of 12/31/2016
Property, plant and equipment in service						
Cost:						
Land	16	-	-	-	-	16
Buildings and improvements	4,300	-	991	-	-	5,291
Machinery and equipment	7,793	-	1,187	(3)	-	8,977
Vehicles	8,451	-	104	(105)	-	8,450
Furniture and fixtures	13,741	-	25	(2)	-	13,764
Total property, plant and equipment in service	**34,301**	**-**	**2,307**	**(110)**	**-**	**36,498**
Accumulated depreciation:						
Buildings and improvements	(2,184)	-	-	-	(149)	(2,333)
Machinery and equipment	(3,149)	-	-	1	(875)	(4,023)
Vehicles	(7,891)	-	-	73	(112)	(7,930)
Furniture and fixtures	(11,944)	-	-	3	(444)	(12,385)
Total accumulated depreciation	**(25,168)**	**-**	**-**	**77**	**(1,580)**	**(26,671)**
Subtotal Property, Plant and Equipment	**9,133**	**-**	**-**	**(33)**	**(1,580)**	**9,827**
Property, plant and equipment in progress	235	10,577	**(2,307)**	-	-	**8,505**
Total of Property, plant and equipment	**9,368**	**10,577**	**-**	**(33)**	**(1,580)**	**18,332**

	Consolidated					
	Balance as of 12/31/2016	Addition	Transfers	Write offs (*)	Amortization / Depreciation	Balance as of 6/30/2017
Property, plant and equipment in service						
Cost:						
Software	23	-	-	(23)	-	-
Land	1,448	-	-	-	-	1,448
Reservoirs, Dams and Water Pipelines	2,191	-	387	-	-	2,578
Buildings and improvements	16,976	-	164	290	-	17,430
Machinery and equipment	150,106	-	7,251	(367)	-	156,990
Vehicles	86,480	-	11,940	(38,155)	-	60,265
Furniture and fixtures	55,719	-	460	(2)	-	56,177
Total property, plant and equipment in service	**312,943**	**-**	**20,202**	**(38,257)**	**-**	**294,888**
Accumulated depreciation:						
Software	(20)	-	-	20	-	-
Reservoirs, Dams and Water Pipelines	(812)	-	-	-	(2)	(814)
Buildings and improvements	(5,995)	-	(164)	-	(249)	(6,408)
Machinery and equipment	(80,097)	-	2	326	(6,841)	(86,610)
Vehicles	(60,891)	-	-	36,434	(3,635)	(28,092)
Furniture and fixtures	(38,011)	-	-	(2)	(1,096)	(39,109)
Total accumulated depreciation	(185,826)	-	(162)	36,778	(11,823)	(161,033)
Subtotal Property, Plant and Equipment	**127,117**	**-**	**20,040**	**(1,479)**	**(11,823)**	**133,855**
Property, plant and equipment in progress	15,296	42,625	(20,040)	-	-	**37,881**
Total of Property, plant and equipment	**142,413**	**42,625**	**-**	**(1,479)**	**(11,823)**	**171,736**

(*) R$ 1,718 of the R$ 1,479 derecognized related to the derecognition of the aircraft owned by the indirect subsidiary EMT.

	Consolidated					
	Balance 12/31/2015	Addition	Transfers	Write offs	Depreciation	Balance 12/31/2016
Property, plant and equipment in service						
Cost:						
Software	23	-	-	-	-	23
Land	1,092	44	312	-	-	1,448
Reservoirs, Dams and Water Pipelines	2,191	-	-	-	-	2,191
Buildings and improvements	15,689	296	991	-	-	16,976
Machinery and equipment	104,632	35,713	10,455	(694)	-	150,106
Vehicles	46,986	38,530	2,174	(1,210)	-	86,480
Furniture and fixtures	45,602	7,812	2,327	(22)	-	55,719
Total property, plant and equipment in service	**216,215**	**82,395**	**16,259**	**(1,926)**	**-**	**312,943**
Accumulated depreciation:						
Software	(18)	-	-	-	(2)	(20)
Reservoirs, Dams and Water Pipelines	(805)	(1)	-	-	(6)	(812)
Buildings and improvements	(5,320)	(221)	-	-	(454)	(5,995)
Machinery and equipment	(45,569)	(22,402)	-	112	(12,238)	(80,097)
Vehicles	(20,991)	(29,835)	-	799	(10,864)	(60,891)
Furniture and fixtures	(31,256)	(4,581)	-	4	(2,178)	(38,011)
Total accumulated depreciation	(103,959)	(57,040)	-	915	(25,742)	(185,826)
Subtotal Property, Plant and Equipment	**112,256**	**25,355**	**16,259**	**(1,011)**	**(25,742)**	**127,117**
Property, plant and equipment in progress	**2,522**	29,033	(16,259)	-	-	**15,296**
Total of Property, plant and equipment	**114,778**	**54,388**	**-**	**(1,011)**	**(25,742)**	**142,413**

Depreciation rates practiced by parent company and consolidated are as follows:

Depreciation rates of property, plant and equipment	6/30/2017	12/31/2016
Buildings and improvements	3.33%	3.33%
Machinery and equipment	13.56%	14.12%
Vehicles	14.29%	14.29%
Furniture and fixtures	6.25%	6.25%

19. Intangible assets

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Concession agreement/ software	9,796	9,599	6,970,222	7,022,820
Concession right	-	-	423,787	443,525
Total	**9,796**	**9,599**	**7,394,009**	**7,466,345**

19.1 Intangible assets - parent company

	Parent company				
	Balance as of 12/31/2016	Addition	Transfers	Amortization	Balance as of 6/30/2017
In Service					
Cost of software	17,016	-	131	-	17,147
Accumulated Amortization	(7,417)	-	-	(1,348)	(8,765)
Subtotal	9,599	-	131	(1,348)	8,382
In Progress	-	1,545	(131)	-	1,414
Grand Total	**9,599**	**1,545**	**-**	**(1,348)**	**9,796**

	Parent company				
	Balance as of 12/31/2015	Additions	Transfers	Amortization	Balance as of 12/31/2016
In Service					
Cost of software	13,174	-	3,842	-	17,016
Accumulated Amortization	(5,373)	-	-	(2,044)	(7,417)
Subtotal	**7,801**	**-**	**3,842**	**(2,044)**	**9,599**
In Progress	-	3,842	(3,842)	-	-
Grand Total	**7,801**	**3,842**	**-**	**(2,044)**	**9,599**

19.2 Intangible assets - Consolidated

	CONSOLIDATED					
	Balance as of 12/31/2016	Addition	Transfers	Write offs (*)	Amortization	Balance 6/30/2017
Intangible assets in service						
Cost	14,651,198	-	1,061,342	(87,290)	-	15,625,250
Accumulated Amortization	(6,867,309)	-	(449,441)	64,659	(619,282)	(7,871,373)
Subtotal	7,783,889	-	611,901	(22,631)	(619,282)	7,753,877
In Progress	1,166,531	1,035,820	(647,930)	(436,228)	-	1,118,193
Total	**8,950,420**	**1,035,820**	**(36,029)**	**(458,859)**	**(619,282)**	**8,872,070**
(-) Obligations linked to the concession						
In Service						
Cost	2,819,616	-	690,376	-	-	3,509,992
Accumulated Amortization	(1,219,826)	-	(444,029)	-	(258,627)	(1,922,482)
Subtotal	1,599,790	-	246,347	-	(258,627)	1,587,510
In Progress	327,810	376,875	(282,376)	(107,971)	-	314,338
Total obligations linked to the concession	**1,927,600**	**376,875**	**(36,029)**	**(107,971)**	**(258,627)**	**1,901,848**
Grand Total	**7,022,820**	**658,945**	**-**	**(350,888)**	**(360,655)**	**6,970,222**

(*) R$ 328,257 of the write-offs of R$ 350,888 was transferred to the concession's accounts receivable, and R$ 22,631 consists of write-offs in the period. They are initially recorded in Deactivation orders - ODD and at the end of the process the amounts are transferred to profit or loss for the period in other operating income (expenses).

	Consolidated					
	Balance as of 12/31/2015	Addition	Transfers	Write offs (*)	Amortization	Balance as of 12/31/2016
Intangible assets in service						
Cost	14,094,153	-	771,786	(214,741)	-	14,651,198
Accumulated Amortization	(6,093,406)	-	(101,939)	166,006	(837,970)	(6,867,309)
Subtotal	8,000,747	-	669,847	(48,735)	(837,970)	7,783,889
In Progress	987,039	1,613,994	(669,847)	(764,655)	-	1,166,531
Total	**8,987,786**	**1,613,994**	**-**	**(813,390)**	**(837,970)**	**8,950,420**
(-) Obligations linked to the concession						
In Service						
Cost	2,677,250	11,139	131,227	-	-	2,819,616
Accumulated Amortization	(963,275)	-	(92,929)	-	(163,622)	(1,219,826)
Subtotal	1,713,975	11,139	38,298	-	(163,622)	1,599,790
In Progress	333,842	269,748	(38,298)	(237,482)	-	327,810
Total obligations linked to the concession	**2,047,817**	**280,887**	**-**	**(237,482)**	**(163,622)**	**1,927,600**
Grand Total	**6,939,969**	**1,333,107**	**-**	**(575,908)**	**(674,348)**	**7,022,820**

(*) R$ 527,173 of the write-offs of R$ 575,908 was transferred to the concession's accounts receivable, R$ 23,355 transferred to property, plant and equipment and R$ 23,380 consists of write-offs in the year. They are initially recorded in Deactivation orders - ODD and at the end of the process the amounts are transferred to profit or loss for the year in other operating income (expenses).

19.3 Intangible assets - Concession Agreement - Consolidated

Portion of the assets used by the subsidiaries in the electricity distribution concession to be recovered through electricity rates during the arrangement term.

The assets used by the subsidiaries in their operations are tied to public energy distribution services, and may not be removed, sold, transferred or pledged under mortgage guarantee without the prior, express consent of the Regulatory Authority. ANEEL Resolution 20/99, revoked by Resolution 691/2015, regulates the freeing up of the public electricity service concessions' infrastructure, awarding preliminary authorization for the release for the purpose of disposal. It also determines the proceedings of the disposal be deposited into a specific bank account and the funds reinvested into the concession's assets.

The intangible assets are being amortized at the rates established by ANEEL Normative Resolution 674 issued August 11, 2015, limited to the concession term based on the economic benefits generated annually. The average weighted amortization rates used by the subsidiaries were as follows:

Company	6/30/2017	12/31/2016
EMG	4.36%	4.40%
ESE	4.22%	4.24%
EPB	4.50%	4.47%
EBO	4.31%	4.34%
ENF	4.32%	4.27%
EDEVP(1)	-	4.39%
EMT	4.01%	4.16%
ESS(1)	4.79%	4.37%
ETO	3.95%	3.95%
EEB(1)	-	4.36%
CNEE(1)	-	4.51%
CFLO(1)	-	4.54%
EMS	4.37%	4.34%

(1) On June 30, 2017 Empresa Elétrica Bragantina S.A, Empresa de Distribuição de Energia Vale Paranapanema S.A., Companhia Nacional de Energia Elétrica and Companhia Força e Luz do Oeste were merged into Energisa Sul-Sudeste – Distribuição de Energia S.A (the new name of Caiuá - Distribuição de Energia S/A)

The balance of intangible assets and accounts receivable from the concession is reduced by obligations linked to the concession, consisting of:

Obligations linked to the concession:	6/30/2017	12/31/2016
Consumer contributions [1]	3,201,969	2,476,338
Government Subsidy – CDE funds [2]	1,470,621	1,442,287
State Government Subsidy [2]	333,422	333,388
Reversal reserve [3]	1,721	1,721
Excess Demand Revenue and Surplus Reactive Energy	276,540	233,791
(-) Accumulated amortization	(1,922,482)	(1,219,826)
Total	**3,361,791**	**3,267,699**
Allocation:		
Accounts receivable from the concession	1,459,943	1,340,099
Infrastructure - Intangible assets in service	1,587,510	1,599,790
Infrastructure - Intangible assets in progress	115,566	151,159
Excess Demand Revenue and Surplus Reactive Energy	198,772	176,651
Total	**3,361,791**	**3,267,699**

- Consumer contributions refer to third-party participation in construction work to supply electricity to areas not embraced by the electricity concessionaires' expansion projects.
- Government subsidies – CDE funds and Government subsidies derive from the Energy Development Account - CDE and are allocated to the Light for All program.
- The reversal reserve, constituted up until December 31, 1971, represents the amount of proceeds deriving from the reversal fund, which have been invested in the Company's expansion project, charged interest of 5 % per annum paid monthly.

The subsidiaries began amortizing their special obligations on: ESE (April 2008), EMG (June 2008), ENF (June 2008), EBO (February 2009), EPB (August 2009), CNEE (May 2008), EDEVP (May 2008), CAIUÁ (May 2008), CFLO (June 2008), ETO (July 2008), EMT (April 2008), EMS (April 2008). As from the second periodical rate review the obligations linked to the concession (special obligations) are now amortized at the average depreciation rate for

intangible assets of the respective activity in which the special obligation funds were used. Additions as from January 01, 2015 were amortized according to the acquisition date until fully amortized.

Excess Demand Revenue and Surplus Reactive Energy

By way of Normative Resolution 463 issued November 22, 2011, ANEEL determined that the amounts deriving from fines for exceeding demand and surplus reactive energy consumption are recorded as special obligations, as from the 3rd cycle of rate reviews. Before the 3rd cycle, these amounts used to be recorded as operating revenue. The subsidiaries underwent the 3rd rate review cycle; EMG and ENF in September 2012, EBO in February 2013, ESE in April 2013 and EPB in August 2013, CNEE, EDEVP, CAIUÁ in May/2012, CFLO in June/2012, ETO in July/2012, EMT and EMS in April/2013. Thereafter the invoicing of excess demand is now recorded as Special Obligations.

As from the 4th rate review cycle, all Excess Demand and Excess Reactive Power Revenue must be recognized under sectoral financial liabilities – tariff returns and will be indexed monthly by the IPCA index and amortized from the start of the 5th tariff review cycle.

As the representative of electricity distribution companies, ABRADEE (Brazilian Association of Electricity Distributors) filed suit contesting the treatment afforded to this revenue.

19.4 Concession right - consolidated

	Consolidated	
	6/30/2017	12/31/2016
Recognized by subsidiaries (1)	538,012	538,012
Recognized by parent company (2)	298,589	298,589
Acquisition of interest (3)	67,359	67,359
Accumulated amortization	(480,173)	(460,435)
Subtotal	**423,787**	**443,525**

The change is as follows:

	Consolidated	
	6/30/2017	12/31/2016
Opening balance	**443,525**	**481,014**
Amortization in the period/year	(19,738)	(37,489)
Closing balance	**423,787**	**443,525**

(1) Intangible assets recognized by the subsidiary:

Refers to the concession right incorporated by the subsidiary ESE which is being amortized from April 1998 and will continue to be amortized until the end of the electricity distribution concession (December 2027). In accordance with IAS 16, since January 1, 2016 the Company has been recording amortization of goodwill over the remaining period of the respective concession exploration licenses, by the straight-line method.

The amortization will reduce the income and social contribution taxes by 34%. As of June 30, 2017 the balance to be amortized by the subsidiary is R$ 240,089 (R$ 252,412 as of December 31, 2016).

(2) Intangible assets recognized by parent company:

Donates the concession rights for equity interests in the subsidiaries EBO, ESE and EPB, in the amount of R$ 130,861 (R$ 124,105 as of December 31, 2016). In accordance with IAS 16, since January 1, 2016 the Company has been recording amortization of concession goodwill over the remaining period of the respective concession exploration licenses, by the straight-line method.

The Company acquired the specific purpose entity Parque Eólico Sobradinho, located in the municipality Sobradinho – BA, which owns windfarm ventures amounting to R$ 7,022 (R$ 7,022 as of December 31, 2016). The amounts paid to acquire the wind farm have been recorded under concession arrangements, to be amortized over 35 years as from start-up.

(3) Acquisition of equity interest

The equity interests assuring the share control of the companies comprising Rede Group were officially transferred to Energisa on April 11, 2014, pursuant to the Investment and Share Purchase and Sale Commitment and Other Covenants.

The goodwill determined under the acquisition of the Companies stands at R$ 165,552 and was recognized in "investment" for the parent company and "intangible assets" in the consolidated statement. The symbolic acquisition price of R$ 1.00 (one real) was based on the market value valuation of the equity of the companies acquired. The goodwill determined on the acquisition is primarily due to the fact the PPA calculations did not include the renewal of the electricity distribution concessions introduced by Law 12783/2013, which despite the issuance of Decree 8461/2015, which regulated the extension of the electricity distribution concession agreements, suspended by the Federal Audit Court, which meant it was not possible to sign the new concession agreement, and the variance between the average used to determine the price and the best estimate of the shareholders' equity at fair value at the effective acquisition date.

Capital gains on the greater interest in the capital increases via capital contributions made at the subsidiaries JQMJ, BBPM, Denerge and Rede Energia amounting to R$ 96,345 was deducted from the goodwill (R$ 165,552), amounting to a total of R$ 69,207. Given the sale of the assets of the indirect subsidiary Tangará S/A, R$ 6,361 was transferred to assets held for sale in May 2015. In addition to amortization of R$ 13,653 as of December 31, 2015.

On May 14, 2015 the Company acquired the share control of the subsidiary Dinâmica Direitos Creditórios, recording goodwill of R$ 4,512.

The amortization of these concession rights and reduction to the income and social contribution taxes has been projected as follows:

Amortization period	Consolidated	Reduction in income and social contribution taxes
2017 and 2018	54,556	12,557
2019 and 2020	74,288	16,745
2021 and 2022	74,288	16,745
2023 and 2024	74,288	16,745
2025 and 2026	74,288	16,745
2027 and 2028	30,412	2,093
2029 onwards	41,667	-
Total	423,787	**81,630**

20. Suppliers

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Supplies:				
Furnas	-	-	136	136
Ampla - CUSD	-	-	2,699	2,196
CCEE	-	-	174,555	83,650
Bilateral Contracts [1]	-	-	939,503	1,055,799
Use of the high-voltage national grid [1]	-	-	18,247	17,317
Connection to the grid [1]	-	-	2,703	2,774
Service charges in the system [1]	-	-	39,889	24,452
Use of the distribution system (CUSD) [1]	-	-	15,022	12,085
Materials, services and other [2]	2,398	2,370	184,303	178,941
Total	**2,398**	**2,370**	**1,377,057**	**1,377,350**
Current	2,398	2,370	1,225,671	1,170,254
Non-current	-	-	151,386	207,096

(1) The acquisition of electricity from generators, use of the high-voltage grid and the distribution system, with an average settlement of 25 days. This includes R$ 253,602 of debits to Eletrobrás (R$ 326,228 as of December 31, 2016), of which R$ 136,555 (R$ 195,078 as of December 31, 2016) has been recorded in non-current liabilities, owed by the subsidiary EMT, referring to the Itaipu pass-through, where the overdue debits were financed over a consolidated 60 payments. The compensatory interest on the principal will be amortized in the first 24 payments and the principal over the rest. The interest is being calculated at the rate of 115% of the CDI rate. As of June 30, 2017 debit installments were paid to energy suppliers amounting to R$ 90,825 (R$ 77,836 in as of December 31, 2016) and financial restatement of R$ 18,199 recognized (R$ 52,924 as of December 31, 2016).

(2) Acquisitions of materials, services and other required to implement, conserve and maintain the electricity sale, generation and distribution services.

21. Loans, financing and debt charges

The balance of loans, financing and financial leases and charges and other related components, as follows:

Loans, financing and debt charges	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Loans and financing - local currency	-	-	3,262,354	3,298,596
Loans and financing - foreign currency	82,705	162,955	2,048,358	2,021,916
Debt charges - local currency	-	-	64,709	37,637
Debt charges - foreign currency	283	568	20,586	20,194
(-) unamortized costs – local currency	-	-	(8,861)	(9,306)
(-) unamortized costs – foreign currency	-	-	(2,307)	(500)
(-) Mark-to-market of debt securities	(267)	(630)	33,184	25,573
Total	**82,721**	**162,893**	**5,418,023**	**5,394,110**
Current	82,721	81,730	1,539,805	1,317,902
Non-current	-	81,163	3,878,218	4,076,208

The composition of the loans, financing and leases portfolio, and significant terms and conditions, are detailed below:

Company / Operation	Total		Charges	Maturity	Amortization Frequency	(Effective interest rate) (5)	Security (1)
	6/30/2017	12/31/2016	Annual Charges				
Energisa S/A							
Resolution 4131 - Citibank [1]	82,988	163,523	Libor + 1.64% p.a.	Apr/18	Annual	3.48%	A
Mark-to-market of debt [2]	(267)	(630)	-	-	-		-
Total foreign currency	82,721	162,893					
Total Energisa S/A	82,721	162,893					
Energisa Sergipe							
FIDIC Energisa Group III	15,130	15,178	CDI + 0.70% p.a	Dec/20	Monthly	6.00%	F
Luz para Todos - Eletrobrás	5,976	8,285	5.00% p.a. (Fixed)	Aug/26	Monthly	2.47%	A
Financ. Investment 2007-2008 (FNE) - BNB [4]	-	1,708	8.30% p.a. (Fixed)	Jun/17	Monthly	4.07%	F + E
Financ. Investment 2007-2008 (FAT) - BNB [4]	-	1,228	TJLP + 4.00% p.a.	Jun/17	Monthly	5.54%	F + E
Financ. Investment 2009-2010 (FNE) - BNB [4]	7,341	9,019	8.40% p.a. (Fixed)	Aug/19	Monthly	4.12%	F + E
BNDES pass-through I - ABC	11,094	13,788	TJLP + 2.20% to 4.10% p.a.	May/19	Monthly	4.65% A 5.59%	A
BNDES pass-through II - ABC	1,206	1,520	TJLP + 8.10% to 9.10% p.a.	May/19	Monthly	7.53% A 8.01%	A
BNDES pass-through - Citibank [3]	19,298	17,924	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through - Itaú [3]	5,160	4,792	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through - Bradesco [3]	3,932	3,652	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through - Citibank [3]	15,431	13,862	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
BNDES pass-through - Itaú [3]	4,126	3,707	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
BNDES pass-through - Bradesco [3]	3,144	2,824	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
BNDES FINEM pass-through - Itaú [1]	9,097	10,702	TJLP + 2.90% to 3.90% p.a.	Mar/20	Monthly	5.00% A 5.49%	A
FINAME - Itaú BBA	15,024	16,403	2.50% to 8.70% p.a (Fixed)	Feb/24	Monthly	1.24% A 4.26%	A
CEF loan	975	1,028	6.0% p.a	Aug/26	Monthly	2.96%	D
INERGUS financing	13,334	13,485	5.5% p.a	Dec/39	Monthly	3.70%	D

Company / Operation	Total 6/30/2017	Total 12/31/2016	Charges Annual Charges	Maturity	Amortization Frequency	(Effective interest rate) (5)	Security (1)
Safra Commercial Paper – Series 1	9,223	-	CDI + 1.65%	Apr/18	Final	6.47%	A
Safra Commercial Paper – Series 2	83,004	-	CDI + 1.65%	Apr/18	Final	6.47%	A
(-) Borrowing cost incurred on acquisition	(1,017)	(724)	-	-	-	-	-
Total Local Currency	221,478	138,381	-	-	-	- - -	-
Resolution 4131 - Itaú BBA	105,382	186,385	3.49% to 4.53 p.a. (Fixed)	Apr/18	Annual	3.24% to 3.75%	A
Resolution 4131 - Citibank (1)	253,411	273,940	Libor + 1.77% to 2.16% p.a	May/19	Final	- 3.54% A - 3.73%	A
Resolution 4131 - Bank of America ML (1)	41,389	40,772	Libor + 1.75% p.a.	Dec/19	Final	-3.53%	A
(-) Borrowing cost incurred on acquisition	(354)	(500)					
Mark-to-market of debt (2)	2,973	4,002	-	-	-	-	-
Total foreign currency	402,801	504,599					
Total Energisa Sergipe	624,279	642,980					
Energisa Paraíba							
FIDIC Energisa Group III	61,529	61,722	CDI + 0.70% p.a	Dec/20	Monthly	6.00%	F
Financ. Investment 2007-2008 (FNE) – BNB (4)	-	5,100	7.80% p.a. (Fixed)	Jun/17	Monthly	3.83%	F + E
Financ. Investment 2007-2008 (FAT) - BNB (4)	19,485	29,271	TJLP + 4.00% p.a.	Jun/19	Monthly	5.54%	F + E
Financ. Investment 2009-2010 (FNE) – BNB (4)	-	1,215	8.10% p.a. (Fixed)	Jun/17	Monthly	3.97%	F + E
BNDES FINEM pass-through – Itaú (1)	18,009	21,118	TJLP + 3.50% to 8.90% p.a.	Dec/23	Monthly	5.29% A 7.92%	A
BNDES pass-through – BNB	13,842	17,716	TJLP + 3.40% to 4.40% p.a.	Jan/19	Monthly	5.25% A 5.74%	A
BNDES pass-through – Citibank (3)	39,108	33,075	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through – Itaú (3)	10,584	8,952	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through – Bradesco (3)	8,076	6,831	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through – Citibank (3)	28,111	26,574	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
BNDES pass-through – Itaú (3)	7,608	7,192	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
BNDES pass-through – Bradesco (3)	5,806	5,488	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
FINAME - Itaú	27,851	30,429	2.50% to 10.0% p.a (Fixed)	Aug/23	Monthly	1.24% A 4.88%	A
FUNASA financing	4,365	4,540	IPCA	Dec/29	Monthly	1.18%	-
Safra Commercial Paper – Series 1	6,661	-	CDI + 1.65%	Apr/18	Final	6.47%	-
Safra Commercial Paper – Series 2	59,948	-	CDI + 1.65%	Apr/19	Final	6.47%	-
(-) Borrowing cost incurred on acquisition	(1,553)	(1,507)	-	-	-	-	-
Total Local Currency	309,430	257,716	-	-	-	-	-
Resolution 4131 - Itaú BBA	184,911	198,130	3.49% to 3.80% (Fixed)	Jun/20	Annual	3.24% to 3.39%	A
Resolution 4131 - Citibank (1)	139,867	160,347	Libor + 1.77% to 2.16% p.a	May/19	Annual	3.54% to 3.73%	A
Resolution 4131 - Bank of America ML (1)	104,017	102,467	Libor + 2.25% p.a.	Sep/19	Final	3.78%	A
Mark-to-market of debt (2)	8,923	6,558	-	-	-	-	-
Total foreign currency	437,718	467,502					
Total Energisa Paraíba	747,148	725,218					
Energisa Minas Gerais							
FIDIC Energisa Group III	15,130	15,178	CDI + 0.70% p.a	Dec/20	Monthly	6.00%	F
Luz para Todos - Eletrobrás	3,807	5,102	5.00% p.a. (Fixed)	Dec/19	Monthly	2.47%	F
Subtransmission - Eletrobrás	210	356	5.00% p.a. (Fixed)	Feb/18	Monthly	2.47%	F
BNDES pass-through I - Itaú BBA	1,658	1,881	TJLP + 4.75% p.a.	Jan/21	Monthly	5.91%	A
BNDES pass-through II - Itaú BBA	824	926	UMBND + 3.75% p.a. (*)	Jan/21	Monthly	1.92%	A
BNDES pass-through III - Itaú BBA	691	784	TJLP + 5.95% p.a.	Jan/21	Monthly	6.49%	A
BNDES pass-through IV - Itaú BBA	1,071	1,221	5.50% p.a. (Fixed)	Jan/21	Monthly	2.71%	A
BNDES pass-through V – Itaú (3)	23,569	17,049	TJLP + 3.96% to	Nov/21	Monthly	5.5 A 5.67%	A

Company / Operation	Total 6/30/2017	Total 12/31/2016	Charges Annual Charges	Maturity	Amortization Frequency	(Effective interest rate) (5)	Security (1)
BNDES pass-through VI - Itaú [3]	13,240	12,559	4.26% p.a. SELIC + 4.34%	Nov/21	Monthly	2% 7.72%	A
FINAME - Itaú BBA	12,000	13,112	2.50% to 10.0% p.a (Fixed)	Apr/24	Monthly	1.24% A 4.88%	A
FINAME - CEF	2,385	2,657	8.70% p.a. (Fixed)	Nov/21	Monthly	4.26%	A
BNDES FINEM - Itaú BBA [1]	16,730	18,870	TJLP + 2.25% to 4.15% p.a.	Dec/23	Monthly	5.00% A 5.49%	A
CCB - Safra [1]	-	6,577	CDI +3.00% p.a	Jan/17	Final	7.14%	A
(-) Borrowing cost incurred on acquisition	(356)	(398)	-	-	-	-	-
Total Local Currency	90,959	95,874					
Resolution 4131 - Itaú BBA	60,699	30,493	3.7995% to 4.8535% p.a (Fixed)	Jun/20	Final	3.39% to 3.91%	A
Resolution 4131 I - Citibank [1]	54,420	53,615	Libor + 1.36%p.a.	Sep/17	Final	3.34%	A
Resolution 4131 II - Citibank [1]	88,960	103,238	Libor + 1.77% to 2.16% p.a	May/19	Final	3.54% to 3.73%	A
Resolution 4131 II - ABC	48,700	46,330	5.43% p.a. (Fixed)	Sep/17	Final	4.19%	A
Mark-to-market of debt [2]	3,814	3,997	-	-	-	-	-
Total foreign currency	256,593	237,673					
Total Energisa Minas Gerais	347,552	333,547					
Energisa Nova Friburgo							
FIDIC Energisa Group III	4,037	4,050	CDI + 0.70% p.a	Dec/20	Monthly	6.00%	F
Luz para Todos - Eletrobrás	219	309	5.00% p.a. (Fixed)	May/19	Monthly	2.47%	-
BNDES pass-through I - Itaú	655	745	TJLP + 4.75% p.a.	Dec/20	Monthly	5.91%	A
BNDES pass-through II - Itaú	331	373	UMBND + 3.75% p.a.	Dec/20	Monthly	1.92%	A
BNDES pass-through III - Itaú	273	311	TJLP + 5.95% p.a.	Dec/20	Monthly	6.49%	A
BNDES pass-through IV - Itaú	439	502	5.50% p.a. (Fixed)	Dec/20	Monthly	2.71%	A
BNDES pass-through V - Itaú	2,344	2,649	TJLP + 8.10% p.a.	Apr/21	Monthly	7.53%	A
BNDES pass-through VI - Itaú	1,085	1,137	SELIC + 3.10% p.a.	Apr/21	Monthly	7.11%	A
BNDES pass-through VII - Itaú [3]	4,466	3,976	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through VIII - Itaú [3]	2,910	2,910	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
FINAME - Itaú	1,239	1,348	2.50% to 6.00% p.a (Fixed)	Nov/24	Monthly	1.24% A 2.96%	A
BNDES Automático I - Itaú	1,435	2,145	TJLP + 4.65% p.a.	Jun/18	Monthly	5.86%	A
BNDES Automático II - Itaú	601	876	UMBND + 3.65% p.a.	Jun/18	Monthly	1.87%	A
(-) Borrowing cost incurred on acquisition	(83)	(93)	-	-	-	-	-
Total Local Currency	19,951	21,238					
Resolution 4131 - Itaú BBA III	25,780	25,422	4.29% p.a. (Fixed)	Feb/18	Final	3.63%	A
Resolution 4131 - Citibank [1]	27,293	26,889	1.36% p.a. (Fixed)	Sep/17	Final	2.19%	A
Santander	-	10,318	3.69% p.a. (Fixed)	Jan/17	Final	3.34%	A
Mark-to-market of debt [2]	426	653	-	-	-	-	-
Total foreign currency	53,499	63,282					
Total Energisa Nova Friburgo	73,450	84,520					
Energisa Borborema							
FIDIC Energisa Group III	5,043	5,059	CDI + 0.70% p.a	Dec/20	Monthly	6.00%	F
BNDES pass-through I - BNB	2,797	2,887	UMBND + 3.90% p.a.	Mar/23	Monthly	1.99%	A
BNDES pass-through II - BNB	7,876	8,179	TJLP + 3.90% p.a.	Mar/23	Monthly	5.49%	A
BNDES pass-through - Bradesco [3]	3,377	2,566	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through - Itaú [3]	2,948	2,240	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through - Bradesco [3]	2,370	2,166	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
BNDES pass-through - Itaú [3]	2,068	1,891	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
Financ. Investment 2007-2008 (FNE) - BNB [4]	-	1,145	7.50% p.a. (Fixed)	Jun/17	Monthly	3.68%	F + E
Financ. Investment 2009-2010 (FNE) - BNB [4]	2,572	3,393	7.50% p.a. (Fixed)	Aug/19	Monthly	3.68%	F + E
FINAME - Itaú BBA	2,580	2,809	2.50% to 8.70% p.a (Fixed)	Feb/21	Monthly	1.24% A 4.26%	A
Safra Commercial Paper - Series 1	1,027	-	CDI + 1.65%	Apr/18		6.47%	
Safra Commercial Paper - Series 2	9,242	-	CDI + 1.65%	Mar/19		6.47%	
BNDES FINEM - Itaú BBA [1]	7,153	8,034	TJLP + 3.81% to	Apr/21	Monthly	5.4 A 7.53%	A

Company / Operation	Total 6/30/2017	Total 12/31/2016	Charges Annual Charges	Maturity	Amortization Frequency	(Effective interest rate) (5)	Security (1)
			8.10% p.a.			5%	
(-) Borrowing cost incurred on acquisition	(162)	(140)	-	-	-	-	-
Total Local Currency	48,891	40,229					
Resolution 4131 - Itaú BBA	20,616	20,329	4.8535% p.a. (Fixed)	Jul/18	Final	3.91%	A
Mark-to-market of debt (2)	670	951					
Total foreign currency	21,286	21,280					
Total Energisa Borborema	70,177	61,509					
Energisa Mato Grosso							
FIDIC Grupo Energisa IV	353,606	354,119	TR + 7.00% p.a.	Oct/34	Monthly	3.92%	F
FIDIC I I Energisa Group	484,767	486,289	CDI + 0.70% p.a	May/31	Monthly	6.00%	F
CCB - Santander (1)	21,505	26,953	CDI + 2.28% p.a	Jun/17	Monthly	6.78%	F + A
Luz para Todos I - Eletrobrás (6)	-	119,033	6.00 to 8.00% p.a. (Fixed)	Aug/22	Quarterly	2.96% - 3.92%	-
Luz para Todos II - Eletrobrás (6)	-	136,176	SELIC	Nov/19	Monthly	5.57%	-
BNDES pass-through - Bradesco (3)	81,363	63,982	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through - Itaú (3)	75,032	59,004	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through - Bradesco (3)	68,569	56,797	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
BNDES pass-through - Itaú (3)	63,233	52,379	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
(-) Borrowing cost incurred on acquisition	(2,716)	(3,024)					
Total Local Currency	1,145,359	1,351,708					
Resolution 4131 - Bank of America ML (1)	-	4,944	Libor + 1.50% p.a.	May/17	Monthly	3.41%	D
Leasing - Cessna Finance (6)	-	33,622	6.75% p.a. (Fixed)	Sep/20	Quarterly	4.83%	ELB
Resolution 4131 - Bank of America ML (1, 4 and 5)	93,564	-	Libor + 1.60% p.a.	Jun/20	Quarterly	3.46%	A
Citibank Loan-4131	47,517	-	Libor + 1.70% p.a.	Jun/22	Quarterly	3.51%	A
Citibank EDC Loan-4131	47,512	-	Libor + 1.80% p.a.	Jun/22	Quarterly	3.56%	A
Mark-to-market of debt (2)	4,766	(1)					
Total foreign currency	193,359	38,565					
Total Energisa Mato Grosso	1,338,718	1,390,273					
Energisa Mato Grosso do Sul							
FIDIC Grupo Energisa IV	291,583	292,084	TR + 7.00% p.a.	Oct/34	Monthly	3.92%	F
FIDIC I I Energisa Group	221,201	221,896	CDI + 0.70% p.a	May/31	Monthly	6.00%	F
BNDES pass-through - Bradesco (3)	37,434	32,771	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% to 5.67%	A
BNDES pass-through - Itaú (3)	33,023	29,178	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% to 5.67%	A
BNDES pass-through - Bradesco (3)	28,094	26,736	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
BNDES pass-through - Itaú (3)	24,784	23,586	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
Luz para Todos - Eletrobrás (6)	-	29,055	6.00 to 8.00% p.a. (Fixed)	May/22	Quarterly	2.96% to 3.92%	-
(-) Borrowing cost incurred on acquisition	(1,233)	(1,373)	-	-	-	-	-
Total Local Currency	634,886	653,933	-	-	-	-	-
Resolution 4131 - Bank of America ML I(1)	-	102,673	2.00% p.a. (Fixed)	Jun/17	Final	2.51%	D
Loan Citi-4131	47,891	-	Libor + 1.70% p.a.	May/22	Quarterly	3.51%	A
Loan Citi EDC-4131	47,872	-	Libor + 1.80% p.a.	May/22	Quarterly	3.56%	A
(-) Borrowing cost incurred on acquisition	(1,100)	-					
(-) Mark-to-market of debt (2)	2,258	6	-	-	-	-	-
Total foreign currency	96,921	102,679					
Total Energisa Mato Grosso do Sul	731,807	756,612					
Energisa Tocantins							
Luz para Todos I - Eletrobrás	20,973	23,622	6.0% p.a.	Apr/22	Monthly	2.96%	F
Luz para Todos II - Eletrobrás	52,376	63,600	SELIC	Nov/19	Monthly	5.57%	-
CCB - Santander (1)	55,779	69,911	CDI + 2.28% p.a	Jun/19	Monthly	6.78%	F
BNDES pass-through - Bradesco (3)	68,813	54,851	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% to 5.67%	A
BNDES pass-through - Itaú (3)	30,229	24,093	TJLP + 3.96% to	Nov/21	Monthly	5.5 t 5.67%	A

Company / Operation	Total 6/30/2017	Total 12/31/2016	Charges Annual Charges	Maturity	Amortization Frequency	(Effective interest rate) (5)	Security (1)
BNDES pass-through - Bradesco [3]	51,432	42,544	4.26% p.a. SELIC + 4.34%	Nov/21	Monthly	2% to 7.72%	A
BNDES pass-through - Itaú [3]	22,592	18,688	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
Commercial paper Itaú [1]	107,081	100,408	CDI + 1.85% to 1.95% p.a.	Dec/19	Final	6.57% to 6.62%	
(-) Borrowing cost incurred on acquisition	(1,733)	(2,037)	-	-	-	-	-
Total Local Currency	407,542	395,680					
Resolution 4131 - Itaú [1]	198,089	213,866	4.04% p.a. (Fixed)	Apr/20	Monthly	3.51%	F
Loan Citi-4131-Itaú	37,197	-	Libor + 1.70% p.a.	May/22	Quarterly	7.93%	A
Loan Citi-4131	37,178	-	Libor + 1.80% p.a.	May/22	Quarterly	7.98%	A
(-) Borrowing cost incurred on acquisition	(853)	-					
Mark-to-market of debt [2]	5,666	4,880	-	-	-	-	-
Total foreign currency	277,277	218,746					
Total Energisa Tocantins	684,819	614,426					
Energisa Sul Sudeste							
CCB - Santander [1]	5,712	7,160	CDI + 2.28% p.a	Jun/19	Monthly	6.78%	F + A
BNDES pass-through I - Itaú [3]	47,550	15,800	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% A 5.67%	A
BNDES pass-through II - Itaú [3]	30,053	9,731	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
Santander Commercial Paper - Issuance 1	28,707	-	CDI + 1.35%	Oct/17	Final	6.32%	A
Commercial paper - SAFRA	10,393	-	CDI + 1.65%	Feb/19	Final	6.47%	A
Total Local Currency	122,415	32,691					
Resolution 4131 - Itaú BBA	124,959	84,698	3.40% to 4.29% p.a (Fixed)	Feb/18	Quarterly	2.43%	A
Resolution 4131 - Bank of America ML [1]	-	42,033	1.85% p.a. (Fixed)	Jun/17	Quarterly	3.51%	A
Loan Citi - 4131	22,703	-	Libor + 1.70% p.a.(Fixed)	Jun/22	Quarterly	3.56%	A
Loan Citi EDC - 4131	22,700	-	Libor + 1.80% p.a.(Fixed)	Jun/22	Quarterly	2.88%	A
Bank BBM55722 Operation 4131	21,006	-	2.76% p.a. (Fixed)	Apr/18	Final	3.96%	A
Resolution 4131 - ABC (1)	48,476	-	4.96% p.a.(Fixed)	Aug/17	Final	5.52% to 5.67%	A
(-) Mark-to-market of debt [2]	2,847	1,329	-	-	-	7.72%	-
Total foreign currency	242,691	128,060					
Total Energisa Sul Sudeste	365,106	160,751					
Cia Nacional de Energia Elétrica(*)							
BNDES pass-through I - Itaú [3]	-	8,558	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% to 5.67%	A
BNDES pass-through II - Itaú [3]	-	4,702	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
Total Local Currency	-	13,260					
Total Cia Nacional de Energia	-	13,260					
Cia Força e Luz Oeste (*)							
Luz para Todos - Eletrobrás	-	64	6.0% p.a. (Fixed)	Jul/18	Monthly	2.96%	F
BNDES pass-through I - Itaú [3]	-	2,141	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% to 5.67%	A
BNDES pass-through II - Itaú [3]	-	1,754	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
Total Local Currency	-	3,959					
Resolution 4131 - Itaú BBA	-	25,422	3.83% p.a. (Fixed)	Feb/18	Final	3.63%	A
Mark-to-market of debt [2]	-	753					
Total foreign currency	-	26,175					
Total Cia Força e Luz Oeste	-	30,134					
Empresa Vale Paranapanema (*)							
BNDES pass-through I - Itaú [3]	-	8,453	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% to 5.67%	A
BNDES pass-through II - Itaú [3]	-	5,068	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
Total Local Currency	-	13,521					
Total Vale Paranapanema	-	13,521					
Empresa Elétrica Bragantina (*)							
Luz para Todos - other - Eletrobrás	-	1,661	6.0% p.a. (Fixed)	Jul/22	Monthly	2.96%	F

Company / Operation	Total 6/30/2017	Total 12/31/2016	Charges Annual Charges	Maturity	Amortization Frequency	(Effective interest rate) (5)	Security (1)
BNDES pass-through I - Itaú [3]	-	9,195	TJLP + 3.96% to 4.26% p.a.	Nov/21	Monthly	5.52% to 5.67%	A
BNDES pass-through II - Itaú [3]	-	6,520	SELIC + 4.34%	Nov/21	Monthly	7.72%	A
Total Local Currency	-	17,376					
Resolution 4131 - Itaú	-	13,031	3.40% p.a. (Fixed)	Nov/17	Monthly	3.20%	A
Resolution 4131 - ABC	-	46,263	4.96% p.a. (Fixed)	Aug/17	Final	3.96%	A
Mark-to-market of debt [2]	-	1,505	-	-	-	-	-
Total foreign currency	-	60,799					
Total Empresa Elétrica Bragantina	-	78,175					
Energisa Soluções							
FINEP	1,641	2,257	8.00% p.a. (Fixed)	Oct/18	Monthly	3.92%	D
FINAME - Itaú BBA	2,820	3,035	2.50 to 6.00% p.a. (Fixed)	Feb/24	Monthly	1.24% to 2.96%	A
(-) Borrowing cost incurred on acquisition	(8)	(10)	-	-	-	-	-
Total Local Currency	4,453	5,282					
Total Energisa Soluções	4,453	5,282					
Energisa Soluções Construções							
FINAME - Itaú BBA	4,161	3,903	6.00% p.a. (Fixed)	Nov/24	Monthly	2.96%	A
FINAME - Itaú BBA	1,083	-	SELIC + 5.14%	Jan/22	Monthly	8.11%	A
FINAME - Itaú BBA	2,947	-	TJLP + 4.80% p.a.	Nov/17	Monthly	5.93%	A
Total Local Currency	8,191	3,903					
Total Energisa Soluções Construções	8,191	3,903					
Energisa Comercializadora							
ITAU BBA - 4131 ECOM No. AGE923670	33,847	33,360	4.85% p.a. (Fixed)	Jul/18	Final	3.91%	-
Mark-to-market of debt [2]	1,108	1,570					
Total foreign currency	34,955	34,930					
Total Energisa Comercializadora	34,955	34,930					
Rede Energia S.A.							
"RJ" Creditors - Bicbanco	4,924	4,577	1.0% p.a. (Fixed)	Nov/35	Final	0.50%	F
"RJ" Creditors - BNB	10,853	10,091	1.0% p.a. (Fixed)	Nov/35	Final	0.50%	F
Total Local Currency	15,777	14,668					
Total Rede Energia S.A.	15,777	14,668					
Denerge							
FI-FGTS (Restructured)	285,083	263,987	TR + 4.00% p.a.	Nov/35	Final	2.46%	-
Total Local Currency	285,083	263,987					
Total Denerge	285,083	263,987					
Cia Téc.de Comercialização de Energia							
"RJ" Creditors - BMG	3,787	3,521	1.0% p.a. (Fixed)	Nov/35	Final	1.00%	-
Total Local Currency	3,787	3,521					
Total Cia Téc.de Comerc.de Energia	3,787	3,521					
In local currency	3,318,202	3,327,427					
In foreign currency	2,099,821	2,066,683					
Energisa - Consolidated	5,418,023	5,394,110					

A=Energisa Endorsement S/A, B=Statutory Lien, C=Pledge Deposit, D=Guarantee, E=Reserve Fund, F=Receivables
(*) indirect subsidiaries merged into Energisa Sul Sudeste on June 30, 2017.

(1) The contract has covenants which in general require the maintenance of certain financial indexes at certain levels. These guarantees are structured based on benchmarks established by Energisa S/A. Failure to maintain these levels could result in early maturity of the debts (see note 34 - financial instruments and risk management). These requirements were being performed as of June 30, 2017.

(2) These operations are being measured at fair value through profit and loss, according to the fair value hedge accounting or designated as fair value options (see note 34).

(3) The Company entered an investment agreement with BNDES Participações S.A – BNDESPAR via a bank syndicate has also been contracted consisting of Itaú Unibanco S/A, Banco Bradesco S/A, Banco BTG Pactual S/A and Banco Citibank S/A, to make pass-throughs under the FINAME and FINEM programs, which the Company's thirteen electricity distribution subsidiaries have qualified for amounting to approximately R$ 1,250,000 thousand, subject to performance of conditions established by the Onlending Agencies and the subsidiaries and confirmation, approval and provision of the Funds by BNDES.

The Investment Agreement includes a commitment to amend the Company's By-laws in accordance with best governance practices and to subscribe to BM&F Bovespa's Level 2 Listing Regulations for Corporate Governance within 48 months of issuance of the 7th issue debentures (note 22).

As of June 30, 2017, disbursements totaling R$ 844,235 had been made under the 1st Tranche of the Investment Agreement program, as detailed below:

Company	Amount (R$)
Energisa Mato Grosso Distribuidora de Energia S/A	280,128
Energisa Mato Grosso Sul Distribuidora Energisa S/A	119,399
Energisa Tocantins Distribuidora de Energia S/A	166,661
Energisa Paraíba – Distribuidora de Energia S/A	96,970
Energisa Sergipe – Distribuidora de Energia S/A	49,754
Energisa Minas Gerais – Distribuidora de Energia S/A	36,264
Energisa Sul-Sudeste – Distribuição de Energia S/A (a)	75,660
Energisa Borborema - Distribuidora de Energia S/A	10,541
Energisa Nova Friburgo - Distribuidora de Energia S/A	7,194
Energisa Soluções Construções	1,664
Total	**844,235**

(1) On June 30, 2017 Empresa Elétrica Bragantina S.A, Empresa de Distribuição de Energia Vale Paranapanema S.A., Companhia Nacional de Energia Elétrica and Companhia Força e Luz do Oeste were merged into Energisa Sul-Sudeste – Distribuição de Energia S.A (the new name of Caiuá - Distribuição de Energia S/A)

These funds will be used for the expansion and modernization of subsidiaries' power distribution systems, investments in machinery and equipment and social investments not included under the environmental licenses.

The contracts executed with BNDES have covenants which in general require the maintenance of certain financial indexes at certain levels. These guarantees are structured based on benchmarks established by the parent company Energisa S.A. These contracts also have non-financial obligations, such as the periodic submission of information, due compliance with labor regulations, holding of the licenses necessary to operate, insurance policies, amongst others, which are assessed by the bank for compliance. Failure to maintain these levels and obligations could result in early maturity of the debts (see note 34 – financial instruments and risk management). As of June 30, 2017 these covenants were being performed.

(4) Includes a 25% and 15% bonus on interest for performance, for investments in and out of the semi-arid region respectively.

(5) The foreign currency debts include exchange variance.

(6) The subsidiaries EMT and EMS settled early their loans from Eletrobrás in June/ 2017. In March/ 2017 the subsidiary EMT sold an aircraft acquired through a lease.

To guarantee payment of the portions, the subsidiaries maintain short-term investments of R$ 153,957 (R$ 216,924 as of December 31, 2016), recorded under "short-term investments in money market and secured funds" in the consolidated assets.

The foreign-currency financing contracts are subject to a currency swap and financial derivative instruments (see note 34 – Financial instruments and risk management).

The financing obtained from Finame is secured by the actual equipment financed.

The Company and its subsidiaries usually allocate interest payments on financing to the cash flow statement.

The main indicators used to restate the loans and financing presented the following percentage variations and effective rates in the period/year:

Currency/indicators	6/30/2017	12/31/2016
USD x R$	1.51%	-16.54%
TJLP	3.56%	7.50%
SELIC	5.57%	14.02%
CDI	5.65%	14.00%
IPCA	1.18%	6.29%
IGP-M	-1.97%	7.19%
LIBOR	1.15%	0.67%
UMBNB	0.06%	0.07%
TR	0.48%	2.01%
IPC-FIPE	0.99%	6.55%

As of June 30, 2017 the long-term financing loans mature as follows:

	Consolidated
2018	391,613
2019	835,496
2020	495,610
2021	397,200
2021 onwards	1,758,299
Total	**3,878,218**

See the changes occurring in the period/year:

Description	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Balances at 12/31/2016 and 12/31/2015	**162,893**	**423,411**	**5,394,110**	**5,460,440**
New loans and financing obtained	-	270,000	880,501	1,773,025
Costs Appropriated	-	-	(2,846)	(5,780)
Debt charges - interest, monetary and exchange variance	1,418	(41,695)	259,950	45,119
Mark-to-market of debt	362	(1,127)	7,611	39,816
Principal payment	(79,617)	(470,883)	(947,418)	(1,517,169)
Interest payment	(2,335)	(16,813)	(173,885)	(401,341)
Balances at 6/30/2017 and 12/31/2016	**82,721**	**162,893**	**5,418,023**	**5,394,110**
Current	82,721	81,730	1,539,805	1,317,902
Non-current	-	81,163	3,878,218	4,076,208

The borrowing costs of the financing to be amortized over subsequent periods/years is as follows:

Company	Contracts	12/31/2017	12/31/2018	12/31/2019 onwards	Total
	Credit Receivables Investment Fund - Energisa Group III	13	25	48	**86**
	Banco ABC - BNDES Pass-through	9	18	8	**35**
	Banco do Nordeste - Investment Financing 2009-2010 (FNE)	28	56	37	**121**
	Banco Itaú BBA - BNDES	41	82	241	**364**
	Banco BAML	125	208	21	**354**
	Banco SAFRA	115	229	67	**411**
ESE		**331**	**618**	**422**	**1,371**
	Credit Receivables Investment Fund - Energisa Group III	48	97	194	339
	Banco do Nordeste - Investment Financing 2007-2008 (FAT)	2	-	-	2
	Banco do Nordeste - Investment Financing 2008-2009 (FNE)	51	103	52	206
	National Bank for Economic and Social Development - BNDES	80	161	468	709
	SAFRA Commercial Paper - Series 1	8	5	-	13
	SAFRA Commercial Paper - Series 2	76	155	53	284
EPB		**265**	**521**	**767**	**1,553**
	Credit Receivables Investment Fund - Energisa Group III	12	24	48	84
	Banco Itaú BBA - BNDES	31	61	180	**272**
EMG		**43**	**85**	**228**	**356**
ENF	Credit Receivables Investment Fund - Energisa Group III	3	6	13	**22**

	Banco Itaú BBA - BNDES	7	14	40	**61**
		10	**20**	**53**	**83**
	Credit Receivables Investment Fund - Energisa Group III	4	8	15	**27**
	Banco Itaú BBA - BNDES	10	20	60	**90**
	SAFRA Commercial Paper - Series 1	2	2	-	**4**
	SAFRA Commercial Paper - Series 2	12	23	6	**41**
EBO		28	53	**81**	**162**
	Finep	3	5	-	**8**
ESOL		**3**	**5**	**-**	**8**
	Banco Santander	86	120	34	**240**
	Banco Itaú BBA - BNDES	170	339	984	**1,493**
	Citibank	78	156	534	**768**
	Banco Citibank - EDC	9	17	59	**85**
ETO		**343**	**632**	**1,611**	**2,586**
	Banco Itaú BBA - BNDES	307	615	1,794	**2,716**
EMT		**307**	**615**	**1,794**	**2,716**
	Banco Itaú BBA - BNDES	135	276	822	**1,233**
	Loan Citibank	93	194	688	**975**
	Banco Citibank - EDC	19	30	76	**125**
EMS		**247**	**500**	**1,586**	**2,333**
	TOTAL	**1,577**	**3,049**	**6,542**	**11,168**

22. Debentures (nonconvertible)

The balance of debentures and other related components is as follows:

Description	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Debentures - local currency	1,580,269	1,538,294	2,248,540	2,275,826
(-) borrowing costs incurred	(4,160)	(4,827)	(6,829)	(8,213)
Total	**1,576,109**	**1,533,467**	**2,241,711**	**2,267,613**
Current	127,499	110,780	287,733	274,588
Non-current	1,448,610	1,422,687	1,953,978	1,993,025

Operations	Total		Date Issued	No. Securities Issued / free float	Yields	Maturity	Amortization/ portions	Effective interest rate
	6/30/2017	12/31/2016						
ENERGISA S/A								
5th Issuance/ 1st Series	57,443	58,078	7/15/2012	12,857 / 12,857	CDI + 2.3348% p.a	Jul / 17	Annual, Jul.2016 onwards	6.81%
5th Issuance/ 2nd Series	367,184	343,159	7/15/2012	27,143 / 27,143	IPCA+10.7011% p.a	Jul / 19	Annual, Jul.2018 onwards	6.39%
7th Issuance/ 1st Series	192,130	189,020	11/25/2015	166,667 / 117,001	IPCA+8.75% p.a	Aug / 20	Final	5.46%
7th Issuance/ 2nd Series	192,130	189,020	11/25/2015	166,667 / 117,001	IPCA+8.75% p.a	Aug / 21	Final	5.46%
7th Issuance/ 3rd Series	192,130	189,020	11/25/2015	166,667 / 117,001	IPCA+8.75% p.a	Aug / 22	Final	5.46%
7th Issuance/4th Series	193,084	189,999	11/25/2015	166,667 / 117,001	IPCA+10.25% p.a	Aug / 20	Final	6.18%
7th Issuance/ 5th Series	193,084	189,999	11/25/2015	166,667 / 117,001	IPCA+10.25% p.a	Aug / 21	Final	6.18%
7th Issuance/ 6th Series	193,084	189,999	11/25/2015	166,667 / 117,001	IPCA+10.25% p.a	Aug / 22	Final	6.18%
(-) borrowing costs	(4,160)	(4,827)						
Total ENERGISA S A	**1,576,109**	**1,533,467**						
ENERGISA SERGIPE								
3rd Issuance	39,327	36,904	10/30/2013	60 / 60	115,5% of CDI	Oct / 19	Annual	6.53%
Total ENERGISA SERGIPE	**39,327**	**36,904**						
REDE ENERGIA								
4th Issuance	47,236	43,914	12/22/2009	370,000 / 0	1% p.a	Jul / 36	Final	1.00%
Total REDE ENERGIA	**47,236**	**43,914**						
EMS								

7th Issuance	313,160	353,240	5/31/2014	40,000 / 40,000	CDI+2.28% p.a	May / 21	Semi-annual	6.78%
(-) borrowing costs	(1,259)	(1,601)						
Total EMS	**311,901**	**351,639**						
EMT								
5th Issuance	268,548	303,474	5/15/2014	45,000 / 34,140	CDI+2.28% p.a	May / 21	Monthly, after Jun.2016	7.68%
(-) borrowing costs	(1,410)	(1,785)						
Total EMT	**267,138**	**301,689**						
TOTAL	**2,248,540**	**2,275,826**						
(-) borrowing costs	**(6,829)**	**(8,213)**						
Total local currency	**2,241,711**	**2,267,613**						
CONSOLIDATED	**2,241,711**	**2,267,613**						

- Funding obtained through Energisa's 7th issuance is subject to an investment agreement with BNDES Participações S.A (BNDESPAR) and is intended to strengthen the company's capital structure to support the modernization and expansion of its power distribution assets, and especially acquisitions from Rede Energia S.A.

  A FINAME and FINEM onlending agreement has also been concluded with a bank syndicate consisting of Itaú Unibanco S/A, Banco Bradesco S/A, Banco BTG Pactual S/A and Banco Citibank S/A (note 21)

  The investment agreement includes, among others, a commitment to amend the Company's By-laws in accordance with best governance practices and to subscribe to BM&F Bovespa's Level 2 Listing Regulations for Corporate Governance within 48 months of issuance of the debentures.

  The debentures have covenants which in general require the maintenance of certain financial indexes at certain levels. These guarantees are structured based on benchmarks established by Energisa S/A. Failure to maintain these levels could result in early maturity of the debts (see note 34 – financial instruments and risk management). These requirements were being performed as of June 30, 2017.

  The debentures are secured by endorsement of the parent company Gipar S/A.

- In a letter dated May 23, 2016, the debenture holders of Energisa's 5th issuance established new covenants applicable from June 30, 2016. These requirements were being performed as of June 30, 2017.

- In letters dated June 29, 2016, the debenture holders of EMT's 5th and EMS' 7th debentures issuance suspended the application of covenants during the period June 30, 2016 to June 30, 2017 and established new covenants for the subsequent quarters. These requirements were being performed as of June 30, 2017.

- The debentures of the subsidiary Rede Energia's 4th issuance through Banco do Nordeste do Brasil S/A were renegotiated in the Judicial Reorganization – (option A) with interest of 1% and is being presented less the adjustment to present value of R$ 289,742

As of June 30, 2017 the maturities of the non-current debentures are scheduled as follows:

Year	Parent company	Consolidated
2018	166,116	253,061
2019	165,621	327,511
2020	371,948	521,838
2021	372,311	434,765
2021 onwards	372,614	416,803
Total	**1,448,610**	**1,953,978**

The borrowing costs of the debentures to be amortized over subsequent periods/years are as follows:

6/30/2017	Parent company			Consolidated
	5th Issuance 1 H	5th Issuance 2 H	7th Issuance	
FY 2017	22	45	488	555
FY 2018	-	91	975	1,066
2019 onwards	-	53	2,486	2,539
	22	**189**	**3,949**	**4,160**

6/30/2017	Parent company			EMS	EMT	Consolidated
	5th Issuance 1 H	5th Issuance 2 H	7th Issuance	7th Issuance	5th Issuance	
FY 2017	22	45	488	280	312	1,147
FY 2018	-	91	975	560	624	2,250
2019 onwards	-	53	2,486	419	474	3,432
	22	**189**	**3,949**	**1,259**	**1,410**	**6,829**

12/31/2016	Parent company			Consolidated
	5th Issuance 1 H	5th Issuance 2 H		
FY 2017	157	91	975	1,223
FY 2018	-	91	975	1,066
2019 onwards	-	53	2,485	2,538
	157	**235**	**4,435**	**4,827**

12/31/2016	Parent company			EMS	EMT	Consolidated
	5th Issuance 1 H	5th Issuance 2 H	7th Issuance	7th Issuance	5th Issuance	
FY 2017	157	91	975	642	714	2,579
FY 2018	-	91	975	642	714	2,422
2019 onwards	-	53	2,485	317	357	3,212
	157	**235**	**4,435**	**1,601**	**1,785**	**8,213**

See the changes occurring in the period/year:

Description	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Balances at 12/31/2016 and 12/31/2015	**1,533,467**	**1,516,588**	**2,267,613**	**2,516,577**
Purchase Treasury Deb. 5th issuance 2nd Series	-	(30,851)	-	(39,106)
Sale Treasury Deb. 5th issuance 2nd Series	-	4,814	-	4,814
Costs Appropriated	-	(217)	-	(217)
Debt charges - interest, monetary and exchange variance	99,135	244,672	146,989	376,318
Principal payment	-	(51,898)	(74,260)	(150,964)
Buyback of debentures	-	-	-	(150,000)
Interest payment	(56,493)	(149,641)	(98,631)	(289,809)
Balances at 6/30/2017 and 12/31/2016	**1,576,109**	**1,533,467**	**2,241,711**	**2,267,613**
Current	127,499	110,780	287,733	274,588
Non-current	1,448,610	1,422,687	1,953,978	1,993,025

Buyback of debentures - Parent company:

. On April 19, 2016 the parent company repurchased 362 debentures of its 5th issuance, 2nd series in the amount of R$ 5,076 to be held in the Treasury.

. On May 31, 2016 the parent company repurchased 1,413 debentures of its 5th issuance, 2nd series in the amount of R$ 20,447 to be held in the Treasury.

. On June 30, 2016 the parent company repurchased 362 debentures of its 5th issuance, 2nd series in the amount of R$ 5,328 to be held in the Treasury.

Buyback of debentures - Subsidiaries:
. On January 4, 2016 and March 23, 2016 the indirect subsidiary Energisa Mato Grosso redeemed and canceled 10,000 debentures of its 5th issuance 2nd series by settling amounts with debenture holders of R$ 100,000 of principal and interest of R$ 3,800, amounting to R$ 103,800.

. On September 8, 2016 the indirect subsidiary Energisa Mato Grosso repurchased 860 debentures of its 5th issuance, 2nd series in the amount of R$ 8,255 to be held in the Treasury, which were cancelled in October 2016.

. On January 4, 2016 the indirect subsidiary Energisa Tocantins redeemed 5,000 debentures of its 1st issuance by settling amounts with debenture holders of R$ 50,000.

23. Taxes and social contributions

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Value-added tax on sales and services - ICMS (a)	-	-	408,216	334,662
Social Charges	1,442	624	21,459	20,870
Corporate Income Tax – IRPJ (b)	-	-	117,378	121,990
Social Contribution on Net Income – CSSL (b)	-	-	50,952	44,318
PIS and COFINS Contributions	2,494	1,389	107,147	113,204
Services Tax	295	-	5,085	-
Tax on Financial Transactions - IOF	310	269	1,461	812
Income Tax Withheld at Source - IRRF	1,228	1,266	6,146	6,097
Social security contribution on gross revenue - CPRB	-	-	649	240
Other	57	243	29,294	39,741
Total	**5,826**	**3,791**	**747.787**	**681,934**
Current	5,826	3,791	413,026	426,431
Non-current	-	-	334,761	255,503

(a) ICMS – the subsidiaries CAIUÁ, CNEE, EEB and EDEVP have been awarded an injunction suspending payment of ICMS tax on billing amounts for subsidized low-income consumers, while the subsidiaries EMT, ETO, EMS, EPB, ESE, EBO, EMG and ENF have R$ 64,201 (R$ 59,130 as of December 31, 2016) relating to ICMS on the use of the distribution and transmission system by free consumers and ICMS on energy demand which has been suspended under injunctions filed by consumers (see note 7).

(b) IRPJ and CSSL - Subsidiaries EMG, ENF, EPB, EBO and ESE have been awarded injunctions suspending payment of income and social contribution tax on interest and penalties paid on electricity bills.

All amounts cited in items (a) and (b) are recorded in noncurrent liabilities.

24. Sector charges - consolidated

	6/30/2017	12/31/2016
Energy Development Account - CDE	104,175	121,890
National Scientific and Technological Development Fund – FNDCT	3,273	3,582
Ministério de Minas e Energia - MME	1,618	1,777
National Electricity Conservation Program - PROCEL	1,758	-
Research and Development - P&D	135,696	132,438
Energy Efficiency Program - PEE	220,430	230,256
Total	**466,950**	**489,943**
Current	284,107	314,144
Non-current	182,843	175,799

Subsidiaries' concession agreements establish a requirement to allocate 1% of their annual net operating revenue to energy efficiency initiatives and research and development. This amount is allocated to Energy Efficiency (PEE) and Research & Development (R&D) programs and is paid to the National Fund for Scientific and Technological Development (FNDCT) and to the Ministério de Minas e Energia (MME). The share to be paid to each program is prescribed in Law 10848 issued March 15, 2004, Law 11465 issued March 28, 2007 and Law 12212 issued January 21, 2010.

PEE and P&D payments incur interest at the SELIC rate under ANEEL Normative Resolutions 176/November 28, 2005, 219/April 11, 2006, 300/February 12, 2008, 316/May 13, 2008, 504/August 14, 2012, and 556/June 18, 2013 and SFF/ANEEL Circular 1644/2009 - December 28, 2009.

ANEEL Normative Resolution 316/May 13, 2008, as amended by Normative Resolution 504/August 14, 2012 and Normative Resolution 556/June 18, 2013 establish new criteria for the calculation, use and payment of energy efficiency and research and development program funds. Among the new criteria are the items required to be included in the calculation base for contributions (net operating revenue) and the schedule of payments to FNDCT and MME.

PEE and P&D project expenditure is recorded as work in progress until completion of the relevant project, at which time the expenditure is recorded as program funding, while the realization of obligations on the acquisition of intangible assets is charged to the special liabilities balance.

25. Financing of taxes - Consolidated

The subsidiaries have state and federal financing programs, including the respective benefits and discounts, distributed as follows. The federal tax financing programs are restated by the change in the Selic base interest rate and the state rates by the indexes adopted in each state:

Description	EMT	EEVP	ESS*	6/30/2017	12/31/2016
PIS/COFINS	-	1,608	-	1,608	2,051
ICMS	354	-	77,177	77,531	82,695
TOTAL	**354**	**1,608**	**77,177**	**79,139**	**84,746**
Current	283	230	11,070	11,583	13,839
Non-current	71	1,378	66,107	67,556	70,907

(*) Includes the companies CAIUÁ, CNEE, EDEVP, EEB, CFLO. On June 30, 2017 the companies CNEE, EDEVP, EEB and CFLO were merged into Energisa Sul Sudeste – Distribuidora de Energia S/A (the new name of Caiuá Distribuição de Energia S/A ("CAIUA") (see note 1).

The subsidiaries CAIUÁ, CNEE, EDEVP, EEB and CFLO have ordinary and tax liability installments of R$ 77,177 (R$ 82,199 as of December 31, 2016) owing to the São Paulo and Paraná state tax authorities, as follows: R$ 25,015 (R$ 26,483 as of December 31, 2016) at CAIUÁ, R$ 14,472 (R$ 15,322 as of December 31, 2016) at CNEE, R$ 18,638 (R$ 19,732 as of December 31, 2016) at EDEVP, R$ 18,545 (R$ 19,686 as of December 31, 2016) at EEB and R$ 507 (R$ 976 as of December 31, 2016) at CFLO.

Pursuant to the EGM held 6/30/2017, the distribution companies CNEE, EDEVP, EEB and CFLO were merged into Energisa Sul Sudeste – Distribuidora de Energia S/A ("ESS") (the new name of Caiuá).

Position at June 30, 2017 AND December 31, 2016

	Original amount	Fine	Interest	6/30/2017	12/31/2016
PIS/COFINS	580	116	912	1,608	2,051
ICMS	42,131	4,707	30,693	77,531	82,695
TOTAL	**42.711**	**4.823**	**31.605**	**79.139**	**84,746**
Current	6,251	706	4,626	11,583	13,839
Non-current	36,460	4,117	26,979	67,556	70,907

The consolidated balances of financed taxes are scheduled for payment as follows:

	6/30/2017	12/31/2016
2018	8,159	15,997
2019	15,403	14,583
2020	14,459	13,643
After	29,535	26,684
Total	**67.556**	**70,907**

26. Provisions for labor, civil and tax risks

Parent company	Labor	Tax	6/30/2017	12/31/2016
Opening balances - non-current - 12/31/2016 and 12/31/2015	1,319	13	1,332	674
Making of provisions	7	-	7	1,026
Reversal of provisions	-	-	-	(417)
Payments	(7)		(7)	-
Monetary restatement	21	-	21	49
Closing balances - Non-current - 6/30/2017 and 12/31/2016	**1,340**	**13**	**1,353**	**1,332**
Restricted and escrow deposits (*)			-	(68)

(*) The Company has escrow deposits in its non-current assets amounting to R$ 99 (R$ 96 as of December 31, 2016). No provisions for risks have been made for R$ 99 (R$ 28 as of December 31, 2016) of this total, as the chances of success have been rated as possible or probable.

Consolidated	Labor	Civil	Tax	Regulatory	6/30/2017	12/31/2016
Opening balances - noncurrent - 12/31/2016 and 12/31/2015	**217,271**	**269,280**	**17,794**	-	504,345	572,629
Making of provisions	62,434	47,372	28	-	109,834	165,120
Reversal of provisions	(12,872)	(18,421)	(1,747)	-	(33,040)	(162,391)
Payments made	(10,798)	(26,747)	-	-	(37,545)	(107,619)
Monetary restatement	3,453	3,098	584	-	7,135	36,606
Transfer	-	(15,706)	-	15,706	-	-
Closing balances - Non-current - 6/30/2017 and 12/31/2016	**259,488**	**258,876**	**16,659**	**15,706**	**550,729**	**504,345**
Restricted and escrow deposits (*)					(168,478)	(143,139)

(*) The direct and indirect subsidiaries have escrow deposits in their non-current assets amounting to R$ 241,868 (R$ 208,223 as of December 31, 2016). No provisions for risks have been made for R$ 73,390 (R$ 65,084 as of December 31, 2016) of this total, as the chances of success have been rated as possible or probable.

Probable losses - consolidated

- **Labor claims**

Most of the claims address: (i) Work-related accidents (ii) Overtime and respective obligations; (iii) Severance notice period and respective obligations; (iv) Salary parity; (v) Allowance for driving vehicles; (vi) FGTS (40% on inflationary restatement); (vii) health hazard allowance. Provisions have been made for the aforesaid labor proceedings rated as having a probable chance of defeat by the Company and its subsidiaries' legal advisers. In general proceedings rated as having a probable chance of defeat take between 3 and 5 years to reach the final judgment and effective disbursement of the amounts provisioned for, in the event the Company and its subsidiaries do not prevail.

In the period ended June 30, 2017 around R$ 62,434 was recorded in the consolidated statement as an increase in labor provisions, primarily relates to new claims and greater risk in existing claims, due to procedural developments, basically involving disputes regarding overtime, health hazard allowance and term of notice. However, the subsidiaries made payments of R$ 10,798 and consequently reversed provisions of R$ 12,872. The filing of the proceedings is basically related to claims filed by employees claiming the receipt of overtime and term of notice, in addition to claims related to indemnification for moral and material damages resulting from work-related accidents, all of which are at an advanced stage of development and have been ruled unfavorably, and terminated by settlement payments.

Main cases:

EMG

. Case 00005279320145030052 involving joint liability with a claim for compensation due to a work-related accident, with a provision of R$ 307.
. Case 00009986120145030068 involving joint liability with a claim for compensation due to a work-related accident, with a provision of R$ 223.

- **Civil**

The civil proceedings are mainly disputing indemnification for moral and material damages and consumer complaints for issues such as (i) Improper cut-offs from electricity supply, (ii) Improper listing in credit protection agency (SPC/Serasa); (iii) Cancellation/Revision of consumption irregularity invoice; (iv) Cancellation/Revision of normal consumption invoice; (v) Reimbursement for electrical damage; (vi) Connection or changing of ownership of consumer unit; (vii) Luz no Campo Program/Light for All program; (viii) Incorporation/ Compensation for construction of private electricity grid; (ix) Accidents involving third parties; (x) indemnification

Lawsuits have also been filed by consumers claiming reimbursement of amounts paid to the subsidiaries resulting from tariff increases introduced under DNAEE Ordinances 38 and 45 applied during the term of the Cruzado Plan in 1986. A provision has been made for the amount of the tariff increase.
Civil provisions in the period rose by R$ 47,372 primarily relating to new claims and greater risk in existing claims, due to procedural developments, basically involving disputes filed by consumers regarding amounts in

electricity bills and supply cut off, in addition to material and moral damages caused by accidents in the electric grid. However, the subsidiaries made payments of R$ 26,747 and consequently reversed provisions of R$ 18,421. The filing of the proceedings is basically related to claims involving disputes of invoiced amounts, damage caused by changes in voltage and material and moral damages caused by accidents in the electricity grid, all of which are at an advanced stage of development and have been ruled against the Company, and terminated by settlement payments.

Main cases:

EMG

.Case 0720020076959 involving compensation for the death of an animal, with a provision of R$ 670.
.Case 153060510937 involving issues related to the *Cruzado* plan, with a provision of R$ 610.

- **Tax**

Refers to disputes involving the COFINS, INSS, PIS, ISS, ICMS and CSLL taxes. The requirement to pay the liabilities has been stayed under the proceedings, either because the administrative proceedings are in progress or because the tax executions in progress have been duly guaranteed.
Management holds all the other provisions made are sufficient to cover any losses arising from the proceedings in progress. Based on the opinion of our legal advisors, provisions have been made for all judicial proceedings for which the chance of a future outlay has been rated as probable for the direct and indirect subsidiaries.

The Company and its direct and indirect subsidiaries are also subject to several legal, civil and labor claims arising out of the normal course of business. The Company's judgment relies on the opinion of its legal advisers. Provisions are revised and adjusted to reflect changes in circumstances, such as the applicable statute of limitations, the completion of tax inspections or exposure identified as a result of new issues or court decisions.

Main cases:

Subsidiary

ETO
. Case 5003614-42.2012.827.2729 - tax debit collection resulting from assessment notice for ICMS on purchases of property, plant and equipment by the company, in the amount of R$ 4,748 (R$ 4,544 as of December 31, 2016).

. Case 5008221-35.2011.827.2729 - tax debit collection resulting from assessment notice for disallowance of ICMS credits on the acquisition of property, plant and equipment, in the amount of R$ 3,532 (R$ 3,380 as of December 31, 2016).

- **Regulatory**

The subsidiaries EMT, EMS, ETO and ESS have regulatory contingency proceedings before Aneel in the amount of R$ 15,706, due to non-compliance with regulations.

Possible losses - Consolidated

The Company and its subsidiaries are party to labor, civil and tax claims in progress to the total amount of R$ 4,485,435 (R$ 4,431,780 as of December 31, 2016) in the consolidated statement, where the chance of success has been estimated as possible, meaning no provision was required.

- **Labor issues**

Consolidated labor claims amounting to R$ 165,999 (R$ 167,247 as of December 31, 2016) consist of the following claims submitted by former employees seeking overtime, danger hazard allowances, "on call" hours, indemnity for work-related accidents, in addition to claims from former employees of service providers hired, claiming joint liability for severance pay and salaries and collection of trade union fees.

Main cases:

Subsidiaries

EMG

. Compensation sought by the Public Prosecutor's Office for collective property damages, in the amount of R$ 1,305 (R$ 1,290 as of December 31, 2016), whose chance of defeat was changed from possible to probable due to legal risk analyses of the case.

. Compensation involving joint liability with claim for compensation for collective moral and property damages (case 0001214-36.2015.503.0052), in the amount of R$ 667 (R$ 657 as of December 31, 2016).

. Claim involving issues related to contractual/legal fees (employment relationship), 00015048520145030052 involving R$ 427.

EPB

.Public Civil Action involving labor relations with own staff (case 01311702220155130022), involving R$ 2,147.

.Labor claim 00361.2008.011.13.00-4, filed by an employee claiming compensation of R$ 1,293.

ESE

. Public Civil Action for R$ 8,570, claiming moral and property damages for issues related to the legality of outsourcing.

. Labor claim for R$ 2,217), seeking compensation for work-related accident/outsourced employee.

.Labor claim 0000349-29.2014.5.20.0002 for R$ 1,871, seeking compensation for issues related to occupational illnesses.

EMS

. Labor claim 00018479820145020023, involving R$ 7,367, seeking compensation and damages related to severance fees.

.Labor claim 00246856020135240022 for R$ 1,726 involving issues related to severance fees;

.Labor claim 00244465420165240021 for R$ 1,461 involving issues related to severance fees;

EMT

. Public Civil Action filed under Civil Enquiry 000323.2016.23.002 disputing the outsourcing of core activities in detriment to the labor rights of workers (case 0001513-68.2016.5.23.0004), involving R$ 10,142.
. Labor claim seeking moral damages (case 0001466-74.2014.5.23.0001), involving R$ 5,400.

. Labor claim involving joint liability (work-related accident) 0001079-79.2016.5.23.0004, involving R$ 4,170.

ETO

. Labor claim seeking compensation for work-related accident (case 0001392-04.2016.5.10.0812), involving R$ 3,416.

Labor claim seeking compensation for work-related accident (case 0023044-62.2013.5.02.0030), involving R$ 2,276.

ESS

. Labor claim involving issues related to severance/legal for overtime, holding more than one position, salary differences, "on call" hours and rectification of prior notice in the amount of R$ 4,339, case received in Feb/17 (case 0011567-73.2016.5.15.0115), involving R$ 3,416.

- **Civil**

Consolidated civil claims amounting to R$ 1,860,356 (R$ 1,814,298 as of December 31, 2016) consist of the following: (i) revision or cancellation of electricity invoices due to the uncertainty of the amount; (ii) indemnification for material and moral damages due to the suspension of the electricity supply due to non-payment, irregularities in meters, surges in voltages or temporary blackouts; and (iii) regulatory fines originating from inspections conducted by the concession authority which are undergoing administrative defense; claims in which consumers are seeking reimbursement of amounts due to the rate adjustments determined by Ordinances 38 and 45/1986, of the former National Department of Electricity and Water - DNAEE, during the freezing of prices under the Cruzado Plan. In addition to the regulatory fines originating from inspections conducted by the concession authority which are undergoing administrative defense.

Main cases:

Subsidiary:

EMG

. Collective civil action 2009.38.00.027572-2 in the amount of R$ 14,822 (R$ 14,593 as of December 31, 2016), by which the Brazilian Consumer Association is contesting amounts received by the distribution companies due to adjustments allegedly overstated. The impact in the case of defeat is possible recalculation of the rates practiced and reduction of up to 3% in the energy rates of the subsidiary of EMG.

. Collective civil action 2009.38.00.027553-0 in the amount of R$ 8,893 (R$ 8,755 as of December 31, 2016), by which the collective interests defense association is contesting amounts received by the distribution companies due to adjustments allegedly overstated. The impact in the case of defeat is possible recalculation of the rates practiced and reduction of up to 3% in the energy rates of the subsidiary of EMG.

EPB

. Suit involving R$ 50,820 disputing issues related to contractual severance (annulment action filed by Cooperativa de Eletrificação Rural). The plaintiff is contesting the transfer of the electrification network made by Cervap and Energisa, requiring annulment of the public transaction date between the companies and all resulting effects.

. Claims involving a total of R$ 30,851, disputing issues related to compensation for fires, involving the claim amounts of R$ 11,858 and R$ 10,953.

ENF

.Public Civil Action 0004079-96.2006.8.19.0037 for R$ 1,877 (R$ 1,848 as of December 31, 2016), for issues relating to the collection and pass-through of COSIP.

.Ordinary Action 00019795219988190037 involving a positive covenant for R$ 2,773 (R$ 2,730 as of December 31, 2016), relating to transferring shares.

ESE

.Collective civil action 2009.38.00.027553-0 in the amount of R$ 8,858 (R$ 8,760 as of December 31, 2016), by which the collective interests defense association is contesting amounts received by the distribution companies due to adjustments allegedly overstated. The impact in the case of defeat is possible recalculation of the rates practiced and reduction of up to 3% in the energy rates of the Company.

.Public Civil claim of R$ 15,737 (R$ 15,495 as of December 31, 2016), in which consumers are seeking reimbursement of amounts due to the rate adjustments determined by Ordinances 38 and 45/1986, of the former National Department of Electricity and Water - DNAEE, during the freezing of prices under the Cruzado Plan, in addition to the regulatory fines originating from inspections conducted by the concession authority which are undergoing administrative defense.

EMS

. Collective civil action 00651268720144013800 in the amount of R$ 161,574 (R$ 159,077 as of December 31, 2016), by which the Energy Consumer Defense Association is claiming a return of amounts unfairly charged in double. The impact in the case of defeat is possible recalculation of the rates practiced, resulting in a change to the contractual bases of the concession agreement and the entire methodology for creating rates prepared by the Concession authority.

. Public civil action 00446886420058120001 in the amount of R$ 80,267 (R$ 79,026 as of December 31, 2016) by which the State Prosecutions Department is requesting the subsidiary EMS be prevented from charging the retrospective debit determined, in the event of energy theft, and cutting off their new supply, in addition to being ordered to return in double amounts charged by way of the contested procedure.

. Public civil action 00081923720034036000 in the amount of R$ 60,519 (R$ 59,583 as of December 31, 2016), by which the Federal Prosecutions Department is claiming the annulment of ANEEL Resolution 167, which established the Company's rate replacement index, to establish an index other than the IGP-M price index.

EMT

. Compensation claim 17436-75.2014.811.0041 in the amount of R$ 67,030 (R$ 65,994 as of December 31, 2016) filed by Conel Construções Elétricas Ltda, in order to obtain reimbursement for material and moral damages due to the allegedly unjustified termination by the defendant of the service provision agreement.

. Compensation claim 54570-73.2013.811.0041 in the amount of R$ 37,985 (R$ 37,398 as of December 31, 2016), seeking reimbursement of amounts due to excessive cost of the service provision agreements and nonperformance of obligations established in the agreements.

Rede Energia

. Enforcement proceeding 01415375820128260100 for a fixed sum, involving R$ 170,259 (R$ 158,843 as of December 31, 2016), to charge alleged credits established in Bank Credit Notes issued by Centrais Elétricas do Pará – CELPA. If the subsidiary is convicted, this debit could have to be subject to the Judicial Reorganization Plan, a case which in 2Q17 had its case amount changed, with a reduction occurring due to the need to adapt the risk involved to reflect the legal adviser's opinion.

. Public Civil Action 00313063920124013900 with claim for interim relief filed by Federal Prosecutions Department in the amount of R$ 179,354 (R$ 159,990 as of December 31, 2016), which intends to annul Authorizing Resolution 3731 issued by ANEEL on 12/30/2012, which authorized CELPA to authorize the investment in the concession area of funds deriving from the compensation owed to consumers due to violations of the electricity distribution service quality indicators in the period 2/29/2012 to 8/7/2015, a case which in 2Q17 had its case amount changed, with a reduction occurring due to the need to adapt the risk involved to reflect the legal adviser's opinion.

. Arbitration proceeding 21/2013 filed by the company RAIZEN, before the 2nd Bankruptcy and Judicial Reorganizations Court of SP in the amount of R$ 175,330 (R$ 159,990 as of December 31, 2016). This consists of arbitration filed by Raízen Energia S.A., Raízen Energia S.A. and Raízen Caarapó S.A. Açúcar e Álcool., entailing a dispute about the validity of the termination of two electricity trading agreements (31/2008 and 221/2009), which were suspended in 2012 and 2013 and the decision ordering CTCE and Rede to pay the termination fine. According to the plaintiffs, the defendants were solely responsible for the termination due to (i) ANEEL revoking CTCE's permit to trade energy at CCEE; and (ii) the expulsion from CCEE.

ETO

Case 2008.34.00.007382-8 disputing issues related to expropriation in the amount of R$ 31,952 filed by Posto Presidente de Natividade Ltda.

. Affirmative Covenant Action 5032063-73.2013.827.2729, involving a dispute about contractual nonperformance in the amount of R$ 23,304.

ESS

.Compensation claim 1005048-10.2015.8.26.0482 disputing amounts relating to Contractual Payments, in the amount of R$ 20,303 (R$ 19,989 as of December 31, 2016), filed in April 2016.

- **Tax**

The consolidated tax and labor claims amounting to R$ 2,459,080 (R$ 2,450,235 as of December 31, 2016) basically consist of disputes about: (i) PIS and COFINS on electricity invoices; (ii) ICMS on energy sales; (iii) offsetting and appropriation of ICMS credits; (iv) rate differential; and (v) income and social contribution taxes; (vi) collection of ISS on concession services; (vii) offsetting and appropriation of ICMS credits on equipment for providing for energy transmission and distribution services allocated to the company's permanent assets, having already obtained favorable decisions in the lower and appeals courts, with a number of proceedings now final and unappealable; (viii) demand for ICMS due to exempt sale of electricity received under deferral.

Main cases:

Parent company
- Assessment notice seeking collection of the IOF tax in the period 2003 to 2005, on the advance for future capital increase – AFAC on behalf of the subsidiary Energisa SE, in the amount of R$ 55,446 (R$ 53,048 as of December 31, 2016).

Subsidiary:

EMG

.Case 0087729-97.2016.8.13.0153 involving R$ 32,623 (R$ 20,932 as of December 31, 2016), disputing: (i) payment of ICMS due to closure of the tax payment deferral, as part of the energy acquired domestically was deferred and subject to tax-exempt sales, contravening the existing tax regulations; and (ii) issuance of invoices for payment of deferred tax, pursuant to article 15 (1,I) of the General Section of RICMS/2002 and Article 49-A of Appendix IX of RICMS/2002. The increase observed in the period is based on the reassessment of the financial risk posed by the case as analyzed by the legal advisers.

. Tax Enforcement filed under case 0342157-49.2013.8.13.0024 in the amount of R$ 17,628 (R$ 19,127 as of December 31, 2016), entailing the collection of ICMS on energy supplied to exempt consumers. The motion was accepted to annul the assessment notice and enforcement, with the ICMS charged being declared improper. The decision was upheld by the Court of Appeal and will be made final and unappealable in due course.

. Case 0083561-52.2016.8.13.0153 in the amount of R$ 13,715, due to the improper appropriation of ICMS credits in the period Feb/2012 to Jan/2013, ICMS overstated vs. CIAP and ICMS improperly recorded on the acquisition of consumables not directly related to property, plant and equipment.

ENF

. Assessment Notice 03.396678-9, of R$ 9,231 (R$ 8,944 as of December 31, 2016) relating to the demand for ICMS due to failure to pay tax on the portion of revenue deriving from the electricity rate subsidy, received as an addition to the rate applied to low-income residential consumers.

.Assessment Notice 03.396674-8 of R$ 2,205 (R$ 2,135 as of December 31, 2016) relating to the demand for ICMS on operations prior to the electricity distribution, in the case of commercial losses.

. Tax enforcement proceeding 0032674-42.2012.4.02.5101 of R$ 2,816 (R$ 2,767 as of December 31, 2016), relating to the demand for IRPJ,CSLL,PIS/COFINS and CSLL tax liabilities.

. Collective civil action 2009.38.00.027553-0 of R$ 9,116 (R$ 8,722 as of December 31, 2016) relating to the recalculation of electricity rates, whereby the B portion does not absorb the economies of scale allegedly deriving from higher demand. The impact in the case of defeat is possible recalculation of the rates practiced and reduction of up to 3% in the energy rates of the subsidiary of ENF.

ETO

. Case in the amount of R$ 37,897 involving a dispute about ICMS/Auxiliary Obligation, fine from issues related to the recording of energy and transmission purchase invoices: in 2010, 2011, 2012, 2013 and 2014, case 2014/003353.

. Case 5003614-42.2012.827.2729 - tax debit collection resulting from assessment notice for ICMS on purchases of property, plant and equipment by the company, in the amount of R$ 156,722 (R$ 145,446 as of December 31, 2016).

. Case 5008221-35.2011.827.2729 - tax debit collection resulting from assessment notice for disallowance of ICMS credits on the acquisition of property, plant and equipment, in the amount of R$ 74,586 (R$ 68,002 as of December 31, 2016).

ESE

. Assessment Notice 10.510.001.892/2010-00 in the amount of R$ 69,772, issued by the federal tax authorities on the grounds that Energisa Sergipe did not fully include in the IRPJ and CSLL calculation bases the revenue derived from the extraordinary rate replacement for the 2005 and 2006 calendar years, and because Energisa Sergipe unduly offset tax losses in 2006 and 2007, given the reversal of losses after the entry of assessments in the base periods 2005 - 2006. This case ended in 2017 with a favorable decision.

Assessment notice 10.510.724763/2011-12 for an amount of R$ 164,188 (R$ 157,135 as of December 31, 2016), by which the federal tax authority is asserting the alleged failure to include in the taxable income and social contribution calculation bases expenses considered nondeductible on the amortization of goodwill referring to the privatization of the Company, and the allegedly improper offsetting of tax losses and the social contribution calculation base.

.Assessment Notice 10.510.003.122/2005-74 for R$ 33,873, disputing the disallowance of IRPJ/CSLL credits.

EPB

. Assessment notice 10467.720529/2011-81 for an amount of R$ 105,286 (R$ 100,763 as of December 31, 2016), by which the federal tax authority is asserting the alleged failure to include in the taxable income and social contribution calculation bases expenses considered nondeductible on the amortization of goodwill referring to the privatization of the subsidiary EPB, and the allegedly improper offsetting of tax losses and the social contribution calculation base.

. Administrative proceeding 14751.002.618/2009-72 involving R$ 44,053 (R$ 42,161 as of December 31, 2016), under which the federal tax authority imposed a reflexive assessment on the supplementary IRPJ charged on taxable events in 2001 and 2002 and the calendar years of 2005 and 2006, charging disallowed expense deductions, monetary variance losses, additions not included in the taxable income and unauthorized offsetting.

. Assessment Notice 93300008.09.00000271/2017.59 received at the end of March 2017 in the amount of R$ 86,449 issued by the state tax authorities as a result of disallowing ICMS credits on the acquisitions of machinery, equipment and accessories on the grounds that: (i) the acquisitions on which credits were appropriated in the tax journals (CIAP - Control of Credits on Fixed Assets) as it ruled they were not owned by EPB; (ii) the acquisitions were used exclusively in the provision of services subject to ISS; (iii) the subsequent sales made by the petitioner are not subject to ICMS. The state claims that the transactions could only have been recorded in property, plant and equipment through the end of 2009. From 2010 the accounting standards began to require recording in intangible assets. The tax authority imposed a fine of 100% of the tax due.

EMS

. Assessment notice 10140720806201057 involving R$ 63,222 (R$ 60,506 as of December 31, 2016), issued by the federal tax authority charging PIS and COFINS liabilities for the accrual periods December 2007 to February 2008, deriving from the disallowance of credits appropriated on the non-cumulative basis on amounts to be returned to consumers by order of ANEEL.

EMT

. Proceedings involving ICMS on demand amounted to R$ 650,803 (R$ 622,848 as of December 31, 2016), for which the Company has not made a provision based on the opinion of its legal advisers. The significant difference between the two financial years was due to the fact that in December 2015 two of the five assessment notices had been rated as a remote chance of defeat, as they had been indicated for offsetting under State Decrees 1171/2012 and 2042/2013 (World Cup Law), which subsequently led to non-deferral, with said assessments being classified as posing a possible chance of defeat again.

The proceedings related to the ICMS claim result from the assessment for non-payment of the tax due to judicial impediment (court decisions staying the payment requirement, secured by consumers). Since the effects of these decisions expired, the Company has been engaged in dialogue with SEFAZ/MT to find a solution for the payment of this tax, with the Company participating as a mere collections agent. The discussions resulted in the possibility of consumers directly entering the financing program offered by the State (MT Refis – State Laws Estadual 10433/2016 and Decree 780/2016).

. Tax assessment 5002848/2016 issued by the Mato Grosso State Finance Department in the amount of R$ 240,570 (R$ 230,237 as of December 31, 2016), invalidating the transfer of credit related to the credits acquired by the Company for the calculation of ICMS paid monthly. It is claiming: (i) alleged underpayment of ICMS, for appropriating a tax credit in an amount allegedly greater than that permitted by the legislation; and (ii) non-compliance of the transfer with arrangement ICMS 85/2011, where the Company is defending itself by stating the operation was compliant.

There are also important proceedings relating to the appropriation of credits on the ICMS rate differential on the acquisitions of permanent assets in the total amount of R$ 191,889, including a tax enforcement in the amount of R$ 57,727 (R$ 55,247 as of December 31, 2016), case 1000985-84.2016.811.0041; contrary to the constitution and Supplementary Law 87/, State Law 7098/98 (art. 25,6) issued by Mato Grosso state prohibits the appropriation of such credits; the matter is subject to ADI 4.623/MT, in progress before the STF, where the Federal Attorney General has issued a favorable opinion.

. Assessment notice 01117855020128130699 issued by the Mato Grosso State Finance Department in the amount of R$ 61,128 as of December 31, 2016, with ICMS charged for the period January 2010 to January 2012, on the grounds that the Company allegedly improperly appropriated a tax credit on the rate differential on the acquisitions of permanent assets. which after the submission of the statement via E-PROCESS had its assessment transferred to case 5205023/2012 folder 34722, in an amount of R$ 68,910.

ESS

.Assessment Notice 4.034.268-2 in the amount of R$ 19,731 (R$ 17,333 as of December 31, 2016) disputing issues related to the incidence of ICMS on low-income economic subsidies received for the period February 2008 through December 2009.

Accounting estimates: The Company and its subsidiaries made provisions, which involve management judgment, for labor, civil and tax claims when it is probable that an outflow of economic benefits will be required to settle the obligation, which has arisen as a result of past events and which can be reliably estimated, subject to several legal, civil and labor claims arising out of the normal course of business. The Company's judgment relies on the opinion of its legal advisers. Provisions are revised and adjusted to reflect changes in circumstances, such as the applicable statute of limitations, the completion of tax inspections or exposure identified as a result of new issues or court decisions.

27. Regulatory fees - consolidated

Change	6/30/2017	12/31/2016
Opening balance - 12/-31/2016 and 12/31/2015	**154,340**	**173,500**
Interest	7,857	22,438
Amortization	(36,569)	(41,598)
Closing balance - 06/06/2017 and 12/31/2016	**125,628**	**154,340**
Quotas for Global Reversal Reserve - RGR	48,394	59,465
Quota - Energy Development Account - CDE	77,234	94,875
Current	58,635	58,635
Non-current	66,993	95,705

The regulatory fees were fully financed on July 01, 2014 with Eletrobrás by the indirect subsidiaries EMT, ETO, CFLO, CAIUÁ, CNEE, EEB and EDEVP, as follows: (i) RGR and CDE financed over 60 months, with the SELIC interest on the principal, amortized in the first 24 payments and the principal over the remainder; (ii) The overdue Proinfa and CCC debits were divided over 12 equal and consecutive payments. The financing payments of the subsidiaries CFLO, CAIUÁ, CNEE, EEB and EDEVP have been settled in full.

28. Incorporation of grids - consolidated.

ANEEL Normative Resolutions 223/2003, 229/2006, 238/2006, 250/2007, 368/2009, 414/2010 and 488/2012 established the general conditions for making new connections to new consumer units. These regulations require that the applicant, individually or jointly, and the public agencies, including the indirect management, can contribute funds, in part or in full, for the works necessary to bring forward the connection or carry out the works to extend the grid by contracting a legally qualified third party. The funds advanced or the value of the works carried out by the party concerned shall be reimbursed by the subsidiaries EMT, EMS, ETO, EEB, CNEE, CFLO, CAIUA and EDEVP by the year in which the supply application is met according to the Universalization Plans, for cases of consumers meeting the qualification criteria without cost or by the deadlines establishing the regulations addressing the performance with financial participation of the party concerned.

The electricity universal access time frame of the subsidiaries EMT and ETO in rural areas of Mato Grosso and Tocantins were extended to 2020 and 2018 respectively. The schedule revision was approved by the Agência Nacional de Energia Elétrica (ANEEL) via Ratifying Resolution 1993 (EMT) and 1994 (ETO), published in the Official Journal (DOU) on December 15, 2014.

The balances of private grid acquisitions incur charges calculated by the change in the IGP-M price index plus interest of 0.5% to 1% per month.

See the changes occurring in the period/year:

Description	6/30/2017	12/31/2016
Balances at 12/31/2016 and 12/31/2015	**313,013**	**294,625**
Additions in the period	53,760	49,464
Monetary restatement	(980)	55,887
Write-offs/payments (*)	(52,112)	(86,963)
Balances at 6/30/2017 and 12/31/2016	**313,681**	**313,013**
Current	214,767	234,398
Non-current	98,914	78,615

(*) In the period ended June 30, 2017, R$ 52,112 consists of payments (R$ 86,963 as of December 31, 2016).

29. Equity

29.1 Capital

The share capital is R$ 2,795,963 (R$ 2,795,963 as of December 31, 2016), represented by 1,729,827,305 registered shares (1,729,827,305, as of December 31, 2016), consisting of 720,210,378 common shares (720,210,378 as of December 31, 2016) and 1,009,616,927 preferred shares (1,009,616,927 as of December 31, 2016), with no par value. The amount of shares converted into Units (share certificate denoting ownership of 4 preferred shares and 1 common share of the Company) is 250,070,594 (250,070,594 as of December 31, 2016).

Preferred shares have no voting rights, have priority in capital reimbursements in premiums and to are included in the public offering of the control sale, being assured a price equal to 80% of the amount paid for voting shares comprising the control block.

The company recorded the amount of R$ 65,723 (R$ 65,723 as of December 31, 2016) directly in shareholders' equity regarding transaction costs incurred on funds raised via new share issuances, which were recorded separately as a decrease in shareholders' equity in accordance with CPC Pronouncement 08 - Securities issuance transaction costs and premiums.

Irrespective of amendments to the bylaws, the share capital may be increased up to a maximum of 3,000,000,000 shares, consisting of up to 1,626,300,000 common shares and up to 1,373,700,000 preferred shares, via resolution by the Board of Directors, which will determine the payment conditions, features of the shares to be issued an issuance price.

29.2 Capital transaction - transactions between partners

	6/30/2017	12/31/2016
Opening balance - 12/-31/2016 and 12/31/2015	**4,273**	**(26,973)**
Transactions between partners - reflection (1)	(1,616)	(10,074)
Gain (loss) determined on new acquisitions of interests in direct and indirect subsidiaries	(1,509)	41,320
Closing balance - 06/06/2017 and 12/31/2016	**1,148**	**4,273**

(1) Includes a portion resulting from the percentage interest in the subsidiary EEVP, referring to the derivative financial instrument described in note 34.

29.3 Dividends

The Company Bylaws determine the distribution of a mandatory dividend of 35% of the net income for the period, adjusted in accordance with article 202 of Law 6404/76 of 12/15/1976.

The Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2017 approved the payment of dividends for the year 2016 in the amount of R $ 138,732, corresponding to R $ 0.0802 per common and preferred share, having been anticipated on August 26, 2016 the amount of R $ 39,786 (R $ 0.023 per common and preferred share) and on March 8, 2017, the amount of R $ 98,946 (R $ 0.0572 per common and preferred share) was paid.

The Company usually allocates dividend receipts from subsidiaries to investments to the cash flow statement.

29.4 Incentive Profit reserve - income tax reduction reserve (subsidiaries)

Because the subsidiaries EPB, ESE, EBO, EMT and ETO operate in the infrastructure sector of the North-East region, central and western and northern regions they obtained a reduction to the income tax payable for the purposes of investments in projects expanding their installed capacity, as determined by article 551 (3) of Decree 3000, dated March 26, 1999.

This reduction was approved by the Constitutive Reports, which impose a number of obligations and restrictions:

- The amount obtained as a benefit cannot be distributed to the shareholders
- The amount should be recorded as a profits reserve and capitalized by December 31 of the successive year and/or used to offset losses, and

- The amount should be invested in activities directly related to production in the region embraced by the tax incentive.

Following the enactment of Law 11638/07 and Law 11941/09, the tax incentives are now recorded in the income statement for the year and subsequently transferred to the profits reserve and income tax reduction reserve.

See the information about the incentives obtained by:

Subsidiaries	Government Agency	No. of constitutive report	Income tax decrease (consolidated)	
			6/30/2017	12/31/2016
EPB(*)	SUDENE	197/2012	20,337	-
ESE(*)	SUDENE	205/2012	8,845	-
EBO	SUDENE	206/2012	3,510	4,620
EMT	SUDAM	114/2014	15,223	44,783
ETO	SUDAM	113/2014	5,294	10,538
Total			**53,209**	**59,941**

(*) The subsidiaries EPB and ESE did not determine the calculation base for FY 2016,

These amounts were recorded directly in the income statement for the period under consolidated "current income and social contribution taxes", and were allocated to the tax incentive reserve in the subsidiaries' shareholders' equity.

30. Operating revenue

30.1 Gross operating revenue - parent company

	4/1/2017 to 6/30/2017	1/1/2017 to 6/30/2017	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016
Operating revenue				
Specialized services (*)	36,768	52,617	19,897	37,372
Deductions from operating revenue				
PIS	(607)	(869)	(335)	(623)
COFINS	(2,794)	(3,999)	(1,544)	(2,872)
ISS	(413)	(705)	(406)	(756)
Net operating revenue	**32,954**	**47,044**	**17,612**	**33,121**

(*) Refers to administrative services provided to its subsidiaries.

30.2 Gross operating revenue - consolidated

	6/30/2017				6/30/2016			
	Not reviewed by the independent auditors		4/1/2017 to 6/30/2017	1/1/2017 to 6/30/2017	Not reviewed by the independent auditors		4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016
	No. of consumers	MWh	R$	R$	No. of consumers	MWh	R$	R$
Residential	5,401,498	5,269,957	1,666,786	3,381,971	5,265,101	5,141,321	1,551,019	3,277,324
Industrial	45,382	1,178,589	363,305	732,329	47,974	1,586,534	446,257	917,692
Commercial	466,628	2,710,223	874,397	1,787,259	465,443	2,782,884	860,249	1,809,783
Rural	602,036	1,289,211	302,563	601,813	590,954	1,216,439	274,269	553,904
Public Authorities	62,135	671,797	214,319	409,675	61,762	660,233	198,944	395,712
Public Lighting	6,637	750,869	121,805	247,362	6,414	693,653	108,867	229,660
Public Utility	7,598	495,348	110,211	220,015	7,411	508,902	106,733	221,269
Internal Use	1,427	18,484	-	-	1,400	19,958	-	-
Subtotal	**6,593,341**	**12,384,478**	**3,653,386**	**7,380,424**	**6,446,459**	**12,609,924**	**3,546,338**	**7,405,344**
Electricity sales to distributors	2	1,486,613	96,167	273,375	2	1,662,193	115,229	217,788
Supplies not billed net	-	(93,817)	(44,988)	(34,231)	-	(163,257)	(61,062)	(101,952)
Provision of the transmission and distribution system	577	-	224,432	425,697	320	-	170,048	334,046
Electricity sales sold	1,707,800	-	182,424	339,806	-	1,064,913	112,933	212,718
Construction revenue (1)	-	-	385,041	672,977	-	-	362,612	621,820
Specialized Services	-	-	29,566	49,221	-	-	32,433	70,061
Other operating revenue	-	-	36,697	70,028	-	-	22,597	51,797
Fair value of compensable concession asset	-	-	3,015	21,452	-	-	28,357	79,413
(-) Excess Demand Revenue (2)	-	-	(7,056)	(13,664)	-	-	(7,732)	(11,747)
(-) Reactive Surpluses	-	-	(11,591)	(24,501)	-	-	(12,272)	(22,368)
Creation and Amortiz. - CVA assets and liabilities (3)	-	-	(78,390)	(225,826)	-	-	(237,973)	(451,077)
Subsidies for service awarded under concession	-	-	224,727	449,055	-	-	212,317	392,517
Total - gross operating revenue	**8,301,720**	**13,777,274**	**4,693,430**	**9,383,813**	**6,446,781**	**15,173,773**	**4,283,825**	**8,798,360**
Deductions from operating revenue								
ICMS	-	-	860,734	1,728,190	-	-	816,535	1,700,038
PIS	-	-	70,744	143,628	-	-	65,714	135,170
COFINS	-	-	325,738	662,988	-	-	303,126	623,058
CPRB	-	-	1,685	2,561	-	-	1,124	2,408
ISS	-	-	3,108	5,859	-	-	3,458	6,372
Rate Flag Deductions (4)	-	-	23,490	18,558	-	-	(2,900)	(1,086)
Energy Efficiency Program - PEE -	-	-	12,576	25,582	-	-	10,962	23,055
Energy Development Account - CDE	-	-	294,353	616,418	-	-	363,086	727,430
Research and Development Program - R&D	-	-	12,575	25,602	-	-	10,962	23,055
Inspection fee for electricity services - TFSEE	-	-	4,060	8,069	-	-	3,958	7,665
Total - deductions from operating revenue	**-**	**-**	**1,609,063**	**3,237,455**	**-**	**-**	**1,576,025**	**3,247,165**
Total net operating revenue	**8,301,720**	**13,777,274**	**3,084,367**	**6,146,358**	**6,446,781**	**15,173,773**	**2,707,800**	**5,551,195**

(1) The construction revenue is represented by the same amount in construction cost. These amounts must be recognized under ICPC 01 – Concession Agreements and denote the construction cost of assets in the electricity distribution concession.

(2) Includes R$ 11,265 (R$ 8,837 as of June 30, 2016) in Excess Demand and Excess Power Factor revenue recognized as other sectoral financial liabilities by direct subsidiaries EMG and ENF and indirect subsidiaries ETO, CAIUÁ, EEB, CNEE, EDEVP and CFLO, under ANEEL Order 245/2016, and R$ 16,119 referring to Official Circular 112/2017-SFF/ANEEL, exclusively for distribution companies that had their concession agreements renewed, which stated that the Excess Demand and Excess Power Factor accumulated through February/2017 be transferred to Special Obligations and data for March/2017 onwards be recorded as a sector financial liability.

(3) This denotes the amount of financial sector assets and liabilities recognized in the period ended June 30, 2017 in accordance with CVM Resolution 732/14.

(4) From January 2015 energy bills will start using the Rate Flag System. The rate flag is "raised" on a monthly basis by ANEEL, in accordance with the information submitted by the National Electric System Operator (ONS), based on the country's electricity generation capacity.

By way of Official Notice 185 issued April 8, 2015, ANEEL established new accounting procedures to record the Additional Revenue of the Rate Flags. Under the proposed amendment, the flag amounts are now recorded in operating revenue.

This revenue earned by subsidiaries on rate flags in the financial year ended June 30, 2017 amounted to R$ 159,585 (R$ 225,847 as of June 30, 2016), and R$ 18,558 (R$ 1,086 as of June 30, 2016) was passed through to the CCRBT. The net effect of the rate flags on the Companies' earnings through June 30, 2017 was therefore R$ 141,027 (R$ 226,933 as of June 30, 2016).

Aneel had already ratified the amounts below for January to June 2017 and 2016:

Months	Order	6/30/2017	6/30/2016
January	No. 592 issued March 2, 2017 (no. 265 issued February 1, 2016)	183	(24)
February	No. 899 issued March 30, 2017 (no. 797 issued March 30, 2016)	155	(48)
March	No. 1237 issued May 5, 2017 (no. 1,061 issued May 2, 2016)	(2,097)	-
April	No. 1492 issued May 30, 2017 (no. 1,431 issued May 31, 2016)	(8,035)	-
May	No. 1944 issued July 4, 2017 (no. 1,734 issued July 29, 2016)	(8,343)	1,158
June	Amount provisioned for 2017 and 2016	(421)	-
Total		**(18,558)**	**1,086**

31. Cost of Energy purchased for resale-consolidated

	MWH (2)		Electricity purchased for resale			
	6/30/2017	6/30/2016	4/1/2017 to 6/30/2017	1/1/2017 to 6/30/2017	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016
Energy from Itaipú - Binational	1,604,704	1,611,215	183,964	337,959	160,514	337,290
Auction energy	6,390,201	6,579,928	629,207	1,336,568	533,374	1,236,244
Bilateral energy and other supplies	5,156,207	4,462,557	677,509	1,224,986	514,095	911,936
Angra Quotas REN 530/12 (1)	465,722	468,296	45,933	99,160	47,189	94,849
Short-term electricity - CCEE	90,394	49,160	(1,326)	114,768	66,784	154,737
Physical Guarantee Quotas- Ratifying Resolution ANEEL 1410 - Appendix I	3,793,927	4,061,888	196,965	353,159	118,386	233,333
Alternative energy sources incentive program - PROINFA	290,758	310,493	51,939	103,873	56,706	113,415
Reimbursement for thermal exposure	-	-	2,026	2,026	-	-
(-) Recoverable portion of noncumulative PIS/COFINS	-	-	(166,995)	(323,350)	(136,680)	(274,439)
Total	**17,791,913**	**17,543,537**	**1,619,222**	**3,249,149**	**1,360,368**	**2,807,365**

(1) Includes amount of REN 1585/2013.
(2) Information not audited by the independent auditors.

32. Insurance coverage

Energisa and its subsidiaries have the policy of taking out insurance coverage for the assets subject to risk to cover any incidents, considering the nature of their activity. The Company's insurance contracts are made in accordance with the risk management and insurance fundamentals generally employed by electricity distribution

companies. Given their nature, the risk assumptions adopted do not comprise the scope of a quarterly information audit, and were not therefore reviewed by our independent auditors.

The main coverage is as follows:

Lines	Maturity date	Amount Insured (R$ thousand)	Parent company	
			6/30/2017	12/31/2016
Operating risks	11/7/2017	38,000	17	17
General Civil Liability	11/23/2017	50,600	7	7
Fleet - Third party material and personal damages	10/23/2017	Up to R$ 360 / vehicle	6	6
Collective Life Insurance - Death and Personal Accidents (*)	12/31/2017	82,759	197	146
Civil Liability Directors and Officers (D&O)	11/26/2017	50,000	1	1
Total			**228**	**177**

Lines	Maturity date	Amount Insured (R$ thousand)	Consolidated	
			6/30/2017	12/31/2016
Operating risks	11/7/2017	58,000	2,624	2,625
General Civil Liability	11/23/2017	50,600	2,481	2,480
Fleet - Third party material and personal damages	10/23/2017	Up to R$ 1,060 / vehicle	1,224	1,225
General civil liability to 2nd Risk	11/23/2017	10,000	121	120
Aeronautical - civil liability (RETA)	11/30/2017	991	7	6
Aeronautical - Hull/LUC	12/12/2017	207,826	198	199
Comprehensive Business Insurance	9/28/2017	880	3	3
Collective Life Insurance - Death and Personal Accidents (*)	12/31/2017	123,956	2,221	2,042
Multirrisk Hangar	11/20/2017	2,500	4	4
RC Hangar	11/20/2017	35,974	21	21
Transportation	1/30/2018	Up to 2,000/ transportation	161	180
Civil Liability Directors and Officers (D&O)	11/26/2017	50,000	406	410
Total			**9,471**	**9,315**

(*) Amount insured for JUN/17 and annualized premium.

Operational Risk

The policy taken out states the buildings and equipment and the respective insured values and the indemnification ceilings. It has basic coverage including fire, lightning strike and explosions of any nature, electrical damages, hurricanes, aircraft crash, collision by air or ground vehicle, commotion, flooding/water damage, minor engineering work, extraordinary expenses inclusion / exclusion of assets and sites, mistakes and omissions.

General Civil Liability

The GERIP policy taken out covers moral, material and personal damages on third parties as a result of the Company's operations.

Civil Liability and Civil Liability to 2nd Risk

The insurance policy covers moral hazard, material and personal damages to third parties resulting from the Company's operations.

Multirisk

The policy taken out has basic coverage including fire, lightning strike and explosions of any nature, electrical damages, aircraft collision, impact by air or ground vehicle, commotion, other risks and portable equipment.

Fleet

The Company has insurance coverage for RCF/V - Optional/General Vehicle Civil Liability, guaranteeing coverage of personal and/or material and moral damages incurred by third parties involved in accidents.

Collective Life Insurance and Personal Accidents

Guarantees insurance coverage and funeral assistance for its employees in the event of death by any cause, full or partial permanent functional disability due to accidents and permanent and/or total disability due to illness.

Transportation

Guarantees insurance coverage for loading, unloading, transporting and theft of goods inherent to the insured's activity, primarily machinery and equipment, when transported in company vehicles.

Comprehensive Business Insurance

The policy provides coverage against fire, lightning strike, explosion, implosion, electrical damage, breaking windows and loss or payment of rental. This covers the machinery, furniture and utilities on the floors of the building on Avenida Paulista – SP and the office at the address QD 701, Conj. D-Bloco B, Brasília-DF.

Civil Liability – Hangar

The contracted policy has insurance coverage against material and personal damages, aesthetic and moral damages in addition to civil liability for vehicles circulating in airports.
Aerospace Insurance

The civil liability insurance (RETA) and Hull insurance (LUC) provides insurance coverage for aircraft and material and/or personal damage caused to passengers, crew members and third parties. Insurance policies for aircraft with prefix PP-JMJ were cancelled on 4/27/2017 due to the sale thereof.

Civil Liability Directors and Officers (D&O)

This insurance policy guarantees payment of the financial losses resulting from claims made against the insured as a result of damaging acts they are held liable for resulting from their management acts.

33. Commercial - lease consolidated

The subsidiary Energisa Serviços Aéreos has commercial leases worth R$ 600 (R$ 6,412 as of December 31, 2016) for vehicles, net of depreciation, recorded in property, plant and equipment. These were acquired under commercial leases over a term of 36 to 120 months, have call options and are charged interest at the CDI interest rate.

In compliance with CPC-06 (R1) (Commercial Financial Leases), in the period ended June 30, 2017 the Company recognized depreciation expenses of R$ 1,543 (R$ 3,170 as of June 30, 2016) and R$ 432 (R$ 1,633 as of June 30, 2016) as a financial expense for contract charges.

The subsidiary EMT has a lease agreement for an aircraft, settled in March 2017 (see note 13 - other receivables).

34. Financial instruments and risk management

The carrying amounts, fair values and hierarchical levels of the principal financial instrument assets and liabilities have been compared below:

Parent company					
	Level	6/30/2017		12/31/2016	
		Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Cash and cash equivalents	2	122,669	122,669	41,878	41,878
Money market and secured funds	2	677,129	677,129	797,525	797,525
Trade receivables	2	27,326	27,326	5,989	5,989
Derivative financial instruments	2	1,163	1,163	1,348	1,348
Related-party credits	2	763,791	763,791	710,946	710,946
Liabilities					
Suppliers	2	2,398	2,398	2,370	2,370
Loans, financing, debt charges and debentures	2	1,658,830	1,665,261	1,696,360	1,703,099
Derivative financial instruments	2	17,572	17,572	38,261	38,261
Debts to related parties	2	382,454	382,454	269,608	269,608

Consolidated					
	Level	6/30/2017		12/31/2016	
		Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Cash and cash equivalents	2	726,504	726,504	797,200	797,200
Money market and secured funds	2	1,797,639	1,797,639	1,903,756	1,903,756
Clients, consumers and concessionaires	2	2,377,388	2,377,388	2,224,314	2,224,314
Credit receivables	2	31,176	31,176	27,965	27,965
Financial sector assets	3	536,573	536,573	690,901	690,901
Accounts receivable from the concession	3	3,812,700	3,812,700	3,484,798	3,484,798
Derivative financial instruments	2	206,169	206,169	257,959	257,959
Liabilities					
Suppliers	2	1,377,057	1,377,057	1,377,350	1,377,350
Loans, financing, debt charges, debentures and lease	2	7,659,734	7,664,574	7,661,723	7,668,065
Tax financing	2	79,139	79,139	84,746	84,746
Financial sector liabilities	3	886,066	886,066	803,339	803,339
Regulatory fees	2	125,628	125,628	154,340	154,340
Derivative financial instruments	2	127,472	127,472	160,832	160,832
Financial instrument – MTM (*)	2	349,545	349,545	347,929	347,929

(*) The subsidiary EEVP and BNDESPAR signed a contract assuring BNDESPAR, at its sole discretion, the right to exercise against the subsidiary the put option for up to 67,642,986 preferred shares issued by Rede Energia S/A, owned by BNDESPAR. BNDESPAR may exercise the put option for up to all of the shares within the term of 60 days as from 1/3/2019.
On February 04, 1999, the subsidiary EEVP, BNDES Participações ("BNDESPAR") and Mr. Jorge Queiroz de Moraes Júnior (former shareholder of Rede group), entered into a Private purchase and sale agreement for shares issued by Rede Energia S/A - under judicial reorganization (current name of CAIUÁ Serviços de Eletricidade S/A/), as updated by Amendments 1, 2, 3 and 4 made March 29, 2006, August 09, 2007, April 27, 2010 and August 01, 2013, respectively.

On March 31, 2014, the subsidiary EEVP, BNDESPAR, Energia S/A and Mr. Jorge Queiroz de Moraes Júnior made Amendment 5 and Restated the Private purchase and sale agreement for shares issued by Rede Energia S/A - under judicial reorganization. The parties negotiated that the subsidiary EEVP would award BNDESPAR, at its sole discretion, the right to exercise the put option for up to 67,642,986 preferred shares issued by Rede Energia S.A. - under judicial reorganization This put option may be exercised within the term of 60 days as from January 03, 2019. Said Amendment 5 was subject to the indirect share control of the subsidiary EEVP and Rede Energia being transferred to Energisa S/A.

Strike price

If the option is exercised, the subsidiary EEVP and/or Energisa S/A shall pay BNDESPAR the amount of R$ 390,800 for all the shares, restated by the change in the TJLP rate, plus 1.76% per annum, from July 01, 2013.

The strike price of the option shall be paid in local currency or via a capital increase of Energisa S/A, consisting of 4 preferred shares and 1 common share ("Units"), at the sole discretion of the subsidiary EEVP and/or Energisa S/A.

In the event of payment via a capital increase of Energisa S/A, the price of each preferred share to be issued will be the amount sufficient to comprise R$ 14.40 per Unit, restated from July 01, 2013. If the value of the Units is less than 25% of the average weighted price in the previous 60 sessions, Energisa will indemnify BNDESPAR for this difference within a maximum of 5 days of the capital being paid.

The strike price is the number of Units to be adjusted whenever there are capital increases via bonuses, splitting or grouping of shares or Units of Energisa S/A.

Security

The subsidiary EEVP shall issue BNDESPAR as security for performance of the obligation to purchase preferred shares a pledge of at least 117,643,852 common shares issued by Rede Energia, that it owns.

The share pledge shall account for a minimum of 40% of the voting capital of Rede Energia S/A at all times.

Pricing

The strike price - R$ 8.97/share - calculated by the initial strike price of R$ 5.78/share plus TJLP + 1.76% p.a. accumulated between July 01, 2013 and June 30, 2017 and projected up to the strike date with TJLP of 7.0% + 1.76% p.a. The risk-free rate used in the calculation is 8.91% p.a. and the average weighted volatility in the period was 26.04% p.a. On June 30, 2017 Rede's stock closed at R$ 2.85/share.

There are 67,642,986 put options and the exercise term is 60 days as from January 03, 2019.

Fair value hierarchy

The table above analyses financial instruments carried at fair value by a valuation method.

The different levels were assigned as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs, except for quoted prices, included in Level 1 that are observable for the assets and liabilities, directly (prices) or indirectly (derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Because the distribution subsidiaries have classified the respective accounts receivable from the concession and financial sector assets and liabilities as available-for-sale, the relevant factors for the fair value appraisal are not publicly observable. This is why the fair value hierarchy is classified at level 3. The change and respective gains in net income for the period of R$ 37,535 (R$ 103,819 as of June 30, 2016) and the main assumptions used, can be seen in notes 12 and 16.

In compliance with CVM Instruction 475/2008 and Resolution 604/2009, the description of the book balances and the fair values of the financial instruments included in the balance sheet at June 30, 2017 and December 31, 2016 are shown below:

Nonderivatives - classification and measurement

Loans and receivables

Includes trade accounts receivable, consumers and concession operators, outstanding receivables, other receivables, accounts receivable of the concession and financial sector assets. They are initially measured at amortized cost using the effective interest rate, and their balances are approximated to fair value.

Money market and secured funds

The balances of short-term investments in Bank Deposit Certificates and investment funds are valued at fair value through profit and loss, except when held to maturity, when the Company and its subsidiaries have the intention and financial ability to hold them to maturity. Subsequent to initial valuation, these assets are recorded at amortized cost at the effective interest rate method, less any impairment.

Available-for-sale financial assets

Available-for-sale financial assets are nonderivative instruments not classified as: (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

After initial measurement, available-for-sale financial assets are measured at fair value, with unrealized gains and losses directly recognized as other comprehensive income until the investment is derecognized, with the exception of impairment losses, interest calculated by the effective interest method and exchange variance gains and losses on monetary assets, which are recognized directly in profit or loss for the period.

Financial liabilities measured at amortized cost:

Suppliers payable - stated at the known amounts or estimated, plus, when applicable, the corresponding charges and/or monetary and exchange variations incurred up to the balance sheet date, where the book value approximates fair value.

Loans, financing, debt charges and debentures - These financial instruments are classified as financial liabilities at amortized cost. The carrying amounts of the local-currency loans and financing linked to the investments of the distribution companies obtained from Eletrobrás, BNB, BNDES, BDMG and Finep approximate fair value, as similar transactions are not available on the financial market, with comparable maturities and interest rates. The fair value of the financial liabilities referring to commercial bank loans traded in active markets is determined based on the prices observed in said markets (source: CETIP). For financial instruments with no active market, i.e. FIDC (III and IV), the 7th Energisa debentures issuance, 1st debentures issuance of ETO, the 7th debentures issuance of EMS, the 5th debentures issuance (EMT) and the 3rd debentures issuance of ESE, the Company determined the fair value as the equivalent of the instrument's carrying amount. The Company and its subsidiaries opted to classify certain debts as fair value through profit and loss, as described below.

Derivatives

The estimated fair values of the financial assets and liabilities were determined through information available in the market and appropriate valuation methodologies.

The Company and its subsidiaries have the policy of managing market risks, thereby avoiding assuming material positions exposed to fair value fluctuations. They therefore only seek to use instruments which provide greater risk control. The derivative contracts involve swap operations and options with interest and exchange rates, in order to counter the exposure to changes in US dollar exchange rate and to bring the debt cost in line with market trends.

The hedge transactions against adverse exchange variance require constant monitoring in order to preserve the efficiency of their structures. The transactions in force are subject to restructuring at any time and can be reversed or subject to additional transactions in order to reduce potential material losses.

Hedge Accounting

On July 01, 2015 the Company and its subsidiaries formally classified part of its swap transactions (hedge instruments) used to swap exchange variance and interest variance for CDI variance as hedge accounting. As of June 30, 2017 these transactions and the debts (subject to hedges) are being valued as fair value hedges. In these valuations the Company documented: (i) the hedge ratio; (ii) the risk management goal and strategy; (iii) the financial instrument's identification; (iv) the item or transaction covered; (v) the nature of the risk to be covered; (vi) the description of the coverage relation; (vii) statement of the correlation between the hedge and the hedged item; and (viii) statement of the hedge's effectiveness.

Swap contracts are designated and effective as fair value hedges in relation to the exchange variance and/or interest rate, when applicable. During the period the hedge was highly effective in the exposure of fair value to change in interest rates and as a consequence, the carrying amount of securities classified as hedge was impacted by R$ 2,527 (R$ 23,903 as of June 30, 2016) and recognized in financial income at the same time as the fair value of the interest rate swap was recognized in profit or loss.

Fair Value Option

The Company and its subsidiaries opted to formally classify new debt securities secured in the first quarter of 2017, for which the Company and its subsidiaries have derivative financial instruments to swap exchange and interest rate variance, as measured at fair value. The fair value option aims to eliminate or reduce inconsistency in the measurement or recognition of certain liabilities, which would otherwise arise. Both the swaps and the respective debts can therefore be measured at fair value and this option is irreversible, and should only be made upon initial recognition of the transaction. As of June 30, 2017 these debt and derivatives, and any other assets and liabilities measured at fair value through profit or loss have any gains or losses resulting from their remeasurement recognized in the Company's profit and loss.

During the period, the carrying amount of debts classified as fair value option was impacted by R$ 10,137 (R$ 7,712 as of June 30, 2016) and recognized in financial income at the same time the interest rate swap's fair value was recognized in profit and loss.

Uncertainty

The amounts were estimated at the reporting date based on information available in the market and appropriate appraisal techniques. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate fair value. Consequently, the estimates used and presented below do not necessarily indicate the values that could be realized in the current exchange market.

Financial risk management

The Board of Directors is generally responsible for establishing and supervising the risk management model of the Company and its subsidiaries. The Company has therefore implemented operating limits with pre-established amounts and indicators in the "Financial Risk Management policy" (reviewed every two years and available on the Company's site) and in the internal regulations of the Executive Board of the Company and its subsidiaries.

The Risk Management Committee, consisting of the Financial Board and specialist independent consultant, monitors compliance of operations with the "Financial Market Risk Management Policy" by way of the Quarterly Risk Management Report.

Furthermore, the Company and its subsidiaries' risk management aims to detect, analyze and monitor risks encountered, in order to establish limits and check compliance with them. For this, the Company and its subsidiaries have been using the services of an independent company specialized in cash and debt risk management, which means that the main macroeconomic metrics and their impact on results are monitored on a daily basis, in particular derivative transactions. This allows contracting and repositioning strategies to be devised, pursuing low risk and higher financial income.

Credit risk management

The debt index at the end of the period/year is the following:

	Consolidated	
	6/30/2017	12/31/2016
Debt (a)	7,659,734	7,661,723
Cash and cash equivalents	(726,504)	(797,200)
Net debt	6,933,230	6,864,523
Net equity (b)	3,770,948	3,681,867
Net debt index	1.84	1.86

(a) The debt is defined as short and long-term loans, financing and debentures (excluding derivatives and financial surety contracts) and debt charges, as detailed in notes 21 and 22.

(b) The shareholders' equity includes the entire capital and reserves of the Group, managed as capital.

Liquidity risk

By way of the projected cash flow, Management schedules its obligations to generate financial liabilities to the flow of receipts or sources of financing in order to ensure the greatest possible liquidity so as to honor its obligations, thereby avoiding default which hinders the operational progress of Energisa and its subsidiaries.

The contractual maturities of the main financial liabilities, including estimated interest payments and excluding the impact of currency trading agreements at the net position are as follows:

	Parent company						
	Average effective weighted interest rate (%) months	Up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
Suppliers	-	2,398	-	-	-	-	2,398
Loans and financing, debt charges and debentures	12.35%	144,044	140,780	883,258	1,014,996	241,241	2,424,319
Total		**146,442**	**140,780**	**883,258**	**1,014,996**	**241,241**	**2,426,717**

Consolidated							
	Average effective weighted interest rate (%) months	Up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
Suppliers	-	1,225,671	-	-	-	151,386	1,377,057
Loans and financing, debt charges and debentures	11.41%	-	-	-	-	32,626	32,626
Total		**1,225,671**	**-**	**-**	**-**	**184,012**	**1,409,683**

Credit risk

Management believes the risks posed by its cash and cash equivalents, short-term investments and derivative financial instruments are minimal, as there is no concentration and transactions are conducted with banks which assess risk in accordance with the "Financial Risk Management policy". The Board of Directors' Audit Committee was convened in the first quarter of 2010 to oversee the group's management, according to the rules and principles established in the policy.

The credit risk, especially that of Energisa Group's distribution companies, is posed by accounts receivable, which is, however, mitigated by sales to a broad consumer base and legal prerogatives which allow the provision of services to defaulting clients to be suspended.

Part of the receivables referring to sales, energy acquisition and system service charges, incurred at CCEE, are also subject to change depending on the outcome of legal proceedings in progress, filed by a number of companies in the sector. These proceedings have resulted from the interpretation of market rules in force between June 2001 and February 2002, during which the Emergency Electricity Rationing Program was in force.

Exposure to credit risks

The book value of the financial assets denotes the maximum credit exposure. The maximum exposure to the credit risk at the reporting date is as follows:

	Note	Parent company		Consolidated	
		6/30/2017	12/31/2016	6/30/2017	12/31/2016
Cash and cash equivalents	6	122,669	41,878	726,504	797,200
Money market and secured funds	6	677,129	797,525	1,797,639	1,903,756
Clients, consumers and concessionaires	7	27,326	5,989	2,377,388	2,224,314
Credit receivables	8	-	-	31,176	27,965
Financial sector assets	12	-	-	536,573	690,901
Accounts receivable from the concession	16	-	-	3,570,002	3,484,798
Derivative financial instruments	36	1,163	1,348	206,169	257,959

Interest and exchange rate risk

Part of the local-currency loans and financing presented in note 21 consist of financing from several national development agencies (Eletrobrás, Banco do Nordeste, BNDES, BDMG and FINEP) and other institutions in the capital market. The interest rate is defined by these Agents, taking into account the underlying interest rate, the risk premium compatible with the financed companies, their guarantees and the sector they are engaged in. In the event it is not possible to acquire alternatives or different market hypotheses and/or methods for their estimates, in view of the subsidiaries' business and sector specifics, these are measured by the amortized cost method at the contractual rates.

The Company's earnings are is susceptible to variations due to the volatility of the exchange rate on the sale of options underlying swaps of liabilities denominated in foreign currencies, mainly the US dollar. The US dollar exchange rate closed the period ended June 30, 2017 down by 2.8% over December 31, 2016, quoted at R$ 3.1684 / USD. The volatility of the US dollar as of June 30, 2017 was 12.53%, compared with 14.40% as of December 31, 2016.

R$ 2,100,279 (R$ 2,067,183 as of December 31, 2016) of the Company's consolidated bank debts and issuances of R$ 7,677,731 (R$ 7,679,742 as of December 31, 2016) as of June 30, 2017 is denominated in US dollars, as per note 21. The operations subject to hedging and the respective financial instruments used are detailed below.

The USD loans have a short- and long-term maturity (last maturity in April 2020) and maximum costs of USD plus 5.43% per annum plus exchange variance.

The statement of financial position as of June 30, 2017 presents R$ 1,163 (R$ 1,348 as of December 31, 2016) in current assets and R$ 0 in non-current assets and R$ 12,665 (R$ 27,637 as of December 31, 2016) in current liabilities and R$ 4,907 (R$ 10,624 as of December 31, 2016) in the non-current liabilities at the parent company, R$ 138,737 (R$ 116,961 as of December 31, 2016) in the current assets, R$ 67,432 (R$ 140,998 as of December 31, 2016) in the non-current assets and R$ 121,319 (R$ 139,935 as of December 31, 2016) in current liabilities and R$ 355,698 (R$ 368,826 as of December 31, 2016) in consolidated non-current liabilities referring to the mark-to-market of the derivative financial instruments related to the foreign exchange rate and interest, resulting from a combination of factors usually adopted for the mark-to-market of these instruments, such as volatility, currency coupon, interest rates and the US dollar exchange rate. This is not a material liability, because the reversal value of derivatives at the calculation date is estimated, which does not correspond to the hedge objective. In the period Energisa recognized directly in its shareholders' equity R$ 1,509 (R$ 10,075 as of December 31, 2016) consisting of its interest in the effects reflected in the subsidiaries' equity.

The Company and its subsidiaries have hedged 100% of the dollar-indexed liabilities against adverse exchange variance, thereby hedging the principal and interest through maturity. These hedges are split into the following instruments:

Transaction	Notional (USD)	Financial Cost (% p.a.)		Maturity	Description
		Receivable Position	Payable Position		
ENERGISA S/A					
Resolution 4131 - Citibank	75,000	VC + (Libor + 1.64%) x 117.65%	108% CDI	4/27/2018	Fair Value Hedge
ESE					
Resolution 4131 - Itaú BBA	50,231	VC + 4.11%	108.95% CDI	4/17/2018	Fair Value Hedge
Resolution 4131 - Citibank	50,000	VC + (Libor + 1.91%) x 117.65%	103.50% CDI	4/19/2018	Fair Value Hedge
Resolution 4131 - Citibank	22,314	VC + (Libor + 1.77%) x 117.65%	CDI + 1.85%	5/28/2019	Fair Value Hedge
Resolution 4131 - Itaú BBA	6,444	VC + 5.33%	CDI + 3.65%	4/4/2018	Fair Value Option
Resolution 4131 - Citibank	11,400	VC + (Libor + 2.16%) x 117.65%	CDI + 2.50%	4/26/2019	Fair Value Option
Resolution 4131 - Bank of America ML	12,500	VC+ (Libor+1.75%) x117.65%	CDI + 1.95%	12/21/2018	Fair Value Option
EPB					
Resolution 4131 - Itaú BBA	60,277	VC + 4.11%	108.95% CDI	4/17/2018	Fair Value Hedge
Resolution 4131 - Citibank	40,000	VC + (Libor + 1.8987%) x 117.65%	101.00% CDI	9/21/2017	Fair Value Hedge
Resolution 4131 - Citibank	5,500	VC + (Libor + 1.88%) x 117.65%	CDI + 1.80%	2/27/2019	Fair Value Hedge
Resolution 4131 - Citibank	20,720	VC + (Libor + 1.77%) x 117.65%	CDI + 1.85%	5/28/2019	Fair Value Hedge
Resolution 4131 - Citibank	2,900	VC + (Libor + 2.16%) x 117.65%	CDI + 2.50%	4/26/2019	Fair Value Option
Resolution 4131 - Bank of America ML	21,374	VC + (Libor + 2.25%) x 117.65%	CDI + 1.98%	9/20/2019	Fair Value Option
Resolution 4131 - Bank of America ML	10,000	VC + (Libor + 2.25%) x 117.65%	116.75% CDI	5/21/2019	Fair Value Option
Resolution 4131 - Itaú BBA	25,480	VC + 4.47%	119.03% CDI	6/23/2020	Fair Value Option
EMG					
Resolution 4131 - Citibank	16,450	VC + (Libor + 1.36%) x 117.65%	113.90% CDI	9/28/2017	Fair Value Hedge
Resolution 4131 - Citibank	14,345	VC + (Libor + 1.77%) x 117.65%	CDI + 1.85%	5/28/2019	Fair Value Hedge
Resolution 4131 - ABC	12,903	VC + 7.79%	CDI + 3.95%	9/8/2017	Fair Value Option
Resolution 4131 - Citibank	17,200	VC + (Libor + 2.16%) x 117.65%	CDI + 2.50%	4/26/2019	Fair Value Option
Resolution 4131 - Itaú BBA	9,091	VC + 5.71%	CDI + 3.35%	7/2/2018	Fair Value Option
Resolution 4131 - Itaú BBA	8,993	VC + 4.47%	119.03% CDI	6/23/2020	Fair Value Option
ENF					
Resolution 4131 - Citibank	8,250	VC + (Libor + 1.36%) x 117.65%	113.90% CDI	9/28/2017	Fair Value Hedge
Resolution 4131 - Itaú BBA	7,663	VC + 5.05%	CDI + 2.95%	2/26/2018	Fair Value Option
EMT					
Resolution 4131 - Bank of America ML	28,235	VC + (Libor + 1.60%) x 117.65%	CDI + 1.70%	6/15/2020	Fair Value Hedge
Resolution 4131 - Citibank	14,351	VC + (Libor + 1.70%) x 117.65%	CDI + 1.53%	6/21/2017	Fair Value Hedge
Resolution 4131 - Citibank	14,351	VC + (Libor + 1.80%)	CDI + 1.53%	6/21/2017	Fair Value Hedge
EMS					
Resolution 4131 - Citibank	14,429	VC + (Libor + 1.70%) x 117.65%	CDI + 1.55%	5/26/2022	Fair Value Hedge
Resolution 4131 - Citibank	14,429	VC + (Libor + 1.80%)	CDI + 1.55%	5/26/2022	Fair Value Hedge
ETO					
Resolution 4131 - Itaú BBA	65,030	VC + 4.04%	CDI + 2.72%	4/13/2020	Fair Value Hedge
Resolution 4131 - Citibank	11,196	VC + (Libor + 1.70%) x 117.65%	CDI + 1.56%	5/16/2022	Fair Value Hedge
Resolution 4131 - Citibank	11,196	VC + (Libor + 1.80%)	CDI + 1.56%	5/16/2022	Fair Value Hedge
EBO					
Resolution 4131 - Itaú BBA	6,061	VC + 5.71%	CDI + 3.35%	7/2/2018	Fair Value Option
ECOM					
Resolution 4131 - Itaú BBA	9,953	VC + 5.71%	CDI + 3.55%	7/5/2018	Fair Value Option
ENERGISA SUL SUDESTE					
Resolution 4131 - Itaú BBA	25,893	VC + 4.00%	CDI + 2.25%	11/28/2017	Fair Value Hedge
Resolution 4131 - Itaú BBA	3,984	VC + 4.00%	CDI + 2.25%	11/28/2017	Fair Value Hedge
Resolution 4131 - ABC Brasil	12,987	VC + 7.02%	CDI + 3.55%	8/31/2017	Fair Value Option
Resolution 4131 - Itaú BBA	7,663	VC + 5.05%	CDI + 2.95%	2/26/2018	Fair Value Option
Resolution 4131 - BBM	6,309	V.C. + 3.68%	CDI + 1.65%	4/30/2018	Fair Value Option
Resolution 4131 - Citibank	6,857	VC + (Libor + 1.70%) x 117.65%	CDI + 1.53%	6/21/2022	Fair Value Option
Resolution 4131 - Citibank	6,857	VC + (Libor + 1.80%)	CDI + 1.53%	6/21/2022	Fair Value Option

The Company also has swaps (fixed rates, CDI, TJLP, among others) for the notional value of its local currency debt (Reais). See below the interest swaps:

Transaction	Notional (BRL)	Financial Cost (% p.a.)		Maturity	Description
		Receivable Position	Payable Position		
Parent company					
Santander X ESA	128,570	CDI + 1.30%	CDI + (TJLP-5.50%)	7/17/2017	Not applicable
HSBC X ESA	128,570	100.00% CDI	Fixed 8.8% + (TJLP-5.5%)	7/17/2017	Not applicable
Santander X ESA	271,430	IPCA + 6.15%	IPCA + 5.85% + (TJLP-5.50%)	7/15/2019	Not applicable
HSBC X ESA	141,600	100.00% CDI	96.00% CDI + (TJLP-5.50%)	4/27/2018	Not applicable
HSBC X ESA	175,000	Fixed 9.63%	102.65% CDI	6/15/2020	Not applicable

The Company and its subsidiaries' management monitor changes in the market, so that these hedge transactions may be restructured and their terms even extended depending on the performance of the exchange rate (R$/USD), in terms of volatility and stabilization level. The Company and its subsidiaries proceeded to replace complex derivatives with simpler structures with greater liquidity, with a view to lower risk exposure.

In accordance with CPC 40, the values of the Company and its subsidiaries' derivative financial instruments, which were not recorded as fair value hedge, as of June 30, 2017 are presented below:

Derivatives	Reference value		Description	Fair value	
	6/30/2017	12/31/2016		6/30/2017	12/31/2016
Interest swaps	557,915	716,600	**Receivable Position**		
			Fixed interest rate, CDI and IPCA	762,778	787,233
			Liability Position		
			CDI interest rate + TJLP and IPCA	(771,396)	(804,352)

Fair Value Option	Reference value		Description	Fair value	
	6/30/2017	12/31/2016		6/30/2017	12/31/2016
Debt designated to Fair Value Option	1,042,602	534,602	Foreign Currency - USD and LIBOR	(1,072,587)	(522,906)
Forex Swap (Derivative)	1,042,602	534,602	Receivable Position		
			Foreign Currency - USD and LIBOR	1,072,587	522,906
			Liability Position		
			CDI Interest Rate	(1,132,599)	(596,119)
			Net swap position	(60,012)	(73,213)
			Net debt position + Swap	(1,132,599)	(596,119)

The Company and its subsidiaries classify certain hedge instruments related to exchange variance risk and interest rate risk posed by loans as fair value hedge, as shown below:

Fair Value Hedge	Reference value		Description	Fair value	
	6/30/2017	12/31/2016		6/30/2017	12/31/2016
Debt (Hedge Object)*	867,638	1,357,436	Foreign Currency - USD and LIBOR	(1,029,542)	(1,511,156)
Forex Swap (Hedge Instrument)	867,638	1,357,436	**Receivable Position**		
			Foreign Currency - USD and LIBOR	1,038,049	1,524,988
			Liability Position		
			CDI Interest Rate	(890,722)	(1,337,529)
			Net swap position	147,327	187,459
			Net debt position + Swap	(882,215)	(1,323,697)

(*) Loans formally classified as Fair Value Hedges are recognized at fair value in proportion to the effective portion relating to the risk being hedged.

The subsidiaries calculated the Fair Value of the derivatives as of June 30, 2017 based on the market price quotes for similar contracts. Their variance is directly associated with the variance of the debt balances listed in the note 21 and 22 and the positive performance of the hedge mechanisms used, as described above. The Company and its subsidiaries do not intend to settle these contracts before maturity. They also have different

expectations for the results presented as Fair Value – as shown below. To ensure perfect management, daily monitoring is conducted in order to keep risk to a minimum and obtain better financial results.

The mark-to-market (MtM) of the Company and its subsidiaries' operations was calculated by an accepted method generally used by the market. The method basically consists of calculating the future value of the operations agreed in each contract, discounting the present value at market rates. A variant of the Black & Scholes formula is used to calculate the MtM of options. This formula is normally used to calculate the premium on currency options. The data used in these calculations was obtained from reliable sources. The market rates, such as the fixed rate and dollar coupon, were obtained directly from the BM&F site (Market Rates for Swaps). The Ptax exchange rate was obtained from the Central Bank's site. The implicit dollar volatility for options were obtained from BMF.

Sensitivity analysis

Pursuant to CPC 40, the Company and its subsidiaries conducted sensitivity analyses on the main risks to which the financial instruments and derivatives are exposed, as shown:

Exchange variance

If the exchange exposure as of June 30, 2017 were maintained, and the effects on the future financial information simulated by type of financial instrument and for three different scenarios, the following results would be obtained (restated as for the reporting date):

Transaction	Exposure	Risk	Scenario I (Probable)(*)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Foreign-Currency Debt - USD and LIBOR	(2,110,636)		(1,970,070)	(2,463,687)	(2,958,032)
Change in Debt	-		140,566	(353,051)	(847,396)
Forex Swap					
Receivable Position Derivative Financial Instruments - USD and LIBOR	2,110,636		1,970,070	2,463,687	2,958,032
Variance – USD and LIBOR	-		(140,566)	353,051	847,396
Liability Position Derivative Financial Instruments - CDI Interest Rate	(2,023,321)		(2,023,321)	(2,023,321)	(2,023,321)
Subtotal	87,315		(53,251)	440,366	934,711
Net Total	**(2,023,321)**		**(2,023,321)**	**(2,023,321)**	**(2,023,321)**

(*) The probable scenario is calculated based on the expected future dollar rate in the last Focus bulletin disclosed for the calculation date. The deterioration scenarios of 25% and 50% are calculated based on the probable scenario curve. In these scenarios the dollar curve is impacted, the CDA curve holds steady and the exchange coupon curve is recalculated. This is done to ensure the parity between the spot dollar, CDI, currency coupon and future dollar is always valid.

The derivatives in the "Probable Scenario" calculated based on the net analysis of the above operations until the maturity thereof, adjusted to present value by the fixed rate in Brazilian reais as of June 30, 2017, which is reflected in the negative present value of R$ 2,023,321, that shows how the adverse exchange variance in existing debts was mitigated. The greater the deterioration of the exchange rate (risk variable considered), the greater the positive results of the swaps. However, there would be negative present value of R$ 2,023,321 in the scenarios where the Brazilian real lost 25% and 50% against the US dollar, a scenario in which some of the current caps would be exceeded.

Interest rate variance

If the interest exposure as of June 30, 2017 were maintained, and the effects on the future interim financial statements simulated by type of financial instrument and for three different scenarios, the following results would be obtained (restated as for the reporting date):

Transaction	Exposure	Risk	Scenario I (Probable)(*)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Local Currency Debt - Interest Rate	(135,528)	CDI decrease	(135,528)	(135,528)	(135,528)
Interest swaps					
Receivable Position Derivative Financial Instruments - CDI	135,528		135,528	135,528	135,528
Liability Position Derivative Financial Instruments -CDI + TJLP	(135,681)		(135,681)	(135,749)	(135,819)
Variance - CDI + TJLP	-		-	(68)	(138)
Subtotal	(153)		(153)	(221)	(291)
Net Total	**(135,681)**		**(135,681)**	**(135,749)**	**(135,819)**

Transaction	Exposure	Risk	Scenario I (Probable)(*)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Local Currency Debt - Interest Rate	(450,923)	Increase in TJLP	(450,923)	(450,923)	(450,923)
Interest swaps					
Receivable Position Derivative Financial Instruments - IPCA/CDI	450,923		450,923	450,923	450,923
Liability Position Derivative Financial Instruments - TJLP	(459,283)		(459,283)	(466,532)	(473,773)
Variance - CDI + TJLP	-		-	(7,249)	(14,490)
Subtotal	(8,360)		(8,360)	(15,609)	(22,850)
Net Total	**(459,283)**		**(459,283)**	**(466,532)**	**(473,773)**

Transaction	Exposure	Risk	Scenario I (Probable)(*)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Local Currency Debt - Interest Rate	(176,327)	Increase in CDI	(176,327)	(176,327)	(176,327)
Interest swaps					
Receivable Position Derivative Financial Instruments - Fixed	176,327		176,327	169,877	163,848
Change - Interest rates	-		-	(6,450)	(12,479)
Liability Position Derivative Financial Instruments - CDI	(176,432)		(176,432)	(176,588)	(176,735)
Variance - CDI + TJLP	-		-	(156)	(303)
Subtotal	(105)		(105)	(6,711)	(12,887)
Net Total	**(176,432)**		**(176,432)**	**(183,038)**	**(189,214)**

Considering the exposure of financial instruments indexed to interest rates as of June 30, 2017 is maintained and the respective accumulated annual indexes are (CDI = 14.00%, LTIR = 7.50% and FNE = 8.0%) and if the indexes vary in accordance with the three scenarios defined, the net financial result would be affected by:

Instruments	Exposure (R$ thousand)	Risk	Scenario I (Probable)(1)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Receivable financial instruments:					
Money market and secured funds	2,410,142	High in CDI	223,179	278,974	334,769
Payable financial instruments:					
Swap	(2,023,321)	High in CDI	(187,360)	(234,199)	(281,039)
	(1,714,490)	High in CDI	(158,762)	(198,452)	(238,143)
	(612,574)	High in TJLP	(42,880)	(53,600)	(64,320)
Loans, financings, and debentures	(1,527,750)	High in IPCA	(18,027)	(22,534)	(27,041)
	(534,563)	High in SELIC	(49,501)	(61,876)	(74,251)
	(645,188)	High TR	(12,968)	(16,210)	(19,452)
Subtotal (2)	(7,057,886)		(469,498)	(586,871)	(704,246)
Total -losses (2)	**(4,647,744)**	-	**(246,319)**	**(307,897)**	**(369,477)**

(1) Considers the CDI rate at June 30, 2018 (9.26% per annum), quote of the estimates presented by the recent BACEN survey, dated June 30, 2017, TJLP 7.00% per annum, Selic of 9.26% per annum, TR of 2.01% per annum and IPCA of 1.18%.

(2) Does not include fixed-interest transactions worth R$ 619,845.

Liquidity risk management

The liquidity risk denotes the risk of the Company struggling to honor its obligations posed by financial liabilities. The Company monitors the liquidity risk by maintaining investments readily convertible to meet obligations and commitments, in addition to foreseeing its future cash requirements.

35. Employee benefits

Retirement and Pension Plans

The subsidiaries sponsor defined-contribution retirement plans and defined-benefit retirement plans for their employees. The plans are no longer accepting new participants and current participants have the status of assisted participants. The defined-benefit plan undergoes an actuarial assessment at the end of each period, in order to ascertain whether the contribution rates are sufficient to establish the reserves required to meet the current and future payment commitments.

In the period ended June 30, 2017 the expense incurred on sponsoring these plans stood at R$ 23,013 (R$ 29,480 as of June 30, 2016).

Retirement bonus

The Company and its subsidiaries Energisa MG, Energisa NF, Energisa Soluções S/A, Energisa Soluções Construções e Serviços em Linhas e Redes S/A and Energisa Comercializadora S/A are parties to a collective agreement under which employees are entitled to a retirement bonus paid upon application for retirement at the National Social Security Institute (INSS).

The retirement bonus ranges from 1.5 to 15 times the employee's salary, depending on seniority (at least 6 months, but limited to 25 years) upon applying for retirement.

The participants of the CD Plan who at the requested retirement date present amounts deposited by the sponsor in their individual counts in excess of 15 base salaries, are not entitled to the premium.

As of June 30, 2017 the expense on maintaining this plan amounted to R$ 299 (R$ 148 as of June 30, 2016) at the parent company and R$ 1,362 (R$ 604 as of June 30, 2016) in the consolidated statement.

Health care plan

The subsidiaries sponsor their employees' health insurance plans, which are managed by operators regulated by the National Health Agency (ANS). Upon termination of employment or retirement, employees may retain their health insurance plans provided they assume all the costs; the subsidiaries have no post-employment ties with or obligations to employees.

The Company and its subsidiaries Energia MG and Energisa Soluções have their own refund policies, under which employees are entitled to a reimbursement of 60% of their medical expenses. This benefit ceases immediately upon termination or retirement.

As of June 30, 2017 the expenses on this benefit amounted to R$ 845 (R$ 442 as of June 30, 2016) at the parent company and R$ 30,315 (R$ 27,517 as of June 30, 2016) in the consolidated statement.

36. Commitments - consolidated

The subsidiaries have the following commitments under long-term energy sale contracts:

	Energy sale contract - reais thousand						
	Effective date	2017	2018	2019	2020	2021	2021 onwards
Energisa Comercializadora de Energia Ltda	2017 to 2027	414,275	625,654	511,521	286,554	92,130	94,313

The subsidiaries have the following commitments under long-term energy acquisition contracts:

	Energy purchase contract - reais thousand (*)						
	Effective date	2017	2018	2019	2020	2021	2021 onwards
Energisa Nova Friburgo Distribuidora Energia S/A	2017 to 2026	39,788	78,850	80,953	83,342	85,749	568,670
Energisa Minas Gerais Distribuidora Energia S/A	2017 to 2048	110,045	224,383	236,224	227,345	227,661	3,923,725
Energisa Paraíba Distribuidora Energia S/A	2017 to 2048	311,701	611,538	624,806	571,815	597,596	9,467,048
Energisa Sergipe Distribuidora Energia S/A	2017 to 2048	240,093	477,433	460,710	398,666	410,848	7,239,845
Energisa Borborema Distribuidora Energia S/A	2017 to 2048	48,798	108,404	108,281	96,988	97,470	1,445,911
Energisa Mato Grosso Distribuidora Energia S/A	2017 to 2048	636,050	1,401,544	1,543,002	1,536,965	1,549,289	18,353,239
Energisa Tocantins Distribuidora Energia S/A	2017 to 2048	216,866	450,627	460,890	336,422	366,598	6,911,365
Energisa Mato Grosso do Sul Distribuidora S/A	2017 to 2048	323,124	680,754	682,826	697,338	728,149	12,997,201
Energisa Sul - Sudeste Distribuidora Energia S/A	2017 to 2026	264,290	484,892	476,207	425,308	441,012	8,115,161
Energisa Comercializadora de Energia Ltda.	2017 to 2027	404,659	620,352	488,122	261,929	88,033	82,469
		2,595,414	**5,138,777**	**5,162,021**	**4,636,118**	**4,592,405**	**69,104,634**

*This does not include the Proinfa and Itaipu quotas.

The amounts referring to energy acquisition contracts lasting between 8 and 30 years represent the volume contracted at the average current price at the end of June 2017, which have been ratified by ANEEL.

The subsidiaries EMG, ENF, EPB, EBO, ESE, EMT, ETO, EMS, CAIUA, CFLO, EDEVP, EEB and CNEE analyzed the contracted energy commitments exceeding the limit of 5% overpurchasing, which might not be included in the rate pass-through as they are considered voluntary. Management adjusted the results according to the projected demand and estimated market prices, and did not consider them significant to its operations.

37. Additional information to the cash flows

As of June 30, 2017 and December 31, 2016 the equity changes that did not affect the Company's consolidated cash flows relating to the business combination are as follows:

	6/30/2017	12/31/2016
Other noncash transactions		
Concession accounts receivable - Segregation of Assets	328,257	527,173
Concession accounts receivable - Compensable financial assets of the concession	21,452	125,095
Operating activities		
Payment of suppliers	96,483	91,779
Inventory - transfer to intangible assets	-	2,728
Acquisition of grids - transfer to special obligations	53,760	49,464
Investment activities		
Credit acquisition of intangible assets	96,483	91,779
Special obligations - transfer for acquisition of grids	53,760	49,464
Intangible assets - transfer to inventory	-	2,728
Sale of aircraft		
Operating activities		
Other Accounts Receivable	11,630	-
Restricted deposits and escrows	9,661	-
Recoverable taxes	5,620	-
Taxes and social contributions	3,593	-
Investment activities		
Intangible assets	1,718	-
Financing activities		
Leases	32,222	-

38. Subsequent events

- ANEEL authorizes unification of the Sul e Sudeste companies

On July 3, 2017 Energisa Group merged the processes and operations of five distribution companies comprising Energisa South-Southeast into a single company. Under the merger, Energisa Caiuá, Energisa Bragantina, Energisa Vale Parapanema, Energisa Nacional and Energisa Força e Luz do Oeste will now be called Energisa Sul-Sudeste (ESS). After the merger, ESS will serve 739 thousand clients in an area covering more than 30 thousand km², in 82 municipalities. The company will continue with a headcount of 1.4 thousand, unchanged on the number of employees currently working at the five distribution companies.

Approved on April 25, 2017 by ANEEL and complying with the rules set out in decree 8461/15, the merger aims to obtain synergies in the processes to further enhance the services provided to consumers by integrating the Group's systems. The migration means ESS will start using the same platform, already in place at the Group, thereby furthering the standardization of the companies' systems, with benefits mainly in the logistics, supplies and financial areas.

The former names of the distribution companies will change internally on July 03, which will now be named as follows:

- EBR – will be called Regional Leste;
- ECI – will be called Regional Oeste;
- EVP – will be called Regional Centro;
- ELO – will be called Regional Sul;
- ENA – will be called Regional Norte;

In practice, consumers will face three main changes: electricity bills will come in a new layout facilitating the reading of data and improving information transparency; the Consumer Units (UC) identification will now include an initial letter and final number. There will be no changes to the physical structures and the head offices of each of the current companies will continue operating as per normal from their existing locations.

A single date will be established for the rate adjustments of the new grouped concession area. As a result of the merger of these distribution companies, the adjustment of the concessions has been postponed to July 12. The decree also establishes a single date for the rate adjustments of the new grouped concession area.

The Company is evaluating the fiscal accounting impacts of the mergers and does not expect material effects on assets and earnings.

- Raising of R$ 374,946 in public debentures offering

On July 19, 2017 Energisa completed the financial settlement of the public distribution offering of 374,946 of its 8th issuance, including additional and supplementary debentures, all of which are registered, book-entered, simple, nonconvertible ordinary debentures with an additional guarantee in two series, amounting to R$ 374,946, as follows:

8th Debentures Issuance						
Description	Issuance Date	No. Securities Issued	Amount Unit	Amount Total (R$ thousand)	Yield	Maturity
First Series	6/15/2017	197,598	R$ 1,000.00	R$ 197,598	IPCA + 5.6000%	6/15/2022
Second Series	6/15/2017	177,348	R$ 1,000.00	R$ 177,348	IPCA + 5.6601%	6/15/2024

For this issuance the company secured a financial derivative with a view to swapping the entire compensation for approximately 102% of the CDI rate (Interbank Deposit Certificate).

The total net funds secured by the Company through this issuance will be used for the future payment and/or reimbursement of expenses that have occurred in a term equal to or less than 24 (twenty-four) months before the end of the Offering, and which are related to the project entailing investments in distribution lines (SDAT) and substations (SED) already made or to be made by the subsidiary distribution companies of the projects.

- Rate flags
Aneel decided to trigger the Yellow Flag Teir 1 for August 2017, after analyzing the hydrological situation in Brazil.

With this flag in force, an extra R$ 3.00 will be charged for each 100 kWh consumed.

- Loans obtained

1. Receipt of BNDES subcredit tranches - by the subsidiaries:
   On July 25, 26 and 28, 2017 tranches were released of the subcredits in the loans and financing contract with BNDES Participações S.A - BNDESPAR, Banco Itaú, Citibank and Bradesco, referring to tranche 1 of the Investment Agreement program for the subsidiaries, as follows:

Subsidiaries	Amount
ESS	1,430
EMT	43,280
EMS	24,400
ENF	463
Total	**69,573**

2. Receipt of loans by the subsidiary – Energisa Soluções Construções.
   Finame loans were released at Banco Itaú in the amount of R$ 815, on July 19, 2017.

3. On July 19, 2017 the Company secured local currency debentures of R$ 197,598 under the 8th issuance, series 1, maturing on 6/15/2022 and yielding the IPCA price index plus 5.60% per annum, and R$ 177,348 under the 8th issuance, series 2, maturing on 6/15/2024 and yielding the IPCA price index plus 5.6601% per annum.

4. On July 19, 2017 the indirect subsidiaries secured local currency debentures maturing on 6/15/2022 and yielding the IPCA price index plus 5.60% per annum for Series 1 and maturing on 6/15/2024 and yielding the IPCA price index plus 5.6601% per annum for Series 2, as follows:

Subsidiaries	Amount
ESE	17,709
EMG	15,924
EMT	155,379
EPB	28,791
ESS	81,676
ETO	75,467
Total	**374,946**

- Advance of dividends for fiscal year 2017 - Parent company

On August 09 the Energisa S/A Board of Directors approved the payment of interim dividends from the earnings for FY 2017 amounting to R$ 96,870 (R$ 0.28 per Unit or R$ 0.056 per common and preferred share). These dividends shall be paid from September 1, 2017 and Company shareholders with holdings on or before 8/14/2017 were entitled to the dividends, including shares bought on the stock exchange on or before that date.

- Dividend Distribution - Subsidiaries

The Board of Directors' meeting held on August 9, 2017 approved the distribution of interim dividends based on the statement of financial position of the subsidiaries as of June 30, 2017, as follows:

Subsidiaries	Dividend amount	Amount per share	Payment date
Energisa Borborema	12,422	42.40715409	from September 2017
Energisa Sergipe	29,287	149.7975653	from September 2017
Energisa Mato Grosso do Sul	30,921	47.78970971	from September 2017
Energisa Tocantins	28,310	43.44607765	from September 2017
Energisa Minas Gerais	12,767	15.59592582	from September 2017
Energisa Paraíba	69,180	75.34621144	from September 2017

- Distribution of dividends – Energisa Tocantins

The Company's Board of Directors' meeting held on July 26, 2017 approved: (i) distribution of dividends from prior years profit reserves in the amounts of R$ 67,861, approved at the Extraordinary General Meeting held April 28, 2017, to be paid from July 27, 2017 onwards; (ii) as borrower, the performance of a loan with the direct parent company Rede Energia S.A., of R$ 52,030, for the term of 04 (four) years, as approved by the Agência Nacional de Energia Elétrica ("ANEEL") in order 1637, issued on June 9, 2017; and (iii) pursuant to the Reluz Contract and respective legislation, the allocation of the dividends to which the shareholder Tocantins state is entitled of R$ 15,831, to be deducted from part of the debt recorded as accounts receivable by the Company against Tocantins state referring to the Reluz program.

- New company name

The Extraordinary General Meeting (EGM) held on July 21, 2017 ratified the change to the company's name from Rede Energia S.A to Rede Energia Participações S.A

A free translation from the original in Portuguese into English of the Independent Auditor's Review Report on Individual and consolidated Quarterly Financial Information prepared in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS).

Independent Auditors' Report on the Review of Quarterly Information

To
Shareholders, Directors and Officers of
Energisa S.A.
Cataguases - MG

Introduction

We have reviewed the individual and consolidated interim financial statements of Energisa S.A. ("Company"), contained in the Quarterly Information Form - ITR for the quarter ended June 30, 2017, comprising the statement of financial position as of June 30, 2017 and the related statements of income, the comprehensive income for the three and six-month periods then ended and statements of changes in shareholders' equity and cash flows for the six-month period then ended, including the notes to these financial statements.

Company Management is responsible for the preparation of the individual and consolidated interim financial statements in accordance with CPC Technical Pronouncement 21(R1) - Interim reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange *(Comissão de Valores Mobiliários - CVM)* applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on the interim financial information based on our review.

Review scope

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily to the management responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with audit standards 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 about the interim individual and consolidated financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial statements included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of quarterly information (ITR), and is presented consistently with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added for the six-month period ended June 30, 2017, prepared by Company management, the presentation of which in the interim information is required by the standards issued by the CVM - Brazilian Securities Commission applicable to the preparation of the Quarterly Information - ITR and considered as supplementary information for IFRS, under which there is no requirement to present a statement of value added. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they were not presented, in all material respects, in relation to the overall interim condensed individual and interim financial information.

Prior year and period figures

The individual and consolidated statements of financial position as of December 31, 2016 and the individual and consolidated statements of income, comprehensive income for the three and six-month periods ended June 30, 2016 and the statements of changes in shareholders' equity and value added for the six-month period ended June 30, 2016, presented for comparison purpose, were audited and reviewed by other independent auditors, who issued unmodified audit report and review report on the interim financial information, dated March 23, 2017 and August 12, 2016 respectively.

The corresponding amounts relating to the statements of income for the three and six-month periods ended June 30, 2016 and the statements of cash flows and value added for the six-month period ended June 30, 2016, presented for comparison purpose, which were adjusted and restated due to the matters described in note 3.2, were reviewed by other independent auditors, who issued an unmodified review report dated August 9, 2017.

Rio de Janeiro, August 9, 2017.

ERNST & YOUNG
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6-F-RJ

Roberto Cesar Andrade dos Santos
Accountant CRC - 1RJ 093.771/O-9