

Modeling Guide | Distribution

April 2025



Updates on document:

- April 2025: Dispatch N° 882/25 – Regulatory WACC

Distribution: Connecting Energy to the Consumer

The power distribution segment is responsible for delivering electricity to consumers (households, businesses, industries, rural areas, and others) and, in some cases, to other users directly connected to the distribution network by stepping down the voltage from the transmission system.

This segment operates as a natural monopoly, with regulated products and tariffs set by ANEEL under the price cap¹ system. Most distribution companies (DisCos) hold 30-year concession contracts and make continuous investments throughout this period.

The Equatorial Group operates seven distribution companies, which are:

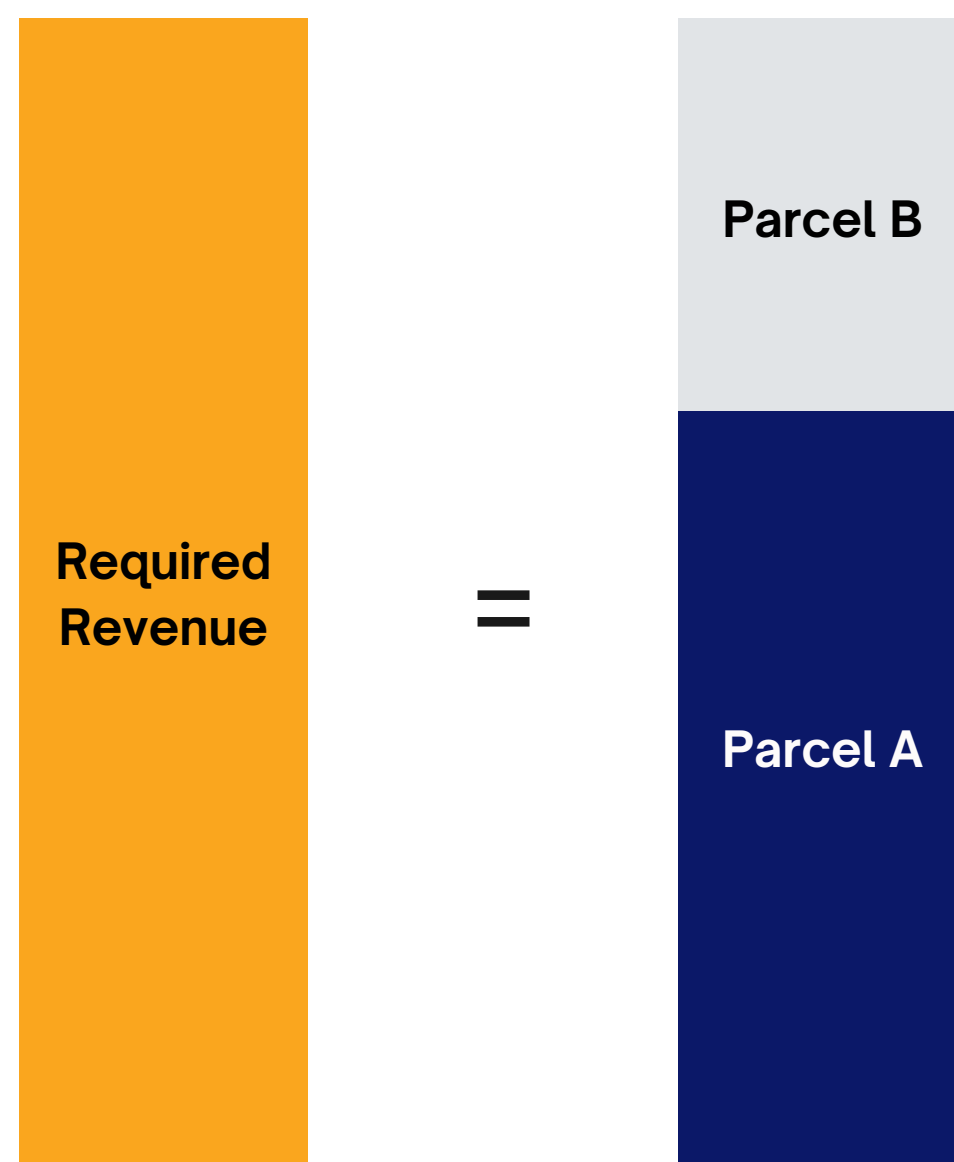
- Equatorial Maranhão
- Equatorial Pará
- Equatorial Piauí
- Equatorial Alagoas
- Companhia Estadual de Distribuição de Energia Elétrica (CEEE-D)
- Companhia de Eletricidade do Amapá (CEA)
- Equatorial Goiás



Required Revenue

(Submodule 2.1 Proret)

Composition of Parcel A Parcel B

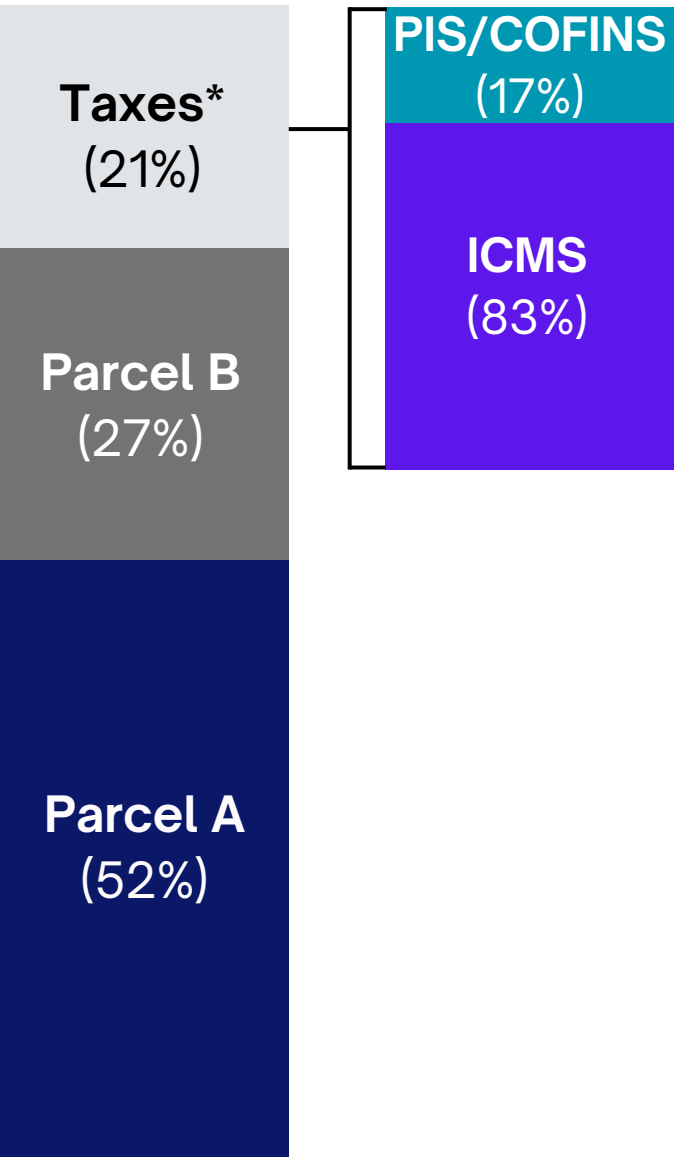


The first step to understanding the modeling of the electricity distribution sector is to grasp the concept of the full composition of the **Required Revenue²**.

- The Required Revenue is the financial amount necessary to ensure the concession's **operation for providing electricity distribution services**. It is divided into two components: Parcel A and Parcel B.
- Parcel A contains costs that are directly **passed through to consumers** (pass-through).
- Parcel B covers operational costs managed by the distribution company and the appropriate remuneration of investments.

Required Revenue and Taxes (Submodule 2.1 Proret)

Composition of Parcel A Parcel B



The electricity tariff paid by consumers includes taxes related to the distribution service, the main ones being: ICMS and PIS/COFINS, which are collected and remitted to the government.

Here it is important to emphasize that, in tariff proceedings, only amounts linked to the Required Revenue net of taxes are considered for analysis and adjustments. Taxes are not part of these calculations, as they are not under the direct control of the distribution company and are not used to remunerate or fund its operations.

Nominal Average Tax Rates**

DisCo	ICMS (%)	PIS/COFINS (%)	Total Effect on Tariff (%)
Equatorial MA	19,9	3,9	31,3
Equatorial PA	17,5	5,1	29,2
Equatorial PI	21,5	3,9	34,1
Equatorial AL	17,7	3,6	27,1
CEEE-D	17,9	4,8	29,3
Equatorial GO	16,0	4,2	25,3

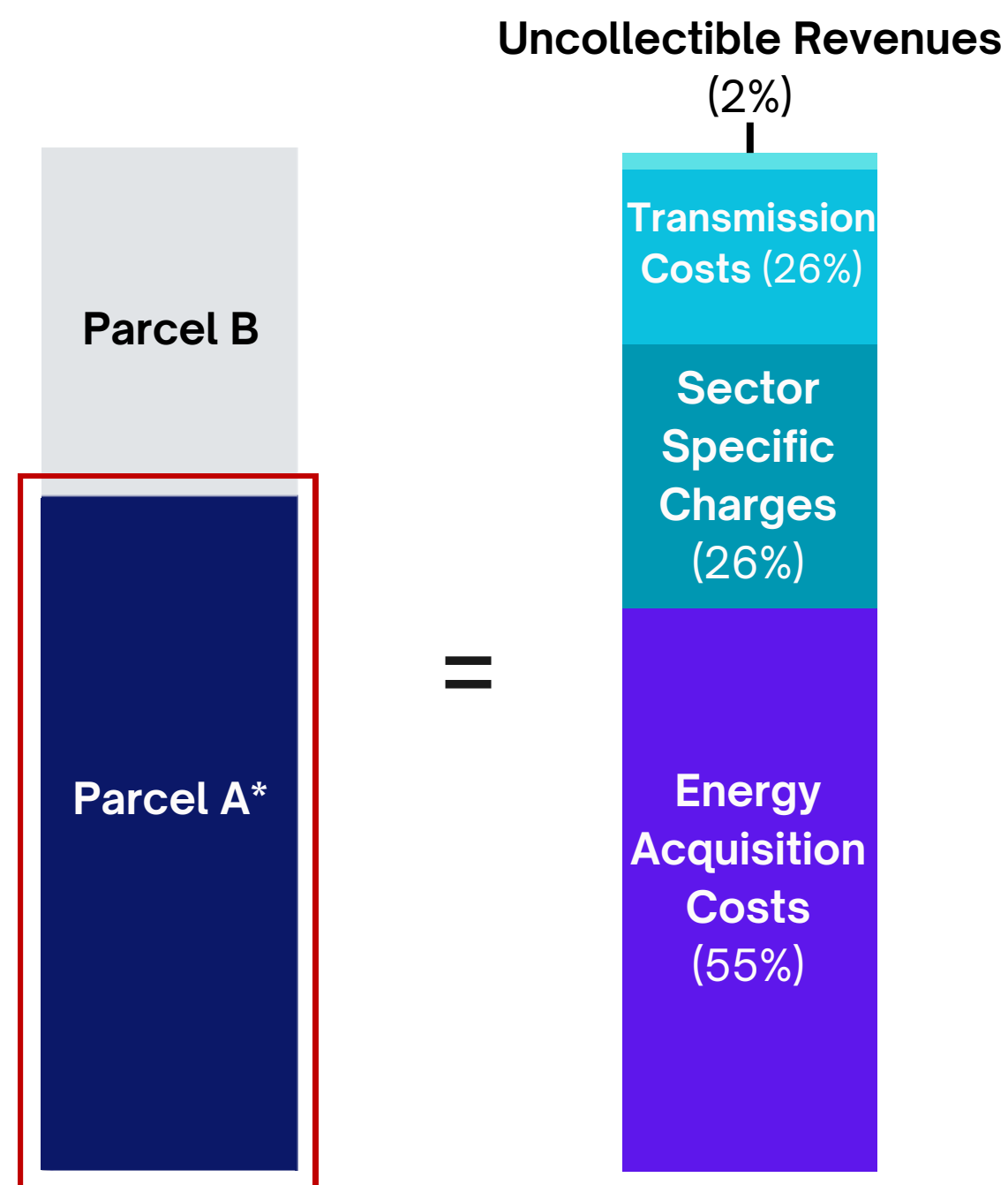
* Composition of Required Revenue including tax charges for Equatorial Alagoas, as established in Process No. 48500.005815/2023-75 (RTA, 2024)

** Values sourced from 2024 Technical Notes and SPARTAs for each company

Required Revenue

(Submodule 2.1 Proret)

Composition of Parcel A



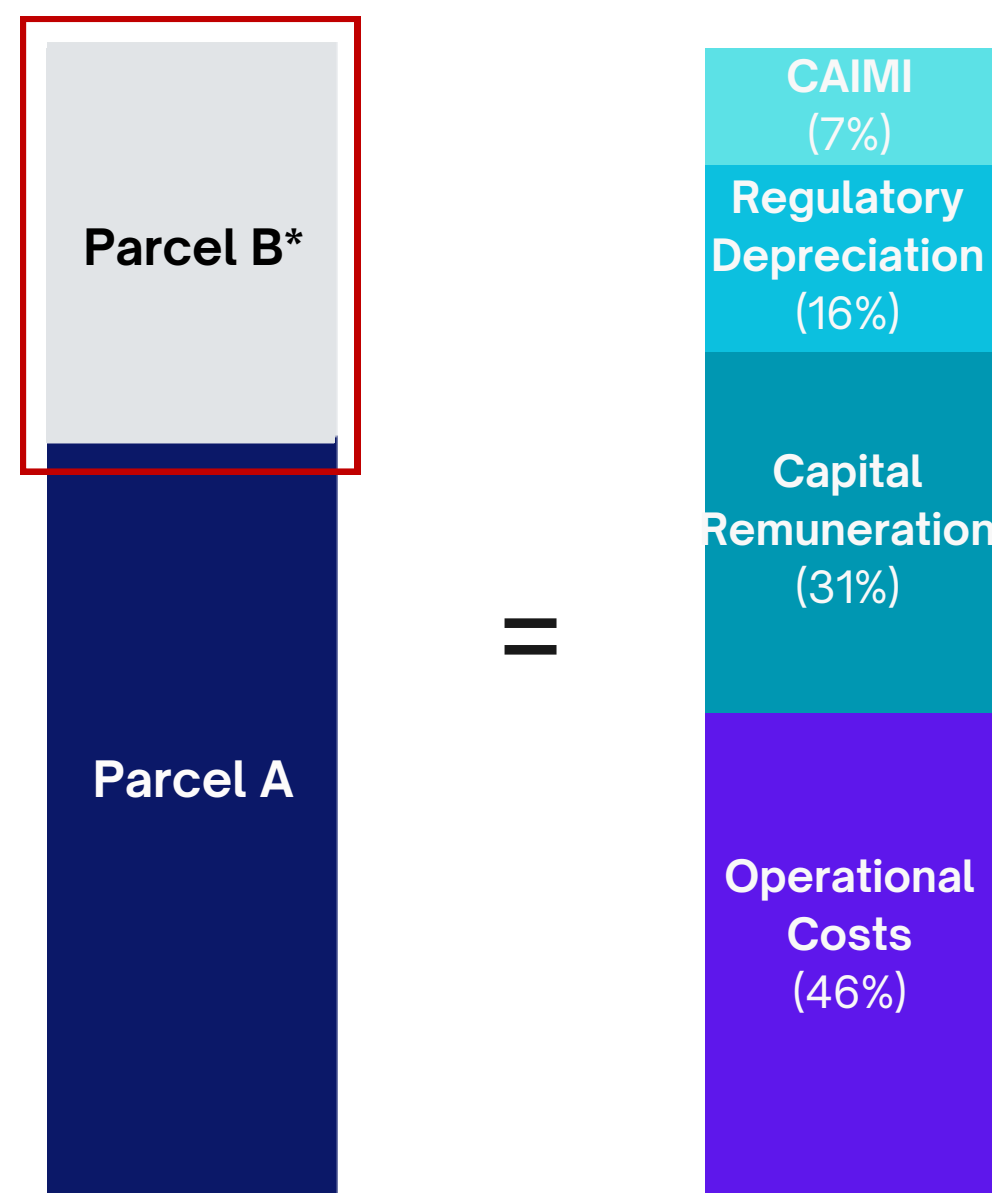
Parcel A³ is composed of costs not manageable by the distribution company, which are fully passed through to consumers, these being:

- Transmission Costs⁵
- Sector Specific Charger⁶
- Energy Acquisition Costs⁷
- Uncollectible Revenues⁴ (new contracts)

Required Revenue

(Submodule 2.1 Proret)

Composition of Parcel B



Parcel B⁸ covers operational and capital costs related to electricity distribution. Its composition ensures the coverage of costs compatible with efficient service provision.

The responsibility for Parcel B lies entirely with the DisCo, including risks from cost variations. This is also where the potential for profitability and **outperformance** by the distribution company is concentrated. Its components include:

- Operational Costs⁹
- Capital Remuneration¹⁰
- Regulatory Depreciation (Regulatory Reinstatement Quota, QRR)¹¹
- Annual Cost of Mobile and Immobile Installations (CAIMI)¹²
- Uncollectible Revenues⁴ (legacy contracts)

Tariff Processes

(Submodule 8.1 Proret)

Periodic Tariff Review (RTP)

The Periodic Tariff Review (RTP) occurs every 4 or 5 years, depending on the DisCo's contract. It is conducted to reset tariffs and ensure the DisCo's financial equilibrium. During this process, adjustments are made to Parcel A and Parcel B.

RTPs every 5 years
(*new contracts*)



Equatorial Piauí



Equatorial Alagoas



CEEE-D



CEA



Equatorial Goiás

RTPs every 4 years
(*legacy contracts*)



Equatorial Maranhão



Equatorial Pará

GRUPO
equatorial



Tariff Processes

(Submodule 8.2 Proret)

Annual Tariff Adjustment (RTA)

Between RTPs, Annual Tariff Adjustments (RTAs) occur. The RTA aims to restore the DisCo's purchasing power and pass productivity gains to consumers, promoting tariff affordability. While Parcel A is adjusted to reflect updated costs, Parcel B considers the following analysis points:

- IPCA - new contracts, and IGP-M - legacy contracts
- X Factor¹³
- Market Growth

The RTA logic can be explained as follows, assuming the test year corresponds to the regulatory year values (12 months) prior to the RTA:

$$\text{Required Revenue}^* = \overset{\substack{\text{Parcel A} \\ \text{test year}}}{VPA} + \underset{\substack{\text{Parcel B} \\ \text{test year}}}{VPB} \cdot (1 + \text{IPCA or IGP-M} - \text{X Factor}) - \text{UDEROR}^{**}$$

**Example applies only to new contracts*

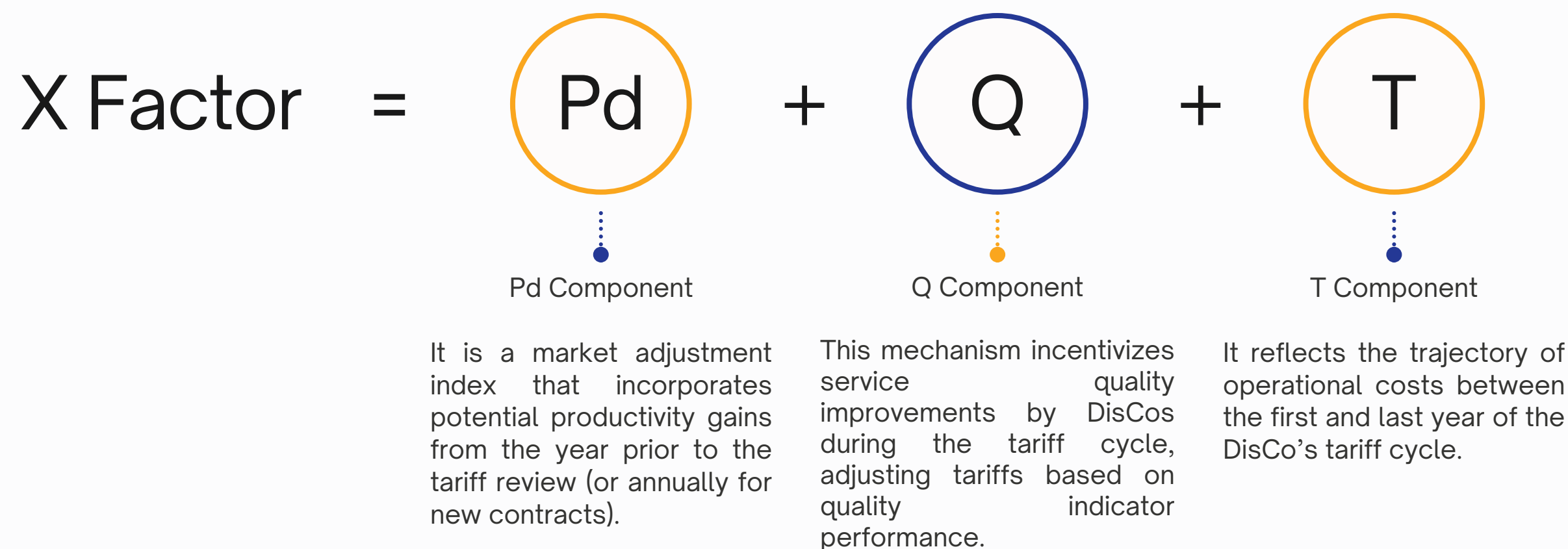
***Revenues from demand excess, reactive surplus, and other VPB revenues*

X Factor (Submodule 2.5 Proret)

Composition of RTA

The X Factor¹³ is a component of tariff processes that maintains balance between revenues and efficient expenses throughout the tariff cycle, adjusting the annual tariff value of Parcel B.

Establishing an assumption for the X Factor is critical for financial modeling, as it will be applied in every tariff process.

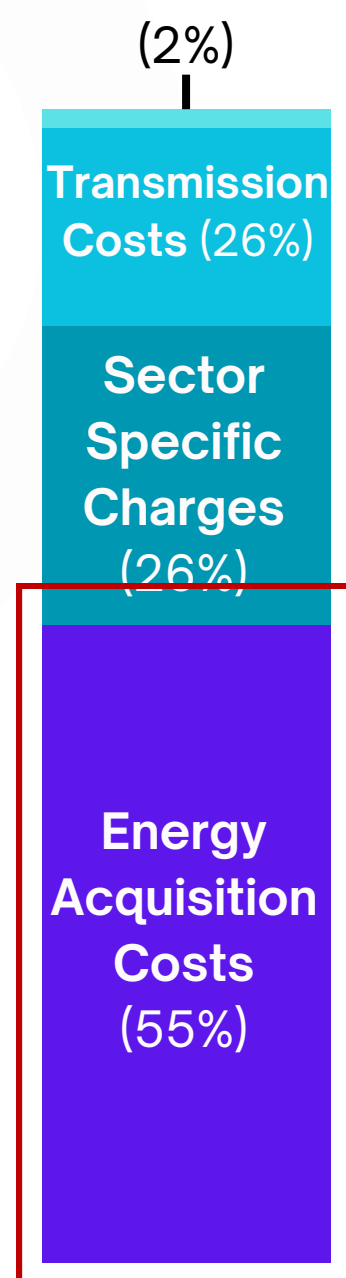


Parcel A

(Submodule 3.2 and 4.3 Proret)

Energy Acquisition Costs: Overcontraction and Subcontraction

Uncollectible Revenues



In the Regulated Contracting Environment¹⁴, the DisCo purchases energy and fully passes the cost through to consumers (without financial gains).

- ANEEL allows DisCos to recover up to **105%** of the contracted energy amount needed to supply their market through tariffs. However, in cases of over-procurement (above 105%), the costs of excess energy is borne by the DisCo.
- Both over-procurement and under-procurement require the DisCo to engage in the **short-term market**¹⁵, facing price volatility. In under-procurement scenarios, the DisCo is additionally subject to penalties.
- **Involuntary overcontraction** refers to factors beyond the DisCo's control that create energy surpluses, such as consumer migration to distributed generation¹⁶, and extreme cases like the COVID-19 pandemic (2020)

Earnings Release:

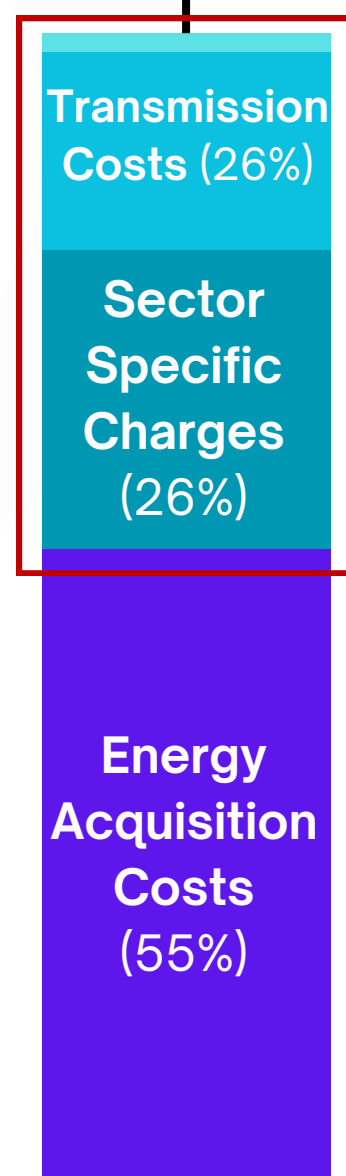
2024	MA	PA	PI	AL	RS	AP	GO
% of contraction	102,35%	103,68%	102,77%	106,57%	103,92%	110,02%	105,81%
% disconsidering involuntary	102,35%	103,68%	102,77%	100,00%	103,92%	104,04%	100,00%

Parcel A

Sector Specific Charges (Module 5 Proret) and Transmission Costs (Submodule 3.3 Proret)

Uncollectible Revenues

(2%)



Sector Specific charges are non-manageable costs supported by distribution companies, established by law. Below are some examples:

CDE	Conta de Desenvolvimento Energético	TFSEE	Taxa de Fiscalização dos Serviços de Energia Elétrica
PROINFA	Programa de Incentivo à Fontes Alternativas de Energia Elétrica	P&D PEE	Pesquisa e Desenvolvimento e Eficiência Energética
ESS ERR	Encargos de Serviços do Sistema e de Energia de Reserva		

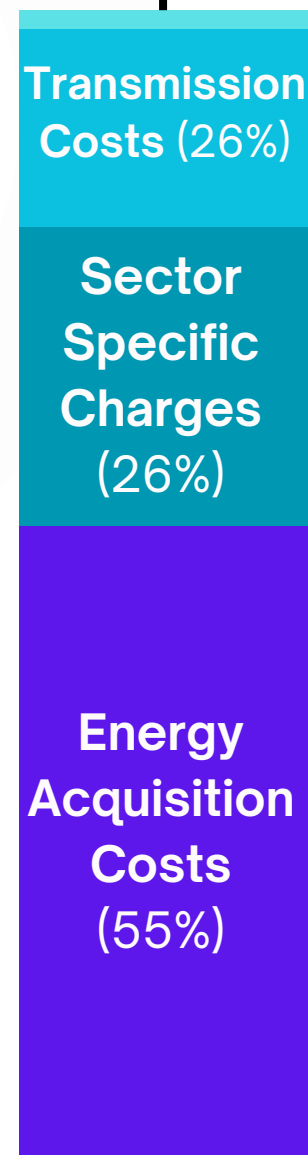
Transmission costs refer to expenses related to transporting electricity from generation units to distribution systems.

Parcel A

(Submodule 2.2 and 2.6 Proret)

Uncollectible Revenues

Uncollectible Revenues
(2%)



Uncollectible Revenue (RI), as defined by ANEEL, represents the portion of total regulatory revenue billed by the company that has low collection expectation due to consumer delinquency, after all possible collection efforts.

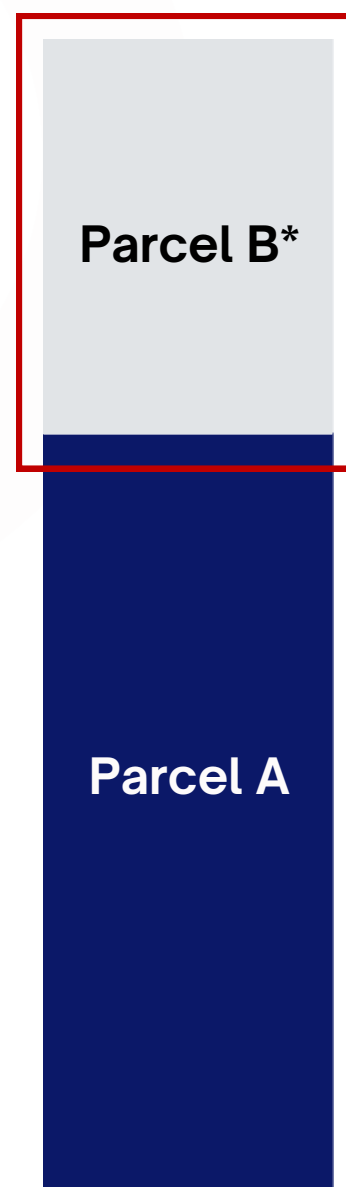
- RI is calculated using the debt aging curve, determined by the median of uncollected amounts between 49 and 60 months from reference dates.

RI is allocated to Parcel A in new contracts, but remains part of Parcel B in legacy contracts.

Parcel A

(Submodule 4.2 Proret)

Compensation Account for Variation in "Parcel A" Items (CVA)



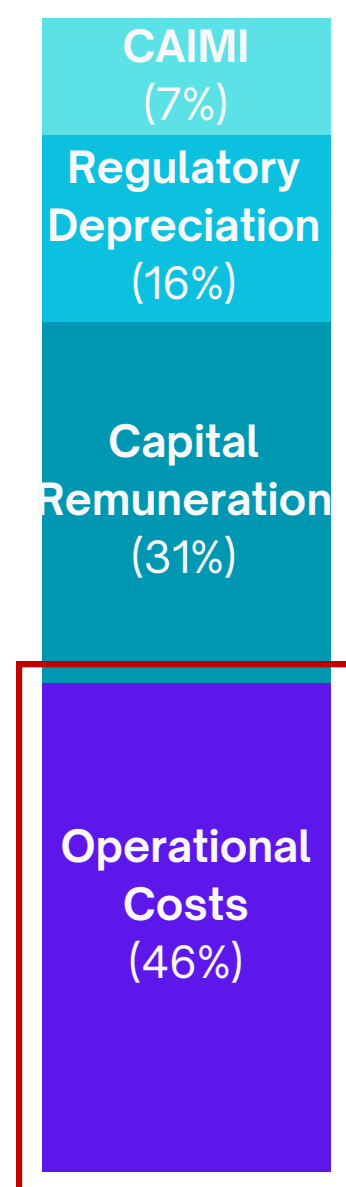
The CVA¹⁷ is the account designated to record value variations of non-manageable cost items (Parcel A) occurring between the DisCo's tariff processes.

- Between tariff cycles, when the costs of non-manageable items exceed projections, an **asset** is recorded in the DisCo's accounting. Conversely, if costs fall below expectations, a **liability** is recorded. These values are adjusted in the next tariff process.
- In tariff processes, what actually occurs is that if the CVA is negative, the amount is passed through as a tariff reduction. If the account is positive, the balance is used to compensate the DisCo
- While it has no long-term impact, the CVA may affect the DisCo's short-term results (between tariff periods).

Parcel B

(Submodule 2.2 Proret)

Operational Costs



Regulatory Operational Cost⁹ or Regulatory PMSO is one of the most critical aspects for the DisCo - as it represents one of the main opportunities for **outperformance** and is among the factors that generate the highest margin for the company.

These costs encompass personnel expenses, materials, third-party services, and other costs related to electricity distribution.

- The operational cost recalculation during the **RTP** aims to determine a company's efficient cost through sector benchmarks, using the Data Envelopment Analysis (DEA) methodology, a non-parametric method of operational and economic research to estimate efficiency frontiers
- The operational cost recalculation during the RTA is simpler, with costs being updated by the X Factor, inflation (IPCA/IGPM), and real market growth.

Operational Costs

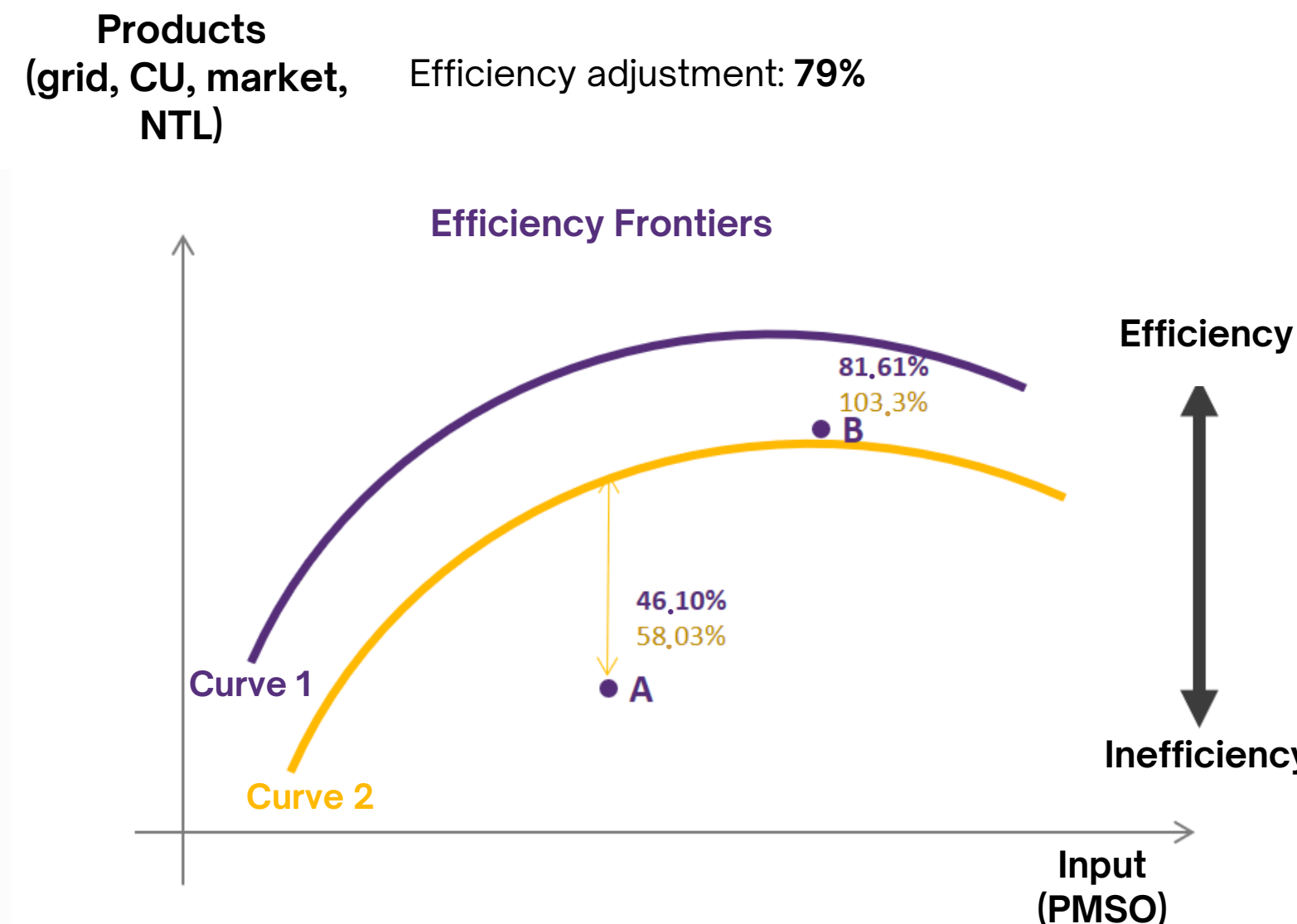
(Submodule 2.2 Proret)

Calculation Methodology - RTP

ANEEL uses DEA to evaluate DisCos' efficiency, considering both delivered outputs and associated costs. The efficiency is calculated based on the efficiency frontier, represented by "Curve 1."

Following this evaluation, ANEEL adjusts the curve to reflect the average efficiency of DisCos with efficiency scores above 50%. This means the efficiency frontier is shifted, resulting in - this example - an efficiency adjustment of 79%. With this adjustment, the new benchmark for regulatory efficiency becomes represented by "Curve 2."

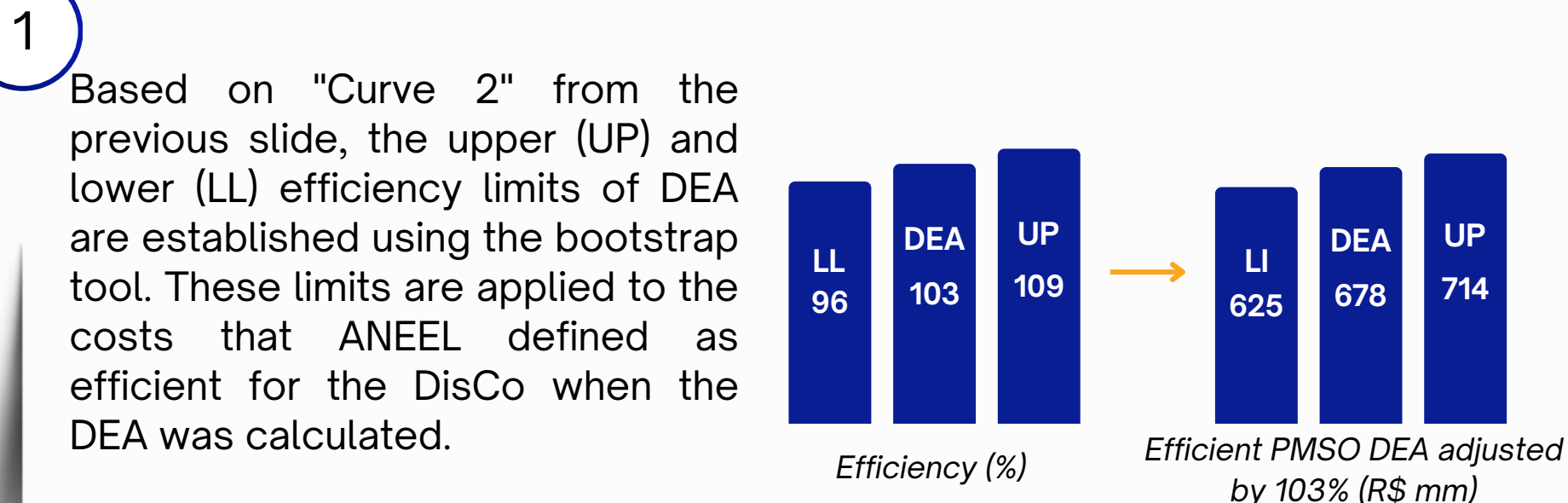
In the adjacent example, the DisCo at point B originally showed 81.6% efficiency under DEA. After adjustment, its efficiency becomes 103.3%.



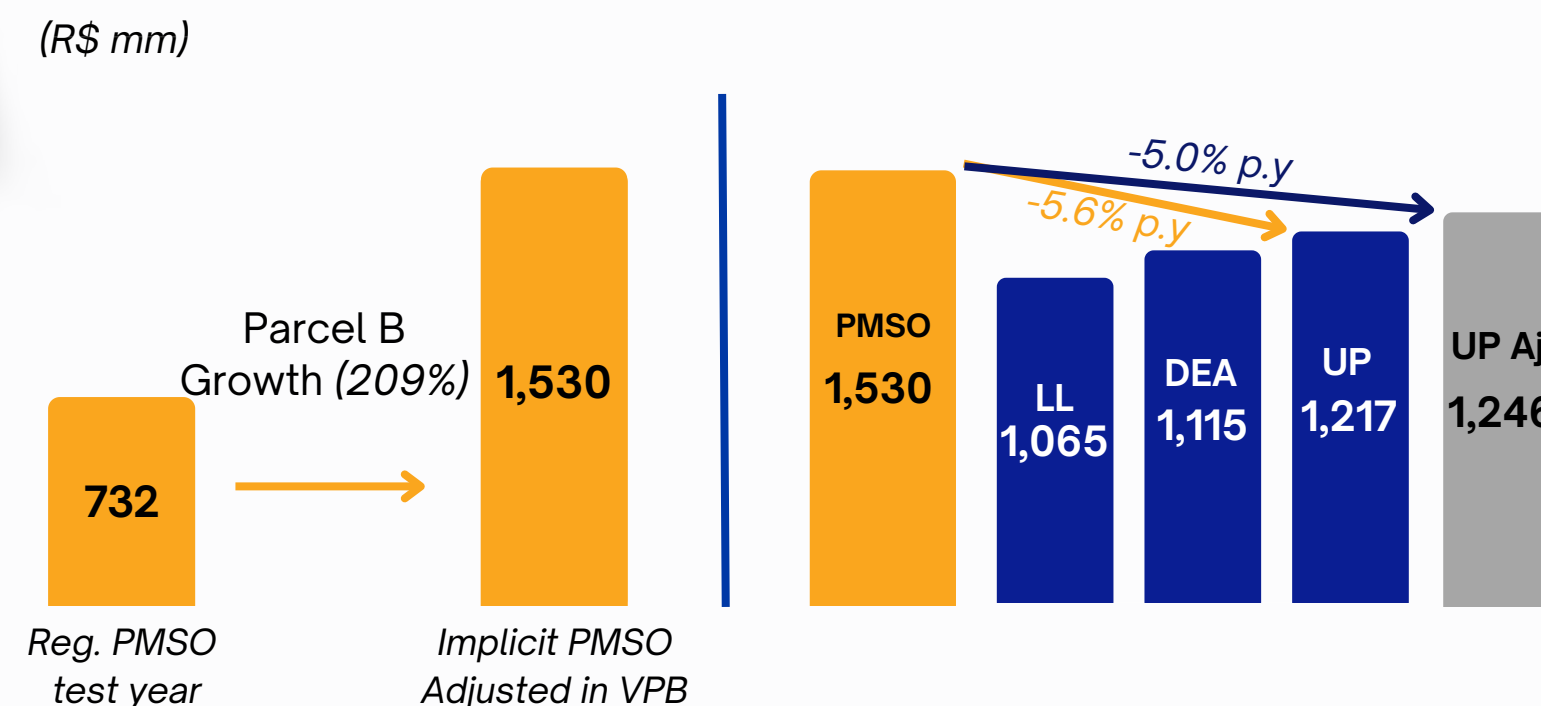
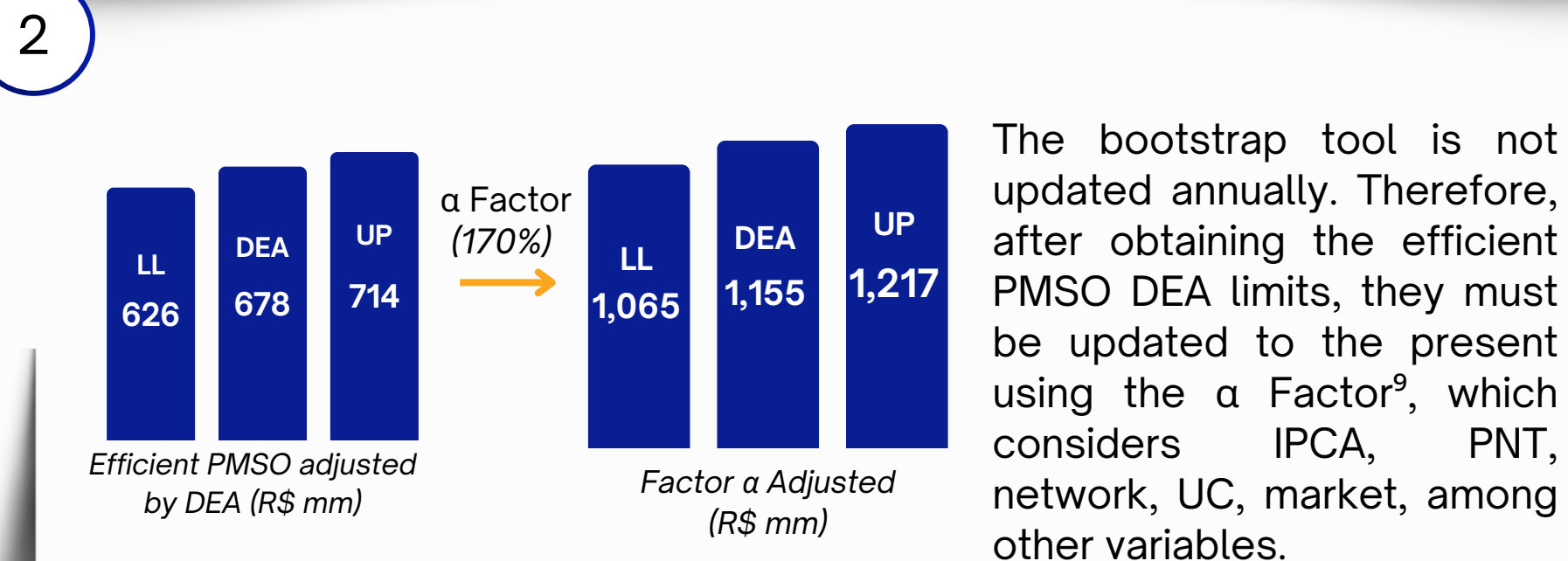
Operational Costs

(Submodule 2.2 Proret)

Calculation Methodology - RTP



3 The test year's regulatory PMSO value is considered and adjusted by Parcel B's growth. Thus, the PMSO adjusted by Parcel B's growth should reach the closest limit (LS or LI). In the illustrated example, it's the upper limit. However, the percentage reduction of adjusted PMSO is limited to 5% per year. And if the adjustment exceeds 5%, a new adjusted limit is created.



Operational Costs

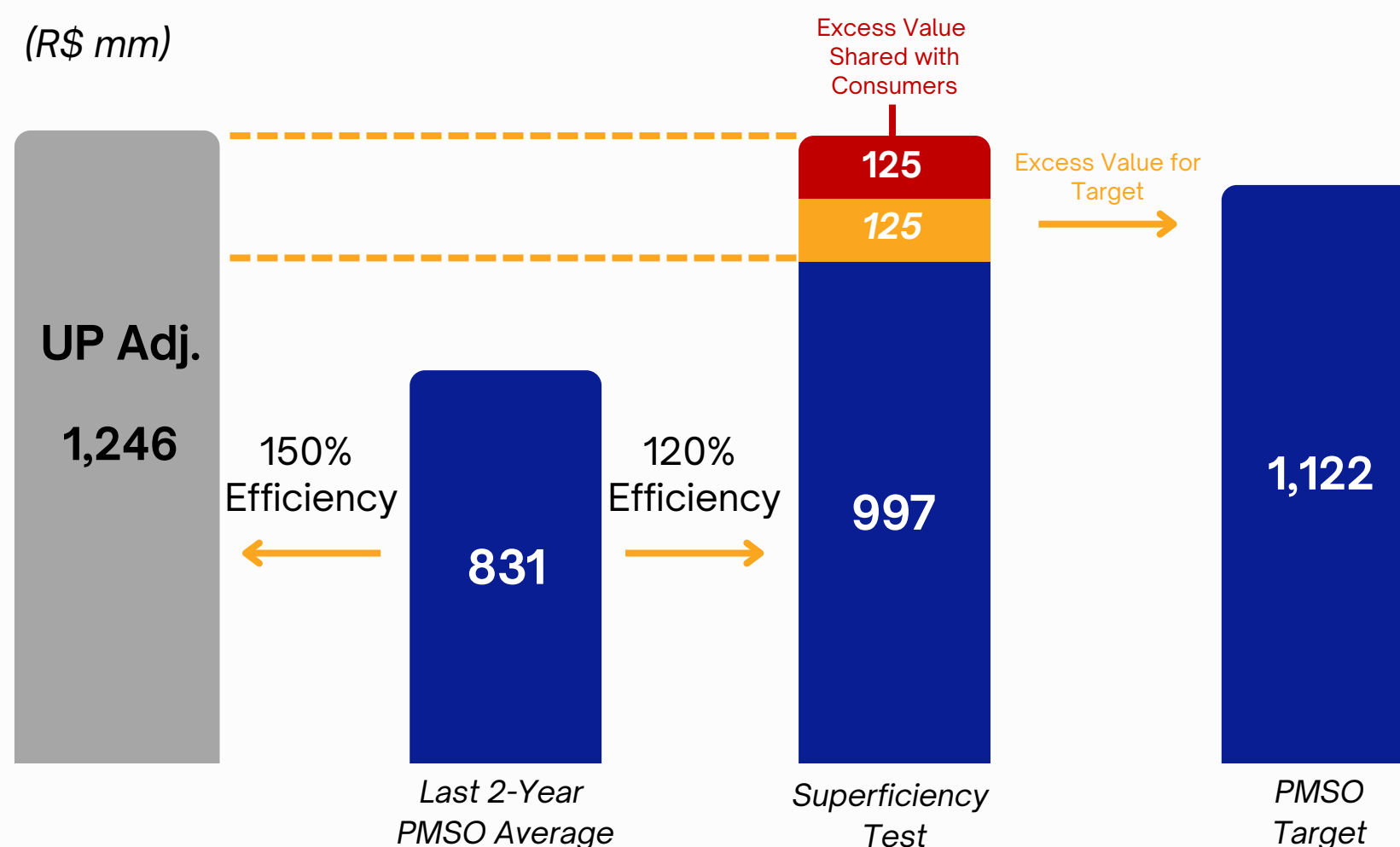
(Submodule 2.2 Proret)

Calculation Methodology - RTP

4

With the adjusted limit defined, a comparison is made to the last two-year average PMSO. In the illustrative example, the limit's efficiency relative to the average is 150%. However, the efficiency limit passed through to tariffs is 120%, with the excess shared 50% to consumers and 50% to the DisCo.

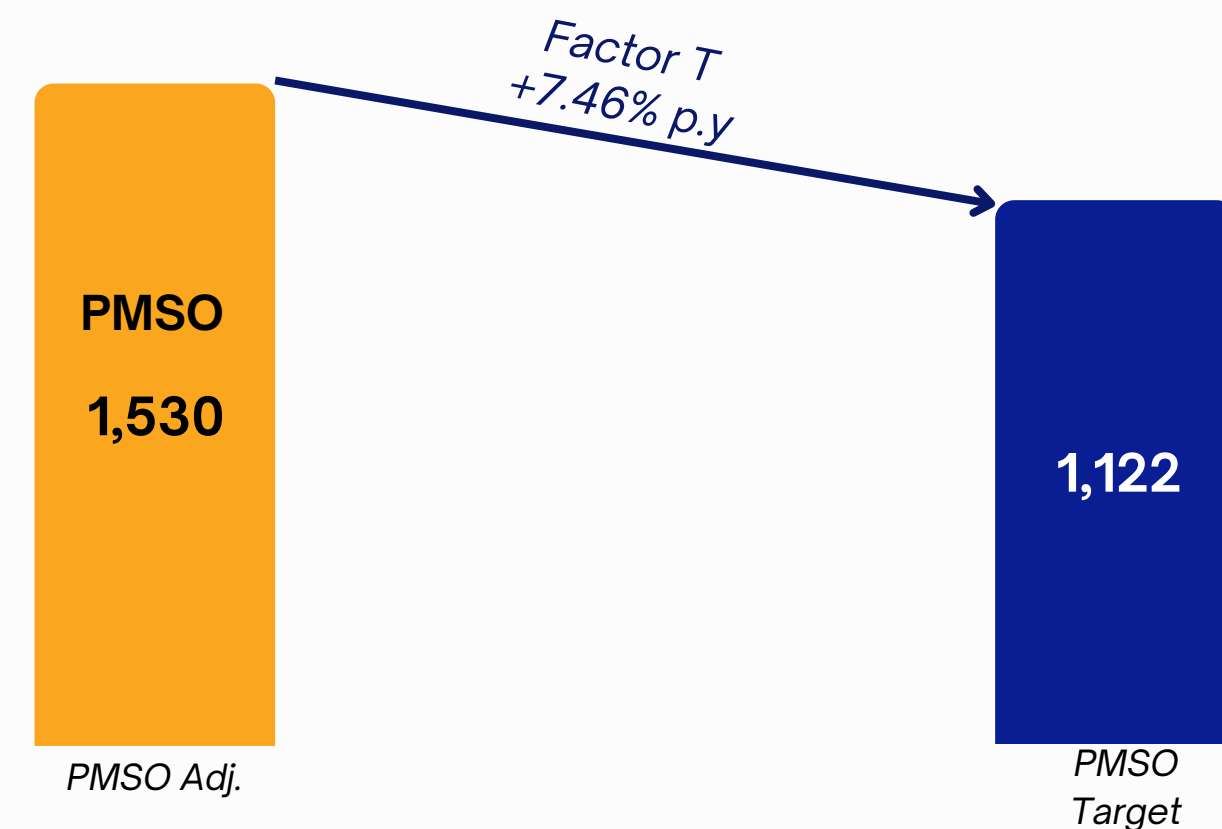
(R\$ mm)



5

Finally, with the PMSO target established, we can calculate Factor T (a component of Factor X), which represents the required annual reduction percentage for the adjusted PMSO to reach the target.

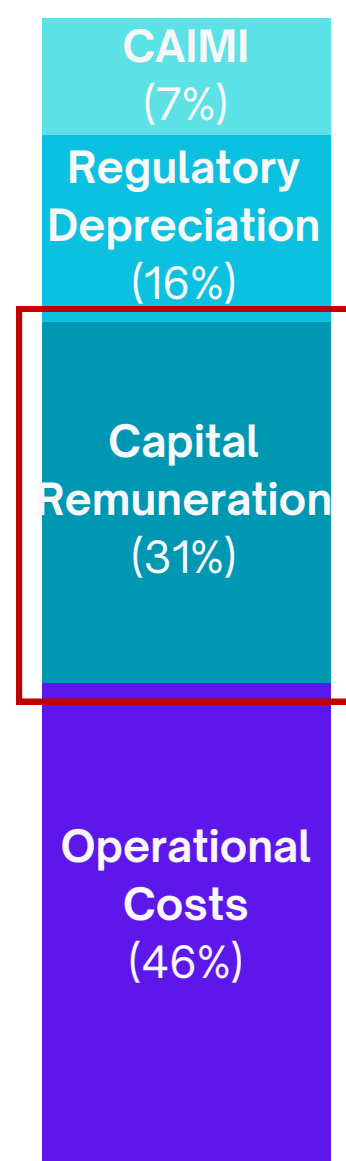
(R\$ mm)



Parcel B

(Submodule 2.4 Proret)

Capital Remuneration - Regulatory WACC



The regulatory WACC, known as the "Weighted Average Cost of Capital", is the calculation of the applicable capital cost, computed and published annually by ANEEL, and used to determine capital remuneration.

Parâmetros - 2025	Distribuição	Transmissão e Geração
Remuneração de Capital Próprio		
Taxa Livre de Risco	5,07%	5,07%
Beta Alavancado	89,11%	85,25%
Prêmio de Risco de Mercado	6,77%	6,77%
Risco da Atividade	0,24%	0,00%
Prêmio de Risco do negócio e financeiro	6,28%	5,77%
Remuneração real depois de impostos	11,34%	10,84%
Remuneração de Capital de Terceiros		
Debêntures	6,10%	5,75%
Custo de emissão	0,56%	0,56%
Remuneração real antes de impostos	6,66%	6,31%
Impostos	34,00%	34,00%
Remuneração real depois de impostos	4,40%	4,17%
Estrutura de Capital		
% Capital Próprio	52,65%	56,05%
% Capital de Terceiros	47,35%	43,95%
Taxa Regulatória de Remuneração do Capital - Média Ponderada		
Real, depois de impostos	8,06%	7,91%
Real, antes de impostos	12,2054%	11,9795%

Dispatch N° 882/25

- The WACC is only applied during Periodic Tariff Reviews (RTPs) for recalculating Capital Remuneration.

$$WACC \text{ pre taxes} = \frac{P}{V} \cdot r_p + \frac{D}{V} \cdot r_t \cdot (1 - T)$$

Where:

P = Own capital

V = Total Capital

D = Debt

T = Taxes

r_p = Remuneration over own capital

r_t = Remuneration of third – party capital

Parcel B

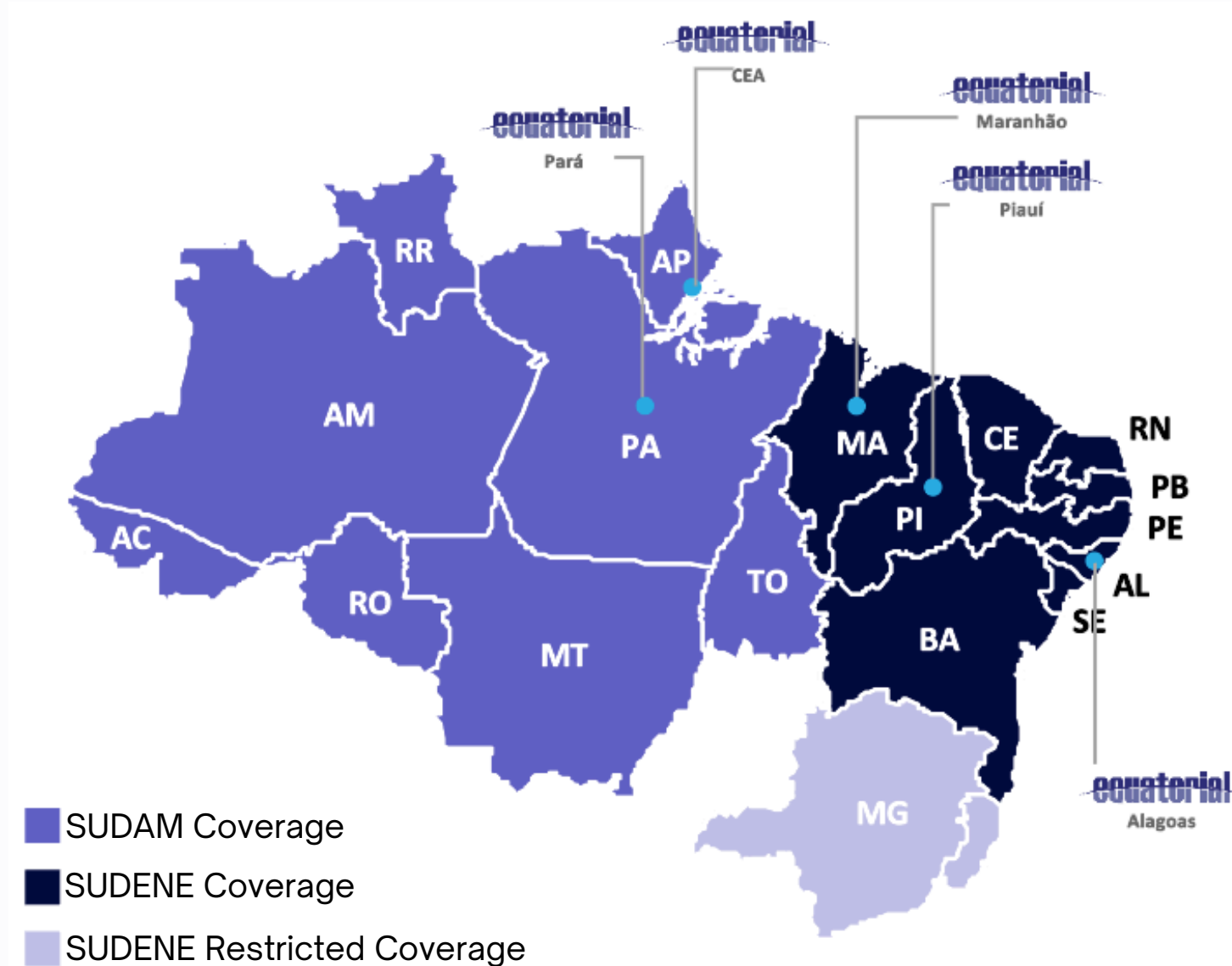
Regulatory WACC - SUDAM and SUDENE Tax Benefits

The tax benefits from SUDAM (Superintendency for the Development of the Amazon) and SUDENE (Superintendency for the Development of the Northeast) are federal government incentives to promote socioeconomic development in Brazil's North and Northeast regions. They help attract investments, generate employment, and boost local economies by encouraging sustainable growth in these areas.

Five of Grupo Equatorial's DisCos operate in regions eligible for these benefits, which directly and positively impact their concessions' Regulatory WACC values.

ANEEL's Average WACC

	Before Taxes	With Benefits	Without Benefits	DisCos
2021	10.64	9.01	7.02	MA and CEEE-D
2023	11.25	9.53	7.43	PA, PI, AP, and GO
2024	11.7	9.92	7.72	AL



Remuneration Base and Annuities

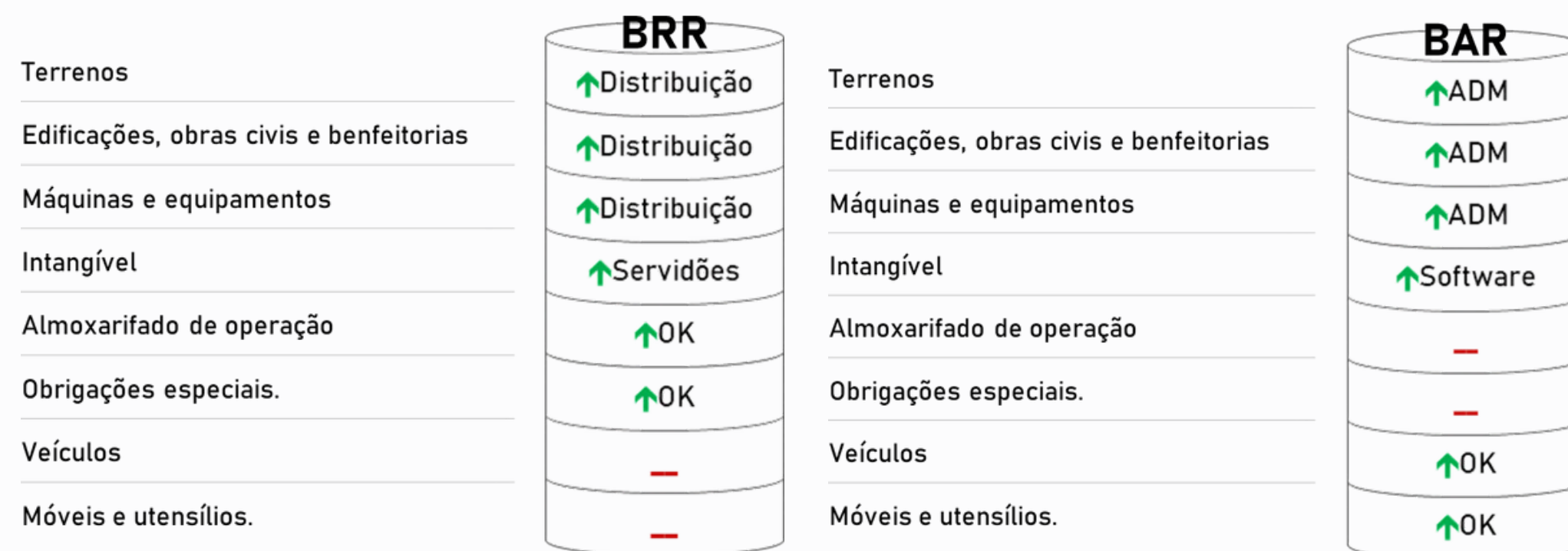
(Submodule 2.3 Proret)

Capital Remuneration, QRR, and CAIMI

The Regulatory Remuneration Base (BRR) consists of prudent investments by an electric sector company, subject to ANEEL regulation. Through this base, the replacement and remuneration of investments – assessed via the Replacement New Value (VNR)¹⁹ – are ensured for system expansion and operation at contractual quality standards.

The Remuneration Base (BRR)²⁰ comprises two variables: Gross Remuneration Base (BRRb)²¹, used to calculate the Regulatory Reinstatement Allowance (QRR), and the Net Remuneration Base (BRRl)²², used for Capital Remuneration (RC).

Composition of Bases



Additionally, there are 'non-electric' assets, which are not accounted for in the BRR but form part of the Regulatory Annuities Base (BAR)²³. These are remunerated through the Annual Cost of Mobile and Fixed Installations (CAIMI).

Remuneration Base and Annuities

(Submodule 2.3 Proret)

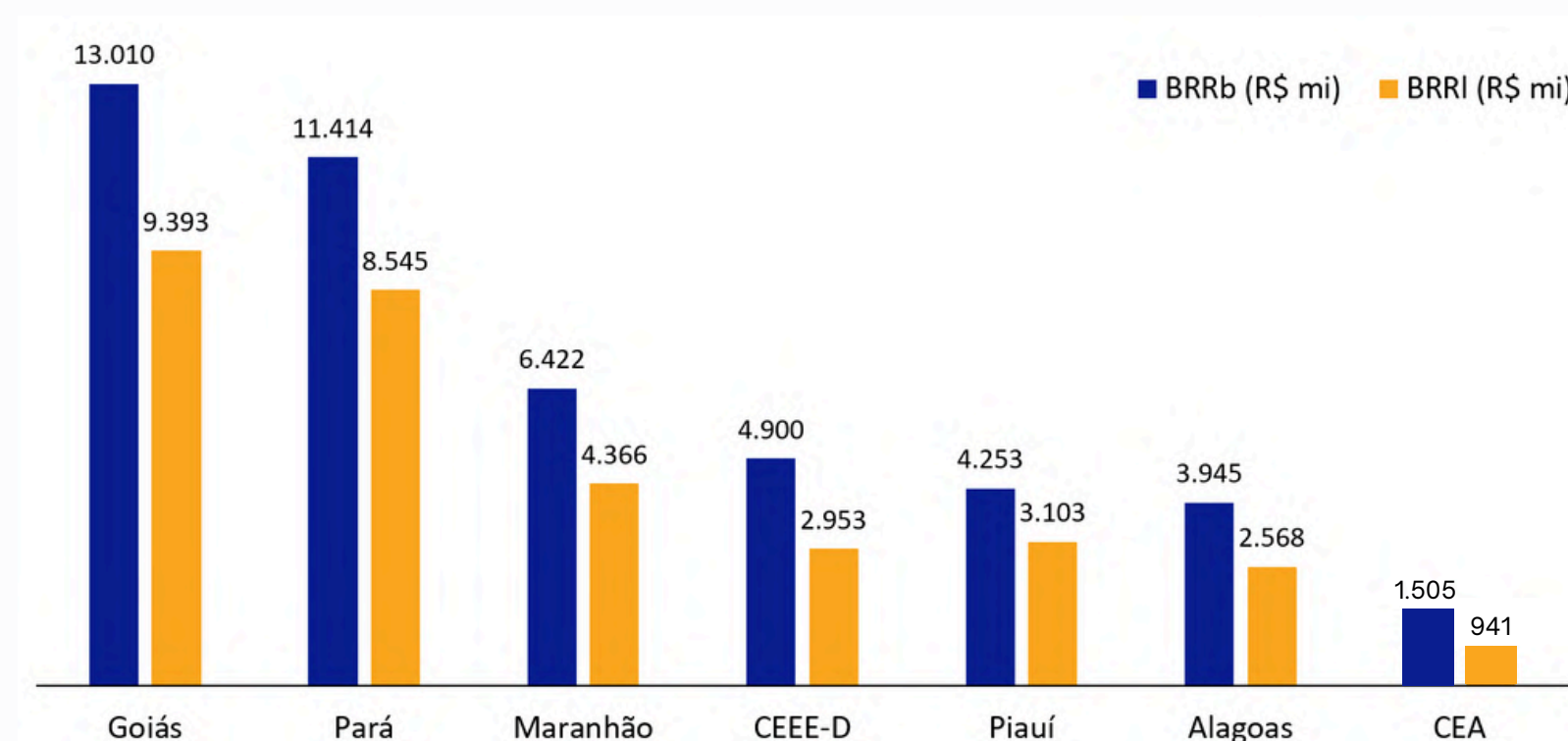
Capital Remuneration, QRR, and CAIMI

In tariff proceedings, both the BRR and BAR are defined in each RTP, reflecting the new asset base built in recent years through the DisCo's capital expenditures (capex) in the concession. Once established, these values are considered "locked" after the RTP, being updated annually in RTAs and only readjusted every 4 or 5 years (per the concession contract). With these parameters defined, we can calculate the Regulatory EBITDA.



Locked Base

- BRR approved in last RTP



Incremental Base

- The incremental base consists of investments made during the incremental period.
- The incremental period begins the month after the base date of the previous Valuation Report and ends at the new base date.
- The valuation report cutoff date is set as the last day of the sixth month preceding the RTP month.

MA e PA
February

GO
April

CEEE-D
May

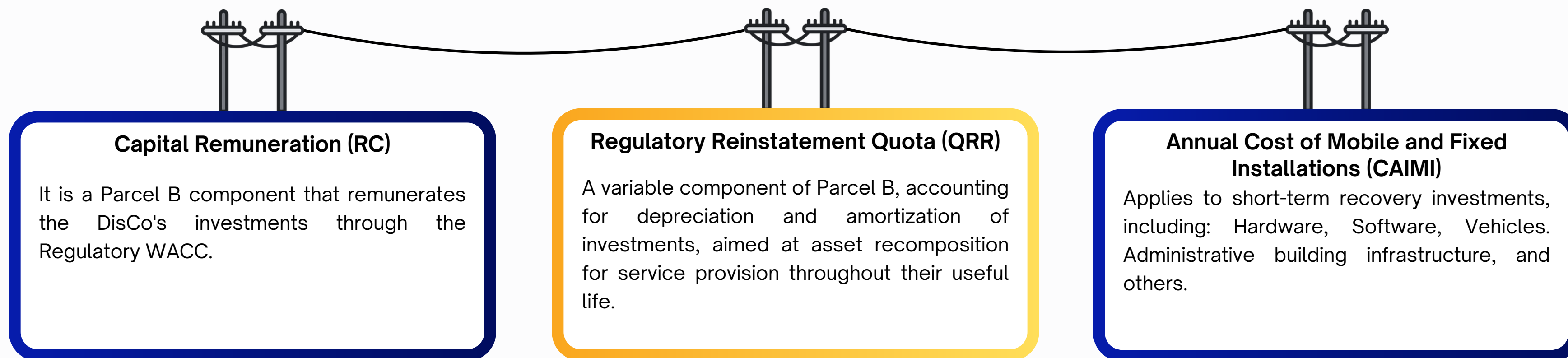
PI e CEA
May

AL
November

Regulatory EBITDA (Submodule 2.1 Proret)

Capital Remuneration, QRR, and CAIMI

According to ANEEL, through the use of the Regulatory Remuneration Base and Annual Charges, the DisCo's EBITDA must equal the sum of RC¹⁰, QRR¹¹, and CAIMI¹².



$$RC = BBRI \cdot WACC$$

$$QRR = BBRb \cdot \text{Depreciation Rate}^{24}$$







(Submodule 12.1 Proret)

GRUPO
equatorial

Publicly available data provided by ANEEL through Technical Notes and the SPARTA spreadsheet.

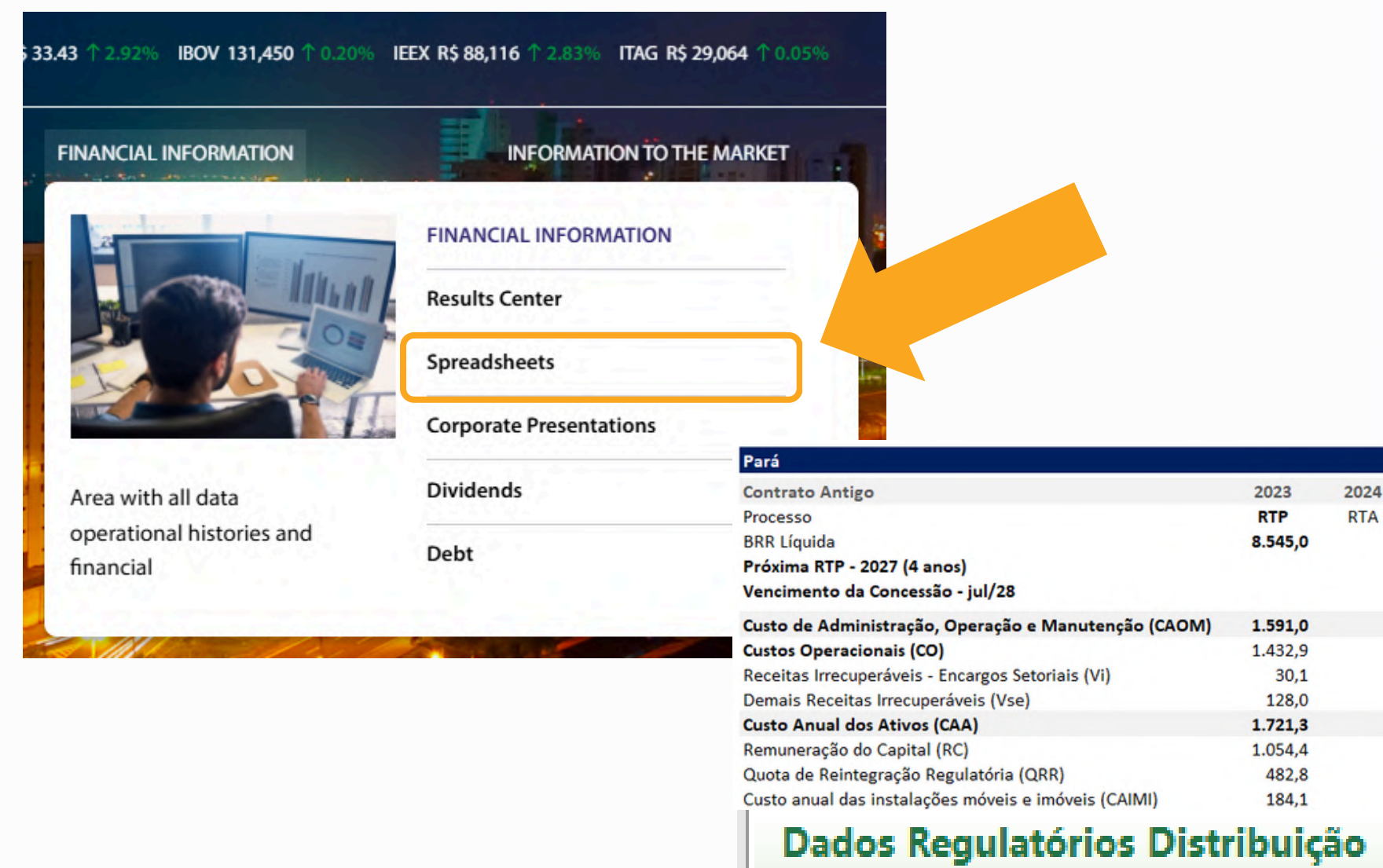
We facilitate access to this data on Equatorial's Investor Relations website, via the operational and financial data spreadsheet.

Categoria do Agente	Agente	Tipo de Processo	Ano	
Todos	Equatorial AL	Todos	2024	Procurar

Resultado							
Agente	Categoria do Agente	Tipo de Processo	Data de Aniversário	Status Resultado	Nível Tarifário	Estrutura Tarifária	Atos Regulatórios
Equatorial AL	Concessionária de Distribuição	Revisão	03/05/2024	Definitivo	Arc		
							
							
							
							
					SP.		
					TR		



SPARTA



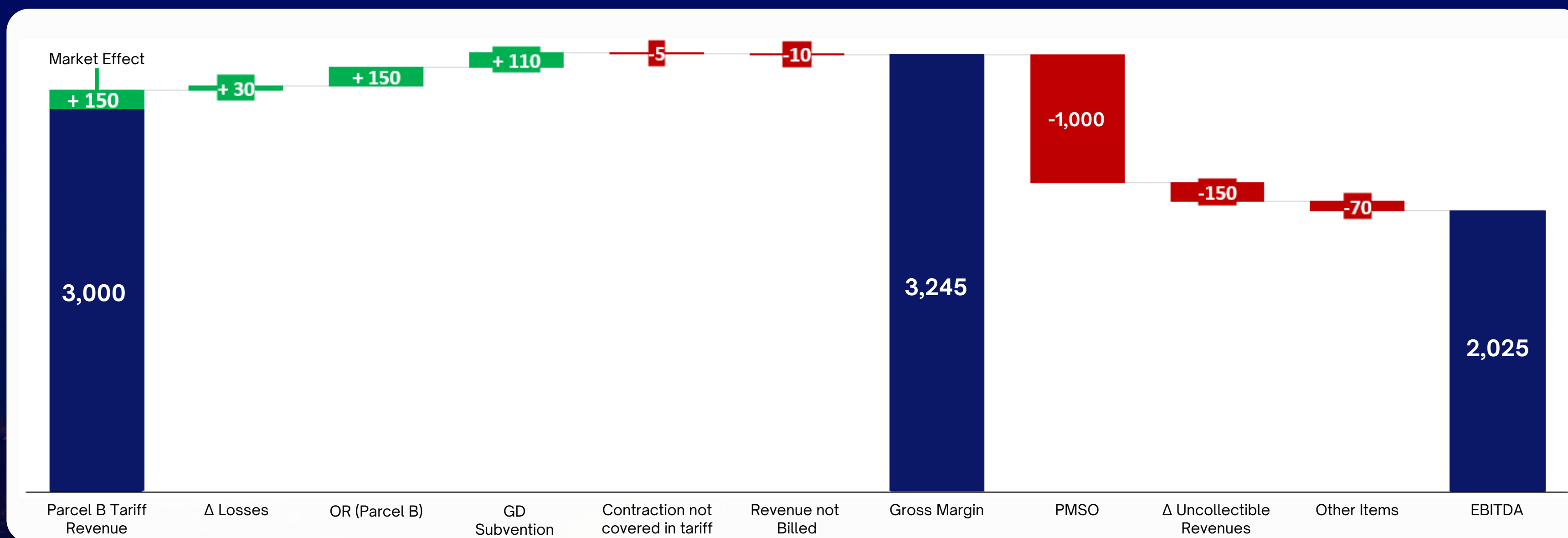
Regulatory Data

Where can I find this data?

<https://ri.equatorialenergia.com.br/informacoes-financeiras/dados-operacionais-e-financeiros/>

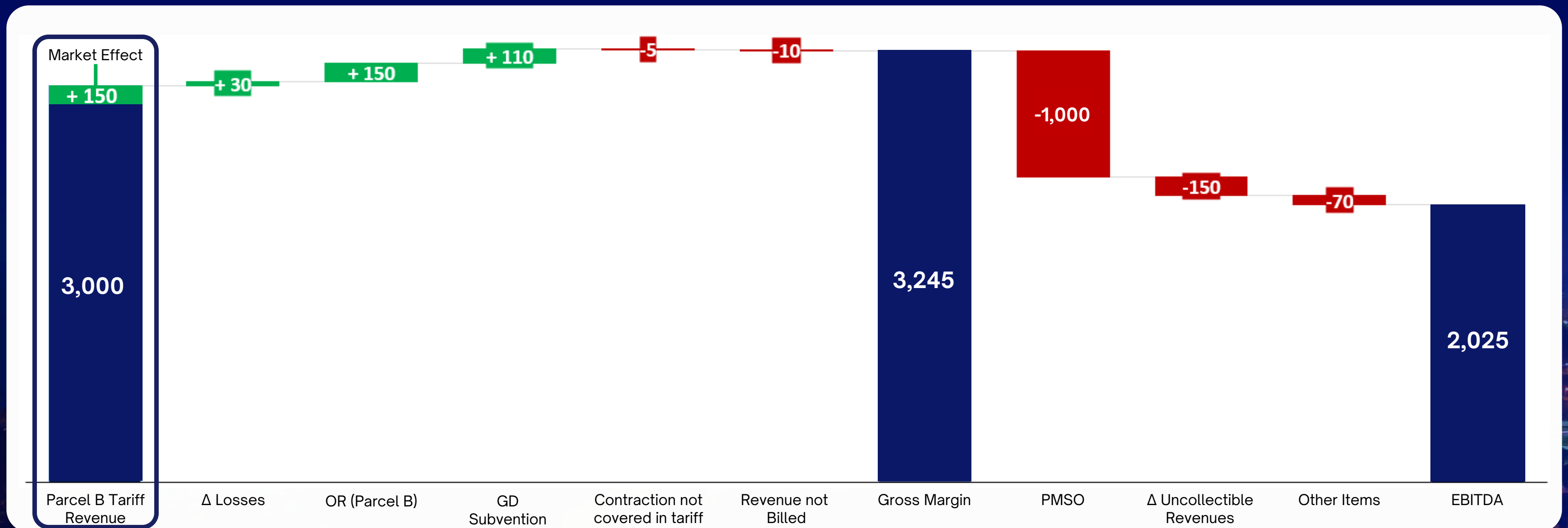
Pará		
Contrato Antigo	2023	2024
Processo	RTP	RTA
BRR Líquida	8.545,0	
Próxima RTP - 2027 (4 anos)		
Vencimento da Concessão - jul/28		
Custo de Administração, Operação e Manutenção (CAOM)	1.591,0	
Custos Operacionais (CO)	1.432,9	
Receitas Irrecuperáveis - Encargos Setoriais (Vi)	30,1	
Demais Receitas Irrecuperáveis (Vse)	128,0	
Custo Anual dos Ativos (CAA)	1.721,3	
Remuneração do Capital (RC)	1.054,4	
Quota de Reintegração Regulatória (QRR)	482,8	
Custo anual das instalações móveis e imóveis (CAIMI)	184,1	
CAOM + CAA	3.312,4	
VPB com ajustes de Mercado e Qualidade	3.322,4	
Ajuste de PB associado ao SCEE	54,4	
(-) Outras Receitas	59,3	
(-) Ultrapassagem de Demanda	7,6	
(-) Excedente de Reativo	15,6	
(-) UDEROR	82,6	
Receitas Irrecuperáveis	158,2	
Parcela B (VPB) - R\$ Milhões	3.294,2	3.609,8
Mercado (GWh)	9.950,3	10.762,1
Tarifa Fio B - R\$	331,1	335,4
Fator X	2,83%	3,23%
Pd	0,99%	0,99%
T	3,14%	3,13%
Q	-1,30%	-0,89%

Breakdown of EBITDA*



*Illustrative Values

Breakdown of EBITDA: Gross Margin and Market Effect



*Illustrative Values

Gross Margin

Finding Gross Margin and Market Effect

The gross margin or gross profit represents the actual value of Parcel B, adjusted according to real market variations and other factors over time.

The main differences between Gross Margin and Parcel B are as follows:

Gross Margin

Adjusted by the real market

To calculate the gross margin, we use the value of the Parcel B Tariff²⁵ defined by ANEEL (in R\$/MWh), multiplied by the actual market volume.

The difference between the gross margin and Parcel B represents a gain for the DisCo, which is what we know as the market effect.

Parcel B

Defined based on the test year market and then adjusted by the X Factor in RTAs

Parcel B Composition

Parcel B Tariff (R\$/MWh)	250	A
Market Volume Test Year (GWh)	7,500	B
Parcel B (R\$ thousand)	1,875	$A \times B = C$

Gross Margin Composition

Parcel B Tariff (R\$/MWh)	250	A
Real Market Volume (GWh)	7,800	D
Gross Margin (R\$ thousand)	1,950	$A \times D = E$

Note: Illustrative Values

Gross Margin

Modeling Gross Margin

For modeling the gross margin, two assumptions must be considered: (i) market growth and (ii) evolution of the X Factor. With these defined, the following logic can be applied to project the 12-month gross margin:

$$Billed_1 = Billed_0 \cdot (1 + \text{Market Growth Premise})$$

$$VPB_1 = GM_0 \cdot (1 + IVI - X \text{ Factor})$$

$$T_1 = \frac{VPB_1}{Billed_0}$$

$$GM_1 = T_1 \cdot Billed_1$$

Where the values represent a 12-month period, the subscript '1' indicates the future period, the subscript '0' indicates the current period, and:

$$Billed = \text{Billed Energy}$$

$$VPB = \text{Value of Parcel B}$$

$$GM = \text{Value of Gross Margin}$$

$$IVI = \text{Inflation Variation Index}$$

$$T = \text{Parcel B Tariff}$$

Variables that Impact the Market

Market growth between periods is an essential factor for a distributor's financial modeling, as it is necessary for calculating the Gross Margin, which reflects the distributor's revenue generation capacity.

In concessions where energy demand increases, there is growth in energy sales revenue that directly impacts EBITDA. At the end of each tariff cycle, the market volume is adjusted.

For modeling market growth, macroeconomic, demographic, climatic and regulatory factors may be considered, with the choice being defined by historical correlation of variables and the analyst judgment. For Grupo Equatorial, there are some factors with significant impact on market growth, these being:

- Number of customers
- Income mass
- Temperature deviation
- Number of families
- State GDP

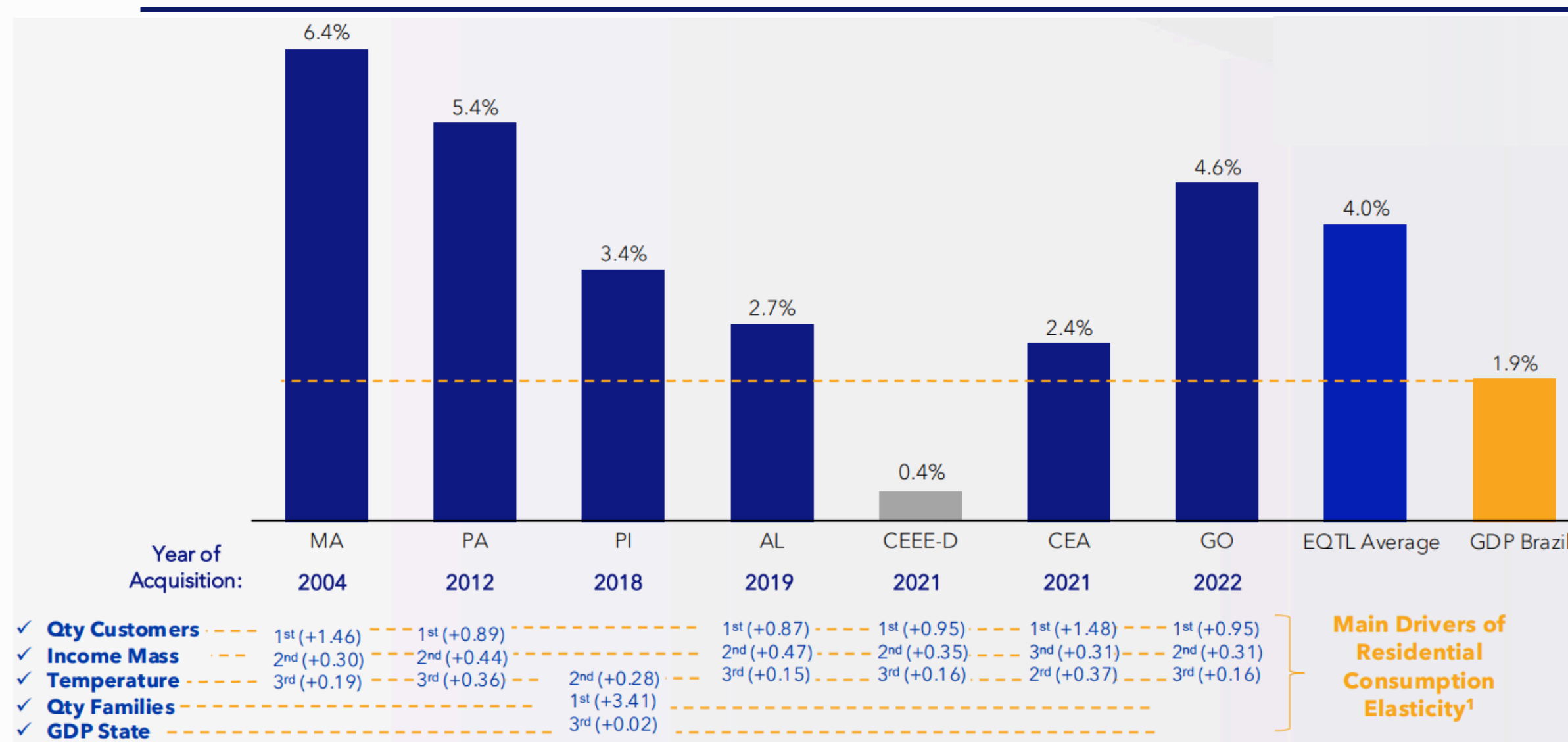


Variables that Impact the Market

Market Growth Historical Trend

Grupo Equatorial has a strong historical record of market growth, evidenced by the economic development in the states where it operates. Over the past five years, the growth of injected energy in regions served by Equatorial has been twice the average growth rate of national GDP.

Injected CAGR vs GDP - Last 5 Years (from 2019 to 2T24 LTM)

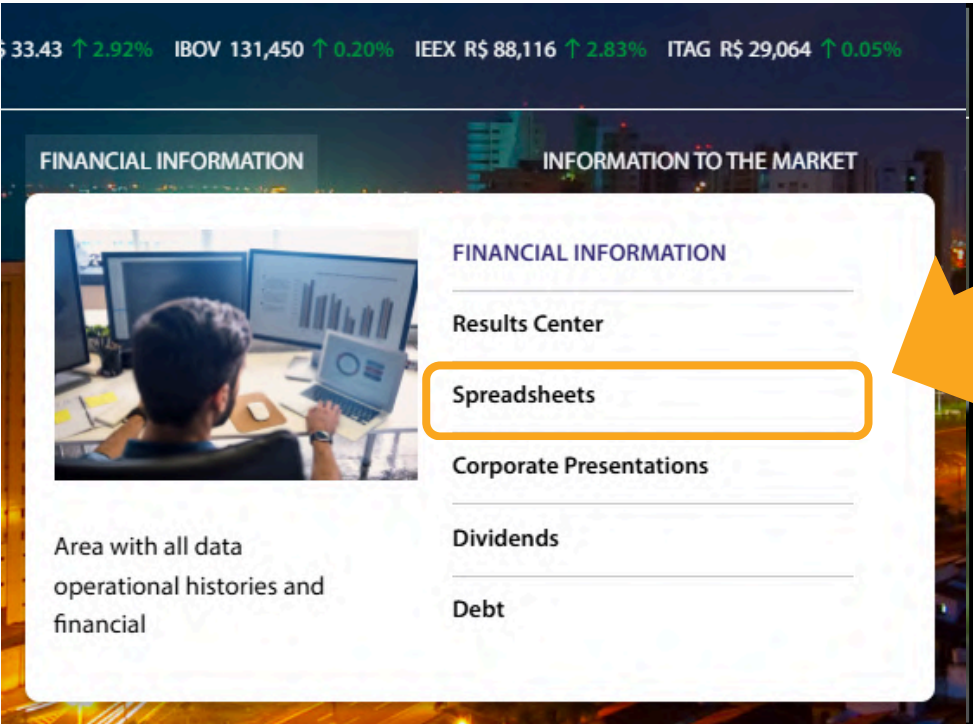


• Historical elasticity behavior until 2023

Gross Margin

Where can I find this data?

<https://ri.equatorialenergia.com.br/informacoes-financeiras/dados-operacionais-e-financeiros/>



Regulatory Values:

Pará		
Contrato Antigo	2023	2024
Processo	RTP	RTA
BRR Líquida	8.545,0	
Próxima RTP - 2027 (4 anos)		
Vencimento da Concessão - jul/28		
Custo de Administração, Operação e Manutenção (CAOM)	1.591,0	
Custos Operacionais (CO)	1.432,9	
Receitas Irrecuperáveis - Encargos Setoriais (Vi)	30,1	
Demais Receitas Irrecuperáveis (Vse)	128,0	
Custo Anual dos Ativos (CAA)	1.721,3	
Remuneração do Capital (RC)	1.054,4	
Quota de Reintegração Regulatória (QRR)	482,8	
Custo anual das instalações móveis e imóveis (CAIMI)	184,1	
CAOM + CAA	3.312,4	
VPB com ajustes de Mercado e Qualidade	3.322,4	
Ajuste de PB associado ao SCEE	54,4	
(-) Outras Receitas	59,3	
(-) Ultrapassagem de Demanda	7,6	
(-) Excedente de Reativo	15,6	
(-) UDEROR	82,6	
Receitas Irrecuperáveis	158,2	
Parcela B (VPB) - R\$ Milhões	3.294,2	3.609,8
Mercado (GWh)	9.950,3	10.762,1
Tarifa Fio B - R\$	331,1	335,4
Fator X	2,83%	3,23%
Pd	0,99%	0,99%
T	3,14%	3,13%
Q	-1,30%	-0,89%

Dados Regulatórios Distribuição

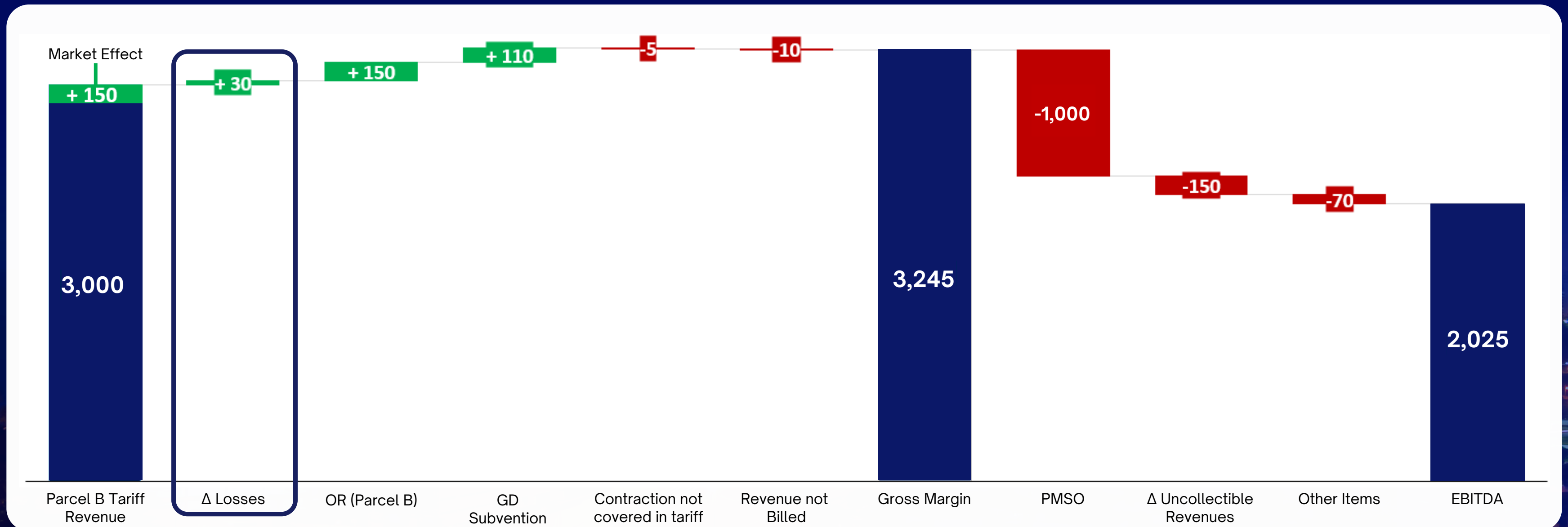
Real Quarterly Market:

Classes de consumo (MWh)	1T24	2T24
Maranhão		
Residencial	1.115.438	1.176.304
Industrial	30.591	30.951
Comercial	145.754	154.522
Outros	359.987	408.513
Total (cativo)	1.651.769	1.770.291
Industrial	110.565	100.054
Comercial	127.172	136.247
Outros	7.065	7.737
Consumidores livres	244.802	244.038
Energia de Conexão - outras Distribuidoras	2.081	1.678
(-) Energia de Compensação GD (A)	120.532	139.372
Total Distribuída - Maranhão* (B)	2.019.184	2.155.378
Total Faturada (B) - (A)	1.898.652	2.016.006

(*) Inclui mercados cativo, livre, uso distribuidora e consumo próprio

Mercado Distribuição

Breakdown of EBITDA: Δ Losses



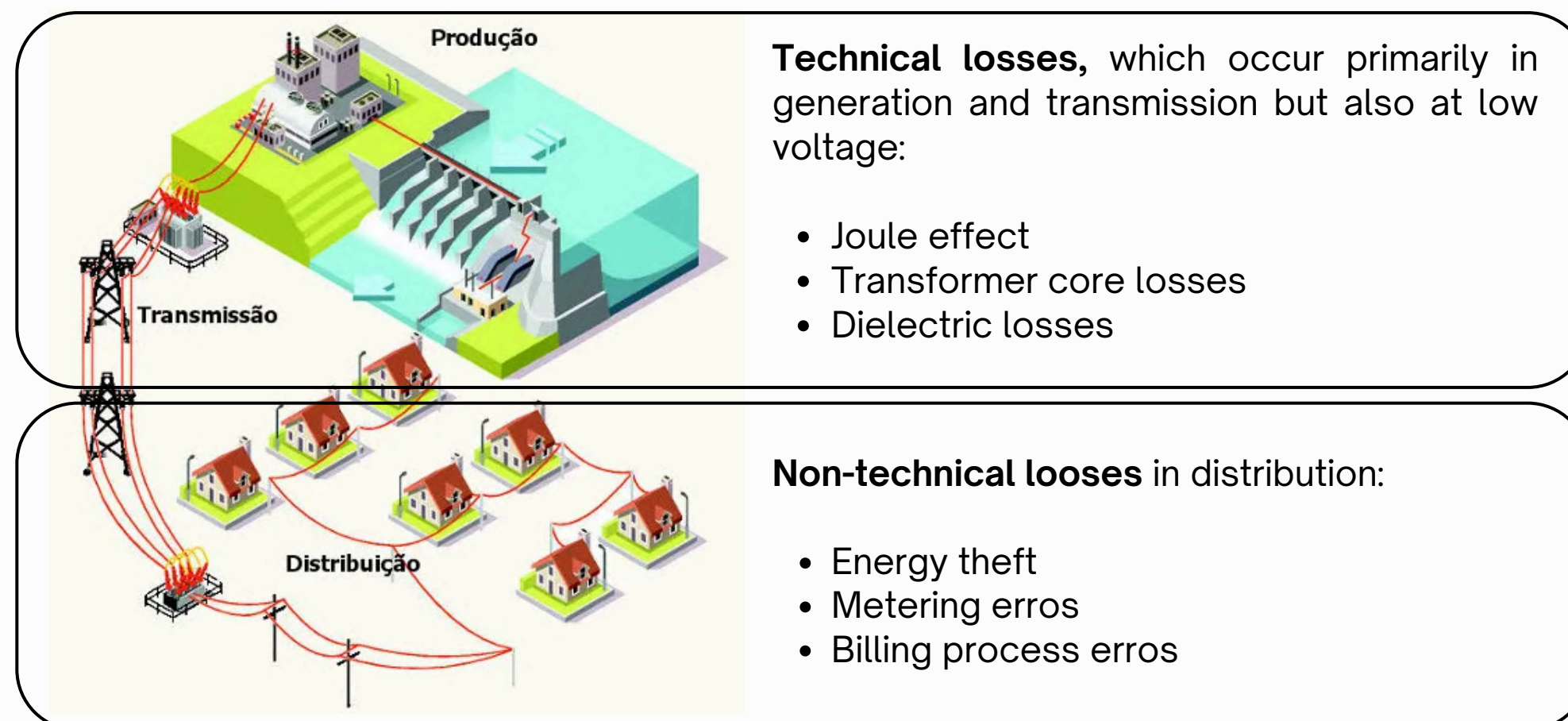
*Illustrative Values

Technical and Non-technical Losses

One of the components of Parcel A is the cost of electricity procurement and self-generation. This cost includes regulatory charges related to electrical energy losses, which are divided into two types:

Technical losses: Physical losses obtained through simulation and measurement, occurring during transmission, voltage transformation, and energy metering. These are calculated as a percentage of the energy injected.

Non-technical losses: All other losses associated with electricity distribution.



Modeling Losses Impact

Energy procurement constitutes one of the unmanageable costs, with 100% of these expenses being passed through to end consumers. However, when purchasing power through the Regulated Contracting Environment (ACR), distribution companies factor in real losses, whereas only regulatory loss are incorporated into the tariff structure.

In cases where actual losses exceed the regulatory level, the distributor must absorb the additional energy costs. Conversely, when actual losses fall below the regulatory limit, the DisCo realizes a financial gain.

To model losses, one can use the following logic:

$$\Delta Losses_1 = \Delta Losses Volume_1 \cdot PMix_1$$

$$\Delta Losses Volume_1 = Real Injected_1 - Reg. Adj. Injected_1$$

$$Reg. Adj. Injected_1 = \frac{Real Injected_1 \cdot (1 - Real Losses_1)}{(1 - Reg. Losses_1)}$$

$$Reg. Adj. Injected = Real injected energy adjusted by regulatory losses$$

$PMix^{26}$ and real injected energy are adjusted based on growth projections, while real and regulatory losses are determined by independent premisses.

Δ Losses (Submodule 2.6 Proret)

Calculating Regulatory and Real Losses

Equatorial Alagoas - RTP, 2024 SPARTA

Regulatory Losses:

Quadro de mercado

Mercado		MWh
Fornecimento	A	3.353.707,22
Suprimento (Mercado TUSD)	B	-
Livre Total + Distribuição	C	959.823,25
A1	D	-
BT	E	2.670.247,91

Calculo de perdas

Descrição		
% Não Técnica (s/ Baixa Tensão)		15,86%
% Técnica (s/ merc. injetado)		9,13%
% Rede Básica (s/ merc. Injetado)		2,31%
Perda Não Técnica	F	423.577,27
Perda Técnica	G	508.333,15
Perda Rede Básica sobre Dist.	H	21.524,98
Perda Rede Básica sobre mercado Cat.	I	77.462,89

Energia

	Formula	Regulatory 4Q24 Homologated
Total Losses/Injected - Regulatory	$(F+G)/(A+B+C+F+G)$	17.8%
Non-Technical Losses/Lower Tension - Regulatory	F/E	15.9%

Financial and Operational Data Spreadsheet

Homologated Regulatory Losses:

Alagoas (%) - últ. 12 meses (%)	4T24
PT / Inj	16,9%
PT / Inj - Regulatória	17,8%
PNT / BT	14,8%
PNT / BT - Regulatória	15,9%

Perdas Distribuição

Real Losses:

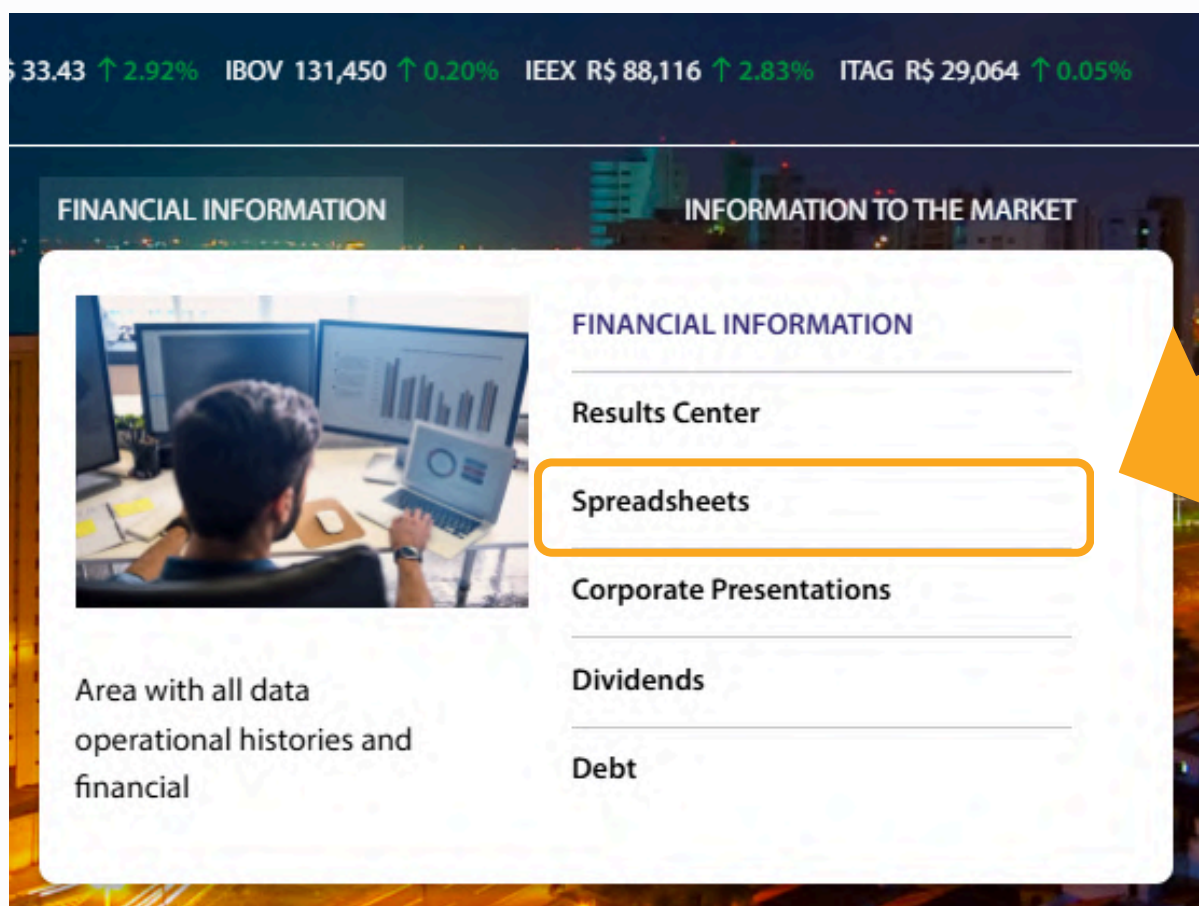
Bal. energético (MWh) - Alagoas	Fórmula	4T24
Sistema interligado		1.355.715
Energia injetada pela Geração Distribuída		179.815
Energia injetada	A	1.535.530
Energia distribuída*		1.272.890
Energia de conexão com outras distribuidoras		3.318
Perdas totais	B	259.322
Perdas sem Geração Distribuída		192.062
Perdas totais (%)	B/C	16,9

Bal. Energético Distribuição

Δ Losses

Where can I find this data?

<https://ri.equatorialenergia.com.br/informacoes-financeiras/dados-operacionais-e-financeiros/>



https://www2.aneel.gov.br/aplicacoes_liferay/tarifa/

PMix Values for Test Year in the SPARTA and CVA spreadsheets:

Categoria do Agente		Agente	Tipo de Processo		Ano
Todos		Equatorial AL	Todos		2024

		Resultado					
Agente	Categoria do Agente	Tipo de Processo	Data de Aniversário	Status Resultado	Nível Tarifário	Estrutura Tarifária	Atos Regulatórios
Equatorial AL	Concessionária de Distribuição	Revisão	03/05/2024	Definitivo	Arc		
					SP		
					TR		

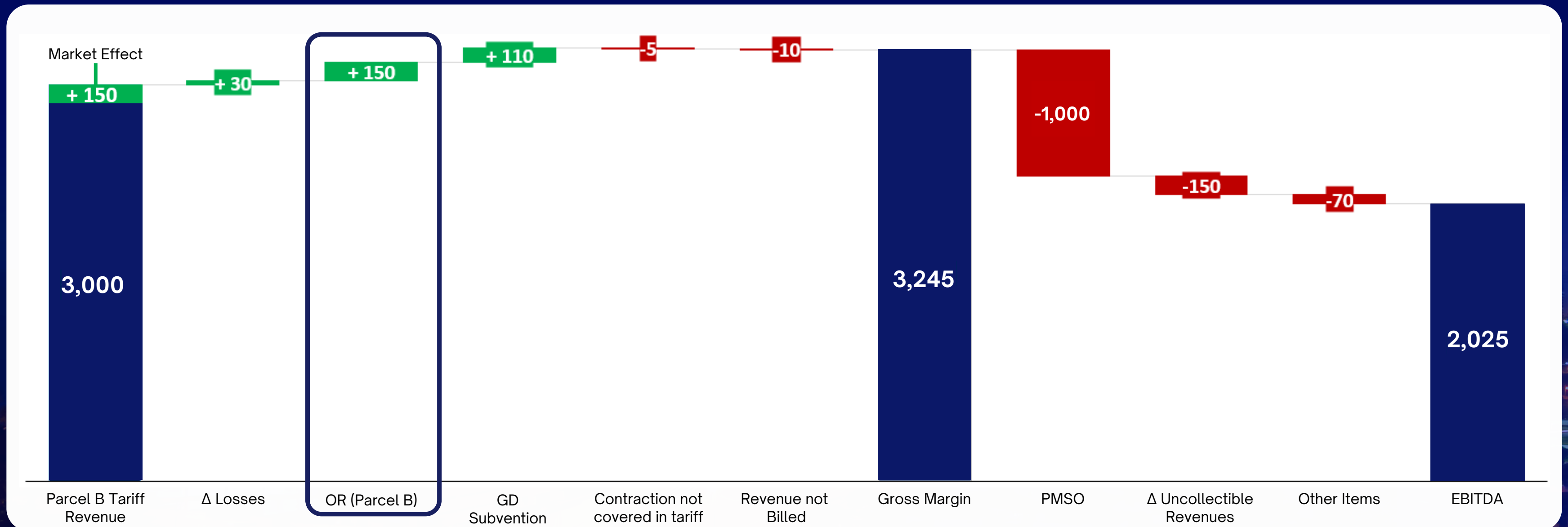
CVA:

VALORAÇÃO DA GLOSA DE ENERGIA

Mês	Carga Real(MWh)	Carga Regulatória (MWh)	Glosa (MWh)	Preço (R\$/MWh)	Cobertura (R\$/MWh)	Ajuste de Glosa (R\$)	Índice de Atualização	Ajuste de Glosa atualizado
2/1/2023	362.545,26	381.319,68	0,00	215,99	210,75	0,00	13,59%	0,00
3/1/2023	405.444,11	426.440,05	0,00	214,63	210,75	0,00	12,33%	0,00
4/1/2023	376.698,12	396.205,44	0,00	224,20	210,75	0,00	11,2%	0,00
5/1/2023	373.224,93	392.552,39	0,00	225,75	229,88	0,00	9,99%	0,00
6/1/2023	322.901,45	339.622,91	0,00	219,53	231,20	0,00	8,83%	0,00
7/1/2023	320.614,72	337.217,76	0,00	222,53	231,20	0,00	7,62%	0,00
8/1/2023	324.849,98	341.672,34	0,00	222,07	231,20	0,00	6,5%	0,00
9/1/2023	321.279,58	337.917,05	0,00	215,55	231,20	0,00	5,46%	0,00
10/1/2023	361.335,91	380.047,70	0,00	201,65	231,20	0,00	4,53%	0,00
11/1/2023	378.184,01	397.768,27	0,00	212,84	231,20	0,00	3,57%	0,00
12/1/2023	390.018,47	410.215,59	0,00	204,42	231,20	0,00	2,67%	0,00
1/1/2024	412.464,97	433.824,47	0,00	198,61	231,20	0,00	1,8%	0,00
Total	4.349.561,50	4.574.803,64	0,00			0,00		0,00

Glosa Perdas

Breakdown of EBITDA: Other Revenues (OR) Parcel B



*Illustrative Values

UDEROR

(Submodule 2.7 Proret)

Demand Excess (UD), Reactive Surplus (ER) and Other Revenues (OR)



Demand Excess

Amount collected from charges applied when demand exceeds previously contracted connection point values by more than 5%.



Reactive Surplus

Amount collected from penalties on reactive energy amounts and reactive power demand that violated the 0.92 power factor threshold.



Other Revenues (Parcel B)

Operating revenues comprising of electricity distribution service income and other business activity earnings.

Demand excess and **reactive surplus** serve as adjustment components for Parcel B, directly benefiting consumers.

- These appear as additional revenue in Gross Margin calculations, they don't represent a direct "revenue" since they're returned to consumers through Parcel B adjustments.
- While in the other hand, although Other Revenues operate similarly, 60% of the amount is passed through to consumers.

For modeling between tariff periods, demand excess and reactive surplus surpluses must be accounted for. However, one must note that these gains will be deducted from Parcel B in RTPs - in legacy contracts, and RTAs - in new contracts.

UDEROR

(Submodule 2.7 Proret)

Other Revenues (OR)



Demand Excess

Amount collected from charges applied when demand exceeds previously contracted connection point values by more than 5%.



Reactive Surplus

Amount collected from penalties on reactive energy amounts and reactive power demand that violated the 0.92 power factor threshold.



Other Revenues (Parcel B)

Operating revenues comprising of electricity distribution service income and other business activity earnings.

Other revenues originate from economic activities not directly related to energy distribution, such as: electric pole rentals, property leases, technical service provision.

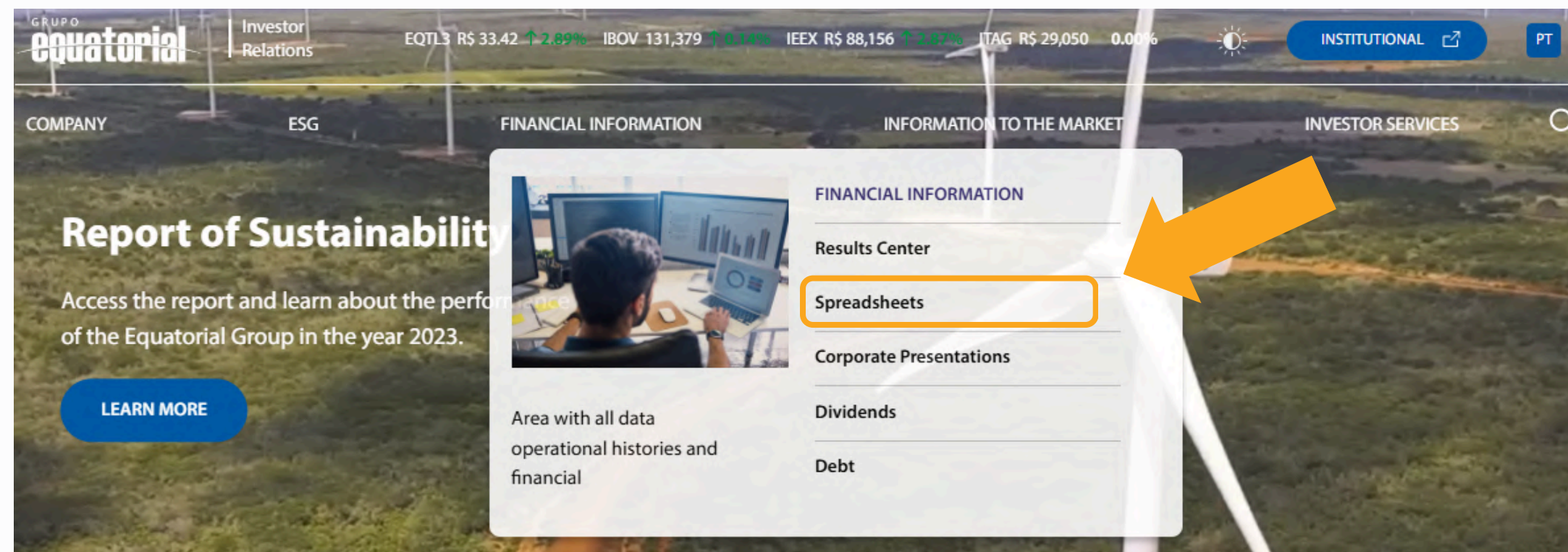
- The Other Revenues line follows a 40% retention rate for the DisCo, with the remaining 60% being passed through to end consumers as a deduction in Parcel B after RTPs for legacy contracts, and after RTAs for new contracts.

When modeling Other Revenues, only two factors need consideration: the growth premise and the fact that 60% of the revenue will be deducted in the next RTP cycle.

Other Revenues (Parcel B)

Where can I find this data?

<https://ri.equatorialenergia.com.br/informacoes-financeiras/dados-operacionais-e-financeiros/>



Pará		
Contrato Antigo	2023	2024
CAOM + CAA	3.312,4	
VPB com ajustes de Mercado e Qualidade	3.322,4	
Ajuste de PB associado ao SCEE	54,4	
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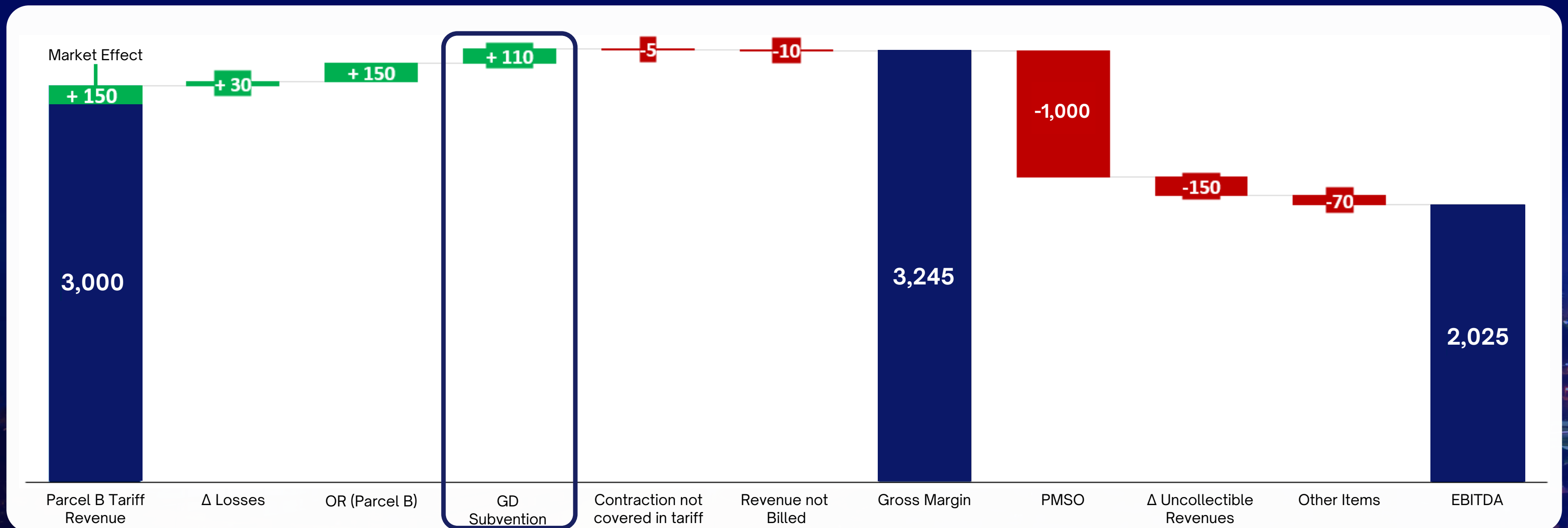
Dados Regulatórios Distribuição

Resultados 2T24 (Tabela 2T23 abaixo)

Demonstração do resultado por empresa (R\$ mil)	Maranhão	Pará	Piauí	Alagoas	CEEE-D	CEA	Goiás
Receita Operacional	2.063	3.411	1.248	1.078	1.725	565	3.656
Outras receitas	133	334	78	85	201	99	479

DRE Individual

Breakdown of EBITDA: GD Subvention



*Illustrative Values

GD Subvention

(Process nº 48500.005466/2023-91)

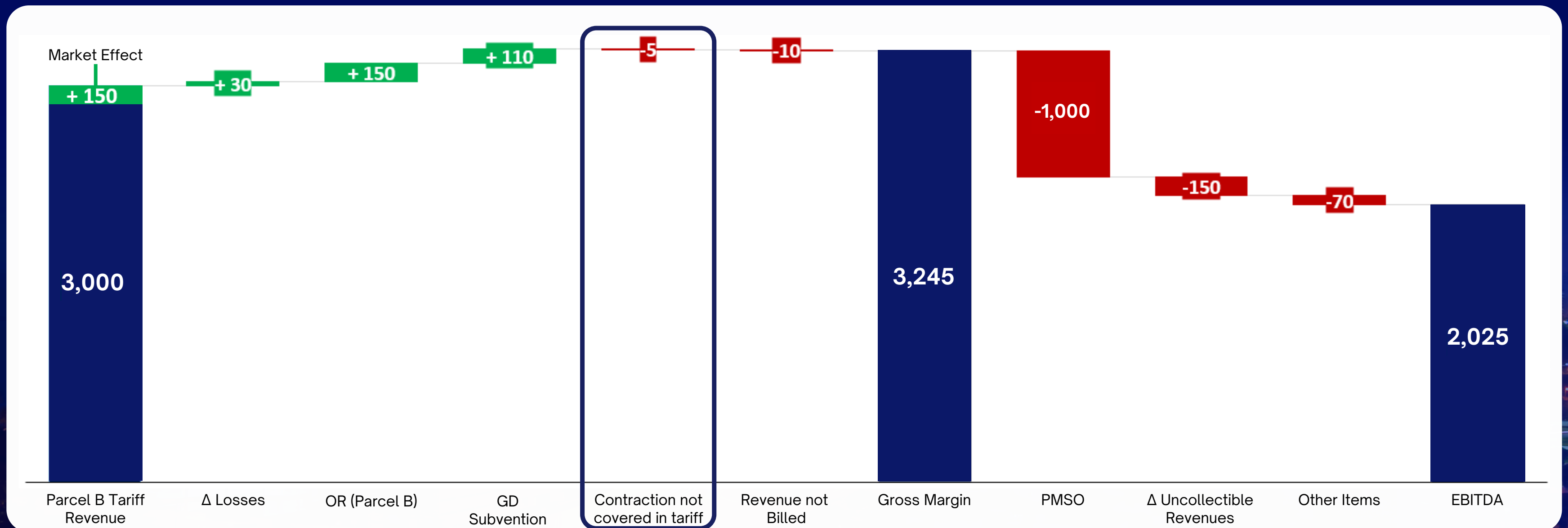
Distributed Generation (GD)

Distributed generation includes power generation plants of any size, connected directly to the distribution system or to consumer facilities. These plants can operate in parallel with the grid or independently, and may or may not be dispatched by the National System Operator (ONS).

Consumers who have adopted distributed generation undergo a transition process. Depending on their connection date and specific situation, they are classified into different GD categories with varying tariff discounts:

- GD I: Connections made **before January 7, 2023**. These consumers receive full exemption from the Parcel B tariff until 2045.
- GD III: Connections made **after January 7, 2023**, with generation capacity exceeding 500 kW, non-dispatchable, qualifying for remote self-consumption, or having shared generation with a single consumption unit accounting for over 25% of surplus energy. Until 2028 (or 2030 in some cases), these consumers receive transmission tariff discounts but not on the Parcel B Tariff.
- DG II: Connections made after January 7, 2023 that **do not meet GD III criteria**. These consumers receive a Parcel B tariff discount, which is being gradually phased out by 2028 (or 2030 in some cases).

Breakdown of EBITDA: Contraction not covered in tariff



*Illustrative Values

Overcontraction

(Submodule 4.3 Proret)

Contraction not covered in tariffs

In the Regulated Contracting Environment¹⁴, the DisCo purchases energy and passes the entire cost on to consumers without financial gain. ANEEL allows the DisCos to include up to 105% of the amount needed to supply their market in the tariff. However, if contraction exceeds this limit, the costs of excess energy is borne by the DisCo.

When overcontraction occurs, we can apply the following logic to determine the overcontracted volume:

$$\text{Overcontracted Volume} = \text{Market} - \frac{\text{Market} \cdot 105\%}{\text{Overcontraction}\%}$$

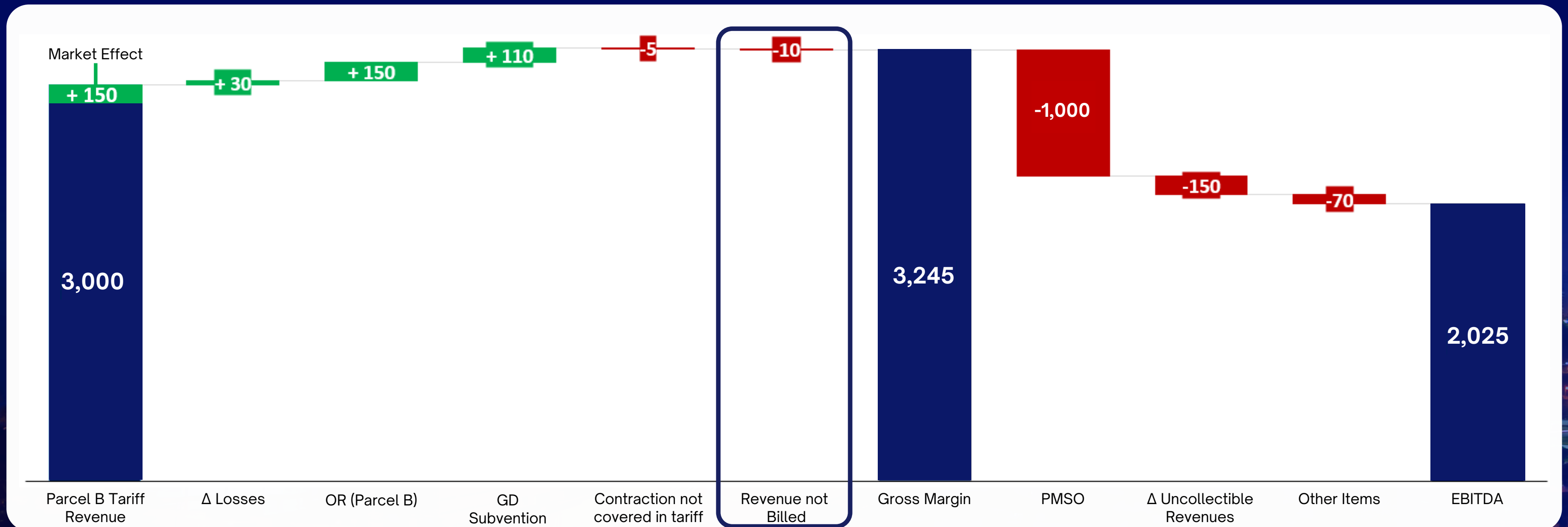
The financial impact is calculated by multiplying the overcontracted volume by the difference between Pmix and the PLD.

In 2024, all DisCos of Grupo Equatorial remained within the regulatory limit of 100% to 105%.

Earnings Release:

2024	MA	PA	PI	AL	RS	AP	GO
% of contraction	102,35%	103,68%	102,77%	106,57%	103,92%	110,02%	105,81%
% disconsidering involuntary	102,35%	103,68%	102,77%	100,00%	103,92%	104,04%	100,00%

Breakdown of EBITDA: Revenue not Billed (RNF)



*Illustrative Values

Revenue not Billed

(Manual de Contabilidade do Setor Elétrico, ANEEL 2022)

Revenue not billed (RNF) represents income that has not yet been invoiced and affects the DisCo's cash flow. While it does not impact long-term financial modeling, it may influence the DisCo's **short-term** results (between tariff periods).

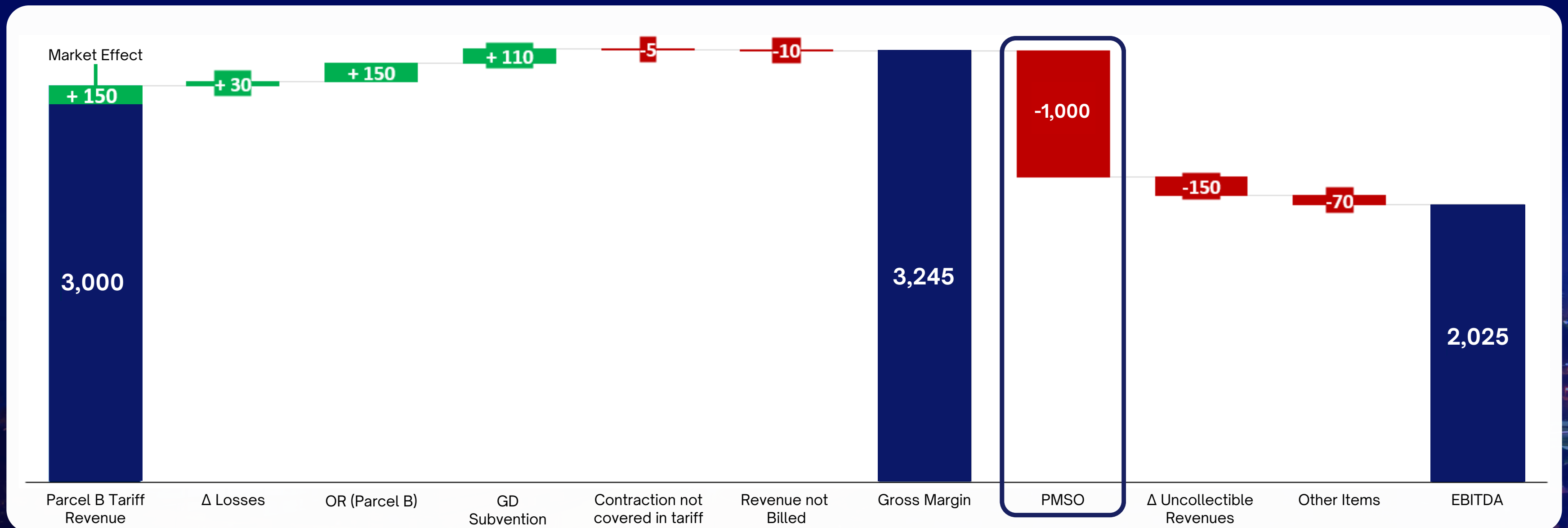
It is accounted for between the consumption reading date and month-end closing, based on an estimate of energy volumes consumed but not yet billed. When the exact amount cannot be determined, the historical three-month billing average serves as the calculation baseline.

At the start of each month, adjustments may be required if the reversal of prior-month unbilled revenue exceeds the current month's estimated revenue, resulting in a debit balance. This balance must be corrected to ensure the account maintains a credit position at all times.

Earnings Release:

Operating Revenues	4Q23								4Q24							
R\$ million	MA	PA	PI	AL	RS	AP	GO	Total	MA	PA	PI	AL	RS	AP	GO	Total
(+) Gross Supply Revenues	1,533	2,475	965	849	1,165	276	2,567	9,830	1,642	2,429	1,003	814	1,215	305	2,782	10,190
Unbilled Income	6	(14)	36	13	30	(4)	(38)	28	5	(13)	3	6	7	2	(107)	(98)

Breakdown of EBITDA: Operational Costs (PMSO)



*Illustrative Values

Operational Costs

Real PMSO x Regulatory PMSO

The DisCo's PMSO may vary significantly between periods. One approach to model real PMSO against regulatory PMSO is to start with the projection of regulatory operational costs and calculate the real PMSO separately using the PMSO/Customer metric like the following logic:

$$\left(\frac{PMSO}{Consumer}\right)_1 = \left(\frac{PMSO}{Consumer}\right)_0 \cdot (IPCA - Outperformance Premise)$$

$$Real PMSO_1 = \left(\frac{PMSO}{Consumer}\right)_1 \cdot \# of Consumers_1$$

$$VPB_1 = GM_1 \cdot (1 + IVI - X Factor)$$

$$Reg.PMSO_1 = VPB_1 \cdot \frac{Reg.PMSO_0}{VPB_0}$$

Where the values represent a 12-month period, the subscript '1' indicates the future period, the subscript '0' indicates the current period, the # of consumers is adjusted by a growth assumption, and:

$VPB = Parcel B Value$

$Reg.PMSO = Regulatory PMSO$

$GM = Gross Margin$

$IVI = Inflation Variation Index$

Operational Costs

Where can I find this data?

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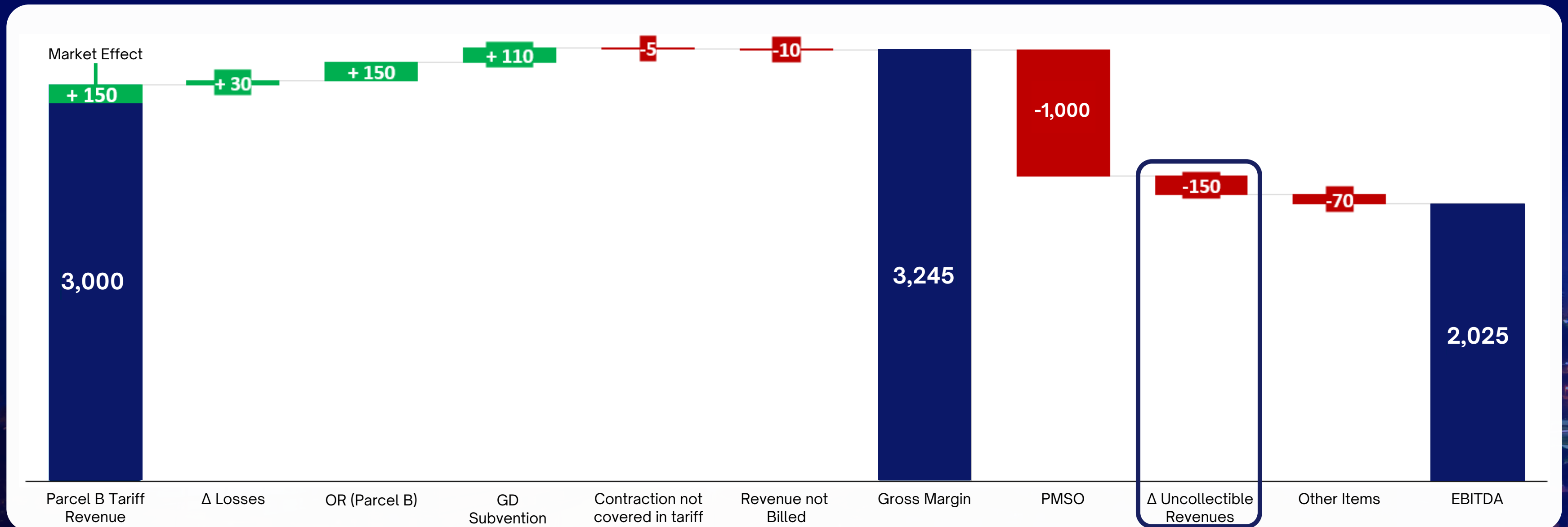
Dados Regulatórios Distribuição

Real Values:

Pará		
PMSO Ajustado	171	177
Ebitda Ajustado	650	706
Resultado Financeiro Ajustado	(97)	(61)
Lucro Ajustado	363	425

Informações Financeiras Aj.

Breakdown of EBITDA: Δ Uncollectible Revenues (RI)



*Illustrative Values

Δ Uncollectible Revenues (Submodule 2.6 Proret)

RI x PDA

Uncollectible Revenue (RI), as defined by ANEEL, is the portion of total revenue billed by the company that has low collection expectation due to consumer delinquency, after all possible collection actions.

What ultimately gets compared to RI is the Provision for Doubtful Accounts (PDA), which are the actual estimates of financial losses related to receivables that have a high probability of not being paid by debtors.

- The regulatory limit for RI imposed by ANEEL is ultimately considered in the final consumer tariff, but PDA amounts above this limit are not.

To model RI vs. PDA, we can adjust RI by the X Factor and market growth, and multiply this value by the efficiency assumption.



Δ Uncollectible Revenues

Where can I find this data?

<https://ri.equatorialenergia.com.br/informacoes-financeiras/dados-operacionais-e-financeiros/>



Real Provisions:

Demonstração do resultado por empresa (R\$ mil)	Maranhão	Pará	Piauí	Alagoas	CEEE-D	CEA
Margem Bruta Operacional	560	1.067	335	276	252	200
Custo/despesa operacional	-244	-283	-116	-76	-240	-41
Pessoal	-59	-49	-22	-20	-38	-9
Material	-6	-4	-2	-5	-5	-1
Serviço de terceiros	-115	-120	-66	-48	-83	-21
Provisões	-32	-62	-19	-10	-51	-4

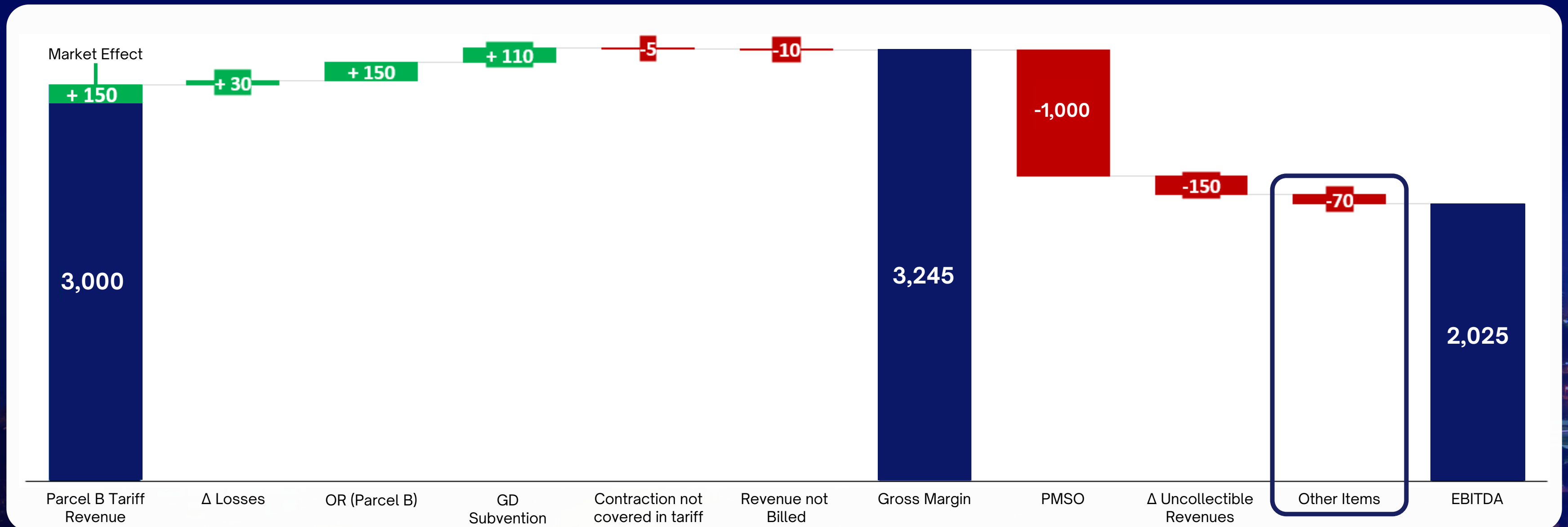
DRE Individual

Regulatory Uncollectible Revenues:

Pará		
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Processo	RTP	RTA
BRR Líquida	8.545,0	
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Pd	0,99%	0,99%
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Dados Regulatórios Distribuição

Breakdown of EBITDA: Other Items



*Illustrative Values

Other Items that Affect the EBITDA

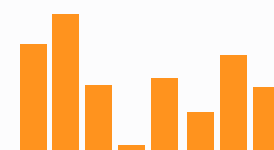
Penalties for Quality Indicators (REN n. 956, 2021)



DEC

Equivalent Interruption Duration per Consumer Unit

The average time duration, during the assessment period, in which each consumer unit in the considered group experienced discontinuity of power distribution.



FEC

Equivalent Interruption Frequency per Consumer Unit

The average number of interruptions occurring, during the assessment period, per consumer unit in the considered group.

Each concession has regulatory limits for DEC and FEC. Non-compliance with these limits results in financial penalties, incentivizing quality control.

Earnings Release:

GROSS MARGIN

Operating Revenues	4Q23								4Q24							
R\$ million	MA	PA	PI	AL	RS	AP	GO	Total	MA	PA	PI	AL	RS	AP	GO	Total
(=) Gross Operating Revenues	2,340	3,703	1,384	1,233	1,699	439	3,818	14,460	2,340	3,884	1,388	1,109	2,018	559	4,185	15,482
Deductions from Operating Revenues	(634)	(848)	(386)	(361)	(522)	(53)	(1,190)	(3,902)	(634)	(899)	(375)	(290)	(526)	(90)	(1,170)	(3,983)
PIS and COFINS	(550)	(871)	(317)	(252)	(328)	(24)	(768)	(2,792)	(550)	(777)	(328)	(252)	(348)	(82)	(894)	(3,231)
Quality Indicator Compensations	(5)	(11)	(8)	(7)	(9)	(1)	(58)	(100)	(5)	(16)	(5)	(1)	(22)	(1)	(53)	(103)
Consumer Charges	(79)	(167)	(61)	(103)	(187)	(28)	(364)	(1,009)	(79)	(106)	(43)	(37)	(156)	(7)	(223)	(649)

Other Items that Affect the EBITDA

Penalties for Late Payments and Provisions

Earning Release:

GROSS MARGIN

Operating Revenues	4Q23								4Q24							
R\$ million	MA	PA	PI	AL	RS	AP	GO	Total	MA	PA	PI	AL	RS	AP	GO	Total
(+) Other Revenues (R\$ MM)	370	575	215	196	305	45	531	2,238	354	695	235	205	324	108	576	2,495
Low Income Subsidy	93	121	50	48	15	10	41	378	95	124	58	53	19	10	50	408
CDE Subvention	33	142	37	32	57	19	88	407	38	140	59	35	90	33	143	538
CDE Distributed Generation	-	-	-	-	-	-	-	-	21	72	29	16	(6)	30	68	229
Grid Usage	48	135	37	65	146	7	242	679	62	158	41	72	158	13	278	781
Financial Asset Update	111	64	15	2	11	(0)	(5)	198	45	95	3	3	5	1	25	178
Financial Asset Write-off	6	8	3	3	4	1	-	26	72	82	35	28	26	15	(0)	257
Late Payment Fine	16	27	9	7	7	3	21	90	18	30	11	8	9	3	25	103

Earnings Release:

OPERATING EXPENSES AND OPEX/CONSUMER

Operating Expenses	4Q23								4Q24							
R\$ million	MA	PA	PI	AL	RS	AP	GO	Total	MA	PA	PI	AL	RS	AP	GO	Total
Adjusted PMSO	172	191	98	76	156	36	255	985	178	181	96	83	158	39	334	1,067
PDA	100	47	19	10	(2)	11	79	263	82	110	71	42	3	(9)	(26)	272
Adjusted PDA and Losses	33	73	15	13	31	7	(0)	173	45	85	24	14	7	9	17	201
% GOR (w/o Construction Revenue)	5.3%	1.0%	1.0%	1.0%	-0.1%	3.1%	2.3%	2.1%	4.1%	3.0%	0.0%	4.3%	0.2%	-2.1%	-0.7%	2.1%
Adjusted PDA/GOR	1.7%	2.5%	1.3%	1.3%	1.0%	2.0%	0.0%	1.4%	2.3%	2.8%	2.0%	1.4%	0.4%	2.1%	0.5%	1.8%
Provision for Contingencies	13	1	4	2	48	(2)	39	105	2	3	3	2	14	0	(39)	(14)
FUNAC Provisions	-	-	-	-	-	-	40	40	-	-	-	-	-	-	(4)	(4)

Cenário Conceitual					
Realizado/Projetado	R	P	P	P	
Processo Tarifário Contrato Antigo	RTP	RTA	RTA	RTA	
Distribuidora A - R\$ Milhões	2023	2024	2025	2026	
Custo de Administração, Operação e Manutenção (CAOM)	1.650	1.869	2.117	2.398	
Custos Operacionais (CO)	1.450	1.642	1.860	2.107	
Receitas Irrecuperáveis - Encargos Setoriais (Vi)	50	57	64	73	
Demais Receitas Irrecuperáveis (Vse)	150	170	192	218	
Custo Anual dos Ativos (CAA)	1.800	2.039	2.309	2.616	
Remuneração do Capital (RC)	1.100	1.246	1.411	1.599	
Quota de Reintegração Regulatória (QRR)	500	566	641	727	
Custo anual das instalações móveis e imóveis (CAIMI)	200	227	257	291	
CAOM + CAA	3.450	3.908	4.426	5.014	
VPB com ajustes de Mercado e Qualidade	3.460	-	-	-	
Ajuste de PB associado ao SCEE	60	-	-	-	
<i>(-) Outras Receitas</i>	60	-	-	-	
<i>(-) Ultrapassagem de Demanda</i>	10	-	-	-	
<i>(-) Excedente de Reativo</i>	15	-	-	-	
(-) UDEROR	85	-	-	-	
<i>Receitas Irrecuperáveis (RI)</i>	200	227	257	291	
Parcela B (VPB) - R\$ Milhões	3.435	3.908	4.052	4.236	
Premissa IPCA - Fator X	-	1,5%	1,5%	1,5%	
Mercado Injetada (GWh)	11.990	12.350	12.720	13.102	
Premissa Crescimento de Mercado	-	3,0%	3,0%	3,0%	
Mercado Faturada (GWh)	11.000	11.238	11.575	11.923	
Tarifa Fio B - R\$/MWh	350	355	361	366	
IPCA	-	5%	5%	5%	
Pmix (R\$ / MWh)	225	236	248	260	
Receita Fio B - R\$ Milhões	3.850	3.992	4.174	4.364	
Efeito Mercado - R\$ Milhões	-	85	122	127	
Δ Perdas (GWh)	-	137	141	146	
Mercado Injetada Regulatório (GWh)	-	12.487	12.862	13.247	
Premissa Perdas Reais	9%	9%	9%	9%	
Premissa Perdas Regulatórias	-	10%	10%	10%	
Impacto de Perdas - R\$ Milhões	-	32,4	35,1	37,9	
Outras Receitas (Parcela B) - R\$ Milhões	15	15,3	15,6	15,9	
Premissa Crescimento OR	-	2%	2%	2%	
Sobrecontratação - R\$ Milhões	-	(14)	(15)	(16)	
Sobrecontratação (GWh)	-	59	60	62	
Premissa Sobrecontratação	-	105,5%	105,5%	105,5%	
Margem Bruta - R\$ Milhões	-	4.026,3	4.209,5	4.401,2	
PMSO Real - R\$ Milhões	-	(1.040)	(1.082)	(1.126)	
PMSO/Consumidor - R\$	250	253	255	258	
Premissa Crescimento PMSO/Consumidor	-	4%	4%	4%	
Número Consumidores - Mil	4.000	4.120	4.244	4.371	
Premissa Crescimento Consumidores	-	3%	3%	3%	
Outperformance PMSO - R\$ Milhões		602	778	981	
PDD - R\$ Milhões		252	285	323	
Premissa Eficiência RI	-	90%	90%	90%	
Outperformance/Underperformance RI - R\$ Milhões		25,2	28,5	32,3	
Provisões - R\$ Milhões		(10)	(10,2)	(10,4)	
Premissa Crescimento Multas	-	1%	2%	2%	
EBITDA Real	-	3.001	3.146	3.297	

Composição EBITDA					
Realizado/Projetado	R	R	R	R	R
Processo Tarifário Contrato Antigo	-	-	-	-	RTP
EQTL Maranhão - R\$ Milhões	1T23	2T23	3T23	4T23	2023
Mercado Injetada (GWh)	2.153	2.373	2.597	2.727	9.850
Premissa Crescimento de Mercado	-	-	-	-	-
Energia Compensada GD	18	21	26	28	93
Mercado Faturada (GWh)	1.714	1.841	1.987	2.112	7.654
Tarifa Fio B - R\$/MWh	258	259	247	241	251
IPCA	-	-	-	-	-
Pmix (R\$ / MWh)	225	225	225	225	225
Receita Fio B - R\$ Milhões	447	482	498	516	1.947
Efeito Mercado - R\$ Milhões	-	-	-	-	-
Δ Perdas (GWh)	8 -	39 -	52 -	16 -	95
Mercado Injetada Regulatório (GWh)	2.160	2.335	2.545	2.711	9.755
Premissa Perdas Reais	16,6%	18,2%	18,9%	17,7%	18%
Premissa Perdas Regulatórias	16,9%	16,9%	17,3%	17,3%	17%
Impacto de Perdas - R\$ Milhões	1,7	-8,7	-11,6	-3,6	-22,2
Outras Receitas (Parcela B) - R\$ Milhões	-	11	11	18	32
Premissa Crescimento OR	-	-	-	-	-
Ultrapassagem de Demanda e Excessivo de Reativo - R\$ Milhões	-	3 -	4 -	4 -	5
Premissa Crescimento UDER	-	-	-	-	-
Renda Não Faturada - R\$ Milhões	6	10	4	6	26
Multas DEC e FEC - R\$ Milhões	-	10 -	7 -	4 -	7 -
Multas por Atraso de Pagamento - R\$ Milhões	12	12	13	27	64
Premissa Crescimento Multas por Atraso de Pagamento	-	-	-	-	-
Sobrecontratação - R\$ Milhões	-	-	-	-	-
Sobrecontratação (GWh)	-	-	-	-	-
Premissa Sobrecontratação	102,2%	102,2%	100,2%	95,0%	-
Margem Bruta - R\$ Milhões	443,2	494,9	513,0	547,0	2.002,6
PMSO Real - R\$ Milhões	-	152 -	169 -	165 -	172 -
PMSO/Consumidor - R\$	56	62	61	63	61
Premissa Crescimento PMSO/Consumidor	-	-	-	-	-
Número Consumidores - Mil	2.691.863	2.706.449	2.719.640	2.738.710	2.738.710
Premissa Crescimento Consumidores	-	-	-	-	-
Outperformance PMSO - R\$ Milhões					
PDD - R\$ Milhões	-	27 -	24 -	23 -	33 -
Premissa Eficiência RI	-	-	-	-	-
Provisões - R\$ Milhões	-	5 -	4 -	4 -	13 -
Premissa Crescimento Multas	-	-	-	-	-
EBITDA Real	259,2	297,9	321,0	329,2	1.207
Variação MB Release	0,5%	-0,7%	0,3%	-0,2%	0,0%
Ajustes Não Recorrentes	27	7	48	29	111
EBITDA Ajustado	286,2	304,9	369,0	358,2	1.318

Glossary

ANEEL Regulatory Glossary for the Electric Sector: <https://www.gov.br/aneel/pt-br/centrais-de-conteudos/glossario>

¹Price Cap: Model that establishes the maximum tariff defined in the Periodic Tariff Review (RTP), adjusted annually by inflation and by the X Factor, which shares the DisCos productivity gains with consumers until the next RTP.

²Required Revenue: Corresponds to the revenue compatible with covering the costs of energy purchase, transmission, sectoral charges, efficient operational costs, and capital costs.

³Parcel A: Comprises the costs related to electricity transmission and generation activities, including self-generation, plus the sectoral charges defined in specific legislation.

⁴Uncollectible Revenue: Expected portion of the total revenue billed by the company that has low collection expectation due to consumer delinquency.

⁵Energy transmission costs: From power plants to the DisCos' distribution networks, composed of: Basic Network (Nodal and Border), Connection/DIT and Use of Distribution Systems.

⁶Sectoral Charges: Originating from government policies for the electric sector, have specific purposes, are defined in their own legislation, and have their values established by ANEEL.

⁷Energy acquisition costs for resale: The sum of energy purchase prices.

⁸Parcel B: Comprises the operational and capital costs of distribution activities and customer commercial management.

⁹Operational Costs: Correspond to costs with Personnel, Materials, Third-Party Services, Other operational costs, Taxes and Insurance related to distribution activities, and Electricity commercialization.

¹⁰Capital Remuneration: Remuneration of prudent investments made by the DisCo.

¹¹Regulatory Reinstatement Quota: Quota that considers depreciation and amortization of investments made, aiming to recompose the assets related to service provision throughout their useful life.

¹²Annual Cost of Mobile and Fixed Installations: Short recovery period investments, such as those made in hardware, software, vehicles, and all administrative building infrastructure.

¹³X Factor: Corresponds to a value to be subtracted or added to the Inflation Variation Indicator - IVI variation when executing annual tariff adjustments between periodic reviews, aiming to share with consumers the estimated productivity gains for the period.

¹⁴Regulated Contracting Environment: Market segment where electricity purchase and sale operations are carried out between selling agents and distribution agents, preceded by bidding, except for cases provided by law, according to specific commercialization rules and procedures.

¹⁵ Short-term market: Denomination of the process where accounting and financial settlement of verified differences between the following electricity amounts occurs: a) contracted, registered and validated by CCEE agents, whose registration has been effected by the Chamber; and b) generation or consumption effectively verified and attributed to the respective CCEE agents.

¹⁶ Distributed Generation: Electricity generating plants, of any capacity, with installations connected directly to the distribution electric system or through consumer installations, which may operate in parallel or isolated and dispatched - or not - by the ONS.

¹⁷ Compensation Account for Variation of "Parcel A" Items: Intended to record variations, occurring in the period between tariff adjustments, of the values of the following cost items of "Parcel A", addressed in the electricity distribution concession contracts.

¹⁸ α Factor: Value used to update the DEA to the present. Encompasses factors such as IPCA, network, consumer units, non-technical losses, CHI and market.

¹⁹ Replacement New Value: Corresponds to the individual asset value, valued at current prices, under the terms established in this Submodule.

²⁰ Remuneration Base: Prudent investments, evaluated at market prices, required by the DisCo to provide the public transmission service according to the conditions established in the concession contract, particularly the required quality levels.

²¹ Gross Remuneration Base: Defined as the Replacement New Value of the set of assets and installations of the transmission company that comprise the Immobilized and Intangible Assets in Service, deducted from the full utilization index, from the gross value of special obligations and from fully depreciated assets.

²² Net Remuneration Base: Defined as the Market Value in Use of the set of assets and installations of the transmission company that comprise the Immobilized and Intangible Assets in Service, deducted from the net value of special obligations, from the depreciated utilization index and added the value of the operational warehouse.

²³ Regulatory Annuities Base: consists of short recovery period investments and is composed of the following account groups, which will not be considered in the Remuneration Base.

²⁴ Depreciation Rate: Values for calculation and accounting of periodic depreciation quotas of various types of registration units to be applied by electricity public service DisCos.

²⁵ Parcel B Tariff: Value, in current national currency, due for the use of distribution installations and calculated by the product of the use tariff portion referring to distribution service costs (TUSD Wire B) by the respective amounts of distribution system use and contracted or verified energy.

²⁶ Pmix: Value inserted by the selling proponent, expressed in reais per Megawatt-hour (R\$/MWh), which will constitute the bid price for the energy product.

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