Centrais Elétricas Brasileiras S.A. - Eletrobras

Report on the review of quarterly information - ITR March 31, 2017

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Report on the review of quarterly information - ITR

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To
The Officers and Shareholders of
Centrais Elétricas Brasileiras S.A. - Eletrobras
Brasília – Distrito Federal

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Centrais Elétricas Brasileiras S.A. - Eletrobras ("Company"), included in the Interim Financial Statements Form – ITR, for the quarter ended March 31, 2017, which comprises the balance sheet as of March 31, 2017, and the related statements of income and comprehensive income, the statement of changes in equity and of cash flows for the three months period then ended, including the explanatory notes.

The Company`s Management is responsible for the preparation of the interim accounting information in accordance with the Accounting Pronouncement CPC 21(R1) – "Demonstração Intermediária" and the international accounting rule IAS 34 - Interim Financial Reporting, issued by the IASB, as well as the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of quarterly information - ITR. Our responsibility is to express our conclusion on this interim accounting information based on our review.

Scope of the review

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim financial information included in the quarterly financial statements referred to above was not prepared, in all material respects, in accordance with CPC 21 and IAS 34, applicable to the preparation of the Quarterly Financial Statements and presented in accordance with the rules issued by the CVM (Brazilian Securities and Exchange Commission).

Emphasis of matter

***(i) Risk related to compliance with laws and regulations* – Lava Jato**
As further described in note 4.1 of these individual and consolidated interim financial information, the Company is a defendant in two class action lawsuits initiated in the United States of America that alleges, among other things, that the Company and the individual defendants knew or should have known about alleged fraud committed against the Company by a cartel of construction firms, as well as bribes and kickbacks allegedly solicited and received by the Company's employees; that the Company and the individual defendants made material misstatements and omissions regarding the alleged fraud; and that the Company's stock price declined when the alleged fraud was disclosed. Although no provision has been made in the Company's consolidated and individual quarterly financial statements, the ultimate outcome of these legal proceedings could have a material adverse effect on the Company's consolidated financial position, results of operations and cash flows in the future. The Company's net income was reduced by R$ 158,630 thousand in the 3rd quarter 2016, as a result of previously capitalized costs, net of impairment charges and investment on equity method investee which have been written off, representing the estimated amounts linked to unlawful activities that Eletrobras subsidiaries and associate overpaid for the acquisition of property, plant and equipment.

Our conclusion is not qualified in light of these issues.

(ii) Going concern of the subsidiaries and affiliated companies
As mentioned in Note 15 and 35, the generation subsidiaries Eletrobras Termonuclear SA (Eletronuclear) and Companhia de Geração Térmica de Energia Elétrica (CGTEE) and Amazonas Geração e Transmissão de Energia S.A. have been presenting continuous losses in their operations, negative working capital and/or liabilities in excess of assets, and the associates Belo Monte Transmissora de Energia S.A., ESBR Participações S.A., Norte Energia S.A and Madeira Energia S.A . have relevant negative working capital at March 31, 2017.

As described in Note 2, the Company's 165th Extraordinary General Shareholders´ Meeting decided, on July 22, 2016, not to renew the concessions of the power distribution companies Companhia Energética do Piauí - CEPISA; Companhia Energética de Alagoas - CEAL; Companhia de Eletricidade do Acre - ELETROACRE; Centrais Elétricas de Rondônia S.A - CERON; Boa Vista Energia S.A; and Amazonas Distribuidora de Energia S.A, and also the transfer of the shareholding control of these distribution investees until

December 31, 2017 provided that until the transfer of these distribution investees to the new controller they receive directly from the Federal Government, or through tariff, all the resources and remuneration required to operate, maintain and make investments that are related to public services of its distribution, keeping its economic and financial balance, without any injection of funds, in any way, by Eletrobras, otherwise, the provisions for the liquidation of the distribution investees should be adopted.

The operational continuity of the subsidiaries and associates mentioned above depends on financial support from third parties, the Company and/or other shareholders.

Our opinion is not qualified in light of these issues.

Other matters

Statements of value added

We also reviewed the individual and consolidated interim statements of value added (DVA) for the for the three months period ended March 31, 2017, prepared under the responsibility of the Company's management, presented as supplementary information for the purposes of IAS 34. In order to form our conclusion, we evaluate whether these statements are reconciled with the interim accounting information and the accounting entries, as applicable, and if the form and content are in accordance with the Accounting Pronouncement CPC 09 – "Demonstração do Valor Adicionado". Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, May 12, 2017

KPMG Auditores Independentes

CENTRAIS ELÉTRICAS BRASILEIRAS S.A - ELETROBRAS
BALANCE SHEET FOR THE PERIODS ENDED MARCH 31 2017 AND DECEMBER 2016
(thousands of BRL)

		PARENT COMPANY		CONSOLIDATED	
ASSETS	**NOTE**	**03/31/2017**	**12/31/2016**	**03/31/2017**	**12/31/2016**
CURRENT					
Cash and cash equivalents	**5**	25,579	194,106	975,504	679,668
Restricted cash	**5**	1,926,148	1,681,346	1,926,148	1,681,346
Marketable Securities	**6**	5,273,338	4,288,141	6,499,403	5,497,978
Accounts Receivable, net	**7**	349,079	355,031	4,592,779	4,402,278
Financial assets – Concessions and Itaipu	**17**	-	-	3,683,738	2,337,513
Financing and loans	**8**	7,324,237	6,783,913	2,949,526	3,025,938
Fuel Consumption Account (CCC)	**25**	191,560	195,966	191,560	195,966
Remuneration of equity interest	**9**	598,199	618,566	261,825	318,455
Tax recoverable	**10**	187,967	674,241	597,917	1,085,520
Income tax and social contribution	**10**	843,655	769,541	1,119,911	1,086,367
Reimbursement right	**11**	76,242	74,527	1,447,552	1,657,962
Inventory		270	280	532,518	540,895
Nuclear fuel inventory	**12**	-	-	455,737	455,737
Derivative financial instruments	**44**	-	-	191,447	127,808
Hydrological risk	**14**	-	-	108,275	109,535
Assets held for sale	**43**	-	-	-	4,406,213
Other		1,147,923	1,136,336	1,655,040	1,663,473
TOTAL CURRENT ASSETS		**17,944,197**	**16,771,994**	**27,188,880**	**29,272,652**
NONCURRENT					
LONG-TERM RECEIVABLES					
Reimbursement right	**11**	-	-	7,475,061	7,507,024
Financing and loans	**8**	27,807,517	28,597,843	9,363,664	10,158,306
Accounts Receivable, net	**7**	64,975	76,441	2,125,482	2,079,025
Securities	**6**	249,254	245,296	250,496	247,235
Nuclear fuel inventory	**12**	-	-	587,827	675,269
Tax recoverable	**10**	-	-	1,763,388	1,705,414
Income tax and social contribution	**10**	1,488,158	1,488,158	2,098,649	2,327,866
Guarantees and linked deposits		3,053,019	2,896,676	6,044,405	6,259,272
Fuel Consumption Account (CCC)	**25**	6,919	6,919	6,919	6,919
Financial assets – Concessions and Itaipu	**17**	2,396,422	2,412,933	52,673,247	52,749,546
Derivative Instruments	**44**	-	-	-	100,965
Advance for future capital increase	**13**	1,347,760	1,255,184	1,565,664	1,617,916
Hydrological risk	**14**	-	-	423,966	457,677
Other		2,300,909	2,071,256	1,755,519	1,228,143
		38,714,933	**39,050,706**	**86,134,287**	**87,120,577**
INVESTMENTS					
Valued using equity method	**15**	61,074,748	59,421,842	25,984,913	25,173,611
Held at fair value	**15**	1,211,501	1,168,935	1,411,226	1,357,923
		62,286,249	**60,590,777**	**27,396,139**	**26,531,534**
FIXED ASSETS, NET	**16**	193,627	194,402	26,605,842	26,812,925
INTANGIBLE ASSETS	**18**	-	-	744,441	761,739
TOTAL NONCURRENT ASSETS		**101,194,809**	**99,835,885**	**140,880,709**	**141,226,775**
TOTAL ASSETS		**119,139,006**	**116,607,879**	**168,069,589**	**170,499,427**

CENTRAIS ELETRICAS BRASILEIRAS S.A - ELETROBRAS
BALANCE SHEET FOR THE PERIODS ENDED MARCH 31 2017 AND DECEMBER 2016
(thousands of BRL)

		PARENT COMPANY		C O N S O L I D A TED	
LIABILITIES AND SHAREHOLDERS' EQUITY	**NOTA**	**03/31/2017**	**12/31/2016**	**03/31/2017**	**12/31/2016**
CURRENT					
Financing and loans	**22**	3,283,854	3,397,485	5,735,929	5,833,547
Debentures	**23**	-	-	15,511	12,442
Compulsory loan	**24**	46,001	48,193	46,001	48,193
Suppliers	**20**	376,870	440,976	9,544,132	9,659,301
Advance from customers	**21**	550,620	560,277	610,623	620,781
Tax payable	**26**	41,057	41,554	1,202,531	1,336,089
Income tax and social contribution	**26**	627,770	486,605	682,356	606,848
Provisions for Onerous contracts	**33**	-	-	982,959	1,093,678
Shareholders' compensation	**28**	471,164	458,302	475,804	462,891
Financial liabilities – Concessions and Itaipu	**17**	1,457,867	1,212,017	-	-
Estimated obligations		117,290	106,879	1,170,725	1,188,149
Reimbursement obligations	**11**	1,857,251	1,693,309	2,023,750	1,868,085
Post-employment benefits	**29**	22,799	29,632	92,085	107,571
Provision for contingencies	**30**	650,773	756,811	1,015,792	1,083,475
Regulatory fees	**27**	-	-	624,122	647,201
Leasing	**22**	-	-	136,751	136,662
Derivative financial instruments	**44**	4,257	6,614	4,379	6,946
Liabilities associated with assets held for sale	**43**	-	391,550	-	5,175,013
Other		94,365	100,145	1,894,652	1,251,638
TOTAL CURRENT LIABILITIES		**9,601,938**	**9,730,349**	**26,258,102**	**31,138,510**
NONCURRENT					
Financing and loans	**22**	22,332,353	22,922,041	39,950,206	39,786,881
Suppliers	**20**	-	-	9,742,350	9,782,820
Debentures	**23**	-	-	191,230	188,933
Advance from customers	**21**	-	-	577,075	592,215
Compulsory loan	**24**	464,615	460,940	464,615	460,940
Asset decomission obligation	**31**	-	-	1,423,116	1,402,470
Fuel Consumption Account (CCC)	**25**	510,868	482,179	510,868	482,179
Provisions for litigation	**30**	14,157,242	13,674,073	20,225,940	19,645,954
Post-employment benefits	**29**	394,035	394,035	2,363,829	2,368,077
Provision for unsecured liabilities	**35**	21,330,688	20,160,828	314,155	311,010
Provisions for Onerous contracts	**33**	-	-	2,450,903	2,659,305
Reimbursement obligations	**11**	-	-	1,521,547	1,516,313
Leasing	**22**	-	-	1,010,716	1,032,842
Concessions payable – Use of public property		-	-	63,750	63,337
Advance for future capital increase	**32**	3,410,823	3,310,409	3,410,823	3,310,409
Derivative financial instruments	**44**	-	-	43,161	43,685
Energy sector charges	**27**	-	-	793,673	615,253
Tax payable	**26**	2,222	2,222	1,105,422	1,059,880
Income tax and social contribution	**26**	335,032	320,560	8,808,958	8,305,606
Other		979,580	946,775	972,885	1,667,883
TOTAL NONCURRENT LIABILITIES		**63,917,458**	**62,674,062**	**95,945,222**	**95,295,992**
SHAREHOLDERS' EQUITY					
Capital stock	**36**	31,305,331	31,305,331	31,305,331	31,305,331
Capital reserves	**36**	13,867,170	13,867,170	13,867,170	13,867,170
Profit reserve		3,018,680	3,018,680	3,018,680	3,018,680
Adjustment to equity		25,722	33,261	25,722	33,261
Accumulated losses		1,401,164	-	1,401,164	-
Accumulated other comprehensive income		(3,998,457)	(4,004,625)	(3,998,457)	(4,004,625)
Amounts recognized in OCI classified as held for sale		-	(16,349)	-	(16,349)
Minority shareholdings		-	-	246,655	(138,543)
TOTAL SHAREHOLDERS' EQUITY		**45,619,610**	**44,203,468**	**45,866,265**	**44,064,925**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**119,139,006**	**116,607,879**	**168,069,589**	**170,499,427**

CENTRAIS ELETRICAS BRASILEIRAS S.A. - ELETROBRAS

INCOME STATEMENT FOR THE PERIODS ENDED MARCH 31, 2017 AND 2016

(thousands of BRL)

		PARENT COMPANY			CONSOLIDATED	
	NOTA	03/31/2017	01/07/2015 à 30/09/2015	03/31/2016	03/31/2017	03/31/2016
NET OPERATING REVENUE	**38**	**872,616**	**-**	**839,970**	**8,968,824**	**6,761,370**
OPERATING COSTS						
Energy purchased for resale	**41**	(860,870)		(910,612)	(2,602,297)	(2,169,057)
Charges upon use of electricity network		-		-	(485,117)	(405,495)
Fuel for electricity production		-		-	(7,783)	(419,118)
Construction		-		-	(322,067)	(451,157)
		(860,870)	**-**	**(910,612)**	**(3,417,264)**	**(3,444,827)**
GROSS INCOME		**11,746**	**-**	**(70,642)**	**5,551,560**	**3,316,543**
OPERATING EXPENSES						
Personnnel, supplies and services	**40**	(141,617)		(165,825)	(2,237,786)	(1,987,959)
Compensation and reimbursement		-		-	(90,573)	(97,467)
Depreciation		(1,237)		(1,308)	(379,431)	(378,298)
Amortization		-		-	(81,922)	(56,460)
Donations and contributions		(25,897)		(52,894)	(33,788)	(69,695)
Operanting provisions(reversals), Net	**42**	(1,303,649)		(4,327,480)	(360,931)	(3,013,021)
Other		(14,742)		(38,385)	(224,149)	(371,398)
		(1,487,142)	**-**	**(4,585,892)**	**(3,408,580)**	**(5,974,298)**
OPERATING INCOME BEFORE FINANCIAL INCOME		**(1,475,396)**	**-**	**(4,656,534)**	**2,142,980**	**(2,657,755)**
FINANCIAL INCOME						
Financial Revenue						
Income from interest, commissions and fees		933,076		878,946	210,473	192,754
Income from financial investments		224,762		182,471	286,048	308,874
Interest paid on electricity bills in arrears		4,232		13,659	103,074	131,039
Exchange variation gains		260,298		326,617	308,479	799,978
Foreign exchange gains		578,996		2,166,141	610,901	2,188,219
Regulatory asset indexation		-		-	4,836	17,535
Gains on derivatives		-		-	116,856	25,786
Other financial income		(27,931)		82,935	143,941	205,598
Financial Expenses						
Debt charges		(531,432)		(593,404)	(1,559,255)	(1,507,040)
Leasing charges		-		-	(80,899)	(67,109)
Charges on shareholders' funds		(113,607)		(7,139)	(118,922)	(10,837)
Passive indexation		(451,591)		(619,888)	(550,016)	(921,542)
Exchange variation loss		(590,862)		(2,433,323)	(579,811)	(2,372,821)
Regulatory liability indexation		-		-	(15,445)	(8,014)
Losses on Derivatives		-		-	-	53,144
Other financial expenses		(25,203)		(148,848)	(217,889)	(380,728)
		260,738	**-**	**(151,833)**	**(1,337,629)**	**(1,345,164)**
RESULT BEFORE RETURNS ON SHAREHOLDINGS		**(1,214,658)**	**-**	**(4,808,367)**	**805,351**	**(4,002,919)**
RETURNS ON SHAREHOLDINGS	**39**	3,210,834		861,493	1,824,792	182,088
OPERATING INCOME BEFORE TAXES		**1,996,176**	**-**	**(3,946,874)**	**2,630,143**	**(3,820,831)**
Current income tax and social contribution	**26**	(602,551)		(218,195)	(668,735)	(226,228)
Deferred income tax and social contribution	**26**	-		267,209	(583,256)	152,591
NET INCOME (LOSS) FOR THE PERIOD		**1,393,625**	**-**	**(3,897,860)**	**1,378,152**	**(3,894,468)**
PORTION ATTRIBUTED TO MAJORITY SHAREHOLDERS		1,393,625	-	(3,897,860)	1,393,625	(3,897,860)
PORTION ATTRIBUTED TO MINORITY SHAREHOLDERS		-	-	-	(15,473)	3,392
EARNINGS PER SHARE						
Profit or loss per share - base	**37**	R$1.03		(R$2.88)	R$1.03	(R$2.88)
Profit or loss per share - diluted	**37**	R$1.02		(R$2.88)	R$1.02	(R$2.88)

CENTRAIS ELÉTRICAS BRASILEIRAS S.A - ELETROBRAS
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT MARCH 31, 2017 AND DECEMBER 31, 2016
(thousands of BRL)

			PROFIT RESERVE									
	SHARE CAPITAL	CAPITAL RESERVES	LEGAL	EARNINGS WITHHELD	PROFIT RESERVE	STATUTORY	REFLEX EQUITY VALUATION ADJUSTMENTS	ACCUMULATED EARNINGS (LOSSES)	OTHER COMPREHENSIVE INCOME	CONTROLLING SHAREHOLDERS' EQUITY	NON-CONTROLLING SHAREHOLDERS' EQUITY	CONSOLIDATED SHAREHOLDERS' EQUITY
At December 31, 2016	**31,305,331**	**13,867,170**	**171,295**	**713,802**	**386,375**	**1,747,208**	**33,261**	**-**	**(4,020,974)**	**44,203,468**	**(138,543)**	**44,064,925**
Divestiture									-	-	363,064	363,064
Other comprehensive income associated with assets held for sale									16,349	16,349		16,349
Accumulated conversion adjustments									(4,535)	(4,535)		(4,535)
Fair value of available-for-sale financial instruments									42,566	42,566		42,566
Deferred IR/CS on other comprehensive results									(14,472)	(14,472)		(14,472)
Adjustment of subsidiaries / affiliated companies									(18,835)	(18,835)	37,607	18,772
Financial instruments - Hedge									1,444	1,444		1,444
Realization of equity valuation adjustments							(7,539)	7,539		-		-
Net income for the period								1,393,625		1,393,625	(15,473)	1,378,152
At March 31, 2017	**31,305,331**	**13,867,170**	**171,295**	**713,802**	**386,375**	**1,747,208**	**25,722**	**1,401,164**	**(3,998,457)**	**45,619,610**	**246,655**	**45,866,265**

CENTRAIS ELÉTRICAS BRASILEIRAS S.A - ELETROBRAS
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT MARCH 31, 2016 AND DECEMBER 31, 2015
(thousands of BRL)

	SHARE CAPITAL	CAPITAL RESERVES	PROFIT RESERVAS DE LI: LEGAL	REFLEX EQUITY VALUATION ADJUSTMENTS	ACCUMULATED EARNINGS (LOSSES)	OTHER COMPREHENSIVE INCOME	CONTROLLING SHAREHOLDERS' EQUITY	NON-CONTROLLING SHAREHOLDERS' EQUITY	CONSOLIDATED SHAREHOLDERS' EQUITY
At December 31, 2015	**31,305,331**	**26,048,342**	**-**	**39,452**	**(12,181,172)**	**(3,119,939)**	**42,092,014**	**(352,792)**	**41,739,222**
Accumulated conversion adjustments						(17,297)	(17,297)		(17,297)
Fair value of available-for-sale financial instruments						64,313	64,313		64,313
Deferred IR/CS on other comprehensive results						(21,866)	(21,866)		(21,866)
Adjustment of subsidiaries / affiliated companies					1,087	(71,074)	(69,987)	1,179	(68,808)
Financial instruments - Hedge						(4,219)	(4,219)		(4,219)
Net losses in the period					(3,897,860)		(3,897,860)	3,392	(3,894,468)
At March 31, 2016	**31,305,331**	**26,048,342**	**-**	**39,452**	**(16,077,945)**	**(3,170,082)**	**38,145,098**	**(348,221)**	**37,796,877**

CENTRAIS ELETRICAS BRASILEIRAS S.A. - ELETROBRAS
STATEMENT OF ADDED VALUE FOR THE PERIODS ENDED MARCH 31, 2017 AND 2016
(thousands of BRL)

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	PARENT COMPANY		C O N S O L I D A TED	
	2017	2016	2017	2016
1 - INCOME (EXPENSES)				
Sale of merchandise, products, and services	891,242	764,744	10,816,181	8,274,312
	891,242	764,744	10,816,181	8,274,312
2 - INPUTS ACQUIRED FROM THIRD PARTIES				
Materials, services and others	(43,485)	(90,348)	(1,758,116)	(1,896,783)
Sector fees	-	-	(436,632)	(374,529)
Energy purchased for resale	(860,870)	(910,612)	(2,602,297)	(2,169,057)
Fuel for electricity production	-	-	(7,783)	(419,118)
Operating provisions/reversals	(1,303,649)	(4,327,480)	(360,931)	(3,013,021)
	(2,208,004)	(5,328,440)	(5,165,759)	(7,872,508)
3 - GROSS VALUE ADDED	(1,316,762)	(4,563,696)	5,650,422	401,804
4 - WITHHOLDINGS				
Depreciation, amortization and depletion	(1,237)	(1,308)	(461,353)	(434,758)
5 - NET VALUE ADDED PRODUCED BY THE ENTITY	(1,317,999)	(4,565,004)	5,189,069	(32,954)
6 - VALUE ADDED RECEIVED IN TRANSFER				
Equity holdings	3,210,834	861,493	1,824,792	182,088
Financial revenue	1,973,433	3,650,769	1,784,608	3,869,783
	5,184,267	4,512,262	3,609,400	4,051,871
7 - TOTAL VALUE ADDED TO BE DISTRIBUTED	3,866,268	(52,742)	8,798,469	4,018,917
DISTRIBUTION OF ADDED VALUE				
PERSONNEL				
Personnel, charges, and wages	103,513	93,351	1,516,730	1,248,117
Retirement and pension plan	9,361	20,511	84,846	168,576
	112,874	113,862	1,601,576	1,416,693
TAXES				
Taxes, fees and contributions	621,177	(124,240)	2,662,716	1,212,050
	621,177	(124,240)	2,662,716	1,212,050
THIRD PARTIES				
. Financial charges and leasing	1,712,695	3,802,602	3,122,237	5,214,947
. Donations and contributions	25,897	52,894	33,788	69,695
	1,738,592	3,855,496	3,156,025	5,284,642
SHAREHOLDERS				
. Share of non-controlling shareholders	-	-	(15,473)	3,392
. Retained earnings or loss for the period	1,393,625	(3,897,860)	1,393,625	(3,897,860)
	1,393,625	(3,897,860)	1,378,152	(3,894,468)
	3,866,268	(52,742)	8,798,469	4,018,917

CENTRAIS ELÉTRICAS BRASILEIRAS S.A. - ELETROBRAS
COMPREHENSIVE INCOME FOR THE PERIODS ENDED MARCH 31, 2017 AND 2016
(thousands of BRL)

Equity in comprehensive income of subsidiaries	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Period income (loss)	**1,393,625**	**(3,897,860)**	**1,378,152**	**(3,894,468)**
Other components of comprehensive income				
Items that will not be reclassified to income				
Adjustment for actuarial gains and losses	-	-	(21,624)	-
	-	-	(21,624)	-
Items that may be reclassified to income				
Accumulated conversion adjustments	(4,535)	(17,297)	(4,535)	(111,665)
Cash flow hedge adjustment	1,444	(4,219)	1,444	9,438
Fair value of financial instruments available for sale	42,566	64,313	50,572	64,313
Deferred income tax/social contributions	(14,472)	(21,866)	(17,194)	(21,866)
Equity in comprehensive income of subsidiaries, associated companies, and joint ventures	(18,835)	(71,074)	32,391	3,781
Deferred income tax/social contributions	-	-	2,721	7,035
	6,168	(50,143)	65,399	(48,964)
Other components of period comprehensive income	**6,168**	**(50,143)**	**43,775**	**(48,964)**
Total period comprehensive income	**1,399,793**	**(3,948,003)**	**1,421,927**	**(3,943,432)**
Portion attributed to majority shareholders			**1,399,793**	**(3,948,003)**
Portion attributed to minority shareholders			**22,134**	**4,571**
			1,421,927	**(3,943,432)**

CENTRAIS ELÉTRICAS BRASILEIRAS S.A - ELETROBRAS

CASH FLOW FOR THE PERIODS ENDED MARCH 31, 2017 AND 2016

(thousands of BRL)

	NOTE	PARENT COMPANY		CONSOLIDATED	
		03/31/2017	03/31/2016	03/31/2017	03/31/2016
OPERATING ACTIVITIES					
Profit (Loss) before income tax and social contribution		**1,996,176**	**(3,946,875)**	**2,630,143**	**(3,820,832)**
Adjustments to reconcile net profit (loss) to net cash provided by operating activities :					
Depreciation and amortization		1,237	1,308	461,353	434,758
Net monetary variations		191,293	293,270	241,537	298,982
Net foreign exchange gains (losses)		11,866	86,943	(31,090)	30,283
Financial charges		(491,861)	(340,796)	1,339,464	381,648
Income from financial assets	**38**	-	-	(1,793,361)	(177,652)
Result of equity method investees	**39**	(3,210,834)	(861,493)	(1,824,792)	(182,088)
Provision (reversal) for uncovered liabilities	**42**	1,173,491	1,417,962	-	-
Bad debt expense (reversals)	**42**	4,560	5,064	98,707	147,409
Provisions for litigation	**42**	(2,140)	2,898,358	112,480	2,948,880
Provision (reversal) for impairment of assets	**42**	(463)	-	270,346	-
Provisions (reversals) onerous contracts	**42**	-	-	(319,121)	(100,551)
Provision (reversal) for investment losses	**42**	21,768	(463)	19,743	(463)
Global reversion reserve charges		90,217	55,253	90,217	55,253
Adjustment to present value / market value		(4,788)	(976)	16,042	(957)
Minority interest share in income		-	-	(22,743)	(5,139)
Charges on shareholders' funds		113,607	7,139	118,922	10,837
Financial instruments - derivatives		-	-	(116,856)	(78,930)
Other		44,938	73,560	309,198	135,107
		(2,057,109)	3,635,129	(1,029,954)	3,897,377
(Increases)/decreases in operating assets					
Customers		-	-	(391,497)	(8,699)
Securities		(989,155)	296,260	(1,004,686)	1,405,521
Right to reimbursement	**11**	(1,715)	-	242,373	(292,541)
Inventory		10	27	8,377	42,029
Nuclear fuel inventory	**12**	-	-	87,442	35,938
Financial assets - Itaipu and concessions		262,361	781,996	262,361	781,996
Hydrological risk		-	-	34,971	83,822
Other		(79,735)	(58,101)	(194,460)	133,784
		(808,234)	1,020,182	(955,119)	2,181,850
Increases/(decreases) in operating liabilities					
Suppliers		(52,111)	4,237	104,603	744,183
Customer advances	**21**	0	-	(15,641)	(14,863)
Leasing		-	-	(22,037)	(19,866)
Estimated obligations		10,411	7,377	(30,804)	(44,239)
Reimbursement obligations	**11**	16,652	-	(686,973)	82,654
Regulatory Fees	**27**	-	-	155,341	82,000
Liabilities associated to assets held for sale		-	-	-	-
Other		4,219	(21,327)	(61,074)	72,828
		(20,829)	(9,713)	(556,584)	902,697
Cash generated by operating		**(889,996)**	**698,723**	**88,486**	**3,161,092**
Payment of financial charges		(566,788)	(523,716)	(1,015,571)	(731,711)
Payment of global reversion reserve charges		(37,134)	(39,274)	(37,134)	(39,274)
Amounts received from allowed annual revenue		-	-	328,814	153,219
Receipt of financial charges		541,533	572,847	211,999	317,833
Payment of income tax and social contribution		(65,755)	(75,765)	(380,416)	(118,100)
Receipt of remuneration from equity investments		52,582	52,138	138,088	116,414
Payment of private pension		(7,072)	(17,483)	(82,216)	(42,215)
Payment of legal contingencies	**30**	(71,403)	(64,411)	(106,897)	(70,525)
Court deposits		(140,220)	(50,039)	299,636	(218,222)
Net cash from operating activities		**(1,184,253)**	**553,020**	**(555,211)**	**2,528,511**
FINANCING ACTIVITIES					
Loans and financing		-	305,651	1,189,999	1,423,361
Payment of loans and financing - principal		(967,993)	(660,786)	(1,537,001)	(1,621,730)
Payment of shareholders 'remuneration		(327)	(30)	(327)	(30)
Payment of refinancing of taxes and social contributions - principal		-	-	(33,279)	(42,581)
Global Reversion Reserve Resource		647,706	-	647,706	-
Other		-	-	-	1,863
Net cash provided by financing activities		**(320,613)**	**(355,165)**	**267,099**	**(239,117)**
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Concession of loans and financing		(886,664)	(126,900)	-	(3,055)
Loans and financing - payment		1,260,791	919,893	584,546	631,522
Acquisition of fixed assets		-	(4,450)	(217,828)	(564,492)
Acquisition of intangible assets		-	-	(22,928)	(14,348)
Acquisition of concession assests		-	-	(209,912)	(412,501)
Acquisition/ capital contribution in equity interests		(92,250)	(255,000)	(602,770)	(1,125,686)
Concession of advance for future capital increase		(10,804)	(165,442)	(15,237)	(388,690)
Divestiture in equity interest		1,065,266	-	1,065,266	-
Other		-	-	2,811	(4,319)
Net cash generated from (used in) investment activities		**1,336,340**	**368,101**	**583,949**	**(1,881,569)**
Increase (decrease) in cash and cash equivalents		**(168,527)**	**565,956**	**295,836**	**407,825**
Cash and cash equivalents at the beginning of the period	**5**	194,106	691,719	679,668	1,393,973
Cash and cash equivalents at the end of the period	**5**	25,579	1,257,675	975,504	1,801,798
		(168,527)	**565,956**	**295,836**	**407,825**

CENTRAIS ELÉTRICAS BRASILEIRAS S.A.
Eletrobras
(Publicly-held corporation)
CNPJ 00.001.180/0001-26

Explanatory Notes to the financial statements for the period ended March 31st, 2017
(In thousands of Brazilian reais)

NOTE 1 - OPERATIONAL CONTEXT

Centrais Elétricas Brasileiras S.A. (Eletrobras or Company) is a publicly-held corporation headquartered in Brasília - DF - Setor Comercial Norte, Quadra 6, Conjunto A, Bloco A – Ed. Venâncio 3000, Asa Norte, listed with the Brazilian Securities and Exchange Commission and the Securities and Exchange Commission (SEC), with shares tradedon the stock exchanges of São Paulo (BOVESPA) - Brazil, Madrid (LATIBEX) - Spain and NewYork (NYSE) - United States of America. The Company is a mixed capital company controlled bythe Federal Government. Its corporate purpose is to carry out studies, projects and build and operate power plants and electricity transmission lines and distribution, as well as engage in energy trading transactions arising from these activities. It is also the company's purpose togrant loans and provide guarantees, in the country and abroad, to electric utility companieswhere it has a controlling interest and for the benefit of technical and scientific research organizations; promote and support research of interest to the electricity sector, especially related to generation, transmission and distribution activities, as well as conduct studies for the use of watersheds for multiple purposes; contribute toward the education of technical personnel needed for the Brazilian electricity sector, as well as the preparation of qualified workers, through specialized courses, apart from providing assistance to schools in the country or granting scholarships abroad and signing agreements with organizations that help train specialized technical personnel; collaborate, in technical and administrative terms, with the companies in which it has an equity interest and with the Ministry of Mines and Energy.

The Company operates as a holding company, and manages investments in equity interests, in addition to holding a controlling interest in six electricity generation and/or transmission companies, listed below:

- Furnas Centrais Elétricas S.A. - FURNAS;
- Centrais Elétricas do Norte do Brasil S.A. - ELETRONORTE;
- Companhia Hidro Elétrica do São Francisco - CHESF;
- ELETROSUL Centrais Elétricas S.A.;
- Eletrobras Termonuclear S.A. – ELETRONUCLEAR; and
- Companhia de Geração Térmica de Energia Elétrica - CGTEE.

Besides controlling the aforementioned electricity generation and/or transmission companies, the Company also has a direct controlling interest in seven distribution companies:

- Boa Vista Energia S.A. – Boa Vista;
- Companhia de Eletricidade do Acre – Eletroacre;
- Centrais Elétricas de Rondônia – Ceron;
- Companhia Energética de Alagoas – Ceal;

- Companhia Energética do Piauí – Cepisa; and
- Amazonas Distribuidora de Energia S.A. – Amazonas D.

On February 14th, 2017, the CELG D Share purchase agreement was signed between Eletrobras, Companhia Celg de Participações - CELGPAR and ENEL BRASIL S/A, according to the established schedule. Further details are presented in Note 43.

On July 22nd, 2016, the 165th Special Meeting of Shareholders resolved not to extend the concessions of the electric utility subsidiaries of the Eletrobras group. At the Special Meeting of Shareholders, it was resolved to transfer the controlling interest, until December 31st, 2017, of the electric utility companies of Eletrobras, provided that, until the transfer of the utility to the new controller, the utility receives directly from the Federal Government or upon fee, all the resources and remuneration required to operate, maintain and make investments that are related to the public services of the respective utility. (See Note 2)

On July 1, 2015, subsidiary Amazonas Energia implemented the bundling off process, wherein the electricity generation and transmission activities formerly carried out by Amazonas Distribuidora were separated from its distribution activities. Therefore, this represents a new company within the Eletrobras System, called Amazonas Geração e Transmissão de Energia S.A. (“Amazonas GT”), a direct subsidiary of Amazonas D. The second phase of the bundling off process, currently underway, will complete the corporate reorganization, through which Amazonas GT will become a full subsidiary of Eletronorte.

The Company also holds the controlling interest of Eletrobras Participações SA - Eletropar. Additionally, it holds equity interest of Itaipu Binacional – Itaipu (under joint control pursuant to the International Treaty signed between the Governments of Brazil and Paraguay), Inambari Geração de Energia S.A. and Rouar S.A (under joint control with the Uruguayan State-owned Company Usinas y Transmissiones Elétricas de Uruguay -UTE).

The Company has an indirect controlling interest or a direct or indirect minority interest inseveral other companies in the electricity generation, transmission and distributions segments (see Note 15).

The trading of the energy generated is based on two distinct market environments – one which is regulated (energy intended for distribution concessionaries) and another characterized by freely negotiated contracts (free market). Law 10,848, of March 15, 2004, differentiates between energy derived from new projects and existing projects, and determines the holding of different auctions for each type.

The Company is authorized, directly or through its subsidiaries or controlled companies, to partner in, with or without contribution of funds, the formation of business consortia or to hold shares in companies, with or without a controlling stake, abroad, directly or indirectly for the purpose of electricity generation, transmission ordistribution.

The Company is also responsible for the management of energy sector resources, represented by the Global Reversion Reserve (RGR), Energy Development Account (CDE) and Fuel Consumption Account (CCC). These funds finance Federal Government programs for providing universal access to electricity, efficient public lighting, incentives for alternative energy sources, electricity conservation and the purchase of fossil fuels used in isolated electricity generation systems, whose financial transactions do not affect the Company’s income (except for the administration fee of certain Funds). Provisional Presidential Decree No. 735, dated June 23rd, 2016, established that the activities related to the management

and administration of the sector funds of the Global Reversion Reserve (RGR), Energy Development Account (CDE) and Fuel Consumption Account (CCC), hitherto under the responsibility of Eletrobras, will be transferred to the Electric Energy Trading Chamber - CCEE. On November 17th, 2016, such provisional presidential decree was converted into Law 13,360, which stipulates that by April 30th, 2017, activities related to the management and administration of these funds will be transferred to the Electric Energy Trading Chamber (CCEE). In accordance with Law No. 13,360/2016, regulated by Decree No. 9,022/2017, and with the Order of the National Electric Energy Agency - ANEEL No. 1,079, of April 18th, 2017, the responsibility for the budget, management and operation of the Energy Development Account - CDE, the Fuel Consumption Account - CCC and the Global Reversion Reserve - RGR, was transferred to the Electric Energy Trading Chamber - CCEE, as of May 1st, 2017.

With the transfer of these activities to CCEE, Eletrobras will continue to dedicate itself more exclusively to its electricity generation, transmission, distribution and marketing business, in accordance with its strategic vision of operating in the energy markets in an integrated, profitable and sustainable manner.

The Company also acts as an agent for the marketing of electricity of Itaipu Binacional and the agents participating in the Alternative Energy Sources Incentive. Program - PROINFA.

The issuance of these Interim financial statements was authorized by the Executive Board on May 12th, 2017.

NOTE 2 – ELECTRIC UTILITY CONCESSIONS

The Company, through its subsidiaries, holds different electric utility concessions in the generation, transmission and distribution segments, whose breakdown, installed capacity and expiry dates have not changed in relation to the position disclosed in the financial statements for 2016.

- Power Distribution

On October 15, 2012, the distribution companies of Eletrobras whose concessions expired in 2015 had the right to express their interest in extending the concession for an additional 30 years, which they did within the required time limit.

Decree No. 8,461, of June 2, 2015, regulated the extension of the electricity distribution concessions under Article 7 of Law No. 12,783, of January 11, 2013, for thirty years.

On July 22nd, 2016, the 165th Special Meeting of Shareholders of Centrais Elétricas Brasileiras SA - Eletrobras, resolved not to extend the concessions of the electric utility subsidiaries of the Eletrobras group, Companhia Energética do Piauí – CEPISA; Companhia Energética de Alagoas – CEAL; Companhia de Eletricidade do Acre – ELETROACRE; Centrais Elétricas de Rondônia S.A – CERON; Boa Vista Energia S.A; and Amazonas Distribuidora de Energia S.A (collectively referred to as "Distribution Companies").

Also at the 165th Extraordinary Shareholders' Meeting, it was resolved to transfer the controlling interest, until December 31st, 2017, of the electric utility companies of Eletrobras, pursuant to Law 12,783/2013, as amended by Provisional Presidential Decree 735, dated June 22nd, 2016, provided that, until the transfer of the utility to the new controller, the utility receives directly from the Federal Government or through Of the tariff, all the

resources and remuneration required to operate, maintain and make investments that are related to the public services of the respective utility, maintaining the economic and financial balance of the Utility, without any contribution of any kind, by Eletrobras, and, furthermore, it was approved that the Distribution companies' concession be returned at any time and that measures be taken for liquidation thereof, in the following cases:

(i) The transfer of controlling interest is not made until December 31st, 2017. Insofar as they are federal state-owned companies, the transfer of controlling interest of the Distribution companies must comply with the rules of the National Privatization Plan ("PND"), in particular Law 9,491 of September 9th, 1997, and the National Council and Privatization ("CND") shall approve the operational modality to be applied to each privatization. Eletrobras further informs that the Distribution companies were included in the Partnership and Investment Program ("PPI") created by Provisional Presidential Decree 727/2016, with a view to facilitating privatization; or

(ii) the utility receives directly from the Federal Government or upon fee, all the resources and remuneration required to operate, maintain and make investments that are related to the public services of the respective utility, maintaining the economic and financial balance of the Utility, without any contribution of any kind, by Eletrobras.

Eletrobras also resolved that the Distribution subsidiaries that did not have their concessions extended, must, if the Government so agrees, remain responsible for the operation and maintenance of the Distribution companies of their localities until the transfer of their controlling interests, under Provisional Presidential Decree 735/2016, which must occur until December 31st, 2017.

During this period, as mentioned above, Distributors must be properly remunerated for their service provision, without any contribution from Eletrobras Holding, as approved by the 165th Special Meeting of Shareholders.

Based on the decisions of the 165th Special Meeting of Shareholders, Eletrobras considered Technical Statement - CPC 31 - Non-Current Assets Held for Sale, and evaluated that at the moment these assets do not meet the classification criteria as held for sale.

On August 3rd, 2016, the Ordinances of the Ministry of Mines and Energy Nos. 420, 421, 422, 423, 424 and 425 were issued, naming, respectively, Amazonas Distribuidora de Energia S.A, Companhia e Eletricidade do Acre – ELETROACRE; Centrais Elétricas e Rondônia S.A – CERON; Companhia Energética do Piauí – CEPISA; Companhia Energética de Alagoas – CEAL; and Boa Vista Energia S.A, as responsible for the provision of electric utility services, on a temporary basis, with a view to guaranteeing continuity of service, pursuant to article 9, paragraph one, of Law 12,783, of January 11th, 2016.

On September 13th, 2016, ANEEL decided to: (i) establish a Public Hearing with the purpose of collecting subsidies and additional information to enhance the regulation of Ordinance MME No. 388/2016, which sets forth the terms and conditions for the provision of electric utility services by a Federal agency or entity; and (ii) determine that the Draft Normative Resolution submitted to the Public Hearing must be effective immediately, and any adjustments resulting from the contributions of the Public Hearing must apply retroactively to the effective date.

On October 6th, 2016, ANEEL issued Official Letter 352/2016-DR/ANEEL, giving the first guidelines for the preparation of the Plan of Temporary Provision of Utility Services, defining

the goals for quality improvement in terms of DEC and FEC, reduction of energy losses and reduction of operating costs.

At the same time, on September 13th, 2016, upon Law No. 13,334/2016 (conversion of Provisional Presidential Decree No. 727/2016), the Federal Government created the Investment Partnerships Program (PPI), which, among other assignments, absorbed the duties provided by the National Privatization Program - PND.

On November 1st, 2016, Decree No. 8,893 was issued by the Federal Government, defining as a national priority, within the scope of the PPI, the Privatization of the aforementioned Distribution Companies of Eletrobras and designating the Brazilian Bank of Economic and Social Development (BNDES) as responsible for the privatization process.

Insofar as they are federal state-owned companies, the transfer of controlling interest of the Distribution Companies must comply with the rules of the National Privatization Plan ("PND"), in particular Law 9,491 of September 9th, 1997, and the National Council and Privatization ("CND") shall approve the operational modality to be applied to each privatization.

In view of this definition, the Distribution Companies of the Eletrobras Group re-bifurcated the portion of the financial asset in the corresponding proportion until December 31st, 2017, the deadline to remain responsible for the operation and maintenance of the Distribution subsidiaries.

2.1. Extension of electric distribution concessions

On September 12th, 2012, Provisional Presidential Decree No. 579/2012 (MP 579) was published, which regulated the extension of concessions for the generation, transmission and distribution of electricity, granted prior to the publication of Law No. 8.987 of 1995, and achieved by Law No. 9,074 of 1995. On September 14th, 2012, Decree 7,805 was published, which regulated MP 579.

According to MP 579, the concessions for the generation, transmission and distribution of electricity, due or to become due in the 60 months following the publication of said MP, had the option to have the maturity anticipated for December 2012, with extension, at the discretion of the Government, only once for a term of up to 30 years; however, for the transmission activity, the extension would depend on the express acceptance, among others, of the following main conditions: i) revenue fixed according to criteria established by ANEEL; ii) amounts established by the yield on the assets; and iii) submission to ANEEL's quality of service standards.

By Normative Resolutions 589 and 596, the National Electric Energy Agency (ANEEL), for yield purposes, defined the criteria for calculating the New Replacement Cost (VNR) for existing transmission assets as of May 31st, 2000, which have not yet been depreciated (RBSE) and the criteria and procedures for calculating the portion of investments related to reversible assets, not yet amortized or not depreciated, for hydroelectric output, whose concessions were extended or not, in accordance with Law No. 12,783.

- Power Generation Assets

On October 2, 2015, the subsidiary Furnas submitted supporting documents for the investments related to the still non-amortized or non-depreciated reversible assets from Corumbá, Funil, Furnas, Luiz Carlos de Barreto de Carvalho, Maribondo and Porto Colombia hydroelectric power plants, with an installed capacity of 4,617 MW, whose concessions were renewed on the basis of Law 12,783/2013, for the application process for additional generation compensation. The document presented an amount of R$ 1,311,900 as the base value for additional compensation, whereas the book value of these assets, on that same date, was R$995,718.

On December 11th, 2014, subsidiary Chesf submitted to the ANEEL supporting documentation of investments related to reversible assets, not yet amortized or not depreciated, of hydroelectric outputs Xingó, Paulo Afonso I, II, III and IV, Apolônio Sales (Moxotó), Luiz Gonzaga (Itaparica), Boa Esperança, Pedra and Funil, with a total installed capacity of 9,208.5 MW, whose concessions were renewed on the basis of Law 12,783/2013, for purposes of the application for additional generation remuneration. The documentation presented indicates the amount of R$ 4,802,300 as the base value for said additional remuneration, and the residual book value of said assets, on December 11th, 2014, was R$ 487,822.

The remuneration related to certain assets of the concessions extended in the following amounts is pending ratification by the Government:

	03/31/2017			
Description	Chesf	Furnas	CGTEE	Total
Generation				
Modernization and improvements	487,822	995,718		1,483,540
Thermal generation	-	725,669	356,937	1,082,606
	487,822	1,721,387	356,937	2,566,146

	12/31/2016			
Description	Chesf	Furnas	CGTEE	Total
Generation				
Modernization and improvements	487,822	995,718		1,483,540
Thermal generation	-	704,792	356,937	1,061,729
	487,822	1,700,510	356,937	2,545,269

Until such ratification by the Government, including the definition of the form, period of receipts and applicable remuneration, such amounts will not be adjusted for inflation and kept at historical cost.

- Power Transmission Assets

Pursuant to Normative Resolution 589, dated December 10th, 2013, the subsidiaries below submitted to ANEEL their appraisal reports for the electric power transmission assets existing on May 31st, 2000 ("Appraisal Report"), for the compensation process installations from the Existing Basic Grid (RBSE) provided for in Article 15, paragraph 2 of Law 12,783/13.

Appraisal Report		
Company	Date	R$
Eletrosul	07/14/2015	1,060,632
Chesf	03/06/2015	5,627,200
Furnas	05/21/2015	10,699,000
Eletronorte	09/03/2015	2,926,000

By the date of these interim financial statements, ANEEL submitted, upon orders, the ratification of the yields on the electric power transmission assets existing on May 31st, 2000 of subsidiaries Eletrosul, Chesf and Furnas, pursuant to the rules of Normative Resolution 589, as of December 31st, 2012, as follows:

ANEEL ratification		
Company	Date	R$
Eletrosul	07/14/2015	1,007,043
Furnas	12/15/2015	8,999,520
Chesf	08/03/2016	5,092,384
Eletronorte	10/18/2016	2,579,312

On April 20, 2016, the Ministry of Mines and Energy - MME published Ordinance No. 120, which regulated the conditions for receiving remuneration related to the electric power transmission assets existing on May 31st, 2000, known as Existing Basic Grid - RBSE and

other Transmission Facilities - RPC, not depreciated and not amortized, according to the second paragraph of article 15 of Law 12,783/2013.

On October 14th, 2016, ANEEL submitted to Public Hearing No. 068/2016 Technical Note 336/2016 of October 6th, 2016 in which it establishes the procedures to be used in calculating the cost of capital to be added to the Allowed Annual Revenue of each transmission concessionaire covered by Law No. 12,783/2013, in accordance with MME Ordinance No. 120/2016.
Reversible assets that were not depreciated until December 31st, 2012, are covered by Ordinance No. 120, when these companies had the maturity of concession contracts anticipated, pursuant to Law No. 12,783/13 (conversion of MP 579/12).

The yield on these assets must be as follows:

(i) By the cost of the capital corresponding to the assets, composed of yield and depreciation plus the due taxes as of the 2017 tax process; and the yield will be through the Weighted Average Cost of Capital and the depreciation will be paid according to the useful life of each asset incorporated to the Regulatory Yield Base;

(ii) The cost of capital not incorporated since the extensions of the concessions until the tax process will be updated and yielded by the cost of equity; From the 2017 tax process, the cost of capital will be yielded by the Weighted Average Cost of Capital for a period of eight years.

(iii) For companies that have not yet had the amounts ratified, ANEEL's inspection report was considered as the best estimate by the Management.

The aforementioned Ordinance states that the amounts due will form the basis of corporate regulatory remuneration, i.e., they will be passed on to consumers' electricity fees and this will be started as of the 2017 tax process. In addition to yielding the assets, the Ordinance also establishes that the cost of capital incurred by the companies may be included in said amounts.

As of March 31st, 2017, the estimate of the adjusted amounts of the expenses related to investments, extensions and/or improvements in certain assets of the extended concessions, as shown below:

Transmission	03/31/2017				
	Chesf	Eletronorte	Eletrosul	Furnas	Total
Existing Basic Grid - RBSE - Historical Balance	1,187,029	1,732,910	520,332	4,530,060	7,970,331
VNR adjustment - IPCA and yield	9,757,172	3,788,671	1,671,626	14,935,584	30,153,053
Total Adjusted Financial Asset Value	10,944,201	5,521,581	2,191,958	19,465,644	38,123,384
Effect Result - 01/01/2016 to 12/31/2016					
Operating income	9,377,718	3,595,672	1,596,127	14,031,035	28,600,552
IRPJ/CSLL Allowance	(3,188,424)	(1,222,528)	(542,683)	(4,770,552)	(9,724,187)
Net effect	6,189,294	2,373,144	1,053,444	9,260,483	18,876,365
Effect Result - 01/01/2017 to 03/31/2017					
Operating income	379,454	192,999	75,499	904,549	1,552,501
IRPJ/CSLL Allowance	(129,014)	(65,620)	(25,670)	(307,547)	(527,851)
Net effect	250,440	127,379	49,829	597,002	1,024,650

The aforementioned accounting was carried out based on the assumptions defined above, considering the interpretation regarding MME Ordinance 120/2016, in order to reflect in these interim financial statements the most appropriate equity and income statement. However, as a result of any regulation or act, in a different sense, that may be used by ANEEL, including in the scope of the 2017 tax process when the payment of said credits will be initiated, the amounts accounted for will be reviewed and adjusted, with positive or negative effects prospectively reflected, with impact on the result of the period in which such events occur.

On April 10th, 2017, a partial injunction was entered in favor of ABRACE in connection with the lawsuit filed by ABRACE against the Federal Government and ANEEL, with a view to suspending the effects related to the yield on the transmission assets existing on May 31st, 2000, of the companies that renewed their concession contracts in 2013, pursuant to Law 12,783/2013.

Based on the legal opinion of the external legal counsel, the Company understands that the decisions taken so far do not interfere with the right to receive the yield on the assets established by Law 12,973/2013 and MME Ordinance No. 120/2016 (further details in Note 48.1) .

NOTE 3 - MAIN ACCOUNTING POLICIES

The main accounting policies applied in the preparation of these interim financial statements are the same as those adopted in the financial statements for the year ended December 31st, 2016. Such policies have been consistently applied to the years presented, unless otherwise stated.

These interim financial statements should read together with the financial statements of December 31st, 2016.

3.1. Preparation basis

The preparation of financial statements and information requires the use of certain critical accounting estimates as well as the exercise of judgment by the Company's management in the process of applying the accounting policies of the Eletrobras System. Those transactions, disclosures or balances that require a higher level of judgment, that are more complex and for which premises and estimates are significant, are contained in Note 4.

The financial statements are prepared based on historical cost, except for some financial instruments measured using their fair values and some assets linked to concessions that were measured using New Replacement Cost – VNR (generation and transmission companies) or the Regulatory Remuneration Basis – BRR (distribution companies). The historical cost is generally based on the fair value of the consideration paid on the date of the transactions.

These interim financial statements are presented in Brazilian reals (R$), which is the functional currency of the Company and its subsidiaries, affiliated companies and joint ventures. All financial statements presented in Brazilian reals were rounded to thousands, unless otherwise indicated.

3.1.1 - Individual and consolidated interim financial statements

The interim financial statements of the Company include the individual interim financial statements of the parent company, identified as the Parent Company, and the consolidated interim financial statements, identified as Consolidated, prepared in accordance with CPC21 (R1) and IAS 34 Interim Financial Reporting, applicable to the preparation of the interim financial statements - ITR. The accounting practices adopted in Brazil comprise those included in the Brazilian corporate law and presented in a manner consistent with the rules issued in the Accounting Pronouncements (CPC) and approved by the Federal Accounting Council (CFC) and the Brazilian Securities and Exchange Commission (CVM).

The presentation of the separate and consolidated Added Value Statement (DVA), both individual and consolidated, is required by Brazilian corporate law and accounting practices adopted in Brazil applicable to publicly held corporations. The IRFSs do not require this statement to be presented. Consequently, by the IFRS, this statement is presented as supplementary information, without prejudice to the set of interim financial statements.

In the individual interim financial statements, the equity method is used for accounting in the subsidiaries

Since there is no difference between consolidated shareholders' equity and consolidated profit or loss attributable to the parent company's shareholders, contained in the consolidated interim financial statements and shareholders' equity and profit or loss of the parent company, contained in the individual interim financial statements, the Company chose to present this individual and consolidated interim financial statements side-by-side in one single set.

These consolidated interim financial statements include information from Eletrobras and the following subsidiaries:

	03/31/2017		12/31/2016	
Subsidiaries	Interest Direct	Indirect	Interest Direct	Indirect
Amazonas Energia	100%	-	100%	-
Boa Vista Energia	100%	-	100%	-
Ceal	100%	-	100%	-
CELG-D (1)	-	-	51%	-
Cepisa	100%	-	100%	-
Ceron	100%	-	100%	-
CGTEE	99.99%	-	99.99%	-
Chesf	99.58%	-	99.58%	-
Electroacre	96.71%	-	96.71%	-
Eletronorte	99.48%	-	99.48%	-
Eletronuclear	99.91%	-	99.91%	-
Eletropar	83.71%	-	83.71%	-
Eletrosul	99.88%	-	99.88%	-
Furnas	99.56%	-	99.56%	-
Chuí IX	-	99.99%	-	99.99%
Paraíso	-	100%	-	100%
Hermenegildo I	-	99.99%	-	99.99%
Hermenegildo II	-	99.99%	-	99.99%
Hermenegildo III	-	99.99%	-	99.99%
Uirapuru	-	75%	-	75%
Energia dos Ventos V	-	99.99%	-	99.99%
Energia dos Ventos VI	-	99.99%	-	99.99%
Energia dos Ventos VII	-	99.99%	-	99.99%
Energia dos Ventos VIII	-	99.99%	-	99.99%
Energia dos Ventos IX	-	99.99%	-	99.99%
Extremoz Transmissora do Nordeste S/A	-	100.00%	-	100.00%
Transenergia Goiás S.A	-	99.99%	-	99.99%
Brasil Ventos Energia S.A. (2)	-	100.00%	-	-
Complexo Eólico Pindaí I				
Acauã Energia S.A.	-	99.93%	-	99.93%
Angical 2 Energia S.A.	-	99.96%	-	99.96%
Arapapá Energia S.A.	-	99.90%	-	99.90%
Caititu 2 Energia S.A.	-	99.96%	-	99.96%
Caititu 3 Energia S.A.	-	99.96%	-	99.96%
Carcará Energia S.A.	-	99.96%	-	99.96%
Corrupião 3 Energia S.A.	-	99.96%	-	99.96%
Teiú 2 Energia S.A.	-	99.95%	-	99.95%
Complexo Eólico Pindaí II				
Coqueirinho 2 Energia S.A.	-	99.98%	-	99.98%
Papagaio Energia S.A.	-	99.96%	-	99.96%
Complexo Eólico Pindaí III				
Tamanduá Mirim 2 Energia S/A	-	83.01%	-	83.01%

(1) Subsidiary sold in February 2017 (See Note 43)

(2) Brasil Ventos Energia SA is a wholly-owned subsidiary of Furnas and was incorporated to operate as a holding company, and its main goal, in accordance with the Articles of Incorporation, is the following activities: (i) hold interest in renewable energy generation companies, such as wind, solar and biomass, investment in the companies holding the exploration rights of the wind farms composing Complexo Eólico Acaraú and Complexo Eólico Famosa III, marketing of the electricity generated in its ventures and investees.

3.1.2 - Amendments to accounting policies and disclosures

(A.1) Amendments to the IFRSs and new mandatory interpretations as of the current period in the consolidated interim financial statements

In the year ended March 31st, 2017, the Company applied two amendments to the IFRSs and the CPCs issued by IASB and CPC, which necessarily enter into force for fiscal years starting in January 1st, 2017. The effects on the consolidated interim financial statements of these amendments are as follows:

Standards	Key Requirements	Position of the Company	Applicable as of
Amendment to IAS 12/CPC 32 Recognition of deferred tax assets for unrealized losses	Clarifies the accounting of deferred tax assets for unrealized losses on debt instruments measured at fair value.	The Company does not have debt instruments measured at fair value and so the amendments to this standard did not result in any impact on the Company's consolidated interim financial statements.	January 1st, 2017
Amendments to IAS 7/CPC 3 Disclosure Initiative	Amends IAS 7, Cash Flow Statement, to clarify that entities should provide disclosures that allow users of financial statements to assess changes in liabilities arising from financing activities, both cash flow and other changes: - Disclosure of changes in liabilities arising from financing activities: (i) changes in cash flows from financing activities; (ii) changes arising from the acquisition or loss of control of subsidiaries or other businesses; (iii) effect of exchange rate changes; (iv) fair value changes; and (v) other variations. The IASB defines liabilities arising from financing activities as liabilities "for which cash flows have been or will be classified in the Statement of Cash Flows as cash flows from financing activities". - New disclosure requirements refer similarly to changes in financial assets, if they meet the same definition. - Changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.	In order to comply with the amendments to IAS 7/CPC 3, the Company disclosed in these consolidated interim financial statements a reconciliation between the opening and closing balances of liabilities with changes arising from financing activities as required by the standard, as described in Note 22.3.	January 1st, 2017

In addition to the main accounting policies applied in the preparation adopted in the financial statements for the year ended December 31st, 2016, there are no new standards and interpretations already issued and not yet adopted that were not disclosed in the aforementioned financial statements.

NOTE 4 - ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of accounting policies, the Company's Management must make judgments and formulate estimates in relation to the accounting values of incomes, expenses, assets and liabilities, as well as disclosures in the explanatory notes, at the base date of the financial statements, when these are not easily obtained from other sources. The estimates and respective premises are based on historical experience and other factors considered relevant. The estimates and underlying premises are continuously revised. The effects resulting from the revisions of the accounting estimates are recognized in the period in which they are revised, if the revision only affects the current period, or also in subsequent periods, if the revision affects current and future periods.

Even if these estimates and premises are permanently monitored and revised by the Company's Management and its subsidiaries, their effect on the accounting value of incomes, expenses, assets and liabilities is inherently uncertain, since they stem from the use of judgment. As a consequence, the Company may suffer effects as a result of inaccuracy in these estimates and judgments that are substantial in future periods, which may have a material adverse effect on its financial condition, results of its activities and/or its cash flows.

The main accounting estimate assumptions deemed the most critical by the Company's Management and its subsidiaries are the same disclosed in note 4 in the annual financial statements as of December 31st, 2016, except for the items below regarding the future and other major origins of the uncertainty used that may lead to significant adjustments in the book values of assets and liabilities in the coming periods.

4.1 Risks related to compliance with laws and regulations

a) Operation Car Wash

In response to investigations under the "Operation Car Wash" on irregularities involving employees, contractors and suppliers of Eletrobras and special purpose companies (SPE) in which Eletrobras holds minority interests in 2015, the company's Board of Directors (CAE) decided to initiate an investigative procedure, given the risk that such irregularities might affect some of Eletrobras' main investments.

To conduct the investigation, a US law firm, Hogan Lovells US LLP, was engaged, with notable expertise in investigative actions, and the Independent Investigation Management Commission (CIGI) was formed, composed of notorious and independent experts, engaged to supervise the investigation process.

The investigative procedure followed the principles adopted by the Securities and Exchange Commission (SEC) and Department of Justice (DOJ), for procedures of this kind, since, after 2008, when Eletrobras was listed on the New York Stock Exchange by means of ADR's - American Deposit Receipts, it became subject to the United States laws regulating the capital market, in particular, all the regulations set forth by the US Securities and Exchange Act. Among these laws is the Foreign Corrupt Practices Act - FCPA which in short, criminalizes acts of corruption, such as payment to employees of foreign governments, political parties, candidates to foreign political positions, in exchange for commercial or economic advantages.

In this context, the scope of the independent internal investigation includes an evaluation of any irregularities that may exist, including violations of the FCPA, of Brazilian laws, and of the Code of Ethics and integrity policies of Eletrobras.

Throughout 2015 and 2016, within the scope of Operation Car Wash, operations Radioactivity and Pripyat resulted in arrest warrants for former executives of Eletronucelar, as well as for other parties. Eletrobras has been cooperating with the authorities in the sharing of information brought up by the independent investigation, including participating as assistant accuser against the defendants in these criminal proceedings.

In an attempt to facilitate and guarantee the advancement of the investigations, the Company's administration has been adopting the governance measures required and/or recommended by Hogan Lovells and the Independent Commission. Since the investigation began, Eletrobras replaced all of its Board of Directors, hired a new CEO, and has been reinforcing its compliance structure. In mid-2016, the Compliance Board was created, responsible for coordinating the compliance program and managing risk in the Company and in its subsidiaries.

In the same direction, Eletrobras reviewed specific contracts which the investigations pointed out to have possible irregularities. These contracts were suspended if any irregularities were found.

In regards to the employees and directors involved in the situations found in the investigation, Eletrobras already took punitive measures in the administrative sphere, including suspending and dismissal from labor agreements. At the moment, the legal possibility of liability from such employees is being studied, on a civil sphere, and Eletrobras is already negotiating with the Federal Attorney General regarding the filling of any actions against a dishonest public servant in the future.

In October of 2016, the independent investigation completed the stage whose objective was to identify unlawful actions that could cause any distortions in the consolidated financial statements of the Company. In this stage, overbilling was found in relation to fraudulent tenders originating from the practice of cartels and bribery that was alleged to have been paid by certain contractors and suppliers contracted by subsidiaries and some of the SPCs not controlled by the Company, since 2008.

However, there is not sufficient information that would allow the Company to determine the specific periods in which overpayments were made. Thus, the Company is of the understanding that, after making all reasonable efforts, it is impractical to determine the effects by specific prior periods, from illegal payments in their consolidated financial statements, with changes recorded for the improper payments, and therefore incorrectly capitalized on September 2016.

The Company has not traced any contracts after December 31, 2015 that may have been impacted by the overprice scheme. Therefore, Eletrobras registered the write-off the costs capitalized in the fixed assets amounting to R$ 211,123 thousand representing the estimate unduly paid amounts in previous periods, out of this amount, R$ 143,957 thousand have already been recognized as Impairment in previous periods, leading to the reversal of the provision. There was also recognition of a loss of R$ 91,464 thousand in the investment result in NorteEnergia S.A., SPE not controlled by Eletrobras and assessed by equity method.

Investigation Findings per undertaking	Consolidated
(Subsidiaries of Eletrobras)	12/31/2016
Angra 3	(141,313)
Mauá 3	(67,166)
Simplício	(2,644)
	(211,123)

A summary of these changes to the consolidated balance sheet and to the statement of results for the year ending on December 31, 2016 is the following:

Balance Sheet	Parent Company 12/31/2016	Consolidated 12/31/2016
Fixed Assets		
Costs	-	(211,123)
Impairment provision	-	143,957
Investments – Equity Method	(91,464)	(91,464)
Non-current Assets	(91,464)	(158,630)
Provision for unsecured liabilities	(67,166)	-
Noncurrent Liabilities	(67,166)	-

Income Statement for the period	Parent Company 12/31/2016	Consolidated 12/31/2016
Investigation Findings	-	(211,123)
Impairment provision (Operating Provisions)	-	143,957
Provision for unsecured liabilities (Provisions for investment results by the equity method)	(67,166)	-
	(91,464)	(91,464)
	(158,630)	(158,630)

Eletrobras has been implementing several governance and remediation efforts, taking the necessary measures to investigate the allegations connected to Operation Car Wash, in addition to assessing the possibilities of redress connected to the damage undergone as a result of unlawful conducts.

However, even though the investigation stage was completed with the purpose of performing the accounting recognition of the unlawful acts, additional procedures connected to the investigation process are still underway, especially to meet the requirements of the Enforcement commissions of SEC and DOJ.

As Eletrobras is currently aware, these procedures are not expected to bring relevant additional information that may impose significant impacts to the financial statements. However, the investigations of “Operation Car Wash" have not yet been completed and the Federal Prosecution Office may take a considerable time to complete all procedures of assessment of the facts. This way, new relevant information may be revealed in the future, which may lead Eletrobras to recognize additional adjustments to its financial statements.

In January 2017, the Board of Directors of Eletrobras approved the negotiations for engagement of an American law firm to conduct the new stage of the investigation process At the same meeting, the Board of Directors authorized the signature of legal instruments with American authorities ("Tooling Agreement and Statute of Limitation The Second Consecutive "), extending the prescription term for the investigation action of potential violations of the FCPA. The signature of these documents evidences the cooperation and good

faith of Eletrobras with regard to the US authorities, treating all concerning corporate matters in a clear and transparent manner.
In April 2017, as a result of the leniency agreements between the executives of the main construction group of Brazil, Odebrecht, the Federal Supreme Court requested that investigations be initiated into the conduct of the politicians who participated in these agreements. Such investigations refer exclusively to individuals over whom the Federal Supreme Court has exclusive jurisdiction. In addition, other official investigations may be initiated against individuals who are subject to the jurisdiction of the courts.

Certain claims of potential illegal acts became public in April 2017 under the Santo Antônio project, in which Eletrobras holds indirect minority interest through the subsidiary Furnas.

Hogan Lovells, under the direct supervision of the Independent Commission, continues to monitor the bargaining agreements made public, as well as other information published by the press conducted by Operation Car Wash. If the claims related to the Santo Antonio project turn out to be true, the Management believes that there will be no significant impact on the consolidated financial statements, since the amount of impairment recorded, under CPC 01 - Reduction to the Recoverable Value of Assets is sufficient to cover the amounts of claims known to date.

b) Lawsuits involving the Company - Class Action

On July 22, 2015 and August 15, 2015, two putative class actions suits were filed against Eletrobras and some of our employees in the United States District Court of the Southern District of New York (SDNY) (See note 30)

NOTE 5 – CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
I Cash and cash equivalents:				
Cash and Banks	6,009	10,290	243,498	295,549
Financial Investments	19,570	183,816	732,006	384,119
	25,579	194,106	975,504	679,668
II- Restricted Cash:				
Funds of the CCC	415,439	393,520	415,439	393,520
Marketing - Itaipu	426,850	256,192	426,850	256,192
Marketing - PROINFA	1,038,897	998,380	1,038,897	998,380
Funds of the RGR	44,962	33,254	44,962	33,254
	1,926,148	1,681,346	1,926,148	1,681,346
	1,951,727	1,875,452	2,901,652	2,361,014

Cash and cash equivalents are held with Banco do Brasil S.A., according to applicable laws for mixed capital corporations under federal government control, enacted byDecree-law No. 1,290, of December 3, 1973, as amended by Resolution 4,034, of November 30, 2001, of the Central Bank of Brazil, which set forth new mechanisms for companies under indirect federal administration.

The financial investments with immediate liquidity are extra-market investment funds, whose yield is based on the average referential rate of the Special Settlement and Custody System - SELIC.

Balances considered as cash equivalents are short-term, immediate liquidity investments, readily convertible into a known amount of cash, subject to insignificant risk of change in value and maintained for the purpose of meeting short-term cash commitments and are those whose funds are intended for the Company's cash management.

Restricted cash - funds raised by the respective funds that are used exclusively to comply with their regulatory provisions, and are not available to the Company. The change in this balance is mainly due to the marketing of Proinfa electricity. For more information, see note 7 (a).

6. MARKETABLE SECURITIES

By means of Resolution No. 3,284, of May 25, 2005 by the Central Bank of Brazil, it was established that the applications arising from cash and cash equivalents of public corporations and government-controlled companies, that are members of the Indirect Federal Administration, can only be made in the off-market sector investment funds managed by Caixa Economica Federal and Banco do Brasil S.A., after the Company and its subsidiaries apply their resources in off-market Funds backed by public securities with substantially long-term maturity, which include both the enterprise investment program in the short term and the maintenance of the Company's operating cash.

In relation to profit-sharing debentures, the adjustment is made to present value. Investment certificates resulting from tax incentives of the Fundo de Investimento do Nordeste - FINOR and the Fundo de Investimentos da Amazônia - FINAM are adjusted by provisions for losses on their realization and therefore are liquid.

The details of the securities are as follows:

	PARENT COMPANY				
	CURRENT				
Debentures	Custodian Financing Agent	Expiration Date	Index	03/31/2017	12/31/2016
LFT	Banco do Brasil	After 90 days	Pre-fixed	-	292,043
LTN	Banco do Brasil	After 90 days	Pre-fixed	5,007,155	3,887,251
LTN	CEF	After 90 days	Pre-fixed	56,451	39,513
NTN- B	Banco do Brasil	After 90 days	IPCA	-	18,774
NTN- B	CEF	After 90 days	IPCA	-	14,325
NTN- F	CEF	After 90 days	Pre-fixed	18,663	-
NTN- F	Banco do Brasil	After 90 days	Pre-fixed	6,382	36,235
Committed Options	Banco do Brasil	-	-	175,890	-
Committed Options	CEF	-	-	8,797	-
TOTAL NON-CURRENT				5,273,338	4,288,141

NON-CURRENT		
Debentures	03/31/2017	12/31/2016
FINOR/FINAM	966	876
PROFIT-SHARING DEBENTURES	248,289	244,420
TOTAL NON-CURRENT	249,254	245,296

CONSOLIDATED					
CURRENT					
Debentures	Custodian Financing Agent	Expiration Date	Index	03/31/2017	12/31/2016
LFT	Banco do Brasil	After 90 days	SELIC	-	292,043
LTN	Banco do Brasil	After 90 days	Pre-fixed	5,298,213	4,963,575
LTN	CEF	After 90 days	Pre-fixed	56,451	39,513
NTN- B	Banco do Brasil	After 90 days	IPCA	-	18,803
NTN- B	CEF	After 90 days	IPCA	-	14,325
NTN- F	Banco do Brasil	After 90 days	Pre-fixed	19,394	95,914
NTN- F	CEF	After 90 days	Pre-fixed	18,692	-
FIXED INCOME SECURITIES	Banco do Brasil	-	-	564,974	-
FIXED INCOME SECURITIES	CEF	-	-	168,586	-
Committed Options	Banco do Brasil	-	-	59,549	2,298
Committed Options	CEF	-	-	175,890	58,356
OTHERS	-	-	-	137,653	13,151
TOTAL NON-CURRENT				6,499,403	5,497,978

NON-CURRENT					
Debentures	Custodian Financing Agent	Expiration Date	Index	03/31/2017	12/31/2016
NTN- B	Banco do Brasil	After 90 days	IPCA	443	434
FINOR/FINAM	-	-	-	966	876
PROFIT-SHARING DEBENTURES	-	-	-	248,289	244,420
OTHERS	-	-	-	799	1,505
TOTAL NON-CURRENT				250,496	247,235

6.1 - PROFIT-SHARING DEBENTURES - Securities acquired as a result of the restructuring of the Company's investment in the subsidiaryINVESTCO S.A.. These assets guarantee annual income equivalent to 10% of the income of the companies mentioned below, paid together with dividends, and will be redeemed at maturity scheduled for October 2032, upon their conversion into preferred shares of the capital stock of these companies, as shown below:

	PARENT COMPANY AND CONSOLIDATED	
	03/31/2017	12/31/2016
Lajeado Energia	451,375	451,375
Paulista Lajeado	49,975	49,975
Ceb Lajeado	151,225	151,225
Face value	652,575	652,575
Adjustment to present value	(404,287)	(408,155)
Present value	248,288	244,420

NOTE 7 – ACCOUNTS RECEIVABLE, NET

	CONSOLIDATED					
	03/31/2017					12/31/2016
CURRENT	Coming due	Overdue up to 90 days	More than 90 days	Renegotiated Credits (b)	Total	Total
AES ELETROPAULO	29,021		2		29,023	30,576
AES SUL	5,148	-	-	-	5,148	28,326
AMPLA	19,378	-	-	-	19,378	24,817
CEA	8,685	25,895	23,704	276,467	334,751	301,028
CEB	4,619	-	1	-	4,620	5,216
CEEE	18,730	-	-	-	18,730	27,147
CELESC	25,710	-	-	-	25,710	44,187
CELPA	30,011	1,077	963	14,196	46,247	63,804
CELPE	18,390	-	56	-	18,446	20,403
CEMAR	15,734	-	-	-	15,734	22,837
CEMIG	41,616	-	-	-	41,616	34,691
CESP	1,653	-	-	-	1,653	1,656
COELBA	29,117	-	58	-	29,175	32,619
COELCE	21,501	-	-	-	21,501	30,834
COPEL	45,864	-	-	-	45,864	79,278
CPFL	19,116	-	165	-	19,281	18,371
EBE	8,724	-	-	-	8,724	9,614
ELEKTRO	27,922	-	-	-	27,922	41,123
ENERGISA	24,951	2,960	77,245	-	105,156	110,045
ENERSUL	7,923	-	-	-	7,923	11,416
ESCELSA	13,356	-	60	-	13,416	18,843
LIGHT	38,772	-	123	-	38,895	52,072
PIRATININGA	3,400	-	54	-	3,454	2,505
RGE	34,319	-	7	-	34,326	27,633
Rollover of Debt (b)	-	-	-	25,444	25,444	23,601
CCEE Marketing	159,283	227,544	301,000	-	687,827	499,735
Use of the Electricity Grid	242,895	5,306	20,496	-	268,697	263,806
PROINFA (a)	299,587	1,320	-	48,173	349,080	355,030
Residential Consumer	270,345	321,913	135,748	167,309	895,315	984,551
Industrial Consumer	286,446	39,793	253,412	115,968	695,619	587,683
Rural Consumer	21,965	21,894	15,695	14,959	74,513	70,440
Trade, services and other activities	189,486	86,586	70,657	87,224	433,953	435,284
Government	122,032	65,055	165,301	109,253	461,641	450,505
Others	918,794	57,196	271,049	52,390	1,299,429	1,154,451
(-) PCLD (c)	(71,444)	(82,343)	(912,489)	(449,156)	(1,515,432)	(1,461,849)
	2,933,049	774,196	423,307	462,227	4,592,779	4,402,278
NON-CURRENT						
CEB	-	-	9,548	-	9,548	14,111
CELPA	12,805	-	-	-	12,805	368
Marketing at CCEE	-	-	293,560	-	293,560	293,560
Use of the Electricity Grid	-	-	4,348	-	4,348	6,276
PROINFA (a)	-	-	-	64,975	64,975	76,441
Rollover of Debt (b)	-	-	-	587,463	587,463	568,635
Government	-	-	-	305,244	305,244	582,501
Residential Consumer	-	-	-	100,989	100,989	79,251
Industrial Consumer	-	-	-	63,852	63,852	48,039
Rural Consumer	-	-	-	6,348	6,348	5,921
Trade, services and other activities	-	-	-	348,202	348,202	88,649
Others	-	-	-	771,051	771,051	749,090
(-) PCLD (c)	-	-	(307,456)	(135,446)	(442,902)	(433,817)
	12,805	-	-	2,112,677	2,125,482	2,079,025
	2,945,854	774,196	423,307	2,574,904	6,718,261	6,481,303

(A) Electric power sales - PROINFA

The electric power trading transactions within the scope of the Alternative Energy Sources Incentive Program (PROINFA) generated a net gain in the quarter ended March 31st, 2017 of R$ 147,290 (R$ 200,513 in the quarter ended March 21st, 2016). This did not affect the

Company's net income for the period, and this amount was included under Reimbursement Obligations The sum of R$ 414,055 from PROINFA, in reference to the parent company (R$ 431,471 on December 31st, 2016), is recorded in the consumer reseller balance.

(b) Renegotiated credits

Represent the amounts resulting from the consolidation of debt payment installments on overdue electricity supply accounts from consumers in default, or which are coming due, charged in electricity bills.

The renegotiated credits from debt rollover are in reference to a credit assignment contract between the Federal Government and the subsidiaries Furnas and Eletrosul, in accordance with the Public Sector Finance Consolidation Program (Law no. 8,727, of November 5th, 1993). The Federal Government assumed, refinanced and divided the debt into 240 installments, due in April 1994. If any balance is still due when the 20-year term expires, once the federal government transfers only the resources received from the states which, in turn, are limited to their revenue commitment levels, the refinancing will be extended for another 120 months. They represent R$ 612,907 on March 31st, 2017 (R$ 592,236 on December 31st, 2016).

(c) Allowance for bad debts

The subsidiaries establish and maintain allowances, based on an analysis of overdue accounts receivable and the history of losses, where the amount is considered by Management to be sufficient to cover possible losses in the realization of these assets.

The balance of the allowance for bad debts is as follows:

	CONSOLIDATED	
	03/31/2017	12/31/2016
Consumers	617,777	569,269
Resellers	770,530	765,620
CEA	276,467	267,217
CCEE - Short Term Energy	293,560	293,560
	1,958,334	1,895,666

The subsidiary Furnas maintains an allowance, set aside in 2007, of R$ 293,560. This provision represents historical amounts related to energy sales in the formerly extinguished Wholesale Energy Market (MAE) for the period from September 2000 to September 2002, whose financial settlement is pending due to the issuance of injunctions in lawsuits filed by electric distribution companies against ANEEL and MAE, currently the CCEE.

The changes in allowance for bad debts of electricity consumers are as follows:

	CONSOLIDATED
Balance on December 31st, 2015	1,719,648
(+) Restriction	166,048
(-) Reversals	23,704
(-) Write-offs	(45,188)
Balance on March 31st, 2016	1,816,804
Balance on December 31st, 2016	1,895,666
(+) Restriction	172,326
(-) Reversals	(81,771)
(-) Write-offs	(27,887)
Balance on March 31st, 2017	1,958,334

The setting aside and reversal of Allowance for Bad Debts were recorded in profit or loss of the fiscal year as "Operating Provisions" (see Note 42). The amounts recognized as Allowance for Bad Debts are reported as a permanent loss when there is no longer any expectation that these funds will be recovered.

NOTE 8 - FINANCING AND LOANS

	03/31/2017							
	PARENT COMPANY				CONSOLIDATED			
	CHARGES CURRENT		PRINCIPAL		CHARGES CURRENT		PRINCIPAL	
	Avg. Rate	Value	CURRENT	NON CURRENT	Avg. Rate	Value	CURRENT	NON CURRENT
FURNAS	8.14	1,922	644,104	3,041,326	-	-	-	-
CHESF	18.93	-	493,059	45,508	-	-	-	-
ELETROSUL	9.94	128,124	152,828	2,016,275	-	-	-	-
ELETRONORTE	6.87	45,346	562,474	2,101,447	-	-	-	-
ELETRONUCLEAR	9.86	-	252,876	1,274,371	-	-	-	-
CGTEE	12.59	77,219	418,141	2,288,299	-	-	-	-
CEAL	13.53	2	157,321	1,445,858	-	-	-	-
CERON	12.83	-	76,930	977,798	-	-	-	-
CEPISA	12.32	118,392	336,062	1,413,740	-	-	-	-
ELETROACRE	13.10	-	65,548	341,609	-	-	-	-
BOA VISTA	12.92	13	24,023	139,001	-	-	-	-
AMAZONAS D	13.73	17,053	94,282	2,241,604	-	-	-	-
AMAZONAS GT	16.63	45,377	664,250	1,117,693	-	-	-	-
		433,448	3,941,898	18,444,529		-	-	-
ITAIPU	7.13	-	1,663,944	8,406,835	7.13	-	1,663,944	8,406,835
CEMIG	5.18	38	18,004	43,728	5.18	38	18,004	43,728
COPEL	5.03	4	13,003	32,812	5.03	4	13,003	32,812
CEEE	5.00	-	4,121	18,733	5.00	-	4,121	18,733
AES ELETROPAULO	5.00	339,582	10,561	-	5.00	339,582	10,561	-
ENERGISA - MT	8.81	2	87,204	146,199	8.81	2	87,204	146,199
ENERGISA - TO	10.16	-	27,735	52,550	10.16	-	27,735	52,550
ENERGISA - MS	5.23	20	9,522	16,897	5.23	20	9,522	16,897
CELPA	5.00	70,479	301,655	262,892	5.00	70,479	301,655	262,892
CEMAR	0.47	-	26,966	121,909	0.47	-	26,966	121,909
CESP	5.09	-	5,152	8,616	5.09	-	5,152	8,616
COELCE	5.00	-	9,165	26,252	5.00	-	9,165	26,252
COSERN	5.00	-	1,586	481	5.00	-	1,586	481
COELBA	5.00	-	20,591	56,848	5.00	-	20,591	56,848
ESCELSA	5.00	-	9,985	16,130	5.00	-	9,985	16,130
GLOBAL	5.00	109,312	44,100	-	5.00	109,312	44,100	-
CELESC DISTRIB.	5.00	-	24,325	25,459	5.00	-	24,325	25,459
OTHERS		80,473	334,257	126,647		80,475	334,890	127,323
(-) PCLD		(189,425)	(73,472)	-		(189,425)	(73,472)	-
		410,485	2,538,404	9,362,988		410,487	2,539,038	9,363,664
		843,933	6,480,303	27,807,517		410,487	2,539,038	9,363,664

	12/31/2016							
	PARENT COMPANY				CONSOLIDATED			
	CHARGES CURRENT		PRINCIPAL		CHARGES CURRENT		PRINCIPAL	
	Avg. Rate	Value	CURRENT	NON CURRENT	Avg. Rate	Value	CURRENT	NON CURRENT
FURNAS	8.40	30,226	716,663	3,127,050				
CHESF	18.88	-	564,151	134,569	-	-	-	-
ELETROSUL	10.08	126,003	90,930	2,078,736	-	-	-	-
ELETRONORTE	6.86	28,025	571,404	2,159,118	-	-	-	-
ELETRONUCLEAR	10,06	17,705	314,350	1,259,511	-	-	-	-
CGTEE	13.37	7,691	373,149	2,291,668	-	-	-	-
CEAL	14.43	1,312	35,068	1,421,549	-	-	-	-
CERON	13.82	1,106	24,841	939,442	-	-	-	-
CEPISA	13.07	98,494	218,384	1,322,857	-	-	-	-
ELETROACRE	14.04	394	9,463	360,653	-	-	-	-
BOA VISTA	13.78	173	6,556	108,962	-	-	-	-
AMAZONAS D	14.62	17,932	175,232	2,847,315	-	-	-	-

AMAZONAS GT	16.97	10,216	319,906	388,867	-	-	-	-
		339,279	3,420,097	18,440,298	-	-	-	-
ITAIPU	7.13	-	1,693,328	9,086,250	7.13	-	1,693,328	9,086,250
CEMIG	5.19	359	19,537	48,147	5.19	359	19,537	48,147
COPEL	5.03	255	14,187	36,398	5.03	255	14,187	36,398
CEEE	5.00	140	4,465	19,763	5.00	140	4,465	19,763
AES								
ELETROPAULO	5.00	339,278	10,561	-	5.00	339,278	10,561	-
ENERGISA - MT	9.62	2,255	94,468	168,000	9.62	2,255	94,468	168,000
ENERGISA - TO	11.31	879	30,047	59,486	11.31	879	30,047	59,486
ENERGISA - MS	5.22	161	11,341	18,510	5.22	161	11,341	18,510
CELPA	5.00	70,777	291,809	266,757	5.00	70,777	291,809	266,757
CEMAR	1.74	843	53,531	163,303	1.74	843	53,531	163,303
CESP	5.09	92	5,569	9,904	5.09	92	5,569	9,904
COELCE	5.00	191	9,860	28,337	5.00	191	9,860	28,337
COSERN	5.00	13	1,874	769	5.00	13	1,874	769
COELBA	5.00	423	22,788	61,749	5.00	423	22,788	61,749
ESCELSA	5.00	147	10,833	18,626	5.00	147	10,833	18,626
GLOBAL	5.00	106,275	44,100	-	5.00	106,275	44,100	-
CELESC DISTRIB.	5.00	327	27,435	30,973	5.00	327	27,435	30,973
OTHERS		83,337	331,391	140,572		83,340	332,788	141,334
(-) PCLD		(184,080)	(74,258)	-		(184,080)	(74,258)	-
		421,671	2,602,866	10,157,544		421,675	2,604,263	10,158,306
		760,950	6,022,963	28,597,843		421,675	2,604,263	10,158,306

Financing and loans are made with the Company's own funds, in addition to energy sector funds and external funds obtained through international development agencies, financial institutions and from offering securities on the international financial market.

From the total loans granted by Eletrobras on March 31st, 2017, R$ 5,417,824 (R $ 4,908,816 on December 31st, 2016) refer to transfers of the RGR sector fund, included under Financing and Loans.

All the financing and loans granted are backed by formal agreements signed with the borrowers. The amounts owed are, in most cases, repaid in monthly installments, amortized over an average period of 10 years, and the average interest rate, weighted by the portfolio balance, is 9.66% per annum.

The financing and loans granted, with an exchange rate indexation clause, represent around 31% of the total portfolio (32% on December 31, 2016). In turn, those that are indexed based on domestic price levels in Brazil account for 69% of the portfolio balance (68% on December 31, 2016).

The market values of these assets are close to their book values, since they are specific transactions in the sector and partly comprised of energy sector funds where there are no similar conditions to serve as valuation parameters at market value.

The reduction in the loans receivable balance in the quarter ended March 31, 2017 is primarily due to the exchange rate variation calculated on loans granted to Itaipu, resulting from the depreciation of the dollar against the real, when comparing the closing rates for March 2017 and December 2016. The dollar fell by about 3%.

The long-term installments of the financing and loans granted, based on contractually expected cash flows, fall due in varying amounts, as shown below:

	2018	2019	2020	2021	2022	After 2022	Total
Parent Company	1,833,693	5,247,213	5,247,303	5,161,445	2,973,724	7,344,139	27,807,517
Consolidated	2,257,791	2,103,487	2,107,482	1,662,000	1,019,914	212,991	9,363,664

Note 46, related parties, provides further information on the detail of the balances shown above.

8.1 - AES Eletropaulo / CTEEP - Lawsuit

The Company has receivables from Eletropaulo Eletricidade de São Paulo S.A. linked to a lawsuit in progress between AES Eletropaulo and CTEEP.

On September 18, 2015, a partial report was published about the lawsuit filed against the company Eletropaulo, stating that Eletropaulo is responsible to pay the amounts owing in relation to financing payments not paid on their respective due dates to Eletrobras and not to Companhia de Transmissão de Energia Elétrica Paulista (“CTEEP”).

As a result, the Company now has a credit of R $ 2,712,125 as of March 31, 2017 (R $ 2,656,542 on December 31, 2016), where R$ 350,143 (R$ 349,839 on December 31, 2016) has already been recognized in its assets under loans and financing, corresponding to the portion considered undisputed by the Company. Final recognition of the entire credit will occur when it achieves the status of virtually certain.

8.2 - Allowance for bad debts

The Company has an allowance for bad debts of R$ 262,898 on March 31, 2017 (R$ 258,338 on December 31, 2016) corresponding to the principal and debt service of companies in default.

This allowance is considered sufficient by the Company's Management to cover possible losses on these assets, based on an analysis of the portfolio’s behavior.

In the breakdown of the allowance there are credits with Celpa, controlled by Equatorial Energia, of R$ 10,242 on March, 31, 2017 (R$ 11,001 on December 31, 2016). This allowance was deemed necessary in light of Celpa's court-supervised reorganization.

The changes in Allowance for Bad Debts for financing and loans granted by the Company are as follows:

	PARENT COMPANY/ CONSOLIDATED
Balance on December 31st, 2015	241,047
(+) Complement	5,901
(-) Reversals	(837)
Balance on March 31st, 2016	246,111
Balance on December 31st, 2016	258,338
(+) Complement	19,650
(-) Reversals	(15,090)
Balance on March 31st, 2017	262,898

The setting aside and reversal of Allowance for Bad Debts were recorded in profit or loss of March 21, 2017 as "Operating Provisions" (see Note 42). The amounts recognized as Allowance for Bad Debts are reported (written-off) a permanent loss when there is no longer any expectation that these funds will be recovered.

NOTE 9 - YIELD ON EQUITY INTEREST

The figures presented below refer to dividends and interest on the stockholders' equity receivable, net of withholding tax, when applicable, arising from permanent investments held by the Company.

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
CURRENT				
Furnas	307,740	298,680		
Eletronorte	18	18	-	-
CGTEE	85,799	83,273	-	-
Eletrosul	92,477	89,755	-	-
Eletropar	7,301	7,085	-	-
Lajeado Energia	50,009	50,009	50,009	50,009
CEMAR	25,506	25,506	25,506	25,506
CTEEP	-	48,634	-	48,634
Goiás Transmissão	-	-	19,215	17,936
STN - Sist. de Transm. Nordeste S.A.	-	-	-	8,974
Transenergia Renovável	-	-	10,948	14,762
MGE Transmissão	-	-	7,237	6,547
Manaus Construtora	-	-	-	9,178
Serra do Facão	-	-	-	-
Transenergia São Paulo	-	-	2,557	2,557
ETAU	-	-	-	5,616
Baguari	-	-	-	-
T ransudeste	-	-	222	1,256
Uirapuru	-	-	-	2,507
IE Madeira	-	-	7,595	30,630
T ransirape	-	-	678	678
Enerpeixe	-	-	26,446	26,446
Chapecoense	-	-	24,625	24,625
EAPSA	-	-	-	4,743
Others	29,349	15,606	86,787	37,851
	598,199	618,566	261,825	318,455

NOTE 10 - TAX RECOVERABLE, INCOME TAX AND SOCIAL CONTRIBUTION

10.1 - Taxes recoverable

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Current assets:				
Withholding Tax	145,788	603,648	427,197	886,598
PIS/PASEP/COFINS	42,179	70,593	94,330	119,057
ICMS recoverable	-	-	40,434	48,368
Others	-	-	35,956	31,497
	187,967	674,241	597,917	1,085,520
Non-current assets:				
ICMS recoverable (a)	-	-	1,192,787	1,217,268
PIS/COFINS recoverable (a)	-	-	552,153	469,764
Others	-	-	18,448	18,382
	-	-	1,763,388	1,705,414

(a) ICMS, PIS/PASEP & COFINS recoverable

The Company has R$ 1,744,940 for PIS, COFINS and ICMS recoverable recorded under noncurrent assets (R$ 1,687,032 on December 31, 2016) on March 31, 2017. Of this amount, R$ 1,304,833 (R $ 1,197,990 on December 31, 2016) refer to taxes and contributions on fuel purchases from the subsidiary Amazonas.

According to § 8 of Law 12,111/2009, these taxes and contributions shall be reimbursed to the CCC when realized. Therefore, a liability corresponding to the same amount is maintained under Reimbursement Obligations (see Note 11).

(b) Unconstitutionality of PIS/PASEP and COFINS

The Supreme Court (STF) declared paragraph 1º Article 3º of Law 9,718/98 unconstitutional, which had broadened the calculation basis for PIS/ PASEP and COFINS and provided, at that time, a new concept for billing. This concept encompassed all revenue earned by companies, regardless of the type of activity performed and the accounting classification adopted. This provision had no constitutional foundation and had been subject to a subsequent constitutional amendment.

Based on the National Tax Code (CTN), the Eletrobras System companies are seeking recognition of their right to credit and a reimbursement of the amount paid in excess due to the unconstitutionality of broadening the tax base for these contributions. Up until the completion of these Financial Statements, no final decision had been rendered on the issue.

Therefore, the Eletrobras System companies have potential PIS/PASEP and COFINS tax credits, which are in the stage of being settled and, as a result, have not been recognized in these Financial Statements, since the declaration of unconstitutionality only benefits plaintiff companies in the special appeals that were decided.

10.2- Income tax and social contribution

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Current assets:				
Advances/Negative Balance of IRPJ and CSLL	843,655	769,541	1,119,911	1,086,367
Non-current assets: Negative balance of IRPJ and CSLL	1,488,158	1,488,158	1,488,158	1,488,158
Deferred IRPJ/CSLL	-	-	610,491	839,708
	1,488,158	1,488,158	2,098,649	2,327,866
Non-current liabilities:				
Deferred IRPJ/CSLL	335,032	320,560	8,808,958	8,305,606

10.3 - Breakdown of deferred income tax and social contribution

	03/31/2017			12/31/2016		
	Assets	Liabilities	Net effect - assets (liabilities)	Assets	Liabilities	Net effect - assets (liabilities)
Eletronorte	2,256,107	(1,645,616)	610,491	2,203,754	(1,364,046)	839,708
	2,256,107	(1,645,616)	610,491	2,203,754	(1,364,046)	839,708
Eletrosul	651,999	(1,007,009)	(355,010)	649,997	(963,106)	(313,109)
Eletrobras	-	(335,032)	(335,032)	-	(320,560)	(320,560)
Furnas	673,209	(5,591,081)	(4,917,872)	680,613	(5,284,897)	(4,604,284)
Chesf	199,332	(3,384,764)	(3,185,432)	202,252	(3,254,553)	(3,052,301)
Eletropar	3,750	(19,362)	(15,612)	-	(15,352)	(15,352)
	1,528,290	(10,337,248)	(8,808,958)	1,532,862	(9,838,468)	(8,305,606)

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Deferred tax assets:				
Allowance for Contingencies	-	-	126,510	128,391
Allowance for bad debts	-	-	119,101	119,327
Operating allowances	-	-	427,293	429,504
Adjustment provided for in Law 11,638/2007-RTT (IFRS)	-	-	236,759	239,679
Provision for non-realization of tax liabilities	-	-	203,817	205,239
Tax liabilities w/o tax loss and negative base (a)	-	-	2,448,216	2,394,400
Others	-	-	222,701	220,076
Total assets	-	-	3,784,397	3,736,616
Deferred tax liabilities:				
Financial Instruments available for sale	335,032	320,560	335,032	320,560
Accelerated Depreciation Current Revenue. Renegotiated energy credits	-	-	122,130 267,489	113,793 259,183
Adjustment provided for in Law 11,638/2007-RTT (IFRS)	-	-	234,711	205,285
Yield on Existing Basic System Grid	-	-	10,442,841	9,726,549
Others	-	-	580,661	577,144
Total liabilities	335,032	320,560	11,982,864	11,202,514

10.4 - Income tax and social contribution recognized in other comprehensive income

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Deferred taxes Arising from revenues and expenses recognized in other comprehensive income:				
Remeasurement of fair value of financial instruments available for sale	(14,472)	(21,866)	(17,194)	(21,866)
Remeasurement of defined benefit plans				
Share in the comprehensive income of subsidiaries, affiliated companies and joint ventures and joint ventures	-	-	2,721	7,035
Total income tax and social contribution recognized in other comprehensive income	(14,472)	(21,866)	(14,473)	(14,831)

NOTE 11 - REIMBURSEMENT RIGHTS AND OBLIGATIONS

	CONSOLIDATED	
	03/31/2017	12/31/2016
Reimbursement rights		
CURRENT ASSETS		
CCC (a)	1,919,822	1,977,183
ANEEL Allowance- CCC (b)	(741,624)	(741,624)
CDE reimbursement (c)	193,112	347,876
Electricity sector yield (d)	76,242	74,527
	1,447,552	1,657,962
NON-CURRENT ASSETS		
CCC (a)	10,032,725	9,871,342
Portion of Gas Transportation (a.1)	(2,557,664)	(2,364,318)
	7,475,061	7,507,024
Reimbursement Obligations		
CURRENT LIABILITIES		
CCC (a)	126,968	129,403
PROINFA	1,140,017	992,727
CDE reimbursement (c)	39,531	45,373
Electricity sector yield (d)	717,234	700,581
	2,023,750	1,868,084
NON-CURRENT LIABILITIES		
CCC (a)	1,521,547	1,516,313
	1,521,547	1,516,313

a) Fuel consumption account (CCC)

The original purpose of the fund, created by Law No. 5,899/1973, was to apportion the costs with the fuels used for the generation of electricity in the Interconnected Systems. Since 1992, the fuel cost apportionment mechanism has been extended to systems not integrated with the National Interconnected System (SIN), called Isolated Systems, located mostly in the Northern region of Brazil. Upon Law 9,648 / 1998, the CCC also considered the costs of undertakings that promote current or future savings for the fund, known as subrogations. In addition, this law determined the discontinuity, at the end of 2005, of the coverage for the Interconnected Systems.

With the enactment of Law No. 12,111/2009 and Decree No. 7,246/2010, the energy generation subsidy system for the isolated systems was changed. The CCC, which up until then only subsidized fuel costs, started to reimburse the difference between the total cost of electricity generation and the valuation of the corresponding amount of electricity by the

average price of power and energy traded in the Regulated Procurement Environment (ACR) of the National Interconnected System (SIN).

The total cost of electricity generation in isolated systems includes the costs related to:

- procurement of energy and associated power;
- own generation to meet electricitydistribution;
- charges and taxes;
- investments made; and
- fuel purchases.

Also included in total generation cost are the other expenses related to providing electricity in remote regions of the Isolated Systems, characterized by a large dispersion of consumers and lack of economies of scale.

The fuel consumption account refers to receivables and amounts received from the CCC in the respective periods. The Company, as of March 31, 2017, has an amount receivable of R $ 11,952,547 (R $ 11,848,525 on December 31, 2016) and a liability of R$ 1,648,515 (R$ 1,645,716 on December 31, 2016) corresponding to reimbursement obligations.

After the enactment of Law No. 12,783, Eletrobras has no further obligation to make contributions to the CCC Account. Nevertheless, the CCC Account has not been abolished. The available balances will continue to be distributed to generation and distribution companies that incur additional costs due to the use of thermal power plants in case of unfavorable hydrological conditions. To ensure the continued viability of the CCC Account, Law No. 12,783 allows transfers to be made between the Energy Development Account (CDE) and the CCC Account.

a.1) Gas Supply Agreement (CIGÁS Amazonas D) - Price Difference
of the Portion of Gas Transportation

The Gas Supply Agreement provides for the transportation portion as "open book"; this kind of agreement, as the name says: "open book", is characterized by the reimbursement of the direct and indirect costs of the contractor and the yield on the investment is at a flat rate to be
applied to the total costs demonstrably incurred.

In this context, after the consolidation of all investments, expenditures for the construction of the Urucu-Coari-Manaus gas pipeline should be determined by the Transportation Portion Review Committee and transferred to the transportation portion. The variables that comprised the price of the transportation portion were not properly consolidated among the parties of the Committee, which included proof of all investments in the construction of the gas pipeline, rate of return on investment, rental of the duct for Petroleum Liquid Gas (GLP) Urucu. In view of this, an average value was established between the two values presented by each company that made up the Committee for the transportation portion.

In view of the controversy, ANEEL, in turn, due to the pass-through of the costs of the gas supply agreement to the CCC fund, began to resolve on this issue in case No. 48500.000289/2014-66.

On December 15, 2015, upon Resolution No. 2,005/2015, ANEEL ratified the price of the transportation portion related to natural gas, of R$ 11,4867/MMBtu * (base: December 2009); the decision, however, was appealed by Petrobras and ABRACE.

The Brazilian Oil Agency (ANP) on June 14th, 2016, upon Order No. 643, rectified the previously calculated tariff, approved and ratified the applicable fee of R$ 12,0371/MMBtu* (base: December 2009), which allows the yield on all investments, costs and expenses attributable to the provision of the gas road transport service. It should be emphasized that the ANP appears in this context driven by ANEEL.

Thus, the issue of defining a fee for gas transportation was regulated on October 18, 2016, upon Resolution No. 2,159/2016, ANEEL, which set the limit, for the purpose of reimbursement by CCC of the transportation portion of the natural gas supply agreement between Amazonas D and Cigás, in R$ 12,0371/MMBtu * (base: December 2009) (without taxes), which must be applied, with due adjustments, from the beginning of the billing of said agreement.

Resolution 2,159/2016, retroactively to the beginning of the supply of the agreement with the new approved transportation fee, determines that Eletrobras, as manager of the Fuel Consumption Account - CCC, record the amounts reimbursed above the defined price and report the result to ANEEL, within 60 days, ending in December 2016. The amount involved in this issue is R$ 2.1 billion. The contract in clause 8.1.2.1.9.2 "b" and clause 10.8 provides for the possibility that if the amount provisionally adopted exceeds the defined final amount, Cigás shall return to Amazonas Energia the amount overpaid plus the default charges.

The Company, supported by legal opinion No. 204/2016 issued by its external legal counsel, understands that in exchange for the right to reimbursement with the CCC fund of R$ 2,557,664, there will be a right to reimbursement with Petrobras in the same amount recognized under Suppliers (Note 20).

(*) Not reviewed by independent auditors.

b) ANEEL Allowance - CCC

On February 7, 2017, ANEEL issued Resolution No. 2,202, which approved the budget for 2017 of the Energy Development Account (CDE) and, in doing so, suspended the transfer of amounts that had been provided in the renegotiation established by Interministerial Ordinances MME/MF numbers 652/2014 and 372/2015 (referred to as "1st and 2nd CCD") between Amazonas D, Ceron, Eletroacre and Boa Vista (referred to as " distribution companies ") and Petrobras Distribuidora SA, with the receivables from CCC as guarantee, plus a personal guarantee of its parent company, Eletrobras.

The distribution companies are creditors of the Fuel Consumption Account (CCC) - especially after 2009, under Law No. 12,111, of December 9, 2009, since they are responsible for electric utility services in the Isolated System.

As of Law 12,783/2013, the Energy Development Account (CDE) was responsible for providing funds for the expenses related to the Fuel Consumption Account (CCC). However, sufficient funds were not transferred to the distribution companies to cover the subsidies provided for in Law 12,111/2009. As a consequence, these companies could not pay their suppliers, especially those responsible for supplying fuel for the power generation of the Isolated System.

In order to balance the debts that the Energy Development Account (CDE) had with the distribution companies, regulatory and structural measures were adopted, such as the issuance of Decree No. 8,370 (by which article 36, paragraphs 1 to 4 of Decree No. 4,541, dated 12.23.2002, was amended) and the Interministerial Ordinances of the Ministry of Mines and Energy and Ministry of Finance under No. 652, dated December 10, 2014 and No. 372, dated August 4, 2015, to allow said credits due to the distribution companies to be renegotiated, in installments and according to the budget conditions of the Energy Development Account (CDE).

Part of these credits is used to back the payment of debts with fuel suppliers that were renegotiated by the distribution companies in 2014 and 2015, observing the payment flow provided for in Interministerial Ordinances MME / MF mentioned above.

In 2014, renegotiations were made between the distribution companies and the Energy Development Account (CDE), established by Interministerial Ordinance MME/MF number 652/2014. The renegotiation between the distribution companies and the Energy Development Account (CDE), authorized by Interministerial Ordinance MME/MF number 372/2014, until March 31, 2017, had not yet been signed.

The budget approved by ANEEL for 2017, in addition to reducing the current expenditure forecast with CCC / CDE, did not include part of the amounts that were subject to renegotiation established by Interministerial Ordinances numbers 652/2014 and 372/2015.

The affected distribution companies filed a request for reconsideration, to operate as supersedeas, against Resolution No. 2,202.

On February 24, 2017, ANEEL issued Order No. 582, not granting the supersedeas filed by the Company's distribution subsidiaries, which should be reviewed by the Board of ANEEL.

On March 2, 2017, the Ministry of Mines and Energy - MME published Ordinance No. 81, establishing the schedule of the use of CDE funds, for the 2017 budget, for payment of an amount equivalent to the monthly installments to be paid between January and December 2017, concerning the renegotiation agreed between the Distribution Companies and the Sectoral Fund until December 31, 2016 between the DisCo and CDE/CCC, which are therefore those covered by Interministerial Ordinance MME/MF numbers 652/2014.

On March 7, 2017, upon Resolution No. 2,204, dated March 7, 2017, ANEEL amended Resolution No. 2,202 of February 7, 2017, which approved the annual budget of the CDE/CCC for 2017, including in the current budget the installments related to the CCD.

Accordingly, the 2017 budget of the CDE / CCC Account set forth in Resolution No. 2.204 remained with the reduction of funds allocated to the CDE / CCC Account for 2017, but provided for the release of funds equivalent to the monthly installments to be paid between January and December of 2017, related to the 1st and 2nd CCD.

The Company believes that the funds that have been set aside by ANEEL will remain in this situation until the inspection of the reprocessing of the CCC account, in the estimated period between July 2009 and June 2016, is completed by ANEEL.

Based on the events described above, the Company recognized an allowance referring to the cost of raising to face the financial loss of the amounts that were not covered by the budget, as described below:

1) overdue installments of the funds provided for in Ordinance MME/MF 652/2014 due as of December 31, 2016;
2) 2017 installments provided for in Ordinance MME/MF 372/2015 that had not yet been renegotiated with the CDE/CCC Fund;
3) amount referring to the current budget of 2017 that, according to estimates, the Company will not receive as a result of ANEEL's cut in the budget;
4) funds related to the purchase and sale of energy with Termonorte II renegotiated between subsidiaries Eletronorte and ED Rondônia.

The amount of the allowance was calculated based on the costs of raising that would be incurred by the Company if it needs to raise in the market the funds listed above that will not be reimbursed by the CCC Fund in the short term. The interest rate used as an assumption in this estimate was CDI (13.63%)+5.54% pa

Accordingly, the Company recognized, in the year ended December 31, 2016, an allowance in the amount of R$ 741,624 under rights of reimbursement - CCC.

As part of the process of inspection and monthly reprocessing of the benefits of the Fuel Consumption Account - CCC, managed by Eletrobras, paid to Amazonas Distribuidora between July 30, 2009 and June 20, 2016, on March 28, 2017, ANEEL issued Technical Note No. 52/2017, in which it demonstrated the methodology and the result related to the respective inspection. The assessment of Technical Note No. 52/2017 indicated a difference of R$ 3,699,228 to be returned to the CCC Sector Fund.

On April 20, 2017, Eletrobras filed its statement requesting a review of the assumptions and methodologies adopted in the aforementioned Technical Note, seeking, in the reprocessing, to take into account the Company's arguments already raised in other technical notes, as well as the recognition of the legitimacy of the CCDs entered into and requesting the recommendation to review Resolution No. 2,204.

c) CDE Reimbursement

Law No. 12,783/13, Decree No. 7,945/13 as amended by Decree No. 8,203/14 and the subsequent Decree No. 8,221/14, promoted some amendments on the procurement of energy and the objectives under the sector responsibility of the Energy Development Account– CDE, and also instituted (i) the transfer of resources from the CDE to distribution concessionaires costs of hydroelectric risks, involuntary exhibit, ESS – Energy Security and CVA ESS and Energy for the period 2013 to January 2014 and (ii) the transfer through the Electric Energy Trading Chamber (CCEE) to concession holders of the distribution of costs related to involuntary exposure and the order of thermal power plants from February, 2014.

The effects of these items were recorded as a cost reduction in relation to electric power purchased for resale (Note 41) offsetting the compensation rights – CDE/CCEE reimbursement, in accordance with IAS 20 – Subsidy and Government Assistance.

d) Electricity Yield - RBNI (Basic Network of New Investments)

On January 13, 2017, upon order no. 084/2017, ANEEL determined that Eletrobras, as manager, return to the Energy Development Account ("CDE") and Global Reversion Reserve ("RGR") the historical amount of R$ 604,239, which was restated by the adjustment indexes

set forth in Interministerial Ordinance No. 580/MME/MF, dated November 1, 2012, from the date these payments were made up to the date of actual return to said sector funds. The amount on March 31, 2017 is R$ 717,234.

The amount must be refunded in 6 equal monthly installments, duly adjusted until the effective payment date, starting July 1, 2017.

Eletrobras will collect the amounts owed by the utilities that were overpaid, including those of its subsidiaries, in order to return the funds to CDE and RGR, under ANEEL 084.

NOTE 12 - NUCLEAR FUEL INVENTORY

Below is presented the composition of the inventory of long-term nuclear fuel intended for the operation of UTN Angra I and UTN Angra II:

	CONSOLIDATED	
	03/31/2017	12/31/2016
CURRENT		
Finished elements	455,737	455,737
	455,737	455,737
NON-CURRENT		
Finished elements	421,866	523,501
Uranium concentrate	50,965	50,965
Ongoing - nuclear fuel	114,996	100,803
	587,827	675,269
	1,043,564	1,131,006

Inventories are stated at cost or net realizable value, whichever is lower, broken down as follows:

a) Uranium concentrate and ongoing services (for the conversion of uranium concentrate into nuclear fuel elements) are recorded at acquisition cost;

b) Nuclear fuel elements – are available in the core of the reactor and the Used Fuel Pool inventory – PCU, being allocated to income or loss for the financial year on the basis of their use in the electric power generation process.

NOTE 13 - ADVANCES FOR FUTURE CAPITAL INCREASE

The Company and its subsidiaries present in non-current assets, values corresponding to advances for future capital increase in the following investments:

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Subsidiaries:				
Furnas	51,285	49,772	-	-
CGTEE	574,921	483,858	-	-
ED Alagoas	159,155	159,155	-	-
ED Roraima	80,089	80,089	-	-
ED Piauí	295,402	295,402	-	-
ED Acre	69,462	69,462	-	-
Amazonas D	117,446	117,446	-	-
SPEs:				
Energia Sustentável do Brasil	-	-	562,400	535,200
Chuí Holding S.A. - Eolicas do Sul	-	-	431,913	431,913
Livramento Holding S.A. - Eolicas do Sul	-	-	221,466	220,027
TDG Transmissora Delmiro Gouveia	-	-	101,000	101,000
TSLE - Transmissora Sul Litorânea de Energia	-	-	-	87,394
Geradora Eólica Itaguaçu da Bahia SPE S.A.	-	-	70,560	67,130
Santa Vitória do Palmar Holding S.A. - Eólicas do Sul	-	-	37,946	37,946
Fronteira Oeste Transmissora de Energia S.A.	-	-	19,380	16,144
Vamcruz I Participações S.A.	-	-	43,099	43,099
Chapada do Piauí II Holding S.A.	-	-	35,213	35,213
Eólica Serra das Vacas Holding S.A.	-	-	9,419	9,442
	1,347,760	1,255,184	1,532,396	1,584,508
Other investments	-	-	33,268	33,408
	1,347,760	1,255,184	1,565,664	1,617,916

NOTE 14 - HYDROLOGICAL RISK

In 2014 and 2015, the country has faced adverse hydrological conditions, which has given rise to a series of consequences to the electrical sector. Specifically, for generators that are part of the Mechanism to Reallocate Power – MRE, the low level of power generation at hydraulic plants at levels lower than the MRE Physical Guarantee has caused a reduction to the adjustment factor of MRE or the Generation Scaling Factor – GSF.

This reduction has direct effects on the delivery of power for compliance with supply agreements, due to the lack of power, generation companies have been exposed to the Difference Liquidation Price – PLD in the Short Term Market to be able to comply with their contracts, with negative financial and economic effects.

Law No. 13,203, dated December 8, 2015, sets forth, among other terms, the conditions to adjust the hydrological risk of power generation to the agents that are part of the Mechanism to Reallocate Power – MRE. According to the terms in Article 1 of this law, the hydrological risk may be adjusted, provided that upon agreement by ANEEL, and with retroactive effects starting on January 1, 2015, upon counterpart by the energy generation players.

Under the terms of the Law, by means of Normative Resolution No. 684, dated December 11, 2015, ANEEL established the criteria and other conditions applicable to such renegotiation.

According to criteria and terms defined in the rule, the SFF (Office of Financial Supervision of ANEEL) understands that companies interested in the adjustment are fully able to qualify the eligible energy amounts, for ACR as well as ACL. Note that not only information of amounts is known by the companies, and as the decision for the renegotiation is made by its managers, the Regulating Entity is responsible solely for approving the amounts. Once information submitted by adhering companies is consistent with assumptions set forth by the legislation, the regulating entity would not determine approval of the renegotiation at its sole discretion. The GSF corresponding to 2015 was recalculated, resulting in an amount that will be compensated with risk premiums calculated by subsidiaries that choose to adhere to the renegotiation – Eletronorte, Eletrosul, Furnas and Amazonas GT.

The composition of amounts accounted in 2015 due to the adjustment of the hydrological risk, refers to contracts executed under the Regulated Procurement Environment – ACR, is as follows:

	CONSOLIDATED	
	03/31/2017	12/31/2016
UHE T ucuruí	125,148	195,840
UHE Serra da Mesa	143,923	154,449
UHE Mascarenhas de Moraes	56,364	63,186
UHE Itumbiara	30,520	42,680
UHE Simplício	39,268	42,289
UHE Batalha	18,734	20,175
UHE Balbina	10,181	13,262
UHE Mauá	13,557	13,839
UHE Manso	9,976	10,743
UHE Passo São João	5,359	5,471
UHE São Domingos	5,169	5,277
	458,200	567,212
Total Current Asset	108,275	109,535
Total Non-Current Asset	423,966	457,677
TOTAL	532,241	567,212

NOTE 15 - INVESTMENTS

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Evaluated by the Equity Method				
a) Subsidiaries				
Furnas	19,843,297	19,165,618	-	-
Chesf	12,716,152	12,529,022	-	-
Eletrosul	5,432,877	5,394,615	-	-
Eletronorte	15,868,091	15,351,617	-	-
Eletropar	165,207	157,900	-	-
	54,025,624	52,598,772	-	-
b) Associated Companies				
CEEE-GT	699,242	676,332	699,242	676,332
EMAE	285,012	282,091	295,383	292,355
CTEEP	2,614,763	2,543,906	2,664,903	2,592,701
CEMAR	742,157	729,888	742,157	729,888
Lajeado Energia	231,636	218,262	231,636	218,262
CEB Lajeado	70,353	72,989	70,353	72,989
Paulista Lajeado	26,906	26,143	26,906	26,143
Energisa MT	403,142	394,774	403,142	394,774
Energética Águas da Pedra S.A.	-	-	228,809	216,294
	5,073,211	4,944,385	5,362,531	5,219,738
c) Joint ventures				
Inambari	49	56	81	101
Mangue Seco II	18,002	17,934	18,002	17,934
Norte Energia (Belo Monte)	1,702,939	1,600,637	5,672,213	5,358,861
Rouar	96,553	97,157	96,553	97,157
Madeira Energia S.A. (MESA)	-	-	2,413,584	2,503,260
ESBR Participações S.A.	-	-	3,282,435	3,331,923
Interligação Elétrica do Madeira S.A.	-	-	1,128,253	1,090,107
Norte Brasil Transmissora de Energia S.A.	-	-	997,473	975,886
Manaus Transmissora de Energia S.A.	-	-	663,206	650,961
Enerpeixe S.A.	-	-	383,824	375,174
Teles Pires Participações	-	-	810,339	799,926
Chapecoense Geração S.A. (Chapecoense)	-	-	451,969	493,555
Belo Monte Transmissora de Energia	-	-	1,183,546	1,069,359
Interligação Elétrica Garanhuns S.A.	-	-	387,769	360,072
Mat a de Santa Genebra	-	-	306,150	230,685
Goiás Transmissão S.A.	-	-	171,820	170,313
Companhia Energética Sinop S.A.	-	-	469,425	430,751
STN - Sistema de Transmissão Nordeste S.A.	-	-	196,730	202,898
Integração Transmissora de Energia S.A.	-	-	206,749	201,033
Transnorte Energia S.A.	-	-	148,903	148,748
Chapada Piauí II Holding S.A.	-	-	115,018	117,701
MGE Transmissão S.A.	-	-	109,210	111,344
Transmissora Sul Brasileira de Energia S.A.	-	-	279,265	277,474
Transenergia Renovável S.A. (Transenergia)	-	-	154,078	153,390
Retiro Baixo Energética S.A. (Retiro Baixo)	-	-	130,827	127,229
Brasnorte Transmissora de Energia S.A.	-	-	128,875	127,338
Chapada Piauí I Holding S.A.	-	-	105,764	104,060
Empresa de Energia São Manoel	-	-	452,874	418,460
Paranaíba	-	-	152,084	147,656
Transenergia São Paulo S.A.	-	-	93,132	94,614
Transmissora Matogrossense de Energia S.A.	-	-	106,213	106,480
Triângulo Mineiro Transmissora	-	-	182,558	128,765
Transmissora Sul Litorânea de Energia S.A.	-	-	187,643	140,280
Others	158,419	162,957	1,308,349	1,287,595
	1,975,962	1,878,741	22,494,914	21,851,090
SUBTOTAL	61,074,797	59,421,898	27,857,445	27,070,828
Allowance for losses on investments	(49)	(56)	(1,872,532)	(1,897,217)
TOTAL	61,074,748	59,421,842	25,984,913	25,173,611

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Investments held at fair value				
AES Tietê	427,828	437,197	427,828	437,197
Coelce	243,169	251,938	243,169	251,938
Energisa S.A.	181,626	148,661	181,626	148,661
Cesp	147,192	129,096	147,192	129,096
Celpa	41,662	48,895	41,662	48,895
Celesc	75,869	65,920	75,869	65,920
CELPE	19,411	21,688	19,411	21,688
COPEL	39,616	29,207	39,616	29,207
CGEEP	14,946	15,895	14,946	15,895
CEB	8,025	8,305	8,025	8,305
AES Eletropaulo	-	-	29,192	23,660
Energias do Brasil	-	-	26,399	26,229
CPFL Energia	-	-	46,440	45,431
Others	12,156	12,133	109,850	105,801
	1,211,501	1,168,935	1,411,226	1,357,923

15.1 - Allowances for losses on Investments

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
INAMBARI	49	56	81	101
Madeira Energia S.A.	-	-	93,932	93,932
Teles Pires Participações	-	-	325,388	325,388
Empresa de Energia São Manoel	-	-	71,916	71,916
Belo Monte Transmissora de Energia	-	-	362,939	362,939
Companhia Energética Sinop	-	-	324,250	324,250
Norte Brasil Transmissora S.A.	-	-	323,202	323,202
Manaus Transmissora de Energia S.A.	-	-	334,580	334,580
Others	-	-	36,244	60,909
	49	56	1,872,532	1,897,217

15.2 - Adjustments to accounting policies in associated companies

	PARENT COMPANY AND CONSOLIDATED	
	03/31/2017	12/31/2016
CTEEP	1,056,508	1,034,733
CEEE-GT	34,695	34,695
	1,091,203	1,069,428

The Company adjusted the results of the investees, in order to standardize the accounting policies of these companies and those adopted by the Company for the preparation of its consolidated interim financial statements. The adjustments made refer mainly to the accounting policy for recognition of the allowance for bad debts and recognition of obligations related to post-employment benefits.

15.3 - Change of investments

The most relevant investments of the Company are as follows:

Subsidiaries and Associated Companies	Balance at 12/31/2016	Capital payment/Write off	Others Comprehensive Results	Capitalization of AFAC	Capital gains and losses	Dividends and interest on the stockholders' equity	Equity method	Balance at 03/31/2017
CHANGE OF INVESTMENTS - PARENT COMPANY								
Furnas	19,165,618	-	(10,899)	-	-	-	688,578	19,843,297
Chesf	12,529,022	-	(21,728)	-	-	-	208,858	12,716,152
Eletrosul	5,394,615	-	-	-	-	-	38,262	5,432,877
Eletronorte	15,351,617	-	-	-	-	-	516,474	15,868,091
Eletropar	157,900	-	5,284	-	-	-	2,024	165,207
Mangue Seco II	17,934	-	-	-	-	-	68	18,002
Norte Energia (Belo Monte)	1,600,637	-	-	92,250	-	-	10,052	1,702,939
Inambari	56	-	-	-	-	-	(7)	49
CEEE-GT	676,332	-	9,199	-	-	-	13,712	699,242
EMAE	282,091	-	-	-	-	-	2,921	285,012
CTEEP	2,543,906	-	-	-	-	-	70,857	2,614,763
CEMAR	729,888	-	-	-	-	-	12,269	742,157
Lajeado Energia	218,262	-	(7)	-	-	-	13,381	231,636
CEB Lajeado	72,989	-	-	-	-	(7,420)	4,785	70,353
Paulista Lajeado	26,143	-	-	-	-	-	763	26,906
Rouar	97,157	-	(2,688)	-	-	-	2,084	96,553
Energisa MT	394,774	-	-	-	-	-	8,368	403,142
Others	162,956	-	(4,537)	-	-	-		158,419
TOTAL INVESTMENTS	59,421,897		(25,378)	92,250		(7,420)	1,593,450	61,074,797

Subsidiaries and Associated Companies	Balance at 12/31/2016	Capital payment/Writeoff	Others Results Results	Capitalization of AFAC	Capital gains and losses	Dividends and interest on the stockholders' equity	Equity Method	Balance at 03/31/2017
CHANGE OF INVESTMENTS - CONSOLIDATED								
Mangue Seco II	17,934	-	-		-	-	68	18,002
Norte Energia (Belo Monte)	5,358,861	92,250	-	215,127	-	-	5,975	5,672,213
Inambari	101	-		-	-	-	(20)	81
CEEE-GT	676,332	-	9,199	-	-	-	13,712	699,242
EMAE	292,355	-	-	-	-	-	3,028	295,383
CTEEP	2,592,701	-	-	-	-	-	72,202	2,664,903
CEMAR	729,888	-		-	-	-	12,269	742,157
Lajeado Energia	218,262	-	(7)	-	-	-	13,381	231,636
CEB Lajeado	72,989	-	-	-	-	(7,420)	4,785	70,353
Paulista Lajeado	26,143	-	-	-	-	-	763	26,906
Rouar	97,157	-	(2,688)	-	-	-	2,084	96,553
Energisa MT	394,774	-	-	-	-	-	8,368	403,142
Madeira Energia S.A. (MESA)	2,503,260	-	-	-	-	-	(89,676)	2,413,584
ESBR Participações S.A.	3,331,923	-	-	-	-	-	(49,488)	3,282,435
Interligação Elétrica do Madeira S.A.	1,090,107	-	-	-	-	15,440	22,706	1,128,253
Norte Brasil Transmissora de Energia S.A.	975,886	-	-	-	-	-	21,587	997,473
Manaus Transmissora de Energia S.A.	650,961	-	-	-	-	(272)	12,517	663,206
Enerpeixe S.A.	375,174	-	-	-	-	-	8,650	383,824
Teles Pires Participações	799,926	25,401	-	-	-		(14,988)	810,339
Chapecoense Geração S.A. (Chapecoense)	493,555		-	-	-	(66,000)	24,414	451,969
Belo Monte Transmissora de Energia	1,069,359	66,395	-	41,995	-	(413)	6,210	1,183,546
Interligação Elétrica Garanhuns S.A.	360,072		-	-	-	9,891	17,806	387,769
Mata de Santa Genebra	230,685	73,292	-	-	-	-	2,173	306,150
Energética Águas da Pedra S.A.	216,294		-	-	-	(536)	13,051	228,809
Goiás Transmissão S.A.	170,313		-	-	-	(1,279)	2,786	171,820
Empresa de Energia São Manoel	418,460	34,999	-	-	-	-	(585)	452,874
Companhia Energética Sinop S.A.	430,751	19,600	-	19,600	-		(526)	469,425
STN - Sistema de Transmissão Nordeste S.A.	202,898	-	-	-	-	1,381	(7,549)	196,730
Integração Transmissora de Energia S.A.	201,033	-	-	-	-	(15,291)	21,007	206,749
Transnorte Energia S.A.	148,748	-	-	-	-	-	155	148,903
Chapada Piauí II Holding S.A.	117,701	-	-	-	-	-	(2,683)	115,018
MGE Transmissão S.A.	111,344	-	-	-	-	(690)	(1,444)	109,210
Transmissora Sul Brasileira de Energia S.A.	277,474	-	-	-	-	-	1,791	279,265
Transenergia Renovável S.A. (Transenergia)	153,390	-	-	-	-	3,814	(3,126)	154,078
Retiro Baixo Energética S.A. (Retiro Baixo)	127,229	-	-	-	-	-	3,598	130,827
Brasnorte Transmissora de Energia S.A.	127,338	-	-	-	-	-	1,537	128,875
Chapada Piauí I Holding S.A.	104,060	-	-	-	-	-	1,704	105,764
Paranaíba	147,656	2,083	-	-	-	(3,051)	5,396	152,084
Transenergia São Paulo S.A.	92,138	-	-	-	-	-	994	93,132
Transmissora Matogrossense de Energia S.A.	106,480	-	-	-	-	-	(267)	106,213
Triângulo Mineiro Transmissora	128,765	9,465	-	-	-	-	44,328	182,558
Transmissora Sul Litorânea de Energia S.A.	140,280	50,929	-	-	-	-	(3,566)	187,643
Others	1,290,071	18,960	(1,489)	254	-	(5,972)	6,525	1,308,349
TOTAL INVESTMENTS	27,070,828	393,374	5,014	276,976		(70,398)	181,652	27,857,445

Subsidiaries and Associated Companies	Balance at 12/31/2015	Capital payment/Write-off	Others Results Results	Capitalization of AFAC	Capital gains and losses	Dividends and interest on the stockholders' equity	Equity Method	Balance at 03/31/2016
CHANGE OF INVESTMENTS - PARENT COMPANY								
		-		-	-	-		
Furnas	10,171,122		(13,314)				100,341	10,258,148
Chesf	8,811,169	-	(48,315)	-	-	-	(7,607)	8,755,247
Eletrosul	4,385,308	-	-	-	-	-	(25,032)	4,360,276
Eletronorte	11,912,412	-	-	-	-	-	652,930	12,565,342
Eletropar	120,338	-	5,570	-	-	-	1,408	127,316
Mangue Seco II CHC	16,889	-		-	-	-	(193)	16,696
	98,514		(8,713)				(1,969)	87,832
Norte Energia (Belo Monte)	1,039,632	-	-	255,000	-	-	(1,600)	1,293,032
Inambari	115	-	-	-	-	-		115
CEEE-GT	448,274	-	4,629	-	-	-	11,869	464,772
EMAE	296,828	-	-	-	-	-		296,828
CTEEP	924,185	-	-	-	-	-	18,044	942,229
CEMAR	653,419	-	-	-	-	-		653,419
Lajeado Energia	219,173	-	-	-	-	-	9,656	228,829
CEB Lajeado	80,353	-	-	-	-	(4,393)	213	76,173
Paulista Lajeado	23,507	-	-	-	-	-	49	23,556
Rouar	111,775	-	(9,908)	-	-	-	81	101,947
Energisa MT	385,318	-		-	-	-		385,318
Others	195,241	-	(17,296)	-	-	-		177,945
TOTAL INVESTMENTS	39,893,572		(87,347)	255,000		(4,393)	758,191	40,815,020

Subsidiaries and Associated Companies	Balance at 12/31/2015	Capital payment/Write -off	Others Results Results	Capitalization of AFAC	Capital gains and losses	Dividends and interest on the stockholders' equity	Equity Method	Balance at 03/31/2016
CHANGE OF INVESTMENTS - CONSOLIDATED								
		-	-	-	-	-		
Mangue Seco II	16,809						(193)	16,696
CHC	98,514		(8,713)		-	-	(1,960)	87,832
Norte ⁹nergia (Belo Monte)	3,469,786	165,000	-	598,654	-	-	(9,170)	4,290, 276
Inambari	194	-	-	-	-	-	(9)	185
CEEE-GT	448,274	-	4,629	-	-	-	11,863	464,772
EMAE	307,195	-	-	-	-	-	-	307,195
CTEEP	942,732	-	-	-	-	-	18,409	961,141
CEMAR	653,419	-	-	-	-	-	9,656	653,419
Lajeado Energia	219,173	-	-	-	-	-	9,656	228,829
CEB Lajeado	80,353	-	-	-	-	(4,393)	213	76,173
Paulista Lajeado	23,507	-	-	-	-	-	49	23,556
Rouar	111,775	-	(9,908)	-	-	-	81	101,947
Energisa MT	385,318	-	-	-	-	-	-	385,318
Madeira Energia S.A. (MESA)	2,896,068	152,100	-	-	-	-	(56,489)	2,991,679
ESBR Participações S.A.	2,807,625	-	-	-	-	-	(24,637)	2,782,988
Interligação Elétrica do Madeira S.A. (IE Madeira)	912,098	-	-	-	-	(439)	8,075	919,734
Norte Brasil Transmissora de Energia S.A.	887,528	-	-	-	-	-	(1,798)	885,730
Manaus Transmissora de Energia S.A.	621,873	-	-	-	-	50	(9,716)	612,207
Enerpeixe S.A.	561,282	-	-	-	-	-	15,949	577,231
Teles Pires Participações	662,564	48,009	-	-	-	-	(422)	710,151
Chapecoense Geração S.A. (Chapecoense)	415,501	-	-	-	-	-	17,449	432,950
Belo Monte Transmissora de Energia	391,058	-	-	-	-	-	3,209	394,267
InterligaçãoElétricaGaranhunsS.A.	318,972	735	-	-	-	5,780	410	325,897
Transmissora Sul Brasileira de Energia S.A.	270,252	-	-	-	-		202	270,454
Energética Águas da Pedra S.A.	208,795	-	-	-	-	(1,499)	21,477	228,773
STNSistemadeTransmissãoNordesteS.A.	176,941	-	-	-	-	(7,577)	37,440	206,804
Empresa de Energia São Manoel	103,314	139,332	-	-	-	-	(652)	241,994
Goiás Transmissão S.A.	190,245	-	-	-	-	-	(1,993)	188,252
Integração Transmissora de Energia S.A.	175,572	-	-	-	-	(334)	9,803	185,041
Companhia Energética Sinop	179,052	-	-	-	-	-	(700)	178,352
Transnorte Energia S.A.	148,373	-	-	-	-	-	(66)	148,307
Transmissora Sul Litorânea de Energia S.A.	134,739	-	-	-	-	-	902	135,641
MGE Transmissão S.A.	136,755	-	-	-	-	-	(1,236)	135,519
Transenergia Renovável S.A. (Transenergia)	128,418	-	-	-	-	-	(3,632)	124,786
ChapadadoPiauíiiHoldingS.A.	142,187	-	-	-	-	-	(17,661)	124,526
Brasnorte Transmissora de Energia S.A.	120,873	-	-	-	-	-	2,212	123,085
Retiro Baixo Energética S.A. (Retiro Baixo)	121,774	-	-	-	-	-	1,076	122,850
Paranaíba	100,726	7,291	-	-	-	-	1,788	109,805
ChapadadoPiauíiHoldingS.A.	109,497	-	-	-	-	-	(6,519)	102,978
EólicASerradasVacasHELDINGS.A.	97,374	-	-	-	-	-	1,882	99,256
Triângulo Mineiro Transmissora	82,555	-	-	-	-	-	11,585	94,140
Transmissora Matogrossense de Energia S.A.	97,154	-	-	-	-	-	(4,601)	92,553
Transenergia São Paulo S.A.	91,141	-	-	-	-	(1,553)	2,206	91,794
Others	1,242,415	10,521	(13,349)	7,943	-	(4,324)	(10,312)	1,232,894
TOTAL INVESTMENTS	21,289,853	522,988	(27,341)	602,597		(14,289)	24,168	22,397,974

15.4 Information of the market value of investees

Publicly-held corporations	Evaluation Method	Interest	Market value (*) 03/31/2017	12/31/2016
CTEEP	Equity Method	36.05%	3,748,962	3,744,704
CEMAR	Equity Method	33.55%	1,432,223	1,363,366
AES Tiete	Market value	7.94%	427,828	437,197
ENERGISA MT	Equity Method	22.01%	417,748	397,129
COELCE	Market value	7.06%	243,169	251,938
ENERGISA S.A	Market value	2.31%	181,626	148,661
CESP	Market value	2.05%	147,192	129,096
CEEE-GT	Equity Method	32.59%	269,471	259,193
CEEE-D	Equity Method	32.59%	156,200	93,076
EMAE	Equity Method	40.44%	134,937	123,692
CELPA	Market value	0.99%	41,662	48,895
CELESC	Market value	10.75%	75,869	65,920
AES Eletropaulo	Market value	1.25%	29,192	23,660
CPFL Energia	Market value	0.18%	46,440	45,431
CELPE	Market value	1.56%	19,411	21,688
COPEL	Market value	0.56%	39,616	29,207
Energias do Brasil	Market value	0.31%	26,399	26,229
CGEEP - DUKE	Market value	0.47%	14,946	15,895
CEB	Market value	2.10%	8,025	8,305
	Market value	0.07%	230	207

CELGPAR

(*) Based on the stock price on the base date.

15.5 Summary of information on the main joint ventures and associated companies

I- Assets and liabilities

03/31/2017

		ASSETS					LIABILITIES					
		Current			Non-current		Current		Non-current			
Joint ventures and associated companies	Interest	Cash equivalents	Other assets	Financial, intangible and fixed assets	Other assets	Total assets	Loans and Financing	liabilities	Loans and Financing	liabilities	Owners' Equity	Total liabilities
Norte Energia S.A.	49.98%	213,056	653,811	37,099,911	576,442	38,543,220	956,562	834,172	25,164,332	473,914	11,114,240	38,543,220
Madeira Energia S.A. (MESA)	39.00%	56,489	568,505	22,297,581	2,074,811	24,997,386	615,107	1,957,180	10,393,154	5,843,269	6,188,676	24,997,386
ESBR Participações S.A.	40.00%	20,993	564,982	21,990,551	929,328	23,505,854	345,759	805,191	10,864,620	3,310,002	8,180,282	23,505,854
Interligação Elétrica do Madeira S.A.	49.00%	200,222	539,052	47,281	4,962,167	5,748,722	220,685	126,463	2,044,742	898,526	2,458,306	5,748,722
Teles Pires Participações	49.44%	37,222	141,847	5,100,276	472,957	5,752,302	137,175	250,012	2,586,079	1,130,641	1,648,395	5,752,302
	49.00%		14,472	4,989,292		5,004,385	1,616,994	803,810		142,411	2,441,170	5,004,385
Norte Brasil Transmissora de Energia S.A.	49.00%	65,286	311,465		3,731,435	4,108,186	84,241	163,872	1,126,066	744,416	1,989,591	4,108,186
Chapecoense Geração S.A. (Chapecoense)	40.00%	152,777	271,875	2,873,965	171,956	3,470,573	138,096	203,179	1,263,568	735,807	1,129,923	3,470,573
Manaus Transmissora de Energia S.A.	49.50%	44,875	165,821	2,323,839	39,356	2,573,891	73,925	104,003	723,209	344,796	1,327,958	2,573,891
Empresa de Energia São Manoel	33.33%	14,198	6,670	2,539,048	303,864	2,863,780	4,027	115,673	1,041,000	345,234	1,357,846	2,863,780
Serra do Facão Energia S.A.	49.47%	5	78,941	1,917,245	147,603	2,143,794	47,731	162,583	353,383	1,538,069	42,028	2,143,794
Enerpeixe S.A.	40.00%	121,754	52,191	1,558,406	58,499	1,790,850	14,604	206,156	348,626	261,904	959,560	1,790,850
Companhia Energética SINOP S.A.	49.00%	119,037	5,742	1,659,008	5,449	1,789,236		66,050	744,024	21,153	958,009	1,789,236
Paranaíba Transmissora de Energia S.A.	24.50%	148	9,056	1,296,529	44,723	1,350,456	45,616	42,089	555,686	94,816	612,249	1,350,456
Interligação Elétrica Garanhuns S.A.	49.00%	35,925	107,461	1,177,710	13,245	1,334,341	33,202	34,645	275,506	199,623	791,365	1,334,341
Mata de Santa Genebra Transmissão S.A.	49.90%	43,975	11,570	1,123,093	44,387	1,223,025	501,807	55,793		70,778	594,647	1,223,025
Santa Vitória do Palmar Holding S.A.	49.00%	7,325	20,847	1,059,153	34,331	1,121,656	26,073	51,358	717,265	162,206	164,754	1,121,656
TSLE - Transmissora Sul Litorânea de Energia	51.00%	49,073	54,477	2,363	937,069	1,042,982	55,180	48,977	552,312	4,052	382,461	1,042,982
Chapada Piauí II Holding S.A.	49.00%	26,976	21,505	865,956	21,504	935,941	38,975	82,146	527,059	97,904	189,857	935,941
Energética Águas da Pedra S.A.	49.00%	46,815	48,898	727,601	31,276	854,590	34,986	46,515	303,766	13,135	456,188	854,590
Chapada Piauí I Holding S.A.	49.00%	16,618	20,974	781,322	24,922	843,836	22,579	14,513	556,644	80,986	169,144	843,836
STN - Sistema de Transmissão Nordeste S.A.	49.00%	24,862	207,075	520,212	33,658	785,807	23,095	51,746	117,279	192,197	401,490	785,807
TSBE - Transmissora Sul Brasileira de Energia S/A	80.00%	23,176	28,574	54	643,066	694,870	37,888	8,266	290,958	7,473	350,285	694,870
	49.00%	12,492	5,964	632,260	10,089	660,805	116,813	45,150	93,484	54,704	350,654	660,805
Integração Transmissora de Energia S.A.	12.00%	12,129	151,545	431,445	12,094	607,213	31,572	20,842	83,250	88,422	383,127	607,213
Chuí Holding S.A.	49.00%	33,287	11,258	545,815	16,270	606,630	24,377	33,693	319,976	450,290	(221,706)	606,630
Triângulo Mineiro Transmissora	49.00%	4,799	5,479	510,775	17,577	538,630	19,404	6,749	139,328	582	372,567	538,630
Vamcruz I Participações S.A.	49.00%	23,316	23,578	485,802		532,696	17,372	12,377	227,113	89,815	186,019	532,696
Eólica Serra das Vacas Holding S.A.	49.00%	1,064	9,945	505,837	13,279	530,125	18,549	7,911	255,431	78,314	169,920	530,125
Transenergia Renovável S.A. (Transenergia)	49.00%	15,536	9,284	465,493	45	490,358	13,259	26,187	103,149	33,319	314,444	490,358
Retiro Baixo Energética S.A. (Retiro Baixo)	49.00%	25,589	10,496	361,028	12,862	409,975	13,466	10,296	104,360	14,859	266,994	409,975
Vale do São Bartolomeu Transmissora de Energia S.A.	39.00%	6,932	1,348	388,838	7,967	405,085	18,834	7,807	120,735	37	257,672	405,085
Transmissora Matogrossense de Energia S.A.	49.00%	6,967	56,449		334,054	397,470	13,180	32,524	119,773	31,016	200,977	397,470
MGE Transmissão S.A.	49.00%	10,082	3,512	342,599	5,611	361,804	9,215	17,083	81,400	31,229	222,877	361,804
CTEEP	36.05%	5,614	2,289,442	1,949,959	11,392,452	15,637,467	277,603	210,578	1,028,967	3,533,371	10,586,948	15,637,467

I- Assets and liabilities

12/31/2016

		ASSETS					LIABILITIES					
		Current		Non-current			Current		Non-current			
Joint ventures and associated companies	Interest	Cash equivalents	Other assets	Financial, intangible and fixed assets	Other assets	Total assets	Loans and Financing	liabilities	Loans and Financing	liabilities	Owners' Equity	Total liabilities
Norte Energia S.A.	49.98%	205,796	577,981	36,345,981	409,376	37,539,134	630,932	989,348	24,984,318	435,958	10,498,578	37,539,134
Madeira Energia S.A. (MESA)	39.00%	56,974	571,886	22,440,401	2,007,822	25,077,083	602,359	1,891,836	14,465,955	1,698,316	6,418,617	25,077,083
ESBR Participações S.A.	40.00%	74,219	560,964	22,175,679	886,818	23,697,680	340,189	906,710	10,904,779	3,216,193	8,329,809	23,697,680
Teles Pires Participações	49.44%	27,907	143,105	5,145,968	441,642	5,758,622	357,288	196,203	3,175,138	412,000	1,617,993	5,758,622
Interligação Elétrica do Madeira S.A.	49.00%	188,838	536,105	4,948,367	75,684	5,748,994	199,759	188,943	1,660,706	1,394,465	2,305,121	5,748,994
Belo Monte Transmissora	49.00%	216,126	11,936	4,012,330		4,240,392	1,730,241	297,513		82,518	2,130,120	4,240,392
Norte Brasil Transmissora de Energia S.A.	49.00%	52,759	302,936	3,704,987		4,060,682	81,504	162,467	1,133,913	691,192	1,991,606	4,060,682
Chapecoense Geração S.A. (Chapecoense)	40.00%	280,082	297,214	2,895,327	185,466	3,658,089	137,753	253,650	1,292,239	732,750	1,241,697	3,658,089
	49.50%	38,909	171,939	42,199	2,607,266	2,860,313	73,426	168,352	741,918	556,510	1,320,107	2,860,313
Empresa de Energia São Manoel	33.33%	38,221	510	2,383,308	259,447	2,681,486	3,928	64,665	1,014,509	342,992	1,255,392	2,681,486
Serra do Facão Energia S.A.	49.47%	31,248	44,680	1,950,905	149,492	2,176,325	46,135	181,816	366,117	1,534,414	47,843	2,176,325
Enerpeixe S.A.	40.00%	81,402	54,031	1,571,686	55,652	1,762,771	2,299	212,062	348,332	262,143	937,935	1,762,771
Companhia Energética SINOP S.A.	49.00%	119,037	5,742	1,377,142	5,449	1,507,370		66,050	540,128	21,153	880,039	1,507,370
Interligação Elétrica Garanhuns S.A.	49.00%	23,631	95,674	1,190,415	26,622	1,336,342	33,209	69,845	282,910	215,537	734,841	1,336,342
Chapada Piauí I Holding S.A.	49.00%	27,445	18,502	883,960	392,127	1,322,034	34,224	159,296	462,236	470,946	195,332	1,322,034
Chapada Piauí II Holding S.A.	49.00%	15,640	20,228	788,559	492,512	1,316,939	22,354	19,646	559,680	549,622	165,637	1,316,939
Paranaíba	24.50%	6,107	20,870	1,228,931	42,042	1,297,950	45,624	8,235	564,667	76,745	602,679	1,297,950
Santa Vitória do Palmar	49.00%	8,830	15,903	1,071,713	31,878	1,128,324	23,903	47,291	719,797	159,335	177,998	1,128,324
TSLE	51.00%	6,208	52,774	2,389	915,427	976,798	37,231	54,633	417,621	192,255	275,058	976,798
Mata de Santa Genebra	49.90%	13,567	11,326	859,203	36,111	920,207	481,894	25,772		30,246	382,295	920,207
Energética Águas da Pedra S.A.	49.00%	49,380	52,713	733,188	30,765	866,046	34,944	79,854	311,061	13,046	427,141	866,046
STN - Sistema de Transmissão Nordeste S.A.	49.00%	15,357	207,636	527,763	14,959	765,715	20,327	63,515	122,497	145,298	414.078	765,715
TSBE	80.00%	23,295	28,669	57	644,361	696,382	25,153	8,796	308,860	6,730	346,843	696,382
Goiás Transmissão S.A.	49.00%	10,190	5,900	632,207	9,794	658,091	16,787	42,929	196,031	54,767	347,577	658,091
Integração Transmissora de Energia S.A.	49.00%	35,157	121,899	460,389	11,739	629,184	31,514	19,563	90,735	88,147	399.225	629,184
Chuí	49.00%	29,813	13,843	552,147	15,780	611,583	24,094	28,560	324,800	448,533	(214,404)	611,583
Vamcruz I Participações S.A.	0.00%	59,333	21,630	502,591		583,554	18,784	11,065	241,956	123,069	188,680	583,554
	0.00%	12,695	7,599	511,454		531,748	16,069	60,117	224,145	53,972	177,445	531,748
Triângulo Mineiro Transmissora	49.00%	615	904	496,575	4,853	502,947	17,942	9,651	138,349	79,219	257,786	502,947
Transenergia Renovável S.A. (Transenergia)	49.00%	15,542	7,127	469,052	4	491,725	12,089	27,037	106,116	33,443	313,040	491,725
Retiro Baixo Energética S.A. (Retiro Baixo)	49.00%	19,222	10,998	363,575	13,073	406,868	13,418	11,325	107,348	11,097	263,680	406,868
CTEEP	36.05%	4,524	1,675,820	67,300	12,168,997	13,916,641	71,679	526,292	432,472	5,514,529	7,371,669	13,916,641
Lajeado Energia	47.07%	184,658	102,337	1,643,236	108,816	2,039,047	11,228	312,652	76,219	370,633	1,268,315	2,039,047

II – Result

03/31/2017

Joint ventures and associated companies	Financial Operating Revenue	Financial revenue	Financial expenses	Taxes on profits	Net profit (loss)	Depreciation and amortization
Norte Energia S.A.	478,859	6,773	(136,395)	(36,441)	67,014	(76,948)
Madeira Energia S.A. (MESA)	736,396	18,290	(396,070)	7,170	(229,941)	(199,176)
ESBR Participações S.A.	588,924	4,419	(29,472)	75,810	(149,527)	(192,166)
Interligação Elétrica do Madeira S.A.	106,251	8,418	(52,396)	(12,383)	37,556	(1,521)
Teles Pires Participações	192,501	10,414	(102,566)	5,304	(40,266)	(45,414)
Belo Monte Transmissora	691,731	2,392	(73,040)	(45,755)	12,708	(38)
Norte Brasil Transmissora de Energia S.A.	34,735	1,806	(20,419)	-	12,039	-
Chapecoense Geração S.A. (Chapecoense)	206,196	8,418	(53,758)	(31,728)	61,036	(21,521)
Manaus Transmissora de Energia S.A.	24,654	2,143	(18,946)	(1,726)	3,351	(2,156)
Empresa de Energia São Manoel	-	131	(29)	1,311	(2,545)	-
Serra do Facão Energia S.A.	77,014	1,110	(47,397)	2,384	(9,098)	(27,427)
Enerpeixe S.A.	75,402	2,529	(21,845)	(11,012)	21,625	(13,252)
Companhia Energética SINOP S.A.	-	-	-	2,958	(2,030)	(6,387)
Paranaíba Transmissora de Energia S.A.	33,444	141	(9,422)	(4,591)	11,378	(2,161)
Interligação Elétrica Garanhuns S.A.	19,403	1,411	(7,055)	26,685	36,339	(93)
Mata de Santa Genebra Transmissão S.A.	740,809	14,541	(110,706)	1,141	(2,051)	(54)
Santa Vitória do Palmar Holding S.A.	24,281	1,016	(18,234)	(885)	(13,244)	(12,748)
TSLE - Transmissora Sul Literânea de Energia	24,545	2,473	(32,023)	16,842	7,517	(26)
Chapada Piauí II Holding S.A.	29,183	1,087	(21,730)	(1,067)	(5,475)	(7,831)
Energética Águas da Pedra S.A.	60,701	-	-	(5,718)	31,229	6,053
Chapada Piauí I Holding S.A.	29,245	924	(14,172)	(1,008)	3,477	(7,648)
STN - Sistema de Transmissão Nordeste S.A.	31,471	825	(5,774)	(35,275)	(15,407)	(1)
TSBE - Transmissora Sul Brasileira de Energia S/A	14,444	1,095	(8,212)	(1,768)	3,442	(3)
Goiás Transmissão S.A.	14,501	485	(4,841)	(635)	5,687	(17)
Integração Transmissora de Energia S.A.	28,229	1,306	(3,115)	(4,281)	15,743	(15)
Chuí Holding S.A.	11,194	1,343	(8,853)	(565)	(7,302)	8,701
Triângulo Mineiro Transmissora	21,606	336	(2,112)	(480)	89,683	(4)
Vamcruz I Participações S.A.	16,961	215	(7,859)	(585)	(2,662)	(5,072)
Eólica Serra das Vacas Holding S.A.	15,582	475	(10,642)	(530)	(7,864)	(5,682)
Transenergia Renovável S.A. (Transenergia)	6,588	284	(1,844)	(261)	1,404	(4)
Retiro Baixo Energética S.A. (Retiro Baixo)	16,586	790	(3,289)	(167)	7,344	(2,486)
Vale do São Bartolomeu Transmissora de Energia S.A.	26,848	618	(1,248)	(203)	61,875	(7)
Transmissora Matogrossense de Energia S.A.	9,249	290	(2,076)	-	5,720	-
MGE Transmissão S.A.	6,580	378	(2,105)	(340)	(2,946)	(6)
CTEEP	530,591	12,222	(41,491)	(98,432)	245,383	(2,412)

II - Result

03/31/2016

Joint ventures and associated companies	Net Operating Revenue	Financial income	Financial Expense	Taxes on profit	Net profit (loss)	Depreciation and amortization
Norte Energia S.A	16,039	12,987	3,635	24,007	(21,647)	970
Madeira Energia S.A.	662,998	49,379	(415,097)	31,159	(144,846)	(199,176)
ESBR Participações	452,983	5,033	(170,213)	31,445	(61,593)	(90,079)
Interligação Elétrica do Madeira S.A.	103,084	7,347	(73,285)	(2,939)	21,084	(114)
Norte Brasil Transmissora de Energia S.A.	33,323	1,690	(25,011)	-	3,146	(193)
Enerpeixe S.A.	75,954	1,269	(8,211)	(7,641)	39,874	(8,249)
Teles Pires Participações	49,724	3,145	(9,084)	(5,529)	588	(11,759)
Manaus Transmissora de Energia S.A.	38,589	2,219	(26,133)	6,207	(19,653)	-
Chapecoense Geração S.A.	193,633	9,967	(43,854)	(30,926)	43,623	(15,795)
Belo Monte Transmissora de Energia	-	91,240	(71,063)	(17,946)	(11,712)	(91)
Interligação Elétrica Garanhuns S.A.	70,598	1,274	(7,221)	(4,820)	837	(2)
Empresa de Energia São Manoel	-	6,578	(6,447)	683	(1,326)	-
Energética Águas da Pedra S.A.	35,248	1,849	(5,347)	(3,251)	18,073	(3,395)
Paranaíba Transmissora de Energia S.A.	20,368	569	(9,288)	(3,759)	7,298	(3)
STN - Sistema de Transmissão Nordeste S.A.	37,421	812	(7,129)	52,639	76,408	(27)
Goiás Transmissão	2,501	328	(3,595)	(194)	(4,069)	(12)
Intesa - Integração Transmissora de Energia S.A.	23,349	823	(3,816)	4,034	20,006	-
Companhia Energética Sinop	-	470	(19)	748	(1,428)	(84)
Transmissora Sul Brasileira de Energia S.A. - TSBE	7,539	773	(6,987)	(143)	252	(2)
Transnorte Energia S.A.	(21)	3	(7)	53	(91)	-
Baguari Energia S.A.	11,676	1,387	(135)	(846)	9,525	(1,468)
MGE Transmissão	3,697	367	(1,515)	(243)	(2,523)	(3)
Transmissora Sul Litorânea de Energia S.A. - TSLE	14,280	530	(10,014)	(909)	1,765	-
Transenergia Renovável S.A.	2,437	421	(3,016)	(331)	(7,412)	(11)
Retiro Baixo Energia S.A.	10,016	158	(3,880)	(387)	2,228	(1,714)
Brasnorte Transmissora de Energia S.A.	8,200	176	(143)	(2,198)	5,324	-
Complexo Eólico Chapada do Piauí II	14,325	5,528	(33,582)	(531)	(36,044)	(2,461)
Santa Vitória do Palmar	15,259	533	(13,718)	(628)	(10,334)	(9,011)
Serra do Facão Energia S.A.	75,725	784	(72,651)	12,898	(30,303)	(11,045)
Lajeado Energia	110,020	6,930	(26,066)	(6,348)	24,099	(7,191)
CTEEP	269,512	15,975	(41,132)	(25,350)	98,239	(2,124)
CEEE-GT	192,626	28,509	(10,763)	34,770	36,676	(6,648)
CEEE-D	1,675,598	95,649	(68,182)	7,914	212,148	(749)

15.5.1 – Distribution companies :

(A) Celg – Distribuição – CELG-D – On September 26, 2014, the Company acquired 51% of the common stock of CELG – D,becoming the parent company of CELG – D. CELG – D is a privately held corporation, and holds concession for delivery of electricity; it was established on March 23, 2007.

On December 31, 2015, the Company classified this subsidiary as an asset held for sale, since the Company was committed to a disposal of the controlling interest of said subsidiary, which took place at the Privatization auction held on November 30, 2016. On February 14, 2017, Eletrobras sold all of its shares in Celg D (See Note 43).

15.5.2 - Generation and Transmission Companies:

(a) Eletrosul Centrais Elétricas S.A. – its main purpose is transmission and generation of electricity directly or through holdings in Specific Purpose Entities. The Company performs studies, projects, construction, operation, and maintenance of facilities for electricity transmission and generation systems, such activities which are regulated.

(B) Companhia Hidro Elétrica do São Francisco – CHESF – electricity utility concessionaire whose purpose is to generate, transmit, and commercialize electricity. Its generation and hydrothermal system predominantly uses hydroelectric plants, which account for 97% of total production. CHESF operations in electricity generation include 13 hydroelectric plants and 1 thermal power plant, for a total installed power of 10,613 MW*, and in the transmission activity the system is comprised of 119 substations and 20,313.3 Km* of high tension lines.

(c) Centrais Elétricas do Norte do Brasil S.A. – Eletronorte – electric utility, controlled by the Company, with operations primarily in the State of Acre, Amapá, Amazonas, Maranhão, Mato Grosso, Pará, Rondônia, Roraima, and Tocantins. The operations of the Company with electricity generation include 4 hydroelectric plants, with installed capacity of 8,860.05 MW* and 6 thermal power plants, with capacity of 521.82 MW*, giving an installed capacity of 9,381.87 MW*. Electricity transmission is made using a system comprised of 11,617.12 Km * of transmission lines, 56 substations in the National Interconnected System (SIN), 190,20 Km * of transmission lines, 11 substations in the isolated system, totaling 11,807.32 Km * of transmission lines and 57 substations.

(D) Furnas Centrais Elétricas S.A. (FURNAS) – this Company subsidiary acts in generation, transmission, and commercialization, predominantly in the region covered by the Federal District and the States of São Paulo, Minas Gerais, Rio de Janeiro, Paraná,Espírito Santo, Goiás, Mato Grosso, Pará, Tocantins, Rondônia, Rio Grande do Sul, Santa Catarina, Rio Grande do Norte, Ceará, and Bahia, in addition to holding stakes in Specific Purpose Entities. The electricity production system operated by Furnas is comprised of 10 wholly owned hydroelectric plants, 2 hydroelectric plants in partnership with private enterprise and 8 as a specific purpose entity (SPE), with an installed capacity of 16,586.26 MW*, and 2 thermal power plants with 530 MW* of total capacity.

(*) Information not reviewed by the independent auditors.

15.5.3 - Other Companies

a) Companhia Energética do Maranhão – CEMAR – electric utility, which plans, constructs, and exploreselectricity sub-transmission, transformation, distribution, and marketing systems.

The Company holds concessions for electricity distribution in 217 municipalities in the State of Maranhão, under Concession Agreement No. 60 of August 28, 2000, executed with ANEEL, which remains effective through August 2030, and can be extended for another 30-year period.

b) Eletrobras Participações S.A. – Eletropar – Company subsidiary with business purpose of investment in other companies. On December 15, 2015, the Meeting of Creditors of Eletronet S.A., where Eletropar is an agent of Furnas, Chesf and Eletronorte, resolved to settle Eletronet obligations, requesting a judicial statement on the termination of obligations and end of bankruptcy, with resumption of the regular course of activities and production of other applicable effects.

c) Companhia Estadual de Geração e Transmissão de Energia Elétrica – CEEE-GT – a publicly-held corporation whose majority shareholder is the State of Rio Grande do Sul, through the Companhia Estadual de Energia Elétrica Participações – CEEE-Par, which holds 65.92% of the total capital stock. The Utility has as its purpose to explore electricity production and transmission systems.

d) Companhia Transmissão de Energia Elétrica Paulista (CTEEP) - a publicly-held company authorized to operate as a public electricity utility concessionaire, having as its main activities the planning, construction and operation of electric power transmission systems.

e) Centrais Elétricas do Pará S.A. (CELPA) - a publicly-held company controlled by Equatorial Energia SA (Equatorial), which operates in the distribution and generation of electricity in the State of Pará, serving consumers in 143 municipalities, according to the Concession Agreement 182/1998, signed on July 28, 1998, the concession term is 30 years, with maturity on July 28, 2028. In addition to the supply agreement, CELPA has a Generation Concession Agreement 181/98 of 34 thermal power plants, of which 11 are own and 23 outsourced, for the generation of electricity, for a term of 30 years, maturing on July 28, 2028, renewable for the same period. As of March 31, 2017, the investee had a net working capital of R$ 976,039 (net working capital of R $ 950,562 on December 31, 2016), which resulted in owners' equity of R$ 2,134,875 (R$ 2,118. 012 on December 31, 2016) and retained earnings of R$ 21,603 (retained earnings of R$ 351,556 on December 31, 2016).

All claims against the investee up to the date of filing of its request for court-supervised reorganization, even if they have not expired, subject to legal exceptions, must be paid under the court-supervised reorganization plan approved on September 1, 2012 at a general meeting of creditors.

f) Empresa Metropolitana de Águas e Energia S.A. – EMAE – the concessionaire of a hydroenergy complex located in Alto Tietê,centered on the Henry Borden Hydroelectric Plant. EMAE also has the UHE Rasgão and the UHE Porto Góes, both on the Tietê River. In the Paraíba Valley, municipality of Pindamonhangaba, UHE Isabel is installed, which is currently not operating. On December 31, 2016, the investee had a net working capital of 121,921.

g) Energisa Mato Grosso - Distribuidora de Energia SA (Energisa MT) - a publicly-held company controlled by Energisa SA, operating in the area of electricity distribution, in

addition to its own generation through thermal plants to service isolated systems in its concession area that covers the State of Mato Grosso, serving consumers in 141 municipalities. Under the Concession Agreement dated 03/1997, signed on December 11, 1997, the concession term is 30 years, maturing on December 11, 2027, renewable for the same period. In addition to the distribution agreement, the Company has a Generation Concession Agreement 04/1997 of 3 thermal power plants with their respective associated substations, expiring on December 10, 2027.

h) Norte Energia S.A. – a Specific Purpose Entity, privately held, with the purpose of conducting all activities necessary for installation, operation, maintenance, and exploration of the Belo Monte Hydroelectric Plant (UHE Belo Monte) on the River Xingu,located in the State of Pará, and of the facilities for transmission with interest restricted to the generating plant. The Company holds 49.98% of the capital stock of Norte Energia. This investee has spent significant sums on costs for organization, development and pre-operation, which, according to estimates and projections, should be absorbed by revenue from future operations. The investee will need financial resources from its shareholders and from third parties in significant amounts in order to complete its Hydroelectric Plant. On March 31, 2017, the investee had negative net working capital of R$ 923,867 (R $ 836,503 on December 31, 2016).

i) Madeira Energia S.A. – a privately held company, incorporated on August 27, 2007, with the purpose of construction and exploration of the Santo Antonio Hydroelectric Plant located along the River Madeira, municipality of Porto Velho, State of Rondônia, and of its Associated Transmission System. The Company holds 39% of the capital stock of Madeira Energia. The investee is incurring expenses for development of the project for construction of the Santo Antonio Hydroelectric Plant, which, according to financial projections prepared by its administration, should be absorbed by future revenue from the transactions.

On March 31, 2017, investee Madeira Energia SA (MESA), in which Furnas has a 39% interest, had excessive liabilities over current assets of R$ 1,947,293 (R$ 1,865,335 on December 31, 2016). In order to correct its negative current capital, the investee has the financial support from its shareholders.

Part of the financial status of MESA is affected by recognition of a provision for losses on the part of the expected value of revenue from reimbursable expenditures with the Consórcio Construtor Santo Antônio (CCSA).

This receivable originated from the execution of the 2nd amendment to the Concession Agreement with the ANEEL, based on submission of a schedule for commercial operations by the CCSA, anticipating, for the second time, the launch of operations of the generating units, such commitment being signed then, as part of the Contract for Installation of the Santo Antonio UHE and the “Terms and Conditions”. However, this schedule was not fully met, meaning that the net result of this calculation generates for MESA a right to compensation with the CCSA.

In order to calculate this reimbursable expenditure, the CCSA requested application of Clause 31.1.2.1.1 of the EPC Contract, which presents a contractual limit of R$ 122.00/MWh* for transfer of the cost for purchase of energy. In view of this consideration, the MESA Administration conducted, during the fiscal year ending on December 31, 2014, additional review, including various legal aspects, changing its estimate as to the realizable value of the asset (the above-mentioned right to be refunded by CCSA). As such, for the total value of the reimbursable expenditure of R$ 1,569,656, a provision was recorded for losses and the

amount in December 31, 2015 was R$ 678,551 (R$ 678,551 on December 31, 2017), reflecting the expected value to be received of R$ 897.920 on March 2017 (R$ 891,105 on December 31, 2016).

In order to solve questions regarding the use of the contractual limit considered in the calculation of part of the net results of anticipation of the go-live schedule of the plant, provided for in the second Amendment to the Concession Contract executed with the National Agency of Energy (“ANEEL”), which gave rise to the impairment, the Subsidiary has requested, before the International Chamber of Commerce (“ICC”), the filing of an arbitral procedure against CCSA, and such procedure is subject to confidentiality terms, under the terms in the Rules of Arbitration of the ICC. The Arbitral Tribunal was formed in January 2017.

By means of another confidential arbitration proceeding initiated in 2014 against MESA and with the Market Arbitration Chamber (CAM No. 048/2014), members SAAG Investimentos SA (SAAG) and Cemig Geração e Transmissão SA substantially questioned part of the capital increase approved by MESA for the payment of lawsuits by Consórcio Construtor Santo Antônio ("CCSA"), in the amount of approximately R$ 780 million based on the lack of calculation of amounts allegedly owed by CCSA and prior approval by the Board of Directors, as required by the Articles of Association and the Shareholder's Agreement of MESA, as well as on the existence of MESA's claims against CCSA, which may be offset, in a higher amount than the lawsuits.

The objection to a portion of the aforementioned capital increase was based on the lack of calculation of amounts allegedly owed by CCSA and prior approval by the Board of Directors, as required by the Articles of Association and the Shareholder's Agreement of MESA, as well as on the existence of MESA's claims against CCSA, which may be offset, in a higher amount than the lawsuits.

Prior to the initiation of the arbitration proceeding, the Arbitration Claimants were granted a preparatory action for a provisional remedy, by means of which the period for the exercise by these shareholders of the preemptive rights for subscription and payment of their proportional portion of the capital increase of MESA was suspended. As a result of the grant of this preparatory action for a provisional remedy, all effects of the resolutions regarding SAAG and Cemig GT and their interest in MESA, including with respect to dilution and fines set forth in the MESA Shareholders' Agreement, were also suspended.

In 2016, the award of the Market Arbitration Chamber fully acknowledged the right of the Claimants and ordered the annulment of the challenged acts.

In view of this award, FURNAS and the Claimants of Arbitration Procedure CAM No. 048/2014, are reviewing all the measures to be adopted for the implementation of the award favorable to the investors.

j) ESBR Participações S.A. (ESBRP) - a privately held corporation, has its sole company purpose investment in the Specific Purpose Entity (SPE) called Energia Sustentável do Brasil S.A. (“ESBR”), which holds the concessions for use of public asset for exploration of the Jirau Hydroelectric Plant, currently being constructed on the Madeira Riverin the State of Rondônia. The Company holds 40% of ESBRP capital. On March 31, 2017, the investee had negative net working capital of R$ 564,975 (R $ 611,716 on December 31, 2016), accrued losses of R$ 951,429 (R $ 801,902 on December 31, 2016) and owners' equity of R$ 8,180,282 (R$ 8,329,809 on December 31, 2016).

k) Interligação Elétrica do Madeira S.A. (IEMadeira) - incorporated on December 18, 2008 with the purpose of exploring the concession of the electricity transmission utility, particularly the transmission lines and substations bought in Lots D and F of Auction No. 007/2008 of ANEEL: The Porto Velho – Araraquara transmission line entered into commercial operation on August 1, 2013. The Inverting and Correcting stations entered into commercial operation on May 12, 2014. The company holds 49% of IE Madeira capital.

l) Manaus Transmissora de Energia SA - a privately held corporation, incorporated on April 22, 2008, with the specific purpose of exploring concessions of electricity transmission services, provided by way of installation, operation, maintenance, and construction of transmission installations for the Brazilian interconnected electrical system, according to the standards established in legislation and regulations in effect.

The SPE holds concession for construction, operation, and maintenance of transmission installations for 500 kV* Oriximiná/CaririCD, SE Itacoatiara 500/138 kV*, and SE Cariri 500/230kV* Transmission Line.

The concession agreement was signed on October 16, 2008 for a period of thirty years; operating activities began in 2013.

The Company holds 49.50% of the capital from Manaus Transmissora de Energia S.A..

m) Teles Pires Participações SA - its purpose is the investment in Companhia Hidrelétrica Teles for the deployment of Teles Pires Hydroelectric Power Plant. The Company holds 49.44% of the capital of Teles Pires Participações SA. On March 31, 2017, the investee had negative net working capital of R$ 208,118 (R$ 382,479 on December 31, 2016) and owners' equity of R$ 1,648,395 (R$ 1,167,993 on December 31, 2016).

n) Mata de Santa Genebra Transmissora SA - a privately held company with the purpose of conducting all activities required for the implementation, operation, maintenance and exploration of the Transmission System of Mata de Santa Genebra, consisting of three transmission lines crossing Municipalities of the states of São Paulo and Paraná. The Company holds 49.9% of Mata de Santa Genebra Transmissora SA. On March 31, 2017, the investee had negative net working capital of R$ 502,055 (R$ 482,773 on December 31, 2016) and owners' equity of R$ 594,647 (R$ 382,295 as of December 31, 2016).

o) Belo Monte Transmissora de Energia SPE S.A. - a special purpose entity in charge of conducting all activities required for the deployment, operation, maintenance and exploration of CC Xingu/Estreito Transmission Line and associated facilities crossing municipalities in the States of Pará, Tocantins, Goiás and Minas Gerais. The Company holds 49% of Belo Monte Transmissora de Energia SPE S.A. as of March 31, 2017, the investee had negative net working capital of R$ 2,405,711 (R $ 1,799,692 on December 31, 2016) and owners' equity of R$ 2,441,170 (R$ 2,130,120 on December 31, 2016).

p) Companhia Estadual de Distribuição de Energia Elétrica (CEEE-D) – a publicly-held corporation whose majority shareholder is the State of Rio Grande do Sul, through the Companhia Estadual de Energia Elétrica Participações – CEEE-Par, which holds 65.92% of the total capital stock. The purpose of the utility is to distribute electricity in 72 municipalities in Rio Grande do Sul, serving approximately 4 million consumer units. The investee had, on December 31, 2016, negative net working capital of R$ 1,040,749, which resulted in a

unsecured liabilities of R$ 1,236,010 and accrued losses of R$ 2,416,289. Therefore, on December 31, 2016, the investment in this investee is zero.

q) Amazonas GT. - its main activities are power generation and transmission in the State of Amazonas. On March 31, 2017, the investee had negative net working capital of R$ 594,481 (R$ 307,876 on December 31, 2016), unsecured liabilities of R$ 239,579 (unsecured liabilities of R$ 158,036 on December 31, 2016), and an accumulated loss of R$ 674,999 (R$ 593,456 on December 31, 2016) and depends on the Company's financial support. On July 1, 2015, the investee was incorporated as subsidiary of Amazonas D, due to unbundling process of Amazonas Energia (see Note 1).

(*) Information not reviewed by the independent auditors.

15.5.4 - Companies under Management

a) Companhia de Eletricidade do Amapá (CEA) - on November 12, 2012, the Company signed a memorandum of understanding, seeking to participate in the financial restructuring process of the company Companhia de Eletricidade do Amapá – CEA.

The Company and the Government of the State of Amapá entered into a Shareholders Agreement and a Management Agreement on September 12, 2013, seeking to achieve economic/financial recovery of CEA which, after implementation in full, offers the option for purchase by the Company of equity control of such company. To this end, the Company assumes executive management of CEA, by means of its majority representation on the Board of Directors, and upon appointment of two members of the Executive Board of CEA, which will subsequently be replaced by professionals contracted from the market.

In this process, the Government of the State of Amapá obtained financing from the Federal Government, in order to settle debts of CEA with the Eletrobras System and other providers, in addition to preparing a Contingency Plan that will be forwarded for approval by ANEEL.

B) Companhia Energética de Roraima (CERR) - on November 26, 2012, the Company signed a memorandum of understanding, seeking to participate in the financial restructuring process of the company Companhia Energética de Roraima. This process establishes that the Company may assume control of CERR upon acquisition of equity control of the company.

The Company and the Government of the State of Roraima initially entered into a Shareholders Agreement and a Management Agreement, observing the necessary authorizations, seeking to achieve economic/financial recovery of CERR which, after implementation in full, offers the option for purchase by the Company of equity control of such company. To this end, the Company assumes executive management of CERR, by means of its majority representation on the Board of Directors, and upon appointment of two members of the Executive Board of CERR, which will subsequently be replaced by professionals contracted from the market.

In this process, the Government of the State of Roraima obtained financing, in order to settle debts of CERR with the Eletrobras System and other providers, in addition to preparing a Contingency Plan that will be forwarded for approval by ANEEL.

According to an order issued by the Ministry of Mines and Energy (MME) on August 03, 2016, Companhia Energética de Roraima ("CERR"), a company controlled by the State of Roraima, was denied its request to renew the concession of the electric utility services granted to it by means of Ordinance MME 920, dated November 5, 2016.

Accordingly, pursuant to article 9, paragraph one, of Law 12,783/2013, the Ministry of Mines and Energy designated the subsidiary of Eletrobras Boa Vista Energia SA ("Boa Vista"), as responsible for providing the electric utility services in the area related to the then CERR concession, in the interior of the State of Roraima, until the new utility is awarded the contract in a new bidding process to be held or until December 31, 2017, whichever occurs first.

Due to the non-renewal of the concession of Companhia Energética de Roraima - CERR, the shareholders' agreement entered into between the Eletrobras and the State of Roraima on September 12, 2013, for shared management of CERR, has been terminated in accordance with said instrument.

The obligations assumed by Boa Vista in the temporary provision of the service will be assumed by the new utility, in accordance with the bid notice to be issued by the Government, and Eletrobras or Boa Vista must not, during the period of provision of temporary services, make any contribution of capital in CERR, not even for the maintenance or operation of utility services.

15.5.5 - Specific Purpose Entities

During recent years, the Eletrobras System Companies have formalized investments in partners for projects with private enterprise, where the Company serves as a minority shareholder, while retaining preferential shares. These projects seek to involve the Company in the electricity generation and transmission sector, and their values are reflected under Assets - Investments.

In this same regard, considering the need to expand investment in the Electricity Sector, the companies controlled by the Company hold stakes, also as minority shareholders, with common shares, in various companies with concession to provide electricity services, classified under Assets - Investments. The most significant investments whereby the Company and its subsidiaries hold interest in specific purpose entities do not differ from those presented in the financial statements for the year ended December 31, 2016, except for SPEs Baraunas II Energética SA and Banda de Couro Energética SA, whose interests reached 1.50% and 1.70%, respectively.

15.6 - Secured shares

Taking into consideration the fact that the Company has several pending lawsuits in which it stands as defendant (See Note 30), assets are offered as security, in the appeals of these lawsuits, which represent 8.99% on March 31, 2017 (9.56% on December 31, 2016) of the total investment portfolio, as follows:

PARENT COMPANY			
03/31/2017			
CORPORATE INTERESTS	INVESTMENT AMOUNT	BLOCKING PERCENTAGE	BLOCKED INVESTMENT
CTEEP	2,614,763	98.93%	2,586,684
EMAE	285,012	100%	285,012
CESP	147,192	99.76%	146,834
AES TIETE	427,828	99.66%	426,385
COELCE	243,169	93.57%	227,533
CGEEP	14,946	100%	14,946
ENERGISA MT	403,142	23.89%	96,297
CELPA	41,662	100%	41,662
CELPE	19,411	100%	19,411
CEEE-GT	699,242	100%	699,242
ENERGISA S.A	181,626	95.76%	173,920
CELESC	75,869	99.98%	75,851
CEMAR	742,157	99.15%	735,863
CEB Lajeado	70,353	99.97%	70,330
SUBTOTAL	5,966,372		5,599,970

NOTE 16 - FIXED ASSETS, NET

The fixed assets relate primarily to infrastructure for electricity generation under non - extended concession, pursuant to Law No. 12,783/13.

The property that comprises the fixed assets of the Company, listed and identified as public utility concession assets, cannot be sold or given as security to third parties.

Special Obligations (obligations relating to concessions) correspond to funds received from consumers with the purpose of contributing to the execution of the expansion projects necessary to meet electricity distribution requests and are allocated to the corresponding projects. The assets acquired with the corresponding funds are recorded under the fixed assets of the Company, pursuant to the provisions established by ANEEL. By virtue of the nature of these contributions, they do not represent effective financial obligations, as they will not be returned to the consumers.

	CONSOLIDATED				
	03/31/2017				
	Gross value	Accumulated Depreciation	Obligations linked to the Concession	Impairment	Net value
in service					
Generation	47,480,255	(23,394,043)	(537,402)	(12,330,195)	11,218,615
Management	2,500,225	(1,550,049)	(14,236)	-	935,939
Distribution	1,398,468	(513,768)	-	-	884,700
	51,378,948	(25,457,860)	(551,638)	(12,330,195)	13,039,254
Ongoing					
Generation	12,669,366	-	-	-	12,669,366
Management	897,222	-	-	-	897,222
	13,566,588	-	-	-	13,566,588
	64,945,536	(25,457,860)	(551,638)	(12,330,195)	26,605,842

	CONSOLIDATED				
	12/31/2016				
	Gross value	Depreciation Depreciation	Obligations linked to the Concession	Impairment	Net value
in service					
Generation	47,456,125	(23,064,664)	(538,375)	(12,141,003)	11,712,083
Management	2,491,860	(1,514,448)	(9,292)	-	968,119
Distribution	1,398,468	(499,344)	-	-	899,124
	51,346,453	(25,078,456)	(547,667)	(12,141,003)	13,579,326
Ongoing					
Generation	12,353,688	-	-	-	12,353,688
Management	879,911	-	-	-	879,911
	13,233,599	-	-	-	13,233,599
	64,580,052	(25,078,456)	(547,667)	(12,141,003)	26,812,925

Eletrobras

Changes in Fixed Assets

	CONSOLIDATED				
	Balance at 12/31/2016	Increases	Transfer	Write-offs	Balance at 03/31/2017
Generation/Marketing					
in service	47,456,125	798	24,699	(1,367)	47,480,255
Accumulated depreciation	(23,064,664)	(328,448)	(973)	42	(23,394,043)
Ongoing	12,564,811	341,434	(24,717)	(1,039)	12,880,489
Allowance for impairment	(12,141,003)	(189,192)	-	-	(12,330,195)
Investigation Findings	(211,123)	-	-	-	(211,123)
Special Obligations linked to the Concession	(538,375)	(415)	-	1,388	(537,402)
	24,065,771	(175,823)	(991)	(976)	23,887,981
Distribution					
Commercial lease	1,398,468	-	-	-	1,398,468
Accumulated depreciation	(499,344)	(14,424)	-	-	(513,768)
	899,124	(14,424)	-	-	884,700
Management					
in service	2,491,860	1,261	7,508	(404)	2,500,225
Accumulated depreciation	(1,514,448)	(38,275)	28	2,646	(1,550,049)
Ongoing	879,911	13,988	1,632	1,691	897,222
Special Obligations linked to the Concession	(9,292)	-	(5,047)	103	(14,236)
	1,848,030	(23,026)	4,121	4,036	1,833,161
TOTAL	26,812,925	(213,273)	3,130	3,060	26,605,842

	CONSOLIDATED				
	Balance at 12/31/2015	Increases	Transfer	Write-offs	Balance at 12/31/2016
Generation/Marketing					
in service	46.003.180	184,468	1,287,960	(19,483)	47,456,125
Accumulated depreciation	(21,740,065)	(1,363,922)	27,098	12,225	(23,064,664)
Ongoing	11,870,318	2,106,303	(1,355,214)	(56,596)	12,564,811
Allowance for impairment	(8,684,088)	(3,876,375)	14,048	405,412	(12,141,003)
Investigation Findings	-	-	-	(211,123)	(211,123)
Special Obligations linked to the Concession	(633,602)	(2,540)	(6,951)	104,718	(538,375)
	26,815,743	(2,952,066)	(33,059)	235,153	24,065,771
Distribution					
Commercial lease	1,398,468	-	-	-	1,398,468
Accumulated depreciation	(441,647)	(57,697)	-	-	(499,344)
	956,821	(57,697)	-	-	899,124
Management					
in service	2,444,828	49,578	217,570	(220,116)	2,491,860
Accumulated depreciation	(1,445,137)	(149,132)	(100,422)	180,243	(1,514,448)
Ongoing	799,908	136,791	(56,719)	(69)	879,911
Special Obligations linked to the Concession	(25,518)	-	-	16,226	(9,292)
	1,774,081	37,236	60,429	(23,716)	1,848,030
TOTAL	29,546,645	(2,972,527)	27,370	211,437	26,812,925

Average depreciation and accumulated depreciation rate:

	CONSOLIDATED			
	03/31/2017		12/31/2016	
Generation	Average depreciation rate	Accumulated depreciation	Average depreciation rate	Accumulated depreciation
Hydraulic	2.53%	16,398,354	2.30%	15,920,174
Nuclear	3.93%	4,535,821	3.33%	4,439,098
Thermal	4.03%	2,772,076	3.80%	2,542,610
Wind	6.89%	181,173	6.88%	161,681
Marketing	3.15%	6,619	3.15%	1,101
		(23,394,043)		(23,064,664)
Distribution	3.00%	513,768	3.00%	499,344
		513,768		499,344
Management	6.00%	1,550,049	6.73%	1,514,448
		1,550,049		1,514,448
Total		25,457,860		25,078,456

NOTE 17 - FINANCIAL ASSETS - CONCESSIONS AND ITAIPU

	CONSOLIDATED	
	03/31/2017	12/31/2016
Transmission Concessions		
Financial Assets Annual Permitted Revenue	40,910,039	42,743,612
Financial Assets - Indemnifiable Concessions	6,988,738	3,630,829
	47,898,777	46,374,441
Concessions		
Financial Assets - Indemnifiable Concessions	4,974,172	4,935,236
Amounts receivable Portion A and other financial items III	(44,112)	(9,254)
	4,930,060	4,925,982
Generation Concessions		
Financial Assets - Indemnifiable Concessions	2,589,593	2,585,720
	55,418,430	53,886,143
Itaipu Financial Asset (item I)	938,555	1,200,916
Total financial assets	56,356,985	55,087,059
Financial Assets - Current	3,683,738	2,337,513
Financial Assets - Non-current	52,673,247	52,749,546
Total financial assets	56,356,985	55,087,059

17.1 - Itaipu Financial Assets (Liabilities)

	CONSOLIDATED	
	03/31/2017	12/31/2016
Accounts Receivable	2,341,817	2,320,333
Right of Reimbursement	710,644	973,007
Energy Suppliers - Itaipu	(3,451,685)	(2,773,682)
Reimbursement Obligations	(1,058,643)	(1,731,675)
Total current assets (liabilities)	(1,457,867)	(1,212,017)
Accounts Receivable	1,307,993	1,348,926
Right of Reimbursement	3,233,598	3,161,043
Reimbursement Obligations	(2,145,169)	(2,097,036)
Total Noncurrent Assets	2,396,422	2,412,933
Total assets	938,555	1,200,916

The effects of establishing the Itaipu financial assets are shown above and are detailed as follows:

17.1.1 - Values Resulting from the Marketing of Binational Itaipu Electricity

a) Adjustment factor

Under Law 11,480/2007, the adjustment factor was withdrawn from the financing agreements entered into with Itaipu Binational, as well as from the credit assignment agreements signed with the Tax Authority, since 2007, guaranteeing for the Company complete maintenance of its flow or receipts.

As a result, Decree No. 6,265 of November 22, 2007 was published, regulating the marketing of electricity from ItaipuBinational, defining the differential to be applied in the rate of transfer, creating an asset relating to the part of the calculated annual differential, equal to the annual adjustment factor withdrawn from the financing, to be included annually in the rate of transfer, beginning in 2008, used by the Company, preserving the flow of resources, originally established.

As a result, the differential arising from the withdrawal of the annual adjustment factor, whose values are defined annually upon an interministerial ordinance of the Department of Treasury and Ministry of Mines and Energy, was included in the rate of transfer of the power from Itaipu Binacional. In the rate of transfer in effect in 2017, the amount equal to US$ 244,681 is included, which was received by the Company by charging the distribution companies, authorized under directive MME/MF 605/2016.

The balance resulting from the adjustment factor of Itaipu Binational, included under Financial Assets, presented in Noncurrent Assets, totals R$ 3,233,598 on December 31, 2017, equal to US$ 1,020,578 (December 31, 2016 – R$ 3,161,043, equal to US$969,913), of which R$ 2,590,062, equal to US$ 779,172, will be transferred to the Tax Authority

through 2023, as a result of the credit assignment between the Company and the Tax Authority, in 1999

These amounts will be realized upon inclusion thereof in the rate of transfer to be used until 2023.

b) Marketing of electricity

Law 10,438 of April 26, 2002, assigned to the Company the responsibility for acquisition of all of the electricity produced by ItaipuBinational to be consumed in Brazil, becoming seller of that electricity.

Thus, the equivalent of 21,773 GWh* (22,389 GWh* in 2016) was sold in the period ended March 31, 2017, while the power supply rate (purchase) used by Itaipu Binational is US$ 22.60/kW*, and the rate of transfer (sale) is US$ 28.73/KkW* (US$ 22.60/kW* - supply;US$ 25.78/kM* = rate of transfer in March 2016).

The result of marketing the Itaipu Binational electricity, pursuant to Decree No. 4,550 of December 27, 2002,observing the amendments introduced under Decree No. 6,265 of November 22, 2007, is allocated as follows:

1) if positive, it must be allocated, by proportional rating, to the individual consumer, as a credit applied to the electricity bills of consumers in the National Interconnected Electrical System under residential and rural categories, with monthly consumption less than 350 kWh*.

2) if negative, it is incorporated by ANEEL in calculating the rate of transfer of power contracted in the year after the result.

This marketing transaction does not impact the Company's earnings, while pursuant to current regulations, a negative result represents an unconditional right to receipt, and if negative, an effective obligation.

In the period ended March 31, 2017, the activity was a loss of R$ 457,364 (R$ 384,207 in the same period of 2016), and the resulting obligation is included under financial assets.

(*) Information not reviewed by the independent auditors

17.2 - Financial Assets – electric utility concessions

Financial asset - concession, in the amount of R$ 55,462,542, of which R$ 5,198,799 recorded in current assets and R$ 50,263,743 recorded in non-current assets, on March 31, 2017 (R$ 53,895,397 on December 31, 2016) refers to the financial assets to be held, held by Eletrobras System companies, in the distribution concessions, determined by applying the mixed model, and in the generation and transmission concessions by applying the financial model, both provided for in ICPC 01 (IFRIC 12).

On April 20, 2016, the Ministry of Mines and Energy - MME published Ordinance No. 120, which regulated the conditions for receiving remuneration related to the electric power transmission assets existing on May 31st, 2000, known as Existing Basic Grid - RBSE and other Transmission Facilities - RPC, not depreciated and not amortized, according to the second paragraph of article 15 of Law 12,783/2013.

On March 31, 2017, the amount of R$ 38,123,384 under Financial Assets Annual Permitted Revenue in the non-current assets includes the estimate of the restated amounts related to the electric power transmission assets existing on May 31, 2000 recorded under Financial Assets Annual Permitted Revenue, of which R$ 4,519,858 is classified as current and R$ 33,603,526 as noncurrent (R$ 36,570,883 on December 31, 2016) (See Note 2.1).

17.3 - Amounts receivable Portion A and other financial items

On November 25, 2014, ANEEL decided to amend the concession and permit agreements of the Brazilian electricity distribution companies, incorporating the balances of the receivables from Portion A and other financial items in the calculation of the compensation, when the concession expires. The aforementioned event requires that the balance be recorded
of any differences from Portion A and other financial components not yet recovered or liquidated

(*) Information not reviewed by the independent auditors

17.3.1 - Portion A Variance Offset Account - CVA

Interministerial Ordinance of the Department of Treasury and the Ministry of Mines and Energy No. 25 of January 24, 2002, established the "Portion A" Variance Offset Account - CVA, with the purpose of recording the variance in cost, negative and positive, occurred in the period between annual rate adjustments, with respect to the items established in the electricity distribution concession agreements.

These variances are calculated based on the difference between the expenses effectively incurred and the expenses estimated at the time the rate is established in the annual rate adjustment. The values considered in the CVA are adjusted for inflation based on the SELIC rate.

The amount recorded under current assets and liabilities relate to values already ratified by ANEEL upon completion of the rate adjustment in 2016, and the amounts recorded under non-current assets and liabilities represent an estimate of the CVA to be ratified in the next rate adjustment in 2017.

	CONSOLIDATED	
	03/31/2017	12/31/2016
Portion "A"		
CVA		
CCC	1,219	1,219
CDE	3,135	13,538
Basic Grid	6,203	130
Cost of Electricity Purchase	(2,985)	46,103
Itaipu Transportation	(275)	(369)
PROINFA	19,972	30,663
ESS and EER	1,195	30,273
Neutral Sector Fees	5,518	6,808
Over-contract	(24,224)	(48,684)
Other Financial Items	(53,870)	(88,935)
Total Portion A amounts and other financial items	(44,112)	(9,254)

Current assets	357,783	436,596
Non-current assets	33,469	22,131
Current liabilities	(421,864)	(461,180)
Non-current liabilities	(13,500)	(6,801)
Total	(44,112)	(9,254)

17.3.2- Other financial items

- CUSD financial adjustment - in compliance with the provisions of article 7 of Interministerial Ordinance No. 25/2002;

- Neutral Sector Fees - this refers to calculation of the monthly differences between the values of each item from sector charges in the reference period and the respective amounts included in the previous process;

- Exposure to Price Differences between Sub-markets - this refers to the rating of financial risks resulting from price differences between sub-markets, pursuant to Article 28 of Decree No. 5,163/2004.
- Energy Over-contract Transfer/Short-term Market Exposure - pursuant to REN No. 255/2007, as amended by REN No. 305/2008 and No. 609/2014, and in accordance with the criteria established in Order No. 4,225/2013;

- Eletronuclear Differential - corresponds to the difference between the rate used and the reference rate between Furnas and Eletronuclear, as established by Law No. 12,111/2009.

- Other - corresponds to the sum of all other values recorded by ANEEL as Financial Guarantees in the regulated energy contract (CCEAR), DIC/FIC offset transfer, and others.

17.4 - Fee Adjustment

Concession contracts executed between power distribution companies and the Federal Government, with ANEEL as intervening party,set forth that, on an annual basis, the electricity value paid by the consumer must be adjusted. This adjustment, due to the method established by ANEEL, may be positive or negative and occurs annually, on the anniversary date of the utility.

According to the concession contract, the utility's income is split into two portions: A and B. Portion A, accounting for approximately 70% of the fee, includes costs deemed as non-manageable by the utility, i.e., costs that do not depend on the direct control of the Company, as power purchased to be resold to consumers and fees and taxes that are legally determined.

Portion B, accounting for approximately 30% of the fee, include costs deemed as manageable. These are the costs that are subject to the direct control of the utility, which is fully able to manage them, including personnel costs, material costs and other activities

directly related to operation and maintenance of distribution services, depreciation costs and compensation of investments made by the Company for the service.

17.5 - Tariff Flags

Starting in 2015, electricity bills apply the Tariff Flag System. Green, yellow, and red flags will be used to inform whether electricity will cost more or less, based on power generation conditions.

In Brazil, electric power is mainly generated by hydroelectric power plants. In order to work, these power plants depend on rainfall and water levels of reservoirs. When not enough water is stored, thermal power plants can be connected in order to save water from the reservoirs of the hydroelectric power plants. As a result, generation costs increase, since such thermal power plants use fuels such as natural gas, coal, fuel oil, and diesel. On the other hand, when a lot of water is stored, it is not necessary to connect thermal power plants and generation costs will decrease.

Resolution number 1826, dated November 25, 2014, which ratified this and was published by ANEEL, determined the rates of the Company with already established prices for the rate structure. The application of these flags became a requirement starting in January, 2015.

Flags will be green, yellow, and red and will be applied according to load service conditions, which shall be the sum of Difference Settlement Price (PLD), Operative Marginal Costs (CMO) with charges for the Power Security System Services (ESS_SE).

Flags were adopted considering the following criteria: green flag is to be activated whenever power costs less than R$ 200/MWh*, which means favorable conditions for power generation and there will be no addition to the fee. Yellow flag will be activated whenever the system operation cost is between R$ 200/MWh and R$ 350/MWh: less favorable generation conditions, and there will be an addition to the fee of R$ 2.00 for each 100kW/h consumed. Now, red flag will be activated whenever the operation cost is higher than R$ 350/MWh: more costly generation conditions, and fee will be added with R$ 3.50 for each 100kW/h* consumed.

In short, the flag system, that started to be applied in January 2015, reflects the generation conditions and indicates to consumers the option to reduce consumption and influence the final cost of power generation. The system does not represent a proper increase in the fee, this is just a different way to present a cost that would be included in the fee, although with no visibility to the consumer, and that would be equally supported at the time of the annual fee adjustment.

During the period from January 1, 2015 to February 29, 2016, the red flag was charged due to the more costly conditions. In March 2016, generation costs were more favorable by changing to yellow flag. Since April 2016, the tariff flag applied is green, except for the month of November 2016 and March 2017, which was yellow. The green flag does not entail additional costs to consumers' electricity bills.

(*) Information not reviewed by the independent auditors

NOTE 18 - INTANGIBLE ASSETS

	CONSOLIDATED				
	BALANCE ON 12/31/2016	INCREASES	WRITE-OFFS	TRANSFERS COST/SERVICE	BALANCE ON 03/31/2017
Linked to Concession - Generation	151,877	(6,618)	-	973	146,232
in service	111,437	(7,029)	-	979	105,387
Intangible Asset	263,719	1,241	-	15	264,975
Accumulated amortization	(112,000)	(8,419)	-	964	(119,455)
Special Obligations	294	149	-	-	443
Impairment	(40,576)	-	-	-	(40,576)
Ongoing	40,440	411	-	(6)	40,845
Intangible Asset	68,573	411	-	(6)	68,978
Special Obligations	(8,895)	-	-	-	(8,895)
Impairment	(19,238)				(19,238)
Linked to Concession - Distribution	106,249	(61,764)	57,367	313	102,165
in service	12,332	(65,282)	43,201	25,953	16,204
Intangible Asset	2,173,054	261	(26,321)	26,592	2,173,586
Accumulated amortization	(1,889,459)	(65,543)	3,816	-	(1,951,186)
Special Obligations	(34,207)	-	6,370	(639)	(28,476)
Impairment	(237,056)	-	59,336	-	(177,720)
Ongoing	93,917	3,518	14,166	(25,640)	85,961
Intangible Asset	112,898	3,518	14,998	(26,279)	105,135
Special Obligations	(18,981)	-	(832)	639	(19,174)
Linked to Concession - Transmission	83,837	-	-	-	83,837
in service	82,536	-	-	-	82,536
Intangible Asset	87,544	-	-	-	87,544
Accumulated amortization	(5,008)	-	-	-	(5,008)
Ongoing	1,301	-	-	-	1,301
Intangible Asset	1,301	-	-	-	1,301
Not Linked to the Concession (Other Intangible Assets)	419,776	(7,954)	463	(78)	412,207
Management in service	850,508	10		769	851,287
Accumulated amortization	(540,859)	(13,550)	-	(11)	(554,420)
Impairment	(38,891)	-	463	-	(38,428)
Ongoing	169,188	5,586	-	(836)	173,938
Others	(20,170)	-	-	-	(20,170)
Total	761,739	(76,336)	57,830	1,208	744,441

	CONSOLIDATED				
	BALANCE ON 12/31/2015	INCREASES	WRITE-OFFS	TRANSFERS COST / SERVICE	BALANCE ON 03/31/2016
Linked to Concession - Generation	146,173	(693)	(42)	42,395	187,833
in service	90,720	(1,268)	(42)	80,099	169,509
Intangible Asset	188,433	4,367	(484)	80,060	272,376
Accumulated amortization	(97,287)	(5,682)	442	39	(102,488)
Special Obligations	(298)	47	-	-	(251)
Impairment	(128)	-	-	-	(128)
Ongoing	55,453	575	-	(37,704)	18,324
Intangible Asset	69,602	575	-	(37,704)	32,473
Special Obligations	(8,959)	-	-	-	(8,959)
Impairment	(5,190)				(5,190)
Linked to Concession - Distribution	248,518	(39,681)	6,350	70	215,257
in service	136,482	(48,259)	6,175	8,680	103,078
Intangible Asset	1,859,648	(11,870)	-	8,249	1,856,027
Accumulated amortization	(1,660,646)	(41,327)	290	384	(1,701,299)
Special Obligations	(62,520)	3,306	5,885	47	(53,282)
Impairment	-	1,632	-	-	1,632
Ongoing	112,036	8,578	175	(8,610)	112,179
Intangible Asset	131,709	8,101	-	(8,179)	131,631
Special Obligations	(19,673)	477	175	(431)	(19,452)

Impairment					
Linked to Concession - Transmission	88,392	(937)	-	4	87,459
in service	87,091	(937)	-	4	86,158
Intangible Asset	91,151		-	(1,983)	89,168
Accumulated amortization	(4,060)	(937)	-	1,987	(3,010)
Ongoing	1,301	-	-	-	1,301
Intangible Asset	1,301	-	-	-	1,301
Not Linked to the Concession (Other Intangible Assets)	452,068	337	(891)	40,430	491,944
Management					
in service	831,315	14,707	-	46,171	892,193
Accumulated amortization	(478,484)	(18,792)	-	1,503	(495,773)
Impairment	(40,743)	-	463	-	(40,280)
Ongoing	160,150	4,422	(1,354)	(7,244)	155,974
Others	(20,170)	-	-	-	(20,170)
Total	935,151	(40,974)	5,417	82,899	982,493

Intangible assets are primarily amortized during the concession period.

The final term for concessions of distribution companies of Eletrobras ended on July 7, 2015. As mentioned in Note 2, the distribution companies of the Eletrobras Group re-bifurcated the portion of the financial asset in the corresponding proportion until December 31st, 2017, the deadline to remain responsible for the operation and maintenance of the distribution companies.

NOTE 19 - IMPAIRMENT OF LONG-TERM ASSETS

The Company estimated the recoverable value of its long-term assets based on the value in use, considering that there is no active market for the infrastructure related to the concession. The value in use is appraised based on the present value of the estimated future cash flow.

The assumptions used consider the best estimate by the Company Administration regarding future trends in the electricity sector and are based both on external sources of information and historic data of the cash generating units. The cash flow was projected based on the operating results and projections of the Company until the end of the concession. When the need is identified to establish an impairment provision of long-term assets, this provision is recorded in the period results under Operating Allowances.

The Company did not identify evidence of devaluation of assets in the 3-month period ended March 31, 2017. Thus, the change occurred in the period refers to the realization of assets. The assumptions used to measure the estimate are presented in the financial statements of December 31, 2016.

The Company continues to monitor the estimates and associated risks in determining the impairment of Angra 3 undertaking and did not identify any new events in the first quarter of 2017.

NOTE 20 - SUPPLIERS

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
CURRENT				
Goods, Materials and Services	10,528	107,582	7,767,967	7,987,651
Energy Purchased for Resale	366,342	333,394	1,567,381	1,482,755
CCEE - Short Term Energy	-	-	208,784	188,895
	376,870	440,976	9,544,132	9,659,301
NON-CURRENT				
Goods, Materials and Services	-	-	8,163,310	8,200,930
Energy Purchased for Resale	-	-	1,579,040	1,581,890
	-	-	9,742,350	9,782,820
	376,870	440,976	19,286,482	19,442,121

The liabilities of suppliers include transactions with goods, materials and services, mainly, in current liabilities, the current debt with BR Distribuidora SA of R$ 2,378,179 (R$ 2,275,768 on December 31, 2016) and Companhia de Gás do Amazonas-Cigás of R$ 3,698,691 (R$ 3,484,755 on December 31, 2016) related to the supply of petroleum products for the production of electricity.

The agreement between Petrobras and Cigás, with Amazonas D as intervening and consenting party, the purpose of which is the sale by Petrobras, and the purchase by Cigás, for the purpose of thermal power generation by Amazonas D or another electric utility or Independent Energy Producer - PIE, provides, in a specific clause, that the credits that Cigás has against Amazonas D overdue for more than forty-five days and that are subject to transfer to Petrobras will be assigned automatically to Petrobras, regardless of any notification.

The 2nd CCD was divided into 3 private debt instruments and respective installments entered into with Petrobras Distribuidora S/A, related to the supply of petroleum products, signed on 12/31/2014, the most relevant of which are the respective amounts i) Contract I in the amount of R$ 3,257,366, with an updated debit balance of R$ 3,911,791; ii) Contract II in the amount of R$ 2,925,921, with an updated debit balance of R$ 3,519,721 and iii) Contract III in the amount of R$ 1,018,441, with an updated debit balance of R$ 1,225,128. The instruments provide for amortization in 120 (one hundred and twenty) monthly and successive installments, by pro rata variation, considered from the date of signature of the agreement to the date of its respective expiration, and the maturity of the first installment was on 02/20/2015 and the last installment on 01/30/2025. It should be noted that the default with Petrobras and Cigás is due to delays in the transfer of financial resources from CDE / CCC. "

On March 31, 2017, the balance recognized by the Company related to the right of reimbursement to Petrobras in the amount of R$ 2,557,664 related to the difference in the price of the gas transportation portion. Further details in Note 11 a.1.

NOTE 21 - ADVANCE FROM CUSTOMERS

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
CURRENT				
Advance Sale of Energy - ALBRAS	-	-	60,003	60,504
Deferred revenue from customers - PROINFA	550,620	560,277	550,620	560,277
	550,620	560,277	610,623	620,781
NON-CURRENT				
Advance Sale of Energy - ALBRAS	-	-	577,075	592,215
	-	-	577,075	592,215
TOTAL	550,620	560,277	1,187,698	1,212,996

21.1 - ALBRAS

The subsidiary Eletronorte sold electricity to ALBRÁS in 2004 for supply during a 20-year period, at an average 750 MW/month,through December 2006, and an average 800 MW/month from January 2007 to December 2024, using the UHE Tucuruí balance rateas a parameter, plus an added premium, calculated based on the price of aluminum on the London Metal Exchange (LME) - England. This price formation constitutes a built-in derivative instrument (See Note 44).

Based on these conditions, Albras made advance purchase of electricity credits, with advance payment of R$ 1,200,000, which was established as a credit, in MW, of an average 43 MW/month from June 2004 to December 2006 and average 46 MW/month from January 2007 to December 2024, to be amortized during the period of supply, in monthly portions expressed in those average MW,according to the rate current in the billing month, as detailed below:

	Contract Dates		
Customer	Start	End	Volume in Average Megawatts (MW)
Albrás	07/01/2004	12/31/2024	750 MW until 12/31/2006 and 800 MW as of 01/01/2007
BHP	07/01/2004	12/31/2017	315 MW

The position and change of this liability are shown below:

Balance at 12/31/2016	Amortizations Made	Profit/Loss	Balance at 03/31/2017	Current	Non-current
652,719	(14,919)	(722)	637,078	60,003	577,075

Balance at 12/31/2015	Amortizations Made	Profit/Loss	Balance at 03/31/2016	Current	Non-current
713,914	(13,633)	(1,229)	699,052	54,682	644,370

21.2 - PROINFA

PROINFA, established by Law 10,438/2002 and amendments thereto, has the purpose of diversifying the Brazilian energy matrix with the use of renewable energy sources, through economic leveraging of available resources and applicable technologies.

The Company ensures the purchase of the electricity produced during the 20-year period, beginning in 2006, and transfers this energy to the distribution concessionaries, free consumers, and independent producers, excluding low-income consumers, in the proportion of their consumption.

The distribution and transmission concessionaries pay to the Company the value of energy in shares, equal to the cost corresponding to the interest held by captive consumers, free consumers, and independent producers connected to their installations, in twelfths, in the month prior to that of the energy consumption.

The transactions relating to the purchase and sale of energy in the context of PROINFA do not affect the results of the Company.

(*) Information not reviewed by the independent auditors

NOTE 22 - FINANCING AND LOANS

22.1 - Global Reversion Reserve (RGR)

The Company is authorized to withdraw funds from the RGR, applying them in the grant of financing earmarked for expansion of the Brazilian electric sector, improvement of the service and in the performance of the programs of the Federal Government.

Thus, the Company withdraw funds from the RGR, acknowledging a debt to this Fund, and invests it in specific investment projects, financed by it, whose purpose is:

a) expansion of electricity distribution services;

b) incentive to alternative sources of electric energy;

c) studies of inventory and feasibility of utilization of hydraulic potentials;

d) deployment of power generating plants up to 5,000 kW, intended solely for public service in populated communities served by an isolated electrical system;

e) efficient public lighting;

f) electrical energy conservation by improving the quality of products and services;

g) universal access to electricity.

Eletrobras will pay back the funds withdrawn from the RGR and used in granting financing to companies of the Brazilian electric sector, with interest of 5% per annum. On March 31, 2017, the balance of funds withdrawn from the fund totals R$ 7,087,296 (R $ 6,647,839 as of December 31, 2016), included under Financing and Loans.

The funds composing the RGR Fund are not part of these statements, constituting an entity distinct from the Company.

22.2 - Breakdown of loans and financing:

	03/31/2017							
	PARENT COMPANY				CONSOLIDATED			
	CHARGES		PRINCIPAL		CHARGES		PRINCIPAL	
	CURRENT		CURRENT	NON CURRENT	CURRENT		CURRENT	NON CURRENT
	Avg. Rate	Value			Avg. Rate	Value		
Financial Institutions Foreign Currency								
Inter-American Development Bank (IDB)	4.54%	2,041	58,951	29,477	4.98%	4,270	82,869	364,333
Corporación Andino de Fomento - CAF	3.43%	7,775	456,315	322,575	3.43%	7,775	456,315	322,575
Kreditanstalt fur Wiederaufbau - KFW	2.47%	1,386	4,287	196,518	2.47%	1,386	4,287	196,518
Eximbank	2.00%	943	63,192	31,204	2.00%	943	63,192	31,204
BNP Paribas	2.07%	3,231	111,290	445,160	2.07%	3,231	111,290	445,160
BIRD 7884	2.31%	704	124,726	561,585	2.31%	704	124,726	561,585
		16,081	818,762	1,586,518		18,309	842,679	1,921,375
Bonus								
Maturity 07/30/2019	6.88%	41,493		3,168,400	6.88%	41,493		3,168,400
Maturity 10/27/2021	5.75%	156,880	-	5,544,700	5.75%	156,880	-	5,544,700
		198,372	-	8,713,100		198,373	-	8,713,100
Others								
MORGAN		-	-	-		-	-	10,531
LLOYDS		-	-	-		-	-	1,261
		-	-	-		-	-	11,792
		214,453	818,762	10,299,618		216,682	842,679	10,646,267
National Currency								
Global Reversal Reserve		-	-	7,087,295		-	-	7,087,295
Banco do Brasil		9,976	666,238	3,043,348		61,794	1,052,251	4,660,241
Caixa Econômica Federal		6,235	416,400	1,902,092		215,958	1,183,081	8,264,419
BNDES		401,790	750,000	-		442,431	1,162,202	6,845,255
Banco da Amazônia		-	-	-		9,110	226,413	397,299
Santander		-	-	-		-	177,311	310,294
State Grid		-	-	-		5,429	-	647,298
Other financial institutions		-	-	-		14,960	125,628	1,091,838
		418,001	1,832,638	12,032,735		749,682	3,926,886	29,303,939
		632,454	2,651,400	22,332,353		966,364	4,769,565	39,950,206

	12/31/2016							
	PARENT COMPANY				CONSOLIDATED			
	CHARGES		PRINCIPAL		CHARGES		PRINCIPAL	
	CURRENT		CURRENT	NON CURRENT	CURRENT		CURRENT	NON CURRENT
	Avg. Rate	Value			Avg. Rate	Value		
Financial Institutions Foreign Currency								
Inter-American Development Bank (IDB)	4.54%	1,037	60,639	30,321	4.40%	1,382	85,242	374,763
Corporación Andino de Fomento - CAF	2.31%	4,607	469,378	360,566	2.31%	4,607	469,378	360,566
Kreditanstalt fur Wiederaufbau - KFW	2.73%	15	4,349	199,347	2.73%	15	4,349	199,347
Eximbank	2.00%	433	61,287	30,633	2.00%	433	61,287	30,633
BNP Paribas	1.17%	362	114,476	457,904	1.17%	362	114,476	457,904
Other		5,118	128,294	641,807		5,119	128,296	641,808
		11,573	838,423	1,720,577		11,918	863,028	2,065,021
Bonus								
Maturity 07/30/2019	6.88%	109,546		3,259,100	6.87%	109,546		3,259,100
Maturity 10/27/2021	5.75%	67,672	-	5,703,425	5.75%	67,672	-	5,703,425
		177,218	-	8,962,525		177,218	-	8,962,525
Others								
MORGAN		-	-	-		-	-	10,846
LLOYDS		-	-	-		-	-	1,299
		-	-	-		-	-	12,145
		188,790	838,423	10,683,102		189,136	863,028	11,039,691
National Currency								
Global Reversal Reserve		-	-	6,647,839		-	-	6,647,839
Banco do Brasil		9,254	649,157	375,000		69,704	900,478	2,138,476
Caixa Econômica Federal		5,784	405,723	3,209,908		112,956	1,088,475	9,230,810
BNDES		550,353	750,000	2,006,192		595,993	1,160,612	8,890,627
Banco da Amazônia		-	-	-		16,289	226,500	404,998
Promissory notes		-	-	-		35,310	250,000	-
Santander		-	-	-		-	177,311	354,622
State Grid		-	-	-		-	-	318,471
Other financial institutions		-	-	-		22,119	125,636	761,347
		565,392	1,804,880	12,238,939		852,371	3,929,012	28,747,190
		754,182	2,643,303	22,922,041		1,041,507	4,792,040	39,786,881

22.3 - Changes in loans and financing:

	PARENT COMPANY						
Loans and Financing	12/31/2016	Funding/Cost	Interest, Inflation Adjustment and exchange rate change incurred	Costs incurred and paid	Interest Paid	Amortization of Principal	03/31/2017
Foreign Currency Financial Institutions							
BID	91,997	-	(1,527)	-	-	-	90,469
Corporación Andino de Fomento - CAF	834,550	-	(16,675)	-	(3,619)	(27,591)	786,665
Kreditanstalt fur Wiederaufbau - KFW	203,712	-	(1,520)	-	-	-	202,192
Eximbank	92,353	-	(2,985)	-	-	-	95,339
BNP Paribas	572,741	-	(13,060)	-	-	-	559,682
Other	775,220	-	(18,496)	-	(8,478)	(61,234)	687,011
Bonus							
Maturity 07/30/2019	3,368,646	-	(32,258)	-	(126,496)	-	3,209,893
Maturity 10/27/2021	5,771,097	-	(69,517)	-	-	-	5,701,580
	11,710,315	-	(150,067)	-	(138,594)	(88,825)	11,332,829
National Currency Financial institutions							
Global Reversal Reserve	6,647,839	647,706	90,153	-	(37,134)	(261,268)	7,087,297
BNDES	1,675,353	-	55,012	-	(203,576)	(375,000)	1,151,790
Banco do Brasil	3,868,319	-	138,949	-	(138,227)	(149,477)	3,719,565
Caixa Econômica Federal	2,417,699	-	86,843	-	(86,392)	(93,423)	2,324,727
	14,609,211	647,706	370,957	-	(465,328)	(879,168)	14,283,378
TOTAL	26,319,526	647,706	220,890	-	(603,922)	(967,993)	25,616,207

	CONSOLIDATED						
Loans and Financing	12/31/2016	Funding/Cost	Interest, Inflation Adjustment and exchange rate change incurred	Costs incurred and paid	Interest Paid	Amortization of Principal	03/31/2017
Foreign Currency Financial Institutions							
Resolution No. 63	10,846	-	(315)	-	-	-	10,531
BID	461,387	-	(9,914)	-	-	-	451,472
Corporación Andino de Fomento - CAF	834,550	-	(16,675)	-	(3,619)	(27,591)	786,665
Kreditanstalt fur Wiederaufbau - KFW	203,712	-	(1,520)	-	-	-	202,192
Eximbank	92,353	-	(2,985)	-	-	-	95,339
BNP Paribas	572,741	-	(13,060)	-	-	-	559,682
Other	775,220	-	(18,496)	-	(8,478)	(61,234)	687,011
Bonus							
Maturity 07/30/2019	3,368,646	-	(32,258)	-	(126,496)	-	3,209,893
Maturity 10/27/2021	5,771,097	-	(69,517)	-	-	-	5,701,580
							Others
CAJUBI - Fundação Prev. ITAIPU PY	1,299	-	(38)	-	-	-	1,261
	12,091,850	-	(158,807)	-	(138,594)	(88,825)	11,705,624
National Currency Financial institutions							
Global Reversal Reserve	6,647,839	647,706	90,153	-	(37,134)	(261,268)	7,087,297
BNDES	9,016,040	-	214,933	-	(298,394)	(482,691)	8,449,888
Banco do Brasil	5,943,566	-	203,114	-	(210,641)	(161,755)	5,774,286
Banco do Nordeste do Brasil	215,837	-	3,855	-	(3,870)	(12,341)	203,482
BRDE	183,073	-	4,405	-	(4,043)	5,248	178,187
Caixa Econômica Federal	9,228,525	499,999	282,278	-	(135,703)	(211,641)	9,663,458
BASA	647,787	-	12,351	-	(19,530)	(7,785)	632,822
FINEP	161,362	-	1,919	-	(1,598)	(5,828)	155,855
Banco ABC - 30MM	30,040	-	1,214	-	-	-	31,254
Others							
Promissory notes	285,310	-	4,441	-	(39,751)	(250,000)	-
FIDC	-	690,000	17,395	(29,666)	(14,078)	-	663,651
Assignment of Credit - Santander	531,933	-	-	-	-	(44,328)	487,605
State Grid	637,266	-	22,066	-	-	(6,605)	652,727
	33,528,579	1,837,705	858,124	(29,666)	(764,741)	(1,449,490)	33,980,511
TOTAL	45,620,429	1,837,705	699,317	(29,666)	(903,335)	(1,538,315)	45,686,135

Parent Company

Eletrobras signed a contract to open a credit in the gross amount of R$ 6,500,000, with the Caixa Econômica Federal and Banco do Brasil, with remuneration of 119.5% of the accumulated variation of the DI Rate, to meet its needs for working capital and its investment plan. Until December 31, 2014 the company had made the first two installments of disbursement totaling R$ 4,500,000, with R$ 2,769,231 being disbursed by the Banco do Brasil and R$ 1,730,769 by the Caixa Econômica Federal. The third installment of thedisbursement was taken out on January 30, 2015 in the amount of R$ 2,000,000, with R$ 1,230,769 disbursed by the Banco do Brasil and R$ 769,231 by the Caixa Econômica Federal.

Subsidiary Eletronuclear

On June 28, 2013, a contract was signed between Subsidiary Eletronuclear and Caixa Econômica Federal (CEF) in the amount of R$ 3,800,000, to finance part of the undertakings of Angra 3. The term of the contract is 25 years, from the date of signature, with the interest rate of 6.5% pa. On March 21, 2016, the second request for disbursement to CEF was made, in the amount of R$ 478,000.

In a decision of the board of the Brazilian Bank of Economic and Social Development - BNDES, on July 12, 2016, the renegotiation of the debt of contract No. 10.2.2032.1, entered into between BNDES and the subsidiary on February 23, 2011, was authorized, with the

suspension of the commencement of payment of the principal of the debt and the partial suspension of the payment of interest calculated monthly. With regard to debt charges, the payment of 70% of interest was suspended during the period from July 15, 2016 to February 15, 2017. During this period, 30% of the amount of interest calculated must be paid financially, while the remainder will be capitalized to the debit balance. As of March 15, 2017, the subsidiary began paying the full amount of the monthly charges.

Subsidiary Furnas

During 2016, the 1st to 4th disbursements of subsidiary Furnas' contract with BNDES in the total amount of R$ 232,799; the 6th to 14th disbursements of the Loan Agreement with State Grid Brazil Holding in the total amount of R$ 158,872; the loan of subsidiary Furnas with Caixa Econômica Federal (FINISA) in the amount of R$ 1,130,000; and the renegotiation of installments in April, May, June and July 2016 of the principal of the debt and charges on loans and financing with Eletrobras (ECF and ECR), in November 2016, in the amount of R$ 194,950, were discharged.

Subsidiary Eletronorte

On January 12, 2017, the management of subsidiary Eletronorte approved a loan in the amount of R$ 500,000 with Caixa Econômica Federal upon a Bank Credit Certificate (CCB), with accommodation from Eletrobras, in order to support the subsidiary's cash flow. The line of credit will be made available to the extent that raising is required.

Subsidiary Eletrosul

Subsidiary Eletrosul structured a credit transaction by issuing shares of the Transfer Credit Rights Investment Fund of Infinity DI (FIDC Infinity DI) in the amount of R$ 690,000 backed by receivables from the ANEEL Transmission Concession Agreement No. 057/2001, in order to raise funds for the Company's investment plan, reimbursement of expenses, costs or debts related to its investment projects, as well as the advance redemption of all 2nd Issue Promissory Notes of Eletrosul, due on March 2017, in the total amount of R$ 289,751. The terms of the transaction were approved by the Board of Directors of Eletrosul on June 21, 2016 and its settlement occurred on January 24, 2017.

FIDC Details:

- Release Date: 01/24/2017;
- Amortization period: 60 months;
- Grade period of the principal of the debt: 24 months;
- Amortization of the principal of the debt: customized, from the 24th month;
- Amortization of interest: monthly.

22.3 Breakdown of loans and financing (by type of currency and index):

Debts are guaranteed by the Federal Government and/or Eletrobras, subject to charges, whose average rate in 2017 is 8.87% per year (9.65% per year in 2016), and have the following profile:

	PARENT COMPANY				CONSOLIDATED			
	03/31/2017		12/31/2016		03/31/2017		12/31/2016	
	Balance in thousands of reais	%	Balance in thousands of reais	%	Balance in thousands of reais	%	Balance in thousands of reais	%
Foreign currency								
USD not indexed	9,002,745	35%	9,231,738	35%	9,013,272	20%	9,242,584	20%
USD with LIBOR	2,033,358	8%	2,182,512	8%	2,394,361	5%	2,551,902	6%
EURO	202,192	1%	203,712	1%	202,192	0%	203,712	0%
Japanese yen	94,535	0%	92,353	0%	94,535	-	92,353	-
Others	-	-	-	-	1,266	-	1,304	-
Subtotal	11,332,830	44%	11,710,315	44%	11,705,626	26%	12,091,855	27%
National currency								
CDI	6,044,291	24%	6,286,018	24%	12,455,268	27%	12,701,548	28%
IPCA	-	-	-	-	487,794	0%	531,933	1%
TJLP	-	-	-	-	6,315,948	14%	10,063,827	22%
SELIC	1,151,790	4%	1,675,353	6%	1,169,655	3%	1,675,353	4%
Others	-	0%	-	-	5,834,149	13%	1,359,417	3%
Subtotal	7,196,081	28%	7,961,371	30%	26,262,814	57%	26,332,078	58%
Not indexed	7,087,297	28%	6,647,840	25%	7,717,695	17%	7,196,495	16%
Total	25,616,208	100%	26,319,526	100%	45,686,135	100%	45,620,428	100%

The long-term portion of loans and financing matures as scheduled:

	2018	2019	2020	2021	2022	After 2022	Total
Parent Company	2,144,437	5,642,464	2,189,367	7,456,936	1,060,644	3,838,504	22,332,353
Consolidated	4,517,000	8,049,014	4,053,034	9,091,021	2,255,552	11,984,585	39,950,206

22.3 - Financial lease transaction:

The par value used in the calculation of assets and liabilities arising from said contracts was determined by reference to the value set for contracting monthly power, multiplied by the installed capacity (60 to 65 MW) and by the number of months of the contract.

The reconciliation of the total of future minimum payments on financial leases of the Company and its current value is demonstrated in the table below:

	CONSOLIDATED	
	03/31/2017	12/31/2016
Less than a year	209,226	212,698
Later than one year and not later than five years	836,902	836,902
Later than five years	662,548	714,854
Future financing costs on the financial leases	(561,209)	(594,950)
Total financial lease minimum payments	1,147,467	1,169,504
Less than a year	136,751	136,662
Later than one year and not later than five years	448,424	558,094
Later than five years	562,292	474,748
Present value of payments	1,147,467	1,169,504

22.4 - GUARANTEES

The Company participates in the capacity of an intervening guarantor for several companies whose secured amounts, projections and amounts already paid are shown in the following tables:

Company	Undertaking	Financing Bank	Modality	Subsidiary interest	Financing Amount	Outstanding Balance on 03/31/2017	Guarantee Balance Eletrobras	End of the Guarantee
Eletrobras	Norte Energia	BNDES	SPE	15.00%	2,025,000	2,317,474	23,175	01/15/2042
Eletrobras	Norte Energia	CEF	SPE	15.00%	1,050,000	1,244,958	12,450	01/15/2042
Eletrobras	Norte Energia	BTG Pactual	SPE	15.00%	300,000	355,702	3,557	01/15/2042
		Performance Bond		15.00%	39,225	39,225	392	04/30/2019
Eletrobras	Norte Energia		SPE					
Eletrobras	Rouar	CAF	SPE	50.00%	30,947	30,947	309	09/30/2017
Eletrobras	Mangue Seco 2	BNB	SPE	49.00%	40,951	35,415	354	10/14/2031
Eletrosul	ESBR	BNDES	SPE	20.00%	727,000	893,479	8,935	08/15/2034
Eletrosul	ESBR	BNDES	SPE	20.00%	232,500	241,633	2,416	01/15/2035
Eletrosul	ESBR	BNDES TRANSFER	SPE	20.00%	717,000	877,165	8,772	08/15/2034
Eletrosul	ESBR	BNDES TRANSFER	SPE	20.00%	232,500	247,149	2,471	01/15/2035
Eletrosul	Cerro Chato I, II and III	Banco do Brasil	Corporate	100.00%	223,419	93,315	933	07/15/2020
Eletrosul	RS Energia	BNDES	Corporate	100.00%	126,221	51,382	514	06/15/2021
Eletrosul	Artemis Transmissora de Energia	BNDES	Corporate	100.00%	170,029	23,318	233	10/15/2018
Eletrosul	UHE Mauá	BNDES	Corporate	100.00%	182,417	135,867	1,359	1/15/2028
Eletrosul	UHE Mauá	BNDES / Banco do Brasil	Corporate	100.00%	182,417	135,876	1,359	1/15/2028
Eletrosul	UHE Passo de São João	BNDES	Corporate	100.00%	183,330	124,943	1,249	7/15/2026
Eletrosul	SC Energia	BNDES / Banco do Brasil	Corporate	100.00%	50,000	10,440	104	05/15/2019
Eletrosul	SC Energia	BNDES / BDRE	Corporate	100.00%	50,000	10,414	104	05/15/2019
Eletrosul	SC Energia	BNDES	Corporate	100.00%	103,180	20,959	210	05/15/2019
Eletrosul	SC Energia	BNDES	Corporate	100.00%	67,017	23,225	232	03/15/2021
Eletrosul	UHE São Domingos	BNDES	Corporate	100.00%	207,000	170,163	1,702	6/15/2028
Eletrosul	RS Energia	BNDES	Corporate	100.00%	41,898	30,671	307	03/15/2027
Eletrosul	RS Energia	BNDES	Corporate	100.00%	9,413	7,516	75	08/15/2027
Eletrosul	RS Energia	BNDES	Corporate	100.00%	12,000	7,782	78	08/15/2027
Eletrosul	UHE Passo de São João	BNDES	Corporate	100.00%	14,750	10,326	103	7/15/2026
Eletrosul	Eletrosul Corporate Projects	Banco do Brasil	Corporate	100.00%	250,000	195,667	1,957	11/15/2023
Eletrosul	Teles Pires	BNDES	SPE	24.50%	296,940	334,297	3,343	02/15/2036
Eletrosul	Teles Pires	BNDES / Banco do Brasil	SPE	24.50%	294,000	332,832	3,328	02/15/2036
Eletrosul	Teles Pires	Issuance of debentures	SPE	24.50%	160,680	175,326	1,753	05/30/2032
Eletrosul	Livramento Holding	BNDES	SPE	49.00%	91,943	21,871	219	06/15/2030
Eletrosul	Chuí Holding	BNDES	SPE	49.00%	186,082	177,379	1,774	12/15/2031
Eletrosul	Transmissora Sul Brasileira de Energia S.A.	BNDES	SPE	80.00%	209,974	177,295	1,773	7/15/2028
Eletrosul	Transmissora Sul Brasileira de Energia S.A.	Issuance of debentures	SPE	80.00%	62,040	85,781	858	9/15/2026
Eletrosul	Costa Oeste Transmissora de Energia S.A.	BNDES	SPE	49.00%	17,846	14,648	146	11/01/2022
Eletrosul	Santa Vitória do Palmar Holding S.A.	BNDES	SPE	49.00%	197,950	205,471	2,055	06/16/2031
Eletrosul	Santa Vitória do Palmar Holding S.A.	BRDE	SPE	49.00%	98,000	103,719	1,037	06/16/2031
Eletrosul	Santa Vitória do Palmar Holding S.A.	Issuance of debentures	SPE	49.00%	44,100	57,291	573	6/15/2028
Eletrosul	Transmissora Sul Litorânea do Brasil	BNDES	SPE	51.00%	252,108	230,195	2,302	02/15/2029
Eletrosul	Complexo São Bernardo	KfW	Corporate	100.00%	29,854	45,305	453	12/30/2038
Eletrosul	Complexo São Bernardo	KfW	Corporate	100.00%	136,064	156,975	1,570	12/30/2042
Eletrosul	Complexo Eólico Livramento - Entorno II	CEF	Corporate	100.00%	200,000	220,765	2,208	08/07/2017
Eletrosul	Eólica Hermenegildo I S/A	BNDES	SPE	99.99%	109,566	107,670	1,077	06/15/2032
Eletrosul	Eólica Hermenegildo I S/A	BRDE	SPE	99.99%	47,764	47,235	472	06/15/2032
Eletrosul	Eólica Hermenegildo II S/A	BNDES	SPE	99.99%	109,590	107,708	1,077	06/15/2032
Eletrosul	Eólica Hermenegildo II S/A	BRDE	SPE	99.99%	47,775	47,252	473	06/15/2032
Eletrosul	Eólica Hermenegildo III S/A	BNDES	SPE	99.99%	93,367	91,764	918	06/15/2032
Eletrosul	Eólica Hermenegildo III S/A	BRDE	SPE	99.99%	40,703	40,258	403	06/15/2032
Eletrosul	Eólica Chuí IX S/A	BNDES	SPE	99.99%	31,561	31,019	310	06/15/2032
Eletrosul	Eólica Chuí IX S/A	BRDE	SPE	99.99%	13,758	13,607	136	06/15/2032
Eletrosul	Corporate Projects Eletrosul 3	FIDC DI	Corporate	100.00%	690,000	693,317	6,933	01/20/2022
Eletronorte	São Luis II e III	BNDES	Corporate	100.00%	13,653	7,638	76	11/15/2024
Eletronorte	Miranda II	BNDES	Corporate	100.00%	47,531	19,101	191	11/15/2024
Eletronorte	Ribeiro Gonç./Balsas	BNB	Corporate	100.00%	70,000	55,417	554	06/3/2031
Eletronorte	Lechuga/J. Teixeira	BASA	Corporate	100.00%	25,720	19,155	192	01/10/2029
Eletronorte	Substation Nobres	BNDES	Corporate	100.00%	10,000	6,370	64	03/15/2028
Eletronorte	Substation Miramar/Tucuruí	BNDES	Corporate	100.00%	31,000	20,902	209	08/15/2028
Eletronorte	Extension of Substation Lechuga	BNDES	Corporate	100.00%	35,011	24,225	242	10/15/2028
Eletronorte	Norte Brasil Transmissora	BNDES	SPE	49.00%	514,500	451,284	4,513	12/15/2029
Eletronorte	Norte Brasil Transmissora	Issuance of debentures	SPE	49.00%	98,000	139,067	1,391	9/15/2026
Eletronorte	Linha Verde Transmissora	BASA	Corporate	100.00%	185,000	198,258	1,983	11/10/2032
Eletronorte	Manaus Transmissora	BNDES	SPE	30.00%	120,300	94,195	942	12/15/2026
Eletronorte	Power Transmission Station	BNDES	Corporate	100.00%	505,477	382,812	3,828	11/15/2028
Eletronorte	Power Transmission Station	BASA	Corporate	100.00%	221,789	207,125	2,071	10/15/2031
Eletronorte	Power Transmission Station	BASA	Corporate	100.00%	221,789	207,158	2,072	07/10/2031
Eletronorte	Rio Branco Transmissora	BNDES	Corporate	100.00%	138,000	107,092	1,071	03/15/2027
Eletronorte	Transmissora Matogrossense Energia	BASA	SPE	49.00%	39,200	36,216	362	02/01/2029
Eletronorte	Transmissora Matogrossense Energia	BNDES	SPE	49.00%	42,777	28,731	287	05/15/2026
Eletronorte	Rei dos Ventos 1 Eolo	BNDES	SPE	24.50%	30,851	26,399	264	10/15/2029
Eletronorte	Brasventos Miassaba 3	BNDES	SPE	24.50%	30,984	26,505	265	10/15/2029
Eletronorte	Rei dos Ventos 3	BNDES	SPE	24.50%	32,533	27,823	278	10/15/2029
Eletronorte	Belo Monte Transmissora de Energia S. A.	Itau BBA	SPE	24.50%	49,735	51,659	517	04/30/2017
Eletronorte	Belo Monte Transmissora de Energia S. A.	Santander	SPE	24.50%	49,000	50,922	509	04/30/2017

Company	Undertaking	Bank Bank	Modality	Interest of the Subsidiary	Financing Amount	Outstanding Balance on 03/31/2017	Eletrobras Guarantee Eletrobras	End of the Guarantee
Eletronorte	Belo Monte Transmissora de Energia S. A.	State Grid Brazil S.A.	Corporate	100.00%	294,700	321,148	3,211	7/28/2029
Eletronorte	Belo Monte Transmissora de Energia S. A.	ABC	SPE	24.50%	18,375	19,509	195	05/31/2017
Eletronorte	Belo Monte Transmissora de Energia S. A.	Bank of China	SPE	24.50%	6,125	6,558	66	04/30/2017
Eletronorte	Belo Monte Transmissora de Energia S. A.	PINE	SPE	24.50%	12,250	13,088	131	05/31/2017
Eletronorte	Belo Monte Transmissora de Energia S. A.	China Construction Bank	SPE	24.50%	93,100	93,667	937	12/17/2017
Eletronorte	Belo Monte Transmissora de Energia S. A.	ICBC	SPE	24.50%	9,800	10,211	102	06/30/2017
Eletronorte	Belo Monte Transmissora de Energia S. A.	Bank of America / Merril Lynch	SPE	24.50%	22,050	22,651	227	06/30/2017
Eletronorte	Belo Monte Transmissora de Energia S. A.	Bank of America / Merril Lynch	SPE	24.50%	34,300	35,254	353	12/29/2017
Eletronorte	Norte Energia	BNDES	SPE	19.98%	2,697,300	3,086,875	30,869	01/15/2042
Eletronorte	Norte Energia	CEF	SPE	19.98%	1,398,600	1,658,284	16,583	01/15/2042
Eletronorte	Norte Energia	BTG Pactual	SPE	19.98%	399,600	473,795	4,738	01/15/2042
Eletronorte	Deployment of PAR and PMIS	BNDES	Corporate	100.00%	361,575	311,053	3,111	12/15/2023
Eletronorte	Porto Velho Transmissora de Energia	BNDES	Corporate	100.00%	283,411	231,034	2,310	08/15/2028
Eletronorte	Support to the Working Capital Structure	CEF	Corporate	100.00%	400,000	346,667	3,467	04/30/2019
Eletronorte	UHE Sinop	BNDES	SPE	24.50%	256,270	181,631	1,816	06/15/2038
Eletronorte	Support to the Working Capital Structure 2	CEF	Corporate	100.00%	500,000	500,000	5,000	03/30/2021
Eletronuclear	Angra III	BNDES	Corporate	100.00%	6,163,366	3,537,806	35,378	06/15/2036
Chesf	ESBR	BNDES	SPE	20.00%	727,000	893,479	8,935	08/15/2034
Chesf	ESBR	BNDES	SPE	20.00%	232,500	241,633	2,416	01/15/2035
Chesf	ESBR	BNDES TRANSFER	SPE	20.00%	717,000	877,165	8,772	08/15/2034
Chesf	ESBR	BNDES TRANSFER	SPE	20.00%	232,500	247,149	2,471	01/15/2035
Chesf	Manaus Transmissora	BNDES	SPE	19.50%	78,195	61,227	612	12/15/2026
Chesf	Norte Energia	BNDES	SPE	15.00%	2,025,000	2,317,474	23,175	01/15/2042
Chesf	Norte Energia	CEF	SPE	15.00%	1,050,000	1,244,958	12,450	01/15/2042
Chesf	Norte Energia	BTG Pactual	SPE	15.00%	300,000	355,702	3,557	01/15/2042
Chesf	IE Madeira	BASA	SPE	24.50%	65,415	76,866	769	07/10/2032
Chesf	IE Madeira	BNDES	SPE	24.50%	390,251	369,236	3,692	02/15/2030
Chesf	IE Madeira	Issuance of debentures	SPE	24.50%	85,750	117,807	1,178	03/18/2025
Chesf	Chesf Corporate Projects 1	Banco do Brasil	Corporate	100.00%	500,000	250,460	2,505	02/28/2020
Chesf	Chesf Corporate Projects 2	CEF	Corporate	100.00%	400,000	202,312	2,023	02/27/2019
Chesf	IE Garanhuns S/A	BNDES	SPE	49.00%	175,146	150,400	1,504	12/15/2028
Chesf	Chesf Corporate Projects 3	BNDES	Corporate	100.00%	727,560	387,115	3,871	06/15/2029
Chesf	Chesf Corporate Projects 4	BNDES	Corporate	100.00%	475,454	231,641	2,316	06/15/2029
Chesf	UHE Sinop	BNDES	SPE	24.50%	256,270	181,631	1,816	06/15/2038
Chesf	Chesf Corporate Projects 5	CEF	Corporate	100.00%	200,000	202,461	2,025	09/06/2021
Furnas	UHE Batalha	BNDES	Corporate	100.00%	224,000	147,246	1,472	12/15/2025
Furnas	UHE Simplício	BNDES	Corporate	100.00%	1,034,410	632,988	6,330	7/15/2026
Furnas	UHE Baguari	BNDES	Corporate	100.00%	60,153	35,497	355	7/15/2026
Furnas	MISCELLANEOUS	Banco do Brasil	Corporate	100.00%	750,000	783,343	7,833	10/31/2018
Furnas	Rolagem BASA 2008	Banco do Brasil	Corporate	100.00%	208,312	212,167	2,122	02/07/2018
Furnas	Innovation Projects	FINEP	Corporate	100.00%	268,503	155,854	1,559	11/15/2023
Furnas	Corporate Financing	Banco do Brasil	Corporate	100.00%	400,000	361,185	3,612	12/06/2023
Furnas	UHE Santo Antônio	BNDES	SPE	39.00%	1,594,159	2,000,782	20,008	03/15/2034
Furnas	UHE Santo Antônio	BNDES	SPE	39.00%	1,574,659	2,066,054	20,661	03/15/2034
Furnas	UHE Santo Antônio	BASA	SPE	39.00%	196,334	236,588	2,366	12/15/2030
Furnas	UHE Santo Antônio	Issuance of debentures	SPE	39.00%	163,800	224,021	2,240	01/24/2023
Furnas	UHE Santo Antônio	Issuance of debentures	SPE	39.00%	273,000	348,379	3,484	03/01/2024
Furnas	UHE Foz do Chapecó	BNDES	SPE	40.00%	435,508	370,378	3,704	09/15/2027
Furnas	UHE Foz do Chapecó	BNDES	SPE	40.00%	217,754	187,473	1,875	09/15/2027
Furnas	UHE Foz do Chapecó	BNDES	SPE	40.00%	4,009	2,815	28	09/15/2027
Furnas	Centroeste de Minas	BNDES	SPE	49.00%	13,827	8,523	85	04/15/2023
Furnas	Rei dos Ventos 1 Eolo	BNDES	SPE	24.50%	30,851	26,399	264	10/15/2029
Furnas	Brasventos Miassaba 3	BNDES	SPE	24.50%	30,984	26,505	265	10/15/2029
Furnas	Rei dos Ventos 3	BNDES	SPE	24.50%	32,533	27,823	278	10/15/2029
Furnas	IE Madeira	BASA	SPE	24.50%	65,415	76,866	769	07/10/2032
Furnas	IE Madeira	BNDES	SPE	24.50%	390,251	369,236	3,692	02/15/2030
Furnas	IE Madeira	Issuance of debentures	SPE	24.50%	85,750	117,807	1,178	03/18/2025
Furnas	Teles Pires	BNDES	SPE	24.50%	296,940	334,331	3,343	02/15/2036
Furnas	Teles Pires	BNDES / Banco do Brasil	SPE	24.50%	294,000	332,866	3,329	02/15/2036
Furnas	Teles Pires	Issuance of debentures	SPE	24.50%	160,680	177,312	1,773	05/31/2032
Furnas	Caldas Novas Transmissão	BNDES	SPE	49.90%	2,418	1,691	17	05/15/2023
Furnas	Caldas Novas Transmissão	BNDES	SPE	49.90%	5,536	4,568	46	03/15/2028
Furnas	Belo Monte Transmissora de Energia S. A.	State Grid Brazil S.A.	Corporate	100.00%	294,700	326,151	3,262	7/28/2029
Furnas	Belo Monte Transmissora de Energia S. A.	ABC	SPE	24.50%	18,375	19,509	195	05/31/2017
Furnas	Belo Monte Transmissora de Energia S. A.	Bank of China	SPE	24.50%	6,125	6,558	66	04/30/2017
Furnas	Belo Monte Transmissora de Energia S. A.	PINE	SPE	24.50%	12,250	13,088	131	05/31/2017
Furnas	Belo Monte Transmissora de Energia S. A.	China Construction Bank	SPE	24.50%	93,100	93,667	937	12/20/2017
Furnas	Belo Monte Transmissora de Energia S. A.	ICBC	SPE	24.50%	9,800	10,211	102	06/30/2017
Furnas	Belo Monte Transmissora de Energia S. A.	Bank of America / Merril Lynch	SPE	24.50%	22,050	22,651	227	06/30/2017
Furnas	Belo Monte Transmissora de Energia S. A.	Bank of America / Merril Lynch	SPE	24.50%	34,300	35,254	353	12/29/2017
Furnas	Mata de Santa Genebra	Issuance of debentures	SPE	49.90%	234,031	253,962	2,540	06/30/2017
Furnas	2012-2014 Investment Plan	BNDES	Corporate	100.00%	441,296	220,417	2,204	06/15/2029
Furnas	Empresa de Energia São Manoel	BNDES	SPE	33.33%	437,996	355,643	3,556	12/12/2038
Furnas	Empresa de Energia São Manoel	Issuance of debentures	SPE	33.33%	93,332	102,169	1,022	12/15/2018
Amazonas	Amazonas	Confession of Debt - Petrobras / BR	Corporate	100.00%	2,405,979	2,886,749	28,867	01/30/2025
Eletroac re	Electroacre	Confession of Debt - Petrobras / BR	Corporate	100.00%	91,774	81,832	818	01/30/2025
Boa Vista	Boa Vista	Confession of Debt - Petrobras / BR	Corporate	100.00%	19,320	15,685	157	12/31/2024
Cepisa	Corporate Project	CEF	Corporate	100.00%	94,906	49,437	494	07/20/2026
Ceal	Ceal Corporate Project	Banco IBM S/A	Corporate	100.00%	10,736	6,742	67	12/31/2019
Total					**45,342,734**	**43,027,971**	**460,684**	

Detailed information on the investments under the guarantees are disclosed in the financial statements as of December 31, 2016.

NOTE 23 – DEBENTURES

23.1 - Breakdown of debentures:

CONSOLIDATED

Subsidiary	Issuer	Issuing Date	Key Features	Interest rate:	Expiration Date	Balance at 03/31/2017	Balance at 12/31/2016
Eletronorte	Issued by ETE (absorbed by Eletronorte in March 2014)	06/2011	Private subscription of the first issuance bythe Subsidiary, subscribed in favor of Fundode Desenvolvimento da Amazônia - FDA,and held under custody of theoperating agent of the Contract, Banco daAmazônia S.A., with security interest and personal guarantee, in four series, all convertible into shares of the SPE, with and without voting rights.	TJLP + 1.65% p.a.	07/10/2031	206,741	201,375
						206,741	201,375
Total Current Liabilities						15,511	12,442
Total Non Current Liability						191,230	188,933

23.2 - Changes in debentures:

	CONSOLIDATED			
	12/31/2016	Raising	Charges	03/31/2017
CURRENT Financial Institutions BASA/FDA	12,442	-	3,069	15,511
TOTAL NON-CURRENT	12,442	-	3,069	15,511
NON-CURRENT Financial Institutions BASA/FDA	188,933	2,297	-	191,230
TOTAL NON-CURRENT	188,933	2,297	-	191,230
TOTAL DEBENTURES	201,375	2,297	3,069	206,741

NOTE 24 - COMPULSORY LOAN

The Compulsory Loan on the consumption of electricity, established by Law No. 4,156/1962 in order to generate funds for expansion of the Brazilian electric sector, was eliminated by Law No. 7,181 of December 20th, 1983, which set the date of December 31, 1993 as the deadline for the collection.

In the first phase of this compulsory loan, which ended with the enactment of Decree-Law No. 1,512/1976, the collection of the tax reached many classes of energy consumers, and taxpayer credits were represented by bearer debentures issued by the Company.

The second time, which began with the provisions in the aforementioned Decree-Law, the Compulsory Loan in question began to be charged only from industries with a monthly energy consumption higher than 2,000 kwh*, and taxpayer credits were no longer represented by debentures, but simply recorded by the Company.

The remaining Compulsory Loan balance, after the fourth conversion into shares, on April 30 of 2008, related to credits created from 1988 to 2004, is registered under current and non-current liabilities, maturing as of 2008, and bearing interest at the rate of 6% a year, plus inflation adjustment based on the variation of the IPCA-E, and as of December 31, 2017, correspond to R$ 510,616 (December 31, 2016 – R$ 509,133), of which R$ 464,615 are non-current (December 31, 2016 – R$ 460,940).

The Bearer Debentures issued due to the Compulsory Loan are not securities, are not tradable on the stock market, are not priced and are not payable. Thus, the Company's management clarifies that the Company has no outstanding debentures.

The issuance of these securities derived from a legal imposition, and not a corporate decision by the Company. Likewise, its taking by bondholders was not an act of their will, but a legal duty, by force of Law No. 4,156/1962.

The CVM (Brazilian securities commission), in a decision by its board issued in administrative process CVM RJ 2005/7230, filed by holders of the mentioned securities, affirmed in a document that "the obligations issued by the Company due to Law No. 4,156/1962 cannot be considered securities."

The CVM also understood that there is no irregularity in the procedures adopted by the Company in its interim financial statements, with regards to the aforementioned obligations, neither in the disclosure of the existence of lawsuits.

The unenforceability of those Bearer Obligations was reinforced by decisions of the Supreme Court, which corroborated the understanding that such securities are time-barred and are not valid for guaranteeing tax enforcement.

Therefore, the Bearer Obligations issued in the first phase of this compulsory loan, as decided by the CVM, are not to be confused with debntures. In addition, by force of the provisions of Article 4, § 11 of Law No. 4,156/1962, and Article 1 of Decree No. 20,910/1932, they are unenforceable, a condition confirmed in Report 344 of the Supreme Court (STJ), which states that these Obligations cannot be used as guarantees for tax enforcement action, since they are not liquid and are not debentures.
As such, the liabilities related to the Compulsory Loan refer to residual credits, created from 1988 to 1994, from industrial consumers with consumption greater than 2,000 kWh*, in the second phase of this Compulsory Loan, as well as to interest on those credits not claimed, as shown:

	PARENT COMPANY AND CONSOLIDATED	
	03/31/2017	12/31/2016
CURRENT		
Interest payable	46,001	48,193
NON-CURRENT		
Credits collected	464,615	460,940
TOTAL	510,616	509,133

NOTE 25 - FUEL CONSUMPTION ACCOUNT - CCC

The Fuel Consumption Account (CCC), created by Decree No. 73,102, of November 7, 1973, is intended to combine the prorating of fuel consumption costs in the generation of thermal power energy, especially in the Northern region of Brazil.

According to Law No. 8,631, of March 04, 1993, the Company manages the sums collected by the public electric power concessionaries, and credits them to the Fuel Consumption Account (CCC), corresponding to the annual fees for expenses with fuel for the generation of electrical energy. The sums recorded under current assets, in counterpart to current liabilities, are funds available, kept in a restricted account, and the amounts not paid by the concessionaries.

	PARENT COMPANY AND CONSOLIDATED	
	03/31/2017	12/31/2016
Current Assets	191,560	195,966
Non-current Assets	6,919	6,919
Total	198,479	202,885
Current Liabilities	-	-
Noncurrent Liabilities	510,868	482,179
Total	510,868	482,179

The enactment of Law No. 12,783/2013 terminated the mandatory nature of contributing to this charge, for electric public electric power concessionaries.

On June 23, 2016, Provisional Presidential Measure No. 735 establishes that, as of January 1, 2017, activities related to the management and administration of RGR, CDE and CCC sector funds will be transferred to the Electric Energy Trading Chamber - CCEE. On November 17th, 2016, such provisional presidential decree was converted into Law 13,360, which stipulates that by April 30th, 2017, activities related to the management and administration of these funds will be transferred to the Electric Energy Trading Chamber (CCEE). As of May 1, 2017, the responsibility for the budget, management and administration of said funds was transferred to the Electric Energy Trading Chamber (CCEE) (see Note 48.2)

NOTE 26 - TAXES PAYABLE AND INCOME TAX AND SOCIAL CONTRIBUTIONS

26.1- Taxes payable

	PARENT COMPANY		CONSOLIDATED	
Current liabilities:	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Withholding Taxes (IRRF)	35,235	37,239	212,221	288,537
PASEP and COFINS	71	-	355,363	314,435
ICMS	-	-	184,143	214,385
PAES / REFIS	-	-	167,881	175,462
IR/CS installments	-	-	28,259	37,679
INSS/FGTS	1,243	1,451	101,549	134,907
ISS	-	-	36,664	41,585
Others	4,508	2,864	116,451	129,099
Total	41,057	41,554	1,202,531	1,336,089

	PARENT COMPANY		CONSOLIDATED	
Non-current liabilities:	03/31/2017	12/31/2016	03/31/2017	12/31/2016
PASEP and COFINS	-	-	202,148	204,284
Deferred PASEP and COFINS	2,222	2,222	35,167	40,319
PAES / REFIS	-	-	568,262	589,200
IR/CS installments			212,921	135,016
INSS/FGTS	-	-	31,610	32,847
Others	-	-	55,314	58,214
Total	2,222	2,222	1,105,422	1,059,880

26.2- Income tax and social contribution

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Current liabilities:				
Current income tax	468,263	357,503	509,089	447,236
Current Social Contribution	159,507	129,102	173,267	159,612
	627,770	486,605	682,356	606,848
Non-current liabilities:				
Deferred IRPJ/CSLL	335,032	320,560	8,808,958	8,305,606

26.3- Reconciliation of income tax and social contribution expense

	PARENT COMPANY			
	03/31/2017		03/31/2016	
	IRPJ	CSLL	IRPJ	CSLL
Income (loss) before Corporate Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL)	1,996,176	1,996,176	(3,946,875)	(3,946,875)
Total IRPJ and CSLL calculated at the tax rates of 25% and 9%, respectively	(499,044)	(179,656)	986,719	355,219
Effects of additions and exclusions:				
Dividend Income	648	233	4,614	1,661
Equity Method	403,805	145,370	215,373	77,534
Unsecured liabilities in subsidiaries	(293,373)	(105,614)	-	-
Tax Loss Offset	112,944	40,660	68,780	24,761
Deferred taxes not recognized/written off	(141,881)	(51,077)	(1,197,483)	(431,094)
Donations	(89)	(32)	(11,613)	(4,181)
Other additions and exclusions	(26,062)	(9,382)	(30,308)	(10,912)
Total income (expense) of IRPJ and CSLL	(443,052)	(159,498)	36.082	12,988
Actual Tax Rate	22.20%	7.99%	-0.91%	-0.33%

	CONSOLIDATED			
	03/31/2017		03/31/2016	
	IRPJ	CSLL	IRPJ	CSLL
Income (loss) before Corporate Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL)	2,630,143	2,630,143	(3,820,832)	(3,820,832)
Total IRPJ and CSLL calculated at the tax rates of 25% and 9%, respectively	(657,536)	(236,713)	955,208	343,875
Effects of additions and exclusions:				
Dividend income	747	269	4,614	1,661
Equity Method	57,294	20,626	(45,522)	(16,388)
Tax Loss Offset	148,582	53,488	127,754	45,991
Deferred taxes not recognized/written off	(461,487)	(166,136)	(277,471)	(99,889)
Tax Incentives	53,400	-	73,802	26,569
Donations	(89)	(32)	(13,655)	(4,916)
Other additions and exclusions	(46,696)	(17,709)	(885,454)	(309,816)
Total income (expense) of IRPJ and CSLL	(905,785)	(346,207)	(60,724)	(12,913)
Actual Tax Rate	34.44%	13.16%	1.59%	0.34%

26.4- Tax Incentives - SUDENE

Provisional Presidential Decree No. 2,199-14, of August 24, 2001, amended by Law 11,196, of November 21, 2005, allowed companies located in the Northeast Region with ventures in the infrastructure sector considered by act of the Executive branch to be a priority for regional development, to reduce the income tax amount owed for the purpose of investing in projects of installation, expansion, modernization or diversification.

Regarding concession contracts no. 006/2004 for generation, and no. 061/2001 for transmission (both signed by CHESF), the righto the incentive reducing 75% of income tax covers the years of 2008 to 2017. For transmission contracts numbers 008/2005 and

007/2005, the right to the reduction incentive was granted for the period, 2011 to 2020. For contracts with a tax incentive, the income tax rate of 25% becomes 6.25%.

26.5-Special payment plan - PAES

Subsidiaries Furnas, Eletrosul, Eletroacre and Distribuição Alagoas chose to refinance tax debts. The financing term is limited to 180 months, and the outstanding balance owed is adjusted by the long-term interest rate (TJLP) and SELIC rate.

26.6- Tax Recovery Program (REFIS) - Law 12,865/2013

On December 30, 2013, Furnas chose the REFIS, for processes related to the PASEP, COFINS and PASEP/COFINS taxes.

The financing term is limited to 180 months and the outstanding balance is adjusted according to SELIC

26.7- Deferred PASEP and COFINS on Foreign Exchange Revenue

On April 1, 2015, Decree No. 8,426 was published, which restated the PIS/PASEP and COFINS rates to 0.65% and 4%, respectively, on the financial income earned by legal entities subject to the non-cumulative tax regime, effective as of July 1, 2015.

However, with Decree No. 8,451, published on May 19, 2015, the Federal Government reestablished to zero the PIS/PASEP and COFINS rates incurring on financial income arising out of inflation adjustments, due to the foreign exchange rate, for (I) export of goods and services abroad; and (ii) obligations undertook by the corporations, including loans and financing.

Considering that Decree No. 8,451 established the maintenance of the zero rate only for the above-mentioned transactions , the Parent Company started paying, at the settlement of the corresponding transaction, the PIS/PASEP and COFINS contributions incurring on inflation adjustments arising out of foreign currency variations in loan agreements granted by the Company.

In this context, due to the deferred taxation of exchange rate change for the settlement of the transaction, the Parent Company recognized in the non-current liabilities deferred PIS/PASEP and COFINS, as of March 31, 2017, the amounts of R$ 311 (R$ 311 on December 31, 2016) and R$ 1,911 (R$ 1,911 on December 31, 2016), respectively.

NOTE 27 – REGULATORY FEES

Explanations of the nature of the main sector charges are disclosed in the financial statements as of December 31, 2016.

	CONSOLIDATED	
	03/31/2017	12/31/2016
CURRENT LIABILITIES		
RGR share	71,211	56,083
CDE share	71,298	53,733
PROINFA share	33,322	14,152
Compensation for the use of hydric resources	88,398	72,456
Rate for Energy Services Supervision	10,145	29,819
Research & Development - R&D	134,095	126,071
Energy Efficiency Program-PEE	30,633	258,590
Others	185,020	36,297
	624,122	647,201
NON-CURRENT LIABILITIES		
RGR share	21,632	21,093
Research & Development - R&D	700,638	528,865
Energy Efficiency Program-PEE	71,403	65,295
	793,673	615,253
TOTAL	1,417,795	1,262,454

NOTE 28 - SHAREHOLDERS´COMPENSATION

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Current				
Unclaimed dividends	24,009	24,339	24,977	25,312
Dividends withheld from previous years	-	-	1,834	1,837
Mandatory minimum dividends for the year	447,155	433,963	448,993	435,742
	471,164	458,302	475,804	462,891

28.1 - Unclaimed Dividends

The balance of the compensation to shareholders, demonstrated in current liabilities, contain the sum of R$ 24,009 (R$ 24,339 on December 31, 2016) in the parent company and R$ 24,977 (R$ 25,312 on December 31, 2016) in the consolidated financial statement, concerning unclaimed compensation from 2013, 2014, and 2015. The compensation related to 2011 and prior years is time-barred, in accordance with the Articles of Incorporation of the Company.

28.2 - Mandatory minimum dividends

The Articles of Incorporation of the Company establish as mandatory minimum dividend 25% of net income, adjusted in accordance with the corporate law, observing the minimum yield on Class A and B preferred shares of 8% and 6%, respectively, of the par value of capital related to these kinds and classes of shares, providing for the possibility of payment of interest on the stockholders' equity. The mandatory minimum dividends of R$ 433,963 related to the fiscal year ended on December 31, 2016, pursuant to paragraph three of article 205 of Law 6404/76 and approval in the minutes of the 167th Special Meeting of

Shareholders and 57th Annual Meeting of Shareholders on April 28, 2017, will be paid until December 31, 2017.

NOTE 29 – POST-EMPLOYMENT BENEFITS

29.1 Post-employment benefit

The companies in the Eletrobras System sponsor pension plans for their employees, as well as post-employment medical assistance plans and life insurance in certain cases. Those benefits are classified as defined benefits (BD) and defined contributions (CD).

Due to the decentralized structure of the Eletrobras system, each segment sponsors its own package of employee benefits. In general, the Group offers its current and future retirees and its dependents pension benefits, and post-employment medical assistance and life insurance, as presented in the following chart:

Types of post-employment benefits sponsored by Eletrobras System

Company	Pension benefit plans			Other post-employment benefits	
	BD Plan	Paid Plan	CD Plan	Life Insurance	Health Insurance Plan
Eletrobras	X		X	X	X
Amazonas	X		X		
Boa Vista	X		X		X
Ceal	X		X		X
Cepisa	X		X		
Ceron			X		
CGTEE	X				
Chesf	X	X	X	X	
Electroacre			X		
Eletronorte	X		X	X	X
Eletronuclear	X				X
Eletrosul	X		X		X
Furnas	X		X	X	X

The Company and its subsidiaries appraise their actuarial liabilities annually and consequently, the amounts presented in the balance sheet may change due to the appraisal that will be carried out for the base date of December 31, 2017.

Further information on post-employment benefit plans is disclosed in the financial statements as of December 31, 2016.

NOTE 30 - PROVISION FOR CONTINGENCIES

The Company and its subsidiaries are partly involved in various lawsuits in progress in the courts, especially in the labor and civil courts, which are in various stages.

On the closing date of these interim financial statements, the Company presents the following allowances for legal obligations related to lawsuits which, due to their nature, are considered by the Company's Management as a present obligation of the entity, derived from events that

have already occurred, the settlement of which is expected to result in the payment of the entity's funds capable of generating economic benefits:

a) Provision for contingencies:

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
CURRENT				
Labor	1,163	950	39,914	39,373
Tax	-	-	4,415	4,415
Civil	649,610	755,861	971,463	1,039,687
	650,773	756,811	1,015,792	1,083,475
NON-CURRENT				
Labor	588,467	457,097	1,558,467	1,369,292
Tax	-	-	606,350	586,429
Civil	13,568,773	13,216,976	18,061,121	17,690,233
	14,157,240	13,674,073	20,225,938	19,645,954
	14,808,013	14,430,884	21,241,730	20,729,429

These provisions evolved, in this period, as follows:

	CHANGES OF THE PERIOD	
	PARENT COMPANY	CONSOLIDATED
Balance at 12/31/2016	14,430,884	20,729,429
Establishment of provisions	280,626	524,344
Reversal of provisions	(282,763)	(410,785)
Inflation Adjustment	450,671	505,856
Write-offs	-	(215)
Payments	(71,403)	(106,897)
Balance at 03/31/2017	14,808,014	21,241,731

The establishment and reversal of the provision for contingencies were recorded in the result for the period as Operating Provisions (Note 42).

a.1) Civil lawsuits

Parent Company

i. Claim for Inflation Adjustment on Compulsory Loan

There is a relevant litigation involving the parent company, where the largest number of actions in this sphere relates to the actions whose subject matter is the application of inflation

adjustment criteria on the book-entry credits of the Compulsory Loan on the consumption of electric energy.

The subject matter of these actions is to challenge the inflation adjustment system determined by the legislation governing the Compulsory Loan and applied by the Company.

The credits of the compulsory loan were paid by the Company upon conversions carried out in 1988, 1990 and 2005.

The dispute was brought to the Superior Court of Justice (STJ), and the merits of the case were decided by that Court. The matter, however, is currently subject to appeals to the Federal Supreme Court (STF), which are pending decision.

Despite the fact that the matter had been submitted to the STF, due to the precedent of the STJ, decided under article543-C in the Code of Civil Procedure of 1973, the actions filed have been following the regular course and, consequently, there have been several convictions for the payment of inflation adjustment differences related to this period, and as result, Eletrobras has been subject to many executions, and there is no agreement between Eletrobras and the plaintiffs as for the calculation of the due amount.

In the third quarter of 2015, the STJ entered decisions defining the parameters for the method to calculate such executions, accepting some of the claims made by Eletrobras, although not entirely, causing adjustments to the calculation methods adopted by Eletrobras and the risk classification of these actions. In the three-month period ended March 31, 2016, the Company made an increase of R$ 3,431,361 in the provision related to these contingencies.

The Company keeps provision for these civil contingencies, in the Parent Company, of R$ 14,146,433 on March 31, 2017 (R$ 13,901,602 as of December 31, 2016) related to these lawsuits.

ii. Amazonas GT and Eletrobras

There are lawsuits filed against Amazonas GT, in which Eletrobras was included as a defendant, as it undertook to be the guarantor and principal debtor of Amazonas GT in various energy supply contracts.

These processes arise out of payments, fines, and fees charged due to alleged delays and default by Amazonas GT in compliance with obligations related to such contracts.

Specific to these energy supply contracts in which Eletrobras is a guarantor, the Company maintains the provision of R$ 536,740 (R$ 531,198 as of December 31, 2016) backed by the assets in the same amount with subsidiary Amazonas GT.

iii. Amazonas D and Eletrobras

Case that discusses possible delays in payment by Amazonas D to the Independent Energy Producers (PIE) Companhia Energética Manauara S/A. Thus, as Eletrobras was included as a defendant, as it undertook to be the guarantor and principal debtor of this energy supply contract, on March 31, 2017, the Company presents the amount of R$ 12,767 (R$ 12,635 on December 31, 2016) recorded as provision in its expense restrictions.

Consolidated

1) Amazonas D

iii. Delays in Payments to Independent Energy Producers

The Company is a party to 17 lawsuits filed by Independent Energy Producers (PIE), GERA - Generadora de Energia do Amazonas S/A. Breitener Jaraqui S / A, Companhia Energética Manauara S/A and Rio Amazonas Energia SA, in which the following subjects are discussed: a) cancellation of a fine imposed by the Company due to the delay by the PIE in entering into operation of the plant; b) collection of differences in billing of the portion of energy price related to the supply of fuel used in the operation of the plant, raising questions about the formula in Annex G; And c) collection of difference in amounts resulting from the termination of the CPMF.

As a result of new case progresses, the Management reassessed the prognosis of the cases jointly with legal advisers in 2016. On March 31, 2017, the Company presents the adjusted amount of R$ 1,080,628 (R$ 965,517 on December 31, 2016) recorded as provision in its expense restrictions.

b) Contingent Liabilities:

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Labor	2,569,562	2,773,211	4,283,609	3,901,704
Tax	810,428	810,130	10,667,564	10,431,673
Civil	4,682,061	6,745,488	47,084,765	43,942,534
	8,062,051	9,828,829	62,035,938	58,275,911

b.1) Civil

Parent Company

i. Compulsory loan

The subject matter of the civil lawsuits in the Parent Company is to apply inflation adjustment criteria on the book-entry credits of the Compulsory Loan established from 1978.

The subject matter of these actions is to challenge the inflation adjustment calculation system determined by the legislation governing the Compulsory Loan and applied by the Company. The credits were fully paid by the Company upon stock conversions using the applicable legislation as a basis for adjustment.

ii. Class Action

On July 22, 2015 and August 15, 2015, two putative class actions suits were filed against Eletrobras and some of our employees in the United States District Court of the Southern District of New York (SDNY). On October 2, 2015, these actions were consolidated and the Court appointed as lead plaintiffs Dominique Lavoie and the City of Providence. The plaintiffs

filed a consolidated amended complaint on December 8, 2015 purportedly on behalf of investors who purchased our U.S. exchange-traded securities between August 17, 2010 and June 24, 2015, and filed a second amended complaint on February 26, 2016.

The second amended complaint alleges, among other things, that Eletrobras and the individual defendants knew or should have known about alleged fraud committed against the Company by a cartel of contractors, as well as bribes and kickbacks allegedly requested and received by the employees of Eletrobras; that Eletrobras and the individual defendants made material misstatements and omissions regarding the alleged fraud; and that the stock price of Eletrobras declined when the alleged fraud was disclosed.

The plaintiffs have not specified an amount of damages they are seeking, although such amount, when specified, could be material to Eletrobras. On April 15, 2016, Eletrobras filed a motion to dismiss the second amended complaint, which was fully briefed and then submitted to the Court on June 17, 2016. Eletrobras is vigorously defending itself against the allegations made in the lawsuit.

On March 9, 2017, a Hearing On Motion to Dismiss of Eletrobras in the Class Action was held, and both the plaintiff and Eletrobras were given the opportunity to present oral argument before the Court. The law firm that was engaged, Davis Polk & Wardell LLP, stated that Judge John G. Koeltl concentrated his efforts on questioning the existence of the violations attributed to the Company and managers.

In this context, the oral defense of Eletrobras argued that there was no crime from the quantitative point of view, since the impacts on the company's financial statements are insignificant. The law firm also considered that only a manager of the holding was summoned in the information (whose guilt has not yet been tried in Brazil), which is insignificant in view of the size of the Corporation, so is the reduced adjustment in its balance sheet.

On March 27 the outcome of the motion to dismiss was disclosed, and the Court partially accepted the arguments of Eletrobras and partially the arguments of the plaintiffs. The process will now move to the class certification and discovery stages, without creating a financial obligation for Eletrobras.

Thus, there is no present (legal or constructive) obligation that Eletrobras has regarding the class action.

The Management of Eletrobras believes that the complaints themselves do not create a present obligation for Eletrobras in accordance with CPC 25/IAS 37 - (Provisions, Contingent Liabilities and Contingent Assets). As the dispute is still in a preliminary stage, the outcome of the dispute is subject to considerable uncertainty, and it is not possible at this stage for the Management of Eletrobras to reliably estimate the potential loss or a gap of loss, if any, that may result from the judgment of these lawsuits. Therefore, no provision was recognized in the consolidated financial statements of Eletrobras. The final outcome of these lawsuits may have a material adverse effect on Eletrobras' consolidated financial statements, the results of transactions and future cash flows.

iii. Reimbursement by Eletrobras - RGR

With regards to the lawsuits for which the risk assessment is possible, we point out the administrative lawsuit filed by the National Electrical Energy Agency (ANEEL) by means of Order No. 63, of January 13, 2014, which ordered Eletrobras to reimburse to the RGR

account the historical sums of R$ 1,924,188 and R$ 113,577, mainly from amortizations of the outstanding balance of financing not refunded to the RGR and the appropriation of financial fees from said fund in the period of 1998 to 2011. The adjusted amount in dispute up to March 31, 2017 is R$ 2,473,368. In view of ANEEL Order No. 2,585/16 of 09/27/2016, the decision was reversed, defining that the amounts owed to the RGR Fund should be adjusted by the interest of 5% pa, as provided for in the legislation governing the Sector Fund.

These amounts are recorded under loans and financing payable, see Note 22.

The above-mentioned order also orders the amounts in question to be adjusted at the rate of the Banco do Brasil extra-market rate from the date in which they should have been refunded to the RGR until they are effectively returned to that fund. Eletrobras, in disagreement with this contradictory position by ANEEL, filed an administrative appeal on January 24, 2014, alleging that the claims for reimbursement of those sums are time-barred, that Eletrobras has not committed any offense, and that the funds are managed in strict good-faith.

On May 10, 2016, ANEEL determined that Eletrobras should reimburse RGR for funds not supposed to be transferred under the management of the fund, according to ANEEL Order No. 63/2014. Eletrobras, in disagreement with the conclusion of ANEEL's Executive Board regarding the matter, appealed to the Courts seeking the annulment of ANEEL's conclusion on the aforementioned order.

On August 9, 2016, the Executive Board of ANEEL approved the suspension until September 30, 2016, of its decision entered on May 10, 2016.

On September 27, 2016, the Executive Board of ANEEL determined that Eletrobras should reimburse such funds from January 2017 in monthly installments. However, as established in Law 13,299/16, any RGR values withheld by Eletrobras and that exceed the amount of the compounded compensation must be returned by the Company to RGR until 2026. Thus, the terms of payment are still being discussed in court by the Company.

Iv. Itaipu Power Transfer Fee

On December 19, 2013, ANEEL published Resolution No. 1,674, establishing the fee to transfer power from Itaipu for 2014 in the amount equivalent to US$26.05 a month, not taking into account the negative balance of the Itaipu energy trading account in the amount of R$ 881,785, as informed by Eletrobras.

Understanding that the agency decision is mistaken, Eletrobras filed a claim for reconsideration on January 2, 2014, claiming that the resolution violates the terms in Decree No. 4,550/2002 in different aspects, therefore, being absolutely illegal, violating the principles of hierarchy of laws and the prohibition against unjust enrichment.

Eletrobras' claim was granted, recognizing that the amounts corresponding to the default of payments made by distribution companies to Eletrobras should be taken into account in the balance of the Itaipu energy trading account, determining that expenses incurred with the default and other debts held by shareholders could be offset, in an updated manner, upon defining the power transfer fee for 2015. On March 31, 2017, the amount in dispute is R$ 1,207,201 (R$ 1,109,973 on December 31, 2016).

V. Acquisition of Belo Monte's energy for the ACL

Eletrobras and its subsidiaries CHESF and Eletronorte hold a total of 49.98% of the capital stock of SPE Norte Energia SA (NESA), the latter responsible for the construction of the Belo Monte hydroelectric plant.

There was a divergence between the members regarding the application of clause 6.7 of the Shareholders' Agreement, which concerns the exercise of preemptive rights to enter into a purchase agreement at a price of R$ 130.00 / MWh (in April 2010) for the acquisition of 20% of the assured average energy, by Eletrobras of Belo Monte's energy for the Free Market-ACL.

Some members of NESA claim that Eletrobras has an obligation to acquire such energy. Eletrobras understands that there is no such obligation, but rather the preemptive right. The Shareholders' Agreement provides for the settlement of disputes by arbitration. Accordingly, the Meeting of Shareholders of Norte Energia SA (NESA) resolved in April 2016 to initiate such a procedure.

In this arbitration procedure, Eletrobras evaluated as possible the probability of success.

In addition, in case Eletrobras is not successful in the ongoing arbitration procedure, the Company estimates the recognition of an provision for loss of up to R$ 2,207 billion in the purchase and sale of this energy, considering the amounts as of March 31, 2017. Eletrobras' cost of capital, internally established price assumptions and the percentage ownership interest in Eletrobras and its subsidiaries in Belo Monte were used as the basis for this estimate.

Consolidated

1) Distribution Companies

Lawsuit filed by the National Consumers Association (ANDECO)

This is a Public-interest civil action, in progress in the 18th Civil Court of Brazil, filed by ANDECO against Eletrobras, Amazonas D, Eletroacre, Ceal, Celg D, Cepisa, Ceron and Boa Vista, with an amount in dispute of R$ 27,196,824, resulting from the double of the alleged amounts due by the defendants. However, the amount in dispute involving Eletrobras and its subsidiaries is R$ 20,448,964, in which its contingency amount as of March 31, 2017 is R$ 24,230,965 (R$ 23,333,079 on December 31, 2016), as shown in the table below:

Company	Losses	Legal double	Contingency 03/31/2017
Electroacre	250,570	501,140	593,825
Amazonas D	4,813,561	9,627,122	11,407,642
Ceal	1,948,106	3,896,212	4,616,810
Cepisa	1,833,144	3,666,288	4,344,362
Ceron	1,261,910	2,523,820	2,990,596
Boa Vista	117,191	234,382	277,731
Total	10,244,482	20,448,964	24,230,965

The plaintiff claims that, although there is ANEEL's authorization, the prorated collection of non-technical losses (fraud, theft, measurement errors, billing and supply without measurement) is undue and, therefore, the ditibution companies must be ordered to

reimburse twice (legal double amount) the amounts charged in the period from 2010 to 2014, according to their respective balance sheets. It also requests the annulment of all ANEEL Resolutions that allow the collection and inclusion in the invoices of amounts charged for non-technical losses.

The plaintiff requested a preliminary injunction to suspend the collection, as well as ANEEL Resolutions that allow it; however, the request was denied. The Court determined that ANEEL be notified on the interest to be part of the dispute, and ANEEL stated its wish to do so, resulting, as a consequence, in the rejection of jurisdiction and assignment of the case to the Federal Court.

On 08/08/2016, the case was assigned to the 21st Federal Court of Brasília with an initial order upholding the acts hitherto performed in the civil sphere and determining that ANEEL and the Federal Government be notified to present a defense, with the subsequent reply from the plaintiff.

2) Amazonas D

i. Gas Supply Agreement - CIGÁS - Gas Volume Limitation

Regarding the coverage amounts of the Fuel Consumption Account (CCC) related to the generation costs of subsidiary Amazonas Distribuidora de Energia, there is a possibility of non-neutrality of the gas agreement due to Aneel Order No. 314, of February 2, 2016 that set the amount of natural gas to be reimbursed by CCC in 2016 at a level lower than the Daily Contracted Quantity ("QDC") of 5,420,000 m3/day as established in the Natural Gas Sale Agreement between Amazonas Distribuidora And CIGÁS/Petrobrás.

In 2017, ANEEL, upon Resolution No. 202 of March 7, 2017, which approved the annual budget of the Energy Development Account (CDE) for 2017, maintained the same limitation of reimbursement regarding the volume of gas in the level of 2016. The Company filed a Request for Reconsideration with ANEEL against the budget limitations imposed by ANEEL that are pending consideration.

However, in relation to the limitation of the volume reimbursement, the Company assesses as low the risk of application of the financial disbursement, as it understands that ANEEL cannot create a provision that limits the coverage of the reimbursement of generation costs defined by Law 12,119/2009 and reinforced by Law 13,299/2016. In addition, there is a favorable decision entered by the appellate court in a similar case, which guarantees the Company full reimbursement of generation costs, eliminating the effects of the limitations imposed. Ultimately, the Company understands that in the unlikely event that the limitation imposed by ANEEL on the reimbursement of the Gas Volume would prevail, there would be an economic-financial imbalance that could result in review of the gas supply agreement in question or the Gas Price by ANP in order to offset such imbalance.

The amount involved in limiting the reimbursement concerning the volume of gas as of March 31, 2017 is R$ 134 million (R$ 463 million as of December 31, 2016).

ii. Oil Reimbursement - ANEEL Resolution No. 427/2011

With the enactment of Provisional Presidential Decree No. 466/2009, which was subsequently converted into Law 12,119/2009, the legislation of the sector provided that CCC would reimburse not only the total cost of the fuel, but also the entire cost of energy generation in

the isolated systems, less the average energy cost calculated for the regulated environment. When regulating Law no. 12,119/2009, Decree No. 7,246/2010 again did not impose or set any limitation on the full reimbursement provided.

However, when regulating Law No. 12,111 of 2009 and Decree No. 7,246 of 2010, ANEEL Normative Resolution No. 427 of 2011 established limitations on the reimbursement of fuel acquisition costs by establishing a reference price.

The Company understands that it is a clear legal right to reimburse CCC, without any limitation; in this regard, it was necessary to file a writ of mandamus in order to guarantee the reimbursement provided for in Law 12,111/2009, without any limitation.

In the aforementioned lawsuit, a decision was entered by the appellate court ensuring to the Company the full reimbursement of generation costs, eliminating the effects of ANEEL Resolution No. 427/2011. As a result, the decision that granted the requested writ is in force, in order to ensure full reimbursement of costs related to fuel consumption without any limitation. Thus, the Company continues to be fully reimbursed for its generation costs.

The Company believes that the loss risk is low due to the Decision already made, which is reinforced by Law 13,299/16 which brought the benefit of providing funds for the payment of reimbursements of fuel acquisition costs incurred up to April 30, 2016 by the concessionaries holding the concessions referred to in Law 12,111/2009, proven but not reimbursed pursuant to the requirements of economic and energy efficiency referred to in § 12 art. 3rd of such Law.

In this regard, ANEEL Technical Note No. 331/2016, dated September 12, 2016, is also included in item III. 2 - "Changes in the CCC", provides that there is a need for amendments to Normative Resolution 427/2011 by virtue of Law 13,299/2016, as follows:

> ii.2 Changes in the CCC
>
> a. Due to the publication of Law No. 13,299, dated 06/21/2016, which amended, among others, provisions of Law No. 12,111, of December 9, 2009, it is necessary to amend the normative act of ANEEL that regulates the management and the processing of the CCC.
>
> b. Thus, in view of Normative Resolution 427/2011, the points to be reviewed are identified below. At first, as it is the item with the greatest economic and financial impact on the distribution companies, we mention article 3 of Law 13,299/2016, which provides for the reimbursement of proven expenses, but not reimbursed due to the economic and energy efficiency requirements provided for in § 12 of article 3 of Law No. 12,111/2010, including inflation adjustments, until 04/30/2016.

Therefore, considering that Law 13,299/2016 guarantees full reimbursement of the fuel cost up to April 30, 2016, the estimated amount in dispute after April 2016 is approximately R$ 96,694.

These contingencies are possible obligations for which there is no recognized provision because it is not probable (more probable) that a legal or constructive obligation resulting

from a past event has occurred or cash payment is not yet likely to be made; or the loss cannot be reliably estimated.

The information concerning the other probable and possible contingencies and the description of the lawsuits relevant to the Company and its subsidiaries is disclosed in the annual financial statements as of December 31, 2016, and there was no material change in the period.

NOTE 31 - ASSET DECOMMISSIONING OBLIGATION

The Company recognizes the obligation to decommission thermonuclear power plants, which consist of a program of activities required by the National Nuclear Energy Commission (CNEN), which allows dismantling these nuclear facilities safely and with a minimal impact on the environment, at the end of their operating cycle.

Given the specific characteristics of operating and maintaining thermonuclear power plants, whenever there are changes to the estimated cost of decommissioning, due to new studies and new technological advancements, the decommissioning charges should be changed so as to adjust the balance of the obligation to the new reality.

The calculation of the adjustment to present value of the decommissioning obligation considers the estimated total cost for the decommissioning, deducted at a rate of 6.02% p.a. representing the cost of capital of the Company, from the end of the economic useful life of each Plant to the balance sheet date.

	CONSOLIDATED
Balance of Liabilities, at Present Value, on 12/31/2015	1,201,186
Adjustment to Present Value/Exchange Rate Change in the period	201,284
Balance of Liabilities, at Present Value, on 12/31/2016	1,402,470
Adjustment to Present Value/Exchange Rate Change in the period	20,646
Balance of Liabilities, at Present Value, on 03/31/2017	1,423,116

NOTE 32 - ADVANCE FOR FUTURE CAPITAL INCREASE

The funds arise from the National Treasury and are allocated to the projects below:

	PARENT COMPANY AND CONSOLIDATED	
	03/31/2017	12/31/2016
Government contribution to future capital increase	3,153,202	3,060,373
Acquisition of CEEE/CGTEE equity interest	230,895	224,097
Banabuí transmission line - Fortaleza	3,898	3,783
UHE de Xingó	10,952	10,629
Transmission line in the State of Bahia	1,714	1,664
Fundo Federal de Eletrificação - Law 5,073/66	10,162	9,863
	3,410,823	3,310,409

The Company received funds of R$ 1,000,000 and R$ 970,000, on April 6 and September 9, 2016, respectively, upon Advance for Future Capital Increase ("AFAC"), made by the controlling shareholder, the Federal Government. These funds will be used to cover capital expenditures for the year 2016, provided for in the budget of Eletrobras holding, and the use of these funds will be forbidden for any transfer to the DisCo of Eletrobras. On November 22, 2016, there was a new inflow of funds in the Company of R$ 936,180 by way of AFAC by the Federal Government, to enable the execution of the Mast Management and Business Plan for the period from 2017 to 2021 ("PNDG 2017-2021").

The AFACs held on April 6 and September 9, 2016 were necessary to reinforce the sources of funds required to comply with the 2016 Global Expenditure Program (PDG), approved by Decree 8,632 of December 30, 2015, due to the failed inflow of some funds originally provided in its capital budget, such as: (i) non-receipt of expected dividends from some investees due to the losses they presented in 2015; (ii) non-receipt, until this date, of the amounts related to the additional indemnities of the generation and transmission concessions renewed in accordance with Law 12,783 / 2013, due to the need to await the regulation by the Government of the conditions for said payment; (iii) difficulty in accessing, at the moment, the debt market due to the current macroeconomic and sectoral conditions.

NOTE 33 – PROVISIONS FOR ONEROUS CONTRACTS

	CONSOLIDATED			
	BALANCE ON 12/31/2016	PROVISIONS	REVERSALS	BALANCE ON 03/31/2017
Transmission				
LT Recife II - Suape II	41,463	380	-	41,843
LT Camaçari IV - Sapeaçu	114,501	145	-	114,646
Others	10,521	-	(3,604)	6,917
	166,485	525	(3,604)	163,406
Generation				
Itaparica	-	6,324	(6,324)	-
Jirau	-	2,276	-	2,276
Funil	63,424	-	(2,442)	60,982
Coaracy Nunes	370,581	-	-	370,581
Marimbondo	235,806	-	(6,367)	229,439
Angra 3	1,350,241	-	(220,381)	1,129,860
Others	487,013	28,200	(6,609)	508,604
	2,507,065	36,800	(242,123)	2,301,742
Distribution				
Ceal	7,809	-	-	7,809
Cepisa	65,382	-	(16,345)	49,037
Ceron	191,325	-	(44,201)	147,124
Boa Vista	2,223	3,798	-	6.21
Amazonas D	812,694	-	(53,971)	758,723
	1,079,433	3,798	(114,517)	968,714
	3,752,983	41,123	(360,244)	3,433,862
Total Current Liabilities	1,093,678	3,798	(114,517)	982,959
Total Non Current Liability	2,659,305	37,325	(245,727)	2,450,903
TOTAL	3,752,983	41,123	(360,244)	3,433,862

The amount of the provision for onerous agreements held on March 31, 2017, R$ 962,431 (R $ 952,728 December 31, 2016) results from concession contracts extended pursuant to Law 12,783/13, due to the fact that the determined fee presents an imbalance over current operating and maintenance costs. In view of this, the present obligation under each contract was recognized and measured as an provision and may be reversed due to adjustments of the cost reduction program and/or fee review.

Angra 3

The Company reviewed the total budget for the Angra 3 undertaking and the expected date for operation of the Angra 3 Nuclear Plant was changed to December 2022. In this way, in 2016, the Company recognized an impairment of R$ 2,885,939 (see Note 19) of the asset related to this undertaking and a value in excess of this asset of R$ 1,677,269, recognized as an onerous agreement.

NOTE 34 - LONG-TERM OPERATING COMMITMENTS

The Company's long-term operating commitments, mainly related to electrical energy and fuel purchase agreements, are:

34.1- Purchase of energy

Companies	2018	2019	2020	2021	2022	After 2022
Amazonas D	796,284	865,926	953,503	1,026,234	1,106,388	3,098,995
CGTEE	228,948	228,948	220,695	220,695	220,696	220,695
Chesf	284,520	284,520	285,300	188,870	188,870	2,264,390
Distribuidora Alagoas	697,658	689,840	799,808	804,523	885,122	885,122
Distribuidora Piauí	1,168	1,072	1,099	1,158	1,006	424,545
Distribuidora Roraima	-	1,047,758	528,156	-	-	-
Distribuidora Rondônia	1,254,994	1,355,922	1,435,240	-	-	-
Eletrosul	246,262	249,674	240,274	238,361	229,981	2,518,068
Furnas	608,278	611,341	603,267	600,419	593,935	3,224,657
Total	4,118,112	5,335,001	5,067,342	3,080,259	3,225,997	12,636,472

34.2- Fuel Suppliers

Companies	2018	2019	2020	2021	2022	After 2022
Amazonas D	2,964,692	3,104,682	2,987,003	2,754,647	2,878,525	19,497,308
CGTEE	89,496	89,496	89,496	89,496	89,496	178,992
Eletronuclear	1,000,000	-	-	1,000,000	600,000	9,003,574
Total	4,054,188	3,194,178	3,076,499	3,844,143	3,568,021	28,679,874

The main activity in the purchase of fuel is in the subsidiary Eletronuclear, which has contracts signed with Indústrias Nucleares Brasileiras - INB for the purchase of Nuclear Fuel for the production of electrical energy, to recharge the thermonuclear power plants (UTN) Angra I and Angra II, as well as to deploy UTN Angra III and recharge it in the future.

Subsidiary Amazonas has a long-term commitment for the purchase of natural gas to generate thermal power energy with Companhia de Gás Natural do Amazonas – CIGÁS. The final term of the agreement is 11/30/2030.

34.3- Sale of Energy

Companies	2018	2019	2020	2021	2022	After 2022
Amazonas GT	558,760	558,760	446,298	319,638	319,638	1,331,970
CGTEE	474,699	474,699	474,699	474,699	474,699	949,398
Chesf	745,410	657,430	657,140	655,890	714,090	8,323,610
Eletrosul	652,352	548,036	493,293	491,945	491,945	7,419,524
Eletronuclear	3,087,989	3,087,989	3,087,989	3,087,989	3,087,989	-
Furnas	2,870,747	2,870,747	1,730,814	1,726,978	1,726,978	27,542,269
Distribuidora Rondônia	2,304,857	2,549,537	2,835,530	-	-	-
Total	10,694,814	10,747,198	9,725,763	6,757,139	6,815,339	45,566,771

34.4- Social and environmental commitments

Companies	2018	2019	2020	2021	2022	After 2022
Eletronuclear			1,136,165	428,893	779,449	348,957
Eletronorte	147,213	-	-	-	-	-
Total	147,213	-	1,136,165	428,893	779,449	348,957

Angra 3

Agreements entered into with the cities of Angra dos Reis, Rio Claro and Paraty, in which Eletronuclear undertook to sign specific social and environmental agreements linked to UTN Angra III, to conduct programs and projects in accordance with the conditions established by IBAMA.

Tucurí

Due to legal requirements related to the expansion projects for Hydroelectric Power Plant Tucuruí and raising its reservoir levels from 72 to 74 meters, there was a need to license this undertaking with the State Environmental Department (Sema) for the state of Pará,and such agency set a condition for approval of the Installation Permit (LI), i.e., that Eletronorte implement various environmental mitigation and compensation programs.

34.5 - Purchase of fixed and intangible assets

Companies	2018	2019	2020	2021
Chesf	196,711	22,264		
Eletronuclear	2,484,774	472,911	-	-
Eletrosul	102,039	103,662	122,631	161,189
Total	2,783,524	598,837	122,631	161,189

Agreements signed with various suppliers to purchase replacement equipment in the permanent assets mainly of power plants Angra I,Angra II, and Angra III, necessary to the operational maintenance of those assets.

The Company continues to evaluate the continuity of the Angra 3 Nuclear Power Plant project, which may impact on the commitments to purchase fixed and intangible assets.

34.6- Acquisition of inputs

Companies	2018	2019	2020
CGTEE	29,352	29,352	29,352
Total	29,352	29,352	29,352

The subsidiary CGTEE acquires lime to control the emissions of waste from its plants.

34.7- Commitments - joint ventures

The value of commitments of joint ventures are presented below at the proportion of the companies' interest.

34.7.1 - Purchase of fixed assets

The Company has procurement contracts for fixed asset with suppliers, for an interest in Special Purpose Entities (SPE), as presented below:

Companies	2018	2019	2020	2021	2022
Eletronorte					
CCBM	26,799				
ELM	14,578	2,078	2,078	2,078	6,829
Others	39,437	3,741	-	-	-
Total	80,814	5,819	2,078	2,078	6,829

34.7.2 - Use of public goods

Companies	2018	2019	2020	2021	2022	After 2022
Norte Energia S.A.	3,288	3,288	3,031	3,031	3,031	29,176
Energética Águas da Pedra S.A.	370	370	370	370	370	1,054
Total	3,658	3,658	3,401	3,401	3,401	30,230

34.7.3 - Capital contribution

The Company has future commitments signed regarding an interest in Special Purpose Entities (SPEs) in the form of advances for future capital increases, as presented below:

Companies	2018	2019	2020	2021	2022	After 2022
Norte Energia S.A.	255,349	18,150	-	-	-	-
Belo Monte Transmissora de Energia SPE S.A.	87,000	-	-	-	-	-
Transnorte Transmissora de Energia S.A.	149,380	-	-	-	-	-
Complexo Famosa	4,000	-	55,000	55,000	55,000	55,000
Complexo Eólico Baleia	-	-	63,000	63,000	63,000	63,000
Complexo Eólico Punaú	8,000	-	80,000	80,000	80,000	80,000
Holding Brasil Ventos	393,000	428,000	38,000	38,000	38,000	38,000
Complexo Eólico Itaguaçú Da Bahia	22000	-	157,000	157,000	157,000	157,000
Empresa de Energia São Manoel S.A.	10,000	-	-	-	-	-
Complexo Eólico Pindaí I	68,125	-	-	-	-	-
Complexo Eólico Pindaí II	15,430	-	-	-	-	-
Complexo Eólico Pindaí III	19,390	-	-	-	-	-
Chapada do Piauí II Holding S.A.	20,717	-	-	-	-	-
Interligação Elétrica Garanhuns S.A.	1,070	-	-	-	-	-
Complexo Eólico Sento Sé II	20,717	-	-	-	-	-
Complexo Eólico Sento Sé III	20,717	-	-	-	-	-
Extremoz Transmissora do Nordeste - ETN S.A.	9,260	-	-	-	-	-
Companhia Energética SINOP S.A.	66,484	-	-	-	-	-
Transmission Auction 004/2014 - Lot A	84,331	84,331	-	-	-	-
New Business	45,000	832,000	548,000	260,000	518,000	-
Total	1,299,970	1,362,481	941,000	653,000	911,000	393,000

NOTE 35 – PROVISION FOR UNSECURED LIABILITIES

On March 31, 2017, the Company recorded s provision forunsecured liabilities the amount of R$ 21,330,688 (R$ 20,160,828 on December 31, 2016). The changes in the companies that had deficiencies are as follows:

Subsidiaries and associated companies	Balance at 12/31/2016	Other Comprehensive Result	Equity Method	Balance at 03/31/2017
CHANGE IN ALLOWANCE FOR UNSECURED LIABILITIES- PARENT COMPANY				
ED Piaui	1,221,736		91,778	1,313,514
ED Roraima	609,313	-	49,767	659,080
Amazonas	9,334,631	-	707,727	10,042,358
ED Acre	264,769	-	54,831	349,600
ED Rondonia	1,295,918	-	110,546	1,406,464
CGTEE	2,352,887	-	235,526	2,588,413
Eletronuclear	4,507,800	(2,006)	(147,431)	4. 358,362
ED A lagoas	573,774	-	69,122	642,896
TOTAL ALLOWANCE FOR UNSECURED LIABILITIES	20,160,828	(2,006)	1,171,866	21,330,688

	Balance at 12/31/2015	Capital payment/Write-off	Other Comprehensive Result	Capitalization of AFAC	Capital gains and losses	Dividends and interest on the stockholders' equity	Equity Method	Balance at 03/31/2016
CHANGE IN THE UNSECURED LIABILITIES - PARENT COMPANY								
		-	-	-	-	-		
ED Piaui	(701,148)						(147,549)	(848,697)
ED Roraima	(337,643)	-	-	-	-	-	(66,150)	(403,793)
Amazonas	(4,363,597)	-	-	-	-	-	(817,416)	(5,181,013)
ED Acre	(125,416)	-	-	-	-	-	(54,409)	(179,825)
ED Rondonia	1,456,558	-	-	245	-	-	(25,013)	(481,326)
CGTEE	(1,210,508)	-	-	-	-	-	(279,619)	(1,490,127)
Eletronuclear	(351,271)	-	64	-	-	-	28,820	(322,387)
ED Alagoas	(247,656)	-	-	8,307	-	-	(56,627)	(295,976)
TOTAL UNSECURED LIABILITIES	(7,793,798)		64	8,552			(1,417,963)	(9,203,144)

35.1 Distribution Companies :

a) Distribuição Alagoas - responsible for the operation and maintenance of the distribution utilities of all municipalities of the State of Alagoas under Concession Agreement 07/2001-ANEEL. Its main purpose is to plan, build, and explore electric utility services to end consumers. The subsidiary, as of March 31, 2017, has negative net working capital of R$ 25,991 (R$ 29,965 on December 31, 2016), accrued losses of R$ 1,321,957 (R$ 1,252,835 on December 31, 2016) and unsecured liabilities of R$ 642,896 (R$ 573,774 as of December 31, 2016) and depends on the Company's financial support.

b) Distribuição Rondônia - responsible for the operation and maintenance of the distribution utilities of all municipalities of the State of Rondônia under Concession Agreement 05/2001-ANEEL. Its main purpose is to plan, build, and explore electric utility services to end consumers. The subsidiary, as of March 31, 2017, has negative working capital of R$ 1,381,003 (R$ 1,377,303 on December 31, 2016), accrued losses of R$ 2,727,709 (R$ 2,617,163 on December 31, 2016) and unsecured liabilities of R$ 1,406,464 (R $ 1,295,918 on December 31, 2016) and depends on the Company's financial support.

c) Distribuição Piauí - responsible for the operation and maintenance of the distribution utilities of all municipalities of the State of Piauí under Concession Agreement 04/2001 dated February 12th, 2001, with ANEEL. The main activity is the distribution of electricity. As of

March 31, 2017, the subsidiary has negative net working capital of R$ 371,363 (R $ 317,782 on December 31, 2016), accrued losses of R$ 2,565,070 (R$ 2,473,292 on December 31, 2016) and unsecured liabilities of R$ 1,313,514 (R$ 1,221,736 on December 31, 2016) and depends on the Company's financial support.

d) Amazonas D. - its main activities are power generation, distribution and transmission in the State of Amazonas. Amazonas Energia has its own generation (2,203.9 MW *) and supplements its need to serve consumers by buying energy from independent producers. As of March 31, 2017, the subsidiary has negative net working capital of R$ 4,560,058 (R$ 6,701,443 on December 31, 2016), accrued losses of R$ 14,646,888 (R$ 13,939,161 on December 31, 2016) and unsecured liabilities of R$ 10,042,358 (R$ 9,334,631 on December 31, 2016). On July 1, 2015, the subsidiary implemented the bundling off process, wherein the electricity generation and transmission activities were separated from its distribution activities (see Note 1).

e) Distribuição Roraima - responsible for the operation and maintenance of the distribution utilities under Agreement 21/2001 - ANEEL, dated March 21, 2001 and Amendment dated October 14, 2005, for the distribution of electricity in the municipality of Boa Vista - RR, valid up to 2015. The subsidiary, as of March 31, 2017, has negative working capital of R$ 433,544 (R$ 395,860 on December 31, 2016), accrued losses of R$ 1,340,295 (R $ 1,290,529 on December 31, 2016) and unsecured liabilities of R$ 659,080 (R$ 609,313 on December 31, 2016) and depends on the Company's financial support.

f) Distribuição Acre - responsible for the operation and maintenance of the distribution utilities of the State of Acre, under Concession Agreement 06/2001, entered into with the National Electric Energy Agency - ANEEL on February 12, 2001, for a term up to July 7, 2015. Electricity of the capital, Rio Branco, and of the six locations interconnected to the Rio Branco System, is supplied by Eletronorte. The interior of the State, since 1999, under a lease agreement, has been supplied by GUASCOR do BrasilLtda., as an Independent Energy Producer (PIE), through Isolated Generation Systems. Here it bears mention that electricity supply for the whole State is provided through Thermal power plants using diesel (100%). As of March 31, 2017, the subsidiary has negative net working capital of R$ 136,010 (R$ 89,367 on December 31, 2016), accrued losses of R$ 805,857 (R$ 749,161 on December 31, 2016) and unsecured liabilities of R$ 330,473 (R$ 273,777 on December 31, 2016).

(*) Information not reviewed by the independent auditors.

35.2 - Generation and Transmission Companies:

(a) Eletrobras Termonuclear SA - wholly owned subsidiary, its main activity being construction and operation of nuclear power plants, and provision of related engineering services, such activities which are regulated and monitored by the ANEEL. The Company has essentially been performing exploration activities for the Angra 1 and Angra 2 plants, with rated power of 1,990 MW*, as well as construction of the Angra 3 plant. Beginning on January 1, 2013, electricity generated by the subsidiary was rated between all concessionaires, permit-holders, or other entities authorized for public distribution in the National Interconnected System (SIN), according to the methodology established Regulatory Resolution No. 530, published on December 21, 2012 by ANEEL, for calculation of the annual shares corresponding to the energy from the Angra 1 and Angra 2 power plants and the conditions for sale of that energy, as per Article 11 of Law No. 12,111/2009. The subsidiary, as of March 31, 2017, has negative working capital of R$ 407,938 (R$ 627,954 on December 31, 2016), accrued losses of R$ 10,805,299 (R$ 10,952,863 on December 31, 2016) and

unsecured liabilities of R$ 4,362,289 (R$ 4,511,861 on December 31, 2016) and depends on the Company's financial support.

(B) Companhia de Generação Térmica de Energia Elétrica (CGTEE) - its main purpose is to conduct studies, plans,construction, and operation of facilities for electricity transmission and generation systems, such activities which are regulated. The Company holds generation concessions for the following thermal power plants: Presidente Médici Plant, Phases A and B, located in the municipality of Candiota; São Jerônimo Plant, located in the municipality of São Jerônimo; and the NUTEPA Plant, located in the municipality of Porto Alegre, all in the State of Rio Grande do Sul. The investee presents as of March 31, 2017 negative net working capital of R$ 1,499,229 (R$ 799,982 on December 31, 2016).

CGTEE presented as of March 31, 2017 an accrued loss of R$ 3,326,467; previously, an accrued loss of R$ 3,090,917 on December 31, 2016. The result recorded as unsecured liabilities on the same date the amount of R$ 2,588,671 (R$ 2,353,121 on December 31, 2016).

Given the current scenario, CGTEE is in negotiations with Eletrobras to determine actions in order to allow technical and financial recovery, and depends on the financial support by Eletrobras for operational maintenance, as well as for any future investments which are necessary.

(*) Information not reviewed by the independent auditors.

NOTE 36 - SHAREHOLDERS' EQUITY

36.1 - Capital Stock

The capital stock of the Company, as of March 31, 2017, is R$ 31,305,331 (R $ 31,305,331 in December 2016) and its shares have no par value. Preferred shares are entitled to voting rights and are not convertible into common shares; however, they have priority in capital repayment and in the distribution of dividends, at the annual rates of 8% for class "A" shares (subscribed until June 23, 1969) and 6% for class "B" shares (subscribed as of June 24, 1969), calculated on the capital corresponding to each class of shares.

The Capital Stock is represented by 1,352,634,100 book-entry shares and is distributed, per major shareholders and according to the share classes, as of March 31, 2017, as follows:

	03/31/2017							
	COMMON		PREFERRED				TOTAL CAPITAL STOCK	
SHAREHOLDER	QUANTITY	%	Series A	%	Series B	%	QUANTITY	%
Federal Government	554,395,652	51,00			1,544	0.00	554,397,196	40.99
BNDESPAR	141,757,951	13.04	-	-	18,691,102	7.04	160,449,053	11.86
BNDES	74,545,264	6.86	-	-	18,262,671	6.88	92,807,935	6.86
Banco Clássico	68,750,900	6.32	-	-	-	-	68,750,900	5.08
American Depositary Receipts - ADR's	28,545,168	2.63	-	-	14,839,015	5.59	43,384,183	3.21
Others	219,055,362	20.15	146,920	100.00	213,642,551	80.49	432,844,833	32.00
	1,087,050,297	100.00	146,920	100.00	265,436,883	100.00	1,352,634,100	100.00

	12/31/2016							
	COMMON		PREFERRED				TOTAL CAPITAL STOCK	
SHAREHOLDER	QUANTITY	%	Series A	%	Series B	%	QUANTITY	%
Federal Government	554,395,652	51,00			1,544	0.00	554,397,196	40.99
BNDESPAR	141,757,951	13.04	-	-	18,691,102	7.04	160,449,053	11.86
BNDES	74,545,264	6.86	-	-	18,262,671	6.88	92,807,935	6.86
Banco Clássico	68,750,900	6.32	-	-	-	-	68,750,900	5.08
American Depositary Receipts - ADR's	30,449,968	2.80	-	-	16,755,615	6.31	47,205,583	3.49
Others	217,150,562	19.98	146,920	100.00	211,725,951	79.77	429,023,433	31.72
	1,087,050,297	100.00	146,920	100.00	265,436,883	100.00	1,352,634,100	100.00

Of the total of 432,844,833 shares held by minority shareholders, 220,973,402, i.e., 51.0% are held by non-resident investors, of which 103,464,987 are common shares, 28 are "A" preferred shares and 117,508,393 are class "B" preferred shares.

Of the total interest held by shareholders domiciled abroad, 28,545,168 common shares and 14,839,015 class "B" preferred shares are held in custody, backing the American Depositary Receipts - ADR's.

36.2 - Capital Reserves

	PARENT COMPANY AND CONSOLIDATED	
	03/31/2017	12/31/2016
Insufficient Compensation Offset - CRC	6,779,931	6,779,931
Stock premium	3,384,310	3,384,310
Special - Decree-Law 54,936 / 1964	387,418	387,418
Inflation Adjustment of the opening balance sheet of 1978	309,655	309,655
Compulsory Loan Inflation Adjustment - 1987	2,708,432	2,708,432
Donations and grants - FINOR, FINAM and others	297,424	297,424
	13,867,170	13,867,170

36.3 – Profit reserve

	PARENT COMPANY AND CONSOLIDATED	
	03/31/2017	12/31/2016
Legal (article 193 - Law 6,404/1976)	171,295	171,295
Created by the articles of association (article 194 - Law 6,404 / 1976)	1,747,208	1,747,208
Unearned Income (article 197 - Law 6,404/1976)	386,375	386,375
Retained earnings (article 196 - Law 6,404 / 1976)	713,802	713,802
	3,018,680	3,018,680

36.3.1 - Legal Reserve

Restricted based on 5% of net income appraised in each fiscal year, which, pursuant to Law 6,404/1976, must be restricted prior to any other allocation to establish a legal reserve, which may not exceed 20% of the capital stock or 30% of the capital stock when increased by the amount of capital reserves. The purpose of the legal reserve is to ensure the integrity of the capital stock and may only be used to offset losses or increase the capital.

36.3.2 - Reserve created by the articles of association

	PARENT COMPANY AND CONSOLIDATED	
	03/31/2017	12/31/2016
Investments (50% of Net Income)	1,712,950	1,712,950
Studies and projects (1% of Net Income)	34,260	34,260
	1,747,209	1,747,209

The Company's articles of association state that the Meeting of Shareholders shall allocate, in addition to the legal reserve, calculated on the net income for the year:

I - 50%, as an investment reserve, intended to be used in investments by electric concessionaries, whose accrued balance may not exceed seventy-five percent of the paid-in capital stock; and

II - 1% as a reserve for studies and projects, intended to cover the implementation of studies and projects of technical and economic viability of the electric energy sector, whose accrued balance may not exceed two percent of the paid-in capital stock.

36.3.3 - Unearned income

In the fiscal year in which the amount of mandatory minimum dividends, calculated in accordance with the articles of association, exceeds the earned portion of the net income for the year, the meeting of shareholders may, upon proposal of the management bodies, allocate the excess to restrict unearned income. The unearned retained income may only be used to pay the mandatory dividend and will be part of the unearned income of each year

that are the first to be earned in cash, provided that it is not absorbed by losses appraised in subsequent years.

36.3.4 - Retained earnings

Intended for investments provided in the capital budget, in which the meeting of shareholders may, upon proposal of the management bodies, decide to retain a portion of the net income for the year previously approved by the meeting of shareholders.

NOTE 37 - EARNINGS PER SHARE

(a) Basic

Basic earnings per common share is calculated by dividing the earnings attributable to the Company's shareholders by the weighted average amount of common shares issued during the year, which excludes common shares bought by the Company and held as treasury shares. Preferred shares have priority in the distribution of minimum dividends. However, its portion in rights over income, once the distribution of minimum dividends has been made, is equivalent to common shares. Therefore, the result per preferred share is calculated using the method applied to the common shares.

	03/31/2017			
Numerator	Common	Preferred A	Preferred B	Total
Income attributable to each class of shares	1,119,993	151	273,481	1,393,625
Denominator	Common	Preferred A	Preferred B	Total
Weighted average number of shares	1,087,050	147	265,437	1,352,634
% of shares in relation to total	80.37%	0.01%	19.62%	100.00%
Basic result per share (R$)	1.03	1.03	1.03	

	03/31/2016			
Numerator				
Income attributable to each class of shares	Common (2,108,326)	Preferred A (1,187)	Preferred B (1,788,347)	Total (3,897,860)
Denominator	Common	Preferred A 147	Preferred B	Total
Weighted average number of	261,028	0.03%	221,412	482,587
shares % in relation to total	54.09%		45.88%	100.00%
Basic result per share (R$)	(8.08)	(8.08)	(8.08)	

(b) Diluted

To calculate the diluted earnings per share, the Company must presume the exercise of options, warrants and similar items diluting the company. The presumed values derived from these instruments should be considered as having been received from the issuance of common shares at the average market price of the common shares during the period. On March 31, 2017, the 15,579,561 dilutive potential common shares related to the Compulsory Loan were included in the calculation of the weighted average number of preferred shares due to the dilutive effect in 2016 and 2017, as presented below.

03/31/2017					
Numerator	Common	Preferred A	Converted Preferred B	Preferred B	Total
Income attributable to each class of shares	1,107,596	150	15,426	270,454	1,393,625
Denominator	Common	Preferred A	Preferred B - Converted	Preferred B	Total
Weighted average number of shares in thousand	1,087,050	147	(15,140)	265,437	1,367,774
% of shares in relation to total	79.48%	0.01%	1.11%	19.41%	100.00%
Earnings per diluted share (R$)	1.02	1.02	1.02	1.02	

NOTE 38 - NET OPERATING REVENUE

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016
OPERATING REVENUE				
Generation				
Energy supply for distribution companies	833,177	908,144	3,314,134	3,054,904
End-user energy supply	-	-	685,174	641,232
Short-Term Electricity	-	-	396,301	217,425
Revenue from Operation and Maintenance of Renewed Concessions	-	-	563,903	510,043
Revenue from Construction of Renewed Plants	-	-	6,356	(17,730)
Rate of return adjustments - Generation	-	-	-	
Itaipu Financial Effect	49,438	(147,590)	49,438	(147,590)
	882,615	760,554	5,015,306	4,258,284
Transmission				
Revenue from Operation and Maintenance of Renewed Lines	-	-	746,557	672,527
Revenue from Operation and Maintenance	-	-	63,780	47,343
Construction Revenue	-	-	174,100	311,909
Financial Return on investment	-	-	1,793,361	177,652
	-	-	2,777,798	1,209,431
Distribution				
Electricity Distribution	-	-	2,360,206	2,287,395
Short-Term Electricity	-	-	108,915	38,287
Construction Revenue	-	-	141,611	156,978
CVA and other financial items	-	-	(31,632)	69,872
	-	-	2,579,100	2,552,532
Other income	8,627	4,190	443,977	254,065
	891,242	764,744	10,816,181	8,274,312
(-) Deductions from Operating Revenue				
(-) ICMS	-	-	(615,427)	(495,089)
(-) PASEP and COFINS	(18,626)	75,226	(787,490)	(606,997)
(-) Sector charges	-	-	(436,632)	(374,529)
(-) Other Deductions (including ISS)	-	-	(7,808)	(36,327)
	(18,626)	75,226	(1,847,357)	(1,512,942)
Net Operating Revenue	872,616	839,970	8,968,824	6,761,370

On April 20, 2016, the Ministry of Mines and Energy - MME published Ordinance No. 120, which regulated the conditions for receiving remuneration related to the electric power transmission assets existing on May 31st, 2000, known as Existing Basic Grid - RBSE and other Transmission Facilities - RPC, not depreciated and not amortized, according to the second paragraph of article 15 of Law 12,783/2013.

For the three-month periods ended March 31, 2017, the Company recognized an adjustment to the estimate of the restated amounts related to the electric power transmission assets

existing on May 31, 2000, of R$ 1,552,501, respectively, under Financial Revenue - Return on Investment in the transmission segment (See Note 2.1).

On April 10th, 2017, a partial injunction was entered in favor of ABRACE in connection with the lawsuit filed by ABRACE against the Federal Government and ANEEL, with a view to suspending the effects related to the yield on the transmission assets existing on May 31st, 2000, of the companies that renewed their concession contracts in 2013, pursuant to Law 12,783/2013.

Based on the legal opinion of the external legal counsel, the Company understands that the decisions taken so far do not interfere with the right to receive the yield on the assets established by Law 12,973/2013 and MME Ordinance No. 120/2016 (further details in Note 48.1) .

NOTE 39 – RETURNS ON SHAREHOLDINGS

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Investments in subsidiaries				
Equity Method	1,454,194	722,038	-	-
Investments in Affiliated Companies				
Equity Method	161,025	51,498	229,177	94,131
	161,025	51,498	229,177	94,131
Other investments				
Interest on the stockholders' equity	10,349	-	10,349	-
Dividends	2,619	18,457	2,619	18,457
Income from capital - ITAIPU				
	57,500	69,500	57,500	69,500
	70,468	87,957	70,468	87,957
Sale of Investments	1,525,147	-	1,525,147	-
	3,210,834	861,493	1,824,792	182,088

NOTE 40 - PERSONNEL, SUPPLIES AND SERVICES

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Personnel	112,874	113,862	1,601,576	1,416,693
Supplies	517	596	54,881	59,783
Services	28,226	51,367	581,329	511,483
	141,617	165,825	2,237,786	1,987,959

NOTE 41 - ENERGY PURCHASE FOR RESALE

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Energy Purchased for Resale				
Distribution	-	-	1,300,104	1,562,689
Marketing at CCEE	158,032	200,513	591,802	593,129
Proinfa	698,476	707,123	703,703	5,372
Others	4,362	2,976	6,688	7,868
	860,870	910,612	2,602,297	2,169,058

NOTE 42 - OPERATING ALLOWANCES (REVERSALS)

	PARENT COMPANY		CONSOLIDATED	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Guarantees	12,546	4,625	12,546	4,625
Contingencies (Note 30)	(2,140)	2,898,358	112,480	2,948,880
PCLD - Consumers and Resellers	-	-	93,665	142,345
PCLD - Financing and Loans (Note 8)	4,560	5,064	5,042	5,064
Unsecured liabilities in subsidiaries (Note 35)	1,173,491	1,417,962	-	-
Onerous Agreements (Note 33)	-	-	(319,121)	(100,551)
Allowance/(Reversals) for losses on investments	21,768	(463)	19,743	(463)
Impairment	(463)	-	270,346	-
Adjustment at Market Value	(91)	138	(91)	138
Other	93,978	1,797	166,321	12,984
	1,303,649	4,327,481	360,931	3,013,022

Contingencies

In the first quarter of 2016, the Company reviewed its estimates for the measurement of lawsuits related to the compulsory loan and identified that some of the lawsuits represented present obligations arising from past events and could generate future disbursement of funds, which resulted in an increase of R$ 3,431,361 in the allowance at the time. In the first quarter of 2017, there were no major changes in the allowances for contingencies of the Company (see note 30).

NOTE 43 - ASSETS HELD FOR SALE

43.1 - Disposal of the controlling interest of subsidiary CELG D

On September 26, 2014, at a Special Meeting of Shareholders, Eletrobras approved the acquisition, by the Company, of the controlling interest of CELG Distribuição SA (CELG D).

The Company completed the acquisition of CELG D by paying and transferring, on January 27, 2015, 76,761,267 common shares issued by CELG D, corresponding to 50.93% of the Utility's capital stock, of R$ 59,454.

On December 28, 2015, at a Special Meeting of Shareholders, Eletrobras approved the disposal of the controlling interest of CELG D in a privatization auction to be promoted by BM & FBOVESPA, according to the minimum price and conditions established in Resolution 11/2015 of the National Privatization Council - CND. On December 31, 2015, the Company classified the assets and liabilities of subsidiary CELG D as an asset held for sale, as the Company was committed to the disposal of the controlling interest of said subsidiary.

On November 30, 2016, the Privatization Auction Number 02/2016 of CELG D was held on the São Paulo Stock Exchange (BM & FBOVESPA) and ENEL BRASIL S / A ("Successful tender") won the tender.

On January 24, 2017, the Brazilian Antitrust Authority - CADE authorized the completion of the privatization of CELG D.

On January 31, 2017, the National Electric Energy Agency ("ANEEL") approved the acquisition of CELG D by ENEL BRASIL S/A, upon Resolution No. 6,182 / 2017.

On February 14th, 2017, the CELG D Share purchase agreement was signed between Eletrobras, Companhia Celg de Participações - CELGPAR and ENEL BRASIL S/A, according to the established schedule.

Eletrobras received, on this date, the amount of R$ 1,065,266 related to said disposal and recognized a gain in the result of the period ended March 31, 2017 related to the sale of the subsidiary in the amount of R$ 1,524,687.

NOTE 44 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

44.1 - Capital Risk Management

The Company's purposes in managing its capital are safeguarding its continuity so as to offer a return to shareholders and benefits to other stakeholders, in addition to pursuing an optimal capital structure to reduce such cost. The purchase or sale of financial assets are recognized on the date of negotiation.

In order to maintain or adjust capital structure, the Company may revise its dividend payment policy, return capital to shareholders, or issue new shares or sell assets in order to reduce, for example, the level of debt.

The Company, consistent with other companies in the sector, monitors capital based on the financial leveraging index. This index is the net debt divided by total capital. The net debt, in turn, is total loans (including short- and long-term loans, as demonstrated in the consolidated balance sheet), subtracted from cash and cash equivalents, and securities. Total capital is determined by adding net equity, as demonstrated in the consolidated balance sheet, to net debt.

	CONSOLIDATED	
	03/31/2017	12/31/2016
Total loans and financing	45,686,135	45,620,428
(-) Cash and Cash Equivalents and Debentures and Securities	7,725,403	6,424,881

Net Debt	37,960,732	39,195,547
(+) Total owners' equity	45,866,265	44,064,927
Total Capital	83,826,997	83,260,474
Financial Leverage Index	45%	47%

44.2 - Classification of financial instruments by category

The book balances of financial assets and liabilities represent a reasonable approximation of their fair value. The Company uses hierarchy to measure the fair value of its financial instruments:

		PARENT COMPANY	
FINANCIAL ASSETS (Current / Non-Current)	Measurement	03/31/2017	12/31/2016
Cash and cash equivalents		25,579	194,106
Loans and receivables		38,018,472	38,300,688
Customers	Amortized Cost	414,054	431,472
Loans and Financing	Amortized Cost	35,131,754	35,381,756
Reimbursement rights	Amortized Cost	76,242	74,527
Financial Assets - Itaipu	Amortized Cost	2,396,422	2,412,933
Held until maturity		249,254	245,296
Debentures and Securities	Amortized Cost	249,254	245,296
Measured by fair value by result		5,273,338	4,288,141
Debentures and Securities	Fair value	5,273,338	4,288,141
Available for sale		1,211,501	1,168,935
Investments (Interests)	Fair value	1,211,501	1,168,935
FINANCIAL LIABILITIES (Current / Non-Current)			
Measured at amortized cost		29,308,195	29,665,828
Suppliers	Amortized Cost	376,870	440,976
Loans and Financing	Amortized Cost	25,616,207	26,319,526
Reimbursement Obligations	Amortized Cost	1,857,251	1,693,309
Financial liabilities - Itaipu	Amortized Cost	(1,457,867)	(1,212,017)
Measured by fair value by result		4,257	6,614
Financial Instruments Derivatives - Hedge	Fair value	4,257	6,614

		CONSOLIDATED	
	Measurement	03/31/2017	12/31/2016
FINANCIAL ASSETS (Current / Non-Current)			
Cash and cash equivalents		975,504	679,668
Loans and receivables		79,380,989	78,991,610
Customers	Amortized Cost	6,718,261	6,481,303
Loans and Financing	Amortized Cost	12,313,190	13,184,244
Reimbursement rights	Amortized Cost	8,922,613	9,164,986
Financial Assets - Generation and Transmission	Amortized Cost	13,303,541	13,590,194
Financial Assets - Transmission (RBSE)	Fair Value	38,123,384	36,570,883
Held until maturity		250,053	246,801
Debentures and Securities	Amortized Cost	250,053	246,801

Measured by fair value by result		6,691,293	5,727,185
Debentures and Securities	Fair value	6,499,846	5,498,412
Derivative Financial Instruments	Fair value	191,447	228,773
Available for sale		6,341,286	6,283,905
Investments (Interests)	Fair value	1,411,226	1,357,923
Financial Assets – Distribution	Fair value	4,930,060	4,925,982
FINANCIAL LIABILITIES (Current / Non-Current)			
Measured at amortized cost		69,939,677	69,885,305
Suppliers	Amortized Cost	19,286,482	19,442,121
Loans and Financing	Amortized Cost	45,686,135	45,620,428
Debentures	Amortized Cost	206,741	201,375
Reimbursement Obligations	Amortized Cost	3,545,297	3,384,398
Commercial lease	Amortized Cost	1,147,467	1,169,504
Concessions payable UBP	Amortized Cost	67,555	67,479
Measured by fair value by result		47,540	50,631
Derivative Financial Instruments	Fair value	43,283	44,017
Financial Instruments Derivatives - Hedge	Fair value	4,257	6,614

44.2.1 - Valuation techniques and information used

a) Cash and cash equivalents: held for trading in the short term and measured at fair value, and their effects are recognized directly in the income or loss.

b) Debentures and Securities - Short and Long Term - usually held for trading in the short term and measured at fair value, and their effects are recognized directly in the income or loss.

c) Customers: recorded at their par value, similar to fair and probable realizable values. Renegotiated loans are recorded assuming the intention to hold them to maturity, at their probable realizable values, similar to fair values.

d) Financial assets of the concession: financial assets that represent the unconditional right to receive a certain amount at the end of the concession term. Classified as loans and receivables.

e) Derivatives: measured at fair value and their effects recognized directly in the income or loss or the owners' equity, depending on the type of each derivative designation.

f) Reimbursement Right: financial assets that represent CCC's reimbursement right, related to the costs of electric power generation in the Isolated Systems, including the costs related to the procurement of energy and power associated with the own generation to provide electric utility services, electricity sector charges and taxes, as well as investments made. Classified as loans and receivables.

g) Investments in Interests: permanent investments in other companies, evaluated by the equity method.

h) Suppliers: measured at known or estimated amounts, plus, when applicable, the corresponding charges, inflation adjustments and/or foreign-exchange changes incurred up to the balance sheet date, and their book value is approximated to their fair value.

i) Debentures: measured at amortized cost using the effective interest rate method. The Company believes that these instruments approximate their fair values, except when these debentures have Unit Price - PU in the secondary market close to the reporting period.

j) Loans and financing: measured at amortized cost using the effective interest rate method. The market values of the loans and financing obtained are similar to their book values.

k) Lease-purchase agreement: the par value used in the calculation of liabilities arising from said contracts was determined by reference to the value set for contracting monthly power, multiplied by the installed capacity (60 to 65 MW) and by the number of months of the contract.

l) Reimbursement obligations: refer to the amounts of advances and taxes (ICMS, PIS and COFINS) to be returned to the CCC Fund.

m) Other financial instruments: the fair values are similar to their book values, as: (i) they have an average collection/payment period of less than 60 days; (ii) they are concentrated in fixed income securities, bearing interest at the CDI rate; And (iii) there are no similar instruments with comparable maturities and interest rates.

44.2.1 - Fair value estimate:

The financial assets and liabilities recorded at fair value were classified and disclosed according to the following levels:

	PARENT COMPANY			
	03/31/2017			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS (Current / Non-Current)				
Available for sale	1,211,501	-	-	1,211,501
Investments (Interests)	1,211,501	-	-	1,211,501
Measured at fair value by result	-	5,273,338	-	5,273,338
Debentures and Securities	-	5,273,338	-	5,273,338
FINANCIAL LIABILITIES (Current / Non-Current)				
Measured at fair value by result	-	4,257	-	4,257
Derivative Financial Instruments	-	4,257	-	4,257

	PARENT COMPANY			
	12/31/2016			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS (Current / Non-Current)				
Available for sale	1,168,935	-	-	1,168,935
Investments (Interests)	1,168,935	-	-	1,168,935
Measured at fair value by result	-	4,288,141	-	4,288,141
Debentures and Securities	-	4,288,141	-	4,288,141
FINANCIAL LIABILITIES (Current / Non-Current)				
Measured at fair value by result	-	6,614	-	6,614
Derivative Financial Instruments	-	6,614	-	6,614

	CONSOLIDATED			
	03/31/2017			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS (Current / Non-Current)				
Available for sale	1,411,226	4,930,060	-	6,341,286
Investments (Interests)	1,411,226	-	-	1,411,226
Financial Assets - Distribution Concessions	-	4,930,060	-	4,930,060
Measured at fair value by result	-	44,814,677	-	44,814,677
Debentures and Securities	-	6,499,846	-	6,499,846

Derivative Financial Instruments	-	191,447	-	191,447
Financial Assets - Transmission (RBSE)	-	38,123,384	-	38,123,384
FINANCIAL LIABILITIES (Current / Non-Current)				
Measured at fair value by result	-	47,540	-	47,540
Derivative Financial Instruments	-	43,283	-	43,283
Financial Instruments Derivatives - Hedge	-	4,257	-	4,257

	CONSOLIDATED			
	12/31/2016			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS (Current / Non-Current)				
Available for sale	1,357,923	4,925,982	-	6,283,905
Investments (Interests)	1,357,923	-	-	1,357,923
Financial Assets - Distribution Concessions	-	4,925,982	-	4,925,982
Measured at fair value by result	-	42,298,068	-	42,298,068
Debentures and Securities	-	5,498,412	-	5,498,412
Derivative Financial Instruments	-	228,773	-	228,773
Financial Assets - Transmission (RBSE)	-	36,570,883	-	36,570,883
FINANCIAL LIABILITIES (Current / Non-Current)				
Measured at fair value by result	-	50,631	-	50,631
Derivative Financial Instruments	-	44,017	-	44,017
Financial Instruments Derivatives - Hedge	-	6,614	-	6,614

Level 1 – prices quoted (not adjusted) on active, liquid and visible markets for identical assets and liabilities accessible on the date of measurement;

Level 2 – prices quoted (adjusted or not) for similar assets and liabilities on active markets, other entries not observable in level 1, directly or indirectly, in terms of asset or liability, and

Level 3 – assets and liabilities not priced or where prices or valuation techniques are supported by a small or non-existent, not observable or liquid market. In this level, the estimated fair value becomes highly subjective.

The fair value of financial instruments traded in active markets (such as securities carried for trading and available for sale) is based on market prices quoted on the balance sheet date. A market is seen as active if quoted prices are promptly and regularly available from an exchange, distributor, broker, group of industries, pricing service, or regulatory agency, and the prices represent real market transactions which occur regularly on purely commercial bases.

The quoted market price used for financial assets held by the Company and its subsidiaries is the current competitive price. These instruments are in Level 1. The instruments in Level 1 include mainly equity investments of the FTSE 100 classified as securities for trade or available for sale.

The fair value of financial instruments not traded on active markets (such as over the counter derivatives) is determined using valuation techniques. These valuation techniques maximize the use of information adopted by the market where it is available, and rely as little as possible on the entity's specific estimates. If all relevant information required for the fair value of an instrument is adopted by the market, the instrument will be included in Level 2.

If one or more relevant pieces of information is not based on data adopted by the market, the instrument will be included in level 3.

Specific valuation techniques used to assess financial instruments include:

- Quoted market prices or quotes from financial institutions or brokers for similar instruments.
- The fair value of interest rate swaps is calculated by the present value of estimated future cash flows based on yield curves adopted by the market
- The fair value of forward exchange rate contracts is determined based on future exchange rates on the balance sheet date, with the resulting value discounted from the present value.

Other techniques, such as discounted cash flow analysis, which are used to determine the fair value of remaining financial instruments, and counterparty credit risk in swap operations.

44.3 - Financial Risks Management:

In the exercise of its activities, the Company is affected by risk events that could compromise its strategic objectives. The main objective of risk management is to anticipate and minimize the adverse effects of such events on the Company's business and economic and financial results.

The Company defined operating and financial policies and strategies to manage financial risks, approved by internal committees and by management, which aim to confer liquidity, safety and profitability to its assets, and maintain set debt levels and profile for financial and economic flows.

The main financial risks identified in the process of risk management are:

44.3.1 - Exchange rate risk

This risk arises from the possibility of the Company having its economic and financial statements affected by exchange rate fluctuations. The Company is exposed to financial risks that cause volatility in its results and in its cash flow. The Company has significant exposure between assets and liabilities indexed in foreign currency, especially to the United States dollar, arising mainly from financing contracts with Itaipu Binacional.

In this context, the Company's financial hedging policy was approved. The objective of the current policy is to monitor and mitigate the exposure to market variables that could impact the Company and its' subsidiaries' assets and liabilities, thus reducing the effects of undesirable fluctuations in these variables on their financial statements.

As a result, said policy aims to get the Company's results to accurately reflect its real operating performance, and its projected cash flow to be less volatile.

Along with the policy, the creation of a Financial hedge committee was formed within the scope of the Financial Office, whose main function is to define the strategies and hedge instruments to be submitted to the Company's Executive Board.

Taking into account the various forms of hedging the Company's unhedged items, the approved policy lists a scale of priorities. First a structural solution, and only in residual cases, the use of operations with derivative financial instruments.

When transactions with financial derivatives are performed, the Company's hedge policy is followed, and they may not constitute financial leveraging or the concession of credit to third parties.

(a) – Composition of balances in foreign currency and sensitivity analysis:

In the following charts, scenarios were considered for indices and rates, with their respective effects on the Company's profit and loss. For the sensitivity analysis, the probable scenario used for 2016 and 2017 was forecasts and/or estimates based fundamentally on macroeconomic assumptions obtained from the Focus report, published by the Central Bank, and Economic Outlook 86, published by the OECD (Organization for Economic Co-operation and Development).

Sensitivity analyses were conducted on financial instruments, assets and liabilities, which present exposure to the exchange rate and which could bring material losses to the Company, in four different scenarios, based on the above-mentioned probable scenario: two considering currency appreciation, and another two considering a devaluation of those currencies.

The sensitivity analyses were created in accordance with CVM Guidance 475/2008, with the objective of measuring the impact of changes in market variables on each of the Company's financial instruments. Therefore, these are projections based on assessments of macroeconomic scenarios, and do not mean that the transactions will have the values presented in the analysis period considered.

(a.1) Exchange rate valuation risk:

		PARENT COMPANY				
		Balance at 03/31/2017		Effect on the result - income (expense)		
		Foreign Currency	Brazilian Real	Scenario I - Probable 2017 [1]	Scenario II (25%) i	Scenario III (50%) i
	Loans obtained	3,483,838	11,036,103	(147,018)	(2,942,798)	(5,738,578)
USD	Loans granted	3,293,685	10,435,713	137,017	2,780,200	5,423,382
	Financial Assets - Itaipu	296,224	938,555	12,323	250,042	487,762
	Impact on income or loss - USD			2,322	87,444	172,566
	Loans obtained	59,674	202,192	(1,892)	(52,913)	(103,933)
EURO	Loans granted	59,242	200,806	1,801	52,453	103,104
	Impact on income or loss -EURO			(91)	(460)	(829)
	Loans obtained	3,325,182	94,535	1,430	(21,846)	(45,123)
Japanese yen	Loans granted	7,045,077	200,362	(3,100)	46,216	95,531
	Impact on income or loss - Japanese yen			(1,670)	24,369	50,409
	IMPACT ON RESULTS IN CASE OF AN EXCHANGE RATE VALUATION			562	111,353	222,145

		CONSOLIDATED				
		Balance at 03/31/2017		Effect on the result - income (expense)		
		Foreign Currency	Brazilian Real	Scenario I Probable 2017 i	Scenario II (25%) i	Scenario III (50%) i
	Loans obtained	3,601,122	11,407,633	(151,967)	(3,041,867)	(5,931,767)
USD	Loans granted	3,178,506	10,070,779	132,226	2,682,977	5,233,728
	Financial Assets - Itaipu	296,224	938,555	12,323	250,042	487,762
	Impact on income or loss - USD			(7,419)	(108,848)	(210,277)
	Loans obtained	59,674	202,192	(1,892)	(52,913)	(103,933)
EURO	Loans granted			(1,892)	(52,913)	(103,933)
	Impact on income or loss -EURO	3,325,182	94,535	1,430	(21,846)	(45,123)
	Loans obtained			1,430	(21,846)	(45,123)
Japanese yen						Loans granted
	IMPACT ON RESULTS IN CASE OF AN EXCHANGE RATE VALUATION			(7,880)	(183,607)	(359,334)

(i) Assumptions adopted:	Probable	25%	50%
USD	3,210	4,013	4,815
EURO	3,420	4,275	5,130
Japanese yen	0.028	0.035	0.042

(a.2) Risk of depreciation of exchange rates:

		PARENT COMPANY				
		Balance at 03/31/2017		Effect on income or loss- income		(expense)
		Currency Currency	Brazilian Real	Scenario I - Probable 2017 [1]	Scenario II (25%) i	Scenario III (50%) i
	Loans obtained	3,483,838	11,036,103	(147,018)	2,648,762	5,444,543
USD	Loans granted	3,293,685	10,435,713	137,017	(2,506,165)	(5,149,348)
	Financial Assets - Itaipu	296,224	938,555	12,323	(225,397)	(463,116)
	Impact on income or loss - USD			2,322	(82,800)	(167,921)
		59,674	202,192	(1,892)	49,129	100,150
EURO	Loans obtained Loans granted	59,242	200,806	1,801	(48,851)	(99,503)
	Impact on income or loss -EURO			(91)	278	648
Japanese yen	Loans obtained	3,325,182	94,535	1,430	24,706	47,982
	Loans granted	7,045,077	200,362	(3,100)	(52,415)	(101,731)
	Impact on income or loss - Japanese yen			(1,670)	(27,709)	(53,749)
IMPACT ON INCOME OF LOSS IN CASE OF AN EXCHANGE RATE DEPRECIATION				562	(110,230)	(221,022)

		CONSOLIDATED				
		Balance at 03/31/2017		Effect on income or loss- income		(expense)
		Currency Currency	Brazilian Real	Scenario I - Probable 2017 i	Scenario II (25%) i	Scenario III (50%) i
	Loans obtained	3,601,122	11,407,633	(151,967)	2,737,933	5,627,833
USD	Loans granted	3,178,506	10,070,779	132,226	(2,418,525)	(4,969,277)
	Financial Assets - Itaipu	296,224	938,555	12,323	(225,397)	(463,116)
	Impact on income or loss - USD			(7,419)	94,011	195,440
EURO	Loans obtained Loans granted	59,674	202,192	(1,892)	49,129	100,150
	Impact on income or loss - EURO			(1,892)	49,129	100,150
Japanese yen	Loans obtained	3,325,182	94,535	1,430	24,706	47,982
	Loans granted			1,430	24,706	47,982
						Impact on income or loss - Japanese yen
IMPACT ON INCOME OF LOSS IN CASE OF AN EXCHANGE RATE DEPRECIATION				(7,880)	167,846	343,573

(i) Assumptions adopted:	Probable	-25%	-50%
USD	3,210	2.408	1.605
EURO	3,420	2.565	1.710
Japanese yen	0.028	0.021	0.014

44.3.2 - Interest rate risk

This risks associated to the possibility of the Company suffering accounting losses due to fluctuation in market interest rates, affecting its financial statements by raising financial expenses with foreign capital raising contracts, mainly, referenced by the Libor rate.

The Company monitors its exposure to the Libor rate and contracts derivative operations to minimize this exposure, as per its Financial Hedging Policy.

a) – Composition of balances by indexer and sensitivity analysis

The composition of debt by indexer, either in national or foreign currency, is broken down in Note 22, item a.

In the following charts, scenarios were considered for indices and rates, with their respective effects on the Company's profit and loss. For the sensitivity analysis, the probable scenario used for 2016 was forecasts and/or estimates based fundamentally on macroeconomic assumptions obtained from the Focus report, published by the Central Bank, and Economic Outlook 86, published by the OECD (The Organization Economic Co-operation and Development).

Sensitivity analyses were conducted on financial instruments, assets and liabilities, which could bring material losses to the Company, in four different scenarios, based on the above-mentioned probable scenario: two considering the valuation of indexers, and another two considering a devaluation of those indexers.

The sensitivity analyses were created in accordance with CVM Guidance 475/2008, with the objective of measuring the impact of changes in market variables on each of the Company's financial instruments. Therefore, these are projections based on assessments of macroeconomic scenarios, and do not mean that the transactions will have the values presented in the analysis period considered.

All scenarios used a likely exchange rate for the dollar to convert into reais the effect on the results of risks linked to fluctuations of the LIBOR In this sensitivity analysis, no exchange effect is being considered due to valuation or devaluation of the probable exchange rate scenario. The impact of appreciation or devaluation of the dollar exchange rate in the probable scenario is presented in item (44.3.1.(a)) of this note.

(a.1) LIBOR

- Risk of valuation of interest rates:

		PARENT COMPANY				
		Debt Balance / Notional Amount on 03/31/2017		Effect on the result - income (expense)		
		in USD	In Reais	Scenario I - Probable 2017 [1]	Scenario II (+25%) i	Scenario III (+50%) i
LIBOR	Loans obtained	641,762	2,033,358	(28,841)	(36,051)	(43,261)
	Derivative	650,000	2,059,460	29,211	36,514	43,817
	Total			370	463	555

		CONSOLIDATED				
		Debt Balance / Notional Amount on 03/31/2017		Effect on the result - income (expense)		
		in USD	In Reais	Scenario I - Probable 2017 1	Scenario II (+25%) i	Scenario III (+50%) i
Loans obtained						

	755,700	2,394,361	(33,961)	(42,451)	(50,942)
Derivative	650,000	2,059,460	29,211	36,514	43,817
Total			(4,750)	(5,938)	(7,125)
([1]) Assumptions adopted:		03/31/2017	Probable	25%	50%
USD		3,1684	3,2100		
LIBOR		n/a	1.40%	1.75%	2.10%

(a.2) National indexers

- Risk of valuation of interest rates:

		PARENT COMPANY			
		Balance at 03/31/2017	Effect on the result - income (expense)		
			Scenario I - Probable 2017 [1]	Scenario II (+25%) [1]	Scenario III (+50%) [1]
CDI	Loans obtained	6,044,291	(532,502)	(665,628)	(798,753)
	Impact on income or loss -CDI		(532,502)	(665,628)	(798,753)
IGPM	Loans granted	241,522	11,352	14,189	17,027
	Impact on income or loss - IGPM		11,352	14,189	17,027
IPCA	Loans granted	6,782,922	293,701	367,126	440,551
	Impact on income or loss - IPCA		293,701	367,126	440,551
SELIC	Loans obtained	1,151,790	(101,473)	(126,841)	(152,209)
	Impact on income or loss - SELIC		(101,473)	(126,841)	(152,209)
IMPACT ON INCOME OR LOSS - VALUATION OF INDEXES			(328,923)	(411,153)	(493,384)

		CONSOLIDATED			
		Balance at 03/31/2017	Effect on the result - income (expense)		
			Scenario I Probable 2017 [1]	Scenario II (+25%) [1]	Scenario III (+50%) [1]
CDI	Loans obtained	12,455,268	(1,097,309)	(1,371,636)	(1,645,964)
	Impact on income or loss -CDI		(1,133,737)	(1,417,171)	(1,700,605)
	Loans obtained	6,315,948	(444,011)	(555,014)	(666,017)
TJLP	Issued Debentures	206,741	(14,534)	(18,167)	(21,801)
	Impact on income or loss - TJLP		(458,545)	(573,181)	(687,818)
	Commercial lease	1,147,467	(53,931)	(67,414)	(80,896)
IGPM	Loans granted	239,810	11,271	14,089	16,907
	Impact on income or loss - IGPM		(42,660)	(53,325)	(63,990)

	Loans obtained	1,169,655	(103,047)	(128,808)	(154,570)
SELIC	Loans granted	297	26	33	39
	Impact on income or loss - SELIC		(103,020)	(128,776)	(154,531)
IPCA	Loans obtained	487,794	21,121	26,402	31,682
	Impact on income or loss - IPCA		21,121	26,402	31,682
IMPACT ON INCOME OR LOSS - VALUATION OF INDEXES			(1,716,841)	(2,146,051)	(2,575,261)

(i) Assumptions adopted:	Probable	25%	50%
CDI	8.81%	11.01%	13.22%
IPCA	4.33%	5.41%	6.50%
TJLP	7.03%	8.79%	10.55%
IGPM	4.70%	5.88%	7.05%
SELIC	8.81%	11.01%	13.22%

- Risk of interest rate depreciation:

		PARENT COMPANY			
		Balance at 03/31/2017	Effect on the result - income (expense)		
			Scenario I - Probable 2017 [1]	Scenario II (-25%) [1]	Scenario III (-50%) [1]
CDI	Loans obtained	6,044,291	(532,502)	(399,377)	(266,251)
	Impact on income or loss -CDI		(532,502)	(399,377)	(266,251)
IPCA	Loans granted	6,782,922	293,701	220,275	146,850
	Impact on income or loss - IPCA		293,701	220,275	146,850
IGPM	Loans granted	241,522	11,352	8,514	5,676
	Impact on income or loss - IGPM		11,352	8,514	5,676
SELIC	Loans obtained	1,151,790	(101,473)	(76,105)	(50,736)
	Impact on income or loss - SELIC		(101,473)	(76,105)	(50,736)
IMPACT ON INCOME OR LOSS - DEPRECIATION OF INDEXES			(328,923)	(246,692)	(164,461)

		CONSOLIDATED			
		Balance at 03/31/2017	Effect on the result - income (expense)		
			Scenario I Probable 2017 [1]	Scenario II (-25%) i	Scenario III (-50%) i
CDI	Loans obtained	12,455,268	(1,097,309)	(822,982)	(548,655)
	Impact on income or loss -CDI		(1,133,737)	(850,303)	(566,868)
	Loans obtained	6,315,948	(444,011)	(333,008)	(222,006)
TJLP	Issued Debentures	206,741	(14,534)	(10,900)	(7,267)
	Impact on income or loss - TJLP		(458,545)	(343,909)	(229,273)
IGPM	Commercial lease	1,147,467	(53,931)	(40,448)	(26,965)

	Loans granted	239,810	11,271	8,453	5,636
	Impact on income or loss - IGPM		(42,660)	(31,995)	(21,330)
	Loans obtained	1,169,655	(103,047)	(77,285)	(51,523)
SELIC	Loans granted	297	26	20	13
	Impact on income or loss - SELIC		(103,020)	(77,265)	(51,510)
IPCA	Loans obtained	487,794	21,121	15,841	10,561
	Impact on income or loss - IPCA		21,121	15,841	10,561
IMPACT ON INCOME OR LOSS - DEPRECIATION OF INDEXES			(1,716,841)	(1,287,631)	(858,420)

(i) Assumptions adopted:	Probable	-25%	-50%
CDI	8.81%	6.61%	4.41%
IPCA	4.33%	3.25%	2.17%
TJLP	7.03%	5.27%	3.52%
IGPM	4.70%	3.53%	2.35%
SELIC	8.81%	6.61%	4.41%

According to interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating interest rate values calculated from the notional value agreed to. Such contracts allow the Company to mitigate the risk of a change in interest rates on the fair value of debt issued at fixed interest rates, and in the exposure of cash flows to floating rate debt issued The fair value of interest rate swaps at the end of the year is determined by the deduction of the future cash flows, using the curves at the end of the fiscal year and the inherent credit risk in this kind of contract, as follows; The average interest rate is based on outstanding balances at the end of the year.

The following table sets forth the amount of the principal of the debt and the remaining maturities of the interest rate swap contracts at the end of the period ended March 31, 2017 of the report:

					Fair values	
Type	Transaction	Contracted (notional) Amounts	Rates used	Expiration Date	03/31/2017	12/31/2016
Libor X Pre-tax	03/2011	50,000	3.2780%	08/10/2020	(1,842)	(2,642)
Libor X Pre-tax	04/2011	100,000	3.3240%	08/10/2020	(3,799)	(5,437)
Libor X Pre-tax	09/2012	25,000	1.6795%	11/27/2020	137	157
Libor X Pre-tax	10/2012	25,000	1.6295%	11/27/2020	190	211
Libor X Pre-tax	11/2012	75,000	1.6285%	11/27/2020	573	636
Libor X Pre-tax	12/2012	75,000	1.2195%	11/29/2017	87	82
Libor X Pre-tax	13/2012	75,000	1.2090%	11/29/2017	93	88
Libor X Pre-tax	14/2012	50,000	1.2245%	11/29/2017	57	53
Libor X Pre-tax	15/2012	50,000	1.1670%	11/29/2017	76	73
Libor X Pre-tax	16/2012	50,000	1.1910%	11/29/2017	68	65
Libor X Pre-tax	17/2012	50,000	1.2105%	11/29/2017	61	58
Libor X Pre-tax	18/2012	25,000	1.1380%	11/29/2017	43	42
	TOTAL	650,000			(4,257)	(6,614)

Transactions classified as cash flow hedge generated a positive comprehensive income in the period of R$ 1,444 (negative result of R$ 4,219 as of March 31, 2016).

With the designation of swaps for hedge accounting, in the year ending on December 31, 2017, the Company recognized R$ 1,653,679.90 as financial expenses related to swaps.

44.3.3 - Price risk - Commodities

In 2004, the subsidiary Eletronorte signed long-term contracts for the supply of electrical energy to three of its main customers. Part of the income from these long-term contracts is associated with the payment of a premium linked to the international aluminum price, quoted on the London Metal Exchange (LME) as a base asset in determining monthly premiums.

The premium can be considered a component of a hybrid (combined) contract, which includes a non-derivative contract that comprises a derivative, so the cash flow of the combined instrument in certain circumstances varies as if it were an isolated derivative.

The details of the contracts are as follows:

	Contract Dates		
Customer	Start	End	Volume in Average Megawatts (MW)
Albrás	07/01/2004	12/31/2024	750 MW until 12/31/2006 and 800 MW as of 01/01/2007
BHP	07/01/2004	12/31/2017	315 MW

These contracts include the concept of a cap and floor band related to the price of aluminum as quoted on the LME. The maximum and minimum price limit on the LME are US$ 2,773.21/ton and US$ 1,450.00/ton, respectively.

In order to attribute a fair value to the hybrid part of a contract, it is necessary to identify the main components that quantify the amount billed monthly. The main contract variables are: the amount of energy sold (MWh), the price attributed to the LME and the exchange rate in the billing period.

Considering that the premium is associated to the price of the aluminum commodity on the LME, it is possible to attribute a fair value to these contracts. The value of LME closed the month of March 2017 at US$ 1,911/ton, which represented a positive variation of 10.95% in relation to the value verified in December 2016, when the price of the commodity reached US $ 1,722/ Ton.

In the same period of analysis, there was an appreciation of the real against the dollar with the quotation going from R$ 3.35 to R$ 3.17. The positive change in the price of aluminum contributed with an increase in the expected fair value for the derivatives, compensating the devaluation of the dollar in the period.

The gain appraised in this transaction with derivatives as of March 31, 2017 is R$ 116,123 (R$ 182,462 on December 31, 2016) and is presented in the financial result.

(a) Sensitivity analysis on embedded derivatives indexed to aluminum price.

Sensitivity analyses were conducted on energy supply agreements for intensive consumers Albras and BHP, since they have a contractual clause linking the premium to the change in aluminum price on the international market.

Thus, a sensitivity was obtained for such hybrid contracts to the variance in the price of the premium earned, as per the chart below. The volatility components in the premium are basically: price of primary aluminum on the LME, the exchange rate, and CDI (interbank deposit) rate. Find below the impact of each scenario on the company's results.

For scenario II (50% reduction) the expected price per ton of aluminum offered on the LME is below the minimum price for determination of the contract premium (US$ 1,450), hence the value goes to zero, affecting the marking to market of the embedded derivative.

As to the change obtained between scenarios III and IV (increase of 25% and 50%), the great change presented is due to the application of those percentages to the exchange rate, aluminum price, and CDI.

The sensitivity analyses were created in accordance with CVM Guidance 475/2008, with the objective of measuring the impact of changes in market variables on each of the Company's financial instruments. Therefore, these are projections based on assessments of macroeconomic scenarios, and do not mean that the transactions will have the values presented in the analysis period considered.

Balance at 03/31/2017	Scenario I (+25%)indexes and prices	Scenario II (50%) indexes and prices
344,896	825,462	1,021,503

44.3.4 - Credit risk

This risk arises from the possibility of the Company and its subsidiaries suffering losses resulting from a difficulty to realize their deferred revenue from customers, and from default of counterparty financial institutions in transactions.

Through its subsidiaries, the Company operates in markets generating and transmitting electrical energy, supported by contracts signed in a regulated environment. The Company seeks to minimize its credit risk by means of guarantee mechanisms involving deferred revenue from customers, and when applicable, through bank guarantees. In the distribution sector, the Company, through its subsidiaries, monitors default rates by analyzing specifics on its customers.

The credit risk related to client receivables (see note 7) is concentrated on distribution activities, in the sum of R$ 2,380,751 or 35% (R$ 2,395,918 or 38% on December 31, 2016) of the outstanding balance at the end of the year on March 31, 2017, and its main characteristic is the high level of diffusion since it considers a significant volume of sales to residential consumers.

Regarding loan receivables granted (see note 8), except for the financial transaction with joint subsidiary Itaipu, whose credit risk is low due to the inclusion of the cost of loans in the energy marketing fee of the joint subsidiary, as defined in the terms of the international treaty signed between the governments of Brazil and Paraguay, the concentration of credit risk with any other counterparty individually did not exceed 5% of the outstanding balance during the year.

The excessive cash and cash equivalents are invested in exclusive non-market funds, according to specific regulations from the Brazilian Central Bank. This fund is composed

entirely of government debentures held in custody by the Selic, with no exposure to counterparty risk.

In any relationships with financial institutions, the Company has a practice of carrying out transactions only with low risk institutions as deemed by rating agencies, and which fulfill preset and formalized equity requirements. In addition, credit limits are defined, which are periodically revised.

When derivative transactions are conducted on the over-the-counter market, they contain counterparty risks which, given the problems presented by financial institutions in 2008 and 2009, are relevant. In order to mitigate this risk, the Company instituted an accreditation standard for financial institutions, in order to perform derivative transactions. This standard defines criteria regarding size, rating and expertise in the derivatives market, in order to select institutions that may carry out transactions with the Company. The Company currently selects the 20 best financial institutions twice a year, based on the mentioned criteria, as accredited institutions to perform derivative transactions with the Company. In addition, the company has developed a methodology to control exposure to accredited institutions, that sets limits on the volume of transactions to be performed with each one.

The Company monitors the credit risk of its swap transactions, according to IFRS 13, but does not account for this risk of nonperformance in the fair value balance of each derivative because, based on the net exposure to credit risk, the Company can record its swap portfolio on the books given an unforced transaction between the parties on the appraisal date. The Company considers the risk of non-performance only in the backtesting analysis of each relationship designated for hedge accounting.

In addition, the Company is exposed to credit risk related to financial guarantees granted to banks by the Parent Company. The Company's maximum exposure is the maximum amount the Company will have to pay if the guarantee is enforced.

44.3.5 - Liquidity risk

The liquidity needs of the Company and its subsidiaries are the responsibility of the treasury and fund-raising departments, which continually monitor short-, medium- and long-term cash flows, both estimated and realized, seeking to avoid possible discrepancies and resulting financial losses, and guarantee liquidity requirements for operating needs.

The tables below analyzes the non-derivative financial liabilities of the Eletrobras System by maturity range, for the period remaining on the balance sheet until the contractual maturity date. The contractual interests obligations are also contractual repayment/maturity is based on the most recent date the Eletrobras System must settle the respective obligations and includes the corresponding contract interest, if any.

	PARENT COMPANY 03/31/2017				
	Payment Flow				
	Up to 1 year	From 1 to 2 years	From 2 to 5 Years	Over 5 Years	Total
FINANCIAL LIABILITIES (Current / Non-Current)					
Measured at amortized cost	6,891,300	10,516,281	11,450,046	4,518,728	33,376,355
Suppliers	376,870	-	-	-	376,870
Loans and Financing	4,657,179	10,516,281	11,450,046	4,518,728	31,142,234
Reimbursement Obligations	1,857,251	-	-	-	1,857,251
Measured at fair value by result	4,257	-	-	-	4,257
Derivative Financial Instruments	4,257	-	-	-	4,257

	PARENT COMPANY 12/31/2016				
	Payment Flow				
	Up to 1 year	From 1 to 2 years	From 2 to 5 Years	Over 5 Years	Total
FINANCIAL LIABILITIES (Current / Non-Current)					
Measured at amortized cost	7,712,632	5,029,265	17,133,821	4,345,535	34,921,834
Suppliers	440,976	-	-	-	440,976
Loans and Financing	6,278,929	5,029,265	17,133,821	4,345,535	32,787,549
Reimbursement Obligations	1,693,309	-	-	-	1,693,309
Measured at fair value by result	6,614	-	-	-	6,614
Derivative Financial Instruments	6,614	-	-	-	6,614

	CONSOLIDATED 03/31/2017				
	Payment Flow				
	Up to 1 year	From 1 to 2 years	From 2 to 5 Years	Over 5 Years	Total
FINANCIAL LIABILITIES (Current / Non-Current)					
Measured at amortized cost	19,101,872	22,464,395	23,007,873	20,451,794	85,025,933
Suppliers	9,544,132	3,477,670	3,484,963	2,779,717	19,286,482
Loans and Financing	7,377,922	17,396,818	19,141,068	16,856,583	60,772,391
Debentures	15,511	11,017	35,000	145,213	206,741
Reimbursement Obligations	2,023,750	1,461,517	-	60,030	3,545,297
Commercial lease	136,751	112,106	336,318	562,292	1,147,467
Concessions payable UBP	3,805	5,267	10,524	47,959	67,555
Measured at fair value by result	4,379	43,161	-	-	47,540
Derivative Financial Instruments	4,379	43,161	-	-	47,540

	CONSOLIDATED 12/31/2016				
	Payment Flow				
	Up to 1 year	From 1 to 2 years	From 2 to 5 Years	Over 5 Years	Total
FINANCIAL LIABILITIES (Current / Non-Current)					
Measured at amortized cost	20,420,991	19,541,472	25,956,948	12,925,271	79,545,263
Suppliers	9,659,301	3,518,140	3,487,328	2,777,352	19,442,121
Loans and Financing	9,440,941	15,718,925	21,822,739	8,297,782	55,280,386
Debentures	12,442	10,300	41,200	137,433	201,375
Reimbursement Obligations	1,167,503	152,339	146,051	1,918,505	3,384,398
Commercial lease	136,662	139,524	418,571	474,748	1,169,504
Concessions payable UBP	4,142	2,244	41,060	20,033	67,479
Measured at fair value by result	6,946	43,685	-	-	50,631

Derivative Financial Instruments	6,946	43,685	-	-	50,631

In order to remedy the working capital deficiencies presented during the previous fiscal year, the Company's Board of Directors approved a strategic business plan in 2016 to reduce investments, privatize distribution companies, sell administrative properties, sell some SPEs, structure a strategic tax planning to optimize the Company's tax costs and improve the use of tax liabilities, implement a voluntary retirement plan and create a shared service center. As of March 31, 2017, the Company has already evolved in its working capital, with a positive number of R$ 930,778 (i.e., total current assets exceed the total consolidated current liabilities) if compared to the negative CCL of R$ 1,865,858 on December 31, 2016.

44.4 - Embedded derivatives related to debentures convertible into stock

Subsidiary Eletronorte entered into an agreement for the issuance of debentures, in June, 2011, and the release of funds starting in 2013, with Banco da Amazônia S.A. (BASA), which manages Fundo de Desenvolvimento da Amazônia (Amazon Region Development Fund or FDA), in order to raise funds for project implementation.

Since that agreement had a clause regarding the option to convert such debentures into the Company's stock, with a limit of 50% of issued debentures, Sudam's opinion is that it is possible assign a value to the amount that would be assigned to Sudam if such conversion is made.

To determine the value, a valuation was made of the former investee, by estimating the value of its stock and the current value of the agreement, by using parameters for determining the value of the derivative.

The gain calculated in the period ended March 31, 2017 is R$ 733 (gain of R$ 25,786 as of March 31, 2016) and is presented in the income statement for the fiscal year.

44.4.1 - Sensitivity analysis

Sensitivity analyses of the bond agreement were carried out, since there is a contractual clause that refers to the option of converting such debentures into stock of subsidiary Eletronorte.

In the following analysis, different scenarios for the TJLP (long-term interest rate) were taken into account, with the corresponding impacts on the Company's results. For the sensitivity analysis, for a potential scenario, estimates and/or expectations for 2016 and 2017 were used, which were basically based on macroeconomic assumptions obtained from the FOCUS Report, distributed by the Central Bank.

Sensitivity analyses were carried out for the curve of debt service payments of Fundo de Desenvolvimento da Amazônia (Amazon Region Development Fund or FDA), since it has a contractual clause regarding the option to convert 50 % into the Company's stock on the date of actual settlement of stock.

According to IAS 38, hybrid agreements with associated volatile elements, whether they are price indexes and/or commodities, must be marked to market. Thus, interim financial statements will reflect the fair value of the transaction on each date of evaluation.

Therefore, for the agreement, a variation on the expectation for the realization of the long-term interest rate was estimated.

Find below the impact of each scenario on the company's results.

	Balance on March 31	Scenario I (-25%)indexes and prices	Scenario II (-50%) indexes and prices	Scenario I (+25%)indexes and prices	Scenario II (50%) indexes and prices
2017	43,283	29,757	36,632	49,452	55,004

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to presume the conversion of all diluted potential common shares. The Company has only one category of potential diluted common shares: convertible debt (compulsory loan). It is assumed that convertible debt has been converted into common shares and that net income is adjusted to eliminate financial expense less the tax effect.

NOTE 45 - OPERATING SEGMENT INFORMATION

Operating Segment Information, corresponding to March 31, 2017 and March 31, 2016, is as follows:

	03/31/2017							
	Generation			Transmission				
	Management	Exploration System	O&M System	Exploration System	O&M System	Distribution	eliminated items	Total
Net Operating Revenue	44,276	4,296,642	337,763	348,696	2,382,882	1,979,084	(420,519)	8,968,824
Operating Costs and Expenses	(1,623,785)	(2,994,397)	(436,640)	(265,013)	(972,428)	(2,180,359)	1,646,778	(6,825,844)
Operating income or loss Before Financial Result	(1,579,509)	1,302,245	(98,877)	83,683	1,410,454	(201,275)	1,226,259	2,142,980
Financial Result	182,551	(405,214)	(158,657)	(76,737)	(9,633)	(817,171)	(52,768)	(1,337,629)
Income from equity interest	3,278,985	-	-	-	-	-	(1,454,193)	1,824,792
Income tax and social contribution	(580,704)	100,560	(202,620)	(27,503)	(541,724)	-	-	(1,251,991)
Net Income (loss) for the period	1,301,323	997,591	(460,154)	(20,557)	859,097	(1,018,446)	(280,702)	1,378,152

	03/31/2016							
	Generation			Transmission				
	Management	Exploration System	O&M System	Exploration System	O&M System	Distribution	eliminated items	Total
Net Operating Revenue	41,230	3,636,080	429,822	299,516	868,083	1,952,373	(465,734)	6,761,370
Operating Costs and Expenses	(4,849,281)	(3,789,532)	(338,174)	(340,997)	(661,971)	(1,479,598)	2,040,427	(9,419,126)
Operating income or loss Before Financial Result	(4,808,051)	(153,452)	91,648	(41,481)	206,112	472,775	1,574,693	(2,657,756)
Financial Result	(259,495)	(646,526)	(174,798)	(9,383)	160,797	(259,028)	(156,731)	(1,345,164)
Income from equity interest	768,953	-	-	-	-	-	(586,865)	182,088
Income tax and social contribution	14,605	(9,184)	(62,299)	(10,298)	(6,461)	-	-	(73,637)
Net Income (loss) for the period	(4,283,988)	(809,162)	(145,393)	(61,162)	360,448	213,747	831,097	(3,894,469)

The elimination column presents the adjustments made between the Company segments, reconciling the balances disclosed by each segment. The amounts presented above are

substantially related to the equity income of R$ 1,454,193 on March 31, 2017 (R$ 586,865 on March 31, 2016) and recognition of the allowance for unsecured liabilities of the subsidiaries in the amounts of R$ 1,173,491 on March 31, 2017 (R$ 1,417,962 on March 31, 2016). Eliminated items concerning interest-bearing income and expenses are presented in the table below. There are no reconciliations arising from differences in accounting practice.

Revenue and interest expenses by segment:

	03/31/2017					
	Management	Generation	Transmission	Distribution	eliminated items	Total
Interest revenue	933,076	-	-	-	(722,603)	210,473
Interest Expense	(638,470)	(462,570)	(302,738)	(914.916)	759,439	(1,559,255)
Total	294,606	(462,570)	(302,738)	(914.916)	36,836	(1,348,782)

	03/31/2016					
	Management	Generation	Transmission	Distribution	eliminated items	Total
Interest revenue	878,946	6,921	8,825		(701,938)	192,754
Interest Expense	(683,636)	(777,216)	(275,613)	(315,782)	545,207	(1,507,040)
Total	195,310	(770,295)	(266,788)	(315,782)	(156,731)	(1,314,286)

Revenue from external consumers by segment:

	03/31/2017			
	Generation	Transmission	Distribution	Total
Electricity Distribution (sale)	3,314,134	-	-	3,314,134
ELECTRICITY DISTRIBUTION	685,174	-	2,360,206	3,045,380
Short-Term Electricity	396,301	-	108,915	505,216
CVA and other financial items	-	-	(31,632)	(31,632)
Itaipu Financial Effect	49,438	-	-	49,438
Revenue from Operation and Maintenance	563,903	810,337	-	1,374,240
Construction Revenue	6,356	174,100	141,611	322,067
Financial Return on investment	-	1,793,361	-	1,793,361
Rate of return adjustments - Generation	-	-	-	-
Total gross revenue	5,015,306	2,777,798	2,579,100	10,372,204

	03/31/2016			
	Generation	Transmission	Distribution	Total
Electricity Distribution (sale)	3,054,904	-	-	12,885,622
ELECTRICITY DISTRIBUTION	641,232	-	2,287,395	18,153,708
Short-Term Electricity	217,425	-	38,287	1,242,016
CVA and other financial items	-	-	69,872	(339,405)
Itaipu Financial Effect	(147,590)	-	-	(346,638)
Revenue from Operation and Maintenance	510,043	719,870	-	5,154,389
Construction Revenue	(17,730)	311,909	156,978	2,381,630
Financial Return on investment	-	177,652	-	29,406,261
Total gross revenue	4,258,284	1,209,431	2,552,532	68,537,583

Intersegment Revenue:

	03/31/2017			
	Management	Generation	Transmission	Total
Distribution (sale) of Electricity of the distribution segment	-	101,842	-	101,842
Electricity Distribution (sale) of the generation segment	-	226,174	-	226,174
Transmission Revenue - O&M of the generation segment	-	-	70,519	70,519
Transmission Revenue - O&M of the distribution segment	-	-	18,700	18,700
Interest income from generation segment	184,965	-	-	184,965
Interest income from the transmission segment	237,782	-	-	237,782
Interest income from the distribution segment	299,856	-	-	299,856
Total	722,603	328,016	89,219	1,139,838

	03/31/2016			
	Management	Generation	Transmission	Total
Distribution (sale) of Electricity of the distribution segment	-	230,813	-	230,813
Electricity distribution (sale) of the generation segment	-	149,954	-	149,954
Transmission Revenue - O&M of the generation segment	-	-	47,235	47,235
Transmission Revenue - O&M of the distribution segment	-	-	35,843	35,843
Interest income from generation segment	136,167	-	-	136,167
Interest income from the transmission segment	340,792	-	-	340,792
Interest income from the distribution segment	253,539	-	-	253,539
Total	730,498	380,767	83,078	1,194,343

Addition to non-current assets by segment:

	03/31/2017			
	Management	Generation	Distribution	Total
Fixed assets	15,249	342,232		357,481
Intangible assets	5,596	1,652	3,779	11,027
Total	20,845	343,884	3,779	368,508

	03/31/2016			
	Management	Generation	Distribution	Total
Fixed assets	219,951	623,190		843,141
Intangible assets	19,129	4,942	8,101	32,172
Total	239,080	628,132	8,101	875,313

Non-current assets by segment:

	03/31/2017				
	Management	Generation	Transmission	Distribution	Total
Non-current assets					
Fixed assets	1,833,161	23,887,981		884,700	26,605,842
Intangible assets	412,207	146,232	83,837	102,164	744,440
Total	2,245,368	24,034,213	83,837	986,864	27,350,282

	12/31/2016				
	Management	Generation	Transmission	Distribution	Total
Non-current assets					
Fixed assets	1,848,030	24,065,771	-	899,124	26,812,925
Intangible assets	419,775	151,877	83,837	106,249	761,738
Total	2,267,805	24,217,648	83,837	1,005,373	27,574,663

Non-cash items per segment:

	03/31/2017				
	Management	Generation	Transmission	Distribution	Total
Depreciation and Amortization	50,946	344,102	-	66,305	461,353
Establishment (Reversion) of Onerous Agreement	-	(205,323)	(3,079)	(110,719)	(319,121)
Allowance for impairment	(463)	(220,381)	93,525	(43,097)	270,346
Total	50,483	359,160	90,446	(87,511)	412,578

	03/31/2016				
	Management	Generation	Transmission	Distribution	Total
Depreciation and Amortization	46,891	331,179	937	55,751	434,758
Establishment (Reversion) of Onerous Agreement	-	13,406	87,145	-	100,551
Total	46,891	344,585	88,082	55,751	535,309

NOTE 46 - TRANSACTIONS WITH RELATED PARTIES

The final controller of the Company is the Government, which holds 51% of the Company's common shares (See Note 36).

Company transactions with its subsidiaries, controlled companies and special purpose entities are carried out at prices and conditions that are defined by the parties, that take into consideration the terms that could be applied in the market with unrelated parties. Among the main transactions that took place with related parties, we would like to point out loans and financing granted with the above-mentioned conditions and/or according to specific legislation on such matters. The other transactions were based also taking into consideration conditions that could be usual in the market.

		PARENT COMPANY					
		03/31/2017			12/31/2016		03/31/2016
COMPANIES	TYPE OF TRANSACTION	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
FURNAS	Loans and Financing	3,687,352			3,873,939		
	Advance for future capital increase	51,285			49,772		
	Dividend receivable	307,740			298,680		
	Other assets	7,108					
	Reimbursement rights (RBNI)	300,868		123,039	293,670		154,686
	Interest Income, Commissions, Rates and Exchange Rate Change	-					
		4,354,352		123,039	4,217,382		154,686
CHESF	Loans and Financing	538,563			698,716		
	Reimbursement rights (RBNI)	160,869		24,072	157,278		505
	Interest Income, Commissions, Rates and Exchange Rate Change	-					
		699,433		24,072	855,995		505
ELETRONORTE	Loans and Financing	2,709,267			2,758,547		
	Dividend receivable	18			18		
	Other assets	1,747,266			1,459,757		
	Reimbursement rights (RBNI)	84,362		73,295	82,409		50,395
	Interest Income, Commissions, Rates and Exchange Rate Change	-					
		4,540,913		73,295	4,300,731		50,395
ELETROSUL	Loans and Financing	2,297,227			2,295,669		
	Dividend receivable	92,477			89,755		
	Reimbursement rights (RBNI)						
	Interest Income, Commissions, Rates and Exchange Rate Change	94,893		69,451	92,697		72,144
		2,484,597		69,451	2,429,254		72,144
CGTEE	Loans and Financing	2,783,659			2,672,509		
	Advance for future capital increase	574,921			483,858		
	Dividend receivable	85,799		190,925	83,273		85,645
	Interest Income, Commissions, Rates and Exchange Rate Change	-					
		3,444,379		190,925	3,237,022		85,645
ELETRONUCLEAR	Loans and Financing	1,527,247			1,591,566		
	Other Liabilities	-	546,228	43,841		525,977	70,416
	Interest Income, Commissions, Rates and Exchange Rate Change	-					
		1,527,247	546,228	43,841	1,591,566	525,977	70,416
ED ALAGOAS	Loans and Financing	1,603,181			1,457,930		
	Advance for future capital increase	159,155		55,029	159,155		45,529
	Interest Income, Commissions, Rates and Exchange Rate Change						
		1,762,336		55,029	1,617,085		45,529
ED PIAUÍ	Loans and Financing	1,868,194			1,639,734		
	Advance for future capital increase	295,402		64,154	295,402		49,374
	Interest Income, Commissions, Rates and Exchange Rate Change	-					
		2,163,595		64,154	1,935,136		49,374
Amazonas D	Loans and Financing	2,352,940			1,991,981		
	Other assets	13,344			12,635		
	Advance for future capital increase	117,446		90,324	117,446		88,412
	Interest Income, Commissions and Fees	-					
		2,483,729		90,324	2,122,062		88,412
Amazonas Energia - GT	Loans and Financing	1,827,320			1,767,488		
	Other assets	536,740		67,409	531,198		26,844
	Interest Income, Commissions and Fees						
		2,364,060		67,409	2,298,686		26,844
ED RONDÔNIA	Loans and Financing	1,054,728		62,433	965,389		27,663
	Interest Income, Commissions, Rates and Exchange Rate Change	-					
		1,054,728		62,433	965,389		27,663
ELETROPAR	Dividend receivable	7,301					34
		7,301					34
ELETROACRE	Loans and Financing	407,145			370,511		
	Advance for future capital increase	69,462		13,815	69,462		11,871
	Interest Income, Commissions, Rates and Exchange Rate Change	-					
		476,607		13,815	439,973		11,871

		PARENT COMPANY					
		03/31/2017			12/31/2016		03/31/2016
COMPANIES	TYPE OF TRANSACTION	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
	Loans and Financing	163,037	-		115,692	-	
ED RORAIMA	Advance for future capital increase	80,089	-		80,089	-	
	Interest Income, Commissions, Rates and Exchange Rate Change	-	-	6,955		-	2,225
		243,126	-	6,955	195,781	-	2,225
			-			-	
CELG D *	Loans and Financing	298,711	-	13,826	308,585	-	12,271
	Interest Income, Commissions, Rates and Exchange Rate Change	-	-			-	
		298,711	-	13,826	308,585	-	12,271
	Loans and Financing	10,070,779	-		10,770,787	-	
ITAIPU	Dividend receivable	-	-		4,314	-	
	Interest Expense, Commissions, Rates and Exchange Rate Change	-	-	74,403		-	(911,441)
		10,070,779	-	74,403	10,775,100	-	(911,441)
FEDERAL PUBLIC	Reimbursement Obligations (RBNI)	-	717,234			700,582	
AUTHORITY	Loans and Financing Payable	-	14,283,377	-	-	14,609,211	-
		-	15,000,611	-	-	15,309,792	-
NATIONAL TREASURY	Obligations	-	2,590,062	-	-	2,705,947	-
		-	2,590,062	-	-	2,705,947	-
	Contributions payable - sponsor	-	31,059	-	-	31,059	-
	Allowances	-	394,035	-	-	394,035	-
ELETROS	Sponsor contributions	-		33,156	-		(8,683)
	Fees	-		2,644			(661)
		-	425,094	35,800		425,094	(9,344)
CEEE-GT	Reimbursement rights (RBNI)	15,408	-		15,039	-	61
	Interest Income, Commissions, Rates and Exchange Rate Change	-	-			-	
		15,408	-		15,039	-	61
	Loans and Financing	233,405	-		264,723	-	
ENERGISA MT	Dividend receivable	4,950	-	5,848	396	-	7,529
	Interest Income, Commissions, Rates and Exchange Rate Change	-	-			-	
		238,356	-	5,848	265,119	-	7,529
EMAE	Dividend receivable	6,213	-		6,213	-	-
		6,213	-	-	6,213	-	-
	Loans and Financing	143	-	-	154	-	-
CTEEP	Reimbursement rights (RBNI)	39,961	-	-	39,114	-	-
	Interest Income, Commissions, Rates and Exchange Rate Change	-	-	3		-	4
		40,104	-	3	39,268	-	4
	Loans and Financing	148,875	-	-	217,676	-	
CEMAR	Dividend receivable	25,506	-	-	25,506	-	
	Interest Income, Commissions, Rates and Exchange Rate Change	-	-	3,050		-	6,894
		174,381	-	3,050	243,182	-	6,894
LAJEADO ENERGIA	Dividend receivable	50,009	-	-	50,009	-	-
		50,009	-	-	9,692	-	-
CEB LAJEADO	Dividend receivable	14,755	-	-	14,755	-	-
		14,755	-	-		-	-
PAULISTA LAJEADO	Dividend receivable	3,239	-	-	3,028	-	-
		3,239	-	-	1,210	-	-
CEEE-D	Loans and Financing	22,854	-		24,368	-	
	Interest Income, Commissions, Rates and Exchange Rate Change	-	-	407		-	526
* Subsidiary sold in February 2017 (See Note 43)		22,854		-	24,368		-

		CONSOLIDATED					
		03/31/2017			12/31/2016		03/31/2016
COMPANIES	TYPE OF TRANSACTION	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
	Customer	3,373		-	2,245		-
	Other assets	3,096		-	1,991		-
FEDERAL PUBLIC	Loans and Financing Payable	-	31,607,749			31,483,757	
AUTHORITY	Suppliers (BR Distribuidora)	-	3,476,463	-		5,437,476	-
	Reimbursement Obligations (RBNI)	-	717,234			700,582	
	Other income	-	-	9,280			60,766
		6,469	35,801,446	9,280	4,236	37,621,815	60,766
NATIONAL TREASURY	Obligations	-	2,590,062	-		2,705,947	-
		-	2,590,062	-		2,705,947	-
	Customers	-	-	-	203		-
NORTE BRASIL	Suppliers	-	-	(3,600)		1,538	-

	Charges for use of the electricity network	-	-				-
		-	-	(3,600)	203	1,538	-
	Other accounts receivable	11	-	-	10		-
	JCP / Dividends Receivable	5,616	-	-	5,616		-
	Suppliers	-	4	-	-	4	-
ETAU	Revenue from service provision	-	-	256	-	-	215
	Other income	-	-	3	-	-	2
	Charges for use of the electricity network	-		(11)	-		
		5,627	4	248	5,626	4	217
	Customers	9,468		-	9,487		
	Advance for future capital increase	562,400	14,531	-	535,200	17,630	
	Suppliers	-		-			
ESBR	Energy Purchased for Resale	-	14,531	(42,208)		17,206	(43,541)
	Purchased Energy Cost	-					
	Revenue from use of Electricity	-		13,619			
	Other Expenses	-		(42,208)			
		571,868	29,062	(70,797)	544,687	34,836	(43,541)
	Dividends / JCP receivable	300	-	-	300		
COSTA OESTE	Suppliers	-	1	(3)		1	(3)
	Charges for use of the electricity network	-					
		300	1	(3)	300	1	(3)
	Other accounts receivable	8		-	8		-
	Suppliers	-	7	-		7	-
TSBE - Transmissora Sul	Revenue from service provision	-	-	874			315
Brasileira de Energia S.A.	Other income	-	-	22			20
	Charges for use of the electricity network	-	-	(21)			(22)
		8	7	875	8	7	313
	Customers	201	-	-	153	-	-
	Other accounts receivable	380	-	-	213	-	-
	Advance for future capital increase	221,466	-	-	220,027	-	-
LIVRAMENTO	Other assets	64,310	-	166	64,310	-	-
	Revenue from service provision	-	-			-	-
	Revenue from Use of the Electrical Network	-	-	63		-	-
		286,357	-	229	284,703	-	-
	Customers	51	-	-	51	-	-
	Other accounts receivable	827	-	-	581	-	-
	Advance for future capital increase	37,946	-	-	37,946	-	-
	Other assets	29,400	-	-	29,400	-	-
SANTA VITÓRIA	Revenue from service provision	-	-	217		-	-
	Revenues from use of electricity	-	-	155		-	-
	Other income	-	-	28		-	43
		68,224	-	400	67,978	-	43
	Advance for future capital increase	880	-	-	880	-	
	Dividends / JCP receivable	995	-	-	961	-	
'MARUMBI	Suppliers	-	2	(6)		2	(5)
	Other income	-	-	-	-	-	-
	Charges for use of the electricity network	-	-	-	-	-	-
		1,875	2	(6)	1,841	2	(5)
	Customers	31	-		28	-	-
	Other accounts receivable	458	-		288	-	-
CHUÍ	Advance for future capital increase	431,913	-		431,913	-	-
	Revenue from service provision		-	173		-	-
	Revenues from use of electricity		-	89		-	-
		432,402	-	262	432,229	-	-
	Accounts receivable	225	-	-	225	-	-
	Advance for future capital increase	101,000	-	-	101,000	-	-
	Suppliers	-	116	915		115	770
TDG	Revenue from service provision	-			-		
	Charges for use of the electricity network	-		(342)	-		(341)
		101,225	116	573	101,225	115	429
	Dividends / JCP receivable	4,208			3,934		
	Advance for future capital increase	415			415		
MANAUS TRANSMISSÃO	Other assets	1,067			1,067		
	Suppliers		1,971	(4,586)		1,994	(2,264)
	Charges for use of the electricity network						
		5,690	1,971	(4,586)	5,416	1,994	(2,264)
MADEIRA ENERGIA	Other accounts receivable	359,959	-	-	359,959	-	-
		359,959	-	-	359,959	-	-
	Dividends / JCP receivable	30,630	-	-	30,630	-	-
	Suppliers	-	1,622	-	-	1,547	-
	Accounts payable						
IE MADEIRA	Revenue from service provision	-	587	75	-	335	69
	Charges for use of the electricity network	-		(13,488)	-		(11,974)
		30,630	2,209	(13,413)	30,630	1,882	(11,905)
MANAUS CONSTRUÇÃO	Dividends / JCP receivable	9,178	-	-	9,178	-	-
		9,178	-	-	9,178	-	-

		CONSOLIDATED					
		03/31/2017			12/31/2016		03/31/2016
COMPANIES	TYPE OF TRANSACTION	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
	Accounts receivable	305	-	-	304	-	-
	Dividends / JCP receivable	7,593	-	-	8,974	-	-
STN	Suppliers	-	739	-		842	-
	Revenue from service provision	-	-	8,984		-	827
	Charges for use of the electricity network	-	-	(2,422)	-	-	(2,321)
		7,898	739	6,562	9,278	842	1,494
	Dividends / JCP receivable	1,272	-	-	1,172	-	-
	Customers	-	-	-	548	-	-
	Suppliers	-	668	-	-	1,577	-
INTESA - Integração	Revenue from service provision	-	-	983	-	-	-
Transmissora de EnergiaS.A.	Other income	-	-	-	-	-	951
	Other Expenses	-	-	(1,633)	-	-	
	Charges for use of the electricity network	-	-	(1,996)	-	-	(1,856)
		1,272	668	(2,646)	1,720	1,577	(905)
	Customers	197	-	-	190	-	
EAPSA - Energética Águas da	Dividends / JCP receivable	5,278	-	-	4,743	-	
Pedra S.A.	Other income	-	-	-		-	374
		5,475	-	-	4,933	-	374
	Customers	9	-	-	9	-	-
	Dividends / JCP receivable	254		66	293		
SETE GAMELEIRAS	Revenue from service provision	-	-	-	-	-	-
		263	-	66	302	-	-
	Customers	9	-	-	9	-	-
	Other accounts receivable	33	-	-	31	-	-
S. PEDRO DO LAGO	Dividends / JCP receivable	46	-	-	341	-	-
	Revenue from service provision		-	-		-	62
		88	-	-	381	-	62
	Customers	9	-	-	9	-	-
PEDRA BRANCA	Dividends / JCP receivable	928	-	-	757	-	-
		937	-	-	766	-	-
	Customers	87	-	-	89	-	-
	Dividends / JCP receivable	17	-	-		-	-
	Other assets	-	-	-	75	-	-
BRASVENTOS MIASSABA	Revenue from service provision	-	-	4	-	-	-
	Revenues from use of electricity	-	-	198	-	-	186
	Other income	-	-	-	-	-	150
		104	-	202	164	-	336
	Customers	75	-	-	76	-	-
	Advance for future capital increase	316	-	-	316	-	-
	Other assets	-	-	-	64	-	-
BRASVENTOS EOLO	Revenue from service provision	-	-	4		-	-
	Revenues from use of electricity	-	-	169		-	159
	Other income	-	-			-	127
		391	-	173	456	-	286
	Customers	280	-	-	285	-	
	Dividends / JCP receivable	26,446	-	-	26,446	-	
	Suppliers	-	-	2	-	10	75
ENERPEIXE	Revenue from service provision	-	-	-	-	-	-
	Revenues from use of electricity	-	-	632			584
		26,726	-	634	26,731	10	659
	Dividends / JCP receivable	1,496	-		282		-
	Suppliers		176			179	-
TRANSLESTE	Charges for use of the electricity network			(403)			(366)
		1,496	176	(403)	282	179	(366)
	Customers	15	-	-	15	-	-
	Other Receivables	14	-	-	14	-	-
	Dividends / JCP receivable	222	-	-	1,256	-	-
	Suppliers	-	109	-	-	111	-
TRANSUDESTE	Revenue from service provision	-	-	45	-		40
	Other Revenue	-	-	46	-		
	Charges for use of the electricity network	-	-	(250)	-		(229)
		251	109	(159)	1,285	111	(189)
	Dividends / JCP receivable	678	-	-	678	-	-
	Suppliers	-	110	-	-	111	-
TRANSIRAPE	Charges for use of the electricity network	-		(251)	-		(194)
		678	110	(251)	678	111	(194)
	Customers	8	-	-	8	-	-
	Other Receivables	63	-	-	62	-	-
	Dividends / JCP receivable	1,293	-	-	59	-	-
	Suppliers	-	58	-	-	58	-
CENTROESTE	Revenue from service provision	-		230	-	-	214
	Other income	-	-	25	-	-	22
	Charges for use of the electricity network	-	-	(172)	-	-	(157)
		1,364	58	83	129	58	79
	Customers	22	-	-	23	-	-
	Advance for future capital increase	315	-	-	316	-	-
BAGUARI	Revenues from use of electricity	-	-	54		-	50
		337	-	54	339	-	50
	Dividends / JCP receivable	2,107	-	-	2,107	-	-
RETIRO BAIXO	Advance for future capital increase	1,225	-	-	1,225	-	-
		3,332	-	-	3,332	-	-

		CONSOLIDATED					
		03/31/2017			12/31/2016		03/31/2016
COMPANIES	TYPE OF TRANSACTION	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
	Dividends / JCP receivable	-	-		80	-	-
SERRA FACÃO ENERGIA	Revenue from service provision	-	-	21		-	-
		-	-	21	80	-	-
	Other Receivables	740	-	-	740	-	-
CHAPECOENSE	Dividends / JCP receivable	24,625	-	-	24,625	-	-
		25,365	-		25,365	-	-
INAMBARI	Other Income (expenses)	-	-	(14)	-	-	9
		-	-	(14)	-	-	9
	Dividends / JCP receivable	10,948	-	-	14,762	-	-
	Suppliers	-	63	(188)	-	64	(166)
TRANSENERGIA RENOVÁVEL	Charges for use of the electricity network	-	-	-	-	-	-
		10,948	63	(188)	14,762	64	(166)
	Customers	16	-	-	16	-	-
	Other accounts receivable		-	-	161	-	-
	Dividends / JCP receivable	7,237	-	-	6,547	-	-
	Suppliers	-	111	-	-	113	-
MGE TRANSMISSÃO	Revenue from service provision	-	-	-	-	-	444
	Other income	-	-	48	-	-	44
	Charges for use of the electricity network	-	-	(332)	-	-	(350)
	Other Expenses	-	-	(161)	-	-	
	Financial expenses	-	-		-	-	(3)
		7,253	111	(445)	6,724	113	135
	Other accounts receivable	-	-		254	-	-
	Dividends / JCP receivable	19,215	-		17,936	-	-
GOIAS TRANSMISSÃO	Suppliers	-	189			192	-
	Revenue from service provision	-		35			630
	Charges for use of the electricity network	-		(565)			(589)
		19,215	189	(530)	18,190	192	41
	Other accounts receivable	29			29	-	-
	Dividends / JCP receivable	465			465	-	-
TRANSENERGIA GOIAS	Suppliers		20			22	-
	Charges for use of the electricity network			(44)			-
		494	20	(44)	494	22	-
	Customers	7		-	7	-	-
	Dividends / JCP receivable	2,557		-	2,557	-	-
	Suppliers	-	27	-		39	-
TRANS. SÃO PAULO	Revenue from service provision	-		-		-	253
	Other income	-		20		-	19
	Charges for use of the electricity network	-		(80)		-	(93)
		2,564	27	(60)	2,564	39	179
	Customers	15	-	-	15	-	-
	Other accounts receivable	82	-	-		-	-
	Dividends / JCP receivable	1,203	-	-	1,038	-	-
	Suppliers	-	3	225		3	184
CALDAS NOVAS	Revenue from service provision	-	-	-	-	-	-
	Other income	-	-	46		-	42
	Charges for use of the electricity network	-	-	(8)		-	
		1,300	3	263	1,053	3	226
IE GARANHUNS	Dividends / JCP receivable			-	9,891		-
	Suppliers		531	-		529	-
	Revenue from service provision			693			-
			531	693	9,891	529	-
	Customers	7		-	7		-
	Dividends / JCP receivable	1,146		-			-
LUZIÂNIA NIQUELÂNDIA	Suppliers	-	15	-		16	-
TRANSMISSORA	Revenue from service provision	-	-	89			82
	Other income	-	-	21			19
	Charges for use of the electricity network	-	-	(46)			(45)
		1,153	15	64	7	16	56
	Other accounts receivable	2		-	3		-
	Advance for future capital increase	-		-	87,394		-
	Suppliers	-	11	-	-	11	-
TSLE - Transmissora Sul	Revenue from service provision	-	-	166	-	-	197
Litorânea de Energia S.A.	Revenue from Use of the Electrical Network	-	-	63	-	-	
	Other Revenue	-	-	-	-	-	14
	Charges for use of the electricity network	-	-	-	-		(33)
		2	11	229	87,397	11	178
	Customers	2,271	-		3,965	-	
NORTE ENERGIA (Belo							
Monte)	Revenue from Service Provision	-	-	18,051		-	
	Other income	-	-	4,440		-	12,712
		2,271	-	22,491	3,965	-	12,712
	Other assets	191	-	-	191	-	-
	Suppliers	-	172	-		175	-
AETE	Revenue from Service Provision	-	-	493		-	-
	Other income	-	-			-	512
	Charges for use of the electricity network	-	-	(546)		-	
		191	172	(53)	191	175	512
	Other assets	-	-	-	855	-	
BRASNORTE	Suppliers	-	-	-		99	
	Other income	-	-	-			516
		-	-	-	855	99	516
TME - TRANSMISSORA	Customers	-	-	-	22	-	-
MATOGROSSENSE DE	Suppliers	-	-	-		239	-
ENERGIA	Charges for use of the electricity network	-	-	(619)			-
		-	-	(619)	22	239	-

		CONSOLIDATED					
		03/31/2017			12/31/2016		03/31/2016
COMPANIES	TYPE OF TRANSACTION	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
	Customers	-	-	-	66		-
TRANSNORTE	Suppliers	-	-	-	-	36	-
	Charges for use of the electricity network	-	-	(84)	-		-
		-	-	(84)	66	36	-
	Loans and Financing	143	-	-	154	-	-
	Dividends / JCP receivable		-	-	1,630	-	-
CTEEP	Other assets		-	-	641	-	-
	Reimbursement rights (RBNI)	39,961	-	-	39,114	-	-
	Interest Income, Commissions, Rates and Exchange Rate Change		-	3		-	-
		40,104	-	3	41,539	-	-
EMAE	Dividends / JCP receivable	6,213	-	-	6,213	-	-
		6,213	-	-	6,213	-	-
	Other accounts receivable	11	-	-	11	-	-
	Suppliers		141	-	-	-	-
Triângulo Mineiro Trans. S.A.	Other accounts payable		46	-	-	-	-
	Charges for use of the electricity network			(493)	-	-	-
		11	187	(493)	11	-	-
CEPEL	Operational Expenses	-	-	(3,376)		-	(2,112)
		-	-	(3,376)	-	-	(2,112)
	Dividends / JCP receivable	3,051	-	-	-	-	-
Paranaíba T ransmissora de	Suppliers	-	189	-	-	-	-
Energia S.A.	Revenue from service provision	-		-	-	-	211
	Charges for use of the electricity network	-		(293)	-	-	
		3,051	189	(293)	-	-	211
	Other Receivables	1,822	-	-	1,822	-	-
	Advance for future capital increase	19,380	-	-	16,144	-	-
FRONTEIRA OESTE (FOTE)	Revenue from service provision	-	-	-	-	-	205
	Other Revenue	-	-	7	-	-	
	Charges for use of the electricity network	-	-		-	-	(10)
		21,202	-	7	17,966	-	195
	Customers	12	-	-	12	-	-
	Other accounts receivable	10	-	-	389	-	-
Vale do São Bartolomeu	Suppliers	-	7	-	-	7	-
Transmissora de Energia S.A.	Revenue from service provision	-	-	44	-		106
	Other income	-	-	36	-		420
	Charges for use of the electricity network	-	-	(21)	-		
		22	7	59	401	7	526
	Other accounts receivable	2	-	-	1	-	-
MATA DE SANTA GENEBRA	Advance for future capital increase	30,000	-	-	-	-	-
	Other Revenue		-	2	-	-	-
		30,002	-	2	1	-	-
	Other accounts receivable		-	-	8	-	-
	Dividends / JCP receivable	249	-	-	-	-	-
LAGOA AZUL	Suppliers	-	20	-	-	27	-
TRANSMISSORA	Revenue from service provision	-	-	24	-		194
	Other revenues Charges for the use of the network	-	-	(46)	-		106
		249	20	(22)	8	27	300
EÓLICA ITAGUAÇU DA BAHIA	Advance for future capital increase	70,560		-		-	-
		70,560	-	-	-	-	-
ITAGUAÇU DA BAHIA							
ENERGIAS RENOVÁVEIS	Advance for future capital increase	-	-	-	67,130	-	-
			-	-	67,130	-	-
	Other Receivables	1,095	-	-	553	-	-
BELO MONTE	Dividends / JCP receivable	413	-	-		-	-
TRANSMISSORA SPE S.A.	Other assets	-	-	-	584	-	-
	Revenue from service provision	-	-	838		-	-
	Financial Expenses	-	-	(525)		-	-
		1,508	-	313	1,137	-	-
	Loans and Financing	10,070,779	-	-	10,770,787	-	-
ITAIPU	Dividends / JCP receivable	-	-	-	4,314	-	1,952
	Interest Expense, Commissions, Rates and Exchange Rate Change	-	-	74,403	-	-	(911,441)
		10,070,779	-	74,403	10,775,100	-	(909,489)
	Customers	11,529	-		12,289	-	-
	Other accounts receivable	685	-		748	-	-
SANTO ANTONIO ENERGIA	Revenue from service provision	-	-		-	-	281
SA	Revenues from use of electricity	-	-	19,910	-	-	10,346
	Financial income	-	-		-	-	26,747
	Electricity Sale Revenue	-	-		-	-	18,896
		12,214		19,910	13,037		56,270
	Contributions payable - sponsor	-	31,059		-	31,059	
	Allowances	-	394,035	33,156	-	394,035	(8,683)
ELETROS	Sponsor contributions	-	-	-	-	-	-
	Fees	-		2,644	-		(661)
		-	425,094	35,800	-	425,094	(9,344)
	Reimbursement rights (RBNI)	15,408	-	-	15,039	-	-
CEEE-GT	Interest Income, Commissions and Fees	-	-	-		-	61
		15,408	-	-	15,039	-	61

		CONSOLIDATED					
		03/31/2017			12/31/2016		03/31/2016
COMPANIES	TYPE OF TRANSACTION	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
	Loans and Financing	233,405	-	-	264,723	-	-
	Dividends / JCP receivable	4,950	-	5,848	396	-	7,529
ENERGISA MT	Interest Income, Commissions and Fees	-	-	-	-	-	-
		238,356	-	5,848	265,119	-	7,529
	Loans and Financing	148,875	-	-	217,676	-	-
CEMAR	Dividends / JCP receivable	25,506	-	-	25,506	-	-
	Interest Income, Commissions and Fees	-	-	3,050		-	6,894
		174,381	-	3,050	243,182	-	6,894
LAJEADO ENERGIA	Dividends / JCP receivable	50,009	-	-	50,009	-	-
		50,009	-	-	50,009	-	-
CEB Lajeado	Dividends / JCP receivable	14,755	-	-	14,755	-	-
		14,755	-	-		-	-
Paulista Lajeado	Dividends / JCP receivable	3,239	-	-	3,028	-	-
		3,239	-	-	1,210	-	-
	Loans and Financing	22,854	-	-	24,368	-	-
CEEE-D	Interest Income, Commissions and Fees	-	-	407		-	526
		22,854	-	407	24,368	-	526
CELG Geração e T	Reimbursement rights (RBNI)	7	-		6,809	-	-
ransmissão - CELG GT	Charges for use of the electricity network	-	-	1,828		-	-
		7	-	1,828	6,809	-	-
	Customers	447	-	-	456	-	-
	Other accounts receivable	-	-	-	123	-	-
FOZ DO CHAPECÓ	Revenue from service provision	-	-	27		-	-
	Revenues from use of electricity	-	-	1,330		-	1,230
		447	-	1,357	579	-	1,230
	Customers	378	-	-	385	-	
	Other accounts receivable	39	-	-	-	-	
TIJOA PARTICIPAÇÕES E	Dividends / JCP receivable	92	-	-	-	-	
INVESTIMENTOS S.A.	Revenue from service provision	-	-	39	-	-	
	Revenues from use of electricity	-	-	1,124	-	-	997
		509	-	1,163	385	-	997
EMPRESA DE ENERGIA SÃO	Other accounts receivable	244	-	-	-	-	-
MANOEL S.A.	Revenue from service provision		-	759	-	-	-
		244	-	759	-	-	-
ENERGIA OLÍMPICA S.A.	Dividends / JCP receivable	428	-	-	-	-	-
		428	-	-	-	-	-
	Customers	4,503	-	-	4,560	-	-
	Suppliers	-	531	-		531	-
	Accounts payable						
CIA HIDREL TELES PIRES	Revenues from use of electricity	-	4,723	10,051	-	6,704	4,195
	Other Expenses	-	-	(16,209)	-	7,685	(13,191)
	Energy Purchased for Resale	-	-	-	-	-	-
		4,503	5,254	(6,158)	4,560	13,858	(8,996)
VAMCRUZ PARTICIPAÇÕES							
S.A.	Advance for future capital increase	43,099	-	-	43,099	-	-
		43,099	-	-	43,099	-	-
Rei dos Ventos	Revenues from use of electricity	-	-	153	-	-	-
		-	-	153	-	-	-
	Accounts receivable	77	-	-	78	-	-
Rei dos Ventos 3 Geradora	Other Revenue	-	-	-	-	-	4
de Energia S.A.	Revenues from use of electricity	-	-	173	-	-	163
		77	-	173	78	-	167
	Accounts receivable	-	-		21	-	-
	Other assets	-	-	585	492	-	-
CHAPADA DO PIAUÍ I S.A.	Revenue from service provision	-	-	-	-	-	-
		-	-	585	513	-	-
Eólica Serra das Vacas							
Holding S.A.	Advance for future capital increase	9,419	-	-	9,442	-	-
		9,419	-	-	9,442	-	-
Chapada do Piauí II Holding	Customers	-	-	-	29	-	-
S.A	Advance for future capital increase	35,213	-	-	35,213	-	-
		35,213	-	-	35,242	-	-
	Customers	6	-	-		-	-
BARAÚNAS I	Dividends / JCP receivable	26	-	-	26	-	-
		32	-	-	26	-	-
	Customers	5	-	-		-	-
BARAÚNAS II	Suppliers	-	406	-		-	-
		-		(1,406)		-	-
		5	406	(1,406)		-	-
MUSSAMBÊ	Dividends / JCP receivable	142	-	-	143	-	-
		142	-	-	143	-	-
MORRO BRANCO I	Dividends / JCP receivable	62	-	-	62	-	-
		62	-	-	62	-	-
Brasil Ventos Energia S.A.	Other allowances	-	159,877	-		-	-
		-	159,877	-		-	-

		CONSOLIDATED					
		03/31/2017			12/31/2016		03/31/2016
COMPANIES	TYPE OF TRANSACTION	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
		-	582	-	-	-	-
Centrais Eolica Famosa I S.A.	Other Revenue	-	-	236	-	-	-
		-	582	236	-	-	-
Centrais Eolica Pau Brasil	Other allowances	-	388	-	-	-	-
S.A.	Other Revenue	-		101	-	-	-
		-	388	101	-	-	-
Centrais Eolica São Paulo	Other allowances	-	453	-	-	-	-
S.A.	Other Revenue	-		168	-	-	-
		-	453	168	-	-	-
	Other allowances	-	776	-	-	-	-
Centrais Eolica Rosada S.A.	Other Revenue	-	-	126	-	-	-
		-	776	126	-	-	-
	Other allowances	-	679	-	-	-	-
PUNAÚ I EÓLICA S.A	Other Revenue	-	-	71	-	-	-
		-	679	71	-	-	-
	Other allowances	-	622	-	-	-	-
CARNAÚBA I EÓLICA S.A.	Other Revenue	-	-	53	-	-	-
		-	622	53	-	-	-
	Other allowances	-	509	-	-	-	-
CARNAÚBA II EÓLICA S.A.	Other Revenue	-	-	34	-	-	-
		-	509	34	-	-	-
	Other allowances	-	452	-	-	-	-
CARNAÚBA III EÓLICA S.A.	Other Revenue	-	-	49	-	-	-
		-	452	49	-	-	-
	Other allowances	-	679	-	-	-	-
CARNAÚBA V EÓLICA S.A.	Other Revenue	-		43	-	-	-
		-	679	43	-	-	-
	Other allowances	-	452	-	-	-	-
CERVANTES I EÓLICA S.A.	Other Revenue	-	-	64	-	-	-
		-	452	64	-	-	-
	Other allowances	-	339	-	-	-	-
CERVANTES II EÓLICA S.A.	Other Revenue	-	-	39	-	-	-
		-	339	39	-	-	-
	Other allowances	-	509	-	-	-	-
BOM JESUS EÓLICA S.A.	Other Revenue	-	-	167	-	-	-
		-	509	167	-	-	-
	Other allowances	-	340	-	-	-	-
CACHOEIRA EÓLICA S.A	Other Revenue	-	-	119	-	-	-
		-	340	119	-	-	-
	Other allowances	-	509	-	-	-	-
PITIMBU EÓLICA S.A	Other Revenue	-	-	155	-	-	-
		-	509	155	-	-	-
	Other allowances	-	713	-	-	-	-
SÃO CAETANO EÓLICA SA	Other Revenue	-	-	211	-	-	-
		-	713	211	-	-	-
	Other allowances	-	509	-	-	-	-
SÃO CAETANO I EÓLICA S.A	Other Revenue	-	-	139	-	-	-
		-	509	139	-	-	-
	Other allowances	-	623	-	-	-	-
SÃO GALVÃO EÓLICA S.A.	Other Revenue	-	-	251	-	-	-
		-	623	251	-	-	-
	Customers	6	-	-	-	-	-
BANDA DE COURO	Suppliers	-	496	-	-	-	-
	Purchased energy	-	-	(1,719)	-	-	-
		6	496	(1,719)	-	-	-
	Revenue from Service Provision	-	-	585	-	-	-
VENTOS DE ST[a] JOANA XV		-	-	585	-	-	-

NOTE 47 - COMPENSATION OF KEY STAFF

The compensation of the Company's key staff (directors and officers) is as follows:

	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Compensation of Officers and Directors	1,526	1,417	9,807	8,119
Salaries and social charges	428	433	1,965	1,295
Others	125	141	1,275	447
	2,079	1,991	13,047	9,860

NOTE 48 - SUBSEQUENT EVENTS

48.1 - Preliminary injunction against compensation of transmission companies

The Large Industrial Energy Consumers and Free Consumers Association of Brazil (ABRACE) filed a lawsuit with a request for preliminary injunction against ANEEL regarding compensation of the transmission companies that renewed the concessions in advance in 2013.

Eletrobras, through its subsidiaries, recorded a total of R$ 38.1 billion related to these renewed assets.

On April 10th, 2017, a partial injunction was entered in favor of ABRACE in connection with the lawsuit filed by ABRACE against the Federal Government and ANEEL, with a view to suspending the effects related to the yield on the transmission assets existing on May 31st, 2000, of the companies that renewed their concession contracts in 2013, pursuant to Law 12,783/2013.

The preliminary injunction in favor of ABRACE did not comply with all requests, including the suspension of the full payment of the usage fee of the transmission system - TUST. However, the preliminary injunction accepted the request to exclude from the fees to be paid only by the claimants, the portion related to the compensation (in excess of the inflation adjustment) provided for in article 1 of paragraph 3 of MME Ordinance No. 120/2016, which establishes the cost of capital not incorporated from the extensions of the concessions to the tariff process.

Based on the legal opinion of the external legal counsel, the Company understands that the decisions taken so far do not interfere with the right to receive the yield on the assets established by Law 12,973/2013 and MME Ordinance No. 120/2016, which granted the right to receive such amounts, even at the level of the Federal Government. Thus, the Company understands that there is no objective evidence for the recognition of impairment in relation to these recognized assets.

48.2 - Transfer of management and administration of Sector Funds

In accordance with Law No. 13,360/2016, regulated by Decree No. 9,022/2017, and with the Order of the National Electric Energy Agency - ANEEL No. 1.079, of April 18th, 2017, the responsibility for the budget, management and operation of the Energy Development Account - CDE, the Fuel Consumption Account - CCC and the Global Reversion Reserve - RGR, was transferred to the Electric Energy Trading Chamber - CCEE, as of May 1st, 2017.

Wilson Ferreira Junior
President

Armando Casado de Araujo
Chief Financial Officer and Investor Relations Officer

Carlos Eduardo Gonzalez Baldi
Chief Generation Officer

Lucia Maria Martins Casasanta
Chief Compliance Officer

Alexandre Vaghi de Arruda Aniz
General Counsel and Corporate Management Officer

Luiz Henrique Hamann
Chief Distribution Officer

José Antônio Muniz Lopes
Chief Transmission Officer

Rodrigo Vilella Ruiz
Accountant
CRC-DF 088488/9 O