Equatorial Energia S.A.

Quarterly Financial Information
at September 30, 2016
(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil)

KPDS 154016

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Report on Review of Quarterly Financial Information

To the Board of Directors and Shareholders of
Equatorial Energia S.A
São Luís - MA

Introduction
We have reviewed the interim, individual and consolidated financial statements of Equatorial Energia S.A. ("Company"), contained in the Quarterly Information Form for the quarter ended 30 September 2016, consisting of the statements of financial position as of September 30, 2016 and the related statements of income and comprehensive income for the three- and nine-month periods then ended, the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and the notes to the financial statements.

Company Management is responsible for preparing the individual and consolidated interim financial statements in accordance with CPC Technical Pronouncement 21(R1) - Interim reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and for presenting this information in accordance with the standards issued by the Brazilian Securities Commission that apply to the preparation of Quarterly Information. Our responsibility is to express an opinion on the interim financial statements based on our review.

Review scope
We conducted our review in accordance with Brazilian and international standards on reviews of interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily to the management responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially smaller in scope than an audit conducted in accordance with audit standards, and we cannot therefore provide assurance that we have discovered all the significant matters that could have been identified by an audit. Accordingly, we do not express an audit opinion.

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Conclusion about the individual and consolidated interim information
Our review did not detect any facts that suggest the individual and consolidated interim financial information included in the aforesaid quarterly information was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 as applicable to Quarterly Information, and presented in accordance with the standards issued by the Brazilian Securities Commission.

Other matters

Statements of Added Value
We have also reviewed the individual and consolidated Statement of added value (DVA) for the nine-month period ended September 30, 2016, prepared by Company management, the presentation of which in the interim information is required by the standards issued by the CVM - Brazilian Securities Commission applicable to the preparation of the Quarterly Information - ITR and is considered supplementary information to IFRS which does not require the publication of DVAs. This statement was subject to the same review procedures described earlier and our review did not detect any facts that suggest the individual and consolidated interim financial statements taken as a whole have not been properly prepared, in all material respects.

Audit and review of prior year figures
The individual and consolidated statements of financial position as of December 31, 2015, the interim, individual and consolidated financial information on the statements of income and comprehensive income for the three- and nine-month periods, and the statements of added value, changes in shareholders' equity and cash flows for the nine-month period and quarter ended September 30, 2015, and the notes to the financial statements, which are being presented as corresponding figures in the interim financial information for the quarter ended September 30, 2016, were previously audited and reviewed by other independent auditors, respectively, who issued reports dated March 10, 2016 and November 3, 2015, which did not contain any modification.

Fortaleza, November 10, 2016

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by
João Alberto da Silva Neto
Accountant CRC RS-048980/O-0 T-CE

Equatorial Energia S.A.

Statements of financial position as of September 30, 2016 and December 31, 2015

(In thousands of Reais)

		Parent Company		Consolidated	
Assets	**Note**	**30/09/2016**	**31/12/2015**	**30/09/2016**	**31/12/2015**
Current					
Cash and Cash Equivalents	5	9.833	9.035	415.911	397.866
Short-term investments	6	275.810	223.045	1.630.801	2.083.474
Trade accounts receivable	7	-	-	2.211.925	1.977.709
Accounts receivable - rate tiers	8	-	-	513	5.542
Fuel - CCC account	9	-	-	161.676	221.298
Services in progress		-	-	118.648	112.580
Judicial deposits	25	4.436	4.203	31.917	25.277
Derivative financial instruments	35	-	-	-	52.826
Inventory		-	-	23.869	11.430
Dividends		135.320	68.188	-	-
Taxes and contributions recoverable	11.1	-	-	52.874	94.874
Taxes and contributions recoverable on net income	11.2	17.209	31.215	103.140	116.783
Other receivables	14	1.342	1.228	68.249	58.692
Total current assets		**443.950**	**336.914**	**4.819.523**	**5.158.351**
Non-current assets					
Trade accounts receivable	7	-	-	346.554	277.587
Sub-rogation to Fuel Consumption Account charges	13	-	-	85.961	65.824
Judicial deposits	25	-	-	163.200	150.527
Derivative financial instruments	35	-	-	18.833	273.803
Taxes and contributions recoverable	11.1	-	-	120.681	88.233
Taxes and contributions recoverable on net income	11.2	-	-	41.940	39.661
Other credits	14	297.864	302.865	74.196	86.132
Concession Financial assets	15	-	-	2.435.729	2.228.931
Capital expenditure	16	3.460.243	3.046.120	97.303	88.646
Property, plant and equipment		242	245	6.795	3.552
Intangible assets	17	-	-	4.644.878	4.124.640
Total non-current assets		**3.758.349**	**3.349.230**	**8.036.070**	**7.427.536**
Total do ativo		**4.202.299**	**3.686.144**	**12.855.593**	**12.585.887**

		Parent Company		Consolidated	
Liabilities	**Nota**	**30/09/2016**	**31/12/2015**	**30/09/2016**	**31/12/2015**
Current					
Trade accounts payables	18	434	305	825.561	934.780
Payroll charges		106	223	39.709	33.994
Loans and financing	19	-	-	539.895	805.387
Debentures	20	-	-	55.979	47.303
"A Component" revenue receivable (returnable) and other fin	10	-	-	86.531	49.561
Taxes and contribuitons payable	21.1	3.143	483	290.981	312.421
Taxes and contribuitons payable on net income	21.2	7.466	10.637	14.145	18.238
Dividends and interest on equity		191.943	191.943	250.561	217.998
Consumer charges		-	-	46.414	43.495
Public lighting fee		-	-	19.996	17.433
Energy efficiency research and development		-	-	69.270	75.088
Profit sharing	23	3.511	3.220	61.654	65.384
Derivative financial instruments	35	-	-	53.584	-
Payables from judicial reorganization	24	-	-	87.719	91.446
Provision for civil, labor and tax litigation	25	-	-	97.486	134.950
Other accounts payable	26	35	31	274.333	283.994
Total current liabilities		**206.638**	**206.842**	**2.813.818**	**3.131.472**
Non-current					
Loans and financing	19	-	-	2.387.520	2.587.266
Debentures	20	-	-	577.049	495.182
Taxes and contributions payable	21.1	-	-	36.678	50.709
Deferrend income and social contribution taxes	22.1	50	50	222.736	142.502
Provision for civil, labor and tax litigation	25	-	-	453.046	469.996
"A Component" revenue returnable and other financial items	10	-	-	51.639	16.978
Energy efficiency research and development		-	-	138.794	128.527
Payables from judicial reorganization	24	-	-	963.593	995.599
Retirement and pension plan		-	-	32.396	36.718
Other accounts payable	26	-	-	345.934	301.699
Total non-current liabilities		**50**	**50**	**5.209.385**	**5.225.176**
Shareholders' equity	27				
Capital	27.1	1.981.985	1.980.214	1.981.985	1.980.214
Capital Reserves	27.2	53.187	44.909	53.187	44.909
Profit reserves	27.3	1.472.341	1.472.341	1.472.341	1.472.341
Equity appraisal adjustment		(22.262)	(22.262)	(22.262)	(22.262)
Other comprehensive income		4.050	4.050	4.050	4.050
Retained earnings		506.310	-	506.310	-
Equity attributable to equity holders		3.995.611	3.479.252	3.995.611	3.479.252
Minority interests		-	-	**836.779**	**749.987**
Total shareholders' equity		**3.995.611**	**3.479.252**	**4.832.390**	**4.229.239**
Total liabilities and equity		**4.202.299**	**3.686.144**	**12.855.593**	**12.585.887**

As notas explicativas são parte integrante das informações trimestrais.

Equatorial Energia S.A.

Statments of income

Three- and nine-month periods ended September 30, 2016 and 2015

(In thousands of Reais)

		Parent Company				Consolidated			
	Nota	01/01/2016 a 30/09/2016	01/07/2016 a 30/09/2016	01/01/2015 a 30/09/2015	01/07/2015 a 30/09/2015	01/01/2016 a 30/09/2016	01/07/2016 a 30/09/2016	01/01/2015 a 30/09/2015	01/07/2015 a 30/09/2015
Net operating revenue	30	-	-	1	-	5.488.121	2.022.643	5.259.238	1.862.072
Service costs and operating expenses	31	-	-	-	-	(4.122.473)	(1.456.087)	(4.049.047)	(1.392.428)
Electricity purchased for resale	32	-	-	-	-	(2.567.300)	(884.780)	(2.903.738)	(981.221)
Construction cost		-	-	-	-	(1.025.402)	(379.410)	(737.990)	(251.456)
Operation cost		-	-	-	-	(529.771)	(191.897)	(407.319)	(159.751)
Gross income		-	-	1	-	1.365.648	566.556	1.210.191	469.644
Sales expenses	31	-	-	-	-	(337.438)	(125.558)	(288.494)	(96.187)
General and administrative expenses	31	(28.057)	(7.829)	(34.639)	(5.144)	(251.972)	(99.092)	(252.194)	(83.580)
Amortization of concession rights		(4.780)	(1.593)	(5.030)	(1.676)	(4.780)	(1.593)	(5.030)	(1.676)
Equity in net income of subsidiaries		497.647	183.333	657.387	70.473	20.266	7.340	24.516	5.429
Other operating expenses, net		-	1.119	(1.696)	(586)	(62.415)	(26.248)	(131.605)	(45.623)
Total operating revenue (expense)		464.810	175.030	616.022	63.067	(636.339)	(245.151)	(652.807)	(221.637)
Income before net financial items, income tax and social constributions		464.810	175.030	616.023	63.067	729.309	321.405	557.384	248.007
Financial revenue		56.343	20.174	69.973	22.415	792.123	114.316	1.903.648	816.394
Financial expense		(4)	(3)	(7.163)	(972)	(740.075)	(152.855)	(1.436.408)	(890.234)
Financial results, net	33	56.339	20.171	62.810	21.443	52.048	(38.539)	467.240	(73.840)
Net income before income and social contribution taxes		521.149	195.201	678.833	84.510	781.357	282.866	1.024.624	174.167
Social contribution	22.3	(4.507)	(2.291)	(3.080)	(822)	(57.362)	(25.130)	(27.918)	(2.647)
Income tax	22.3	(10.332)	(4.188)	(9.848)	(3.265)	(110.548)	(51.911)	(83.657)	(3.132)
Tax incentives		-	-	-	-	97.298	46.765	68.384	(202)
Deferred IRPJ and CSLL		-	-	-	-	(80.233)	(13.687)	(206.339)	(53.428)
Provison for taxes on net income		(14.839)	(6.479)	(12.928)	(4.087)	(150.845)	(43.963)	(249.530)	(59.409)
Net income for the period		**506.310**	**188.722**	**665.905**	**80.423**	**630.512**	**238.903**	**775.094**	**114.758**
Income attributable to:									
Non controlling interests		-	-	-	-	124.202	50.181	109.189	34.335
Controlling interests		506.310	188.722	665.905	80.423	506.310	188.722	665.905	80.423
Net income for the period		**506.310**	**188.722**	**665.905**	**80.423**	**630.512**	**238.903**	**775.094**	**114.758**
Basic earnings per lot of one thousand shares - R$		2,5484	0,9499	3,3538	0,4050	3,1736	1,2025	3,9038	0,5780
Diluted earnings per lot of one thousand shares - R$		2,5234	0,9406	3,2839	0,3966	3,1424	1,1907	3,8224	0,5659
Number of shares at period-end		**198.675**	**198.675**	**198.551**	**198.551**	**198.675**	**198.675**	**198.551**	**198.551**

See the accompanying notes to the quarterly information

Equatorial Energia S.A.

Statements of comprehensive income

Three- and nine-month periods ended September 30, 2016 and 2015

(In thousands of Reais)

	Parent Company				Consolidated			
	01/01/2016 a 30/09/2016	**01/07/2016 a 30/09/2016**	**01/01/2015 a 30/09/2015**	**01/07/2015 a 30/09/2015**	**01/01/2016 a 30/09/2016**	**01/07/2016 a 30/09/2016**	**01/01/2015 a 30/09/2015**	**01/07/2015 a 30/09/2015**
Net income for the year	506.310	188.722	665.905	80.423	630.512	238.903	775.094	114.758
Comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	506.310	188.722	665.905	80.423	630.512	238.903	775.094	114.758
Non controlling interests	-	-	-	-	124.202	50.181	109.189	34.335
Controlling shareholders	506.310	188.722	665.905	80.423	506.310	188.722	665.905	80.423
Total comprehensive income	506.310	188.722	665.905	80.423	630.512	238.903	775.094	114.758

See the accompanying notes to the quarterly information

Equatorial Energia S.A.

Statments of changes in shareholders' equity

Three- and nine-month periods ended September 30, 2016 and 2015

(In thousands of Reais)

			Profit Reserves							
	Capital	**Capital reserves**	**Statutory**	**Investment and expansion reserve**	**Equity appraiasal adjustment**	**Retained earnings**	**Other comprehensive income**	**Equity - parent company**	**Minority interests**	**Consolidated equity**
Balances at December 31, 2014	1.977.276	22.585	98.107	773.736	(22.262)	-	(13.075)	2.836.367	609.158	3.445.525
Reclassification to other comprehensive income	-	-	-	(1.244)	-	-	1.244	-	-	-
Capital increase	2.177	-	-	-	-	-	-	2.177	8.799	10.976
Awarded options recognized	-	19.722	-	-	-	-	-	19.722	-	19.722
Gain or loss on investments	-	-	-	-	-	(8.461)	-	(8.461)	9.274	813
Distribution of minority dividends	-	-	-	-	-	-	-	-	(6.435)	(6.435)
Net income for the period	-	-	-	-	-	665.905	-	665.905	109.189	775.094
Balances at September 30, 2015	1.979.453	42.307	98.107	772.492	(22.262)	657.444	(11.831)	3.515.710	729.985	4.245.695
Balances at December 31, 2015	1.980.214	44.909	138.124	1.334.217	(22.262)	-	4.050	3.479.252	749.987	4.229.239
Capital increase	1.771	-	-	-	-	-	-	1.771	-	1.771
Awarded options recognized (Note 28)	-	8.278	-	-	-	-	-	8.278	-	8.278
Distribution of minority dividends	-	-	-	-	-	-	-	-	(37.410)	(37.410)
Net income for the period	-	-	-	-	-	506.310	-	506.310	124.202	630.512
Balances at September 30, 2016	1.981.985	53.187	138.124	1.334.217	(22.262)	506.310	4.050	3.995.611	836.779	4.832.390

See the accompanying notes to the quarterly information

Equatorial Energia S.A.

Statements of cash flows - indirect method

Nine-month periods ended September 30, 2016 and 2015

(In thousands of Reais)

	Parent Company		Consolidated	
	30/09/2016	**30/09/2015**	**30/09/2016**	**30/09/2015**
Cash flows from operating activities				
Net income for the period	506.310	665.905	630.512	775.094
Adjustments for:				
Amortization and depreciation	4.785	5.080	259.643	196.770
Equity in income of subsidiaries	(497.647)	(657.387)	(20.266)	(24.516)
Loss (gain) on the sale of intangible assets	-	-	18.138	56.824
Indexation of financial assets	-	-	(105.826)	(176.964)
Debt service charges, interest and monetary and exchange variance, net	-	-	20.996	690.525
Loss (gain) on derivative financial instruments	-	-	352.440	(175.658)
Adjustment to the present value	-	6.023	(25.345)	(468.209)
Allowance (reversal) for doubtful accounts and losses on uncollectible receivables	-	-	(139.189)	88.599
Provision (reversal) for civil, labor na tax litigation	-	-	35.912	24.306
"A Component" revenue receivable and other financial items	-	-	71.631	552.826
Earnings on investments	(25.629)	(28.688)	(200.416)	(149.562)
Deferred income and social contribution taxes	-	-	80.233	206.339
Current income and social contribution taxes	14.839	12.928	70.612	43.191
Shared-based payments	8.278	19.722	8.278	19.722
Gain (loss) on investments	-	(9.265)	-	813
Proposed dividends - payable	-	-	-	(6.435)
Other	-	-	-	10.359
	10.936	14.318	1.057.353	1.664.024
Changes in current and noncurrent assets and liabilities				
Tarde accounts receivable	-	-	(164.383)	(527.014)
Accounts receivable - rate tiers	-	-	5.029	-
Recory of electricity costs and charges	-	-	-	(52.786)
Fuel - CCC account	-	-	59.622	41.448
Services in progress	-	-	(6.068)	(47.431)
Judicial deposits	(233)	(4.052)	(19.313)	(13.725)
Inventory	-	-	(12.439)	7.176
Dividends receivable	-	15.570	-	-
Taxes and contributions recoverable	-	-	9.552	3.252
Taxes and contributions recoverable on the net income	14.006	(3.905)	(31.974)	(16.300)
Subrogation to CCC	-	-	(20.137)	44.490
Other receivables	4.887	(10.141)	1.044	(12.537)
Trade payables	129	152	(109.219)	(270.098)
Payroll charges	(117)	4	5.716	(318)
Taxes and contributions payable	2.660	342	(35.471)	4.739
Taxes and contributions payable	(18.010)	(2.646)	(118.509)	(37.686)
Deferrend income and social contribution taxes	-	-	-	147
Consumer charges	-	-	2.919	42.012
Public lighting fee	-	-	2.563	(15.085)
Energy efficiency research and development	-	-	4.449	14.451
Profit sharing	291	(1.246)	(3.730)	(5.201)
Retirement and pesion plan	-	-	(4.322)	-
Provision for civil, labor and litigation	-	-	(90.326)	(25.678)
Interest paid	-	-	(174.094)	(137.275)
Income and social contribution taxes paid	-	-	87.142	(11.732)
Other accounts payable	2	2.369	34.570	75.487
	3.615	(3.553)	(577.379)	(939.664)
Flow of net cash provided by (used in) operating activities	14.551	10.765	479.974	724.360
Cash flows from investment activities				
Acquisitions of intangible assets and property, pland and equipment		-	(902.234)	(574.480)
Short-term investments/redemptions	(27.136)	(25.281)	653.089	(4.999)
Receipt of dividends	11.612	-	11.612	15.570
Flow of cash (used in) provided by investment acitivities	(15.524)	(25.281)	(237.533)	(563.909)
Cash flow from financing activities				
Loans and financing obtained	-		264.993	864.638
Amortization of loans and financing	-		(505.817)	(884.052)
Amortization of derivative financial instruments	-		10.276	(65.103)
Judicial reorganization	-		9.228	98.992
Funding for capital increase	1.771		1.771	-
Dividends paid	-		(4.847)	(3.069)
Net cash provided by (used) in financing activities	1.771	-	(224.396)	11.406
Net increase (decrease) in cash and cash equivalents	798	(14.516)	18.045	171.857
Cash and cash equivalents at beginning of the period	9.035	23.226	397.866	280.098
Cash and cash equivalents at period-end	9.833	8.710	415.911	451.955
Net increase (decrease) in cash and cash equivalents	798	(14.516)	18.045	171.857

See the accompanying notes to the quarterly information

Equatorial Energia S.A.

Statements of added value

Nine-month periods ended September 30, 2016 and 2015

(In thousands of Reais)

	Parent Company		Consolidated	
	30/09/2016	**30/09/2015**	**30/09/2016**	**30/09/2015**
Revenue				
Sales of products and services	-	1	7.806.710	7.343.229
Allowance for doubtful accounts and losses on uncollectible receivables	-	-	(139.189)	(88.599)
Provision (reversal) for civil, labor and tax litigation	-	-	36.379	(9.135)
Other operating expenses (revenue)	-	(1.696)	(62.415)	(131.605)
	-	(1.695)	7.641.485	7.113.890
Inputs purchased from third parties (Including ICMS and IPI)				
Cost of goods sold and services rendered	-	-	(3.592.702)	(3.641.728)
Materials, energy, outsourced services and other	(4.784)	(2.328)	(507.781)	(409.702)
CCC Subsidy	-	-	(9.373)	(9.373)
	(4.784)	(2.328)	(4.109.856)	(4.060.803)
Gross added (applied) value	(4.784)	(4.023)	3.531.629	3.053.087
Depreciation and amortization	(5)	(50)	(254.870)	(191.948)
Added value produced (applied) by the Company	(4.789)	(4.073)	3.276.759	2.861.139
Transferred value added				
Financial revenue	56.339	62.810	12.090	290.276
Equity in income of subsidiaries	497.648	657.387	20.266	24.516
VNR Adjustment	-	-	105.827	176.964
Amortization of concession rights	(4.780)	(5.030)	(4.780)	(5.030)
	549.207	715.167	133.403	486.726
Added value to be distributed	**544.418**	**711.094**	**3.410.162**	**3.347.865**
Distribution of value added				
Employees				
Direct compensation	20.588	29.769	213.185	181.380
Rewards and benefits	166	172	38.314	39.228
FGTS	58	55	13.585	11.451
Other	2.457	2.265	(24.313)	(13.847)
	23.269	32.261	240.771	218.212
Taxes				
Federal	14.839	12.928	1.211.568	1.138.732
State	-	-	1.250.877	1.191.708
Municipal	-	-	4.162	2.116
	14.839	12.928	2.466.607	2.332.556
Third-party capital remuneration				
Interest	-	-	65.869	-
Rent	-	-	6.403	22.003
	-	-	72.272	22.003
Interest earnings				
Net income for the period	506.310	665.905	506.310	665.905
Minority interests in retained earnings	-	-	124.202	109.189
	506.310	665.905	630.512	775.094
Added value	**544.418**	**711.094**	**3.410.162**	**3.347.865**

See the accompanying notes to the quarterly information

Notes to the financial statements

(In thousands of Reais, unless stated otherwise)

1 Nature of operations

Equatorial Energia S.A. ("Company" or "Equatorial" or "Parent"), headquartered in São Luís, Maranhão, Brazil, is a publicly traded holding corporation with interests primarily in electric power generation and distribution operations. The Company is listed on BM&F BOVESPA under the ticker "EQTL3" and has been listed on Novo Mercado since 2008.

Under Resolution 4621, dated November 25, 2014, the Brazilian power sector regulator, ANEEL, approved a new standard utility concession addendum under which the residual balances of regulatory assets or liabilities relating to financial figures computed in accordance with ANEEL's pre-established rules, including those established after the most recent tariff review, will be included the indemnity to be received by the concession holder in the event of the termination of the concession for whatever reason. Subsidiaries CEMAR and CELPA executed the addendum on December 10, 2014 with approval from the Board of Directors.

2 Subsidiaries and joint ventures

Equatorial has the following interests:

	Note	9/30/2016
CEMAR	(a)	65.11%
55 Soluções	(b)	100.00%
CELPA	(c)	96.50%
Geradora de Energia do Norte	(d)	25.00%
Vila Velha	(e)	50.00%
Equatorial Telecomunicações	(f)	0.04%

(a) Companhia Energética do Maranhão ("CEMAR"): A publicly held corporation primarily engaged in electric power distribution. CEMAR holds the concession for the state of Maranhão, serving 2.2 consumers and covering a concession area of over 333 thousand square kilometers. The public power distribution concession contract (no. 060/2000) between the Company, ANEEL and CEMAR on 08/28/2000 has a term extending to August 2030 and is extendable for a further maximum term of 30 years.

(b) 55 Soluções S.A. is a closely held corporation headquartered in São Luís, Maranhão, Brazil, and primarily engaged in: a) services in the electric power, telecommunications and data transmission businesses; b) electricity bill collection services for third parties; and c) third-party facilities operation, maintenance and planning services.

(c) Centrais Elétricas do Pará S.A. (CELPA) is a Brazilian publicly traded corporation headquartered in Belém, Pará, supplying electricity to a concession area spanning 1,248,000 square kilometers across the State of Pará, serving 2.3 million consumers in 144 municipalities. The public power distribution concession contract (no. 182/1998) between ANEEL and CELPA on 07/28/1998 has a term extending to August 2028 and is renewable for a further maximum term of 30 years. In addition to the distribution concession contract above, CELPA has a Generation Concession Contract (no. 181/1998) for 34 Thermal Power Stations, including 11 Company-owned and 23 third-party power stations, with a term extending 30 (thirty) years to July 28, 2028, and renewable for an additional term of 30 years. On March 15, 2011, SCG / ANEEL Memorandum No. 331/2011 discontinued the concession for third-party thermal power stations, with the Company retaining the concession for its 11 Company-owned power stations.

(d) Geradora de Energia do Norte S.A. is the company responsible for the development and operation of the Tocantinópolis and Nova Olinda thermal power stations in the municipality of Miranda do Norte, Maranhão, Brazil, with a combined installed capacity of 330 MW to be delivered to the National Interconnected System. On October 1, 2008, Equatorial acquired a 25% interest in the Company. The Company's controlling consortium consists of Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. (50%). GNP S.A., in turn, is

controlled by Servtec Investimentos e Participações Ltda. (50%) and Companhia Ligna de Investimentos (50%). Control of the Company is shared and governed by a Shareholders' Agreement.

(e) Vila Velha Termoelétricas Ltda, currently in a pre-operational phase, is responsible for the development and operation of thermal power stations in the state of Espirito Santo. Equatorial Energia has a 50% interest in the company. Control of the Company is shared and governed by a Shareholders' Agreement.

(f) Equatorial Telecomunicações Ltda. is a private-law entity headquartered in São Luís, Maranhão, Brazil, engaged in the provision of telecommunications service, land-line telephone service, multimedia communication services, voice over Internet protocol service and telecommunications information services.

Subsidiaries CEMAR, CELPA and 55 Soluções are collectively referred to in the notes hereafter as "Subsidiaries".

Geradora de Energia do Norte and Vila Velha are joint ventures in which Equatorial Energia's interest is recognized using the equity method of accounting. These investments are initially recognized at cost, which includes transaction expenses.

The presentation of quarterly information for subsidiaries included in the consolidation is the same as the parent company’s and accounting policies have been applied consistently with the consolidated companies and are consistent with those used in the previous year.

All intercompany accounts and transactions have been eliminated in the consolidation.

3 Basis of preparation and presentation of quarterly information

3.1 Statement of compliance

The individual and consolidated quarterly information has been prepared in accordance with Technical Pronouncement CPC 21 (R1) - *Interim Financial Statements*, IAS 34 - *Interim Financial Reporting* of the International Accounting Standards Board (IASB) and Brazilian generally accepted accounting principles (BR-GAAP), and includes information required to be presented under Brazilian corporate law in a manner consistent with the standards set out in Accounting Pronouncements (CPC) approved by the Federal Accounting Counsel (CFC) and by the Brazilian Securities Commission (CVM) as applicable to the preparation of quarterly information.

The individual and consolidated interim quarterly information for the period ended September 30, 2016 was authorized for disclosure by the Board of Directors on November 10, 2016.

3.2 Basis of measurement

The quarterly information has been prepared on a historical cost basis, except for the following material items recognized in the balance sheets at fair value: Concession financial assets; derivative financial instrument assets and liabilities.

3.3 Functional currency and reporting currency

This quarterly information is reported in Reais, the Company's functional currency. All financial information presented in reais has been rounded to the nearest thousand, except when otherwise indicated.

3.4 Use of estimates and judgements

Preparing the quarterly information requires Management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported values of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Significant items subject to such judgments, estimates and assumptions include:

Note 7- credits risk analysis criteria for determining the allowance for doubtful accounts;

Note 15 - criteria for determining and restating concession financial assets;

Note 17 - amortization of intangible concession assets linearly over the period in which the company is entitled to charge consumers for the use of the underlying concession asset (the regulatory useful life of assets) or the term of the concession contract, whichever is shortest;

Note 22 - recognition of deferred tax assets: availability of future taxable income which tax losses can be offset against;

Note 25 - Recognition of provisions for tax, civil and labor risks by rating the chance of defeat according to the evidence available, the hierarchy of law, available case law, recent court decisions and their relevance in the legal framework, in addition to independent legal advisors' opinions;

Note 34 - recognition of pension plan expenditure on post-employment health care benefits and the present value of pension obligations through actuarial valuation, which involves the use of assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future increases in retirement and pension benefits;

Note 35 - definition of fair value using valuation techniques including the discounted cash flow method for financial assets and liabilities not traded in an active market.

3.5 Reclassifications of corresponding amounts

In order to improve the presentation and usefulness of its financial statements, the Company is reclassifying items for the period ended September 30, 2015 in accordance with, CPC 26 – Presentation of Financial Statements (R1) and CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors (R3).

The reclassification of the statement of income for the period is mainly due to the merging of the "transmission and distribution system charges" item with "electricity purchased for resale" and other operating costs and expenses of the same nature (sales and administrative). In addition, diluted net income was not reported at September 30, 2015. The adjustments are as shown below:

	Consolidated		
	Published in 2015 01/01/2015 to 09/30/2015	**Reclassification 1/1/2015 to 9/30/2015**	**Published in 2016 1/1/2015 to 9/30/2015**
Net operating revenue	5,259,238	-	5,259,238
Cost of electricity and construction	(4,049,047)	-	(4,049,047)
Cost of electricity, construction and operation	(3,641,728)	-	(3,641,728)
Electricity purchased for resale and transmission costs	(2,758,613)	(145,125)	(2,903,738)
Construction cost	(737,990)	-	(737,990)
Transmission and distribution system usage charges	(145,125)	145,125	-
Operating cost	(407,319)	-	(407,319)
Personnel	(82,574)	82,574	-
Material	(11,277)	11,277	-
Outsourced services	(158,001)	158,001	-
Depreciation and amortization	(158,565)	158,565	-
Leases and rent	(16,576)	16,576	-
CCC Subsidy	10,995	(10,995)	-
Other	8,679	(8,679)	-
Gross income	1,210,191	-	1,210,191
Sales expenses	(199,895)	(88,599)	(288,494)
General and administrative expenses	(161,987)	(90,207)	(252,194)
Management personnel expenses	(47,689)	47,689	-
Allowance for doubtful accounts and losses on uncollectible receivables	(88,599)	88,599	-
Provision for civil, labor and tax litigation	(9,135)	9,135	-
Amortization	(33,383)	33,383	-
Amortization of concession rights	(5,030)	-	(5,030)
Equity in net income of subsidiaries	24,516	-	24,516
Other net operating expenses	(131,605)	-	(131,605)

	Consolidated		
	Published in 2015 01/01/2015 to 09/30/2015	**Reclassification 1/1/2015 to 9/30/2015**	**Published in 2016 1/1/2015 to 9/30/2015**
Total operating expenses	(652,807)	-	(652,807)
Income before net financial items, income tax and social contributions	557,384	-	557,384
Financial revenue	1,903,648	-	1,903,648
Financial expense	(1,436,408)	-	(1,436,408)
Net financial income	467,240	-	467,240
		-	
Net income before income and social contribution taxes	1,024,624	-	1,024,624
Social contribution	(27,918)	-	(27,918)
Income tax	(83,657)	-	(83,657)
Tax incentives	68,384	-	68,384
Deferred IRPJ and CSLL	(206,339)	-	(206,339)
Taxes on net income	(249,530)	-	(249,530)
		-	
Net income for the period	775,094	-	775,094
Income attributable to:			

Noncontrolling interests	109,189	-	109,189
Controlling interests	665,905	-	665,905
Net income for the period	775,094	-	775,094
Basic earnings per lot of one thousand shares - R$	3.3538	0.54993	3.9038
Diluted earnings per lot of one thousand shares - R$	-	3.8224	3.8224
Number of shares at period-end	198,551	-	198,551

	Consolidated		
	Published in 2015 7/1/2015 to 09/30/2015	**Reclassification 7/1/2015 to 9/30/2015**	**Published in 2016 7/1/2015 to 9/30/2015**
Net operating revenue	1,862,072	-	1,862,072
Cost of electricity and construction	(1,392,428)	-	(1,392,428)
Cost of electricity, construction and operation	(1,232,677)	-	(1,232,677)
Electricity purchased for resale and transmission costs	(927,293)	(53,928)	(981,221)
Construction cost	(251,456)	-	(251,456)
Transmission and distribution system usage charges	(53,928)	53,928	-
Operating cost	(159,751)		(159,751)
Personnel	(26,108)	26,108	-
Material	(5,100)	5,100	-
Outsourced services	(49,236)	49,236	-
Depreciation and amortization	(69,366)	69,366	-
Leases and rent	(6,747)	6,747	-
CCC Subsidy	718	(718)	-
Other	(3,912)	3,912	-
Gross income	469,644	-	469,644
Sales expenses	(63,148)	(33,039)	(96,187)
General and administrative expenses	(60,532)	(23,048)	(83,580)
Management personnel expenses	(10,062)	10,062	-
Allowance for doubtful accounts and losses on uncollectible receivables	(33,039)	33,039	-
Provision for civil, labor and tax litigation	(1,467)	1,467	-
Amortization	(11,519)	11,519	-
Amortization of concession rights	(1,676)	-	(1,676)
Equity in net income of subsidiaries	5,429	-	5,429
Other net operating expenses	(45,623)	-	(45,623)
		-	
Total operating expenses	(221,637)	-	(221,637)

	Consolidated		
	Published in 2015 7/1/2015 to 09/30/2015	**Reclassification 7/1/2015 to 9/30/2015**	**Published in 2016 7/1/2015 to 9/30/2015**
Income before net financial items, income tax and social contributions	248,007	-	248,007
Financial revenue	816,394	-	816,394
Financial expense	(890,234)	-	(890,234)
Net financial income	(73,840)	-	(73,840)
		-	
Net income before income and social contribution taxes	174,167	-	174,167
Social contribution	(2,647)	-	(2,647)
Income tax	(3,132)	-	(3,132)
Tax incentives	(202)	-	(202)
Deferred IRPJ and CSLL	(53,428)	-	(53,428)
Taxes on net income	(59,409)	-	(59,409)
		-	
Net income for the period	114,758	-	114,758
Income attributable to:			
Noncontrolling interests	34,335	-	34,335
Controlling interests	80,423	-	80,423
Net income for the period	114,758	-	114,758
Basic earnings per lot of one thousand shares - R$	0.4050	0.17293	0.5780
Diluted earnings per lot of one thousand shares - R$	-	0.5659	0.5659
Number of shares at period-end	198,551	-	198,551

The reclassification of the statement of cash flow is due to the presentation of current income tax and social contribution and income tax payable, as well as equity income from investment gains (losses), as shown below:

	Parent company		
	Published in 2015 9/30/2016	**Reclassification**	**Published in 2016 9/30/2015**
Cash flows from operating activities			
Net income for the period	665,905	-	665,905
Adjustments for:			
Amortization and depreciation	5,080	-	5,080
Equity in income of associates	(658,191)	804	(657,387)
Adjustment to present value	6,023	-	6,023
Earnings on investments	(28,688)	-	(28,688)
Current income and social contribution taxes	(12,928)	25,856	12,928
Share-based payments	19,722	-	19,722
Gain (loss) on investment	(8,461)	(804)	(9,265)
	(11,538)	25,856	14,318
Changes in current and noncurrent assets and liabilities			
Restricted judicial deposits	(4,052)	-	(4,052)
Dividends receivable	15,570	-	15,570
Taxes and contributions recoverable on net income	(3,905)	-	(3,905)
Other credits	(10,141)	-	(10,141)
Trade accounts payable	152	-	152
Payroll charges	4	-	4
Taxes and contributions payable	342	-	342
Taxes and contributions payable on net income	23,210	(25,856)	(2,646)
Profit sharing	(1,246)	-	(1,246)
Other accounts payable	2,369	-	2,369
	22,303	(25,856)	(3,553)
Net cash flows from operating activities	10,765	-	10,765
Cash flows from investment activities			
Short-term investments/redemptions	(25,281)	-	(25,281)
Receipt of dividends	-	-	-
Cash flows used in investing activities	(25,281)	-	(25,281)
Cash flows from financing activities			
Net cash provided by (used) in financing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	(14,516)	-	(14,516)
Cash and cash equivalents at beginning of the period	23,226	-	23,226
Cash and cash equivalents at end of the period	8,710	-	8,710
Net increase (decrease) in cash and cash equivalents	(14,516)	-	(14,516)

The reclassification of the consolidated statement of cash flow is due to net income being reported with the inclusion of minority interests, as in the previous period only the net income of the Parent Company was reported, as follows:

	Consolidated		
	Published in 2015 9/30/2016	**Reclassification**	**Published in 2016 9/30/2015**
Cash flows from operating activities			
Net income for the period	665,905	109,189	775,094
Adjustments for:			
Amortization and depreciation	196,770	-	196,770
Equity in income of associates	(24,516)	-	(24,516)
Write-off of intangible assets	56,824	-	56,824
Indexation of financial assets	(176,964)	-	(176,964)
Debt service charges, interest and monetary and exchange variance, net	690,525	-	690,525
Loss (gain) on derivative financial instruments	(175,658)	-	(175,658)
Adjustment to present value	(468,209)	-	(468,209)
Allowance (reversal) for doubtful accounts and losses on uncollectible receivables	88,599	-	88,599
Provision (reversal) for civil, labor and tax litigation	24,306	-	24,306
"A Component" revenue receivable and other financial items	552,826	-	552,826
Earnings on investments	(149,562)	-	(149,562)
Deferred income and social contribution taxes	206,486	(147)	206,339
Current income and social contribution taxes	43,191	-	43,191
Share-based payments	19,722	-	19,722
Gain (loss) on investment	(8,461)	9,274	813
Dividends proposed payable	-	(6,435)	(6,435)
Minority interests	120,827	(120,827)	-
Other	1,560	8,799	10,359
	1,664,171	(147)	1,664,024
Changes in current and noncurrent assets and liabilities			
Trade accounts receivable	(527,014)	-	(527,014)
Recovery of electricity costs and charges	(52,786)	-	(52,786)
Fuel purchased - CCC account	41,448	-	41,448
Services in progress	(47,431)	-	(47,431)
Judicial deposits	(13,725)	-	(13,725)
Inventory	7,176	-	7,176
Dividends receivable	-	-	-
Taxes and contributions recoverable	3,252	-	3,252
Taxes and contributions recoverable on net income	(16,300)	-	(16,300)
Deferred income and social contribution taxes	-	147	147
Subrogation to CCC	44,490	-	44,490
Other credits	(12,537)	-	(12,537)
Trade accounts payable	(270,098)	-	(270,098)
Payroll charges	(318)	-	(318)
Taxes and contributions payable	4,739	-	4,739
Taxes and contributions payable on net income	(37,686)	-	(37,686)
Consumer charges	42,012	-	42,012
Public lighting fee	(15,085)	-	(15,085)
Energy efficiency research and development	14,451	-	14,451
Profit sharing	(5,201)	-	(5,201)
Retirement and pension plan	-	-	-
Provision for civil, labor and tax litigation	(25,678)	-	(25,678)
Interest paid	(137,275)	-	(137,275)
Income and social contribution taxes paid	(11,732)	-	(11,732)
Other accounts payable	75,487	-	75,487
	(939,811)	147	(939,664)
Net cash flows from operating activities	724,360	-	724,360
Cash flows from investment activities			
Acquisitions of intangible assets and property, plant and equipment	(574,345)	(135)	(574,480)
Acquisition of property, plant and equipment	(135)	135	-
Short-term investments/redemptions	(4,999)	-	(4,999)
Receipt of dividends	15,570	-	15,570
Cash flows used in investing activities	(563,909)	-	(563,909)
Cash flows from financing activities			
Obtainment of loans and financing and debentures	864,638	-	864,638
Amortization of loans and financing and debentures	(884,052)	-	(884,052)
Amortization of derivative financial instruments	(65,103)	-	(65,103)
Judicial reorganization	98,992	-	98,992
Funding for capital increase	-	-	-

	Consolidated		
	Published in 2015 9/30/2016	**Reclassification**	**Published in 2016 9/30/2015**
Dividends paid	(3,069)	-	(3,069)
Net cash provided by (used) in financing activities	11,406	-	11,406
Net increase (decrease) in cash and cash equivalents	171,857	-	171,857
Cash and cash equivalents at beginning of the period	280,098	-	280,098
Cash and cash equivalents at period-end	451,955	-	451,955
Net increase (decrease) in cash and cash equivalents	171,857	-	171,857

4 Significant accounting policies

The interim financial information is being presented without repeating certain notes previously disclosed, but disclosing any material changes in the period. The accounting principles used in the preparation of interim information are the same as used in the preparation of the Company's annual financial statements, as described in Note 3, for the financial year ended December 31, 2015. The interim financial information should therefore be read in conjunction with the Company's annual financial statements for the financial year ended December 31, 2015, which include the full set of notes.

The Company has adopted all revised pronouncements and standards and interpretations issued by CPC and IASB and in force as of September 30, 2016.

5 Cash and cash equivalents

	Parent company		Consolidated	
	9/30/2016	**12/31/2015**	**9/30/2016**	**12/31/2015**
Cash and bank deposits	67	161	30,571	46,987
Short-term financial investments (a)	9,766	8,874	385,340	350,879
Total	9,833	9,035	415,911	397,866

(a) Short-term financial investments

	9/30/2016	**9/30/2015**	**9/30/2016**	**9/30/2015**
CDB	9,443	8,543	244,465	212,119
Debentures held under repurchase agreements	323	331	140,875	138,760
Total	9,766	8,874	385,340	350,879

Short-term financial investments are transactions at financial institutions operating in Brazilian financial markets and which have low credit risk.

Short-term financial investments largely consist of highly liquid fixed-income investments indexed to the Bank Deposit Certificate (CDB) rate and repo transactions directly with financial institutions, which pay interest at rates of approximately 93.51% of the Interbank Deposit

Certificate ("CDI") rate (99.23% at December 31, 2015), are readily available for use in the Company and its subsidiaries' operations, are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value (i.e. immediately liquid financial assets). These transactions have maturities of less than three months and a repurchase commitment by the issuer.

The Company recognizes these current assets as cash and short-term financial investments in its statements of cash flows, and there are therefore no differences between the cash and short-term financial investments described in this note and the balances presented in the statement of cash flows. There are no balances of cash and cash equivalents that are not available for immediate use by the Company.

6 Short-term investments

	Parent company		Consolidated	
Type	**9/30/2016**	**12/31/2015**	**9/30/2016**	**12/31/2015**
Investment funds	275,810	223,045	1,627,390	2,080,520
Other	-	-	3,411	2,954
Total	275,810	223,045	1,630,801	2,083,474

Investment funds represent low-risk transactions with first-rate financial institutions. They include a range of assets intended to improve returns at a lower level of risk, such as: fixed income securities, government bonds, repo transactions, debentures, CDBs and other investments permitted under Group policy. These instruments pay interest at approximately 104.21% of the Interbank Deposit Certificate ("CDI") rate (104.02% at December 31, 2015 and are classified as assets at fair value through profit or loss.

7 Trade accounts receivable (Consolidated)

7.1 Breakdown of balances

	Consolidated	
	9/30/2016	**12/31/2015**
Trade accounts receivable, billed	1,491,443	1,530,078
Trade accounts receivable, unbilled	229,843	275,913
Financed bills (a)	904,794	763,554
Low-income and "viva luz" consumers	58,591	61,475
Other	113,348	157,997
Total	2,798,019	2,789,017
(-) Allowance for doubtful accounts	(239,540)	(533,721)
Total trade accounts receivable	2,558,479	2,255,296
Total current	2,211,925	1,977,709
Total noncurrent	346,554	277,587

(a) CEMAR and CELPA electricity bill receivables which have been financed for terms of up to 24 months, or for longer terms for corporate or high-voltage customers.

7.2 Allowance for doubtful accounts (CEMAR and CELPA)

	Consolidated			
	12/31/2015	**Additions**	**Reversals (write-offs) (a)**	**9/30/2016**
Trade accounts receivable, billed	449,314	121,618	(360,802)	210,130
Financed receivables	81,453	51,732	(112,117)	21,068
Other	2,954	9,181	(3,793)	8,342
Total	533,721	182,531	(476,712)	239,540

	12/31/2014	**Additions**	**Reversals (write-offs)**	**12/31/2015**
Trade accounts receivable, billed	313,145	176,977	(40,808)	449,314
Financed receivables	52,619	68,070	(39,236)	81,453
Other[1]	2,954	-	-	2,954
Total	368,718	245,047	(80,044)	533,721

(a) CELPA reassessed the aging of trade receivables and identified a total of R$ 298,130 more than 360 days overdue. These were written off based on statutory aging limits. The write-off did not affect the results of operations for the quarter, however, as a provision had been established for these receivables.

The Allowance for Doubtful Accounts is recognized based on defined criteria and Management's

[1]For the sake of better presentation, the Company concatenated the items "Electric Trading Chamber - CCEE, Services to third parties, Checks under collection" into the "Other" item.

best estimates, in accordance with General Instruction 6.3.2 of the Accounting Manual for Public Electric Utility Service, as summarized below:

Customers with relevant debts

Individual analysis of the trade accounts receivable by consumption class, deemed unlikely to be received. For the 10 thousand largest customers, where an Allowance for Doubtful Accounts has been recognized for any of their receivables, whether or not they have been financed, all other overdue and outstanding receivables for those customers are included in the Allowance for Doubtful Accounts.

For other customers, the rules below are applied

Residential consumers - more than 90 days overdue;

Commercial consumers - more than 180 days overdue; and

Industrial, rural and government consumers, street lighting, public services and other - more than 360 days overdue.

The criteria above are also applied to financed receivables.

7.2 Trade accounts receivable, billed (CEMAR and CELPA)

	Consolidated			
	9/30/2016			
	Outstanding balances	**90 days overdue**	**More than 90 days overdue**	**Total**
Residential	334,492	324,055	92,763	751,310
Industrial	72,126	25,928	56,144	154,198
Commercial	159,404	85,473	37,063	281,940
Rural	17,501	16,477	20,511	54,489
Government	62,783	78,542	17,556	158,881
Public lighting	27,309	14,071	16,007	57,387
Public utility	9,458	13,814	9,966	33,238
Total billed	683,073	558,360	250,010	1,491,443

	Consolidated

	12/31/2015			
	Outstanding balances	**90 days overdue**	**More than 90 days overdue**	**Total**
Residential	329,726	278,349	232,585	840,660
Industrial	80,243	26,492	50,905	157,640
Commercial	156,209	66,433	39,551	262,193
Rural	18,921	13,891	28,651	61,463
Government	31,352	54,024	8,253	93,629
Public lighting	23,457	7,142	1,561	32,160
Public utility	14,105	55,371	12,857	82,333
Total billed	654,013	501,702	374,363	1,530,078

7.3 Financed receivables

	Consolidated			
	9/30/2016			
	Outstanding balances	**90 days overdue**	**More than 90 days overdue**	**Total**
Residential	509,882	42,991	37,654	590,527
Industrial	40,926	5,545	13,157	59,628
Commercial	83,239	8,034	9,043	100,316
Rural	21,345	2,276	4,917	28,538
Government	66,842	4,988	8,638	80,468
Public lighting	11,634	1,039	1,246	13,919
Public utility	28,278	1,552	1,568	31,398
Total financed receivables	762,146	66,425	76,223	904,794

	Consolidated			
	12/31/2015			
	Outstanding balances	**90 days overdue**	**More than 90 days overdue**	**Total**
Residential	382,629	28,971	64,066	475,666
Industrial	28,561	2,799	15,799	47,159
Commercial	61,476	5,239	15,119	81,834
Rural	18,087	1,705	4,970	24,762
Government	71,367	3,217	5,293	79,877
Public lighting	8,715	140	399	9,254
Public utility	18,264	1,009	1,083	20,356
Billed service - novation	3,696	551	863	5,110
Other receivables - novation	-	286	871	1,157
Novation	-	4,362	14,017	18,379
Total financed receivables	592,795	48,279	122,480	763,554

8 Accounts receivable - rate tiers (Tariff Flags)

Billings within the Rate Tier System (Tariff Flags) from January to September 2016, of R$ 113,637, and costs passed on to customers, of R$ 40.33, were recognized as advance "A Component" revenue and other financial items, without affecting the Group's income for the period. For the period ended September 30, 2016 the balance receivable is R$ 513. At December 31, 2015 the balance receivable was R$ 5,542.

In January 2016 the red rate tier was applied at R$ 4.50 for every 100 kWh. From February 2016 the red rate tier was divided into two levels: R$ 3.00 (level 1) and R$ 4.50 (level 2) for every 100 kWh consumed. The yellow tier rate was also reduced from R$ 2.50 to R$ 1.50 for every 100 kWh consumed. During the first quarter of 2016, ANEEL approved the red tier in January, the red tier (level 1) in February and the yellow tier in March. In the period ended September 30, 2016 the green tier was applied.

9 Fuel purchased - CCC account

At September 30, 2016, CELPA, had credits of R$ 161,676 (R$ 221,298 at December 31, 2015) in the Fossil Fuel Consumption Account (CCC).

The Fossil Fuel Consumption Account was created by Decree 73102 on November 7, 1973 for the purpose of consolidating the apportionment of the fuel consumption costs of thermal power generation in islanded systems, especially in the North of Brazil. Act 12111, deriving from Provisional Measure 466/2009, was promulgated on December 9, 2009 to provide reimbursement for electric power generation costs in Islanded Systems, including the cost of contract power supply and contract power related to own generation for servicing power distribution utilities, power sector charges and taxes and capital expenditure, which reimbursement is made through the "CCC" account.

10 "A Component" revenue receivable (returnable) and other financial items

The "A Component" Offsetting account (CVA) is a system for recognizing changes in costs related to purchased electricity and regulatory charges during the period between tariff adjustments and/or periodic reviews. It is a system designed to ensure greater neutrality in the passing on of these changes to electricity rates, in which utilities record changes in these costs as regulatory assets and liabilities, as shown below:

	Consolidated		
	9/30/2016		
	Current	**Non-current**	**Total**
Parcel A			
Energy Development Account (CDE)	(14,872)	3,499	(11,373)
Alternative Source Incentive Program (PROINFA)	17,423	300	17,723
National Grid	(546)	2,591	2,045
Acquisition of energy - CVA	154,012	27,334	181,346
System Service Charges (ESS)	(97,955)	(8,608)	(106,563)
	58,062	25,116	83,178
Financial items			
Over-purchased electricity	(23,539)	15,088	(8,451)
Financial exposure	(70,485)	(17,517)	(88,002)
PIS/COFINS	7,425	-	7,425
Eletronuclear	342	-	342
Neutrality	(52,983)	(8,346)	(61,329)
CEPISA violation of continuity limit	75	-	75
Other	(5,428)	(65,980)	(71,408)
	(144,593)	(76,755)	(221,348)
Total	(86,531)	(51,639)	(138,170)

	Consolidated		
	12/31/2015		
	Current	**Non-current**	**Total**
Parcel A			
Energy Development Account (CDE)	46,248	6,637	52,885
Alternative Source Incentive Program (PROINFA)	814	-	814
National Grid	12,320	819	13,139
Acquisition of energy - CVA	218,658	30,470	249,128
System Service Charges (ESS)	(202,797)	(6,900)	(209,697)
	75,243	31,026	106,269
Financial items			
Over-purchased electricity	(96,939)	(11,907)	(108,846)
Financial exposure	15,391	5,967	21,358
PIS/COFINS	(11,121)	-	(11,121)
Eletronuclear	6,763	-	6,763
Neutrality	(31,663)	(22,658)	(54,321)
CEPISA violation of continuity limit	2,602	-	2,602
Other	(9,837)	(19,406)	(29,243)
	(124,804)	(48,004)	(172,808)
Total	(49,561)	(16,978)	(66,539)

Following the publication of OCPC08 – *Recognition of Certain Assets or Liabilities in the General-Purpose Financial Reports of Electric Power Distributors* in November 2014, which regulates the recognition of regulatory assets and liabilities deriving from the addendum signed with the power sector regulator, the Company has recorded these rights and obligations on an accrual basis and prospectively.

	Consolidated					
	12/31/2015	**Accrual**	**Write-off**	**Indexation**	**Amortization**	**9/30/2016**
Parcel A						
Energy Development Account (CDE)	52,885	(25,205)	(28,198)	5,912	(16,767)	(11,373)
Alternative Source Incentive Program (PROINFA)	814	7,470	1,035	1,469	6,935	17,723
National Grid	13,139	12,790	(9,531)	767	(15,120)	2,045
Acquisition of energy - CVA (a)	249,128	143,833	88,749	16,176	(316,540)	181,346
System Service Charges (ESS) (b)	(209,697)	46,314	(6,724)	(13,948)	77,492	(106,563)
	106,269	185,202	45,331	10,376	(264,000)	83,178
Financial items						
Over-purchased electricity (c)	(108,846)	106,407	(60,144)	940	53,192	(8,451)
Financial exposure (d)	21,358	(36,120)	1,005	(2,496)	(71,749)	(88,002)
PIS/ COFINS (e)	(11,121)	18,546	-	-	-	7,425
Eletronuclear (f)	6,763	-	573	-	(6,994)	342
Neutrality (a)	(54,321)	46,546	11,541	(4,074)	(61,021)	(61,329)
CEPISA violation of continuity limit	2,602	(2,527)	-	-	-	75
Other	(29,243)	(9,670)	(738)	3	(31,760)	(71,408)
	(172,808)	123,182	(47,763)	(5,627)	(118,332)	(221,348)
Total	(66,539)	308,384	(2,432)	4,749	(382,332)	(138,170)

	Consolidated					
	12/31/2014	**Accrual**	**Write-off**	**Indexation**	**Amortization**	**12/31/2015**
Portion A						
Energy Development Account (CDE)	2,575	66,851	(9,241)	7,748	(15,048)	52,885
Alternative Source Incentive Program (PROINFA)	1,475	1,168	(4)	174	(1,999)	814
National Grid	19,631	5,914	327	2,294	(15,027)	13,139
Acquisition of energy - CVA (a)	556,205	(148,029)	209,293	59,968	(428,309)	249,128
System Service Charges (ESS) (b)	(180,821)	(155,596)	22,477	(26,887)	131,130	(209,697)
	399,065	(229,692)	222,852	43,297	(329,253)	106,269
Financial items						
Over-purchased electricity (c)	263,132	(154,809)	(219,738)	4,547	(1,978)	(108,846)
Financial exposure (d)	(9,504)	26,910	2,940	1,817	(805)	21,358
PIS / COFINS (e)	61,169	(11,121)	(24,403)	-	(36,766)	(11,121)
Eletronuclear (f)	17,938	-	9,822	-	(20,997)	6,763
Continuity limit	(1,017)	-	113	-	904	-
Neutrality (g)	(11,412)	(49,376)	(7,209)	-	13,676	(54,321)
CEPISA violation of continuity limit	1,090	1,824	(359)	47	-	2,602
Other	1,995	(28,802)	(1,126)	-	(1,310)	(29,243)
	323,391	(215,374)	(239,960)	6,411	(47,276)	(172,808)
Total	722,456	(445,066)	(17,108)	49,708	(376,529)	(66,539)

(a) Joint Directive 25 of the Ministries of State Finance and Mines and Energy, issued on January 24, 2002, established an "A Component" Variation Offset Account (CVA) for recording negative or positive changes in costs during periods between annual tariff adjustments in relation to the provisions of power distribution concession contracts, ensuring greater neutrality in the transfer of these changes to electricity rates. These changes are calculated as the difference between expenses actually incurred and expenses estimated when setting electricity rates in annual tariff adjustments. CVA amounts are indexed against the SELIC rate;

(b) A fee paid in relation to the dispatching of thermal power stations to reduce the load on hydroelectric reservoirs and in relation to transmission restrictions between sub-markets;

(c) Article 38 of Decree 5163 of July 30, 2004 establishes that in the incorporation of electricity purchase costs in final consumer electricity rates ANEEL should consider up to 105% of the total contract power in relation to the annual power supply load of the utility. This was regulated by ANEEL Resolution 225 of March 6, 2007. Distribution utilities are required to provide assurance of 100% of their electricity requirement through contracts registered with and approved by ANEEL, with the incorporation in consumer electricity rates of costs or revenue deriving from electricity surpluses or deficits limited to 3% of the electricity requirement. Over-Purchased Electricity refers to the electricity purchase costs passed on up to a limit of 5% of the utility's load requirement;

To calculate over-purchased electricity and short-term market exposure, utilities' results in the short term market over the previous calendar year and the difference settlement price (PLD) amounts are determined on a monthly basis by the CCEE. (i) In the period ended September 30, 2015 the PLD averaged R$ 263.63, which was higher than in the same period of 2016 and therefore constituted a component of assets for 2015; (ii) at September 30, 2016, CEMAR's short-term market surplus (or contract power in excess of calculated electricity requirement) was lower, combined with a lower average PLD for financial year 2016 at R$82.55; and (iii) in aggregate, thermal power dispatches by the National System Operator (ONS) were reduced, which reduces variable revenue components for generators.

(d) Under article 28 (2 and 3) of Decree 5163 of July 30, 2004, specific mechanisms are provided for apportioning the financial risks deriving from sub-market pricing differences to which distribution utilities with quantity-based Regulated-Environment Power Purchase Agreements are subject;

(e) Under Technical Notice 115/2005-SFF/SRE/ANEEL, the effective PIS/COFINS rate calculated for the month is applied in the second subsequent months, at which time the difference between calculated amounts and the amount actually collected from customers is determined. The calculated amounts are recognized as regulatory assets or liabilities depending on their effects. In 2015 this resulted in a reimbursement to customers which will be passed through in 2016.

(f) Refers to the actual rate-to-reference rate difference between Furnas e Eletronuclear, as determined by Act 12111 of December 9, 2009. The difference was apportioned among the utilities that purchased electricity under the first regulated environment auction in 2005, and the amount was paid monthly by utilities to Eletronuclear from 2013 to 2015, in installments approved under REH 1.406/2012. On December 31, 2014 the Company had amounts receivable relating to the recognition of amounts payable in 2015 under ANEEL Resolution 1585 of August 13, 2013, which will be included in the following tariff adjustments; and

(g) Derives from the passing through to consumers of the financial compensation for violation of continuity limits at connection points between distributors, under Module 8 of the National Power System Power Distribution Procedures (PRODIST, Section 8.2, Subsection 6.1.5.2). These amounts are paid by the utilities to which power is supplied, and must be passed on to the end consumers of the utilities from which power is derived in the form of a financial discount.

On an annual basis, in August, ANEEL calculates a new tariff adjustment index for subsidiaries CEMAR e CELPA to adjust their "A Component" expenses (non-manageable costs such as

purchased electricity, sector charges, transmission charges). ANEEL determined the subsidiaries' annual tariff adjustment through Resolution 2,127 of August 23, 2016, with new rates that will be effective from August 28, 2016 to August 27, 2017. In calculating adjustments, the Agency takes account of the changes in costs to which the subsidiaries were subject during the year. The calculation includes typical utility costs, to which the General Market Prices Index (IGP-M) index is applied, as well as other costs that do not necessarily change in a manner that is consistent with the inflation index, such as purchased electricity, transmission charges and sector charges.

In this process the CVAs reported by subsidiaries are audited, and any difference between the amount calculated by the Group and the amount approved by ANEEL for the period is derecognized. The negative and positive balances of financial components granted in the previous year's tariff review are written off as they may only be amortized over a period of 12 months following the adjustment. The differences between these items are termed as the Adjustment Effect in subsidiaries, and for this period the rate adjustment applicable to consumers was 8.24% for CEMAR and 7.55% for CELPA, with financial components included in the rates.

11 Taxes recoverable

The current and non-current balances due to legal prepayments or retentions are stated as follows:

11.1 Taxes and contributions recoverable

	Consolidated	
	9/30/2016	**12/31/2015**
Current		
ICMS recoverable (CIAP)	32,873	75,936
Other	20,001	18,938
Total	52,874	94,874
Non-current		
ICMS recoverable (CIAP)	117,651	85,263
Other	3,030	2,970
Total	120,681	88,233

11.2 Taxes and contributions recoverable on net income

	Parent company		Consolidated	
	9/30/2016	**12/31/2015**	**9/30/2016**	**12/31/2015**
Current				
IRRF on short-term investments	317	4,194	35,435	55,450
Prepaid IRPJ/CSLL	-	16,683	2,022	21,943
IRPJ/CSLL returnable (a)	10,402	5,677	20,890	32,315
PIS/COFINS withheld at source	6,490	4,661	44,793	7,075
Total	17,209	31,215	103,140	116,783
Noncurrent				
IRPJ/CSLL returnable	-	-	41,940	39,661
Total	-	-	41,940	39,661

(a) For subsidiary CELPA the amounts recorded under Current derived from pre-paid IRRF, CSLL, PIS and COFINS withholding in 2015. The amounts recorded under Noncurrent consist of prepaid IRPJ and CSLL in calendar year 2004, which were paid in installments in accordance with Act 11941/2009.

12 Related parties

The primary balances of assets and liabilities at September 30, 2016 and the primary transactions that affected results for the period deriving from the transactions of the Parent Company with subsidiaries, shareholders and their related parties, key members of Management (chairman and directors) and other related parties as defined by CVM Resolution 560 of December 11, 2008, which approved CPC 05 - Related Parties Disclosures, are shown below:

			Parent company					
			9/30/2016			12/31/2015		9/30/2016
Companies	**Note**	**Nature of transaction**	**Assets**	**Liabilities**	**Income/ expense**	**Assets**	**Liabilities**	**Income/ expense**
CEMAR	(a)	Shared services agreement	-	(576)	-	-	(212)	-
		Dividends	107,099	-	-	44,696	-	-
CELPA	(b)	Loans	76,865	-	(10,664)	102,464	-	6,692
		Credit assignment	228,817	-	(22,446)	200,401	-	(16,524)
		Dividends	21,487	-	-	16,758	-	-
Equatorial Soluções	(c)	Dividends	6,353	-	-	6,353	-	-

			Consolidated					
			9/30/2016			12/31/2015		9/30/2016
Companies	**Note**	**Nature of transaction**	**Assets**	**Liabilities**	**Income/ expense**	**Assets**	**Liabilities**	**Income/ expense**
ELEROBRAS	(d)	Loans[2]	-	(224,382)	15,756	-	(253,752)	25,644
		Dividends	-	(55,189)	-	-	(23,032)	-
FASCEMAR	(e)	Pension plan	-	-	4,137	-	-	2,278
GERA MARANHÃO	(e)	Purchased electricity	-	-	1,537	-	-	3,465

(a) Transactions between CEMAR and the Company are derived from a human resources and administrative shared services agreement and the apportionment of the relevant expenses, as well as dividends receivable;

(b) Transactions with CELPA are related to the direct or indirect acquisition and negotiation of financing as part of the judicial reorganization of the subsidiary, with payments owed to the following creditors: BNDES, Banco Bradesco, Banco Itaú BBA/ Unibanco, BIC Banco, Banco Merrill Lynch and

[2]The Group did not report on income/expense in the quarterly information for the period ended September 30, 2015.

Banco Société Générale. The balance will be amortized in 10 annual, fixed and equal installments, the first maturing on September 30, 2034 and the last on September 30, 2043;

(c) Transactions with 55 Soluções are derived from a human resources and administrative shared services agreement and the apportionment of the relevant expenses payable to CEMAR, with an indefinite term;

(d) Transactions with Eletrobras are related to dividends payable and loan agreements with CEMAR. The loan agreements with Eletrobras relate to power sector credit facilities, the terms and conditions of which are equivalent to those applicable to other power distribution utilities in Brazil;

(e) These amounts relate to CEMAR's contributions to its Supplementary Pension Foundation; and

(f) The transactions with Geradora de Energia do Norte S.A. ("Gera Maranhão") are derived from power purchase agreement CCEAR Nº 5555/2007 - 29413N - 29414N with CEMAR, with a term extending to 2024 and arm's-length terms and conditions.

Key management personnel compensation

Key Management personnel include Directors and Officers. The ceiling for compensation was set at R$14,500 in an Annual General Meeting held on April 15, 2016.

Proportion of each constituent of overall compensation in the period ended September 30, 2016:

Board of Directors	
Fixed compensation:	100%
Executive Board	
Fixed compensation:	12%
Variable compensation:	67%
Share-based payments:	21%

Compensation paid by the Company to the Board of Directors and Executive Board during the period:

	Board of Directors	Statutory Executive Board	Total
Number of members	7	7	14
Annual Fixed Compensation	833	1,587	2,420
Salaries or management fees	833	1,575	2,408
Direct and indirect benefits	-	12	12
Variable compensation	-	9,081	9,081
Bonuses	-	9,081	9,081
Post-employment benefits	-	11	11
Share-based payments	-	2,864	2,864
Total compensation by board	833	13,543	14,376

Guarantees

The Company has provided guarantees as surety for subsidiaries CEMAR and CELPA, without related charges, in the financing agreements below:

CEMAR

Institution	Financing amount	% guarantee	From	To	Amount disbursed	9/30/2016
Agência Especial de Financiamento Industrial - FINAME PSI (Simplified)	776	100	3/25/2010	10/15/2019	776	1,278
Agência Especial de Financiamento Industrial - FINAME PSI (Conventional)	17,262	100	8/17/2010	4/15/2020	17,262	7,806
Banco do Brasil - CCB No. 21/00003-4	90,000	100	12/19/2014	4/11/2018	90,000	96,385
Banco do Brasil - CCB No. 20/02000-7	150,000	100	12/19/2014	6/12/2018	150,000	156,776
Banco do Brasil - CCB No. 20/02002-3	40,000	100	12/19/2014	6/15/2018	40,000	41,760
Banco do Brasil - CCB No. 2100010-7	20,000	100	12/19/2014	12/3/2017	20,000	25,528
Brazilian Development Bank - BNDES (11.2.0841.1)	175,237	100	11/11/2011	11/15/2021	175,237	51,592
Brazilian Development Bank - BNDES (12.2.1211.1)	516,488	100	12/13/2012	12/15/2022	467,280	350,255
Brazilian Development Bank - BNDES (14.2.1233.1)	557,700	100	12/30/2014	3/15/2024	212,109	225,568
Banco do Nordeste do Brasil - BNB	136,076	100	11/23/2005	11/18/2016	136,076	1,155
Banco do Nordeste do Brasil - BNB (193.2008.2808.3018)	144,939	100	2/5/2009	2/5/2021	144,939	80,550
Caixa Econômica Federal - Contract No. 415.866-52/2013 - FINISA	25,763	100	10/4/2013	10/7/2025	25,763	25,364
Financiadora de Estudos e Projetos - FINEP	7,956	100	11/7/2011	3/15/2020	7,956	3,932
International Finance Corporation - IFC	135,056	50	2/1/2008	1/15/2016	135,056	-
Total	2,017,253	-	-	-	1,622,454	1,067,949

CELPA

Institution	Financing amount	% guarantee	From	To	Amount disbursed	9/30/2016
Inter-American Development Bank (RJ)	121,095	100	9/1/2012	8/31/2026	121,095	239,517
Banco BIC (working capital)	11,700	100	1/22/2014	7/24/2017	11,700	3,829
Banco BIC (working capital)	10,000	100	9/19/2014	3/19/2018	10,000	5,330
Banco Guanabara - (working capital CCB)	8,114	100	10/20/2014	10/22/2018	8,114	4,246
Banco BIC (working capital)	20,900	100	12/30/2014	6/30/2018	22,900	13,837
BNDES (Loan 13/14)	498,073	100	12/26/2014	5/15/2024	407,150	338,561
BNDES (Loan - Tower 15/16/17)	863,191	100	12/27/2015	3/15/2024	290,000	304,355
Banco Itaú (Working Capital CCBI)- US$69MM	200,000	100	2/25/2015	2/24/2017	200,000	113,042
CitiBank (Working Capital CCBI) - US$ 112MM	455,520	100	1/20/2016	2/1/2019	455,520	367,640
Banco BIC (working capital)	22,900	100	7/3/2015	1/3/2019	22,900	17,915
Banco Santander	85,000	100	8/12/2015	8/8/2016	85,000	-
Banco BIC (working capital)	2,147	100	5/16/2016	11/16/2019	2,147	2,042
Austral Seguradora (Guarantee for 20th LEN Option 006/2014 A-5)	341	100	11/18/2015	11/18/2016	N/A	N/A
Austral Seguradora (Judicial Insurance -Labor - Case no.0001146-69.2013.5.08.0003)	471	100	11/16/2015	11/16/2017	N/A	N/A
Austral Seguradora (Judicial Insurance - Labor - Tax Enforcement - PGFN)	1,114	100	11/23/2015	11/23/2020	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0000239-31.2007.8.14.0054)	350	100	12/11/2015	12/11/2017	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0000851-74.2014.5.08.0107)	200	100	1/18/2016	1/18/2018	N/A	N/A
Austral Seguradora (Judicial Insurance - AI no. 001/2012 and 002/2012 - ISS Portel)	24,792	100	1/18/2016	1/18/2021	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0000474-07.2005.814.0005)	1,372	100	3/23/2016	3/23/2019	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0019743-82.2012.814.0301)	3,400	100	4/6/2016	4/6/2017	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0002876-91.2000.8.14.0028)	1,397	100	4/14/2016	4/14/2019	N/A	N/A

Institution	Financing amount	% guarantee	From	To	Amount disbursed	9/30/2016
Austral Seguradora (Judicial Insurance - Case no. 0000197-87.2006.814.0070)	1,917	100	4/18/2016	4/18/2019	N/A	N/A
Austral Seguradora (Judicial Insurance - Insured PINE)	36,467	100	9/9/2016	9/9/2017	N/A	N/A
Austral Seguradora (Judicial Insurance - Insured STIUPA)	25,175	100	11/10/2014	11/9/2019	N/A	N/A
Austral Seguradora (Judicial Guarantee - AI: 032809-A of ICMBio)	66	100	8/10/2015	5/10/2018	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 001.2012.908.134-3 - 3rd Tax Enforcement Court of Belém/PA)	4,418	100	1/13/2015	1/13/2020	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 001.2012.923.686-3 - 3rd Tax Enforcement Court of Belém/PA)	79	100	1/13/2015	1/13/2020	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 1575-70.2012.5.08.0003)	677	100	2/2/2015	1/29/2017	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0000578-90.1997.814.0301 Civil)	1,315	100	7/9/2015	7/9/2018	N/A	N/A
Austral Seguradora (Electricity Purchase Guarantee - Option no. 02/2015 (3rd LFA))	283	100	12/31/2015	12/31/2016	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0009689-93.2014.8.14.0040 Tax Enforcement Parauapebas)	18	100	5/15/2015	5/15/2020	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0000587-05.2015.08.0016 - 17th Labor Court of Belém/PA)	2,474	100	5/21/2015	5/21/2017	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0001007-41.2014.08.0017 - 17th Labor Court of Belém/PA)	1,028	100	6/2/2015	6/2/2017	N/A	N/A
Austral Seguradora (Judicial Insurance - Case no. 0000001-71.1998.14.0007 -Antônio Pereira Lobo)	3,920	100	6/14/2016	6/14/2018	N/A	N/A
Total	2,409,914	-	-	-	1,636,526	1,410,314

13 Subrogation to CCC

Under ANEEL Resolution 784 of December 24, 2002 and ANEEL Resolution 1999 of July 7, 2009, as amended by ANEEL Resolution 3405 of March 27, 2012, CELPA has been subrogated to the Fuel Consumption Account benefit in relation to the interconnection of islanded municipalities with the National Interconnected System (SIN), for the Island of Marajó. Subrogation is currently governed by Aneel Resolution 427 of February 22, 2011.

Articles 53 and 54 of ANEEL Resolution 4722 of December 18, 2009 contain provisions on the accounting of the subsidy. This resolution establishes that all amounts already received or approved are to be recorded in account group “223 - Special Obligations Related to the Public Electricity Concession Arrangement”.

The amount of investment recognized and approved by ANEEL for the Marajó Island grid connection is R$465,198 divided into two phases: a first phase of R$184,660 and a second phase of R$280,538. For the grid connection of Oriximiná and Óbidos the amount approved is R$22,374.

Out of the total investment in the Ilha do Marajó grid connection, a total of R$ 206,974 (R$ 163,912 at December 31, 2015) has already been disbursed to CELPA, with a remaining balance of R$ 308,355 (R$ 348,129 at December 31, 2015) and R$ 23,516 relating to the grid connection of the Municipalities of Oriximiná and Óbidos.

Program	Balance at 12/31/2015	Transfer for works	Portion received	Indexation to IGPM	Balance at 9/30/2016
Subrogation Ilha do Marajó	43,450	58,790	(43,062)	3,267	62,445

Subrogation Oriximiná and Óbidos	22,374	-	-	1,142	23,516
Total	65,824	58,790	(43,062)	4,409	85,961

14 Other credits

	Parent company		Consolidated	
	9/30/2016	**12/31/2015**	**9/30/2016**	**12/31/2015**
Current				
Employee amounts recoverable	-	-	1,143	1,985
Advances to suppliers	-	-	9,818	5,058
Sale of assets and rights	-	-	869	5,437
Electricity reimbursement credit	-	-	3,201	3,262
Credits on electricity bills	-	-	1,218	5,264
Prepaid expenses	-	-	2,677	10,271
Other credits receivable (a)	1,342	1,228	49,323	27,415
Total	1,342	1,228	68,249	58,692

	Parent company		Consolidated	
	9/30/2016	**12/31/2015**	**9/30/2016**	**12/31/2015**
Non-current				
Amounts to be released (b)	-	-	16,140	16,140
Guarantee (c)	-	-	54,265	65,378
Credit extension - Celpa	297,864	302,865	-	-
Other receivables	-	-	3,791	4,614
Total	297,864	302,865	74,196	86,132

(a) These amounts are primarily related to the following items for CELPA: i) R$ 13,554 related to service entrance financing offered to consumers in low income areas where illegal connections have been legalized; ii) R$7,715 related to the shared use of light poles (the shared use of distribution infrastructure); iii) R$ 5,822 related to the incorporation of financial interests in works under ANEEL Resolution 223/229/414; and iv) R$ 4,153 relating to other Accounts Receivable;

(b) CELPA has a balance of R$16,140 pending disbursement by Banco Daycoval, which has been blocked under renegotiated financing agreements as part of the Judicial Reorganization Plan; and

(c) Refers to a balance of the subsidiary CELPA, as a requirement under a Medium-and Long-Term Debt (DMLP) contract with the National Treasury, Par Bonds and Discount Coupons. Guarantees are provided in the form of a cash deposit with the National Treasury to amortize the principal of these loans, which mature on April 15, 2024.

15 Concession financial assets (Consolidated)

Refers to the portion of the capital expenditure of subsidiaries CEMAR and CELPA which was not amortized at the end of the concession and has been classified as a financial asset as an unconditional right to receive cash or other financial assets directly from the power sector regulator, in accordance with Technical Interpretations ICPC 01 - (R1) Concession Contracts and ICPC 17 - Concession Contracts: Disclosures and Technical Guidance OCPC 05 - Concession contracts. The portion of infrastructure classified as a financial asset is remunerated through the so-called regulatory WACC, which is the return on investment collected monthly on customers' electricity bills.

Financial concession assets are indemnified based on the investments made in returnable concession infrastructure which has not yet amortized, where such investments have been made in order to guarantee the continuity and upgrading of the service awarded.

The changes in concession financial asset balances are as follows:

	12/31/2015	Indexation of financial assets (a)	Capitalization	Write-offs	9/30/2016
Financial assets	3,176,346	166,005	210,395	(4,472)	3,548,274
Special obligations (b)	(947,415)	(60,179)	(104,951)	-	(1,112,545)
Total	2,228,931	105,826	105,444	(4,472)	2,435,729

	12/31/2014	Reclassification	Indexation of financial assets (a)	Capitalization	NRV Adjustment (c)	Write-offs	12/31/2015
Financial assets	2,381,757	26,416	249,403	561,731	(32,876)	(10,085)	3,176,346
Special obligations (b)	(815,784)	-	(98,197)	(47,364)	(61)	13,991	(947,415)
Total	1,565,973	26,416	151,206	514,367	(32,937)	3,906	2,228,931

The concession held by CEMAR and CELPA is without consideration and therefore there are no fixed financial obligations or payments to be made to the concession authority.

(a) Indexation of financial assets

On September 11, 2012, Provisional Measure 579 established provisions on the extension of a bidding for power generation, transmission and distribution concessions, on the reduction of sector charges, on affordable electricity rates, and other matters. On January 11, 2013 this provisional measure was converted into Act 12783.

Under the new provisions, capital expenditure in connection with revertible assets which has not yet been amortized or depreciated, for indemnity purposes, should be based on the new replacement value methodology using criteria established in the concession regulator's regulations.

For a better estimate of the indemnity upon the termination of the concession, the fair value of financial assets is indexed on a monthly basis to the IPCA index, which is one of the primary indexes used for annual indexation by the regulator in tariff adjustment processes. On November 23, 2015 the index was changed from the IGP-M to the IPCA under Normative Resolution 686/2015, which was published in the Official Journal. Any changes resulting from the criteria for calculating the new replacement value (NRV) were also included in these changes;

(b) Special obligations

These substantially refer to funds from the Federal, State and Municipal Governments and consumer shares linked to utility concession investments.

Special obligations are calculated based on the share of the source of the funds, as follows:

- Funds from the Government are calculated at the percentage established in the contract; and
- Other funds fall under Aneel Resolution 414/2010; and

(c) Adjustment to new replacement value (NRV)

Refers to the adjustment of VNR-related financial obligations as a result of the approval of the Tariff Review for CELPA under Order 2441 of July 29, 2015.

16 Capital Expenditure

Key information on capital expenditure in subsidiaries and jointly controlled subsidiaries is as follows:

		Parent company		Consolidated	
		9/30/2016	12/31/2015	9/30/2016	12/31/2015
Appraised by equity accounting:					
CEMAR	65.11%	1,604,713	1,467,879	-	-
CELPA	96.50%	1,731,006	1,470,032	-	-
Geradora de Energia do Norte	25.00%	83,935	75,282	83,935	75,282
Vila Velha	50.00%	3,300	3,300	3,300	3,300

55 Soluções	100.00%	37,289	29,627	-	-
Subtotal		3,460,243	3,046,120	87,235	78,582
Other investments		-	-	10,068	10,064
Total		3,460,243	3,046,120	97,303	88,646

16.1 Changes in the capital expenditure in subsidiaries and joint subsidiaries

	CEMAR	CELPA	Geradora de Energia do Norte	Vila Velha	55 Soluções	Total
Balance at December 31, 2015	1,467,879	1,470,032	75,282	3,300	29,627	3,046,120
Additional dividends	(62,403)	(4,729)	(11,612)	-	-	(78,744)
Equity in net income of subsidiaries	204,017	265,703	20,265	-	7,662	497,647
Amortization of concession rights	(4,780)	-	-	-	-	(4,780)
Balance at September 30, 2016	1,604,713	1,731,006	83,935	3,300	37,289	3,460,243

	CEMAR	CELPA	Geradora de Energia do Norte	Vila Velha	55 Soluções	Total
Balance at December 31, 2014	1,282,696	391,262	66,879	3,300	24,793	1,768,930
Capital increase (a)	-	588,417	-	-	-	588,417
Minimum dividends	(44,977)	(16,759)	(23,018)	-	(1,505)	(86,259)
Equity in net income of subsidiaries	236,867	500,452	31,421	-	6,339	775,079
Amortization of concession rights	(6,707)	-	-	-	-	(6,707)
PPA CELPA Adjustment	-	24	-	-	-	24
Other comprehensive income	-	15,881	-	-	-	15,881
Gain (loss) on investment	-	(9,245)	-	-	-	(9,245)
Balance at December 31, 2015	1,467,879	1,470,032	75,282	3,300	29,627	3,046,120

(a) Refers to the proceeds from a loan contract concluded with subsidiary CELPA with a total term of 24 months and final maturity on May 2, 2016, as well as funds from the Future Capital Increase Contribution derived from the obligation undertaken under the Judicial Reorganization Plan and ANEEL's Transition Plan.

16.2 Reconciliation of capital expenditure

	2016							
Subsidiaries	Interest	Equity of subsidiary	Net income	Goodwill/ PPA Result	Equity income	Capital expenditure	Balance Goodwill/ PPA	Total investment
CEMAR	65.1087%	2,165,778	313,349	-	204,017	1,410,110	194,603	1,604,713
CELPA	96.4992%	2,073,174	233,101	40,761	224,941	2,000,596	(269,590)	1,731,006

Geradora de Energia do Norte	25.0000%	290,313	80,772	289	20,193	72,578	11,357	83,935
Vila Velha	50.0000%	6,600	-	-	-	3,300	-	3,300
55 Soluções	100.0000%	37,289	12,895	-	12,895	37,289	-	37,289
		4,573,154	640,117	41,050	462,046	3,523,873	(63,630)	3,460,243

17 Intangible assets (Consolidated)

Intangible assets are recognized as follows:

		9/30/2016			
	Weighted average annual depreciation rates (%)	**Cost**	**Amortization**	**(-) Obligations Linked to the Concession**	**Net value**
In service	4.65%	8,961,841	(3,717,270)	(1,785,783)	3,458,788
In progress		1,389,329	-	(397,842)	991,487
Concession agreement		291,810	(97,207)	-	194,603
Total		10,642,980	(3,814,477)	(2,183,625)	4,644,878

		12/31/2015			
	Weighted average annual depreciation rates (%)	**Cost**	**Amortization**	**(-) Obligations Linked to the Concession**	**Net value**
In service	4.37%	8,720,104	(3,376,024)	(1,731,111)	3,612,969
In progress		852,623	-	(540,336)	312,287
Concession agreement		291,810	(92,426)	-	199,384
Total		9,864,537	(3,468,450)	(2,271,447)	4,124,640

Intangible assets consist of the right to use assets under the service concession contracts of subsidiaries CEMAR and CELPA, which are amortized up to August 2030 and July 2028, respectively, in accordance with ICPC01 (R1). Following the adoption of ICPC 01 (R1), the amortization of fixed tangible assets held by concessions and the relevant subsidies has been reclassified to Amortization of Intangible Assets of Concessions - ICPC 01 (R1).

Under articles 63 and 64 of Decree 41019 of February 26, 1957, the infrastructure used for power distribution services is attached to those services and may not be removed, disposed of, assigned or given as collateral without the prior express consent of ANEEL.
ANEEL Resolution 20 of February 3, 1999 regulates the disassociation of assets from Public Electricity Service concessions, granting prior authorization for the disassociation of assets which are no longer useful to the concession, when destined for disposal, determining that the proceeds of the disposal are to be deposited in a secured bank account for investment in the concession.

Changes in intangible assets are presented below:

	12/31/2015	**Additions**	**Write-offs**	**Capitalization/ transfer (a)**	**9/30/2016**
In service	8,720,104	237	(38,608)	280,082	8,961,815
(-) Amortization	(3,376,024)	(362,924)	21,704	-	(3,717,244)

Total in service	5,344,080	(362,687)	(16,904)	280,082	5,244,571
In progress	852,623	1,027,181	-	(490,475)	1,389,329
Total in progress	852,623	1,027,181	-	(490,475)	1,389,329
Special obligations (b)	(2,942,915)	(128,239)	3,238	104,661	(2,963,255)
(-) Amortization	671,468	108,162	-	-	779,630
Total special obligations	(2,271,447)	(20,077)	3,238	104,661	(2,183,625)
Concession right	291,810	-	-	-	291,810
(-) Amortization	(92,426)	(4,781)	-	-	(97,207)
Total concession rights	199,384	(4,781)	-	-	194,603
Total	4,124,640	639,636	(13,666)	(105,732)	4,644,878

	12/31/2014	**Reclassification**	**Additions**	**Write-offs**	**Capitalization/ transfer (a)**	**12/31/2015**
In service	8,149,113	(29,331)	48	(189,049)	789,323	8,720,104
(-) Amortization	(3,037,353)	-	(472,175)	133,504	-	(3,376,024)
Total in service	5,111,760	(29,331)	(472,127)	(55,545)	789,323	5,344,080
In progress	1,125,332	-	1,120,248	(41,903)	(1,351,054)	852,623
Total in progress	1,125,332	-	1,120,248	(41,903)	(1,351,054)	852,623
Special obligations (b)	(2,738,345)	-	(307,959)	56,025	47,364	(2,942,915)
(-) Amortization	512,681	-	158,787	-	-	671,468
Total special obligations	(2,225,664)	-	(149,172)	56,025	47,364	(2,271,447)
Concession right	291,810	-	-	-	-	291,810
(-) Amortization	(85,719)	-	(6,707)	-	-	(92,426)
Total concession rights	206,091	-	(6,707)	-	-	199,384
Total	4,217,519	(29,331)	492,242	(41,423)	(514,367)	4,124,640

(a) Capitalization refers to the transfer of intangible assets in progress to intangible assets in service and reclassification to transfers to the concession financial assets of subsidiaries CEMAR and CELPA. According to the Power Sector Financial Reporting Manual – MCSE, 6.3.19 Interest on Work in Progress, interest, monetary variance and foreign exchange variance incurred on loans up to the time the asset commences operation are included in the historical cost of the asset, and these costs may only be activated within the limits of the regulatory WACC (or incurred if less than the regulatory WACC). For the period ended September 30, 2016, Interest on Work in Progress was R$ 19,577 (R$ 73,304 at December 31, 2015); and

(b) Special obligations substantially refer to funds from the Federal, State and Municipal Governments and consumer shares linked to utility concession investments.

Intangible assets in progress

The balance of intangible assets breaks down as follows:

	Consolidated	
	9/30/2016	**12/31/2015**
Work in progress	1,145,357	662,726
Materials in inventory	210,098	142,723
Advances to suppliers	50,390	62,789
Provision for losses	(16,516)	(15,615)
Total	1,389,329	852,623

Intangible assets in progress increased as a result of an increase in capital expenditure on the construction of new substations, expansions and new technologies for power system upgrades and expansions.

CELPA's intangible assets in progress increased as a result of growing expenditure on distribution system expansion and improvements, initiatives against electricity theft and new connections.

18 Trade accounts payable

	Parent company		Consolidated	
	9/30/2016	**12/31/2015**	**9/30/2016**	**12/31/2015**
Electricity sales to distributors (a)	-	-	334,767	473,401
Electricity network usage charge	-	-	24,799	24,639
Materials and services (b)	-	-	446,588	300,287
Fuel purchases (c)	-	-	-	112,544
Other	434	305	19,407	23,909
Total	434	305	825,561	934,780

(a) During the period ended September 30, 2016, CELPA's expenses on short-term purchased electricity were affected by the following factors: (i) a decrease in average costs is explained by a lower PLD, the price used for the settlement of electricity purchases on the spot market, which averaged R$ 65.01 per MWh (R$MWh 166.89 at December 31, 2015); (ii) over-purchased electricity at the distribution utility due to the repurchase of electricity in the 15th Available Electricity Auction (auction A-1) and the receipt of electricity contracts deriving from participation in the Monthly Surplus and Deficit Offsetting Mechanism (MCSD) and Free Exchanges in November and December 2015, as well as MCSD of 4% at the start of supply in 2016;

(b) The increase in the materials and services balance refers primarily to CELPA, which in 2016 had retained balances of R$ 20,000 for supplier Guascor (Islanded System) that are being gradually negotiated; contract adjustments; an increase in capital expenditure in subsidiaries; and the fuel purchase balance, as described in "c"; and

(c) For the current period CELPA's balance of purchase fuel (R$ 97,606) is included under "Materials and services".

19 Loans and financing (Consolidated)

	Average cost of debt (%p.a.)	9/30/2016		
		Principal and interest		
		Current	Non-current	Total
Foreign currency (USD)				
National Treasury	5.14%	1,463	71,451	72,914
CCBI Itaú	1.99%	113,042	-	113,042
CCBI Citibank	4.17%	124,231	243,409	367,640
Transaction Itaú	3.00%	1,752	132,147	133,899
Transaction Santander	3.00%	1,957	131,037	132,994
Total foreign currency		242,445	578,044	820,489
Domestic currency				
Eletrobrás	11.19%	50,383	227,208	277,591
Guanabara	14.13%	2,048	2,198	4,246
IBM	15.22%	23,855	21,805	45,660
BNDES	8.49%	174,593	1,095,738	1,270,331
BANCO DO BRASIL	14.89%	16,858	311,031	327,889
BNB	8.50%	19,804	61,901	81,705
Caixa	6.00%	2,873	58,727	61,600
Finep	4.00%	1,128	2,804	3,932
Sudene	7.00%	7,739	33,909	41,648
Votorantim	4.50%	474	1,167	1,641
Subtotal		299,755	1,816,488	2,116,243
(-) Arrangement costs		(2,305)	(7,012)	(9,317)
Total local currency		297,450	1,809,476	2,106,926
Total		539,895	2,387,520	2,927,415

	12/31/2015

	Average cost of debt (%p.a.)	Principal and interest		
		Current	**Non-current**	**Total**
Foreign currency (USD)				
National Treasury	4.85%	2,643	90,649	93,292
CCBI Itaú	2.34%	138,567	294,603	433,170
CCBI Citibank	5.72%	196,902	243,993	440,895
Santander	3.30%	152,146	158,730	310,876
Total foreign currency		490,258	787,975	1,278,233
Domestic currency				
Eletrobrás	5.45%	54,737	258,264	313,001
Finame	11.32%	274	-	274
Guanabara	14.79%	2,055	3,719	5,774
IBM	14.08%	29,404	26,488	55,892
BNDES	8.51%	177,613	1,033,826	1,211,439
BANCO DO BRASIL	8.50%	8,924	306,946	315,870
BNB	8.50%	25,118	75,489	100,607
Caixa	8.55%	2,889	59,242	62,131
Finep	13.50%	1,130	3,645	4,775
IFC	4.50%	11,082	-	11,082
Sudene	7.00%	4,535	37,299	41,834
Votorantim	4.50%	475	1,522	1,997
Subtotal		318,236	1,806,440	2,124,676
(-) Arrangement costs		(3,107)	(7,149)	(10,256)
Total local currency		315,129	1,799,291	2,114,420
Total		805,387	2,587,266	3,392,653

At September 30, 2016 the Group reported loans and financing of R$ 2,927,415 (R$ 3,392,653 at December 31, 2015), including R$ 539,895 in short term and R$ 2,387,520 in long-term loans and financing (R$ 805,387 short term and R$ 2,587,266 long-term at December 31, 2015), at an average annual cost of 8.85%, or 62.80% of the CDI rate (8.76%, or 65.97% of the CDI rate at December 31, 2015).

At September 30, 2016 and December 31, 2015 the installment payments under the primary loans and financing agreements were as follows:

	9/30/2016		12/31/2015	
Maturity	**Amount**	**%**	**Amount**	**%**
Current	539,895	18%	805,387	24%
2017	397,525	14%	902,852	27%
2018	755,481	26%	815,780	24%
2019	346,063	12%	239,422	7%
2020	298,777	10%	206,961	6%
2020 onwards	596,686	20%	429,400	13%
Subtotal	2,394,532	82%	2,594,415	76%
Arrangement costs (Non-Current)	(7,012)	0%	(7,149)	0%
Non-current	2,387,520	82%	2,587,266	76%
Total	2,927,415	100%	3,392,653	100%

	Domestic currency		Foreign currency (USD)		
	Current Liabilities	**Noncurrent Liabilities**	**Current Liabilities**	**Noncurrent Liabilities**	**Total**
Balances at December 31, 2015	315,828	1,799,291	489,559	787,975	3,392,653
Inflows	-	164,993	-	-	164,993
Charges	110,949	7,192	24,647	-	142,788
Monetary and exchange variance	19,797	25,574	(5,832)	(204,275)	(164,736)
Transfers	187,711	(187,711)	5,656	(5,656)	-
Amortization of principal	(227,217)	-	(244,810)	-	(472,027)
Interest payments	(109,721)	-	(27,474)	-	(137,195)
Transaction cost	435	(196)	700	-	939
Transaction transfers	(333)	333	-	-	-
Balances at September 30, 2016	297,449	1,809,476	242,446	578,044	2,927,415

	Domestic currency		Foreign currency (USD)		
	Current Liabilities	**Noncurrent Liabilities**	**Current Liabilities**	**Noncurrent Liabilities**	**Total**
Balances at December 31, 2014	423,485	2,444,875	536,370	452,879	3,857,609
Reclassification RJ (a)	-	(866,877)	-	(178,890)	(1,045,767)
Inflows	-	488,503	125,000	493,613	1,107,116
Charges	152,733	13,081	28,084	-	193,898
Monetary and exchange variance	577	22,523	71,443	315,755	410,298
Transfers	300,768	(300,768)	296,082	(296,082)	-
Amortization of principal	(427,477)	-	(542,751)	-	(970,228)
Interest payments	(134,356)	-	(25,627)	-	(159,983)
Transaction cost	610	(2,558)	1,658	-	(290)
Transaction transfers	(512)	512	(700)	700	-
Balances at December 31, 2015	315,828	1,799,291	489,559	787,975	3,392,653

(a) Reclassification of debt under judicial reorganization relief, which had been partially challenged by CELPA's creditors; the contingency status ceased to exist at the termination of the judicial reorganization proceedings, with the debt being reclassified as accounts payable to creditors under judicial reorganization. In 2015, the debt amounts were adjusted to present value together with other debt subject to judicial reorganization relief.

The debt security balance consists of a guarantee of R$ 63,236 (R$ 70,705 at December 31, 2015) provided by subsidiaries CEMAR e CELPA.

Covenants and guarantees

The loans and financing transactions of subsidiaries CEMAR and CELPA involve certain covenants and financial guarantees which, if breached, could result in the accelerated maturity of the contracts. The Group was compliant with its covenants at period end on September 30, 2016.

20 Debentures (Consolidated)

Changes in debentures in CEMAR and CELPA during the period were as follows:

	Current liabilities	Non-current liabilities	Total
Balances at December 31, 2015	47,303	495,182	542,485
Additions	-	100,000	100,000
Charges	45,627	-	45,627
Transfer	33,790	(33,790)	-
Amortization of principal	(33,790)	-	(33,790)
Interest payment	(36,899)	-	(36,899)
Monetary variance	-	15,419	15,419
Arrangement costs	(52)	238	186
Balances at September 30, 2016	55,979	577,049	633,028

	Current liabilities	Non-current liabilities	Total
Balances at December 31, 2014	10,861	506,423	517,284
Charges	56,828	(473)	56,355
Monetary variance	398	22,127	22,525
Transfers	33,400	(33,400)	-
Interest payments	(54,182)	-	(54,182)
Arrangement costs	(2)	505	503
Balances at December 31, 2015	47,303	495,182	542,485

First debenture issue - CELPA

On July 25, 2016 CELPA conducted a First Debenture Issue which was settled on August 5, 2016. This was a private issue of non-convertible, ordinary debentures secured by collateral and guarantees provided by the parent company, Equatorial Energia, in a single series for a total amount of R$ 100,000, maturing in May 2020, primarily for the purpose of increasing CELPA's working capital. On September 30, 2016 the effective rate for this transaction was 17.48% per year.

Fourth debenture issue - CEMAR

The public distribution of CEMAR's 4th issue of non-convertible debentures ended on September 22, 2012. The proceeds of R$ 280,000, divided into two tranches of R$ 101,380 and R$ 178,620, were intended primarily for the implementation of CEMAR's investment program and an increase in working capital. On September 30, 2016 the effective rate for this transaction was 14.92% per year (16% at December 31, 2015).

Sixth debentures issuance - CEMAR

The public distribution of CEMAR's 6th issue of non-convertible debentures ended on October 27, 2014. The proceeds of R$ 200,000 in a single tranche were intended primarily for a capital increase to service CEMAR's management business. On September 30, 2016 the effective rate for this transaction was 15.86% per year (15.27% at December 31, 2015).

At September 30, 2016 the debentures amounted to R$ 633,028 and their scheduled maturities are as follows:

	9/30/2016		12/31/2015	
Maturity	**Amount**	**%**	**Amount**	**%**
Current	55,979	9%	47,303	9%
2017	66,660	11%	100,450	19%
2018	180,443	29%	174,876	32%
2019	197,797	31%	141,096	26%
2020	133,521	21%	80,369	14%
Non-current	578,421	91%	496,791	91%
Arrangement costs (Non-Current)	(1,372)	0%	(1,609)	0%
Total noncurrent	577,049	91%	495,182	91%
Total	633,028	100%	542,485	100%

Covenants

The debentures require that certain debt ratios and interest coverage be maintained. At September 30, 2016 CEMAR and CELPA were compliant with all applicable covenants.

21 Taxes and contributions payable

21.1 Taxes and contributions payable

	Consolidated	
	9/30/2016	**12/31/2015**
Current		
ICMS	220,610	194,568
ICMS financing (a)	2,566	33,056
PIS and COFINS	46,056	46,149
Payroll charges	13,594	29,263
Other	8,155	9,385
Total	290,981	312,421
Non-current	**9/30/2016**	**12/31/2015**
ICMS financing	35,497	30,316
Other	1,181	20,393
Total	36,678	50,709

(a) CELPA has been granted ICMS tax financing by the tax authorities of the state of Pará. The balance is indexed by the SELIC rate plus 1% interest, with the last payment due on October 30, 2017.

21.2 Taxes and contributions payable on net income

	Parent company		Consolidated	
	9/30/2016	**12/31/2015**	**9/30/2016**	**12/31/2015**
IRRF	3,429	10,163	4,498	9,981
IRPJ / CSLL Provision	4,037	474	9,647	8,257
Total	7,466	10,637	14,145	18,238

22 Deferred income and social contribution taxes

Subsidiaries recognize deferred income and social contribution taxes on temporary differences and income tax on tax losses based on projections of taxable income.

Deferred tax credits on tax losses have no expiration date and their financial effects occur upon realization. Income tax is calculated at a rate of 25% including an added 10%, while social contribution is recognized at a rate of 9%. The relevant tax credits are recognized in noncurrent assets based on their likelihood of realization, subject to a limit of 30% in annual offsets against taxable income, in accordance with CPC 32.

22.1 Breakdown of deferred income and social contribution tax

	Consolidated	
	9/30/2016	**12/31/2015**
IRPJ tax losses (a)	132,544	132,544
IRPJ and CSLL on temporary differences	(325,406)	(244,591)
IRPJ and CSLL on revaluation reserve	(80,143)	(88,325)
IRPJ and CSLL CELPA, CELPA acquisition	50,269	57,870
Total	(222,736)	(142,502)

(a) Tax loss credits are derived from CEMAR.

CELPA had unrecognized CSLL tax losses and negative tax base under assets at September 30, 2016, due to its failure to comply with the provisions of CPC 32 - Taxes on Profit and CVM Resolution 371/2002. These IRPJ and CSLL tax credits, of R$ 196,613 (R$ 203,925 at December 31, 2015), are not subject to a prescriptive period.

(i) Breakdown of IRPJ and CSLL temporary differences (i).

	Consolidated	
	9/30/2016	**12/31/2015**
Provision for contingencies	84,682	91,875
Allowance for doubtful accounts	81,445	181,466
Provision for profit-sharing	9,134	10,840
Stayed taxes	4,834	971
Accelerated depreciation	(357,569)	(295,193)
Provision for pension fund	11,015	12,484
VNR	(39,507)	(23,802)
Arrangement costs, AVP and indexation of financial assets	(167,765)	(157,113)
SWAP	14,749	(108,120)
Other nondeductible expenses	33,576	42,001
Total	(325,406)	(244,591)

(ii) Breakdown of IRPJ and CSLL, CELPA acquisition

	9/30/2016	**12/31/2015**
Intangible - concession goodwill	(37,668)	(40,276)
Write-off of property, plant and equipment	35,518	37,976
Potential contingencies	43,270	51,020
Other accounts payable - PLPT	9,149	9,150
Total	50,269	57,870

22.2 Prospects of recovery

Based on technical feasibility studies, Management estimates that these tax credits can be realized up to 2020, as shown below:

Prospect of realization	**2018**	**2019**	**2020**	**Total**
Deferred taxes	10,400	76,900	45,244	132,544

CEMAR did not realize deferred income taxes on tax losses in the period ended September 30, 2016 as it had elected to realize accelerated depreciation benefits up to 2018, research and development incentives and the SUDENE benefit up to 2021.

A technical feasibility study, which includes the recovery of deferred taxes and is revised on an annual basis, was prepared by the Company and reviewed by the Audit Committee and approved by the Board of Directors on March 10, 2016.

22.3 Reconciliation between the income and social contribution tax expense

The reconciliation of expenses, calculated by applying the relevant tax rates and the Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) expense charged to profit or loss during the periods ended September 30, 2016 and 2015, is shown below:

9/30/2016	**9/30/2015**

	Income Tax	CSLL	Income Tax	CSLL
Profit before income and social contribution taxes	781,357	781,357	1,024,624	1,024,624
Statutory rate	25%	9%	25%	9%
Calculated at the tax rate	195,339	70,322	256,156	92,216
Additions:				
Provision for contingencies	62,266	22,416	65,374	23,535
Allowance for doubtful accounts	34,715	12,497	46,518	16,747
Energy efficiency research and development	18,948	6,821	14,997	5,399
Adjustment to present value	6,645	2,392	34,631	12,467
Changes in swap	111,441	40,118	59,596	21,455
IRPJ/CSLL on revaluation reserve	6,017	2,166	12,439	4,478
Profit sharing, fees and license premium	7,911	2,848	17,963	6,466
Provision for pension fund	8,099	2,916	-	-
Provision for profit-sharing	6,716	2,418	-	-
Provision for asset recovery	4,129	1,486	3,829	1,378
Financing cost, PVA and NRV	18,029	6,491	-	-
Effect of IR/CSLL on equity accounting	-	-	24,916	8,970
Other provisions	28,429	10,235	29,791	11,114
	313,345	112,804	310,054	112,009
Exclusions:				
Write-offs of provisions, repositioning of deferred tariffs and regulatory assets	-	-	(208,623)	(75,104)
Provision for contingencies	(67,555)	(24,320)	(19,400)	(6,984)
Allowance for doubtful accounts	(108,260)	(38,974)	(20,618)	(7,423)
Energy efficiency research and development and M.M.M	(16,194)	(5,830)	(13,834)	(4,980)
Changes in swap	(21,097)	(7,594)	(82,032)	(29,532)
Profit sharing, fees and license premium	(7,603)	(2,737)	(6,946)	(2,501)
Provision for pension fund	(9,179)	(3,305)	-	-
Provision for profit-sharing	(7,970)	(2,869)	-	-
Provision for asset recovery	(3,904)	(1,405)	(126,461)	(45,526)
Financing cost, PVA and NRV	(44,054)	(15,859)	-	-
Effect of IR/CSLL on equity accounting	(25,459)	(8,379)	(6,129)	(2,206)
Other provisions	(23,317)	(8,204)	6,388	1,959
Accelerated depreciation	(62,376)	-	-	-
	(396,968)	(119,476)	(477,655)	(172,297)
IRPJ and CSLL	111,716	63,650	88,555	31,928
Offsetting of negative CSLL base	-	(6,660)	(2,725)	(3,885)
PAT Incentive	(2,120)	-	(1,088)	-
Incentive for extended maternity leave	(80)	-	(541)	-
Prior year IRPJ expense	1,032	372	(544)	(125)
Income and social contribution taxes on income	110,548	57,362	83,657	27,918
Effective rate (excluding income tax/CSLL)	14%	7%	8%	3%
Deferred tax assets	69,918	2,715	170,498	61,361
(+) IRPJ Government Subsidy	(97,298)	-	(68,384)	-
Recognized tax losses and negative CSLL base	7,600	-	(18,769)	(6,751)
Income and social contribution taxes on income	90,768	60,077	167,002	82,528
Effective rate for deferred tax assets	12%	8%	16%	8%

CEMAR

On May 14, 2007 the Northeast development agency (ADENE), now *Superintendência para o Desenvolvimento do Nordeste (*SUDENE), under the Ministry of national integration, issued Opinion 0061/2007 granting CEMAR a further reduction of income tax from 25% to 75% in connection with an upgrade of its power systems over the period from 2007 two 2016. On March 28, 2012, Opinion No. 0037/2012 was issued granting CEMAR a further reduction of income tax to 75% in connection with a complete upgrade of its power facilities over the period from 2012 to 2021. Income tax on operating income at September 30, 2016 was R$76,689.

CELPA

On December 19, 2013 the Amazonian development agency (SUDAM), under the Ministry of National Integration, issued Opinion 140/2013 granting CELPA a reduction of income tax on operating income to 75% in connection with the diversification of the company's projects and infrastructure over the period from 2013 to 2022. Income tax on operating income at September 30, 2016 was R$54,314 (R$ 20,586 at December 31, 2015).

23 Profit sharing

The company and its subsidiaries' profit-sharing program is a corporate program linked to EBITDA (earnings before interest, taxes, depreciation and amortization) and a number of other operational and financial indicators. The program assesses the performance of the CEO, senior managers, managers, executives and employees and has consistently increased employee engagement in improving the company's operating performance. At September 30, 2016 the provision for profit-sharing was R$ 3,511 (R$3,220 at December 31, 2015) for the Company and R$ 61,654 (R$ 65,384 at December 31, 2015) for subsidiaries.

24 Payables from judicial reorganization - CELPA

24.1 Debt breakdown

	9/30/2016	12/31/2015
Current		
Operational creditors (a)	76,031	75,531
Sector charges (b)	28,315	26,894
(-) Adjustment to present value (d)	(16,627)	(10,979)
Total	87,719	91,446

Non-current		
Operational creditors (a)	79,974	138,683
Sector charges (b)	10,296	34,548
Inter-company (c)	72,468	69,413
Financial creditors	1,215,915	1,199,397
(-) Adjustment to present value (d)	(415,060)	(446,442)
Total	963,593	995,599

Total	1,051,312	1,087,045

The schedule of long-term payments under judicial reorganization relief is as follows:

	9/30/2016		12/31/2015	
Maturity	**Amount**	**%**	**Amount**	**%**
Current	87,719	8.3%	91,446	8.4%
2017	38,204	3.6%	134,526	12.4%
2018	2,574	0.2%	-	0.0%
2019	9,489	0.9%	3,680	0.3%
2020	-	0.0%	3,394	0.3%
2020 onwards	913,326	86.9%	853,999	78.6%
Non-current	963,593	91.7%	995,599	91.6%
Grand total	1,051,312	100%	1,087,045	100%

24.2 Changes in payables under judicial reorganization relief

	Balance at 12/31/2015	Interest, charges and exchange variation	Amortization	Adjustment to present value	Balance at 9/30/2016
Operational creditors (a)	172,168	-	(58,208)	7,055	121,015
Sector charges	53,803	4,214	(20,377)	365	38,005
Intercompany	41,055	3,055	-	1,134	45,244
Financial creditors	820,019	11,958	(2,108)	17,179	847,048
Total	1,087,045	19,227	(80,693)	25,733	1,051,312

	Balance at 12/31/2014	Reclassification RJ	Inflows	Interest, charges and exchange variation	Amortization	Adjustment to present value	Balance at 12/31/2015
Operational creditors (a)	195,875	-	14,300	-	(79,664)	41,657	172,168
Sector charges	74,437	-	-	8,248	(27,910)	(972)	53,803
Intercompany	65,549	-	-	3,865	-	(28,359)	41,055
Financial creditors	-	1,045,767	-	160,297	-	(386,045)	820,019
Total	335,861	1,045,767	14,300	172,410	(107,574)	(373,719)	1,087,045

(a) Amounts owed to CELPA's creditors including service providers, material suppliers, landlords and other creditors scheduled under the Judicial Reorganization Plan;

(b) RGR, CCC, Inspection Fees, CDE, Proinfa and MME charges financed under the judicial reorganization plan;

(c) Claims held by companies within the former controlling group, which have been financed under judicial reorganization relief; and

(d) The terms and conditions of the loan and financing agreements were amended following judicial reorganization. During this phase, some financial institutions claimed exclusion from judicial reorganization relief on the grounds that their claims were post-petition claims. The conclusion of the judiciary organization proceedings on December 1, 2014 attested to the Company's compliance with the judicial reorganization plan, particularly in regard to the contributions of funds, payment of creditors as set out in the plan, with the amount under dispute as to whether claims are subject to judicial reorganization relief considered immaterial. In the General Meeting of Creditors the majority of creditors present, in both quantity and value, approved the company's release from judicial supervision and subsequently thereafter the parties involved in the judiciary organization proceedings (the trustee, the chartered accountant, the Public Prosecutors' Office and ANEEL) formally declared the judicial reorganization proceedings to be concluded, which was followed by a court decision officially terminating the judicial reorganization proceedings. Based on an analysis conducted by CELPA during the quarter ended June 30, 2015, the likelihood of claims being excluded from judicial reorganization relief is considered remote and therefore these claims are more than likely to be held to their maturity as defined in the judicial organization plan. CELPA accordingly made an adjustment to present value of R$ 395,292 in 2015, including R$ 404,983 in loans and financing, R$ 26,206 in operational creditors, R$ 15,300 in inter-company claims and R$ 1,215 in sector charges. The terms and conditions are assumed to have been amended and it is more than likely that these claims will be held to maturity, which is the basis for present value measurements under CPC -12.

25 Provision for civil, tax, labor and regulatory claims (Consolidated)

CEMAR and CELPA are parties (as defendants) to judicial and administrative proceedings in courts and government agencies, arising from the normal course of operations, involving tax, labor, civil and other issues.

Management recorded the following provisions in amounts considered sufficient to cover probable estimated losses from the current actions based on information from its legal advisers, an analysis of pending legal proceedings, and previous experience with regards to the amounts claimed:

	9/30/2016		9/30/2016	
	Case value	**Judicial deposits**	**Case value**	**Judicial deposits**
Civil (a)	136,314	23,050	130,275	130,564
Tax	34,849	126,669	2,286	387
Labor	81,769	45,398	119,767	44,853
Regulatory	13,860	-	18,057	-
PPA CELPA	283,740	-	334,561	-
Total	550,532	195,117	604,946	175,804
Current	97,486	31,917	134,950	25,277
Non-current	453,046	163,200	469,996	150,527

(a) Of the civil judicial deposits, R$ 61.996 refer to banknote contracts which are being deposited as part of the judicial reorganization proceedings. These claims have been scheduled in the judicial reorganization plan and have been challenged by the creditor financial institutions. Under a court order, the financial flows under these contracts have been deposited monthly in court until a final decision is issued on the merits as to whether or not these claims are subject to judicial reorganization relief; and

The fair value of CELPA's contingent civil, tax and labor liabilities was determined based on a review by the Company's legal advisers, who also considered the cases with a likelihood of defeat rated as possible, resulting in an adjustment of R$ 283,740 at September 30, 2016.

Changes in proceedings in the period (Consolidated)

	12/31/2015	9/30/2016				
	Opening balance	**Additions**	**Usage (1)**	**Reversal of provision (2)**	**Indexation (3)**	**Closing balance**
Civil	130,275	33,790	(25,318)	(16,238)	13,805	136,314
Tax	2,286	32,552	-	11	-	34,849
Labor	119,767	32,538	(65,008)	(22,127)	16,599	81,769
Regulatory	18,057	605	-	(6,268)	1,466	13,860
PPA CELPA (a)	334,561	-	-	(50,821)	-	283,740
Total	604,946	99,485	(90,326)	(95,443)	31,870	550,532

	12/31/2014	12/31/2015				
	Opening balance	**Additions**	**Usage (1)**	**Reversal of provision (2)**	**Indexation (3)**	**Closing balance**
Civil	120,583	31,324	(25,823)	(14,105)	18,296	130,275
Tax	498	1,826	-	(16)	(22)	2,286
Labor	112,611	5,719	(4,750)	(5,132)	11,319	119,767
Regulatory	28,382	2,004	(11,745)	(2,494)	1,910	18,057
PPA CELPA (a)	335,899	-	-	(1,338)	-	334,561
Total	597,973	40,873	(42,318)	(23,085)	31,503	604,946

(1) Effective expense on judicial contingencies.
(2) Reversals in the period.
(3) Monetary restatement.

(a) PPA CELPA - derived from the estimated costs of likely settlements based on the assessment of CELPA's legal department.

Civil

The subsidiaries are defendants in 25,114 civil proceedings (20,378 proceedings in 2015), including 18,134 cases being heard by special courts (14,385 cases in 2015) and largely relating to claims for property and moral damages as well as reimbursement of amounts paid by consumers.

The most significant civil proceedings involve claims for damages relating to injuries involving the distribution system, power outages, deaths from electric shock or damages arising from the termination of contracts with suppliers.

At September 30, 2016 the Group had a provision of R$ 136,314 (R$ 130,275 as of December 31, 2015).

In addition to the losses provisioned for, other civil contingencies amounting to R$ 440,096 (R$ 439,025 at December 31, 2015) have been rated by Management as having a possible likelihood of defeat, based on an assessment made by the Legal Departments and legal advisors of CEMAR and CELPA, for which provisions have been recognized.

Tax

CEMAR and CELPA are defendants in 160 tax proceedings (165 proceedings in 2015).

The quarterly information for the period ended September 30, 2016 include a provision of R$ 34,849 for tax proceedings (R$ 2,286 at December 31, 2015).

In addition to the losses provisioned for, other tax contingencies amounting to R$ 46,283 (R$ 46,416 at December 31, 2015) have been rated by Management as having a possible likelihood of defeat, based on an assessment made by the Legal Departments and legal advisors of CEMAR and CELPA, for which provisions have been recognized.

Labor

Labor liabilities currently consist of 2,744 complaints (2,438 complaints in 2015) brought by former employees against the Company and its subsidiaries, with claims ranging from overtime, hazardous work bonuses, salary equality and/or reclassification, occupational diseases/reintegration, CIPA stability and other claims, as well as claims brought by the former employees of service providers (subsidiary liability) largely seeking severance pay.

On September 30, 2016 the Company made a provision for labor complaints of R$ 81,769 (R$ 119,797 at December 31, 2015).

In addition to the losses provisioned for, other labor contingencies amounting to R$ 99,386 (R$ 85,195 at December 31, 2015) have been rated by Management as having a possible likelihood of defeat, based on an assessment made by the Legal Departments and legal advisors of CEMAR and CELPA, for which provisions have been recognized.

Regulatory

The amount to be provision for this item relates to the penalties likely to be imposed on CEMAR and CELPA in connection with:

- Violation Notices (AI) issued by the power sector regulator, ANEEL;
- Notices (TN) issued by the Electric Power Trading Chamber (CEEE) for power trading irregularities;
- Penalties applied by the National System Operator (NOS) for violations related to power system operations;
- Administrative penalties imposed by consumer protection authorities.

26 Other accounts payable (Consolidated)

	9/30/2016	12/31/2015
Current		
Customer advances (a)	87,867	14,266
ANEEL - delinquency notices (b)	12,178	47,376
Collection agreements	19,626	18,311
Electricity charges	8,305	
Insurance entities	-	203
Other appropriations - suppliers	10,673	11,001
Electricity charges	-	1,894
Regulatory fines (b)	44,848	71,753
Guarantees	8,350	3,817
Acquisition of CELPA (c)	60,000	60,000
Third-party receivables	-	6,890
Other accounts payable (d)	22,486	48,483
Total current	274,333	283,994
Non-current		
ANEEL - delinquency notices (b)	23,207	29,058
Tax litigation - CCC (e)	297,361	246,915
Regulatory fines (b)	-	-
Other accounts payable (d)	25,366	25,726
Total noncurrent	345,934	301,699
Total	620,267	585,693

(a) Refers to an advance received to support the needed investments by the Company and its subsidiaries in customer service;

(b) Refers to a penalty for failure to meet power continuity indicators, which is under dispute in Administrative Case no. 0048/2012-GTE and as part of CELPA's judicial reorganization relief proceedings;

(c) Refers to the balance to be refunded with respect to the Luz Para Todos Program. The amount of the adjustment was estimated by Company Management at the time of the CELPA acquisition;

(d) Of the total amounts of accounts payable, R$20,854 refer to CELPA, with R$17,222 referring to a provision for payment of operating costs to a number of service providers; and

(e) Refers to disputed taxes to be refunded to the CC Fund under Resolution 425/11. The change in the period ended September 30, 2016 primarily relates to indexation by the IPCA rate and inclusion of new ICMS, PIS and COFINS amounts for CELPA.

27 Shareholders' equity

27.1 Capital

The Company's capital at September 30, 2016 was 1,981,985 (R$ 1,980,214 at December 31,

2015), broken down by class of shares and primary shareholders as follows:

Shareholder	**ON**	**%**
Squadra Investimentos	31,176,900	15.69%
Opportunity	20,135,788	10.13%
Managers	667,994	0.34%
Other	146,695,285	73.84%
Total	198,675,967	100.00%

The Company is authorized to raise its share capital, for which an amendment to the Bylaws is not required, up to the limit of 300,000,000 (three hundred million) shares, by issuing common shares.

On May 12, 2016, through the exercise of options under the Company's Stock Option Plan, a total capital increase of R$ 1.771 was performed through issuance and subscription of 87,500 common shares.

The Company is listed on BM&FBOVESPA's *Novo Mercado* segment, consisting exclusively of common shares providing 100% tagalong rights to minority shareholders in the event of a merger or transfer of control.

27.2 Capital reserve

Pursuant to CVM Resolution 562 of December 17, 2008, which approved CPC 10, the Company has recognized a total Capital Reserve of R$ 53,187 (R$44,909 at December 31, 2015) for recognized granted options.

27.3 Retained earnings

27.3.1 Legal reserve

Recorded at the rate of 5% of the net profit for the year before profit-sharing and reversal of the interest on equity reserve, as required by corporation law, and granted by the Board of Directors, up to the limit of 20% of the capital. This reserve had a balance of R$ 138,124 as of September 30, 2016 (R$ 138,124 as of December 31, 2015).

27.3.2 Investment and expansion reserve

This reserve is used to record the portion of net income for the period reserved for investments and expansion. This reserve had a balance of R$ 1,334,217 as of September 30, 2016 (R$ 1,334,217 as of December 31, 2015).

27.3.3 Additional dividend distribution reserve

This reserve is used to record the portion of dividends exceeding the statutory amount until a final resolution it is adopted by the general meeting.

28 Stock option plan

Fourth Stock option plan

The Extraordinary General Meeting on July 21, 2014 approved the creation of Equatorial's Fourth Stock Option Plan (“Plan”). The stock options to be offered under the Plan should not exceed

3.0% (three percent) of the Company's total share capital (including shares arising from the exercise of Options under the Plan), provided the total number of shares issued or likely to be issued under the Plan is within the limits of the Company's authorized capital.

When stock options are exercised, the relevant shares are issued through a capital increase. Further details on the Plan can be obtained in the minutes of the relevant Extraordinary General Meeting, available on the Company's website and on the CVM website.

Strike price of Options
The strike price of the Options granted under the Plan will be determined by the Plan Management Committee based on the average share price on BM&FBOVESPA, weighted by trading volume over a period of up to 180 days preceding the Granting Date.

The strike price will be reduced by the amount of any dividends, interest on equity and other benefits distributed by the Company to shareholders or any other amount per share provided by the Company to shareholders, including as a result of any capital reduction without a corresponding cancellation of shares or any other corporate transaction resulting in the allocation of funds to shareholders or reduction in share value, taking account of the period between the Granting Date and the exercise of the Options.

Beneficiaries
Plan beneficiaries may exercise their Options no later than 6 (six) months from the Granting Date. Options vest over a period of 4 (four) years, 25% each year.

Over a period of 1 (one) year from the Option exercise date, beneficiaries are not allowed to sell, assign or otherwise dispose of Company Shares originally acquired or subscribed under the Plan.

On July 21, 2014 the Plan Management Committee granted 4,225,000 (four million, two hundred twenty five thousand) Options to Plan beneficiaries at a price of R$ 21.76 (twenty-one reais and seventy-six cents) per Option.

Potential dilution
Under the Plan rules, a potential issuance of the remaining options should result in an additional dilution not exceeding 3% for the current shareholders of Equatorial Energia S.A.

29 Operating revenue (Consolidated)

At September 30, 2016 and 2015 electric power supply by class of consumers was as follows:

	9/30/2016		
	No. of consumers (*)	**MWh (*)**	**R$**
Residential	4,149,136	5,039,976	3,030,801
Industrial	12,552	1,482,994	550,721
Commercial	330,221	2,284,266	1,426,976
Rural	199,590	325,863	138,193
Government	42,546	664,793	479,455
Public lighting	1,543	720,439	263,519
Public utility	8,537	411,703	115,259
Own consumption	586	31,328	-
Availability revenue - Network usage	-	-	15,696
Supply CCEE	-	-	180,619
Low-income	-	-	313,297
Transfer to special obligations - demand exceedance/excess reactives	-	-	(31,255)
Construction revenue	-	-	1,025,402
"A Component" revenue receivable (returnable) and other financial items	-	-	36,202
Other	-	-	261,825

Total	4,744,711	10,961,362	7,806,710

	9/30/2015		
	No. of consumers (*)	**MWh (*)**	**R$**
Residential	3,948,875	4,603,541	2,634,256
Industrial [3]	12,598	1,363,699	622,106
Commercial [3]	316,018	2,200,762	1,367,804
Rural	183,588	286,921	118,310
Government	41,456	618,865	364,979
Public lighting	1,482	634,589	229,749
Public utility	8,251	404,953	170,817
Own consumption	607	31,239	-
Availability revenue - Network usage	-	-	23,050
Unbilled suppliers - rate replacement	-	-	49,036
Supply CCEE	-	-	167,430
Low-income	-	-	237,308
Transfer to special obligations - demand exceedance/excess reactives	-	-	(25,782)
Construction revenue	-	-	737,990
"A Component" revenue receivable (returnable) and other financial items	-	-	434,621
PIS and COFINS on portion A	-	-	(36,766)
Other	-	-	248,319
Total	4,512,875	10,144,569	7,343,227

(*) Information not reviewed by the independent auditors.

30 Net operating revenue (Consolidated)

The reconciliation between gross revenue and net revenue is as follows:

	9/30/2016	**9/30/2015**
Electricity sales to consumers [4]	6,198,297	5,748,975
WACC financial remuneration	134,304	135,610
"A Component" revenue receivable (returnable) and other financial items	36,202	397,855
Electricity sales to distributors (b)	180,619	167,430
CDE subsidy - Other [3]	107,877	81,872
Construction revenue (c)	1,025,402	737,990
Other revenue [3]	124,009	73,495
Operating revenue	7,806,710	7,343,227
ICMS on electricity sales	(1,250,877)	(1,191,708)
PIS and COFINS	(570,542)	(599,365)
Consumer charges	(55,781)	(132,365)
ISS	(4,162)	(2,116)
Energy Development Account - CDE (d)	(434,400)	(157,471)
Other	(2,827)	(964)
Deductions from operating revenue	(2,318,589)	(2,083,989)
Net operating revenue	5,488,121	5,259,238

(a) Under Resolution 4621, dated November 25, 2014, ANEEL approved a new standard utility concession addendum under which the residual balances of regulatory assets or liabilities relating to financial figures to be computed in accordance with ANEEL's pre-established rules, including those established after the most recent tariff review, will be

[3] For better comparison and analysis of the balances with the current period, the company has reclassified the MWh of free customers".

[4] For better comparison and analysis of the balances with the current period, the Company has reclassified amounts under "Other" to "Electricity sales to consumers" and "CDE subsidy - Other".

included the indemnity to be received by the concession holder in the event of the termination of the concession for whatever reason. In response, the CPC issued Technical Guidance OCPC08 ("OCPC08") establishing basic requirements on the recognition, measurement and disclosure of these financial assets or liabilities, which have now acquired the nature of unconditional rights (or obligations) to receive (or deliver) cash or other financial instruments to a clearly identified counterparty;

(b) The corresponding short-term, spot market operating revenue due to CEMAR's and CELPA's contractual surpluses in the quarter ended September 30, 2016 as a result of the market slowdown caused by the Brazilian crisis, which required the company to sell electricity in the spot market;

(c) ICPC 01 establishes that the concession operator should measure and record service revenue in accordance with Technical Pronouncements CPC 17 – Construction Contracts (construction or improvement services) and CPC 30 - Revenue (operating services - electricity sales to consumers), even if governed by a single concession agreement. The Company records revenue and costs relating to the construction or upgrading of the assets used to provide the electricity distribution services. The construction margin adopted is set at zero, because: (i) the Company's core activity is energy distribution (ii) all construction revenue is related to the construction of assets as part of the core activity (i.e. electric power supply) and (iii) the Company outsources the construction of the assets to unrelated parties. On a monthly basis, all additions made to intangible assets in progress are transferred to profit or loss as construction costs, following deduction of funds deriving from inflows of special obligations; and

(d) The CDE account increased significantly in 2016 due to the amortization of ACR financing and Treasury quotas granted to CEMAR end CELPA to minimize utilities' expenses in the short term market in 2014.

31 Service costs and operating expenses

	9/30/2016			
Operating costs/expenses	**Cost of power supply service**	**Sales expenses**	**Administrative expenses**	**Total**
Personnel	94,107	42,388	104,276	240,771
Material	3,179	2,260	878	6,317
Outsourced services	209,352	153,747	115,485	478,584
Electricity purchased for resale	2,385,863	-	-	2,385,863
Construction cost	1,025,402	-	-	1,025,402
Transmission and distribution system usage charges	181,437	-	-	181,437
Allowance for doubtful accounts	-	139,189	-	139,189
Provision for civil, labor and tax litigation	-	-	(36,379)	(36,379)
Amortization	190,854	-	64,016	254,870
Leasing and rental	16,448	3,579	2,824	22,851
CCC Subsidy	9,373	-	-	9,373
Other	6,458	(3,725)	872	3,605
Total	4,122,473	337,438	251,972	4,711,883

	9/30/2015			
Operating costs/expenses	**Cost of power supply service**	**Sales expenses[5]**	**Administrative expenses[5]**	**Total**
Personnel	82,574	37,838	97,800	218,212
Material	11,277	2,655	2,671	16,603
Outsourced services	158,001	158,352	84,893	401,246
Electric power inspection fee	3,571	-	-	3,571
Electricity purchased for resale	2,758,613	-	-	2,758,613
Transmission and distribution system usage charges	145,125	-	-	145,125
Construction cost	737,990	-	-	737,990
Allowance for doubtful accounts	-	88,599	-	88,599
Provision for civil, labor and tax litigation	-	-	9,135	9,135
Amortization	158,565	-	33,383	191,948
Leasing and rental	16,576	2,259	3,168	22,003
CCC Subsidy	(10,995)	-	-	(10,995)
Recovery of expenses	-	(21,704)	-	(21,704)

[5] For better analysis and comparison, at September 30, 2015 the company included under "Sales expenses" the amount of the "Allowance for doubtful accounts", and under "Administrative expenses" the amount of the "Provision for civil, labor and tax litigation", and aggregated "Management fees" and "Personnel"" and included "Amortization". These amounts are stated in the statement of income only.

Other	(12,250)	20,495	21,144	29,389
Total	4,049,047	288,494	252,194	4,589,735

32 Electricity purchased for resale

	GWh(*)		R$	
	9/30/2016	**9/30/2015**	**9/30/2016**	**9/30/2015**
Electricity deriving from auctions (a)	9,184	6,954	1,776,155	1,503,493
Eletronuclear Contracts	364	372	60,981	82,270
Guarantee contracts	5,026	2,298	256,775	139,944
System Service Charges (ESS)/ Energy reserve	-	2,027	85,976	54,017
Bilateral electricity	166	163	37,607	34,176
Short-Term Electricity (CCEE) (b)	(997)	1,006	233,613	1,039,036
Alternative source incentive program (PROINFA)	239	814	76,975	53,464
Charge for using transmission and distribution system[6]	-	-	181,437	145,125
(-) Noncumulative PIS/COFINS amounts offsettable (c)	-	97	(229,875)	(277,351)
Other costs	-	-	87,656	129,564
Total	13,982	13,731	2,567,300	2,903,738

(*) Information not reviewed by the independent auditors.

(a) With respect to purchases under Capacity Auctions for the current year, CEMAR and CELPA initiated payments under the new electricity auctions beginning in January 2016, such as MCSD 2015, the 15th Auction for Existing Capacity, the 13th Auction for New Capacity, the 17th Auction for New Capacity, and the 3rd Auction for Alternative Sources, increasing the amount of contract capacity and therefore the relevant financial expense;

(b) During the period ended September 30, 2016 expenses on short-term purchased electricity were affected by the following factors: (i) a decrease in average costs is explained by a lower PLD, the price used for the settlement of electricity purchases on the spot market, which averaged R$ 82.55 per MWh; (ii) over-purchased electricity at the distribution utility due to the repurchase of electricity in the 15th Available Electricity Auction (auction A-1) and the receipt of electricity contracts deriving from participation in the Monthly Surplus and Deficit Offsetting Mechanism (MCSD) and Free Exchanges in November and December 2015, as well as MCSD of 4% at the start of supply in 2016; and

(c) This item refers to noncumulative PIS and COFINS credits under Act 10637 of 2002 and act 10833 of 2003, originating from purchases of electricity for resale.

33 Financial results

	Parent company		Consolidated	
Financial revenue	**9/30/2016**	**9/30/2015**	**9/30/2016**	**9/30/2015**
Financial income	25,629	-	233,839	142,722
"A Component" amounts receivable/returnable (a)	-	-	43,408	60,450
Transactions with derivative financial instruments (b)	-	-	-	694,330
Arrears charge on power sales (c)	-	-	115,508	160,006
AVP financial revenue	362	(1,042)	362	665
Monetary and exchange variance on debt (d)	-	-	213,459	145,976
PIS/COFINS on financial revenue	(2,729)	-	(19,884)	(8,128)
Indexation of financial assets (e)	-	-	167,107	199,652
Adjustment to present value RJ	-	-	-	394,439
Indexation of subrogation to CCC	-	-	-	41,941
CDE Indexation	-	-	-	24,752
Discounts obtained	-	-	2,099	6,242
Interest earned	-	-	6,918	4,851
Other financial revenue	33,081	69,973	29,307	35,750
Total financial revenue	56,343	68,931	792,123	1,903,648

	Parent company	Consolidated

[6] At September 30, 2015 the Group reported "Transmission and distribution system usage charges" separately from "Electricity purchased for resale", and only in the statement of income. For better analysis and comparison, this amount is stated for both 2016 and 2015 as part of the same group.

	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Financial expense				
"A Component" amounts receivable/returnable (a)	-	-	(37,979)	(22,541)
Transactions with derivative financial instruments (b)	-	-	(276,598)	(610,837)
Monetary and exchange variance on debt (d)	-	-	(36,723)	(264,399)
Interest on debt	-	-	(242,605)	(420,120)
Efficiency restatement and contingencies	-	-	(28,879)	(13,051)
Regulatory fines	-	-	(1,324)	-
Indexation of financial assets (e)	-	-	(61,281)	(22,688)
AVP financial expense	-	(6,023)	(26,578)	(13,449)
Interest and fines on electricity transactions	-	-	(636)	(4,296)
Interest paid	-	-	(26,105)	(17,280)
Discounts awarded	-	-	(919)	-
Other financial expense	(4)	(98)	(448)	(47,747)
Total financial expenses	(4)	(6,121)	(740,075)	(1,436,408)
Net financial income	56,339	62,810	52,048	467,240

(a) Joint Directive 25 of the Ministries of State Finance and Mines and Energy, issued on January 24, 2002, established an "A Component" Variation Offset Account (CVA) for recording negative or positive changes in costs during periods between annual tariff adjustments in relation to the provisions of power distribution concession contracts, ensuring greater neutrality in the transfer of these changes to electricity rates. These changes are calculated as the difference between expenses actually incurred and expenses estimated when setting electricity rates in annual tariff adjustments. CVA amounts are indexed against the SELIC rate;

(b) This item primarily refers to swaps of US dollars + spread with CDI+ spread, with foreign-exchange accounting for the primary variance on these transactions. During the period ended September 30, 2016, a swap expense of R$276,598 was incurred due to the weakening of the US dollar in 2016 (see note d), compared with a revenue during the same period of 2015;

(c) These amounts relate to fines, monetary restatement and arrears interest for failure to pay electricity invoices issued by the distributor;

(d) The primary effect of foreign exchange variance derived from a 17% weakening of the United States dollar from R$3.90 at December 31, 2015 to R$3.25 at September 30, 2016, compared with a strengthening of the US dollar by 33% in the same quarter of 2015;

(e) Refers to NRV-related financial asset adjustments as a result of the approval of the Tariff Review for CEMAR and CELPA, under Order 2441 of July 29, 2015 (see Note 15). The change of index for indexation of Financial Assets, from the IGPM to the IPCA, resulted in a change (reduction) a financial income. The change was made pursuant to Normative Resolution 686/2015 of November 23, 2015; and

(f) Refers to the indexation by the General Market Price Index (IGP-M) of CELPA's approved CCC subrogation funds under Normative Resolution 427 of February 22, 2011, calculated from July 2011.

34 Private pension fund

CEMAR

Details of the retirement plan

CEMAR is the sponsor of FASCEMAR - Fundação de Assistência e Seguridade dos Servidores da CEMAR, Fundação de Previdência Complementar, a private-law, nonprofit, closed-end supplementary pension fund responsible for managing Benefits Plans.

FASCEMAR was fully restructured throughout 2005 in a process that resulted in the implementation of Plano Misto de Benefícios I, new defined benefit, variable contribution pension plan (based on the classification defined by PREVIC) from May 2006. The plan offers the benefits of normal retirement in the defined contribution option and benefits for disability or death in the defined benefit option, in addition to statutory benefits. Since implementation, the plan has achieved 98% participation from active participants in Defined-Benefit Plan I (Plano BD I) as well as from CEMAR employees previously with no benefit plan.

Participants in Plano BD I are largely retirees and pensioners who were already receiving benefits in April 2006. This plan provides retirement benefits at retirement age, special benefits, seniority benefits and funeral assistance.

As the sponsor, CEMAR pays a monthly contribution to both plans that is equal to the contributions paid by participants. Contributions at September 30, 2016 were R$ 1,729 (R$ 2,106 as of September 30, 2015).

CELPA

CELPA is a sponsor, jointly with its active employees, former employees and their beneficiaries, of retirement and pension plans designed to supplement the benefits paid by the official social security system. These plans are managed by FASCEMAR - Fundação de Previdência Complementar, a multi-sponsored supplementary pension fund organized as a nonprofit foundation with administrative and financial autonomy.

CELPA has uncovered actuarial liabilities originating from an agreement between the Company and former employees and pensioners. Under the agreement, approved by Resolution 10 of the Board of Directors of CELPA on August 04, 1989 and effective from June 11, 1996, the Company granted rights and benefits to the groups above. These actuarial liabilities are fully covered by a provision under “Retirement and pension plan”.

As the sponsor, CELPA pays a monthly contribution to 3 (three) plans (BD II, OP and R) that is equal to the contributions paid by participants. Contributions at September 30, 2016 were R$ 2,164 (R$ 2,372 as of September 30, 2015).

Under Directive 247 of May 7, 2015 and Directive 254 of May 11, 2015, published in the Official Journal on May 8 and 12, 2015, respectively, the supplementary pension regulator, Superintendência Nacional de Previdência Complementar (Previc), approved:

A spin-off of Benefits Plan R (CNPB nº 2006.0066-65), sponsored by CELPA - Centrais Elétricas do Pará S.A., to form CELPA Benefit Plan R, to be managed by FASCEMAR - Fundação de Previdência Complementar;

The registration of CELPA Benefit Plan R in the National Benefit Plan Register under no. 2015.0007-47;

The application of the rules of the CELPA Benefit Plan R, to be managed by FASCEMAR - Fundação de Previdência Complementar;

The agreement concluded between FASCEMAR - Fundação de Previdência Complementar and CELPA - Centrais Elétricas do Pará S.A. as sponsor of CELPA Benefit Plan R;

A "Benefit Plan "R" Spinoff Agreement" with the transfer of management of the spun off Plan (CELPA Plan "R") among closed supplementary pension plan entities, between Redeprev - Fundação Rede de Previdência, CELPA - Centrais Elétricas do Pará S.A. and FASCEMAR Fundação de Previdência Complementar;
A spin-off of CELPA Benefit Plan OP (CNPB nº 2000.0004-11), sponsored by CELPA - Centrais Elétricas do Pará S.A., and the transfer of management of CELPA Benefit Plan OP to FASCEMAR - Fundação de Previdência Complementar;

The proposed changes to the rules of CELPA Benefit Plan OP (CNPB no. 2000.0004-11), to be managed by FASCEMAR - Fundação de Previdência Complementar;

The agreement concluded between FASCEMAR - Fundação de Previdência Complementar and CELPA - Centrais Elétricas do Pará S.A. as sponsor of CELPA Benefit Plan OP and; and

The agreement for the spinoff and transfer of management of CELPA Plan "R" among closed supplementary pension plan entities, between Redeprev - Fundação Rede de Previdência, CELPA - Centrais Elétricas do Pará S.A. and FASCEMAR Fundação de Previdência Complementar.

FASCEMAR and REDEPREV undertook to act to ensure the transfer was completed within 120 days of publication of the Directives in the Official Journal.

On July 3, 2015 FASCEMAR submitted to REDEPREV the Qualification Letter required under the Spinoff and Transfer of Management Agreements, advancing the transfer of management of Benefit Plans CELPA OP and CELPA R to FASCEMAR. The operations and obligations of the CELPA OP and CELPA R Benefit Plans have been under the responsibility of FASCEMAR since August 3, 2015.

Benefit Plan CELPA R Technical Deficit

Benefit Plan CELPA R, while still under the management of REDEPREV, had a technical deficit over a period of 3 (three) years. Pursuant to applicable regulations, Escritório Técnico de Assessoria Atuarial Ltda. prepared a "Technical Deficit Elimination Plan" which was approved by PREVIC.

The "Technical Deficit Elimination Plan" is pending signature by CELPA and FASCEMAR as approved by PREVIC and containing the conditions described above.

The pension benefit plans sponsored by the Company are described below:

(i) CELPA BD-I

Established on July 30, 1982, this plan has been in the distribution phase since a soft freeze on January 1, 1998. The following supplementary benefits are provided:

Retirement on account of length of service/age;

Invalidity retirement;

Sickness benefit;

Pension on death; and

Lump sum benefit on death.

The plan is structured as a Defined Benefit plan and contributions are made by Participants, Beneficiaries and the Sponsor.

(ii) CELPA BD-II

Established on January 1, 1998, this plan has been in the distribution phase since a soft freeze on April 1, 2000. The plan provides the following supplementary benefits:

Retirement on account of length of service/age;

Invalidity retirement;

Sickness benefit;

Pension on death; and

Lump sum benefit on death.

The plan is structured as a Defined Benefit plan and contributions are made by Participants, Beneficiaries and the Sponsor.

(iii) CELPA OP

Established on April 1, 2000, this plan provides Monthly Income or Monthly Income for Life following the vesting period.

CELPA OP is a variable contribution plan in which future benefits depend on the amounts of contributions made by participants.

The Plan operates inseparably from the CELPA "R", which provides so-called risk benefits (illness, disability and death benefits).

Plan contributions are made by participants and sponsors. Contributions are allocated to funds to support future benefits payments.

Monthly contributions are defined by each participant. Sporadic contributions can also be made at any time to enhance future benefits.

Participants can opt for either Financial Monthly Income or Monthly Income for Life.

The benefits provided by CELPA OP are as follows:

Lifetime income with continuity for beneficiaries;

Financial income with continuity for beneficiaries; and

Lump sum benefit on disability or death.

(iv) CELPA R

The plan Regulation was approved by Ordinance
880 of January 12, 2007, issued by the Technical Assessment Department of the Ministry of Social Security. This plan is the result of a merger of the now frozen benefit plans CELPA-R, CEMAT-R and ELÉTRICAS-R, the regulations of which have been condensed into a single Regulation without continuity. This Defined-Benefit plan provides structured risk benefits, as follows:

Sickness benefit;

Invalidity retirement;

Pension on death;

Lump sum benefit on death;

Annual bonus; and

Benefits are fully sponsored by CELPA.

(v) Health insurance plan

Among the many benefits provided to employees, CELPA sponsors the following health and dental insurance plans:

Central Nacional Unimed - CNU

Established on May 1, 2006 under Contract no. 402, this plan provides coverage for outpatient and inpatient services including obstetrics, with National Coverage and coverage for all procedures listed in the Procedures Schedule of the National Supplementary Health Care agency (ANS), under the pre-paid system with expenses shared only after the sixth Doctor's visit in a given year, and with employees paying a contribution to the Plan. Health insurance is offered to all CELPA employees and their dependents, with the exception of directors and managers. Only legal dependents can be included (spouse, children, step-children, minors under guardianship, and single individuals under guardianship up to 24 years of age, or with no age limit if having any disability). Monthly payments depend on whether the selected type of accommodation is Collective, Individual Apartment or Special. Contributions are defined based on average cost and no distinction is made between the contributions paid by active employees and former employees. The contribution is restated for every annual period of coverage and whenever there are changes in the prices of covered procedures due to the claim rates observed for the policy or any changes in the composition of the group of insurance (which affect the costs incurred by the Operator). The monthly amounts paid by participants and CELPA are defined based on pay grades.

Unimed Seguro Saúde

CELPA offers employees and former employees (whether retired or terminated) health insurance administered by Unimed Seguro Saúde S/A, including both outpatient and inpatient coverage and obstetrics, with national coverage. This plan is offered to all CELPA Directors and managers and their dependents. Premiums are established consistently for all beneficiaries within a given health insurance plan, and terminated employees may elect to maintain their health insurance provided they fully pay the insurance premium. The monthly amount paid by participants and CELPA are defined based on the plan (whether Leader or Senior).

Uniodonto Dental Insurance

CELPA offers dental insurance operated by Uniodonto Belém to all employees and former employees (whether retired or terminated) and their dependents.

Unlike health insurance plans, dental insurance expenses will not increase with age.

Although former employees are allowed to maintain their health insurance, the monthly contributions paid by CELPA will not increase if employees make this election. There is therefore no post-employment commitment (cross subsidy).

35 Financial instruments

35.1 General

Pursuant to CVM Resolution 604 of November 19, 2009, which approved Technical Pronouncements (CPCs) 38, 39 and 40, the Company and its subsidiaries have performed an analysis of their financial instruments including: cash and cash equivalents, trade accounts

receivable, concession financial assets, trade accounts payable, loans and financing, debentures and derivatives, and have not made any required adjustments to their accounting records.

The management of these instruments is done through operating strategies and internal controls aimed at liquidity, profitability and security. The control policy consists of permanent monitoring of the contracted conditions versus the existing conditions on the market.

Management uses financial instruments to obtain optimum returns on available cash, to maintain the liquidity of assets, to hedge against foreign exchange or interest rate variation and to ensure compliance with applicable covenants, which are net debt to adjusted EBITDA[7] and net debt to net debt plus shareholders equity.

35.2 Derivatives policy

The Group uses derivatives only to hedge against fluctuations in macroeconomic indicators and foreign exchange rates.

CELPA and CEMAR use swap transactions to hedge against foreign exchange risk.

35.3 Category and fair value of financial instruments (Consolidated)

The fair value of the Group's financial assets was estimated through information available in the market and appropriate valuation methodologies. However, considerable judgment was required in the interpretation of market data to estimate the most adequate realization value. As a result, the estimates below do not necessarily indicate the values that could be realized in the current exchange market. The use of different market methodologies may have a material effect on the estimated realizable values.

In compliance with CVM Instruction 475, the accounting balances and the market values of the financial instruments included in the balance sheet at September 30, 2016 and December 31, 2015 are shown below:

		9/30/2016		12/31/2015	
Assets	**Category of financial instruments**	**Accounting**	**Market**	**Accounting**	**Market**
Cash and cash equivalents	Financial assets at fair value	415,911	415,911	397,866	397,866
Short-term investments	Financial assets at fair value	1,630,801	1,630,801	2,083,474	2,083,474
Trade receivables	Loans and receivables	2,558,479	2,558,479	2,255,296	2,255,296
Judicial deposits	Loans and receivables	195,117	195,117	175,804	175,804
Derivative financial instruments[8]	Financial assets at fair value	18,833	18,833	326,629	326,629
Sub-rogation to Fuel Consumption Account charges - amounts applied		85,961	85,961	65,824	65,824
Financial concession assets	Held to maturity	2,435,729	2,435,729	2,228,931	2,228,931
Total assets		7,340,831	7,340,831	7,533,824	7,533,824

	9/30/2016	12/31/2015

[7]Adjusted EBITDA is calculated as EBITDA increased or reduced for items that we deem to be non-recurring or that do not affect cash flow, such as loss/gain on decommissioning of assets .

[8]The Group restated the amounts previously presented under "Derivative financial instruments".

Liabilities	Category of financial instruments	Accounting	Market	Accounting	Market
Trade payables	Loans and receivables	825,561	825,561	934,780	934,780
Loans and borrowings	Loans and receivables	2,927,415	2,927,415	3,392,653	3,392,653
Derivative financial instruments	Financial liabilities at fair value	53,584	53,584	-	-
Debentures	Loans and receivables	633,028	612,956	542,485	532,144
Total liabilities		4,439,588	4,419,516	4,869,918	4,859,577

Cash and cash equivalents and short-term investments are measured at fair value through profit or loss. The fair value hierarchy for short-term investments is tier 1.

Trade accounts receivable are directly derived from the Company's operations and are classified as "loans and receivables" and recorded at their original values, subject to the provision for losses and present value adjustment, when applicable. Tier 2 in the fair value hierarchy.

Concession financial assets - Classified as "loans and receivables" and are recorded at their original values, subject to the provision for losses and present value adjustment, when applicable. Tier 2 in the fair value hierarchy.

Trade accounts payable are derived from the Company's operations and are classified as financial liabilities not measured at fair value. Tier 2 in the fair value hierarchy.

Loans and financing provide funding for the Company's investment programs and may be used to manage short-term requirements. Stated as financial liabilities not valued at fair value, and recorded at their amortized values. Tier 2 in the fair value hierarchy.

Debentures - Stated as financial liabilities not valued at fair value, and recorded at their amortized values. For reporting purposes, the market values of the ventures were calculated based on the same secondary market rates as for the debt itself or equivalent debt, as published by ANBIMA. Tier 2 in the fair value hierarchy.

Derivative financial Instruments are measured at fair value through profit or loss and are used as a hedge against foreign exchange and interest rate fluctuations. For swap transactions, market value has been determined using information from active markets. Tier 2 in the fair value hierarchy.

The different fair value tiers have been defined as follows:

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

35.4 Cash and cash equivalents

The Company's cash equivalents are highly liquid financial instruments the market value of which is reflected in the amount recorded in the statement of financial position. They consist of available cash and short-term financial investments.

The company maintains cash and cash equivalents to meet any short-term cash requirements.

The Company's financial investments are in short-term, highly liquid instruments. They are also convertible into known amounts of cash and art indexed to the CDI, which is considered a risk-free rate.

35.5 Risk factors (financial risk management) - CVM Instruction 475

CEMAR and CELPA's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The risks described below are compilation of ricks reported by and pertaining to the different departments. Management establishes how risks are addressed and the persons responsible for managing each risk for its prevention and control.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. CEMAR and CELPA, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how Management monitors compliance with subsidiaries' risk management procedures and policies and reviews the adequacy of the risk management structure vis-a-vis the actual risks to which they are exposed. The Audit Committee is supported in its duties by the internal audit. The internal audit conducts regular and periodic reviews of risk management policies and procedures and results of these procedures are reported to the Audit Committee.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises principally from the Company's trade accounts receivable and financial instruments. The significant amounts combined with the aging of trade accounts receivable constitute a risk to the liquidity and the capital structure of the Company. Management monitors open positions to mitigate default risk. The Company uses all means of collection permitted by the regulatory agency, such as power cuts due to delinquency, blacklisting and follow-up and permanent negotiation of overdue bills. To mitigate risks related to depositary financial institutions for financial investments, the Company selects only those institutions which offer low risk as assessed by risk rating agencies. The Company maintains its concession assets in accordance with applicable regulations and monitors any developments in concession reversal rules.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. To determine the Company's financial capacity to adequately honor commitments undertaken, the maturity flows of borrowed funds and other obligations are reported. For further information about loans taken out by the Company see Notes 19 and 20.

The Company has obtained funds through its commercial activities, the financial markets, mainly allocating them to its investment program and managing its cash for the purpose of working capital and honoring financial commitments.

For short-term financial investments priority is given to short-term investments, in order to obtain maximum liquidity and cover disbursements.

The Company's cash generation and excellent stability in receipts and payment obligations in the course of the year enable the Company to obtain stable cash flows, thereby reducing its liquidity risk.

(iii) Market risks

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and stock prices - will affect the Company's earnings or the value of its financial instruments, and also includes any covenants which, if breached, could result in accelerated maturity as described further in this note. Market risk management aims to manage and control exposure to market risks, within acceptable parameters, while optimizing returns.

(iv) Exchange risk

This arises from the possibility of the Company incurring losses due to exchange rate fluctuations. Part of the Company's financial liabilities are subject to foreign exchange variations due to the volatility of the exchange rate on balances denominated in foreign currencies, especially the US dollar. Foreign-exchange exposure is currently 12% for CEMAR's and 33.8% for CELPA's debt. Subsidiaries continuously monitor market foreign exchange and interest rates in order to assess any requirement to use derivatives to hedge against the risk of variation in these rates.
CELPA has four loans in foreign currency, one of which, accounting for 62.9% of foreign-exchange exposure, is hedged by a swap against foreign exchange variance. Another loan, from the Inter-American Development Bank, accounts for 29.5% of total foreign exchange exposure, but because it is part of the PRJ it is entirely accounted for in noncurrent liabilities, maturing on June 30, 2026; a fourth loan has a guarantee against foreign exchange variance, accounts for a negligible portion of the overall debt of the subsidiary and is derived from its contract with the National Treasury.

The sensitivity of the Company's debt has been assessed in five scenarios in accordance with CVM Instruction 475. One scenario with the actual rates identified at September 30, 2016 (the Likely Scenario); another two scenarios with 25% (Scenario II) and 50% (Scenario III) strengthening of the relevant currencies.

We have also included two scenarios with the opposite effect to that required in the above Instruction to demonstrate the effects of a weakening of 25% (Scenario IV) and 50% (Scenario V).

35.6 Financial instruments risk management

		Cash flow risk or fair value associated with interest or foreign exchange rates (R$ Thousand)				
Transaction	**Risk**	**Probable Scenario**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV -25%**	**Scenario V -50%**
Financial liabilities						
Loans, financing, and debentures	USD	263,963	(1,038)	(266,039)	528,966	793,967
Reference for financial liabilities		**Rate at 9/30/2016**	**+25%**	**+50%**	**-25%**	**-50%**
USD/R$		3.25	4.06	4.87	2.43	1.62

In accordance with CPC 40, the values of the Group's derivative financial instruments as of September 30, 2016 and December 31, 2015 are summarized below:

Short position		**Fair value**	
Market risk hedge	**Indexes**	**9/30/2016**	**12/31/2015**
SWAP			
Long position	US$	84,552	383,679
Short Position	CDI	(119,303)	(57,050)
Total		(34,751)	326,629
Current assets		-	52,826
Noncurrent assets		18,833	273,803
Current liabilities		(53,584)	-

CEMAR has swaps with Itau and Santander relating to foreign currency transactions, maturing at respectively December 23, 2017 and October 10, 2017. The outstanding balances of the Itau and Santander swaps at September 30, 2016 were respectively R$ 133,899 and R$ 132,994.

CELPA has swaps with Itau and Santander relating to foreign currency transactions, maturing at respectively February 24, 2017 and February 02, 2019. The outstanding balances of the Itau and Santander swaps at September 30, 2016 were respectively R$ 113,042 and R$367,640.

(i) Risk of early maturity

Our subsidiaries have loan, financing and debenture agreements containing covenants which in general require the maintenance of economic and financial indexes at certain levels. Failure to adhere to these covenants could result in early maturity of this debt. Management monitors its positions and projects future indebtedness in order to act preventively with respect to indebtedness limits mentioned in notes 19 (Loans and financing) and 20 (Debentures).

(ii) Cash flow or fair value risk associated with interest rates

Changes in interest rates affect both the group's financial assets and liabilities. The impact of these changes on interest earned on financial investments and interest paid on debt is described below.

The sensitivity of subsidiaries' financial assets and liabilities has been assessed in five scenarios.

In accordance with CVM Instruction 475, we present a scenario with the actual rates determined at September 30, 2016 and another two scenarios with 25% (Scenario II) and 50% (Scenario III) appreciation of the relevant indicators.

We have also included two scenarios with the opposite effect to that required in the above Instruction to demonstrate the effects of a reduction of 25% (Scenario IV) and 50% (Scenario V) in these indicators.

		Cash flow or fair value risk associated with interest rates (R$ thousand)				
Transaction	**Risk**	**Probable Scenario**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV -25%**	**Scenario V -50%**
Financial Assets						
Call deposits	CDI	208,212	260,265	312,317	156,139	104,105
Financial Liabilities						
Loans, financing, and debentures	CDI	(73,910)	(89,909)	(105,909)	(57,910)	(41,912)
	SELIC	(37,504)	(39,467)	(41,431)	(35,540)	(33,576)
	TJLP	(73,426)	(84,362)	(95,298)	(62,490)	(51,553)
	IGP-M	(16,857)	(20,424)	(23,991)	(13,291)	(9,724)
	FINEL	(5,979)	(6,448)	(6,917)	(5,510)	(5,041)
	IPCA	(298,376)	(301,519)	(304,663)	(295,233)	(292,090)

The impact of sensitivity on CEMAR's income and equity is shown below:

Scenarios	**Impact on net income**	**Impact on equity**
Probable scenario	-	-
Scenario II	3,656	3,038
Scenario III	7,311	6,077
Scenario IV	(3,656)	(4,273)
Scenario V	(7,311)	(8,546)

The impact of sensitivity on CELPA's income and equity is shown below:

	Impact on equity

Scenarios	Impact on net income	
Probable scenario	-	-
Scenario II	(301,818)	(250,865)
Scenario III	(603,635)	(501,730)
Scenario IV	301,818	352,770
Scenario V	603,635	705,540

(iii) Risk of energy shortages

The Brazilian Electric System is predominantly supplied by hydroelectric energy generation. A lengthy drought during the wet season will reduce water volumes in reservoirs, resulting in higher energy acquisition costs in the short term and higher system charges due to need to procure energy from thermoelectric power plants. In the worst-case scenario a rationing program could be introduced, which would result in lower revenue. However, based on current reservoir levels and the latest simulations conducted, the National Electric System Operator – ONS is not expecting another rationing program in the years ahead.

(iv) Risk of electricity rate adjustments

Tariff review processes are a requirement under concession contracts and use previously defined methodologies. Any changes to current methodologies are required to be extensively discussed with inputs provided by the Company, concession holders and other players in the industry. Where any unforeseeable event affects the economic and financial balance of the concession, CEMAR and CELPA are entitled to request that the regulator initiate an Extraordinary Tariff Review to be conducted at the regulator's discretion. ANEEL may also conduct Extraordinary Tariff Reviews where any charges and/or taxes are created, modified or abolished to ensure they are properly reflected in electricity rates.

35.7 Capital management

Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. Management also monitors the capital return and level of dividends for shareholders.

Management seeks to maintain a balance between the higher returns that might be possible with adequate leverage levels and the benefits and security afforded by a sound capital position, and establishes and monitors indebtedness and liquidity levels as well as financing maturities and costs accordingly.
Capital management is based on three financial indicators, for which maximum limits are established in order not to compromise the Group's operations:

Net Debt/EBITDA
Net Debt/Net Debt + Equity)
Short-Term Debt to Total Debt
In the period ended September 30, 2016, the Group achieved the required levels for the ratios described above.

36 Commitments

CEMAR and CELPA's commitments under long-term power purchase agreements are as follows:

CEMAR

Expiration	2016	2017	2018	2018 onwards

Rio de Janeiro, November 14, 2016 - Equatorial Energia S.A. (BM&FBOVESPA: EQTL3) announces its results for the third quarter and first 9 months of 2016 (3Q16 and 9M16).

Equatorial is a holding company with investments in Companhia Energética do Maranhão (CEMAR), Centrais Elétricas do Pará (CELPA), Geramar and 55 Soluções. Equatorial holds a 65.11% interest in CEMAR, the electricity distributor for the entire state of Maranhão, and 96.50% in CELPA, the electricity distributor for the entire state of Pará. In the transmission segment, Equatorial controls Equatorial Transmissão. It also holds a 25% interest in Geramar, the company responsible for the construction and operation of two thermoelectric plants in Maranhão with a combined installed capacity of 330MW. In the service segment, Equatorial holds a 100% interest in Equatorial Soluções. Non-financial information relating to Equatorial Energia and its subsidiaries and the PLPT ("Light for All Program"), as well as Management's expectations regarding the future performance of the Company and its subsidiaries were not reviewed by independent auditors.

EQUATORIAL ENERGIA WON 7 LOTS IN THE TRANSMISSION AUCTION. TOTAL LOSSES IN CELPA REACH 27.7%, 0.9 p.p. ABOVE THE REGULATORY TARGET.

1. Financial and Operating Highlights

- Solid Distributed Energy Growth: CEMAR's **total energy volume** reached 1,563 GWh in 3Q16, 2.8% higher than in 3Q15. The total volume distributed by CELPA (captive and free markets) totaled 2,316 GWh in 3Q16, representing an increase of 6.5% YoY.
- Solid EBITDA Growth: In 3Q16 the Adjusted EBITDA reached R$ 428 million, compared to R$ 331 million in 3Q15, a 29.4% increase.
- The **Adjusted Net Result** of the quarter was R$ 216 million, increase of 174.2% over the previous year.
- In 3Q16, Equatorial's consolidated investments totaled R$ 382 million, 48.6% higher than those made in 3Q15.
- Energy Losses: In CEMAR, **energy losses** of the last 12 months ending 3Q16 represented 17.9% of the required energy. In CELPA, total losses ended the quarter at 27.7% of the required energy (0.9 p.p. above the regulatory target), down 0.9 p.p.
- Quality Indicators: In 3Q16, CEMAR's DEC and FEC indexes (accumulated over the last 12 months) were 13.5 hours and 7.2 times, improvement of 2.0% and 3.0%, respectively. In CELPA, DEC ended the period with a 1.4% improvement and FEC increased by 1.4% if compared to the last quarter.
- CEMAR and CELPA´s Annual Tariff Adjustment: In August 2016, Cemar and Celpa´s Tariffs were readjusted by 8.24% and 7.55%, respectively (average effect to the consumer).
- CEMAR is the first Distributor in the electricity sector to issue infrastructure debentures in Brazil: On November 1st, 2016, the 7th debentures issuance of simple, non-convertible, unsecured debentures was settled in two series of 5 and 7 years, being 155,000 and 115,000 respectively, totaling R$ 270 million, with the maturity of the first series in October 2021, at the cost of IPCA + 5.4795% p.a., and the second series in October 2023, at the cost of IPCA + 5.5422% p.a.
- Equatorial Transmissão: In a transmission auction held on October 28, Equatorial won 7 lots with total investments estimated by ANEEL of R$ 3.9 billion and Annual Allowed Revenue (RAP) of R$ 719 million.

Financial Data (R$ MM)	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Net Operating Revenues (NOR)	1,862	1,732	2,023	*8.6%*	5,259	5,488	*4.4%*
Adjusted EBITDA (Quarter)	331	321	428	*29.4%*	811	985	*21.5%*
Adjusted EBITDA (Last 12 monts)	1,055	1,256	1,366	*29.5%*	1,055	1,366	*29.5%*
EBITDA Margin (% NOR)	*17.8%*	*18.5%*	*21.2%*	*3.4 p.p.*	*15.4%*	*17.9%*	*2.5 p.p.*
Adjusted Net Income	78	180	216	*177.3%*	276	518	*87.4%*
Net Income Margin (% NOR)	*4.2%*	*10.4%*	*10.7%*	6.5 p.p.	*5.3%*	*9.4%*	4.2 p.p.
Net Income per Share (R$ / share)	0.41	0.91	1.09	*168.7%*	3.36	2.61	*-22.3%*
Investments	257	345	382	*48.6%*	793	997	*25.7%*
CEMAR	78	103	131	*68.4%*	212	341	*60.4%*
Light For All (CEMAR)	22	31	36	*63.0%*	47	85	*82.5%*
CELPA	89	130	132	*49.0%*	345	338	*-2.0%*
Isolated Systems Interconnection	13	14	15	*12.8%*	36	60	*64.5%*
Light For All (CELPA)	53	63	67	*25.5%*	145	166	*14.1%*
Geramar	2	3	1	*-41.4%*	7	7	*1.3%*
Net Debt	1,527	2,165	2,324	*52.2%*	1,527	2,324	*52.2%*
Net Debt / EBITDA (Last 12 months)	1.4	1.7	1.7	*0,2 x*	1.4	1.7	*0,2 x*

Operating Data	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Sold Energy (GWh)							
CEMAR	1,520	1,529	1,563	*2.8%*	4,360	4,554	*4.5%*
CELPA	2,175	2,089	2,316	*6.5%*	6,033	6,407	*6.2%*
Number of Consumers ('000)							
CEMAR	2,238	2,323	2,340	*4.6%*	2,238	2,340	*4.6%*
CELPA	2,275	2,369	2,405	*5.7%*	2,275	2,405	*5.7%*

2. EQUATORIAL TRANSMISSÃO

In the second stage of the Transmission Auction nº 013/2015, held on October 28, 2016, Equatorial Energia won the following lots:

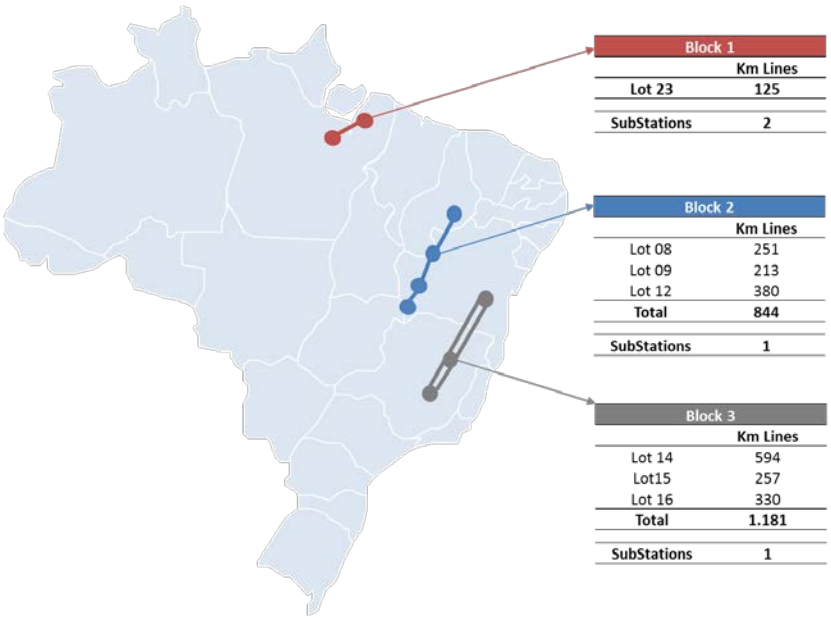
Lot	State	Capex Forecast R$ '000	Maximum Annual Revenue R$ '000	Bid Annual Revenue R$ '000	Discount	Start
8	Bahia	444,834	92,657	77,832	16.00%	Feb/22
9	Bahia	466,115	98,038	70,588	28.00%	Feb/22
12	Bahia / Piauí	547,501	114,332	102,900	10.00%	Feb/22
14	Minas Gerais / Bahia	1,060,089	223,057	185,598	16.79%	Feb/22
15	Minas Gerais / Bahia	433,199	91,108	85,642	6.00%	Feb/22
16	Minas Gerais	504,598	106,179	106,179	0.00%	Feb/22
23	Pará	426,985	89,785	89,784	0.00%	Feb/22
TOTAL		**3,883,321**	**815,156**	**718,523**		

The “Capex Forecast” and the “Start” date of the chart are those included in the Auction Notice or Technical Note nº. 25/2016-SEL-SCT / ANEEL and do not reflect the final assumptions validated by the Company.

On average, we believe it is possible to anticipate the entry into operation of the lots in 12 months or more.

All lots are, totally or partially, in SUDAM or SUDENE´s areas.

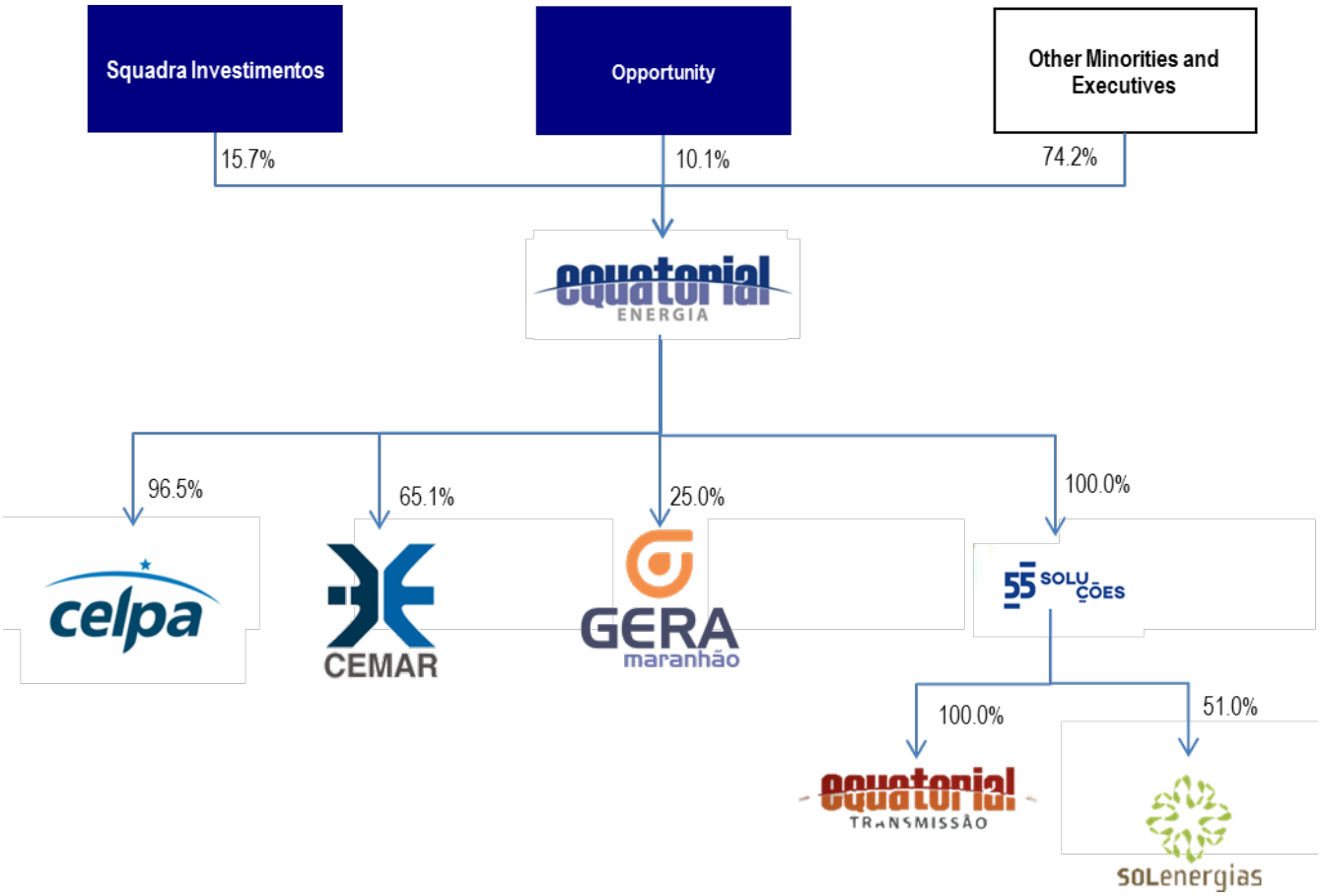
The Company's entry into the transmission segment was an opportunity to diversify its operations in the Brazilian electricity sector with adequate profitability, controlled risk and cash flow predictability. We believe that our management capacity applied in the distribution segment will be of fundamental importance in the execution of the construction works and subsequent operation of the assets.



3. SHAREHOLDERS' STRUCTURE

The information contained in this section reflects the current shareholding structure, as is in the same date of this Earnings Release.

Shareholder	Shares	%
Squadra Investimentos	31,176,900	15.7%
Opportunity	20,135,788	10.1%
Executives	667,994	0.4%
Other Minority	146,695,285	73.8%
Total	198,675,967	100.0%



4. Operating Performance

The operating information contained in this section is pro forma and reflects 100% of the operations of CEMAR and 100% of the operations of CELPA.

4.1 OPERATING PERFORMANCE

Electric Energy Sales

CEMAR

In 3Q16, energy sales (captive and free market) increased 2.8% over the same quarter of the previous year, reaching 1,563 GWh. The growth observed during the quarter was a result of the expansion of the client base of 4.6% in the quarter and the strong increase in Residential of 7.1%. The Industrial segment reduced its consumption by 19.5%, this effect is strongly impacted by the deactivation, in August/15, of a mining company which was our 4th largest consumer until then and the migration of consumers from the captive market to the free market. The Commercial segment that historically followed the growth of the Residential segment, in recent quarters has been showing atypical behavior, partially explained by the economic recession, and the migration of customers to the free market.

CELPA

In 3Q16, sales of energy for the captive and free market increased 6.5% compared to the same quarter of the previous year, reaching 2,316 GWh. This growth stems from the significant in consumption in the Residential segment of 10.5% due to the high temperatures recorded in the period, less rainfall and the implementation of losses combat actions. On the other hand, the reductions observed in the Industrial and Commercial Segment, of 34.5% and 2.6%, respectively, are due to the migration of customers to the free market, which increased 169.3% in the quarter (equivalent to 133 GWh in volume consumption) over the same period in 2015, as well as maintenance and production stoppages of some large customers.

Consumption Segment (MWh)	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
CEMAR							
Residential	732,752	772,005	784,761	*7.1%*	2,131,496	2,303,548	*8.1%*
Industrial	112,395	87,626	90,440	*-19.5%*	314,183	265,926	*-15.4%*
Commercial	311,510	307,277	305,833	*-1.8%*	893,790	908,541	*1.7%*
Others	334,819	333,027	344,916	*3.0%*	932,961	982,464	*5.3%*
Total (Captive)	1,491,476	1,499,936	1,525,951	*2.3%*	4,272,431	4,460,479	*4.4%*
Free Consumers	28,882	29,177	37,246	*29.0%*	87,625	93,725	*7.0%*
Total (Captive + Free) - CEMAR	1,520,358	1,529,112	1,563,196	*2.8%*	4,360,056	4,554,203	*4.5%*
CELPA							
Residential	912,658	893,488	1,008,263	*10.5%*	2,472,045	2,736,427	*10.7%*
Industrial	342,180	209,784	224,289	*-34.5%*	977,378	696,728	*-28.7%*
Commercial	466,708	426,444	454,677	*-2.6%*	1,291,485	1,283,764	*-0.6%*
Others	374,660	399,773	417,985	*11.6%*	1,043,606	1,169,351	*12.0%*
Total (Captive)	2,096,206	1,929,489	2,105,214	*0.4%*	5,784,514	5,886,271	*1.8%*
Free Consumers	78,342	159,367	210,987	*169.3%*	248,629	520,888	*109.5%*
Total (Captive + Free) - CELPA	2,174,548	2,088,856	2,316,200	*6.5%*	6,033,143	6,407,158	*6.2%*
Total (Captive + Free) - Equatorial	3,694,907	3,617,969	3,879,397	*5.0%*	10,393,198	10,961,362	*5.5%*

Number of Consumers	3Q15	2Q16	3Q16	*Var.*
CEMAR				
Residential - Regular	1,199,896	1,265,558	1,285,748	*7.2%*
Residencial - Low Income	790,070	804,467	801,007	*1.4%*
Industrial	8,580	8,551	8,443	*-1.6%*
Commercial	150,102	154,365	154,278	*2.8%*
Others	89,067	90,544	90,558	*1.7%*
Total CEMAR	2,237,715	2,323,485	2,340,034	*4.6%*
CELPA				
Residential - Regular	1,399,562	1,488,133	1,525,475	*9.0%*
Residencial - Low Income	559,347	545,401	536,906	*-4.0%*
Industrial	4,018	4,406	4,109	*2.3%*
Commercial	165,916	172,961	175,943	*6.0%*
Others	146,317	158,228	162,244	*10.9%*
Total CELPA	2,275,160	2,369,129	2,404,677	*5.7%*
Total Equatorial	4,512,875	4,692,614	4,744,711	*5.1%*

The volume of required energy by CEMAR´s system reached 1,935 GWh in 3Q16, a growth of 4.0% year on year. The amount of energy sold grew 2.9% over the same quarter of the previous year.

Energy Balance (MWh) - CEMAR	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Interconnected System	1,860,011	1,846,434	1,934,753	*4.0%*	5,287,412	5,549,163	*5.0%*
Required Energy	1,860,011	1,846,434	1,934,753	*4.0%*	5,287,412	5,549,163	*5.0%*
Distributed Energy*	1,520,502	1,529,499	1,565,035	*2.9%*	4,360,454	4,556,785	*4.5%*
Total Losses	339,509	316,935	369,718	*8.9%*	926,958	992,379	*7.1%*

* Considers captive and free markets, own consumption and does not consider supply to adjacent States.

The volume of required energy by CELPA's system came to 3,120 GWh in 3Q16, up 1.5% over the same period in the previous year, while the volume of distributed energy increased by 6.5% in the quarter, reducing the amount of energy losses by 10.6%, compared to 3Q15 and, 3.6% compared to the 9 months of 2015.

Energy Balance (MWh) - CELPA	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Interconnected System	2,963,489	2,929,412	3,008,776	*1.5%*	8,460,649	8,738,750	*3.3%*
Own Generation	109,497	107,084	110,839	*1.2%*	325,733	323,871	*-0.6%*
Required Energy	3,072,985	3,036,496	3,119,615	*1.5%*	8,786,382	9,062,621	*3.1%*
Distributed Energy*	2,174,548	2,088,856	2,316,200	*6.5%*	6,033,143	6,407,158	*6.2%*
Total Losses	898,437	947,640	803,414	*-10.6%*	2,753,240	2,655,462	*-3.6%*

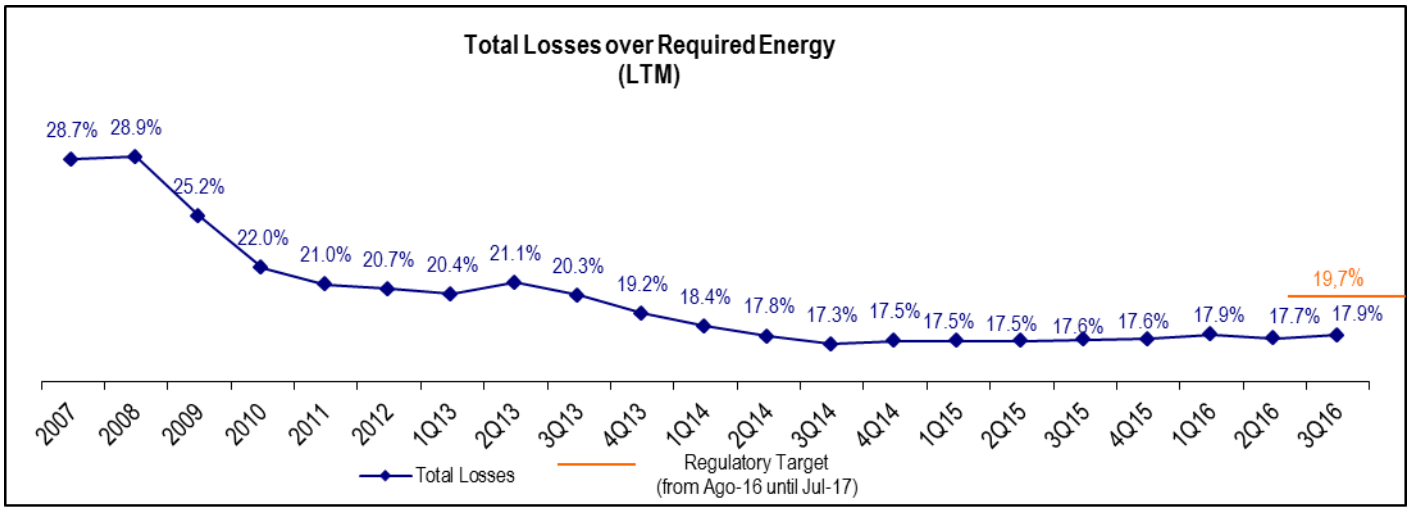
* Considers captive and free markets, own consumption.

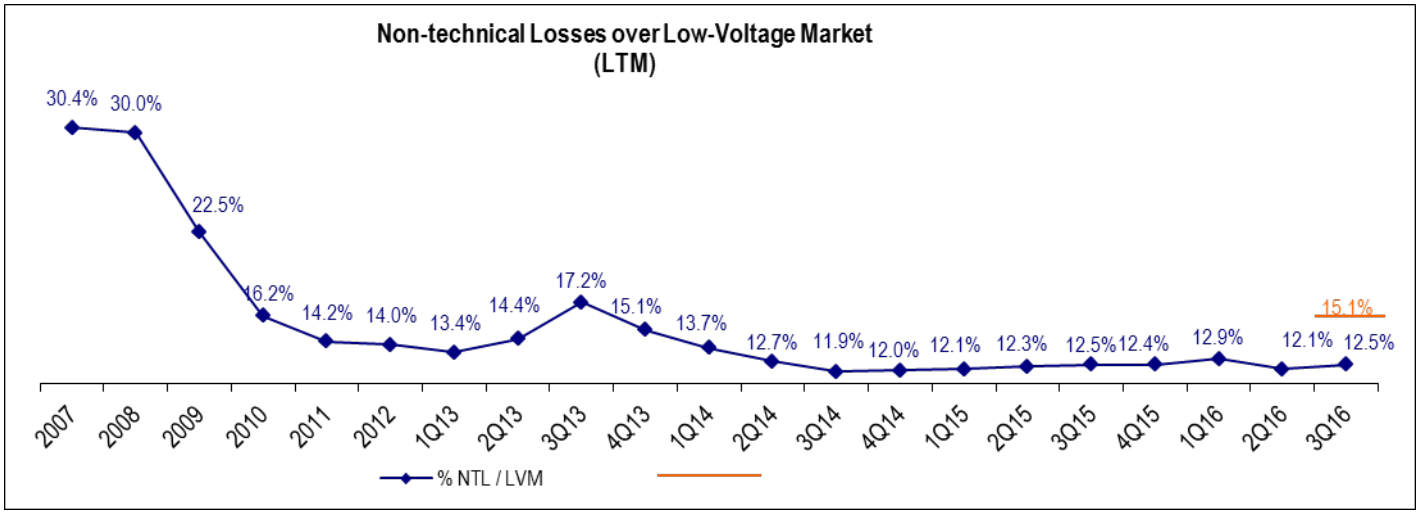
ENERGY DISTRIBUTION LOSSES

CEMAR

The total losses of the last 12 months ending in 3Q16 represented 17.9% of the Required Energy, an increase of 0.2 p.p. in comparison with the end of the last quarter, whereas non-technical losses in the low-voltage market represented 12.5%. We highlight that the calculation of non-technical losses is made using the regulatory percentage of 9.9% of technical losses over the Required Energy.

Despite a greater resistance against losses combat actions, due the current moment in the economy and the complexity of the concession area, we have been successful in maintaining a level considered low and stable for non-technical losses.





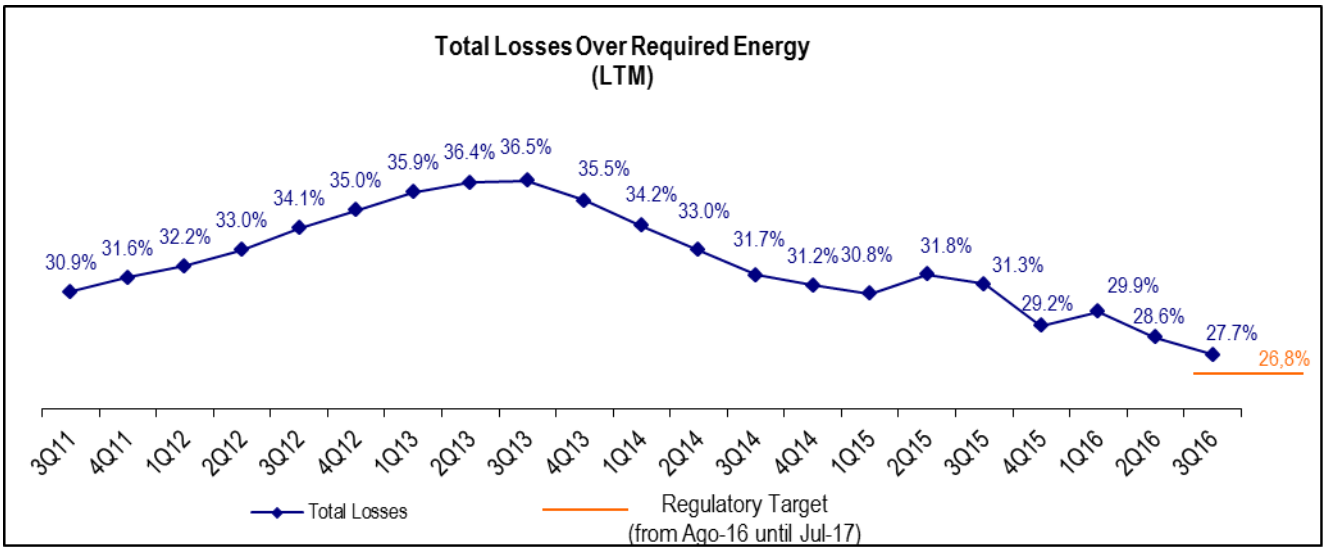
CELPA

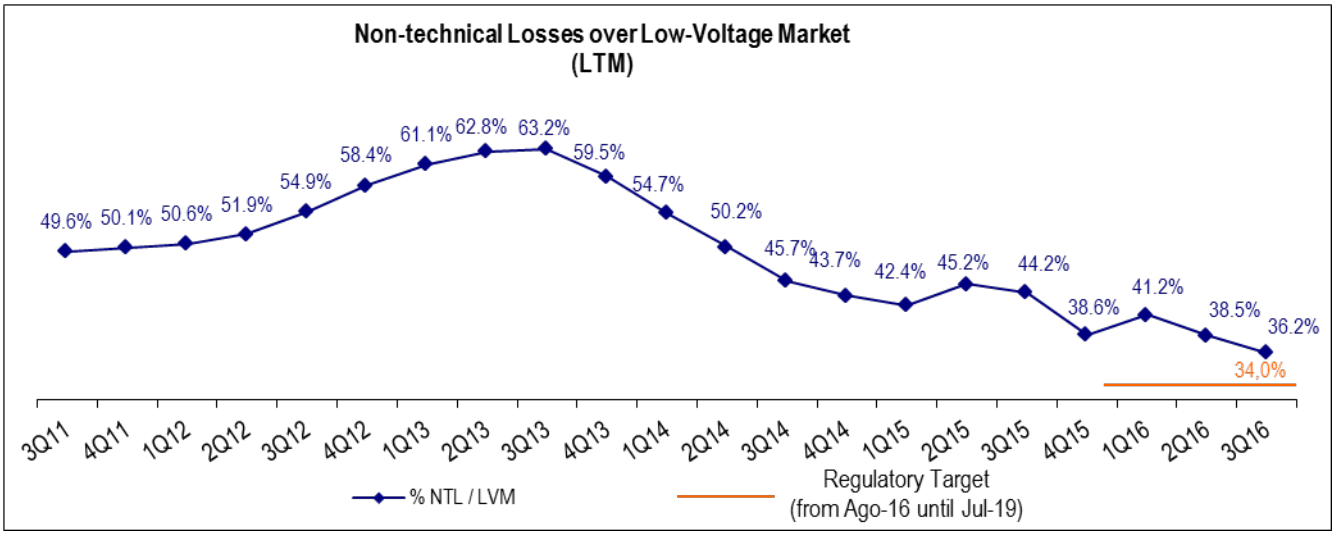
The total losses of the past 12 months ending in 3Q16 accounted for 27.7% of the required energy, a 0.9 p.p. distance to the regulatory target, while non-technical losses on the Low Voltage market reached 36.2%, a decrease of 2.3 p.p., compared to the end of the previous quarter.

For the calculation of the non-technical losses, the technical losses percentage subtracted from the total losses is that approved by ANEEL in the Company's last Tariff Review, 10.15%.

With the fall in the high voltage market consumption and growth of the low voltage market, there was a change in the proportion of these markets in the calculation of the Celpa´s tariff adjustment in August/16. Although there has been no change in the regulatory level of non-technical losses over the low voltage market, which remains 34.0%, the regulatory level of total losses over required energy increases to 26.8% (from 26.0%) for the tariff period from Aug/16 to Jul/17.

The combination of reduction in total losses of the Company and the increase in the regulatory level of total losses makes Celpa to be 0.9 p.p. above the regulatory threshold of total losses.





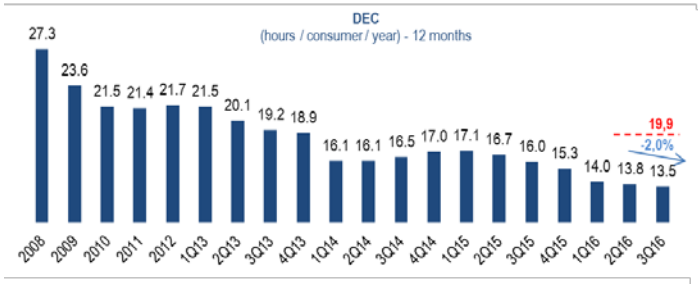
QUALITY INDICATORS – DEC AND FEC

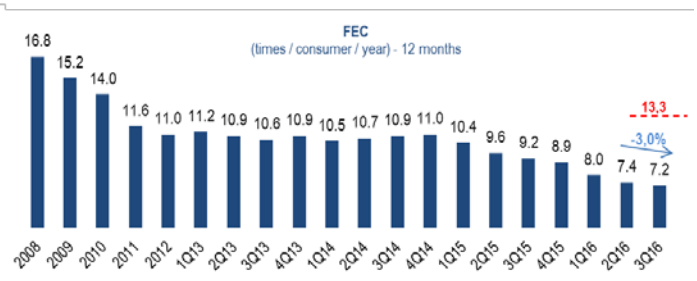
The quality and efficiency of the distribution concessionaires' networks is measured by the DEC (Duration Equivalent of Interruption per Consuming Unit that measures the equivalent length of interruptions per consumer, measured in hours per consumer for a given period) and FEC (Frequency Equivalent of Interruption per Consuming Unit, measured as the number of interruptions per consumer for a given period).

CEMAR

At the close of 3Q16, the 12-month DEC reached 13.5 hours, a decrease of 2.0% if compared to the 13.8 hours at the end of 2Q16. The FEC indicator (accumulated 12-month period) at the end of 3Q16 was 7.2 times, representing a 3.0% decrease in 2Q16's rate. As per the graph below, both indicators are well below the target set by ANEEL.

In 2015, as determined by ANEEL, Cemar was the best placed company in the quality ranking of the energy distributors with an annual volume above 1 TWh.





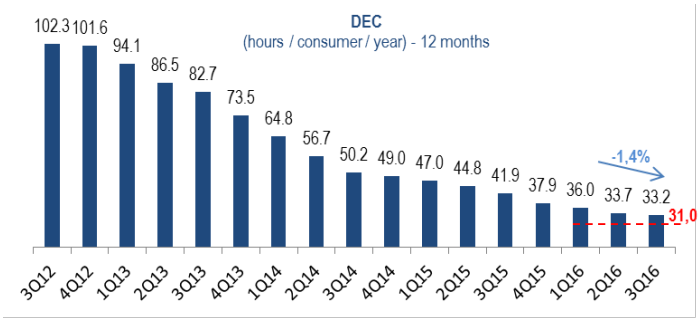
Quartely Var. ANEEL Target

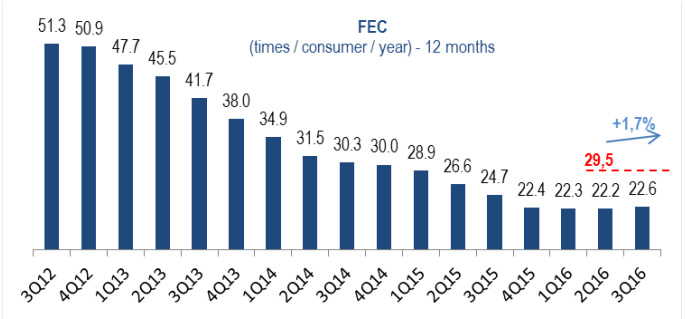
CELPA

At the close of 3Q16, the 12-month DEC reached 33.2 hours that compared to 33.7 hours at the end of 2Q16 represented a decrease of 1.4%. The FEC indicator (accumulated 12-month period) at the end of 3Q16, was 22.6 times, representing a 1.7% increase in 2Q16's rate. In Celpa, only FEC is currently below the target set by ANEEL.

In this quarter, these indicators were impacted by the increase of them in the supplier, which DEC increased from 0,88h in 4Q15 to 2,53h in 3Q16. As for the FEC, this indicator in the supplier increased from 1,39x in 4Q15 to 2,30x in 3Q16.

The 2Q16´s indicators were revised, eliminating an occurrence of a programmed shutdown of a hydroelectric plant, reducing the DEC / FEC of this period.





Quartely Var. ANEEL Target

AVERAGE ENERGY PURCHASE COST

CEMAR

Average Energy Purchase Cost*	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Energy Purchase - Contracts (R$MM)	176	213	244	*38.3%*	560	676	*20.7%*
MWh - Contracted Energy	904,281	1,218,367	1,311,215	*45.0%*	2,584,917	3,696,789	*43.0%*
Energy Purchase - Spot (R$MM)	94	(6)	(18)	*-119.3%*	371	(28)	*-107.6%*
MWh - Spot	204,079	(75,287)	(146,224)	*-171.7%*	679,557	(293,062)	*-143.1%*
Energy Quotas (R$ MM)	26	43	50	*94.3%*	70	136	*95.1%*
MWh - Quotas	766,616	720,544	776,553	*1.3%*	2,026,553	2,184,872	*7.8%*
Average Energy Purchase Cost (R$ / MWh)	157.8	134.2	142.2	*-9.9%*	189.1	140.3	*-25.8%*

* Net of Taxes

CELPA

Average Energy Purchase Cost*	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Energy Purchase - Contracts (R$MM)	354	372	407	*15.1%*	1,135	1,169	*3.0%*
MWh - Contracted Energy	1,791,926	2,053,225	2,157,193	*20.4%*	5,238,770	6,249,399	*19.3%*
Energy Purchase - Spot (R$MM)	138	(17)	(35)	*-125.6%*	557	(61)	*-110.9%*
MWh - Spot	203,753	(199,055)	(285,101)	*-239.9%*	840,110	(698,905)	*-183.2%*
Energy Quotas (R$ MM)	31	56	66	*108.7%*	76	177	*131.9%*
MWh - Quotas	952,785	943,595	990,077	*3.9%*	2,316,776	2,841,199	*22.6%*
Average Energy Purchase Cost (R$ / MWh)	177.4	147.2	152.8	*-13.8%*	210.6	153.1	*-27.3%*

* Net of Taxes

ENERGY PURCHASE CONTRACTS

CEMAR

CEMAR Contracts (MWh)	2016	2017	2018	2019	2020
Hydro	3,051,432	2,894,881	3,075,826	2,498,833	1,938,273
Thermal	1,673,049	1,801,910	1,897,349	2,362,048	2,237,425
Quotas	2,982,023	2,435,570	2,435,570	2,435,570	2,435,570
Other Sources	366,577	427,174	728,128	952,635	1,113,655
TOTAL - MWh	8,073,082	7,559,534	8,136,874	8,249,087	7,724,924

CELPA

CELPA Contracts (MWh)	2016	2017	2018	2019	2020
Hydro	5,097,022	4,992,940	5,441,779	5,141,538	4,237,349
Thermal	2,166,246	2,229,756	2,450,556	3,308,438	3,042,050
Quotas	3,871,183	3,207,592	3,207,592	3,207,592	3,216,380
Other Sources	1,260,563	1,063,078	1,737,786	2,379,208	2,385,727
TOTAL - MWh	12,395,014	11,493,368	12,837,713	14,036,776	12,881,506

5. ECONOMIC-FINANCIAL PERFORMANCE - CONSOLIDATED

The information in this section reflects: i) 100% of CEMAR's operations, excluding 34.89% related to minority interests before Net Income, or 65.11% of the total; ii) 100% of CELPA's operations, excluding 3.50% related to minority interests before Net Income, or 96.50% of the total and iii) 100% of Equatorial Soluções.

We highlight that, in accordance with Brazilian accounting rules, the results referred to the 25% participation in Geramar are consolidated in Equatorial, only from Patrimonial Equivalence.

5.1 ECONOMIC-FINANCIAL PERFORMANCE – CONSOLIDATED

Income Statement (R$ MM)	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Gross Operating Revenues (GOR)	2,677	2,498	2,817	*5.2%*	7,343	7,807	*6.3%*
Net Operating Revenues (NOR)	1,862	1,732	2,023	*8.6%*	5,259	5,488	*4.4%*
Energy Purchase Cost	(1,234)	(1,126)	(1,264)	*2.5%*	(3,645)	(3,594)	*-1.4%*
Operating Expenses	(263)	(273)	(337)	*28.2%*	(771)	(885)	*14.7%*
EBITDA	365	334	421	*15.3%*	843	1,010	*19.8%*
Other Operating Revenues / Expenses	(40)	(14)	(17)	*-57.2%*	(113)	(41)	*-63.8%*
Depreciation	(81)	(79)	(88)	*9.2%*	(192)	(255)	*32.8%*
Service Income (EBIT)	244	241	316	*29.2%*	538	714	*32.7%*
Financial Net Results	(74)	30	(39)	*-47.8%*	467	52	*-88.9%*
Goodwill amortization	(2)	(2)	(2)	*-5.0%*	(5)	(5)	*-5.0%*
Operating Results	174	276	283	*62.4%*	1,025	781	*-23.7%*
Income Tax	(59)	(54)	(44)	*-26.0%*	(250)	(151)	*-39.5%*
Minorities	(34)	(43)	(50)	*46.2%*	(109)	(124)	*13.7%*
Net Income	80	179	189	*134.7%*	666	506	*-24.0%*

EQUATORIAL'S CONSOLIDATED EBITDA

Besides the specific adjustments made in Cemar and Celpa (see EBITDA section of each company in this Earnings Release), for Equatorial holding, we also adjusted the Stock Option Plan expenses, amounting to R$2 million in this quarter, since these expenses are non-cash.

With these adjustments, Equatorial's Adjusted EBITDA amounts to R$428 million in the 3Q16, an increase of 29.4% compared to 3Q15.

Income Statement (R$ MM)	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
EBITDA CEMAR	174	162	190	*9.4%*	432	470	*8.9%*
EBITDA CELPA*	200	176	231	*15.7%*	431	504	*16.7%*
CELPA´s PPA Consolidation Difference	-	-	-	*N/A*	-	50	*N/A*
EBITDA Holding + others	(9)	(4)	(1)	*-93.0%*	(20)	(13)	*-33.6%*
EBITDA Equatorial	365	334	421	*15.3%*	843	1,010	*19.8%*
CEMAR Adjustments	(4)	(12)	(5)	*N/A*	24	1	*-95.8%*
CELPA Adjustments	(32)	(4)	10	*N/A*	(76)	15	*N/A*
CELPA´s PPA Adjustment	-	-	-	*N/A*	-	(50)	*N/A*
Stock Option Adjustments (EQTL)	2	3	2	*-8.3%*	20	8	*-58.8%*
Adjusted Equatorial's EBITDA	331	321	428	*29.4%*	811	985	*21.5%*

* Celpa's Income Statement used in Equatorial's consolidation is different from the individual due to IFRS

EQUATORIAL'S CONSOLIDATED NET INCOME

To calculate Equatorial's consolidated net income, besides the EBITDA and Net Income adjustments (see Net Income section of each company in this Earnings Release), there's also an adjustment regarding the stake Equatorial holds in each company (65.11% in Cemar and 96.5% in Celpa).

Considering these adjustments, we reach R$216 million in the adjusted net income in the quarter, an increase of 177.3% compared to 3Q15.

Income Statement (R$ MM)	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
CEMAR Net Income	64	72	82	*27.9%*	157	204	*30.4%*
CELPA Net Income	2	93	90	*5035.2%*	472	265	*-43.7%*
Net Income Holding + Others	14	13	16	*11.6%*	38	37	*-2.2%*
Equatorial Net Income	80	179	189	*134.7%*	666	506	*-24.0%*
CEMAR Adjustments	0	(6)	(6)	*-2101.9%*	16	(3)	*-116.1%*
CELPA Adjustments	(4)	6	32	*-862.6%*	(419)	9	*-102.2%*
Stock Option Adjustments (EQTL)	2	2	1	*-8.3%*	13	5	*-58.8%*
Equatorial Adjusted Net Income	78	180	216	*177.3%*	276	518	*87.4%*

* Celpa's Income Statement used in Equatorial's consolidation is different from the individual due to IFRS

5.2 – Financial Performance – CEMAR

The financial performance section considers 100% of CEMAR's operations.

CEMAR Income Statement (R$ MM)	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Gross Operating Revenues (GOR)	950	962	1,058	*11.3%*	2,666	3,006	*12.8%*
Net Operating Revenues (NOR)	677	700	802	*18.4%*	1,962	2,211	*12.7%*
Energy Purchase Cost	(404)	(421)	(489)	*21.2%*	(1,234)	(1,393)	*12.8%*
Operating Expenses	(100)	(117)	(123)	*23.1%*	(296)	(349)	*17.9%*
EBITDA	174	162	190	*9.4%*	432	470	*8.8%*
Other Operating Revenues / Expenses	(11)	(4)	(11)	*0.7%*	(19)	(22)	*16.7%*
Depreciation	(32)	(35)	(37)	*14.8%*	(94)	(105)	*11.8%*
Service Income (EBIT)	131	124	143	*8.8%*	319	343	*7.4%*
Net Financial Result	(6)	15	10	*-270.3%*	(25)	45	*-283.2%*
Operating Income	125	139	153	*22.4%*	294	388	*31.8%*
Income Taxes	(26)	(28)	(27)	*2.1%*	(54)	(74)	*37.9%*
Net Income	99	111	126	*27.9%*	240	313	*30.4%*

5.2.1 – Operating Revenues

In 3Q16, Gross Revenue from energy sales increased 11.3%, mainly influenced by: i) the tariff readjustment occurred in August 2015, where the average effect perceived by consumers was 8.64%; ii) the tariff readjustment occurred in August 2016, where the average effect perceived by the consumers was 8.24%, and; iii) the growth of 2.8% in the volume of energy sold in the quarter. The Net Revenue reached R$ 802 million (R$ 636 million, excluding construction revenues), an increase of 18.4% compared to the same quarter of the previous year.

Operating Revenues - Cemar	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Billed Energy (MWh)*	1,520,358	1,529,112	1,563,196	*2.8%*	4,360,056	4,554,203	*4.5%*
Number of Consumers**	2,237,715	2,323,485	2,340,034	*4.6%*	2,237,715	2,340,034	*4.6%*
KWh per Consumer	679	658	668	*-1.7%*	1,948	1,946	*-0.1%*
Gross Supply Revenues (R$ MM)	740	756	788	*6.6%*	2,026	2,258	*11.4%*
Residential	379	405	419	*10.5%*	1,045	1,195	*14.4%*
Industrial	50	40	46	*-8.2%*	138	130	*-5.2%*
Commercial	173	173	179	*3.2%*	478	518	*8.3%*
Other Segments	137	138	144	*5.3%*	365	414	*13.4%*
(-) Exceeding demand / reactive energy	-	-	(1)	*N/A*	-	(1)	*N/A*
Supply (R$ MM)	2	15	15	*569.4%*	8	47	*498.1%*
Other Revenues (R$ MM)	66	72	69	*4.3%*	190	203	*6.8%*
Low Income Subsidy	41	45	45	*10.6%*	132	135	*2.0%*
Irrigation Subvention	12	13	14	*20.2%*	33	40	*21.3%*
Grid Usage	2	2	2	*17.2%*	4	4	*-3.9%*
Other Operating Revenues	12	12	7	*-35.9%*	21	24	*16.1%*
Values to receive from Parcel A and othe financial items (R$ MM)	43	(23)	21	*-51.1%*	180	38	*-79.0%*
Construction Revenues (R$ MM)	99	142	166	*66.7%*	262	462	*76.5%*
Gross Operating Revenues (R$ MM)	950	962	1,058	*11.3%*	2,666	3,006	*12.8%*
Deductions from Operating Revenues (R$ MM)	(273)	(262)	(256)	*6.4%*	(704)	(794)	*-12.9%*
Net Operating Revenues (R$ MM)	677	700	802	*18.4%*	1,962	2,211	*12.7%*
Net Operating Revenues without Constructin Revenues (R$ MM)	578	558	636	*10.1%*	1,700	1,750	*2.9%*

5.2.2 – Costs and Expenses

In 3Q16, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R$ 623 million (R$ 457 million, excluding construction costs) equivalent to 77.6% of net revenues, an increase of 1.7 p.p. compared to the 3Q15.

Manageable Operating Costs and Expenses

In 3Q16 costs for Personnel, Materials, Outsourced Services and Others – PMSO reached R$ 101 million, an increase of 8.9%.

In this quarter, Personnel expenses totaled R$ 26 million, 0.1% less than the results reported in 3Q15. Expenses with materials totaled R$1 million in 3Q16, 81.2% below the amount presented in 3Q15.

Expenses for third party services in 2Q16 showed an increase of 19.0% in comparison to the results shown in 3Q15, at R$67 million. Among its main accounts, we highlight: (i) intensification of collection actions of defaulting consumers, such as cutting and collection visits, which increased by R$ 3.1 million in the period; (ii) intensification of actions to combat delinquency by R$ 2.9 million in the period, and; (iii) transfer of Pis/Cofins fiscal credits from third party services to the Deductions from Revenues, neutral for the EBITDA, but amounting to R$ 1.9 million in the Manageable Expenses this quarter (R$ 5.8 million accumulated).

In 3Q16, PDA and Losses amounted to R$ 19 million, or 2.1% of the Gross Operating Revenues (GOR), level 1.7 p.p above to the one observed in the same quarter last year, consequence of the current macroeconomic scenario of the country.

As of the 1Q16, we transfer the values from Non-managable Other Expenses (Aneel´s inspection charge) to Consumer charges, with R$ 1.1 million impact in the quarter (R$ 3.1 million accumulated), and as of the 3Q16, the contingency penalty expenses of the Contingency Provisions line were transferred to the line Others oh the PMSO, with a neutral impact on the costs and manageable expenses.

R$ MM	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Personnel	26	28	26	*-0.1%*	77	84	*9.3%*
Profit Sharing	*8*	*8*	*8*	*1.3%*	*21*	*23*	*7.7%*
Materials	4	2	1	*-81.2%*	9	4	*-54.8%*
Third Party Services	56	59	67	*19.0%*	164	183	*11.3%*
Others	6	5	7	*13.4%*	22	20	*-8.8%*
Quality Indicators Compensations	*2*	*2*	*2*	*7.8%*	*9*	*8*	*-7.7%*
PMSO	92	94	101	*8.9%*	272	290	*6.9%*
PDA	4	17	19	*419.9%*	12	45	*264.1%*
% GOR (w/o Construction Revenues)	*0.4%*	*2.0%*	*2.1%*	*1,7 p.p.*	*0.5%*	*1.8%*	*1,2 p.p.*
Provision for Contingencies	4	6	3	*-11.5%*	12	13	*10.4%*
Provisions	8	22	22	*196.1%*	24	59	*140.7%*
Other Operating Expenses (Revenues)	11	4	11	*0.7%*	19	22	*16.7%*
MANAGEABLE EXPENSES	111	120	134	*20.9%*	314	370	*17.8%*
Energy Purchase and Transmission	280	264	303	*8.0%*	912	864	*-5.2%*
Grid and Connection Charges	23	15	21	*-9.7%*	58	67	*15.8%*
Construction Costs	99	142	166	*66.7%*	262	462	*76.5%*
Other Non-Manageable Costs	1	-	-	*N/A*	3	-	*N/A*
NON-MANAGEABLE EXPENSES	404	421	489	*21.2%*	1,234	1,393	*12.8%*
TOTAL	514	541	623	*21.1%*	1,549	1,763	*13.8%*

5.2.3 – EBITDA

In 3Q16, EBITDA reached R$190 million, already impacted by the recognition of the net regulatory asset and liabilities and by the change in the recognition of fines paid to consumers regarding individual quality indicators.

As non-recurring impacts, we highlight: (i) R$ 3 million of tariff adjustment effect, occurred in August 2016, where the recognized financial components were slightly lower than the amounts that were accounted for, and; (ii) in this quarter we observed a reversal of R$ 3 million in expenses related to the Energy Overpurchase above 105%, percentage limit to transfer to the tariff.

EBITDA (R$ million)	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Operating Income	131	124	143	8.8%	319	343	7.4%
Depreciation and Amortization	32	35	37	14.8%	94	105	11.8%
EBITDA (CVM)*	163	159	179	10.0%	413	448	8.4%
Other Operating Revenues / Expenses	11	4	11	0.7%	19	22	16.7%
EBITDA	174	162	190	9.4%	432	470	8.8%
Tariff Flags Adjustments	-	(10)	(0)	N/A	-	1	N/A
Energy Overpurchase (above 105%)	-	(0)	(3)	N/A	-	1	N/A
Taxes mismatching	(9)	(0)	1	N/A	14	3	-79%
2015 Energy purchase Adjustments	-	(1)	-	N/A	-	(1)	N/A
CVA Eletronuclear	(1)	-	-	N/A	5	-	N/A
Tariff Readjustment Effect	6	-	(3)	N/A	6	(3)	N/A
Adjusted EBITDA	169	151	185	9.3%	456	471	3.3%

* Calculated in accordance with CVM Instruction 527/12

5.2.4 – FINANCIAL RESULTS

In 3Q16, the net financial result was positive in R$10 million, compared to negative R$6 million in 3Q15. The improvement in the financial results can be explained by higher volume of invested cash by the company and a small depreciation of Real compared to Dollar in the period. In the nine-month period, we had a positive result of R$ 45 million, versus a negative R$ 25 million in 2015. Due to the appreciation of the Real in the year, there was a gross accounting impact of R$ 54 million of positive exchange variation (gain) on the Company's debt. As a counterpart, R$ 65 million were recognized in Expenses with swap operations, in 2015 there was a swap revenue, due to the rise in the Dollar. We emphasize that, since the accounting rules that deal with this matter require the swap to be accounted at market value, even though the protection is perfect from the cash point of view, there may be fluctuations in results, as occurred in the period.

R$ MM	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Financial Income	43	42	42	*-0.9%*	107	128	*19.9%*
Fine Charges on Overdue Energy Bills	20	17	15	*-26.2%*	60	51	*-14.4%*
Financial Asset (VNR) Adjustment - Revenue	12	25	12	*0.6%*	12	60	*413.0%*
Swap Revenues	51	(34)	(0)	*N/A*	81	(65)	*N/A*
FX Variation	(75)	29	(1)	*99.1%*	(120)	54	*N/A*
Burdens and Monetary Variation	(57)	(58)	(54)	*5.2%*	(160)	(170)	*-6.4%*
Other Financial Revenues	9	4	4	*-55.7%*	26	12	*-53.1%*
Other Financial Expenses	(8)	(10)	(7)	*13.5%*	(30)	(25)	*16.8%*
NET FINANCIAL RESULTS	(6)	15	10	*N/A*	(25)	45	*N/A*

5.2.5 – Income Tax and Social Contribution

At CEMAR, the calculation of Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL) is positively influenced by the following items: i) the tax incentive of a 75% reduction in income tax as a result of the total modernization benefit, effective through 2021; ii) tax incentives related to accelerated depreciation, obtained from the SUDENE, which allows investments in expansion and modernization of the distribution network to be considered as a fully tax-deductible expense for purposes of calculating income tax immediately (effective through 2018); and, iii) the offset of accrued losses. It should be noted that all items mentioned above are applicable only to income tax.

Effective Income Tax and Social Contribution Rate

Income Taxes (R$ MM)	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Earnings before Taxes (1)	125	139	153	*22.4%*	294	388	*31.8%*
Income Tax / Social Contribution Expense	(26)	(28)	(27)	*2.1%*	(54)	(74)	*37.9%*
(-) Deferred Tax Assets	20	14	12	*-40.2%*	37	38	*4.2%*
= Tax Payable	(6)	(14)	(15)	*145.5%*	(17)	(36)	*106.4%*
(+) Fiscal Credits	-	-	9	*N/A*	8	9	*N/A*
= Tax - Cash Basis (2)	(6)	(14)	(6)	*-3.0%*	(9)	(27)	*189.4%*
Effective Tax Rate = (2) / (1)	4.8%	10.1%	3.8%	-1.0 p.p.	3.2%	7.0%	3.8 p.p.

In 3Q16, the result of income tax and social contribution was R$ 27 million and, considering the use of deferred tax assets for compensation, the cash outflow for the payment of such taxes ended up being R$ 6 million.

5.2.6 – Net Income

In 3Q16, CEMAR presented an Adjusted Net Income of R$ 117 million versus R$ 99 million in 3Q15, up by 18.1%. This quarter, we kept the same adjustments in EBITDA, net of their tax effects, and adjusted the impact of the change in the inflation index used to update the VNR (Financial Asset New Replacement Value).

NET INCOME (R$ million)	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Net Income	99	111	126	*27.9%*	240	313	*30.4%*
EBITDA Net Adjustments	(4)	(10)	(4)	*12%*	20	1	*-95.8%*
Assets write-off	4	-	-	*N/A*	4	-	*N/A*
Financial Asset Update (VNR)	-	-	(5)	*N/A*	-	(5)	*N/A*
Adjusted Net Income	99	101	117	*18.1%*	265	309	*16.7%*

5.3 ECONOMIC-FINANCIAL PERFORMANCE – CELPA

CELPA Income Statement (R$ MM)	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Gross Operating Revenues (GOR)	1,677	1,501	1,688	*0.7%*	4,506	4,632	*2.8%*
Net Operating Revenues (NOR)	1,140	1,002	1,158	*1.6%*	3,145	3,129	*-0.5%*
Energy Purchase Cost	(786)	(686)	(743)	*-5.5%*	(2,281)	(2,112)	*-7.4%*
Operating Expenses	(154)	(140)	(184)	*19.7%*	(433)	(513)	*18.5%*
EBITDA	200	176	231	*15.7%*	431	504	*16.7%*
Other Operating Revenues / Expenses	(30)	(10)	(6)	*-81.0%*	(95)	(19)	*-79.6%*
Depreciation	(48)	(45)	(51)	*5.5%*	(97)	(149)	*53.7%*
Service Income (EBIT)	122	121	175	*43.2%*	240	336	*39.9%*
Net Financial Result	(91)	(5)	(70)	*-22.7%*	424	(53)	*N/A*
Operating Income	31	116	104	*238.3%*	664	283	*-57.4%*
Income Taxes	(29)	(19)	(10)	*-64.0%*	(175)	(50)	*-71.6%*
Net Income	2	96	94	*5035.2%*	489	233	*-52.3%*

5.3.1 – Operating Revenues

In 3Q16, Gross Revenue from energy sales increased 0.7%, mainly influenced by: (i) the August 2015 Periodic Tariff Review of 7.47% (Average effect perceived by consumers); (ii) the tariff readjustment occurred in August 2016, where the average effect perceived by the consumers was 7.55%, and; (iii) a 6.5% growth in the volume of Billed Energy. Net revenue reached R$ 1.158 million (R$ 945 million, excluding construction revenues), an increase of 1.6%, compared to the same quarter of the previous year.

Operating Revenues - Celpa	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Billed Energy (MWh)*	2,174,548	2,088,856	2,316,200	*6.5%*	6,033,143	6,407,158	*6.2%*
Number of Consumers**	2,275,160	2,369,129	2,404,677	*5.7%*	2,275,160	2,404,677	*5.7%*
KWh per Consumer	956	882	963	*0.8%*	2,652	2,664	*0.5%*
Gross Supply Revenues (R$MM)	1,260	1,231	1,359	*7.9%*	3,482	3,747	*7.6%*
Residential	587	601	686	*16.8%*	1,590	1,836	*15.5%*
Industrial	169	132	138	*-18.4%*	484	420	*-13.3%*
Commercial	317	304	322	*1.3%*	890	909	*2.2%*
Other Segments	186	193	214	*14.5%*	519	582	*12.3%*
(-) Exceeding demand / reactive energy (R$ MM)	(9)	(11)	(10)	*-10.7%*	(26)	(30)	*-16.2%*
Supply (R$ MM)	150	49	47	*-68.4%*	160	134	*-16.3%*
Other Revenues (R$ MM)	70	65	80	*13.8%*	196	219	*11.5%*
Low Income Subsidy	56	58	61	*8.7%*	154	179	*15.7%*
Grid Usage	6	-	6	*-4.5%*	19	12	*-39.3%*
Other Operating Revenues	8	7	13	*65.0%*	23	29	*24.8%*
Values to receive from Parcel A and other financial items (R$ MM)	53	(40)	(2)	*N/A*	217	(2)	*N/A*
Construction Revenues (R$ MM)	152	207	214	*40.6%*	476	564	*18.4%*
Deductions from Operating Revenues (R$ MM)	(537)	(499)	(530)	*1.3%*	(1,361)	(1,503)	*-10.5%*
Gross Operating Revenues (R$ MM)	1,676	1,501	1,688	*0.7%*	4,506	4,632	*2.8%*
Net Operating Revenues (R$ MM)	1,140	1,002	1,158	*1.6%*	3,145	3,129	*-0.5%*
Net Operating Revenues without Construction Revenues (R$ MM)	988	794	945	*-4.4%*	2,669	2,565	*-3.9%*

* Does not consider own consumption and supply to other States

** Does not consider own consumers

5.3.2. – Costs and Expenses

In 3Q16, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R$ 900 million, 4.6% lower than 3Q15.

Since 2015, expenses with compensations paid to consumers regarding individual quality indicators started to be recognized within the line Other when previously they were accounted as financial expenses. In 3Q16, this amount represented R$ 6 million.

Personnel expenses decreased by R$ 5 million compared to 3Q15, due to the Incentivized Retirement Plan, in force since 4Q15, that reduced our own workforce since 1Q16.

In Third Party Services, there was an increase of R$ 26 million in 3Q16, closing this quarter with R$ 80 million excluding the plants´ costs. The main accounts, besides the inflation in the period, that influenced this growth are: (i) intensification of collection actions of defaulting consumers, such as cutting, collection visits, which increased by R$ 8 million in the period; (ii) the transfer of PIS/COFINS credits to Revenue Deductions, with neutral impact on EBITDA, but with R$ 5.2 million impact in this quarter´s PMSO.

In PDA, it was recorded a net provision of R$ 35 million this quarter, equivalent to 2.4% of the Gross Operating Revenue without construction revenue.

As of the 1Q16, we transfer the values from Non-managable Other Expenses (Aneel´s inspection charge) to Consumer Charges.

R$ MM	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Personnel	32	35	27	-15.2%	105	97	-7.3%
Profit Sharing	*5*	*4*	*4*	*-15.3%*	*16*	*13*	*-15.3%*
Material	2	(0)	0	N/A	5	2	-63.3%
Third Party Services	54	65	80	48.7%	166	217	30.6%
Others	13	7	4	-69.7%	15	8	-49.9%
Quality Indicators Compensations	*1*	*5*	6	*519.5%*	*38*	*3*	*-91.8%*
PMSO	101	107	111	*10.5%*	291	323	*11.2%*
Duplicate Provision for Payments	-	*7*	-	*N/A*	-	-	*N/A*
Bonus for Quality Indicators Compensations	-	-	-	*N/A*	-	*12*	*N/A*
Net PMSO	101	114	111	*10.5%*	291	335	*15.3%*
PDA	29	23	35	*19.5%*	76	94	*23.1%*
% GOR (w/o Construction Revenues)	*1.8%*	*1.6%*	*2.1%*	*0,3 p.p.*	*1.7%*	*2.0%*	*0,3 p.p.*
Provision for Contingencies	*(2)*	*(6)*	6	*-326.0%*	*(3)*	*1*	*-151.9%*
Provisions	27	17	41	*51.3%*	73	95	*29.6%*
Other Operating Expenses (Revenues)	30	10	6	*-81.0%*	95	19	*-79.6%*
MANAGEABLE EXPENSES	157	134	157	*0.3%*	459	438	*-4.6%*
Energy Purchase and Transmission	603	452	492	*-18.4%*	1,717	1,434	*-16.5%*
Grid and Connection Charges	31	27	37	*19.9%*	87	114	*31.2%*
Construction Costs	152	207	214	*40.6%*	476	564	*18.4%*
NON-MANAGEABLE EXPENSES	786	686	743	*-5.5%*	2,281	2,112	*-7.4%*
TOTAL	943	820	900	*-4.6%*	2,739	2,550	*-6.9%*

ISOLATED SYSTEMS

From 2Q16, we separated the PMSO from the isolated system´s generation plants. Isolated systems are regions or cities that are not connected to the SIN (National Interconnected System) and, therefore, have thermal generation plants exclusively dedicated to the supply of these regions. The 3Q16 operating cost was R$ 32 million.

Comparing the evolution of this cost, it is worth noting that there was a reduction of the CCC subsidy due to: (i) increase on the subsidy´s crop factor, considering the Dispatch 3,552 from Oct/15; (ii) increase in the average ACR from R$ 192.7 to R$ 295.1, considering Dispatch 3,491 from Oct/15, and; (iii) the interconnections to the SIN, which also prevented higher costs with raw materials.

OWN GENERATION EXPENSES	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Third Party Services	23	23	25	*8.7%*	70	73	*3.7%*
Others	4	4	5	*20.7%*	10	13	*28.8%*
CCC Subvention	(72)	(75)	(70)	*3.2%*	(219)	(214)	*2.1%*
Fuel for energy generation	72	63	72	*1.1%*	208	224	*7.6%*
TOTAL	26	16	32	*22.2%*	69	95	*37.2%*

5.3.3. – EBITDA

In 3Q16, Accounting EBITDA was R$ 231 million, already impacted by the recognition of the net regulatory asset and liabilities and by the change in the recognition of fines paid to consumers regarding individual quality indicators, which was transferred from financial expenses to the line Others inside the PMSO (manageable costs), above the EBITDA (which began in 1Q15).

In this quarter, we highlight: (i) R$ 2 million reduction in energy purchase costs, due to the reduction of overpurchase above the transferred percentage of 105% of the required regulatory energy; (ii) R$ 17 million corresponding to CVA costs in energy purchase; (iii) R$ 9 million in NOR impacts referring to 2Q16 performed in 3Q16; (iv) R$ 31 million in PIS/COFINS mismatch.

EBITDA (R$ million)	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Operating Income	122	121	175	43,2%	240	336	39,9%
Depreciation and Amortization	48	45	51	5,5%	97	149	53,7%
Accounting EBITDA (CVM)*	170	166	226	32,5%	337	484	43,8%
Other Operating Revenues / Expenses	30	10	6	-81,0%	95	19	-79,6%
Accounting EBITDA	200	176	231	15,7%	431	504	16,7%
NOR Effects	-	(3)	(9)	N/A	-	11	N/A
Energy Overpurchase (above 105%)	-	(1)	(2)	N/A	-	6	N/A
Quality Fines Bonus	-	-	-	N/A	(58)	(12)	-79%
Third Party Services accrued and not reverted	-	(7)	-	N/A	-	-	N/A
Contingencies Gains	-	(14)	-	N/A	-	(14)	N/A
PIS / COFINS Adjustment	(13)	-	31	-341%	(13)	15	-218%
Tariff Review Impact	(16)	-	-	-137%	(16)	-	-100%
Tariff Adjustment	-	-	6	N/A	-	6	N/A
Injunctions without CVAs	(7)	21	(17)	-143%	(1)	4	-458%
Eletronuclear Difference	4	-	-	100%	12	-	-100%
Adjusted EBITDA	168	171	242	43,9%	355	519	45,9%

* Calculated in accordance with CVM Instruction 527/12

5.3.4. – FINANCIAL RESULTS

In 3Q16, the net financial result was R$ 71 million negative, versus of positive result of R$ 91 million in 3Q15. We emphasize the negative variation of R$ 56 million of VNR (New Value Replacement) on concession financial assets, from R$ 26 million in revenues in 3Q15 to R$ 30 million in expenses in 3Q16, due to the change in the update index from IGP-M to IPCA, in addition to the adequacy of the accounting for the amortization of special obligations.

This quarter, due to the slight Real depreciation, there was a gross accounting impact (expense) of R$ 9 million of negative exchange variation over the Company's debt, of which R$ 3 million related to non-hedged debt and with a very long maturity. In addition, the result of swap operations generated an expense of R$ 9 million with the CDI variation higher than the dollar variation in the quarter. We highlight that, as the accounting rules require that Swap Operations be accounted at its market value (revenues of R$ 13 million this quarter) and the debt accounted in the curve, generating distortion in the debt balance in Reais, net of Swaps. Thus, even though the hedge is perfect from a cash perspective, we might have some impact on results, as it happened in this quarter.

R$ MM	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Financial Income	16	14	23	*49.5%*	34	79	*129.0%*
Fines charged on energy sale	36	20	19	*-46.3%*	100	75	*-25.2%*
Financial Asset (VNR) Adjustment - Revenue	26	36	(30)	*N/A*	208	46	*-77.8%*
Swap operations	143	(100)	(9)	*N/A*	193	(212)	*N/A*
Interest on Debt	(189)	80	(6)	*97.0%*	(275)	144	*N/A*
Interest on JR Debt	(61)	28	(3)	*95.7%*	(92)	50	*N/A*
Charges on customers installments	(3)	(1)	(0)	*100.0%*	(10)	(4)	*55.9%*
CVA charges	9	(2)	1	*-85.4%*	43	0	*-99.2%*
FX variation on debt	(13)	(27)	(33)	*-156.9%*	(38)	(84)	*-123.8%*
FX variation on JR debt	(29)	(30)	(27)	*4.2%*	(90)	(92)	*-2.6%*
Interests on taxes	(8)	4	(3)	*60.6%*	(26)	(13)	*51.1%*
Present Value Adjustment JR	(7)	(9)	(9)	*-32.8%*	394	(26)	*N/A*
Contingencies	(4)	(10)	0	*N/A*	(13)	(12)	*5.6%*
Other Financial Revenues	0	0	2	*582.8%*	9	13	*50.7%*
Other Financial Expenses	(7)	(11)	3	*N/A*	(14)	(17)	*-16.4%*
NET FINANCIAL RESULTS	(91)	(5)	(71)	*22.4%*	424	(53)	N/A

5.3.5 – Income Tax and Social Contribution

At CELPA, the calculation of Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL) is positively influenced by the following items: i) the tax incentive of a 75% reduction in income tax as a result of the total modernization benefit, effective through 2022; ii) tax incentives related to accelerated depreciation, obtained from the SUDAM, which allows investments in expansion and modernization of the distribution network to be considered as a fully tax-deductible expense for purposes of calculating income tax immediately (effective through 2018); and, iii) the offset of accrued losses. It should be noted that all items mentioned above are applicable only to income tax.

Effective Income Tax and Social Contribution Rate

Income Taxes (R$ MM)	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Earnings before Taxes (1)	31	116	104	*238.3%*	664	283	*-57.4%*
Income Tax / Social Contribution Expense	(29)	(19)	(11)	*-62.2%*	(175)	(50)	*-71.3%*
(-) Deferred Tax Assets	33	12	3	*-92%*	170	34	*-80%*
= Tax Payable	4	(7)	(8)	*-295%*	(6)	(16)	*183.1%*
(+) Fiscal Credits	(4)	7	1	*-114.6%*	(4)	7	*-263.9%*
= Tax - Cash Basis (2)	0	(0)	(8)	*N/A*	(10)	(9)	*-6.8%*
Effective Tax Rate = (2) / (1)	0.0%	0.0%	-7.3%	-7.3 p.p.	1.5%	3.3%	1.8 p.p.

In 3Q16, the result of income tax and social contribution was R$ 11 million and, considering the use of deferred tax assets for compensation and the use of tax credits, the cash outflow for the payment of such taxes ended up being R$ 8 million.

5.3.6. – Net Income

In 3Q16, CELPA's accounting net profit was R$ 94 million, versus R$ 2 million in 3Q15.

The adjustments already presented in EBITDA are net of their tax effects.

NET INCOME (R$ million)	3Q15	2Q16	3Q16	Var.	9M15	9M16	Var.
Net Income	2	96	94	5035.2%	489	233	-52.3%
EBITDA Adjustments (net of taxes)	(23)	(2)	(4)	-84%	(58)	2	-104%
Privisions for contingencies (Financial)	-	8	-	N/A	-	8	N/A
PIS / COFINS credit disallowance	-	-	-	N/A	-	4	N/A
Assets write-off	-	-	-	N/A	80	-	N/A
Depreciation and amortization	19	-	-	-100%	(42)	-	N/A
CCC and CDE charges update	-	-	-	N/A	(64)	-	N/A
Deferred taxes	-	-	-	N/A	132	-	N/A
Financial Asset update (VNR)	-	-	37	N/A	(482)	37	N/A
Adjusted NET INCOME	(3)	102	127	N/A	55	284	415.6%

5.4 FINANCIAL AND ECONOMIC PERFORMANCE – Geramar

The information in this section reflects 25.0% of Geramar's operations

Income Statement - Geramar (R$ MM)	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Gross Operating Revenues (GOR)	51	21	30	*-41.9%*	156	81	*-47.6%*
Net Operating Revenues (NOR)	46	19	27	*-41.9%*	141	74	*-47.6%*
Energy Purchase Costs	(34)	(5)	(13)	*-60.6%*	(93)	(33)	*-64.2%*
Operating Expenses	(4)	(4)	(4)	*-5.9%*	(13)	(11)	*-10.6%*
EBITDA	9	11	10	*14.2%*	36	29	*-18.1%*
Depreciation	(0)	(1)	(1)	*105.6%*	(0)	(1)	*666.1%*
Service Income	8	10	9	*15.4%*	33	28	*-14.3%*
Net Financial Results	(1)	(1)	(1)	*7.7%*	(4)	(4)	*8.9%*
Operating Income	6	9	7	*17.1%*	29	24	*-17.4%*
Income Tax	(1)	(1)	(1)	*17.1%*	(4)	(4)	*-17.4%*
Net Income	5	8	6	*17.1%*	24	20	*-17.4%*

5.4.1 – Operating Revenue

In 3Q16, Net Operating Revenue (NOR) totaled R$ 27 million, 41.9% lower than the one recorded in 3Q15. The decrease compared to the same quarter last year is due to a lower dispatch of the plants this quarter.

5.4.2 – Costs and Expenses

The total expenditures by plants in 3Q16 totaled R$ 18 million, the decrease is due to the lower dispatch order of plants in the last quarter.

Operating Costs and Expenses	3Q15	2Q16	3Q16	*Var.*	9M15	9M16	*Var.*
Transmission and Generation Expenses	34	5	13	*-60.6%*	93	33	*-64.2%*
Operating Expenses	4	4	4	*-5.9%*	13	11	*-10.6%*
Depreciation	1	1	1	*2.2%*	3	1	*-57.4%*
Total	38	9	18	*-53.5%*	108	46	*-57.7%*

5.4.3 – EBITDA

Geramar's EBITDA in 3Q16 reached R$ 10 million, figure considered as recurrent for the plants.

5.4.4 – Financial Results

The financial results for the3Q16 were negative by R$1 million due to interest on long-term loans signed to finance the construction of the plants.

5.4.5 – Net Income

Geramar's net income was R$ 6 million this quarter, figure considered as recurrent.

6. Regulatory Assets and Liabilities

Since March, 2015, when the Extraordinary Tariff Review and the new value for the Tariff Flags were implemented, we have been observing material decrease in the net balance of the Regulatory assets in both distribution companies, reaching, in this quarter, negatives values.

6.1 – CEMAR

REGULATORY ASSETS	3Q15	4Q15	1Q16	2Q16	3Q16
Accrual	46,030	39,180	53,078	57,237	29,272
CDE	19,809	31,677	30,439	26,626	7,181
Proinfa	-	-	3,422	6,964	-
System Charges	18,614	-	8,224	443	601
Basic Grid	4	-	1,545	1,461	1,549
Energy Purchase	7,603	7,503	9,448	21,743	19,941
Amortization	262,866	199,505	118,463	36,892	78,303
CDE	34,987	26,052	15,776	4,905	11,964
Proinfa	272	196	124	41	7,913
System Charges	-	1,152	-	-	8,960
Basic Grid	6,157	4,731	2,778	866	1,357
Energy Purchase	221,450	167,374	99,785	31,080	48,109
Other Regulatory Assets	15,373	15,463	7,648	9,080	11,323
Others	10,987	12,369	5,737	2,398	1,790
Eletronuclear	4,386	3,094	1,901	562	146
Excess Energy Purchase	-	-	10	6,120	9,387
Total	324,269	254,148	179,189	103,209	118,898

REGULATORY LIABILITIES	3Q15	4Q15	1Q16	2Q16	3Q16
Accrual	(72,165)	(58,490)	(83,915)	(45,866)	(4,414)
Energy Purchase	(55,166)	(38,321)	(46,206)	(19,173)	-
Basic Grid	(411)	17	-	-	-
System Charges	(16,588)	(10,827)	(26,462)	(14,565)	(4,183)
CDE	-	(9,361)	(11,247)	(12,128)	(231)
Amortization	(85,330)	(109,578)	(37,953)	(11,622)	(46,720)
Basic Grid	-	-		-	(65)
Energy Purchase	-	(40,672)		-	(2,892)
CDE	(30,861)	(21,771)	(13,373)	(3,957)	(19,050)
System Charges	(54,469)	(47,135)	(24,580)	(7,665)	(24,713)
Parcel A Neutrality	(4,206)	(13,359)	(11,892)	(14,616)	(13,913)
Other Regulatory Assets	(84,515)	(76,011)	(63,287)	(56,639)	(39,353)
Others	(2,741)	(232)	(143)	(42)	(100)
Financial Exposure	-	-	(4,638)	(35,713)	(34,520)
Excess Energy Purchase	(81,774)	(64,658)	(41,805)	(10,486)	(12,158)
PIS/ COFINS return	-	(11,121)	(16,702)	(10,399)	7,425
Total	(246,216)	(257,439)	(197,047)	(128,743)	(104,400)

Net Regulatory Assets, plus Low Income Assets are shown below.

Net Regulatory Assets	3Q15	4Q15	1Q16	2Q16	3Q16
Regulatory Assets	324,269	254,148	179,189	103,209	118,898
Regulatory Liabilities	(246,216)	(257,439)	(197,047)	(128,743)	(104,400)
Net Regulatory Assets	78,053	(3,291)	(17,858)	(25,534)	14,498

6.2 – CELPA

REGULATORY ASSETS	3Q15	4Q15	1Q16	2Q16	3Q16
Accrual	122,334	87,532	110,712	108,196	38,255
CDE	42,472	-	45,987	40,401	-
Proinfa	135	-	4,673	9,480	300
Basic Grid	-	237	2,651	5,762	2,531
RTE Energy	-	5,475	16,328	16,878	-
Energy Purchase	79,727	81,820	41,073	35,675	35,424
Amortization	331,600	205,107	115,965	20,418	180,007
CDE	46,193	29,787	16,318	2,869	32,241
Proinfa	801	591	328	66	9,564
System Charges	3,236	-	-	-	24,707
RTE Energy	-	-	-	-	20,598
Basic Grid	10,759	6,954	3,831	712	-
Energy Purchase	270,611	167,775	95,488	16,771	92,897
Excess Energy Purchase	-	-	-	-	33,594
Other Regulatory Assets	29,116	34,204	18,989	29,259	1,117
Others	9,734	19,446	13,166	8,093	243
Energy Purchase Guarantee	637	530	150	27	874
Financial Exposure	12,986	10,560	3,685	1,304	-
Eletronuclear	5,759	3,668	1,988	355	-
Tax Credit Reversal	-	-	-	19,480	-
TOTAL	483,050	326,843	245,666	157,873	252,973

REGULATORY LIABILITIES	3Q15	4Q15	1Q16	2Q16	3Q16
Accrual	-	(2,121)	(92,295)	(98,184)	(29,478)
System Charges	-	(2,121)	(63,448)	(68,367)	(25,475)
CDE	-	-	(28,847)	(29,817)	(4,003)
Amortization	(218,481)	(153,711)	(67,833)	(12,639)	(228,430)
Basic Grid	(20)	-	-	-	(3,327)
Energy Purchase	(7,791)	(5,266)	(3,196)	(1,134)	(33,201)
CDE	(66,193)	-	(13,521)	(2,416)	(39,474)
System Charges	(144,477)	(118,157)	(51,116)	(9,089)	(85,991)
Proinfa	-	-	-	-	(54)
Exceeding demand / reactive energy	-	(30,288)	-	-	(66,383)
Parcel A Neutrality	(3,104)	(21,359)	(41,646)	(49,630)	(47,416)
Other Regulatory Assets	(151,558)	(212,899)	(124,676)	(136,116)	(100,317)
Others	(96,777)	(180,618)	(22,309)	(15,329)	(1,107)
Financial Exposure	-	-	(18,919)	(55,058)	(53,482)
Excess Energy Purchase	(54,781)	(32,281)	(83,448)	(65,729)	(45,728)
Total	(373,143)	(390,090)	(326,450)	(296,569)	(405,641)

Net Regulatory Assets	3Q15	4Q15	1Q16	2Q16	3Q16
Regulatory Assets	483,050	326,843	245,666	157,873	252,973
Regulatory Liabilities	(373,143)	(390,090)	(326,450)	(296,569)	(405,641)
Net Regulatory Assets	109,907	(63,247)	(80,784)	(138,696)	(152,668)

7. DEBT

In 3Q16, the consolidated gross debt, including charges, totaled R$ 4,407 million, decrease of 2% compared to the amount of the 2Q16.

Gross Debt Maturity Timetable (100% CEMAR + 100% CELPA)

	Index	R$ Thousands	Average cost (p.a)	Avg Final Period (month/year)	Avg period (in years)	Part.(%)
CEMAR	Foreign Currency	279,402	15.0%	Jan-18	1.4	6.3%
	Libor (no swap)	5,083	10.3%	Apr-24	7.6	0.1%
	Fixed US$ (no swap)	7,425	6.0%	Apr-24	7.6	0.2%
	CDI (with swap)	266,893	15.3%	Oct-17	1.1	6.1%
	Local Currency	1,861,429	12.4%	Oct-20	4.1	42.2%
	TJLP	397,531	9.8%	Oct-20	4.1	9.0%
	CDI	604,773	15.4%	Nov-18	2.2	13.7%
	IPCA	247,506	14.7%	Jun-20	3.8	5.6%
	Fixed R$	361,345	5.9%	Oct-21	5.1	8.2%
	IGP-M	143,038	15.6%	Dec-23	7.4	3.2%
	SELIC	107,235	16.8%	Mar-24	7.6	2.4%
	Total (CEMAR)	2,140,831	12.7%	Jun-20	3.7	48.6%
CELPA	Foreign Currency	767,470	12.3%	Jun-21	4.8	17.4%
	Liber Semester	24,550	11.9%	Apr-24	7.7	0.6%
	Libor Quarter (w/ swap)	367,640	15.9%	Feb-19	2.4	8.3%
	Fixed	262,239	5.7%	May-26	9.7	5.9%
	Fixed (w/ *swap*)	113,042	16.1%	Feb-17	0.4	2.6%
	Local Currency	1,499,191	10.0%	Oct-23	7.2	34.0%
	TJLP	263,678	10.1%	Jul-22	5.8	6.0%
	CDI	47,199	15.2%	Sep-18	1.9	1.1%
	Fixed R$	516,338	10.4%	Sep-20	4.0	11.7%
	RGR	5,557	6.0%	Apr-22	5.7	0.1%
	IGP-M	235,188	11.7%	Sep-34	18.3	5.3%
	FINISA	36,235	6.0%	Jun-27	10.9	0.8%
	TR-IPCA	204,755	13.0%	Nov-20	4.2	4.6%
	TR-SELIC	190,240	2.9%	Mar-24	7.6	4.3%
	Total (CELPA)	2,266,661	10.8%	Jan-23	6.4	51.4%
	Total	4,407,491	11.7%	out-21	5.1	100.0%

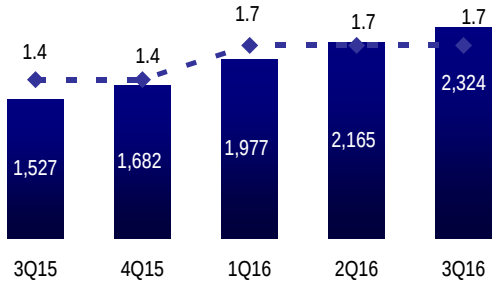
Maturity	CEMAR	CELPA	Consolidated	% of total
Short Term	255,993	339,880	595,873	13.5%
Long Term	1,884,838	1,926,780	3,811,618	86.5%
2017	402,257	32,618	434,874	9.9%
2018	636,467	274,579	911,045	20.7%
2019	324,438	204,370	528,807	12.0%
2020	256,199	151,943	408,143	9.3%
2021	91,840	109,436	201,276	4.6%
2022	80,006	106,474	186,480	4.2%
2023	59,634	116,922	176,556	4.0%
2024	31,679	144,106	175,785	4.0%
2025	2,319	53,103	55,422	1.3%
2026	-	21,934	21,934	0.5%
2027	-	325	325	0.0%
2028	-	80,574	80,574	1.8%
2029	-	2,722	2,722	0.1%
2030	-	2,722	2,722	0.1%
2031	-	34,740	34,740	0.8%
2032	-	34,740	34,740	0.8%
2033	-	34,740	34,740	0.8%
2034	-	520,734	520,734	11.8%
Gross Debt	2,140,831	2,266,661	4,407,491	100.0%
	-	-	-	-
Cash	1,183,091	533,000	1,716,091	
Cash Position Eqtl Holding	-	-	285,644	
Cash Position 55 Soluções	-	-	38,325	
Net Regulatory Assets	14,498	(152,668)	(138,170)	
CCC Subrogation	-	85,961	85,961	
Judicial Deposits	10,848	114,482	125,330	
CDE	5,210	-	5,210	
Swaps	54,480	(89,231)	(34,750)	
Net Debt	872,702	1,775,116	2,323,850	

Below, we disclose 25% of Geramar's loans, which are no longer consolidated under Equatorial since 2013.

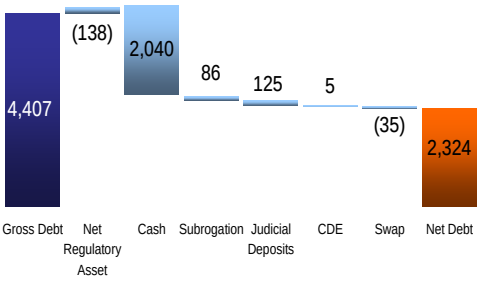
	Index	R$ Thousands	Average cost (p.a)	Avg Final Period (month/year)	Avg period (in years)	Part.(%)
GERAMAR	Local Currency					
	TJLP	73,159	8.8%	Dec-25	9.5	79.7%
	Fixed R$	18,638	10.0%	Dec-25	10.5	20.3%
	Total	91,797	9.1%		9.7	100.0%

Below is the consolidated Net Debt of Equatorial, with its gross debt adjusted by net regulatory assets, cash and swaps to hedge foreign currency denominated debt.

Net Debt (R$ MM) and Net Debt / EBITDA

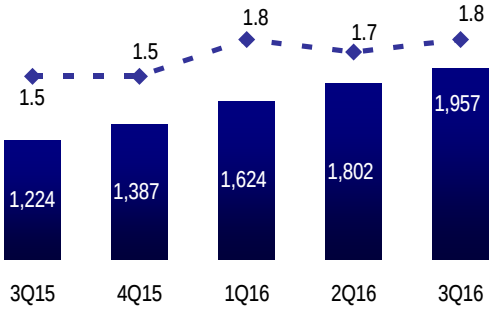


Net Debt Conciliation (R$ MM)

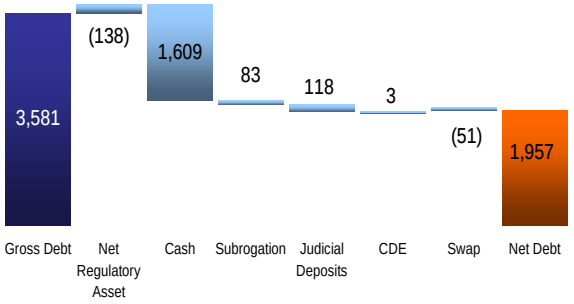


Total consolidated net debt, adjusted for Equatorial's interest in CEMAR (65.11%) and CELPA (96.50%), totaled R$1,957 million in September 2016, representing a ratio of 1.8x the consolidated EBITDA for the last 12 months.

Net Debt (R$ MM) and Net Debt / EBITDA



Net Debt Conciliation (R$ MM)



8. CAPITAL EXPENDITURES

Information relating to Capex made in the period reflects 100% of CEMAR's and CELPA's figures and 25% of Geramar's.

Investments (R$ MM)	3T15	2T16	3T16	*Var.*	9M15	9M16	*Var.*
CEMAR							
Maintenance	18	19	18	*0.7%*	52	54	*3.4%*
Expansion	52	70	105	*103.3%*	118	247	*109.9%*
Systems and Equipment	8	9	7	*-10.7%*	39	33	*-15.6%*
Others	1	4	1	*95.0%*	4	7	*93.3%*
Own (*)	78	103	131	*68.4%*	212	341	*60.4%*
Light for All	22	31	36	*63.0%*	47	85	*82.5%*
CELPA							
Maintenance	18	17	20	*9.0%*	71	56	*-21.4%*
Expansion	58	76	101	*76.3%*	243	233	*-4.1%*
Systems and Equipment	4	8	7	*80.6%*	4	21	*368.4%*
Others	9	30	4	*-56.7%*	27	29	*7.5%*
Own (*)	89	130	132	*49.0%*	345	338	*-2.0%*
Isolated Systems Interconnection	13	14	15	*12.8%*	36	60	*64.5%*
Light for All	53	63	67	*25.5%*	145	166	*14.1%*
Geramar							
Generation	2	3	1	*-41.4%*	7	7	*1.3%*
Total Equatorial	257	345	382	*48.6%*	793	997	*25.7%*

8.1 – CEMAR

CEMAR's investments, not including direct investment related to PLPT totaled R$131 million in 3Q16, an increase of 68.4% compared to 3Q15. Such investments are mainly aimed at increasing the grid capacity, given the continuous growth in energy demand in Maranhão.

Investments in the Light for All Program - PLPT

At the end of 3Q16, 341 thousand customers were connected to CEMAR's electric power distribution network through the PLPT providing direct benefits to almost 1.7 million inhabitants of the state of Maranhão. The PLPT has now reached all 217 municipalities in Maranhão, contributing to the development of isolated areas in urban metropolitan areas and to the generation of income in these communities.

8.2 – CELPA

CELPA's investments, not including direct investment related to PLPT totaled R$ 132 million in 2Q16, representing an increase of 49.0% compared to the number reported in 3Q15. Such decrease arises from the material amount of investments made in that quarter and the deceleration of the growth in the required energy by the system.

Investments in the Light for All Program – PLPT

At the end of 3Q16, 393 thousand customers were connected to CELPA's electric power distribution network through the PLPT providing direct benefits to almost 2 million inhabitants of the state of Pará. The PLPT has now reached all 144 municipalities in Pará, contributing to the development of isolated areas in urban metropolitan areas and to the generation of income in these communities.

8.3 – Geramar

The capital expenditures presented in 3Q16 mainly refer to plant maintenance, because its construction phase was fully concluded in 1Q10. The amount of R$ 1 million presented is proportional to the 25% stake that the Company holds in the generator.

9. Capital Market

The stock from the company closed the 3Q16 at R$ 50.32, 3.4% higher than the end of 2Q16, R$ 48.65. In comparison to 3Q15, there was an appreciation of 52.6%.

In terms of volume traded, the Company had R$ 54.5 million average of daily transactions over the 60 days trade sessions, ended in September, 30. The stocks of the Company are traded in "Novo Mercado" of BM&Bovespa and integrate the following indices: IBovespa, MSCI Brazil, IBrX-50, IEE, ITAG, IGC.

10. Services Provided By The Independent Auditors

The Company did not contract KPMG Auditores Independentes, its external auditors, for any other services beyond the independent audit and those services required by ANEEL. The Company's contracting policy is designed to ensure the independence of the auditors in line with the prevailing regulations. Essentially, these determine that the auditors may not audit their own work, exercise any managerial function for their clients or promote their clients' interests.

The following information was not reviewed by the independent auditors: i) CEMAR's and CELPA's operating information (including that related to the Light for All Program PLPT); ii) pro-forma financial information and its comparison with the corporate results presented in the period; and; iii) Management's expectations regarding the future performance of the companies.

11. Conference Call

Conference Call in English
Wednesday, November 16, 2016
12:00 (Brasília Time)
09:00 AM (EST)
Phones: +55 11 2188-0155 / +1 646 843 6054
Code: Equatorial

Conference Call in Portuguese
Thursday, August 11, 2016
2:00 PM (Brasília Time)
11:00 AM (EST)
Phone: +55 11 2188-0155
Code: Equatorial

- Participants should connect approximately 10 minutes before the start of the call.
- Slides and Webcast: The presentation slides will be available for viewing and download on the Investor Relations section of our website http://www.equatorialenergia.com.br/ri as of the date of the calls. The audio of the calls will be transmitted live on the Internet on the same site, remaining available after the event.

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- Website: www.equatorialenergia.com.br/ri

DISCLAIMER

Forward-looking statements are subject to risks and uncertainties, and are based on the expectations of Management and on the information currently available to the Company. Forward-looking statements include information on our current intentions, beliefs or expectations, as well as those of the Board of Directors and the Executive Board.
The reservations concerning forward-looking statements include information related to presumed or possible operating results, as well as declarations preceded, followed by, or including such expressions as “believe", “can", “will", “continue”, “expect”, “forecast”, “intend”, “estimate” or similar wording.

Since they refer to future events and are therefore dependent on circumstances that may or may not occur, such statements are not a guarantee of performance. Future results and the creation of shareholder value may differ substantially from those expressed or suggested by said forward-looking statements, since many of the factors determining these results are outside the Company’s control.

Accounting criteria adopted:

The information contained herein is presented in consolidated figures, pursuant to Brazilian Corporate Law, based on revised financial information. The consolidated financial information represents 100% of CEMAR’s results, excluding 34.89% related to minority interests, 96.50% of CELPA and 100% of Equatorial Soluções‘ results.

The consolidated operating information represents 100% of CEMAR’s, 100% of CELPA and 100% of Equatorial Soluções’ results.

ANNEX 1 – CONSOLIDATED INCOME STATEMENT (R$ MM)

CEMAR'S INCOME STATEMENT

INCOME STATEMENT (R$ '000)	3Q15	2Q16	3Q16	9M15	9M16
OPERATING REVENUES	950,320	961,595	1,057,758	2,665,526	3,005,587
Electricity Sales	834,573	791,536	867,532	2,361,120	2,468,902
Electricity Supply	2,270	15,102	15,191	7,860	47,006
Construction Revenues	99,409	141,809	165,702	261,533	461,507
Availability Revenues - Grid usage	1,514	2,378	1,776	4,335	4,167
Other Revenues	12,554	10,770	7,558	30,680	24,005
Deductions from Operating Revenues	(273,021)	(261,632)	(255,607)	(703,605)	(794,330)
NET OPERATING REVENUES	677,299	699,962	802,151	1,961,922	2,211,257
ELECTRICITY COSTS	(403,543)	(420,928)	(488,989)	(1,234,443)	(1,392,853)
Purchased Energy	(280,291)	(264,432)	(302,662)	(911,898)	(864,167)
Transmission and Grid Usage Charges	(22,839)	(14,687)	(20,625)	(58,029)	(67,180)
Construction Costs	(99,409)	(141,809)	(165,702)	(261,533)	(461,507)
Other Non-Manageable Costs	(1,003)	-	-	(2,984)	-
Operating Expenses	(99,940)	(116,535)	(123,018)	(295,835)	(348,828)
Personnel	(26,285)	(28,328)	(26,258)	(76,581)	(83,712)
Material	(3,994)	(1,719)	(749)	(8,953)	(4,046)
Third Party Services	(55,876)	(58,982)	(66,504)	(164,073)	(182,584)
Provisions	(7,596)	(22,255)	(22,490)	(24,306)	(58,504)
Other	(6,189)	(5,250)	(7,017)	(21,923)	(19,983)
EBITDA	173,817	162,500	190,143	431,643	469,576
Other Operating Revenues (Expenses)	(10,701)	(3,729)	(10,780)	(18,516)	(21,609)
Depreciation and Amortization	(32,067)	(34,717)	(36,816)	(94,184)	(105,277)
OPERATING INCOME	131,049	124,053	142,547	318,943	342,690
NET FINANCIAL RESULTS	(6,118)	15,243	10,421	(24,614)	45,094
Financial Revenues	143,230	154,814	81,235	332,683	339,928
Financial Expenses	(149,348)	(139,571)	(70,814)	(357,297)	(294,834)
INCOME BEFORE TAX	124,931	139,296	152,968	294,329	387,784
Social Contribution	(5,989)	(14,076)	(14,703)	(17,172)	(36,087)
Income Tax	(16,264)	(19,218)	(25,054)	(46,411)	(57,517)
Deferred Taxes	(20,303)	(13,971)	(12,141)	(36,793)	(38,348)
Fiscal Incentives	16,264	19,218	25,054	46,411	57,517
NET INCOME	98,639	111,249	126,124	240,364	313,349

CELPA's Income Statement

INCOME STATEMENT (R$ '000)	3Q15	2Q16	3Q16	9M15	9M16
OPERATING REVENUES	1,676,587	1,501,120	1,687,895	4,506,012	4,632,081
Electricity Sales	1,360,113	1,237,497	1,408,060	3,827,878	3,894,108
Electricity Supply	149,758	49,238	47,313	159,570	133,613
Construction Revenues	152,047	207,437	213,709	476,458	563,895
Availability Revenues - Grid usage	6,222	-	5,940	18,982	11,529
Other Revenues	8,447	6,948	12,874	23,124	28,936
Deductions from Operating Revenues	(536,594)	(499,101)	(529,584)	(1,360,708)	(1,503,091)
NET OPERATING REVENUES	1,139,993	1,002,019	1,158,311	3,145,304	3,128,991
ELECTRICITY COSTS	(786,279)	(686,244)	(742,894)	(2,280,704)	(2,112,194)
Purchased Energy	(603,146)	(451,539)	(491,908)	(1,717,151)	(1,434,041)
Transmission and Grid Usage Charges	(31,087)	(27,268)	(37,277)	(87,096)	(114,258)
Construction Costs	(152,047)	(207,437)	(213,709)	(476,457)	(563,895)
Operating Expenses	(153,768)	(140,102)	(184,003)	(433,197)	(513,249)
Personnel	(31,995)	(34,970)	(27,134)	(105,068)	(97,346)
Material	(1,668)	22	(71)	(4,610)	(1,692)
Third Party Services	(77,027)	(88,094)	(105,221)	(236,148)	(289,461)
Other	(16,885)	(11,258)	(8,540)	(24,920)	(20,250)
CCC Subvention	72,251	74,629	69,975	218,970	214,451
Fuel for Energy Generation	(71,533)	(63,104)	(72,295)	(207,994)	(223,824)
Provisions	(26,910)	(17,327)	(40,716)	(73,427)	(95,127)
EBITDA	199,946	175,673	231,413	431,403	503,548
Other Operating Revenues (Expenses)	(29,563)	(10,009)	(5,614)	(94,745)	(19,331)
Depreciation and Amortization	(48,452)	(44,722)	(51,141)	(96,620)	(148,510)
OPERATING INCOME	121,931	120,942	174,658	240,038	335,707
NET FINANCIAL RESULTS	(91,126)	(5,273)	(70,452)	424,201	(52,780)
Financial Revenues	671,479	159,273	22,590	1,644,354	424,564
Financial Expenses	(762,605)	(164,546)	(93,042)	(1,220,153)	(477,344)
INCOME BEFORE TAX	30,805	115,670	104,206	664,240	282,927
Social Contribution	4,195	(7,490)	(7,650)	(5,678)	(15,541)
Income Tax	16,466	(16,542)	(21,711)	(21,973)	(39,781)
Deferred Taxes	(33,174)	(12,000)	(2,779)	(169,696)	(34,285)
Fiscal Incentives	(16,466)	16,542	21,711	21,973	39,781
NET INCOME	1,826	96,179	93,777	488,865	233,101

EQUATORIAL'S CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (R$ '000)	3Q15	2Q16	3Q16	9M15	9M16
OPERATING REVENUES	2,677,447	2,497,914	2,817,133	7,343,229	7,806,710
Electricity Sales	2,232,241	2,052,622	2,348,895	6,324,435	6,488,209
Electricity Supply	152,028	64,341	62,503	167,430	180,619
Availability Revenues - Grid usage	7,737	2,378	7,715	23,316	10,093
Construction Revenues	251,456	349,246	379,410	737,990	1,025,402
Other Revenues	33,985	29,328	18,610	90,058	102,388
Deductions from Operating Revenues	(815,375)	(765,463)	(794,490)	(2,083,991)	(2,318,589)
NET OPERATING REVENUES	1,862,072	1,732,451	2,022,643	5,259,238	5,488,121
ELECTRICITY COSTS	(1,233,680)	(1,125,903)	(1,264,189)	(3,644,712)	(3,593,710)
Purchased Energy	(927,293)	(734,702)	(826,877)	(2,758,613)	(2,435,574)
Transmission and Grid Usage Charges	(53,928)	(41,956)	(57,902)	(145,125)	(131,725)
Construction Costs	(251,456)	(349,246)	(379,410)	(737,990)	(1,025,402)
Other Non-Manageable Expenses	(1,003)	-	-	(2,984)	(1,010)
Operating Expenses	(262,987)	(272,604)	(337,238)	(771,417)	(884,679)
Personnel	(64,969)	(76,509)	(76,453)	(217,659)	(243,439)
Material	(6,627)	(1,047)	(1,160)	(16,578)	(6,317)
Third Party Services	(133,868)	(149,325)	(174,965)	(403,235)	(478,585)
Provisions	(34,507)	(39,786)	(62,395)	(97,734)	(98,136)
Other	(23,017)	(5,937)	(22,265)	(36,211)	(58,202)
EBITDA	365,405	333,943	421,216	843,109	1,009,732
Other Operating Revenues (Expenses)	(40,264)	(13,738)	(17,236)	(113,261)	(41,042)
Depreciation and Amortization	(80,885)	(79,466)	(88,323)	(191,948)	(254,870)
OPERATING INCOME	244,256	240,739	315,658	537,900	713,821
Equity Income	5,429	6,741	7,340	24,516	20,266
Goodwill amortization	(1,677)	(1,594)	(1,593)	(5,030)	(4,780)
NET FINANCIAL RESULTS	(73,839)	29,821	(38,539)	467,241	52,048
Financial Revenues	816,395	322,943	114,316	1,903,648	792,123
Financial Expenses	(890,234)	(293,122)	(152,855)	(1,436,407)	(740,075)
INCOME BEFORE TAX	174,168	275,707	282,866	1,024,626	781,355
Social Contribution	(2,647)	(23,019)	(25,130)	(27,918)	(57,362)
Income Tax	(3,132)	(35,929)	(51,911)	(83,657)	(110,548)
Deferred Taxes	(53,429)	(13,971)	46,765	(206,340)	97,298
Fiscal Incentives	(202)	19,218	(13,687)	68,384	(80,233)
Minorities	(34,335)	(43,242)	(50,181)	(109,189)	(124,202)
NET INCOME	80,424	178,764	188,722	665,905	506,308

ANNEX 2 – INCOME STATEMENT PER COMPANY (R$ MM)

- The following table reflects Equatorial's consolidation process, i.e. the sum of Equatorial Holding + 100% of Equatorial Soluções + 100% of CEMAR + 100% of CELPA + Eliminations.
- The "Minority Interest" line contains an adjustment so that the net income of each company in Equatorial's consolidated result reflects its real ownership interest in CEMAR of 65.11% and in CELPA of 96.50%.

INCOME STATEMENT BY COMPANY ('000)	Equatorial Holding	55 Soluções	CEMAR	CELPA	Exclusions	Equatorial consolidated
OPERATING REVENUES	-	71,481	1,057,758	1,687,894	-	2,817,133
Electricity Sales	-	41,933	892,963	1,413,999	-	2,348,895
Electricity Supply	-	-	15,191	47,312	-	62,503
Availability Revenues - Grid usage	-	-	1,776	5,940	-	7,715
Construction Revenues	-	-	165,701	213,709	-	379,410
Other Revenues	-	29,548	(17,873)	6,934	-	18,610
Deductions from Operating Revenues	-	(9,299)	(255,607)	(529,584)	-	(794,490)
NET OPERATING REVENUES	-	62,182	802,151	1,158,310	-	2,022,643
ELECTRICITY COSTS	-	(32,306)	(488,989)	(742,894)	-	(1,264,189)
Purchased Energy	-	(32,306)	(302,663)	(491,908)	-	(826,877)
Transmission and Grid Usage Charges	-	-	(20,625)	(37,277)	-	(57,902)
Construction Costs	-	-	(165,701)	(213,709)	-	(379,410)
Operating Expenses	(6,229)	(24,262)	(123,019)	(184,003)	275	(337,238)
Personnel	(4,537)	(18,524)	(26,258)	(27,134)	-	(76,453)
Material	(10)	(331)	(748)	(71)	-	(1,160)
Third Party Services	(1,682)	(1,558)	(66,503)	(105,222)	-	(174,965)
Provisions	-	-	(21,956)	(40,714)	275	(62,395)
Other	-	(3,849)	(7,554)	(10,862)	-	(22,265)
EBITDA	(6,229)	5,614	190,143	231,413	275	421,216
Other Operating Revenues (Expenses)	(479)	(361)	(10,782)	(5,614)	-	(17,236)
Depreciation and Amortization	(2)	(37)	(36,816)	(51,141)	(327)	(88,323)
OPERATING INCOME	(6,710)	5,216	142,546	174,658	(52)	315,658
Minority Interests	181,740	987	-	-	(176,980)	5,747
Equity Income	183,333	987	-	-	(176,980)	7,340
Goodwill Amortization	(1,593)	-	-	-	-	(1,593)
NET FINANCIAL RESULTS	20,170	1,322	10,421	(70,452)	-	(38,539)
Financial Revenues	20,173	1,904	81,235	22,590	(11,586)	114,316
Financial Expenses	(3)	(582)	(70,814)	(93,042)	11,586	(152,855)
INCOME BEFORE TAXES	195,200	7,525	152,967	104,206	(177,032)	282,865
Social Contribution	(2,291)	(485)	(14,703)	(7,650)	-	(25,129)
Income Tax	(4,188)	(958)	(25,054)	(21,711)	-	(51,911)
Deferred Taxes	-	-	(12,141)	(2,779)	1,233	(13,687)
Fiscal Incentives	-	-	25,054	21,711	-	46,765
Minorities	-	(1,669.60)	-	-	(48,512)	(50,181)
NET INCOME	188,721	4,412	126,122	93,777	(224,311)	188,722

ANNEX 3 – BALANCE SHEET (R$ MM)

CEMAR'S BALANCE SHEET

ASSETS (R$ '000)	3Q15	4Q15	1Q16	2Q16	3Q16
CURRENT ASSETS	2,217,892	2,274,153	2,158,061	2,092,702	2,072,693
Cash	278,640	310,893	306,671	321,974	340,777
Short Term Investments	1,061,289	1,094,340	966,842	896,607	842,314
Receivables	715,043	765,247	762,727	720,663	770,572
Low Income	38,456	34,537	34,208	34,271	32,935
(-) Provision for Doubtful Accounts	(76,011)	(87,368)	(71,869)	(67,471)	(74,531)
Receivable - Tariff Flags	30,274	5,438	-	-	22
Services Provided	41,817	34,713	38,174	45,805	47,504
Judicial Deposits	19,384	18,767	20,547	21,453	20,550
Regulatory Assets	34,340	-	-	17,868	5,148
Inventory	3,857	3,895	4,244	10,414	13,239
Taxes Recoverable	37,271	50,696	48,873	35,825	35,901
Recoverables from Energy Purchase and Charges	24,360	29,056	33,195	38,036	22,251
Others	9,172	13,939	14,449	17,257	16,011
NON-CURRENT ASSETS	2,748,348	2,845,186	2,967,619	3,076,476	3,226,756
LONG TERM ASSETS	1,011,373	1,086,463	1,105,044	1,116,041	1,218,815
Receivables	76,752	77,964	86,218	90,926	88,709
Judicial Deposits	9,015	9,015	12,635	15,710	21,901
Regulatory Assets	43,713	10,859	5,500	-	9,350
Swap Operations	116,702	128,115	98,014	73,363	73,590
Taxes Recoverable	22,590	31,614	44,230	52,295	57,052
Others	13,926	13,992	12,990	11,788	11,834
Financial Asset	728,675	814,904	845,457	871,959	956,379
FIXED ASSETS	1,736,975	1,758,723	1,862,575	1,960,435	2,007,941
Intangible Assets	1,736,975	1,758,723	1,862,575	1,960,435	2,007,941
ASSETS	4,966,240	5,119,339	5,125,680	5,169,178	5,299,449

LIABILITIES AND SHAREHOLDERS' EQUITY	3Q15	4Q15	1Q16	2Q16	3Q16
CURRENT LIABILITIES	887,223	965,709	945,812	934,304	987,811
Suppliers	268,182	350,552	306,671	246,266	269,972
Personnel	13,554	11,231	13,447	14,383	14,673
Loans and Financing	234,073	206,607	208,765	197,448	201,355
Debentures	54,915	47,303	62,131	40,332	54,638
Regulatory Liabilities	-	14,152	23,358	-	-
Taxes Payable	68,397	79,481	75,017	70,330	74,533
Taxes Payable	1,383	2,676	431	2,425	2,511
Dividends	63,199	69,406	69,406	165,251	165,251
Consumer Charges	10,290	10,290	7,799	7,244	7,689
Public Lighting Contribution	15,763	17,433	11,296	11,064	10,072
R&D in energy efficiency	29,481	22,634	26,202	35,175	33,591
Profit Sharing	23,551	29,965	15,851	23,547	31,244
Swap Operations	18,329	18,984	18,763	18,414	19,110
Contingencies Provision	36,036	35,835	43,394	38,050	35,881
Others	50,070	49,160	63,281	64,375	67,291
NON-CURRENT LIABILITIES	2,185,535	2,205,356	2,155,618	2,195,219	2,145,860
Loans and Financing	1,512,774	1,502,459	1,435,698	1,436,853	1,408,784
Debentures	489,125	495,182	502,468	473,007	476,054
Taxes Payable	1,022	1,104	1,073	1,013	1,181
Deferred Taxes	126,231	136,781	149,017	162,988	175,129
Contingencies Provision	37,733	39,698	37,231	47,825	54,581
Regulatory Liabilities	-	-	-	43,402	-
R&D in energy efficiency	18,650	30,132	30,131	30,131	30,131
SHAREHOLDERS' EQUITY	1,893,482	1,948,274	2,024,250	2,039,655	2,165,778
Capital Stock	840,408	840,410	840,410	929,620	929,620
Capital Reserves	674	674	674	674	674
Profit Reserves	812,036	1,107,190	1,107,190	922,135	922,135
Retained Earnings	240,364	-	75,976	187,226	313,349
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,966,240	5,119,339	5,125,680	5,169,178	5,299,449

CELPA's Balance Sheet

ASSETS (R$ '000)	3Q15	4Q15	1Q16	2Q16	3Q16
CURRENT ASSETS	2,304,635	2,560,150	2,415,413	2,422,288	2,354,414
Cash	112,329	40,860	54,844	45,780	33,428
Short Term Investments	455,617	757,774	833,701	772,550	501,439
Receivables	1,435,227	1,664,163	1,272,104	1,360,451	1,591,796
Low Income	25,119	26,938	24,548	24,153	25,656
(-) Provision for Doubtful Accounts	(393,629)	(444,125)	(183,485)	(157,871)	(162,780)
Receivable - Tariff Flags	-	104	-	-	491
Fuel Purchase - CCC Account	195,253	221,298	168,868	157,211	161,676
Services Provided	111,639	77,589	85,481	58,012	71,144
Judicial Deposits	1,375	2,306	1,333	6,345	6,931
Regulatory Assets	98,011	-	7,118	-	-
Swap Operations	78,839	71,810	-	-	-
Inventory	9,879	7,535	7,137	7,913	10,630
Taxes Recoverable	74,680	40,807	41,824	42,964	11,905
Taxes Recoverable	33,740	49,700	65,381	61,244	59,360
Recoverables from Energy Purchase and Charges	22,512	-	-	-	-
Others	44,044	43,391	36,559	43,536	42,738
NON-CURRENT ASSETS	4,283,077	4,296,059	4,320,210	4,485,172	4,573,216
LONG TERM ASSETS	2,030,868	2,137,947	2,086,327	2,106,611	2,138,560
Receivables	168,361	199,624	261,012	291,231	257,845
CCC Subrogation - Investments	68,765	65,824	58,529	86,396	85,961
Judicial Deposits	135,953	141,512	142,888	142,136	141,299
Swap Operations	136,962	145,688	-	-	-
Taxes Recoverable	56,679	56,619	55,120	60,709	63,629
Taxes Recoverable	38,776	39,661	40,099	40,998	41,940
Others	74,669	74,992	70,153	68,314	68,536
Financial Asset	1,350,703	1,414,027	1,458,525	1,416,827	1,479,350
FIXED ASSETS	2,252,209	2,158,112	2,233,884	2,378,561	2,434,656
Invetsments	6,774	6,748	6,748	6,748	6,748
Intangible Assets	2,245,435	2,151,364	2,227,136	2,371,813	2,427,908
ASSETS	6,587,712	6,856,209	6,735,623	6,907,460	6,927,630

LIABILITIES AND SHAREHOLDERS' EQUITY	3Q15	4Q15	1Q16	2Q16	3Q16
CURRENT LIABILITIES	1,819,529	2,209,875	2,030,335	2,081,447	1,954,866
Suppliers	581,789	565,740	498,019	505,928	536,182
Personnel	39,460	20,737	23,746	16,263	16,891
Loans and Financing	550,541	598,780	493,752	488,212	338,540
Regulatory Liabilities	-	35,409	-	10,003	91,679
Taxes Payable	204,046	231,170	210,968	224,482	209,330
Taxes on Income Payable	-	-	-	-	522
Dividends	-	17,366	17,366	22,267	22,267
Consumer Charges	-	33,205	32,125	31,720	38,725
Public Lighting Contribution	-	18,311	46,526	11,688	9,924
R&D in energy efficiency	58,215	52,454	57,471	37,471	35,679
Profit Sharing	-	31,882	15,318	21,092	26,866
Related Parties	2,523	258,656	282,425	315,188	297,685
Debentures	-	-	-	-	1,341
Swap Operations	-	-	11,877	66,321	34,474
Debt from Judicial Restructuring	95,937	91,446	91,575	91,078	87,719
Contingencies Provision	96,722	99,115	95,063	87,876	61,605
Others	190,296	155,604	154,104	151,858	145,437
NON-CURRENT LIABILITIES	2,953,665	2,801,364	2,817,171	2,846,618	2,899,592
Loans and Financing	960,266	1,084,807	1,045,735	1,023,964	978,736
Taxes Payable	57,364	49,605	42,994	35,266	35,497
Deferred Taxes	169,697	63,541	83,046	95,046	97,826
Swap Operations	-	-	15,420	47,636	54,757
Contingencies Provision	91,006	95,573	99,340	92,320	114,477
Regulatory Liabilities	6,434	27,837	87,660	128,693	60,989
Related Parties	298,613	49,861	32,529	7,784	7,997
Debentures	-	-	-	-	100,995
R&D in energy efficiency	95,193	98,395	101,599	105,016	108,665
Debt from Judicial Restructuring	973,833	995,599	979,088	958,578	963,593
Pension Plan	47,768	36,718	36,718	32,396	32,396
Others	253,491	299,428	293,042	319,919	343,664
SHAREHOLDERS' EQUITY	1,814,518	1,844,970	1,888,117	1,979,395	2,073,172
Capital Stock	1,521,740	1,521,740	1,521,740	1,521,740	1,521,740
Revaluation Reserves	178,561	171,456	165,946	160,845	155,570
Capital Reserves	-	150,465	150,465	145,565	145,566
Profit Reserves	(15,148)	1,309	1,309	1,309	1,309
Retained Earnings	129,365	-	48,656	149,936	248,987
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,587,712	6,856,209	6,735,623	6,907,460	6,927,630

EQUATORIAL'S CONSOLIDATED BALANCE SHEET

ASSETS (R$ '000)	3Q15	4Q15	1Q16	2Q16	3Q16
CURRENT ASSETS	4,965	5,157	4,907	4,857	4,820
Cash	452	398	404	418	416
Short Term Investments	1,838	2,083	2,040	1,908	1,631
Receivables	1,764	1,983	1,860	1,939	2,212
Fuel Purchase - CCC Account	195	221	169	157	162
Regulatory Assets	132	-	-	8	-
Judicial Deposits	25	25	26	32	32
Swap Operations	79	53	-	-	-
Inventory	14	11	11	18	24
Taxes Recoverable	115	95	94	82	53
Taxes on Recoverable income	90	117	126	129	103
Recoverables from Energy Purchase and Charges	53	-	-	-	-
Others	209	171	177	166	187
NON-CURRENT ASSETS	7,322	7,429	7,566	7,814	8,036
LONG TERM ASSETS	3,034	3,212	3,167	3,171	3,287
Receivables	245	278	347	382	347
CCC Subrogation - Investments	69	66	59	86	86
Regulatory Assets	37	-	-	-	-
Judicial Deposits	145	151	156	158	163
Swap Operations	254	274	83	26	19
Taxes Recoverable	79	88	99	113	121
Taxes on Recoverable income	39	40	40	41	42
Others	86	86	80	76	74
Financial Asset	2,079	2,229	2,304	2,289	2,436
FIXED ASSETS	4,288	4,217	4,399	4,644	4,749
Invetsments	86	86	93	97	97
Intangible Assets	4,202	4,131	4,306	4,547	4,652
ASSETS	12,287	12,586	12,474	12,672	12,856

LIABILITIES AND SHAREHOLDERS' EQUITY	3Q15	4Q15	1Q16	2Q16	3Q16
CURRENT LIABILITIES	2,928	3,131	2,918	2,856	2,814
Suppliers	870	935	822	768	826
Personnel	55	34	45	37	40
Loans and Financing	785	805	703	686	540
Debentures	55	47	62	40	56
Taxes Payable	274	312	277	298	291
Taxes on Income Payable	26	18	23	15	14
Dividends	174	218	217	251	251
Public Lighting Contribution	16	17	58	23	20
Swap Operations	18	-	31	85	54
Contingencies Provision	133	135	138	126	97
Others	524	609	543	528	626
NON-CURRENT LIABILITIES	5,114	5,225	5,156	5,223	5,209
Loans and Financing	2,473	2,587	2,481	2,461	2,388
Debentures	489	495	502	473	577
Taxes Payable	296	193	226	244	259
Contingencies Provision	464	470	421	424	453
Debt from Judicial Restructuring	974	996	979	959	964
Pension Plan	48	37	37	32	32
Others	371	447	510	629	536
Minorities	730	750	779	788	837
SHAREHOLDERS' EQUITY	3,515	3,479	3,621	3,805	3,996
Capital Stock	1,979	1,980	1,980	1,982	1,982
Revaluation Reserves	(22)	(22)	(22)	(22)	(22)
Profit Reserves	913	1,517	1,520	1,523	1,526
Other Comprehensive Income	(12)	4	4	4	4
Retained Earnings	657	-	139	318	506
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,287	12,586	12,474	12,672	12,856