Quarterly Information - ITR

Alupar Investimento S.A.

March 31, 2017

Analysis of Consolidated Income – IFRS

Net Operating Revenue

Alupar and its subsidiaries counted an Adjusted Net Revenue of R$ 372.1 million in 1Q17, againt the R$ 372.7 million counted in 1Q16. When we analyze the Company's Net Revenue, it can be verified that there was a total of R$376.8 million in 1Q17, compared to the R$ 381.6 million counted in 1Q16. However, this reduction in Net Revenue, higher than the reduction in Adjusted Net Revenue, is exclusively due to the fact that, in accordance with IFRS, the entire volume of investments (Capex) made by our transmitter companies are considered revenue for accounting purposes. In contrast, since these are investments and have no effect on the Company's income, the same amount of revenue is excluded in the Cost - Cost of Infrastructure. We do not consider this effect in Company revenues for analytical reasons, as detailed below:

Net Operating Revenue (R$ MM)			
	1Q17	1Q16	Var.%
Energy Transmission Revenue	28.9	26.0	11.2%
Infrastructure Revenue	4.8	8.9	(46.5%)
Remuneration of Concession Assets	251.2	270.2	(7.0%)
Energy Supply	129.9	113.8	14.1%
Gross Revenue	**414.7**	**418.9**	**(1.0%)**
Deductions	37.9	37.3	1.5%
Net Revenue	**376.8**	**381.6**	**(1.2%)**
Exclusion of Infrastructure Revenue	4.8	8.9	(46.5 %)
Adjusted Gross Revenue	**410.0**	**410.0**	**-**
Adjusted Net Revenue	**372.1**	**372.7**	**(0.2%)**

The reduction of 0.2% in Adjusted Net Revenue in 1Q17 is mainly explained by: (a) reduction of R$ 19.0 million, or 7.0% in **Remuneration Income from Concession Assets,** due to the reduction in the remuneration rate for the financial assets of some transmitter companies, since inflation projections (IGP-M / IPCA) were used to calculate this rate, which were reduced when compared to 1Q17 x 1Q16. For more information, please see Explanatory Note 9 "Concession Financial Asset" and: (b) growth of R$ 16.1 million, or 14.1% in **Energy Supply Revenue**, which totaled R$ 129.9 million in 1Q17 compared to the R$ 113.8 million counted in 1Q16. This variation is due to: (i) the commencement of commercial operations of Morro Azul SHPP (Aug./16), a positive impact of R$ 5.1 million; (ii) positive variation of R$ 2.1 million in the Foz do Rio Claro and Ijuí HPPs, due to the change in taxation system for presumed profit; (iii) readjustment of energy sales contracts, which are indexed by inflation (IPCA/IGP-M) and; (iv) in contrast, there was a reduction in the net revenue of the Queluz and Lavrinhas SHPPs and in the Ferreira Gomes HPP, given that extraordinary revenue was recorded for 1Q16, due to the marketing strategy, an impact of R$ 6.2 million.

When Net Revenue was analyzed, it was verified that it reached R$ 376.8 million in 1Q17, a reduction of 1.2% compared to the R$ 381.6 million counted in 1Q16. This variation is explained by, in addition to the aforementioned factors, the fall of R$ 4.1 million in **Infrastructure Revenue**, which was mainly due to: (a) commencement of operations for ETVG's RBNI in Mar./16 (1st phase) and Jun/16 (2nd phase); and Transirapé in Nov./16, a reduction of R$7.6 million and; (b) in contrast, the transmitters ETAP, ETC, TPE, TCC and ESTE, acquired in the 2016 auctions, which did not present a balance in this account in 1Q16, totaled R$ 4.5 million in 1Q17.

For more information on variations in Infrastructure Revenue (CAPEX), please see the "Investments" section below.

Cost of Services

In 1Q17, the Costs of Services totaled R$ 80.7 million, compared to the R$ 73.2 million counted in 1Q16. This variation results from: (a) increase of R$ 8.1 million in the **Energy Purchased for Resale** account that totaled R$ 14.3 million in 1Q17, compared to the R$ 6.2 million counted in 1Q16, exclusively due to the adopted seasonal strategy for 2017; (b) increase of R$ 4.5 million in the **Depreciation and Amortization** account exclusively, due to the commencement of operations of the Energia dos Ventos wind farm (Mar./16) and Morro Azul SHPP (Sept./16) and; (c) in contrast, there was a reduction of R$ 4.1 million in **Infrastructure Costs**, mainly due to the: (i) commencement of operations for ETVG's RBNIs in Mar./16 and Transirapé in Sept./16, a reduction of R$ 7.6 million and; (ii) in contrast, the transmitters ETAP, ETC, TPE, TCC and ESTE, acquired in the 2016 auctions, which did not present a balance in this account in 1Q16, totaled R$ 4.5 million in 1Q17.

Cash cost in 1Q17, excluding the cost of infrastructure (investments) and depreciation/amortization, was equivalent to 14.3% of the Adjusted Net Revenue, compared to 12.4% in 1Q16.

Cost of Services R$ (MM)			
	1Q17	1Q16	Var. %
Cost of Services			
Cost of Services Rendered	29.9	31.5	(5.1%)
Energy Purchased for Resale	14.3	6.2	-
Charges of Electric Grid - CUST	7.2	6.5	10.8%
Hydro Resources – CFURH	2.1	2.0	4.9%
Infrastructure Cost	4.8	8.9	(46.5%)
Depreciation / Amortization	22.6	18.1	24.9%
Total	**80.7**	**73.2**	**10.2%**

Operational Expenses

In 1Q17, Operational Expenses reached a value of R$ 14.1 million, 14.7% less than the R$ 16.5 million counted in 1Q16. The impact on this account is explained by the: (a) reduction of R$ 1.5 million in the **Administrative and General line**, mainly due to: (i) adoption of IFRS practice at La Virgen UHE, in 2Q16, impact of R$ 1.8 million; (ii) demobilization due to the completion of the implementation of the Morro Azul SHPP, an impact of R$ 0.8 million and; (b) a reduction of R$ 0.9 million in the **Personnel and Management** line, due to the adoption of the IFRS practice in the La Virgen UHE, an impact of R$ 1.0 million.

Operating Expenses R$ (MM)			
	1Q17	1Q16	Var. %
Operating Expenses			
General and Administrative	8.5	10.0	(15.0%)
Personnel and Management	11.9	12.8	(7.0%)
Equity Pickup	(7.3)	(7.7)	(5.2%)
Others	(0.3)	0.1	-
Depreciation / Amortization	1.3	1.3	-
Total	**14.1**	**16.5**	**(14.7%)**

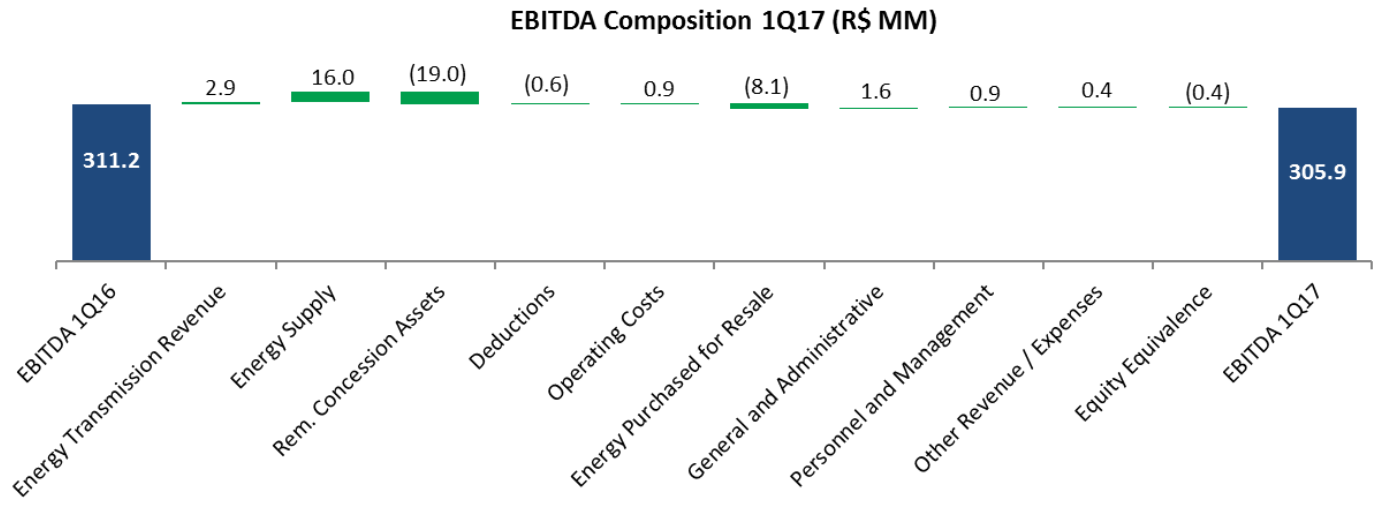
EBITDA

In 1Q17, the EBITDA totaled R$ 305.9 million, compared to the R$ 311.2 million counted in 1Q16. Adjusted EBITDA Margin, excluding Infrastructure Revenue, was 82.2%, compared to 83.5% counted for the same period the previous year.

This variation in the EBITDA is due to: (a) reduction of 0.2% in the **Adjusted Net Revenue**, mainly due to the (i) fall of R$ 19.0 million, in the Remuneration Income from Concession Assets**,** due to the reduction in the remuneration rate for the financial assets of some transmitter companies, since inflation projections (IGP-M / IPCA) were used to calculate this rate, which were reduced when compared to 1Q17 x 1Q16; (ii) growth of R$ 16.1 million, in the energy supply revenue, which totaled R$ 129.9 million in 1Q17 when compared to the R$ 113.8 million counted in 1Q16. This variation is due to: (i) commencement of operations for Morro Azul SHPP (Aug./16); (ii) readjustment of energy sales contracts, which are indexed for inflation; (iii) reduction in net revenue for Queluz and Lavrinhas SHPPs and Ferreira Gomes HPP, given that an extraordinary revenue was accounted for in 1Q16, due to the commercialization strategy; (b) increase of R$ 8.1 million in **Energy Purchases**, exclusively due to the seasonal strategy adopted for 2017.

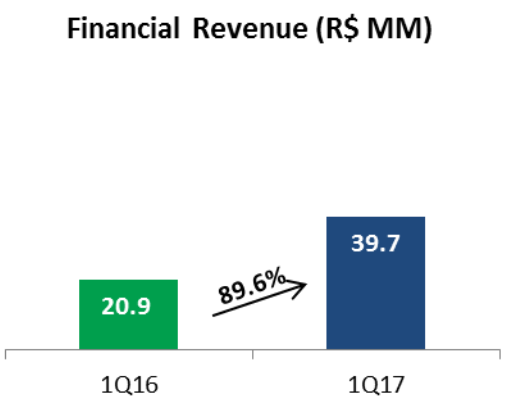
EBITDA (R$ MM)			
	1Q17	1Q16	Var. %
Adjusted Gross Revenue	410.0	410.0	-
Deductions	37.9	37.3	1.5%
Adjusted Net Revenue	372.1	372.7	(0.2%)
Operating Costs	(39.1)	(40.0)	(2.3%)
Energy Purchase	(14.3)	(6.2)	-
Operating Expenses	(20.1)	(23.0)	(12.6%)
Equity Equivalence	7.3	7.7	(5.2%)
EBITDA	**305.9**	**311.2**	**(1.7%)**
EBITDA Margin	**82.2%**	**83.5%**	**(1.3 p.p)**

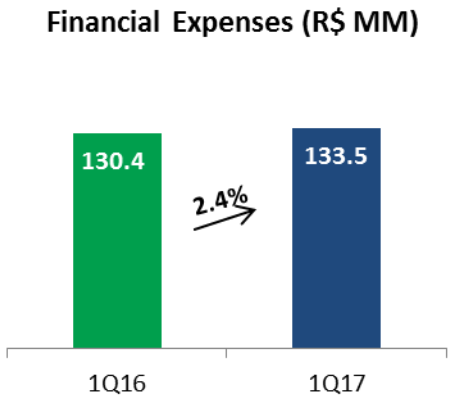
Follow below the Ebitda Composition:



Financial Income

Totaled R$ 93.8 million in 1Q17, compared to the R$ 109.5 million counted in the same period last year.
This variation in financial income principally is due to the increase of R$ 18.8 million in financial revenue, due to the: (a) increase of R$ 5.8 million in Alupar – Holding financial revenue due to the increase of R$ 251.7 million in availability, due to the: (i) increase in private capital of R$ 350.0 million, verified on August 23, 2016 and; (ii) alienation of all the shares held by Alupar in Transchile, corresponding to 51% of total capital, for USD $58.9 million and; (b) the R$ 11.3 million increase in La Virgen HPP, due to the effect of the positive exchange variation on provisions for acquisitions of property related to the project (fixed assets).

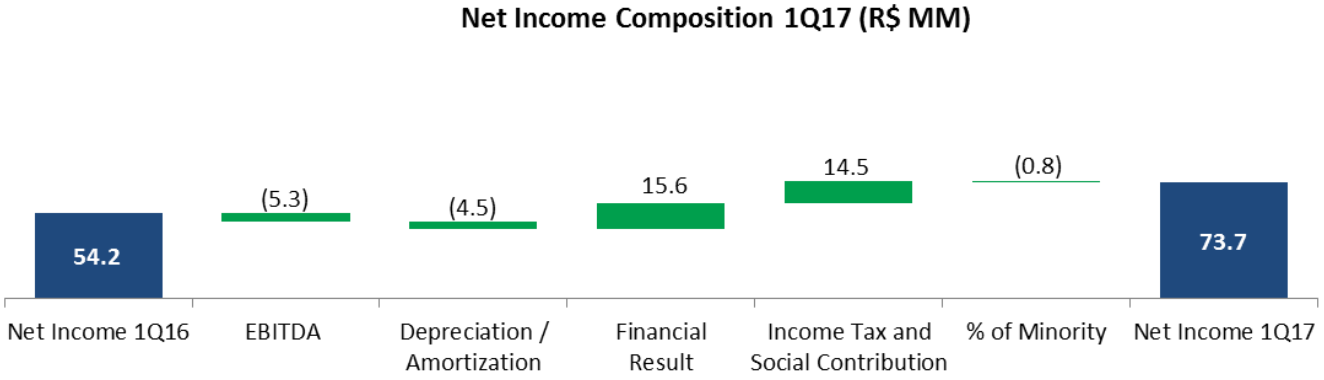




Net Profit

In 1Q17, Net Profit totaled R$ 73.7 million, R$ 19.5 million, or 36.0% more than the R$ 54.2 million counted in 1Q16.

This variation is the result of the: (a) reduction of R$ 5.3 million in **EBTIDA**, as previously detailed; (b) increase of R$ 4.5 million in the **Depreciation/Amortization** line exclusively due to the commencement of operations of the Energia dos Ventos wind farms (Mar./16) and Morro Azul SHPP (Sept./16); (c) reduction of R$ 15.6 million in the **Financial Income** account, as detailed previously and; (d) reduction of R$ 14.5 million in **IR/CSLL** due to: (i) obtaining of new fiscal benefits, SUDAM / SUDENE, at transmitters ETEP, STN and ENTE, in August/16, October/16 and December/16, respectively, and; (ii) constitution of deferred IR at Morro Azul SHPP.



Investments

In 1Q17, total investments of R$ 46.4 million were made in our companies, of which R$ 4.9 million was invested in the transmission sector, R$ 35.4 million in the generation sector and R$ 6.1 million in developing new business, compared to the R$ 139.1 million counted in 1Q16, when R$ 8.9 million were invested in the transmission sector, R$ 127.2 million was invested in the generation sector and R$ 3.0 million in the development of new business.

The volume of investments made in 1Q17 reflects the implementation of the Verde 08 SHPP and the La Virgen HPP.

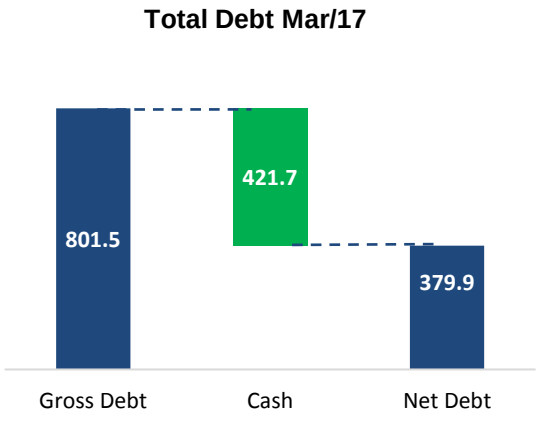
Investiments (R$ MM)		
	1Q17	1Q16
Transmission	**4.9**	**8.9**
Transirapé	-	1.1
ELTE	0.1	1.2
ETVG	-	6.5
ETAP	1.2	-
ETC	1.4	-
ETSE	1.0	-
TCC	0.4	-
TPE	0.6	-
TCE	0.1	-
Others	0.1	0.1
Generation	**35.4**	**127.2**
Ferreira Gomes	0.1	0.1
Energia dos Ventos	1.6	34.7
La Virgen	8.7	65.0
Morro Azul	-	10.0
Verde 08	22.7	1.8
Antônio Dias	0.1	0.7
Others	2.2	14.9
Holding	**6.1**	**3.0**
Total	**46.4**	**139.1**

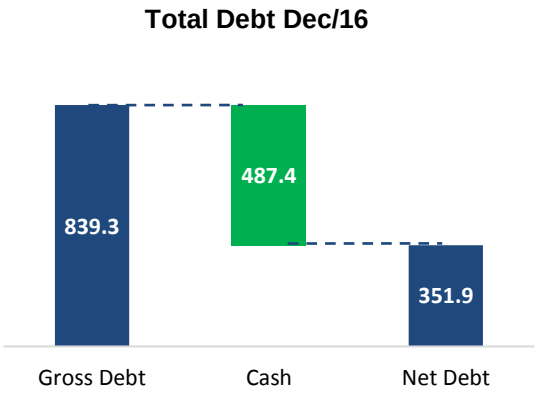
Debt

Alupar - Holding:

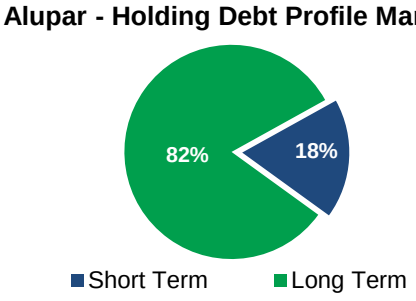
In Mar./2017, Alupar - Holding gross debt totaled R$ 801.5 million, R$37.8 million lower than the R$ 839.3 million counted in Dec./16. This variation is explained by the: (i) partial amortization and payment of interest on the IV issue of debentures and the financing agreement with FINEP, totaling an amount of R$ 62.0 million; (ii) provision for charges and monetary variation, impact of R$ 24.5 million.

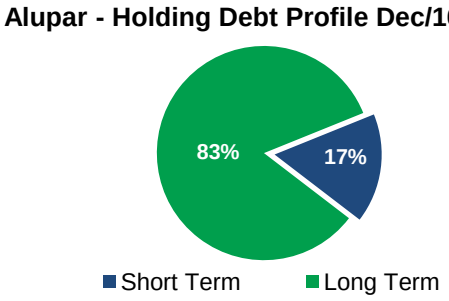
Alupar - Holding resources totaled R$ 421.7 million, compared to the R$ 487.4 million recorded for Dec./16. This variation is mainly explained by: (i) partial repayment and payment of interest on the IV issue of debentures, in the amount of R$ 61.0 million; (ii) partial amortization and interest payment of the financing agreement with FINEP, in the amount of R$ 1.0 million; (iii) contributions made in the projects, totaling R$ 42.9 million and; (iv) receipt of dividends in the amount of R$ 45.2 million.





Alupar - Holding gross debt essentially consists of debenture issues (99.5%), 12.8% of which are indexed to CDI and 87.2% to IPCA, with very long profiles, and approximately 26.0% of maturities taking place after 2022. For more information on Alupar Debt - Holding, please verify Explanatory Note 22 “Loans and Financing” and 23 “Debentures for 2016 Financial Statements.
Below, the Alupar - Holding debt profile:



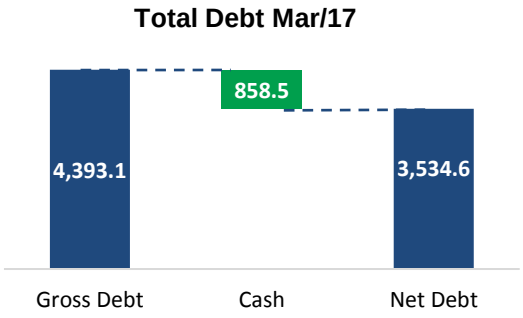


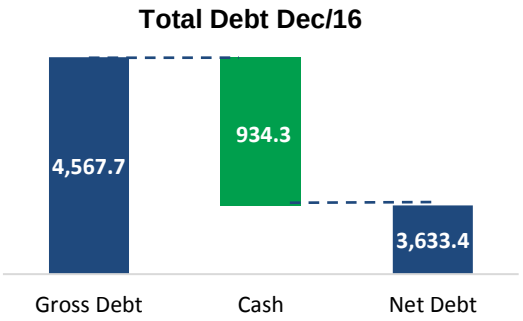
Consolidated:

Alupar holding and its subsidiaries gross debt totaled R$ 4,393.1 million in Mar./17, R$174.6 million lower than R$4,567.7 million counted in Dec./16. This variation is mainly explained by: (i) partial repayment and payment of interest on the IV issue of debentures, in the amount of R$61.0 million; (ii) partial amortization of the debts of the subsidiaries, in the amount of R$103.4 million; (iii) payments of debt charges from subsidiaries, in the amount of R$75.4 million; (iv) gains on the appreciation of BRL against USD, on the debts of La Virgen UHE, impact of R$48.8 million and; (v) provision for charges and monetary variation, totaling R$117.2 million.

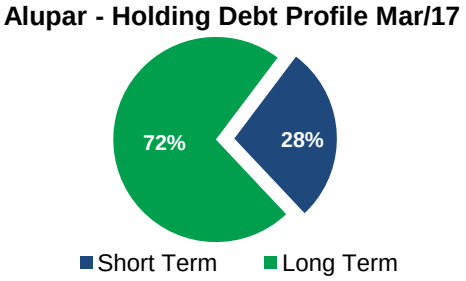
Availabilities totaled R$ 858.5 million, compared to R$ 934.3 million counted in Dec./16. This variation of R$ 75.8 million in cash is mainly due to the partial amortization and payment of interest on the fourth issuance of Alupar - Holding debentures, for the amount of R$ 61.0 million.

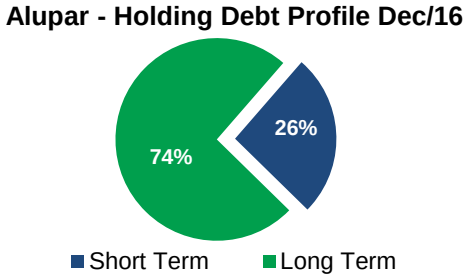
Net debt recorded in Mar./17 was R$ 3,534.6 million, R$ 98.8 million lower than the R$ 3,633.4 million counted in Dec./16.





Short-term debt counted in Mar./17 totaled R$1,216.9 million, compared to the R$1,184.9 million counted in Dec./16.





Of the 28% of short term debt, 42% or R$510.7 million, refer to bridge loans.

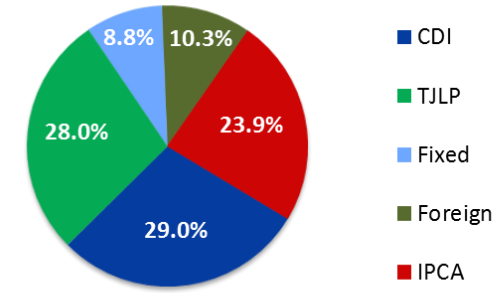
In Mar./17, Alupar's consolidated debt availabilities totaled R$858.5 million, R$75.8 million lower than the R$934.3 million counted in Dec./16.

Of the consolidated debt, R$801.5 million refers to Alupar - Holding, as detailed above, another R$3,080.9 million is allocated to operating companies, whose cash flow is compatible with respective cash generation and R$510.7 million refer to the projects being implemented, of which R$322.8 million was allocated to Alupar Peru/La Virgen to implement La Virgen UHE; R$32.6 million allocated to the implementation of PCH Verde 8; R$20.1 million allocated to the implementation of ETVG reinforcement and R$ 135.2 million allocated to Morro Azul SHPP in Colombia.

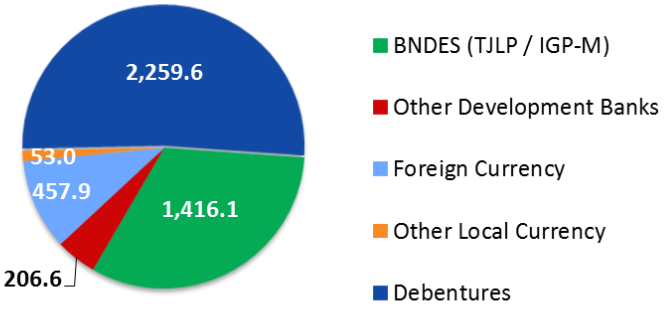
In 1Q17, debenture issues corresponded to R$2,259.6 million or 51.4% of total debt. The debentures issued by Alupar - Holding represent a balance of R$797.4 million and the issues of the subsidiaries EATE, ECTE, ENTE, ETEP, STN, Ferreira Gomes, Transirate, Transleste, Transudeste and Energia dos Ventos represent a balance of R$1,462.2 million.

Foreign currency debt totaled R$457.9 million or 10.3% of total debt, with this debt being allocated to generation projects in Peru and Colombia.

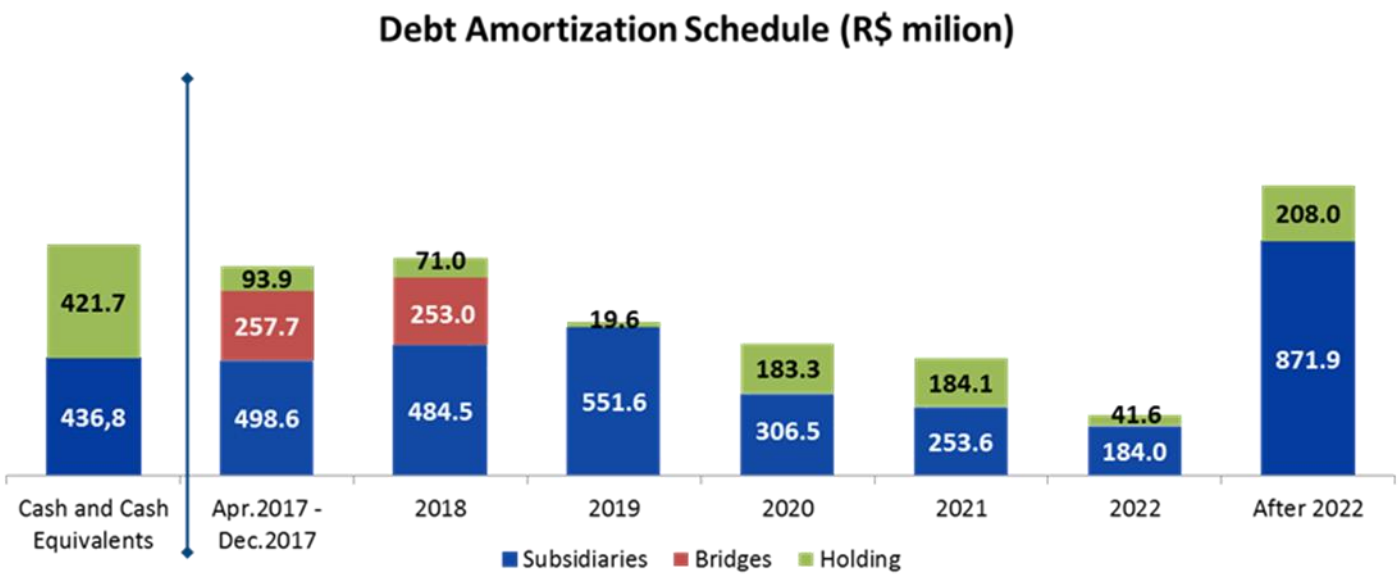
Gross Debt by Index (%)



Total Debt Composition (in thousands of R$)



Alupar's consolidated debt profile is quite favorable, compatible with the low risk involved in the Company's businesses, highly predictable revenues and strong operating cash generation of the electric power transmission and generation segments.



A free translation from Portuguese into English of the Independent Auditor's Report on individual quarterly information prepared in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS).

Report on review of Quarterly Information (ITR)

(a free translation from the original in Portuguese)

To Management and Shareholders of
Alupar Investimento S.A
São Paulo, SP

Introduction

We have reviewed the accompanying individual and consolidated interim accounting information of Alupar Investimento S.A (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2017, comprising the balance sheet as of March 31, 2017 and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, including the footnotes.

Management is responsible for the preparation of these individual and consolidated interim accounting information in accordance with the CPC 21(R1) and IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board - IASB, such as for the presentation of these information in accordance with the standards issued by the Brazilian Securities Commission - CVM, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on these interim accounting information based on our review.

Scope of Review

We conducted our review in accordance with Brazilian and international standards on review of interim financial 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 of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information
Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim accounting information included in the quarterly information referred to above have not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 issued by IASB, applicable to the preparation of the Quarterly Information - ITR and presented in accordance with the standards issued by the Securities and Exchange Commission of Brazil.

Other matters

Interim information of statement of value added
We have also reviewed the individual and consolidated statements of value added (DVA), related to the three-month period ended March 31, 2017, prepared under the responsibility of the Company's management, which presentation in the interim information is required in accordance with standards issued by the Brazilian Securities Commission - CVM applicable to the preparation of Quarterly Information - ITR, and is considered as a supplementary information under IFRS, which do not require the presentation of DVA. These statements were subject to the same review procedures described above, and based on our review, nothing has come to our attention that causes us to believe that it has not been prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

São Paulo, May 15, 2017.

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original in Portuguese signed by
José Luiz Ribeiro de Carvalho
Accountant CRC 1SP141128/O-2

Alupar Investimento S.A.

Balance sheets
March 31, 2017 and December 31, 2016
(In thousands of reais)

	Note	Parent Company		Consolidated	
		3/31/2017	12/31/2016	3/31/2017	12/31/2016
ASSETS					
CURRENT		**576,107**	**603,899**	**2,491,180**	**2,577,166**
Cash and cash equivalents	**4**	191,618	271,916	506,295	613,734
Short-term investments	**5**	230,045	215,439	230,045	215,439
Marketable securities	**6**	-	-	117,712	100,805
Trade accounts receivable	**7**	26,502	17,551	237,231	207,017
Accounts receivables from related parties	**32**	4	4	-	-
Dividends receivable - related parties	**32**	93,980	61,683	7,335	7,335
Income tax and social contribution	**8**	23,115	26,276	47,542	49,656
Other taxes to be offset	**8**	22	22	2,842	3,802
Advances to suppliers		104	116	8,758	9,583
Inventories		-	-	1,134	588
Prepaid expenses		1,833	1,491	11,003	8,723
Financial asset from the concession	**9**	-	-	1,226,620	1,237,557
Other assets		8,884	9,401	94,663	122,927
NON-CURRENT		**3,408,945**	**3,334,581**	**7,610,914**	**7,652,835**
Trade accounts receivable	**7**	-	-	12,155	10,439
Advances for future capital increase - related parties	**32**	244,538	188,827	-	-
Marketable securities	**6**	-	-	4,420	4,295
Income tax and social contribution	**8**	-	-	35,911	36,506
Other taxes to be offset	**8**	-	-	7,475	7,566
Deferred income tax and social contribution	**18**	-	-	24,510	15,299
Advances to suppliers		-	-	1,180	2,394
Inventories		-	-	26,106	26,113
Guarantees and judicial deposits	**24**	2,428	2,380	13,991	13,257
Financial asset from the concession	**9**	-	-	3,175,833	3,214,062
Other assets		-	-	34,065	33,542
Investments in affiliates and jointly-controlled subsidiaries	**10**	247,715	244,634	326,576	325,502
Investments in subsidiaries	**11**	2,818,925	2,809,221	-	-
Investment properties	**13**	7,786	7,786	7,786	7,786
Property, plant and equipment	**14**	2,390	2,609	3,794,700	3,810,323
Intangible assets	**15**	85,163	79,124	146,206	145,751
TOTAL ASSETS		**3,985,052**	**3,938,480**	**10,102,094**	**10,230,001**

The notes are an integral part of these – quarterly information - ITR

Alupar Investimento S.A.

Balance sheets
March 31, 2017 and December 31, 2016
(In thousands of reais)

	Note	Parent Company		Consolidated	
		3/31/2017	12/31/2016	3/31/2017	12/31/2016
LIABILITIES					
CURRENT		**337,032**	**324,323**	**1,789,474**	**1,777,465**
Loans and financing	**22**	3,534	3,536	685,127	662,439
Debentures	**23**	140,969	135,078	531,745	522,445
Suppliers	**16**	25,642	15,420	134,582	166,502
Salaries, vacation and social charges		2,003	1,783	11,790	12,716
Income tax and social contribution payable	**17**	-	-	32,360	44,561
Other taxes payable		14,300	17,922	39,844	53,682
Provision for asset build up	**20**	-	-	41,698	42,979
Dividends payable - related parties		150,178	150,178	212,953	180,680
Provisions for environmental expenses	**19**	-	-	20,454	21,789
Regulatory and sectorial taxes	**21**	-	-	56,496	52,576
Provision for contingencies	**24**	-	-	277	277
Other obligations	**33**	406	406	22,148	16,819
NON-CURRENT		**689,136**	**714,975**	**3,688,280**	**3,894,725**
Loans and financing	**22**	587	1,466	1,448,413	1,558,146
Debentures	**23**	656,429	699,189	1,727,819	1,824,621
Advances for future capital increase p related parties		-	-	125	125
Other taxes payable		-	-	5	8
Current income tax and social contribution		-	-	1,485	1,485
Deferred income tax and social contribution	**18**	-	-	469,249	468,660
Provision for contingencies	**24**	2,915	2,877	6,532	6,490
Provisions for environmental expenses	**19**	-	-	904	904
Provision for asset build up	**20**	-	-	8,107	8,107
Other obligations		-	-	25,641	26,179
Provision for unsecured liabilities	**11**	29,205	11,443	-	-
SHAREHOLDERS' EQUITY		**2,958,884**	**2,899,182**	**2,958,884**	**2,899,182**
Subscribed and paid in capital	**25**	2,148,533	2,148,533	2,148,533	2,148,533
(-) Share issuance costs		(34,569)	(34,569)	(34,569)	(34,569)
Capital reserve	**25**	51,509	51,509	51,509	51,509
Earnings reserves	**25**	735,104	735,104	735,104	735,104
Retained earnings	**26**	73,739	-	73,739	-
Other comprehensive income	**25**	(15,432)	(1,395)	(15,432)	(1,395)
Interest of non-controlling shareholders	**12**	-	-	1,665,456	1,658,629
Shareholder's equity + interest of shareholders Non-controlling		**2,958,884**	**2,899,182**	**4,624,340**	**4,557,811**
TOTAL LIABILITIES		**3,985,052**	**3,938,480**	**10,102,094**	**10,230,001**

The notes are an integral part of these – Quarterly information - ITR

Alupar Investimento S.A.

Statements of Income
Three-month period ended on March 31, 2017 and 2016
(In thousands of reais, except earnings per share)

	Note	Parent company		Consolidated	
		3/31/2017	3/31/2016	3/31/2017	3/31/2016
NET OPERATING REVENUE	**27 and 28**	**24,657**	**14,311**	**376,845**	**381,600**
COST OF SERVICE					
Electric power costs					
Electric power purchased for resale	**28**	(29,610)	(13,531)	(14,253)	(6,189)
Charges from the use of electric power network - CUST		-	-	(7,150)	(6,503)
Financial compensation for the utilization of water resources - CFURH		-	-	(2,094)	(1,996)
Operating Cost					
Cost of services provided	**29**	(254)	(100)	(29,857)	(31,541)
Infrastructure Cost	**29**	-	-	(4,758)	(8,892)
Depreciation / amortization		-	-	(22,612)	(18,110)
		(29,864)	**(13,631)**	**(80,724)**	**(73,231)**
GROSS PROFIT		**(5,207)**	**680**	**296,121**	**308,369**
OPERATING EXPENSES/REVENUES					
Administrative and general	**29**	(6,725)	(6,547)	(21,724)	(24,123)
Share of profit of equity-method investees	**11 and 12**	98,416	93,572	7,338	7,717
Other revenues		387	1,232	392	1,303
Other expenses	**29**	(94)	(1,380)	(119)	(1,441)
		91,984	**86,877**	**(14,113)**	**(16,544)**
PROFIT BEFORE NET FINANCIAL EXPENSES		**86,777**	**87,557**	**282,008**	**291,825**
Financial expenses	**30**	(25,101)	(39,571)	(133,498)	(130,398)
Financial revenues	**30**	12,063	6,225	39,673	20,930
		(13,038)	**(33,346)**	**(93,825)**	**(109,468)**
INCOME BEFORE TAXES		**73,739**	**54,211**	**188,183**	**182,357**
Current income tax and social contribution	**31**	-	-	(30,973)	(30,790)
Deferred income tax and social contribution	**31**	-	-	8,027	(6,616)
		-	-	(22,946)	(37,406)
NET INCOME FOR THE YEAR		**73,739**	**54,211**	**165,237**	**144,951**
Attributable to Shareholders of the Parent Company		73,739	54,211	73,739	54,211
Attributable to Non-Controlling Shareholders	**12**	-	-	91,498	90,740
		73,739	**54,211**	**165,237**	**144,951**
Number of ON Shares				599,754,094	491,224,430
Number of PN Shares				279,357,175	174,295,987
Basic and diluted profit or loss per ON share:	**26**			0.09820	0.08146
Basic and diluted profit or loss per PN share:	**16**			0.09820	0.08146

The notes are an integral part of these – Quarterly information - ITR

Alupar Investimento S.A.

Statements of comprehensive income
Three-month period ended on March 31, 2017 and 2016
(In thousands of reais)

	Parent company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
NET INCOME FOR THE PERIOD	**73,739**	**54,211**	**165,237**	**144,951**
Other comprehensive income – Cumulative translation adjustment - Transchile	-	(9,272)	-	(9,272)
Other comprehensive income – Cumulative translation adjustment – La Virgen	(1,804)	685	(1,804)	2,263
Other comprehensive income – Cumulative translation adjustment – Risaralda	43	(698)	43	(698)
Other comprehensive income – Cumulative translation adjustment – Alupar Peru	(13,818)	8,052	(13,818)	8,052
Other comprehensive income – Cumulative translation adjustment – Alupar Chile	-	112	-	112
Other comprehensive income – Cumulative translation adjustment – Alupar Colombia	1,542	-	1,542	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**59,702**	**53,090**	**151,200**	**145,408**
Attributable to Shareholders of the Parent Company			59,702	53,090
Attributable to Non-Controlling Shareholders			91,498	92,318

The notes are an integral part of these – Quarterly information - ITR

Alupar Investimento S.A.

Statements of changes in equity
Three-month period ended on March 31, 2017 and 2016
(In thousands of reais)

Period ended on March 31, 2017.				Earnings reserves							
Description	Share capital	(-) Share issuance costs	Capital reserve	Legal reserve	Investments reserve (income)	Proposed additional dividend	Retained earnings	Other comprehensive income	Total parent company	Interest of non-controlling shareholders	Total consolidated
BALANCES ON DECEMBER 31, 2016	2,148,533	(34,569)	51,509	102,290	632,814	-	-	(1,395)	2,899,182	1,658,629	4,557,811
Comprehensive income											
Net income for the year	-	-	-	-	-	-	73,739	-	73,739	91,498	165,237
Cumulative conversion adjustments for the year	-	-	-	-	-	-	-	(14,037)	(14,037)	-	(14,037)
Capital Transactions with Shareholders											
Capital increase – non-controlling shareholders	-	-	-	-	-	-	-	-	-	26,394	26,394
Dividends declared to subsidiaries' non-controlling shareholders	-	-	-	-	-	-	-	-	-	(79,642)	(79,642)
Variation in non-controlling interest	-	-	-	-	-	-	-	-	-	(31,423)	(31,423)
BALANCES ON MARCH 31, 2017	**2,148,533**	**(34,569)**	**51,509**	**102,290**	**632,814**	**-**	**73,739**	**(15,432)**	**2,958,884**	**1,665,456**	**4,624,340**

Period ended on March 31, 2016.				Earnings reserves							
Description	Share capital	(-) Share issuance costs	Capital reserve	Legal reserve	Investments reserve (income)	Proposed additional dividend	Retained earnings	Other comprehensive income	Total parent company	Interest of non-controlling shareholders	Total consolidated
BALANCES ON DECEMBER 31, 2015	1,625,227	(34,569)	52,749	86,750	661,027	75,617	-	43,276	2,510,077	1,556,969	4,067,046
Comprehensive income											
Net income for the year	-	-	-	-	-	-	54,211	-	54,211	90,740	144,951
Cumulative conversion adjustments for the year	-	-	-	-	-	-	-	(1,121)	(1,121)	1,578	457
Capital Transactions with Shareholders											
Dividends stated to subsidiaries' non-controlling shareholders	-	-	-	-	-	-	-	-	-	(82,006)	(82,006)
Variation in non-controlling interest	-	-	-	-	-	-	-	-	-	21,927	21,927
BALANCES ON MARCH 31, 2016	**1,625,227**	**(34,569)**	**52,749**	**86,750**	**661,027**	**75,617**	**54,211**	**42,155**	**2,563,167**	**1,589,208**	**4,152,375**

The notes are an integral part of these – Quarterly information - ITR

Alupar Investimento S.A.

Statements of cash flows
Three-month period ended on March 31, 2017 and 2016
(In thousands of reais)

	Parent Company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax, social contribution and non-controlling shareholders	73,739	54,211	188,183	182,357
ITEMS NOT AFFECTING CASH AND CASH EQUIVALENTS				
Depreciation and amortization	312	362	23,927	19,388
Share of profit of equity-method investees	(98,416)	(93,572)	(7,338)	(7,717)
Debt charges (including net monetary variations and foreign exchange fluctuations)	24,602	39,462	116,440	141,278
Other monetary and foreign exchange variations, net	489	39	1,952	(4,639)
Financial revenues	(11,782)	(4,475)	(34,673)	(7,367)
Write-offs of property, plant and equipment and intangible assets	-	45	16,940	3,266
Loss with investments	-	136	-	136
Other (operating) expenses revenue	-	-	(253)	-
	(11,056)	**(3,792)**	**305,178**	**326,702**
(INCREASE) DECREASE IN ASSETS				
Trade accounts receivables	(8,951)	(2,664)	(45,391)	(25,467)
Financial assets from the concession	-	-	49,231	(3,784)
Related parties	-	(10)	-	-
Recoverable taxes	3,798	1,638	827	3,388
Advances to suppliers	12	52	825	(869)
Inventories	-	-	(538)	(1,721)
Other assets	167	(809)	(5,371)	(11,216)
	(4,974)	**(1,793)**	**(417)**	**(39,669)**
INCREASE (DECREASE) IN LIABILITIES				
Suppliers	9,771	(3,658)	(11,399)	(24,229)
Regulatory and sectorial taxes	-	-	2,830	1,019
Salaries, vacation and welfare charges	220	155	(818)	1,298
Taxes and contributions payable	(3,622)	(1,465)	(9,358)	(1,981)
Provision for recognition of assets	-	-	(1,281)	(1,677)
Advances from customers	-	-	11	(22,478)
Other liabilities	-	84	(3,427)	6,245
	6,369	**(4,884)**	**(23,442)**	**(41,803)**
CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	**(9,661)**	**(10,469)**	**281,319**	**245,230**
Payment of income tax and social contribution	-	-	(43,948)	(55,198)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	**(9,661)**	**(10,469)**	**237,371**	**190,032**
NET CASH FLOW GENERATED FROM (USED IN) INVESTING ACTIVITIES				
Capital contribution in "parent companies/investees with shared control"	(2)	(314)	-	-
Advances for future capital increase	(43,834)	(24,419)	-	-
Redemption from financial investments	78,047	30,799	82,552	34,672
Investments in financial applications	(81,525)	(30,000)	(99,826)	(27,799)
Dividends and interest on capital received	45,182	40,498	-	-
Acquisition of property, plant and equipment	(12)	(264)	(35,439)	(127,447)
Acquisition of intangible assets	(6,141)	(2,703)	(6,154)	(2,732)
NET CASH GENERATED FROM (USED IN) INVESTMENT ACTIVITIES	**(8,285)**	**13,597**	**(58,867)**	**(123,306)**
NET CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES				
Reinvestment reserve	-	-	-	(29)
Dividends and interests on capital paid	-	-	(41,094)	(40,648)
Borrowings and leasing	-	-	(3,717)	356,362
Interest paid (debt charges)	(11,451)	(538)	(86,725)	(70,031)
Payment of loans, financing, debentures and leasing	(50,901)	(14,600)	(153,394)	(286,184)
NET CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES	**(62,352)**	**(15,138)**	**(284,930)**	**(40,530)**
EXCHANGE RATE CHANGES IN EFFECT ON CASH AND CASH EQUIVALENT	-	-	(1,013)	(4,830)
NET INCREASE OF CASH AND CASH EQUIVALENTS	**(80,298)**	**(12,010)**	**(107,439)**	**21,366**
STATEMENT OF INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Balance at beginning of year	271,916	134,631	613,734	591,857
Balance in the end of year	191,618	122,621	506,295	613,223
NET DECREASE OF CASH AND CASH EQUIVALENTS	**(80,298)**	**(12,010)**	**(107,439)**	**21,366**
ADDITIONAL INFORMATION				
Payment of income tax	-	-	21,667	28,160
Payment of social contribution	-	-	22,210	27,038

The notes are an integral part of these – Quarterly information - ITR

Alupar Investimento S.A.

Statements of value added
Three-month period ended on March 31, 2017 and 2016
(In thousands of reais)

	Parent Company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
REVENUES				
Revenue from power transmission	-	-	28,910	26,008
Infrastructure revenue	-	-	4,758	8,892
Payment of financial assets from the concession	-	-	251,223	270,195
Power supply	27,218	15,715	129,855	113,830
Other revenues	387	1,232	392	1,303
	27,605	16,947	415,138	420,228
(-) INPUTS ACQUIRED FROM THIRD PARTIES				
Electric power purchased for resale	(29,610)	(13,531)	(14,253)	(6,189)
Charges from the use of electric power network (CUST)	-	-	(7,150)	(6,503)
Financial compensation for the utilization of water resources - CFURH	-	-	(2,094)	(1,996)
Infrastructure Cost	-	-	(4,758)	(8,892)
Outsourced services	(1,701)	(1,359)	(17,476)	(20,942)
Materials	(28)	(46)	(2,076)	(2,869)
Other operating costs	(150)	(1,160)	(3,895)	(5,266)
	(31,489)	(16,096)	(51,702)	(52,657)
(-) REINTEGRATION QUOTAS (DEPRECIATION)	(312)	(362)	(23,927)	(19,388)
VALUE ADDED RECEIVED THROUGH TRANSFER				
Equity accounting	98,416	93,572	7,338	7,717
Financial revenues	12,063	6,225	39,673	20,930
	110,479	99,797	47,011	28,647
VALUE ADDED TO DISTRIBUTE	**106,283**	**100,286**	**386,520**	**376,830**
DISTRIBUTION OF VALUE ADDED				
PERSONNEL				
Salaries and wages	2,902	2,782	15,918	15,087
Benefits	417	654	2,963	3,130
Food Provision Assistance	106	192	966	1,054
Medical care	248	329	1,510	1,473
Transportation Voucher	2	9	11	25
Pension plan	38	98	189	289
Other	23	26	287	289
F.G.T.S (Unemployment Guarantee Fund)	227	298	1,014	1,090
	3,546	3,734	19,895	19,307
TAXES, FEES AND CONTRIBUTIONS				
FEDERAL	3,469	2,290	63,798	77,104
INSS (National Institute of Social Security)	720	731	3,389	3,268
Regulatory charges for the concession	-	-	14,381	12,754
Income tax and social contribution	-	-	30,973	30,790
PIS and COFINS	2,561	1,404	22,062	22,568
IVA	-	-	249	-
Deferred income tax and social contribution	-	-	(8,027)	6,616
Other taxes and fees	188	155	771	1,108
STATE	-	7	1,186	1,928
ICMS (Value Added Tax on Sales and Services)	-	-	1,124	1,855
IPVA (Tax on the ownership of automobiles)	-	7	62	73
MUNICIPAL	15	26	136	209
IPTU (Municipal Property Tax)	15	26	50	59
Licensing fee	-	-	1	2
ISS (Services Tax)	-	-	85	148
	3,484	2,323	65,120	79,241
REMUNERATION OF THIRD PARTIES' CAPITAL				
Interest and foreign exchange variation	24,603	39,462	111,847	127,522
Rents	413	447	2,770	2,933
Other financial expenses	498	109	21,651	2,876
	25,514	40,018	136,268	133,331
PAYMENT ON CAPITAL				
Earnings reserves	73,739	54,211	73,739	54,211
Interest of non-controlling shareholders	-	-	91,498	90,740
	73,739	54,211	165,237	144,951
	106,283	**100,286**	**386,520**	**376,830**

The notes are an integral part of these – Quarterly information - ITR

Alupar Investimento S.A.

Summary of Notes to quarterly information - ITR

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1. Operations

Alupar Investment SA ("Company" or "Alupar") is a publicly-traded corporation whose shares are traded on the BM & FBOVESPA ("BOVESPA") under the trading code ALUP 11. The Company is domiciled in Brazil, with headquarters at Rua Gomes de Carvalho, No. 1,996 in the city of São Paulo; Alupar is primarily engaged in investing in other entities, both in Brazil and abroad, either as a shareholder or a member. that operate in the energy and infrastructure industries and are engaged in generating, transforming, transporting, distributing and trading energy in any form; preparing feasibility studies and projects; promoting construction, operation and maintenance of energy-generating plants, transportation and transmission lines, substations, distribution network; performing any other related or supplementary services; and carrying out any other services or activities in the infrastructure sector.

Company holds interests in electric energy generating and transmission companies in Brazil and in five holding companies, including: Transminas Holding S.A. (the parent company of Transleste, Transirapé and Transudeste), Alupar Inversiones Peru (the parent company of La Virgen), Alupar Chile Inversiones SpA, Windepar Holding S.A (the parent company of Energia dos Ventos I, Energia dos Ventos II, Energia dos Ventos III, Energia dos Ventos IV and Energia dos Ventos X) and Alupar Colombia S.A.S (the parent company of Risaralda Energía S.A.S.E.S.P. and Transmissora Colombiana de Energia S.A.S.E.S.P.).

The Company is a direct subsidiary of Guarupart Participações Ltda. (“Guarupart”).

Information on Subsidiaries and joint ventures:

Transmission line concessions

The Company and your joint ventures has approximately 6,788 km in transmission concession lines, of which about 4,750 km are in operation and 2,038 km are in the pre-operating phase, containing 1,065 km related to the TCC, TPE and ESTE concessions (note 37) as detailed in the following table::

Companies	Localization/Connection	ANEEL Concession Agreement No.	Concession Period		Start date of Operation	Line extension	Tension	RAP/RBNI (Cycle 2016-2017)	Contract adjustment rate	50% reduction of RAP as from the 16th year of operation	Expected taxation review
			Start	End							
Empresa Paraense de Transmissão de Energia S.A.	Tucuruí (PA) - Vila Conde (PA)	043/2001	06/12/01	06/12/31	08/25/02	328 km	500KV	96,563	IGP-M	Yes	No
Empresa Norte de Transmissão de Energia S.A.	Tucuruí (PA) - Açailândia (MA)	085/2002	12/11/02	12/11/32	02/12/05	459 km	500 Kv	221,644	IGP-M	Yes	No
Empresa Regional de Transmissão de Energia S.A.	Vila Conde (PA) - Santa Maria (PA)	083/2002	12/11/02	12/11/32	09/15/04	155 km	230 Kv	49,750	IGP-M	Yes	No
Empresa Amazonense de Transmissão de Energia S.A.	Tucuruí (PA)- Presidente Dutra (PA)	042/2001	06/12/01	06/12/31	03/10/03	927 km	500 Kv	422,270	IGP-M	Yes	No
Empresa Catarinense de Transmissão de Energia S.A.	Campos Novos (SC) - Blumenau (SC)	088/2000	11/01/00	11/01/30	03/26/02	253 km	525 Kv	79,723	IGP-M	Yes	No
Sistema de Transmissão Nordeste S.A.	Teresina (PI) - Fortaleza (CE)	005/2004	02/18/04	02/18/34	01/01/06	541 km	500 Kv	177,333	IGP-M	Yes	No
Companhia Transleste de Transmissão	Irapé (MG) - Montes Claros (MG)	009/2004	02/18/04	02/18/34	12/18/05	150 km	345 Kv	40,172	IGP-M	Yes	No
Companhia Transudeste de Transmissão	Itutinga (MG) - Juíz de Fora (MG)	005/2005	03/04/05	03/04/35	02/23/07	140 km	345 Kv	24,899	IGP-M	Yes	No
Companhia Transirapé de Transmissão	Irapé (MG) - Araçuí (MG)	012/2005	03/15/05	03/15/35	05/23/07	65 km	230 Kv	29,201	IGP-M	Yes	No
Sistema de Transmissão Catarinense S.A.	Barra Grande (SC) - Lages (SC) - Rio Sul (SC)	006/2006	04/27/06	04/27/36	11/08/07	230 km	230 Kv	41,522	IPCA	Yes	No
Lumitrans - Companhia Transmissora de Energia Elétrica	Machadinho (SC) - Campos Novos (SC)	007/2004	02/18/04	02/18/34	10/03/07	40 km	525 Kv	26,206	IGP-M	Yes	No
Empresa de Transmissão do Espirito Santo S.A.	Verona (ES) - Mascarenhas (ES)	006/2007	04/20/07	04/20/37	12/12/08	107 km	230 Kv	14,308	IPCA	Yes	Yes
Empresa Brasileira de Transmissão de Energia S.A.	Juba (MG) - Juína (MG)	011/2008	10/16/08	10/16/38	06/30/11	782 km	230 Kv	44,400	IPCA	No	Yes
Transmissora Matogrossense de Energia S.A.	Jauru (MT) - Cuiabá (MT)	023/2009	11/19/09	11/19/39	11/22/11	348 km	500/230 Kv	47,368	IPCA	No	Yes
Empresa Santos Dumont de Energia S.A.	Substation Santos Dummond (MG)	025/2009	11/19/09	11/19/39	02/06/13	substation	138/345 Kv	12,640	IPCA	No	Yes
Empresa de Transmissão de Energia do Mato Grosso S.A.	Nova Mutum (MT) - Nobres (MT) - Cuiabá (MT)	005/2010	07/12/10	07/12/40	12/16/11	235 km	230 Kv	12,045	IPCA	No	Yes
Empresa de Transmissão de Varzea Grande S.A.	substation Várzea Grande (MT)	018/2010	12/23/10	12/23/40	12/23/12	substation	138/230 Kv	9,712	IPCA	No	Yes
Transnorte Energia S.A.	Boa Vista (RR) - Equador (RR) - Lechuga (AM)	003/2012	01/25/12	01/25/42	Pre-operating	715 km	500 Kv	7,220	IPCA	No	Yes
Empresa de Transmissão Serrana S.A.	Sub. Abdon Batista / Gaspar (SC)	006/2012	05/10/12	05/10/42	01/19/15	substation	'525 Kv 138/23	21,582	IPCA	No	Yes
Empresa Litorânea de Transmissão de Energia S.A.	Henry Borden (SP) - Manoel da Nóbrega (SP)	016/2014	09/05/14	09/05/44	Pre-operating	SE+38 Km	230/345 Kv	28,865	IPCA	No	Yes
Empresa Transmissora Agreste Potiguar S.A.	Rio Grande do Norte (RN)	013/2016	09/02/16	09/02/46	Pre-operating	10 km	500/230 Kv	48,487	IPCA	No	Yes
Empresa Transmissora Capixaba S.A.	substation Rio Novo do Sul (ES)	020/2016	09/02/16	09/02/46	Pre-operating	substation	345/138 Kv	28,147	IPCA	No	Yes
Transmissora Caminho do Café S.A.	Minas Gerais (MG) - Espírito Santo (ES)	006/2017	02/09/22	02/09/52	Pré-operating	288 km	500 kV	145,986	IPCA	No	Yes
Transmissora Paraíso De Energia S.A.	Bahia (BA) - Minas Gerais (MG)	002/2017	02/09/22	02/09/52	Pré-operating	541 km	500 kV	214,700	IPCA	No	Yes
Empresa Sudeste de Transmissão de Energia S.A.	Mesquita (MG) - João Neiva (ES)	019/2017	02/10/17	02/10/47	Pré-operating	236 km	500 Kv	101,020	IPCA	No	Yes
Transmissora Colombiana de Energia S.A.S ESP	Virginia-Nueva Esperanza - Colombia	UPME 07-201	N/A	N/A	Pre-operating	200 km	500 Kv	N/A	IPP	No	Yes
Total						**6,787 km**		**1,945,764**			

Concessions right and authorizations for electricity generation

The Company and your joint ventures holds the concession rights and/or authorization for 6 SHP – Small Hydro Power, 4 HPPs – Hydroeletric Power Plant and 5 wind farms, with a total capacity of 687 MW. The generation systems which the Company operates, through concessions and / or permits with terms of 30 to 35 years, are located in the states of Goiás, Rio Grande do Sul, São Paulo, Amapá and in the future, in the states of Goiás (Verde 8), Minas Gerais (Água Limpa) and Ceará (Wind farms). The Company also controls Risaralda Energia SAS / ESP (Colombia) by means of Alupar Colombia S.A.S and has controls La Virgen S.A.C (Peru), by means of Alupar Inversiones Peru S.A.C.

The following table presents a list of the electric energy generation assets:

Companies	Location	ANEEL Concession Agreement No. / Authorizing Resolution No	Concession Term/ Authorization		Start date of Operation	Installed Capacity (MW)	Electric power guaranteed - MW
			Start Date	End			
Foz do Rio Claro Energia S.A.	Rio Claro - Caçu (GO) and São Simão (GO)	005/2006	08/15/06	08/15/41	08/05/10	68.4	41.0
Ijuí Energia S.A.	Rio Ijuí - Rolador (RS) and Salvador das Missões (RS)	006/2006	08/15/06	08/15/41	03/29/11	51.0	30.4
Usina Paulista Lavrinhas de Energia S.A.	Rio Paraíba do Sul - Lavrinhas (SP)	138/2004 - 716/2006	04/07/04	04/07/34	09/03/11	30.0	21.4
Usina Paulista Queluz de Energia S.A.	Rio Paraíba do Sul - Queluz (SP)	139/2004 - 715/2006	04/07/04	04/07/34	08/12/11	30.0	21.4
Ferreira Gomes Energia S.A	Rio Araguari - Ferreira Gomes (AP)	002/2010	11/09/10	11/09/45	11/04/14	252.0	153.1
Energia dos Ventos I S.A.	Aracati (CE)	Ordinance 431/12	07/17/12	07/17/47	04/22/16	23.1	11.8
Energia dos Ventos II S.A.	Aracati (CE)	Ordinance 428/12	07/16/12	07/16/47	05/13/16	12.6	6.0
Energia dos Ventos III S.A.	Aracati (CE)	Ordinance 433/12	07/19/12	07/19/47	03/03/16	18.9	9.6
Energia dos Ventos IV S.A.	Aracati (CE)	Ordinance 442/12	07/24/12	07/24/47	03/02/16	27.3	14.8
Energia dos Ventos X S.A.	Aracati (CE)	Ordinance 435/12	07/19/12	07/19/47	03/02/16	16.8	8.7
Geração de Energia Termoelétrica e Participações S.A.	Rio de Janeiro (RJ)	N/A	N/A		Pre-operating	-	-
Risaralda Energía S.A.S.E.S.P. (*)	Rio Risaralda (PCH Morro Azul)	N/A	N/A		Pre-operating	19.9	13.2
Verde 8 Energia S.A.	Rio Verde - Santa Helena de Goiás (GO)	REA 3,702/12 - 4,684/14 - REA 5,953/16	10/24/12	06/15/44	Pre-operating	30.0	18.7
Agua Limpa S.A.	Rio Piracicaba - Antônio Dias (MG)	Ordinance 346/14	07/18/14	07/18/49	Pre-operating	23.0	11.9
La Virgen S.A.C.(*)	Rio Tarma - Peru	253/2005 - 313/2008	N/A		Pre-operating	84.0	49.3
						687.0	**411.3**

(*) Concessions of Risaralda and La Virgen are located in Colombia and Peru respectively. The applicable regulatory rules in those countries differ from the rules applicable in Brazil.

2. Basis of preparation and presentation of quarterly information

The Board of Directors authorized the conclusion of the accompanying quarterly information on a Meeting of May 15, 2017.

2.1. Statement of compliance

The individual and consolidated quarterly information were prepared in accordance with international accounting standards IFRS issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil also including supplementary rules issued by CVM and Agência Nacional de Energia Elétrica – ANEEL.

2.2. Basis of preparation and presentation

All amounts presented in these quarterly information are stated in thousands of Brazilian Real, unless otherwise stated. As the figures were rounded, the amounts reported herein may not precisely add up to the totals presented.

The accounting estimates involved in the preparation of the quarterly information were based on both objective and subjective factors and are in line with management's judgment in determining the appropriate amounts to be recorded in the quarterly information.

Significant items subject to those estimates and assumptions include: valuation of financial assets at fair value, allowance for doubtful accounts, concession financial assets, provisions, including provision for litigation and provision for assets built up.

Settlement of transactions involving those estimates may result in amounts significantly different from those recorded in the quarterly information due to level of judgment inherent in determining such of estimates. The Company reviews its estimates at each reporting date, and if changes in estimates are required, they will be recognized prospectively.

2.3. Functional currency, translation of balances and transactions in foreign currency

2.3.1. Functional and reporting currency

This quarterly information was prepared and are presented in Brazilian thousands of Reais (R$), which is the functional currency of the Company, its subsidiaries and joint ventures, except for subsidiaries Alupar Peru and La Virgen whose functional currency are the Soles Nuevos, of the subsidiary Risaralda, whose functional currency is the Colombian Peso and for subsidiary Alupar Chile Inversiones SpA, whose functional currency is the Chilean Peso. The functional currency was determined based on the primary economic environment for each entity's base of its operations.

2.3.2. Transactions and balances

Foreign currency transactions, i.e., all transactions not conducted in the Company's functional currency, were translated at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rate prevailing at reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

2.4. Consolidation criteria

The consolidated quarterly information includes the Company and its subsidiaries. The quarterly information of subsidiaries are included in the consolidated quarterly information from the date that control commences until the date that control no longer exists. Control over another entity exists when the Company is exposed to, or has a right over, the variable returns arising from its involvement with the entity and has the ability to affect those returns exerting its power over the entity.

Key consolidation adjustments include the following eliminations, among others:

- Asset and liability account balances, as well as revenues and expenses between Company and subsidiaries, so that the consolidated financial information effectively represents balances receivable from and payable to third parties.

- Interest on capital and profit (loss) for the year of subsidiaries.

Company management, based on the Articles of Incorporation and shareholder agreement, controls the companies listed below and, therefore, fully consolidates them:

Description	Abbreviation	Activity	Interest (%)	
			3/31/2017	12/31/2016
Direct subsidiary:				
Alupar Inversiones Peru S.A.C.	"Alupar Peru"	Holding	100.00	100.00
Transminas Holding S.A.	"Transminas"	Holding	70.02	70.02
Alupar Chile Inversiones SpA	"Alupar Chile"	Holding	100.00	100.00
Foz do Rio Claro Energia S.A. (b)	"Foz"	Generation	66.06	66.06
Ijuí Energia S.A. (c)	"Ijuí"	Generation	86.66	86.66
Usina Paulista Lavrinhas de Energia S.A.	"Lavrinhas"	Generation	64.19	64.19
Usina Paulista Queluz de Energia S.A.	"Queluz"	Generation	68.83	68.83
Ferreira Gomes Energia S.A	"Ferreira Gomes"	Generation	100.00	100.00
Geração de Energia Termoelétrica e Participações S.A.	"GET"	Generation	51.00	51.00
Risaralda Energía S.A.S.E.S.P.	"Risaralda"	Generation	0.34	-
Forquilha IV Energia S.A.	"Forquilha IV"	Generation	99.99	99.99
Verde 8 Energia S.A.	"Verde 8"	Generation	99.90	99.90
Agua Limpa S.A.	"Agua Limpa"	Generation	90.00	90.00
La Virgen S.A.C.	"La Virgen"	Generation	7.94	12.53
Empresa Amazonense de Transmissão de Energia S.A.	"EATE"	Transmission	50.02	50.02
Sistema de Transmissão Nordeste S.A.	"STN"	Transmission	51.00	51.00
Empresa de Transmissão do Espirito Santo S.A.	"ETES"	Transmission	100.00	100.00
Empresa Paraense de Transmissão de Energia S.A.	"ETEP"	Transmission	50.02	50.02
Empresa Norte de Transmissão de Energia S.A.	"ENTE"	Transmission	50.01	50.01
Empresa Regional de Transmissão de Energia S.A.	"ERTE"	Transmission	21.96	21.96
Empresa Catarinense de Transmissão de Energia S.A.	"ECTE"	Transmission	50.02	50.02
Empresa de Transmissão de Energia do Mato Grosso S.A.	"ETEM"	Transmission	62.79	62.79
Empresa de Transmissão de Varzea Grande S.A.	"ETVG"	Transmission	100.00	100.00
Empresa Litorânea de Transmissão de Energia S.A.	"ELTE"	Transmission	99.99	99.99
Lumitrans - Companhia Transmissora de Energia Elétrica	"Lumitrans"	Transmission	15.00	15.00
Sistema de Transmissão Catarinense S.A.	"STC"	Transmission	20.00	20.00
ACE Comercializadora Ltda.	"ACE"	Trading company	100.00	100.00
AF Energia S.A.	"AF"	Services	99.99	99.99
Windepar Holding S.A. (a)	"Windepar"	Holding	100.00	100.00
Empresa Transmissora Agreste Potiguar S.A.	"ETAP"	Transmission	99.98	99.98
Empresa Transmissora Capixaba S.A.	"ETC"	Transmission	99.98	99.98
Alupar Colombia S.A.S	"Alupar Colombia"	Holding	100.00	100.00
Transmissora Caminho do Café S.A.	"TCC"	Transmission	99.00	-
Transmissora Paraíso De Energia S.A.	"TPE"	Transmission	99.00	-

Description	Abbreviation	Activity	Interest (%)	
			3/31/2017	12/31/2016
Indirect subsidiaries:				
Empresa Brasileira de Transmissão de Energia S.A.(i)	"EBTE"	Transmission	25.51	25.51
Lumitrans - Companhia Transmissora de Energia Elétrica (i)	"Lumitrans"	Transmission	40.01	40.01
Sistema de Transmissão Catarinense S.A. (i)	"STC"	Transmission	30.79	30.79
Companhia Transleste de Transmissão (ii)	"Transleste"	Transmission	28.71	28.71
Companhia Transirapé de Transmissão (ii)	"Transudeste"	Transmission	28.71	28.71
Companhia Transudeste de Transmissão (ii)	"Transirapé"	Transmission	28.71	28.71
Empresa Santos Dumont de Energia S.A. (iii) (i)	"ESDE"	Transmission	50.02	50.02
Empresa de Transmissão Serrana S.A. (iv)	"ETSE"	Transmission	50.02	50.02
La Virgen S.A.C. (v)	"La Virgen"	Generation	69.87	52.47
Empresa Regional de Transmissão de Energia S.A. (vi)	"ERTE"	Transmission	9.04	9.04
Companhia Transleste de Transmissão (vi)	"Transleste"	Transmission	5.00	5.00
Companhia Transirapé de Transmissão (vi)	"Transudeste"	Transmission	5.00	5.00
Companhia Transudeste de Transmissão (vi)	"Transirapé"	Transmission	5.00	5.00
Sistema de Transmissão Catarinense S.A. (vii)	"STC"	Transmission	9.23	9.23
Empresa Regional de Transmissão de Energia S.A. (vii)	"ERTE"	Transmission	19.01	19.01
Energia dos Ventos I S.A. (viii)	"EDV I"	Generation	100.00	100.00
Energia dos Ventos II S.A. (viii)	"EDV II"	Generation	100.00	100.00
Energia dos Ventos III S.A. (viii)	"EDV III"	Generation	100.00	100.00
Energia dos Ventos IV S.A. (viii)	"EDV IV"	Generation	100.00	100.00
Energia dos Ventos X S.A.(viii)	"EDV X"	Generation	100.00	100.00
Risaralda Energía S.A.S.E.S.P. (ix)	"Risaralda"	Generation	99.62	99.97
Transmissora Colombiana de Energia S.A.S ESP (ix)	"TCE"	Transmission	99.00	99.00

(i) Directly controlled by EATE
(ii) Directly controlled by Transminas
(iii) Directly controlled by ETEP
(iv) Directly controlled by ECTE
(v) Directly controlled by Alupar Peru
(vi) Indirect stake by EATE
(vii) Indirect stake by ENTE
(viii) Indirect stake by Windepar

a) Constitution of TCC and TPE – Auctions of transmission

On January 4, 2017, the Company constituted the companies Transmissora Caminho do Café S.A. – TCC and Transmissora Paraiso de Energia S. A. - TPE. with capital of de R$ 1 (one thousand reais) each one, with emission of 1,000 shares common each.

(i) TCC - Transmission Line 500 kV Governador Valadares 6 - Mutum C1, with 156 km; Transmission Line 500 kV Mutum - Rio Novo do Sul C1, with 132 km; Substation 500 kV Mutum (New Substation for conexion lines and Static Var Compensator); Substation 500/345 kV Rio Novo do Sul - (3+1 Res) x 350 MVA.

(ii) TPE – Transmission Line 500 kV Poções III - Padre Paraíso 2 C1, com 334 km; Transmission Line 500 kV Padre Paraíso 2 - Governador Valadares 6 C1, with 207 km; Substation 500 kV Padre Paraíso 2 (New Substation for conexion lines and Static Var Compensator); Substation 500/230 kV Governador Valadares 6 -(6+1Res) x 200 MVA.

The joint ventures below are accounted for based on the equity method:

Description	Abbreviation	Activity	Interest (%)	
			3/31/2017	12/31/2016
Investees with shared control:				
Transmissora Matogrossense de Energia S.A	"TME"	Transmission	46.00	46.00
Transnorte Energia S.A.	"TNE"	Transmission	51.00	51.00

The financial reporting year of consolidated subsidiaries coincides with that of the Company, and accounting practices were uniformly applied in relation to the Company and are consistent with prior year. Transactions between the Company and subsidiaries are carried out under conditions established between the parties (see explanatory note 32). Non-controlling interests of fully consolidated companies are identified in the consolidated income statement, consolidated comprehensive income, statements of value added and in the statement of changes in shareholders' equity.

3. Summary of significant accounting practices

The financial statements for the year ended March 31, 2017 were prepared and presented by the agreement with the Company the international accounting standards IFRS issued by the International Accounting Standards Board (IASB) and also in accordance with the accounting practices adopted in Brazil, in effect until March 31, 2017. the significant accounting policies adopted by the Company to prepare its financial statements - ITR for the three months ended March 31, 2016 were applied consistently with those disclosed in note 3 the financial statements for the year ended December 31, 2016, therefore, should be read together.

The Company adopted all the pronouncements, interpretations and guidelines issued by the CPC and the IASB as well as the rules issued by the regulatory body.

The following changes to the existing standards have been published and will be mandatory for subsequent accounting periods. There was no early adoption of these standards and changes in standards by the Company.

Standard	Effective Date	Main points introduced by the standard	Impacts of the adoption
IFRS 9 - Financial Instruments	January 1, 2018	The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change which is due to an entity's own credit risk is recorded in Other comprehensive income rather than the Statement of profit or loss.	The Company's Management has initiated a preliminary assessment and understands that the application of the aforementioned pronouncements to be adopted in its quarterly information on the required dates may have some effect on the previously reported balances. However, it is not possible to provide a reasonable estimate of this effect until a detailed review is made at the time of actual adoption.
IFRS 15 - Revenue recognition	January 1, 2018	This accounting standard establishes the accounting principles to determine and measure revenue and when the revenue should be recognized.	
IFRS 16 - Leases	January 1, 2019	This accounting standard replaces the previous leases standard, IAS 17 Leases, and related interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e., the customers ('lessees') and the suppliers ('lessor'). Lessees are required to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts, except for certain short term leases and leases of low-value assets. For lessors, the accounting stays almost the same and continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.	

The Accounting Pronouncements Committee has not yet issued an accounting pronouncement or amendment to the current pronouncements corresponding to all new IFRS. Therefore, the early adoption of these IFRS is not permitted for entities that disclose their financial statements in accordance with accounting practices adopted in Brazil.

4. Cash and cash equivalents

Cash and cash equivalents:	Average compensation - % CDI		Parent Company	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Financial investments classified as cash equivalents				
Cash available (Cash and banks)	-	-	469	198
Investment Funds (*)	98.90%	97.09%	114,523	196,047
Repurchase agreements	90.00%	90.00%	62,571	60,114
Automatic investments	20.00%	20.00%	10	94
Investments abroad	0.56%	0.56%	14,045	15,463
Total			**191,618**	**271,916**

Cash and cash equivalents:	Average compensation - % CDI		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Financial investments classified as cash equivalents				
Cash available (Cash and banks)	-	-	43,422	81,403
Investment Funds (*)	98.90%	97.09%	114,523	196,047
Bank deposit certificates	93.44%	98.50%	120,607	108,397
Repurchase agreements	90.00%	90.00%	62,571	60,114
Other investment funds	98.39%	96.69%	143,343	144,142
Automatic investments	56.16%	53.72%	7,784	8,168
Investments abroad	0.56%	0.56%	14,045	15,463
Total			**506,295**	**613,734**

The Company and its subsidiaries have financial investment policies stating that financial investments classified as cash and cash equivalents must be held in low-risk securities and in investments in top-tier financial institutions.

Financial investments classified as cash and cash equivalents:

Cash equivalents are held for the purpose of meeting short-term cash commitments mainly refer to bank deposit certificates, fixed income mutual funds and with immediate liquidity and automatic investments that are linked to current account, where the actual remuneration will depend on the total period for which the funds remain invested, whereas the administration records these applications by earned income percentage, not occurring, so risk of significant change in value in the event of early redemption, and are considered financial instruments measured at fair value against income.

(*) These refer to FI – Energia Exclusive Fund, whose portfolio breakdown is as follows:

	Parent Company/Consolidated	
	3/31/2017	12/31/2016
Portfolio Composition		
Repurchase agreements – National Treasury Notes	114,533	196,058
Government Bonds – Financial Treasury Bills	165,113	160,248
Private bonds - Bank deposit certificates	64,932	55,191
Amounts payable	(14)	(13)
Cash and Cash Equivalents	4	2
Total - FI Energia	**344,568**	**411,486**
Registered in cash and cash equivalents	114,523	196,047
Registered in short-term investments	230,045	215,439
Total - FI Energia	**344,568**	**411,486**

5. Short-term investments

Short-term investments:	Average compensation - % CDI		Parent Company/Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Financial investments classified as short-term investments				
Investment Funds	90.00%	90.00%	230,045	215,439
			230,045	215,439

Financial investments classified as short-term investments:

Refer Exclusively to Investment Funds (FI) - Energia, as evidenced in note 4, and is substantially comprised of Brazilian Treasury securities and bank deposit certificates, and is measured at fair value through profit or loss.

6. Marketable securities

Marketable securities account is broken down as follows:

Marketable securities:	Average compensation - % CDI		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Financial investments classified as marketable securities				
Current				
Other investment funds	90.16%	88.31%	108,330	89,984
Repurchase agreements	100.80%	100.80%	9,382	10,821
			117,712	100,805
Non-Current				
Other investment funds	97.25%	95.36%	4,420	4,295
			4,420	4,295
			122,132	105,100

Marketable securities is broken down as follows:

Financial investments constituted like reserve accounts defined in subsidiaries' loan agreements. These accounts consist of the obligation to maintain short-term investments corresponding to three installments of loans and financing, on average.

i) Financial investments intended for reinvestment in infrastructure projects in the Brazilian Amazon region, which is subject to approval of the Amazon Development Agency (ADA).

7. Trade accounts receivable

a) Trade accounts receivable are as follows:

	Consolidated						
	Current	Balances overdue (*)				3/31/2017	12/31/2016
		Up to 30 days	From 31 to 60 days	From 61 to 360 days	More than 361 days		
Power transmission system							
Transmission charges billed	129,198	1,479	1,353	3,260	7,951	143,241	144,260
Transmission charges to be billed	7,430	1	2	8	9	7,450	-
	136,628	1,480	1,355	3,268	7,960	150,691	144,260
Power generation system							
Bilateral agreement – regulated environment	35,124	-	-	447	195	35,766	30,136
Bilateral agreement – free environment	(689)	8,526	4,262	4,137	-	16,236	13,376
MRE and Spot (short-term energy)	46,693	-	-	-	-	46,693	29,684
	81,128	8,526	4,262	4,584	195	98,695	73,196
	217,756	10,006	5,617	7,852	8,155	249,386	217,456
Current						237,231	207,017
Non-Current						12,155	10,439
Total						249,386	217,456

During the three-month period ended March 31, 2017, no allowance for bad debts, was recorded, due to the non-presentation of historical losses on receivables, evaluation and monitoring of credit risk and that they are guaranteed by the National Electrical System Operator (ONS).

b) Changes in trade accounts receivable are as follows:

	Consolidated						
	12/31/2016	Provision	Provision reversal	Invoicing	Receipt	Transfer of trade accounts receivable	3/31/2017
Power transmission system							
Transmission charges billed	144,260	-	-	338,268	(327,317)	(4,520)	150,691
Contracts for facilities sharing (CCI)	-	-	-	309	(309)	-	-
	144,260	-	-	338,577	(327,626)	(4,520)	150,691
Power generation system							
Bilateral agreement – regulated environment	30,136	1,113	(1,358)	68,845	(69,684)	-	29,052
Bilateral agreement – free environment	18,822	46,763	(41,702)	43,112	(32,594)	-	34,401
MRE and Spot (short-term energy)	24,238	6,329	(659)	7,412	(2,078)	-	35,242
	73,196	54,205	(43,719)	119,369	(104,356)	-	98,695
	217,456	54,205	(43,719)	457,946	(431,982)	(4,520)	249,386

8. Other taxes to be offset

In accordance with legal provision, the Company and subsidiaries were subject to withholding taxes and/or made monthly tax payments for future offset of taxes and contributions. Tax balances are as follows:

Other taxes to be offset

	Parent company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Current				
Income tax and social contribution to be offset				
Corporate income tax - IRPJ	-	-	17,146	18,002
Social Contribution on Net Income - CSLL	6	-	3,047	1,745
Withholding income tax - IRRF	23,109	26,276	27,349	29,909
	23,115	26,276	47,542	49,656
Other taxes to be offset				
Withholdings – Law 10833 PIS, COFINS and CSLL	-	-	1,073	1,743
Others	22	22	1,769	2,059
	22	22	2,842	3,802
Non-Current				
Income tax and social contribution to be offset				
Corporate income tax - IRPJ	-	-	24,342	24,768
Social Contribution on Net Income - CSLL	-	-	8,375	8,544
Withholding income tax - IRRF	-	-	3,194	3,194
	-	-	35,911	36,506
Other taxes to be offset				
Social Security Financing Contribution - COFINS	-	-	6,080	6,142
Others	-	-	1,395	1,424
	-	-	7,475	7,566
	23,137	**26,298**	**93,770**	**97,530**

9. Financial asset from the concession

a) Financial asset from the concession:

Public electric power transmission services rendered by Company's subsidiaries and joint ventures are governed by Public Electric Power Service Concession Arrangements entered into with the Federal Government – Granting Authority. These service concession arrangements establish the services that the operator shall provide, those that will receive the services and the price thereof.

Company's subsidiaries and joint ventures made calculations to determine the new estimated indemnity for returnable assets upon termination of the service concession arrangement with relation to financial assets, which did not result in significant impacts on the quarterly information as of March 31, 2017.

Based on the characteristics provided for in the electric power transmission service concession arrangement of the subsidiaries and joint ventures of the Company, such subsidiaries and joint ventures decided to adopt ICPC 01 (R1) – Service Concession Arrangements. ICPC 01 (R1) – Service Concession Arrangements provides for the conditions to recognize public service concessions to private operators, in order to reflect the electric power transmission business, covering the estimated portion of investments made and not amortized or depreciated until the end of the concession classified as financial asset, since there is an unconditional right to receive cash or other financial asset directly from the granting authority.

The infrastructures arising from transmission activities that were originally represented by PP&E of subsidiaries and joint ventures are or will be recovered by means of two cash flows, as follows:

- A portion of Allowed Annual Revenue (RAP) received during the term defined by the service concession arrangement;

- A portion as indemnity for returnable assets at the end of the concession, which will be received directly from the Granting Authority or those appointed thereby, considering that this portion of financial assets is guaranteed by the service concession arrangement and is included in the cash flow model, in addition to being recognized, as a conservative assumption adopted by management, at the net carrying value thereof measured at the historical cost.

- This indemnity will be paid based on the portion of investments related to returnable assets, yet not amortized or depreciated, made in order to guarantee that the services will continue as a going concern and will be updated.

b) Criteria for adjusting transmission tariffs

The service concession arrangements establish the revenue that the transmission subsidiaries will receive over the concession period, which is stable and predictable. RAP is taken out from the granting authority when concessions are granted and is subject to the availability of electrical grids rather than the volume of electric power transmitted. In accordance with subsidiaries' transmission agreements, RAPs are adjusted on an annual basis, in July, based on the annual variation of IGP-M or IPCA, as provided for in the agreements. Direct subsidiaries ETEM, ETES, ETVG and ELTE, joint ventures TME and TNE, indirect subsidiaries EBTE, ESDE and ETSE, are subject to a tariff review every 5 years, during all concession term. Until the 15th year of concession, this review is related essentially to the cost of debt variation, only contingent upon the Long-term Interest Rate ("TJLP") variation (calculated by the moving average of five years thereof), as provided for in invitations to bid for electrical grids. The service concession arrangements of direct subsidiaries EATE, ECTE, ENTE, ERTE, ETEP, ETES, STN, and indirect subsidiaries Transirapé, Transleste, Transudeste and direct and direct subsidiaries Lumitrans and STC provide for that, as from the 16th year of operation, RAP will decrease by 50% of the amount of the 15th year until the end of the concession. The direct subsidiaries ETAP, ETC, TPE and TCC are subject to three tariff revisions, the first in the 5th year the second in the 10th year and the third in the 15th year. This review is primarily related to changes in debt costs, linked to the Long-Term Interest Rate ("TJLP") (calculated by the moving average five years of that rate), as governed by the bidding documents of transmission lines.

The service concession arrangements granted by ANEEL prior to the publication of Administrative Ruling ANEEL No. 230, of September 12, 2006, which was repealed by Administrative Ruling No. 490, of May 29, 2012, do not contain a provision that authorizes the periodic tariff review of RAP. This is due to the fact that the respective invitations to bid did not contain such provision, allowing the projection of RAP contained in financial proposals without considering any periodic reviews.

c) Reinforcements, Improvements a Revenue in connection with the construction

The Granting Authority may unilaterally amend the service concession arrangements, including when there are changes in the project or in previously agreed specifications. The operator is ensured financial and economic balance in connection with the service concession arrangement that can be granted an additional revenue is provided for repayment of investments made in the implementation of such changes.

As far as improvements are concerned, they are included in the subject matter of each concession, and support the appropriate continuity of service provision. Improvements include the installation, replacement or repair of equipment or adequacy of these installations in order to keep the adequate rendering of services to electric energy transmission according to the corresponding service concession arrangement, Normative Resolutions and network procedures. Costs incurred with improvements are recorded according to the Electric Energy Public Service Accounting Manual, in order to be considered in subsequent RAP reviews.

Reinforcement is the installation, replacement or rebuild in transmission existing facilities, as recommended by the transmission system expansion plans, and previously authorized by ANEEL, to increase transmission capacity or SIN reliability or connection of users. Certain types of reinforcement may be implemented directly by the transmission operators, without previous authorization by ANEEL, provided that there is an ONS request supported by the need to expand capacity or SIN reliability.

d) Changes in concession financial assets by subsidiary is as follows:

		Consolidated					
	Payment rate of the financial asset – p.a.	12/31/2016	Revenue from power transmission	Concession asset payment	Infrastructure revenue	Receipt	3/31/2017
Direct subsidiary:							
Empresa Amazonense de Transmissão de Energia S.A.	36.10%	820,123	7,386	68,130	-	(103,149)	792,490
Sistema de Transmissão Nordeste S.A.	22.01%	687,357	4,350	35,404	76	(41,887)	685,300
Empresa Norte de Transmissão de Energia S.A.	34.32%	567,762	3,506	44,614	-	(54,327)	561,555
Sistema de Transmissão Catarinense S.A.	17.03%	234,258	875	9,459	-	(11,656)	232,936
Empresa Catarinense de Transmissão de Energia S.A.	34.39%	157,295	2,034	12,519	-	(19,289)	152,559
Empresa Paraense de Transmissão de Energia S.A.	36.63%	153,548	2,154	12,989	-	(23,671)	145,020
Empresa Regional de Transmissão de Energia S.A.	31.83%	140,633	887	10,301	-	(12,193)	139,628
Empresa de Transmissão de Energia do Mato Grosso S.A.	12.11%	114,710	719	3,321	-	(3,259)	115,491
Lumitrans - Companhia Transmissora de Energia Elétrica	22.67%	100,740	518	5,375	-	(6,423)	100,210
Empresa de Transmissão do Espirito Santo S.A.	15.64%	88,877	514	3,312	-	(3,930)	88,773
Empresa de Transmissão de Varzea Grande S.A.	15.13%	83,156	335	2,989	4	(8,906)	77,578
Empresa Litorânea De Transmissão de Energia S.A.	14.21%	9,741	-	329	141	-	10,211
Empresa Transmissora Agreste Potiguar S.A.	17.55%	2,334	-	96	1,227	-	3,657
Empresa Transmissora Capixaba S.A.	18.27%	1,201	-	52	1,380	-	2,633
Transmissora Caminho do Café S.A.	25.10%	-	-	-	356	-	356
Transmissora Paraíso de Energia S.A.	23.71%	-	-	-	618	-	618
Empresa Sudeste de Transmissão de Energia S.A.	23.93%	-	-	-	916	-	916
		3,161,735	23,278	208,890	4,718	(288,690)	3,109,931
Indirect subsidiaries:							
Empresa Brasileira de Transmissão de Energia S.A.	8.75%	565,436	1,824	12,054	40	(12,149)	567,205
Companhia Transleste de Transmissão	22.48%	153,093	1,098	8,043	-	(9,876)	152,358
Companhia Transudeste de Transmissão	22.48%	102,042	617	5,345	-	(6,103)	101,901
Companhia Transirapé de Transmissão	19.25%	155,372	878	7,018	-	(8,212)	155,056
Empresa Santos Dumont de Energia S.A.	13.47%	103,184	535	3,335	-	(3,479)	103,575
Empresa de Transmissão Serrana S.A.	12.90%	210,757	680	6,538	-	(5,548)	212,427
		1,289,884	5,632	42,333	40	(45,367)	1,292,522
		4,451,619	28,910	251,223	4,758	(334,057)	4,402,453
Current		1,237,557					1,226,620
Non-Current		3,214,062					3,175,833
		4,451,619					**4,402,453**

		Consolidated					
	Payment rate of the financial asset – p.a.	12/31/2015	Revenue from power transmission	Concession asset payment	Infrastructure revenue	Receipt	12/31/2016
Direct subsidiary:							
Empresa Amazonense de Transmissão de Energia S.A.	35.95%	879,500	24,696	309,593	-	(393,666)	820,123
Sistema de Transmissão Nordeste S.A.	18.80%	683,502	21,214	149,905	752	(168,016)	687,357
Empresa Norte de Transmissão de Energia S.A.	34.50%	567,185	12,992	194,471	-	(206,886)	567,762
Sistema de Transmissão Catarinense S.A.	17.83%	228,726	4,391	37,085	7,774	(43,718)	234,258
Empresa Catarinense de Transmissão de Energia S.A.	34.44%	179,514	5,412	52,576	-	(80,207)	157,295
Empresa Paraense de Transmissão de Energia S.A.	36.66%	173,511	9,517	61,258	-	(90,738)	153,548
Empresa Regional de Transmissão de Energia S.A.	32.35%	139,146	6,578	41,647	-	(46,738)	140,633
Empresa de Transmissão de Energia do Mato Grosso S.A.	12.11%	108,149	5,700	13,972	49	(13,160)	114,710
Lumitrans - Companhia Transmissora de Energia Elétrica	22.95%	99,054	2,470	23,005	-	(23,789)	100,740
Empresa de Transmissão do Espirito Santo S.A.	15.74%	88,582	2,650	12,575	35	(14,965)	88,877
Empresa de Transmissão de Varzea Grande S.A.	15.20%	64,198	1,563	11,156	14,783	(8,544)	83,156
Empresa Litorânea De Transmissão de Energia S.A.	14.04%	5,965	-	1,071	2,705	-	9,741
Empresa Transmissora Agreste Potiguar S.A.	17.46%	-	-	8	2,326	-	2,334
Empresa Transmissora Capixaba S.A.	18.21%	-	-	8	1,193	-	1,201
		3,217,032	97,183	908,330	29,617	(1,090,427)	3,161,735
Indirect subsidiaries:							
Empresa Brasileira de Transmissão de Energia S.A.	10.30%	550,659	5,515	53,807	-	(44,545)	565,436
Companhia Transleste de Transmissão	22.48%	153,222	3,885	32,936	-	(36,950)	153,093
Companhia Transudeste de Transmissão	22.48%	101,243	2,211	21,885	-	(23,297)	102,042
Companhia Transirapé de Transmissão	17.89%	137,157	3,191	26,937	16,758	(28,671)	155,372
Empresa Santos Dumont de Energia S.A.	15.20%	97,129	1,079	14,633	1,704	(11,361)	103,184
Empresa de Transmissão Serrana S.A.	13.74%	210,772	1,860	28,397	(8,264)	(22,008)	210,757
		1,250,182	17,741	178,595	10,198	(166,832)	1,289,884
		4,467,214	114,924	1,086,925	39,815	(1,257,259)	4,451,619
Current		1,190,907					1,237,557
Non-Current		3,276,307					3,214,062
		4,467,214					**4,451,619**

At March 31, 2017, there are no overdue items recorded in service concession financial assets.

The Allowed Annual Revenue (RAP) of each transmission subsidiary of The Company, subsidiaries and joint ventures, in accordance with Authorizing Resolution No. 2.098 of June 28, 2016, is broken down as follows:

Cycle 2016-2017	Basic Network		Basic Network - Frontier		DIT (e) (Exclusive)		Total	Calculation of adjustment amount (PA)	Net Total
	RBL (a)	RBNI (b)	RBL (a)	RBNI (b)	RPEC (c)	RCDM (d)			
Concession									
Empresa Amazonense de Transmissão de Energia S.A.	415,595	6,675	-	-	-	-	422,270	(32,293)	389,977
Empresa Norte de Transmissão de Energia S.A.	221,644	-	-	-	-	-	221,644	(16,211)	205,433
Sistema de Transmissão Nordeste S.A.	177,333	-	-	-	-	-	177,333	(12,981)	164,352
Empresa Paraense de Transmissão de Energia S.A.	96,563	-	-	-	-	-	96,563	(7,037)	89,527
Empresa Catarinense de Transmissão de Energia S.A.	79,723	-	-	-	-	-	79,723	(6,839)	72,884
Empresa Regional de Transmissão de Energia S.A.	39,167	10,584	-	-	-	-	49,750	(3,642)	46,109
Empresa Brasileira de Transmissão de Energia S.A.	38,970	2,462	2,561	-	407	-	44,400	(3,208)	41,193
Sistema de Transmissão Catarinense S.A.	26,796	1,210	7,288	2,128	327	3,774	41,522	(1,512)	40,009
Companhia Transleste de Transmissão	40,172	-	-	-	-	-	40,172	(2,941)	37,231
Companhia Transirapé de Transmissão	17,144	4,225	3,905	2,765	318	844	29,201	(1,412)	27,789
Lumitrans - Companhia Transmissora de Energia Elétrica	26,206	-	-	-	-	-	26,206	(1,918)	24,288
Companhia Transudeste de Transmissão	24,899	-	-	-	-	-	24,899	(1,823)	23,076
Empresa de Transmissão Serrana S.A.	16,361	73	2,508	1,598	1,041	-	21,582	(1,527)	20,054
Empresa de Transmissão do Espirito Santo S.A.	7,981	94	-	4,274	-	1,959	14,308	(574)	13,734
Empresa Santos Dumont de Energia S.A.	8,134	-	3,621	-	885	-	12,640	(557)	12,083
Empresa de Transmissão de Energia do Mato Grosso S.A.	12,045	-	-	-	-	-	12,045	(938)	11,107
Empresa de Transmissão de Varzea Grande S.A.	1,164	2,418	2,437	2,521	425	746	9,712	364	10,076
Total	**1,249,897**	**27,740**	**22,320**	**13,286**	**3,404**	**7,323**	**1,323,970**	**(95,048)**	**1,228,921**

The breakdown of the Allowed Annual Revenue (RAP) for each transmission subsidiary of The Company, subsidiaries and joint ventures, according to Ratification Ruling No. 1.918 of June 23, 2015, was as follows:

Cycle 2015-2016	Basic Network		Basic Network - Frontier		DIT (e) (Exclusive)		Total	Calculation of adjustment amount (PA)	Net Total
	RBL (a)	RBNI (b)	RBL (a)	RBNI (b)	RPEC (c)	RCDM (d)			
Concession									
Empresa Amazonense de Transmissão de Energia S.A.	374,122	7,168	-	-	-	-	381,290	(36,649)	344,640
Empresa Norte de Transmissão de Energia S.A.	199,517	-	-	-	-	-	199,517	(19,177)	180,340
Sistema de Transmissão Nordeste S.A.	159,637	-	-	-	-	-	159,637	(15,344)	144,293
Empresa Paraense de Transmissão de Energia S.A.	86,907	-	-	-	-	-	86,907	(8,350)	78,557
Empresa Catarinense de Transmissão de Energia S.A.	84,201	-	-	-	-	-	84,201	(8,093)	76,108
Empresa Regional de Transmissão de Energia S.A.	35,258	9,527	-	-	-	-	44,786	(4,305)	40,481
Empresa Brasileira de Transmissão de Energia S.A.	35,647	2,252	2,343	-	372	-	40,615	(5,088)	35,526
Sistema de Transmissão Catarinense S.A.	24,511	-	6,666	1,889	299	3,569	36,935	(2,479)	34,456
Companhia Transleste de Transmissão	36,163	-	-	-	-	-	36,163	(3,476)	32,687
Companhia Transirapé de Transmissão	15,433	3,803	3,516	2,489	287	759	26,287	(2,159)	24,128
Lumitrans - Companhia Transmissora de Energia Elétrica	23,591	-	-	-	-	-	23,591	(2,268)	21,324
Companhia Transudeste de Transmissão	22,414	-	-	-	-	-	22,414	(2,154)	20,260
Empresa de Transmissão Serrana S.A.	14,966	66	2,294	1,462	953	-	19,741	(353)	19,388
Empresa de Transmissão do Espirito Santo S.A.	7,301	86	-	3,910	-	1,801	13,097	(798)	12,299
Empresa Santos Dumont de Energia S.A.	7,428	-	3,306	-	808	-	11,542	(796)	10,747
Empresa de Transmissão de Energia do Mato Grosso S.A.	12,345	-	-	-	-	-	12,345	(1,155)	11,190
Empresa de Transmissão de Varzea Grande S.A.	1,207	5,247	2,527	-	441	-	9,423	(94)	9,329
	1,140,649	**28,150**	**20,653**	**9,750**	**3,159**	**6,130**	**1,208,491**	**(112,739)**	**1,095,752**

(a) Bid Basic Grid;
(b) New Facilities Basic Grid;
(c) Revenue from assets of other concession operators of bid transmission;
(d) Revenue from other Transmission Facilities;
(e) Other Transmission Facilities.

10. Investments in affiliates and jointly-controlled subsidiaries

Changes in investments are as follows:

Consolidated				
Investments evaluated by equity accounting:	Balance on 12/31/2016	Dividends / Interest on equity	Equity accounting	Balance on 03/31/2017
Investees with shared control				
Transmissora Matogrossense de Energia S.A	89,964	-	3,173	93,137
Transnorte Energia S.A.	154,669	-	(91)	154,578
Total - Interest in investees with shared control	**244,633**	**-**	**3,082**	**247,715**
Indirect investments				
Companhia Transleste de Transmissão (*)	4,067	-	260	4,327
Companhia Transudeste de Transmissão (*)	4,273	-	208	4,481
Companhia Transirapé de Transmissão (*)	4,890	-	245	5,135
Empresa Regional de Transmissão de Energia S.A. (*)	14,483	(1,552)	888	13,819
Sistema de Transmissão Catarinense S.A. (**)	22,702	(1,449)	787	22,040
Empresa Regional de Transmissão de Energia S.A. (**)	30,454	(3,263)	1,868	29,059
Total - Indirect investments	**80,869**	**(6,264)**	**4,256**	**78,861**
Total - Other equity interests	**325,502**	**(6,264)**	**7,338**	**326,576**

(*) Indirect interest in subsidiary EATE
(**) Indirect interest in subsidiary ENTE

Information on total shares or units of interest and a summary of financial data of joint ventures and indirect investments are as follows:

Consolidated								
Company	3/31/2017				12/31/2016			
	Capital stock – total number of shares or quotas	Number of shares or quotas held by the Company and by EATE			Capital stock – total number of shares or quotas	Number of shares or quotas held by the Company and by EATE		
		Common	Preferred	Total		Common	Preferred	Total
Investees with shared control								
Transmissora Matogrossense de Energia S.A	97,793,590	44,985,051	-	44,985,051	97,793,590	44,985,051	-	44,985,051
Transnorte Energia S.A.	298,705,100	152,339,601	-	152,339,601	298,705,100	152,339,601	-	152,339,601
Indirect investments				-				
Companhia Transleste de Transmissão (*)	49,569,000	4,956,900	-	4,956,900	49,569,000	4,956,900	-	4,956,900
Companhia Transudeste de Transmissão (*)	30,000,000	3,000,000	-	3,000,000	30,000,000	3,000,000	-	3,000,000
Companhia Transirapé de Transmissão (*)	22,340,490	2,234,049	-	2,234,049	22,340,490	2,234,049	-	2,234,049
Empresa Regional de Transmissão de Energia S.A. (*)	84,133,970	-	15,208,597	15,208,597	84,133,970	-	15,208,597	15,208,597
Sistema de Transmissão Catarinense S.A. (**)	211,003,246	42,200,649	-	42,200,649	211,003,246	38,930,597	-	38,930,597
Empresa Regional de Transmissão de Energia S.A. (**)	84,133,970	5,126,185	26,858,388	31,984,573	84,133,970	5,126,185	26,858,388	31,984,573

Consolidated						
Company	3/31/2017			12/31/2016		
	Shareholders' equity	Interest of Alupar and EATE		Shareholders' equity	Interest of Alupar and EATE	
		on the capital stock	on shareholders' equity		on the capital stock	on shareholders' equity
Investees with shared control						
Transmissora Matogrossense de Energia S.A	202,472	46.00%	93,135	195,577	46.00%	89,965
Transnorte Energia S.A.	303,095	51.00%	154,578	303,273	51.00%	154,670
Indirect investments						
Companhia Transleste de Transmissão (*)	86,511	10.00%	4,327	81,292	10.00%	4,064
Companhia Transudeste de Transmissão (*)	89,592	10.00%	4,482	85,439	10.00%	4,273
Companhia Transirapé de Transmissão (*)	102,666	10.00%	5,136	97,761	10.00%	4,890
Empresa Regional de Transmissão de Energia S.A. (*)	152,841	18.08%	13,819	160,182	18.08%	14,483
Sistema de Transmissão Catarinense S.A. (**)	238,859	18.45%	22,040	246,031	18.45%	22,702
Empresa Regional de Transmissão de Energia S.A. (**)	152,841	38.02%	29,059	160,182	38.02%	30,455
			326,576			325,502

Consolidated									
Company	Data from investees with shared control/from direct investments								
	3/31/2017								
	Assets Current	Assets Non-current	Liabilities current	Liabilities Non-current	Net revenue	Operating costs and expenses	Financial Income	Current and deferred IRPJ and CSLL	Income (loss) for the year
Investees with shared control									
Transmissora Matogrossense de Energia S.A	78,341	319,039	43,003	151,905	15,326	(3,312)	(2,654)	(2,465)	6,895
Transnorte Energia S.A.	16,808	291,414	1,637	3,490	1,222	(1,657)	212	45	(178)
Indirect investments									
Companhia Transleste de Transmissão (*)	51,561	121,423	27,051	59,422	8,388	(1,098)	(1,645)	(426)	5,219
Companhia Transudeste de Transmissão (*)	36,492	78,690	22,406	3,184	5,496	(597)	(515)	(231)	4,153
Companhia Transirapé de Transmissão (*)	46,303	122,062	33,383	32,316	7,277	(845)	(1,232)	(295)	4,905
Empresa Regional de Transmissão de Energia S.A. (*) (**)	69,994	92,470	5,227	4,396	10,246	(849)	1,190	(760)	9,827
Sistema de Transmissão Catarinense S.A. (**)	54,523	196,970	4,805	7,829	9,458	(828)	376	(493)	8,513

Company	Consolidated								
	Data from investees with shared control/from direct investments								
	12/31/2016								
	Assets Current	Assets Non-current	Liabilities current	Liabilities Non-current	Net revenue	Operating costs and expenses	Financial Income	Current and deferred IRPJ and CSLL	Income (loss) for the year
Investees with shared control									
Transmissora Matogrossense de Energia S.A	69,376	322,304	43,360	152,743	75,247	(32,335)	(10,716)	(7,150)	25,046
Transnorte Energia S.A.	16,629	291,775	1,596	3,535	7,828	(5,688)	(50)	(1,473)	617
Indirect investments									
Companhia Transleste de Transmissão (*)	50,168	122,568	27,973	63,471	34,011	(2,425)	(8,649)	(1,636)	21,301
Companhia Transudeste de Transmissão (*)	31,155	79,223	21,747	3,192	22,324	(2,136)	(3,408)	(1,017)	15,763
Companhia Transirapé de Transmissão (*)	40,346	123,105	24,795	40,895	44,728	(19,732)	(4,352)	(1,650)	18,994
Empresa Regional de Transmissão de Energia S.A. (*) (**)	75,969	94,480	5,832	4,435	44,638	(6,445)	1,719	(2,273)	37,639
Sistema de Transmissão Catarinense S.A. (**)	62,656	198,639	7,437	7,827	45,894	(12,136)	743	(2,109)	32,392

(*) Indirect interest in subsidiary EATE
(**) Indirect interest in subsidiary ENTE

TNE

The Transnorte Energia is a company formed in a partnership between Alupar (51%) / Eletronorte (49%), to implement the transmission system that connects the state of Roraima to the Sistema Interligado Nacional (SIN) in Lechuga Substation in state of Amazonas, covering approximately 715.0 km of 500 kV line, double circuit, with 02 new substations, the SE Ecuador - 500 kV, to be installed in the municipality of Rorainópolis (RR) and SE Boa Vista - 500 / 230 kV - 800 MVA, located in the city of Boa Vista (RR).

The company holds a 51% in TNE and jointly control the operations and decisions of the joint ventures, records operations of the TNE consolidated using the equity method. Follows down the accounting position of the joint ventures TNE on March 31, 2017.

This project has a documented and justified displacement of its implementation schedule, depending on their environmental licensing process, especially with regard to the study of the indigenous component.

After discussions, including public agencies, could not get so far, the environmental licensing of the transmission line, considering that the FUNAI did not provide conclusive demonstration as to the environmental feasibility of the project. This lack makes it impossible IBAMA to issue the relevant permits, although the analysis of such a body point towards environmental viability of the project.

After three years without a solution to the TNE were presented, the consortium filed on September 02, 2015, ANEEL (Agência Nacional de Energia Elétrica), an application for amicable termination of the Concession Agreement 003/2012 - ANEEL. If there was this impasse, the line was auctioned in September 2011 should have been in operation since January 2015, having as main objective the reduction of thermal generation in the state of Roraima, as this state is the only one who is outside the SIN.

The reasons that take the claim is: a) legal impediment because of governmental licenses; b) insecurity caused by the legal recognition of nullity of ANEEL auction No. 004/2011, the environmental licensing process for the project and the concession contract nº003 / 2012, by merit of judgment in the proceedings Public Civil Action No. 18408-23.2013.4.01 .3200; c) a financial underbalance because of delay of environmental licensing by inevitable facts and by force majeure.

Currently, there is a judgment given in a preliminary suspension of action (Case No 0076128-42.2013.4.01.0000), which is being processed before the Federal Court of the 1st Region, determining the suspension of the express command in the sentence handed down in the records the civil action cited. This decision will be effective until the final and unappealable decision on the merits of the main action.

Nevertheless, on December 09, 2015, the Brazilian Institute of Environment and Renewable Natural Resources - IBAMA has issued the Preliminary License to Transnorte Energy on the line Transmission 500 kV Lechuga - Ecuador - Boa Vista and substations associated, other reasons motivating friendly termination request remain unresolve

On September 15, 2016, ANEEL, through Technical Note 0348/2016 SCT ANEEL - Case 4850000484212 / 2015.11 Concession Contract 003/2012 ANEEL, advised in accepting the request of Transnorte Energia S.A. and on merit to grant it, recognizing That there are elements for the termination of Concession Agreement n ° 003/2012 and refer the case file to the Ministry of Mines and Energy with recommendations for:

a) Extinction of Concession Contract n ° 003 / 2012- ANEEL, by means of distort, pursuant to article 472 of the Civil Code, or other form to take adequate care;
b) Decision on the value and form of payment of indemnification due to Transnorte Energia S.A,
c) Reversion to the Union of the assets in service of the SE Boa Vista Static Compensator, leaving the Company, as a faithful depositary and responsible for the operation and maintenance of the CER, under the rules of the isolated Boa Vista system, until further decision.

Following the request for friendly termination by the consortium, on December 13, 2016, the board of ANEEL unanimously voted and approved the publication of Dispatch no. 3,265, on December 19, 2016, with recommendations to: (i) host The petition of TNE and, on merit, give it partial approval recognizing that there are elements for termination of Concession Agreement No. 003 / 2012- ANEEL; And (ii) forward the records of this Administrative Process to the Ministry of Mines and Energy with recommendations for:

(A) terminate the Concession Agreement, by way of breach, pursuant to article 472 of the Civil Code, or any other form it deems appropriate;

(B) in the event of breach of the Contract, appoint a body or entity of the federal administration, in this case Eletronorte, to continue the provision of the public transmission service related to the CER of SE Boa Vista, until a subsequent decision establishes a reversion of the assets in service, and the Granting Authority may grant the concession without prior reversal of the assets linked to the respective public service; and

(C) in the event of breach of the Agreement, to consider as a reference for the indemnification of the assets in service, the criterion of the new replacement value, written off the depreciation occurred in the period, in an accounting report to be audited by ANEEL, being prohibited the indemnification of Assets that were not in service.

Currently, the consortium is awaiting the definition of the Ministério de Minas e Energia (MME) regarding the extinction of the concession and the amount of compensation.

TNE maintains ongoing property, plant and equipment related to studies and environmental and licensing projects already incurred throughout the project, for which we are already part of our request for friendly termination of restitution through indemnification of these amounts.

While these issues are not resolved, the TNE declares that the execution of the project is not viable remaining request to ANEEL the amicable termination of the concession contract with the payment of compensation for losses and damages suffered by the Company.

On March 31, 2017 the Company has no costs or costs involved that have not been recorded.

We emphasize that the SE Boa Vista is - in commercial operation since May 2015, generating revenue equivalent to 4% of the Receita anual permitida- RAP total venture.

11. Investments in subsidiaries

Parent company						
Investments evaluated by equity accounting:	Balance on 12/31/2016	Additions	Cumulative translation adjustments	Dividends / Interest on equity	Equity accounting	Balance on 03/31/2017
Subsidiaries						
Transminas Holding S.A.	67,570	-	-	-	4,128	71,698
Foz do Rio Claro Energia S.A.	123,338	-	-	-	869	124,207
Ijuí Energia S.A.	253,756	-	-	-	4,440	258,196
Usina Paulista Lavrinhas de Energia S.A.	88,205	-	-	-	4,292	92,497
Usina Paulista Queluz de Energia S.A.	116,965	-	-	-	4,435	121,400
Ferreira Gomes Energia S.A	823,617	1,000	-	-	4,754	829,371
Empresa Amazonense de Transmissão de Energia S.A.	355,611	-	-	(22,838)	24,791	357,564
Sistema de Transmissão Nordeste S.A.	204,212	-	-	-	12,290	216,502
Empresa de Transmissão do Espirito Santo S.A.	64,325	-	-	-	2,016	66,341
Empresa Paraense de Transmissão de Energia S.A.	82,399	-	-	(5,327)	5,061	82,133
Empresa Norte de Transmissão de Energia S.A.	183,464	-	-	(18,551)	16,600	181,513
Empresa Regional de Transmissão de Energia S.A.	35,175	-	-	(3,770)	2,158	33,563
Empresa Catarinense de Transmissão de Energia S.A.	85,616	-	-	(22,469)	4,813	67,960
Empresa de Transmissão de Energia do Mato Grosso S.A.	45,408	-	-	-	1,031	46,439
Empresa de Transmissão de Varzea Grande S.A.	20,201	-	-	-	1,722	21,923
Empresa Litorânea de Transmissão de Energia S.A.	966	-	-	-	329	1,295
Lumitrans - Companhia Transmissora de Energia Elétrica	16,863	-	-	(1,392)	730	16,201
Sistema de Transmissão Catarinense S.A.	49,206	-	-	(3,135)	1,701	47,772
Risaralda Energía S.A.S.E.S.P.	-	-	43	-	(30)	13
La Virgen S.A.C.	20,381	-	(1,804)	-	1,241	19,818
Empresa Transmissora Agreste Potiguar S.A.	11	-	-	2	96	109
Empresa Transmissora Capixaba S.A.	10	-	-	2	51	63
Transmissora Paraíso Energia S.A.	160,572	1	-	-	-	160,573
Transmissora Caminho do Café S.A.	11,350	1	-	-	-	11,351
Windepar Holding S.A.	-	-	-	-	(2,621)	(2,621)
Alupar Colômbia S.A.S.	-	-	1,542	-	(8,498)	(6,956)
Total	**2,809,221**	**1,002**	**(219)**	**(77,478)**	**86,399**	**2,818,925**

Changes in the provision for capital deficiency

Parent company					
Investments evaluated by equity accounting:	Balance on 12/31/2016	Advances for future capital increase not paid up	Cumulative translation adjustments	Equity accounting	Balance on 03/31/2017
Subsidiaries					
Alupar Inversiones Peru S.A.C.	(7,151)	(12,878)	(13,819)	9,971	(23,877)
Alupar Chile Inversiones SpA	(1,523)	-	-	-	(1,523)
Geração de Energia Termoelétrica e Participações S.A.	(393)	-	-	-	(393)
ACE Comercializadora Ltda.	(1,032)	-	-	(15)	(1,047)
AF Energia S.A.	(1,319)	-	-	(1,007)	(2,326)
Verde 8 Energia S.A.	(11)	-	-	(14)	(25)
Agua Limpa S.A.	(14)	-	-	-	(14)
Total	**(11,443)**	**(12,878)**	**(13,819)**	**8,935**	**(29,205)**

Information on total shares or units of interest and a summary of financial data of subsidiaries are as follows:

Parent company								
Company	3/31/2017				12/31/2016			
	Capital stock – total number of shares or quotas	Number of shares or quotas held by the Company			Capital stock – total number of shares or quotas	Number of shares or quotas held by the Company		
		Common	Preferred	Total		Common	Preferred	Total
Subsidiaries								
Alupar Inversiones Peru S.A.C.	17,696,612	17,696,611	-	17,696,611	4,222,679	4,222,678	-	4,222,678
Alupar Chile Inversiones SpA	5,000,000	5,000,000	-	5,000,000	5,000,000	5,000,000	-	5,000,000
Transminas Holding S.A.	44,860,000	31,409,499	499	31,409,998	44,860,000	31,409,499	499	31,409,998
Foz do Rio Claro Energia S.A.	108,708,978	67,717,178	4,099,180	71,816,358	108,708,978	67,717,178	4,099,180	71,816,358
Ijuí Energia S.A.	315,106,452	273,064,862	-	273,064,862	315,106,452	273,064,862	-	273,064,862
Usina Paulista Lavrinhas de Energia S.A.	67,383,430	43,252,860	-	43,252,860	67,383,430	43,252,860	-	43,252,860
Usina Paulista Queluz de Energia S.A.	96,782,146	66,615,409	-	66,615,409	96,782,146	66,615,409	-	66,615,409
Ferreira Gomes Energia S.A	784,828,529	784,828,528	-	784,828,528	783,828,529	783,828,528	-	783,828,528
Geração de Energia Termoelétrica e Participações S.A.	1,200	612	-	612	1,200	612	-	612
Empresa Amazonense de Transmissão de Energia S.A.	180,000,010	46,020,150	44,011,576	90,031,726	180,000,010	46,020,150	44,011,576	90,031,726
Sistema de Transmissão Nordeste S.A.	198,000,000	100,980,000	-	100,980,000	198,000,000	100,980,000	-	100,980,000
Empresa de Transmissão do Espirito Santo S.A.	29,064,000	29,063,999	-	29,063,999	29,064,000	29,063,999	-	29,063,999
Empresa Paraense de Transmissão de Energia S.A.	45,000,010	13,505,150	9,001,851	22,507,001	45,000,010	13,505,150	9,001,851	22,507,001
Empresa Norte de Transmissão de Energia S.A.	100,840,000	50,431,150	-	50,431,150	100,840,000	50,431,150	-	50,431,150
Empresa Regional de Transmissão de Energia S.A.	84,133,970	18,475,373	-	18,475,373	84,133,970	18,475,373	-	18,475,373
Empresa Catarinense de Transmissão de Energia S.A.	42,095,000	21,056,862	-	21,056,862	42,095,000	21,056,862	-	21,056,862
Empresa de Transmissão de Energia do Mato Grosso S.A.	43,000,000	27,000,000	-	27,000,000	43,000,000	27,000,000	-	27,000,000
Empresa de Transmissão de Varzea Grande S.A.	9,398,795	9,398,794	-	9,398,794	9,398,795	9,398,794	-	9,398,794
Empresa Litorânea de Transmissão de Energia S.A.	10,000	9,999	-	9,999	10,000	9,999	-	9,999
Lumitrans - Companhia Transmissora de Energia Elétrica	72,012,095	10,801,280	-	10,801,280	72,012,095	10,801,280	-	10,801,280
Sistema de Transmissão Catarinense S.A.	211,003,246	42,200,649	-	42,200,649	211,003,246	42,200,649	-	42,200,649
ACE Comercializadora Ltda.	2,320,644	2,320,643	-	2,320,643	2,320,644	2,320,643	-	2,320,643
AF Energia S.A.	40,000	39,997	-	39,997	40,000	39,997	-	39,997
Boa Vista Participações S.A.	1,000	800	-	800	1,000	800	-	800
Risaralda Energía S.A.S.E.S.P.	29,093	28,983	-	28,983	29,093	29,083	-	29,083
Forquilha IV Energia S.A.	10,000	9,999	-	9,999	10,000	9,999	-	9,999
Verde 8 Energia S.A.	1,000	999	-	999	1,000	999	-	999
Agua Limpa S.A.	10,000	9,000	-	9,000	10,000	9,000	-	9,000
La Virgen S.A.C.	177,648,003	14,106,986	-	14,106,986	84,805,717	10,622,161	-	10,622,161
Energia dos Ventos I S.A.	47,830,836	-	-	-	47,830,836	-	-	-
Energia dos Ventos II S.A.	24,926,816	-	-	-	24,926,816	-	-	-
Energia dos Ventos III S.A.	33,934,534	-	-	-	33,934,534	-	-	-
Energia dos Ventos IV S.A.	81,644,013	-	-	-	81,644,013	-	-	-
Energia dos Ventos X S.A.	33,906,759	-	-	-	33,906,759	-	-	-
Empresa Transmissora Agreste Potiguar S.A.	5,000	4,999	-	4,999	5,000	4,999	-	4,999
Empresa Transmissora Capixaba S.A.	5,000	4,999	-	4,999	5,000	4,999	-	4,999
Transmissora Paraíso Energia S.A.	1,000	990	-	990	-	-	-	-
Transmissora Caminho do Café S.A.	1,000	990	-	990	-	-	-	-
Windepar Holding S.A.	164,832,956	164,832,956	-	164,832,956	164,832,956	164,832,956	-	164,832,956
Alupar Colômbia S.A.S.	29,399,477,030	29,399,477,030	-	29,399,477,030	29,399,477,030	29,399,477,030	-	29,399,477,030

Company	Parent company							
	3/31/2017				12/31/2016			
	Shareholders' Equity (unsecured liability)	Goodwill arising from the expectation of future profitability	Interest of Alupar		Shareholders' Equity (unsecured liability)	Goodwill arising from the expectation of future profitability	Interest of Alupar	
			on the capital stock	on shareholder s' equity			on the capital stock	on shareholders' equity
Subsidiaries								
Alupar Inversiones Peru S.A.C.	(23,874)	-	100.00%	(23,877)	(7,150)	-	100.00%	(7,151)
Alupar Chile Inversiones SpA	(1,521)	-	100.00%	(1,523)	(1,521)	-	100.00%	(1,523)
Transminas Holding S.A.	102,401	-	70.02%	71,698	96,505	-	70.02%	67,570
Foz do Rio Claro Energia S.A.	188,013	-	66.06%	124,207	186,697	-	66.06%	123,338
Ijuí Energia S.A.	297,949	-	86.66%	258,196	292,825	-	86.66%	253,756
Usina Paulista Lavrinhas de Energia S.A.	144,100	-	64.19%	92,497	137,413	-	64.19%	88,205
Usina Paulista Queluz de Energia S.A.	176,377	-	68.83%	121,400	169,933	-	68.83%	116,965
Ferreira Gomes Energia S.A	829,371	-	100.00%	829,371	823,619	-	100.00%	823,617
Geração de Energia Termoelétrica e Participações S.A.	(773)	-	51.00%	(393)	(773)	-	51.00%	(393)
Empresa Amazonense de Transmissão de Energia S.A.	714,880	-	50.02%	357,564	710,972	-	50.02%	355,611
Sistema de Transmissão Nordeste S.A.	424,514	-	51.00%	216,502	400,415	-	51.00%	204,212
Empresa de Transmissão do Espirito Santo S.A.	66,335	-	100.00%	66,341	64,324	-	100.00%	64,325
Empresa Paraense de Transmissão de Energia S.A.	164,213	-	50.02%	82,133	164,748	-	50.02%	82,399
Empresa Norte de Transmissão de Energia S.A.	362,946	-	50.01%	181,513	366,846	-	50.01%	183,464
Empresa Regional de Transmissão de Energia S.A.	152,841	-	21.96%	33,563	160,182	-	21.96%	35,175
Empresa Catarinense de Transmissão de Energia S.A.	135,854	-	50.02%	67,960	171,153	-	50.02%	85,616
Empresa de Transmissão de Energia do Mato Grosso S.A.	73,958	-	62.79%	46,439	72,318	-	62.79%	45,408
Empresa de Transmissão de Varzea Grande S.A.	21,924	-	100.00%	21,923	20,201	-	100.00%	20,201
Empresa Litorânea de Transmissão de Energia S.A.	1,296	-	99.99%	1,295	967	-	99.99%	966
Lumitrans - Companhia Transmissora de Energia Elétrica	108,010	-	15.00%	16,201	112,424	-	15.00%	16,863
Sistema de Transmissão Catarinense S.A.	238,859	-	20.00%	47,772	246,031	-	20.00%	49,206
ACE Comercializadora Ltda.	(1,046)	-	100.00%	(1,047)	(1,031)	-	100.00%	(1,032)
AF Energia S.A.	(2,328)	-	99.99%	(2,326)	(1,320)	-	99.99%	(1,319)
Risaralda Energía S.A.S.E.S.P.	4,115	-	0.34%	13	12,578	-	0.00%	-
Forquilha IV Energia S.A.	-	-	99.99%	-	(1)	-	99.99%	-
Verde 8 Energia S.A.	(25)	-	99.90%	(25)	(11)	-	99.90%	(11)
Agua Limpa S.A.	(16)	-	90.00%	(14)	(16)	-	90.00%	(14)
La Virgen S.A.C.	171,977	6,165	7.94%	19,818	113,515	6,165	12.53%	20,381
Empresa Transmissora Agreste Potiguar S.A.	109	-	99.98%	109	11	-	99.98%	11
Empresa Transmissora Capixaba S.A.	60	-	99.98%	63	11	-	99.98%	10
Transmissora Paraíso Energia S.A.	1	-	99.00%	1	-	-	0.00%	-
Transmissora Caminho do Café S.A.	1	-	99.00%	1	-	-	0.00%	-
Windepar Holding S.A.	157,943	-	100.00%	157,951	160,571	-	100.00%	160,572
Alupar Colômbia S.A.S.	4,388	-	100.00%	4,394	11,350	-	100.00%	11,350
Total				**2,789,720**				**2,797,778**

Company	Parent Company							
	Data from subsidiaries/investees with shared control							
	3/31/2017							
	Assets	Liabilities	Net revenue	Operating costs and expenses	Equity accounting	Financial Income	Current and deferred IRPJ and CSLL	Income (loss) for the period
Subsidiaries								
Alupar Inversiones Peru S.A.C.	137,097	160,971	-	(222)	10,924	(731)	-	9,971
Alupar Chile Inversiones SpA	384	1,905	-	-	-	-	-	-
Transminas Holding S.A.	121,133	18,732	-	(11)	5,854	66	(13)	5,896
Foz do Rio Claro Energia S.A.	372,741	184,728	17,957	(12,992)	-	(3,176)	(473)	1,316
Ijuí Energia S.A.	460,568	162,619	15,193	(6,731)	-	(2,931)	(407)	5,124
Usina Paulista Lavrinhas de Energia S.A.	245,579	101,479	12,555	(4,175)	-	(1,412)	(281)	6,687
Usina Paulista Queluz de Energia S.A.	288,059	111,682	12,550	(4,173)	-	(1,721)	(212)	6,444
Ferreira Gomes Energia S.A	1,631,891	802,520	45,678	(22,836)	-	(15,681)	(2,407)	4,754
Geração de Energia Termoelétrica e Participações S.A.	99	872	-	-	-	-	-	-
Empresa Amazonense de Transmissão de Energia S.A.	1,434,448	719,568	67,422	(7,286)	15,910	(18,338)	(8,144)	49,564
Sistema de Transmissão Nordeste S.A.	783,931	359,417	36,734	(4,118)	-	(4,227)	(4,290)	24,099
Empresa de Transmissão do Espirito Santo S.A.	90,012	68,088	2,789	(303)	-	(204)	(559)	1,723
Empresa Paraense de Transmissão de Energia S.A.	247,821	83,608	13,312	(2,071)	2,610	(1,816)	(1,918)	10,117
Empresa Norte de Transmissão de Energia S.A.	738,098	375,152	43,920	(3,283)	5,306	(7,675)	(5,075)	33,193
Empresa Regional de Transmissão de Energia S.A.	162,464	9,623	10,246	(849)	-	1,190	(760)	9,827
Empresa Catarinense de Transmissão de Energia S.A.	337,360	201,506	13,042	(1,956)	4,777	(3,359)	(2,885)	9,619
Empresa de Transmissão de Energia do Mato Grosso S.A.	122,821	48,863	3,626	(702)	-	(685)	(599)	1,640
Empresa de Transmissão de Varzea Grande S.A.	90,012	68,088	2,789	(303)	-	(204)	(559)	1,723
Empresa Litorânea de Transmissão de Energia S.A.	10,282	8,986	470	(141)	-	-	-	329
Lumitrans - Companhia Transmissora de Energia Elétrica	113,336	5,326	5,397	(489)	-	228	(270)	4,866
Sistema de Transmissão Catarinense S.A.	251,493	12,634	9,458	(828)	-	376	(493)	8,513
ACE Comercializadora Ltda.	56	1,102	-	(16)	-	1	-	(15)
AF Energia S.A.	2,574	4,902	1,834	(2,847)	-	5	-	(1,008)
Risaralda Energía S.A.S.E.S.P.	147,323	143,208	5,065	(2,729)	-	(20,641)	9,864	(8,441)
Forquilha IV Energia S.A.	405	405	-	-	-	1	-	1
Verde 8 Energia S.A.	53,055	53,080	-	(14)	-	-	-	(14)
Agua Limpa S.A.	7,343	7,359	-	-	-	-	-	-
La Virgen S.A.C.	495,955	323,978	-	(223)	-	15,858	-	15,635
Energia dos Ventos I S.A.	115,060	71,463	3,167	(1,424)	-	(1,435)	(109)	199
Energia dos Ventos II S.A.	65,802	45,812	1,464	(754)	-	(752)	(62)	(104)
Energia dos Ventos III S.A.	96,432	64,889	2,889	(1,132)	-	(1,095)	(103)	559
Energia dos Ventos IV S.A.	164,300	86,063	3,837	(1,951)	-	(1,793)	(167)	(74)
Energia dos Ventos X S.A.	87,848	57,098	2,257	(1,177)	-	(1,156)	(85)	(161)
Empresa Transmissora Agreste Potiguar S.A.	3,927	3,818	1,323	(1,227)	-	-	-	96
Empresa Transmissora Capixaba S.A.	2,811	2,751	1,431	(1,380)	-	-	-	51
Transmissora Paraíso Energia S.A.	619	618	-	-	-	-	-	-
Transmissora Caminho do Café S.A.	357	356	-	-	-	-	-	-
Windepar Holding S.A.	270,675	112,732	-	(402)	419	(2,638)	-	(2,621)
Alupar Colômbia S.A.S.	8,056	3,668	-	(49)	(8,445)	(4)	-	(8,498)

Company	Parent company							
	Data from subsidiaries/investees with shared control							
	12/31/2016							
	Assets	Liabilities	Net revenue	Operating costs and expenses	Equity accounting	Financial Income	Current and deferred IRPJ and CSLL	Income (loss) for the year
Subsidiaries								
Alupar Inversiones Peru S.A.C.	142,509	149,658	-	(817)	12,954	(3,059)	-	9,078
Alupar Chile Inversiones SpA	34	1,555	-	(318)	-	(1)	-	(319)
Transminas Holding S.A.	115,226	18,721	-	(112)	22,972	178	(16)	23,022
Foz do Rio Claro Energia S.A.	371,961	185,264	59,962	(27,291)	-	(15,393)	(6,015)	11,263
Ijuí Energia S.A.	458,582	165,757	48,810	(25,617)	-	(14,300)	(2,096)	6,797
Usina Paulista Lavrinhas de Energia S.A.	241,710	104,297	54,169	(17,284)	-	(5,885)	(2,654)	28,346
Usina Paulista Queluz de Energia S.A.	284,854	114,921	54,101	(17,070)	-	(7,091)	(2,424)	27,516
Ferreira Gomes Energia S.A	1,609,899	786,280	166,834	(111,032)	-	(70,821)	5,040	(9,979)
Geração de Energia Termoelétrica e Participações S.A.	99	872	-	(1)	-	-	-	(1)
Empresa Amazonense de Transmissão de Energia S.A.	466,402	739,160	304,039	(29,580)	62,575	(81,235)	(22,610)	233,189
Sistema de Transmissão Nordeste S.A.	768,191	367,776	159,141	(20,444)	-	(26,514)	(30,423)	81,760
Empresa de Transmissão do Espirito Santo S.A.	97,165	32,841	12,944	(2,631)	-	(1,516)	(1,694)	7,103
Empresa Paraense de Transmissão de Energia S.A.	256,846	92,098	63,811	(9,606)	10,413	(10,050)	(5,441)	49,127
Empresa Norte de Transmissão de Energia S.A.	760,444	393,598	191,602	(14,840)	20,285	(37,414)	(16,967)	142,666
Empresa Regional de Transmissão de Energia S.A.	170,449	10,267	44,638	(6,445)	-	1,719	(2,273)	37,639
Empresa Catarinense de Transmissão de Energia S.A.	416,263	245,110	51,801	(6,049)	21,469	(18,207)	(6,686)	42,328
Empresa de Transmissão de Energia do Mato Grosso S.A.	121,602	49,284	17,759	(5,606)	-	(2,622)	(2,272)	7,259
Empresa de Transmissão de Varzea Grande S.A.	89,454	69,253	26,716	(16,425)	-	(920)	(3,653)	5,718
Empresa Litorânea de Transmissão de Energia S.A.	9,953	8,986	3,776	(2,725)	-	(1)	-	1,050
Lumitrans - Companhia Transmissora de Energia Elétrica	37,217	5,638	23,650	(3,199)	-	487	(983)	19,955
Sistema de Transmissão Catarinense S.A.	62,656	15,264	45,894	(12,136)	-	743	(2,109)	32,392
ACE Comercializadora Ltda.	71	1,102	8	(43)	-	8	-	(27)
AF Energia S.A.	2,315	3,635	9,895	(11,476)	-	60	-	(1,521)
Forquilha IV Energia S.A.	404	405	-	(5)	-	-	-	(5)
Verde 8 Energia S.A.	45,730	45,741	-	-	-	-	-	-
Agua Limpa S.A.	7,294	7,310	-	(14)	-	-	-	(14)
La Virgen S.A.C.	517,022	403,507	-	16,969	-	7,718	-	24,687
Empresa Transmissora Agreste Potiguar S.A.	3,019	3,008	2,334	(2,326)	-	-	-	8
Empresa Transmissora Capixaba S.A.	2,238	2,227	1,201	(1,193)	-	-	-	8
Windepar Holding S.A.	252,855	92,291	-	(201)	(17,711)	(278)	-	(18,190)
Alupar Colômbia S.A.S.	14,001	2,657	-	(281)	(1,482)	(924)	-	(2,687)

Windepar

The Windepar participates in five wind power companies in Brazil, as follows:

Companies	Location / Connection	Authorizing Resolution No	Concession Term/ Authorization		Start date of Operation	Installed Capacity (MW)	Electric power guaranteed - MW	Power by Machine	ANEEL Authorization - Commercial operation start	
			Start Date	End					ANEEL Authorization	Commercial operation
Energia dos Ventos I S.A.	Aracati (CE)	431/2012	07/17/12	07/17/47	04/22/16	23.100 kW	11.8	2.100 kw	1.327/2016	04/22/16
Energia dos Ventos II S.A.	Aracati (CE)	428/2012	07/16/12	07/16/47	05/13/16	12.600 kW	5.8	2.100 kw	1.538/2016	05/13/16
Energia dos Ventos III S.A.	Aracati (CE)	433/2012	07/19/12	07/19/47	03/03/16	18.900 kW	9.6	2.100 kw	1.326/2016	03/03/16
Energia dos Ventos IV S.A.	Aracati (CE)	442/2012	07/24/12	07/24/47	03/02/16	27.300 kW	14.8	2.100 kw	690/2016	03/02/16
Energia dos Ventos X S.A.	Aracati (CE)	435/2012	07/19/12	07/19/47	03/02/16	16.800 kW	8.7	2.100 kw	1.051/2016	03/02/16
Total						**98,700 KW**				

The purpose of the controlled companies is the implementation, operation, maintenance and operation of wind power generation facilities, and their transmission system, associated with other complementary works, as described in Auction Notice No. 07/2011 - ANEEL. Linked to the authorization given by the Controlled Companies as Independent Producer of Electric Energy, Electric Energy Commercialization Contracts in the Regulated Environment ("CCEAR") entered into with several distribution concessionaires that participated in Auction # 07/2011, which had the purpose of Contracting (A-5/2011), in the Regulated Contracting Environment (ACR), promoted by ANEEL. The CCEARs are valid for the period from January 1, 2016 to December 31, 2035 and adjusted annually by the IPCA.

Transmission line implementation: Due to the expiration of the concession granted to SPE BR Transmissora Cearense de Energia Ltda, responsible for the construction and implementation of the Transmission of Restricted Interest Facility for Shared Connection of Generation Plants - ICG Substation Aracati III, in July 26, 2016, ANEEL published Despacho nº 1987, which establishes I) the interruption of the installation of the 138 kV restricted-interest facilities of the controlled companies; II) approves the change of the connection point of the controlled companies to the Russian Substation II, at 230 kV; III) establishes that the controlled companies, also known as EOL Goiabeira, EOL Ubatuba, EOL Santa Catarina, EOL Pitombeira and EOL Ventos de Horizonte jointly implant the restricted-interest transmission line in 230 kV to connect the CGEs - In the Russian Substation II, in up to 24 months, counted from the publication of said Office. For this reason, the controlled companies are exempt from the energy delivery provided in the CCEARs until the transmission line is finished.

In an attempt to compensate the aforementioned subsidiaries for the additional investment necessary not initially foreseen, ANEEL approved a discount on the Transmission System Use Rate (TUST) in favor of all generating plants in the amount of R $ 2,968 (restated annually by IPCA with Reference date April / 2016) until the deadline of December 31, 2035.

ELTE

In the pre-operational phase, with commercial start-up expected to occur until 09/05/2017. The concession contract number 016/2014 for a term of 30 years, valid until 2044.

This project has a justifiable displacement in the schedule, regarding the environmental licensing. ELTE is making its best efforts to obtain the Environmental Licenses from the environmental agency of the State of São Paulo - Companhia Ambiental do Estado de São Paulo ("CETESB"), the environmental licensing process has been prolonged for reasons not manageable by ELTE , Resulting in the displacement of the schedule originally established in Concession Agreement No. 016/2014.

The Preliminary License of the Domênico Rangoni substation 345/138 kV and its respective transmission lines was scheduled for October 2015, however, due to the unfavorable manifestation of the Regional Protection Service for Flight of São Paulo (SRPV-SP), responsible for Santos Air Base, the issuance of the Previous License remains pending.

Additionally, the issuance of the Preliminary License of the 230/88 kV Manoel da Nóbrega substation and its respective transmission line also scheduled for October 2015 remains pending, since FUNAI's manifestation was only issued in December 2016, leaving only the process Together with the State Environmental Council (CONSEMA) for later manifestation of the licensing body CETESB.

12. Interests of non-controlling shareholders

The following tables summarize information regarding each of the subsidiaries of the Company, which has non-controlling shareholders, before any intra-group eliminations.

a) The changes in the balance of the participation of Non-Controlling Shareholders is as follows:

Company	Balance of interest of shareholders non-controlling					
	In equity of subsidiaries in 12/31/2016	In capital increase / additions	In dividends and interest on equity declared	In income (loss) for the year	Variation on interest of non-controlling shareholders	In equity of subsidiaries in 3/31/2017
Direct subsidiary:						
Transminas Holding S.A.	28,934	-	-	1,768	-	30,702
Lumitrans - Companhia Transmissora de Energia Elétrica	5,622	-	(464)	243	-	5,401
Sistema de Transmissão Catarinense S.A.	45,393	-	(2,893)	1,570	-	44,070
Empresa Amazonense de Transmissão de Energia S.A.	355,361	-	(22,820)	24,773	-	357,314
Empresa Paraense de Transmissão de Energia S.A.	82,349	-	(5,325)	5,057	-	82,081
Empresa Catarinense de Transmissão de Energia S.A.	85,538	-	(22,448)	4,807	-	67,897
Empresa Norte de Transmissão de Energia S.A.	183,382	-	(18,542)	16,593	-	181,433
Empresa Regional de Transmissão de Energia S.A.	125,006	-	(13,397)	7,669	-	119,278
Empresa de Transmissão de Energia do Mato Grosso S.A.	26,909	-	-	610	-	27,519
Sistema de Transmissão Nordeste S.A.	196,202	-	-	11,810	-	208,012
Foz do Rio Claro Energia S.A.	63,359	-	-	447	-	63,806
Ijuí Energia S.A.	39,069	-	-	683	-	39,752
Usina Paulista Lavrinhas de Energia S.A.	49,208	-	-	2,395	-	51,603
Usina Paulista Queluz de Energia S.A.	52,968	-	-	2,008	-	54,976
Geração de Energia Termoelétrica e Participações S.A.	(380)	-	-	-	-	(380)
Risaralda Energía S.A.S.E.S.P.	-	-	-	(3)	-	(3)
La Virgen S.A.C. *	39,730	26,394	-	3,462	(31,423)	38,163
Agua Limpa S.A.	(2)	-	-	-	-	(2)
	1,378,648	26,394	(85,889)	83,892	(31,423)	1,371,622
Indirect subsidiaries:						
Empresa Brasileira de Transmissão de Energia S.A.	204,758	-	-	3,434	-	208,192
Companhia Transleste de Transmissão	47,963	-	-	3,078	-	51,041
Companhia Transudeste de Transmissão	50,408	-	-	2,451	-	52,859
Companhia Transirapé de Transmissão	57,680	-	-	2,893	-	60,573
	360,809	-	-	11,856	-	372,665
Indirect investments (*)						
Empresa Regional de Transmissão de Energia S.A.	(14,473)	-	1,551	(887)	-	(13,809)
Companhia Transleste de Transmissão	(4,064)	-	-	(260)	-	(4,324)
Companhia Transudeste de Transmissão (**)	(4,270)	-	-	(208)	-	(4,478)
Companhia Transirapé de Transmissão	(4,889)	-	-	(242)	-	(5,131)
	(27,696)	-	1,551	(1,597)	-	(27,742)
Indirect investments (**)						
Empresa Regional de Transmissão de Energia S.A.	(30,440)	-	3,263	(1,869)	-	(29,046)
Sistema de Transmissão Catarinense S.A.	(22,692)	-	1,433	(784)	-	(22,043)
	(53,132)	-	4,696	(2,653)	-	(51,089)
	1,658,629	26,394	(79,642)	91,498	(31,423)	1,665,456

b) The Non-Controlling Interest in the equity of subsidiaries and indirect investments is as follows

Interest of shareholders non-controlling in equity of subsidiaries and indirect investments	3/31/2017			12/31/2016		
	Percentage of non-controlling	Equity (Unsecured liability)	Book value of non-controlling	Percentage of non-controlling	Equity (Unsecured liability)	Book value of non-controlling
Direct subsidiary:						
Transminas Holding S.A.	29.98%	102,401	30,702	29.98%	96,505	28,934
Lumitrans - Companhia Transmissora de Energia Elétrica	5.00%	108,010	5,401	5.00%	112,424	5,622
Sistema de Transmissão Catarinense S.A.	18.45%	238,859	44,070	18.45%	246,031	45,393
Empresa Amazonense de Transmissão de Energia S.A.	49.98%	714,880	357,314	49.98%	710,972	355,361
Empresa Paraense de Transmissão de Energia S.A.	49.98%	164,213	82,081	49.98%	164,748	82,349
Empresa Catarinense de Transmissão de Energia S.A.	49.98%	135,854	67,897	49.98%	171,153	85,538
Empresa Norte de Transmissão de Energia S.A.	49.99%	362,946	181,433	49.99%	366,846	183,382
Empresa Regional de Transmissão de Energia S.A.	78.04%	152,841	119,278	78.04%	160,182	125,006
Empresa de Transmissão de Energia do Mato Grosso S.A.	37.21%	73,958	27,519	37.21%	72,318	26,909
Sistema de Transmissão Nordeste S.A.	49.00%	424,514	208,012	49.00%	400,415	196,202
Foz do Rio Claro Energia S.A.	33.94%	188,013	63,806	33.94%	186,697	63,359
Ijuí Energia S.A.	13.34%	297,949	39,752	13.34%	292,825	39,069
Usina Paulista Lavrinhas de Energia S.A.	35.81%	144,100	51,603	35.81%	137,413	49,208
Usina Paulista Queluz de Energia S.A.	31.17%	176,377	54,976	31.17%	169,933	52,968
Geração de Energia Termoelétrica e Participações S.A.	49.00%	(773)	(380)	49.00%	(773)	(380)
Risaralda Energía S.A.S.E.S.P.	0.03%	4,115	(3)	0.00%	12,578	-
La Virgen S.A.C.	22.19%	171,977	38,163	35.00%	113,515	39,730
Agua Limpa S.A.	10.00%	(16)	(2)	10.00%	(16)	(2)
Transmissora Paraíso Energia S.A.	10.00%	1	-	0.00%	-	-
Transmissora Caminho do Café S.A.	10.00%	1	-	0.00%	-	-
		3,460,219	1,371,622		3,413,766	1,378,648
Indirect subsidiaries:						
Empresa Brasileira de Transmissão de Energia S.A.	49.00%	424,881	208,192	49.00%	417,873	204,758
Companhia Transleste de Transmissão	59.00%	86,511	51,041	59.00%	81,293	47,963
Companhia Transudeste de Transmissão	59.00%	89,592	52,859	59.00%	85,438	50,408
Companhia Transirapé de Transmissão	59.00%	102,666	60,573	59.00%	97,763	57,680
		703,650	372,665		682,367	360,809
Indirect investments (*)						
Empresa Regional de Transmissão de Energia S.A.	9.04%	152,841	(13,809)	9.04%	160,182	(14,473)
Companhia Transleste de Transmissão	5.00%	86,511	(4,324)	5.00%	81,293	(4,064)
Companhia Transudeste de Transmissão (**)	5.00%	89,592	(4,478)	5.00%	85,438	(4,270)
Companhia Transirapé de Transmissão	5.00%	102,666	(5,131)	5.00%	97,763	(4,889)
		431,610	(27,742)		424,676	(27,696)
Indirect investments (**)						
Empresa Regional de Transmissão de Energia S.A.	19.00%	152,841	(29,046)	19.00%	160,182	(30,440)
Sistema de Transmissão Catarinense S.A.	9.22%	238,859	(22,043)	9.22%	246,031	(22,692)
		391,700	(51,089)		406,213	(53,132)
		4,987,179	1,665,456		4,927,022	1,658,629

c) The Non-Controlling Interest in subsidiaries and indirect investments is as follows:

Interest of shareholders non-controlling in income (loss) for the period of subsidiaries and indirect investments	3/31/2017			3/31/2016		
	Percentage of non-controlling	Income (loss) for the period	Income (loss) for the period allocated to non-controlling	Percentage of non-controlling	Income (loss) for the period	Income (loss) for the period allocated to non-controlling
Direct subsidiary:						
Transminas Holding S.A.	29.98%	5,896	1,768	29.98%	5,542	1,661
Lumitrans - Companhia Transmissora de Energia Elétrica	5.00%	4,866	243	5.00%	4,294	215
Sistema de Transmissão Catarinense S.A.	18.45%	8,513	1,570	18.45%	7,680	1,416
Empresa Amazonense de Transmissão de Energia S.A.	49.98%	49,564	24,773	49.98%	56,574	28,341
Empresa Paraense de Transmissão de Energia S.A.	49.98%	10,117	5,057	49.98%	10,285	5,141
Empresa Catarinense de Transmissão de Energia S.A.	49.98%	9,619	4,807	49.98%	13,612	6,803
Empresa Norte de Transmissão de Energia S.A.	49.99%	33,193	16,593	49.99%	27,899	13,946
Empresa Regional de Transmissão de Energia S.A.	78.04%	9,827	7,669	78.04%	9,479	7,397
Empresa de Transmissão de Energia do Mato Grosso S.A.	37.21%	1,640	610	37.21%	2,025	753
Sistema de Transmissão Nordeste S.A.	49.00%	24,099	11,810	49.00%	26,296	12,886
Foz do Rio Claro Energia S.A.	33.94%	1,316	447	36.20%	2,014	729
Ijuí Energia S.A.	13.34%	5,124	683	13.34%	(190)	(22)
Usina Paulista Lavrinhas de Energia S.A.	35.81%	6,687	2,395	35.81%	5,428	1,944
Usina Paulista Queluz de Energia S.A.	31.17%	6,444	2,008	31.17%	4,998	1,557
Geração de Energia Termoelétrica e Participações S.A.	49.00%	-	-	49.00%	(1)	(1)
Risaralda Energía S.A.S.E.S.P.	0.03%	(8,441)	(3)	0.03%	(2,068)	(1)
La Virgen S.A.C. (*)	22.19%	15,635	3,462	35.00%	1,174	411
Agua Limpa S.A.	10.00%	-	-	10.00%	-	(1)
Transmissora Paraíso Energia S.A.	10.00%	-	-	0.00%	-	-
Transmissora Caminho do Café S.A.	10.00%	-	-	0.00%	-	-
		184,099	83,892		175,041	83,175
Indirect subsidiaries:						
Empresa Brasileira de Transmissão de Energia S.A.	49.00%	7,008	3,434	49.00%	7,468	3,659
Companhia Transleste de Transmissão	59.00%	5,219	3,078	59.00%	5,038	2,972
Companhia Transudeste de Transmissão	59.00%	4,153	2,451	59.00%	3,960	2,336
Companhia Transirapé de Transmissão	59.00%	4,905	2,893	59.00%	4,467	2,635
		21,285	11,856		20,933	11,602
Indirect investments (*)						
Empresa Regional de Transmissão de Energia S.A.	9.04%	9,827	(887)	9.04%	9,479	(856)
Companhia Transleste de Transmissão	5.00%	5,219	(260)	5.00%	5,038	(251)
Companhia Transudeste de Transmissão	5.00%	4,153	(208)	5.00%	3,960	(198)
Companhia Transirapé de Transmissão	5.00%	4,905	(242)	5.00%	4,467	(223)
		24,104	(1,597)		22,944	(1,528)
Indirect investments (*)						
Empresa Regional de Transmissão de Energia S.A.	19.00%	9,827	(1,869)	19.00%	9,479	(1,801)
Sistema de Transmissão Catarinense S.A.	9.22%	8,513	(784)	9.22%	7,680	(708)
		18,340	(2,653)		17,159	(2,509)
		247,828	91,498		236,077	90,740

(*) Indirect non-controlling shareholders interest, from the controlled EATE.
(**) Indirect non-controlling shareholders interest, from the controlled ENTE.

Although not required by CPC 45 / IFRS 12, the Company reconciled the summarized financial reporting subsidiaries with non-controlling interests, with the total amounts present in the quarterly information.

13. Investment properties

	Parent Company/Consolidated	
	3/31/2017	12/31/2016
Opening balance	7,786	9,271
Write- offs	-	(1,485)
Final balance	**7,786**	**7,786**

The properties for the Company's investment include a series of land for future use.

14. Property, plant and equipment

PP&E are recorded at acquisition and/or construction cost, less accumulated depreciation.

Charts, for comparison purposes, with examples of some depreciation rates in accordance with Resolutions No. 674 of august 11, 2016 are as follows:

Hydraulic Generation	Resolution No. 674 (%)
Bus	2.50
Circuit breaker	3.03
Buildings	3.33
Water intake equipment	3.70
Water intake structure	2.86
Generator	3.33
Reservoirs, bus and water mains	2.00
Local communication system	6.67
Hydraulic turbine	2.50
Depreciation average rate, generation	3.32

Transmission	Resolution No. 674 (%)
Conductor	2.70
General equipment	6.25
System structure	2.70
Reconnectors	4.00
Depreciation average rate, transmission	3.91

The breakdown and changes in property, plant and equipment (Consolidated) are as follows:

	Consolidated								
	Average annual depreciation rate	12/31/2016	Additions	Write- offs	Transfers	Capitalization of net charges from financial revenues (b)	Profit/loss from the balance calculation	Others	3/31/2017
On service									
Historical cost									
Land		63,975	-	-	-	-	(13)	-	63,962
Reservoirs, bus and water mains		1,395,145	1	-	404	-	-	-	1,395,550
Buildings, civil works and improvements		416,630	2,168	(12,126)	-	-	-	-	406,672
Machinery and equipment		1,668,158	36	-	85	-	(4)	-	1,668,275
Vehicles		1,927	-	-	-	-	-	-	1,927
Furniture and fixtures		6,082	10	-	(67)	-	(5)	-	6,020
Total		**3,551,917**	**2,215**	**(12,126)**	**422**	**-**	**(22)**	**-**	**3,542,406**
Depreciation									
Reservoirs, bus and water mains	2.11%	(109,353)	(7,222)	-	-	-	-	-	(116,575)
Buildings, civil works and improvements	2.27%	(30,572)	(2,523)	-	-	-	-	(418)	(33,513)
Machinery and equipment	3.69%	(137,773)	(12,941)	-	-	-	5	404	(150,305)
Vehicles	15.24%	(975)	(140)	-	-	-	-	-	(1,115)
Furniture and fixtures	8.47%	(2,103)	(116)	-	-	-	2	13	(2,204)
Total Depreciation		**(280,776)**	**(22,942)**	**-**	**-**	**-**	**7**	**(1)**	**(303,712)**
Total in service		**3,271,141**	**(20,727)**	**(12,126)**	**422**	**-**	**(15)**	**(1)**	**3,238,694**
In progress		539,182	26,497	(123)	(422)	4,048	(13,158)	(18)	556,006
Total property, plant and equipment		**3,810,323**	**5,770**	**(12,249)**	**-**	**4,048**	**(13,173)**	**(19)**	**3,794,700**

	Consolidated								
	Average annual depreciation rate	12/31/2015	Additions	Write- offs	Transfers	Capitalization of net charges from financial revenues (b)	Profit/loss from the balance calculation	Others	12/31/2016
On service									
Historical cost									
Land		58,899	108	-	5,350	-	(382)	-	63,975
Reservoirs, bus and water mains		1,401,894	120	(1)	145	-	-	(7,013)	1,395,145
Buildings, civil works and improvements		331,119	33,590	-	60,963	-	(9,042)	-	416,630
Machinery and equipment		1,141,692	40,289	(3)	486,204	-	(24)	-	1,668,158
Vehicles		3,063	145	(1,215)	-	-	(66)	-	1,927
Furniture and fixtures		5,793	773	(114)	(150)	-	(220)	-	6,082
Total		**2,942,460**	**75,025**	**(1,333)**	**552,512**	**-**	**(9,734)**	**(7,013)**	**3,551,917**
Depreciation									
Reservoirs, bus and water mains	2.60%	(79,175)	(30,178)	-	-	-	-	-	(109,353)
Buildings, civil works and improvements	2.49%	(22,591)	(8,005)	-	-	-	24	-	(30,572)
Machinery and equipment	4.15%	(92,635)	(45,024)	-	-	-	14	(128)	(137,773)
Vehicles	12.74%	(1,543)	(267)	827	-	-	8	-	(975)
Furniture and fixtures	8.09%	(1,598)	(741)	56	-	-	51	129	(2,103)
Total Depreciation		**(197,542)**	**(84,215)**	**883**	**-**	**-**	**97**	**1**	**(280,776)**
Total in service		**2,744,918**	**(9,190)**	**(450)**	**552,512**	**-**	**(9,637)**	**(7,012)**	**3,271,141**
In progress		916,910	275,585	(1,118)	(552,512)	35,289	(22,982)	(111,990)	539,182
Total property, plant and equipment		**3,661,828**	**266,395**	**(1,568)**	**-**	**35,289**	**(32,619)**	**(119,002)**	**3,810,323**

a) Construction in progress

-La Virgen: is a small hydroelectric plant that will have an installed capacity of 84.0 MW and is under construction. As of March 31, 2017, the balance of this work in progress amounts to R $ 413,298.

-Verde 8: is a small hydroelectric plant that are going to have an installed capacity of 30.0 MW and is under construction. As of March 31, 2017, the balance of this work in progress amounts to R $ 45,870.

b) Capitalization of charges

The Company monthly capitalizes, at construction cost of construction in progress, interest on loans, financing and debentures acquired for the acquisition of PP&E items under construction. Interest on loans, financing and debentures capitalized as of March 31, 2017 amounted to R$ 4,485 (R$ 35,963 as of March 31, 2017), and was partially offset against income generated by investments exceeding cash, which amounted to R$ 437 as of March 31, 2017 (R$ 2,450 as of March 31, 2017). Accordingly, as of March 31, 2017, net financial charges capitalized amounted to R$ 4,048 (R$ 38,413 as of March 31, 2017). The interest rate used to determine the amount of loan costs subject to capitalization represents the effective interest rate of loans, financing and debentures of the Company. See notes 22 and 23.

c) Impairment of PP&E

As at March 31, 2017, there are no indications, through internal or external sources, of impairment of Company property, plant and equipment items.

d) Collateral or guarantees

The Company, its subsidiaries and joint ventures have not pledged any property, plant and items as collateral or guarantee.

15. Intangible assets

The breakdown of and changes in intangible assets is as follows:

Company:

	Parent company			
	Amortization annual average rate	12/31/2016	Additions	3/31/2017
Cost				
Other intangible from the concession		755	-	755
Intangible arising from acquisition of shares		8,157	-	8,157
		8,912	**-**	**8,912**
Amortization				
Other intangible from the concession	6.36%	(548)	(12)	(560)
Intangible arising from acquisition of shares	4.41%	(1,692)	(90)	(1,782)
		(2,240)	**(102)**	**(2,342)**
Projects in progress		72,452	6,141	78,593
Total intangible		**79,124**	**6,039**	**85,163**

		Parent company			
	Amortization annual average rate	12/31/2015	Additions	Write- offs	12/31/2016
Cost					
Other intangible from the concession		616	139	-	755
Intangible arising from acquisition of shares		8,157	-	-	8,157
		8,773	**139**	**-**	**8,912**
Amortization					
Other intangible from the concession	20.00%	(511)	(37)	-	(548)
Intangible arising from acquisition of shares	4.58%	(1,301)	(391)	-	(1,692)
		(1,812)	**(428)**	**-**	**(2,240)**
Projects in progress		77,660	4,283	(9,491)	72,452
Total intangible		**84,621**	**3,994**	**(9,491)**	**79,124**

Consolidated:

		Consolidated					
	Amortization annual average rate	12/31/2016	Additions	Write- offs	Transfers	Others	3/31/2017
Cost							
Other intangible from the concession		15,883	7	(4,839)	249	-	11,300
Use of public facilities		16,348	-	-	-	-	16,348
Intangible arising from acquisition of shares		57,912	-	-	-	-	57,912
		90,143	**7**	**(4,839)**	**249**	**-**	**85,560**
Amortization							
Other intangible from the concession	17.83%	(5,963)	(475)	148	-	(1)	(6,291)
Use of public facilities	3.18%	(2,796)	(132)	-	-	-	(2,928)
Intangible arising from acquisition of shares	0.00%	(9,219)	(399)	-	-	(1)	(9,619)
		(17,978)	**(1,006)**	**148**	**-**	**(2)**	**(18,838)**
Projects in progress		73,586	6,147	-	(249)	-	79,484
Total intangible		**145,751**	**5,148**	**(4,691)**	**-**	**(2)**	**146,206**

		Consolidated						
	Amortization annual average rate	12/31/2015	Additions	Write- offs	Transfers	Profit/loss from the balance calculation	Others	12/31/2016
Cost								
Other intangible from the concession		10,715	206	(4,924)	123	-	9,763	15,883
Use of public facilities		16,348	-	-	-	-	-	16,348
Intangible arising from acquisition of shares		57,922	-	-	-	-	(10)	57,912
		84,985	**206**	**(4,924)**	**123**	**-**	**9,753**	**90,143**
Amortization								
Other intangible from the concession	23.33%	(4,054)	(1,797)	-	-	17	(129)	(5,963)
Use of public facilities	3.60%	(2,273)	(523)	-	-	-	-	(2,796)
Intangible arising from acquisition of shares	3.97%	(7,591)	(1,629)	-	-	-	1	(9,219)
		(13,918)	**(3,949)**	**-**	**-**	**17**	**(128)**	**(17,978)**
Projects in progress		78,327	4,873	(9,491)	(123)	-	-	73,586
Total intangible		**149,394**	**1,130**	**(14,415)**	**-**	**17**	**9,625**	**145,751**

Intangible assets generated in the acquisition of shares (goodwill arising from the concession)

Concession intangible assets are economically based on expected future profitability of the concession and are being amortized on a straight-line basis over the service concession arrangement period. The concession intangible assets recorded by the Company derived from investments made in the following entities:

	Amortization annual average rate	Concession Term/ Authorization		Parent company		Consolidated	
		Start Date	End	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Composition of intangible arising from acquisition of shares							
Usina Paulista Queluz de Energia S.A.	4.58%	04/06/04	04/06/34	2,665	2,665	2,665	2,665
Usina Paulista Lavrinhas de Energia S.A.	4.55%	04/06/04	04/06/34	5,245	5,245	5,245	5,245
La Virgen S.A.C.	N/A	N/A	N/A	-	-	6,164	6,164
Energia dos Ventos I S.A. (**)	N/A	07/17/12	07/17/47	-	-	3,006	3,006
Energia dos Ventos II S.A. (**)	N/A	07/16/12	07/16/47	-	-	1,847	1,847
Energia dos Ventos III S.A. (**)	N/A	07/19/12	07/19/47	-	-	2,714	2,714
Energia dos Ventos IV S.A. (**)	N/A	07/24/12	07/24/47	-	-	3,924	3,924
Energia dos Ventos X S.A. (**)	N/A	07/19/12	07/19/47	-	-	2,420	2,420
Sistema de Transmissão Catarinense S.A. (*)	3.47%	04/27/06	04/27/36	-	-	8,942	8,942
Lumitrans - Companhia Transmissora de Energia Elétrica (*)	4.10%	02/18/04	02/18/34	-	-	9,766	9,766
Companhia Transleste de Transmissão (*)	4.92%	02/18/04	02/18/34	-	-	3,814	3,814
Companhia Transudeste de Transmissão (*)	4.88%	03/04/05	03/04/35	-	-	2,767	2,767
Companhia Transirapé de Transmissão (*)	4.67%	03/15/05	03/15/35	-	-	4,391	4,391
Other	N/A	N/A	N/A	247	247	247	247
				8,157	8,157	57,912	57,912
Amortization of goodwill arising from the concession							
Usina Paulista Queluz de Energia S.A.				(589)	(559)	(589)	(559)
Usina Paulista Lavrinhas de Energia S.A.				(1,193)	(1,133)	(1,193)	(1,133)
Sistema de Transmissão Catarinense S.A. (*)				-	-	(2,634)	(2,557)
Lumitrans - Companhia Transmissora de Energia Elétrica (*)				-	-	(3,403)	(3,302)
Companhia Transleste de Transmissão (*)				-	-	(641)	(594)
Companhia Transudeste de Transmissão (*)				-	-	(459)	(425)
Companhia Transirapé de Transmissão (*)				-	-	(700)	(649)
				(1,782)	(1,692)	(9,619)	(9,219)
Net total				**6,375**	**6,465**	**48,293**	**48,693**

(*) Intangible assets from concession goodwill generated on acquisition of the shares of subsidiaries STC, Lumitrans, Transleste, Transudeste and Transirapé by subsidiary EATE.
(**) Intangible assets from concession goodwill generated on acquisition of the shares of subsidiaries EDV I, EDV II, EDV III, EDV IV e EDV X.

a) Project under development

For developing an energy generation or transmission project, the Company incurs costs relating to hiring of services, travel and other costs inherent to the project development process. After authorization/permission/grant of the permits to implement the developed projects, these costs are allocated to the respective Special Purpose Entity (SPE), which will reimburse all the expenses incurred by the Company.

Expenses incurred on a project which might not be implemented are written off to profit or loss. These write-offs are based on assessments made on a quarterly basis by management.

b) Impairment of intangible assets

The Company tested its intangible assets for impairment and did not find information, either through internal or external sources, which would be indicative of impairment.

c) Collateral or guarantees

The Company and subsidiaries have not pledged any intangible asset items as collateral or guarantees.

16. Suppliers

	Consolidated	
	3/31/2017	12/31/2016
Charges from the use of transmission services	2,457	2,458
Electric power supply	33,696	18,983
Materials and services	97,523	143,848
Other	906	1,213
	134,582	166,502
Current	134,582	166,502
Non-Current	-	-
	134,582	166,502

17. Income tax and social contribution payable

	Consolidated	
	3/31/2017	12/31/2016
Income tax and social contribution payable		
Corporate Income Tax – IRPJ	19,993	23,768
Social Contribution on Net Income - CSLL	12,367	20,793
Total	32,360	44,561

18. Deferred income tax and social contribution

a) Breakdown of deferred income tax and social contribution, recorded in assets and liabilities, is as follows:

	Consolidated			
	3/31/2017		12/31/2016	
Deferred income tax and social contribution				
	IRPJ deferred	**CSLL deferred**	**IRPJ deferred**	**CSLL deferred**
Calculation basis	1,403,684	3,053,952	1,386,483	3,030,526
encouraged calculation basis	1,700,603	-	1,679,551	-
Base Tax Obstructions	(50,334)	-	(35,507)	-
	3,053,953	3,053,952	3,030,527	3,030,526
Tax rate Profit Real	31,806	164,476	30,492	160,784
Encouraged tax rate	292,431	-	286,978	-
Presumed tax rate	24,523	13,277	24,665	13,305
	348,760	**177,753**	**342,135**	**174,089**
Total deferred income tax and social contribution		**526,513**		**516,224**
Deferred liabilities - Art. 69 Law 12,973		-		6,946
Total deferred income tax and social contribution		**526,513**		**523,170**
IRPJ / CSLL Deferred Investments abroad		(9,935)		-
Deferred Charges - Art. 69 Law 12,973		(71,839)		(69,809)
IR / CS Net Deferred		**444,739**		**453,361**
IR / CS Net Deferred Year ended		**453,361**		**398,013**
IRPJ / CSLL Deferred income		**8,027**		**17,708**

The companies of income tax by real profit with impact by the law 12.973: EBTE, EATE, ETEP, ECTE, ENTE, ETES, ETEM, STN, ELTE and ETVG.
The companies EBTE, FOZ and FGE have deferred assets related to the constitution of the tax loss.
The companies opting for income tax by presumed profit are: Transleste, Transudeste, Transirapé, STC, Lumitrans, ESDE, ETSE and ERTE

	Consolidated	
Deferred income tax and social contribution	3/31/2017	12/31/2016
Deferred income tax - assets	20,652	11,250
Deferred social contribution – assets	3,858	4,049
	24,510	**15,299**
Deferred income tax - liabilities	(304,285)	(303,749)
Deferred social contribution – liabilities	(164,964)	(164,911)
	(469,249)	**(468,660)**

Details of the source IR/CS deferred:

	Consolidated			
	Balance Sheet		Income	
	3/31/2017	12/31/2016	3/31/2017	3/31/2016
Fiscal loss and negative basis	14,575	15,299	(724)	-
Concession Agreement (ICPC 01)	(464,464)	(463,875)	(1,184)	(7,120)
Deferred income for public authorities	5,150	(4,785)	9,935	504
Expenses from deferred income tax and social contribution			**8,027**	**(6,616)**
Deferred tax liabilities, net	**(444,739)**	**(453,361)**		

b) Tax credits to be offset

In accordance with Accounting Pronouncement CPC 32, deferred tax assets or liabilities must be recognized on all deductible or taxable temporary differences, respectively. A temporary difference is the difference between the carrying value of the asset or liability recorded in the quarterly information and its tax base. This pronouncement also requires deferred tax assets to be recorded on unused tax losses to the extent that future taxable profits are likely to be generated in order to enable the Company to offset these deferred tax assets.

At March 31, 2017, the Company (Alupar Investimento S.A) records income tax and social contribution losses which would generate potential tax credits, as shown below. Such credits were not recognized, due to the fact the Company's operations won't present taxable basis of results which would guarantee the realization of those credits.

	Parent company	
Non-recognized tax credits	3/31/2017	12/31/2016
Tax loss	376,754	352,024
Negative base for social contribution	383,803	359,073

19. Provisions for environmental expenses

	Consolidated	
	3/31/2017	12/31/2016
Subsidiaries		
Sistema de Transmissão Catarinense S.A.	30	30
Empresa Amazonense de Transmissão de Energia S.A.	9,369	9,301
Empresa Norte de Transmissão de Energia S.A.	672	667
Empresa de Transmissão de Energia do Mato Grosso S.A.	340	340
Foz do Rio Claro Energia S.A.	57	62
Ijuí Energia S.A.	1,231	1,307
Energia dos Ventos X S.A.	494	494
Ferreira Gomes Energia S.A	9,165	10,492
	21,358	22,693
Current	20,454	21,789
Non-current	904	904
	21,358	22,693

The Company and its subsidiaries invest in programs in such a way as to compensate for the environmental impact that arises from its activities of implementation and construction of HPPs and its transmission lines, and the Company also creates social programs aimed at assisting the development of "the communities". The registration of these provisions is made only at the moment of the construction and implementation of the developments and is recorded as a counterpart in the line of property, plant and equipment in progress. The realization of these provisions is effected during the implementation of these programs.

Changes in provisions for environmental expenses are as follows:

	Consolidated			
	Opening balance	Amounts paid	Inflation adjustment	Final balance
	12/31/2016			3/31/2017
Subsidiaries				
Sistema de Transmissão Catarinense S.A.	30	-	-	30
Empresa Amazonense de Transmissão de Energia S.A.	9,301	-	68	9,369
Empresa Norte de Transmissão de Energia S.A.	667	-	5	672
Empresa de Transmissão de Energia do Mato Grosso S.A.	340	-	-	340
Foz do Rio Claro Energia S.A.	62	(5)	-	57
Ijuí Energia S.A.	1,307	(76)	-	1,231
Energia dos Ventos X S.A.	494	-	-	494
Ferreira Gomes Energia S.A	10,492	(1,327)	-	9,165
	22,693	(1,408)	73	21,358

20. Provision for assets built up

The provisions for assets creation are arising from fixed asset costs relating to its implementation phase were recognized which even there were no financial outlay, they will be disbursed financially according to the schedule of the work, according to the evolution of these events these provisions will be replaced by billing vendors, where his counterpart was recorded in fixed assets in progress.

a) The provisions for assets built up are broken down by subsidiary as follows:

	Consolidated	
	3/31/2017	12/31/2016
Subsidiaries		
Usina Paulista Queluz de Energia S.A.	11,506	11,722
Usina Paulista Lavrinhas de Energia S.A.	6,201	6,252
Foz do Rio Claro Energia S.A.	494	494
Energia dos Ventos I S.A.	524	669
Energia dos Ventos II S.A.	296	492
Energia dos Ventos III S.A.	450	611
Energia dos Ventos IV S.A.	2,246	2,273
Energia dos Ventos X S.A.	453	589
Ferreira Gomes Energia S.A	27,635	27,984
	49,805	51,086
Current	41,698	42,979
Non-current	8,107	8,107
	49,805	51,086

b) Changes in provision for assets built up are as follows:

	Consolidated		
	Opening balance 12/31/2016	Amounts paid	Final balance 3/31/2017
Subsidiaries			
Usina Paulista Queluz de Energia S.A.	11,722	(216)	11,506
Usina Paulista Lavrinhas de Energia S.A.	6,252	(51)	6,201
Foz do Rio Claro Energia S.A.	494	-	494
Energia dos Ventos I S.A.	669	(145)	524
Energia dos Ventos II S.A.	492	(196)	296
Energia dos Ventos III S.A.	611	(161)	450
Energia dos Ventos IV S.A.	2,273	(27)	2,246
Energia dos Ventos X S.A.	589	(136)	453
Ferreira Gomes Energia S.A	27,984	(349)	27,635
	51,086	(1,281)	49,805

21. Regulatory charges payable

	Consolidated	
	3/31/2017	12/31/2016
Fiscalization fee – ANEEL - TFSEE	2,500	2,387
Quota for Global Reversal Reserve - RGR	8,164	7,652
Financial compensation for the utilization of water resources - CFURH	1,137	472
Research and Development – P&D	43,078	40,565
National fund for technologic and scientific development - FNDCT	1,076	1,002
Ministry of Mines and Energy - MME	541	498
	56,496	52,576
Current	56,496	52,576

22. Loans and financing

a) The balance of loans and financing is broken down as follows:

Lenders/Creditors	Companies	Consolidated								
		Current					Non-Current			
		Charges	Principal	Costs to be repaid	3/31/2017	12/31/2016	Principal	Costs to be repaid	3/31/2017	12/31/2016
Foreign currency	**Operating**									
Santader - Contract No. 2885	Alupar Peru	4,774	47,517	-	52,291	-	-	-	-	53,541
Santander Panamá - Contract No. 826302	Alupar Peru	1,627	15,839	-	17,466	-	-	-	-	17,744
Bancolombia - Contract nº 175893	Risaralda	-	-	-	-	24	-	-	-	-
Bancolombia - Contract nº 258419633	Risaralda	31	-	-	31	42	-	-	-	-
Itaú - Credit agreement No. IBC00093	Risaralda	-	35,639	-	35,639	35,231	-	-	-	-
Bank CorpBanca - credit contract	Risaralda	-	11,131	-	11,131	11,003	-	-	-	-
Bank CorpBanca - credit contract	Risaralda	-	22,262	-	22,262	22,031	-	-	-	-
Bank CorpBanca - credit contract	Risaralda	-	15,583	-	15,583	15,409	-	-	-	-
Bank CorpBanca - credit contract	Risaralda	-	15,583	-	15,583	15,410	-	-	-	-
Bank CorpBanca - credit contract	Risaralda	-	8,905	-	8,905	8,805	-	-	-	-
Bank CorpBanca - credit contract	Risaralda	-	11,131	-	11,131	11,007	-	-	-	-
Bank CorpBanca - credit contract	Risaralda	-	13,357	-	13,357	13,208	-	-	-	-
Bank CorpBanca - credit contract	Risaralda	-	1,591	-	1,591	-	-	-	-	-
BDMG - Contract No. 127314	Transleste	-	-	-	-	799	-	-	-	-
		6,432	198,538	-	204,970	132,969	-	-	-	71,285
Foreign currency	**Pre-operating**									
Santander - Contract Bridge Credit Agreement	La Vigen	-	157,920	-	157,920	187,188	-	-	-	-
Santander - Contract COFIDE	La Vigen	-	95,034	-	95,034	112,313	-	-	-	-
		-	252,954	-	252,954	299,501	-	-	-	-
Subtotal		**6,432**	**451,492**	**-**	**457,924**	**432,470**	**-**	**-**	**-**	**71,285**
National currency	**Operating**									
FINEP – Contract No. 02.09.0599.00	Alupar	15	3,631	(112)	3,534	3,536	605	(18)	587	1,466
BNDES - Subcredit A – Contract No. 09.2.1409.1	EBTE	335	11,199	-	11,534	11,503	80,260	-	80,260	82,768
BNDES (FINAME) - Subcredit B – Contract No. 09.2.1409.1	EBTE	15	2,889	-	2,904	2,906	4,816	-	4,816	5,538
BNDES - Subcredit A – Contract No. 12.2.1001.1	ESDE	56	1,606	-	1,662	1,658	14,592	-	14,592	14,941
BNDES (FINAME) - Subcredit B – Contract No. 12.2.1001.1	ESDE	10	1,583	-	1,593	1,593	7,123	-	7,123	7,518
BNDES - Subcredit A – Contract No. 11.2.1030.1	ETEM	109	3,321	-	3,430	3,421	26,841	-	26,841	27,573
BNDES - Subcredit B – Contract No. 11.2.1030.1	ETEM	3	108	-	111	110	873	-	873	898
BNDES – Contract No. 09.2.0118.1	ETES	48	2,074	(4)	2,118	2,113	11,407	(21)	11,386	11,860
BNDES - Subcredit A – Contract No. 09.2.1467.1	ETES	7	287	-	294	293	1,578	-	1,578	1,644
BNDES (FINAME) - Subcredit B – Contract No. 09.2.1467.1	ETES	8	1,556	(32)	1,532	1,532	2,463	(30)	2,433	2,815
BNDES - Subcredit A – Contract No. 13.2.1413.1	ETSE	128	3,187	-	3,315	3,306	33,995	-	33,995	34,670
BNDES (FINAME) - Subcrédito B - Contract No. 13.2.1413.1	ETSE	45	4,438	-	4,483	4,485	25,150	-	25,150	26,259
Banco do Brasil – Contract No. 40/00039-7	ETVG	119	1,427	(6)	1,540	1,532	12,343	(38)	12,305	12,660
Santander - Contract nº 000270589715	ETVG	108	20,000	-	20,108	24,960	-	-	-	-
BNDES - Subcrédito A - Contract No. 12.2.1390.1	Ferreira Gomes	734	14,617	(240)	15,111	15,071	191,244	(3,108)	188,136	191,025
BNDES - Subcrédito B - Contract No. 12.2.1390.1	Ferreira Gomes	291	5,785	-	6,076	6,060	75,693	-	75,693	76,868
BNDES - Subcrédito C - Contract No. 12.2.1390.1	Ferreira Gomes	33	653	-	686	684	8,540	-	8,540	8,673
BNDES (FINAME) - Subcrédito D - Contract No. 12.2.1390.1	Ferreira Gomes	156	24,705	-	24,861	24,867	117,347	-	117,347	123,524
BNDES – Contract No. 08.2.0070.1	Foz	554	15,352	-	15,906	15,864	138,168	-	138,168	141,507
BNDES – Contract No. 08.2.0071.1	Ijuí	536	13,074	-	13,610	13,575	124,203	-	124,203	127,023
BNDES – Contract No. 08.2.0976.1	Lavrinhas	258	9,378	-	9,636	9,610	66,424	-	66,424	68,527
BNDES – Contract No. 10.2.0477.1	Lavrinhas	36	1,273	-	1,309	1,305	9,021	-	9,021	9,306
FINAME - Subcredit A - Contract No. 50002651100	Lavrinhas	-	-	-	-	3	-	-	-	-
FINAME - Subcredit B - Contract No. 50002651100	Lavrinhas	-	-	-	-	1	-	-	-	-
FINAME - Subcredit A - Contract No. 50002651000	Lavrinhas	-	-	-	-	1	-	-	-	-
FINAME - Subcredit B - Contract No. 50002651000	Lavrinhas	-	-	-	-	1	-	-	-	-
BNDES – Contract No. 08.2.0975.1	Queluz	253	9,523	-	9,776	9,750	65,072	-	65,072	67,215
BNDES – Contract No. 10.2.0478.1	Queluz	58	2,085	-	2,143	2,137	14,251	-	14,251	14,720
FINAME - Subcredit A - Contract No. 50003291100	Queluz	-	43	-	43	43	14	-	14	26
BNDES - Contract nº 15.2.0778.1	EDV I	188	1,955	-	2,143	2,099	55,519	-	55,519	55,825
BNDES - Contract nº 15.2.0778.1	EDV II	107	1,103	-	1,210	1,185	31,339	-	31,339	31,512
BNDES - Contract nº 15.2.0778.1	EDV III	163	1,687	-	1,850	1,811	47,903	-	47,903	48,167
BNDES - Contract nº 15.2.0778.1	EDV IV	270	2,794	-	3,064	3,001	79,366	-	79,366	79,804
BNDES - Contract nº 15.2.0778.1	EDVX	137	1,414	-	1,551	1,519	40,168	-	40,168	40,389
BNB - Contracts No. A400000101001 and A400000101002	STN	86	20,612	-	20,698	20,442	115,540	-	115,540	120,758
BDMG (FINAME) - Contract No. 147068	Transirapé	1	132	-	133	133	309	-	309	341
BDMG (FINAME PSI) – Contract No. 177906	Transirapé	25	2,382	-	2,407	2,408	13,897	-	13,897	14,493
BDMG (FINEM) - Contract No. 193.292	Transirapé	101	421	-	522	505	4,911	-	4,911	5,016
BDMG (FINAME) - Contract nº 215.485	Transirapé	134	-	-	134	119	4,469	-	4,469	4,469
BDMG - Contract nº 215.411	Transirapé	130	81	-	211	109	3,919	-	3,919	4,000
BDMG – Contract No. 127315	Transleste	103	2,461	-	2,564	2,568	17,023	-	17,023	17,639
BNB - Contract No. 05974828-A	Transleste	32	731	-	763	895	5,242	-	5,242	5,424
		5,392	189,567	(394)	194,565	198,714	1,451,628	(3,215)	1,448,413	1,486,861
National currency	**Pre-operating**									
Cost of borrowing BNDES	Verde 8	-	-	(240)	(240)	(240)	-	-	-	-
Commercial Promissory Note - Banco Fator S.A	Verde 8	3,082	30,000	(204)	32,878	31,495	-	-	-	-
		3,082	30,000	(444)	32,638	31,255	-	-	-	-
Subtotal		**8,474**	**219,567**	**(838)**	**227,203**	**229,969**	**1,451,628**	**(3,215)**	**1,448,413**	**1,486,861**
Total – Loans and financing - Current		**14,906**	**671,059**	**(838)**	**685,127**	**662,439**	**1,451,628**	**(3,215)**	**1,448,413**	**1,558,146**

b) The main characteristics of loans and financing are as follows:

Lenders/Creditors	Operating companies	Consolidated						
		Contracted conditions of loans and financing						
		Date of Engagement	Maturity	Contracted principal	Financial charges p.a.		Amortization of periodicity	
					Indexer	Interest (%)	Principal	Charges
National currency – R$								
FINEP - Contract nº 02.09.0599.00	Alupar	dec/09	may/18	72,841	-	8.00	Monthly	Monthly
BNDES - Subcredit A – Contract No. 09.2.1409.1	EBTE	dec/09	may/25	141,652	TJLP	2.56	Monthly	Monthly
BNDES (FINAME) - Subcredit B – Contract No. 09.2.1409.1	EBTE	dec/09	nov/19	23,498	-	4.50	Monthly	Monthly
BNDES - Subcredit A – Contract No. 12.2.1001.1	ESDE	nov/12	apr/27	26,319	TJLP	2.08	Monthly	Monthly
BNDES (FINAME) - Subcredit B – Contract No. 12.2.1001.1	ESDE	nov/12	sept/22	16,478	-	2.50	Monthly	Monthly
BNDES - Subcredit A – Contract No. 11.2.1030.1	ETEM	dec/11	apr/26	44,700	TJLP	2.44	Monthly	Monthly
BNDES - Subcredit B – Contract No. 11.2.1030.1	ETEM	dec/11	apr/26	2,100	TJLP	2.04	Monthly	Monthly
BNDES – Contract No. 09.2.0118.1	ETES	may/09	sept/23	27,714	TJLP	2.37	Monthly	Monthly
BNDES - Subcredit A – Contract No. 09.2.1467.1	ETES	dec/09	sept/23	3,357	TJLP	2.38	Monthly	Monthly
BNDES (FINAME) - Subcredit B – Contract No. 09.2.1467.1	ETES	dec/09	oct/19	13,981	-	4.50	Monthly	Monthly
BNDES - Subcredit A – Contract No. 13.2.1413.1	ETSE	dec/13	nov/28	39,159	TJLP	2.02	Monthly	Monthly
BNDES (FINAME) - Subcredit B – Contract No. 13.2.1413.1	ETSE	dec/13	nov/23	39,254	-	3.50	Monthly	Monthly
Banco do Brasil – Contract No. 40/00039-7	ETVG	dec/11	dec/26	17,835	-	10.00	Monthly	Quarterly
Banco Santander - Contract nº 000270589715	ETVG	jun/15	jul/17	22,500	CDI	1.15	Lump sum at the end	Lump sum at the end
BNDES - Subcredit A – Contract No. 12.2.1390.1	Ferreira Gomes	dec/12	apr/31	198,420	TJLP	2.34	Monthly	Monthly
BNDES - Subcredit B – Contract No. 12.2.1390.1	Ferreira Gomes	dec/12	apr/31	78,540	TJLP	2.34	Monthly	Monthly
BNDES - Subcredit C – Contract No. 12.2.1390.1	Ferreira Gomes	dec/12	apr/31	9,500	TJLP	2.34	Monthly	Monthly
BNDES (FINAME) - Subcredit D – Contract No. 12.2.1390.1	Ferreira Gomes	dec/12	dec/22	181,850	-	2.50	Monthly	Monthly
BNDES – Contract No. 08.2.0070.1	Foz	apr/08	mar/27	201,630	TJLP	2.44	Monthly	Monthly
BNDES – Contract No. 08.2.0071.1	Ijuí	apr/08	sept/27	168,200	TJLP	3.17	Monthly	Monthly
BNDES – Contract No. 08.2.0976.1	Lavrinhas	mar/09	apr/25	111,185	TJLP	1.93	Monthly	Monthly
BNDES – Contract No. 10.2.0477.1	Lavrinhas	aug/10	apr/25	16,875	TJLP	2.22	Monthly	Monthly
BNDES – Contract No. 08.2.0975.1	Queluz	mar/09	jan/25	114,647	TJLP	1.93	Monthly	Monthly
BNDES – Contract No. 10.2.0478.1	Queluz	aug/10	jan/25	27,716	TJLP	2.22	Monthly	Monthly
FINAME - Subcredit A - Contract No. 50003291100	Queluz	jun/13	jul/18	192	-	3.00	Monthly	Monthly
BNB - Contracts No. A400000101001 and A400000101002	STN	jun/04	jun/24	299,995	-	10.00	Monthly	Monthly
BDMG (FINAME) - Contrato No. 147068	Transirapé	jun/10	jul/20	1,187	-	4.50	Monthly	Monthly
BDMG (FINAME PSI) – Contract No. 177906	Transirapé	dec/13	jan/24	19,761	-	3.50	Monthly	Monthly
BDMG (FINEM) - Contract No. 193.292	Transirapé	oct/14	oct/29	5,893	TJLP	3.50	Monthly	Monthly
BDMG - Contract nº 215.411/16	Transirapé	apr/16	apr/26	4,000	TJLP	6.00	Monthly	Monthly
BDMG - Contract nº 215.485/16	Transirapé	apr/16	apr/21	4,469	TJLP	4.50	Monthly	Monthly
BDMG – Contract No. 127315	Transleste	mar/05	mar/25	47,029	-	9.50	Monthly	Monthly
BNB – Contract No. 05974828-A	Transleste	mar/05	mar/25	15,000	-	9.50	Monthly	Monthly
Foreign currency – Currency basket - USD								
Santander - Contract No. 2885	Alupar Peru	oct/14	oct/17	USD 15,000	Libor (*)	3.85	Lump sum at the end	Lump sum at the end
Santander Panamá - Contract No. 826302	Alupar Peru	dec/14	dec/17	USD 5,000	Libor (*)	3.85	Lump sum at the end	Lump sum at the end

(*) Libor rate is a reference interest rate used by a large number of banks operating in the London market. The Libor contract rate is 12 months.

Lenders/Creditors	Pre-operating companies	Consolidated						
		Contracted conditions of loans and financing						
		Date of Engagement	Maturity	Contracted principal	Financial charges p.a.		Amortization of periodicity	
					Indexer	Interest (%)	Principal	Charges
National currency – R$								
BNDES - Contract nº 15.2.0778.1 (*)	EDV I	feb/16	oct/32	57,990	TJLP	2.18	Monthly	Monthly
BNDES - Contract nº 15.2.0778.1 (*)	EDV II	feb/16	oct/32	32,220	TJLP	2.18	Monthly	Monthly
BNDES - Contract nº 15.2.0778.1 (*)	EDV III	feb/16	oct/32	49,007	TJLP	2.18	Monthly	Monthly
BNDES - Contract nº 15.2.0778.1 (*)	EDV IV	feb/16	oct/32	81,041	TJLP	2.18	Monthly	Monthly
BNDES - Contract nº 15.2.0778.1 (*)	EDV X	feb/16	oct/32	41,042	TJLP	2.18	Monthly	Monthly
Commercial Promissory Note - Banco Fator S.A	Verde 8	aug/16	aug/17	30,000	CDI	2.11	Lump sum at the end	Lump sum at the end
Foreign currency – Colombian peso								
Itaú - Credit agreement No. IBC00093 (***)	Risaralda	nov/14	nov/17	COP 32,000,000,000	IBR (TV) (**)	3.60	Lump sum at the end	Quarterly
Bank CorpBanca - credit contract (***)	Risaralda	aug/15	nov/17	COP 10,000,000,000	IBR (TV) (**)	3.60	Lump sum at the end	Quarterly
Bank CorpBanca - credit contract (***)	Risaralda	oct/15	nov/17	COP 20,000,000,000	IBR (TV) (**)	3.60	Lump sum at the end	Quarterly
Bank CorpBanca - credit contract (***)	Risaralda	dec/15	nov/17	COP 14,000,000,000	IBR (TV) (**)	3.60	Lump sum at the end	Quarterly
Bank CorpBanca - credit contract (***)	Risaralda	feb/16	nov/17	COP 14,000,000,000	IBR (TV) (**)	3.60	Lump sum at the end	Quarterly
Bank CorpBanca - credit contract (***)	Risaralda	mar/16	nov/17	COP 8,000,000,000	IBR (TV) (**)	3.60	Lump sum at the end	Quarterly
Bank CorpBanca - credit contract (***)	Risaralda	abr/16	nov/17	COP 10,000,000,000	IBR (TV) (**)	3.60	Lump sum at the end	Quarterly
Bank CorpBanca - credit contract (***)	Risaralda	feb/17	aug/17	COP 1,425,000,000	IBR (TV) (**)	3.60	Lump sum at the end	Quarterly
Foreign currency - Dollar								
Santander - Contract Bridge Credit Agreement	La Virgen	jan/16	jul/16	USD 50,000,000	Libor	5.19	Lump sum at the end	Semiannual
Santander - Contract COFIDE	La Virgen	dec-15	sep/16	USD 30,000,000	Libor	3.00	Lump sum at the end	Quarterly

(*) Term deposits rate, in Colombia, certified by the Banco de la República.
(**) Reference Banking Indicator - IBR Quarterly in Colombia (Rate 12/31/2014 - 4,36% p.y.)
(***) Contracted amount in Colombian pesos

All funds raised by subsidiaries with the National Bank for Economic and Social Development (BNDES) Guarantee the pledge of its shares held by the Company.

Funds obtained from loans and financing were used for the purpose provided for in the agreements, i.e., the contractual use limits were observed.

The management of the Company, its subsidiaries and joint ventures monitors the financial ratios established in the agreements. Non-compliance with the financing agreement terms not resolved or waived could result in accelerated maturity of the related debt and of other financing agreements, in addition to interest and fines. At March 31, 2017 these ratios, which are required to be measured annually, were being met, in line with the provisions in the debt agreements its subsidiaries and joint ventures.

The Company's and its subsidiaries' quantitative covenants are related mainly to financial ratios related to EBITDA, such as the Debt Service Coverage Ratio (DSCR) and are calculated annually. Failure to comply with these covenants entails the early maturity of the loan and financing.

On March 31, 2017, all covenants of the Company and the subsidiaries have been met

At March 31, 2017, certain loans and financing taken out by the subsidiaries have guarantees deposited in reserve accounts, amounting to R$ 122,132 (R$ 105,100 at December 31, 2016) evidenced in note 6.

c) Changes in loans and financing are as follows:

Lenders/Creditors	Companies	Consolidated							
		Opening Balance	Entry of debt (cost to be repaid)	Provision of charges	Monetary and foreign currency variation	Profit/loss in translation	Principal repayment	Charges repayment	Final balance
		12/31/2016							3/31/2017
Foreign currency									
Santader - Contract No. 2885	Alupar Peru	53,541	-	731	-	(1,981)	-	-	52,291
Santander Panamá - Contract No. 826302	Alupar Peru	17,744	-	-	-	(278)	-	-	17,466
Santander - Contract Bridge Credit Agreement	La Vigen	187,188	-	2,437	-	(29,268)	-	(2,437)	157,920
Santander - Contract COFIDE	La Vigen	112,313	-	665	-	(17,279)	-	(665)	95,034
Bancolombia - Contract nº 175893	Risaralda	24	-	-	-	-	(24)	-	-
Bancolombia - Contract nº 258419633	Risaralda	42	-	-	-	46	(57)	-	31
Itaú - Credit agreement No. IBC00093	Risaralda	35,231	-	920	-	411	-	(923)	35,639
Bank CorpBanca - credit contract	Risaralda	11,003	-	308	-	129	-	(309)	11,131
Bank CorpBanca - credit contract	Risaralda	22,031	-	381	-	240	-	(390)	22,262
Bank CorpBanca - credit contract	Risaralda	15,409	-	267	-	180	-	(273)	15,583
Bank CorpBanca - credit contract	Risaralda	15,410	-	267	-	180	-	(274)	15,583
Bank CorpBanca - credit contract	Risaralda	8,805	-	153	-	103	-	(156)	8,905
Bank CorpBanca - credit contract	Risaralda	11,007	-	191	-	129	-	(196)	11,131
Bank CorpBanca - credit contract	Risaralda	13,208	-	304	-	215	-	(370)	13,357
Bank CorpBanca - credit contract	Risaralda	-	1,555	14	-	22	-	-	1,591
BDMG – Contract No. 127314	Transleste	799	-	5	(32)	-	(746)	(26)	-
		503,755	1,555	6,643	(32)	(47,151)	(827)	(6,019)	457,924
National currency									
FINEP - Contract No. 02.09.0599.00	Alupar	5,002	-	120	-	-	(907)	(94)	4,121
BNDES - Subcredit A – Contract No. 09.2.1409.1	EBTE	94,271	-	2,238	-	-	(2,795)	(1,920)	91,794
BNDES (FINAME) - Subcredit B – Contract No. 09.2.1409.1	EBTE	8,444	-	89	-	-	(722)	(91)	7,720
BNDES - Subcredit A – Contract No. 12.2.1001.1	ESDE	16,599	-	377	-	-	(401)	(321)	16,254
BNDES (FINAME) - Subcredit B – Contract No. 12.2.1001.1	ESDE	9,111	-	55	-	-	(396)	(54)	8,716
BNDES - Subcredit A – Contract No. 11.2.1030.1	ETEM	30,994	-	621	108	-	(829)	(623)	30,271
BNDES - Subcredit B – Contract No. 11.2.1030.1	ETEM	1,008	-	19	3	-	(27)	(19)	984
BNDES – Contract No. 09.2.0118.1	ETES	13,973	-	278	49	-	(518)	(278)	13,504
BNDES - Subcredit A – Contract No. 09.2.1467.1	ETES	1,937	-	39	7	-	(72)	(39)	1,872
BNDES (FINAME) - Subcredit B – Contract No. 09.2.1467.1	ETES	4,347	-	54	-	-	(389)	(47)	3,965
BNDES - Subcredit A – Contract No. 13.2.1413.1	ETSE	37,976	-	858	-	-	(795)	(729)	37,310
BNDES (FINAME) - Subcrédito B - Contract No. 13.2.1413.1	ETSE	30,744	-	260	-	-	(1,110)	(261)	29,633
Banco do Brasil – Contract No. 40/00039-7	ETVG	14,192	-	290	-	-	(357)	(280)	13,845
Banco Santander - Contract nº 000270589715	ETVG	24,960	-	-	-	-	(2,500)	(2,352)	20,108
BNDES - Subcredit A – Contract No. 12.2.1390.1	Ferreira Gomes	206,096	-	4,249	730	-	(3,648)	(4,180)	203,247
BNDES - Subcredit B – Contract No. 12.2.1390.1	Ferreira Gomes	82,928	-	1,650	289	-	(1,444)	(1,654)	81,769
BNDES - Subcredit C – Contract No. 12.2.1390.1	Ferreira Gomes	9,357	-	186	33	-	(163)	(187)	9,226
BNDES (FINAME) - Subcredit B – Contract No. 12.2.1390.1	Ferreira Gomes	148,391	-	897	-	-	(6,176)	(904)	142,208
BNDES – Contract No. 08.2.0070.1	Foz	157,371	-	3,156	547	-	(3,833)	(3,167)	154,074
BNDES – Contract No. 08.2.0071.1	Ijuí	140,598	-	3,055	488	-	(3,262)	(3,066)	137,813
BNDES – Contract No. 08.2.0976.1	Lavrinhas	78,137	-	1,472	270	-	(2,340)	(1,479)	76,060
BNDES – Contract No. 10.2.0477.1	Lavrinhas	10,611	-	207	37	-	(318)	(207)	10,330
FINAME - Subcredit A - Contract No. 50002651100	Lavrinhas	3	-	-	-	-	(3)	-	-
FINAME - Subcredit B - Contract No. 50002651100	Lavrinhas	1	-	-	-	-	(1)	-	-
FINAME - Subcredit A - Contract No. 50002651000	Lavrinhas	1	-	-	-	-	(1)	-	-
FINAME - Subcredit B - Contract No. 50002651000	Lavrinhas	1	-	-	-	-	(1)	-	-
BNDES – Contract No. 08.2.0975.1	Queluz	76,965	-	1,449	267	-	(2,377)	(1,456)	74,848
BNDES – Contract No. 10.2.0478.1	Queluz	16,857	-	329	58	-	(520)	(330)	16,394
FINAME - Subcredit A - Contract No. 50003291100	Queluz	69	-	-	-	-	(11)	(1)	57
BNDES - cost of financing	Verde 8	(240)	-	-	-	-	-	-	(240)
Banco Fator S.A	Verde 8	31,495	-	1,383	-	-	-	-	32,878
BNDES - Contract nº 15.2.0778.1	EDV I	57,924	-	1,137	203	-	(464)	(1,138)	57,662
BNDES - Contract nº 15.2.0778.1	EDV II	32,697	-	642	114	-	(262)	(642)	32,549
BNDES - Contract nº 15.2.0778.1	EDV III	49,978	-	981	175	-	(400)	(981)	49,753
BNDES - Contract nº 15.2.0778.1	EDV IV	82,805	-	1,625	290	-	(664)	(1,626)	82,430
BNDES - Contract nº 15.2.0778.1	EDV X	41,908	-	822	147	-	(335)	(823)	41,719
BNB - Contracts No. A400000101001 and A400000101002	STN	141,200	-	2,657	-	-	(4,959)	(2,660)	136,238
BDMG (FINAME) - Contrato No. 147068	Transirapé	474	-	5	-	-	(33)	(4)	442
BDMG (FINAME PSI) – Contract No. 177906	Transirapé	16,901	-	143	-	-	(596)	(144)	16,304
BDMG (FINEM) - Contract No. 193.292	Transirapé	5,521	-	143	-	-	(104)	(127)	5,433
BDMG (FINAME) - Contract nº 215.485	Transirapé	4,588	-	130	-	-	-	(115)	4,603
BDMG - Contract nº 215.411	Transirapé	4,109	-	130	-	-	-	(109)	4,130
BDMG – Contract No. 127315	Transleste	20,207	-	382	-	-	(616)	(386)	19,587
BNB – Contract No. 05974828-A	Transleste	6,319	-	118	-	-	(314)	(118)	6,005
		1,716,830	-	32,246	3,815	-	(44,663)	(32,612)	1,675,616
		2,220,585	1,555	38,889	3,783	(47,151)	(45,490)	(38,631)	2,133,540
Current		662,439							685,127
Non-current		1,558,146							1,448,413
		2,220,585							**2,133,540**

Significant amounts raised and repaid for the year ended March 31, 2017:

Lenders/Creditors	Companies	Currency	Raised date	Contracted principal	Financial charges	Amortization of principal	Amortization of charges	Payment date
Bancolombia - Contract nº 175893 (***)	Risaralda	Foreign	Mar-15	COP 98,000,000	DTF (T.A.) (*) + 8,69% a.a	Monthly	Monthly	Mar-17
BDMG – Contract No. 127314	Transleste	National	Mar-05	12,971	5.00%	Semiannual	Semiannual	Jan-17
FINAME - Subcredit A - Contract No. 50002651100	Lavrinhas	National	Feb-12	104	10.00%	Monthly	Monthly	Feb-17
FINAME - Subcredit B - Contract No. 50002651100	Lavrinhas	National	Feb-12	30	TJLP + 5,7%	Monthly	Monthly	Feb-17
FINAME - Subcredit A - Contract No. 50002651000	Lavrinhas	National	Feb-12	15	10.00%	Monthly	Monthly	Feb-17
FINAME - Subcredit B - Contract No. 50002651000	Lavrinhas	National	Feb-12	4	TJLP + 5,7%	Monthly	Monthly	Feb-17

(***) Contracted amount in Colombian pesos

(i) Credit released by the BNDES for EDV's controlled until March 31, 2017 was as follows:

Subsidiary	Contracted amount	Releases					Balance to be released
		Sub credit A1 3/29/2016	Sub credit A1 5/23/2016	Sub credit A1 7/15/2016	Sub credit A1 8/15/2016	total	
EDV I	57,990	38,900	-	16,785	-	55,685	2,305
EDV II	32,220	-	28,000	1,096	2,592	31,688	532
EDV III	49,007	30,000	-	17,132	1,023	48,155	852
EDV IV	81,041	55,550	-	24,056	-	79,606	1,435
EDV X	41,042	27,000	-	13,320	-	40,320	722
Total	261,300	151,450	28,000	72,389	3,615	255,454	5,846

d) Amortization of loans and financing, by currency and index, is as follows:

Installments to become overdue by currency and indexer	3/31/2017 Consolidated R$							
	2016	2017	2018	2019	2020	2021	After 2021	Total
Foreign currency								
USD	-	322,711	-	-	-	-	-	322,711
Colombian Pesos	135,213	-	-	-	-	-	-	135,213
	135,213	322,711	-	-	-	-	-	457,924
National currency								
CDI	53,190	-	-	-	-	-	-	53,190
TJLP	81,720	105,508	107,075	108,155	108,311	109,042	617,591	1,237,402
Fixed rate	50,489	60,293	57,873	56,192	49,868	44,704	69,658	389,077
(-) Costs to be repaid	(739)	(295)	(235)	(235)	(235)	(235)	(2,079)	(4,053)
	184,660	165,506	164,713	164,112	157,944	153,511	685,170	1,675,616
	319,873	488,217	164,713	164,112	157,944	153,511	685,170	2,133,540

23. Debentures

a) The balance of debentures is as follows:

Lenders/Creditors	Companies	Parent Company/ Consolidated									
		Current					Non-current				
		Charges	Principal	Costs to be repaid	3/31/2017	12/31/2016	Charges	Principal	Costs to be repaid	3/31/2017	12/31/2016
4th Issuance	Alupar	2,000	100,005	(120)	101,885	108,994	-	-	-	-	50,010
5th Issuance	Alupar	10,145	20,810	(13)	30,942	23,159	-	374,575	(119)	374,456	370,634
6th Issuance	Alupar	9,372	-	(1,230)	8,142	2,925	-	285,767	(3,794)	281,973	278,545
		21,517	120,815	(1,363)	140,969	135,078	-	660,342	(3,913)	656,429	699,189
	Operating										
1st Issuance	Windepar	-	-	(523)	(523)	-	2,780	67,500	(5,624)	64,656	66,816
2nd Issuance	EATE	3,705	60,000	(47)	63,658	61,626	-	-	-	-	(4)
3rd Issuance	EATE	833	83,052	(110)	83,775	83,850	-	83,133	(39)	83,094	103,837
4th Issuance	EATE	2,418	37,412	(54)	39,776	40,373	-	93,529	(51)	93,478	102,821
5th Issuance - 1st emissio	EATE	1,235	-	(96)	1,139	1,205	-	126,000	(129)	125,871	125,849
5th Issuance - 2nd emissi	ECTE	543	-	(26)	517	547	-	54,000	(80)	53,920	53,913
2nd Issuance	ECTE	2,281	40,000	(14)	42,267	40,910	-	-	-	-	-
3nd Issuance	ECTE	1,294	-	(247)	1,047	1,230	-	65,002	(208)	64,794	64,735
2nd Issuance	ENTE	3,772	58,353	(83)	62,042	62,971	-	145,882	(79)	145,803	160,373
3rd Issuance - 1st emissio	ENTE	274	-	(61)	213	226	-	28,000	(82)	27,918	27,904
3rd Issuance - 2nd emissi	ENTE	121	-	(16)	105	111	-	12,000	(51)	11,949	11,945
2nd Issuance	ETEP	1,049	16,235	(41)	17,243	17,498	-	40,588	(41)	40,547	44,598
3rd Issuance	Ferreira Gomes	5,068	1,105	(1,319)	4,854	2,006	2,330	278,243	(12,863)	267,710	261,862
1st Issuance	STN	848	23,765	(116)	24,497	25,619	-	59,411	(155)	59,256	65,168
1st Issuance	Transirapé	825	15,938	(26)	16,737	16,194	-	-	-	-	-
1st Issuance	Transleste	839	12,941	(56)	13,724	13,934	-	32,525	(131)	32,394	35,615
1st Issuance	Transudeste	971	18,763	(29)	19,705	19,067	-	-	-	-	-
		26,076	367,564	(2,864)	390,776	387,367	5,110	1,085,813	(19,533)	1,071,390	1,125,432
Total – Debentures - Current		**47,593**	**488,379**	**(4,227)**	**531,745**	**522,445**	**5,110**	**1,746,155**	**(23,446)**	**1,727,819**	**1,824,621**

b) The main characteristics of debentures are as follows:

Lenders/Creditors	Operating companies	Consolidated						
		Contracted conditions of debentures						
		Date of Engagement	Maturity	Contracted principal	Effective rate p.a.		Amortization of periodicity	
					Indexer	Interest (%)	Principal	Charges
4th Issuance	Alupar	Feb-12	Feb-18	150,000	CDI	1.45	Semiannual	Semiannual
5th Issuance	Alupar	May-12	May-27	300,000	IPCA	7.80	Annual	Semiannual
6th Issuance	Alupar	Apr-15	Apr-21	250,000	IPCA	7.33	Annual	Semiannual
1st Issuance	Windepar	Dec-16	Dec-28	67,500	IPCA	7.63	Semiannual	Semiannual
2nd Issuance	EATE	Oct-12	Oct-17	150,000	CDI	0.99	Semiannual	Semiannual
3rd Issuance	EATE	Mar-14	Mar-19	270,000	CDI	1.15	Quarterly	Quarterly
4th Issuance	EATE	Aug-14	Aug-20	159,000	109.75% CDI		Quarterly	Quarterly
5th Issuance - 1st emission	EATE	Sep-16	Sep-19	126,000	113.00% CDI		Lump sum at the end	Monthly
5th Issuance - 2nd emission	EATE	Sep-16	Sep-21	54,000	116.00% CDI		Lump sum at the end	Monthly
2nd Issuance	ECTE	Oct-12	Oct-17	80,000	CDI	0.99	Semiannual	Semiannual
3rd Issuance	ECTE	May-15	Feb-20	70,000	CDI	2.15	Quarterly	Quarterly
2nd Issuance	ENTE	Aug-14	Aug-20	248,000	109.75% CDI		Quarterly	Quarterly
3rd Issuance - 1st emission	ENTE	Sep-16	Sep-19	28,000	113.00% CDI		Lump sum at the end	Monthly
3rd Issuance - 2nd emission	ENTE	Sep-16	Sep-21	12,000	116.00% CDI		Lump sum at the end	Monthly
2nd Issuance	ETEP	Aug-14	Aug-20	69,000	109.75% CDI		Quarterly	Quarterly
3rd Issuance	Ferreira Gomes	Jun-14	Dec-27	210,900	IPCA	6.47	Semiannual	Semiannual
1st Issuance	STN	Aug-14	Aug-20	101,000	109.75% CDI		Quarterly	Quarterly
1st Issuance	Transirapé	Nov-12	Nov-17	42,500	CDI	0.99	Semiannual	Semiannual
1st Issuance	Transleste	Aug-14	Aug-20	55,000	109.75% CDI		Quarterly	Quarterly
1st Issuance	Transudeste	Nov-12	Nov-17	47,500	CDI	0.99	Semiannual	Semiannual

The Company's and its subsidiaries and joint ventures maintain the monitoring of financial ratios defined in the agreement. Quantitative covenants of the Company and its subsidiaries are mainly related to financial indices obtained using EBITDA as the Coverage Ratio Debt Service ("DSCR") and Equity Index ("EI"), which are calculated annually, except for the contract debentures of Controlled Ferreira Gomes Energia S.A, which is required quarterly. Failure to comply with these covenants entails the early maturity of the debentures. At March 31, 2017, all covenants were met and these ratios were within the limits established in the Company's debt agreements in accordance with the explicit methodologies in their contracts of its subsidiaries and joint ventures.

At first quarter ended March 31, 2017 the Controlled Ferreira Gomes Energia S.A attended the Capitalization Index (PCI) and the Debt Service Coverage Ratio (DSCR) established in the debenture agreement, except for the second quarter ended June 30, 2016, however the subsidiary Ferreira Gomes Energia S.A does not are in default before compliance with such content as according to Article VII, section 7.2, subsection (xxxiii) of Scripture is necessary two consecutive quarters of non-compliance of the index to breach of covenants.

Debentures of the Company and its subsidiaries are nonconvertible.

c) Changes in debentures are as follows:

Lenders/Creditors	Companies	Parent Company/ Consolidated						
		Opening Balance	Entry of debt (cost to be repaid)	Provision of charges	Monetary Variation	Principal Repayment	Charges repayment	Final balance
		12/31/2016						3/31/2017
4th Issuance	Alupar	159,004	-	4,232	-	(49,994)	(11,357)	101,885
5th Issuance	Alupar	393,793	-	7,574	4,031	-	-	405,398
6th Issuance	Alupar	281,470	-	5,525	3,120	-	-	290,115
		834,267	-	17,331	7,151	(49,994)	(11,357)	797,398
2nd Issuance	EATE	61,622	-	2,036	-	-	-	63,658
3rd Issuance	EATE	187,687	-	6,164	-	(20,763)	(6,219)	166,869
4th Issuance	EATE	143,194	-	4,529	-	(9,353)	(5,116)	133,254
5th Issuance - 1st emission	EATE	127,054	-	4,307	-	-	(4,351)	127,010
5th Issuance - 2nd emission	EATE	54,460	-	1,892	-	-	(1,915)	54,437
2nd Issuance	ECTE	40,910	-	1,357	-	-	-	42,267
3rd Issuance	ECTE	65,965	-	2,402	-	-	(2,526)	65,841
1st Issuance	Windepar	66,816	(5,272)	2,589	-	-	-	64,133
2nd Issuance	ENTE	223,344	-	7,067	-	(14,588)	(7,978)	207,845
3rd Issuance - 1st emission	ENTE	28,130	-	969	-	-	(968)	28,131
3rd Issuance - 2nd emission	ENTE	12,056	-	423	-	-	(425)	12,054
2nd Issuance	ETEP	62,096	-	1,972	-	(4,059)	(2,219)	57,790
3rd Issuance	Ferreira Gomes	263,868	-	5,508	3,188	-	-	272,564
1st Issuance	STN	90,787	-	2,128	-	(5,912)	(3,250)	83,753
1st Issuance	Transirapé	16,194	-	543	-	-	-	16,737
1st Issuance	Transleste	49,549	-	1,574	-	(3,235)	(1,770)	46,118
1st Issuance	Transudeste	19,067	-	638	-	-	-	19,705
		2,347,066	(5,272)	63,429	10,339	(107,904)	(48,094)	2,259,564
Current		522,445						531,745
Non-current		1,824,621						1,727,819
		2,347,066						**2,259,564**

d) The principal amounts for debentures, by index, are as follows:

Installments to become due by indexer	3/31/2017							
	Consolidated							
	R$							
	2017	2018	2019	2020	2021	2022	After 2022	Total
CDI	380,266	310,032	359,558	113,686	66,000	-	-	1,229,542
IPCA	46,502	51,054	50,243	214,967	215,827	73,804	405,298	1,057,695
(-) Costs to be repaid	(3,299)	(3,646)	(3,329)	(3,018)	(2,129)	(1,693)	(10,559)	(27,673)
	423,469	357,440	406,472	325,635	279,698	72,111	394,739	2,259,564

24. Provision for contingencies

a) Provisions for contingencies and related judicial deposit balances at March 31, 2017 and December 31, 2016, by nature, are shown below:

	Consolidated			
	Liabilities		Assets	
	Provisions		Judicial deposits	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Judicial procedures				
Tax	2,281	2,243	3,699	3,213
Civil	197	49	3,582	3,616
Land	-	-	3,868	3,793
Labor	4,331	4,475	2,841	2,634
Administrative procedures				
Regulatory (ANEEL)	-	-	1	1
	6,809	6,767	13,991	13,257
Current	277	277	-	-
Non-current	6,532	6,490	13,991	13,257
	6,809	6,767	13,991	13,257

b) Changes in the provision for contingences are as follows:

	Consolidated				
	Opening balance	Entries	Atualizations	Reversal	Closing balance
	12/31/2016				3/31/2017
Judicial procedures					
Tax	2,243	-	38	-	2,281
Civil	49	148	-	-	197
Labor	4,475	(51)	-	(93)	4,331
	6,767	97	38	(93)	6,809

The calculation of the amounts to be provisioned is based on the amounts in constant risk of the opinion of the external and internal lawyers responsible for conducting the lawsuits and judging our management, so that the amounts related to the claims that we believe are probable of loss likely.

The Company's management takes into consideration, for a detailed explanation in an Explanatory Note, legal claims whose value at risk of the case exceeds R$ 2,000 for the claims related to the Company and R$ 1,000 for the claims related to the Subsidiaries and / or are significant For the Company's business, such as public civil actions, regardless of the value at risk.

Not included in the explanatory notes are legal claims whose likelihood of loss is remote.

(A) Probability of Loss: The Company and/or its subsidiaries appear as a party to claims with probable probability of loss that, individually and, in the evaluation of our management, are considered to be relevant to the business, as follows:

Tax Demands:

Injunction No. 00022535720094036100, moved by the Company in the face of the Federal Revenue Service of São Paulo, pending before the 5th Federal Court of São Paulo. Visa excluding the amounts received as interest on the basis of equity of the PIS and COFINS. The value at risk is approximately R $ 2,350. The timing and the ultimate amount paid depends on court ruling.

(i) Civil Claims:

• Implementing Action No. 00503476720108160001, proposed by Construtora Triunfo SA against the subsidiary Foz do Rio Claro Energia SA, which requires the revision of the contract for the provision of services. The value at risk estimate is R $ 2,632. The timing and the ultimate amount paid depends on court ruling.

(B) Contingent obligations for which no provision has been recognized*:* Although the Company and its subsidiaries did not record provisions for such proceedings, the following proceedings be highlighted:

(i) Tax suits*:*

- Administrative Proceeding No. 10880908850201376, moved by the Company in proceedings before the Federal Revenue Service. It is application for credit refund (Perd / Comp), the value at risk is approximately R $ 6,218.

- Administrative Proceeding No. 10880946290201277, moved by the Company in proceedings before the Federal Revenue Service. It is application for credit refund (Perd / Comp), the value at risk is approximately R $ 4,334.

- Administrative Proceeding No. 19515722963201238, against the subsidiary Empresa Amazonense de Transmissão de Energia S.A. (EATE), pending before the Internal Revenue Service. It is an infraction in connection with income tax, CSLL, PIS and COFINS in the period 2007-2010, the value at risk is approximately R$ 2,202;

- Tax Enforcement No. 00008348820148110047, against the subsidiary Transmissora Matogrossense de Energia S.A. (TME), pending before the Court of Single Jauru, whose responsibility solidarity. It's Tax Enforcement requiring the ISS rate of collection of difference, being the principal debtor Global Energia Elétrica S.A. and Mavi Engenharia e Construções Ltda., whose value at risk is approximately R$ 1,216

- Administrative Proceeding No. 10480902369201037, moved by the Union in the face of Controlled Sistema de Transmissão do Nordeste S.A. (STN), pending before the Federal Revenue of Recife / PE. This is credit application for compensation arising from a negative balance of income tax, recorded in the 2005, with compensation of PIS debts, COFINS and income tax. The value at risk estimate eg R $ 1,631;

- Assessment Notice No. 000492/2015, issued by the Secretary of State of Roraima Finance in the face of Controlled Transnorte Energia SA (TNE), pending before the Agência Especial de Renda de Boa Vista - RR, aiming collection of differential ICMS rate for the period of 06/2014 to 11/2014 (CONFAZ No. 143/2012 and Decree No. 14,982 / 2013). The value at risk estimate is R $ 9,967;

- Tax assessment no. 000455/2014, drawn up by the Tax Office of the State of Roraima in the face of the Transnorte Energia SA (TNE), in process before the Court of Audit of the State of Roraima, aiming to analyze the legality of the tax benefits authorized by the Agreement of CONFAZ nº 143/2012 and Decree nº 14.982 / 2013. The approximate value at risk is R $ 1,850;

(ii) Civil suits:

- Civil class action No. 00099563820104013100 brought by the Federal Prosecutor's Office and by the Amapá State Prosecution Office, against the Company, Aneel, the director of Amapá State Environment and Territorial Planning Institute (IMAP) and the Amapá State Environment Office (SEMA/AP). This concerns a lawsuit referring to obligation to do and not to do for prevention of environmental damages, involving environmental permits. The amount under risk is approximately R$ 1,529.

- Civil class action No. 00335301320054047100 filed by Núcleo Amigos da Terra Brasil against Environment Preservation Foundation Henrique Luís Roessler/RS (FEPAM), the Federal Government, Companhia Estadual de Geração e Transmissão de Energia Elétrica (CEEE-GT) and Companhia Estadual de Distribuição de Energia Elétrica (CEEE-D). The state of Rio Grande do Sul, subsidiary Ijuí Energia S.A. and Eletrosul Centrais Elétricas S.A. are assisting this proceeding. It is a civil class action filed for the purpose of discussing the environmental permit for the hydroelectric power plant of Passo São João (LP No. 710/2005-DL) and São José (LP nº 711/2005-DL). The value at risk estimate is $ 1;

- Civil Action No. 00016274120158030006 proposed by the Ministério Público do Estado Amapá, which requires compensation due to alleged material and moral damage caused by the subsidiary Ferreira Gomes Energia S / A to the environment. There is no value for the risk involved.

- Civil class action No. 201201963790 (0196379-30.2012.8.09.0142) proposed by the Public Ministry of the State of Goiás against the Company and the State of Goiás, a preliminary injunction, in order to declare the nullity of a previous license issued to the SHP Verde 08, in view of the alleged occurrence of failures in the Environmental Impact Study submitted by the project. Injunction revoked and enterprise being implemented. The value at risk estimate is $ 13;

- Civil Action No. 001983412020148090142 filed by the Public Ministry of the State of Goiás against the Company and the State of Goiás with an injunction. This action has as objective to curb the granting of the preliminary license by SEMARH the Company, necessary for the construction of hydroelectric power plant 11 Green High. There is no value for the risk involved.

- Public Civil Action No. 00184082320134013200 proposed by the Federal Public Prosecutor's Office in relation to the Controlled Transnorte for the preservation of allegedly offended indigenous rights. The approximate value at risk is R $ 1,211;

- Public Civil Action No. 00013863320168030006 proposed by the State Prosecutor's Office of Amapá, in the face of the Controlled Company Ferreira Gomes Energia SA and others with the purpose of compelling the defendants to promote the full reparation of all environmental damages caused in the Municipality of Ferreira Gomes / AP, as well as How to take measures to minimize the deleterious effects related to the flood. The value at risk can not be estimated.

- Public Civil Action No. 00103807020164013100 proposed by the Federal Public Ministry in relation to the Controlled Ferreira Gomes Energia SA and the Institute of Environment and Territorial Planning of the State of Amapá (IMAP), aiming at condemning the defendants to promote the complementation of environmental impact studies caused By the Ferreira Gomes Hydroelectric Power Plant to the Ichthyofauna of the Araguari River basin and the conditions for the operation of the project in order to clarify the specific causes of fish mortality events, as well as the adoption of mitigating measures in the scope of environmental licensing. There is no value at risk involved. We emphasize that the subsidiary Ferreira Gomes Energia S.A. signed a Term of Adjustment of Conduct, and the agreement was ratified pursuant to article 487, item III, letter b of the Code of Civil Procedure. Cars in the process of filing.

- Public Civil Action No. 00013854820168030006 proposed by the Public Prosecutor's Office of the State of Amapá in relation to the Controlled Company Ferreira Gomes Energia SA seeking the payment of compensation for alleged material damages caused to the environment, moral damages / extra-financial damage caused to the community, compensation for material damages And lost profits allegedly caused to the population under the allegation the company proved sensitive changes in the environment, culminating in the mortality of species of aquatic fauna in the Araguari River. There is no value at risk involved. We emphasize that the subsidiary Ferreira Gomes Energia S.A. signed a Term of Adjustment of Conduct, and the agreement was ratified pursuant to article 487, item III, letter b of the Code of Civil Procedure. Cars in the process of filing.

- Revisional Action No. 00818741920118190001 rival bid Naturasul in the face of Controlled Ijuí Energia SA, which requires the revision of the contract for services. The value at risk estimate is R $ 6,265;

- Implementing Action No. 00503424520108160001 proposed by Construtora Triunfo SA against the subsidiary Foz do Rio Claro Energia SA, which requires the revision of the contract for the provision of services. The value at risk estimate is R $ 1,481;

- Implementing Action No. 00503433020108160001 proposed by Construtora Triunfo SA against the subsidiary Foz do Rio Claro Energia SA, which requires the revision of the contract for the provision of services. The value at risk estimate is R $ 1,247;

- Implementing Action No. 00503441520108160001 proposed by Construtora Triunfo SA against the subsidiary Foz do Rio Claro Energia SA, which requires the revision of the contract for the provision of services. The value at risk estimate is R $ 1,951;

- Monitoring Action No. 00465158420148160001 proposed by Construtora Triunfo S.A.contra the subsidiary Foz do Rio Claro energia S.A., which requires ordered to pay arising from additional services related to the Contract Agreement. The value at risk estimate is R $ 8,672;

- Ordinary Action No. 11027876220158260100 proposed by Açotubo Indústria e Comércio Ltda. In the face of Alumini Engenharia S.A., for alleged credit consubstantiated in purchase orders and invoices, directed to the Company for alleged corporate bond. The approximate value at risk is R $ 6,172.

- Indemnification Action No. 00022561520158030006 proposed by Dolivar Alfredo Furtado Abdon in the face of Controlled Ferreira Gomes Energia S.A., in which it requires the conviction for alleged material and moral damages caused during the construction of the project. The approximate value at risk is R $ 1,098.

(iii) Labor claims:

there are no legal or administrative demands of labor with possible risk of loss, individually and in the evaluation of our management, are considered relevant to our business.

(iv) Arbitration:

There are two arbitration procedures assessed as possible loss, to wit:

- Procedure Arbitration No. 21212 / ASM, established by the TSK Energia Desenvolvimento LTDA in the face of Controlled Ferreira Gomes Energia SA pending before the International Court of Commerce ("ICC" - International Chamber of Arbitration). This is arbitration procedure to settle disputes arising from "Contract Agreement and Total Fixed Term for the implementation of the Assembly of Electromechanical Equipment, Hydro, and Systems" AHE Ferreira Gomes. The value at risk can't be estimated.

- Arbitral Procedure nº 22375 / ASM, established by GCZ Construcción S.A.C. In face of the Subsidiary La Virgen S.A.C. Pending before the International Chamber of Commerce (ICC) in the city of Lima, Peru. This is an arbitration procedure to settle controversy arising from the "Agreement for the execution of civil works" of the La Virgen Small Hydroelectric Power Plant. The value at risk estimated by the office that sponsors the claim is US $ 7,642 thousand. There is a counter-claim presented by La Virgen. The value at risk can't be estimated

- Arbitral Procedure nº 22414 / ASM, established by GCZ Ingerieros S.A.C. In face of the Subsidiary La Virgen S.A.C. Pending before the International Chamber of Commerce (ICC) in the city of Lima, Peru. This is an arbitration procedure to settle disputes arising from the "Contract for the Supply and Assembly of Equipment" of the La Virgen Small Hydroelectric Power Plant. The value at risk estimated by the office sponsoring the suit is US $ 2,910,000. There is a counter-claim presented by La Virgen. The value at risk can't be estimated.

(v) Environmental suits: There are two Notice of Violation with possible losses, which we quote below:

- Auto Environmental Infraction No. 013596 A, issued by Instituto do Meio Ambiente e Ordenamento Territorial do Estado do Amapá - IMAP, due to the controlled Ferreira Gomes Energia SA to have the company allegedly caused significant changes in the environment. The value at risk estimate is $ 20,000

  We emphasize that the subsidiary Ferreira Gomes Energia SA signed a Conduct Adjustment Term in which suspended the ongoing administrative procedure in IMAP to its full implementation. Finally, compliance with the obligations assumed, will be extinguished.

- Environmental Infraction Auto No. 014689-A, issued by the Environment and Spatial Planning Institute in the State of Amapá - IMAP, in the face of Controlled Ferreira Gomes Energia SA to have the company allegedly caused significant changes in the environment, culminating in mortality of species of aquatic fauna of the Araguari river. The value at risk estimate is $ 30,000.

The Company and its Subsidiaries figure as defendants in five civil class actions of environmental nature, with possible loss probability, as mentioned in item "B", part "ii".

(Vi) Criminal Demands:

- Criminal Action publishes No 00016282620158030006 proposed by the Amapá State Public Prosecution Office against Controlled Ferreira Gomes Energia SA and others, which requires the condemnation of the defendants because of alleged damage caused to the environment. There is no value for the risk involved.

  We emphasize that the subsidiary Ferreira Gomes Energia SA signed a Conduct Adjustment Term in which suspended the course of public criminal action until its completion. At the end, fulfilled their obligations, said prosecutable will be extinguished

25. Equity

a) Authorized capital

Pursuant to paragraph 8 of the Articles of Incorporation, the Company is authorized to increase capital, subject to approval by the Board of Directors, regardless of amendment thereto, through issue of common and/or preferred shares, up to the limit of 1,000,000,000 (one billion) shares. It is also incumbent upon the Board of Directors to set the issue conditions, including price, terms and form of payment.

Within the authorized capital limit and according to the plan approved at the Annual General Meeting, the Company may grant stock options to its managing officers or employees, or individual providers of services to the Company or entities under its control.

Furthermore, the Company shareholders have preemptive rights to subscribe new shares or any convertible securities, for which the deadline for exercise is 30 (thirty) days. Such preemptive right may, however, at the Board of Director's discretion, be excluded or have the exercise term reduced, upon issue of shares, convertible debentures or subscription warrants which are placed on sale through the stock exchange or by public subscription, or through exchange of shares in a public offering for acquisition of control, under the terms of the Brazilian Corporation Law, within the authorized capital limit.

b) Capital

As of March 31, 2017, the Company's capital amounted to R$ 2,148,533, comprising 554,233,455 common shares (554,233,455 as of December 31, 2016) and 196,652,815 preferred shares (196,652,815 as of December 31, 2016), held as follows:

	3/31/2017				12/31/2016			
	Common		Preferred		Common		Preferred	
	Amount	%	Amount	%	Amount	%	Amount	%
Shareholders								
Guarupart Participações Ltda	445,995,367	80.47	12,471,128	6.34	445,995,367	80.47	12,471,128	6.34
FI - FGTS	35,162,754	6.34	70,325,508	35.76	35,162,754	6.34	70,325,508	35.76
Outstanding shares	73,075,334	13.18	113,856,179	57.90	73,075,334	13.18	113,856,179	57.90
Total shares	554,233,455	100.00	196,652,815	100.00	554,233,455	100.00	196,652,815	100.00

c) Income reserve

c.1) Legal reserve*:* Brazilian Corporation Law sets forth that the Company must transfer 5% of annual net income computed on the accounting records in accordance with accounting practices adopted in Brazil to legal reserve, not exceeding 20% of the Company capital. The legal reserve may be used for increasing capital or absorbing losses; however, it may not be used for dividend distribution purposes.

c.2) Income reserve: The remaining income balance is maintained in an investment reserve account, to be allocated as determined at the General Meeting.

d) Capital reserve

The capital reserves arise from the profit or loss in transaction of capital and from reserve for reinvestment, as follows:

	Parent Company	
	3/31/2017	12/31/2016
Gain (loss) in capital transaction		
Empresa Amazonense de Transmissão de Energia S.A.	86,821	86,821
Empresa Catarinense de Transmissão de Energia S.A. (*)	(3,915)	(3,915)
Usina Paulista Lavrinhas de Energia S.A.	(4,747)	(4,747)
Usina Paulista Queluz de Energia S.A.	(3,000)	(3,000)
Foz do Rio Claro Energia S.A.	(24,211)	(24,211)
	50,948	50,948
Reserve for reinvestment		
Empresa Norte de Transmissão de Energia S.A.	504	504
Empresa Paraense de Transmissão de Energia S.A.	57	57
	561	561
	51,509	**51,509**

(*) Capital loss generated in the acquisition of the subsidiary ECTE shares.

e) Other comprehensive income

This refers to gain and loss on translation of the quarterly information of subsidiaries domiciled abroad, as demonstrated below:

	Parent Company	
	3/31/2017	12/31/2016
Balance at the beginning of the fiscal year	(1,395)	43,276
Exchange differences derived from the conversion of assets in overseas operations		
Subsidiaries:		
Transchile Charrúa Transmisión S.A.	-	(43,241)
La Virgen S.A.C.	(1,804)	(2,174)
Risaralda Energía S.A.S.E.S.P.	43	(2,704)
Alupar Inversiones Peru S.A.C.	(13,818)	2,134
Alupar Chile Inversiones SpA	-	157
Alupar Colômbia S.A.S.	1,542	1,157
Balance at the end of the period / fiscal year	**(15,432)**	**(1,395)**

f) Allocation of income

According to paragraph 37 of the Company's Articles of Incorporation, shareholders are entitled to receive non-cumulative mandatory dividends (minimum dividend), each year, corresponding to 50% (fifty percent) of net income for the year, increased or reduced by the following: a) amount allocated to the legal reserve; (b) amount allocated to reserve for litigation and reversal of reserve for litigation recorded in prior years.

g) Non-controlling shareholders

Proceeds paid as dividend and interest on equity refer to dividend and interest on equity declared to subsidiaries non-controlling shareholders.

26. Earnings per share

Earnings per share are presented by type and nature of the share. This presentation is consistent with the practice adopted in Brazil for trading and listing of shares in share lots. The Company has registered shares, with no par value.

The table below shows calculation of the weighted average of outstanding shares and earnings per share of the Company for the year ended March 31, 2017 and 2016:

	Consolidated	
	Period ended	
	3/31/2017	3/31/2016
Numerator:		
Net income for the period, entitled to the controlling shareholders	73,739	54,211
Denominator (in thousands of shares)		
Weighted average of the number of common shares (*)	554,233	491,224
Weighted average of the number of preferred shares (*)	196,653	174,296
Earnings per share		
Basic and diluted earnings per share: (*)	0.09820	0.08146
Basic and diluted earnings per share: (*)	0.09820	0.08146

(*) This calculation was considered the increase of capital investment reserve as disclosed in Note 38 Subsequent events

The Company has no diluting in struments, such as instruments convertible into shares, options or subscription warrants.

27. Net operating revenue

	Consolidated	
	Period ended	
	3/31/2017	3/31/2016
Gross operating revenue		
Power transmission system		
Revenue from power transmission	28,910	26,008
Infrastructure revenue	4,758	8,892
Payment of financial assets from the concession	251,223	270,195
	284,891	305,095
Power generation system		
Power supply (Note 30)	129,855	113,830
	129,855	113,830
Total - Gross operating revenue	414,746	418,925
Taxes on gross operating revenue		
Social integration program - PIS	(3,930)	(4,026)
Social Security Financing Contribution - COFINS	(18,132)	(18,542)
Tax on Circulation of Goods and Services - ICMS	(1,124)	(1,855)
Services Tax - ISS	(85)	(148)
IVA	(249)	-
	(23,520)	(24,571)
Regulatory charges for the concession		
Quote for global reserve for reversal - RGR	(8,770)	(7,733)
Research and Development – R&D	(1,585)	(1,407)
National Fund of scientific and technologic development - FNDCT	(1,586)	(1,407)
Brazilian Ministry of Mines and Energy (MME)	(793)	(704)
Fiscalization Fee for the electric power services - TFSEE	(1,647)	(1,503)
	(14,381)	(12,754)
Total - Deductions on gross operating revenue	(37,901)	(37,325)
Net operating revenue	**376,845**	**381,600**

28. Power supply and electricity purchased for resale

	Consolidated					
	Period ended					
	3/31/2017			3/31/2016		
	MWh	Average Price	Amount	MWh	Average Price	Amount
Power supply						
Bilateral agreement – free environment	116,623	251.41	29,320	191,152	196.99	37,655
Bilateral agreement – free environmen - trade	8,605	184.89	1,591	86,780	97.64	8,473
Bilateral agreement – regulated environment	557,174	142.24	79,250	477,591	138.37	66,084
Gross-up ICMS	-	-	829	-	-	1,855
Unconditional discount	-	-	-	-	-	(349)
MRE and Spot (short term power)	-	-	18,865	-	-	112
Total - Gross operating revenue			129,855			113,830
Electric power purchased power for resale						
Bilateral agreement – free environment	(195,187)	92.35	(18,025)	(64,955)	75.64	(4,913)
MRE / Spot and other adjustments	-	-	1,024	-	-	(2,599)
(-) Credit of Pis/Cofins Power	-	-	2,748	-	-	1,323
			(14,253)			(6,189)

On March 06, 2013, the Nationa Counsil for Energy Politics (CNPE) published Resolution No. 03/2013, which (i) establishes guidelines for the internalization of risk aversion mechanism in computer programs for energy studies and pricing and (ii) allows the Steering Committee for the Monitoring of the Electric Sector – CMSE dispatch thermoelectric plants - TPPs out of economic merit order. According to this CNPE Resolution 03/13, a significant part of the cost of TPPs will be on the hydroelectric generators, either in the transitional period (until the approval of new computer programs) or permanent period. Currently the apportionment of costs order of TPPs foreseen in CNPE 03/13 resolution is suspended for the controlled generation of the Company and for some agents, according to the same are protected by the injunction obtained on August 22, 2013 by the association that represent. If the ruling is unfavorable, the subsidiaries of the Company's generation will have to register the System Service Charges title the amount of R $ 15,716.

29. Operating costs and expenses

	Parent Company							
	Period ended							
	3/31/2017				31/03/2016			
	Operating expenses		Costs of services rendered	Total	Operating expenses		Costs of services rendered	Total
	General and administratives expenses	Others			General and administratives expenses	Others		
Personnel	(4,033)	-	(233)	(4,266)	(4,377)	-	(88)	(4,465)
Material	(28)	-	-	(28)	(46)	-	-	(46)
Third parties services	(1,687)	-	(14)	(1,701)	(1,347)	-	(12)	(1,359)
Depreciation and amortization	(312)	-	-	(312)	(362)	-	-	(362)
Rents	(413)	-	-	(413)	(447)	-	-	(447)
Insurance	(10)	-	-	(10)	291	-	-	291
Donations, contributions and support	(44)	-	-	(44)	(40)	-	-	(40)
Capital loss	-	(94)	-	(94)	-	(1,380)	-	(1,380)
Other taxes and fees	(196)	-	(7)	(203)	(188)	-	-	(188)
Others	(2)	-	-	(2)	(31)	-	-	(31)
Total	**(6,725)**	**(94)**	**(254)**	**(7,073)**	**(6,547)**	**(1,380)**	**(100)**	**(8,027)**

	Consolidated									
	Period ended									
	3/31/2017					3/31/2016				
	Operating costs		Operating expenses		Total	Operating costs		Operating expenses		Total
	Costs of services rendered	Infrastructure cost (*)	General and administratives expenses	Others		Costs of services rendered	Infrastructure cost (*)	General and administratives expenses	Others	
Personnel	(11,328)	(1,536)	(11,956)	-	(24,820)	(9,767)	(5,874)	(12,808)	-	(28,449)
Material	(1,954)	(296)	(122)	-	(2,372)	(2,568)	(204)	(301)	-	(3,073)
Third parties services	(11,788)	(1,014)	(5,688)	-	(18,490)	(14,189)	(941)	(6,753)	-	(21,883)
Management of works	-	-	-	-	-	-	(125)	-	-	(125)
Depreciation and amortization	-	-	(1,315)	-	(1,315)	-	-	(1,278)	-	(1,278)
Provision (reversal) for contingencies	(102)	-	-	-	(102)	(965)	-	-	-	(965)
Rents	(1,612)	-	(1,158)	-	(2,770)	(1,464)	-	(1,469)	-	(2,933)
Insurance	(2,487)	(1,797)	(82)	-	(4,366)	(2,205)	-	228	-	(1,977)
Donations, contributions and support	(133)	-	(96)	-	(229)	(119)	-	(282)	-	(401)
Capital loss	-	-	-	(95)	(95)	-	-	-	(1,380)	(1,380)
Other taxes and fees	(306)	(2)	(578)	-	(886)	(256)	(5)	(986)	-	(1,247)
Buildings. Civil Works and Improvements	-	-	-	-	-	-	(1,284)	-	-	(1,284)
Machinery and equipment	-	(76)	-	-	(76)	-	326	-	-	326
Others	(147)	(37)	(729)	(24)	(937)	(8)	(785)	(474)	(61)	(1,328)
Total	**(29,857)**	**(4,758)**	**(21,724)**	**(119)**	**(56,458)**	**(31,541)**	**(8,892)**	**(24,123)**	**(1,441)**	**(65,997)**

30. Financial income and expenses

	Parent Company		Consolidated	
	Period ended		Period ended	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Financial Revenues				
Revenues of financial investments	11,409	5,481	37,895	15,250
Monetary adjustment – Judicial deposits	38	39	38	39
Monetary adjustment – recoverable taxes	616	705	696	845
Others	-	-	1,044	4,796
Total	**12,063**	**6,225**	**39,673**	**20,930**
Financial Expenses				
Charges on loans and financing	(120)	(559)	(34,404)	(29,332)
Monetary and exchange adjustment on loans and financing	-	-	(3,783)	(3,002)
Charges on debentures	(17,331)	(18,390)	(63,429)	(67,487)
Monetary adjustment on debentures	(7,151)	(20,513)	(10,339)	(27,800)
Exchange variation	(451)	-	(451)	(296)
Monetary variation – R&D	-	-	(1,090)	(708)
Monetary adjustment - Contingencies	(38)	(39)	(38)	(39)
Monetary variation – Others	-	-	(124)	(354)
Interest and penalties	(4)	(27)	(546)	(97)
Comissions and Bank Guarantees	(49)	(32)	(600)	(417)
Others	43	(11)	(18,694)	(866)
Total	**(25,101)**	**(39,571)**	**(133,498)**	**(130,398)**
Total Net	**(13,038)**	**(33,346)**	**(93,825)**	**(109,468)**

31. Income tax and social contribution

a) Reconciliation of the effective nominal rate for the year ended March 31, 2017 and 2016 is as follows:

	Consolidated	
	Period ended	
	3/31/2017	3/31/2016
a) Composition of taxes on income:		
In the line taxes:		
Current	(30,973)	(30,790)
Deferred	8,027	(6,616)
Total	**(22,946)**	**(37,406)**
b) Statement of tax calculation – Expense:		
Income before taxes	**188,183**	**182,357**
Nominal rate	34%	34%
Expectation of expenses on taxes at nominal rates	**(63,982)**	**(62,001)**
Adjustment for assessment of effective IRPJ and CSLL:		
Tax credits - tax and social contribution not recorded in the year	(9,634)	(11,994)
Reversal of taxation effect - taxable income	23,710	19,037
Taxation by Profit computed as a percentage of revenue	5,041	(4,166)
Effect of entity tax rates abroad	(419)	(113)
Reduced tax rate (*)	-	9,793
nondeductible expenses	(1,807)	(1,425)
Income from equity method	(112)	1,046
Tax breaks (*)	21,046	4,172
Recognition of tax losses not previously recognized	-	363
Others	3,211	7,881
Expense from effective income tax and social contribution	(22,946)	(37,406)
c) Effective tax rate	**12.2%**	**20.5%**

(*) Federal tax benefits which guarantee a 75% income tax reduction in the region of the Superintendence Authority for the Development of the Amazon (SUDAM) and the Superintendence Authority for the Development of the Northeast (SUDENE).

b) The breakdown by company concerning income tax and social contribution calculation regime, including PIS/COFINS rates of subsidiaries is shown below:

Companies	Referred to Fiscal Year 2017		
	Pis / Cofins	Sudam / Sudene benefit up to:	Tax Regime
Direct Subsidiaries:			
Alupar Inversiones Peru S.A.C.	Not applicable	Not applicable	Not applicable
Transminas Holding S.A.	9.25%	Not applicable	Taxable profit
Alupar Chile Inversiones SpA	Not applicable	Not applicable	Not applicable
Foz do Rio Claro Energia S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Ijuí Energia S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Usina Paulista Lavrinhas de Energia S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Usina Paulista Queluz de Energia S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Ferreira Gomes Energia S.A	9.25%	On request (**)	Taxable profit
Geração de Energia Termoelétrica e Participações S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Risaralda Energía S.A.S.E.S.P.	Not applicable	Not applicable	Not applicable
Alupar Colômbia S.A.S	Not applicable	Not applicable	Not applicable
Forquilha IV Energia S.A.	9.25%	Not applicable	Taxable profit
Verde 8 Energia S.A.	9.25%	Not applicable	Taxable profit
Agua Limpa S.A.	9.25%	Not applicable	Taxable profit
La Virgen S.A.C.	Not applicable	Not applicable	Not applicable
Empresa Amazonense de Transmissão de Energia S.A. - EATE (*)	Mixed regime - Bid 3.65% and New facilities basic grid 9.25%	2023	Taxable profit
Sistema de Transmissão Nordeste S.A. – STN (*)	3.65%	2025	Taxable profit
Empresa de Transmissão do Espirito Santo S.A. - ETES	9.25%	2019	Taxable profit
Empresa Paraense de Transmissão de Energia S.A. - ETEP (*)	3.65%	2025	Taxable profit
Empresa Norte de Transmissão de Energia S.A. - ENTE (*)	3.65%	2025	Taxable profit
Empresa Regional de Transmissão de Energia S.A. - ERTE (*)	3.65%	2024	Profit computed as a percentage of revenue
Empresa Catarinense de Transmissão de Energia S.A. – ECTE (*)	3.65%	Not applicable	Taxable profit
Empresa de Transmissão de Energia do Mato Grosso S.A. - ETEM	9.25%	2024	Taxable profit
Empresa de Transmissão de Varzea Grande S.A. - ETVG	9.25%	2024	Taxable profit
Empresa Litorânea de Transmissão de Energia S.A. - ELTE	9.25%	Not applicable	Taxable profit
Lumitrans - Companhia Transmissora de Energia Elétrica	3.65%	Not applicable	Profit computed as a percentage of revenue
Sistema de Transmissão Catarinense S.A. – STC	3.65%	Not applicable	Profit computed as a percentage of revenue
ACE Comercializadora Ltda	9.25%	Not applicable	Taxable profit
AF Energia S.A.	9.25%	Not applicable	Taxable profit
Windepar Holding S.A.	9.25%	Not applicable	Taxable profit
Empresa Transmissora Agreste Potiguar S.A.	9.25%	Not applicable	Taxable profit
Empresa Transmissora Capixaba S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Transmissora Caminho do Café S.A.	9.25%	Not applicable	Taxable profit
Transmissora Paraiso de Energia S.A.	9.25%	Not applicable	Taxable profit

(*) In accordance with Law 10,637/2002, the concession contracts of electric utilities entered into before October 31, 2003 are subject to the deduction of 3.65% PIS/COFINS.
(**) Preparation of the plea at Sudam

Companies	Referred to Fiscal Year 2017		
	Pis / Cofins	Sudam / Sudene benefit up to:	Tax Regime
Indirect Subsidiaries:			
Empresa Brasileira de Transmissão de Energia S.A.	9.25%	2020	Taxable profit
Companhia Transleste de Transmissão	3.65%	Not applicable	Profit computed as a percentage of revenue
Companhia Transudeste de Transmissão	3.65%	Not applicable	Profit computed as a percentage of revenue
Companhia Transirapé de Transmissão	3.65%	2025	Profit computed as a percentage of revenue
Empresa Santos Dumont de Energia S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Empresa de Transmissão Serrana S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Empresa Sudeste de Transmissão de Energia S.A.	9.25%	Not applicable	Taxable profit
Energia dos Ventos I S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Energia dos Ventos II S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Energia dos Ventos III S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Energia dos Ventos IV S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Energia dos Ventos X S.A.	3.65%	Not applicable	Profit computed as a percentage of revenue
Transmissora Colombiana de Energia S.A.S ESP	Not applicable	Not applicable	Not applicable

Companies	Referred to Fiscal Year 2017		
	Pis / Cofins	Sudam / Sudene benefit up to:	Tax Regime
Direct jointly-controlled:			
Transmissora Matogrossense de Energia S.A – TME	9.25%	2024	Taxable profit
Transnorte Energia S.A. - TNE	9.25%	Not applicable	Taxable profit

32. Related parties

a) Transactions with related parties

The Company, a subsidiary of Guarupart Participações Ltda. All the related party transactions are as follows:

Related party / transaction	Parent Company				Consolidated			
	ASSETS		LIABILITIES		ASSETS		LIABILITIES	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Balance sheet								
Current								
Cash and cash equivalents								
Caixa Econômica Federal (*)	114,523	196,047	-	-	114,523	196,047	-	-
	114,523	196,047	-	-	114,523	196,047	-	-
Short-term investment								
Caixa Econômica Federal (*)	230,045	215,439	-	-	230,045	215,439	-	-
	230,045	215,439	-	-	230,045	215,439	-	-
Debentures								
FI FGTS - 5ª Emissão	-	-	30,942	23,159	-	-	30,942	23,159
	-	-	30,942	23,159	-	-	30,942	23,159
Suppliers - Purchased power free environment								
Ferreira Gomes Energia S.A	6,400	-	10,081	5,293	-	-	10,081	5,293
	6,400	-	10,081	5,293	-	-	10,081	5,293
Accounts receivable - Repayment of expenses								
Usina Paulista Queluz de Energia S.A.	4	4	-	-	-	-	-	-
	4	4	-	-	-	-	-	-
Other obligations								
Forquilha IV Energia S.A.	-	-	381	-	-	-	381	-
	-	-	381	-	-	-	381	-
Dividends receivable								
Transminas Holding S.A.	13,100	13,100	-	-	-	-	-	-
Sistema de Transmissão Nordeste S.A.	9,903	9,903	-	-	-	-	-	-
Empresa Amazonense de Transmissão de Energia S.A.	9,832	-	-	-	-	-	-	-
Empresa Regional de Transmissão de Energia S.A.	6,890	6,890	-	-	-	-	-	-
Empresa Catarinense de Transmissão de Energia S.A.	27,762	5,293	-	-	-	-	-	-
Foz do Rio Claro Energia S.A.	3,361	3,361	-	-	-	-	-	-
Usina Paulista Lavrinhas de Energia S.A.	4,321	4,321	-	-	-	-	-	-
Usina Paulista Queluz de Energia S.A.	4,501	4,501	-	-	-	-	-	-
Empresa de Transmissão do Espirito Santo S.A.	1,687	1,687	-	-	-	-	-	-
Transmissora Matogrossense de Energia S.A.	7,261	7,261	-	-	7,260	7,260	-	-
Empresa de Transmissão de Energia do Mato Grosso S.A.	3,345	3,345	-	-	-	-	-	-
Empresa de Transmissão de Varzea Grande S.A.	1,604	1,604	-	-	-	-	-	-
Transnorte Energia S.A.	75	75	-	-	75	75	-	-
Empresa Litorânea de Transmissão de Energia S.A.	263	263	-	-	-	-	-	-
Empresa Transmissora Agreste Potiguar S.A.	-	2	-	-	-	-	-	-
Empresa Transmissora Capixaba S.A.	-	2	-	-	-	-	-	-
AF Energia S.A.	75	75	-	-	-	-	-	-
	93,980	61,683	-	-	7,335	7,335	-	-
Non-current								
Advances for future capital increase								
Empresa de Transmissão de Varzea Grande S.A.	25,449	21,949	-	-	-	-	-	-
Ijuí Energia S.A.	15,752	15,752	-	-	-	-	-	-
Ferreira Gomes Energia S.A	22,252	7,252	-	-	-	-	-	-
Alupar Inversiones Peru S.A.C.	91,155	78,277	-	-	-	-	-	-
ACE Comercializadora Ltda.	1,100	1,100	-	-	-	-	-	-
AF Energia S.A.	2,450	1,200	-	-	-	-	-	-
Forquilha IV Energia S.A.	405	405	-	-	-	-	-	-
Verde 8 Energia S.A.	12,659	12,660	-	-	-	-	-	-
Agua Limpa S.A.	7,276	7,276	-	-	-	-	-	-
Geração de Energia Termoelétrica e Participações S.A.	578	578	-	-	-	-	-	-
Empresa Litorânea de Transmissão de Energia S.A.	8,507	8,507	-	-	-	-	-	-
Windepar Holding S.A.	45,070	25,440	-	-	-	-	-	-
Empresa Transmissora Agreste Potiguar S.A.	3,050	1,950	-	-	-	-	-	-
Empresa Transmissora Capixaba S.A.	2,330	1,880	-	-	-	-	-	-
Alupar Colômbia S.A.S.	3,627	2,697	-	-	-	-	-	-
Alupar Chile Inversiones SpA	1,904	1,904	-	-	-	-	-	-
Transmissora Paraíso de Energia S.A.	618	-	-	-	-	-	-	-
Transmissora Caminho do Café S.A.	356	-	-	-	-	-	-	-
	244,538	188,827	-	-	-	-	-	-
Debentures								
FI FGTS - 5ª Emissão	-	-	374,456	370,634	-	-	374,456	370,634
	-	-	374,456	370,634	-	-	374,456	370,634

Related party / transaction	Parent Company / Consolidated	
	Period ended	
	3/31/2017	3/31/2016
Statements of income		
Cost with electric power	28,489	-
Ferreira Gomes Energia S.A - Purchased power for resale	28,489	-
Cost with electric power in the year	**28,489**	**-**
Financial Revenues	11,129	37,812
Caixa Econômica Federal (*) - Financial investments	11,129	37,812
Financial Expenses	(11,605)	(19,875)
FI FGTS - 5ª Issuance	(11,605)	(19,875)
Financial results	**(476)**	**17,937**

(*) Brazil's Federal Savings and Loans Bank (CEF) manages FI-FGTS, which is a shareholder of the Company.

b) Guarantees

b.1) Transactions of guarantees between Company, subsidiaries and joint venturesrelating to loans, financing and debentures are listed below:

Authorization Date	Authorizing Body	Secured Company	Guarantor Company	Agreement	Guarantee	Amount of the Agreement	Beginning of the Agreement	Termination of the Agreement	Debt balance of the agreement as of 03/31/2017
12/01/09	Meeting of the Partners	Alupar	Guarupart	Financing - FINEP	Guarantee	72,841	12/17/09	05/15/18	4,251
12/12/11	Board of Directors	ETEM	Alupar	Financing - BNDES – 11.2.1030-1	Posting of guarantees, including security interest, credit rights, guarantees, sureties and pledge of shares	46,800	12/21/11	04/15/26	31,255
03/16/09	Board of Directors	ETES	Alupar	Financing - BNDES	Posting of guarantees, including security interest, credit rights, guarantees, sureties and pledge of shares	27,714	05/04/09	09/15/23	13,529
12/22/09	Board of Directors	ETES	Alupar	Financing - BNDES	Posting of guarantees, including security interest, credit rights, guarantees, sureties and pledge of shares	17,338	12/29/09	10/15/19	5,899
11/07/11	Board of Directors	ETVG	Alupar	Credit Note No. 40/00039-7	Posting of guarantees and pledge of shares	17,835	12/23/11	12/01/26	13,889
12/26/12	Board of Directors	Ferreira Gomes	Alupar	Financing - BNDES - agreement 12.2.1390.1	Posting of Guarantees (Common Guarantee), Right on Receivables from Granting Power, Credit Rights, Power Purchase Agreement, Credit Rights Centralizing Account, Reserve Account BNDES, Reserve Account O&M and Insurance Company Account.	470,610	12/28/12	04/15/31	439,798
02/11/08	Board of Directors	Foz	Alupar	Financing - BNDES	Irrestrict surety	201,630	04/09/08	03/15/27	154,074
02/11/08	Board of Directors	Ijui	Alupar	Financing - BNDES	Irrestrict surety.	168,200	04/09/08	09/15/27	137,813
02/01/08	Board of Directors	Lavrinhas	Alupar	Financing - BNDES	Posting of guarantees, including security interest, credit rights, guarantees, sureties and pledge of shares	111,185	03/11/09	04/15/25	76,060
06/14/10	Board of Directors	Lavrinhas	Alupar	Financing - BNDES	Posting of guarantees, including security interest, credit rights, guarantees, sureties and pledge of shares	16,875	09/08/10	04/15/25	10,330
02/01/08	Board of Directors	Queluz	Alupar	Financing - BNDES 08.2.0975.1	Posting of guarantees, including security interest, credit rights, guarantees, sureties and pledge of shares	114,647	03/11/09	01/15/25	74,848
07/21/10	Board of Directors	Queluz	Alupar	Financing - BNDES 10.2.0478.1	Posting of guarantees, including security interest, credit rights, guarantees, sureties and pledge of shares	27,716	08/03/10	01/15/25	16,394
12/15/08	General Meeting	STN	Alupar	Financing - BNB	Ractification of pledge of shares, considering that they were held by Alupar as from 09.26.2007	299,995	06/25/04	06/25/24	136,238
06/06/11	Board of Directors	TME	Alupar	Commercial Credit Note No. 20.00474-5	Posting of guarantees and pledge of shares	80,000	02/07/11	02/01/29	73,910
11/16/10	Board of Directors	TME	Alupar	Financing - BNDES – 20.00487-7	Posting of guarantees and pledge of shares	87,300	02/27/12	06/15/26	58,172
07/13/10	Executive Board	Transirapé	Alupar	Bank Credit Note	Posting of surety for the purchase of assets through FINAME proceeds	1,187	06/30/10	07/15/20	442
10/23/14	Board of Directors	Transirapé	Transminas and EATE	Financing - BDMG - agreement 193.292/14	Pleadge of Shares, fiduciary assignment during the construction phase of 30% of the RAP project, dduring project operation phase 25% of RAP, credit rights.	5,893	10/23/14	10/15/29	5,433
12/17/09	Board of Directors	EBTE	EATE, Alupar and TAESA	Financing - BNDES - agreement 09.2.1409.1	Posting of guarantees, including security interest, credit rights, guarantees, sureties and pledge of shares	165,150	12/28/09	05/15/25	99,514
10/29/12	Board of Directors	ESDE	ETEP, Alupar and TAESA	Financing - BNDES - agreement 12.2.1001.1	Fiduciary assignment of credit rights from Concession Agreement; Fiduciary Assignment of Credit Rights of CPST; Pledge of Shares (ETEP) + Surety	42,797	11/13/12	04/15/27	24,970
12/27/13	Board of Directors	ETSE	ECTE, Alupar, CELESC and TAESA	Financing - BNDES - agreement 13.2.1413.1	Fiduciary assignment of credit rights from Concession Agreement; Fiduciary Assignment of Credit Rights of CPST; Pledge of Shares (ECTE) + Surety	78,413	12/27/13	12/15/28	66,943
08/08/13	AGE (Special Shareholder's Meeting)	Transleste	EATE	Financing - BDMG - agreement 127.315	Pledge of Shares	47,000	03/10/05	02/10/25	19,587
08/08/13	AGE (Special Shareholder's Meeting)	Transleste	EATE	Financiamento - BNB - Contrato 05974828-A	Pledge of Shares	15,000	03/10/05	03/11/25	6,005
12/10/13	Board of Directors	Transirapé	EATE	Financing - BDMG	Pledge of Shares	30,300	12/27/13	01/15/24	16,304
03/12/12	Meeting of the Partners	Alupar	Guarupart	Debentures – 5th Emission	Guarantee	300,000	05/15/12	05/30/27	405,530
05/30/14	Board of Directors	Ferreira Gomes	Alupar	Debentures – 3rd Emission	Guarantee, pledge of shares and fiduciary assignment	210,900	06/15/14	12/15/27	286,746
09/15/14	Board of Directors	Alupar Inversiones Peru S.A.C.	Alupar	Medium-term Loan Agreement	Guarantee	US$ 15,000	10/10/14	10/10/17	52,291
09/15/14	Board of Directors	Alupar Inversiones Peru S.A.C.	Alupar	Medium-term Loan Agreement	Guarantee	US$ 5,000	12/12/14	12/12/17	17,466
It's not required to be approved by Board		Risaralda Energia S.A. E.S.P.	Alupar	Guarantee letter	Guarantee	COP$ 32,000,000,000	11/10/14	11/14/17	35,639
It's not required to be approved by Board		Risaralda Energia S.A. E.S.P.	Alupar	Guarantee letter	Guarantee	COP$ 88,000,000,000	03/25/15	11/11/17	97,952
12/14/15	Board of Directors	LA VIRGEN S.A.C.	Alupar	Loan Agreement (with guaranty)	Corporate bond as collateral for the loan contracted with Banco Santander	U$ 50,000,000	01/15/16	06/13/17	157,920
N/A	N/A	LA VIRGEN S.A.C.	Alupar	Financing	guarantee provided due to the Loan Agreement amounting to U $ 30,000,000.00 obtained from Banco Santander Panama	U$ 30,000,000	12/22/15	06/22/17	95,034
05/07/15	Board of Directors	ETVG	Alupar	CCB	Guarantee	22,500	06/17/15	06/30/17	20,108
12/14/15	Board of Directors	Energia dos Ventos I	Alupar/ Windepar	Financing - BNDES - nº 15.2.0778.1	Interpretation guarantees - Alupar: corporate surety, pledge of shares, chattel mortgage, credit rights of CCEARs, the CCVEs (3.2 MW), other CVEE contracts in ACL / ACR, arising from the project revenues rights, Account rights centralizing, Account Debt service Reserve, the O & M Agreement and Special Reserve Account. - Windepar: Special Account Rights Reserve Holding and mutuos contracts and corporate guarantee.	57,990	02/11/16	10/15/32	57,662
12/14/15	Board of Directors	Energia dos Ventos II	Alupar/ Windepar	Financing - BNDES - nº 15.2.0778.1	Interpretation guarantees - Alupar: corporate surety, pledge of shares, chattel mortgage, credit rights of CCEARs, the CCVEs (3.2 MW), other CVEE contracts in ACL / ACR, arising from the project revenues rights, Account rights centralizing, Account Debt service Reserve, the O & M Agreement and Special Reserve Account. - Windepar: Special Account Rights Reserve Holding and mutuos contracts and corporate guarantee.	32,220	02/11/16	10/15/32	32,549
12/14/15	Board of Directors	Energia dos Ventos III	Alupar/ Windepar	Financing - BNDES - nº 15.2.0778.1	Interpretation guarantees - Alupar: corporate surety, pledge of shares, chattel mortgage, credit rights of CCEARs, the CCVEs (3.2 MW), other CVEE contracts in ACL / ACR, arising from the project revenues rights, Account rights centralizing, Account Debt service Reserve, the O & M Agreement and Special Reserve Account. - Windepar: Special Account Rights Reserve Holding and mutuos contracts and corporate guarantee.	49,007	02/11/16	10/15/32	49,753
12/14/15	Board of Directors	Energia dos Ventos IV	Alupar/ Windepar	Financing - BNDES - nº 15.2.0778.1	Interpretation guarantees - Alupar: corporate surety, pledge of shares, chattel mortgage, credit rights of CCEARs, the CCVEs (3.2 MW), other CVEE contracts in ACL / ACR, arising from the project revenues rights, Account rights centralizing, Account Debt service Reserve, the O & M Agreement and Special Reserve Account. - Windepar: Special Account Rights Reserve Holding and mutuos contracts and corporate guarantee.	81,041	02/11/16	10/15/32	82,430
12/14/15	Board of Directors	Energia dos Ventos X	Alupar/ Windepar	Financing - BNDES - nº 15.2.0778.1	Interpretation guarantees - Alupar: corporate surety, pledge of shares, chattel mortgage, credit rights of CCEARs, the CCVEs (3.2 MW), other CVEE contracts in ACL / ACR, arising from the project revenues rights, Account rights centralizing, Account Debt service Reserve, the O & M Agreement and Special Reserve Account. - Windepar: Special Account Rights Reserve Holding and mutuos contracts and corporate guarantee.	41,042	02/11/16	10/15/32	41,719
N/A	N/A	Transirapé	Transminas/ EATE	Financing - BDMG - nº 215.411/16	Pledge of shares , chattel mortgage during the construction phase of 30% of the RAP project during project operation stage 25% of RAP , receivables	4,000	04/01/16	04/15/26	4,130
04/05/16	Board of Directors	Transirapé	Transminas/ EATE	Financing - BDMG - nº 215.485/16	Pledge of shares , chattel mortgage during the construction phase of 30% of the RAP project during project operation stage 25% of RAP , receivables	4,469	04/05/16	04/15/21	4,603
11/21/16	Board of Directors	Windepar	Alupar, Energia dos Ventos I, Energia dos Ventos II, Energia dos Ventos III, Energia dos Ventos IV	Debentures – 1st Emission	Securities Payable from the Issuer, Pledge of EDV Shares, credit rights arising from Energy Trading Contracts in the Regulated Environment ("CCEAR's"), credit rights from the Energy Purchase and Sale Contract (s) CCVEs), credit rights arising from any other energy sales contracts that may be entered into by the EDVs in the Free Contracting Environment (ACL) or the Regulated Contracting Environment (ACR), any other rights and / or revenues that result from the Projects, rights to the "Centralized Account", "O & M Reserve Account" and "Special Reserve Account" of each EDV, fiduciary assignment on the "Holding Special Reserve Account", "Debenture Debt Service Reserve Account", " Debenture Payment Account ", of the loan agreements, any other rights and / or revenues arising from the Projects	67,500	12/15/16	12/15/28	70,280

b.2) Transactions of guarantees between Company, subsidiaries and joint ventures regarding supply contracts, supervision of erection, commissioning supervision, bail and leasing non-residential property are listed below:

Authorization Date	Authorizing Body	Secured Compant	Guarantor Company	Agreement	Guarantee	Amount of the Agreement	Beginning of the Agreement	Termination of the Agreement	Debt balance of the agreement as of 03/31/2017
06/13/11	Board of Directors	Ferreira Gomes	Alupar	Supply Agreement, Assembly Supervision and Commissioning Supervision with Voith CPS FG0115-11	Posting of guarantees (Surety)	161,000	05/05/11	06/30/17	4,830
03/14/11	Board of Directors	Foz	Alupar	Guarantee	Posting of Guarantee on Surety No. 100411020056900 derived from the amounts questioned in the records of Enforcement of Debt Instrument Action brought by Construtora Triunfo related to Foz.	2,435	02/10/11	Indeterminat	The guarantee will be extinguished as soon as the action
03/14/11	Board of Directors	Foz	Alupar	Guarantee	Posting of Guarantee on Surety No. 100411020057200 derived from the amounts questioned in the records of Enforcement of Debt Instrument Action brought by Construtora Triunfo related to Foz.	1,556	02/10/11	Indeterminat	The guarantee will be extinguished as soon as the action
03/14/11	Board of Directors	Foz	Alupar	Guarantee	Posting of Guarantee on Surety No. 100411030052800 derived from the amounts questioned in the records of Enforcement of Debt Instrument Action brought by Construtora Triunfo related to Foz.	1,826	03/04/11	Indeterminat	The guarantee will be extinguished as soon as the action
12/03/12	Executive Board	Foz	Alupar	Guarantee	Private Instrument of Constitution of Guarantee by Posting of Guarantee No. 181386812-ONS	893	12/03/12	12/01/17	9
N/A	N/A	Foz	Alupar	Bail letter No. 181500012	Ensure financial obligation of Bailed as loan No. 08.02.0070.1 contracted into with the BNDES.	27,551	12/28/12	12/29/17	368
05/29/14	Board of Directors	AF Energia S.A.	Alupar	Rental contract of non residential realty - Sky - Complex No. 151 e 152	Surety	148 mensal	06/01/14	06/01/19	3,996
05/29/14	Board of Directors	Alupar	Guarupart	Rental contract of non residential realty - Sky - Complex No. 161 e 162	Surety	148 mensal	06/01/14	06/01/19	3,996
11/24/14	Board of Directors	Ferreira Gomes	Alupar	Private Instrument of Constitution to Guarantee by Provision of Bail No. 181302814 - CUST 48/2013 (ONS)	Posting of guarantees (Surety)	3,384	07/04/16	07/04/17	15
02/29/16	Board of Directors	Ferreira Gomes	Alupar	Guarantee nº 180111216 (labor action)	Guarantee the financial obligation	537	03/01/16	02/24/17	20
06/24/16	Executive Board	Lavrinhas	Alupar	Addendum to the Private Instrument for the Establishment of a Collateral Secured by Securing No. 180660814	Provision of guarantee in the Connection Contract to the Transmission System - CCT CETEEP	21	07/01/16	08/01/17	21
N/A	N/A	Transmissora Colombiana de Energía S.A.S E.S.P	Alupar	Guarantee	Guarantee the bank guarantee provided in favor of XM Company of Experts in Markets S.A. E.S.P.	COP $ 53,259,299,347	11/30/16	03/01/22	COP $ 53.259.299.347
N/A	N/A	Risaralda Energia S.A. E.S.P	Alupar	Guarantee	Guarantee if the Bank Guarantee is executed.	COP $13,626,944,378	03/01/16	02/28/18	COP $13.626.944.378

c) Key management personnel compensation

At the Extraordinary General Meeting held on April 25, 2017, Company shareholders approved the global compensation of the Board of Directors' and Executive Board's members for the fiscal year ended 2017 up to R$ 8,610, R$ 1,076 of which refers to compensation of the members of the Board of Directors and R$ 7,534 referring to the compensation of the Executive Board.

For the year ended March 31, 2017 and 2016, compensation were as follows:

	Parent Company		Consolidated	
	Period ended		Period ended	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Benefits (i)	1,387	1,355	3,543	3,169
Compensation of the board	221	168	482	427
Total	**1,608**	**1,523**	**4,025**	**3,596**

	Consolidated	
	Period ended	
	3/31/2017	3/31/2016
Pre-operating companies		
Benefits (i)	2,439	1,903
Total	**2,439**	**1,903**

(i) These refer to wages, salaries and nonmonetary benefits (such as health care plan, dental care, housing, vehicles and free or subsidized services or items), other retirement benefits, profit sharing and bonuses.

d) Transactions and balances with other related parties

At March 31, 2017, the Company and subsidiaries and joint ventures do not have balances involving other related parties.

33. Financial instruments

33.1. General considerations

The Company and its subsidiaries have operations with financial instruments, whose limits of exposure to credit risks are approved and periodically reviewed by management. The Company and its subsidiaries limit their credit risks by investing funds in top-tier financial institutions.

33.2. Fair value

A comparison table between the carrying value and the fair value of Company financial instruments, included in the quarterly information, is as follows:

	Consolidated					
	3/31/2017		12/31/2016		Assessment criteria	Classification
	Carrying value	Fair value	Carrying value	Fair value		
Financial Assets						
Cash and cash esquivalents	506,295	506,295	613,734	613,734	Fair value	Fair value through profit or loss
Short-term investments	230,045	230,045	215,439	215,439	Fair value	Fair value through profit or loss
Marketable securities	122,132	122,132	105,100	105,100	Fair value	Fair value through profit or loss
Trade account receivables	249,386	249,386	217,456	217,456	Amortised cost	Loans and receivables
Financial asset from the concession	4,402,453	4,402,453	4,451,619	4,451,619	Fair value	Loans and receivables
Guarantees and court deposits	13,991	13,991	13,257	13,257	Amortised cost	Loans and receivables
	5,524,302	5,524,302	5,616,605	5,616,605		
Financial liabilities						
Suppliers	134,582	134,582	166,502	166,502	Amortised cost	Loans and receivables
Loans and receivables - principal and charges	2,133,540	2,133,540	2,220,585	2,220,585	Amortised cost	Loans and receivables
Debentures- principal and charges	2,259,564	2,246,979	2,347,066	2,324,600	Amortised cost	Loans and receivables
	4,527,686	4,515,101	4,734,153	4,711,687		

The Company classifies and discloses their financial instruments as follows:

Cash and cash equivalents, short-term investments, accounts receivable from clients, marketable securities, service concession financial assets and trade accounts payable approximate respective carrying value.

Loans, financing and debt charges (net of unamortized costs):

(i) BNDES: since this is a long-term agreement, it is not included within the scope of CPC 12, which defines that this type of liability is not subject to application of the present value concept at rates other than those to which these loans and financing are already subject, due to the fact that Brazil does not have a consolidated market for this type of long-term debt, and the offer of loans is restricted to one government agency only. In view of the foregoing, the Company used the same concept for determining fair value for these loans, financing and debt charges.

(ii) FCO Banco do Brasil: Since the amounts payable are adjusted by reference to the TJLP (reference interest rate of the Federal Government), the fair value of this debt is its carrying value, since market rates are reflected for this financial instrument;

The fair value of debentures that have an active market does not significantly differ from accounting balance, since the unit price variation in the secondary market disclosed in the website www.debentures.com.br approximates carrying value. At March 31, 2017, minimum and maximum unit price percentages for debentures with an active market were as follows:

		3/31/2017	
	Code of the Asset	% Minimum UP	% Minimum UP
Alupar Investimento S.A.	APAR16	102.62	106.65
Empresa Norte de Transmissão de Energia S.A.	ENTE12	99.66	99.90
Empresa Paraense de Transmissão de Energia S.A.	ETEP12	100.00	100.00
Empresa Amazonense de Transmissão de Energia S.A.	EATE14	99.66	100.15

The debentures of the subsidiaries ETEP, ECTE, Ferreira Gomes and Transirapé that are not priced in the active market, based on the debentures of the Company, subsidiaries and joint ventureswith similar characteristics, performed the fair value calculation and did not identify any significant differences.

No financial instruments were reclassified in the nine-month period ended March 31, 2017.

33.3 Fair value measurement

The Company classifies and discloses the fair value of financial instruments based on measurement techniques.

Level I - Quoted prices in active and known public markets for identical assets and liabilities;

Level II - other techniques for which all data that has significant effect on the recorded fair value is observable, whether directly or indirectly; and

Level III - techniques that use data that has significant effect on the recorded fair value that is not based on observable market data.

	Consolidated		
	3/31/2017	Measurement of fair value	
		Level I	Level II
Financial Assets			
Cash and cash equivalents	506,295	506,295	-
Short-term investments	230,045	-	230,045
Marketable securities	122,132	-	122,132
Financial asset from the concession	4,402,453	-	4,402,453
	5,260,925	506,295	4,754,630

	Consolidated		
	12/31/2016	Measurement of fair value	
		Level I	Level II
Financial Assets			
Cash and cash equivalents	613,734	613,734	-
Short-term investments	215,439	-	215,439
Marketable securities	105,100	-	105,100
Financial asset from the concession	4,451,619	-	4,451,619
	5,385,892	613,734	4,772,158

Throughout for the three month year ended March 31, 2017, there were no transfers between level I and level II fair value measurements, or transfers between level III and level II fair value measurements.

33.4 Liquidity information

The policy of the Company and its subsidiaries is to eliminate market risks, thus avoiding exposure to market value fluctuations, operating only with instruments that enable risk control. The Company and its subsidiaries do not make speculative investments in derivatives or other risky assets. The results obtained from these transactions are consistent with the policies and strategies defined by Company management.

The Company's Board of Directors is generally responsible for establishing and supervising the Company risk management model. The Board of Directors established a Finance, Audit and Related Parties Committee.

The Company and its subsidiaries have a significant level of debt due to the need for a large volume of funds to make investments. At March 31, 2017, total consolidated debt (sum of loans, financing and debentures of current and noncurrent liabilities) was R$ 4,393,104, i.e. 27.7% of this amount (or R$ 1,216,872). As such, significant adverse changes in interest rates in the Brazilian economy would impact the Company and its subsidiaries causing an increase in future expenditure with financing charges or inability to renegotiate the payment deadline, which could reduce net income and consequently the ability to meet contractual obligations and the amounts available for distribution to shareholders as dividends and other earnings. In addition, the Company may incur additional debt in the future to fund acquisitions, investments or other purposes, as well as to conduct its operations, subject to the restrictions applicable to existing debt.

If the Company and its subsidiaries incur additional debt, the risks associated with its financial leverage may increase, such as the possibility of failing to generate enough cash to pay principal, interest and other charges on debt or distribute dividends to shareholders. Moreover, if there is breach of certain covenants on maintenance of financial ratios, the early maturity of debts previously contracted may occur, which may significantly impact the ability of the Company and its subsidiaries to meet their obligations. In the event of early maturity of debts, assets and cash flows may be insufficient to repay the outstanding balance of financing agreements. If the Company cannot service its debt levels or those of its subsidiaries and/or incur additional debt, this may adversely affect their business, operating and financial results and cash flows.

At March 31, 2017, the Company consolidated capital structure is comprised of 46% of own funds against 54% of third-party capital (44% of own funds and 56% of third-party capital on December 31, 2016).

The Company and its subsidiaries have a debt-equity relation of 95% at March 31, 2017 and 100.22% at December 31, 2016).

33.5 Quantitative and qualitative information on financial instruments

Sensitivity analysis of financial investments- consolidated

In order to analyze the sensitivity of the short-term investment rate to which Company and subsidiaries were exposed at March 31, 2017, five different scenarios were defined. The SELIC/CDI projected rates were obtained based on the FOCUS report of March 31, 2017 and defined as a probable scenario, based on which the variations of 25% and 50% were calculated.

Gross financial income was calculated for each scenario, not taking into consideration the taxes levied on yield from these investments. The portfolio base date used was March 31, 2017, with a one-year projection and checking CDI sensitivity in each scenario.

Financial investments - Consolidated	Indexer	Position on 03.31.2017	Projection Financial Revenues - One Year				
			Probable Scenario	Risk of decrease		Risk of increase	
				Scenario I (-50%)	Scenario II (-25%)	Scenario III (+25%)	Scenario IV (+50%)
CDI			**8.75%**	**4.38%**	**6.56%**	**10.94%**	**13.13%**
Financial investments (Cash Equivalents)	CDI	448,828	39,272	19,636	29,454	49,091	58,909
Financial Investments (Short-term investments)	CDI	230,045	20,129	10,064	15,097	25,161	30,193
Financial Investments (Marketable securities)	CDI	122,132	10,687	5,343	8,015	13,358	16,030

Sensitivity analysis of interest rate risk - consolidated

For the purpose of assessing the sensitivity of the debt rates to which the Company was subject at base date March 31, 2017, five scenarios were defined. As a probable scenario, adopted by the Company, projected CDI and IPCA were obtained based on the Focus report of March 31, 2017 published by the Central Bank of Brazil. In the case of TJLP, the rate used was the last one published by Brazil's Monetary Council (CMN), based on which scenarios I and II with 25% and 50% decrease in risk and scenarios III and IV with 25% and 50% increase in risk, respectively, were calculated.

For each scenario, gross financial expense was calculated, not taking into consideration the taxes levied, and the maturity flow of each agreement over a year. The portfolio base date used was March 31, 2017, with a one-year projection and checking sensitivity of the rates in each scenario.

Loans and financing – (National currency) - Consolidated	Interest rate p.a.		Position on 03.31.2017 (*)	Projection Financial Expenses - One Year				
				Probable Scenario	Risk of decrease		Risk of increase	
					Scenario I (-50%)	Scenario II (-25%)	Scenario III (+25%)	Scenario IV (+50%)
CDI				**8.75%**	**4.38%**	**6.56%**	**10.94%**	**13.13%**
	CDI	1.15%	20,000	2,000	1,115	1,558	2,443	2,885
	CDI	2.11%	29,796	3,291	1,960	2,625	3,956	4,622
TJLP				**7.50%**	**3.75%**	**5.63%**	**9.38%**	**11.25%**
	TJLP +	1.93%	150,397	14,400	8,651	11,526	17,275	20,149
	TJLP +	2.02%	37,182	3,596	2,174	2,885	4,307	5,019
	TJLP +	2.04%	981	95	58	76	114	133
	TJLP +	2.08%	16,198	1,577	957	1,267	1,887	2,197
	TJLP +	2.18%	263,008	25,889	15,811	20,850	30,928	35,967
	TJLP +	2.22%	26,630	2,633	1,612	2,122	3,143	3,654
	TJLP +	2.34%	293,184	29,364	18,112	23,738	34,990	40,616
	TJLP +	2.37%	13,456	1,352	835	1,094	1,610	1,869
	TJLP +	2.38%	1,865	188	116	152	223	259
	TJLP +	2.44%	183,682	18,594	11,538	15,066	22,122	25,650
	TJLP +	2.56%	91,459	9,376	5,859	7,618	11,135	12,894
	TJLP +	3.17%	137,277	14,974	9,663	12,318	17,629	20,285
	TJLP +	3.50%	5,332	601	394	497	704	807
	TJLP +	4.50%	4,469	551	376	464	639	726
	TJLP +	6.00%	4,000	558	399	478	638	717
		Total	**1,278,916**	**129,039**	**79,630**	**104,334**	**153,744**	**178,448**

Debentres – (National currency) - Consolidated	Interest rate p.a.		Position on 03.31.2017 (*)	Projection Financial Expenses - One Year				
				Probable Scenario	Risk of decrease		Risk of increase	
					Scenario I (-50%)	Scenario II (-25%)	Scenario III (+25%)	Scenario IV (+50%)
CDI				**8.75%**	**4.38%**	**6.56%**	**10.94%**	**13.13%**
	CDI +	0.99%	134,585	13,225	7,279	10,252	16,198	19,172
	CDI +	1.15%	166,036	16,605	9,257	12,931	20,278	23,952
	CDI +	1.45%	99,885	10,315	5,882	8,098	12,532	14,748
	CDI +	2.15%	64,547	7,157	4,272	5,715	8,599	10,042
	109.75% CDI		519,834	49,920	24,960	37,440	62,400	74,880
	113.00% CDI		153,632	15,190	7,595	11,393	18,988	22,786
	116.00% CDI		65,827	6,681	3,341	5,011	8,352	10,022
IPCA				**4.50%**	**2.25%**	**3.38%**	**5.63%**	**6.75%**
	IPCA +	6.47%	265,166	29,857	23,505	26,681	33,033	36,209
	IPCA +	7.33%	280,743	34,138	27,358	30,748	37,528	40,918
	IPCA +	7.63%	61,353	7,651	6,165	6,908	8,394	9,137
	IPCA +	7.80%	395,253	50,003	40,417	45,210	54,797	59,590
		Total	**2,206,861**	**240,743**	**160,031**	**200,387**	**281,100**	**321,456**

(*) This refers to the principal amount of debts, excluding charges and also loans and financing, which are remunerated at a fixed rate.

33.6 Risk factors that may affect Company business and of its subsidiaries

The major risk factors that may affect Company business and of its subsidiaries are as follows:

33.6.1 Credit risk

This refers to any inability of the Company to realize its rights deriving from accounts receivable from concession operators and permission holders; cash and cash equivalents and short-term investments.

a) Trade accounts receivable

The ability of our electric energy generation and transmission subsidiaries to receive payments owed by consumers depends on the credit capacity of these consumers and Company capacity to collect these payments.

b) Cash and cash equivalents and short-term investments

This refers to the risk associated with financial investments held with financial institutions which are subject to market actions and associated risks, especially lack of guarantees for the amounts invested, which may result in the loss of these amounts. Such risk is reduced by management when selecting top-tier financial institutions (Banco do Brasil S.A., Banco Santander S.A., Banco Itaú S.A., CEF and Banco do Nordeste do Brasil S.A.), without establishing concentration limits, and following internal policies regarding assessment of investments in relation to the equity of the financial institutions.

33.6.2. Liquidity risk

At March 31, 2017, the Company presents cash and cash equivalents, short-term investments and marketable securities in current and noncurrent assets amounting approximately to R$ 858,472 – on a consolidated basis. The Company's cash generation is sufficient to cover short-term commitments and for its acquisition and investment program.

Additionally, our risk management aims at avoiding any financial risks which may be added to our business. As regards cash, our short-term investments are managed considering a conservative approach, focused on the availability of funds to cover our needs. We seek out best profitability, always taking into consideration the risk and liquidity limits and the concentration of investments. We regularly follow up on the rates contracted and compare them to market rates.

The table below summarizes the maturity profile of the Company's financial liabilities at March 31, 2017 based on contractual undiscounted payments including principal and financial charges.

Three month period ended on March 31, 2017 - Consolidated	Less than 3 months	From 3 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Suppliers	98,821	35,556	70	31	104	134,582
Loans and financing - principal and charges	65,562	619,565	212,542	497,874	737,997	2,133,540
Debentures	179,665	352,080	328,272	963,081	436,466	2,259,564
Total	**344,048**	**1,007,201**	**540,884**	**1,460,986**	**1,174,567**	**4,527,686**

Another important aspect is that 81.76% of the consolidated debt refers to indebtedness of subsidiaries (81.63% at December 31, 2016), most of which referring to project financing, raised with BNDES and other fostering institutions. Approximately 8.55% of the total consolidated debt refers to the companies in the pre-operating phase (12.25% at December 31, 2016).

33.6.3. Market risks

Hydrological risk:
The power supply of the Sistema Interligado Nacional (SIN) stems, for the most part by hydroelectric plants. As the ONS operates in optimized SIN and centralized dispatch system, each hydroelectric plant, including the Company, subsidiaries and joint ventures, are subject to variations in the hydrological conditions verified, both in the geographical region in which it operates and in other regions of the country.

Therefore, with a goal of mitigating the risk of each individual hydrological SIN basin, created the Mecanismo de Realocação de Energia - MRE to share hydrological risk of the various basins of the SIN. The MRE is a mechanism that seeks to divide the energy production from hydroelectric plants in proportion to the physical guarantee for each project, regardless of their individual production regime. When the SRM mills set does not produce enough energy to meet all of the physical guarantee of this set, there is a deficit situation, usually known by the acronym "Generation Scaling Factor (GSF)" or Factor Adjustment MRE, which can result in negative financial exposure for hydraulic generators.

However, it emphasizes that the whole of hydroelectricity capacity of generation subsidiaries is part of the Mecanismo de Realocação de Energia (MRE), which distributes the hydrological risk for all plants linked to MRE.

The combination of three factors: (i) low energy storage level in SIN reservoirs (ii) permanence of the current high thermoelectric dispatch scenario (iii) the obligation to deliver physical collateral - could result in a company's market exposure short-term energy, which could affect its future financial results.

Non contracting risk:

Currently, all of the resources of hydroelectric generation subsidiaries are being sold for the ACR and ACL, being approximately 15% non-contracted from 2015 when combined with the resources of controlled energy trader of the Company.

From 2015, revenues of the generation subsidiary will also be subject to the procurement price of this energy. Any leftovers or power outages have its price determined in the short-term market conditions, Difference Liquidation Price (PLD).

Transmission subsidiaries may face operational difficulties and unforeseen interruptions, due to events out of their control. These adverse events may occur in the form of accidents, equipment and/or processes breakage or failure, performance below expected availability levels, inefficiency of transmission assets and catastrophes (explosion, fire, natural phenomena, landslide, sabotage or other similar events). Insurance coverage of our subsidiaries may not be sufficient to cover all costs and losses due to damages to assets and/or service interruptions, causing a material adverse effect on the business. Additionally, all revenue from the implementation, operation and maintenance of our transmission subsidiaries' facilities are related to service availability. As provided for in the transmission concession arrangements, Company subsidiaries are subject to a decrease in RAP and to the penalties determined based on the level and/or the length of time when the services were unavailable. Also, in case operations are interrupted and the quality standards set out in the electric energy transmission concession arrangements are not met, the subsidiaries may be required to pay for

damages. Therefore, any interruptions in the provision of electric energy transmission services due to events beyond the control of the transmission subsidiaries may have a significant adverse effect on the subsidiaries' business, financial situation and operating results.

33.6.4. Currency risk

The Company and its subsidiaries do not use derivative financial instruments to hedge or reduce financial costs from financing operations and purchase agreements pegged to foreign currencies, since exposure to debt denominated in foreign currency of Company and its subsidiaries represent only 10.39% of the total consolidated debt (11.03% at December 31, 2016).

According to financial policies, the Company and its subsidiaries have no transactions involving financial instruments of a speculative nature.

33.6.5. Regulatory risk

The subsidiaries activities as well as activities of their competitors are ruled and supervised by ANEEL. Any change in the regulatory environment may impact Company activities.

33.6.6 Financial risk

This refers to the risk associated with financial investments held with financial institutions that are subject to market actions and associated risks, especially lack of guarantees for the amounts invested, which may result in the loss of these amounts. Such risk is reduced by management when selecting top-tier financial institutions, with the establishment of concentration limits.

33.6.7 Debt acceleration risk

Under loan, financing and debenture agreements, the Company and its subsidiaries have covenants usually applicable to these transactions, which require that financial ratios, cash generation and other indices are met (See Notes 23 and 24).

33.6.8 Capital structure risk

This risk arises from the choice that the Company and its subsidiaries make between own capital (capital contributions and retained earnings) and third party capital to fund operations.

In order to mitigate liquidity risk and optimize weighted average cost of capital, the Company and its subsidiaries permanently monitor debt levels in relation to market standards and compliance with indices (covenants) provided for in loan and financing agreements. Under certain circumstances, new loans may be taken out and swap operations may be contracted in order to avoid fluctuations in the financial cost of transactions, among other instruments that the Company and its subsidiaries may deem necessary.

On the March 31, 2017 and December 31, 2016, the Company and its subsidiaries calculate net debt as loans and financing, less cash and cash equivalents, short-term investments and marketable securities, as follows:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Loans and financing (net of cost to be amortized)				
Current	(3,534)	(3,536)	(685,127)	(662,439)
Non-current	(587)	(1,466)	(1,448,413)	(1,558,146)
Debentures (net of costs to be amortized)				
Current	(140,969)	(135,078)	(531,745)	(522,445)
Non-current	(656,429)	(699,189)	(1,727,819)	(1,824,621)
Total debt	(801,519)	(839,269)	(4,393,104)	(4,567,651)
Cash and cash equivalents	191,618	271,916	506,295	613,734
Short-term investments	230,045	215,439	230,045	215,439
Marketable securities (current and non-current)	-	-	122,132	105,100
Net debt	(379,856)	(351,914)	(3,534,632)	(3,633,378)
Shareholders' equity	2,958,884	2,899,182	4,624,340	4,557,811
Net debt rate	**0.13**	**0.12**	**0.76**	**0.80**

34. Segment information

Segment information for the year ended March 31, 2017 are presented in the table below:

	Period ended 3/31/2017				Subtotal	Elimination - Shared control	Eliminations - Intercompanies	Total consolidated
	Transmission (*)	Generation	Holding (a)	Others (b)				
Gross operating revenue	**303,317**	**131,126**	**-**	**29,333**	**463,776**	**(18,426)**	**(30,604)**	**414,746**
Power transmission revenue	31,706	-	-	-	31,706	(2,796)	-	28,910
Infrastructure revenue	6,661	-	-	-	6,661	(1,903)	-	4,758
Remuneration of concession financial asset	264,950	-	-	-	264,950	(13,727)	-	251,223
Power supply	-	131,126	-	27,218	158,344	-	(28,489)	129,855
Consulting and advisory in regulatory area	-	-	-	-	-	-	-	-
Operation and maintenance services	-	-	-	2,115	2,115	-	(2,115)	-
Deduction from gross operating revenue	(28,423)	(8,514)	-	(2,842)	**(39,779)**	1,878	-	**(37,901)**
Net operating revenue	**274,894**	**122,612**	**-**	**26,491**	**423,997**	**(16,548)**	**(30,604)**	**376,845**
Cost of service								
Cost with electric power								
Purchased power for resale	-	(13,132)	-	(29,610)	(42,742)	-	28,489	(14,253)
Charges for the use of electric network- CUST	-	(7,150)	-	-	(7,150)	-	-	(7,150)
Financial compensation for the use of hydric resources - CFURH	-	(2,094)	-	-	(2,094)	-	-	(2,094)
Cost of operation								
Costs of services rendered	(20,841)	(10,077)	-	(3,096)	(34,014)	2,042	2,115	(29,857)
Infrastructure cost	(6,661)	-	-	-	(6,661)	1,903	-	(4,758)
Depreciation / Amortization	(1)	(22,607)	-	(4)	(22,612)	-	-	(22,612)
	(27,503)	**(55,060)**	**-**	**(32,710)**	**(115,273)**	**3,945**	**30,604**	**(80,724)**
Gross profit	**247,391**	**67,552**	**-**	**(6,219)**	**308,724**	**(12,603)**	**-**	**296,121**
Operating expenses and revenues								
General and administrative	(10,084)	(5,233)	(7,409)	(17)	(22,743)	1,019	-	(21,724)
Share of profit of equity-method investees	-	-	107,168	-	107,168	-	(99,830)	7,338
Other revenues	-	5	387	-	392	-	-	392
Other expenses	(7)	(23)	(94)	-	(124)	5	-	(119)
	(10,091)	**(5,251)**	**100,052**	**(17)**	**84,693**	**1,024**	**(99,830)**	**(14,113)**
EBIT	**237,300**	**62,301**	**100,052**	**(6,236)**	**393,417**	**(11,579)**	**(99,830)**	**282,008**
Depreciation / Amortization	693	22,918	312	4	23,927	-	-	23,927
EBITDA	237,993	85,219	100,364	(6,232)	417,344	(11,579)	(99,830)	305,935
Financial expenses and revenues								
Financial expenses	(52,136)	(56,004)	(28,474)	(3)	(136,617)	3,119	-	(133,498)
Debt charges	(49,805)	(37,004)	(27,923)	-	(114,732)	2,853	-	(111,879)
Currency variations	4	(172)	(451)	-	(619)	-	-	(619)
Others	(2,335)	(18,828)	(100)	(3)	(21,266)	266	-	(21,000)
Financial revenues	8,142	20,070	12,129	9	40,350	(677)	-	39,673
Revenues of financial investments	7,142	19,952	11,473	9	38,576	(655)	-	37,921
Others	1,000	118	656	-	1,774	(22)	-	1,752
	(43,994)	**(35,934)**	**(16,345)**	**6**	**(96,267)**	**2,442**	**-**	**(93,825)**
Pretax income	**193,306**	**26,367**	**83,707**	**(6,230)**	**297,150**	**(9,137)**	**(99,830)**	**188,183**
Current income and social contribution taxes	(27,679)	(3,653)	(13)	-	(31,345)	372	-	(30,973)
Deferred income and social contribution taxes	(3,232)	9,211	-	-	5,979	2,048	-	8,027
	(30,911)	**5,558**	**(13)**	**-**	**(25,366)**	**2,420**	**-**	**(22,946)**
Consolidated net profit	**162,395**	**31,925**	**83,694**	**(6,230)**	**271,784**	**(6,717)**	**(99,830)**	**165,237**
Interest of non-controlling	-	-	-	-	-	-	(91,498)	(91,498)
Alupar net profit	**162,395**	**31,925**	**83,694**	**(6,230)**	**271,784**	**(6,717)**	**(191,328)**	**73,739**
Operating assets	**5,259,054**	**3,879,584**	**32,538**	**1,439**	**9,172,615**	**(676,958)**	**(21,878)**	**8,473,779**
Operating liabilities	**135,313**	**177,385**	**31,660**	**1,584**	**345,942**	**(14,071)**	**(21,878)**	**309,993**

(*) As of December 31, 2016, we no longer present the results of Transchile due to the sale of Alupar's interest

(a) Holding company comprises financial and investment activities not associated with reportable operating segments

(b) Other comprise segments of trading of energy and O&M services which are immaterial to be reported separately.

Elimination of share control represents the proportionate operations of joint ventures in Transmission only which are not included in consolidation.

Elimination of intercompany transactions comprise intersegment sales from Generation segment to Trading segment included in Others. Also sales of O&M services to Generation. In consolidation such transactions were fully eliminated.

Reconciliation of income statement segregated by activity with the consolidated income statement for the three-month period ended March 31, 2017 is as follows:

	Period ended 3/31/2017					Total eliminations	Total consolidated
	Subtotal	Eliminations					
		Transmission (*)	Generation	Holding	Others		
Gross operating revenue	**463,776**	**(18,426)**	**(28,489)**	**-**	**(2,115)**	**(49,030)**	**414,746**
Power transmission revenue	31,706	(2,796)	-	-	-	(2,796)	28,910
Infrastructure revenue	6,661	(1,903)	-	-	-	(1,903)	4,758
Remuneration of concession financial asset	264,950	(13,727)	-	-	-	(13,727)	251,223
Power supply	158,344	-	(28,489)	-	-	(28,489)	129,855
Consulting and advisory in regulatory area	-	-	-	-	-	-	-
Operation and maintenance services	2,115	-	-	-	(2,115)	(2,115)	-
Deduction from gross operating revenue	**(39,779)**	**1,878**	**-**	**-**	**-**	**1,878**	**(37,901)**
Net operating revenue	**423,997**	**(16,548)**	**(28,489)**	**-**	**(2,115)**	**(47,152)**	**376,845**
Cost of service							
Cost with electric power							
Purchased power for resale	(42,742)	-	-	-	28,489	28,489	(14,253)
Charges for the use of electric network- CUST	(7,150)	-	-	-	-	-	(7,150)
Financial compensation for the use of hydric resources - CFURH	(2,094)	-	-	-	-	-	(2,094)
Cost of operation							
Costs of services rendered	(34,014)	2,042	2,115	-	-	4,157	(29,857)
Infrastructure cost	(6,661)	1,903	-	-	-	1,903	(4,758)
Depreciation / Amortization	(22,612)	-	-	-	-	-	(22,612)
	(115,273)	**3,945**	**2,115**	**-**	**28,489**	**34,549**	**(80,724)**
Gross profit	**308,724**	**(12,603)**	**(26,374)**	**-**	**26,374**	**(12,603)**	**296,121**
Operating expenses and revenues							
General and administrative	(22,743)	1,019	-	-	-	1,019	(21,724)
Share of profit of equity-method investees	107,168	-	-	(99,830)	-	(99,830)	7,338
Other revenues	392	-	-	-	-	-	392
Other expenses	(124)	5	-	-	-	5	(119)
	84,693	**1,024**	**-**	**(99,830)**	**-**	**(98,806)**	**(14,113)**
EBIT	**393,417**	**(11,579)**	**(26,374)**	**(99,830)**	**26,374**	**(111,409)**	**282,008**
Depreciation / Amortization	**23,927**	-	-	-	-	-	23,927
EBITDA	417,344	(11,579)	(26,374)	(99,830)	26,374	(111,409)	305,935
Financial expenses and revenues							
Financial expenses	(136,617)	3,119	-	-	-	3,119	(133,498)
Debt charges	(114,732)	2,853	-	-	-	2,853	(111,879)
Currency variations	(619)	-	-	-	-	-	(619)
Others	(21,266)	266	-	-	-	266	(21,000)
Financial revenues	40,350	(677)	-	-	-	(677)	39,673
Revenues of financial investments	38,576	(655)	-	-	-	(655)	37,921
Others	1,774	(22)	-	-	-	(22)	1,752
	(96,267)	**2,442**	**-**	**-**	**-**	**2,442**	**(93,825)**
Pretax income	**297,150**	**(9,137)**	**(26,374)**	**(99,830)**	**26,374**	**(108,967)**	**188,183**
Current income and social contribution taxes	(31,345)	372	-	-	-	372	(30,973)
Deferred income and social contribution taxes	5,979	2,048	-	-	-	2,048	8,027
	(25,366)	**2,420**	**-**	**-**	**-**	**2,420**	**(22,946)**
Consolidated net profit	**271,784**	**(6,717)**	**(26,374)**	**(99,830)**	**26,374**	**(106,547)**	**165,237**
Interest of non-controlling	-	(80,738)	(8,992)	(1,768)	-	(91,498)	(91,498)
Alupar net profit	**271,784**	**(87,455)**	**(35,366)**	**(101,598)**	**26,374**	**(198,045)**	**73,739**
Operating assets	**9,172,615**	**(676,958)**	**(10,462)**	**(3,631)**	**(7,785)**	**(698,836)**	**8,473,779**
Operating liabilities	**345,942**	**(14,071)**	**(10,462)**	**(3,631)**	**(7,785)**	**(35,949)**	**309,993**

(*) As of December 31, 2016, we no longer present the results of Transchile due to the sale of Alupar's interest

Operating assets and operating liabilities represent the total assets and total liabilities of each segment.

Segment information for the three-month period ended March 31, 2016, are presented in the table below:

	Period ended 3/31/2016				Subtotal	Elimination - Shared control	Eliminations - Intercompanies	Total consolidated
	Transmission (*)	Generation	Holding (a)	Others (b)				
Gross operating revenue	**329,457**	**128,377**	**-**	**19,521**	**477,355**	**(24,362)**	**(34,068)**	**418,925**
Power transmission revenue	35,901	-	-	-	35,901	(9,893)	-	26,008
Infrastructure revenue	9,537	-	-	-	9,537	(645)	-	8,892
Remuneration of concession financial asset	284,019	-	-	-	284,019	(13,824)	-	270,195
Power supply	-	128,377	-	15,715	144,092	-	(30,262)	113,830
Consulting and advisory in regulatory area	-	-	-	11	11	-	(11)	-
Operation and maintenance services	-	-	-	3,795	3,795	-	(3,795)	-
Deduction from gross operating revenue	(26,664)	(11,568)	-	(1,904)	**(40,136)**	2,811	-	**(37,325)**
Net operating revenue	**302,793**	**116,809**	**-**	**17,617**	**437,219**	**(21,551)**	**(34,068)**	**381,600**
Cost of service								
Cost with electric power								
Purchased power for resale	-	(22,920)	-	(13,531)	(36,451)	-	30,262	(6,189)
Charges for the use of electric network- CUST	-	(6,503)	-	-	(6,503)	-	-	(6,503)
Financial compensation for the use of hydric resources - CFURH	-	(1,996)	-	-	(1,996)	-	-	(1,996)
Cost of operation								
Costs of services rendered	(20,773)	(13,847)	-	(2,694)	(37,314)	1,967	3,806	(31,541)
Infrastructure cost	(9,537)	-	-	-	(9,537)	645	-	(8,892)
Depreciation / Amortization	(2,145)	(18,080)	-	(3)	(20,228)	2,118	-	(18,110)
	(32,455)	**(63,346)**	**-**	**(16,228)**	**(112,029)**	**4,730**	**34,068**	**(73,231)**
Gross profit	**270,338**	**53,463**	**-**	**1,389**	**325,190**	**(16,821)**	**-**	**308,369**
Operating expenses and revenues								
General and administrative	(10,056)	(8,591)	(6,878)	(9)	(25,534)	1,411	-	(24,123)
Share of profit of equity-method investees	-	-	98,259	-	98,259	-	(90,542)	7,717
Other revenues	40	31	1,232	-	1,303	-	-	1,303
Other expenses	-	(61)	(1,380)	-	(1,441)	-	-	(1,441)
	(10,016)	**(8,621)**	**91,233**	**(9)**	**72,587**	**1,411**	**(90,542)**	**(16,544)**
EBIT	**260,322**	**44,842**	**91,233**	**1,380**	**397,777**	**(15,410)**	**(90,542)**	**291,825**
Depreciation / Amortization	2,806	18,334	362	4	21,506	(2,118)	-	19,388
EBITDA	263,128	63,176	91,595	1,384	419,283	(17,528)	(90,542)	311,213
Financial expenses and revenues								
Financial expenses	(60,752)	(33,906)	(40,446)	(1)	(135,105)	4,707	-	(130,398)
Debt charges	(58,455)	(32,774)	(40,334)	-	(131,563)	4,216	-	(127,347)
Currency variations	101	(118)	-	-	(17)	-	-	(17)
Others	(2,398)	(1,014)	(112)	(1)	(3,525)	491	-	(3,034)
Financial revenues	7,211	7,246	7,437	19	21,913	(983)	-	20,930
Revenues of financial investments	6,585	2,480	5,828	20	14,913	(766)	-	14,147
Others	626	4,766	1,609	(1)	7,000	(217)	-	6,783
	(53,541)	**(26,660)**	**(33,009)**	**18**	**(113,192)**	**3,724**	**-**	**(109,468)**
Pretax income	**206,781**	**18,182**	**58,224**	**1,398**	**284,585**	**(11,686)**	**(90,542)**	**182,357**
Current income and social contribution taxes	(26,627)	(4,698)	(7)	(251)	(31,583)	793	-	(30,790)
Deferred income and social contribution taxes	(9,683)	-	-	-	(9,683)	3,067	-	(6,616)
	(36,310)	**(4,698)**	**(7)**	**(251)**	**(41,266)**	**3,860**	**-**	**(37,406)**
Consolidated net profit	**170,471**	**13,484**	**58,217**	**1,147**	**243,319**	**(7,826)**	**(90,542)**	**144,951**
Interest of non-controlling	-	-	-	-	-	-	(90,740)	(90,740)
Alupar net profit	**170,471**	**13,484**	**58,217**	**1,147**	**243,319**	**(7,826)**	**(181,282)**	**54,211**
Operating assets	**5,564,888**	**3,743,085**	**21,174**	**1,044**	**9,330,191**	**(827,628)**	**(29,732)**	**8,472,831**
Operating liabilities	**240,314**	**315,071**	**10,190**	**804**	**566,379**	**(13,665)**	**(29,732)**	**522,982**

(a) Holding company comprises financial and investment activities not associated with reportable operating segments
(b) Other comprise segments of trading of energy and O&M services which are immaterial to be reported separately.

Reconciliation of income statement segregated by activity with the consolidated income statement for the three-month period ended March 31, 2016 is as follows:

	Period ended 3/31/2016					Total eliminations	Total consolidated
	Subtotal	Eliminations					
		Transmission	Generation	Holding	Others		
Gross operating revenue	**477,355**	**(24,362)**	**(30,262)**	**-**	**(3,806)**	**(58,430)**	**418,925**
Power transmission revenue	35,901	(9,893)	-	-	-	(9,893)	26,008
Infrastructure revenue	9,537	(645)	-	-	-	(645)	8,892
Remuneration of concession financial asset	284,019	(13,824)	-	-	-	(13,824)	270,195
Power supply	144,092	-	(30,262)	-	-	(30,262)	113,830
Consulting and advisory in regulatory area	11	-	-	-	(11)	(11)	-
Operation and maintenance services	3,795	-	-	-	(3,795)	(3,795)	-
Deduction from gross operating revenue	**(40,136)**	**2,811**	**-**	**-**	**-**	**2,811**	**(37,325)**
Net operating revenue	**437,219**	**(21,551)**	**(30,262)**	**-**	**(3,806)**	**(55,619)**	**381,600**
Cost of service							
Cost with electric power							
Purchased power for resale	(36,451)	-	-	-	30,262	30,262	(6,189)
Charges for the use of electric network- CUST	(6,503)	-	-	-	-	-	(6,503)
Financial compensation for the use of hydric resources - CFURH	(1,996)	-	-	-	-	-	(1,996)
Cost of operation							
Costs of services rendered	(37,314)	1,967	3,806	-	-	5,773	(31,541)
Infrastructure cost	(9,537)	645	-	-	-	645	(8,892)
Depreciation / Amortization	(20,228)	2,118	-	-	-	2,118	(18,110)
	(112,029)	**4,730**	**3,806**	**-**	**30,262**	**38,798**	**(73,231)**
Gross profit	**325,190**	**(16,821)**	**(26,456)**	**-**	**26,456**	**(16,821)**	**308,369**
Operating expenses and revenues							
General and administrative	(25,534)	1,411	-	-	-	1,411	(24,123)
Share of profit of equity-method investees	98,259	-	-	(90,542)	-	(90,542)	7,717
Other revenues	1,303	-	-	-	-	-	1,303
Other expenses	(1,441)	-	-	-	-	-	(1,441)
	72,587	**1,411**	**-**	**(90,542)**	**-**	**(89,131)**	**(16,544)**
EBIT	**397,777**	**(15,410)**	**(26,456)**	**(90,542)**	**26,456**	**(105,952)**	**291,825**
Depreciation / Amortization	**21,506**	(2,118)	-	-	-	(2,118)	19,388
EBITDA	419,283	(17,528)	(26,456)	(90,542)	26,456	(108,070)	311,213
Financial expenses and revenues							
Financial expenses	(135,105)	4,707	-	-	-	4,707	(130,398)
Debt charges	(131,563)	4,216	-	-	-	4,216	(127,347)
Currency variations	(17)	-	-	-	-	-	(17)
Others	(3,525)	491	-	-	-	491	(3,034)
Financial revenues	21,913	(983)	-	-	-	(983)	20,930
Revenues of financial investments	14,913	(766)	-	-	-	(766)	14,147
Others	7,000	(217)	-	-	-	(217)	6,783
	(113,192)	**3,724**	**-**	**-**	**-**	**3,724**	**(109,468)**
Pretax income	**284,585**	**(11,686)**	**(26,456)**	**(90,542)**	**26,456**	**(102,228)**	**182,357**
Current income and social contribution taxes	(31,583)	793	-	-	-	793	(30,790)
Deferred income and social contribution taxes	(9,683)	3,067	-	-	-	3,067	(6,616)
	(41,266)	**3,860**	**-**	**-**	**-**	**3,860**	**(37,406)**
Consolidated net profit	**243,319**	**(7,826)**	**(26,456)**	**(90,542)**	**26,456**	**(98,368)**	**144,951**
Interest of non-controlling	-	(84,463)	(4,616)	(1,661)	-	(90,740)	(90,740)
Alupar net profit	**243,319**	**(92,289)**	**(31,072)**	**(92,203)**	**26,456**	**(189,108)**	**54,211**
Operating assets	**9,330,191**	**(827,628)**	**(28,716)**	**(14)**	**(1,002)**	**(857,360)**	**8,472,831**
Operating liabilities	**566,379**	**(13,665)**	**(28,716)**	**(14)**	**(1,002)**	**(43,397)**	**522,982**

Operating assets and operating liabilities represent the total assets and total liabilities of each segment.

35. Employee benefits

The Company and its subsidiaries offer employee benefits that basically comprise: health care insurance plans, transportation vouchers, meal tickets, educational support and private pension plans, which, in turn, provide supplementary retirement plans. The retirement plan is a defined contribution type, being used the financial system of capitalization, the actuarial calculation of reserves.

Benefits awarded to Company employees and those of its subsidiaries are as follows:

	Consolidated	
	3/31/2017	3/31/2016
Health care and transportation voucher	1,521	1,498
Private pension plan (*)	189	289
Education	19	23
Meal allowance	966	1,054
Others	268	266
Total	**2,963**	**3,130**

(*) The Company and its subsidiaries sponsor supplementary retirement plans for their employees. A private bank is the entity responsible for managing the benefit plans sponsored by Company and its subsidiaries. Costing of the defined contribution installments plan is balanced between the Company and its subsidiaries and the employees. The costing of the defined contribution installment is based on a percentage freely chosen by the participant (1% on the contribution salary not exceeding 8%, varying in accordance with the employee's age bracket) and the Company and its subsidiaries will contribute in the amount of 100% of the contribution made by the participant.

36. Insurance

Insurance effective at March 31, 2017 is as follows:

Civil liability				
Insurer	Effective term		Secured amount	Total premium
	of	Up to		
Alupar Investimento S.A. (****)	8/28/2016	8/28/2017	50,000	132
Empresa de Transmissão de Energia do Mato Grosso S.A.	7/4/2016	7/4/2017	13,409	4
Empresa de Transmissão de Varzea Grande S.A.	7/4/2016	7/4/2017	9,561	3
Empresa de Transmissão do Espirito Santo S.A.	7/4/2016	7/4/2017	15,139	4
Transmissora Matogrossense de Energia S.A.	7/4/2016	7/4/2017	44,354	13
Energia dos ventos S.A (***)	12/31/2016	12/31/2018	5,000	140
Ferreira Gomes Energia S.A.	12/3/2016	12/3/2017	100,000 (*)	73 (*)
Foz do Rio Claro Energia S.A.	12/3/2016	12/3/2017	100,000 (*)	73 (*)
Grupo TBE (**)	1/30/2017	1/31/2018	5,000	48
Ijuí Energia S.A.	12/3/2016	12/3/2017	100,000 (*)	73 (*)
Verde 8 Energia S.A.	7/28/2016	5/31/2018	50,000	225
Usina Paulista Lavrinhas de Energia S.A.	12/3/2016	12/3/2017	100,000 (*)	73 (*)
Usina Paulista Queluz de Energia S.A.	12/3/2016	12/3/2017	100,000 (*)	73 (*)

(*) The guaranteed amount of R $ 100,000 and the total premium in the amount of R $ 73 are shared between subsidiaries Ferreira Gomes, Foz, Ijuí , Queluz and Lavrinhas .
(**) The TBE Group is formed by the following companies : EATE , STC , Lumitrans , EBTE , ETEP , ESDE , ECTE , ETSE , ENTE , ERTE
(***) EDV 's match the following subsidiaries : EDV I, EDV II, EDV III , EDV IV and EDV X.
(****) The assured importance refers to civil liability of directors and is shared with all its subsidiaries .

Risks of engineering				
Insurer	Effective term		Secured amount	Total premium
	of	Up to		
Energia dos ventos S.A (*)	10/31/2016	12/31/2017	215,949	468
Verde 8 Energia S.A.	7/28/2016	5/31/2018	178,425	699
Empresa de Transmissão de Energia do Mato Grosso S.A.	9/1/2016	5/10/2017	13,032	21

(*) EEDV 's match the following subsidiaries : EDV I, EDV II, EDV III , EDV IV and EDV X.

Nominated / operational risks				
Insurer	Effective term		Secured amount	Total premium
	of	Up to		
Ferreira Gomes Energia S.A.	12/3/2016	12/3/2017	1,018,490	952 (*)
Companhia Transirapé de Transmissão	5/24/2016	5/24/2017	31,747	40
Companhia Transleste de Transmissão	12/17/2016	12/17/2017	9,750	17
Companhia Transudeste de Transmissão	5/24/2016	5/24/2017	3,641	6
Empresa de Transmissão de Energia do Mato Grosso S.A.	7/4/2016	7/4/2017	8,124	10
Empresa de Transmissão de Varzea Grande S.A.	7/4/2016	7/4/2017	45,905	57
Empresa de Transmissão do Espirito Santo S.A.	7/4/2016	7/4/2017	20,514	25
Foz do Rio Claro Energia S.A.	12/3/2016	12/3/2017	234,000	952 (*)
Grupo TBE (**)	1/30/2017	1/30/2018	289,915	271
Ijuí Energia S.A.	12/3/2016	12/3/2017	270,000	952 (*)
Sistema de Transmissão Nordeste S.A.	3/16/2017	3/16/2018	3,372	57
Transmissora Matogrossense de Energia S.A.	7/4/2016	7/4/2017	117,060	145
Usina Paulista Lavrinhas de Energia S.A.	12/3/2016	12/3/2017	141,938	952 (*)
Usina Paulista Queluz de Energia S.A.	12/3/2016	12/3/2017	163,538	952 (*)
Energia dos ventos S.A (***)	10/31/2016	10/31/2017	143,299	111

(*) The guaranteed amount of R$ 983,861 and the total premium in the amount of R $ 952 are shared between subsidiaries Ferreira Gomes, Foz, Ijuí , Queluz and Lavrinhas .
(**) The TBE Group is formed by the following companies : EATE , STC , Lumitrans , EBTE , ETEP , ESDE , ECTE , ETSE , ENTE , ERTE
(***) EDV 's match the following subsidiaries : EDV I, EDV II, EDV III , EDV IV and EDV X.

Miscellaneous risks				
Insurer	Effective term		Secured amount	Total premium
	of	Up to		
Empresa Amazonense de Transmissão de Energia S.A.	12/31/2016	12/31/2017	209	2
Usina Paulista Lavrinhas de Energia S.A.	9/10/2016	9/10/2017	290	2

Vehicles				
Insurer	Effective term		Secured amount	Total premium
	of	Up to		
Alupar Investimento S.A.	6/19/2016	6/19/2017	100% FIPE table	7
Empresa de Transmissão de Energia do Mato Grosso S.A.	9/19/2016	9/19/2017	20	3
Transmissora Matogrossense de Energia S.A. (I)	10/7/2016	10/7/2017	75	4
Transmissora Matogrossense de Energia S.A. (II)	9/19/2016	9/19/2017	200	7
Foz do Rio Claro Energia S.A.	6/19/2016	6/19/2017	100% FIPE table	6
Grupo TBE (*)	1/31/2017	1/31/2018	500	93
Ijuí Energia S.A.	6/19/2016	6/19/2017	100% FIPE table	5
Sistema de Transmissão Nordeste S.A. (II)	4/27/2016	4/27/2017	55	31
Usina Paulista Lavrinhas de Energia S.A.	6/19/2016	6/19/2017	100% FIPE table	4
Usina Paulista Queluz de Energia S.A.	6/19/2016	6/19/2017	100% FIPE table	5
Ferreira Gomes Energia S.A.	6/19/2016	6/19/2017	100% FIPE table	35

(*) The TBE Group is formed by the following companies : EATE , STC , Lumitrans , EBTE , ETEP , ESDE , ECTE , ETSE , ENTE , ERTE

Fire				
Insurer	Effective term		Secured amount	Total premium
	of	Up to		
Grupo TBE (*)	1/30/2017	1/31/2018	5,000	55

(*) The TBE Group is formed by the following companies : EATE , STC , Lumitrans , EBTE , ETEP , ESDE , ECTE , ETSE , ENTE , ERTE

37. Subsequent events

Advances for future capital contributions

Advances for future capital contributions made by the Company after the three month period ended March 31, 2017 are as follows:

Subsidiaries	Date	Amount
Verde 8 Energia S.A.	4/4/2017	3,000
Windepar Holding S.A.	4/10/2017	6,250
Empresa Transmissora Agreste Potiguar S.A.	4/11/2017	300
Empresa Transmissora Capixaba S.A.	4/11/2017	350
Verde 8 Energia S.A.	4/11/2017	3,000
AF ENERGIA S.A.	4/13/2017	800
Empresa Transmissora Agreste Potiguar S.A.	4/18/2017	300
Empresa Transmissora Capixaba S.A.	4/18/2017	200
Verde 8 Energia S.A.	4/18/2017	2,000
Transmissora Paraíso de Energia S.A.	4/20/2017	592
Transmissora Caminho do Café S.A.	4/20/2017	326
Alupar Colombia S.A.S	4/20/2017	3,476
Empresa Transmissora Agreste Potiguar S.A.	4/27/2017	200
Empresa Transmissora Capixaba S.A.	4/27/2017	100
Verde 8 Energia S.A.	4/27/2017	3,000
Transmissora Paraíso de Energia S.A.	4/28/2017	3
Transmissora Caminho do Café S.A.	4/28/2017	3
Transmissora Paraíso de Energia S.A.	5/4/2017	583
Transmissora Caminho do Café S.A.	5/4/2017	321
Empresa Transmissora Capixaba S.A.	5/9/2017	200
Transmissora Caminho do Café S.A.	5/9/2017	250
Verde 8 Energia S.A.	5/9/2017	5,000
Transmissora Paraíso de Energia S.A.	5/11/2017	750
		31,004

Capital increase through share subscription

On April 5, 2017, in compliance with the Instruction of the Brazilian Securities and Exchange Commission ("CVM") no. 358, of January 3, 2002, as amended, Paragraph 476 of January 16, 2009, as amended ("CVM Instruction 476"), and paragraph 4 of article 157 of Law 6404, of December 15, 1976, "Corporation Law", Information disclosed by means of the material fact disclosed by the Company on March 20, 2017 ("Material Fact of the Restricted Public Offering"), informed its shareholders and the market in general that its Board of Directors approved the price fixed per Unit not evaluated in R$ 19.50 ("Price per Unit") and price per share with no value of R$ 6.50 ("Price per Share"), and the corresponding capital increase of the Company within the authorized capital limit. Company in the amount of R$ 833,462, through Are 45,520,639 Common Shares and 82,704,360 Preferred Shares, including Common Shares and Preferred Shares underlying the Units, all nominative, book-entry shares with no par value, pounds and cleared of liens or encumbrances, and already considered the Supplementary Lot, the costs Total of this operation amounted to R$ 26,959.

Officers' Statement on the Quarterly information

São Paulo, May 15, 2017

REPRESENTATION

FOR PURPOSES OF ARTICLE 25, PARAGRAPH 1, ITEM VI OF CVM RULE No. 480/09

As officers of Alupar Investimento S.A., a corporation headquartered in the city of São Paulo, São Paulo state, enrolled with the Brazilian IRS Registry of Legal Entities (CNPJ) under No. 08.364.948/0001-38 ("Company"), under the terms of item VI, paragraph 1, article 25 of CVM Rule No. 480, dated December 7, 2009, we hereby represent that we have reviewed, discussed and agreed with the Quarterly information – "ITR" for the three-*month period ended March 31, 2017.*

_____

José Luiz de Godoy Pereira
Second Chief Executive Officer and Chief Administrative and Financial Officer and Chief Investor Relations Officer

_____

Paulo Roberto de Godoy Pereira
Chief Executive Officer

_____

Enio Luigi Nucci
Technical and Sales Officer

Officers' Statement on Independent Auditor's Report

São Paulo, May 15, 2017

REPRESENTATION

FOR PURPOSES OF ARTICLE 25, PARAGRAPH 1, ITEM V OF CVM RULE NO. 480/09

As officers of Alupar Investimento S.A., a corporation headquartered in the city of São Paulo, São Paulo State, enrolled with the Brazilian IRS Registry of Legal Entities (CNPJ) under No. 08.364.948/0001-38 ("Company"), under the terms of item V, paragraph 1, article 25 of CVM Rule No. 480, dated December 7, 2009, we hereby represent that we have reviewed, discussed and agreed with the conclusion expressed in the Independent Auditors' Report for the three-*month period ended March 31, 2017.*

_____

José Luiz de Godoy Pereira
Second Chief Executive Officer and Chief Administrative and Financial Officer and Chief Investor Relations Officer

_____

Paulo Roberto de Godoy Pereira
Chief Executive Officer

_____

Enio Luigi Nucci
Technical and Sales Officer