Equatorial Energia S.A.

Quarterly Financial Information at June 30, 2017

(A free translation of the original report in Portuguese as published in Brazil containing quarterly financial information prepared in accordance with accounting practices adopted in Brazil)

KPDS 198027

Content

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Report on review of quarterly financial information

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

Introduction
We have reviewed the interim, individual and consolidated financial statements of Equatorial Energia S.A. (“Company”), contained in the quarterly information form for the period ended 30 June 2017, consisting of the statements of financial position as of June 30, 2017 and the related statements of income and comprehensive income for the three and six month period then ended, the statements of changes in shareholders’ equity and cash flows for the six month period then ended, and the notes to the financial statements.

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

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

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

Other matters

Statements of Added Value

We have also reviewed the individual and consolidated Statement of added value (DVA) for the six month period ended June 30, 2017, prepared by Company management, the presentation of which in the interim information is required by the standards issued by the CVM - Brazilian Securities Commission applicable to the preparation of the Quarterly Information - ITR and is considered supplementary information to IFRS which does not require the publication of DVA. This statement was subject to the same review procedures described earlier and our review did not detect any facts that suggest the individual and consolidated interim financial statements taken as a whole have not been properly prepared, in all material respects.

Fortaleza, August 08, 2017

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
João Alberto da Silva Neto
Accountant CRC RS-048980/O-0 T-CE

Equatorial Energia S.A.

Statements of financial position as of June 30, 2017 and December 31, 2016

(In thousands of Reais)

		Parent Company		Consolidated	
Assets	**Note**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Current					
Cash and Cash Equivalents		140,560	137,661	896,729	920,784
Short-term investments	5	332,423	350,366	1,628,482	2,137,135
Trade accounts receivable	6	-	-	2,132,731	2,292,104
Accounts receivable - rate tiers		-	-	53,645	3,947
Fuel - CCC account		-	-	42,355	64,738
Services in progress		-	-	157,175	133,605
Judicial deposits	19	4,238	4,236	37,526	31,839
Derivative financial instruments	28	-	-	30,805	1,242
Inventory		-	-	16,858	19,987
Dividends		226,317	125,469	-	-
Taxes and contributions recoverable		641	-	124,999	105,000
Taxes and contributions recoverable on net income		23,845	21,959	105,330	127,909
Other receivables	9	9,866	2,665	146,068	89,242
Total current assets		**737,890**	**642,356**	**5,372,703**	**5,927,532**
Non-current assets					
Trade accounts receivable	6	-	-	456,408	372,004
"A Component" revenue receivable and other financial items	7	-	-	95,660	-
Sub-rogation to Fuel Consumption Account charges		-	-	88,495	93,306
Judicial deposits	19	-	-	172,792	165,018
Derivative financial instruments	28	-	-	48,624	-
Taxes and contributions recoverable		6	-	127,229	130,636
Taxes and contributions recoverable on net income		-	-	44,412	42,833
Subrogation to CCC		-	-	40,440	65,284
Advance for future capital increase		72,567	-	-	-
Other credits	9	-	48,219	73,027	66,965
Concession Financial assets	10	-	-	2,896,465	2,602,224
Investments	11	3,575,032	3,512,077	103,037	96,322
Property, plant and equipment		1,782	439	72,505	8,755
Intangible assets	12	-	-	4,749,877	4,648,641
Total non-current assets		**3,649,387**	**3,560,735**	**8,968,971**	**8,291,988**
Total assets		**4,387,277**	**4,203,091**	**14,341,674**	**14,219,520**

		Parent Company		Consolidated	
Liabilities	**Note**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Current					
Trade accounts payables	13	1,154	702	860,759	943,283
Payroll charges		795	489	43,681	33,330
Loans and financing	14	-	-	876,350	868,211
Debentures	15	-	-	211,208	118,740
"A Component" revenue receivable (returnable) and other financial items	7	-	-	16,689	71,524
Taxes and contributions payable	16.1	5,097	4,013	381,218	357,041
Taxes and contributions payable on net income		3,724	-	8,763	9,306
Dividends and interest on equity		169,284	169,288	243,141	195,911
Consumer charges		-	-	48,749	28,748
Public lighting fee		-	-	24,301	42,101
Energy efficiency research and development		-	-	56,885	69,029
Profit sharing		202	4,234	50,032	76,559
Payables from judicial reorganization	18	-	-	58,273	96,409
Provision for civil, labor and tax litigation	19	-	-	73,991	86,222
Other accounts payable	20	82	317	252,504	419,891
Total current liabilities		**180,338**	**179,043**	**3,206,544**	**3,416,305**
Non-current					
Loans and financing	14	-	-	2,244,885	2,217,653
Debentures	15	-	-	1,530,397	1,629,727
Taxes and contributions payable	16.1	-	-	38,439	37,316
Deferred income and social contribution taxes	17.1	50	50	277,225	238,395
Provision for civil, labor and tax litigation	19	-	-	460,436	455,527
"A Component" revenue returnable and other financial items	7	-	-	-	1,501
Energy efficiency research and development		-	-	159,678	153,334
Payables from judicial reorganization	18	-	-	939,841	912,337
Retirement and pension plan		-	-	38,412	38,412
Derivative financial instruments	28	-	-	-	31,278
Other accounts payable	20	1,533	-	386,358	216,048
Total non-current liabilities		**1,583**	**50**	**6,075,671**	**5,931,528**
Shareholders' equity	21				
Capital		2,227,021	1,981,985	2,227,021	1,981,985
Capital Reserves		58,446	54,959	58,446	54,959
Profit reserves		1,766,110	2,009,845	1,766,110	2,009,845
Equity appraisal adjustment		(22,262)	(22,262)	(22,262)	(22,262)
Other comprehensive income		(529)	(529)	(529)	(529)
Retained earnings		176,570	-	176,570	-
Equity attributable to equity holders		4,205,356	4,023,998	4,205,356	4,023,998
Minority interests		**-**	**-**	**854,103**	**847,689**
Total shareholders' equity		**4,205,356**	**4,023,998**	**5,059,459**	**4,871,687**
Total liabilities and equity		**4,387,277**	**4,203,091**	**14,341,674**	**14,219,520**

See the accompanying notes to the quarterly information

Equatorial Energia S.A.

Statements of income

Three and six month period ended June 30, 2017 and 2016

(In thousands of Reais)

		Parent Company				Consolidated			
	Note	to 06/30/2017	to 06/30/2017	to 06/30/2016	to 06/30/2016	to 06/30/2017	to 06/30/2017	to 06/30/2016	to 06/30/2016
Net operating revenue	24	-	-	-	-	3,924,893	2,177,471	3,465,478	1,731,656
Electricity, construction and operation costs	25	-	-	-	-	(2,883,808)	(1,572,684)	(2,666,386)	(1,265,603)
Electricity purchased for resale	26	-	-	-	-	(1,901,493)	(1,123,211)	(1,682,520)	(776,658)
Construction cost		-	-	-	-	(640,084)	(300,230)	(645,992)	(349,246)
Operation cost		-	-	-	-	(342,231)	(149,243)	(337,874)	(139,699)
Gross income		-	-	-	-	1,041,085	604,787	799,092	466,053
Sales expenses	25	-	-	-	-	(311,693)	(131,577)	(211,880)	(104,626)
General and administrative expenses	25	(20,000)	(12,772)	(20,228)	(6,426)	(272,630)	(163,113)	(152,880)	(97,414)
Amortization of concession rights		(2,961)	(1,480)	(3,187)	(1,594)	(2,961)	(1,480)	(3,187)	(1,594)
Equity in net income of subsidiaries		173,238	123,795	314,314	173,473	13,281	6,953	12,926	6,742
Other operating expenses, net		(7)	(2)	(1,119)	(430)	(54,290)	(24,864)	(36,167)	(23,250)
Total operating revenue (expense)		150,270	109,541	289,780	165,023	(628,293)	(314,081)	(391,188)	(220,142)
Income before net financial items, income tax and social contributions		150,270	109,541	289,780	165,023	412,792	290,706	407,904	245,911
Financial revenue		34,938	19,566	36,169	19,030	284,283	131,441	677,807	374,816
Financial expense		(5,676)	(1,352)	(1)	-	(397,439)	(196,652)	(587,220)	(344,995)
Financial results, net	27	29,262	18,214	36,168	19,030	(113,156)	(65,211)	90,587	29,821
Net income before income and social contribution taxes		179,532	127,755	325,948	184,053	299,636	225,495	498,491	275,732
Social contribution	17.3	(1,617)	(1,008)	(2,216)	(1,396)	(24,453)	(7,124)	(32,232)	(23,217)
Income tax	17.3	(4,479)	(2,794)	(6,144)	(3,872)	(49,757)	(33,648)	(58,637)	(40,272)
Tax incentives		-	-	-	-	38,541	25,986	50,533	35,760
Deferred IRPJ and CSLL		3,134	3,134	-	-	(27,750)	(38,573)	(66,546)	(27,199)
Provision for taxes on net income		(2,962)	(668)	(8,360)	(5,268)	(63,419)	(53,359)	(106,882)	(54,928)
Net income for the period		**176,570**	**127,087**	**317,588**	**178,785**	**236,217**	**172,136**	**391,609**	**220,804**
Income attributable to:									
Non controlling interests		-	-	-	-	59,647	45,049	74,021	42,019
Controlling interests		176,570	127,087	317,588	178,785	176,570	127,087	317,588	178,785
Net income for the period		**176,570**	**127,087**	**317,588**	**178,785**	**236,217**	**172,136**	**391,609**	**220,804**
Basic earnings per lot of one thousand shares - R$		0.8887	0.6396	1.5985	0.8999	1.1888	0.8663	1.9711	1.1114
Diluted earnings per lot of one thousand shares - R$		0.8830	0.6355	1.5828	0.8910	1.1813	0.8608	1.9517	1.1005
Number of shares at period-end		**198,694**	**198,676**	**198,675**	**198,675**	**198,694**	**198,676**	**198,675**	**198,675**

See the accompanying notes to the quarterly information

Equatorial Energia S.A.

Statements of comprehensive income

Three and six month period ended June 30, 2017 and 2016

(In thousands of Reais)

	Parent Company				Consolidated			
	to 06/30/2017	**to 06/30/2017**	**to 06/30/2016**	**to 06/30/2016**	**to 06/30/2017**	**to 06/30/2017**	**to 06/30/2016**	**to 06/30/2016**
Net income for the year	176,570	127,087	317,588	178,785	236,217	172,136	391,609	220,804
Comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	176,570	127,087	317,588	178,785	236,217	172,136	391,609	220,804
Non controlling interests	-	-	-	-	59,647	45,049	74,021	42,019
Controlling shareholders	176,570	127,087	317,588	178,785	176,570	127,087	317,588	178,785
Total comprehensive income	176,570	127,087	317,588	178,785	236,217	172,136	391,609	220,804

See the accompanying notes to the quarterly information

Equatorial Energia S.A.

Statements of changes in shareholders' equity

Six month period ended June 30, 2017 and 2016

(In thousands of Reais)

			Profit Reserves							
	Capital	Capital reserves	Statutory	and expansion reserve	Equity appraisal adjustment	Retained earnings	Other comprehen sive income	Equity - parent company	Minority interests	Consolidated equity
Balances at December 31, 2015	1,980,214	44,909	138,124	1,334,217	(22,262)	-	4,050	3,479,252	749,987	4,229,239
Capital increase	1,771	-	-	-	-	-	-	1,771	-	1,771
Awarded options recognized (Note 22)	-	6,185	-	-	-	-	-	6,185	(35,564)	(29,379)
Net income for the period	-	-	-	-	-	317,588	-	317,588	74,021	391,609
Balances at June 30, 2016	1,981,985	51,094	138,124	1,334,217	(22,262)	317,588	4,050	3,804,796	788,444	4,593,240
Balances at December 31, 2016	1,981,985	54,959	173,735	1,836,110	(22,262)	-	(529)	4,023,998	847,689	4,871,687
Capital increase (Note 21.1)	245,036	-	(173,735)	(70,000)	-	-	-	1,301	-	1,301
Awarded options recognized (Note 28)	-	3,487	-	-	-	-	-	3,487	-	3,487
Distribution of minority dividends	-	-	-	-	-	-	-	-	(53,233)	(53,233)
Net income for the period	-	-	-	-	-	176,570	-	176,570	59,647	236,217
Balances at June 30, 2017	2,227,021	58,446	-	1,766,110	(22,262)	176,570	(529)	4,205,356	854,103	5,059,459

See the accompanying notes to the quarterly information

Equatorial Energia S.A.

Statements of cash flows - indirect method

Six month period ended June 30, 2017 and 2016

(In thousands of Reais)

	Parent Company		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Cash flows from operating activities				
Net income for the period	176,570	317,588	236,217	391,609
Adjustments for:				
Amortization and depreciation	2,968	3,190	192,230	169,740
Equity in income of subsidiaries	(173,238)	(314,314)	(13,281)	(12,926)
Loss (gain) on the sale of intangible assets	-	-	8,729	(314)
Indexation of financial assets	-	-	4,789	(124,226)
Debt service charges, interest and monetary and exchange variance, net	(8,844)	-	266,342	(53,231)
Loss (gain) on derivative financial instruments	-	-	19,056	245,795
Adjustment to the present value	2,522	-	20,540	17,034
Allowance (reversal) for doubtful accounts and losses on uncollectible	-	-	166,859	(85,060)
Provision (reversal) for civil, labor an tax litigation	-	-	24,552	(35,152)
"A Component" revenue receivable and other financial items	-	-	(151,996)	11,295
Earnings on investments	(19,685)	(15,479)	(103,453)	(136,004)
Deferred income and social contribution taxes	(3,134)	-	27,750	66,546
Current income and social contribution taxes	6,096	8,360	35,669	40,336
Proposed dividends - payable	3,487	6,185	3,487	6,185
Other	-	(1,383)	-	-
	(13,258)	4,147	737,490	501,627
Changes in current and noncurrent assets and liabilities				
Trade accounts receivable	-	-	(91,890)	19,168
Accounts receivable - rate tiers	-	-	(49,698)	5,542
Fuel - CCC account	-	-	27,194	64,087
Services in progress	-	-	(23,570)	8,484
Judicial deposits	(2)	(191)	(13,461)	(14,234)
Inventory	-	-	3,129	(6,897)
Dividends receivable	-	-	-	-
Taxes and contributions recoverable	(647)	-	(16,592)	(11,796)
Taxes and contributions recoverable on the net income	(1,886)	5,180	21,000	(13,495)
Subrogation to CCC	-	-	24,844	65,824
Concession Financial assets	(72,567)	-	-	-
Advances for future capital increases	47,340	(11,705)	(62,006)	5,485
Other receivables	452	122	(72,237)	(167,036)
Trade payables	306	(92)	10,351	3,124
Payroll charges	4,218	1,668	25,300	(28,645)
Taxes and contributions payable	(2,372)	(8,619)	(10,032)	(13,270)
Taxes and contributions payable on net income	-	-	11,080	-
Deferred income and social contribution taxes	-	-	20,001	(4,531)
Consumer charges	-	-	(17,800)	5,320
Public lighting fee	-	-	(5,800)	4,178
Energy efficiency research and development	(4,032)	(871)	(26,527)	(18,363)
Profit sharing	-	-	-	(4,322)
Provision for civil, labor and litigation	-	-	(31,874)	(19,453)
Interest paid	-	-	(165,698)	(138,737)
Income and social contribution taxes paid	-	-	(26,180)	(31,143)
Other accounts payable	1,300	4	2,923	14,460
Cash used in operating activities	(27,890)	(14,504)	(467,543)	(276,250)
Flow of net cash (used in) provided by operating activities	(41,148)	(10,357)	269,947	225,377
Cash flows from investment activities				
Acquisitions of intangible assets and property, plant and equipment	(1,350)	-	(664,961)	(524,871)
Investment Acquisition	(80)	-	-	-
Investments/redemptions	37,628	3,049	612,106	311,028
Receipt of dividends	6,552	5,998	6,552	5,998
Flow of cash provided by (used in) investment activities	42,750	9,047	(46,303)	(207,845)
Cash flow from financing activities				
Loans and financing obtained	-	-	653,119	164,420
Amortization of loans and financing	-	-	(695,276)	(249,889)
Amortization of derivative financial instruments	-	-	(128,521)	141,225
Judicial reorganization	-	-	(72,322)	(51,835)
Funding for capital increase	1,301	1,771	1,301	1,771
Dividends paid	(4)	-	(6,000)	(3,001)
Net cash provided by (used in) financing activities	1,297	1,771	(247,699)	2,691
Net increase in cash and cash equivalents	2,899	461	(24,055)	20,223
Cash and cash equivalents at beginning of the period	137,661	9,035	920,784	397,866
Cash and cash equivalents at period-end	140,560	9,496	896,729	418,089
Net increase in cash and cash equivalents	2,899	461	(24,055)	20,223

See the accompanying notes to the quarterly information

Equatorial Energia S.A.

Statements of added value

Six month period ended June 30, 2017 and 2016

(In thousands of Reais)

	Parent Company		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Revenue				
Sales of products and services	-	-	5,476,898	4,989,577
Allowance for doubtful accounts and losses on uncollectible receivables	-	-	(166,859)	(85,060)
Provision (reversal) for civil, labor and tax litigation	-	-	(24,552)	44,645
Other operating expenses (revenue)	(7)	(1,118)	(35,618)	(36,167)
Other expenses (revenue) non-recurrent	-	-	(18,672)	-
	(7)	(1,118)	5,231,197	4,912,995
Inputs purchased from third parties (Including ICMS and IPI)				
Cost of goods sold and services rendered	-	-	(2,541,577)	(2,328,512)
Materials, energy, outsourced services and other	(7,984)	(1,493)	(31,642)	(320,407)
CCC Subsidy	-	-	(333,550)	(7,053)
Commercial and others expenses	-	-	-	(610)
	(7,984)	(1,493)	(2,906,769)	(2,656,582)
Gross added (applied) value	(7,991)	(2,611)	2,324,428	2,256,413
Depreciation and amortization	(3)	(3)	(189,238)	(166,547)
Added value (applied) produced by the Company	(7,994)	(2,614)	2,135,190	2,089,866
Transferred value added				
Fincnacial income	34,938	36,168	283,682	(33,629)
Equity in income of subsidiaries	173,238	314,313	13,281	12,926
Financial assets indexation	-	-	-	124,216
Amortization of concession rights	(2,961)	(3,187)	(2,961)	(3,187)
Others	(5,673)	-	(117,614)	-
	199,542	347,294	176,388	100,326
Added value to be distributed	**191,548**	**344,680**	**2,311,578**	**2,190,192**
Distribution of value added				
Employees				
Direct compensation	9,024	16,326	134,747	127,744
Rewards and benefits	352	126	36,327	31,473
FGTS	313	42	13,320	12,738
Other	2,037	2,238	(13,686)	(7,635)
	11,726	18,732	170,708	164,320
Taxes				
Federal	2,962	8,360	774,665	806,913
State	-	-	832,954	821,446
Municipal	-	-	4,266	2,012
	2,962	8,360	1,611,885	1,630,371
Third-party capital remuneration				
Interest	3	-	262,043	-
Rent	287	-	13,544	3,892
Others financial expenses	-	-	17,181	-
	290	-	292,768	3,892
Interest earnings				
Net income for the period	176,570	317,588	176,570	317,588
Minority interests in retained earnings	-	-	59,647	74,021
	176,570	317,588	236,217	391,609
Added value	**191,548**	**344,680**	**2,311,578**	**2,190,192**

See the accompanying notes to the quarterly information

Notes to the financial statements

(In thousands of Reais, unless stated otherwise)

1 Operational context

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

2 Subsidiaries and joint ventures

Equatorial has the following interests:

	Nota	06/30/2017	12/31/2016
Companhia Energética do Maranhão S.A. - CEMAR		65.11%	65.11%
55 Soluções S.A.		100.00%	100.00%
Centrais Elétricas do Pará S.A. - CELPA		96.50%	96.50%
Geradora de Energia do Norte		25.00%	25.00%
Vila Velha Termoelétricas Ltda.		50.00%	50.00%
Equatorial Telecomunicações		0.04%	0.04%
Equatorial Transmissão S.A.	(a)	100.00%	100.00%
Equatorial Transmissora 1 SPE S.A.	(b)	100.00%	100.00%
Equatorial Transmissora 2 SPE S.A.	(c)	100.00%	100.00%
Equatorial Transmissora 3 SPE S.A.	(d)	100.00%	100.00%
Equatorial Transmissora 4 SPE S.A.	(e)	100.00%	100.00%
Equatorial Transmissora 5 SPE S.A.	(f)	100.00%	100.00%
Equatorial Transmissora 6 SPE S.A.	(g)	100.00%	100.00%
Equatorial Transmissora 7 SPE S.A.	(h)	100.00%	100.00%
Equatorial Transmissora 8 SPE S.A.	(i)	100.00%	-

Headquartered in the city of Brasília, in the Federal District. The Company's corporate purpose: a) to transmit and commercialize energy and provide related services; b) study, plan, designs, deploy, operate and maintain energy transmission systems; c) provide Consulting and engineering services within its area of operation; d) participate in technical, scientific and business associations and organizations; and, e) the participation in other companies national or foreign, as partner, shareholder or quotaholder, established on November 17, 2016;

Equatorial transmissora 1 SPE S.A.: A closed-end corporation, headquartered in the city of Brasília, in the Federal District. The Company's corporate purpose is to: a) explore and operate the concession of a public electric power transmission service for the construction, assembly, operation and maintenance of transmission facilities, in accordance with Bid Notice no. 13 / 2015- ANEEL 2nd Stage- Republishing, consisting of the 500 kV Transmission Line Rio das Águas - Barreiras II C2, with 251 kilometers, established on November 17, 2016;

Equatorial transmissora 2 SPE S.A.: A closed-end corporation, headquartered in the city of Brasília, in the Federal District. The Company's corporate purpose is to: a) explore and operate the concession of a public electric power transmission service for the construction, assembly, operation and maintenance of transmission facilities, in accordance with Bid Notice no. 13 / 2015- ANEEL 2nd Stage- Republishing, consisting of (a) Transmission Line 500 kV - Barreiras II, Buritirama C1, with 213 kilometers; And (b) Substation 500kV Buritirama (new substation for line connections and reactive compensation), established on November 17, 2016;

Equatorial transmissora 3 SPE S.A.: A closed-end corporation, headquartered in the city of Brasilia, in the Federal District. The Company's corporate purpose is to: a) explore and operate the concession of a public electric power transmission service for the construction, assembly, operation and maintenance of transmission facilities, in accordance with Bid Notice no. 13 / 2015- ANEEL 2nd Stage- Republishing, consisting of the 500 kV Buritirama - Queimada Nova II, C2, 380 km transmission line, established on November 17, 2016;

Equatorial transmissora 4 SPE S.A.: A closed-end corporation, headquartered in the city of Brasilia, in the Federal District. The Company's corporate purpose is to: a) explore and operate the concession of a public electric power transmission service for the construction, assembly, operation and maintenance of transmission facilities, in accordance with Bid Notice no. 13 / 2015- ANEEL 2nd Stage- Republishing, consisting of (a) Transmission Line 500 kV Igaporã III - Janaúba 3 C1, with 257 kilometers; (B) Transmission Line 500 kV Janaúba 3 - Presidente Juscelino C1, with 337 kilometers; And (c) Substation 500 kV Janaúba 3 (new 500 kV yard - part 1), established on November 17, 2016;

Equatorial transmissora 5 SPE S.A.: A closed-end corporation, headquartered in the city of Brasilia, in the Federal District. The Company's corporate purpose is to: a) explore and operate the concession of a public electric power transmission service for the construction, assembly, operation and maintenance of transmission facilities, in accordance with Bid Notice no. 13 / 2015- ANEEL 2nd Stage- Republishing, consisting of the 500 kV Igaporã III - Janaúba 3 C2 Transmission Line, with 257 kilometers.

Equatorial transmissora 6 SPE S.A.: A closed-end corporation, headquartered in the city of Brasilia, in the Federal District. The Company's corporate purpose is to: a) explore and operate the concession of a public electric power transmission service for the construction, assembly, operation and maintenance of transmission facilities, in accordance with Bid Notice no. 13 / 2015- ANEEL 2nd Stage- Republishing, consisting of the transmission line 500 kV Janaúba 3 - President Juscelino C2, with 330 kilometers, established on November 17, 2016.; and

Equatorial transmissora 7 SPE S.A.: A closed-end corporation, headquartered in the city of Brasilia, in the Federal District. The Company's corporate purpose is to: a) explore and operate the concession of a public electric power transmission service for the construction, assembly, operation and maintenance of transmission facilities, in accordance with Bid Notice no. 13 / 2015- ANEEL 2nd Stage- Republishing, consisting of (a) 500 kV Transmission Line Vila do Conde - Marituba - 56.1 kilometers; (B) Marituba - Castanhal 230 kV Transmission Line - 68.6 km; (C) Marituba 500/230 kV Substation - (3 + 1R) x300 MVA; And (d) Marituba 2x200 MVA 230/69 kV Substation, constituted on November 17, 2016.

The subsidiaries CEMAR, CELPA, 55 Soluções, Equatorial Transmissão and the SPEs are collectively referred to in the notes hereafter as "Subsidiaries".

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

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

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

3 Basis of preparation and presentation of quarterly information

3.1 Statement of compliance

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

The individual and consolidated interim quarterly information were authorized for issue by the Directors on August 8, 2017.

After issuance, the quarterly information can only be altered by shareholders.

All material information related to the quarterly information and that alone, is being presented, which corresponds to that used by it in its management.

3.2 Functional and presentation currency

These quarterly individual and consolidated information are presented in Reais, which is the Company's functional currency. All balances have been rounded off to the nearest thousand, except where specified otherwise.

3.3 Use of estimates and judgments

In preparing these quarterly individual and consolidated information, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period June 30, 2017 is included in the following notes:

- **Note 6.6 -** credits risk analysis criteria for determining the impairment;
- **Note 10 -** criteria for determining and restating concession financial assets;
- **Note 12 -** amortization of intangible concession assets linearly over the period in which the company is entitled to charge consumers for the use of the underlying concession asset (the regulatory useful life of assets) or the term of the concession contract, whichever is shortest;
- **Note 16 -** The deferred income tax and social contribution on temporary differences considering its projections of taxable income and the availability of future taxable income. Deferred taxes are recognized in relation to temporary differences between the carrying amounts for the purpose of financial statements and the corresponding amounts for tax purposes; And in relation to tax losses, considering its projections of taxable income and the availability of future taxable income.
- **Note 19** - recognition of provisions for tax, civil and labor risks by rating the chance of defeat according to the evidence available, the hierarchy of law, available case law, recent court decisions and their relevance in the legal framework, in addition to independent legal advisors' opinions;
- **Note 28** - definition of fair value using valuation techniques including the discounted cash flow method for financial assets and liabilities not traded in an active market.

(i) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer, when applicable.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of CPC / IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognizes transfers between levels of the fair value hierarchy at the period of review of quarterly information's, or at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is disclosed in note 28.3.

3.4 Basis of measurement

The quarterly individual and consolidated information's have been prepared on the historical cost basis, except for the following material items recognized in the statements of financial position:

- Financial assets of the concession are measured at fair value;
- Derivative financial instruments are measured at fair value, and
- The defined benefit's net asset or liability is recognized as the fair value of the plans' assets, less the present value of the defined-benefit obligation, and is limited.

3.5 Rectifying corresponding amounts

The Company is performing the following reclassifications for the period ended June 30, 2017, in accordance with CPC 26 - Presentation of Financial Statements (R1) and CPC 23 - Accounting Policies, Changes in Estimation and Correction of Errors (R3).

The Company used to open certain revenue and expense accounts according to both the income statement and statement of added value and in the notes the financial statements. For this period it elected to combine balances in the income statement and statement of added value, maintaining the breakdown in the notes as follows:

(i) Statements of income - Consolidated

		Published in 2016 06/30/2016	Adjustments	Published in 2017 06/30/2016
Net operating revenue		3,465,478	-	3,465,478
Cost of electricity, construction and operation		(2,666,386)	-	(2,666,386)
Cost of electricity, construction		(2,328,512)	-	(2,328,512)
Electricity purchased for resale and transmission costs		(1,682,520)	-	(1,682,520)
Construction cost		(645,992)	-	(645,992)
Operating cost		(337,874)	-	(337,874)
Personnel	(a)			
Material	(a)	(59,506)	59,506	-
Outsourced services	(a)	(2,067)	2,067	-
Amortization	(a)	(133,764)	133,764	-
CCC Subsidy	(a)	(122,817)	122,817	-
Other	(a)	(7,053)	7,053	-
		(12,667)	12,667	-
Gross profit				
		799,092	-	799,092
Sales expenses				
General and administrative expenses and amortization	(b)	(211,880)	-	(211,880)
Amortization	(b)	(109,150)	(43,730)	(152,880)
Amortization of concession rights		(43,730)	43,730	-
Equity in net income of subsidiaries		(3,187)	-	(3,187)
Other net operating expenses		12,926	-	12,926
		(36,167)	-	(36,167)
Total operating revenue (expense)				
		(391,188)	-	(391,188)
Income before net financial items, income tax and social contributions				
		407,904	-	407,904
Financial revenues				
Financial expenses		677,807	-	677,807
		(587,220)	-	(587,220)
Financial income, net				
		90,587	-	90,587
Net income before income and social contribution taxes				
		498,491	-	498,491
Social contribution		(32,232)		(32,232)
Income tax		(58,637)	-	(58,637)
Tax incentives		50,533	-	50,533
Deferred IRPJ and CSLL		(66,546)	-	(66,546)
Taxes on net income		(106,882)	-	(106,882)
			-	
Net income for the period		**391,609**	**-**	**391,609**

(a) The operating cost of R$ 337,874 had been split into personnel costs in the amount of R$ 59,506, materials R$ 2,067, services R$ 133,764, amortization R$ 122,817, CCC Subsidies R$ 7,053 and others R$ 12,667, being composed by "lease and rent" and "others" (see note 25).

General and administrative expenses and amortization in the amount of R$ 152,880, had been split into general and administrative expenses in the amount of R$ 109,150 and amortization in the amount of R$ 43,730 (see note 25).

(ii) Statements of added value - Consolidated

		Published in 2016 06/30/2016	Adjustments	Published in 2017 06/30/2016
Revenue				
Sales of products, services and construction revenue	(a)	4,343,585	645,992	4,989,577
Construction revenue	(a)	645,992	(645,992)	-
Allowance for doubtful accounts and losses on uncollectible receivables		(85,060)	-	(85,060)
Provision (reversal) for civil, labor and tax litigation		44,645	-	44,645
Other operating expenses/revenue		(36,167)	-	(36,167)
		4,912,995	**-**	**4,912,995**
Consumables acquired from third parties (including ICMS and IPI				
Cost of goods sold and services rendered		(2,328,512)	-	(2,328,512)
Materials, energy, outsourced services and other		(320,407)	-	(320,407)
CCC Subsidy		(7,053)	-	(7,053)
Comercial and others expenses		(610)	-	(610)
		(2,656,582)	**-**	**(2,656,582)**
Gross added value		**2,256,413**	**-**	**2,256,413**
Amortization		(166,547)	-	(166,547)
Added value produced by the Company		**2,089,866**	**-**	**2,089,866**
Transferred added value				
Financial revenues		(33,629)	-	(33,629)
Equity in income of subsidiaries		12,926	-	12,926
Amortization of concession rights		124,216	-	124,216
Financial Asset Update		(3,187)	-	(3,187)
		100,326	**-**	**100,326**
Total added value to be distributed		**2,190,192**	**-**	**2,190,192**
Distribution of added value				
Employees				
Direct compensation		127,744	-	127,744
Rewards and benefits		31,473	-	31,473
FGTS		12,738	-	12,738
Others		(7,635)	-	(7,635)
		164,320	**-**	**164,320**
Taxes				
Federals		806,913	-	806,913
State		821,446	-	821,446
Municipals		2,012	-	2,012
Third-party capital remuneration				
Rent		3,892	-	3,892
		3,892	**-**	**3,892**
Equity Capital remuneration				
Net income for the period		317,588	-	317,588
Minority interests in retained earnings		74,021	-	74,021
		391,609	**-**	**391,609**
Added value		**2,190,192**	**-**	**2,190,192**

(a) Revenue from sales of products and services and construction revenue in the amount of R$ 4,989,577 had been split into revenue from sales of products and services in the amount of R$ 4,343,585 and construction revenue in the amount of R$ 645,992.

4 Significant accounting policies

The interim financial individual and consolidated information is being presented without repeating certain notes previously disclosed, but disclosing any material changes in the period. The accounting principles used in the preparation of interim information are the same as used in the preparation of the Company's annual financial statements, as described in Note 4, for the financial year ended December 31, 2016. The interim financial individual and consolidated information should therefore be read in conjunction with the Company's annual individual and consolidated financial statements for the financial year ended December 31, 2016, which include the full set of notes.

The Company has adopted all revised pronouncements and standards and interpretations issued by CPC and IASB and in force as of June 30, 2017.

5 Short-term investments

	Parent company		**Consolidated**	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
Investments funds	332,423	350,366	1,624,517	2,133,514
Others	-	-	3,965	3,621
Total	332,423	350,366	1,628,482	2,137,135

(b) The change in the balance was mainly influenced by expenses with the acquisition of intangible assets in subsidiaries CEMAR and CELPA in the amount of R $ 541,000.

The change in the balance was mainly influenced by expenses with the acquisition of intangible assets in subsidiaries CEMAR and CELPA in the amount of R $ 541,000

The investment funds consists of minimal-risk operations with finance institutions with a risk rating above AA. They include a range of assets intended to improve returns at a lower levels of risk, such as: fixed income securities, government bonds, repo transactions, debentures, CDBs and other investments permitted under the Company's investment policy. These operations pay interest, as of June 30, 2017, at approximately 102.48% (102.81% of the Interbank Deposit Certificate (CDI) rate (102.81% as of December 31, 2016) and are classified as financial assets at fair value.

6 Trade accounts receivable (Consolidated)

6.1 Breakdown of balances

	Consolidated	
	06/30/2017	**12/31/2016**
Trade accounts receivable, billed	1,332,647	1,587,366
Trade accounts receivable, unbilled (a)	277,169	272,652
Financed bills (b)	1,175,130	973,436
Low-income and "viva luz" consumers	89,697	62,375
Other	104,350	123,286
Total	2,978,993	3,019,115
(-) Allowance for doubtful accounts	(389,854)	(355,007)
Total trade accounts receivable	2,589,139	2,664,108
Total current	2,132,731	2,292,104
Total noncurrent	456,408	372,004

The variations in the balances in the accounts receivable items of consumers invoiced and installments refer respectively to the improvement in collection due to the increase in collection actions; And debits of delinquent customers with more than five invoices. The largest impact of this variation is due to the subsidiary CELPA.

(c) This consists of the estimated energy supplied between the reading date and end of the month, pursuant to the practice set out in the 2015 Power Sector Accounting Manual; and

(d) Financing of electricity bills of the subsidiaries CEMAR and CELPA, which can be financed in up to 24 installments, and even longer for high-voltage corporate clients. The installments have interest of 1% a.m.

6.2 Allowance for doubtful accounts (CEMAR and CELPA)

	Consolidated			
	12/31/2016	**Provisions additions**	**Reversals (write-offs)(a)**	**06/30/2017**
Trade accounts receivable, billed (a)	253,236	104,114	(116,437)	280,035
Financed receivables	91,416	60,202	(15,736)	96,759
Other	10,355	9,554	(6,850)	13,060
Total	355,007	173,870	(139,023)	389,854

(a) The subsidiary CELPA reassessed the aging of trade receivables and identified a total of R$ 119,997 (R$ 399,964 in December 31, 2016) more than 360 days overdue. These were written off based on statutory aging limits. The write-off did not affect the results of operations for the period, however, as a provision had been established for these receivables.

The allowance for doubtful accounts is recognized based on defined criteria and Management's best estimates, in accordance with General Instruction No 6.3.2 of the Accounting Manual for Public Electric Utility Service.

a. Trade accounts receivable, billed (CEMAR and CELPA)

	Consolidated			
	06/30/2017			
	Outstanding balances	**Overdue by up to 90 days**	**More than 90 days overdue**	**Total**
Residential	219,867	305,717	151,524	677,108
Industrial	56,620	19,516	41,588	117,724
Commercial	139,598	64,143	49,074	252,815
Rural	13,699	16,271	26,770	56,740
Government	73,236	46,097	30,641	149,974
Public lighting	13,319	4,486	26,243	44,048
Public utility	9,827	9,679	14,732	34,238
Total supplies billed	526,166	465,909	340,572	1,332,647

	Consolidated			
	12/31/2016			
	Outstanding balances	**Overdue by up to 90 days**	**More than 90 days overdue**	**Total**
Residential	310,424	392,818	123,878	827,120
Industrial	81,755	26,068	51,024	158,847
Commercial	180,605	84,913	37,191	302,709
Rural	20,221	18,949	21,673	60,843
Government	131,119	7,120	4,772	143,011
Public lighting	57,973	8	744	58,725
Public utility	34,803	797	511	36,111
Total supplies billed	816,900	530,673	239,793	1,587,366

b. Financed receivables

	Consolidated			
	06/30/2017			
	Outstanding balances	**Overdue by up to 90 days**	**More than 90 days overdue**	**Total**
Residential	623,941	55,031	109,252	788,224
Industrial	36,825	4,614	13,471	54,910
Commercial	93,774	10,730	19,045	123,549
Rural	25,828	2,634	5,947	34,409
Government	91,929	4,363	8,890	105,182
Public lighting	26,695	1,628	937	29,260
Public utility	35,917	1,451	2,228	39,596
Total supplies billed	934,909	80,451	159,770	1,175,130

	Consolidated			
	12/31/2016			
	Outstanding balances	**Overdue by up to 90 days**	**More than 90 days overdue**	**Total**
Residential	538,879	49,490	59,107	647,476
Industrial	44,245	4,986	13,338	62,569
Commercial	83,289	8,662	10,916	102,867
Rural	22,092	2,323	4,799	29,214
Government	77,468	4,960	4,254	86,682
Public lighting	16,581	761	319	17,661
Public utility	23,568	2,576	823	26,967
Total supplies billed	806,122	73,758	93,556	973,436

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

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

	Consolidated				
	12/31/2016	**Establishment**	**Indexation**	**Amortization**	**06/30/2017**
Portion A					
Energy Development Account - CDE	(8,960)	(26,751)	26	5,918	(29,767)
Alternative Source Incentive Program (PROINFA)	13,023	(408)	522	(9,146)	3,991
National Grid	6,441	7,353	522	830	15,146
Acquisition of energy - CVA (a)	254,424	(13,668)	11,263	(62,906)	189,113
System Service Charges - ESS (b)	(125,307)	(130,684)	(7,895)	40,678	(223,208)
	139,621	(164,158)	4,438	(24,626)	(44,725)
Financial items					
Over-purchased electricity (c)	(8,129)	50,178	3,564	14,508	60,121
Financial exposure (d)	(66,420)	124,471	(402)	34,891	92,540
Eletronuclear (f)	245	-	1	(170)	76
Neutrality (g)	(62,611)	51,083	(51)	25,751	14,172
CEPISA violation of continuity limit	75	-	-	-	75
Excess demand and surplus reactive energy	(77,488)	(16,144)	(4,725)	-	(98,357)
Regulatory Assets ANGRA III (e)	-	51,502	340	-	51,842
Other	1,682	2,035	71	(561)	3,227
	(212,646)	263,125	(1,202)	74,419	123,696
Total	(73,025)	98,443	3,236	49,791	78,971
Current	(71,524)				(16,689)
Non-current	(1,501)				95,660

(a) The observed variation represents an increase of the costs with the new contracts in force from 2017, however the Flag determined for the current period was greater than in the previous period due to the yellow and red colors had been in force, which made the balance of this asset Reduction compared to 2016;

(b) In the period ended June 30, 2017, the ESS account was below the tariff coverage, resulting in a liability in the amount of R$ 130,684 in the subsidiaries CEMAR and CELPA, arising from the scenario of reduction of dispatch quantity thermal;

(c) In the period ended June 30, 2016, the PLD averaged R $ 52.22 per MWh, being lower than the same period in 2017, which had an average price of R $ 73.29 and R $ 80.04 in the subsidiaries CEMAR and CELPA for each MWh, and thus constituting an active component of the year 2017; For the period ended June 30, 2017. The Company had a short-term market surplus, that is, the contracts with generators higher than the required energy, allied to the average LDP for the same period of 2017. Therefore, over contracting will be constituted between the difference of the LDP and the average purchase price of the distributor, associated with excess amount to the short-term market;

(d) The financial exposure is influenced by the difference between the settlement prices of the submarkets associated with the quantity contracted in each one of them, with the increase in these expenses having in the first half of the year a variation of 235% of the average LDP Of the submarkets one in relation to the same period of the previous year; and

(e) Refers to the recalculation of distribution agent fees in order to exclude from the Reserve Energy Charge (REE) the portion corresponding to the contracting of the Angra III nuclear power plant in 2016. In December 2015, through of dispatch no. 4,043, ANEEL determined the non-payment of the charge for the years 2016 and 2017, due to the works of the plant not having been concluded.

Annually, in August, ANEEL calculates the new rate index of the CEMAR and CELPA subsidiaries by adjusting their Parcel A expenses (non-manageable costs, such as energy purchase, sector charges and transmission charges). Through Resolution No. 2,127 of August 23, 2016, ANEEL carried out the annual tariff readjustment of the subsidiary CEMAR, where the new tariffs became effective on August 28, 2016, effective August 27, 2017, and through of Homologatory Resolution No. 2,117, of August 2, 2016, ANEEL carried out the annual tariff readjustment of the subsidiary CELPA, where the new tariffs came into effect on August 7, 2016, effective until August 6, 2017.

In this process, the CVA recorded by the subsidiaries are audited and the difference between the amount determined by CEMAR and CELPA and the one granted by ANEEL in the same period must be written off. The calculation of the differences in these different points is called the effect of the readjustment in the subsidiaries and the tariff repositioning to be perceived by the consumers was of 8.24% in CEMAR and 7.55% in CELPA, considering the financial components included in the tariffs.

On an annual basis, in August, ANEEL calculates a new rate adjustment index for subsidiaries CEMAR e CELPA to adjust their "A Component" expenses (non-manageable costs such as purchased electricity, sector charges and transmission charges). ANEEL determined the subsidiary CEMAR's annual rate adjustment through Resolution 2,127 of August 23, 2016, with new rates that will be effective from August 28, 2016 to August 27, 2017. By way of Resolution 2117 issued August 2, 2016, ANEEL determined the subsidiary CELPA's annual rate adjustment with new rates that will be effective from August 7, 2016 to August 6, 2017.

In this process, the CVAs reported by subsidiaries are audited, and any difference between the amount calculated by CEMAR and CELPA and the amount approved by ANEEL for the period is derecognized. Determining the differences between these various points is called the effect of the adjustment on the subsidiaries, and the rate increase to be felt by consumers was 8.24% at CEMAR and 7.55% at CELPA, including the financial components embedded in the rates.

8 Related parties

Transactions with related parties derive from transactions between the Company and its subsidiaries, shareholders and their related parties key members of Management and other related parties, as defined by CVM Resolution 560 issued December 11, 2008, which approved CPC 05 (R1) - Disclosure about Related Parties. There were no significant changes in the period in relation to the disclosures made in the Company's annual financial statements**.**

Key management personnel compensation

Key management personnel includes Directors and Officers. The compensation was set at up to R$ 15,500 by the Annual General Meeting held May 15, 2017.

Proportion of each constituent of overall compensation in the period ended June 30, 2017:

Board of Directors	
Fixed compensation:	100%
Executive Board	
Fixed compensation:	18%
Variable compensation:	68%
Share-based payments:	14%

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

	Board of directors	Statutory Board	Total
Number of members	7	6	13
Annual fixed compensation	480	1,106	1,586
Salaries or management fees	480	1,075	1,555
Direct and indirect benefits	-	31	31
Variable compensation	-	6,003	6,003
Bonuses	-	6,003	6,003
Post-employment benefits	-	7	7
Share-based payments	-	1,191	1,191
Total compensation by body	480	8,307	8,787

9 Other receivables

	Consolidated	
	06/30/2017	12/31/2016
Current		
Employee amounts recoverable	607	583
Advances to suppliers	9,560	4,402
Sale of assets and rights	869	869
Electricity reimbursement credit	2,549	2,665
Credits on electricity bills	1,141	1,374
Prepaid expenses	897	897
Other credits receivable (a)	130,445	78,452
Total	146,068	89,242

	Consolidated	
	06/30/2017	12/31/2016
Noncurrent		
Amounts to be released (b)	16,172	16,140
Guarantee (c)	51,067	49,170
Credit assignment - CELPA (d)	5,788	-
Other receivables		1,655
Total	73,027	66,965

(a) The amount as of June 30, 2017 consists mainly of the segregation of other receivables, previously classified as accounts receivable;

(b) The subsidiary CELPA has a balance of amounts to be released by Banco Daycoval in the amount of R$ 16,172 which has been frozen under the financing contracts renegotiated under the Judicial Reorganization Plan.

10 Concession financial assets (Consolidated)

The changes in concession financial asset balances are as follows:

	12/31/2016	Indexation of financial assets (a)	Capitalization	Write-offs	06/30/2017
Financial assets	3,747,057	6,794	365,851	(9,000)	4,110,702
Special obligations (b)	(1,144,833)	(11,583)	(63,035)	5,214	(1,214,237)
Total	2,602,224	(4,789)	302,816	(3,786)	2,896,465

(a) For a better estimate of the indemnity upon the termination of the concession of the subsidiaries CEMAR and CELPA, the fair value of financial assets is indexed on a monthly basis to the IPCA price index, which is one of the primary indexes used for annual indexation by the regulator in rate adjustment processes

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

11 Investments

The main information about investments in subsidiaries and joint ventures is as follows:

		Parent company		Consolidated	
		06/30/2017	12/31/2016	06/30/2017	12/31/2016
Appraiser by equity accounting:					
CEMAR	65.11%	1,623,225	1,609,904	-	-
CELPA	96.50%	1,813,377	1,777,825	-	-
Geradora de Energia do Norte	25.00%	89,756	83,027	89,756	83,027
Vila Velha	50.00%	3,300	3,300	3,300	3,300
55 Soluções	100.00%	49,729	38,021	-	-
Equatorial Transmissão	100.00%	(841)	-	-	-
Transmissora SPE 01	100.00%	(467)	-	-	-
Transmissora SPE 02	100.00%	(435)	-	-	-
Transmissora SPE 03	100.00%	(78)	-	-	-
Transmissora SPE 04	100.00%	(1,641)	-	-	-
Transmissora SPE 05	100.00%	(69)	-	-	-
Transmissora SPE 06	100.00%	(49)	-	-	-
Transmissora SPE 07	100.00%	(775)	-	-	-
Transmissora SPE 08	100.00%	-	-	-	-
Subtotal		3,575,032	3,512,077	93,056	86,327
Other Investments		-	-	9,981	9,995
Total		3,575,032	3,512,077	103,037	96,322

11.1 Changes in the capital expenditure in subsidiaries and joint subsidiaries

						Transmitters								
	CEMAR	**CELPA**	**Geradora de Energia do Norte**	**Vila Velha**	**55 Soluções**	**SPE 01**	**SPE 02**	**SPE 03**	**SPE 04**	**SPE 05**	**SPE 06**	**SPE 07**	**Equatorial Transmissão**	**Total**
Balance at December 31, 2016	1,609,904	1,777,825	83,027	3,300	38,021	-	-	-	-	-	-	-	-	3,512,077
Acquisition of new investment	-	-	-	-	-	10	10	10	10	10	10	10	10	80
Additional dividends	(81,988)	(18,862)	(6,552)	-	-	-	-	-	-	-	-	-	-	(107,402)
Minimum dividends	98,270	54,414	13,281	-	11,708	(477)	(445)	(88)	(1,651)	(79)	(59)	(785)	(851)	173,238
Equity in net income of subsidiaries	(2,961)	-	-	-	-	-	-	-	-	-	-	-	-	(2,961)
Amortization of concession rights (a)														
Balance at June 30, 2017	1,623,225	1,813,377	89,756	3,300	49,729	(467)	(435)	(78)	(1,641)	(69)	(49)	(775)	(841)	3,575,032

(a) Refers to the amortization of goodwill of the subsidiary CEMAR, which will be amortized through the end of the concession in 2030.

11.2 Reconciliation of capital expenditure

2017

Subsidiary	Interest	Equity of subsidiary	Profit or loss	Goodwill/ PPA Result	Equity income	Investment value	Balance goodwill/PPA	Total investment
CEMAR	65.1087%	2,201,209	150,932		98,270	1,433,177	190,048	1,623,225
CELPA	96.4992%	2,155,264	56,797	(409)	54,414	2,079,813	(266,436)	1,813,377
Geradora de Energia do Norte	25.0000%	313,699	52,933	192	13,281	78,425	11,331	89,756
Vila Velha	50.0000%	6,600	-	-	-	3,300	-	3,300
55 Soluções	100.0000%	49,729	11,708	-	11,708	49,729	-	49,729
Transmissora SPE 01	100.0000%	(467)	(477)	-	(477)	(467)	-	(467)
Transmissora SPE 02	100.0000%	(435)	(445)	-	(445)	(435)	-	(435)
Transmissora SPE 03	100.0000%	(78)	(88)	-	(88)	(78)	-	(78)
Transmissora SPE 04	100.0000%	(1,641)	(1,651)	-	(1,651)	(1,641)	-	(1,641)
Transmissora SPE 05	100.0000%	(69)	(79)	-	(79)	(69)	-	(69)
Transmissora SPE 06	100.0000%	(49)	(59)	-	(59)	(49)	-	(49)
Transmissora SPE 07	100.0000%	(775)	(785)	-	(785)	(775)	-	(775)
Equatorial Transmissão	100.0000%	(841)	(851)	-	(851)	(841)	-	(841)
		4,722,146	267,935	(217)	173,238	3,640,089	(65,057)	3,575,032

2016

Subsidiary	Interest	Equity of subsidiary	Profit or loss	Goodwill/ PPA Result	Equity income	Investment value	Balance goodwill/PPA	Total investment
CEMAR	65.1087%	2,176,199	399,794	-	260,301	1,416,895	193,009	1,609,904
CELPA	96.4992%	2,118,012	351,556	45,918	383,560	2,043,864	(266,039)	1,777,825
Geradora de Energia do Norte	25.0000%	286,584	111,136	385	27,879	71,646	11,381	83,027
Vila Velha	50.0000%	6,600	-	-	-	3,300	-	3,300
55 Soluções	100.0000%	38,021	11,008	-	11,008	38,021	-	38,021
		4,625,416	873,494	46,303	682,748	3,573,726	(61,649)	3,512,077

11.3 Information about the subsidiaries and joint ventures

		Statement of financial position					Profit of loss					
		Current		Noncurrent								
	Equity interest	Asset	Liabilities	Asset	Liabilities	Shareholders' equity	Net revenue	Gross Profit	Operating revenue/ expenses	Net finance Income	Income and social contr. taxes	Net income for the period
Balance at 30/06/2017												
CEMAR	65.1087%	2,146,093	1,709,126	3,485,627	1,721,385	2,201,209	1,510,778	415,764	(206,612)	(27,613)	(30,607)	**150,932**
CELPA	96.4992%	2,633,958	1,468,137	5,145,017	4,155,575	2,155,264	2,262,501	560,630	(365,773)	(117,329)	(20,731)	**56,797**
Geradora de Energia do Norte	25.0000%	105,766	74,173	574,593	292,881	313,699	121,438	79,928	(5,598)	(11,204)	(9,485)	**53,641**
Vila Velha	50.0000%	-	-	6,600	-	6,600	-	-	-	-	-	**-**
55 Soluções	100.0000%	43,157	22,751	29,590	268	49,729	52,797	48,172	(32,853)	980	(4,590)	**11,709**
Transmissora SPE 01	100.0000%	855	289	6,010	7,043	(467)	-	-	(467)	(10)	-	**(477)**
Transmissora SPE 02	100.0000%	701	310	6,479	7,305	(435)	-	-	(439)	(6)	-	**(445)**
Transmissora SPE 03	100.0000%	816	329	8,484	9,049	(78)	-	-	(94)	6	-	**(88)**
Transmissora SPE 04	100.0000%	1,541	717	14,696	17,161	(1,641)	-	-	(1,609)	(42)	-	**(1,651)**
Transmissora SPE 05	100.0000%	775	262	6,127	6,709	(69)	-	-	(87)	8	-	**(79)**
Transmissora SPE 06	100.0000%	3,407	303	5,330	8,483	(49)	-	-	(70)	11	-	**(59)**
Transmissora SPE 07	100.0000%	692	251	14,979	16,195	(775)	-	-	(764)	(21)	-	**(785)**
Equatorial Transmissão	100.0000%	217	777	-	281	(841)	-	(147)	(701)	(3)	-	**(851)**
		4,937,978	**3,277,425**	**9,303,532**	**6,242,335**	**4,722,146**	**3,947,514**	**1,104,347**	**(615,067)**	**(155,223)**	**(65,413)**	**268,644**

		Statement of financial position					Profit of loss					
		Current		Noncurrent					Operating	Net	Income and	Net income
	Equity interest	Asset	Liabilities	Asset	Liabilities	Shareholders' equity	Net revenue	Gross Profit	revenue/ expenses	finance Income	social contr. taxes	for the year
Balance at 12/31/2016												
CEMAR	65.1087%	2,337,609	1,281,632	3,290,584	2,170,362	2,176,199	3,064,644	915,743	(463,149)	36,819	(89,619)	**399,794**
CELPA	96.4992%	3,035,484	2,084,922	4,756,509	3,589,059	2,118,012	4,513,037	1,085,403	(546,446)	(117,478)	(69,923)	**351,556**
Geradora de Energia do Norte	25.0000%	116,431	98,191	572,980	304,636	286,584	413,961	166,921	(12,724)	(22,966)	(20,095)	**111,136**
Vila Velha	50.0000%	-	-	6,600	-	6,600	-	-	-	-	-	**-**
55 Soluções	100.0000%	33,447	24,676	30,335	1,085	38,021	73,619	72,132	(59,058)	1,223	(3,289)	**11,008**
		5,522,971	**3,489,421**	**8,657,008**	**6,065,142**	**4,625,416**	**8,065,261**	**2,240,199**	**(1,081,377)**	**(102,402)**	**(182,926)**	**873,494**

On June 30, 2017, the Company has balances related to "advance for future capital increase" in the amount of R$ 72,567, with transmission companies.

12 Intangible assets (Consolidated)

Intangible assets are comprised as follows:

	06/30/2017				
	Weighted average annual depreciation rates (%)	**Cost**	**Amortization**	**(-) Obligations linked to the concession**	**Net value**
In service	4.37%	9,442,338	(4,062,303)	(1,757,115)	3,622,920
In progress		1,304,856	-	(367,947)	936,909
Concession agreement		291,810	(101,762)	-	190,048
Total		11,039,004	(4,164,065)	(2,125,062)	4,749,877

	12/31/2016				
	Weighted average annual depreciation rates (%	**Cost**	**Amortization**	**(-) Obligations linked to the concession**	**Net value**
In service	4.22%	9,151,586	(3,832,123)	(1,802,386)	3,517,077
In progress		1,390,888	-	(452,333)	938,555
Concession agreement		291,810	(98,801)	-	193,009
Total		10,834,284	(3,930,924)	(2,254,719)	4,648,641

Change in intangible assets:

	12/31/2016	**Additions**	**Write-offs**	**Capitalization/ transfer (a)**	**06/30/2017**
In service	9,151,586	148	(68,473)	359,077	9,442,338
(-) Amortization	(3,832,123)	(264,240)	34,060	-	(4,062,303)
Total in service	5,319,463	(264,092)	(34,413)	359,077	5,380,035
In progress	1,390,888	638,896	-	(724,928)	1,304,856
Total in progress	1,390,888	638,896	-	(724,928)	1,304,856
Special obligations (b)	(3,072,480)	(37,970)	39,978	63,035	(3,007,437)
(-) Amortization	817,761	75,122	(10,508)	-	882,375
Total special obligations	(2,254,719)	37,152	29,470	63,035	(2,125,062)
Concession right	291,810	-	-	-	291,810
(-) Amortization	(98,801)	(2,961)	-	-	(101,762)
Total concession rights	193,009	(2,961)	-	-	190,048
Total	4,648,641	408,995	(4,943)	(302,816)	4,749,877

Intangible assets in progress

The balance of intangible assets in progress breaks down as follows:

	Consolidated	
	30/06/2017	**12/31/2016**
Work in progress	1,077,627	1,202,692
Materials in inventory (a)	201,473	157,013
Advances to suppliers	42,771	47,998
Provision for losses (b)	(17,015)	(16,815)
Total	1,304,856	1,390,888

The intangible assets in progress of the subsidiaries CEMAR e CELPA, increased as a result of growing expenditure on distribution system expansion and improvements, initiatives against electricity theft and new connections.

13 Trade accounts payable

	Parent company		Consolidated	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
Electricity sales to distributors (a)	-	-	533,690	400,977
Electricity network usage charge	-	-	24,343	23,686
Materials and services (b)	-	-	280,758	499,741
Other	1,154	702	21,968	18,879
Total	1,154	702	860,759	943,283

(a) In the period ended June 30, 2017, energy purchase costs in the short term were influenced by the following factors: (i) increase in average LDP used for spot market energy settlement; Ii) increase in financial exposure expenses influenced by the 235% variation in the average price of submarkets; And iii) increase in the hydrological risk related to the physical generation of the shareholder plants, which was 80% of its generation capacity, and by contract must deliver 95% of its generation; and

(b) The main variation occurred in the subsidiary CELPA, due to the settlement of the purchase of fuel from supplier Petrobras, which is transferred through the CCC reimbursement, in addition to the payments to several suppliers with a disbursement schedule in 2016, being carried out only in 2017.

14 Loans and financing (Consolidated)

		06/30/2017		
	Average cost of the debt (% p.a.)	**Principal and interest**		
		Current	**Noncurrent**	**Total**
Foreign currency (USD)				
National Treasury	4.62%	718	72,836	73,554
CCBI Citibank	4.04%	3,464	576,660	580,124
Transaction Itaú	3.00%	135,414	-	135,414
Transaction Santander	3.00%	134,784	-	134,784
Total foreign currency		274,380	649,496	923,876
Domestic currency				
Eletrobras	4.85%	29,187	160,916	190,103
Guanabara	14.35%	2,038	676	2,714
IBM	14.20%	17,117	7,673	24,790
BNDES	11.37%	207,879	1,295,772	1,503,651
Banco do Brasil	13.70%	313,113	4,060	317,173
BNB	8.50%	18,559	48,313	66,872
Cash	6.00%	7,434	53,712	61,146
FINEP	4.00%	1,127	1,963	3,090
SUDENE	7.00%	6,975	27,149	34,124
Votorantim	4.50%	473	815	1,288
Subtotal		603,902	1,601,049	2,204,951
(-) Arrangement costs		(1,932)	(5,660)	(7,592)
Total local currency		601,970	1,595,389	2,197,359
Total		876,350	2,244,885	3,121,235

		12/31/2016		
	Average cost of the debt (% p.a.)	**Principal and interest**		
		Current	**Noncurrent**	**Total**
Foreign currency (USD)				
National Treasury	2.66%	682	71,886	72,568
CCBI Itaú	1.99%	114,169	-	114,169
CCBI Citibank	3.76%	165,496	203,647	369,143
Transaction Itaú	3.00%	133,448	-	133,448
Transaction Santander	3.00%	133,355	-	133,355
Total foreign currency		547,150	275,533	822,683
Domestic currency				
Eletrobras	8.94%	55,874	214,411	270,285
Guanabara	14.00%	2,045	1,690	3,735
IBM	15.17%	22,239	17,120	39,359
BNDES	8.48%	178,891	1,281,913	1,460,804
Banco do Brasil	14.89%	32,545	285,021	317,566
BNB	8.50%	18,639	57,372	76,011
Cash	6.00%	4,456	56,997	61,453
FINEP	4.00%	1,128	2,523	3,651
SUDENE	7.00%	6,995	30,534	37,529
Votorantim	4.50%	474	1,050	1,524
Subtotal		323,286	1,948,631	2,271,917
(-) Arrangement costs		(2,225)	(6,511)	(8,736)
Total local currency		321,061	1,942,120	2,263,181
Total		868,211	2,217,653	3,085,864

At June 30, 2017, the amounts recorded under loans and financing have an average annual cost of 9.76%, equal to 75.95% of the CDI rate (11%, equal to 80.67% of the CDI rate at December 31, 2016).

At June 30, 2017 and December 31, 2016 the installment payments under the primary loans and financing agreements were as follows:

	06/30/2017		12/31/2016	
Maturity	**Amount**	**%**	**Amount**	**%**
Current	876,350	28%	868,211	28%
2018	177,205	6%	785,825	25%
2019	359,322	12%	383,455	12%
2020	700,130	22%	335,964	11%
2021	481,349	15%	230,956	7%
2021 onwards	532,539	17%	487,964	16%
Subtotal	2,250,545	72%	2,224,164	72%
Arrangement costs (Noncurrent)	(5,660)	0%	(6,511)	0%
Noncurrent	2,244,885	72%	2,217,653	72%
Total	3,121,235	100%	3,085,864	100%

Changes in balances of loans and financing are as follows:

	Local currency		**Foreign currency (USD)**		
	Current liabilities	**Noncurrent liabilities**	**Current liabilities**	**Noncurrent liabilities**	**Total**
Balances as of December 31, 2016	321,060	1,942,121	547,151	275,532	3,085,864
Inflows	-	110,619	-	542,500	653,119
Interest	74,906	1,511	13,875	-	90,292
Monetary and exchange variance	9,161	22,416	(8,961)	23,457	46,073
Transfers	482,129	(482,129)	191,993	(191,993)	-
Amortization of principal	(205,777)	-	(455,709)	-	(661,486)
Interest payments	(79,798)	-	(13,969)	-	(93,767)
Arrangement costs	65	851	-	-	916
Transaction transfers	224	-	-	-	224
Balances as of June 30, 2017	601,970	1,595,389	274,380	649,496	3,121,235

Covenants and guarantees

The loans and financing transactions of subsidiaries CEMAR and CELPA involve certain covenants and financial guarantees which, if breached, could result in the accelerated maturity of the contracts. The Company was compliant with its covenants in the period ended June 30, 2017.

15 Debentures (Consolidated)

The change in debentures at the subsidiaries CEMAR and CELPA in the period is as follows:

	Current liabilities	**Noncurrent liabilities**	**Total**
Balances as of December 31, 2016	118,740	1,629,727	1,748,467
Interest	81,659	-	81,659
Transfer	93,334	(93,334)	-
Amortization of principal	(33,790)	-	(33,790)
Interest payments	(71,931)	-	(71,931)
Monetary variance	23,185	(7,545)	15,640
Arrangement costs	11	1,549	1,560
Balances as of June 30, 2017	211,208	1,530,397	1,741,605

The installments related to the debentures and their maturities are scheduled as described below:

	06/30/2017		**12/31/2016**	
Maturity	**Amount**	**%**	**Amount**	**%**
Current	211,208	12%	118,740	7%
2018	65,686	4%	180,442	10%
2019	699,230	40%	697,578	40%
2020	132,565	8%	135,066	8%
2021	359,154	21%	354,751	20%
2021 onwards	278,365	15%	276,564	16%
Noncurrent	1,535,000	88%	1,644,401	94%
Arrangement costs - Noncurrent	(4,603)	0%	(14,674)	-1%
Non curent Total	1,530,397	88%	1,629,727	93%
Total	1,741,605	100%	1,748,467	100%

The subsidiaries has seven current issues:

CELPA

First debenture issue

On July 25, 2016 CELPA conducted the First Debenture Issue, which was settled on August 5, 2016. This was a private issue of non-convertible, ordinary debentures secured by collateral and guarantees provided by the parent company, Equatorial Energia, in a single series for a total amount of R$100,000, maturing in May 2020, which was primarily used to increase the Company's working capital. Debentures procured at a rate equal to IPCA + 9.0% p.a. with amortization of 50% on May 30, 2019 and 50% on May 30, 2020.

Second debenture issue
On October 13, 2016 CELPA conducted the Second Debenture Issue, distribution of which finished on December 1, 2016. This was a private issue of non-convertible, ordinary debentures secured by collateral and guarantees provided by the parent company, Equatorial Energia, in two series for a total amount of R$ 60,000, maturing in January 2024, which was primarily used to increase the Company's working capital. The cost of contracting the first series is IPCA + 8.04% p.a., with amortization in three equal payments from January 15, 2022 onwards, and the second series is only expected to be issued in 2017. As of March 31, 2017

Third debenture issue
On November 11, 2016 CELPA conducted the Third Debenture Issue, distribution of which finished on December 26, 2016. This was a public issue of non-convertible, ordinary debentures secured by collateral and guarantees provided by the parent company, Equatorial Energia amounting to R$ 300,000, in two series of R$ 199,069 and R$ 100,931, maturing in December 2021 and December 2023 respectively, which was primarily used to implement CELPA's investment program. Contracted at the cost of IPCA + 6.70% p.a. for the 1^{st} and IPCA + 6.87% p.a. for the 2^{nd} series.

Fourth debenture issue
On December 5, 2016 CELPA conducted the Fourth Debenture Issue, which was distributed on December 28, 2016. This was a private issue of non-convertible, ordinary debentures secured by guarantees provided by the parent company, Equatorial Energia, in a single series for a total amount of R$ 500,000, maturing in Debentures 2019, which was primarily used to increase CELPA's working capital.

CEMAR

Fourth debenture issue
The public distribution of CEMAR's 4th issue of non-convertible debentures ended on September 22, 2012. The proceeds secured of R$ 280,000, divided into two tranches of R$ 101,380 and R$ 178,620, were used primarily for the implementation of CEMAR's investment program. Debentures contracted with a rate in the 1^{st} series of CDI + 1.08% p.a. and 2^{nd} series with IPCA + 5.90% p.a. with semi-annual amortizations of the 1^{st} series and annual of the 2^{nd} series (first amortization on June 22, 2016) with respective maturities on June 21, 2018 and June 22, 2020.

Sixth debentures issuance
The public distribution of CEMAR's 6^{th} issue of non-convertible debentures ended on October 27, 2014. The proceeds of R$ 200,000 in a single tranche were intended primarily for a capital increase to service CEMAR's management business. Debentures secured at the rate of 113.2% of CDI, first amortization occurs on October 13, 2017 with maturity on October 14, 2019.

Seventh debentures issuance
The public distribution of CEMAR's 7^{th} issue of non-convertible debentures ended on November 1, 2016. The proceeds secured of R$ 270,000, divided into two tranches of R$ 155,000 and R$ 115,000, were used primarily for the implementation of CEMAR's investment program. Debentures contracted with a rate in the 1^{st} series of IPCA + 5.48% p.a. and 2^{nd} series with IPCA + 5.54% p.a. with bullet amortization and respective maturities on October 15, 2021 and October 15, 2023.

Covenants

The debentures require that certain debt ratios and interest coverage be maintained. At June 30, 2017 and December 31, 2016, CEMAR and CELPA were compliant with all applicable covenants.

CEMAR:

Covenants debentures	4th debentures	6th debentures (a)	7th debentures
1st Net Debt/EBITDA: <=3.25	1.39	1.39	1.39
2nd EBITDA/Net financial expense: >=1.5	27	-	27

(a) In the 6th issue debentures there is no contractual requirement for the calculation of the 2nd index.

CELPA:

Covenants debentures	1st Debentures	2nd Debentures
1st Net Debt/EBITDA: <=3.5	3.0	3.0
2nd EBITDA/Net financial expense: =>2	3.2	3.2
Covenants debentures	**3rd Debentures**	**4th Debentures**
1st Net Debt /EBITDA: <=3.5	2.8	2.9
2nd EBITDA/ Net financial expense: >=1.5	3.2	3.2

16 Taxes and contributions payable

16.1 Taxes and contributions payable

	Consolidated	
	06/30/2017	**12/31/2016**
Current		
ICMS	300,129	277,316
ICMS financing	4,179	2,646
Federal PRT financing (a)	3,694	-
PIS and COFINS	46,587	50,897
Payroll charges and others	17,404	15,425
ISS	9,225	10,757
Total	381,218	357,041
Noncurrent		
ICMS financing (a)	36,544	35,946
ISS	1,895	1,370
Total	38,439	37,316

(a) On May 31, 2017, Equatorial Energia and its subsidiaries opted for the settlement of debts under the federal installment program called the Tax Regularization Program - PRT, instituted by Provisional Measure 766/2017 and Normative Instruction RFB No. 1687/2017, at which time it compensated an amount of R$ 10,838 with tax losses.

17 Deferred income and social contributions taxes

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

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

17.1 Breakdown of deferred income and social contribution tax

(i) Breakdown of deferred taxes

	Consolidated	
	06/30/2017	**12/31/2016**
IRPJ tax losses (a)	129,386	132,544
IRPJ and CSLL on temporary differences	(384,302)	(343,589)
IRPJ and CSLL on revaluation reserve	(71,990)	(76,957)
IRPJ and CSLL, CELPA acquisition	49,681	49,607
Total	(277,225)	(238,395)

(a) Tax loss credits are derived from CEMAR.

A The subsidiary CELPA has tax losses and a negative basis of CSLL not recognized in its assets as of June 30, 2017 as it did not meet the requirements established in CPC 32 - Taxes on profit and CVM Resolution 371/2002. IRPJ and CSLL tax credits in the amount of R$ 184,904 (R$ 196,613 as of December 31, 2016) do not expire.

(ii) Breakdown of IRPJ and CSLL on temporary differences

	Consolidated	
	06/30/2017	**12/31/2016**
Provision for contingencies	80,993	83,377
Allowance for doubtful accounts	127,745	120,702
Provision for profit-sharing	7,242	10,869
Stayed taxes	7,667	5,848
Accelerated depreciation	(399,471)	(394,704)
Provision for pension fund	13,060	13,060
Funding cost, AVP and restatement of financial asset	(201,386)	(210,719)
SWAP	(24,072)	13,146
Other nondeductible expenses	3,920	14,832
Total	(384,302)	(343,589)

(iii) Breakdown of IRPJ and CSLL, CELPA acquisition

	06/30/2017	12/31/2016
Intangible - concession goodwill	(35,061)	(36,799)
Write-off of property, plant and equipment	33,060	34,698
Potential contingencies	42,532	42,558
Other accounts payable - PLPT	9,150	9,150
Total	49,681	49,607

17.2 Prospects of recovery

Based on technical feasibility studies, subsidiary Management estimates that these tax credits of the subsidiary CEMAR can be realized up to 2021, as shown below:

Prospect of realization	2019	2020	2021	Total
Deferred taxes	53,610	58,086	20,848	132,544

The subsidiary CEMAR did not realize R$ 3,158 of deferred income taxes on tax losses in the period ended June 30, 2017 as it has opted to realize the tax benefits of the accelerated depreciation until 2018, research and development incentives and the SUDENE benefit up to 2021.

A technical feasibility study, which includes the recovery of deferred taxes and is revised on an annual basis, was prepared by the Company and reviewed by the Audit Committee and approved by the Board of Directors on February 24, 2017.

17.3 Reconciliation between the income and social contribution tax expense

The reconciliation of expenses, calculated by applying the relevant tax rates and the Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) expense charged to profit or loss during the period ended June 30, 2017 and, 2016 is shown below:

	06/30/2017		06/30/2016	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Profit before income (IRPJ) and social contribution (CSLL) taxes	299,636	299,636	498,491	498,491
Statutory rate	25%	9%	25%	9%
Calculated at the tax rate	74,909	26,967	124,623	44,864
Additions:				
Provision for contingencies	59,393	21,382	66,517	23,946
Allowance for doubtful accounts	118,403	42,625	17,425	6,273
Energy efficiency research and development R&D	-	-	19,167	6,900
Adjustment to present value	5,196	1,871	4,320	1,555
SWAP variance	18,668	6,721	117,448	42,281
IRPJ/CSLL on revaluation reserve	3,653	1,315	4,019	1,447
Profit sharing, fees and license premium	6,911	2,488	14,084	5,070
Provision for pension fund	9,603	3,457	-	-
Provision for profit-sharing	5,325	1,917	-	-
Provision for asset recovery	4,254	1,531	4,004	1,441
Funding cost, AVP and restatement of financial asset	5,641	2,030	-	-
Effect of IR/CSLL on equity accounting	10,584	3,810	(3,232)	(1,163)
Other provisions	28,647	10,351	39,144	14,096
	276,278	99,498	282,896	101,846
Exclusions:				
Provision for contingencies	(61,147)	(22,012)	(67,555)	(24,320)
Allowance for doubtful accounts	(113,224)	(40,761)	(93,963)	(33,827)
Research and development and energy efficiency and M.M.M	-	-	(16,194)	(5,830)
SWAP variance	(51,192)	(18,429)	(21,039)	(7,574)
Profit sharing, fees and license premium	(9,725)	(3,501)	(24,753)	(8,911)
Provision for pension fund	(9,603)	(3,457)	-	-
Provision for profit-sharing	(7,992)	(2,877)	-	-
Provision for asset recovery	(531)	(193)	(3,904)	(1,405)
Funding cost, AVP and restatement of financial asset	(3,975)	(1,431)	(26,965)	(9,708)
Accelerated depreciation	(19,066)	-	(38,909)	-
Other Provisions	(23,921)	(8,605)	(52,158)	(18,732)
	(300,376)	(101,266)	(345,440)	(110,307)
IRPJ and CSLL	50,811	25,199	62,079	36,403
Offsetting negative basis of CSLL	-	(746)	(2,196)	(4,172)
PAT Incentive	(979)	-	(1,206)	-
Incentive for extended maternity leave	(75)	-	(40)	-
IRPJ and CSLL on profit and loss	49,757	24,453	58,637	32,232
Effective rate (excluding income tax/CSLL)	17%	8%	11,76%	6,47%

Deferred tax assets

	06/30/2017		06/30/2016	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
(+) IRPJ government subsidy	24,594	3,156	59,230	7,316
IRPJ and CSLL on income for the year	(38,541)	-	(50,533)	-
Effective rate for deferred tax assets	12%	9%	14%	8%

At the subsidiary CEMAR on June 30, 2017, the amount of income tax calculated on the operating profit was R $ 42,516 (R $ 17,660 on June 30, 2016) and at the subsidiary CELPA, the amount of the income tax calculated On the operating profit was R $ 11,373 (R $ 24,093 on June 30, 2016).

18 Payables from judicial reorganization - CELPA

18.1 Debt breakdown

	06/30/2017	12/31/2016
Current		
Operational creditors (a)	65,136	92,398
Sector charges	16,843	36,049
(-) Adjustment to present value (b)	(23,706)	(32,038)
Total	58,273	96,409
Noncurrent		
Operational creditors	45,217	45,217
Sector charges	-	2,658
Intra-group	75,650	73,525
Financial creditors (c)	1,196,752	1,180,924
(-) Adjustment to present value (b)	(377,778)	(389,987)
Total	939,841	912,337
Total	998,114	1,008,746

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

(b) On June 30, 2017, the balance of the adjustment to present value totals R $ 406,661, of which R $ 356,864 of loans and financing, R $ 23,462 of operating creditors, R $ 26,090 of intragroup, and R $ 245 of sector charges December 31, 2016, the balance of the adjustment to present value totals R $ 422,025, of which R $ 363,140 of loans and financing, R $ 31,552 of operating creditors, R $ 26,847 of intragroup, and R $ 485 of sector charges).

(c) It is the group of creditors, among which are: (i) public or private financial institutions; (Ii) creditors arising from financial or banking transactions, including but not limited to, Bonds and credits arising from derivative transactions, whether or not linked to receivables.

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

	06/30/2017		12/31/2016	
Maturity	**Amount**	**%**	**Amount**	**%**
Current	58,273	5.8%	96,409	9.6%
2018	33,008	3.3%	23,457	2.3%
2019	-	-	12,016	1.2%
2020 onwards	906,833	90.9%	876,864	86.9%
Noncurrent	939,841	94.2%	912,337	90.4%
total	998,114	100%	1,008,746	100%

18.2 Changes in payables under judicial reorganization relief

	Balance at 12/31/2016	Reclassification RJ (a)	Interest and charges	Exchange variation	Amortization	Adjustment to present value	Balance at 06/30/2017
Operational creditors	106,064	10,287	-	-	(37,550)	8,089	86,890
Sector charges	34,065	-	-	1,435	(19,142)	243	16,601
Intra-group	46,678	-	2,125	-	-	756	49,559
Financial creditors	821,939	-	28,805	(1,502)	(15,630)	11,452	845,064
Total	1,008,746	10,287	30,930	(67)	(72,322)	20,540	998,114

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

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

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

	06/30/2017		12/31/2016	
	Provision	**Judicial deposits**	**Provision**	**Judicial deposits**
Civil (a)	144,473	142,034	134,816	137,128
Tax	44,232	21,749	38,202	16,131
Labor	50,981	46,535	74,154	43,598
Regulatory	15,841	-	15,506	-
PPA CELPA	278,900	-	279,071	-
Total	534,427	210,318	541,749	196,857
Current	73,991	37,526	86,222	31,839
Noncurrent	460,436	172,792	455,527	165,018

(a) Of the civil judicial deposits, R$ 62,554 refer to banknote contracts which are being deposited as part of the judicial reorganization proceedings. These claims have been scheduled in the judicial reorganization plan and have been challenged by the creditor financial institutions. The amounts will remain deposited in court until a final decision of merit on whether or not the claims are subject to the recovery regime is handed down by the courts.

Changes in proceedings in the period (Consolidated)

	12/31/2016	06/30/2017				
	Balance	**Additions**	**Usage**	**Reversal of provision**	**Indexation**	**Balance**
Civil	134,816	34,543	(24,398)	(10,089)	9,601	144,473
Tax	38,202	5,350	-	(1)	681	44,232
Labor	74,154	12,733	(24,437)	(12,755)	1,286	50,981
Regulatory	15,506	216	(623)	(166)	908	15,841
PPA CELPA (a)	279,071	-	-	(171)	-	278,900
Total	541,749	52,842	(49,458)	(23,182)	12,476	534,427

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

Civil

The subsidiaries are defendants in 30,745 civil proceedings (25,413 civil proceedings claims in 2016), including 22,726 cases being heard by special courts (18,396 in 2016) and largely relating to claims for property and moral damages as well as reimbursement of amounts paid by consumers.

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

In addition to the provisioned processes for, other civil contingencies amounting to R$ 432,269 (R$ 434,125 at December 31, 2016) have been rated by Management as having a possible likelihood of defeat, based on an assessment made by the Legal Departments and legal advisors of CEMAR and CELPA, for which provisions have been recognized.

Tax

CEMAR and CELPA are defendants in 187 tax proceedings (167 in 2016).

In addition to the provisioned processes for, other tax contingencies amounting to R$ 46,132 (R$ 46,268 at December 31, 2016) have been rated by Management as having a possible likelihood of defeat, based on an assessment made by the Legal Departments and legal advisors of CEMAR and CELPA, for which provisions have been recognized.

Labor

Labor liabilities currently consist of 2,270 claims (2,372 claims in 2016) brought by former employees against the Company and its subsidiaries, with claims ranging from overtime, hazardous work bonuses, salary equality and/or reclassification, occupational diseases/reintegration, CIPA stability and other claims, as well as claims brought by the former employees of service providers (subsidiary liability) largely seeking severance pay.

In addition to the provisioned processes for, other labor contingencies amounting to R$ 95,886 (R$ 91,816 at December 31, 2016) have been rated by Management as having a possible likelihood of defeat, based on an assessment made by the Legal Departments and legal advisors of CEMAR and CELPA, for which provisions have been recognized.

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

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

20 Other accounts payable (Consolidated)

	03/31/2017	**12/31/2016**
Current		
Consumer advances	48,765	72,227
ANEEL - assessment notices	3,010	11,406
Collections arrangements	37,852	26,477
Electricity charges	12,799	10,112
Other appropriations - suppliers	10,846	10,846
Regulatory fines	17,950	16,465
Guarantees	9,298	8,478
Acquisition of CELPA	60,000	60,000
Tax issues - CCC (a)	7,635	165,333
Other accounts payable (b)	44,349	38,547
Total current	252,504	419,891
Noncurrent		
ANEEL - assessment notices	27,527	22,274
Tax issues - CCC (a)	327,242	158,045
Other accounts payable (b)	31,599	35,729
Total noncurrent	386,368	216,048
Total	638,872	635,939

(a) Refers to tax inquiries to be returned to the CCC Fund pursuant to Normative Resolution 427/11. The variation occurred during the period ended June 30, 2017 is basically due to the IPCA update and to the inclusion of the new ICMS, PIS and COFINS amounts of the subsidiary CELPA; Amounts related to the amount to be passed on to ANEEL / Eletrobrás were also reclassified, as per resolution, as the form of the transfer was not specified, the Company formalized with the competent body the form of return of these amounts and waits for position; and;

(b) Of the amounts of other accounts payable, we have as main composition the amounts of subsidiary CELPA in R$ 43,082 related to the provision for payment of operating costs to several service providers.

21 Equity

21.1 Share capital

The share capital as of June 30, 2017 is R$ 2.227.021 (R$ 1.981.985 as of December 31, 2016) and its composition by class of shares and principal shareholders is as follows:

Shareholders	**Common**	**%**
Squadra Investimentos	29,215,020	14.70%
Opportunity	20,135,788	10.13%
BlackRock	11,459,825	5.77%
Executives	614,753	0.31%
Other noncontrolling	137,268,347	69.09%
Total	198,693,733	100%

The Company is authorized to raise its share capital, for which an amendment to the Bylaws is not required, up to the limit of 300,000 (three hundred million) shares, via the issuance of new common shares. Within the authorized capital limit, the Board of Directors is authorized to resolve the issue of shares, simple convertible debentures or subscription bonuses establishing whether the increase will occur through public or private subscription, the payment conditions and issue price, and may also exclude the pre-emptive rights or shorten the term for the exercise thereof in issues which are placed through a sale on a stock exchange or through public subscription, or in a public share control acquisition offering, in accordance with the law. Within the authorized capital limit and in accordance with the plan approved by the General Meeting, the Board of Directors may award a share purchase option to managers, employees or individuals providing services to the Company or its subsidiaries, providing this does not make a change to the Company’s share control possible.

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

22 Stock option plan

Fourth Stock option plan

The Extraordinary General Meeting on July 21, 2014 approved the creation of Equatorial's Fourth Stock Option Plan (“Plan”). The stock options to be offered under the Plan should not exceed 3.0% (three percent) of the Company's total share capital (including shares arising from the exercise of Options under the Plan), provided the total number of shares issued or likely to be issued under the Plan is within the limits of the Company's authorized capital.

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

Strike price of the options

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

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

Beneficiaries

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

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

On July 21, 2014 the Plan Management Committee granted 4,225,000 (four million, two hundred twenty-five thousand) Options to Plan beneficiaries at a price of R$ 21,76 (twenty-one reais and seventy-six cents) per Option.

Potential dilution

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

23 Operating revenue (Consolidated)

At June 30, 2017 and 2016 electric power supply by class of consumers was as follows:

	06/30/2017		
	No. of consumers (*)	**MWh (*)**	**R$**
Residential	4,286,610	3,253,121	2,077,981
Industrial	12,248	942,989	244,282
Commercial	333,470	1,474,504	920,557
Rural	213,954	205,068	96,699
Government	42,157	425,487	315,344
Public lighting	1,518	438,199	177,248
Public utility	8,605	260,458	80,495
Own consumption	519	13,385	-
Availability revenue - Network usage	-	-	63,609
Supply CCEE	-	-	26,088
Low-income	-	-	172,175
CDE subsidy - Other	-	-	80,456
Transfer to special obligations - demand exceedance/excess reactives	-	-	(22,113)
Construction revenue	-	-	640,084
A Component revenue receivable (returnable) and other financial items	-	-	378,715
Financial assets indexation[1]	-	-	(4,789)
Other	-	-	230,067
Total	4,899,081	7,013,211	5,476,898

	06/30/2016		
	No, of consumers (*)	**MWh (*)**	**R$**
Residential	4,103,568	3,246,953	1,925,902
Industrial	12,957	963,449	366,793
Commercial	327,327	1,481,233	926,489
Rural	194,943	202,126	84,266
Government	43,025	433,129	294,244
Public lighting	1,526	466,381	166,694
Public utility	8,635	271,205	93,555
Own consumption	642	17,466	-
Availability revenue - Network usage	-	-	7,982
CDE subsidy - Other	-	-	69,689
Supply CCEE	-	-	118,116
Low-income	-	-	162,494
Transfer to special obligations - demand exceedance/excess reactives	-	-	(20,050)
Construction revenue	-	-	645,992
A Component revenue receivable (returnable) and other financial items	-	-	17,343
Other	-	-	130,068
Total	4,692,623	7,081,942	4,989,577

[1] For the period of 2017, the Company, when reviewing its accounting practices, concluded that the update of the financial assets of the concession, originally presented under financial income, is better presented in the operating revenue group.

(*) Informations not examined by the independente auditors.

24 Net operating revenue (Consolidated)

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

	06/30/2017	06/30/2016
Electricity sales to consumers	4,521,839	4,087,419
Distribution revenue[2]	3,924,511	3,916,513
WACC financial remuneration	138,157	83,874
A Component revenue receivable (returnable) and other financial items (a)	378,715	17,343
CDE subsidy - Other	80,456	69,689
Electricity sales to distributors (b)	26,088	118,116
Revenue for availability - network usage	63,609	7,982
Construction revenue (c)	640,084	645,992
Update of financial assets	(4,789)	-
Other revenue	230,067	130,068
Operating revenue	5,476,898	4,989,577
ICMS on electricity sales	(832,954)	(821,446)
PIS and COFINS	(400,654)	(373,418)
Consumer charges	(35,510)	(38,664)
ISS	(1,241)	(2,012)
Energy Development Account - CDE (d)	(278,107)	(287,949)
Other	(3,539)	(610)
Deductions from operating revenue	(1,552,005)	(1,524,099)
Net operating revenue	3,924,893	3,465,478

(a) In the subsidiaries CEMAR and CELPA, the variation is due to amortizations of the readjustments of 2014/2015 and readjustment of 2015/2016. The amortizations occurred in the first half of 2017 were lower due to the result of the financial components determined in the 2015/2016 readjustment, generating a balance to be returned. What did not happen in the 2015 readjustment, the result of which was receiving R$ 134, which was amortized during the first half of 2016, a fact that generated the variation between the indicated periods. Another determining factor was the average price realized during the year 2016 when compared to the average price of the adjustment and also the expenses with system service charges, which were higher than the data in the adjustment, which leveraged a greater constitution of Regulatory Assets in the first Quarter of 2016, which did not occur in 2017, whose average readjustment price and ESS value are generating a smaller asset.

(b) The variation shown is due to the sale of energy in the short term market - MCP and the Settlement Price of the differences. In the period ended June 30, 2017, the subsidiary CELPA sold 224,496 MWh to the PLD of 73.99 R $ / MWh, for the same period of 2016 it sold 395,300 MWh to the PLD of 65.01 R $ MWh. In addition, the financial exposure in the six-month period of 2016 generated revenues due to the difference between the PLD of the submarkets in relation to the Northern PLD, to which the subsidiaries are inserted, and during the same period of 2017 generated an expense.

[2] To facilitate a comparative analysis of the balances with the current year, the Company reclassified amounts that were in the "Other" caption under "CDE Subsidy - Other" and "Revenue for availability - Use of the network".

25 Service costs and operating expenses

	06/30/2017			
Operating costs/expenses	**Cost of power supply service**	**Sales expenses**	**Administrative expenses**	**Total**
Personnel	31,836	26,194	112,678	170,708
Material	8,267	2,446	407	11,120
Outsourced services	113,125	116,903	86,996	317,024
Electricity purchased for resale	1,780,784	-	-	1,780,784
Charge for using transmission and distribution system	120,709	-	-	120,709
Construction cost	640,084	-	-	640,084
Allowance for doubtful accounts and losses on commercial receivables	-	166,859	-	166,859
Provision for civil, labor and tax litigation	-	-	24,552	24,552
Amortization	149,674	-	39,564	189,238
Leasing and rental	8,855	2,354	2,335	13,544
CCC Subsidy	31,642	-	-	31,642
Other	(1,168)	(3,063)	6,098	1,867
Total	2,883,808	311,693	272,630	3,468,131

	06/30/2016			
Operating costs/expenses	**Cost of power supply service**	**Sales expenses**	**Administrative Expenses**	**Total**
Personnel	31,836	26,194	112,678	164,320
Material	8,267	2,446	407	5,157
Outsourced services	113,125	116,903	86,996	303,619
Electricity purchased for resale	1,780,784	-	-	1,558,985
Use of the transmission and distribution system fee [3]	120,709	-	-	123,535
Construction cost	640,084	-	-	645,992
Allowance for doubtful accounts and losses on commercial receivables	-	166,859	-	85,060
Provision for civil, labor and tax litigation [4]	-	-	24,552	(44,645)
Amortization	149,674	-	39,564	166,547
Leasing and rental	8,855	2,354	2,335	14,313
CCC Subsidy	31,642	-	-	7,053
Other	(1,168)	(3,063)	6,098	1,210
Total	1,400,783	107,254	55,466	3,031,146

[3] The Company on 06/30/2016 presented the line "Charge of use of the transmission and distribution system" together with "Electricity purchased for resale". For the sake of comparability and better analysis, it presents such value in both 2017 and 2016 in separate headings.
[4] The Company on 06/30/2016 presented the "Amortization" line separately from "Administrative Expenses". For the sake of comparability and better analysis, it presents such value in both 2017 and 2016 as part of the same group.

26 Electricity purchased for resale

	GWh(*)		R$	
	30/06/2017	**30/06/2016**	**30/06/2017**	**30/06/2016**
Electricity deriving from auctions (a)	5,852	5,961	1,116,422	1,192,672
Eletronuclear Contracts	240	242	54,880	36,566
Guarantee contracts (b)	2,649	3,290	166,845	141,499
System Service Charges - ESS/ Energy reserve	-	-	(10,351)	61,014
Bilateral electricity	112	113	-	-
Short-Term Electricity - CCEE (c)	-	(530)	494,650	175,600
Alternative source incentive program (PROINFA)	161	151	50,909	51,317
Charge for using transmission and distribution system	-	-	120,709	123,535
(-) Recoverable portion of noncumulative PIS/COFINS (c)	-	-	(174,447)	(155,031)
Other costs	-	-	81,876	55,348
Total	9,014	9,227	1,901,493	1,682,520

(*) Information not examined by the independente auditors.

(a) Under the acquisition of Auction Energy for the coming year, the subsidiaries CEMAR and CELPA began paying new energy auctions starting in January 2017, such as the 16th energy auction, the 15th new energy auction, 13th new energy auction and 19th new energy auction, increasing the amount of energy contracted and therefore the financial expense corresponding to said energy;

(b) The expense of the agreements of guarantees refers to the energy resulting from the apportionment of the physical guarantee and power of the plants whose concessions were extended under the terms of Law n. 12.783, of 2013. The allocation of the quotas to the concessionaires of energy distribution is established by ANEEL regulation. In the period ended June 30, 2017 at the subsidiary CEMAR, the average price of shares, when compared to the same period of 2016, shows a higher value due to the acquisition of new quotas, whose energy is priced at average R$ 67.02 To Each MW. For the same period presented, there was a reduction in the contracted quantity of quotas for the distributor; In the subsidiary CELPA in the period ended June 30, 2017, the average price of quotas, when compared to the same period of 2016, is priced at an average price of R$ 63.05 per MWh, while in 2016 it was R$ 59.93 for the same MWh. For the same period analyzed, there was a reduction in the contracted quantity of quotas for the distributor, which results in a reduction of expenses in this item; And

(c) In the period ended June 30, 2017, CEMAR's energy purchase revenues in the short term were influenced by the following factors: (i) PLD used for settlement of energy purchased in the spot market, whose average value for this period Was R$ 73.64 per MWh; Ii) 2017 energy contracts traded in the short-term market higher than in 2016. In the subsidiary CELPA in the period ended June 30, 2017, revenues from energy purchases in the short term were influenced by the following factors: (i) the financial exposure , In the year 2017 was more pronounced than in 2016 when comparing the North submarket in relation to the others; Ii) the availability effect in 2017 was higher than 2016 due to the dispatch of thermals to service the cargo as well as the hydrological risk due to lower physical guarantee of the quotaholders in relation to the amount that should be generated, as well as the payment of the Hydrological Risk Transfer Phase.

27 Net finance income

	Parent company		Consolidated	
	06/30/2017	**06/30/2016**	**06/30/2017**	**06/30/2016**
Finance revenue				
Financial income	-	-	127,473	141,982
“A” Component amounts receivable/returnable (a)	-	-	20,801	26,449
Arrears charge on power sales (c)	-	-	89,334	81,399
AVP financial revenue	242	241	-	241
Monetary and exchange variance on debt (d)	-	-	9,382	221,827
PIS/COFINS on financial revenue	(1,730)	-	(12,417)	(12,096)
Indexation of financial assets[5] (e)	-	-	-	180,192
Discounts obtained	-	-	48	2,424
Interest earned	-	-	8	-
Other financial revenue	36,426	35,928	49,654	35,389
Total financial revenue	34,938	36,169	284,283	677,807
Finance costs				
“A” Component amounts receivable/returnable (a)	-	-	(12,749)	(24,080)
Operations with derivative financial instruments (b)	-	-	(28,863)	(267,541)
Monetary and exchange variance on debt (d)	-	-	(68,434)	(75,605)
Interest on debt	-	-	(194,633)	(94,795)
Efficiency restatement and contingencies	-	-	(20,026)	(17,218)
Regulatory fines	-	-	(6,961)	(2,101)
Indexation of financial assets [5]	-	-	-	(55,976)
AVP financial expense	-	-	(20,805)	(17,280)
Related party charges	(2,764)	-	-	-
Interest and fines on electricity transactions	-	-	-	(2,013)
Interest expense	-	-	(14,812)	(21,402)
Discounts awarded	-	-	(2,382)	(37)
Other financial expense	(2,912)	(1)	(27,774)	(9,172)
Total financial expenses	(5,676)	(1)	(397,439)	(587,220)
Net finance income	29,262	36,168	(113,156)	90,587

(a) The main effect of exchange rate variation is derived from the 1.5% increase in the dollar, from R$ 3.26 on December 31, 2016 to R $ 3.31 on June 30, 2017, against a fall in the dollar In 2016 of 17.8%, going from R $ 3.90 on December 31, 2015 to R $ 3.21 on June 30, 2016;

(b) Refers mainly to the contracting of Swap operations, which exchange Dolar + spread per CDI + spread. In the period ended June 30, 2017, we had net Swap expense due to the increase in the US dollar in 2017 of 1.5% (active end point, see note a) below the CDI accumulated expense for the year at 5.65 (Passive), against a net Swap expense in 2016, due to the 17.80% (active end) drop in the dollar plus the CDI accumulated expense of 6.72% in the year.

[5] For the period ended June 30, 2017, the Company, when reviewing its accounting practices, concluded that the update of the financial assets of the concession, originally presented under financial income, is better presented in the operating revenue group.

28 Financial instruments

28.1 General

Pursuant to CVM Resolution 604 of November 19, 2009, which approved Technical Pronouncements (CPCs) 38, 39 and 40, the Company and its subsidiaries have performed an analysis of their financial instruments including: cash and cash equivalents, trade accounts receivable, concession financial assets, trade accounts payable, loans and financing, debentures and derivatives, and have not made any required adjustments to their accounting records.

The management of these instruments is done through operating strategies and internal controls aimed at liquidity, profitability and security. The control policy consists of permanent monitoring of contractual terms and conditions in comparison with existing market conditions.

Management uses financial instruments to obtain optimum returns on available cash, to maintain the liquidity of assets, to hedge against foreign exchange or interest rate variation and to ensure compliance with applicable covenants, namely net debt over adjusted EBITDA[6] (ND/Adjusted EBITDA) and net debt over net debt plus shareholders' equity (ND/ND+SE).

28.2 Derivatives policy

The Company uses derivatives only to hedge against fluctuations in macroeconomic indicators and foreign exchange rates. These operations are not conducted on a speculative basis.
The subsidiaries CELPA and CEMAR use swap transactions to hedge against foreign exchange risk.

28.3 Category and fair value of financial instruments (Consolidated)

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

[6] The Adjusted EBITDA is calculated by the EBITDA plus or minus items we consider nonrecurring or which do not affect our cash generation, such as loss/gain on retirement of assets and rights.

In compliance with CVM Instruction 475, the accounting balances and the market values of the financial instruments included in the balance sheet at June 30, 2017 and December 31, 2016 are shown below:

		06/30/2017		12/31/2016	
Assets	**Category of financial instruments**	**Carrying**	**Market**	**Carrying**	**Market**
Cash and cash equivalents	Financial assets at fair value	896,729	896,729	920,784	920,784
Short-term investments	Financial assets at fair value	1,628,482	1,628,482	2,137,135	2,137,135
Trade receivables	Loans and receivables	2,589,139	2,589,139	2,664,108	2,664,108
Judicial deposits	Loans and receivables	210,318	210,318	196,857	196,857
Derivative financial instruments[7]	Financial assets at fair value	79,429	79,429	1,242	1,242
Sub-rogation to Fuel Consumption	Loans and receivables	40,440	40,440	65,284	65,284
Financial concession assets	Loans and receivables	2,896,465	2,896,465	2,602,224	2,602,224
Total assets		8,341,002	8,341,002	8,587,634	8,587,634

		06/30/2017		12/31/2016	
Liabilities	**Category of financial instruments**	**Carrying**	**Market**	**Carrying**	**Market**
Payable	Loans and receivables	860,759	860,759	943,283	943,283
Loans and financing	Loans and receivables	3,121,235	3,128,825	3,085,864	3,085,864
Derivative financial instruments	Financial liabilities at fair value	-	-	31,278	31,278
Debentures	Loans and receivables	1,741,605	1,857,478	1,748,467	1,474,409
Total liabilities		5,723,599	5,847,062	5,808,892	5,534,834

- **Cash and cash equivalents -** classified as fair value through profit or loss. The fair value hierarchy for short-term investments is tier 1.

- **Short-term investments -** measured at fair value through profit or loss. The fair value hierarchy for short-term investments is tier 2.

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

- **Financial concession assets -** classified as “loans and receivables” and are recorded at their original values, subject to the provision for losses and present value adjustment, when applicable. Tier 2 of the fair value hierarchy.

- **Trade payables -** derive directly from the Company and its subsidiaries’ operations and are classified as loans and receivables. Tier 2 of the fair value hierarchy.

[7] The Group rectified amounts for 2015 presented previously under “Derivative financial instruments”.

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

- **Debentures** - classified as financial liabilities not valued at fair value, and recorded at their amortized values. For reporting purposes the debentures’ market values are calculated based on secondary market rates of the actual debt or equivalent debt, as disclosed by ANBIMA. Tier 2 of the fair value hierarchy.

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

The different fair value tiers have been defined as follows:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- **Level 2 -** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

28.4 Derivative financial instruments

The subsidiaries CEMAR and CELPA have swaps with the banks Itaú, Citibank and Santander for their foreign-currency transactions.

As of June 30, 2017 CELPA has debit balances of foreign currency loans and financing with the bank Citibank of R$ 319,047, with Itau’s balance being settled in the first quarter of 2017 (Itau and Citibank respectively of R$ 114,169 and R$ 369,142 as of December 31, 2016).

As of June 30, 2017 CEMAR has debit balances of foreign currency loans and financing with the banks Itaú and Santander respectively of R$ 133,448 and R$ 133,355 (R$ 133,312 and R$ 133,225 as of December 31, 2016).

In accordance with CPC 40, the values of the Company's derivative instruments as of June 30, 2017 and December 31, 2016 are summarized below:

CEMAR

Short position		**Fair value**	
Market risk hedge	**Indexes**	**06/30/2017**	**12/31/2016**
Santander			
Long position	US$	135,854	134,158
Short Position	CDI	(102,891)	(104,110)
Total		32,963	30,048
Itaú			
Long position	US$	135,662	133,785
Short Position	CDI	(102,576)	(103,771)
Total		33,086	30,014
Total		66,049	60,062

CELPA

Short position		**Fair value**	
Market risk hedge	**Indexes**	**06/30/2017**	**12/31/2016**
Itaú - 200 MM			
Long position	US$	-	113,773
Short Position	CDI	-	(105,549)
Total		-	8,224
Citibank - 455 MM			
Long position	US$	-	377,224
Short Position	CDI	-	(475,546)
Total		-	(98,322)
Citibank - 542 MM			
Long position	US$	48,624	-
Short Position	CDI	(35,244)	-
Total		13,380	-
Long position [8]	US$	48,624	-
Short Position [7]	CDI	(35,244)	(90,098)
Total		13,380	(90,098)

Specific appraisal methods used for derivative financial instruments: Market prices of the financial institutions. The fair value of interest rate swaps is calculated based on the present value of the future cash flows estimated based on the yield curves adopted by the market.

We emphasize that as the accounting rules addressing the issue require the swap be recorded at market value, however perfect the hedge is from a cash perspective, oscillations can occur in results.

[8] For comparability and better analysis, the Company changed the presentation of the balances as of 12/31/2016 by adding a total amount of the asset and liability side.

28.5 Financial risk management - CVM Directive 475

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

The risks described below are a compilation of the findings by the various departments, according to their respective specialties. Management defines the type of treatment and the owners for monitoring each of the risks ascertained, in order to prevent and control them.

The Company’s risk management procedures are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities The subsidiaries CEMAR and CELPA, through their training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company's audit committee oversees how management monitors compliance with the subsidiaries’

risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by them. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(iv) Credit risk

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

(v) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. To determine the Company's financial capacity to adequately honor commitments undertaken, the maturity flows of borrowed funds and other obligations are reported. For further information about loans taken out by the Company see notes 14 and 15.

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

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

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

(vi) Market risks

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

(vii) Exchange rate risk

This arises from the possibility of the Company incurring losses due to exchange rate fluctuations. Part of the Company's financial liabilities are subject to foreign exchange variations due to the volatility of the exchange rate on balances denominated in foreign currencies, especially the US dollar. Foreign-exchange exposure is currently 12.1% for CEMAR's and 24.58% for CELPA's debt. Subsidiaries continuously monitor market foreign exchange and interest rates in order to assess any requirement to use derivatives to hedge against the risk of variation in these rates.

CEMAR has three foreign currency debts, two of which, representing 70.2% of the foreign exchange exposure, have SWAPs to hedge exchange rate fluctuations, and another debt has a dollar deposit to protect against exchange rate fluctuations. Low in the global indebtedness of this subsidiary and is derived from its contract with the National Treasury Secretariat - STN

CELPA has four foreign currency debts, two of which account for 62.9% of its foreign exchange exposure and are subject to swaps to hedge against exchange rate variance. Another debt is to the IDB - Inter-American Development Bank which accounts for 22.4% of the foreign debt, but because it comprises the PRJ is entirely recorded under noncurrent liabilities, maturing on 6/30/2026; And lastly there is a fourth loan, which is secured to hedge against foreign exchange variance, accounts for a negligible portion of this subsidiary’s overall debt and arises from its contract with the National Treasury Department - STN.

The sensitivity of the Company's debt has been assessed in five scenarios in accordance with CVM Instruction 475. One scenario with the actual rates identified at June 30, 2017 (the Likely Scenario); another two scenarios with 25% (Scenario II) and 50% (Scenario III) strengthening of the relevant currencies.

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

The currency used in the sensitivity analysis and the respective scenarios is as follows:

		Cash flow risk or fair value associated with exchange variation (R$ thousand)				
Transaction	**Risk**	**Probable Scenario**	**Scenario II +25%**	**Scenario III+50%**	**Scenario IV(25%)**	**Scenario V(50%)**
Financial liabilities						
Loans, financing, and debentures	USD	(102,308)	(307,955)	(513,604)	103,341	308,989

Reference for financial liabilities	**Projected rate at 06/30/2017**	**+25%**	**+50%**	**(25%)**	**(50%)**
Dólar USD/R$	3.31	4.14	4.96	2.48	1.65

(viii) Risk of early maturity

Our subsidiaries have loan, financing and debenture agreements containing covenants which in general require the maintenance of economic and financial indexes at certain levels. Failure to adhere to these covenants could result in early maturity of this debt. Management monitors its positions and projects future indebtedness in order to act preventively with respect to the indebtedness limits mentioned in notes 14 (Loans and financing) and 15 (Debentures).

(ix) Interest rate risk

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

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

In accordance with CVM Instruction 475, we present a scenario with the actual rates determined at June 30, 2017 and another two scenarios with 25% (Scenario II) and 50% (Scenario III) appreciation of the relevant indicators.

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

		Cash flow or fair value risk associated with interest rates (R$ thousand)				
Transaction	**Risk**	**Probable Scenario**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV (25%)**	**Scenario V (50%)**
Financial Assets						
Call deposits	CDI	95,713	119,642	143,569	71,785	47,857
Financial Liabilities						
Loans, borrowings and debentures	CDI	(128,045)	(157,278)	(186,512)	(98,811)	(69,578)
	SELIC	(50,266)	(61,739)	(73,213)	(38,791)	(27,317)
	TJLP	(51,164)	(63,082)	(75,002)	(39,245)	(27,326)
	IGP-M	(4,387)	(5,344)	(6,299)	(3,432)	(2,477)
	IPCA	(51,312)	(63,563)	(75,815)	(39,061)	(26,810)

Reference for financial assets and financial liabilities	Rate at 06/30/2017	25%	50%	(25%)	(25%)
CDI (%06 months)	9.50	11.88	14.25	7.13	4.75
SELIC (% 06 months)	9.52	11.90	14.28	7.14	4.76
TJLP (% 06 months)	7.50	9.37	11.25	5.62	3.75
IGP-M (% 06 months)	(3.87)	(4.83)	(5.80)	(2.90)	(1.93)
IPCA (% 06 months)	4.71	5.89	7.06	3.53	2.35

The impact of sensitivity on CEMAR's income is shown as follows:

Scenarios	Impact on net income
Probable Scenario	-
Scenario II	(202,230)
Scenario III	(404,463)
Scenario IV	202,232
Scenario V	404,461

The impact of sensitivity on CELPA's income is shown as follows:

Scenarios	Impact on net income
Probable Scenario	-
Scenario II	(211,832)
Scenario III	(423,667)
Scenario IV	211,834
Scenario V	423,668

(x) Risk of energy shortages

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

(xi) Risk of electricity rate adjustments

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

28.7 Capital management

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

Management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position, and establishes and monitors indebtedness and liquidity levels as well as financing maturities and costs accordingly.

Capital management is based on three financial indicators, for which maximum limits are established in order not to compromise the Company's operations:

- Net Debt/EBITDA
- Net Debt/Net Debt + Equity)
- Short-Term Debt to Total Debt

In the period ended June 30, 2017, the Company achieved the required levels for the ratios described above.

29 Segment reporting

The Company reviews the performance of its segments and allocates resources based on a range of factors, of which revenue and operating income are the primary financial factors. The Company classifies its operating segments as follows: Distribution, Services, Trading, Central Administration and other.

	Distribution		Services / Trading		Shared Services and other		Eliminations and adjustments		Consolidated	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Operating assets	13,443,951	13,420,186	121,173	109,356	4,458,386	4,203,091	(3,679,385)	(3,513,113)	14,344,125	14,219,520
Operating liabilities	9,087,478	9,125,974	51,161	47,448	257,385	60,010	(111,358)	(4,682)	9,284,666	9,228,750
Net revenue										
Costs of services	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Gross profit										
Sales expenses	3,773,279	3,379,787	151,614	85,691	-	-	-	-	3,924,893	3,465,478
General and administrative expenses	(2,796,885)	(2,589,184)	(86,776)	(77,202)	(147)	-	-	-	(2,883,808)	(2,666,386)
Equity in income of subsidiaries	976,394	790,603	64,838	8,489	(147)	-	-	-	1,041,085	799,092
Goodwill amortization										
	(311,693)	(211,880)	-	-	-	-	-	-	(311,693)	(211,880)
Financial revenue	(260,692)	(217,530)	(41,507)	(62)	(24,238)	(21,346)	(483)	49,891	(326,920)	(189,047)
Financial expense	-	-	-	(986)	173,238	314,313	(159,957)	(300,401)	13,281	12,926
Income before tax on net income	-	-	-	-	(2,961)	(3,187)	-	-	(2,961)	(3,187)
Income and social contribution taxes	404,009	361,193	23,331	7,441	145,892	289,780	(160,440)	(250,510)	412,792	407,904
Net income before minority interests										
Attributable to minority interests	240,216	660,669	2,718	2,811	35,027	36,169	6,322	(21,842)	284,283	677,807
Controlling interests	(385,158)	(608,323)	(137)	(738)	(5,822)	(1)	(6,322)	21,842	(397,439)	(587,220)
Net income for the period	259,067	413,539	25,912	9,514	175,097	325,948	(160,440)	(250,510)	299,636	498,491
Income tax and social contribution	(51,338)	(86,987)	(9,193)	(2,701)	(2,962)	(8,360)	74	(8,834)	(63,419)	(106,882)
Profit before non-controlling interests	207,729	326,552	16,719	6,813	172,135	317,588	(160,366)	(259,344)	236,217	391,609
Attributable to non-controlling shareholders	-	-	5,010	3,262	-	-	54,637	(70,459)	59,647	74,021
Attributable to the shareholders of the parent company	207,729	326,552	11,709	3,551	172,135	317,588	(215,003)	(188,885)	176,570	317,588
Net income for the period	207,729	326,552	16,719	6,813	172,135	317,588	(160,366)	(259,344)	236,217	391,609

30 Insurance

The main insurance policies obtained and maintained by Equatorial and subsidiaries CEMAR and CELPA are shown by type of risk and effective date below:

Equatorial

Risks	Expiration	Insured amount
D&O General	12/30/2017	30,000
transmission auctions guarantee Insurance	10/21/2017	28,021

CEMAR

Risks	Expiration	Insured amount
Operating risks	31/12/2017	257,527
General civil liability - Operations	31/12/2017	7,000
All risks	31/12/2017	1,095
Judicial surety bond	(a)	45,264
Power auction surety bond	(b)	85
Vehicle insurance	31/12/2017	(c)

(a) Policies in force through July 2018.

(b) Policies in force through december 2018.

(c) 128 own vehicles insured under policies, according to FIPE price list.

CELPA

Risks	Expiration	Insured amount
Operating risks	31/12/2017	327,359
General civil liability - Operations	31/12/2017	7,000
Judicial surety bond	(a)	115,227
Power auction surety bond	(b)	47
Vehicle insurance	31/12/2017	(c)

(a) Policies in force through January 2021.

(b) Policies in force through April 2018.

(c) 78 own vehicles insured under policies, according to FIPE price list.

CEMAR and CELPA has the policy of taking out insurance coverage for the assets subject to risk at amounts considered sufficient to cover any incidents, considering the nature of its activity. CEMAR’s and CELPA’s insurance contracts are made in accordance with the risk management and insurance fundamentals generally employed by electricity distribution companies. The risk assumptions adopted, given their nature, are not part of an audit of quarterly financial information and, accordingly, were not reviewed by our independent auditors.

31 Subsequent events

CELPA

Issuance of the second series of the second issue of debentures

On July 14, 2017, the Board of Directors of CELPA approved the second issue of the second issue of debentures, private issuance of simple, non-convertible debentures of unsecured kind, with real and additional guarantee of Equatorial Energia Total amount of R $ 23,000 and maturing in January / 2024. The settlement of the transaction is expected to occur in August / 2017.

Tariff Adjustment 2017

The average Tariff Adjustment Index (IRT) was established at 1.54% (economic), however, considering the net effect of the inclusion of the financial components in the tariff, the average effect to be perceived by the consumer will be 7.19%

IRT Econômico	1,54%
Inclusão de Componentes Financeiros ano corrente	3,42%
Exclusão de Componentes Financeiros ano corrente	2,22%
Efeito Médio do Consumidor	**7,19%**

The B portion had a readjustment of 1.0% when compared to Parcel B in force in the last tariff year, positively influenced by volume growth in the period and negatively by the IGP-M, which was -1.33%, and by the X Factor of 1.20%. With this, Parcel B approved ratified the amount of R $ 1,623 million.

Regarding the adjustment of Parcel A, Pmix of the purchase of energy had a reduction of 1.9%, resulting in the average cost of R $ 170.19 per MWh. It is worth noting the reduction in the cost with Own Generation of -30.59%.

In addition, the amounts of the monthly onlendings by Eletrobrás to CELPA of R $ 15,955 were established as CDE Subsidy - Tariff Discounts.

Transmitters

Capital increase of SPE Transmitters

On July 12, 2017, the Board of Directors approved the capital increase of the subsidiaries below, through capitalization of credit, pursuant to item IV, of article 166 of Law 6.404, of December 15, 1976:

Subsidiaries	**Valor**
Equatorial Transmitters 1 SPE S.A.	7,043
Equatorial Transmitters 2 SPE S.A.	7,305
Equatorial Transmitters 3 SPE S.A.	9,049
Equatorial Transmitters 4 SPE S.A.	17,161
Equatorial Transmitters 5 SPE S.A.	6,709
Equatorial Transmitters 6 SPE S.A.	8,483
Equatorial Transmitters 7 SPE S.A.	16,195
Total	**71,945**

Board of Directors

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Eduardo Saggioro

Firmino Ferreira Sampaio Neto

Guilherme Aché

José Jorge de Vasconcelos Lima

Luís Henrique de Moura Gonçalves

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Paulo Roberto Franceschi

Saulo de Tarso Alves de Lara

Vanderlei Dominguez da Rosa

Executive Board

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Chief Executive Officer

Carla Ferreira Medrado
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Eduardo Haiama
CFO and Investor Relations Officer

Leonardo da Silva Lucas Tavares de Lima
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Accounting and Taxes Manager
Accountant
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