

Energy consumption rises 2.5% in July for a cumulative increase of 2.3% in the first seven months of 2017

Consumption in July 2017: continuing the positive trend since May, Group captive and free electricity consumption (2,313.7 GWh) increased by 2.5% in July 2017 compared with the same month last year, with consumption growth across all consumer segments in these two markets. Including uninvoiced sales, consumption volume was 2,274.3 GWh, an increase of 1.8% in the same period. Partly because of consumers migrating from the captive sector, the free market (TUSD) experienced consumption growth of 25.6%. Captive-market consumption, however, fell by 1.3% with sales of 1,907.7 GWh.

Consumption performance in the month was primarily driven by residential consumption (+2.7%) - helped by higher temperatures, especially in the ESS (+11.0%), EMS (+7.3%) and EMT (6.0%) concession areas - and a 6.4% increase in rural consumption. EMS and EMT's total rural consumption rose by 10.0% and 7.8%, driven by the record soybean harvest.

The industrial segment saw its second consecutive month of consumption growth (+0.1%) following a four-month decline, driven by the food, rubber and plastics industries in the EMT, EMS and ESS concession areas. ESS' captive and free consumption rose by 7.6%, primarily driven by sales to the residential sector (+11.0%) and industrial captive and free sectors (+6.3%).

In the Midwest concession areas (EMT and EMS), captive and free consumption rose by 5.3% due to higher temperatures, primarily in the residential segment (+7.3% and 6.0%, respectively).

Captive and free electricity consumption in the EMG concession area was also strong in the month, increasing by 2.7%. ETO's sales rose by 0.9%. Subsidiaries in the Northeast (ESE, EPB, and EBO), however, were affected by higher rainfall in the month and milder weather with below-average temperatures, with sales declining by 4.2%, 3.4% and 2.9%, respectively. In the ESE concession area, the factors above were compounded by a reduction in power demand from two large free customers.

Consumption in the first seven months of 2017: Energisa Group's captive and free electricity consumption (16,998.9 GWh) rose in the first seven months of 2017 by 2.3% over the same period last year. Including uninvoiced sales, consumption volume was 16,865.7 GWh, an increase of 2.7%. Partly because of consumers migrating from the captive sector, the free market (TUSD) experienced consumption growth of 30.7%. Captive consumption (14,292.1 GWh) contracted by 1.7% in the first seven months of 2017 due to the above migrations.

Energisa Consolidated - Energy sales in July and the first seven months of 2017

Description (Amounts in GWh)	Jul/17	Change % ⁽¹⁾	7M17	Change % ⁽¹⁾
✓ Residential	772.1	+ 2.7	6,042.1	+ 2.5
✓ Industrial	191.3	- 23.4	1,369.9	- 25.4
✓ Commercial	396.4	- 2.0	3,106.7	- 2.5
✓ Rural	243.5	+ 5.3	1,532.7	+ 5.9
✓ Other sectors	304.3	+ 2.8	2,240.8	+ 2.8
(a) Energy sales to consumers (Invoiced Captive Sales)	1,907.7	- 1.3	14,292.1	- 1.7
(b) Uninvoiced sales	(39.4)	+ 73.1	(133.2)	- 28.4
(c) Captive + uninvoiced sales (c = a+b)	1,868.3	- 2.2	14,159.0	- 1.4
(d) Energy transmitted to free consumers (TUSD)	406.0	+ 25.6	2,706.8	+ 30.7
(e) Invoiced captive sales + TUSD (e = a+d)	2,313.7	+ 2.5	16,998.9	+ 2.3
(f) Invoiced captive sales + TUSD + uninvoiced (f = a+b+d)	2,274.3	+ 1.8	16,865.7	+ 2.7

Company	July 2017				January to July 2017			
	Electricity sales (GWh)				Electricity sales (GWh)			
	Captive Sales + TUSD	Change ⁽¹⁾ (%)	Captive Sales + TUSD + Uninvoiced	Change ⁽¹⁾ (%)	Captive Sales + TUSD	Change ⁽¹⁾ (%)	Captive Sales + TUSD + Uninvoiced	Change ⁽¹⁾ (%)
North	180.8	+ 0.9	174.4	- 1.2	1,257.4	- 0.6	1,244.7	- 0.7
Energisa Tocantins	180.8	+ 0.9	174.4	- 1.2	1,257.4	- 0.6	1,244.7	- 0.7
Northeast	603.9	- 3.7	596.6	- 2.4	4,591.9	+ 1.5	4,573.7	+ 1.8
Energisa Paraíba	323.4	- 3.4	318.6	- 2.1	2,435.4	+ 2.7	2,425.2	+ 3.1
Energisa Sergipe	230.7	- 4.2	229.2	- 2.9	1,778.2	- 0.8	1,771.1	- 0.7
Energisa Borborema	49.9	- 2.9	48.8	- 2.8	378.4	+ 5.0	377.4	+ 5.5
Midwest	1,065.4	+ 5.3	1,047.9	+ 5.3	7,718.9	+ 3.3	7,653.7	+ 4.1
Energisa Mato Grosso	685.4	+ 5.3	677.0	+ 6.6	4,747.3	+ 3.1	4,743.6	+ 4.2
Energisa Mato Grosso do Sul	380.0	+ 5.3	370.9	+ 3.0	2,971.7	+ 3.7	2,910.2	+ 3.9
South/Southeast	463.5	+ 5.7	455.5	+ 1.1	3,430.7	+ 2.3	3,393.7	+ 1.8
Energisa Minas Gerais	118.8	+ 2.7	118.7	+ 2.2	863.5	+ 1.1	863.2	+ 1.8
Energisa Nova Friburgo	26.6	- 1.6	26.7	+ 0.9	188.0	- 0.9	188.2	- 0.3
Energisa Sul-Sudeste ⁽²⁾	318.2	+ 7.6	310.1	+ 0.7	2,379.2	+ 2.9	2,342.4	+ 2.0
Total (Distribution companies)	2,313.7	+ 2.5	2,274.3	+ 1.8	16,998.9	+ 2.3	16,865.7	+ 2.7

⁽¹⁾ In relation to the same period in 2016. | ⁽²⁾ On June 30, 2017 the electricity distribution companies EDEVP, EEB, CNEE and CFLO were merged into Energisa Sul Sudeste (the new name of Caiuá Distribuição de Energia S/A).

Energisa to pay out 2017 dividends in advance

On August 9 the Energisa S/A Board of Directors approved the payment of interim dividends from the earnings for FY 2017 amounting to R\$ 96.9 million (R\$ 0.28 per Unit or R\$ 0.056 per common and preferred share). These dividends will be paid from September 1

and Company shareholders with holdings on or before 8/14/2017 are entitled to the dividends, including shares bought on the stock exchange on or before that date.

Aneel approves rate review for Energisa Paraíba

The National Electricity Regulatory Agency (“Aneel”) approved, on August 22, 2017, the 4th periodical rate review of the subsidiary Energisa Paraíba, which will be valid as of August 28, 2017.

The average effect to be felt by consumers will be an increase of 14.55%, with an increase of 16.38% for high- and medium-voltage consumers and of 13.94% for low-voltage consumers

The unadjusted Parcel B was set to R\$ 643.2 million, primarily consisting of annual Operating Costs of R\$ 336.7 million, Interest on Capital of R\$ 169.6 million and Regulatory Reintegration Quota of R\$ 81.5million, amongst others. After including the productivity index and higher quality energy supply witnessed between 2015 and 2016 and deducting Other Revenue, the Parcel B came to a final amount of R\$ 633.5 million (increase of 12% compared to the 3rd Cycle).

Gross and net Regulatory Asset Base were set to R\$ 2.096,3 million and R\$ 1.318,4 million, respectively (increase of 22% compared to the 3rd Cycle).

Aneel also established the portions relating to the X Factor of Energisa Paraíba at 1.26% (“Pd” component - productivity gains) and 0.39% (“T” component - operational cost adequacy trajectory) The “Q” component (quality incentive) of -0,85% should also be considered.

Regarding the Regulatory Losses, the following percentages were approved:

Perdas Regulatórias	Limite
Technical Losses/Injected Energy	9.87%
Non-Technical Losses/Injected Energy	2.87%
Total Losses/Injected Energy	12.74%
Non-Technical Losses/Low Voltage Market ¹	5.13%

Energisa wins Transparency Trophy 2017

Energisa was presented with the Transparency Trophy 2017 in the R\$ 5 billion plus revenue bracket. The award program, now in its 21st edition, selects winning companies following a financial-statement review to evaluate financial reporting transparency practices. The program is run by the National Association of Finance, Business Management and Accounting Executives (ANEFAC) in partnership with the Institute for Accounting, Actuarial and Finance Research (FIPECAFI) and Serasa Experian.

This year’s trophy adds to Energisa Group’s growing collection of “Accounting Oscars”, including trophies won by Energisa Paraíba in 2010 and 2013, and Energisa Borborema in 2008. In this year’s edition, the ten winners were selected out of more than two thousand candidate companies.

The ceremony to award the Transparency Trophy takes place on October 17, in São Paulo.

Further information and queries

Maurício Perez Botelho
Investor Relations Director
E-mail: mbotelho@energisa.com.br
Phone: + 55 (21) 2122-6904 / 6900

Mariana da Silva Rocha
Investor Relations Manager
E-mail: mariana.rocha@energisa.com.br
Phone: + 55 (21) 2122-9521

Carlos Aurélio Martins Pimentel
Manager of the Investor Relations Department
E-mail: caurelio@energisa.com.br
Phone: + 55 (32) 3429-6226