

Aneel approves grouping of the distribution companies in South-Southeast Brazil

At a board meeting held today, Aneel ratified the permission for the distribution companies Companhia Força e Luz do Oeste, Companhia Nacional de Energia Elétrica, Empresa de Distribuição de Energia Vale Parapanema S.A, Empresa Elétrica Bragantina S.A and Caiuá Distribuição de Energia S.A to be grouped together under the control of Energisa Sul-Sudeste. This new grouped concession comes into effect on July 01, 2017.

The permission complies with the rules established in decree 8461/15, regulated by Normative Resolution 716/2016-Aneel, which permitted the grouping of distribution companies controlled by the same economic group. The procedure is subject to approval by the regulatory agency and compliance with the operational and economic rationality requirements. Grouping the

concessions is expected to mean that the distribution companies' operational synergy will result in lower rates, due to economies of scale and efficiency gains, in addition to an improvement in the energy supply service quality.

The decree also establishes a single date for the rate adjustments of the new grouped concession area. As a result of the merger of these distribution companies, the adjustment for concessions located in São Paulo scheduled for May has been postponed to July 12. The decree also establishes a single date for the rate adjustments of the new grouped concession area. Following the permission awarded by Aneel, Energisa will implement the measures set out in the regulations to complete the grouping.

Energisa invests in transmission assets

Energisa S/A prevailed in two lots of Transmission Auction 5/2016, held yesterday, 4/24/2017. The company bid successfully for lots 3 and 26, with a

discount of 37.6% and 29.6% respectively, which will entail an investment of R\$ 625.1 million.

Lot	State	Length (km)	Estimated Aneel Investment (R\$ million)	Proposed RAP ⁽¹⁾ (R\$ million)	Discount (in relation to Maximum RAP)	Start of Operation
03	GO	272	295.3	36.7	37.60%	Aug/2021
26	PA	592	329.8	46.3	29.57%	Feb/2022
Total	-	864	625.1	83.0	-	-

⁽¹⁾ The reference Annual Permitted Revenue (RAP) - is the annual revenue the transmission company is entitled to for providing the public transmission service to consumers, as from the commercial start-up of facilities.

The favorable outcome of this auction will enable Energisa to diversify its portfolio risk, ensuring adequate profitability and consolidating its business model through investments providing synergy amongst assets. Energisa management

believes the successful turnaround of the distribution companies coupled with its experience in delivering major ventures in the electric sector will play a decisive role in the delivery and operation of these ventures.

Subsidiaries Energisa Sergipe and Energisa Paraíba issue Commercial Papers

In order to bolster their working capital and lower their financing costs, the subsidiaries Energisa Sergipe (ESE) and Energisa Paraíba (EPB) raised R\$ 155.0 million in Commercial Papers, in two series. The ESE issuance raised R\$ 90.0 million, with R\$ 9.0 million in series 1, maturing on 4/8/2018, and R\$ 81.0 million of series 2, maturing on 4/3/2019.

The EPB issuance raised R\$ 65.0 million, with R\$ 6.5 million in series 1, maturing on 4/8/2018, and R\$ 58.5 million in series 2, maturing on 4/3/2019.

The papers were issued on 4/13/2017 and yield the CDI rate + 1.65% p.a.

Captive and free consumption at Energisa Group rises 3.7% in March, accumulating an increase of 2.2% in the 1st quarter of 2017.

Energy sales in March 2017: amid signs of an economic recovery in Brazil, Energisa Group's free and captive energy consumption rose by 3.7%, driven by higher electricity sales in all regions where the Group operates, except for the North of Brazil, where ETO's consumption was primarily affected by cooler temperatures and heavy rainfall in the month. The seven distribution companies located in the South/Southeast Region experienced a 7.6% increase in average consumption.

Sales in the 1st quarter of 2017: Energisa Group's captive and free electricity consumption (7,372.4 GWh) rose in the 1st quarter of 2017, by 2.2% over the same period last year. If uninvoiced sales are included the volume rises to 7,392.2 GWh, an increase of 3.0% over the same quarter the previous year.

Partly because of consumers migrating from the captive sector, the free market (TUSD) experienced consumption growth of 34.6%. Captive consumption (6,244.8 GWh) contracted slightly by 2.0% in the quarter, due to the aforesaid migrations.

Captive plus free energy consumption in the quarter was strong in the North-East region of Brazil, increasing by an average 3.3% at the distribution companies, driven by the sales of Energisa Borborema (+9.2%). There was also strong consumption in the Midwest in the period, with Energisa Mato Grosso do Sul experiencing an increase of 4.5% over the same quarter the previous year. In the South/Southeast Region, all seven distribution companies experienced a consumption increase, with Bragantina (+4.7%), CFLO (+3.3%) and EMG (+2.5%) performing well.

Energisa Consolidated - Energy sales in March and the first quarter of 2017 -

Description (Amounts in GWh)	Mar/17	Change% ⁽¹⁾	Q1/17	Change % ⁽¹⁾
✓ Residential	953.1	+ 6.8	2,664.7	+ 1.4
✓ Industrial	204.1	- 26.1	591.0	- 25.8
✓ Commercial	489.6	- 1.2	1,383.9	- 3.2
✓ Rural	222.7	+ 7.4	641.2	+ 8.4
✓ Other sectors	316.0	- 1.6	964.0	+ 3.8
(a) Energy sales to consumers (Invoiced Captive Sales)	2,185.5	- 0.3	6,244.8	- 2.0
(b) Uninvoiced sales	19.0	- 78.7	19.8	-
(c) Captive + uninvoiced sales (c = a+b)	2,204.5	- 3.4	6,264.6	- 1.2
(d) Energy transmitted to free consumers (TUSD)	396.6	+ 33.2	1,127.6	+ 34.6
(e) Invoiced captive sales + TUSD (e = a+d)	2,582.1	+ 3.7	7,372.4	+ 2.2
(f) Invoiced captive sales + TUSD + uninvoiced (f = a+b+d)	2,601.1	+ 0.8	7,392.2	+ 3.0

Company	March 2017				Q1/2017			
	Electricity sales (GWh)				Electricity sales (GWh)			
	Captive Sales + TUSD	Change ⁽²⁾ (%)	Captive Sales + TUSD + Uninvoiced	Change ⁽²⁾ (%)	Captive Sales + TUSD	Change ⁽²⁾ (%)	Captive Sales + TUSD + Uninvoiced	Change ⁽²⁾ (%)
North Region	179.7	- 7.2	175.2	-13.4	503.0	- 2.0	494.0	- 3.6
Energisa Tocantins (ETO)	179.7	- 7.2	175.2	- 13.4	503.0	- 2.0	494.0	- 3.6
Northeast Region	693.9	+ 3.0	681.7	- 1.3	2,025.2	+ 3.3	2,034.4	+ 4.2
Energisa Paraíba (EPB)	364.6	+ 4.3	356.0	- 1.2	1,067.5	+ 4.9	1,070.5	+ 5.7
Energisa Sergipe (ESE)	272.4	+ 0.6	269.8	- 1.8	789.0	+ 0.1	794.8	+ 1.1
Energisa Borborema (EBO)	56.9	+ 6.2	56.0	+ 1.4	168.7	+ 9.2	169.1	+ 9.7
Midwest	1,172.7	+ 4.2	1,196.7	+ 2.2	3,315.6	+ 2.1	3,323.2	+ 3.3
Energisa Mato Grosso (EMT)	701.6	+ 2.3	702.7	- 1.5	1,965.2	+ 0.6	1,970.5	+ 1.5
Energisa Mato Grosso do Sul (EMS)	471.1	+ 7.2	494.0	+ 8.2	1,350.4	+ 4.5	1,352.7	+ 5.9
South/Southeast Region	535.8	+ 7.6	547.5	+ 5.9	1,528.6	+ 2.4	1,540.6	+ 3.0
Energisa Minas Gerais (EMG)	136.0	+ 5.1	132.5	+ 0.1	383.3	+ 2.5	387.7	+ 3.2
Energisa Nova Friburgo (ENF)	29.2	+ 3.9	28.3	- 2.1	81.6	+ 0.5	82.1	+ 0.9
Caiuá	108.0	+ 10.7	114.6	+ 12.6	308.3	+ 1.6	311.2	+ 2.4
Vale Paranapanema (EDEVF)	85.4	+ 9.2	89.2	+ 9.3	243.8	+ 1.5	245.8	+ 2.1
Bragantina	96.1	+ 6.3	98.1	+ 4.8	278.8	+ 4.7	279.7	+ 4.8
Nacional (CNEE)	55.8	+ 8.3	58.7	+ 7.1	160.7	+ 1.8	161.7	+ 2.1
Força e Luz do Oeste (CFLO)	25.3	+ 10.5	26.1	+ 8.7	72.1	+ 3.3	72.4	+ 3.9
Subtotal 1 (Distribution Companies)	2,582.1	+ 3.7	2,601.1	+ 0.8	7,372.4	+ 2.2	7,392.2	+ 3.0

(1) In relation to the same period in 2016.

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