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Company Data / Capital Composition

Number of Shares (Mil)	Current Quarter 09/30/2018
From the paid-in capital	
Common	15,527
Preferred	23,044
Total	38,571
In Treasury	
Common	0
Preferred	0
Total	0

Company Data / Cash Proceeds

Event	Approval	Earnings	Home Payment	Action Species	Action Class	Proceeds per Share (Real / Action)
Ordinary General Assembly	04/30/2018	Dividend	06/29/2018	Ordinary		0.23177
Ordinary General Assembly	04/30/2018	Dividend	12/28/2018	Ordinary		0.23177
Ordinary General Assembly	04/30/2018	Dividend	06/29/2018	Preferential		0.25495
Ordinary General Assembly	04/30/2018	Dividend	12/28/2018	Preferential		0.25495

Individuals / Active Balance Sheet

(Real Thousand)

Code of Account	Account Description	Current Quarter 09/30/2018	Exercício Anterior 31/12/2017
1	Total Assets	2,029,199	1.867.664
1.01	Current assets	38,191	55.714
1.01.01	Cash and cash equivalents	25,278	25.048
1.01.06	Taxes to recover	1,931	2.055
1.01.06.01	Current Taxes to Recover	1,931	2.055
1.01.08	Other Current Assets	10,982	28.611
1.01.08.03	Others	10,982	28.611
1.01.08.03.01	Dividends Receivable	10,936	28.592
1.01.08.03.03	Other Credits	46	19
1.02	Non-Current Assets	1,991,008	1.811.950
1.02.01	Long-Term Assets	160,259	161.235
1.02.01.02	Short-term Financial Investments Measured by Other Comprehensive Income	137,478	137.478
1.02.01.02.01	Trading Securities	137,261	137.261
1.02.01.02.02	Other Titles	217	217
1.02.01.09	Related Party Credits	4,391	6.134
1.02.01.09.03	Credits with Drivers	4,391	6.134
1.02.01.10	Other Non-Current Assets	18,390	17.623
1.02.01.10.03	Judicial Deposits	18,390	17.623
1.02.02	Investments	1,824,636	1.644.222
1.02.02.01	Shareholdings	1,824,636	1.644.222
1.02.02.01.01	Investments in Associates	86,341	77.605
1.02.02.01.02	Investments in Subsidiaries	1,656,907	1.478.799
1.02.02.01.03	Investments in Jointly Controlled Companies	81,388	87.818
1.02.03	Immobilized	38	41
1.02.03.01	Property, Plant and Equipment in Intangible	38	41
1.02.04	Assets	6,075	6.452
1.02.04.01	Intangible Assets	6,075	6.452
1.02.04.01.01	Concession Contract	6,075	6.452

Individuals / Balance Sheet

(Real Thousand)

Code of Account	Account Description	Current Quarter 09/30/2018	Exercício Anterior 31/12/2017
2	Total Liabilities	2,029,199	1,867,664
2.01	Current Liabilities	12,171	18,927
2.01.01	Social and Labor Obligations	790	1,051
2.01.01.01	Social Obligations	790	1,051
2.01.01.01.01	Social Charges	790	1,051
2.01.02	Providers	1,157	1,292
2.01.02.01	National suppliers	1,157	1,292
2.01.03	Tax Obligations	97	77
2.01.03.01	Federal Tax Obligations	92	75
2.01.03.01.02	Other Federal Tax Obligations	86	71
2.01.03.01.03	PIS/COFINS	6	4
2.01.03.03	Municipal Tax Obligations	5	2
2.01.05	Other obligations	10,127	16,507
2.01.05.02	Others	10,127	16,507
2.01.05.02.01	Dividends and Interest Payable	9.893	16,301
2.01.05.02.04	Other Current Liabilities	234	206
2.02	Non-Current Liabilities	6,626	6.499
2.02.04	Provisions	6,626	6.499
2.02.04.01	Labor and Civil Security Tax Provisions	1,452	1,325
2.02.04.01.01	Tax Provisions	1,263	1,263
2.02.04.01.02	Social Security and Labor Provisions	41	41
2.02.04.01.04	Civil Provisions	148	21
2.02.04.02	Other Provisions	5,174	5,174
2.02.04.02.04	Regulatory Provisions	5,174	5,174
2.03	Net worth	2,010,402	1,842,238
2.03.01	Share capital	1,340,000	1,340,000
2.03.02	Capital reserves	316	316
2.03.02.06	Advance for Future Capital Increase Profit	316	316
2.03.04	Reserves	1,185.,978	1,189,031
2.03.04.01	Legal reserve	147,943	147,943
2.03.04.05	Profit Retention Reserve	1,038,035	1,037,930
2.03.04.10	Dividends Available to AGO	0	3,158
2.03.05	Accumulated Profit / Loss	172,999	0
2.03.06	Equity Valuation Adjustments	-688,891	-687,109

Individuals / Income Statement

(Real Thousand)

Code of Account	Account Description	Current Quarter 7/17/2018 to 9/30/2018	Current Accumulated Exercise 01/01/2018 to 09/30/2018	Same quarter Previous Exercise 7/17/2017 to 9/30/2017	Accumulated from Exercise Previous 01/01/2017 to 09/30/2017
3.04	Operating Expenses / Revenues	41,868	181,411	59,107	59,023
3.04.02	General and Administrative Expenses	-6,030	-19,805	-8,163	-22,539
3.04.05	Other Operating Expenses	-550	-1,605	-453	-3.570
3.04.06	Equity in earnings	48,448	202,821	67,723	85,132
3.05	Income Before Financial Result and Taxes Financial	41,868	181,411	59,107	59,023
3.06	Result	215	883	219	2,517
3.06.01	Financial income	310	1,007	239	2,566
3.06.02	Financial expenses	-95	-124	-20	-49
3.07	Income Before Taxes on Profit	42,083	182,294	59,326	61,540
3.09	Net Income from Continuing Operations	42,083	182,294	59,326	61,540
3.11	Profit / Loss for the Period	42,083	182,294	59,326	61,540
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	1,02950	4,45970	1,45140	1,50550
3.99.01.02	PN	1,13250	4,90560	1,59650	1,65610
3.99.02	Diluted Earnings Per Share				
3.99.02.01	ON	1,02950	4,45970	1,45140	1,50550
3.99.02.02	PN	1,13250	4,90560	1,59650	1,50550

Individual Deposits / Statement of Comprehensive Income

(Real Thousand)

Code of Account	Account Description	Current Quarter 7/17/2018 to 9/30/2018	Current Accumulated Exercise 01/01/2018 to 09/30/2018	Same quarter Previous Exercise 7/17/2017 to 9/30/2017	Accumulated from Exercise Previous 01/01/2017 to 09/30/2017
4.01	Net Income for the Period	42,083	182,294	59,326	61,540
4.03	Comprehensive Income for the Period	42,083	182,294	59,326	61,540

Individual Funds / Statement of Cash Flow - Indirect Method

(Real Thousand)

Code of Account	Account Description	Current Accumulated Exercise 01/01/2018 to 09/30/2018	Accumulated from Exercise Previous 01/01/2017 to 09/30/2017
6.01	Net Cash Operating Activities	-19,999	-19,837
6.01.01	Cash Generated in Operations	-18,981	-20,168
6.01.01.01	Net Income before Income Tax and Social	182,294	61,540
6.01.01.02	Contribution	1,481	1,482
6.01.01.03	Depreciation and amortization	-202,821	-85,132
6.01.01.04	Equity in earnings	-62	-150
6.01.01.07	Interest and Monetary Variations	127	2,092
6.01.02	Constitution (Reversal) Provision for Contingent	-1,018	331
6.01.02.01	Liabilities	0	801
6.01.02.02	Changes in Assets and Liabilities	-767	-47
6.01.02.03	Taxes to recover	0	-175
6.01.02.04	Other Active Accounts	-135	38
6.01.02.05	Judicial deposits	-261	8
6.01.02.06	Providers	20	-292
6.01.02.07	Labor and Social Security Obligations	28	-2
6.01.02.08	Taxes to be collected	124	0
6.01.02.10	Other Accounts - Liabilities	-27	0
6.02	Taxes to recover	27,885	23,666
6.02.04	Other Accounts - Assets	27,885	23,666
6.03	Net Cash Investing Activities Dividends Received	-7,656	-1,225
6.03.02	Net Cash Financing Activities Dividends Paid	-7,780	-1,225
6.03.03	Related parts	124	0
6.05	Increase (decrease) in cash and cash equivalents	230	2,604
6.05.01	Initial Cash and Equivalent Balance	25,048	17,986
6.05.02	Final Cash and Equivalent Balance	25,278	20,590

Individual DFs / Statement of Changes in Shareholders' Equity / DMPL - 01/01/2018 to 09/30/2018

(Real Thousand)

Code of Conta	Account Description	Share Capital Paid in	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Results	Net Worth
5.01	Opening Balances	1,340,000	316	1,189,031	0	-687,109	1,842,238
5.02	Prior Year Adjustments	0	0	0	-11,077	0	-11,077
5.02.01	Initial Adoption CPC 48	0	0	0	-11,077	0	-11,077
5.03	Adjusted Initial Balances	1,340,000	316	1,189,031	-11,077	-687,109	1,831,161
5.04	Capital Transactions with Members	0	0	-3,053	0	0	-3,053
5.04.05	Treasury Stock Sold	0	0	105	0	0	105
5.04.06	Dividends	0	0	-3,158	0	0	-3,158
5.05	Comprehensive Result Total	0	0	0	184,076	-1,782	182,294
5.05.01	Net Income for the Period	0	0	0	182,294	0	182,294
5.05.03	Reclassifications to the Result	0	0	0	1,782	-1,782	0
5.05.03.02	Achieving Assigned Cost	0	0	0	1,782	-1,782	0
5.07	End Balances	1,340,000	316	1,185,978	172,999	-688,891	2,010,402

Individual Deposits / Statement of Changes in Shareholders' Equity / DMPL - 01/01/2017 to 09/30/2017

(Real Thousand)

Code of Account	Account Description	Share Capital Paid in	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Results	Net Worth
5.01	Opening Balances	1,340,000	316	1,133,602	0	-398,075	2,075,843
5.03	Adjusted Initial Balances	1,340,000	316	1,133,602	0	-398,075	2,075,843
5.05	Comprehensive Result Total	0	0	0	65,315	-3,775	61,540
5.05.01	Net Income for the Period	0	0	0	61,540	0	61,540
5.05.03	Reclassifications to the Result	0	0	0	3,775	-3,775	0
5.05.03.02	Realization of Assigned Cost	0	0	0	3,775	-3,775	0
5.07	End Balances	1,340,000	316	1,133,602	65,315	-401,850	2,137,383

Individual Dividends / Statement of Added Value

(Real Thousand)

Code of Account	Account Description	Current Accumulated Exercise 01/01/2018 to 09/30/2018	Accumulated from Exercise Previous 01/01/2017 to 09/30/2017
7.02	Inputs from Third Parties	-3,057	-5,015
7.02.02	Materials, Energy, Servs. of Third Parties and	-3,057	-5,015
7.03	Others	-3,057	-5,015
7.04	Gross Value Added	-1,481	-1,482
7.04.01	Withholdings	-1,481	-1,482
7.05	Depreciation, Amortization and Exhaustion	-4,538	-6,497
7.06	Value Added Net Produced	203,828	87,698
7.06.01	Value Added Received in Transfer Equity	202,821	85,132
7.06.02	Income	1,007	2,566
7.07	Financial income	199,290	81,201
7.08	Total Added Value to Distribute	199,290	81,201
7.08.01	Distribution of Added Value	16,323	19,264
7.08.01.01	Folks	15,685	18,585
7.08.01.02	Direct Remuneration	196	186
7.08.01.03	Benefits	442	493
7.08.02	F.G.T.S.	433	374
7.08.02.01	Taxes, fees and contributions	298	322
7.08.02.02	Federal	8	20
7.08.02.03	State	127	32
7.08.03	Municipalities	240	23
7.08.03.02	Third-Party Remuneration of Third-Party Rents	116	23
7.08.03.03	Others	124	0
7.08.04	Remuneration of Shareholders' Equity	182,294	61,540
7.08.04.03	Retained Earnings / Loss for the Period	182,294	61,540

Consolidated DFs / Asset Balance Sheet

(Reais Thousand)

Code of Account	Account Description	Current Quarter 09/30/2018	Previous Exercise 12/31/2017
1	Total Assets	9,516,164	9,060,252
1.01	Current assets	3,980,338	3,872,617
1.01.01	Cash and Cash Equivalents	318,009	564,594
1.01.03	Accounts Receivable	1,439,529	1,399,563
1.01.03.01	Customers	1,288,323	1,251,864
1.01.03.01.01	Accounts Receivable from Customers	1,812,172	1,719,835
1.01.03.01.02	Allowance for Doubtful Accounts	-523,849	-467,971
1.01.03.02	Other Accounts Receivable	151,206	147,699
1.01.04	Stocks	9,395	9,732
1.01.06	Taxes to recover	137,038	75,831
1.01.06.01	Current Taxes to Recover	137,038	75,831
1.01.08	Other Current Assets	2,076,367	1,822,897
1.01.08.03	Others	2,076,367	1,822,897
1.01.08.03.03	Dividends Receivable	0	9,045
1.01.08.03.04	Other Credits	240,968	250,663
1.01.08.03.05	Financial Assets - Portion A - CVA	293,096	0
1.01.08.03.06	Financial Assets - Concession Bonus	31,300	30,277
1.01.08.03.07	CDE Resources for CVA Coverage	1,511,003	1,532,912
1.02	Non-Current Assets	5,535,826	5,187,635
1.02.01	Long-Term Assets	1,881,768	1,644,921
1.02.01.02	Short-term financial investments measured by other comprehensive income	137,478	137,478
1.02.01.02.01	Trading Securities	137,261	137,261
1.02.01.02.02	Other Titles	217	217
1.02.01.04	Accounts Receivable	51,797	38,904
1.02.01.04.01	Clients	49,708	35,380
1.02.01.04.02	Other Accounts Receivable	2,089	3,524
1.02.01.07	Deferred Taxes	633,514	641.806
1.02.01.07.01	Deferred Income Tax and Social Contribution	633,514	641,806
1.02.01.09	Related Party Credits	4,879	6,622
1.02.01.09.03	Credits with Drivers	4,391	6,134
1.02.01.09.04	Credits with Other Related Parties	488	488
1.02.01.10	Other Non-Current Assets	1,054,100	820,111
1.02.01.10.03	Taxes to be recovered	31,371	19,440
1.02.01.10.04	Judicial Deposits	188,834	161,430
1.02.01.10.05	Financial Assets Indemnification - Concession	381,911	397,355
1.02.01.10.06	Financial Assets - Portion A - CVA	203,013	0
1.02.01.10.07	Financial Assets Concession Bonus	248,971	241,886
1.02.02	Investments	227,703	216,481
1.02.02.01	Shareholdings	227,703	216,481
1.02.02.01.01	Investments in Associates	146,315	128,663
1.02.02.01.04	Holdings in Jointly Controlled Companies	81,388	87,818
1.02.03	Immobilized	153,524	151,672
1.02.04	Intangible	3,272,831	3,174,561
1.02.04.01	Intangible Assets	3,272,831	3,174,561
1.02.04.01.01	Concession Contract	3,263,766	3,164,619

Consolidated DFs / Asset Balance Sheet

(Reais Thousand)

Code of Account	Account Description	Current Quarter 09/30/2018	Previous Exercise 12/31/2017
1.02.04.01.02	Other Intangible Assets	9,065	9,942

Consolidated DFs / Liabilities Balance Sheet

(Real Thousand)

Code of Account	Account Description	Current Quarter 09/30/2018	Previous Exercise 12/31/2017
2	Total Liabilities	9,516,164	9,060,252
2.01	Current Liabilities	4,614,273	4,486,667
2.01.01	Social and Labor Obligations	200,626	200,623
2.01.01.01	Social Obligations	200,626	200,623
2.01.02	Providers	992,737	831,582
2.01.02.01	National Suppliers	992,737	831,582
2.01.03	Tax Obligations	314,930	208,823
2.01.03.01	Federal Tax Obligations	160,815	74,108
2.01.03.01.01	Income Tax and Social Contribution Payable	112.070	19.832
2.01.03.01.02	PIS / COFINS	45,315	44,574
2.01.03.01.03	Other	3,430	9,702
2.01.03.02	State Tax Obligations	152,539	132,472
2.01.03.03	Municipal Tax Obligations	1,576	2,243
2.01.04	Loans and Financing	470,771	340,390
2.01.04.01	Loans and Financing	347,494	88.057
2.01.04.01.01	Em Moeda Nacional	347,494	88,057
2.01.04.02	Debentures	123,277	252,333
2.01.05	Other obligations	2,495,034	2,765,944
2.01.05.01	Related Party Liabilities	9,866	19,732
2.01.05.01.04	Debts with Other Related Parties	9,866	19,732
2.01.05.02	Other	2,485,168	2,746,212
2.01.05.02.01	Dividends and Interest Payable	9.893	16.301
2.01.05.02.04	Regulatory Fees	2,427,710	2,677,615
2.01.05.02.07	Financial Liabilities - Portion A - CVA	0	4,638
2.01.05.02.20	Other Current Liabilities	47,565	47,658
2.01.06	Provisions	140,175	139,305
2.01.06.01	Labor and Civil Security Tax Provisions	140,175	139,305
2.01.06.01.03	Provisions for Employee Benefits	140,175	139,305
2.02	Non-Current Liabilities	2,891,489	2,731,347
2.02.01	Loans and Financing	406,200	142,292
2.02.01.01	Loans and Financing	27,767	42,409
2.02.01.01.01	Em Moeda Nacional	27,767	42,409
2.02.01.02	Debentures	378,433	99,883
2.02.02	Other obligations	154,868	221,835
2.02.02.02	Others	154,868	221,835
2.02.02.02.03	Social and Labor Obligations	22,425	41,060
2.02.02.02.04	Regulatory Fees	129,967	156,610
2.02.02.02.05	Other Non-Current Liabilities	2,476	2,476
2.02.02.02.06	Financial Liability - Portion A - CVA	0	21,689
2.02.03	Deferred Taxes	10,141	9,613
2.02.03.01	Deferred Income Tax and Social Contribution	10,141	9,613
2.02.04	Provisions	2,320,280	2,357,607
2.02.04.01	Labor and Civil Security Tax Provisions	1,954,939	1,996,750
2.02.04.01.01	Tax Provisions	66,715	59,791
2.02.04.01.02	Social Security and Labor Provisions	66,157	64,095
2.02.04.01.03	Provisions for Employee Benefits	1,662,045	1,738,673

Consolidated DFs / Liabilities Balance Sheet

(Real Thousand)

Code of Account	Account Description	Current Quarter 09/30/2018	Previous Exercise 12/31/2017
2.02.04.01.04	Civil Provisions	160,022	134,191
2.02.04.02	Other Provisions	365,341	360,857
2.02.04.02.04	Regulatory Provisions	363,291	358,700
2.02.04.02.05	Environmental Provisions	2,050	2,157
2.03	Consolidated Stockholders' Equity	2,010,402	1,842,238
2.03.01	Share capital	1,340,000	1,340,000
2.03.02	Capital reserves	316	316
2.03.02.06	Advance for Future	316	316
2.03.04	Capital Increase Profit Reserves	1,185,978	1,189,031
2.03.04.01	Legal reserve	147.943	147.943
2.03.04.05	Profit Retention Reserve	1,038,035	1,037,930
2.03.04.10	Dividends Available to AGO	0	3,158
2.03.05	Accumulated Profit / Loss	172,999	0
2.03.06	Equity Valuation Adjustments	-688,891	-687,109

Consolidated Statements / Statement of Income

(Real Thousand)

Code of Account	Account Description	Current Quarter 7/17/2018 to 9/30/2018	Current Accumulated Exercise 01/01/2018 to 09/30/2018	Same quarter Previous Exercise 7/17/2017 to 9/30/2017	Accumulated from Exercise Previous 01/01/2017 to 09/30/2017
3.01	Revenue from Sale of Goods and / or Services	2,220,759	5,972,715	1,927,673	5,110,742
3.01.01	Sales Revenue and Services	1,822,650	5,093,130	1,489,524	4,524,066
3.01.02	Construction Revenue	111,270	307,959	110,103	302,141
3.01.03	Revenue Portion A - CVA	286,154	568,613	327,572	283,134
3.01.04	VNR Financial Asset Update	685	3,013	474	1,401
3.02	Cost of Goods and / or Services Sold	-2,029,678	-5,286,499	-1,687,791	-4,438,430
3.02.01	Cost of Sale and Services	-1,751,090	-4,500,070	-1,419,712	-3,660,096
3.02.02	Cost of Goods Sold	-3,179	-10,083	-6,290	-18,528
3.02.03	Cost of Services Rendered	-164,139	-468,387	-151,686	-457,665
3.02.04	Cost of Construction - CPC 17	-111,270	-307,959	-110,103	-302,141
3.03	Raw Score	191,081	686,216	239,882	672,312
3.04	Operating Expenses / Revenues	-126,277	-336,510	-153,978	-400,497
3.04.01	Selling Expenses	-66,347	-172,759	-71,725	-180,438
3.04.02	General and Administrative Expenses	-72,784	-221,964	-94,153	-264,972
3.04.04	Other Operating Income	-38,311	0	9,865	37,408
3.04.05	Other Operating Expenses	46,346	46,346	0	0
3.04.06	Equity in earnings	4,819	11,867	2,035	7,505
3.05	Income Before Financial Result and Taxes	64,804	349,706	85,904	271,815
3.06	Financial Result	7,436	-43,387	-15,087	-147,093
3.06.01	Financial Income	100,451	182,509	60,491	232,482
3.06.02	Financial Expenses	-93,015	-225,896	-75,578	-379,575
3.07	Income Before Taxes on Profit	72,240	306,319	70,817	124,722
3.08	Income Tax and Social Contribution on Profit	-30,157	-124,025	-11,491	-63,182
3.08.01	Chain	-28,804	-109,498	-15,420	-27.,186
3.08.02	Deferred	-1,353	-14,527	3,929	-35,996
3.09	Net Income from Continuing Operations	42,083	182,294	59,326	61,540
3.11	Consolidated Profit / Loss for the Period	42,083	182,294	59,326	61,540
3.11.01	Assigned to Parent Company	42,083	182,294	59,326	61,540

Consolidated Statements / Statement of Income

(Real Thousand)

Real Thousand Account	Account Description	Current Quarter 7/17/2018 to 9/30/2018	Current Accumulated Exercise 01/01/2018 to 09/30/2018	Same quarter Previous Exercise 7/17/2017 to 9/30/2017	Accumulated from Exercise Previous 01/01/2017 to 09/30/2017
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	1,02950	4,45970	1,45130	1,50550
3.99.01.02	PN	1,13250	4,90560	1,59650	1,65610
3.99.02	Diluted Earnings Per Share				
3.99.02.01	ON	1,02950	4,45970	1,45130	1,50550
3.99.02.02	PN	1,13250	4,90560	1,59650	1,65610

Consolidated Statements / Statement of Comprehensive Income

(Real Thousand)

Code of Account	Account Description	Current Quarter 7/17/2018 to 9/30/2018	Current Accumulated Exercise 01/01/2018 to 09/30/2018	Same quarter Previous Exercise 7/17/2017 to 9/30/2017	Accumulated from Exercise Previous 01/01/2017 to 09/30/2017
4.01	Consolidated Net Income for the Period	42,083	182,294	59,326	61,540
4.03	Comprehensive Consolidated Income for the Period	42,083	182,294	59,326	61,540
4.03.01	Assigned to Parent Company	42,083	182,294	59,326	61,540

Consolidated DFs / Statement of Cash Flow - Indirect Method

(Real Thousand)

Code of Account	Account Description	Current Accumulated Exercise 01/01/2018 to 09/30/2018	Accumulated from Exercise Previous 01/01/2017 to 09/30/2017
6.01	Net Cash Operating Activities	-323,322	593,025
6.01.01	Cash Generated in Operations	546,962	435,268
6.01.01.01	Income before income tax and social contribution	306,319	124,722
6.01.01.02	Depreciation and amortization	160,649	163,154
6.01.01.04	Equity in earnings	-11,867	-7,505
6.01.01.05	Update / Interest Return / Bonus Grant Interest and	-32,316	-30,189
6.01.01.06	Monetary Variation	80,521	88,008
6.01.01.08	IR and CSLL Payments	-49,232	-73,995
6.01.01.09	Interest Paid	-39,591	-37,265
6.01.01.11	Provision for Actuarial Liabilities	19,384	54,966
6.01.01.12	Constitution (Reversal) Provision for Contingent	39,301	55,618
	Liabilities		
6.01.01.13	Provision / Reversal for loss of assets	0	52
6.01.01.14	Write-off of Property, Plant and Equipment / Intangible	36,187	37,458
6.01.01.15	Assets	-3,013	-1,401
6.01.01.17	Financial Asset Update - VNR	39,721	60,823
6.01.01.18	Estimated Losses on Doubtful Accounts Loss of	899	822
6.01.02	Financial Assets Indemnity - Concession Changes in	-870,284	157,757
6.01.02.02	Assets and Liabilities	-596,283	-288,480
6.01.02.03	Financial Assets - (CVA, Granting Grant) Accounts	-90,402	-113,156
6.01.02.04	Receivable	15,285	-288,225
6.01.02.05	Subsidy Decree nº 7.891 / 2013	-73,138	-1,324
6.01.02.06	Taxes to recover	-27,404	-48,165
6.01.02.07	Judicial deposits	337	793
6.01.02.10	Stocks	30,664	-17,199
6.01.02.14	Other Accounts - Assets	161,155	255,252
6.01.02.15	Providers	45,841	95,673
6.01.02.16	Taxes to be collected	-18,632	-18,227
6.01.02.17	Labor and Social Security Obligations	-276,396	479,272
6.01.02.18	Regulatory Fees	98,055	220,236
6.01.02.19	Financial Liabilities - "Parcel A" - CVA	-129,407	-117,093
6.01.02.20	Actuarial Liabilities	-9,959	-1,600
6.02	Other Accounts - Liabilities	-303,169	-273,136
6.02.01	Net Cash Investing Activities	-311,758	-288,581
6.02.03	Additions Fixed Assets / Intake	-8,358	-4,979
6.02.05	Capital Increase (Reduction) Invested Dividends	16,947	20,424
6.03	Received	379,906	-272,208
6.03.03	Net Cash Funding Activities Amortization of Loans and	-139,926	-151,186
6.03.04	Financings Additions of Loans and Financing	382,736	201
6.03.05	Payment of Dividends	-7,656	-1,225
6.03.06	Debentures Admission	394,742	0
6.03.07	Payment of Debentures	-249,990	-119,998
6.05	Increase (Decrease) in Cash and Cash Equivalents	-246,585	47,681
6.05.01	Initial Cash and Equivalent Balance	564,594	917,464
6.05.02	Final Cash and Equivalent Balance	318,009	965,145

Consolidated DFs / Statement of Changes in Shareholders' Equity / DMPL - 01/01/2018 to 09/30/2018

(Real Thousand)

Code of Account	Account Description	Share Capital Paid in	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Profit or Loss Accumulated	Other Results Comprehensive	Net Worth	Non-Controlling Participation	Net Worth Consolidated
5.01	Opening Balances	1,340,000	316	1,189,031	0	-687,109	1,842,238	0	1,842,238
5.02	Prior Year Adjustments	0	0	0	-11,077	0	-11,077	0	-11,077
5.02.01	Initial Adoption CPC 48	0	0	0	-11,077	0	-11,077	0	-11,077
5.03	Adjusted Initial Balances	1,340,000	316	1,189,031	-11,077	-687,109	1,831,161	0	1,831,61
5.04	Capital Transactions with Members	0	0	-3,053	0	0	-3,053	0	-3,053
5.04.06	Dividends	0	0	-3,158	0	0	-3,158	0	-3,158
5.04.08	Reversal of prescribed dividends	0	0	105	0	0	105	0	105
5.05	Comprehensive Result Total	0	0	0	184,076	-1,782	182,294	0	182,294
5.05.01	Net Income for the Period	0	0	0	182,294	0	182,294	0	182,294
5.05.03	Reclassifications to the Result	0	0	0	1,782	-1,782	0	0	0
5.05.03.02	Achieving Assigned Cost	0	0	0	1,782	-1,782	0	0	0
5.07	End Balances	1,340,000	316	1,185,978	172,999	-688,891	2,010,402	0	2,010,402

Consolidated DFs / Statement of Changes in Shareholders' Equity / DMPL - 01/01/2017 to 09/30/2017

(Reais Thousand)

Code of Account	Account Description	Share Capital Paid in	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Profit or Loss Accumulated	Other Results Comprehensive	Net Worth	Non-Controlling Participation	Net Worth Consolidated
5.01	Opening Balances	1,340,000	316	1,133,602	0	-398,075	2,075,843	0	2,075,843
5.03	Adjusted Initial Balances	1,340,000	316	1,133,602	0	-398,075	2,075,843	0	2,075,843
5.05	Comprehensive Result Total	0	0	0	65,315	-3,775	61,540	0	61,540
5.05.01	Net Income for the Period	0	0	0	61,540	0	61,540	0	61,540
5.05.03	Reclassifications to the Result	0	0	0	3,775	-3,775	0	0	0
5.05.03.02	Achieving Assigned Cost	0	0	0	3,775	-3,775	0	0	0
5.07	End Balances	1,340,000	316	1,133,602	65,315	-401,850	2,137,383	0	2,137,383

Consolidated Statements / Statement of Value Added

(Real Thousand)

Code of Account	Account Description	Current Accumulated Exercise 01/01/2018 to 09/30/2018	Accumulated from Exercise Previous 01/01/2017 to 09/30/2017
7.01	Revenue	9,627,472	8,299,517
7.01.01	Sales of Goods, Products and Services Other	9,270,763	7,989,971
7.01.02	Revenues	88,471	68,229
7.01.03	Recipes refs. to the Construction of Own Assets	307,959	302,141
7.01.04	Provision / Reversion of Credits. Unsecured	-39,721	-60,824
7.02	Settlement Purchased Third Party Supplies	-5,042,118	-4,164,565
7.02.01	Costs Prods., Mercs. and Servs. Sold Materials,	-4,569,721	-3,734,147
7.02.02	Energy, Servs. of Third Parties and Others	-164,438	-128,277
7.02.04	Others	-307,959	-302,141
7.02.04.01	Costs refs. Construction of Own Assets Gross	-307,959	-302,141
7.03	Value Added	4,585,354	4,134,952
7.04	Withholdings	-160,649	-163,154
7.04.01	Depreciation, Amortization and Exhaustion	-160.649	-163.154
7.05	Value Added Net Produced	4,424,705	3,971,798
7.06	Added Value Received on Transfer	194,376	239,987
7.06.01	Equity in earnings	11,867	7,505
7.06.02	Financial income	182,509	232,482
7.07	Total Added Value to Distribute	4,619,081	4,211,785
7.08	Distribution of Added Value	4,619,081	4,211,785
7.08.01	Folks	457,601	502,997
7.08.01.01	Direct Remuneration	387,654	433,315
7.08.01.02	Benefits	49,944	48,768
7.08.01.03	F.G.T.S.	20,003	20,914
7.08.02	Taxes, fees and contributions	3,738,845	3,250,158
7.08.02.01	Federal	2,177,883	1,847,422
7.08.02.02	State	1,555,411	1,398,531
7.08.02.03	Municipalities	5,551	4,205
7.08.03	Remuneration of Third Party Capital	240,341	397,090
7.08.03.01	Interest	22,237	35,945
7.08.03.02	Rents	14,445	17,515
7.08.03.03	Others	203,659	343,630
7.08.03.03.01	Monetary and exchange variations	29,783	7,038
7.08.03.03.03	Other Financing Expenses	173,876	336,592
7.08.04	Remuneration of Shareholders' Equity	182,294	61,540
7.08.04.03	Retained Earnings / Loss for the Period	182,294	61,540

1. INVESTMENTS

The investments made in fixed assets, intangible assets and shares in SHPs by the Company in the third quarter of 2018 reached R$ 344,848, compared to R$ 328,566 in 2017, 3.79% higher than the same period of the previous year, as shown in the table below:

Investment	September 30, 2018 R$	%	September 30, 2017 R$	%	Horizontal Analysis
Electricity Distribution	**330,888**	**95.95%**	**318,814**	**97.03%**	**3.79%**
Own Resources	272,697	-	276,387	-	-
Consumer's Financial Share	58,191	-	42,427	-	-
Electricity Generation	**13,960**	**4.05%**	**9,752**	**2.97%**	**43.15%**
Corporate Share	8,358	-	4,978	-	-
Own Generating Site	5,602	-	4,774	-	-
Total	**344,848**	**100%**	**328,566**	**100%**	**4.96%**

Source: DEF/DPCO

Of the total invested, the largest volume of R$ 330,888 was allocated to the expansion and improvement of the system, operational efficiency and modernization of the management of Celesc D. Of this amount, R$ 272,697 was related to its own resources (R$ 219,130 in materials and services, R$ 53,567 in own resources) and R$ 58,191 were related to funds from third parties, derived from Consumer Financial Share in works of Celesc D. The rules of Consumer Financial Participation are established in ANEEL Normative Resolution 414 from September 9, 2010.

R$ 1,491 refers to the automation of the Garcia Plant, R$ 2,965 to replace the pipeline of the Cedros plant, R$ 256 refers to the automation in progress of the Rio do Peixe, São Lourenço and Piraí plants, R$ 234 was related to the replacement of suction pipe and aerator valves of the Salto Plant and R$ 208 invested in the structure to contain debris and computer equipment for the Pery Plant.

In relation to investments in SPEs, R$ 3,283 were invested in the Garça Branca Plant, R$ 2,275 in capital increase in SPE Rondinha Energética, R$ 1,800 in investments in EDP Transmissão Aliança SC and R$ 1,000 in capital increase in SPE Xavantina.

2. SHAREHOLDING MARKET

The BOVESPA Index closed the third quarter of 2018 with a 9.04% appreciation. The Energy Sector Index (IEE) increased by 2.04% in the same period. The Company's Preferred Shares - PN increased 9.79% in the third quarter of 2018.

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The table below presents the final quotations as of September 30, 2018 and the respective percentage changes in the Company's shares and the main market indicators:

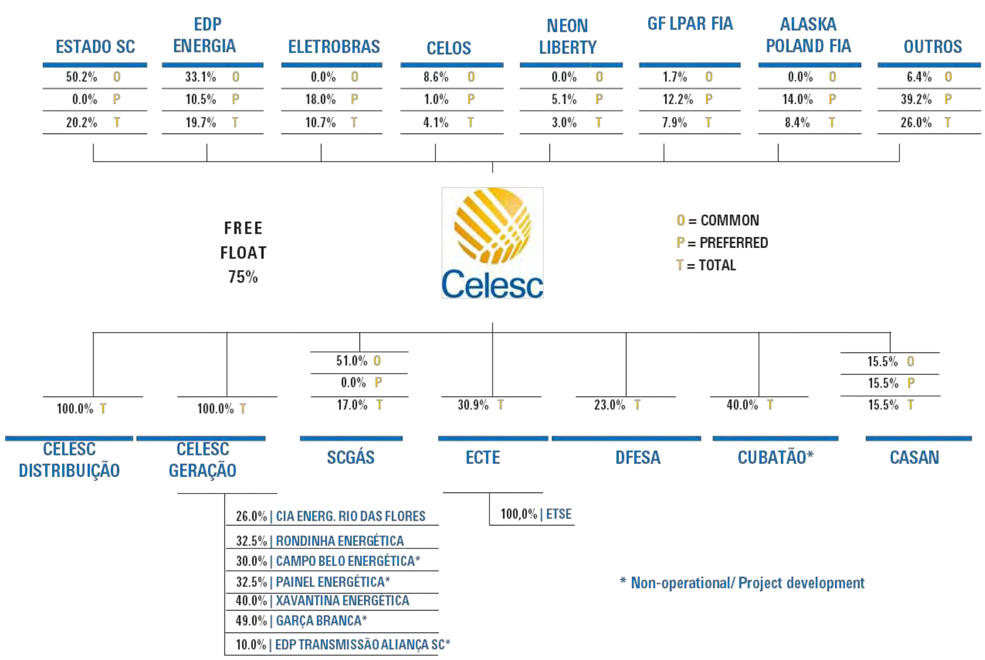
	Closing		Performance * Variation %
	September 30, 2018	**3rd Q 2018**	**In 12 months**
Celesc PN	R$ 31.29	9.79%	48.15%
Celesc ON	R$ 29.30	-18.61%	5.58%
IBOVESPA	79,342	9.04%	6.79%
IEE	39,351	2.04%	-4.73%

Source: DEF/DPRI
* Percentage changes with adjustment to earnings

3. SHARE MARKET VALUE

The Company's share market value as of September 30, 2018, as shown in the table above, are: R$ 29.30 (twenty-nine reais and thirty cents) for each Ordinary Share - ON (CLSC3) and R$ 31, 29 (thirty-one reais and twenty-nine cents) for each Preferred Share - PN (CLSC4).

Its majority shareholder is the State of Santa Catarina, which owns 50.2% of the Company's Ordinary Shares, corresponding to 20.2% of the Total Capital. The shareholding and corporate structure, as of September 30, 2018, is presented in the following chart:
O = ORDINARY
P = PREFERRED
T = TOTAL
*Non-operating/Project under development



(Source: DEF/DPRI)

4. HUMAN RESOURCES

The Celesc group ended the third quarter of 2018, with a staff of 3,235 employees. The total number of employees represents a decrease of 2.35% in relation to the same period of the previous year (3,313 employees).

5. FINANCIAL ECONOMIC PERFORMANCE

The Net profit accumulated in the quarter ended on September 30, 2018 presented by the Company was R$ 182,294, which represents a significant increase of 196.22% when compared to the same period of 2017 (Net Profit of R$ 61,540).

Through the economic indicators, the consolidated information on the Company's performance as of September 30, 2018 in relation to the same period of the previous year is as follows:

Financial-Economic Data	September 30 2018	September 30 2017 (R-submitted)	AH
Gross Operating Revenue - ROB or GOR	9,581.735	8,293,513	15.53%
Net Operating Revenue - ROL or NOR	5,972.715	5,110,742	16.87%
Activities Results	349.706	271,815	-28.66%
EBITDA	510.354	434,969	17.33%
EBITDA Margin (EBITDA/ROL)	8.54%	8.51%	0.03 p.p.
Net Margin (LL/ROL)	3.05%	1.20%	1.85 p.p.
Financial income	(43,387)	(147,093)	-70.50%
Total Assets	9,516,164	9,133,055	4.19%
Fixed Assets	153,524	152,477	0.69%
Net worth	2,010,402	6,995,672	-71.26%
Net Profit/Loss	182,294	61,540	196.22%

Source: DEF/DPCO

The Group closed September 30, 2018 with an accrued Gross Operating Revenue - ROB of R$ 9,581,735, an increase of 15.53% compared to 2017 in the amount of R$ 8,293,513.

The Net Operating Revenue - ROL closed the third quarter of 2018 at R$ 5,972,715, an increase of 16.87%, compared to the same period of 2017, which was R$ 5,110,742.

The accrued result in the third quarter of 2018 was impacted by the good performance of the subsidiary Celesc D, which highlights the average tariff readjustment of 13.86% applied in August 2018 to its consumers; a 2.7% increase in total electric power consumption distributed in relation to the same period in 2017 and a 2.3% reduction in manageable expenses.

EBITDA for the third quarter of 2018 reached R$ 510,354, 17.33% higher than in 2017 (R$ 434,969) and EBITDA margin increased from 8.51% in the third quarter of 2017 to 8.54% % in 2018.

Changes in Net Income for the Year before Interest, Taxes, Financial Result and Depreciation/Amortization - EBITDA are detailed below:

EBITDA Reconciliation - R$ K	September 30, 2018	September 30, 2017
Net profit	182,294	61,540
Current and Deferred IRPJ and CSLL	124,025	63,182
Financial income	43,387	147,093
Depreciation and Amortization	160,648	163,154
EBITDA	**510,354**	**434,969**

Source: DEF/DPCO

6. SHAREHOLDING COMPOSITION

The shareholding composition, in the number of shares of shareholders with more than 5% of any kind or class, is represented according to the table below:

Shareholding Basis as of September 30, 2018

Shareholder	Ordinary Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
State of Santa Catarina	7,791,010	50.18	191	0.00	7,791,201	20.20
EDP Energias do Brasil S.A. (i)	5,140,868	33.11	2,427,820	10.54	7,568,688	19.62
Fundação Celesc de Seguridade Social - Celos	1,340,474	8.63	230,800	1.00	1,571,274	4.07
Geração LPar Fundo de Investimento	262,100	1.69	2,811,000	12.20	3,073,100	7.97
Centrais Elétricas Brasileiras - Eletrobras*	4,233	0.03	4,142,774	17.98	4,147,007	10.75
Alaska Poland FIA	-	0.00	3,226,600	14.00	3,226,600	8.37
Neon Liberty Capital Management LLC	-	0.00	1,173,300	5.09	1,173,300	3.04
Other	988,452	6.36	9,031,969	39.19	10,020,421	25.98
Total	**15,527,137**	**40.26**	**23,044,454**	**59.74**	**38,571,591**	**100.00**

Social Capital: R$1,340,000,000.00 and Authorized Capital: R$1,340,000,000.00

*Public-traded Company

Source: DEF/DPRI

(i) Acquisition of Shareholding by Energias do Brasil S.A. – EDP

Energias do Brasil S.A. – EDP acquired from PREV, exclusive shareholder of Angra Partners Volt FIA, 33.11% of ordinary shares equivalent to 5,140,868 ordinary shares and 437,807 PN shares, representing, together, 14.5% of the total shares issued by the Company. The operation was approved by the Administrative Council for Economic Defense (CADE) and by the National Complementary Pension Authority (PREVIC), and was completed on March 21, 2018.

In the auction of the OPA held on April 26, 2018, of the B3 Segment, 1,990,013 PN shares were acquired. After the settlement of the purchases made in the auction on May 2, 2018, EDP now holds 10.54% of the preferred shares equivalent to 2,427,820 PN shares, which, together with 5,140,868 ordinary shares, represent 19.62% of Celesc's share capital.

7. FOREIGN CAPITAL SHARE

Foreign investors closed the third quarter of 2018, representing 9.76% of the Company's total share capital, with a volume of 3,765,356 shares, mostly preferred shares.

Investor Share by Residence	Number of Shares	%
Foreign Investors	3,765,356	9.76
National Investors	34,806,235	90.24
Total	**38,571,591**	**100.00**

Source: DEF/DPRI

8. CONTROLLING PARTY, ADMINISTRATORS AND MEMBERS OF THE FISCAL COUNCIL'S SHARES

The Company is bound to arbitration in the Market Arbitration Chamber, according to the arbitration clause contained in its Bylaws.

Shareholder	ON Shares		PN Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Controller	9,229,660	59.44%	234,328	1.02%	9,463,988	24.54%
Administrative Council	-	-	1	0.00%	1	0.00%
Executive Board	-	-	22	0.00%	22	0.00%
Other Shareholders	6,297,477	40.56%	22,810,103	98.98%	29,107,580	75.46%
Total	**15,527,137**	**100.00%**	**23,044,454**	**100.00%**	**38,571,591**	**100.00%**
Shares in Corculation	6,297,477	40.56%	22,810,103	98.98%	29,107,580	75.46%

Source: DEF/DPRI

9. SHARES IN CIRCULATION

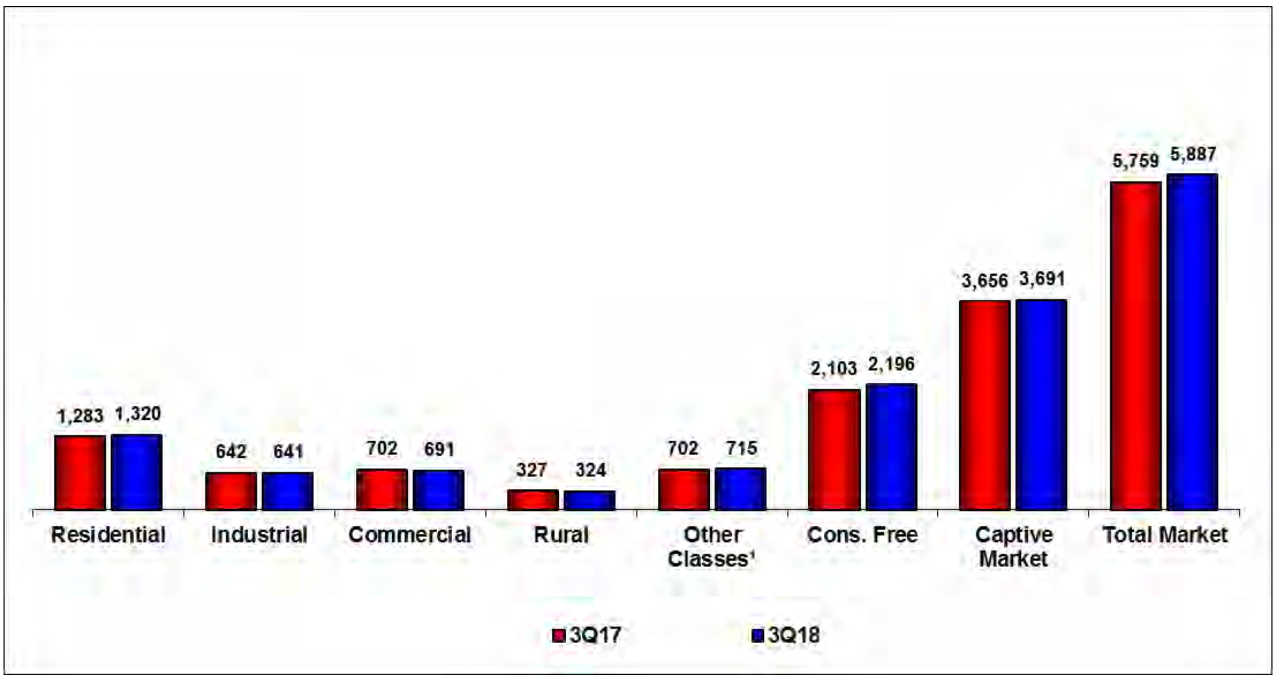
Description	ON Shares – CLSC3		PN Shares – CLSC4		Total	
	Quantity	%	Quantity	%	Quantity	%
Total Capital	15,527,137	100.0	23,044,454	100.0	38,571,591	100.00
Shares in Circulation	6,297,477	40.56%	22,810,103	98.98%	29,107,580	75.46%

Source: DEF/DPRI

10. ENERGETIC BALANCE

Celesc Distribuição S.A. - Celesc D's Captive Billed Market posted a growth of 1% in the third quarter of 2018 in relation to the same period of the previous year, reaching 3,691 GWh. Regarding the Total Market, including free consumers, the increase in electricity consumption was 1.8%, reaching 5,887 GWh.

The chart below shows the consumption values of each class in the Captive Market, as well as the Total Market:



Source: DCL/DPCM/DVME
Note: Other Classes¹ = Public Power + Street Lighting + Public Service + Resale. Own consumption not considered.
Residential / Industrial / Commercial / Rural / Other Classes¹ / Free Consumers /Captive Market / Total Market

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11. ELECTRICITY MARKET

ELECTRICITY CAPTIVE MARKET

Description	2018		2017		Vertical Variation				Horizontal Variation	
	3rd Quarter	Accrued	3rd Quarter	Accrued	3rd Quarter 2018	Accrued 2018	3rd Quarter 2017	Accrued 2017	3rd Quarter 18-17	Accrued 18-17
Sales Revenue by Consumption Class in R$ K										
Residential	896,666	2,704,863	753,135	2,420,369	38.2%	38.7%	37.8%	38.7%	19.1%	11.8%
Industrial	513,564	1,414,488	437,686	1,281,270	21.9%	20.2%	22.0%	20.5%	17.3%	10.4%
Commercial	520,682	1,653,999	453,312	1,503,407	22.2%	23.7%	22.7%	24.0%	14.9%	10.0%
Rural	151,385	446,523	128,095	394,163	6.4%	6.4%	6.4%	6.3%	18.2%	13.3%
Public Power	71,520	212,649	62,217	187,489	3,0%	3.0%	3.1%	3.0%	15.0%	13.4%
Street Lighting	71,850	193,043	59,454	168,722	3.1%	2.8%	3.0%	2.7%	20.9%	14.4%
Public Service	52,603	146,265	43,652	128,252	2.2%	2.1%	2.2%	2.0%	20.5%	14.0%
Subtotal	**2,278,269**	**6,771,830**	**1,937,549**	**6,083,671**	**97.0%**	**96.9%**	**97.2%**	**97.2%**	**17.6%**	**11.3%**
Supply	70,110	218,903	55,249	172,533	3.0%	3.1%	.,8%	2.8%	26.9%	26.9%
TOTAL	**2,348,379**	**6,990,733**	**1,992,798**	**6,256,204**	**100%**	**100%**	**100%**	**100%**	**17.8%**	**11.7%**
Consumption by Class in MWh										
Residential	1,319,863	4,314,636	1,282,977	4,242,063	35.8%	36.2%	3.,1%	35.9%	2.9%	1.7%
Industrial	641,009	1,899,893	642,461	1,939,432	17.4%	15.9%	17.6%	16.4%	-0.2%	-2.0%
Commercial	691,157	2,409,758	701,929	2,438,726	18.7%	20.2%	19.2%	20.6%	-1.5%	-1.2%
Rural	323,981	1,058,375	326,720	1,034,075	8.8%	8.9%	8.9%	8.8%	-0.8%	2.3%
Public Power	100,621	329,829	101,931	325,368	2.7%	2.8%	2.8%	2.8%	-1.3%	1.4%
Street Lighting	162,123	487,962	161,909	474,753	4.4%	4.1%	4.4%	4.0%	0.1%	2.8%
Public Service	88,218	270,555	86,456	263,404	2.4%	2.3%	2.4%	2.2%	2.0%	2.7%
Subtotal	**3,326,972**	**10,771,008**	**3,304,382**	**10,717,820**	**90.1%**	**90.4%**	**90.4%**	**90.7%**	**0.7%**	**0.5%**
Supply	364,405	1,143,179	351,851	1,099,907	9.9%	9.6%	9.6%	9.3%	3.6%	3.9%
TOTAL	**3,691,376**	**11,914,187**	**3,656,233**	**11,817,728**	**100%**	**100%**	**100%**	**100%**	**1.0%**	**0.8%**
Unit Average Price for the MWh in R$										
Residential	679.36	626.90	587.02	570.56	106.8%	106.8%	107.7%	107.8%	15.7%	9.9%
Industrial	801.18	744.51	681.26	660.64	125.9%	126.9%	125.0%	124.8%	17.6%	12.7%
Commercial	753.35	686.38	645.81	616.47	118.4%	117.0%	118.5%	116.4%	16.7%	11.3%
Rural	467.27	421.89	392.06	381.17	73.4%	71.9%	71.9%	72.0%	19.2%	10.7%
Public Power	710.78	644.72	610.38	576.24	111.7%	109.9%	112.0%	108.8%	16.4%	11.9%
Street Lighting	443.18	395.61	367.20	355.39	69.7%	67.4%	67.4%	67.1%	20.7%	11.3%
Public Service	596.29	540.61	504.90	486.90	93.7%	92.1%	92.6%	92.0%	18.1%	11.0%
Subtotal	**684.79**	**628.71**	**586.36**	**567.62**	**107.6%**	**107.1%**	**107.6%**	**107.2%**	**16.8%**	**10.8%**
Supply	192.40	191.49	157.02	156.86	30.2%	32.6%	28.8%	29.6%	22.5%	22.1%
TOTAL	**636.18**	**586.76**	**545.04**	**529.39**	**100%**	**100%**	**100%**	**100%**	**16.7%**	**10.8%**

Source: DCL

12. COMMITMENT CLAUSE

The Company informs that it is bound to arbitration in the Market Arbitration Chamber, according to the Arbitration Clause contained in its Bylaws, article 64. "The Company, its shareholders, administrators and members of the Fiscal Council undertake to resolve, through arbitration, before the Market Arbitration Chamber, any dispute or controversy that may arise between them, related to or arising in particular from the application, validity, effectiveness, interpretation, violation and its effects, of the provisions contained in the Law of the Company's Bylaws, the rules issued by the National Monetary Council, the Central Bank of Brazil and the Securities and Exchange Commission, as well as other rules applicable to the operation of the capital market in general, in addition to those Regulation of Level 2, the Level 2 Participation Contract, the Sanctions Regulation and the Arb Regulation of the Market Arbitration Chamber."

13. INDEPENDENT AUDITORS

Pursuant to CVM Instruction No. 381, dated from January 14, 2003, and ratified by Circular Order CVM/SNC/SEP No. 01, dated from February 25, 2005, the Company informs that the Independent Auditor did not provide any type of service other than those strictly related to the external audit activity.

Florianópolis, November 14, 2018.

The Administration

1. OPERATING CONTEXT

Centrais Elétricas de Santa Catarina S.A. – Celesc, is a publicly traded joint stock company, founded on December 9, 1955 by State Decree No. 22, headquartered at Itamarati Avenue, 160, Itacorubi neighborhood, Florianópolis, Santa Catarina, Brazil.

It obtained its first stock exchange listing on March 26, 1973, and today its shares are traded on the São Paulo stock exchange in Level 2 of Corporate Governance of B3 S.A. - Brasil, Bolsa, Balcão, in São Paulo.

The majority shareholder is the State of Santa Catarina, which holds 50.18% of the Company's ordinary shares, corresponding to 20.20% of the Total Capital. The updated, subscribed and paid-up share capital is R$ 1,340,000,000.00 represented by 38,571,591 nominative shares, with no par value, of which 40.26% are ordinary voting shares and 59.74% are preferred shares, also nominative, without voting rights.

The main activities of the Company and its subsidiaries and affiliates are the generation, transmission and distribution of electricity. In addition, its jointly-owned subsidiary Companhia de Gás de Santa Catarina S.A. - SCGÁS, operates in the piped natural gas distribution segment.

Net current capital at the end of the third quarter of 2018 is negative by R$ 633,935, due to the payment of the 3rd annual installment of the amortization of Celesc D Debentures in the amount of R$ 100 million, to the increase in the accounting of semiannual interest, and to the monthly installments of Decree No. 7,891/2013 of the CDE.

In addition, Celesc D contracted R$ 300 million for working capital, of which R$ 150 million was with Banco do Brasil and R$ 150 million with Banco Safra, both through the Agroindustrial Credit Line, with lower interest rates and a term of 12 months, to cope with increases in energy costs coupled with the fluctuations in GSF and PLD energy values. Also considered in this quarter, as factors impacting the CCL, is the increase in taxes, caused by the increase in the gross revenue of the Company's subsidiaries and the increase in the suppliers' account.

2. BUSINESS PROFILE

2.1. Consolidated Comprehensive Subsidiaries

2.1.1. Celesc Distribution S.A. - Celesc D

Celesc D, a wholly-owned subsidiary of Celesc, on December 9, 2015, in a lawsuit filed by the Ministry of Mines and Energy - MME, signed the 5th Addendum to the Concession Agreement no. 56/99, thus extending the concession for another 30 years until July 7, 2045.

Celesc D operates wholly or partially in the distribution of electricity to 287 municipalities, in addition to part of the municipality of Rio Negro, in Paraná, totaling the provision of services to a portfolio of more than 2.9 million customers billed.

2.1.1.1. Regulatory Environment

a) 2018 Annual Tariff Readjustment

The National Electricity Agency (ANEEL), through Homologatory Resolution No. 2,436 from August 13, 2018, approved the Tariff Adjustment of Celesc D, applied as of August 22, 2018. Said adjustment resulted in a tariff effect average to be perceived by consumers, around 13.86%, being 15.05% on average for connected consumers in the High Voltage and 3.15% on average for consumers connected in the Low Voltage. The Sector Charges have a 4.77% share, 1.42% Transmission Costs, 5.08% Energy Expenses, 0.06% Unrecoverable Revenues, 0.37% with Distributor Costs, 7, 48% related to the Financial Components of the current process, and -2.48% related to the withdrawal of the Financial Components of the previous ordinary process.

When calculating the adjustment, as established in the concession agreement, ANEEL considers the variation of costs associated with the provision of the service, and takes into account the acquisition and transmission of electricity, as well as the sector charges.

In the composition of the Net Revenue for the 2018-2019 period, Portion A (non-manageable costs with charges, transmission and energy) participates with 81.4%. Portion B (manageable costs) represents 18.6%, defined in the amount of R$ 1,506,197.

b) Tariff Banners

The additional tariff flags in force for 2018 are:

i) Green Flag: favorable conditions of energy generation. The tariff will not undergo any additional fees;
ii) Yellow Flag: R$ 10.00/Mwh;
iii) Red Flag on level 1: R$ 30.00/Mwh;
iv) Red Flag on level 2: R$ 50.00/Mwh.

According to ANEEL, the proposal for the activation metric takes into account the definition of hydrological risk cost, where there is an indirect relationship between the depth of the hydraulic generation deficit and the short-term electric energy price. The composition of these two variables, in a trigger system, means that the estimated collection, with the proposed values, is closer to the costs incurred.

The activation of the flags and the monthly values of the CCRBT Tariff Area Funds Account, transferred to Celesc D, as well as the amounts transferred from Celesc D to CCRBT for the purpose of Settlement of Short-Term Market Operations with the Chamber of Commerce of Electric Energy - CCEE, until the third quarter of 2018 are:

Month	Flag	Transfer from CCRBT to Celesc D (R$ K)	Transfer from Celesc D to CCRBT (R$ K)
January	Green	-	-
February	Green	-	1,627
March	Green	1,905	-
April	Green	1,868	-
May	Yellow	2,458	-
June	Red – Tier 2	5,688	-
July	Red – Tier 2	4,092	-
August	Red – Tier 2	4,318	-
September	Red – Tier 2	4,262	-

Source: DEF/DPCO and DRJ/DPRA

c) 2014 Contractual Exhibit – ANEEL Order No. 2,642/2015 and 2,078/2016

Celesc D filed a lawsuit against ANEEL, seeking to challenge the Order in 2,078/16, in order to obtain the full recognition of contractual exposures as involuntary, at the same time that it requested the grant of an injunction to suspend the application of reducer R$ 256.6 million, expected to be applied together with the homologation of the Periodic Tariff Review process that would occur until August 22, 2016.

After the lawsuit was filed, a preliminary injunction was granted to remove the tariff reducer mentioned above, which ANEEL responded to when it approved the Tariff Review, and Celesc D is currently discussing the merits of the lawsuit in seeking the full recognition of the contractual exposure as involuntary and, thus, eliminating any tariff reducer, as well as the application of penalties by the Electricity Trading Chamber - CCEE.

2.1.2. Celesc Geração S.A. - Celesc G

Celesc G is the wholly-owned subsidiary of Celesc, which is responsible for the operation, maintenance, expansion and marketing of the Company's generating plant, currently formed by a Small Hydroelectric Plant - SHP, six hydroelectric plants - HPPs and five hydroelectric generating plants - HGPs owned by Celesc G. Moreover, it has investments in partnership with private investors, with six generators developed in the form of a Specific Purpose Company (SPE or SPC) and a transmitter.

The generation plant owns 106.97MW of installed power, pursuant to the table below:

Own Generating Site – Plants 100% owned by Celesc G

Generator	Locality	Installed Power (MW)	Physical Warranty (MW)	Concession Expiry Date
Palmeiras HPP	Rio dos Cedros/SC	24.60	16.7	11/07/2046
Bracinho HPP	Schroeder/SC	15.00	8.8	11/07/2046
Garcia HPP	Angelina/SC	8.92	7.1	01/05/2046
Cedros HPP	Rio dos Cedros/SC	8.40	6.75	11/07/2046
Salto HPP	Blumenau/SC	6.28	3.99	11/07/2046
Pery HPP	Curitibanos/SC	30.00	14.08	07/09/2046
Celso Ramos SHP	Faxinal do Guedes/SC	5.62	3.8	03/17/2035
Caveiras HGP	Lages/SC	3.83	2.77	(i) (ii)
Ivo Silveira HGP	Campos Novos/SC	2.60	2.03	(ii)
Piraí HGP	Joinville/SC	0.78	0.45	(ii)
São Lourenço HGP	Mafra/SC	0.42	0.22	(ii)
Rio do Peixe HGP	Videira/SC	0.52	0.5	(ii)
Total		**106.97**	**67.19**	

Source: DGT/ADGT

(i) Authorizing Resolution No. 7,246, dated from August 21, 2018, terminated the concession of the Caveiras Hydroelectric Power Plant, granted to Celesc G, exemption from the reversal of concession assets pursuant to Act 12,783/2013. ANEEL has already filed an application for conducting inventory studies for the stretch of the river where the Caveiras HGP plant is installed, with a view to promoting the expansion of its installed capacity.

(ii) Hydroelectric Generating Plants (HGPs), with a power less than 5MW, are exempt from the concession act, thus not having an expiration date.

Other projects are under review for the expansion and reactivation of wholly-owned plants, according to the table below:

Generation Expansion Projects –Celesc G Own Site

Investments in Expansion and New Plants	Installed Power (MW)	Added Power (MW)	Property	Final Power (MW)	Concession Expiry Date
Investments to Expand the Celso Ramos SHP	5.62	7.20	100%	12.82	03/17/2035
Investments in Reactivation at the Maruim HGP	0.00	1.40	100%	1.40	-
Expansion investments in the Salto HPP	6.28	23.00	100%	29.28	11/07/2046
Investments in Expanding the Cedros HPP (1 and 2) (i)	8.40	4.60	100%	13.00	11/07/2046
Investments in Expanding the Palmeiras HPP (i)	24.60	0.75	100%	25.35	11/07/2046
Investments in Expanding the Caveiras HGP (i)	3.83	10.00	100%	13.83	-
Total	**48.73**	**46.95**		**95.68**	

Source: DGT/ADGT

(i) It will depend on the Rio Excerpt Inventory Study and the Grant of Authorization.

As for the physical warranty (new or incremental), the company seeks to obtain on average 55% capacity factor of the total plant after expansion, a standard observed for other ventures in operation with similar characteristics.

The generation site, already in operation, in partnership with private investors in the format of Special Purpose Companies - SPE, has 31.78MW. The power equivalent to Celesc G's equity interest in these projects is 11.24MW of installed capacity, as shown in the table below.

New Ventures in Operation - Minority Interest

Plants	Location	Concession Term	Installed Power (MW)	Celesc Geração Share	Equivalent Installed Power (MW)
Prata SHP	Bandeirante/SC	05/13/2039	3.00	26.07%	0.78
Belmonte SHP	Belmonte/SC	05/13/2039	3.60	26.07%	0.94
Bandeirante SHP	Bandeirante/SC	05/13/2039	3.00	26.07%	0.78
Rondinha SHP	Passos Maia/SC	10/14/2040	9.60	32.50%	3.12
Xavantina SHP	Xanxerê/SC	04/08/2040	6.08	40.00%	2.43
Garça Branca SHP	Anchieta/SC	03/13/2043	6.50	49.00%	3.19
Total - MW			**31.78**		**11.24**

Source: DGT/ADGT

Celesc G has a corporate interest in three other projects, still at a development stage, totaling 19.15MW of Installed Power. The power equivalent to Celesc G's equity interest in these projects is 5.98MW of Proportional Installed Power, as shown in the table below:

New Ventures Under Development - Minority Interest

Investments in Expansion and New Plants	Installed Power (MW)	Physical Warranty (MW)	Property	Proportional Installed Power (MW)	Proportional Physical Warranty (Average MW)	Concession Expiry Date
Campo Belo SHP	9.95	4.31	30.00%	2.99	1.29	05/13/2044
Painel SHP	9.20	4.80	32.50%	2.99	1.56	03/05/2043
Total	**25.65**	**12.51**		**9.17**	**4.52**	

Source: DGT/ADGT

In addition to the aforementioned projects, Celesc G holds a 10% interest (90% under the control of EDP Energias do Brasil) in a transmission project, called EDP Transmissão Aliança SC, whose purpose is to implement lot 21 of the Auction on 05/2016 of ANEEL, the third largest project offered at the April 2017 auction, with investments expected at R$ 1.1 billion. It is composed of several facilities in the state of Santa Catarina, according to the table below:

New Ventures in Transmission Development

Origin	Destination	Circuit[1]	Extension (KM)	Voltage (Kv)
Abdon Batista SE	Campos Novos SE	CS	39.8	525
Siderópolis 2 SE	Abdon Batista SE	CD	209.0	525
Biguaçu SE	Siderópolis 2 SE	CS	150.5	525
Siderópolis 2 SE	Siderópolis 2 SE	CD	6.0	230
Siderópolis 2 SE	Forquilhinha S E	CS	27.8	230

The facilities aim to expand the system of the southern and plateau region of the state of Santa Catarina and will also enable Celesc to connect its distribution system to the new structure in order to bring direct benefits to critical regions in the state's energy system. The deadline for implementing the works is 60 months and the business start-up determined is for August 2022, with a possibility of anticipation. The SPE was formed in July 2017 and the Concession Agreement was signed in August of that year.

On April 9, 2018, the Environmental Impact Study/Environmental Impact Report - EIA/RIMA was filed at the Environmental Institute of Santa Catarina - IMA/SC. On June 15, Ordinance No. 35 was signed by IPHAN, approving the Impact Assessment Project for the Archaeological Heritage of the Venture Deployment Area. The Basic Environmental Project – PBA or BEP was sent to the IMA/SC and the Installation License, required on July 5, is subject to approval. The business start-up established by ANEEL is in August 2022 and the requirements of the Preliminary Licenses before the deadline favor the onset of the Installation License and, consequently, the beginning of the anticipated works for building the projects.

The following table summarizes the main venture information:

New Transmission Investments - Minority Interest

Transmitter	Location	Final Concession Term	Km Line	Substations	Deadline for entry into operation	Status
EDP Transmissão Aliança SC	Santa Catarina	08/11/2047	433	1	08/11/2022	Licensing

Source: DGT/ADGT

2.1.2.1. Regulatory Environment

a) Extended Concessions

Celesc G obtained authorization to enlarge Celso Ramos SHP in the order of 7.2MW (5.62MW to 12.82MW) by means of ANEEL Authorization Resolution No. 5,078/2015, as well as the extension of the concession for 20 years, conditioned to the conclusion of the project by November 2021. In 2018, the project went through a consolidation process, which was sent to ANEEL and Celesc G has already begun internal procedures for contracting the works.

b) Physical Warranty Adjustment Factor

Celesc G, as well as most generators in the country, seeks to suspend the registration of costs incurred by hydroelectric generators, resulting from the application of Generation Scaling Factor - GSF, since the frustration of hydroelectric generation in the current scenario stems both from a structural and cyclical order. The GSF represents an index that expresses the ratio between the sum of all the energy produced by the MRE Plants and the sum of the physical guarantees of the Plants.

Since August 2015, Celesc G has an injunction that obligates CCEE to limit the incidence of GSF to the maximum percentage of 5% of the total Physical Warranty, including any collection or apportionment resulting from the GSF Adjustment Factor or from other legal proceedings. In mid-August, the Judge who is competent to try the ordinary action raised the Incidence of Repetitive Claims - IRDR before the Federal Regional Court of the 1st Region, suspending the process for 60 days. If the IRDR is still admitted, the Rapporteur shall order the suspension of all cases with the same matter, for a maximum period of one (1) year. The Rapporteur shall hear the parties and other interested parties within 15 days.

If the IRDR is judged, the legal thesis will be applied by the other judges to the identical cases in process, noting that there are other IRDRs already established on the same subject before the TRF of the 1st Region.

Celesc G has been continuously monitoring the progress of the process and monitoring the market operations in order to anticipate measures, if necessary.

2.2. Other Interests

2.2.1. Companhia de Gás de Santa Catarina S.A. – SCGÁS

Celesc holds 51% of the ordinary shares and 17% of the total share capital of the jointly controlled company SCGÁS, the company responsible for distributing natural piped gas in Santa Catarina. Founded in 1994, it operates as a mixed-capital company and has as its shareholders Centrais Elétricas de Santa Catarina S.A. – Celesc, Petrobrás Gás S.A. - Gaspetro, Mitsui Gás e Energia do Brasil Ltda - Mitsui Gás e Infraestrutura de Gás para a Região Sul S.A. - Infragás.

SCGÁS holds a Concession Agreement for the operation of piped gas distribution services executed on March 28, 1994, with a 50-year term.

It should be noted that in 2013 the Santa Catarina State Attorney General's Office (PGE), representing the Government of the State of Santa Catarina and Celesc, filed a lawsuit against SCGÁS, Petrobras Gás S.A. – Gaspetro, Mitsui Gás e Energia do Brasil LTDA e Infragás S.A., questioning changes in the Share Capital and the Shareholders Agreement of 1994, obtaining a favorable injunction in a 1st degree judgment. Meanwhile, Mitsui Gás and Gaspetro shareholders have filed an injunction, suspending the effects of said preliminary injunction in appeal, presenting the appropriate judicial remedies. The TJSC, through a ruling of the 3rd Public Law Chamber, decided on April 24, 2018 to grant the appeals of Gaspetro, Mitsui and SCGÁS, reforming the ruling favorable to the State of Santa Catarina and Celesc, considering the bylaws and shareholder agreement amendment as legal. Due to this decision, the State of Santa Catarina has filed Embargoes of Declaration, still not judged by the Court.

2.2.2. Empresa Catarinense de Transmissão de Energia – ECTE

Affiliate ECTE has as its social purpose providing services for the planning, implementation, construction, operation and maintenance of electric power transmission facilities, including support and administrative services, programming, measurements and other services necessary for the transmission of electricity.

ECTE will hold the Electric Power Transmission Service concession for a period of 30 years, as of November 1, 2000, for the implementation, maintenance and operation of the 525kV Voltage Transmission Line, with a 252.5km extension of lines between the Campos Novos and Blumenau substations in the state of Santa Catarina. Celesc holds a 30.88%

stake in ECTE's share capital, Alupar has 50%, and Transmitter, Aliança de Energia Elétrica SA - TAESA, holds 19%.

The ECTE system integrates the Basic Network of the National Interconnected System, whose coordination and control of the electric power transmission operation, under the supervision and regulation of ANEEL, is the responsibility of the National Electric System Operator – ONS, authorized by the Ministry of Mines and Energy – MME. ECTE has a subsidiary, Empresa de Transmissão Serrana S.A. – ETSE, whose Concession Agreement for the transmission of electric energy is dated from May 10, 2012, with a 30-year term, responsible for building Substations Abdon Batista (525kV/230kV) and Gaspar (230kV/138kV).

2.2.3. Dona Francisca Energética S.A. – DFESA

The affiliate DFESA is an independent electricity producing concessionaire, with a Concession Agreement from August 28, 1998 and a 35-year term, with an installed capacity of 125 MW and guaranteed energy of 80 MW. Celesc holds 23.03% of the Company's ordinary shares. The Gerdau companies, with a 52% stake; Copel with 23% and Statkraft Energias Renováveis S.A. with 2%, are the other partners.

2.2.4. Usina Hidrelétrica Cubatão S.A. – Cubatão Plant

Usina Hidrelétrica Cubatão S.A. is a Special Purpose Company – SPE, established in 1996, for deploying the Cubatão Hydroelectric Power Plant. It is a venture located in Joinville, Santa Catarina, with an Installed Power of 45MW. After facing environmental obstacles, rejection of the postponement of the concession period and the consequent economic impracticability for developing the project, the venture requested the regulatory agency to amicably terminate Concession Agreement No. 04/1996 (ANEEL Case No. 48100.003800/1995-89).

By means of Ordinance No. 310, dated from July 27, 2018, the Minister of State for Mines and Energy, extinguished the concession for the use of Hydraulic Energy referred to as Cubatão HPP, registered with the Unique Code of the Generation Venture – CEG: UHE. PH.SC.027062-8.01. It further acknowledges that there are no reversible assets linked to the concession, nor any encumbrances of any nature to the Granting Authority or ANEEL.

Celesc owns 40% of the Company's share capital, Inepar owns 40% and Statkraft has 20%. The investment in Usina Cubatão is fully provisioned as a devaluation in equity interest.

2.2.5. Companhia Catarinense de Água e Saneamento – Casan

Casan is a publicly-traded mixed-capital company with the role of planning, executing, operating and exploring potable water supply and sanitation services in its concession area, in which Celesc owns 15.48% of the total shares. The controlling shareholding is owned by the Government of the State of Santa Catarina, which owns 64.21%; the other investors are: SC Participações e Parcerias S.A. – SC Par holder with 18.03% and Codesc with 2.28%. The investment in Casan is classified in the Company's Financial Statements as Fair Value through Other Comprehensive Income - VJORA.

3. BASIS OF PREPARATION

The preparation bases applied in this Quarterly, Individual and Consolidated Information are described below.

3.1. Compliance Statement

The Individual and Consolidated Financial Statements have been prepared and are presented in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statements and International Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented as per the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information (ITR).

The issuance of the interim accounting information was authorized by the Board of Executive Officers on October 29, 2018.

3.2. Functional Currency and Presentation Currency

The Interim Financial Statements, Individual and Consolidated, are shown in Brazilian Reais, which is the functional currency and all amounts are rounded to thousands of Reais, except when indicated otherwise.

3.3. Critical Accounting Estimates and Judgments

Estimates and accounting judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events, which are considered reasonable for the circumstances. By definition, the resulting accounting estimates will rarely equal their actual results.

Estimates and assumptions may cause significant adjustments in equity and income values for the following periods, impacting on the following measurements:

a) Fair value of Financial Instruments; (Note 5.6)
b) Estimated Losses on Doubtful Settlement Accounts - PECLD (Note 11)
c) Concession Bonus; (Note 13.2)
d) Impairment of Non-Financial Assets; (Notes 17 and 18)
e) Realization of Deferred Income Tax and Social Contribution; (Note 20)
f) Contingencies; (Note 27)
g) Benefits of Pension Plans (Actuarial Liabilities); (Note 28)
h) Unbilled revenue - Celesc D (Note 31.1);
i) Depreciation - Celesc G (Note 18);
j) Amortization of Indemnifying Assets - Celesc D (Note 19).

4. ACCOUNTING POLICIES

The preparation basis and the accounting policies are the same used in the preparation of the Annual Financial Statements for the year ended on December 31, 2017, contemplating the adoption of accounting pronouncements effective as of January 1, 2018.

4.1. Measurement Basis

The Financial Statements have been prepared based on historical cost, with the exception of Financial Assets measured at Fair Value through Other Comprehensive Income - VJORA and at Fair Value through Profit - VJR recognized in the balance sheets.

4.2. Accounting Policies, Change of Estimates and Error Rectification

The Company reviewed its accounting policies in order to better present its operating and financial income. For comparability purposes, reclassifications were made to the corresponding amounts related to the Consolidated Statement of Cash Flow for the period ended on September 30, 2017, as set forth in CPC 23 – Accounting Policies, Change of Estimates and Error Rectification (IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors), CPC 26 (R1) – Presentation of Financial Statements and CPC 21 (R1) – Interim Financial Reporting (IAS 34th Interim Financial Reporting).

These reclassifications had no impact on the Company's results. The effects of these restatements are shown below:

4.2.1. Cash Flow Statement – Consolidated

			Consolidated
Cash Flows from Operating Activities	**September 30, 2017**	**Reclassification**	**September 30, 2017 (Re-submitted)**
Increase (Reduction) in Liabilities	**913,513**	-	**913,513**
Suppliers	255,252	-	255,252
Labor and Social Security Obligations (i)	23,637	(41,864)	(18,227)
Taxes to be collected	95,673	-	95,673
Financial Liabilities - "Portion A" - CVA	220,236	-	220,236
Regulatory Fees (ii)	479,272	-	479,272
Actuarial Liabilities (i)	(158,957)	41,864	(117,093)
Other accounts	(1,600)	-	(1,600)

(i) Celesc D reclassified from the Actuarial Liabilities for Labor and Social Security Obligations the Voluntary Dismissal Program (PDV or VDP) and the Incentivized Disenrollment Plan (PDI or IDP). These reclassifications changed the balances of these items by R$ 41,864.

4.3. Changes in Accounting Policies and Disclosures

The following changes in standards were issued by the IASB and adopted by the Accounting Pronouncements Committee (CPC) for the year beginning on January 1, 2018.

IFRS 9/CPC 48 - "Financial Instruments" – It covers the classification, measurement and recognition of Financial Assets and Liabilities. The main changes that IFRS 9 brings are (i) new financial asset classification criteria, measured at amortized cost, at fair value through other comprehensive income – VJORA and at fair value through profit or loss – VJR; (ii) a new impairment model for Financial Assets, a hybrid of expected losses and prospecting of losses incurred, replacing the current model of losses incurred; and (iii) flexibilization of the requirements for adopting hedge accounting.

The restatement of comparative information arising from changes in the classification and measurement of financial instruments, including expected credit losses, from prior periods is not required. Accordingly, with the initial application of CPC 48/IFRS 9 as of January 1, 2018, the Company recognized the differences in the accounting balances of financial assets in profit reserve.

The impact value on Net Worth on January 1, 2018 was R$ 11,707, of which R$ 16,784 was related to Estimated Losses in Doubtful Settlement Credits – PECLD and R$ 5,077 of Deferred Taxes and Social Contributions and represent the best expectation of credit losses in the base date of the Annual Financial Statements.

4.3.1. Balance Sheet

			Controller			Consolidated
	December 31, 2017	Adoption CPC48/ IFRS 9	January 01, 2018	December 31, 2017	Adoption CPC48/ IFRS 9	January 01, 2018
CURRENT ASSETS						
Accounts Receivable from Customers	-	-	-	1,399,563	(16,784)	1,382,779
NON-CURRENT ASSETS						
Investments	1,644,222	(11,707)	1,632,515	-	-	-
Deferred Taxes and Social Contributions	-	-	-	641,806	5,077	646,883
TOTAL ASSETS	**1,867,664**	**(11,707)**	**1,855,957**	**9,060,252**	**(11,707)**	**9,048,545**
TOTAL LIABILITIES	**25.426**	**-**	**25,426**	**7,218,014**	**-**	**7,218,014**
NET WORTH						
Accrued Profit	-	(11,707)	(11,707)	-	(11,707)	(11,707)
TOTAL LIABILITIES AND NET WORTH	**1,867,664**	**(11,707)**	**1,855,957**	**9,060,252**	**(11,707)**	**9,048,545**

***IFRS* 15/CPC 47 – "Revenue from Contracts with Customers" –** This new standard provides the principles that an entity will apply to determine the measurement of revenue and when it is recognized. The effective modifications brought by CPC 47 are: i) the contract modification (retroactive adjustment); ii) recognition of the Revenue complied with an obligation and then the transfer of control to the customer; iii) recognition of the Revenue at any given moment or over time; iv) determination of the total or partially variable price; v) use of estimates and limits that require a high degree of judgment, which may affect the value or even the revenue recognition moment; vi) broader disclosures.

The performance of the distributors in relation to the quality of the service and the product offered to consumers is perceived by the evaluation of interruptions in the electric power supply. Of note in the service quality aspect are the individual continuity indicators, the Individual Interruption Duration per Consumer Unit or Connection Point - DIC and the Individual Interruption Frequency per Consumer Unit or Connection Point - FIC.

According to the determination of the Accounting Manual of the Electric Sector - MCSE, these penalties are classified in Operational Expenses.

With the adoption of the new standard, Celesc D reclassified R$ 11,665 of Cost of Services Provided for Sales Revenue and Electric Energy Service, referring to the DIC and FIC penalties, recognizing the Revenue in a net form of variable consideration.

4.3.2. Statement of Income for the Year – Consolidated

			Consolidated
	September 30 2017	**Reclassification (CPC 47)**	**September 30. 2017 (Re-submitted)**
Net Operational Revenue – ROL	**5,122,407**	**(11,665)**	**5,110,742**
Revenue from Sales and Services	4,535,731	(11,665)	4,524,066
Construction Revenue	302,141	-	302,141
Revenue Portion A - CVA	283,134	-	283,134
Update of Financial Assets - VNR	1,401	-	1,401
Cost of Sales/Services Rendered	**(4,450,095)**	**11,665**	**(4,438,430)**
Cost of Goods Sold	(3,660,096)	-	(3,660,096)
Cost of Products Sold	(18,528)	-	(18,528)
Cost of Services Rendered	(469,330)	11,665	(457,665)
Construction Cost	(302,141)	-	(302,141)

4.3.3. Statement of Added Value – Consolidated

			Consolidated
	30th of September 2017	**Reclassification (CPC 47)**	**September 30. 2017 (Re-submitted)**
Revenues	**8,311,182**	**(11,665)**	**8,299,517**
Sale of Goods, Products and Services	8,001,636	(11,665)	7,989,971
Construction Revenue	302,141	-	302,141
Estimated Losses for Doubtful Settlement Accounts	(60,824)	-	(60,824)
Other Revenues	68,229	-	68,229
Inputs from Third Parties	**(4,176,230)**	**11,665**	**(4,164,565)**
Cost of Products, Goods and Services Sold	(3,734,147)	-	(3,734,147)
Materials, Energy, Third Party Services	(139,942)	11,665	(128,277)
Losses / Recovery of Assets	-	-	-
Construction Cost	(302,141)	-	(302,141)

4.4. New Standards and Interpretations

The following new standard was issued by the IASB but is not in force for the year 2018. The early adoption of standards, although encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncements Committee (CPC).

IFRS 16/CPC 06 - "Leasing Operations" - With this new standard, lessees will have to recognize the liability of future payments and the right to use the leased asset for practically all leases, including operating leases, and certain short-term or small-value contracts may fall outside the scope of this new standard. The administration is still evaluating the impacts of its adoption. Effective as of January 1, 2019.

There are no other IFRS standards or IFRIC interpretations that have not yet come into effect that could have a material impact on the Group's Financial Statements.

5. RISK MANAGEMENT

The Company's Internal Planning and Control Department (DPL) develops the strategic management of risks and internal controls, drawing up a map of strategic risks, modeling these risks to mitigate them through action plans, aiming to reach the Company's strategies.

5.1. Financial Risk Class

5.1.1. Credit Category:

Non-compliance

Risk of impairment of financial economic planning due to non-receipt of invoiced revenue due to communication, delivery and collection deficiencies in relation to customers.

5.1.2. Category Liquidity:

Access to the Capital Markets

Risk of the impossibility or unavailability of obtaining third-party capital from the market, affecting cash planning, execution of strategies or future generation of financial returns, through the commitment of the capital structure.

Cash flow

Risk of low financial liquidity is due to the low collection, impossibility of funding, defaults, excess expenses and/or investments, to fulfill financial commitments and the business strategy.

The amounts disclosed in the table are the undiscounted contracted cash flows.

							Consolidated
							30th of September 2018
Description	**Fees %**	**Less than a month**	**From one to three months**	**From three months To One year**	**Between one and five years**	**Above 5 years**	**Total**
Accounts Receivable		1,370,609	42,837	26,083	41,386	8,322	1,489,237
Cash and Cash Equivalents		318,009	-	-	-	-	318,009
CDE Subsidy (Decree No. 7,891/13) (i)		1,511,003	-	-	-	-	1,511,003
Financial Assets - "Portion A" - CVA		24,499	49,147	225,920	243,642	-	543,208
Grant Bonus	IPCA	2,746	5,424	23,543	106,694	191,519	329,926
Total Assets		3,226,866	97,408	275,546	391,722	199,841	4,191,383

							Consolidated 30th of September 2018
Corporate Card	1.23% p.m.	26,363	-	-	-	-	26,363
Bank Loan	7.40% p.a. to 7.67% p.a.	1,065	-	308,285	-	-	309,350
Eletrobrás	5% p.a.	1,190	2,343	8,826	5,341	1,856	19,556
Finame	2.5% to 9.5% p.a.	740	1,335	6,093	23,866	796	32,830
Debentures – Celesc D	CDI + 1.3% p. a. to 1.9% p.a.	2,427	2,938	102,011	287,019	-	394,395
Debentures – Celesc G	125% of CDI	-	864	17,699	153,176	-	171,739
Suppliers		541,417	451,268	52	-	-	992,737
Energy Development Account – CDE (i)		2,189,392	-	-	-	-	2,189,392
Mathematical Reserve to be amortized	IPCA + 6%	11,607	9,616	45,434	327,144	143,442	537,243
Total Liabilities		2,774,201	468,364	488,400	796,546	146,094	4,673,605

(i) See Note 26. (ii) Selic Rate projected for the 12 following months.

Actuarial

Risk of financial losses as a result of the joint and several liability of Celesc, as the sponsor of its employees' pension fund (Celos), by definition of a wrong actuarial rate, inadequate management, or in disagreement with market practices, or unexpected fluctuations in market variables.

Debt Acceleration

Risk of early maturity of debts to the financial market due to non-compliance with financial and non-financial covenants, established in clauses referring to loan, financing and debenture agreements.

5.1.3. Market Category:

Exchange Rate and Interest

Risk of losses caused by the untimely and unplanned variation in interest rates and exchange rates compromising the strategy.

5.2. Operational Risk Class

5.2.1. Management Category:

Planning and Budgeting

Risk of losses due to the absence of specialized systems, simulation of scenarios based on unreliable information, inadequate premises and difficulty in consolidating information to generate budget planning and monitoring, compromising the expectations, results and approved goals.

Counterpart

Risk of losses and/or difficulty in executing their strategies due to total or partial non-compliance by the counterparty (suppliers, service providers, etc.) of the agreed clauses, exposing the group to contingencies, joint obligations and financial losses.

Investments

Risk of losses due to investment decisions in disagreement with the strategic alignment, failure to comply with timelines, insufficient rates of return and unforeseen disbursements.

Revenues

Risk of financial losses caused by the lack of billing quality, represented by average billing, misreading, fraud, lack of quality of equipment and training of own staff and third parties.

5.2.2. Process Category:

Asset Protection

Risk of financial losses due to the lack of protection mechanisms, claims and/or unauthorized access.

Losses

Risk of revenue reduction due to increased technical and non-technical losses of marketed energy, due to the lack of infrastructure of the distribution systems or inefficiency in controlling fraud and theft.

Distributor Energy Contracting

Risk of non-full tariff transfer of contracted energy costs and penalties due to contracting outside regulatory limits

5.2.3. Electric Energy Production Risk Category:

Average Affluence

Plants of Celesc G are water-type or with relatively small reservoirs, depending directly on the rainfall regime.

Availability of Generating Units

Due to the advanced age of Celesc G Plants (ages 50 to 109), the natural wear of parts and equipment, and the improvement and modernization services, power generation is influenced by the availability of generating units.

5.3. Compliance Risk Class

5.3.1. Regulatory/Legal Category:

Tariff Review

Risk of losses due to non-compliance with the regulatory requirements established by ANEEL or changes in the methodology of the tariff revision process, resulting in tariffs lower than expected, leading to a reduction in the margin of the distributors.

Regulation of the Electric Sector

Risk of exposure to administrative sanctions applied by ANEEL in the face of inadequate internal processes, loss of value due to changes in legislation that are out of alignment with company's strategic interests, and exposure to defined government policies for the sector, as well as interference from external bodies.

Extinguishment of Distribution Concession

Risk of extinction of the Concession Agreement for the Exploration of the Electric Power Distribution Public Service for the non-compliance of the limits established in the 5th Addendum with the Distributor's Concession Agreement for the collective indicators of continuity and economic-financial sustainability.

Energy distribution

On December 9, 2015, the Company signed the 5th Addendum to Celesc D's Electricity Distribution Concession Amendment Agreement No. 56/1999, for a period of 30 years, which states that in the first 5 (five) years there will be targets to be indicators for technical quality and economic and financial sustainability, conditions for confirmation of the extension of the concession.

The technical quality indicators, namely the reduction in Celesc D's DEC, must reach 9% and in 2020 – the deadline given by ANEEL for full proof of adjustments – the level becomes a 25% reduction. Following the historical pace, the reduction of this indicator should be 5% per year.

YEAR	FINANCIAL-ECONOMIC MANAGEMENT	QUALITY INDICATORS (ESTABLISHED LIMIT)		VERIFICATION
		DECi [1]	FECi [1]	
2016		14.77	11.04	SERVED
2017	LAJIDA>0	13.79	10.44	SERVED
2018	{LAJIDA (-) QRR}≥0	12.58	9.84	
2019	{NET DEBT/[LAJIDA (-)QRR[2]]}≤1/0.8*SELIC[3]	11.56	9.25	
2020	NET DEBT/{LAJIDA (-)QRR}<1/1.11*SELIC	11.30	8.65	

Source: DDI

[1] DECi-Equivalent Duration of Interruption of Internal Origin per Consumer Unit: and FECi-Frequency of Interruption of Internal Origin by Consumer Unit;
[2] QRR: Regulatory Reintegration Quota or Regulatory Depreciation Expenses. It will be the value defined in the last Periodic Tariff Review-RTP, plus the IGP-M between the month prior to the RTP and the month prior to the twelve (12) month period of the economic-financial sustainability benchmarking;
[3] Selic: limited to 12.87% p.a.

Extinction of the Generation Concession

Risk of extinction of the extension of the Celso Ramos Plant Concession Contract due to the obligation to start commercial operations by 2021 of two new generating units to be built by Celesc G.

5.4. Additional Sensitivity Analysis Required by CVM

The following table shows the sensitivity analysis of financial instruments, which describes the risks of interest rates that may generate material effects for the Company, with a more probable scenario (scenario I), according to an evaluation made by the Administration, considering a three month horizon, when the next financial information containing such analysis should be disclosed.

In addition, two other scenarios are demonstrated, in the terms determined by CVM Instruction 475, dated from December 17, 2008, in order to present 25% and 50% of deterioration in the respective risk variable, respectively (scenarios II and III).

The sensitivity analysis presented considers changes in relation to a certain risk, keeping all other variables constant, associated to other risks, with balances as of September 30, 2018:

					Consolidated
Premises	**Effects of Accounts on the Income**	**Balance**	**(Scenario I)**	**(Scenario II)**	**(Scenario III)**
CDI[1] (%)			**6.83%**	**8.54%**	**10.25%**
	Financial Investments	168,516	11,510	14,391	17,273
	Debentures	(501,710)	(34,267)	(42,846)	(51,425)
SELIC			**7.57%**	**9.46%**	**11.36%**
	Financial Assets – Portion A – CVA	496,109	37,555	46,932	56,358
	CDE Installments	(2,189,392)	(165,737)	(207,116)	(248,715)
IPCA[2] (%)			**4.53%**	**5.66%**	**6.80%**
	Indemnity Assets (Concession) in Service (Note 14)	177,931	8,060	10,071	12,099
	Grant Bonus	280,271	12,696	15,863	19,058
	Mathematical Reserve to be Amortized	(434,971)	(19,704)	(24,619)	(29,578)

5.5. Capital Management

The objectives of managing its capital are to safeguard the Company's ability to continue to offer shareholder returns and benefits to other stakeholders, as well as to maintain an ideal capital structure to reduce this cost.
In order to maintain or adjust the capital structure, the Company may review the dividend payment policy, returning capital to the shareholders, or issue new shares or sell assets to reduce, for example, the level of indebtedness.

Consistent with other companies in the sector, the Company monitors the capital based on the financial leverage index. This index corresponds to the net debt divided by total capital.

[1] Futures interest curve - BM&F DI 1 FUT K19 due on 05/05/2019 (closing on 10/09/2018)
[2]IPCA – Broad National Consumer Price Index

Net debt, in turn, corresponds to total loans (including short- and long-term loans) and debentures, subtracted from the amount of Cash and Cash Equivalents. The total capital is determined by the sum of Net Worth with the net debt.

		Consolidated
Description	**30th of September 2018**	**31st of December 2017**
Total Loan	375,261	130,466
Debentures	501,710	352,216
Less: Cash and Cash Equivalents	(318,009)	(564,594)
Net Debt	558,962	(81,912)
Total Net Worth	**2,010,402**	**1,901,473**
Total Capital	**2,569,364**	**1,819,561**
Financial Leverage Index (%)	**21.75%**	**-4.5%**

5.6. Fair Value Estimate

It is assumed that the Accounts Receivable from Customers and Accounts Payable balances at the book value, less the impairment loss, are close to their fair values. The fair value of Financial Liabilities, for disclosure purposes, is estimated by discounting the future contractual cash flow at the prevailing market interest rate, which is available to the Company for similar financial instruments.

The Company applies CPC 40 (R1) to financial instruments measured in the Balance Sheet at fair value, which requires disclosure of fair value measurements by the level of the following measurement hierarchy at fair value:

Quoted (unadjusted) prices in active markets for identical assets and liabilities (Level 1).

Information, in addition to the quoted prices, included in Level 1 that are adopted by the market for the Assets or Liabilities, either directly, that is, as prices or indirectly, that is, derived from prices (Level 2).

Inserts for assets or liabilities that are not based on the data adopted by the market, that is, unobservable inserts (Level 3).

The following table sets forth the Group's assets measured at fair value on September 30, 2018. The book value represents the fair value of the assets. The Company does not have liabilities measured at fair value at that base date.

Description – Level 2	30th of September 2018	31st of December 2017
Amortized Cost		
Cash and Equivalents	318,009	564,594
Accounts Receivable from Customers (Note 11)	1,489,237	1,434,943
Description – Level 3		
Amortized Cost		
Subsidy CDE (Decree No. 7,891/13) (Note 10)	1,511,003	1,532,912
Financial Assets Concession Bonus (Note 13)	280,271	272,163
Fair Value through Other Comprehensive Income (VJORA)		
Shares (Note 10)	137,261	137,261
Other	217	217
Fair Value by Income (VJR)		
Indemnity Asset (Concession) (Note 14)	381,911	397,355
Total Assets	**4,117,909**	**4,339,445**

Consolidated

Specific valuation techniques used to value financial instruments include:

a) Quoted market prices or quotations from financial institutions or brokers for similar instruments;
b) Other techniques, such as the analysis of discounted cash flows, are used to determine the fair value of the remaining financial instruments.

6. FINANCIAL INSTRUMENTS BY CATEGORY

The following table sets forth the financial instruments by category as of September 30, 2018.

Consolidated

Description	Level	Amortized Cost	Fair Value Through Income	Fair Value through Other Comprehensive Income	Total
Assets					
Cash and Equivalents	2	318,009	-	-	318,009
Shares	3	-	-	137,261	137,261
Indemnity Asset (Concession)	3	-	381,911	-	381,911
Accounts Receivable from Customers	2	2,127,700	-	-	2,127,700
Subsidy CDE (Decree No. 7,891/13) (Note 12)	3	1,511,003	-	-	1,511,003
Financial Assets – Portion “A” – CVA	3	496,109			496,109
Financial Asset – Grant Bonus	3	280,271	-	-	280,271
Other	3	-		217	217
		4,733,092	**381,911**	**137,478**	**5,252,481**
Liabilities					
Suppliers	2	992,737	-	-	992,737
Loans	2	375,261	-	-	375,261
Debentures	2	501,710	-	-	501,710
Mathematical Reserve to be Amortized	3	434,971	-	-	434,971
		2,304,679	**-**	**-**	**2,304,679**

The following table sets forth the Financial Instruments as of December 31, 2017.

Description	Level	Amortized Cost	Fair Value Through Income	Fair Value through Other Comprehensive Income	Total
					Consolidated
Assets					
Cash and Equivalents	2	564,594	-	-	564,594
Shares	3	-	-	137,261	137,261
Indemnity Asset (Concession)	3	-	397,355	-	397,355
Accounts Receivable from Customers	2	2,017,527	-	-	2,017,527
Subsidy CDE (Decree No. 7,891/13) (Note 12)	3	1,532,912	-	-	1,532,912
Financial Asset – Grant Bonus	3	272,163	-	-	272,163
Other	3	-	-	217	217
		4,387,196	**397,355**	**137,478**	**4,922,029**
Liabilities					
Suppliers	2	831,582	-	-	831,582
Loans	2	161,031	-	-	161,031
Debentures	2	352,216	-	-	352,216
Mathematical Reserve to be Amortized	3	460,992	-	-	460,992
Sectorial Charges – CDE	3	2,562,138	-	-	2,562,138
Financial Liabilities – Portion “A” – CVA	3	26,327	-	-	26,327
		4,394,286	**-**	**-**	**4,394,286**

7. QUALITY OF FINANCIAL ASSETS CREDIT

The quality of credit of financial assets can be assessed by reference to the internal ratings of assignment of credit limits.

Description	30th of September 2018	31st of December 2017
		Consolidated
Accounts Receivable from Customers		
Group 1 – Customers with Collection in Due Date	1,216,812	1,145,115
Group 2 – Customers with an average delay between 01 and 90 days	244,879	249,283
Group 3 – Customers with an average delay of more than 90 days	666,009	623,129
	2,127,700	**2,017,527**

All other financial assets held by the Company, mainly checking accounts and financial investments, are considered to be of high quality and do not show any signs of losses.

8. INVENTORIES

Description	30th of September 2018	31st of December 2017
		Consolidated
Warehouse	9,287	9,628
Other	108	104
	9,395	**9,732**

Inventories consist of materials in the warehouse, mainly intended for the maintenance of energy distribution operations.

9. CASH AND CASH EQUIVALENT

Cash and Cash Equivalents are held for the purpose of meeting short-term commitments and not for other purposes.

	Parent company		Consolidated	
Description	**30th of September 2018**	**31st of December 2017**	**30th of September 2018**	**31st of December 2017**
Resources at the Bank and in Cash	325	46	149,493	129,086
Financial Investments	24,953	25,002	168,516	435,508
	25,278	**25,048**	**318,009**	**564,594**

Financial Investments are highly liquid, readily convertible into a known amount of cash, and are not subject to significant risk of change in value. These securities refer to Committed Transactions and Bank Deposit Certificates (CDBs), remunerated on average at the rate of 96% of the variation of the Interbank Deposit Certificate (CDI).

10. MARKETABLE SECURITIES

Temporary investments classified as non-current assets are measured based on the lower of book value and fair value and are not depreciated or amortized.

	Parent company		Consolidated	
Description	**30th of September 2018**	**31st of December 2017**	**30th of September 2018**	**31st of December 2017**
Fair Value through Other Comprehensive Income (VJORA)				
Casan Shares[3]	137,261	137,261	137,261	137,261
Other Investments	217	217	217	217
Non-Current	**137,478**	**137,478**	**137,478**	**137,478**

10.1. Companhia Catarinense de Águas e Saneamento – Casan

The Company has 55,364,810 Ordinary Shares - ON, and 55,363,250 Preferred Shares - PN, representing 15.48% of Casan's Share Capital. As it did not have a significant influence on Casan, the Company measured the fair value of its equity interest in the temporary investment, adopting the discounted cash flow method for the annual evaluation of said investment.

The historical cost of acquiring Casan's shares is R$ 110,716.

For the calculation of valuation, the projection period adopted is 17 years (up to 2034), with a terminal value (flow of the last 12 months of projection). The discount rate used was nominal WACC of 12.4% p.a. with a nominal long-term growth rate (perpetuity) of 4.0% p.a. (central inflation target from 2020).

[3] Companhia Catarinense de Águas e Saneamento – Casan

The Company did not change the fair value of this financial instrument because it is an estimate with several variables and the result of these estimates in the year ended on December 31, 2017 did not result in a significant increase. The fair value as of September 30, 2018 remains unchanged.

Accounting Value Reconciliation:

	Parent company	Consolidated
Description	**Total**	**Total**
On December 31, 2016	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
On December 31, 2017	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
On September 30, 2018	**137,261**	**137,261**

11. ACCOUNTS RECEIVABLE FROM CUSTOMERS

a) Consumers, Concessionaires and Permissionaires

					Consolidated
Description	**Balances Due**	**Overdue up to 90 days**	**Overdue for more than 90 days**	**30th of September 2018**	**31st of December 2017**
Consumers					
Residential	426,004	134,586	97,349	657,939	595,065
Industrial	228,892	39,369	359,329	627,590	613,108
Commerce, Services and Others	252,003	39,515	95,090	386,608	374,307
Rural	80,272	12,652	20,431	113,355	108,314
Public Power	60,905	763	9,569	71,237	73,668
Public Lightening	25,569	10,149	16,544	52,262	48,488
Public Service	29,214	180	1,441	30,835	28,748
	1,102,859	**237,214**	**599,753**	**1,939,826**	**1,841,698**
Supply to Other Concessionaires					
Concessionaires and Permissionaires	108,008	3,432	12,859	124,299	113,406
Transactions in the Scope of CCEE	5,945	-	27,265	33,210	28,483
Other Credits	-	4,233	26,132	30,365	33,940
	113,953	**7,665**	**66,256**	**187,874**	**175,829**
	1,216,812	**244,879**	**666,009**	**2,127,700**	**2,017,527**
Estimated Losses in Doubtful Settlement Credits (PECLD) with Customers (b)				(638,463)	(582,584)
				1,489,237	**1,434,943**
			Current	**1,439,529**	**1,399,563**
			Non-Current	**49,708**	**35,380**

ANEEL-SFF Official Letter No. 84/2018 determines that the calculation basis of the effective tax rate, PIS/PASEP and COFINS levied on the Financial Revenues of the updating of the Regulatory Assets and the updating of the Concession Financial Asset should be computed.

The Company's Executive Board, in accordance with said Letter, approved the collection of retroactive amounts from May 2015 to February 2018, monetarily restated by the Selic, in the amount of R$ 13.5 million, at the effective rate passed on to consumers in March of 2018 with financial repercussions in May 2018.

b) Estimated Losses in Doubtful Settlement Accounts - PECLD with Customers

The composition, by consumption class is shown below:

		Consolidated
Description	**30th of September 2018**	**31st of December 2017**
Consumers		
Residential	100,270	91,692
Industrial	221,800	207,302
Textile (i)	114,613	114,613
Commerce, Services and Others	91,812	81,559
Rural	17,137	10,597
Public Power	11,298	11,436
Public Lightening	15,856	14,543
Public Service	1,447	1,382
Concessionaires and Permissionaires (ii)	29,699	16,533
Free Consumers	8,532	8,312
Other	25,998	24,615
Total	**638,463**	**582,584**
Current	**523,849**	**467,971**
Non-Current	**114,614**	**114,613**

b.1) Operation

	Consolidated
Description	**Amount**
Balance as of December 31, 2017	**582,584**
Provision Constituted in the period	43,933
Settled Accounts Receivable	(4,838)
CPC 48 Adjustment	16,784
Balance as of September 30, 2018	**638,463**

(i) Estimated Losses on Doubtful Settlement Accounts - PECLD with the Textile Sector

In 2009, Celesc D carried out a debt recovery action plan for textile companies, among them Buettner S.A., Companhia Industrial Schlösser S.A., Tecelagem Kuehnrich – TEKA and Têxtil RenauxView S.A.

In 2011, Buettner S.A. filed for a judicial recovery and based on the likelihood of recovery of these amounts being remote, Celesc D provided for the amount of R$ 18,231. In 2017, Celesc D, considering the possibility of not receiving the amounts of the company Buettner S.A, reversed the provisioning made in 2011 and launched for losses the amount of R$ 18,231.

Also in 2011, Companhia Industrial Schlösser S.A. also entered into a judicial reorganization, with a provision of R$ 16,888 in 2012. Celesc D received a judicial recovery in the amount of R$ 3,283, a reversed amount of the provision.

Still in 2012, TEKA filed an application for judicial recovery before the Blumenau District, Santa Catarina. Considering that the recovery plan has not yet been approved and the probability of receiving the aforementioned amount is remote s per the

Administration's evaluation, Celesc D has recorded a provision for the entire installment that TEKA has with the Company in the amount of R$ 55,794.

In relation to Companhia Têxtil RenauxView S.A., Celesc D's administration, considering the default of the debt related to the installment agreement, and due to the remote possibility of receiving it, it constituted a provision of the total amount receivable in the amount of R$ 45,215 in 2013.

b.2) PECLD Operation – Textile Sector

The composition, per company is shown below:

Description	Consolidated Amount
Têxtil RenauxView S.A.	45,215
Teka Tecelagem Kuehnrich S.A.	55,794
Companhia Industrial Schlösser S.A	13,604
Balance as of December 31, 2017	**114,613**
Provision Constituted in the period	-
Reversal in the Period	-
Balance as of Sunday, September 30, 2018	**114,613**
Têxtil RenauxView S.A.	45,215
Teka Tecelagem Kuehnrich S.A.	55,794
Companhia Industrial Schlösser S.A	13,604

(ii) Judgment of the Generation Scaling Factor Adjustment - GSF

The amounts referring to the adjustments of the preliminary measures regarding the GSF in the reports of the results of the short-term market accounting, issued by CCEE, related to Celesc G are in the amount of R$ 27,265 as of September 30, 2018.

Of the total amount, the amount of R$ 1,136 was reversed in 2018 due to its receipt in that year, while the amount provisioned in the nine months of 2018 is R$ 13,020, considering that there is no certainty about the receipt by the settlement in the market of the short term in the face of the controversy and the uncertainty of the delineation of the judicial process.

b.3) GSF PECLD operation

Description	Consolidated Amount
Balance as of December 31, 2017	**15,381**
Provision Constituted in the period	13,020
Reversal in the Period (Settled in Accounts Receivable)	(1,136)
Balance as of September 30, 2018	**27,265**

12. FINANCIAL ASSETS AND OTHER ASSETS - CURRENT AND NON-CURRENT

		Consolidated
Other Credits Receivable	**30th of September 2018**	**31st of December 2017**
Current	**2,076,367**	**1,822,897**
Dividends	-	9,046
Subsidy Decree No. 7.891/2013 (i)	1,511,003	1,532,912
Personnel available	2,908	3,209
Proinfa Downpayment	14,519	14,519
Miscellaneous Downpayment	3,573	3,286
PIS/COFINS/ICMS Tax Replacement	54,853	65,612
Infrastructure Share	9,577	3,631
Flag Account	4,262	54,825
Low Income Program	48,911	15,282
Financial Assets – Portion A - CVA (Note 13.1)	293,096	-
Financial Assets – Grant Bonus (Note 13.2)	31,300	30,277
Other Accounts (ii)	102,365	90,298
Non-Current	**454,073**	**245,410**
Financial Assets – Portion A - CVA (Note 13.1)	203,013	-
Financial Assets – Grant Bonus (Note 13.2)	248,971	241,886
Other Accounts	2,089	3,524
Total	**2,530,440**	**2,068,307**

(i) On August 15, 2017, ANEEL ratified the new monthly amount of R$ 60,103, pursuant to Resolution No. 2,286/2017, regarding discounts applicable to users of the public electricity distribution service, effective from August 2017 to July 2018 (Note 26).

(ii) ANEEL Order No. 4,171/2017 referring to amounts receivable from Eletrosul. (Note 31.2 - c).

13. FINANCIAL ASSETS/LIABILITIES

13.1. Portion A – CVA

									Consolidated
Financial Assets Sectorial	**31st of December 2017**	**Addition**	**Amortization**	**Remuneration**	**30th of September 2018**	**Amortization**	**Constitution**	**Current**	**Non-current**
CVA Asset	**619,149**	**788,473**	**(201,807)**	**72,063**	**1,277,878**	**679,135**	**598,743**	**778,925**	**498,953**
Energy	551,747	659,570	(159,993)	65,251	1,116,575	522,084	594,491	621,166	495,409
Proinfa	-	7,939	(1,140)	463	7,262	6,756	506	6,840	422
Basic Grid Transport	53,660	45,726	(26,974)	5,279	77,691	77,691	-	77,691	-
Energy Transport	13,742	7,032	(3,848)	1,070	17,996	14,250	3,746	14,874	3,122
CDE	-	68,206	(9,852)	-	58,354	58,354	-	58,354	
Other Sectorial Financial Assets	**61,207**	**3,573**	**(41,917)**	**106**	**22,969**	**-**	**22,969**	**3,828**	**19,141**
Neutrality of Portion A	61,207	3,573	(41,917)	106	22,969	-	22,969	3,828	19,141
Total Financial Assets Sectorial	**680,356**	**792,046**	**(243,724)**	**72,169**	**1,300,847**	**679,135**	**621,712**	**782,753**	**518,094**

Sectorial Financial Liabilities	31st of December 2017	Addition	Amortization	Remuneration	30th of September 2018	Amortization	Constitution	Current	Non-current
CVA Liability	**(602,870)**	**(101,641)**	**183,588**	**(26,000)**	**(546,923)**	**(260,016)**	**(286,907)**	**(307,834)**	**(239,089)**
Proinfa	(8,646)	-	8,646	-	-	-	-	-	-
Basic Grid Transport	-	(313)	-	31	(282)	-	(282)	(47)	(235)
Service System Charges – ESS or SSC	(349,634)	(188,579)	157,168	(20,187)	(401,232)	(260,016)	(141,216)	(283,552)	(117,680)
CDE	(244,590)	87,251	17,774	(5,844)	(145,409)	-	(145,409)	(24,235)	(121,174)
Other Sectorial Financial Liabilities	**(103,813)**	**(189,428)**	**42,984**	**(7,558)**	**(257,815)**	**(227,111)**	**(30,704)**	**(181,823)**	**(75,992)**
Neutrality of Portion A	-	(19,431)	2,989	(1,259)	(17,701)	(17,701)	-	(17,701)	-
Energy Overcontracting	(22,739)	(72,476)	10,468	(1,136)	(85,883)	(62,007)	(23,876)	(65,986)	(19,897)
Tariff Returns	(79,883)	(35,256)	18,947	(2,427)	(98,619)	(91,791)	(6,828)	(42,524)	(56,095)
Other	(1,191)	(62,265)	10,580	(2,736)	(55,612)	(55,612)	-	(55,612)	-
Total Sectorial Financial Liabilities	**(706,683)**	**(291,069)**	**226,572**	**(33,558)**	**(804,738)**	**(487,127)**	**(317,611)**	**(489,657)**	**(315,081)**
Total Assets (Liabilities) Financial Liabilities	**(26,327)**	**500,977**	**(17,152)**	**38,611**	**496,109**	**192,008**	**304,101**	**293,096**	**203,013**

		Consolidated
Description	**30th of September 2018**	**31st of December 2017**
CVA 2017 – From 08.23.2016 to 08.22.2017	-	(52,540)
CVA 2018 – From 08.23.2017 to 08.22.2018	419,119	68,819
CVA 2018 – From 08.23.2018 to 08.22.2019	311,836	-
Total Portion A – CVA	**730,955**	**16,279**
Other Items – From 08.23.2016 to 08.22.2017		28,557
Other Items – From 08.23.2017 to 08.22.2018	(227,111)	(71,163)
Other Items - From 08.23.2018 to 08.22.2019	(7,735)	-
Total Other Items – CVA	**(234,846)**	**(42,606)**
Total	**496,109**	**(26,327)**

13.2. Grant Bonus

In 2016, Celesc G paid R$ 228.6 million as Concession Bonus - BO referring to the new Garcia, Bracinho, Palmeiras, Cedros and Salto Plant concessions. This amount is included in the tariff of these Plants and will be reimbursed by consumers over 30 years with an annual readjustment by the IPCA, as defined by ANEEL.

The balance of the financial asset for each of the Plants is calculated by the amount paid:

a) By deducting the monthly amount received from Return on Concession Bonus - RBO, established by ANEEL Resolution No. 2,265/2017;

b) Summing up the monthly interest calculated on the basis of the Effective Interest Rate (TIR);

c) Adding the monetary adjustment by the IPCA, established by the Concession Agreement.

Description	Garcia Plant	Bracinho Plant	Cedros Plant	Salto Plant	Palmeiras Plant	Total
						Consolidated
On December 31, 2017	**39,655**	**56,781**	**43,401**	**26,070**	**106,256**	**272,163**
Monetary Update	1,260	1,804	1,381	824	3,392	8,661
Interest	3,566	5,177	3,826	2,665	8,421	23,655
Amortization/Settled	(3,643)	(5,261)	(3,904)	(2,678)	(8,722)	(24,208)
As of September 30, 2018	**40,838**	**58,501**	**44,704**	**26,881**	**109,347**	**280,271**
					Current	**31,300**
					Non-Current	**248,971**

14. INDEMNITY ASSETS – CONCESSION

Due to the extension of the 5th Addendum to Concession Agreement No. 56/1999, Celesc D bifurcated its assets related to the concession in intangible assets and indemnifiable assets.

Description	30th of September 2018	31st of December 2017
		Consolidated
Concession Asset - Energy Distribution (a)	**379,490**	**394,934**
In Service	177,931	160,069
Ongoing	201,559	234,865
Concession Assets – Energy Generation (b)	**2,421**	**2,421**
Indemnity Asset	2,421	2,421
Total Non-Current	**381,911**	**397,355**

Based on Technical Interpretation ICPC 01 - Concession Contracts, the portion of the infrastructure that will be used during the concession was recorded in Intangible Assets, consisting of electricity distribution assets, net of special obligations (consumer participations).

a) Concession Assets - Energy Distribution

Description	Consolidated
On December 31, 2017	**394,934**
(+) New Investments	15,749
(+/-) Ongoing Fixed Assets Variation – AIC	(33,307)
(+) Adjustment VNR (i)	3,013
(-) Redemption	(899)
As of September 30, 2018	**379,490**

(i) The Company recognized, by the third quarter of 2018, the amount of R$ 3,013 related to the update of the financial asset of the electricity distribution concession at the New Replacement Value (VNR).

Celesc D updates its Regulatory Remuneration Base - BRR, as of the 4th Cycle of Periodic Tariff Revision, by the IPCA in compliance with the Tariff Regulation Procedure - PRORET, Sub-module 2.3.

b) Concession Assets - Power Generation

Celesc G requested to the granting power, at the end of the concessions granted by Plants Bracinho, Cedros, Salto and Palmeiras, as indemnification, according to criteria and procedures for calculation established by Normative Resolution No. 596/2013, investments made in infrastructure and not depreciated in the concession period, as it has an unconditional right to be indemnified, as provided for in the agreement. ANEEL has not yet approved the indemnification amounts requested by Celesc G.

		Consolidated
Investments in Plants	**30th of September , 2018**	**31st of December , 2017**
Bracinho SHP	85	85
Cedros SHP	195	195
Salto SHP	1,906	1,906
Palmeiras SHP	235	235
Total	**2,421**	**2,421**

15. TAXES TO BE RECOVERED OR COMPENSATED

		Parent company		Consolidated
Description	**30th of September 2018**	**31st of December 2017**	**30th of September 2018**	**31st of December 2017**
ICMS[4]	-	-	40,360	41,537
PIS and COFINS[5]	-	-	21,248	21,222
IRPJ and CSLL[6]	1,484	1,627	101,324	27,180
Other	447	428	5,477	5,332
Total	**1,931**	**2,055**	**168,409**	**95,271**
Current	**1,931**	**2,055**	**137,038**	**75,831**
Non-Current	**-**	**-**	**31,371**	**19,440**

The IRPJ and CSLL balances are substantially comprised of amounts paid in advance and reductions in Source for income tax on financial investments and will be realized in the normal course of operations.

The ICMS credits recoverable recorded in Non-current Assets derive from acquisitions of fixed assets and can be offset in 48 months.

The balance of PIS and COFINS is composed mainly of higher payments related to a request for a preliminary injunction granted by the Federal Court regarding the process of recognition of involuntary exposure by the regulatory agency. (Note 27)

[4]Taxes on Operations Related to the Circulation of Goods and to the Provision of Transportation Services Interstate and Intermunicipal and Communication – ICMS

[5]Social Integration Program - PIS and Contribution for the Financing of Social Security - COFINS

[6]Legal Entity Income Tax - IRPJ and Social Contribution on Net Profit - CSLL

Celesc

16. TRANSACTIONS WITH RELATED PARTIES

a) Balances and Transactions

The Company has a Related Party Transactions Policy, approved by the Board of Directors in 2018. The balance sheets recorded in related parties in non-current assets and liabilities are:

	Parent company	Consolidated				
Description	**Other Credits from Related Parties**	**Taxes to be Recovered**	**Taxes to be Compensated**	**Accounts Receivables from Sales**	**Other Credits from Related Parties**	**Other Liabilities from Related Parties**
On December 31, 2017						
Government of the State of SC:						
ICMS	-	132,472	41,537	-	-	-
Accounts Receivable	-	-	-	8,249	-	-
Underground Network (i)	6,134	-	-	-	6,134	-
Rondinha Energética S.A.	-	-	-	-	488	-
Celos	-	-	-	-	-	19,732
	6,134	**132,472**	**41,537**	**8,249**	**6,622**	**19,732**
As of September 30, 2018						
Government of the State of SC:						
ICMS	-	152,539	40,360	-	-	-
Accounts Receivable	-	-	-	8,551	-	-
Underground Network (i)	4,391	-	-	-	4,391	-
Rondinha Energética S.A.	-	-	-	-	488	-
Celos	-	-	-	-	-	9,866
	4,391	**152,539**	**40,360**	**8,551**	**4,879**	**9,866**

Operation in the income for the year:

	Parent company	Consolidated		
Description	**Revenues Financial**	**Taxes/ Deduction from Revenue**	**Revenue from Sales**	**Revenues Financial**
As of September 30, 2017				
Government of the State of SC:				
ICMS	-	1,398,531	-	-
Revenue from Sales	-	-	56,702	-
Underground Network (i)	150	-	-	150
	150	**1,398,531**	**56,702**	**150**
As of September 30, 2018				
Government of the State of SC:				
ICMS	-	1,555,331		-
Revenue from Sales			64,242	
Underground Network (i)	62	-	-	62
	62	**1,555,331**	**64,242**	**62**

(i) Underground network

In 1995, the Company signed an Agreement on Technical Cooperation with the Government of the State of Santa Catarina and the City Hall of Florianópolis in 007/1995 for the implementation of an underground electricity network in Florianópolis downtown.

The Company received Official GAB/GOV No. 67/2016, dated from June 23, 2016, from the Shareholder, Government of the State of Santa Catarina, authorizing the retention of the proceeds from the dividends of the year 2015, to be received by the shareholder to reduce the debt and, further authorizes, the deduction of the remaining balance in subsequent years, until said debt is extinguished. Accordingly, on June 29, 2018, Celesc made the accounts meeting deducting the first installment of the dividends for the year 2017. The second will be deducted on December 29, 2018.

As of September 30, 2018, the remaining and monetarily restated amount was R$ 4,391.

b) Remuneration of Key Management Personnel

The remuneration of administrators (Board of Directors - CA, Fiscal Council - CF, Statutory Audit Committee - CAE and Board of Executive Officers) is shown below:

	Parent company		Consolidated	
Description	**30th of September 2018**	**30th of September 2017**	**30th of September 2018**	**30th of September 2017**
Administrators				
Fees	5,200	3,857	5,200	3,857
Share in Profits and/or Income	-	1,577	-	1,577
Actuarial Liabilities	163		163	
Social Charges	1,015	1,034	1,015	1,034
Other	21	137	21	137
	6,399	**6,605**	**6,399**	**6,605**

17. INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

	Parent company		Consolidated	
Description	**30th of September 2018**	**31st of December 2017**	**30th of September 2018**	**31st of December 2017**
Subsidiaries				
Celesc D	1,190,366	1,052,919	-	-
Celesc G	466,541	425,880	-	-
	1,656,907	**1,478,799**	**-**	**-**
Joint Subsidiaries				
SCGÁS	81,388	87,818	81,388	87,818
	81,388	**87,818**	**81,388**	**87,818**
Affiliates				
ECTE	56,976	47,783	56,976	47,783
DFESA	29,365	29,822	29,365	29,822
SPEs[7]	-	-	59,974	51,058
Cubatão	3,353	3,353	3,353	3,353
(-) Provision for Loss in Investment	(3,353)	(3,353)	(3,353)	(3,353)
	86,341	**77,605**	**146,315**	**128,663**
	1,824,636	**1,644,222**	**227,703**	**216,481**

[7]Specific Purpose Corporation.

a) Information on Investments

Parent company

Description	Company's Thousands of Shares	Company's Interest		Net Worth	Total Assets	Net Profit (Loss) in the Year
	Ordinary	Share Capital	Capital Voting			
On December 31, 2017						
Celesc D	630,000	100.00%	100.00%	1,052,919	8,114,164	33,342
Celesc G	43,209	100.00%	100.00%	425,880	624,605	48,960
ECTE	13,001	30.88%	30.88%	154,712	447,319	37,969
SCGÁS	1,827	17.00%	51.00%	289,870	414,244	(46,063)
DFESA	153,382	23.03%	23.03%	129,492	138,079	38,540
Cubatão	1,600	40.00%	40.00%	1,601	5,739	(90)
On September 30, 2018						
Celesc D	630,000	100.00%	100.00%	1,190,366	8,380,858	148,524
Celesc G	43,209	100.00%	100.00%	466,541	663,532	42,988
ECTE	13,001	30.88%	30.88%	184,478	356,520	29,765
SCGÁS	1,827	17.00%	51.00%	258,528	114,094	(31,342)
DFESA	153,382	23.03%	23.03%	127,505	134,986	32,324
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)

Consolidated

Description	Company's Thousands of Shares	Company's share		Net Worth	Total Assets	Net Profit (Loss) in the Year
	Ordinary	Share Capital	Capital Voting			
On December 31, 2017						
ECTE	13,001	30.88%	30.88%	154,712	447,319	37,969
SCGÁS	1,827	17.00%	51.00%	289,870	414,244	(46,063)
DFESA	153,382	23.03%	23.03%	129,492	138,079	38,540
Cubatão	1,600	40.00%	40.00%	1,601	5,739	(90)
Rondinha Energética S.A.	12,838	32.50%	32.50%	33,026	55,215	(3,542)
Painel Energética S.A.	4,745	32.50%	32.50%	5,611	5,612	(203)
Campo Belo Energética S.A.	1,350	30.00%	30.00%	6,129	6,542	(63)
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	40,070	59,001	4,540
Xavantina Energética S.A.	241	40.00%	40.00%	23,269	40,661	(2,685)
Garça Branca Energética S.A.	18,014	49.00%	49.00%	29,337	59,436	(4,217)
EDP Transmissão Aliança SC	0.1	10.00%	10.00%	(160)	15,447	(161)
On September 30, 2018						
ECTE	13,001	30.88%	30.88%	184,478	356,520	29,765
SCGÁS	1,827	17.00%	51.00%	258,528	114,094	(31,342)
DFESA	153,382	23.03%	23.03%	127,505	134,986	32,324
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Rondinha Energética S.A.	15,113	32.50%	32.50%	40,709	57,037	2,207
Painel Energética S.A.	4,745	32.50%	32.50%	5,636	5,657	(12)
Campo Belo Energética S.A.	1,348	20.43%	20.43%	6,130	6,543	(15)
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	44,755	60,968	4,686
Xavantina Energética S.A.	246	40.00%	40.00%	24,240	40,992	(1,377)
Garça Branca Energética S.A.	20,660	49.00%	49.00%	34,644	65,152	(1,882)
EDP Transmissão Aliança SC	1,300	10.00%	10.00%	13,847	150,041	1,007

b) Investment Operation

Parent company

Description	Celesc D	Celesc G	ECTE	SCGÁS	DFESA	Total
On December 31, 2017	**1,052,919**	**425,880**	**47,783**	**87,818**	**29,822**	**1,644,222**
Dividends and Credited JCP	-	(2,327)	-	-	(7,902)	(10,229)
Amortization of the Right to Use Concessions	-	-	-	(1,101)	-	(1,101)
Equity Income	148,524	42,988	9,193	(5,329)	7,445	202,821
Adjustment of Initial Adoption CPC 48[(i)]	(11,077)	-	-	-	-	(11,077)
On September 30, 2018	**1,190,366**	**466,541**	**56,976**	**81,388**	**29,365**	**1,824,636**

(i) Net Effect of Initial Adoption of CPC 48, considering Deferred Taxes of R$ 5,707

Consolidated

Description	ECTE	SCGÁS	DFESA	SPEs	Total
On December 31, 2016	**52,860**	**97,117**	**32,766**	**44,811**	**227,554**
Payments	-	-	-	9,926	9,926
Dividends and Credited JCP	(16,804)	-	(11,820)	(470)	(29,094)
Amortization of the Right to Use Concessions	-	(1,468)	-	-	(1,468)
Equity Income	11,727	(7,831)	8,876	(3,209)	9,563
On December 31, 2017	**47,783**	**87,818**	**29,822**	**51,058**	**216,481**
Payments	-	-	-	8,358	8,358
Dividends and Credited JCP	-	-	(7,902)	-	(7,902)
Amortization of the Right to Use Concessions	-	(1,101)	-	-	(1,101)
Equity Income	9,193	(5,329)	7,445	558	11,867
On September 30, 2018	**56,976**	**81,388**	**29,365**	**59,974**	**227,703**

c) Acquisition of Concession Use Right

The balance of the Concession Use Right generated in the acquisition of SCGÁS on September 30, 2018 is R$ 37,439 (R$ 38,540 on December 31, 2017). The Concession Use Right is amortized by the Concession Term of provision of public services by said company.

18. FIXED ASSETS

a) Balance Composition

Consolidated

Description	Terrains	Dams and Duct Reservoirs	Buildings and Constructions	Machinery and Equipment	Other	Ongoing Works	Total
As of December 31, 2017	**1,315**	**7,555**	**31,736**	**88,286**	**372**	**22,367**	**151,631**
Fixed Assets Cost	20,202	189,781	49,895	166,645	1,642	22,367	430,453
Provision for Losses	(11,559)	(30,515)	(1,909)	(4,390)	81	-	(48,292)
Accrued Depreciation	(7,328)	(151,711)	(16,250)	(73,969)	(1,351)	-	(230,530)
As of December 31, 2017	**1,315**	**7,555**	**31,736**	**88,286**	**372**	**22,367**	**151,631**
Additions	-	-	-	-	-	5,383	5,383
Gross Balance Settled	-	-	-	-	(114)	-	(114)
Depreciation Settled	-	-	-	-	114	-	114
Depreciation	-	(203)	(648)	(2,612)	(65)	-	(3,528)
(+/-) Transfers	-	165	-	414	254	(833)	-
As of September 30, 2018	**1,315**	**7,517**	**31,088**	**86,088**	**561**	**26,917**	**153,486**
Fixed Assets Cost	20,202	169,867	49,895	167,059	1,896	26,917	435,836
Provision for Losses	(11,559)	(30,515)	(1,909)	(4,390)	81	-	(48,292)
Accrued Depreciation	(7,328)	(131,835)	(16,898)	(76,581)	(1,416)	-	(234,058)
As of September 30, 2018	**1,315**	**7,517**	**31,088**	**86,088**	**561**	**26,917**	**153,486**
Average Depreciation Rate	0%	4.37%	1.82%	3.05%	10%	0%	

b) Depreciation

The average annual depreciation rates estimated for the current year are as follows:

Administration	Percentage (%)
Buildings and Constructions	16.7
Machinery and Equipment	10.9
Vehicles	6.4
Furniture and Utensils	6.3
Generation	**Percentage (%)**
Buildings and Constructions	2.2
Machinery and Equipment	3.0
Reservoirs, Dams and Ducts	4.4
Vehicles	11.0
Furniture and Utensils	1.1

The linear depreciation method, shelf lives and residual values are reviewed at each financial year-end and any adjustments are recognized as changes in accounting estimates.

Plants Celso Ramos and Caveiras, governed by the Concession Agreement for the use of the public good, are depreciated based on the concession terms defined in the agreement, except for investments made that are susceptible to indemnification at the end of the concession, which are depreciated based on ANEEL Resolution 674/15.

With the issuance of the 4th Amendment Term to the Concession Agreement on 06/2013, the Pery HPP started to be depreciated according to the rates defined in ANEEL Resolution 674/15. CGHs São Lourenço, Rio do Peixe and Piraí, because they have a registration agreement, are depreciated based on the same rates, as they do not have a Concession Term. The same rule applies to HGP Caveiras, as of August 2018, being exempted from the act of grant. The assets belonging to the Central Administration of Celesc G are depreciated based on the same rates.

Likewise, the investments made in the Plants awarded at Auction No. 12/2015 – Garcia, Palmeiras, Saldo, Cedros and Bracinho - are depreciated for the concession period or shelf life, the lowest of the two, since the Concession 06/2016 and 07/2016 provide for non-compensation at the end of the concession. The investments made in the expansion of Plants should be depreciated as established in ANEEL Resolution 674/2015.

c) Fully depreciated fixed assets still in operation

The gross accounting amount of fixed assets that are fully depreciated and which are still in operation on September 30, 2018:

		Consolidated
Description	**30th of September, 2018**	**31st of December, 2017**
Reservoirs, Dams and Ducts	133,155	113,251
Buildings, Civil Works and Improvements	11,533	10,153
Machinery and Equipment	48,390	43,240
Other	14,003	14,057
Total	**207,081**	**180,701**

19. INTANGIBLE ASSETS

Description	31st of December 2017	Amortizations	30th of September 2018
			Parent company
ECTE Acquisition Goodwill	6,452	(377)	6,075

Description	Contracts for Concession (a) Celesc D	Software Acquired	Goodwill	Using Public Property (b) Celesc G	Right of Way	Ongoing Items	Total
							Consolidated
On December 31, 2017	**3,164,619**	**2,266**	**6,452**	**152**	**70**	**1,002**	**3,174,561**
Total Cost	4,651,046	6,495	14,248	904	70	1,002	4,673,765
Accrued Amortization	(1,486,427)	(4,229)	(7,796)	(752)	-	-	(1,499,204)
On December 31, 2017	**3,164,619**	**2,266**	**6,452**	**152**	**70**	**1,002**	**3,174,561**
Additions	290,255	-	-	-	-	219	290,474
Gross Balance Settled	(36,173)	-	-	(904)			(37,077)
Depreciation Settled	-	-	-	890	-	-	890
Amortizations	(154,935)	(567)	(377)	(138)	-	-	(156,017)
As of September 30, 2018	**3,263,766**	**1,699**	**6,075**	**-**	**70**	**1,221**	**3,272,831**
Total Cost	4,905,128	6,495	14,248	-	70	1,221	4,927,162
Accrued Amortization	(1,641,362)	(4,796)	(8,173)	-	-	-	(1,654,331)
On September 30, 2018	**3,263,766**	**1,699**	**6,075**	**-**	**70**	**1,221**	**3,272,831**
Average Amortization Rate	4.2%	20%	2.0%	0%	0%	0%	

The goodwill generated on the acquisition of ECTE is amortized by the Concession Term for the provision of public services of said company.

a) Concession Agreements

The fees established by ANEEL are used in the tariff review processes, indemnification calculation at the end of the concession and are recognized as a reasonable estimate of the shelf life of the concession assets. Therefore, these rates were used as a basis for the evaluation and amortization of the intangible assets.

b) Use of the Public Property

The monthly share of the Use of Public Property - UBP referred to the exploration of hydroelectric power potentials of the Caveiras and Celso Ramos SHP, monetarily restated by the IPCA variation. The estimation of the cash flows for UBP measurement resulting from the use of the discount rate defined by the Administration at 7.9%.

The counterpart of this obligation was recorded in intangible assets being amortized in the Caveiras HPP until the end of the concession, which took place in July 2018 and Celso Ramos SHP for a limited period of five years, also closed in July 2018. As of August 2018, there is no balance in liabilities referring to the obligation to pay UBP.

The amounts, per Plant, collected up to September 2018 and 2017 were:

		Consolidated
Plants	**30th of September 2018**	**30th of September 2017**
Pery HPP (i)	-	530
Caveiras HPP	51	63
Celso Ramos SHP	95	138
Total	**146**	**731**

(i) In 2018, the total amount paid was R$ 146.80% lower than in the previous year due to the renewal in the second half of 2017 of the Pery Plant, and there was no obligation to pay the charge.

20. RESULT FROM LEGAL ENTITY INCOME TAX – IRPJ AND THE SOCIAL CONTRIBUTION ON NET PROFIT – CSLL

a) Composition of Net Deferred IRPJ and CSLL

		Consolidated
Description	**30th of September 2018**	**31st of December 2017**
Assets	633,514	641,806
Liabilities	(10,141)	(9,613)
Net Deferred Tax	**623,373**	**632,193**

						Consolidated
	Deferred Assets		**Deferred Liabilities**		**Net Deferred**	
Description	**30th of September 2018**	**31st of December 2017**	**30th of September 2018**	**31st of December 2017**	**30th of September 2018**	**31st of December 2017**
Temporary Differences						
Provision for Contingencies	210,921	201,716	-	-	210,921	201,716
Provision for Losses in Assets	83,655	74,478	-	-	83,655	74,478
Post-Employment Benefit	486,283	513,459	-	-	486,283	513,459
Cost Assigned	-	-	8,163	9,081	(8,163)	(9,081)
Effects of ICPC 01 - Concession Agreements	-	-	56,687	58,276	(56,687)	(58,276)
Effects of CPC 38 - Financial Instruments	-	-	69,846	71,805	(69,846)	(71,805)
Grant Bonus	-	10,958	22,609	29,007	(22,609)	(18,049)
Other Provisions	-	-	181	249	(181)	(249)
	780,859	**800,611**	**157,486**	**168,418**	**623,373**	**632,193**

b) Realization of Deferred Assets

The IRPJ and CSLL tax base derives not only from the profit generated, but from the existence of non-taxable income, non-deductible expenses, tax incentives and other variables, without an immediate correlation between the Company's net profit and income tax and social contribution. Therefore, the expectation of the use of tax credits should not be taken as the only indicative of the Company's future results.

The realization is based on the ANEEL 2018-2022 Results Plan, approved in the Draft of the Administration Council's Meeting held on August 29, 2017, with the objective of defining and presenting the actions required to meet the regulatory demands in order to also converge for the fulfillment of the concession agreement.

In compliance with CVM Instruction 371 from June 27, 2002, the Company's Management considers that the deferred assets arising from temporary differences will be realized, in proportion to the final resolution of the contingencies and the events to which they refer when they will be offset against the profits taxable.

Deferred taxes on actuarial liabilities of employee benefits are being realized through the payment of contributions.

The process of recognition of involuntary exposure by the regulatory body in the amount of R$ 256.6 million is in a lawsuit filed with the Federal Court and had their IRPJ and CSLL amounts deferred until a final judgment on the lawsuit is handed down. (Note 27).

The realization of estimates for the balance of the total assets of September 30, 2018 are:

		Consolidated
Year	**30th of September 2018**	**31st of December 2017**
2018	132,083	146,674
2019	103,804	104,171
2020	91,080	91,448
2021	90,458	90,825
Above 2022	363,434	367,493
Total	**780,859**	**800,611**

c) IRPJ and CSLL Reconciliation Recognized in the Net Worth

The change in the Assigned Cost with IRPJ and CSLL amounts, recognized directly in the net worth, is shown below:

	Consolidated
Description	**Amount**
Balance as of December 31, 2016	**22,362**
(-) Settled Assigned Cost	(7,173)
(+) Taxes (IRPJ/CSLL)	2,439
Balance as of December 31, 2017	**17,628**
(-) Settled Assigned Cost	(2,699)
(+) Taxes (IRPJ/CSLL)	16,784
(-) Taxes (IRPJ/CSLL)	(4,789)
Balance as of Sunday, September 30, 2018	**26,925**

d) IRPJ and CSLL Reconciliation Recognized in other Comprehensive Results

The changes in the Actuarial Liabilities with IRPJ and CSLL amounts, recognized directly in other comprehensive income, are shown below:

	Consolidated
Description	**Amount**
Balance as of December 31, 2016	**420,438**
(+) Addition of Actuarial Liabilities	430,759
(-) Taxes (IRPJ/CSLL)	(146,459)
Balance as of December 31, 2017	**704,738**
(+) Addition of Actuarial Liabilities	-
(-) Taxes (IRPJ/CSLL)	-
Balance as of September 30, 2018	**704,738**

e) IRPJ and CSLL Current and Deferred Reconciliation

The reconciliation of income tax and social contribution expenses, at the nominal and effective rates, is shown below:

	Parent company		Consolidated	
	30th of September 2018	**30th of September 2017**	**30th of September 2018**	**30th of September 2017**
Profit Prior to IRPJ and CSLL	**182,294**	**61,540**	**306,319**	**124,722**
Combined Nominal Rate of IRPJ and CSLL	34%	34%	34%	34%
IRPJ and CSLL	**(61,980)**	**(20,924)**	**(104,148)**	**(42,405)**
Permanent Additions and Exclusions				
Equity	68,959	28,945	4,035	2,552
Fiscal Benefit	-	-	(66)	(31)
Fiscal Incentive	-	(1)	1,784	237
Non-deductible provisions	(530)	(503)	(530)	(503)
Non-deductible Fines	-	-	(4,123)	(3,989)
Unrecognized IRPJ/CSLL on Fiscal Loss	(6,391)	(7,238)	(6,391)	(7,238)
Administrators Interest	(58)	(20)	(95)	(56)
Non-Technical Losses	-	-	(14,547)	(11,575)
Other Additions (Exclusions)	-	(259)	56	(174)
	-	-	**(124,025)**	**(63,182)**
Current	**-**	**-**	**(109,498)**	**(27,186)**
Deferred	**-**	**-**	**(14,527)**	**(35,996)**
Effective Fee	**0.00%**	**0.00%**	**40.49%**	**-50.66%**

21. TAXES AND SOCIAL CONTRIBUTIONS

21.1. Income Tax and Social Contribution Payable

	Parent company		Consolidated	
Description	**30th of September 2018**	**31st of December 2017**	**30th of September 2018**	**31st of December 2017**
IRPJ	-	-	81,519	15,096
CSLL	-	-	30,551	4,736
Total payable	**-**	**-**	**112,070**	**19,832**
(-) Taxes to be compensated	(1,931)	(2,055)	(104,836)	(29,831)
Total	**(1,931)**	**(2,055)**	**7,234**	**(9,999)**

a) Special Tax Regularization Program – PERT

In November 2017, the Company adhered to the Special Program for Tax Regularization - PERT instituted by Federal Act 13,496, dated from October 24, 2017.

After analyzing the options described in the Law, the Company opted for the modality described in item III, item "a" of article 3 of Federal Act 13,496/2017.

Considering the benefits of the Law, these amounts were recorded in the accounts, as shown in the chart below:

Description	Consolidated
On December 31, 2017	**5,906**
(+) Updates	91
(-) Amortizations in the period	(5,997)
On September 30, 2018	**-**

In compliance with article 5 of the Normative Instruction RFB No. 1,711/2017, while not consolidating the installment payment, the taxable person must collect on a monthly basis the amount relative to the installments, calculated according to the desired modality among those provided for in article 3 Federal Act 13,496/2017.

21.2. Other Taxes

	Parent company		Consolidated	
Description	**30th of September 2018**	**31st of December 2017**	**30th of September 2018**	**31st of December 2017**
ICMS	-	-	152,539	132,473
PIS and COFINS	6	4	45,315	44,574
Other	91	73	5,006	11,943
Current	**97**	**77**	**202,860**	**188,990**
(-) Taxes to be compensated	-	-	(63,573)	(65,440)
Total	**97**	**77**	**139,287**	**123,550**

22. SUPPLIERS

	Parent company	
Description	**30th of September 2018**	**31st of December 2017**
Employees Available	1,051	1,062
Materials and Services	106	230
Total	**1,157**	**1,292**

	Consolidated	
Description	**30th of September 2018**	**31st of December 2017**
Electricity	554,407	427,078
Charges due to Electric Grid Use	84,580	91,820
Materials and Services	61,059	97,665
Employees Available	1,051	1,062
Electricity Trading Chamber – CCEE	291,640	213,957
Total	**992,737**	**831,582**

23. LOANS AND FINANCING

Loans and Financings have three distinct classifications: a) Bank Loans, b) Eletrobras Loans and c) Finame-type loans, and are guaranteed, almost in their entirety, by receivables from Celesc D.

Description	Rate Interest and Commissions %	30th of September 2018	31st of December 2017
		Consolidated	
Corporate Card	1.23% p.m	26,202	-
Bank Loans (a) (i)	110 to 121.5 CDI	-	64,263
Bank Loans (a) (ii) (iii)	7.4 to 7.67 p.a.	301,062	-
Eletrobras (b)	5.00 p.a.	18,369	30,565
Finame (c)	2.5 to 9.5 p.a.	29,628	35,638
Total		**375,261**	**130,466**
Current		**347,494**	**88,057**
Non-Current		**27,767**	**42,409**

a) Bank Loans

The Bank Loan balances refer to three hirings, whose resources were used exclusively for the purpose of working capital.

(i) The first contract, in the amount of R$ 300 million, was made with Caixa Econômica Federal in June 2014, with a fee equivalent to 121.5% of CDI. In April 2015, the contract was renegotiated and the payment term was extended to 38 months, with a grace period of 8 months. The final amortization occurred in June 2018.

The second contract, in the amount of R$ 100 million, was made with Banco do Brasil in January 2015, with a remuneration equivalent to 110% of CDI. A grace period of 12 months was offered for the onset of the amortization of the principal amount, estimated for settlement in 24 monthly installments. The final amortization occurred in January 2018.

(ii) The third contract, in the amount of R$ 150 million, was made with Banco do Brasil, through the Agroindustrial Credit Line, in February 2018, with pre-fixed interest at 7.67% p.a. and required on a monthly basis. The contract term is 12 months and its settlement is provided in a single installment at the end of its term (bullet).

(iii) The fourth contract, in the amount of R$ 150 million, was made with Banco Safra, through a Bank Credit Certificate, in April 2018, with interest fixed at 7.4% p.a. and required on a monthly basis. The contract term is 12 months and its settlement is provided in a single installment at the end of its term (bullet).

b) Eletrobras

The resources of these hirings were intended, among other applications, to the rural electrification programs and come from the Global Reserve of Reversão - RGR and of the Financing Fund of Eletrobras. In general, the contracts have a grace period of 24 months, amortization in 60 monthly installments, interest rate of 5% p.a., administration fee of 2% p.a. and commission rate of 0.83%. All contracts have ANEEL's consent.

c) Finame

The resources of these contracts were useful to cover some of Celesc D's insufficient resources and were used to purchase machinery and equipment. Each acquisition constitutes a contract, which were traded at interest rates ranging from 2.5% to 9.5% p.a. and with amortizations estimated for 96 monthly installments. All contracts have ANEEL's consent.

d) Composition of Long-Term Due Dates

The amounts classified as non-current liabilities have the following composition, by year of maturity:

		Consolidated
Description	**30th of September 2018**	**31st of December 2017**
Year 2019 - 1Q and 3Q	-	5492
Year 2019 – 4Q	2,741	11891
Year 2020	9,307	9307
Year 2021	6,294	6294
Year 2022	4,663	4663
Year 2023	3,260	3260
Year 2024	1,139	1139
Year 2025	363	363
	27,767	**42,409**

e) Financing and Loans Operation

			Consolidated
Description	**Current**	**Non-Current**	**Total**
On December 31, 2017	**88,057**	**42,409**	**130,466**
Entries	382,736	-	382,736
Provisioned Charges	24,081	-	24,081
Transfers	14,642	(14,642)	-
Amortizations of Principal	(139,926)	-	(139,926)
Payment of Charges	(22,096)	-	(22,096)
On September 30, 2018	**347,494**	**27,767**	**375,261**

24. DEBENTURES

24.1. 1st Debentures – Celesc D

Celesc D issued, on May 15, 2013, 30,000 (thirty thousand) debentures in the nominal unit amount of R$ 10K, totaling R$ 300 million, due on May 15, 2019. The proceeds of this issuance were used exclusively, to increase working capital and carry out investments.

The remuneration interest corresponds to 100% of the accumulated variation of the average daily rates of Interbank Deposits (DI), over extra-group, expressed as a percentage per year, based on 252 business days, calculated and published daily by CETIP, plus a surcharge or spread of 1.3%.

The amortization was estimated in 3 consecutive annual installments as from May 15, 2017 and the remuneration in semiannual and consecutive installments was provided with no grace period, as of November 15, 2013.

The first two amortization installments in the amount of R$ 200 million were paid in their respective maturities and, until September 30, 2018, R$ 174.2 million of interest was paid.

Beginning in 2014, at the end of each fiscal year, the Company has a contractual commitment (covenant) related to the issuance of the Debentures not to present a Net Debt/EBITDA ratio above 2. Failure to comply with this financial indicator may entail the early due date of the total debt. As of September 30, 2018, the Company was below this ratio indicator.

24.2. 3rd Debentures - Celesc D

Celesc D issued, on July 13, 2018, 250 thousand Debentures in the unit face value of R$ 1 thousand, totaling R$ 250 million, due on July 13, 2023. The proceeds of this issuance were used as an aid for the ordinary management of its business.

The actual guarantee is the fiduciary assignment of existing and/or future receivables arising from the gross electricity supply to Celesc D's customers and Celesc will provide surety in favor of the Debenture holders, being obligated as a guarantor and principal payment of all due amounts under the Deed of Issuance.

The Debentures will have a five (5) year term as of the date of issuance, so that they expire on July 13, 2023; with a remuneration of interest corresponding to 100% of the cumulative variation of the daily average rates of DI or ID – Interbank Deposits of one day, plus a surcharge or spread of 1.9% per year.

The amortization was scheduled in 15 consecutive quarterly installments, always on the 13th of January, April, July and October, starting on January 13, 2020 and the last one on the due date. The remuneration will occur in quarterly and consecutive installments, without a grace period, as of October 13, 2018.

As of December 31, 2018, the Company has a contractual commitment (covenant) related to the issuance of the Debentures not to present a Net Debt/EBITDA ratio of more than 2.5. Failure to comply with this financial indicator may lead to the early due date of the total debt.

24.3. 1st Debentures - Celesc G

On March 03, 2016, the first issuance of Debentures of Celesc G took place. The total amount of the issuance was R$ 150 million in a single series, consisting of 15,000 (fifteen thousand) Debentures with a nominal unit value of R$ 10 thousand. The Debentures are simple, not convertible into shares, unsecured and with an additional fiduciary guarantee. The Debentures are nominative and book-entry, without the issuance of caution or certificates.

At the General Meeting of Debenture Holders, held on March 1, 2018, the change in the due date of Celesc G debentures from March 3, 2018 to June 1, 2018 was approved.

The interest rate for the period from March 03, 2018 (inclusive) up to the new due date (exclusive) was 100% of the accumulated variation of the DI Over Rate, plus a Spread of 2.5% per year, based on a year of 252 business days. Additionally, the Issuer paid the Debenture Holders a prize in the amount of R$ 6.66 (six reais and sixty-six cents) per debenture.

Interest paid totaled R$ 44.4 million, of which R$ 6.3 million in the first half of 2018.

24.4. 2nd Debentures – Celesc G

On June 1, 2018, Celesc G issued the second issue of non-convertible debentures; with a total issue amount of R$ 150 million, in a single series; 15,000 (fifteen thousand) Debentures, with a par value of R$ 10 thousand, and the nominal unit value of the Debentures will not be monetarily restated.

The actual guarantee is a fiduciary assignment of present and/or future receivables arising from the gross electricity supply to Celesc G's customers and a guarantee of trust in favor of the Debentures owners, being obligated as guarantor and principal payment of all amounts due under the Deed of Issuance.

The Debentures will have a five (5) year term as of the date of issuance, so that they expire on June 1, 2023; with a remuneration of interest corresponding to 100% of the cumulative variation of the average daily rates of DI or ID – Interbank Deposits of one day, plus a surcharge or spread of 2.50% per annum, until the effective payment date. The amortization will be from the 12th month (inclusive), counted from the issuance date, in quarterly and consecutive installments.

On a semi-annual basis, the Company has a contractual commitment (covenant) related to the issuance of the Debentures not to present a Net Debt/EBITDA ratio of more than 2. Failure to comply with this financial indicator may result in the early due date of the total debt.

a) Debenture Operation:

	Consolidated
Description	**Total**
On December 31, 2017	**352,216**
Entries	394,742
Monetary Update	21,306
Payments of Charges	(17,495)
Principal Payment	(249,990)
Costs to Issue Celesc D Debentures	357
Costs to Issue Celesc G Debentures	574
On September 30, 2018	**501,710**
Current	**123,277**
Non-Current	**378,433**

b) Costs in the Collection of Debentures to be Owned:

Description	30th of September 2018	31st of December 2017
		Consolidated
Year 2018:		
1Q/2018	-	362
2Q/2018	-	91
3Q/2018	-	91
4Q/2018	356	91
Year 2019:		
1Q/2019	353	91
2Q/2019	311	46
3Q/2019	264	-
4Q/2019	264	-
Year 2020 to 2023:		
1Q/2020 to 2Q/2023	3,651	-
Total	**5,199**	**772**

c) Reconciliation of Liabilities Resulting from Financing Activities

Parent company

Description	December 31, 2017	Payments	Total Variations in the Financing Flow	Non-cash Variations	September 30, 2018
Dividends and JCP (i)	16,301	(7,656)	(7,656)	1,248	9,893
Total	**16,301**	**(7,656)**	**(7,656)**	**1,248**	**9,893**

Consolidated

Description	December 31, 2017	Resource Earnings	Principal Payment	Total Variations in the Financing Flow	Payment of Interest (ii)	Non-cash Variations (i)	September 30, 2018
Loans and Financing	130,466	382,736	(139,926)	242,810	(22,096)	24,081	375,261
Debentures	352,216	394,742	(249,990)	144,752	(17,495)	22,237	501,710
Dividends and JCP	16,301	-	(7,656)	(7,656)	-	1,248	9,893
Total	**498,983**	**777,478**	**(397,572)**	**379,906**	**(39,591)**	**47,566**	**886,864**

(i) Additional dividends, transferred to liabilities, in the amount of R$ 3,158, compensation of dividends with the Government of the State of Santa Catarina in the amount of R$ 1,806 and prescribed dividends in the amount of R$ 105.

(ii) Provision for Loans and Financing totaled R$ 24,081. The Debentures totaled R$ 21,306. A provision of R$ 931 was also provided for, with respect to costs with debentures incurred in the third quarter of 2018.

(iii) Interest paid is classified in the Operating Activities flow in the Statement of Cash Flow.

25. LABOR AND SOCIAL SECURITY OBLIGATIONS

Description	30th of September 2018	31st of December 2017
		Parent company
Current	**790**	**1,051**
Provision of Vacations and Social Charges	485	674
Net Pay-roll	305	377
Total	**790**	**1,051**

Description	30th of September 2018	31st of December 2017
		Consolidated
Current	**200,626**	**200,623**
Provision of Vacations and Social Charges	138,509	125,195
PDV 2012 (a)	-	11,713
PDI (b)	40,637	44,172
Third Party Consignments	4,592	10,207
PLR Provision	16,332	8,611
Net Pay-roll	556	725
Non-Current	**22,425**	**41,060**
PDI (b)	22,425	41,060
Total	**223,051**	**241,683**

a) Voluntary Resignation Program – PDV

Through Resolution 168, dated from May 15, 2012, Celesc D approved the Plan for the Adequacy of Staff, which includes the Voluntary Resignation Plan (PDV).

This program was implemented as of November 2012, initially joined 734 employees and by June 2013 there were 19 additional employees. From Celesc D 753 beneficiaries resigned. On June 30, 2018, Celesc D paid the debts with the 753 beneficiaries.

b) Incentive Shutdown Plan - PDI

Through Resolution 15, FROM February 22, 2016, Celesc D approved the Incentivized Dismissal Plan (PDI). This program was implemented in December 2016, with the adherence and dismissal of 62 employees and a cost of approximately R$ 16 million. The installment payments started in January 2017.
In the PDI 2017, 122 employees were dismissed until December 2017. This edition of 2017 continued with the disconnections until the month of June 2018, where the total number of dismissal reached 188 (6% of the current effective staff). Total cost effective of R$ 69.2 million.
The PDI 2018 edition counts on 653 employees enrolled and projected to quit from 30% to 40% of these employees by April 2019. The budget execution of the PDI 2018 was approved in the amount of up to R$ 68.7 million, with 30 terminations having been carried out in the months of August and September, which cost about R$ 9.5 million.

This program is part of Celesc D's strategy to adjust its operating costs, optimize processes and improve indicators with a view to aggregating value to shareholders.

26. REGULATORY TAXES

Description	30th of September 2018	31st of December 2017
		Consolidated
Energy Efficiency Program - PEE or EEP	189,646	160,699
Emergency Capacity Charge - ECE or ECC	19,465	19,498
Flag Account Charge	56,154	-
Research and Development – R&D	101,919	90,615
Energy Development Account – CDE (i)	2,189,392	2,562,138
Use of Public Property	-	174
Other (ii)	1,101	1,101
Total	**2,557,677**	**2,834,225**
Current	**2,427,710**	**2,677,615**
Non-Current	**129,967**	**156,610**

(i) ANEEL, through Homologatory Resolutions No. 2,202 from February 7, 2017, No. 2,231 from April 25, 2017 and No. 2,368 from February 9, 2018, ratifying the quotas of CDE Use, CDE Energy and CDE Energy (ACTA-ACR), as shown below:

	CDE Energy (ACR-ACCOUNT)	CDE USE	CDE ENERGY
From April, 2017 to March, 2018	26,541	-	-
From April, 2018 to March, 2020	34,561	-	-
As of January, 2018	-	43,557	-
From February, 2018 - 1st Portion	-	60,233	-
From February, 2018 - 2nd Portion	-	33,819	-
From March to December, 2018	-	60,233	-
From August, 2017 to July, 2018	-	-	22,489

The Administration Council authorized the signing of the Debt Settlement Agreement with the Social Fund of the Energy Development Account (CDE) between Celesc D and the Electricity Trading Chamber (CCEE), whose balance due on June 30, 2017, reflecting accounts of amounts owed and credits receivable, was R$ 1,164,387. As of September 30, 2018, this balance was R$ 635,552.

The Assets and Liabilities related to the installment payment of CDE are shown below:

CDE Installments	30th of September 2018
Subsidy Decree No. 7,891/2013	1,457,680
Low Income Program	38,673
CDE payable	(2,131,905)
Total	**(635,552)**

The uncontroversial portion of the monetary restatement of the balances receivable and payable defined in the Installment Agreement, generated on June 30, 2017, respectively, a financial income of R$ 9,433 and a financial expense of R$ 179,481, resulting in a negative net amount of R$ 170,048. In the fiscal year 2017, the net financial result was R$ 213,608 and in the 3rd Quarter 2018, it was R$ 37,779.

The debit balance is being paid in thirty (30) monthly installments, equal and consecutive, in the amount of R$ 38,877, with an interest equivalent to the Selic rate. The first due date was set for July 26, 2017 and the remaining for the 10th of subsequent months. Until September 30, 2018, Celesc D paid R$ 610,174, of which R$ 583,160 of principal and R$ 27,014 of interest.

(ii) The other account is composed of the Financial Compensation for the Use of Water Resources – CFURH, the Electric Energy System Inspection Fee – TFSEE.

27. PROVISION FOR CONTINGENCY AND JUDICIAL DEPOSITS

At the dates of the Financial Statements, the Company presented the following liabilities, and corresponding judicial deposits related to contingencies:

a) Probable Contingencies

Parent company

Description	Judicial Deposits		Provisions for Risks	
	30th of September 2018	31st of December 2017	30th of September 2018	31st of December 2017
Contingencies:				
Tax	2,117	2,117	1,263	1,263
Labor	2,137	1,619	41	41
Civil	5,954	5,705	148	21
Regulatory	8,182	8,182	5,174	5,174
	18,390	**17,623**	**6,626**	**6,499**

Consolidated

Description	Judicial Deposits		Provisions for Risks	
	30th of September 2018	31st of December 2017	30th of September 2018	31st of December 2017
Contingencies:				
Tax(i)	3,745	3,745	66,715	59,791
Labor (ii)	53,396	49,111	66,157	64,095
Civil (iii)	82,445	59,326	160,022	134,191
Regulatory (iv)	49,248	49,248	363,291	358,700
Environmental (v)	-	-	2,050	2,157
	188,834	**161,430**	**658,235**	**618,934**

The operations in provisions and deposits are shown below:

Description	Parent company Deposits Judicial	Parent company Provisions for Risks	Consolidated Deposits Judicial	Consolidated Provisions for Risks
On December 31, 2017	**17,623**	**6,499**	**161,430**	**618,934**
Constitution	1,045	127	81,339	54,981
Financial Update	-	-	-	11,373
Settled	(278)	-	(53,935)	(27,053)
On September 30, 2018	**18,390**	**6,626**	**188,834**	**658,235**

The Company is a party involved in labor, civil, tax and regulatory proceedings in progress, and is discussing these issues at both the administrative and judicial levels.

These lawsuits, when applicable, are supported by judicial deposits. Provisions for possible losses arising from these processes are estimated and updated by the administration, supported by the opinion of its internal and external legal advisors.

The nature of the probable contingencies can be summarized as follows:

i) Tax Contingencies

They are related to tax contingencies in the federal sphere (related to PIS, COFINS, IRPJ, CSLL and social security taxes) and municipal taxes (related to the ISS).

ii) Labor Contingencies

These are related to complaints filed by employees and former employees of the Group and companies that provide services (outsourced) related to overtime pay issues, mainly those related to breaches of intrajourney and interjourney intervals, as well as to a revision of the calculation basis of salary, additional fees, severance pay, among other labor rights.

iii) Civil contingencies

They are related to civil actions in general, with the purpose, in sum, of compensation for damages (material and/or moral) arising from: undue suspension of electricity supply, registration of consumer names with credit protection agencies, electrical damages caused by loss of production (smoking, chickens), accidents involving third parties.

There are, in the same way, other types of demands that generate the payment of amounts by the Electric Power Concessionaire: billing review, tariff reclassification, revision of bidding agreements (economic and financial rebalancing), public bidding, among others.

iv) Regulatory Contingencies

Regulatory contingencies are associated with notifications made by ANEEL, ARESC or CCEE in punitive administrative proceedings arising from events that have already occurred, the settlement of which may result in the delivery of funds for contractual or regulatory violations of the electricity sector. Regulatory contingencies are also legal proceedings in which the Company discusses with other sector agents (concessionaires for generation, trading, transmission or distribution of electric energy, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE and MME) sectorial regulation.

The most significant regulatory contingency refers to the subcontracting of energy in 2014, whose financial impacts were not included by ANEEL in the Tariff Review of Celesc D, which occurred in August 2016, before a judicial measure filed by the company.

The Company, seeking to preserve its rights, filed a lawsuit with the Federal Court of the Federal District, requesting an injunction so that the decision of the regulating body contained in the Order in 2,078/2016 be reviewed. At the request of the Company, the Judge of the 6th Federal Court of Justice, granted the request for urgent relief, in order to determine the suspension, until a further determination of the Court.

Accordingly, Celesc D recognized R$ 256,601 in the result of June 2016, of which R$ 225,029 was a reduction of Gross Operating Revenue and R$ 31,572 as Financial Expenses, and the balance of the Financial Liabilities (Current), arising from the difference determined by the regulatory body.

The judge in charge of the case that discusses the 2014 contract exposition, after examining ANEEL's statement regarding the arguments presented by Celesc D, decided to maintain the injunction previously granted. Recently, a judgment of merit was issued, which is still pending publication. Sequentially, Celesc D will bring in the necessary resources to maintain the deferred injunction and meritorious discussion of the action.

v) Environmental Contingencies

These are cases related to judicial discussions regarding the payment of material and moral damages, due to an environmental accident that occurred in the concession area of Celesc.

b) Possible Contingencies

The Group also has tax, labor, civil, regulatory and environmental lawsuits, involving the risk of loss classified by the administration as possible, based on the assessment of its legal advisors, for which there is no provision made, according to the composition and estimate below:

		Consolidated
Description	**30th of September 2018**	**31st of December 2017**
Tax(i)	4,361	4,361
Labor (ii)	13,873	34,269
Civil (iii)	136,404	121,441
Regulatory (iv)	144,038	110,301
Environmental (v)	47,247	47,359
	345,923	**317,731**

The nature of possible contingencies can be summarized as follows:

i) Tax Contingencies

These are related to tax contingencies at the federal level, related to the collection of PIS, COFINS and Social Contribution on Net Profit – CSLL.

ii) Labor Contingencies

Most of these are related to complaints filed by employees and former employees of the Group and companies that provide services (outsourced) related to issues of subsidiary/joint liability, overtime, severance pay, and other labor rights.

iii) Civil contingencies

They are related to several civil actions filed by individuals and legal entities, related to indemnification issues caused by material damages, moral damages and loss of profits, accident, bidding processes and others.

iv) Regulatory Contingencies

Regulatory contingencies are associated with notifications made by ANEEL, ARESC or CCEE in punitive administrative proceedings that imply fines for breaching contractual or regulatory estimates of the electric sector, where the Company appealed at the administrative and judicial levels. At the same time, regulatory contingencies are the legal actions in which the Company discusses with sector agents (other concessionaires of generation, trading, transmission or distribution of electric energy, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE and MME) to the application of electricity sector regulation.

v) Environmental Contingencies

They are related to administrative and judicial environmental contingencies filed by individuals and legal entities, consisting mainly of indemnification for material damages, moral damages and loss of profits.

28. ACTUARIAL LIABILITIES

		Consolidated
Registered Duties	**30th of September 2018**	**31st of December 2017**
Social Security Plans	**1,114,215**	**1,179,848**
Transitory Mixed Plan (a)	1,114,215	1,179,848
Other Benefits to Employees	**688,005**	**698,130**
Celos Saúde Agreement (b)	641,361	652,231
Other Benefits (c)	46,644	45,899
Total	**1,802,220**	**1,877,978**
Current	**140,175**	**139,305**
Non-Current	**1,662,045**	**1,738,673**

Celesc D is a sponsor of the Celosc Social Security Foundation - Celos, a closed non-profit private pension fund entity, whose main objective is the administration of social security benefit plans for its participants basically represented by employees of Celesc D.

a) Social Security Plans

The Mixed Plan has defined benefit characteristics for the mathematical reserve portion already existing at the transition date and for the benefits granted, and defined contribution characteristics for the post-transition contributions related to the scheduled retirement benefits to be granted. The previous defined benefit plan, called the "Transitional Plan", continues to exist, exclusively covering retired participants and their beneficiaries.

Of the total amount recognized, R$ 461.0 million refers to the debt agreed with Celos on November 30, 2001, for payment of 277 additional monthly contributions, with an interest rate of 6% per annum and updated by the IPCA to cover actuarial liability of the Mixed and Transitory Plan.

Since this debt should be paid even in the event of a Celos surplus, Celesc D recorded as of 2015 the monetary restatement and interest as a financial result, based on the Accounting Manual of the Electric Sector.

b) Celos Healthcare Agreement Plan

Celesc D offers health insurance (medical, hospital and dental care) to its active employees, retirees and pensioners.

c) Other Benefits

These are amounts referring to deficient aid, funeral aid, compensation for natural or accidental death and minimum benefit to the retiree.

28.1. Actuarial Assessment Results

a) Reconciliation of the Duties Present Value

Description	Mixed Plan	Transitory Plan	Celos Saúde Agreement	Savings Plan	Other Benefits
Balance as of December 31, 2016	**1,711,178**	**743,566**	**656,189**	**8,508**	**39,836**
Cost of Gross Current Service (with interest)	5,704	-	(45,933)	-	-
Interest on Actuarial Duty	189,060	79,955	70,672	1,931	4,599
Benefits Paid in the year	(138,557)	(92,088)	(68,328)	(235)	(3,338)
Participant Contributions Bestowed in the year	51,972	21,957	30,765	-	-
Gain/Loss Duties	51,617	22,565	56,746	(1,489)	4,772
Balance as of Sunday, December 31, 2017	**1,870,974**	**775,955**	**700,111**	**8,715**	**45,869**

b) Reconciliation of Assets and Liabilities Recognized in the Balance Sheet

Description	Mixed Plan	Transitory Plan	Celos Saúde Agreement	Savings Plan	Other Benefits
Total net actuarial liability to be provided as of December 31, 2016	**408,843**	**461,464**	**582,150**	**(40)**	**39,836**
Present Value of Covered Actuarial Duties	1,870,974	775,955	700,111	8,715	45,869
Benefits Granted	1,668,910	775,955	583,440	235	45,412
Benefits to be Granted	202,064	-	116,671	8,480	457
Fair Value of Assets	(1,186,999)	(280,082)	(47,880)	(8,685)	-
Total net actuarial liability to be provided as of December 31, 2017	**683,975**	**495,873**	**652,231**	**30**	**45,869**

c) Reconciliation of the Assets Fair Value

Description	Mixed Plan	Transitory Plan	Celos Health Agreement	Savings Plan
On December 31, 2016	**1,302,335**	**282,102**	**74,039**	**8,548**
Benefits Paid in the Year	(138,557)	(92,088)	(68,328)	(235)
Contributions from Participants Granted in the Year	51,972	21,957	30,765	-
Contributions from the Sponsor Granted in the Year	43,425	22,669	41,749	-
Interest on Assets	145,537	30,620	7,980	968
Profit/Loss on Assets	(217,713)	14,822	(38,325)	(596)
On December 31, 2017	**1,186,999**	**280,082**	**47,880**	**8,685**

d) Costs Recognized in the Statement of Income for the Year

		Consolidated
Description	**30th of September 2018**	**30th of September 2017**
Transitory Plan	18,933	24,133
Mixed Plan	3,612	26,106
PDVI 2012	-	2,714
Medical Care Agreement	27,011	29,200
Other	4,093	4,172
	53,649	**86,325**
Personnel Expenditure	19,384	54,965
Financial Expenditure	34,265	31,360
	53,649	**86,325**

e) Actuarial and Economic Hypotheses

The actuarial and economic assumptions used were as follows:

Description	2017	
Nominal discount rate	Transitory Plan:	10.02%
	Mixed Plan:	9.97%
	Medical Care Agreement:	10.13%
Expected Nominal Rate of Return on Assets	Transitory Plan:	10.02%
	Mixed Plan:	9.97%
	Medical Care Agreement:	10.13%
Nominal Rate of Salary Growth		7.55%
Future Inflation Rate		4.50%
Actual Cost Growth Rate (HCCTR)		3.75%
Actual Growth Rate of Medical Costs by Aging Factor		2.50%
Rotation Ratio		Celos Experience
Actual Rate of Actual Growth of Plan Benefits		NULL
Salary/Benefits Readjustment Indexer		IPCA
Determining Factor for the Actual Amount of Wages/Benefits		98.00%

f) Biometric Assumptions

Description	31st of December 2017
Overall Mortality	AT-2000 Male
Handicap Mortality	AT- 1983 Male
Entry into Disability	Light Average

g) Estimated Expenditure for the 2018 Fiscal Year

The estimated expenditure for the 2018 financial year is shown below:

	Consolidated
Description	**Expenditure to be Recognized in 2018**
Transitory Plan	25,244
Mixed Plan	4,817
Savings Plan	862
Medical Care Agreement	36,015
Other Benefits	4,595
Total	**71,533**

h) Operation of Actuarial Liabilities

				Consolidated
Description	**Mixed / Transitory Plan**	**Celos Saúde Agreement**	**Other Benefits**	**Total**
As of December, 2017	**1,179,848**	**652,231**	**45,841**	**1,877,920**
Payment	(88,178)	(37,881)	(3,356)	(129,415)
Provision	22,545	27,011	4,093	53,649
On September 30, 2018	**1,114,215**	**641,361**	**46,578**	**1,802,154**

28.2. Equating a Deficit Related to the Social Security Plan

The Administration Council, at a meeting held on January 26, 2018, approved the Plan for the adjustment of the technical deficit in the Joint Social Security Plan administered by Celos, by collecting extraordinary contributions from the Active and Assisted Participants and from the Celesc D Sponsor, as follows:

Joint Plan: of the total amount of R$ 363.0 million, from November 2017, the Sponsor will bear 50%, that is, R$ 181.5 million, amortized on a monthly basis as from March 2018, for the term of 16 (sixteen) years, adjusted by the actuarial target (IPCA + 5.13% p.a.).

It should be noted that these deficits are already reflected in the total liabilities recorded as Actuarial Liabilities in the Balance Sheet of Celesc D, as well as in the costs recognized monthly as Actuarial Expenses, according to the Annual Actuarial Assessment of Employee Benefits, drawn up by actuaries in compliance with CVM Deliberation 695/2012 and CPC 33 (R1).

It is also worth mentioning that the referred Plan of Equationing, can be annually revised according to the verified results.

29. NET WORTH

a) Share Capital

The Company's paid-in and subscribed share capital is R$ 1,340,000,000.00, represented by 38,571,591 nominative shares, with no par value, of which 15,527,137 are ordinary shares (40.26%), with voting rights and 23,044,454 preferred shares (59.74%), also nominative. Preferred shares have a priority in the receipt of 25% non-cumulative dividends.

b) Adjustment of equity valuation

The table below shows the net effect in the amount of R$ 688,891 on September 30, 2018 and R$ 687,109 on December 31, 2017, in Net Worth:

		Consolidated
Asset Assessment Adjustment	**30th of September 2018**	**31st of December 2017**
Cost Assigned – Celesc G	15,847	17,629
Actuarial Liabilities Adjustment – Celesc D (CPC 33)	(704,738)	(704,738)
Total	**(688,891)**	**(687,109)**

The Attributed Cost, measured at fair value at the date of the initial adoption of the CPCs in 2009, was recognized in the Equity Assessment Adjustment, in Net Worth, net of Deferred Income Tax and Social Contribution, as a counter-entry to Fixed Assets.

Its realization is recorded as a counter-entry to the Retained Earnings account to the extent that the depreciation of the fair value of fixed assets is recognized in the income statement.

c) Diluted Profit per Share

The calculation of Basic and diluted profit per share as of September 30, 2018 and 2017 was based on the net income for the period and the weighted average number of common and preferred shares outstanding during the periods presented.

As of September 30, 2018 and 2017, the Company's shares were unchanged. During this period, there were no transactions involving ordinary shares or potential common shares between the balance sheet date and the date of completion of the Quarterly Information.

During the periods of September 30, 2018 and 2017, the Company did not have any convertible instruments in stock that would have a dilutive impact on profit (loss) per share.

d) Composition of Basic and Diluted Profit

	Parent company	
	30th of September 2018	30th of September 2017
Weighted average number of shares (thousands):		
Ordinary Nominative Shares - ON	15,527	15,527
Preferred Nominative Shares - PN	23,044	23,044
Basic and Diluted Profit per Share Assigned to Company Shareholders (R$):		
Ordinary Nominative Shares - ON	3.4302	1.5055
Preferred Nominative Shares - PN	3.7732	1.6561
Basic and Diluted Profit Assigned to the Company's Shareholders (R$):		
Ordinary Nominative Shares - ON	69,246	23,377
Preferred Nominative Shares - PN	113,048	38,163
	182,294	**61,540**

d) Legal Reserve and Profit Retention Reserve

The Legal Reserve is constituted annually as a 5% allocation of Net Income for the Year and may not exceed 20% of the Share Capital. The Legal Reserve aims to ensure the integrity of the Share Capital and can only be used to offset losses and increase capital.

The Profit Retention Reserve refers to the retention of the remaining balance of Retained Earnings in order to meet the business growth plan established in its investment plan, in accordance with the capital budget approved and proposed by the Company's administrators, to be deliberated at the Shareholders' General Meeting.

30. INSURANCE

Insurance coverage, as of September 30, 2018, was contracted by the following amounts, according to insurance policies:

Consolidated

Company	Field	Covered Assets	Validity	Insured(i)
Celesc D	Warranty Insurance	Concessionaire Goods and Rights	12.29.2017 to 12.31.2018	300,000
Celesc D	Named Risks	Substations	05.14.2018 to 05.14.2019	25,000
Celesc G	Fire/Lightning/Explosion	Plants and Substations	08.08.2018 to 08.08.2019	24,272
Celesc G	Aircraft Fall	Plants and Substations	08.08.2018 to 08.08.2019	12,136
Celesc G	Gale	Plants and Substations	08.08.2018 to 08.08.2019	12,136
Celesc G	Electrical Damage	Plants and Substations	08.08.2018 to 08.08.2019	24,272

(i) The assumptions and risks adopted, given their nature, are not part of the scope of an audit of the Financial Statements, therefore they were not examined by our independent auditors.

31. INFORMATION BY BUSINESS SEGMENT

The administration has defined the Company's operating segments, based on the reports used to make strategic decisions, reviewed by the Executive Board.

The presentation of the segments is consistent with the internal reports provided to the Company's Executive Board, responsible for allocating resources and evaluating the segments' performance.

The information by business segment, as reviewed by the Executive Board for the years ended on September 30, 2018 and 2017, is as follows:

Sunday, September 30, 2018

Description	Parent company	Celesc D	Celesc G	Consolidation Adjustments	Total
Net Operating Revenue – ROL or NOR	-	5,851,375	125,007	(3,667)	5,972,715
Sale Cost	-	(5,255,133)	(35,033)	3,667	(5,286,499)
Gross Operational Income	**-**	**596,242**	**89,974**	**-**	**686,216**
Expenses with Sales	-	(159,991)	(12,768)	-	(172,759)
General and Administrative Expenses	(19,805)	(193,580)	(8,579)	-	(221,964)
Other Net Revenues/Expenses	(1,605)	48,057	(106)	-	46,346
Equity Income	202,821	-	558	(191,512)	11,867
Activity Income	**181,411**	**290,728**	**69,079**	**(191,512)**	**349,706**
Financial Revenues	1,007	178,864	6,305	(3,667)	182,509
Financial Expenses	(124)	(218,745)	(10,694)	3,667	(225,896)
Net Financial Income	**883**	**(39,881)**	**(4,389)**	**-**	**(43,387)**
Profit (Loss) prior to IRPJ and CSLL	182,294	250,847	64,690	(191,512)	306,319
IRPJ and CSLL	-	(102,323)	(21,702)		(124,025)
Profit (Loss) for the Year	**182,294**	**148,524**	**42,988**	**(191,512)**	**182,294**
Supplementary Information					
Total Assets	**2,029,199**	**8,380,858**	**663,532**		
Total Liabilities	**18,797**	**7,190,492**	**196,991**		

Saturday, September 30, 2017
(Re-submitted)

Description	Parent company	Celesc D	Celesc G	Consolidation Adjustments	Total
Net Operational Revenue – ROL or NOR	-	5,001,057	113,607	(3,922)	**5,110,742**
Sale Cost	-	(4,410,636)	(31,716)	3,922	**(4,438,430)**
Gross Operational Income	**-**	**590,421**	**81,891**	**-**	**672,312**
Expenses with Sales	-	(169,354)	(11,084)	-	(180,438)
General and Administrative Expenses	(22,539)	(230,845)	(11,588)	-	(264,972)
Other Net Revenues/Expenses	(3,570)	41,146	(168)	-	37,408
Equity Income	85,132	-	(1,645)	(75,982)	7,505
Activity Income	**59,023**	**231,368**	**57,406**	**(75,982)**	**271,815**
Financial Revenues	2,566	225,448	8,716	(4,248)	232,482
Financial Expenses	(49)	(367,530)	(16,244)	4,248	(379,575)
Net Financial Income	**2,517**	**(142,082)**	**(7,528)**	**-**	**(147,093)**
Profit (Loss) prior to IRPJ and CSLL	61,540	89,286	49,878	(75,982)	124,722
IRPJ and CSLL	-	(45,662)	(17,520)		(63,182)
Profit (Loss) in the Year	**61,540**	**43,624**	**32,358**	**(75,982)**	**61,540**
Supplementary Information					
Total Assets	**2,148,884**	**8,199,244**	**611,745**		
Total Liabilities	**11,501**	**6,843,824**	**190,839**		

31.1. Consolidated Operational Revenue

Description	30th of September 2018	30th of September 2017 (Re-submitted)
Gross Operational Revenue – ROB		
Electricity Supply (a)	5,043,194	4,507,337
Electricity Supply (a)	294,385	239,778
Electric Grid Availability (i)	2,322,557	2,108,502
VNR Update	3,013	1,401
Financial Revenue (a)	32,316	30,189
Service Provision Income	1,939	1,834
Short-Term Electricity	394,883	369,395
Revenue from Regulatory Assets and Liabilities	568,613	283,134
Other Operating Revenues	11,559	9,963
Donations and Subventions (ii)	601,317	439,839
Construction Revenue	307,959	302,141
	9,581,735	**8,293,513**
Gross Operational Revenue Deductions		
ICMS	(1,555,331)	(1,398,531)
PIS	(152,013)	(128,729)
COFINS	(700,183)	(592,937)
Energy Development Account – CDE	(1,081,645)	(853,189)
Research and Development – R&D	(28,459)	(24,136)
Energy Efficiency Program – PEE	(27,750)	(23,546)
Surveillance Rate – ANEEL	(5,233)	(5,162)
Comp. Financ. Use of Water Resources – CFURH	(625)	(661)
Other Charges (Tariff Flags)	(57,781)	(155,880)
	(3,609,020)	**(3,182,771)**
Net Operating Revenue – ROL or NOR	**5,972,715**	**5,110,742**

(i) In compliance with the Accounting Manual for the Electric Sector - MCSE, approved by Normative Resolution No. 605/2014, Celesc D segregated TUSD's revenue from Captive Consumers for Electric Power Supply for Electric Network Availability.

(ii) Amount passed on by Eletrobras, referring to the reimbursement of discounts on the tariffs applicable to users of the public electricity distribution service. The amount of revenue accounted for as CDE Subsidy (Decree No. 7,891/13) in the third quarter of 2018 was R$ 527,679. The others refer to the Low Income Program in the amount of R$ 12,667 and CCRBT Flagship Supply in R$ 60,971.

a) Supply and Provision of Electricity

The breakdown of gross revenue from electricity supply and provision by consumer class is as follows:

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	30th of September 2018	30th of September 2017	30th of September 2018	30th of September 2017	30th of September 2018	30th of September 2017 (Re-submitted)
Residential	2,316,851	2,253,348	4,314,636	4,242,063	2,704,863	2,420,369
Industrial	106,461	103,117	7,657,885	7,481,940	1,436,669	1,305,004
Commercial	268,797	260,242	3,089,486	3,017,434	1,660,035	1,505,174
Rural	234,580	234,539	1,102,829	1,072,189	446,522	394,163
Public Power	23,069	22,578	329,829	325,368	212,649	187,489
Public Lightening	786	717	487,962	474,753	193,043	168,722
Public Service	3,366	3,160	270,555	263,404	146,265	128,252
Reclassification of Availability Revenue for the Electric Grid – Captive Consumers	-		-		(1,756,852)	(1,601,836)
Total Supply	**2,953,910**	**2,877,701**	**17,253,182**	**16,877,151**	**5,043,194**	**4,507,337**
Energy Supply	93	101	1,769,673	1,669,410	294,385	239,778
Financial Revenue Grant Bonus	-	-	-	-	32,316	30,189
Total	**2,954,003**	**2,877,802**	**19,022,855**	**18,546,561**	**5,369,895**	**4,777,304**

Non-Revised Information

31.2. Consolidated Operating Costs and Expenses

Consolidated operating costs and expenses consist of the following types of expenses:

September 30, 2018

Description	Costs for Assets and/or Services	Expenses General and Administrative Expenses	Expenses with Sales	Other Expenses/ Revenues	Total
Electric Energy Purchased for Resale (a)	3,671,553	-	-	-	3,671,553
Charges for Using the Electric Grid	709,937	-	-	-	709,937
Proinfa	118,580	-	-	-	118,580
Personnel (b)	251,786	106,677	43,980	8,215	410,658
Administrators	-	6,399	-	-	6,399
Actuarial Expenditure	-	19,384	-	-	19,384
Private Social Security Entity (b)	13,925	5,142	2,093	-	21,160
Material	6265	4258	-	-	10,523
Construction Cost	307,959	-	-	-	307,959
Third Party Costs and Services	59,058	54,770	39,650	537	154,015
Depreciation and Amortization	141,597	17,573	-	1,478	160,648
Net Provisions	-	-	39,721	27,928	67,649
Donations, Contributions and Subventions	-	-	-	130	130
Leases and Rents	1,536	12,417	492	(85,458)	(71,013)
Other Costs and Expenses (c)	4,303	(4,656)	46,823	824	47,294
	5,286,499	**221,964**	**172,759**	**(46,346)**	**5,634,876**

Saturday, September 30, 2017
(Re-submitted)

Description	Costs for Assets and/or Services	Expenses General and Administrative Expenses	Expenses with Sales	Other Expenses/ Revenues	Total
Electric Energy Purchased for Resale (a)	3,184,281	-	-	-	3,184,281
Charges for Using the Electric Grid	365,682	-	-	-	365,682
Proinfa	110,133	-	-	-	110,133
Personnel (b)	256,889	114,579	46,338	3,271	421,077
Administrators	-	6,605	-	-	6,605
Actuarial Expenditure	-	54,966	-	-	54,966
Private Social Security Entity (b)	13,373	4,819	2,157	-	20,349
Material	5,902	5,930	-	-	11,832
Construction Cost	302,141	--	-	-	302,141
Third Party Costs and Services	53,336	45,852	36,485	365	136,038
Depreciation and Amortization	141,879	19,797	-	1,478	163,154
Net Provisions	-	-	60,824	42,470	103,294
Leases and Rents	1,646	15,437	432	(66,828)	(49,313)
Other Costs and Expenses	3,168	(3,013)	34,202	(18,164)	16,193
	4,438,430	**264,972**	**180,438**	**(37,408)**	**4,846,432**

a) Electrical Energy Purchased for Resale

Description	30th of September 2018	GWh (i)	30th of September 2017	GWh (i)
Açucareiro Zillo Lorenzetti S. A	10,117	50	11,714	50
Aliança Geração de Energia S.A.	37,948	204	25,101	144
Centrais Elétricas Brasileiras S.A. – Eletrobras	601,089	2,822	506,612	2,777
Tractebel Energia S.A.	209,233	958	208,172	987
Centrais Elétricas de Pernambuco S.A.	30,791	207	35,980	207
Petrobrás S.A. – Governador Leon TEP	297,768	1,362	283,051	1,362
Companhia Energética de Petrolina – CEP	51,540	150	23,959	150
Serra do Facão Energia S.A.	14,758	69	14,812	71
Furnas Centrais Elétricas S.A.	87,092	764	89,083	810
Cemig Geração e Transmissão S.A.	118,372	673	120,879	897
Companhia Energética Potiguar	15,149	100	-	-
Companhia Hidreletrica Teles Pires	9,146	112	9,995	127
Companhia Energética de São Paulo – CESP	44,468	211	44,100	218
São Simão Energia S.A. HPP	35,175	127	-	-
Energética Suape II S.A.	46,749	152	51,023	152
Eletrobras Termonuclear S.A.	119,045	527	109,095	527
Porto do Pecem Energy Generation	101,095	353	82,697	353
Lages Bioenergética Ltda.	-	-	12,541	48
Foz do Chapecó Energia AS	31,925	148	31,461	150
Companhia Energética Estreito	30,030	145	30,111	149
Porto do Itaqui Energy Generation TEP	36,487	181	33,938	181
Santa Cruz Power Corp. Hydro Plants	7,931	37	7,839	38
Candeias Energia S.A.	-	-	8,357	24
Usina Xavantes S.A.	-	-	6,422	28
Companhia Energética Jaguara	-	-	-	-
Linhares Geração S.A.	9,647	25	10,909	25
Enguia GenBaLtda - Jaguari	-	-	6,744	91
Centrais Elétricas da Paraíba S.A.	15,863	55	11,506	28
Rio PCHI S.A.	8,375	39	8,278	40
Rio Paraná Energia S.A	56,314	360	46,453	338
Eletrosul Centrais Elétricas S.A.	7,916	37	7,555	38
Empresa Energética Porto das Pedras	-	-	7,884	38
Companhia Energética Jaguara	7,665	47	-	-
Empresa de Energia Cachoeira Caldeira	7,528	37	-	-
ECE Participacoes SA	6,782	33	-	-
ENEL Greem Power Mourão SA	6,610	56	-	-
Santa Fé Energia SA	6,197	46	6,133	29
SJC Bionergia Ltda	6,040	28	6,427	27
Energest SA	5,920	29	-	-
Cia de Ger. Term. de E.E. – Eletrobras CGTEE	10,579	73	13,614	111
Norte Energia S/A	100,645	924	63,862	776
Cia Hidro Elétrica do Sao Francisco – Chesf	38,070	1,003	28,689	987
Santo Antônio Energia S.A.	65,200	507	111,654	897
Other	138,225	1,461	140,835	1,016
	2,433,484	**14,110**	**2,217,485**	**13,891**
Electricity Purchased for Resale – CP	1,238,069	(554)	957,530	(403)
Charges Due to Eletric Grid Use	709,937	-	365,682	-
Proinfa	118,580	275	110,133	284
	2,066,586	**(279)**	**1,433,345**	**(119)**
	4,500,000	**(32)**	**3,650,830**	**13,772**

(i) Non-Revised Information

b) Personnel and Private Pension Entity

Description	Parent company 30th of September 2018	Parent company 30th of September 2017	Consolidated 30th of September 2018	Consolidated 30th of September 2017
Personnel				
Remunerations	9,594	12,374	214,084	227,406
Social Charges	210	206	80,293	65,227
Share in Earnings and Income		-	24,608	25,749
Assistance Benefits		-	28,530	28,018
Provisions and Indemnities	63	30	63,073	74,413
Other	45	49	70	264
Private Social Security Entity	12	-	21,160	20,349
	9,924	**12,659**	**431,818**	**441,426**

c) Cost Recovery

On December 12, 2017, ANEEL, through Order No. 4,171/2017, determined that Eletrosul Centrais Elétricas S.A. - Eletrosul would reimburse Celesc D the amounts related to the remuneration of the investments associated with the transmission facilities required to service the Arcelormittal consumer, received by the Transmitter in duplicity.

In a brief context, the connection of the Arcelormittal consumer, at the time of its installation in Santa Catarina, occurred in 230kV, being configured as "Other Transmission Facilities - DIT", a work contracted by Celesc D together with Eletrosul to enable the service in these characteristics. In order to pay for this contract, Celesc D has contractually entered into between the companies the period of 5 years for the payment of the installations by Celesc D, which has a regulatory receivable for 30 years.

The Eletrosul chose for the early extension of its transmission concession, with an indemnity referring to assets not depreciated or not amortized, in the form of Act 12,783/2013 and its regulations, including the facilities dedicated to the Arcelormittal consumer.

The amount established by ANEEL, in the total amount of R$ 46,319, restated by the IPCA accumulated from October 2012 to November 2017, plus interest of 5.59% real per year, as of January 2013, was accounted for as follows form: principal of R$ 25,768 as cost recovery in the energy cost group, considering that Celesc D recorded, at the time, as cost effecting the due payments of the sector charge. The remaining balance was recognized as financial income. At the moment, they are following negotiations at the request of Eletrosul for the payment of the credit in installments.

Following a regulatory procedure and the terms of the payment agreement entered into with Eletrosul, there remained formalized among the companies a Debt Confession Term, and Eletrosul's payment of R$ 9,573 was defined on July 20, 2018, followed by 11 consecutive monthly installments, equivalent to 2% of the amount due, each ending with a further 12 monthly and successive installments equivalent to 4.83% of the balance due, with possible adjustments in the final installment.

31.3. Financial Income

	Parent company		Consolidated	
Description	**30th of September 2018**	**30th of September 2017**	**30th of September 2018**	**30th of September 2017**
Financial Revenues				
Financial Investment Income	972	1,070	12,922	72,314
Moratorium Accruals w/o Electric Power Invoices	-	-	68,254	83,480
Monetary Variations	-	-	16,994	13,589
Monetary adjustment w/o Regulatory Assets	-	-	87,173	42,656
Social Fund Financial Incentive	-	-	-	1,200
Supplier’s Discount	-	-	95	243
Exchange Devaluation w/o Purchased Energy	-	-	1,809	12,197
CDE Update	-	-	-	9,433
Dividends Income	3	1,327	3	1,327
Other Financial Revenues	87	229	4,334	7,522
(-) PIS/COFINS w/o Financial Revenue	(55)	(60)	(9,075)	(11,479)
	1,007	**2,566**	**182,509**	**232,482**
Financial Expenses				
Debt Charges	-	-	(26,169)	(20,247)
Mathematical Reserve Update to be amortized	-	-	(34,265)	(31,360)
Tax on Financial Transactions – IOF	-	-	(3,779)	(605)
Monetary Variations and Accrued Arrears of Purchased Energy	-	-	(29,013)	(6,615)
Monetary Variations	(3)	-	(770)	(423)
R&D Update and Energy Efficiency	-	-	(11,947)	(18,747)
Monet. Update Financial Assets	-	-	(48,562)	(42,275)
CDE Update	-	-	(37,779)	(203,413)
Interest and Expenditure with Debentures	-	-	(22,237)	(35,945)
Other Financial Expenses	(121)	(49)	(11,375)	(19,945)
	(124)	**(49)**	**(225,896)**	**(379,575)**
Financial Income	**883**	**2,517**	**(43,387)**	**(147,093)**

32. COMPLEMENTARY INFORMATION OF CELESC D

32.1. Balance Sheet

Assets	30th of September 2018	31st of December 2017
Current	**3,852,405**	**3,712,219**
Cash and Cash Equivalents	253,139	462,466
Accounts Receivable from Customers	1,416,655	1,381,421
Inventories	9,255	9,549
Taxes to be Recovered	126,628	73,310
Financial Assets – Portion A	293,096	-
Other	1,753,632	1,785,473
Non-Current	**4,731,466**	**4,401,945**
LONG-TERM RECEIVABLES		
Accounts Receivable from Customers	49,708	35,380
Deferred Taxes	633,514	641,806
Taxes to be Recovered	29,796	18,217
Judicial Deposits	170,090	143,465
Financial Assets Indemnification - Concession	379,491	394,934
Financial Assets – Portion A	203,013	-
Other	2,089	3,524
INTANGIBLE	3,263,766	3,164,619
Total Assets	**8,583,871**	**8,114,164**

Liabilities	30th of September 2018	31st of December 2017
Current	**4,652,740**	**4,349,039**
Suppliers	990,004	828,637
Loans and Financing	347,494	88,057
Debentures	105,137	101,648
Social Security and Labor Duties	199,902	199,630
Taxes to be Recovered	291,063	189,463
Proposed Dividends	3,959	7,919
Loans – Affiliates, Subsidiaries or Controllers (i)	90,465	45,454
Regulatory Fees	2,427,481	2,677,229
Related Parties	9,866	19,732
Actuarial Liabilities	140,109	139,247
Financial Liabilities – Portion A	-	4,638
Other	47,260	47,385
Non-Current	**2,740,765**	**2,712,206**
Loans and Financing	27,767	42,409
Debentures	247,877	99,883
Regulatory Fees	127,555	154,583
Social Security and Labor Duties	22,425	41,060
Actuarial Liabilities	1,662,045	1,738,673
Provision for Contingencies	650,620	611,433
Financial Liabilities – Portion A	-	21,689
Other	2,476	2,476
Net Worth	**1,190,366**	**1,052,919**
Share capital	1,053,590	1,053,590
Profit Reserves	841,514	704,067
Equity Assessment Adjustments	(704,738)	(704,738)
Total Liabilities	**8,583,871**	**8,114,164**

(i) Loan between Celesc D and Celesc G

In September 2018, Celesc G transferred R$ 90,000 to Celesc D in the form of a Loan Agreement. The principal interest of CDI + 2.5% p.a. will be added to the principal, which will be paid at the end of the contract, valid for 12 months.

The funds are intended to mitigate cash dislocations, especially in light of the unfavorable economic situation of the electricity distribution sector, as well as the use as a bridge loan until the release of the IDB's resources in the Energy Infrastructure Program from Celesc D.

32.2. Income Statement

Description	30th of September 2018	30th of September 2017 (Re-submitted)
Net Operating Revenue – ROL or NOR	**5,851,375**	**5,001,057**
Revenue from Electric Power Service	5,543,416	4,698,916
Construction Revenue	307,959	302,141
Operating Costs	**(5,255,133)**	**(4,410,636)**
Cost of Electricity Service	(4,947,174)	(4,108,495)
Construction Cost	(307,959)	(302,141)
Gross Operational Income	**596,242**	**590,421**
Operational Expenses	**(305,514)**	**(359,053)**
Expenses with Sales	(159,991)	(169,354)
General and Administrative Expenses	(193,580)	(230,845)
Other Operating Expenses	48,057	41,146
Operational Income Prior to Financial Income	**290,728**	**231,368**
Financial Income	**(39,881)**	**(142,082)**
Financial Revenues	178,864	225,448
Financial Expenses	(218,745)	(367,530)
Income Before Income Tax and Social Contribution	**250,847**	**89,286**
IRPJ and CSLL	**(102,323)**	**(45,662)**
Deferred	(13,999)	(37,447)
Current	(88,324)	(8,215)
Profit (Loss) for the Year	**148,524**	**43,624**

32.2.1. Operational Revenue

Description	30th of September 2018	30th of September 2017 (Re-submitted)
Gross Operational Revenue – ROB or GOR		
Electricity Supply (a)	5,014,977	4,481,835
Electricity Supply (a)	218,903	172,533
Financial Assets and Liabilities	568,613	283,134
Electric Grid Availability	2,324,310	2,110,215
Short-Term Energy	394,884	369,395
Donations and Subventions	601,317	439,839
Construction Revenue	307,959	302,141
Financial Assets Update – VNR	3,013	1,401
Other Operating Revenues	13,498	11,797
	9,447,474	**8,172,290**
Gross Operational Revenue Deductions		
ICMS	(1,555,331)	(1,398,531)
PIS	(149,982)	(126,939)
COFINS	(690,827)	(584,689)
Energy Development Account – CDE (EDA)	(1,081,645)	(853,189)
Research and Development – R&D	(27,750)	(23,546)
Energy Efficiency Program – PEE (EEP)	(27,750)	(23,546)
Surveillance Rate	(5,033)	(4,913)
Other Charges	(57,781)	(155,880)
	(3,596,099)	**(3,171,233)**
Net Operating Revenue – ROL or NOR	**5,851,375**	**5,001,057**

a) Electricity Supply and Provision

The composition of the Gross Revenue of electricity supply and provision, by class of consumers, is as follows:

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	30th of September 2018	30th of September 2017	30th of September 2018	30th of September 2017	30th of September 2018	30th of September 2017
Residential	2,316,851	2,253,348	4,314,636	4,242,063	2,704,863	2,420,369
Industrial	106,452	103,104	7,551,303	7,356,191	1,414,488	1,281,269
Commercial	268,796	260,241	3,048,690	3,005,290	1,654,000	1,503,407
Rural	234,580	234,539	1,102,829	1,072,189	446,522	394,163
Public Power	23,069	22,578	329,829	325,368	212,649	187,489
Public Lightening	786	717	487,962	474,753	193,043	168,722
Public Service	3,366	3,160	270,555	263,404	146,265	128,252
Reclassification of Revenue by Availability of the Electric Grid - Captive Consumer	-	-	-	-	(1,756,852)	(1,601,836)
Total Supply	**2,953,900**	**2,877,687**	**17,105,804**	**16,739,258**	**5,014,978**	**4,481,835**
Energy Supply	47	49	1,375,302	1,340,455	218,903	172,533
Total	**2,953,947**	**2,877,736**	**18,481,106**	**18,079,713**	**5,233,881**	**4,654,368**

(i) Non-Revised Information

32.2.2. Operational Costs and Expenses

September 30, 2018

Description	Costs for Assets and/or Services	Expenses General and Administrative Expenses	Expenses Sales	Other Expenses/ Net Revenues	Total
Electricity Purchased for Resale	4,478,787	-	-	-	**4,478,787**
Personnel	249,362	90,884	43,551	8,215	**392,012**
Actuarial Expenditure	-	19,384	-	-	**19,384**
Private Social Security Entity	13,925	5,130	2,093	-	**21,148**
Material	5,985	4,214	-	-	**10,199**
Construction Cost	307,959	-	-	-	**307,959**
Third Party Costs and Services	54,931	50,400	39,243	537	**145,111**
Depreciation and Amortization	138,063	16,872	-	-	**154,935**
Net Provisions	-	-	27,838	27,814	**55,652**
Other Costs and Expenses	6,121	6,696	47,266	(84,623)	**(24,540)**
	5,255,133	**193,580**	**159,991**	**(48,057)**	**5,560,647**

Saturday, September 30, 2017
(Re-submitted)

Description	Costs for Assets and/or Services	Expenses General and Administrative Expenses	Expenses Sales	Other Expenses/ Net Revenues	Total
Electricity Purchased for Resale	3,650,830	-	-	-	3,650,830
Personnel	252,790	93,380	46,131	3,271	395,572
Actuarial Expenditure	-	54,966	-	-	54,966
Private Social Security Entity	13,373	4,819	2,157	-	20,349
Material	5,790	5,893	-	-	11,683
Construction Cost	302,141	-	-	-	302,141
Third Party Costs and Services	49,616	42,130	36,109	365	128,220
Depreciation and Amortization	130,949	18,719	-	-	149,668
Net Provisions	-	-	50,379	40,315	90,694
Other Costs and Expenses	5,147	10,938	34,578	(85,097)	(34,434)
	4,410,636	**230,845**	**169,354**	**(41,146)**	**4,769,689**

33. CELESC G'S COMPLEMENTARY INFORMATION

33.1. Balance Sheet

Assets	30th of September 2018	31st of December 2017
Current	**102,808**	**126,612**
Cash and Cash Equivalents	39,592	77,080
Accounts Receivable from Customers	23,081	18,358
Inventories	140	183
Taxes to be Recovered	8,479	466
Financial Assets	31,300	30,277
Other	216	248
Non-Current	**560,724**	**497,993**
LONG-TERM RECEIVABLES		
Taxes to be Recovered	1,575	1,223
Judicial Deposits	354	342
Related Parties	90,953	45,942
Financial Assets	248,971	241,886
Other	2,421	2,421
INVESTMENTS	59,974	51,058
FIXED ASSETS	153,486	151,631
INTANGIBLE	2,990	3,490
Total Assets	**663,532**	**624,605**

Liabilities	30th of September 2018	31st of December 2017
Current	**52,893**	**186,083**
Suppliers	2,834	2,931
Debentures	18,140	150,685
Taxes to be Recovered	23,770	19,283
Regulatory Fees	229	386
Related Parties	872	1,103
Proposed Dividends	6,977	11,628
Other	71	67
Non-Current	**144,098**	**12,642**
Deferred Taxes	10,141	9,613
Debentures	130,556	
Provision for Contingencies	989	1,002
Regulatory Fees	2,412	2,027
Net Worth	**466,541**	**425,880**
Share capital	250,000	250,000
Profit Reserves	155,925	158,251
Asset Assessment Adjustment	15,847	17,629
Accrued Profits (Losses)	44,769	-
Total Liabilities	**663,532**	**624,605**

33.2. Income Statement

Description	30th of September 2018	30th of September 2017
Net Operating Revenue – ROL or NOR	**125,007**	**113,607**
Sales and Service Revenues	125,007	113,607
Operating Costs	**(35,033)**	**(31,716)**
Cost of Electricity Service	(35,033)	(31,716)
Gross Operational Income	**89,974**	**81,891**
Operational Expenses	**(20,895)**	**(24,485)**
Expenses with Sales	(12,769)	(11,084)
General and Administrative Expenses	(8,579)	(11,588)
Other Net Revenues (Expenses)	(105)	(168)
Equity Income	558	(1,645)
Operational Income Prior to Financial Income	**69,079**	**57,406**
Financial Income	**(4,389)**	**(7,528)**
Financial Revenues	6,305	8,716
Financial Expenses	(10,694)	(16,244)
Income Before Income Tax and Social Contribution	**64,690**	**49,878**
IRPJ and CSLL	**(21,702)**	**(17,520)**
Current	(21,174)	(18,971)
Deferred	(528)	1,451
Profit (Loss) for the Year	**42,988**	**32,358**

33.2.1. Operational Revenue

Description	30th of September 2018	30th of September 2017
Gross Operational Revenue – ROB (i)		
Electricity Supply (a) – Industrial	22,181	25,502
Electricity Supply (a) – Commercial	6,035	-
Electricity Supply (a)	58,760	49,682
Short-Term Electricity (a)	18,636	19,772
Update/Interest on Grant Bonus Return	32,316	30,189
	137,928	**125,145**
Deductions from Operational Revenue		
PIS	(2,031)	(1,790)
COFINS	(9,356)	(8,248)
ANEEL - TFSEE Surveillance Tax	(200)	(249)
Research and Development – R&D	(625)	(590)
Financial Compensation for Water Resources	(709)	(661)
	(12,921)	**(11,538)**
Net Operating Revenue – ROL or NOR	**125,007**	**113,607**

(i) By means of an Approval Resolution No. 2,421 from July 17, 2018, ANEEL has approved the readjustment of the Annual Generation Revenue (RAG) for hydroelectric Plants under quotas, under the terms of Act 12,783/2013. The new RAG adjustment is effective from July 1, 2018 to June 30, 2019.

The RAGs established for Celesc G's Fixed Assets and which are to be charged on a monthly basis are:

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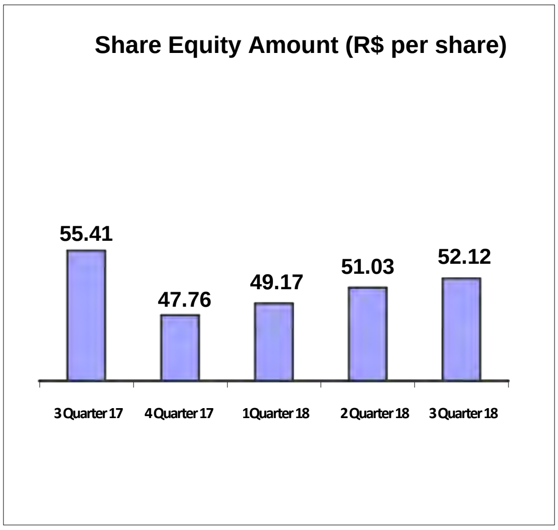
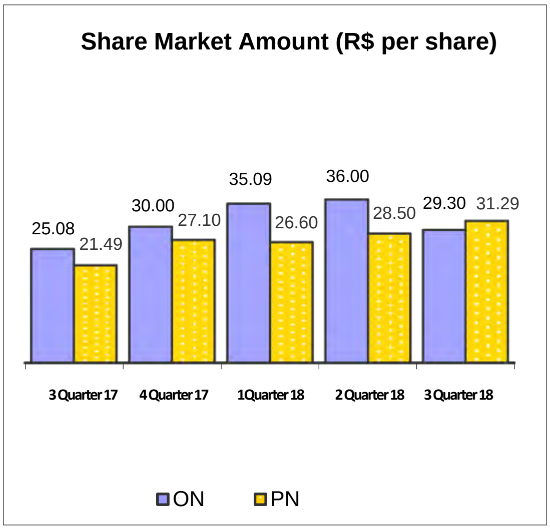
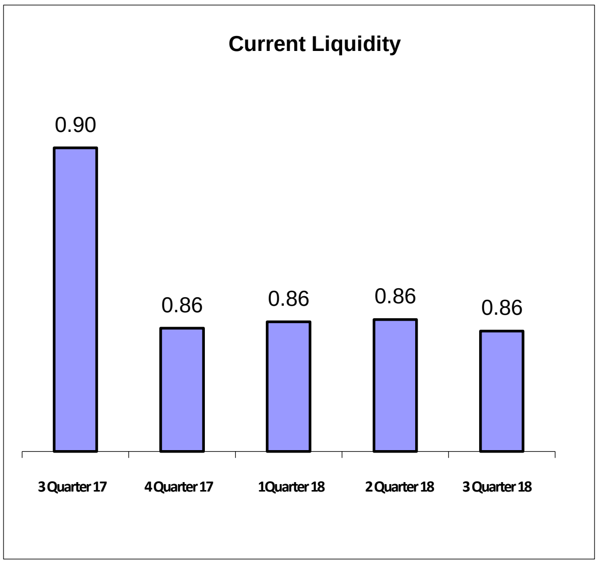
1. QUARTERLY FINANCIAL INDICATORS

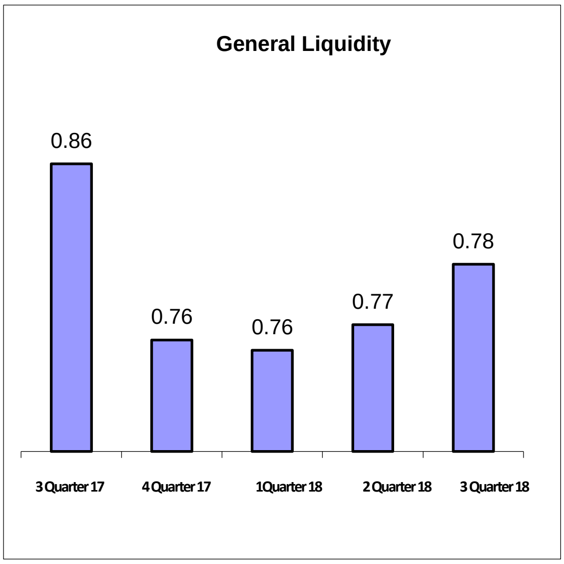
1.1. Equity



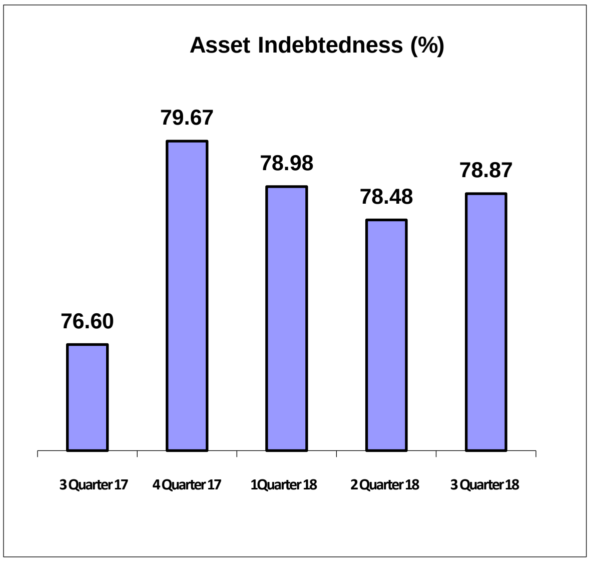


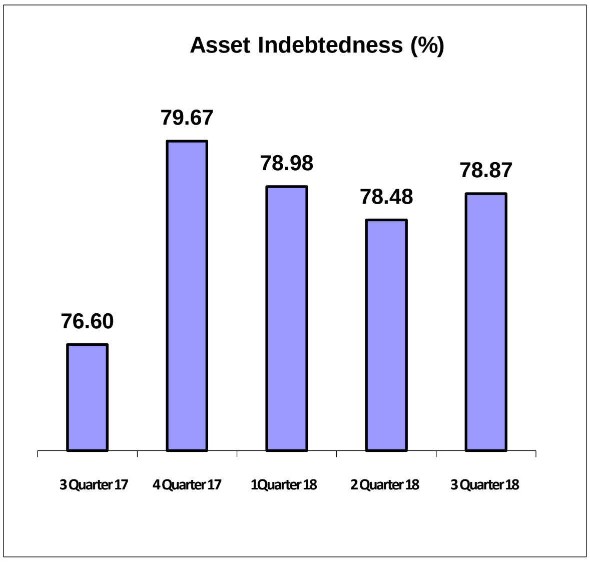
1.2. Liquidity



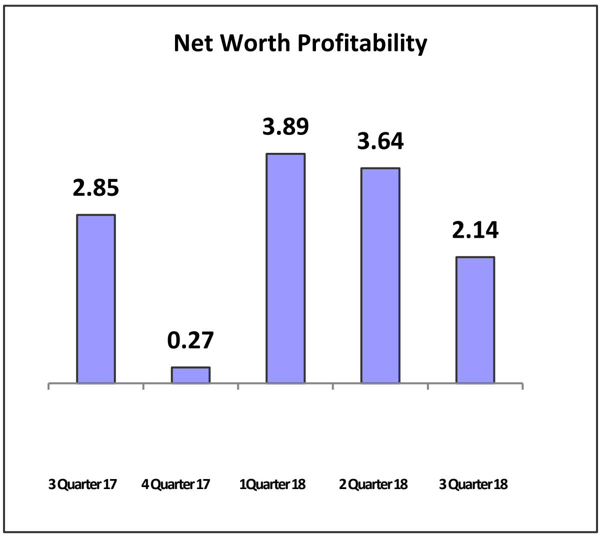


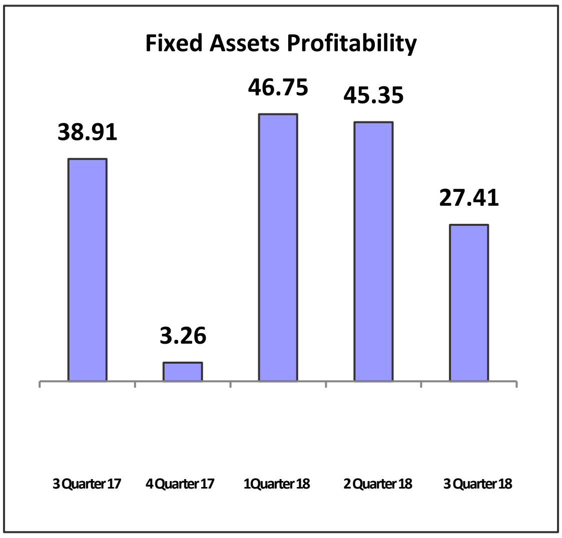
1.3. Indebtedness

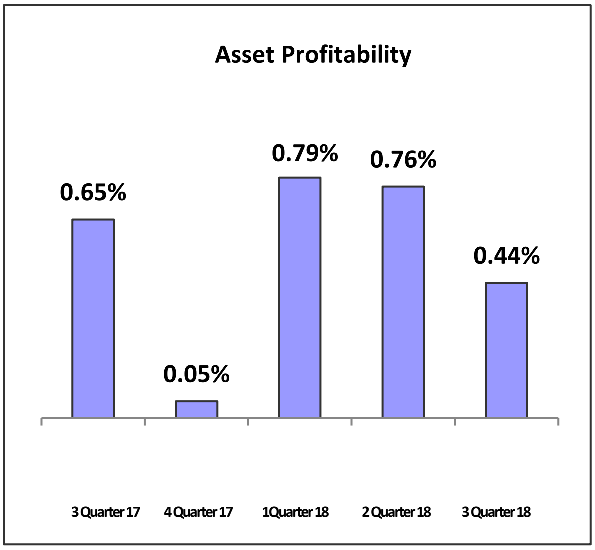


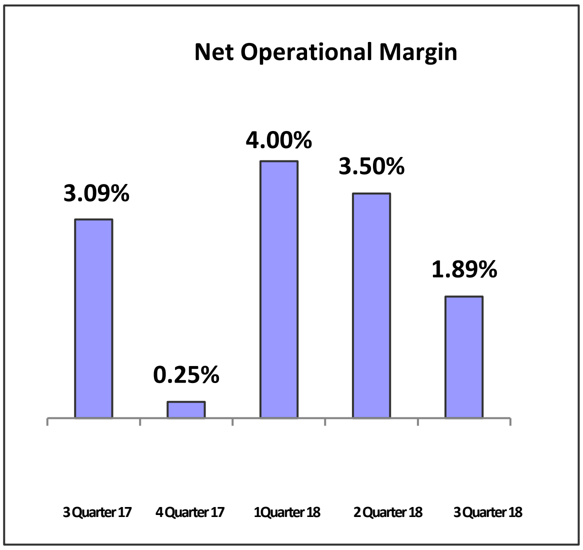


1.4. Profitability

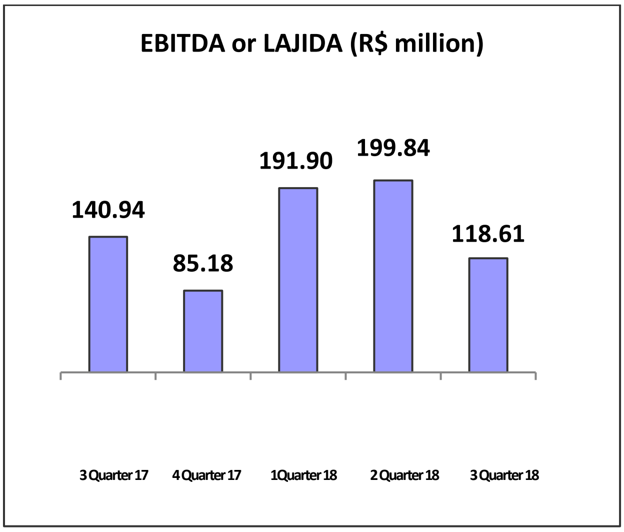


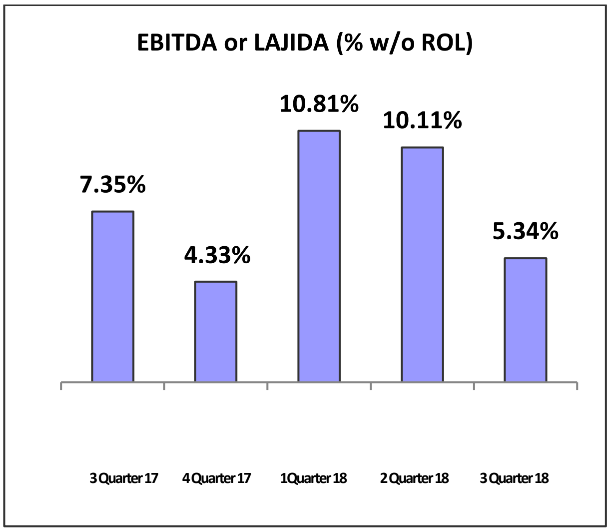




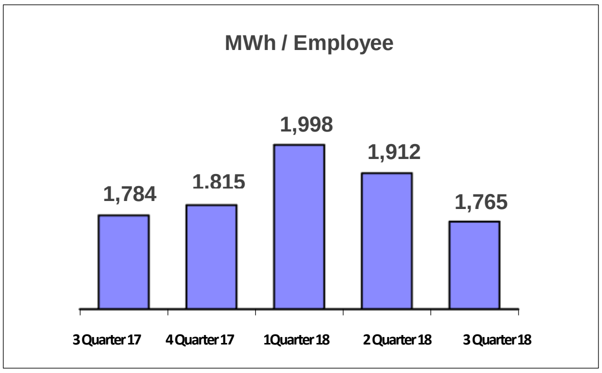


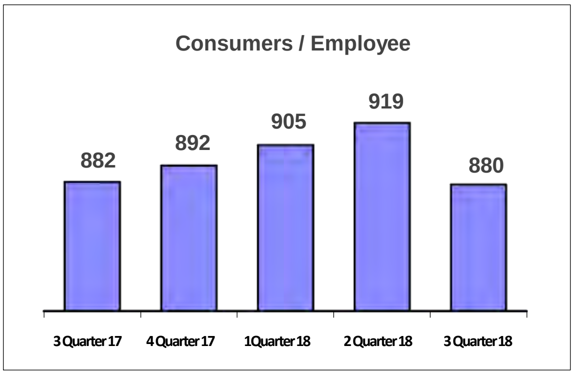
1.5. EBITDA or LAJIDA

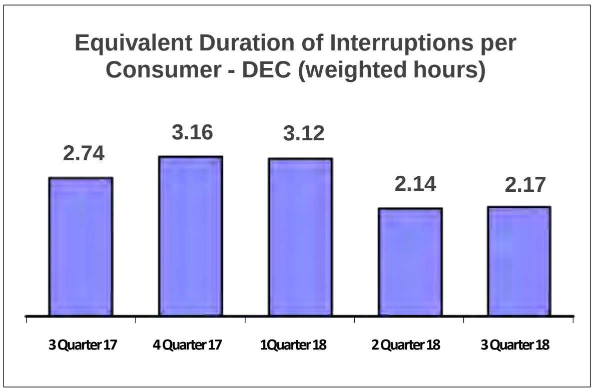


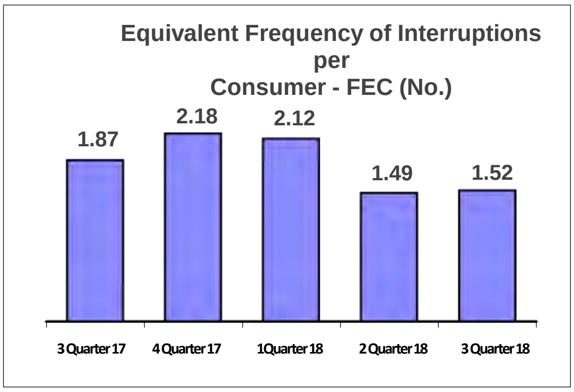


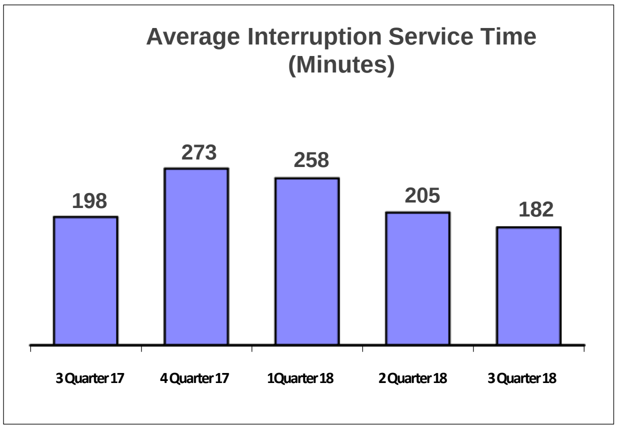
1.6. Efficiency

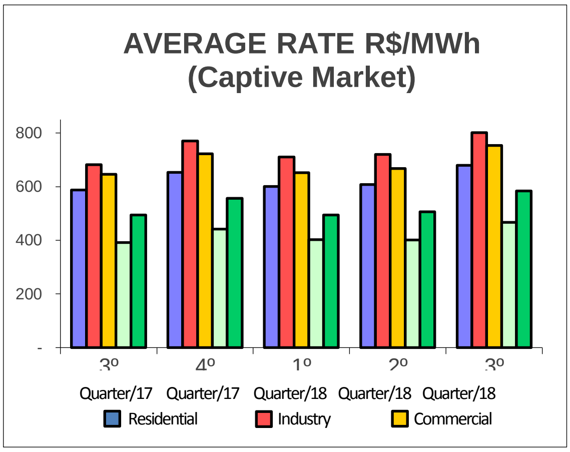












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Opinions and Statements / Special Review Report - Without Respect

Report on the review of quarterly information

To the Directors and Shareholders

Centrais Elétricas de Santa Catarina S.A.

Introduction

We have reviewed the individual and consolidated interim financial information of Centrais Elétricas de Santa Catarina SA (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2018, comprising the balance sheet at 30 and the related statements of income and comprehensive income for the three and nine-month periods then ended and the changes in stockholders' equity and cash flows for the nine-month period then ended, as well as summary of key accounting policies and other notes explanatory.

Management is responsible for preparing the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 - Interim Financial Reporting and International Accounting Standard IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as for presenting this information in a manner consistent with the standards issued by the Securities and Exchange Commission, applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on these interim accounting information based on our review.

Reach scope

We conducted our review in accordance with Brazilian and international standards for the review of interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Entity's Auditor and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively) . A review of interim financial information consists of inquiries, mainly to persons responsible for financial and accounting matters, and in the application of analytical procedures and other review procedures. The scope of a review is significantly less than that of an audit conducted in accordance with auditing standards and therefore has not enabled us to obtain assurance that we are aware of all material matters that could be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, we are not aware of any fact that would lead us to believe that the individual and consolidated interim financial information included in the quarterly financial information referred to above was not prepared in all material respects in accordance with CPC 21 and IAS 34, applicable to the preparation of the Quarterly Information (ITR), and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission.

Another subjects

Statements of value added

We have also reviewed the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2018, prepared under the responsibility of the Company's management, whose presentation in Interim information is required in accordance with the standards issued by the Brazilian Securities Commission applicable to the preparation of Quarterly Information (ITR) and considered as supplementary information under IFRSs, which do not require the presentation of the VAS. These statements have been subject to the same review procedures described above and, based on our review, we are not aware of any facts that may lead us to believe that they have not been prepared in a consistent manner, in all material respects, in relation to the accounting information consolidated interim financial statements taken as a whole.

Audit and revision of the figures corresponding to the previous year

The Quarterly Information (ITR) referred to in the first paragraph includes accounting information corresponding to the income and comprehensive income of the three and nine-month periods ended September 30, 2017 and the changes in stockholders' equity, cash flows and during the nine-month period ended on that date, obtained from the quarterly information - ITR for that quarter, and to the balance sheets as of December 31, 2017, presented for comparison purposes. The review of the Quarterly Information (ITR) for the three and nine-month periods ended September 30, 2017 and the examination of the financial statements for the year ended December 31, 2017 were conducted under the responsibility of other independent auditors, who issued reports review and audit with dates of November 10, 2017 and March 29, 2018, respectively, without reservations.

Florianópolis, November 14, 2018

PricewaterhouseCoopers
Independent Auditors
CRC 2SP000160/O-5

Marcos Roberto Sponchiado
Accountant CRC 1SP175536/O-5

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STATEMENT OF DIRECTORS ON THE FINANCIAL STATEMENTS

The Company's Executive Officers, responsible for drawing up the financial statements in accordance with the law or bylaws, declare that they have reviewed, discussed and agreed with the financial statements related to Celesc's (individual and consolidated) Quarterly Information.

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Cleverson Siewert
Chief Executive Officer

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Antônio José Linhares
Director of Regulatory and Legal Affairs

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Eduardo Cesconeto de Souza
Business Director

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Régis Evaloir da Silva
Director of Generation, Transmission and New Businesses

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Vítor Lopes Guimarães
Distribution Director

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Adriano Lima Medeiros
Corporate Management Director

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André Luiz de Castro Pereira
Director of Planning and Internal Control

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José Eduardo Evangelista
Director of Finance and Investor Relations

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José Braulino Stähelin
Accountant – CRC/SC 18.996/O-8

Celesc
Centrais Elétricas de Santa Catarina S.A.

STATEMENT BY DIRECTORS ON THE REPORT OF AUDITORES INDEPENDENTES

The Company's Executive Officers, who are responsible for preparing the financial statements in accordance with the law or bylaws, declare that they have reviewed, discussed and agreed with the opinions expressed in the special review report by **PricewaterhouseCoopers Auditores Independentes**, on the financial statements related to the Quarterly Information of Celesc (individual and consolidated).

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Cleverson Siewert
Chief Executive Officer

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Antônio José Linhares
Director of Regulatory and Legal Affairs

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Eduardo Cesconeto de Souza
Business Director

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Régis Evaloir da Silva
Director of Generation, Transmission and New Businesses

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