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Company Data / Capital Composition

Number of Shares (Thousand)	Current Quarter March 31, 2020
From the paid-in capital	
Common	15,527
Preferred	23,044
Total	38,571
In Treasury	
Common	0
Preferred	0
Total	0

Income Statement - Parent Company /

Balance Sheet - Assets (Reais Thousand)

Code of Code of Account	Description of the Account	Current Quarter March 31, 2020	Previous Fiscal Year December 31, 2019
1	Total Assets	1,625,423	1,491,187
1.01	Current Assets	96,841	111,201
1.01.01	Cash and Cash Equivalents	14,355	28,451
1.01.06	Taxes to be Recovered	10,919	10,905
1.01.06.01	Current Taxes to Recover	10,919	10,905
1.01.08	Other Current Assets	71,567	71,845
1.01.08.03	Others	71,567	71,845
1.01.08.03.01	Dividends receivable	71,539	71,817
1.01.08.03.02	Other Credits	28	28
1.02	Non-Current Assets	1,528,582	1,379,986
1.02.01	Long-Term Assets	160,906	160,819
1.02.01.02	Investments Appraised at Fair Value through Other Comprehensive Results	137,478	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Trading Securities	137,261	137,261
1.02.01.10	Other Non-Current Assets	23,428	23,341
1.02.01.10.03	Court Deposits	23,428	23,341
1.02.02	Investments	1,362,339	1,213,703
1.02.02.01	Corporate Share	1,362,339	1,213,703
1.02.02.01.01	Investments in Associates	100,425	93,835
1.02.02.01.02	Investments in Subsidiaries	1,169,163	1,028,428
1.02.02.01.04	Other Investments	92,751	91,440
1.02.03	Property, Plant & Equipment	17	18
1.02.03.01	Property, Plant & Equipment in Operation	17	18
1.02.04	Intangible Assets	5,320	5,446
1.02.04.01	Intangible Assets	5,320	5,446
1.02.04.01.01	Concession Contract	5,320	5,446

Income Statement - Parent Company /

Balance Sheet - Liabilities (Reais Thousand)

Code of Code of Account	Description of the Account	Current Quarter March 31, 2020	Previous Fiscal Year December 31, 2019
2	Total Liabilities	1,625,423	1,491,187
2.01	Current Liabilities	69,708	79,525
2.01.01	Social and Labor Obligations	659	632
2.01.01.01	Social Obligations	659	632
2.01.01.01.01	Social Charges	659	632
2.01.02	Suppliers	905	1,028
2.01.02.01	National Suppliers	905	1,028
2.01.03	Tax Obligations	221	9,855
2.01.03.01	Federal Tax Obligations	91	9,851
2.01.03.01.02	Other Federal Tax Obligations	89	4,279
2.01.03.01.03	PIS/COFINS	2	5,572
2.01.03.03	Municipal Tax Obligations	130	4
2.01.05	Other Obligations	67,923	68,010
2.01.05.02	Others	67,923	68,010
2.01.05.02.01	Dividends and Interest Payable	67,683	67,683
2.01.05.02.04	Other Current Liabilities	240	327
2.02	Non-Current Liabilities	4,556	4,538
2.02.04	Provisions	4,556	4,538
2.02.04.01	Labor and Civil Security Tax Provisions	1,573	1,555
2.02.04.01.01	Tax Provisions	1,263	1,263
2.02.04.01.04	Civil Provisions	299	292
2.02.04.01.05	Environmental Provisions	11	0
2.02.04.02	Other Provisions	2,983	2,983
2.02.04.02.04	Regulatory Provisions	2,983	2,983
2.03	Shareholders’ Equity	1,551,159	1,407,124
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	316	316
2.03.04	**Capital Reserve**	1,521,681	1,521,681
2.03.04.01	Legal reserve	170,374	170,374
2.03.04.05	Profit Retention Reserve	1,351,307	1,351,307
2.03.05	Accumulated Profit / Loss	144,176	0
2.03.06	Equity Assessment Adjustments	-1,455,014	-1,454,873

Individual Deposits / Income Statement

(Thousand Reais)

Code of Code of Account	Description of the Account	DMPL - January 1, 2020 to March 31, 2020	DMPL - January 1, 2019 to March 31, 2019
3.04	Operating Expenses / Revenues	143,983	72,389
3.04.02	General and Administrative Expenses	-4,503	-6,083
3.04.05	Other Operating Expenses	-517	-493
3.04.06	Equity in Earnings	149,003	78,965
3.05	Income Before Financial Result and Taxes	143,983	72,389
3.06	Financial Income (Loss)	52	281
3.06.01	Financial Revenues	70	297
3.06.02	Financial Expenses	-18	-16
3.07	Income Before Taxes on Profit	144,035	72,670
3.09	Net Income from Continuing Operations	144,035	72,670
3.11	Profit/Loss for the Period	144,035	72,670
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common Shares	3.52370	1.77780
3.99.01.02	Preferred Shares	3.87610	1.95560
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	3.52370	1.77780
3.99.02.02	Preferred Shares	3.87610	1.95560

Individual Deposits / Statement of Comprehensive Income

(Real Thousand)

Code of Code of Account	Description of the Account	DMPL - January 1, 2020 to March 31, 2020	DMPL - January 1, 2019 to March 31, 2019
4.01	Net Income of the Fiscal Year	144,035	72,670
4.03	Comprehensive Income for the Period	144,035	72,670

Income Statement - Parent Company / Statement of Cash Flow - Indirect Method (Reais Thousand)

Code of Code of Account	Description of the Account	DMPL - January 1, 2020 to March 31, 2020	DMPL - January 1, 2019 to March 31, 2019
6.01	Net Cash Operating Activities	-14,374	-6,708
6.01.01	Cash Generated in Operations	-4,456	-5,811
6.01.01.01	Net Income before Income Tax and Social Contribution	144,035	72,670
6.01.01.02	Depreciation and Amortization	494	494
6.01.01.03	Equity in Earnings	-149,003	-78,965
6.01.01.04	Interest and Monetary Variations	0	-10
6.01.01.07	Constitution (Reversal) Provision for Contingent Liabilities	18	0
6.01.02	Changes in Assets and Liabilities	-9,918	-897
6.01.02.02	Other Accounts - Assets	0	159
6.01.02.03	Court Deposits	-87	-908
6.01.02.04	Suppliers	-123	107
6.01.02.05	Social Security and Labor Duties	-26	-190
6.01.02.06	Taxes to be Collected	-9,634	58
6.01.02.07	Other Accounts - Liabilities	-34	-62
6.01.02.08	Taxes to be Recovered	-14	-61
6.02	Net Cash Investing Activities	278	7,563
6.02.04	Dividends Received	278	7,563
6.05	Increase (Decrease) in Cash and Cash Equivalents	-14,096	855
6.05.01	Opening Balance of Cash & Cash Equivalents	28,451	16,763
6.05.02	Closing Balance of Cash & Cash Equivalents	14,355	17,618

Income Statement - Parent Company / Statement of Changes in the Shareholders' Equity / DMPL -

January 1, 2020 to March 31, 2020 (Reais Thousand)

Account Code	Description of the Account	Share Capital Paid in	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Profit or Loss Accumulated	Other Results Comprehensive	Shareholders' Equity
5.01	Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124
5.03	Adjusted Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124
5.05	Total Comprehensive Result	0	0	0	144,176	-141	144,035
5.05.01	Net Income of the Fiscal Year	0	0	0	144,035	0	144,035
5.05.03	Reclassifications to the Result	0	0	0	141	-141	0
5.05.03.02	Achieving Assigned Cost	0	0	0	141	-141	0
5.07	Closing Balances	1,340,000	316	1,521,681	144,176	-1,455,014	1,551,159

Income Statement - Parent Company / Statement of Changes in the Shareholders' Equity / DMPL -

January 1, 2019 to March 31, 2019 (Reais Thousand)

Account Code	Description of the Account	Share Capital Paid in	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Profit or Loss Accumulated	Other Results Comprehensive	Shareholders' Equity
5.01	Opening Balances	1,340,000	316	1,302,766	0	-842,226	1,800,856
5.03	Adjusted Opening Balances	1,340,000	316	1,302,766	0	-842,226	1,800,856
5.05	Total Comprehensive Result	0	0	6,259	72,811	-141	78,929
5.05.01	Net Income of the Fiscal Year	0	0	0	72,670	0	72,670
5.05.03	Reclassifications to the Result	0	0	6,259	141	-141	6,259
5.05.03.02	Achieving Assigned Cost	0	0	0	141	-141	0
5.05.03.03	Adjustment of Equity in Subsidiary	0	0	6,259	0	0	6,259
5.07	Closing Balances	1,340,000	316	1,309,025	72,811	-842,367	1,879,785

Individual Deposits / Statement of Added Value

(Thousand Reais)

Code of Code of Account	Description of the Account	DMPL - January 1, 2020 to March 31, 2020	DMPL - January 1, 2019 to March 31, 2019
7.02	Inputs from Third Parties	-1,199	-529
7.02.02	Materials, Energy, Servs. of Third Parties and Others	-1,199	-529
7.03	Gross Added Value	-1,199	-529
7.04	Withholdings	-494	-494
7.04.01	Depreciation, Amortization and Exhaustion	-494	-494
7.05	Net Added Value Produced	-1,693	-1,023
7.06	Added Value Received on Transfer	149,073	79,262
7.06.01	Equity in Earnings	149,003	78,965
7.06.02	Financial Revenues	70	297
7.07	Total Added Value to Distribute	147,380	78,239
7.08	Distribution of Added Value	147,380	78,239
7.08.01	Personnel	2,976	5,246
7.08.01.01	Direct Compensation	2,671	5,103
7.08.01.02	Benefits	181	59
7.08.01.03	F.G.T.S.	124	84
7.08.02	Taxes, Fees and Contributions	269	218
7.08.02.01	Federal	109	131
7.08.02.02	State	4	4
7.08.02.03	Municipal	156	83
7.08.03	Return on Third-Party Equity	100	105
7.08.03.02	Rents	82	89
7.08.03.03	Others	18	16
7.08.04	Return on Shareholders’ Equity	144,035	72,670
7.08.04.03	Retained Earnings / Loss for the Period	144,035	72,670

Income Statement - Consolidated / Balance

Sheet - Assets (Reais Thousand)

Code of Code of Account	Description of the Account	Current Quarter March 31, 2020	Previous Fiscal Year December 31, 2019
1	Total Assets	9,425,929	9,498,257
1.01	Current Assets	2,817,006	2,358,072
1.01.01	Cash and Cash Equivalents	341,759	566,181
1.01.03	Accounts Receivable	1,561,159	1,421,771
1.01.03.01	Customers	1,399,794	1,258,367
1.01.03.01.01	Accounts Receivable from Customers	1,966,689	1,819,342
1.01.03.01.02	Allowance for Doubtful Accounts	-566,895	-560,975
1.01.03.02	Other Accounts Receivable	161,365	163,404
1.01.04	Inventories	17,338	14,696
1.01.06	Taxes to be Recovered	638,885	68,579
1.01.06.01	Current Taxes to Recover	638,885	68,579
1.01.08	Other Current Assets	257,865	286,845
1.01.08.03	Others	257,865	286,845
1.01.08.03.03	Dividends receivable	7,499	7,114
1.01.08.03.04	Other Credits	164,237	193,898
1.01.08.03.06	Financial Asset – Grant Bonus	32,893	32,597
1.01.08.03.07	CDE Resources for CVA Coverage	53,236	53,236
1.02	Non-Current Assets	6,608,923	7,140,185
1.02.01	Long-Term Assets	2,643,325	3,261,941
1.02.01.02	Investments Appraised at Fair Value through Other Comprehensive Results	137,478	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Trading Securities	137,261	137,261
1.02.01.04	Accounts Receivable	45,412	49,227
1.02.01.04.01	Customers	156,972	159,297
1.02.01.04.02	Allowance for Doubtful Accounts - PCLD	-114,614	-114,614
1.02.01.04.03	Other Accounts Receivable	3,054	4,544
1.02.01.07	Deferred Taxes	995,084	1,004,094
1.02.01.07.01	Deferred Income Tax and Social Contribution	995,084	1,004,094
1.02.01.10	Other Non-Current Assets	1,465,351	2,071,142
1.02.01.10.03	Taxes to be Recovered	535,452	1,092,845
1.02.01.10.04	Court Deposits	179,007	171,054
1.02.01.10.05	Financial Assets Indemnification - Concession	481,838	525,964
1.02.01.10.06	Financial Assets - Portion A – CVA	0	12,678
1.02.01.10.07	Financial Asset – Grant Bonus	259,054	258,113
1.02.01.10.08	Advance for Future Capital Increase	10,000	10,000
1.02.01.10.09	Credits with Investees	0	488
1.02.02	Investments	255,524	246,572
1.02.02.01	Corporate Share	255,524	246,572
1.02.02.01.01	Investments in Associates	162,773	155,132
1.02.02.01.04	Holdings in Jointly Controlled Companies	92,751	91,440
1.02.03	Property, Plant & Equipment	177,233	174,796
1.02.04	Intangible Assets	3,532,841	3,456,876
1.02.04.01	Intangible Assets	3,532,841	3,456,876
1.02.04.01.01	Concession Contract	3,525,095	3,448,815
1.02.04.01.02	Other Intangible Assets	7,746	8,061

Income Statement - Consolidated / Balance

Sheet - Liabilities (Reais Thousand)

Code of Code of Account	Description of the Account	Current Quarter March 31, 2020	Previous Fiscal Year December 31, 2019
2	Total Liabilities	9,425,929	9,498,257
2.01	Current Liabilities	2,298,668	2,427,690
2.01.01	Social and Labor Obligations	190,135	212,148
2.01.01.01	Social Obligations	190,135	212,148
2.01.02	Suppliers	832,965	996,725
2.01.02.01	National Suppliers	832,965	996,725
2.01.03	Tax Obligations	252,729	209,296
2.01.03.01	Federal Tax Obligations	114,911	63,400
2.01.03.01.01	Income Tax and Social Contribution Payable	66,517	11,744
2.01.03.01.02	PIS/COFINS	46,694	45,183
2.01.03.01.03	Others	1,700	6,473
2.01.03.02	State Tax Obligations	136,321	144,156
2.01.03.03	Municipal Tax Obligations	1,497	1,740
2.01.04	Loans and Financing	558,275	488,756
2.01.04.01	Loans and Financing	453,821	383,623
2.01.04.01.01	In National Currency	440,363	377,317
2.01.04.01.02	In Foreign Currency	13,458	6,306
2.01.04.02	Debentures	104,454	105,133
2.01.05	Other Obligations	292,458	344,237
2.01.05.02	Others	292,458	344,237
2.01.05.02.01	Dividends and Interest Payable	67,683	67,683
2.01.05.02.04	Regulatory Fees	136,984	166,014
2.01.05.02.07	Financial Liabilities - "Portion A" - CVA	13,716	25,142
2.01.05.02.20	Other Current Liabilities	74,075	85,398
2.01.06	Provisions	172,106	176,528
2.01.06.01	Labor and Civil Security Tax Provisions	172,106	176,528
2.01.06.01.03	Provisions for Employee Benefits	172,106	176,528
2.02	Non-Current Liabilities	5,576,102	5,663,443
2.02.01	Loans and Financing	1,056,388	1,172,820
2.02.01.01	Loans and Financing	812,789	904,008
2.02.01.01.01	In National Currency	344,499	435,718
2.02.01.01.02	In Foreign Currency	468,290	468,290
2.02.01.02	Debentures	243,599	268,812
2.02.02	Other Obligations	1,351,894	1,302,849
2.02.02.02	Others	1,351,894	1,302,849
2.02.02.02.03	Social and Labor Obligations	48,186	48,186
2.02.02.02.04	Regulatory Fees	191,648	189,425
2.02.02.02.06	Financial Liabilities - CVA	35,824	0
2.02.02.02.09	PIS/COFINS to be Returned to Consumers	1,076,236	1,065,238
2.02.03	Deferred Taxes	20,536	19,596
2.02.03.01	Deferred Income Tax and Social Contribution	20,536	19,596
2.02.04	Provisions	3,147,284	3,168,178
2.02.04.01	Labor and Civil Security Tax Provisions	2,838,592	2,862,293
2.02.04.01.01	Tax Provisions	9,642	9,641
2.02.04.01.02	Social Security and Labor Provisions	60,034	60,123
2.02.04.01.03	Provisions for Employee Benefits	2,645,927	2,661,948

Income Statement - Consolidated / Balance

Sheet - Liabilities (Reais Thousand)

Code of Code of Account	Description of the Account	Current Quarter March 31, 2020	Previous Fiscal Year December 31, 2019
2.02.04.01.04	Civil Provisions	122,989	130,581
2.02.04.02	Other Provisions	308,692	305,885
2.02.04.02.04	Regulatory Provisions	306,559	303,762
2.02.04.02.05	Environmental Provisions	2,133	2,123
2.03	Consolidated Shareholders' Equity	1,551,159	1,407,124
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	316	316
2.03.04	**Capital Reserve**	1,521,681	1,521,681
2.03.04.01	Legal reserve	170,374	170,374
2.03.04.05	Profit Retention Reserve	1,351,307	1,351,307
2.03.05	Accumulated Profit / Loss	144,176	0
2.03.06	Equity Assessment Adjustments	-1,455,014	-1,454,873

Consolidated Statements / Statement of Income

(Real Thousand)

Code of Code of Account	Description of the Account	DMPL - January 1, 2020 to March 31, 2020	DMPL - January 1, 2019 to March 31, 2019
3.01	Revenue from Sale of Goods and/or Services	2,109,793	2,132,137
3.01.01	Sales and Services Revenue	2,046,323	2,268,451
3.01.02	Construction Revenue	107,065	115,510
3.01.03	Revenue Portion A - CVA	-44,878	-253,133
3.01.04	VNR Financial Asset Restatement	1,283	1,309
3.02	Cost of Goods and/or Services Sold	-1,790,126	-1,862,177
3.02.01	Cost of Sale and Services	-1,515,071	-1,580,385
3.02.02	Cost of Products Sold	-2,908	-2,916
3.02.03	Cost of Services Rendered	-165,082	-163,366
3.02.04	Cost of Construction - CPC 47	-107,065	-115,510
3.03	Gross Result	319,667	269,960
3.04	Operating Expenses / Revenues	-92,382	-117,471
3.04.01	Selling Expenses	-52,508	-52,452
3.04.02	General and Administrative Expenses	-88,518	-87,827
3.04.04	Other Operating Revenues	39,048	16,614
3.04.06	Equity in Earnings	9,596	6,194
3.05	Income Before Financial Result and Taxes	227,285	152,489
3.06	Financial Income (Loss)	-8,568	-26,190
3.06.01	Financial Revenues	42,252	74,868
3.06.02	Financial Expenses	-50,820	-101,058
3.07	Income Before Taxes on Profit	218,717	126,299
3.08	Income Tax and Social Contribution on Profit	-74,682	-53,629
3.08.01	Current	-64,732	-49,284
3.08.02	Deferred	-9,950	-4,345
3.09	Net Income from Continuing Operations	144,035	72,670
3.11	Consolidated Profit/Loss for the Period	144,035	72,670
3.11.01	Assigned to Parent Company	144,035	72,670
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common Shares	3.52370	1.77780
3.99.01.02	Preferred Shares	3.87610	1.95560
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	3.52370	1.77780
3.99.02.02	Preferred Shares	3.87610	1.95560

Consolidated Statements / Statement of Comprehensive

Income (Real Thousand)

Code of Code of Account	Description of the Account	DMPL - January 1, 2020 to March 31, 2020	DMPL - January 1, 2019 to March 31, 2019
4.01	Consolidated Net Income for the Period	144,035	72,670
4.03	Comprehensive Consolidated Income for the Period	144,035	72,670
4.03.01	Assigned to Parent Company	144,035	72,670

Income Statement - Consolidated / Statement of Cash Flow - Indirect Method

(Reais Thousand)

Code of Code of Account	Description of the Account	DMPL - January 1, 2020 to March 31, 2020	DMPL - January 1, 2019 to March 31, 2019
6.01	Net Cash Operating Activities	-71,279	290,216
6.01.01	Cash Generated in Operations	259,642	202,223
6.01.01.01	Earnings before Income Tax and Social Contribution	218,717	126,299
6.01.01.02	Depreciation and Amortization	59,368	55,441
6.01.01.04	Equity in Earnings	-9,596	-6,194
6.01.01.05	Restatement/Interest Return/Grant Bonus	-9,819	-12,152
6.01.01.06	Interest and Monetary Variations	48,585	47,394
6.01.01.08	Income Tax and Social Contribution Paid	-50,565	-41,621
6.01.01.09	Interest Paid	-17,600	-18,891
6.01.01.11	Provision for Actuarial Liabilities	12,490	12,962
6.01.01.12	Constitution (Reversal) Provision for Contingent Liabilities	-4,873	23,784
6.01.01.14	Write-off of Property, Plant & Equipment/Intangible Assets	8,290	13,372
6.01.01.15	Financial Assets Update – VNR	-1,283	-1,309
6.01.01.17	Estimated losses in Doubtful Accounts	5,920	3,118
6.01.01.18	Write-Off of Financial Indemnity Assets - Concession	8	20
6.01.02	Changes in Assets and Liabilities	-330,921	87,993
6.01.02.02	Financial Assets - (CVA, Grant Bonus)	68,435	151,373
6.01.02.03	Accounts Receivable	-142,983	-19,587
6.01.02.05	Taxes to be Recovered	-12,913	-29,392
6.01.02.06	Court Deposits	-7,953	-20,152
6.01.02.07	Inventories	-2,642	-2,149
6.01.02.10	Other Accounts - Assets	31,151	31,058
6.01.02.14	Suppliers	-163,760	84,190
6.01.02.15	Taxes to be Collected	29,266	-99
6.01.02.16	Social Security and Labor Duties	-22,013	-17,793
6.01.02.17	Regulatory Fees	-29,147	-154,229
6.01.02.18	Financial Liabilities - CVA	-22,777	110,828
6.01.02.19	Actuarial Liabilities	-44,262	-50,368
6.01.02.20	Other Accounts - Liabilities	-11,323	4,313
6.02	Net Cash Investing Activities	-99,912	-123,289
6.02.01	Additions Property, Plant & Equipment/Intangible Assets	-100,292	-123,875
6.02.03	Capital Increase (Decrease) Investees	198	0
6.02.05	Dividends Received	182	586
6.03	Net Cash Funding Activities	-53,231	-118,930
6.03.03	Amortization of Loans and Financings	-27,741	-155,492
6.03.04	Additions of Loans and Financing	0	36,562
6.03.07	Payment of Debentures	-25,490	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	-224,422	47,997
6.05.01	Opening Balance of Cash & Cash Equivalents	566,181	698,060
6.05.02	Closing Balance of Cash & Cash Equivalents	341,759	746,057

Income Statement - Consolidated / Statement of Changes in the Shareholders' Equity / DMPL - January 1, 2020 to March 31, 2020 (Reais Thousand)

Account Code	Description of the Account	Share Capital Paid in	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Profit or Loss Accumulated	Other Results Comprehensive	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124	0	1,407,124
5.03	Adjusted Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124	0	1,407,124
5.05	Total Comprehensive Result	0	0	0	144,176	-141	144,035	0	144,035
5.05.01	Net Income of the Fiscal Year	0	0	0	144,035	0	144,035	0	144,035
5.05.03	Reclassifications to the Result	0	0	0	141	-141	0	0	0
5.05.03.02	Achieving Assigned Cost	0	0	0	141	-141	0	0	0
5.07	Closing Balances	1,340,000	316	1,521,681	144,176	-1,455,014	1,551,159	0	1,551,159

Income Statement - Consolidated / Statement of Changes in the Shareholders' Equity / DMPL - January 1, 2019 to March 31, 2019 (Reais Thousand)

Account Code	Description of the Account	Share Capital Paid in	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Profit or Loss Accumulated	Other Results Comprehensive	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	1,340,000	316	1,302,766	0	-842,226	1,800,856	0	1,800,856
5.03	Adjusted Opening Balances	1,340,000	316	1,302,766	0	-842,226	1,800,856	0	1,800,856
5.05	Total Comprehensive Result	0	0	6,259	72,811	-141	78,929	0	78,929
5.05.01	Net Income of the Fiscal Year	0	0	0	72,670	0	72,670	0	72,670
5.05.03	Reclassifications to the Result	0	0	6,259	141	-141	6,259	0	6,259
5.05.03.02	Achieving Assigned Cost	0	0	0	141	-141	0	0	0
5.05.03.03	Adjustment of Equity in Subsidiary	0	0	6,259	0	0	6,259	0	6,259
5.07	Closing Balances	1,340,000	316	1,309,025	72,811	-842,367	1,879,785	0	1,879,785

Income Statement - Consolidated / Statement of

Added Value (Reais Thousand)

Code of Code of Account	Description of the Account	DMPL - January 1, 2020 to March 31, 2020	DMPL - January 1, 2019 to March 31, 2019
7.01	Revenues	3,359,071	3,498,835
7.01.01	Sales of Goods, Products and Services Other	3,216,550	3,355,377
7.01.02	Other Revenues	41,376	31,066
7.01.03	Recipes refs. to the Construction of Own Assets	107,065	115,510
7.01.04	Provision / Reversion of Credits. Doubtful Accounts	-5,920	-3,118
7.02	Inputs from Third Parties	-1,692,424	-1,783,677
7.02.01	Costs Prods., Mercs. and Servs. Sold	-1,545,731	-1,611,349
7.02.02	Materials, Energy, Servs. of Third Parties and Others	-39,628	-56,818
7.02.04	Others	-107,065	-115,510
7.02.04.01	Costs refs. Construction of Own Assets	-107,065	-115,510
7.03	Gross Added Value	1,666,647	1,715,158
7.04	Withholdings	-59,368	-55,441
7.04.01	Depreciation, Amortization and Exhaustion	-59,368	-55,441
7.05	Net Added Value Produced	1,607,279	1,659,717
7.06	Added Value Received on Transfer	51,848	81,062
7.06.01	Equity in Earnings	9,596	6,194
7.06.02	Financial Revenues	42,252	74,868
7.07	Total Added Value to Distribute	1,659,127	1,740,779
7.08	Distribution of Added Value	1,659,127	1,740,779
7.08.01	Personnel	164,239	165,510
7.08.01.01	Direct Compensation	135,822	137,124
7.08.01.02	Benefits	21,699	21,829
7.08.01.03	F.G.T.S.	6,718	6,557
7.08.02	Taxes, Fees and Contributions	1,293,304	1,396,778
7.08.02.01	Federal	658,785	723,404
7.08.02.02	State	631,068	670,375
7.08.02.03	Municipal	3,451	2,999
7.08.03	Return on Third-Party Equity	57,549	105,821
7.08.03.01	Interest	2,246	10,488
7.08.03.02	Rents	6,729	4,763
7.08.03.03	Others	48,574	90,570
7.08.03.03.01	Monetary and Exchange Rate Variations	6,187	21,684
7.08.03.03.03	Other Financing Expenses	42,387	68,886
7.08.04	Return on Shareholders’ Equity	144,035	72,670
7.08.04.03	Retained Earnings / Loss for the Period	144,035	72,670

1. OPERATING CONTEXT

Centrais Elétricas de Santa Catarina S.A. – Celesc ("Company" and, together with its subsidiaries, "Group"), is a publicly held company, founded on December 9, 1955, by State Decree No. 22, headquartered at Itamarati Avenue, 160, Itacorubi neighborhood, CEP: 88.034-900, Florianópolis/SC, 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.

2. BUSINESS PROFILE

2.1. Wholly Owned Subsidiaries

2.1.1. Celesc Distribution S.A. - Celesc D

Celesc D, constituted by public deed on September 29, 2006, as authorized by State Law 13.570 of November 23, 2005, is a publicly-held company.

On July 22, 1999, Contract 56 was signed for the electricity distribution concession, which regulates the exploitation of public electricity distribution services, effective until July 7, 2015. With the de-verticalization process in 2006, the distribution activity, which belonged to Centrais Elétricas de Santa Catarina S.A. - Celesc was transferred to Celesc D. 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.

Considering that the conditions established by ICPC01 - Concession Agreements were fully met, the Management of Celesc D concluded that its concession agreement, as well as the 5th Addendum that extended the concession, is within the scope of ICPC01.

Celesc D operates in the electricity distribution segment serving, in whole or in part, 287 municipalities in Santa Catarina, in addition to a part of the municipality of Rio Negro, in Paraná, and has more than 3 million consumer units. Celesc D is also responsible for supplying electric power to the service of 4 concessionaires and 20 licensees, which operate in the other municipalities of Santa Catarina.

2.1.1.1. Regulatory Environment

The Brazilian electricity sector is regulated by the Federal Government, acting through the Ministry of Mines and Energy - MME, which has exclusive authority over the electric sector. The regulatory policy for the sector is defined by the National Electric Energy Agency - ANEEL.

a) Concession Extension

On December 9, 2015, Celesc D signed the 5th Addendum to the Electricity Distribution Concession Agreement 56/1999, for 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.

Note 5.3.1, item c, presents the status of the established indicators.

From the sixth year following the conclusion of the contract, non-compliance with the quality criteria for 3 consecutive years, or economic and financial management criteria for 2 consecutive years, will lead to the opening of the expiration process of the concession.

b) 2019 Annual Tariff Readjustment

ANEEL, through Ratifying Resolution No. 2,593 from August 20, 2019, approved the Annual Tariff Adjustment of Celesc D, applied as of August 22, 2019. Said adjustment resulted in a tariff effect average to be perceived by consumers, around -7.80 %, being -5.53% on average for connected consumers in the High Voltage and -9.16% on average for consumers connected in the Low Voltage.

The Sector Charges have a -6.87% share, 1.43% of Transmission Costs, -0.67% of Energy Expenses, -0.05% of Unrecoverable Revenues, 0.86% with Distributor Costs, 3.18% of Financial Components of the current process, and -5.70% related to the withdrawal of the Financial Components of the previous ordinary process.

c) Tariff Levels

The levels of activation and the additional tariff flags in force are:

i) Green Level: favorable conditions of energy generation. The tariff will not undergo any additional fees;
ii) Yellow Level: R$1,343 for every 100 kwh (until October 2019: R$1.50 for every 100 kwh);
iii) Red Level 1: R$4.169 for every 100 kwh (until October 2019: R$4.00 for every 100 kwh);
iv) Red Level 2: R$6,243 for every 100 kwh (until October 2019: R$6.00 for every 100 kwh).

The definition of the levels of activation will be carried out according to the Accumulated Distribution Function (FDA) method, defined in the PRORET Manual on Tariff Regulation Procedures, sub-module 6.8, by the following criteria:

i) Green Tariff Flag: statistical number of FDA associated with the probability of 75%;
ii) Yellow Tariff Flag: average sample value of FDA comprised between 75% and 85%;
iii) Red Tariff Flag: FDA range comprised between 85% and 95%;
iii-a) Level 1: average sample value of FDA comprised between 85% and 90%; and
iii-b) Level 2: average sample value of FDA comprised between 90% and 95%.

The activation of the flags and the monthly values of the Centralizing Account of Tariff Levels Resources (CCRBT), 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 Electricity Trading Chamber - CCEE, in 2020 are:

Month	Flag	Transfer from CCRBT to Celesc D (R$ thousand)	Transfer from Celesc D to CCRBT (R$ thousand)	# ANEEL Orders
January	Yellow	2,048	-	257/2020
February	Green	10,854	-	695/2020
March	Green	2,187	-	903/2020

d) 2014 Contractual Exhibit – ANEEL Order 2642/2015 and 2078/2016

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, Celesc D obtained an injunction to dismiss the application of the mentioned tariff reducer, a decision met by ANEEL upon ratification of the tariff processes of 2016, 2017 and 2018.

In June 2016, Celesc D recognized R$ 256,601, 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.

In June 2017, Celesc D reclassified the amount of R$ 256,601 of the Current Liabilities to Regulatory Contingency Provision, considering it to be a judicial measure. In December 2018 it was updated to R$317,631.

In 2019, the judge in charge of the case, after examining ANEEL's statement regarding the arguments presented by Celesc D, decided to maintain the injunction previously granted. Also in 2019, before the 2019 Periodic Tariff Adjustment (PTA) process, a court decision was rendered against Celesc D. Given this decision, Celesc D had to appeal to discuss the matter in the second instance and awaits a decision from Judges.

Due to the decision in the first instance, in August 2019, ANEEL, through Ratification Resolution 2593, allocated in the tariff process the value of the non-transfer of tariffs. The Distributor requested a deferral in 5 tariff processes, ANEEL then partially accepted the request and ratified the deferral of the financial effect of the 2014 contractual exposure by a fifth of the amount in the 2019 Tariff Adjustment, totaling R$65,768. The agency will assess the possibility of maintaining the deferral for the next tariff processes. The remaining balance remains as Regulatory Contingency, and the restated of March 2020 balance is R$272,541.

e) Reversal Financial Item: Extraordinary Tariff Adjustment - 2015 ETR and CVA CDE (2015 RTA and 2016 RTP)

As noted in Technical Note 194/2015-SGT/ANEEL 16, which instructed Celesc D's 2015 RTA, the reversal of the 2015 RTE's financial component was not carried out, due to the legal discussion regarding the payment of quotas and receipts of CDE's subsidies. Similarly, the previous CVA CDE for the same period had not been considered in the tariff processes.

In the 2019 tariff process, ANEEL, through Resolutions No. 2.231 from April 25, 2017, No. 2.510 from December 18, 2018 and No. 2.521 from March 20, 2019, ratifying the quotas of CDE Use, CDE Energy and CDE Energy (ACTA-ACR), fully recognizing the amounts assessed and accounted by Celesc D, as shown in the table below:

Description	CDE Energy (ACR-ACCOUNT)	CDE USO	CDE ENERGIA
April 2019 to August 2019	34,561	-	-
August 2018 to March 2019	-	-	23,134
January 2019 to March 2019	-	65,447	-
April 2019 to December 2019	-	88,581	-

Administratively, the CDE installment agreement has not yet been terminated by ANEEL. Therefore, a note was inserted in the process making it possible to revisit the amounts considered, if there is an unfavorable position in the proceedings.

Item 28 if the Vote assigned to the Rapporteur Officer of the Proceeding has the following wording:

"Given arguments and documents presented by the Concessionaire, as well as the Superintendence's analysis, while the decision is in force, Celesc-DIS's claim must now be accepted, so that the differences between payment and coverage are established in the original payment dates, without no prejudice to future analysis, possibly in the specific administrative proceeding 48500.003205/2017-9919, in the scenario of an unfavorable decision to the concessionaire."

2.1.2. Celesc Geração S.A. - Celesc G

Celesc G, constituted by public deed on September 29, 2006, as authorized by State Law 13.570 of November 23, 2005, is a publicly-held company.

Celesc G is the wholly-owned subsidiary of the Celesc Group that operates in the electricity generation and transmission segments through the operation, maintenance and expansion of its own generation park and participation in power generation and transmission projects in partnerships with private investors.

On March 31, 2020, Celesc G had its own generating site with 12 plants: 6 hydroelectric plants (HHPs), 5 hydroelectric generating plants (HGPs) and 1 small hydroelectric plant (SHP).

Also in the generation segment, Celesc G holds a minority interest in another 6 generation projects, developed in partnership with private investors, in the format of Special Purpose Company - SPC, all already in commercial operation.

Celesc G's total generation capacity in operation in the period was 118.21 MW, being 106.97 MW referring to its own site and 11.24 MW referring to the generation site established through partnerships - already proportional to the Celesc G shareholding in these ventures.

2.1.2.1. Generating Site

2.1.2.1.1. Own Generating Site – 100% owned by Celesc G

Own Generating Site - Physical Characteristics

Plants	Location	Final Concession Term	Installed Power (MW)	Physical Warranty (MW)	Physical Guarantee in Shares
Pery HHP	Curitibanos/SC	July 9, 2047	30.00	14.08	100%
Palmeiras HHP	Rio dos Cedros/SC	November 7, 2046	24.60	16.70	70%
Bracinho HHP	Schroeder/SC	November 7, 2046	15.00	8.80	70%
Garcia HHP	Angelina/SC	July 7, 2045	8.92	7.10	70%
Cedros HHP	Rio dos Cedros/SC	November 7, 2046	8.40	6.75	70%
Salto Weissbach HHP	Blumenau/SC	November 7, 2046	6.28	3.99	70%
Celso Ramos SHP	Faxinal dos Guedes/SC	March 17, 2035	5.62	3.80	(**)
Caveiras HGP	Lages/SC	(*)	3.83	2.77	(**)
Ivo Silveira HGP	Campos Novos/SC	(*)	2.60	2.03	(**)
Rio do Peixe HGP	Videira/SC	(*)	0.52	0.50	(**)
Piraí HGP	Joinville/SC	(*)	0.78	0.45	(**)
São Lourenço HGP	Mafra/SC	(*)	0.42	0.22	(**)
Total			**106.97**	**67.19**	

(*) Plants with a power of less than 5 MW are exempt from the concession act (Federal Law 13360/2016).
(**) Not Applicable

2.1.2.1.2. Own Generating Site - Expansion Projects

In recent years, guided by the strategic position of increasing its own generation capacity, Celesc G started to invest in the expansion of its own plants and in the expansion of partnerships to enable projects focused on the construction of new projects. The following tables show the projects under development and their stages.

Regarding the physical guarantee (new or incremental), the goal is to obtain on average 55% of the capacity factor, a standard observed for other ventures in operation with similar characteristics.

Own Generating Site - Expansion Projects

Plants	Location	Final Concession Term	Installed Power (MW)	Power Increase (MW)	Final Power (MW)	Forecast Operation Start-Up	Status
Celso Ramos SHP	Faxinal dos Guedes/SC	March 17, 2035	5.62	8.30	13.92	2021	Construction works in progress
Salto Weissbach HHP	Blumenau/SC	November 7, 2046	6.28	23.00	29.28	(**)	Environmental Licensing
Cedros HPP Stages 1 and 2	Rio dos Cedros/SC	November 7, 2046	8.40	4.50	12.90	(**)	Review of the Basic Project
Palmeiras HHP	Rio dos Cedros/SC	November 7, 2046	24.60	0.75	25.35	(**)	Review of the Basic Project
Maruim HGP	São José/SC	(*)	0.00	1.00	1.00	(**)	Environmental Licensing
Caveiras HGP	Lages/SC	(*)	3.83	10.00	13.83	(**)	In Inventory Study

Total	**48.73**	**47.55**	**96.28**		

(*) Power plants with a power of less than 5 MW are exempt from the concession act.
(**) Depends on regulatory procedures.

2.1.2.1.3. New Generation Ventures in Operation - Minority Interest

Generating Site with Minority Interest - Physical Characteristics

Plants	Location	Final Concession Term	Installed Power (MW)	Physical Warranty (MW)	Celesc G Interest	Inst. Power Equiv. (MW)	Physical Guarantee Equiv. (MW)
Rondinha SHP	Passos Maia/SC	October 5, 2040	9.60	5.48	32.5%	3.12	1.78
Prata SHP	Bandeirante/SC	May 5, 2039	3.00	1.68	26.0%	0.78	0.44
Belmonte SHP	Belmonte/SC	May 5, 2039	3.60	1.84	26.0%	0.94	0.48
Bandeirante SHP	Bandeirante/SC	May 5, 2039	3.00	1.76	26.0%	0.78	0.46
Xavantina SHP	Xanxerê/SC	April 7, 2040	6.08	3.54	40.0%	2.43	1.42
Garça Branca SHP	Anchieta/SC	March 13, 2043	6.50	3.44	49.0%	3.19	1.69
Total			**31.78**	**17.74**		**11.24**	**6.27**

All the plants of the own generating site and all the plants in partnership participate in the Energy Reallocation Mechanism – MRE or ERM, share system of hydrological risks, in which the participating plants transfer the generated energy surplus to their physical warranty to the plants generated below.

Celesc G also has a Generation Operation Center (GOC), which is responsible for supervising, monitoring, centralizing and remotely operating Celesc Geração's generating plants. The GOC operates and supervises the entire generating site, in shifts covering 24 hours a day, seven days a week.

2.1.2.2. Transmission Project

2.1.2.2.1. Transmission Project - Celesc G/EDP Energias do Brasil - Minority Interest

Celesc G holds a 10% interest (90% under the control of EDP Energias do Brasil) in a transmission project, called EDP Transmissão Aliança SC S.A., whose purpose is to implement lot 21 of the Auction on 05/2016 of ANEEL, the third-largest project, with investment forecast at R$1.1 billion.

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

The project includes 5 sections of Transmission Lines and a Substation, as follows:

Description	Origin	Destination	Circuito	Extension (KM)	Voltage (Kv)
	Abdon Batista SE	Campos Novos SE	Simple	39.8	525
	Siderópolis 2 SE	Abdon Batista SE	Double	209	525
TRANSMISSION LINES	Biguaçu SE	Siderópolis 2 SE	Simple	150.5	525
	Siderópolis 2 SE	Siderópolis SE	Double	6.0	230
	Siderópolis 2 SE	Forquilhinha SE	Simple	27.8	230
Total				**433.1**	
SUBSTATION	Siderópolis 2 SE				525/230

The environmental installation licenses were issued per stretch plus the substation, totaling 6, with 2 issued in early 2019 and the remainder at the end of the year. The construction works were started with the issuance of the licenses.

The following table summarizes the main venture information:

Project	Location	Final Concession Term	Transformation Power (MVA)	Transmission lines (km)	Celesc G Interest
EDP – Transmissão Aliança SC	SC	August 11, 2047	1,344	433	10.0%

2.1.2.3. Regulatory Environment

a) Auction of Amortized Plants

Of the 12 plants that make up Celesc G's own site, 9 were covered by Provisional Measure (MP) 579/2012, converted into Federal Law 12783, of January 11, 2013: Palmeiras HHP, Bracinho HHP, Garcia HPP, Cedros HHP, Salto Weissbach HHP, Pery HHP, Celso Ramos SHP, Caveiras HGP e Ivo Silveira HGP.

With the entry into force of Federal Laws 13097, of January 19, 2015 and 13360, of November 17, 2016, since the Ivo Silveira and Caveiras Plants have an installed capacity of less than 5 MW, both were converted into HGPs, through ANEEL Authorizing Resolutions 5362 of July 21, 2015 (Ivo Silveira) and 7246 of August 21, 2018 (Skulls). To legitimize the change in the concession system, the addendums to the Concession Agreement 006/2013 were also signed. Accordingly, the effects of Federal Law 12783/2013 do not affect such plants.

In 2015, the MME, through Decree 218, established that ANEEL should promote a bidding process for the concessions of several Hydropower Plants, among which 5 owned by Celesc G, for which governance of the Company had decided not to adhere to the terms of the early extension of the concessions, in accordance with the terms and conditions established in Law 12.783/2013.

According to the sectorial rule established by said Act, after the concession ends, the plant will be bidden in the form of revenue per tariff, established through the Annual Revenue Generation - RAG. Following the publication of Provisional Measure 688/2015, the economic conditions for share in the auction became considerably more attractive, since the Annual Compensation for Plant Management - GAG-O&M and the Compensation for improvements - GAC-Improvements were included, as well as the Return on Bonus of Concession - RBO at an actual rate of 9.04% p.a. On the other hand, the Granting Bonus was required as the portion of the bid to be carried out in the auction, whose winner would be the one offering the lowest cost management for generation assets.

Celesc G won Lot C by offering a discount of 5.21% of the ceiling price defined for the management of generation services for the 5 plants, added to the financial contribution of R$228.6 million as Bonus. Last but not least, as a result of the auction, Celesc G signed the Concession Agreements for Generation Service nr. 006/2016 and 007/2016 on January 5, 2016. The Palmeiras, Bracinho, Cedros and Salto Weissbach plants had previous concessions to the auction 12/15 still in force until the date of November 7, 2016, and from that date on, the execution of the new Concession Agreement was begun in the allocation of physical assurance and energy quotas. Such contracts are effective for 30 years.

The table below shows the list of the plants in Lot C purchased by Celesc G:

Plants	Place	Installed Power (MW)	Physical Warranty (MW)	Final Concession Term
Palmeiras HHP	Rio dos Cedros/SC	24.60	16.70	November 7, 2046
Bracinho HHP	Schroeder/SC	15.00	8.80	November 7, 2046
Garcia HHP	Angelina/SC	8.92	7.10	January 5, 2046
Cedros HHP	Rio dos Cedros/SC	8.40	6.75	November 7, 2046
Salto Weissbach HHP	Blumenau/SC	6.28	3.99	November 7, 2046
Total		**63.20**	**43.34**	

The energy generated by the plants was allocated to the quota system, which is the percentage of the Energy and Plant Power Assurance allocated to the Distributors of the National Interconnected System (SIN or NIS). The quota system was 100% of the Physical Warranty in 2016 and 70% as of January 1, 2017.

b) Extension of the Pery HPP Concession

Regarding Pery HHP, there was judicial discussion regarding the possibility of extending the concession period, in the same conditions of the previous Provisional Measure 579/2012, that is, in order to totally commercialize its energy in the free market since the Plant was recently expanded. However, in July 2017, after several analyzes and discussions, and considering the change in the profitability scenario, Celesc G decided to extend the concession of this plant in accordance with Law 12783/2013, through the quota regime, so that judicial measures necessary for the termination of the existing Judicial Process, including remedies, are approved.

The concession was thus extended for 30 years, effective as of July 10, 2017, with the full allocation of energy in the quota system to guarantee physical energy and power. The HHP is already receiving the GAC Improvement with RAG, the indemnification of the unamortized assets, related to the expansion completed in 2013, will be paid to Celesc G over the new concession period. The rule for this will be defined by ANEEL.

c) Expansion of the Celso Ramos SHP

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 projects by November 2021.

In 2018, the Basic Project for the expansion of the Plant was revised and consolidated, and this new configuration foresees the installation of a new adductor circuit, which will have a new water intake channel, forced conduit and a new powerhouse with two UG-3 and UG-4, with 4.15MW each, totaling an increase of 8.3MW in the utilization (going from 7.2MW to 8.3MW and totaling 13.92MW of installed capacity).

On March 29, 2019, ANEEL issued the Order 939/2019, registering the suitability for the use of the hydraulic potential of the revision of the Basic Project for the Expansion of Celso Ramos SHP and ratifying new parameters required to define the physical guarantee of the project. With the registration at ANEEL's 29th New Energy Auction, the Energy Research Company (EPE) defined the project's Physical Guarantee. The works started in July 2019, with 30% completed by March 2020.

It is also noteworthy that Celesc G participated in the aforementioned Auction A-4, successfully selling the energy of this project, effective in January 2023. Notice on the Approval and Grant of Auction Nr. 3/2019 was published on October 3, 2019.

d) Expansion of the Salto Weissbach HPP

In 2018, the basic expansion project of the Salto Weissbach HPP, located in the city of Blumenau, was approved by ANEEL through Order 1.117, of May 21, 2018. The expansion project foresees the construction of a new adductor circuit in parallel to the existing one, with an adduction channel, water outlet and each of force with two generating units of 11.5MW each, totaling the addition of 23MW of installed power in the plant, going to 29.28MW.

During 2019 and in the first quarter of 2020, Celesc G discussed with IMA/SC the aspects related to the project, to obtain the Environmental Installation License (EIL) to be later submitted to the analysis of the Energy Research Company (ERC).

Upon completion of the above steps, ANEEL will calculate the remuneration of this project, the energy of which will be fully dedicated to the quota system, so that the Company may proceed with the financial feasibility, bidding and construction steps.

e) Expansion of Caveiras HGP

In 2018, Celesc G filed at ANEEL an application to carry out inventory studies for the section of the river where the Caveiras HGP is installed, intending to promote the expansion of its installed capacity. In the same year, through Order 3005/2018, provided to Celesc G the inventory registration for 630 days as of order's issuance.

In 2019, Celesc G hired the services to carry out the inventory study of Rio Caveiras, with delivery scheduled for the second half of 2020. After the approval of the inventory study, the project will proceed with the review and consolidation of the basic project and respective approval by ANEEL, environmental feasibility study and licenses (prior and installation) from IMA/SC, obtaining the financial feasibility and approval of the business plan by the Company, bidding construction works, construction and only then the commercial start-up.

f) Reactivation of Maruim HGP

Maruim HGP, built in 1910, is located in the municipality of São José/SC. Considered one of the oldest hydroelectric plants in the country, it has been decommissioned since 1972 and Celesc G has a project for the reactivation.

In 2018, Celesc G promoted the revision and consolidation of the Basic Project, and this new configuration foresees an installed capacity of 1 MW, using the existing powerhouse, listed as a historical heritage since 2005.

In 2020, Celesc G continued the negotiations with IMA/SC aiming to issue the Environmental Installation License (EIL) and continue the next steps to implement the project.

g) Generation Scaling Factor Adjustment - GSF

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 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 other legal proceedings.

In August 2018, the Judge who is competent to try the ordinary action raised the Incidence of Repetitive Claims - IRDR in case record nr. 1015846-64.2017.4.01.3400 before the Federal Regional Court of the 1st Region, suspending the process for 60 days. Currently the IRDR is awaiting admission by the Federal Court of the 1st Region. 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. If the IRDR is judged, the legal thesis will be applied by the other judges to the identical cases in process. In June 2019, an order was published by the competent court, determining the suspension for another 60 days, considering the non-appreciation of IRDR by TRF1. Until March 31, 2020 there was no change in the procedural progress.

The Federal Government has been looking for alternatives to solve the great standoff of the legal system in force, which has been causing significant financial impacts to agents in the electricity sector. Recently, the government has launched a counterpart proposal for generation agents through Provisional Measure 814/2018, which is currently processed in the National Congress.

In this context, the Celesc G is carrying out a strategic analysis regarding the action in the case, maintaining permanent monitoring of the progress of the process, as well as evaluating the market movements, to anticipate measures, if necessary.

h) EDP Transmissão Aliança SC S.A.

The implementation of reinforcements and improvements in transmission facilities is mandatory to concessionaires of transmission services and is provided for in the Concession Agreement 39/2017 signed by EDP Transmission Aliança SC S.A. and ANEEL.

On January 10, 2019, ANEEL sent to the EDP Transmissão Aliança SC S.A. the Official Letter Nr. 011/2019 stating that the 2018 Plan of Electric Energy Transmission Grants (2018 POTEE), issued by the Ministry of Mines and Energy (MME), includes the third 525kV/230kV autotransformer, 3 X 224MVA single-phase in the Siderópolis Substation 2, with date of need in December 2022, with its implementation is under the responsibility of EDP Transmissão Aliança SC S.A., requesting the submission of detailed technical and financial information related to this improvement by April 30, 2019.

After complying with ANEEL's request, on July 31, 2019, ANEEL issued Technical Note 501/2019 authorizing the implementation of the reinforcement. Therefore, the SPC decided to expand the scope of the current agreement to build SE Siderópolis (original project), immediately starting the implementation of the reinforcement together with the SE, minimizing environmental and land impacts and mitigating the risks of the work carried out.

The investment estimated by ANEEL is R$42 million and establishes an Allowed Annual Revenue (AAR) of R$5 million.

i) Adjustment of Annual Generation Revenue - 2019 AGR

ANEEL, by means of an Approval Resolution 2587 of July 23, 2019, ANEEL has ratified the readjustment of the Annual Generation Revenue (AGR) for hydroelectric Plants under quotas, under the terms of Federal Law 12783/2013. The new AGR readjustment term is effective from July 1, 2019 to June 30, 2020.

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

Plants	Annual Revenue (R$) Cycle 2019/2020	Revenue Monthly (R$) Cycle 2019/2020
Pery HHP	9,813,481.68	817,790.14
Garcia HHP	10,122,039.41	843,503.28
Bracinho HHP	13,113,790.03	1,092,815.84
Cedros HHP	9,595,876.71	799,656.39
Palmeiras HHP	20,085,497.84	1,673,791.49
Salto HPP	6,818,340.73	568,195.06

j) Dam Safety Plan (DSP) and Emergency Action Plan (EAP)

The DSP has the conditions, characteristics and operational rules for each dam. The EAP, on the other hand, provides strategies in emergency situations. In 2017, Celesc G concluded the DSPs and EAPs of the plants and forwarded them to the regulatory body and related entities.

In 2019, Celesc G continued the EAP and held a meeting with the Civil Defenses of Angelina (Garcia Plant), Blumenau (Salto Weissbach Plant), Rio dos Cedros (Cedros and Palmeiras Plants) and Schroeder (Bracinho Plant).

In the same year, Celesc G hired a company to prepare and issue a dam safety report to corroborate the finding that the dams are in normal operating conditions, with no significant anomalies that put them at risk. The forecast to conclude services and deliver the reports is in the second half of 2020.

2.2. Other Interests

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

Companhia de Gás de Santa Catarina (SCGÁS) is the second-largest gas distributor in the number of municipalities served in Brazil. Santa Catarina is the 3rd state with the largest natural gas distribution network (1,213.0 km) and the 3rd largest in number of industries served with natural gas (281), besides having the 3rd largest network of vehicular gas stations (GNV) in the country (133).

With 100% of the concession to operate natural gas distribution services in the territory in Santa Catarina, the Company markets and distributes approximately 1.9 million cubic meters of natural gas daily to approximately 13,500 customers.

SCGÁS has a concession agreement for the operation of piped gas distribution services, signed on March 28, 1994, with a 50-year term (2044). Celesc has 51.0% of the common shares, Petrobras Gás S.A. – Gaspetro has 23.0%, Mitsui Gás e Energia do Brasil Ltda – Mitsui Gás has 23.0% and Infraestrutura de Gás para a Região Sul S.A. – Infragás has 3.0%. The interest in the total share capital is as follows: Celesc 17.0%, Gaspetro 41.0%, Mitsui Gás 41.0% and Infragás 1.0%.

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 of obligation added to the charged reimbursement under number 0011447-19.2013.8.24.0023, against SCGÁS, Gaspetro, Mitsui Gás and Infragás, 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 Court of Santa Catarina – TJ/SC, through a court decision of the 3rd Public Law Chamber, decided on April 24, 2018 to grant the appeals of Gaspetro, Mitsui Gás and SCGÁS, reforming the ruling favorable to the State of Santa Catarina and Celesc, considering the bylaws and shareholder agreement amendment as legal. From this decision the State of Santa Catarina filed Embargo de Declaration, which was rejected on September 6, 2018. Subsequently, the State of Santa Catarina and Celesc filed a special appeal with the Supreme Court and the State of Santa Catarina also filed an extraordinary appeal with the Supreme Court. At the moment, the special appeal is undergoing at the Supreme Court under number 1851431/SC and awaits the appointment of a new rapporteur since December 18, 2019. The extraordinary appeal was denied, with the respective interlocutory appeal handled by the State of Santa Catarina to the Supreme Court.

2.2.2. Empresa Catarinense de Transmissão de Energia S.A. - ECTE

Constituted with the specific purpose of exploring electric power transmission lines in the South, Southeast and coastal regions of Santa Catarina, the company is a concessionary of transmission line SE Campos Novos/SC – SE Blumenau/SC, with a length of 252.5 km. The line is responsible for the transportation of approximately 20% of the assured energy to supply demand in the concession area of Celesc D. ECTE, through its subsidiary Empresa de Transmissão Serrana S.A. – ETSE, has the transmission concession of SE Abdon Batista (525/230 kV) and SE Gaspar (230/138 kV).

The affiliate ECTE holds a power transmission concession contract dated from November 1, 2000, with a 30-year term. For its subsidiary ETSE, the concession contract for transmission of electric power is dated from May 10, 2012, with a 30-year term. Celesc holds 30.88% of the Company's share capital. The other shareholders are Alupar, with 50.02%, and TAESA, with 19.10%.

2.2.3. Dona Francisca Energética S.A. – DFESA

An independent power producer, DFESA owns the Dona Francisca, Hydroelectric Power Plant built on the Jacuí River in Rio Grande do Sul, with an installed capacity of 125MW and assured energy of 80MW.

The development was inaugurated in May 2001. The affiliate DFESA has a concession agreement dated from August 28, 1998, with a 35-year term. Celesc holds 23.03% of the company's share capital, Gerdau holds 51.82%, COPEL holds 23.03 and Statkraft holds 2.12%.

2.2.4. Companhia Catarinense de Água e Saneamento – Casan

As a mixed economy-held company controlled by the State Government of Santa Catarina, the role of Casan is to plan, execute, operate and explore the water supply and sanitation services in their areas of concessions (municipality). Currently, the company provides services to 193 municipalities in Santa Catarina and 1 in Paraná, serving approximately 2.7 million consumers with treated water and 650 thousand people with sewage collection, treatment and disposal. Celesc holds 15.483% of the company's total share capital, while the State of Santa Catarina holds 64.206%, SC Participações e Parcerias holds 18.026%, Companhia de Desenvolvimento do Estado de Santa Catarina S.A. - Codesc holds 2.282% and Others hold 0.003%. The investment in Casan is classified in the Company's Financial Statements as Fair Value through Other Comprehensive Income - VJORA.

2.2.5. Usina Hidrelétrica Cubatão S.A.

Special Purpose Company (SPC), established in 1996, for deploying the Cubatão Hydroelectric Power Plant. With the background of environmental obstacles, rejection of the postponement of the concession period and the consequent economic impracticability for developing the project, the venture requested ANEEL to amicably terminate the Concession Agreement No. 04/1996 (ANEEL Case No. 48100.003800/1995-89).

By means of Ordinance No. 310, dated from July 27, 2018, the Ministry for Mines and Energy (MME), 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 holds 40% of the company's share capital, Inepar S.A. 40%, and Statkraft Energias Renováveis S.A. 20%. The investment in the said plant is fully provisioned as a devaluation in equity interest. The SPC has been dealing with the corporate aspects for its dissolution.

3. BASIS OF PREPARATION

The preparation bases applied in this Quarterly, Individual and Consolidated Information are detailed below:

3.1. Compliance Statement

The consolidated quarterly financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC - Comitê de Pronunciamentos Contábeis) and according to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The issuance of the Interim Financial Information was authorized by the Executive Board on April 28, 2020.

3.2. Functional Currency and Presentation Currency

The Interim Quarterly 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 5.7)
b) Estimated Losses on Doubtful Debts - PECLD (Note 9);
c) Financial Asset – Concession Bonus; (Note 13.2);
d) impairment of Non-Financial Assets; (Notes 18 and 19);
e) Realization of Deferred IRPJ and CSLL; (Note 17);
f) Contingencies; (Note 27);
g) Actuarial Liabilities (CPC 33) (Note 28)
h) Unbilled Revenue - Celesc D (Note 9 - Item a and Note 31.1);
i) Depreciation - Celesc G (Note 19); and
j) Amortization of Indemnifiable Assets - Celesc D (Note 20).

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, 2019, contemplating the adoption of accounting pronouncements effective as of January 1, 2020.

4.1. *Measurement Basis*

The Interim Quarterly Financial Statements, Individual and Consolidated, 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 sheet.

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. As a result of these changes, the Financial Statements for the previous year are restated.

For comparability purposes, reclassifications were made to the corresponding amounts related to the Balance Sheet, both for Assets and Liabilities, for the fiscal year ended on December 31, 2019, 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 (IAS 1 – Presentation of Financial Statements) and CPC 21 (R1) – Interim Financial Reporting (IAS 34 - Interim Financial Reporting). It is worth mentioning that, even with reclassifications in the Balance Sheet, there was no change in the Cash Flow Statement.

The Company decided to remove the “Related Parties” items from the Balance Sheet, both in Assets and Liabilities, adding them to “Others”, as it understands that there are other amounts that are also part of the same context and that were shown in specific items (Note 16, item b). The effects of these restatements are shown below:

	Parent Company			**Consolidated**		
Assets	**31.12..2019**	**Reclassification**	**December 31, 2019 (Re-submitted)**	**December 31, 2019**	**Reclassification**	**December 31, 2019 (Re-submitted)**
Current	**111,201**	-	**111,201**	**2,358,072**	-	**2,358,072**
Cash and Cash Equivalents	28,451	-	28,451	566,181	-	566,181
Accounts Receivable from Customers	-	-	-	1,421,771	-	1,421,771
Inventories	-	-	-	14,696	-	14,696
Taxes to be Recovered	10,905	-	10,905	68,579	-	68,579
Dividends and ISE Receivable	71,817	-	71,817	7,114	-	7,114
Financial Assets (CVA and Concession Bonus)	-	-	-	32,597	-	32,597
Subsidy Decree 7891/2013	-	-	-	53,236	-	53,236
Others	28	-	28	193,898	-	193,898
Non-Current	**1,379,986**	-	**1,379,986**	**7,140,185**	-	**7,140,185**
Long-Term Receivables	**160,819**	-	**160,819**	**3,261,941**	-	**3,261,941**
Securities	137,478	-	137,478	137,478	-	137,478
Accounts Receivable from Customers	-	-	-	44,683	-	44,683
Related parties	-	-	-	488	(488)	-
Deferred Taxes	-	-	-	1,004,094	-	1,004,094
Taxes to be Recovered	-	-	-	1,092,845	-	1,092,845
Court Deposits	23,341	-	23,341	171,054	-	171,054

Indemnifiable Financial Assets - Concession	-	-	-	525,964	-	525,964
Financial Assets (CVA and Concession Bonus)	-	-	-	270,791	-	270,791
Future Advance Capital Increase	-	-	-	10,000	-	10,000
Others	-	-	-	4,544	488	5,032
Investments	**1,213,703**	**-**	**1,213,703**	**246,572**	**-**	**246,572**
Property, Plant & Equipment	**18**	**-**	**18**	**174,796**	**-**	**174,796**
Intangible Assets	**5,446**	**-**	**5,446**	**3,456,876**	**-**	**3,456,876**
Total Assets	**1,491,187**	**-**	**1,491,187**	**9,498,257**	**-**	**9,498,257**

	Parent Company			**Consolidated**		
Liabilities	**December 31, 2019**	**Reclassification**	**December 31, 2019 (Re-submitted)**	**December 31, 2019**	**Reclassification**	**December 31, 2019 (Re-submitted)**
Current	**79,525**	-	**79,525**	**2,427,690**	-	**2,427,690**
Suppliers	1,028	-	1,028	996,725	-	996,725
Loans and Financing - National Currency	-	-	-	377,317	-	377,317
Loans and Financing - Foreign Currency	-	-	-	6,306	-	6,306
Debentures	-	-	-	105,133	-	105,133
Social Security and Labor Duties	632	-	632	212,148	-	212,148
Taxes to be Collected	9,855	-	9,855	209,296	-	209,296
Dividends and ISE Proposed	67,683	-	67,683	67,683	-	67,683
Regulatory Fees	-	-	-	166,014	-	166,014
Related parties	53	(53)	-	18,884	(18,884)	-
Actuarial Liabilities (CPC 33)	-	-	-	176,528	-	176,528
Financial Liabilities (CVA)	-	-	-	25,142	-	25,142
Others	274	53	327	66,514	18,884	85,398
Non-Current	**4,538**	**-**	**4,538**	**5,663,443**	**-**	**5,663,443**
Loans and Financing - National Currency	-	-	-	435,718	-	435,718
Loans and Financing - Foreign Currency	-	-	-	468,290	-	468,290
Debentures	-	-	-	268,812	-	268,812
Social Security and Labor Duties	-	-	-	48,186	-	48,186
Deferred Taxes	-	-	-	19,596	-	19,596
Regulatory Fees	-	-	-	189,425	-	189,425
Provision for Contingencies	4,538	-	4,538	506,230	-	506,230
Actuarial Liabilities (CPC 33)	-	-	-	2,661,948	-	2,661,948
PIS/COFINS to be Returned to Consumers	-	-	-	1,065,238	-	1,065,238
Shareholders' Equity	**1,407,124**	-	**1,407,124**	**1,407,124**	-	**1,407,124**
Share Capital	1,340,000	-	1,340,000	1,340,000	-	1,340,000
Capital Reserves	316	-	316	316	-	316
Capital Reserve	1,521,681	-	1,521,681	1,521,681	-	1,521,681
Equity Valuation Adjustment	(1,454,873)	-	(1,454,873)	(1,454,873)	-	(1,454,873)
Total Liabilities	**1,491,187**	**-**	**1,491,187**	**9,498,257**	**-**	**9,498,257**

5. RISK MANAGEMENT

The Company's Planning, Control and Compliance Board (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

a) Delinquency

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. Liquidity Category

a) Third Party Capital

Risk of the impossibility or unavailability to obtain capital from third parties in the market or impacts due to the early maturity of debts with the financial market or due to untimely and unplanned changes in interest and exchange rates.

b) 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 on March 31, 2020.

Consolidated

Description	**Fees %**	**Less than one month**	**From one to Three months**	**From three months to one year**	**From one to five years**	**More than five years**	**Total**
Accounts Receivable		1,485,934	46,980	28,245	39,322	3,036	1,603,517

Cash and Cash Equivalents		341,759	-	-	-	-	341,759
Court Deposits		-	-	-	179,007	-	179,007
CDE Subsidy (Decree 7.891/2013)		53,236	-	-	-	-	53,236
Grant Bonus	IPCA	2,837	5,602	24,773	108,777	186,740	328,729
Total Assets		**1,883,766**	**52,582**	**53,018**	**327,106**	**189,776**	**2,506,248**
Banking Loans DS	CDI + 0.8% to 1.30%	2,163	36,158	244,488	344,057	-	626,866
Bank Loan	7.40% p.a.	150,805	-	-	-	-	150,805
Eletrobras	5% p.a.	256	147	666	4,107	-	5,176
Finame	2.5% to 9.5% p.a.	718	1,331	5,615	10,490	-	18,154
Debentures – Celesc D	CDI + 1.3% p.a. to 1.9% p.a.	19,523	-	49,863	172,742	-	242,128
Debentures – Celesc G	CDI + 2.5% p.a.	-	610	35,054	82,186	-	117,850
Suppliers		515,445	316,107	1,413	-	-	832,965
Financial Liabilities - CVA	Selic	1,145	2,293	10,438	39,477	-	53,353
Mathematical Reserve to be Amortized	IPCA + 6% p.a.	12,732	11,072	51,509	308,430	-	383,743
BID	CDI + 0.89% p.a.	13,492	-	-	27,298	604,668	645,458
Total Liabilities		**716,279**	**367,718**	**399,046**	**988,787**	**604,668**	**3,076,498**

c) Actuarial

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

5.2. Operational Risk Class

5.2.1. Management Category

a) Investments

Risk of losses due to non-compliance with schedules, insufficient rates of return, unforeseen disbursements and incorrect appropriation of resources.

5.2.2. Process Category

a) Safeguarding Assets

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

b) Losses

Risk of revenue reduction due to surpassing, technical and/or non-technical losses, the limits recognized in the tariff by ANEEL.

c) Distributor Energy Contracting

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

5.2.3. Personal Category

a) Health and Safety

Risk of labor liabilities, interdiction of activities and removal or death of workers caused by non-compliance with legal norms, lack of training and lack of adequate protective equipment.

b) Management and Development of Personnel

Risk of losses due to the limits of the mechanisms to hire and retain employees or inability to promote the development of the group’s professionals, with the available workforce out of date and unable to develop the challenges of the strategy.

5.2.4. Information and Technology Category

a) Cyber and IT Infrastructure

Risk of loss or damage arising from unauthorized access to critical data and information due to inappropriate security policies or parameters, or malicious intent of users, as well as the ability to process systems or failures/delays in the operations of the systems available and inadequate protection/physical safeguarding of network assets.

5.3. Compliance Risk Class

5.3.1. Regulatory/Legal Category

a) Social and Environmental

Risk of losses arising from environmental and social policies and practices that are not in compliance with the law (deliberate noncompliance, lack of knowledge of laws and operational failures), exposing the Company to inspection by inspection agencies, not obtaining licenses and image wear.

b) tariff Review

Risk of losses in remuneration in the so-called Portion B, which represents the Company's manageable costs, as well as the risk of losses in the remuneration in Portion A for irrecoverable revenues and losses of electricity, caused by non-compliance with regulatory requirements established by ANEEL or by changes in the methodology applied in the tariff review process, resulting in lower than expected tariffs and resulting in a reduction in the distributors' margin.

c) Extinction of the Distribution Concession

Risk of extinction of the Concession Agreement for the exploitation of the public electricity distribution service due to non-compliance with the limits established in the amendment to the distributor's Concession Agreement, for the collective indicators of economic and financial continuity and sustainability, whose obligations are as follows:

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.

Financial indicators: EBITDA, (EBITDA - QRR), (Net Debt/EBITDA - QRR). In 2017, EBITDA should be greater than or equal to 0 (zero) and in 2018 (EBITDA - QRR) greater than or equal to 0 (zero). Regarding (Net Debt/EBITDA - QRR) the indicator stipulated by ANEEL in 2019 should be less than or equal to (1/0.8*Selic) and in 2020 less than or equal to (1/1.11*Selic), in both cases, the Selic rate is limited to 12.87%. For 2019, the ratio (Net Debt/EBITDA - QRR) of Celesc D, adjusted by the items mentioned in the 5th Addendum to the Concession Agreement, is 8.58x, with the goal established by ANEEL less than or equal to 21.04.

YEAR	FINANCIAL ECONOMIC MANAGEMENT	Quality Indicators (Established Limits)		VERIFICATION
		DECi [1]	FECi [2]	
2016		14.77	11.04	SERVED
2017	EBITDA>0	13.79	10.44	SERVED
2018	{LAJIDA (-) QRR}≥0	12.58	9.84	SERVED
2019	{NET DEBT/[EBITDA (-) QRR[3]]}≤1/0.8*Selic[4]	11.56	9.25	SERVED
2020	NET DEBT/EBITDA (-) QRR}<1/1.11*Selic	11.30	8.65	

[1]**DECi**: Equivalent Duration of Interruption of Internal Origin per Consumer Unit
[2]**FECi**: Equivalent Frequency of Interruption of Internal Origin by Consumer Unit;
[3]**QRR**: Regulatory integration quota or Regulatory Depreciation Expense. 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;
[4]**Selic**: limited to 12.87% p.a.

d) Energy Generation

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

e) Regulation of the Electric Sector

Risk of 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.

f) Fraud

Risk of financial loss, image damage, service quality decrease and legal sanctions due to internal or external fraud caused by employees or third parties due to control or collusion failures.

g) Lawsuits

Risk of losses caused by practices in disagreement with Brazilian law and the Terms of Adjustment of Conduct (TAC) or internal deficiencies that hinder or prevent the construction of defense.

5.4. Strategic Risk Class

5.4.1. Governance Category

a) Image

Risk of falling in the reputation of the Company towards the main stakeholders.

5.4.2. Strategy Category

a) Innovation

Risk of loss of competitive advantage due to the difficulty to develop and/or implement new technologies, compromising several aspects such as access to new markets, maximizing revenues, acquiring new knowledge, valuing the brand and corporate sustainability.

5.5. 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 Management, 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 March 31, 2020:

Consolidated

Assumptions	Effects of Accounts on Results	Balance	(Scenario I)	(Scenario II)	(Scenario III)
CDI			**3.31%**	**4.14%**	**4.97%**
	Financial Investments (Note 8)	257,860	8,535	10,675	12,816
	Loans (Note 22)	(1,093,910)	(36,208)	(1,198)	(40)
	Debentures (Note 23.5)	(348,053)	(11,521)	(14,409)	(17,298)
Selic			**3.96%**	**4.95%**	**5.94%**
	Financial Asset - CVA (Note 13.1)	(49,540)	(1,962)	(2,452)	(2,943)
IPCA			**3.30%**	**4.13%**	**4.95%**
	Indemnifiable Financial Assets - Concession (Note 14)	234,046	7,724	9,666	11,585
	Financial Asset - Concession Bonus (Note 13.2)	291,947	9,634	12,057	14,451
	Mathematical Reserve to be Amortized	(366,594	(12,098)	(15,140)	(18,146)

5.6. 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 the total capital.

Net Debt, in turn, corresponds to total Loans and Financings (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.

The table below shows the Financial Leverage Index:

Consolidated

Description	March 31, 2020	December 31, 2019
Loans and Financing - National Currency (Note 22)	784,862	813,035
Loans and Financing - Foreign Currency (Note 22)	481,748	474,596
Debentures (Note 23.5)	348,053	373,945
(-) Cash and Cash Equivalents (Note 8)	(341,759)	(566,181)
Net Debt	**1,272,904**	**1,095,395**
Total Net Worth	**1,551,159**	**1,407,124**
Total Capital	**2,824,063**	**2,502,519**
Financial Leverage Index (%)	**45.07%**	**43.77%**

5.7. 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 46 - Measurement at Fair Value 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 prices (unadjusted) in active markets for assets and liabilities that are identical to those that the entity may have access to at the measurement date (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 March 31, 2020. The book value is close to the fair value of financial assets and liabilities. The Company does not have liabilities measured at fair value at that base date.

Consolidated

Description – Level 3	March 31, 2020	December 31, 2019
Fair Value through Other Comprehensive Income - VJORA		
Securities (Note 15)	137,261	137,261
Others	217	217
Fair Value by Income - VJR		
Indemnifiable Assets - Concession (Note 14)	481,838	525,964
Total Assets	**619,316**	**663,442**

Specific valuation techniques used to value financial instruments include:

a) Market approach; b) cost approach; c) revenue approach; d) 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 March 31, 2020.

Consolidated

Description	Amortized Cost	Fair Value Through Income	Fair Value through Other Comprehensive Income	Total
Assets	**3,101,435**	**481,838**	**137,478**	**3,720,751**
Cash and Cash Equivalents	341,759	-	-	341,759
Accounts Receivable from Customers	2,285,026	-	-	2,285,026
Court Deposits	179,007	-	-	179,007
CDE Subsidy (Decree 7.891/2013)	53,236	-	-	53,236
Securities	-	-	137,261	137,261
Indemnifiable Financial Assets - Concession	-	481,838	-	481,838
Financial Asset – Grant Bonus	291,947	-	-	291,947
Financial Assets - CVA	(49,540)	-	-	(49,540)
Others	-	-	217	217
Liabilities	**2,814,222**	**-**	**-**	**2,814,222**
Suppliers	832,965	-	-	832,965
Eletrobrás	4,690	-	-	4,690
National Currency Loans	780,172	-	-	780,172
Foreign Currency Loan	481,748	-	-	481,748
Debentures	348,053	-	-	348,053
Mathematical Reserve to be Amortized	366,594	-	-	366,594

The following table sets forth the financial instruments by category as of December 31, 2019.

Consolidated

Description	Amortized Cost	Fair Value Through Income	Fair Value through Other Comprehensive Income	Total
Assets	**3,211,248**	**525,964**	**137,478**	**3,874,690**
Cash and Cash Equivalents	566,181	-	-	566,181
Accounts Receivable from Customers	2,142,043	-	-	2,142,043
Related parties	488	-	-	488
Court Deposits	171,054	-	-	171,054
CDE Subsidy (Decree 7.891/2013)	53,236	-	-	53,236
Securities	-	-	137,261	137,261
Indemnifiable Financial Assets - Concession	-	525,964	-	525,964
Financial Asset – Grant Bonus	290,710	-	-	290,710
Financial Assets - CVA	(12,464)	-	-	(12,464)

Others	-	-	217	217
Liabilities	**3,053,936**	-	-	**3,053,936**
Suppliers	996,725	-	-	996,725
Eletrobrás	5,438	-	-	5,438
National Currency Loans	807,597	-	-	807,597
Foreign Currency Loan	474,596	-	-	474,596
Debentures	373,945	-	-	373,945
Related parties	18,831	-	-	18,831
Mathematical Reserve to be Amortized	376,804	-	-	376,804

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.

Consolidated

Accounts Receivable from Customers	**March 31, 2020**	**December 31, 2019**
Group 1 – Customers with Collection in Due Date	743,271	739,524
Group 2 – Customers with an average delay between 01 and 90 days	837,364	706,825
Group 3 – Customers with an average delay of more than 90 days	704,391	695,694
Total	**2,285,026**	**2,142,043**

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. CASH & CASH EQUIVALENTS

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

	Parent Company		**Consolidated**	
Description	**March 31, 2020**	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
Resources at the Bank and in Cash	27	3,234	83,899	108,587
Financial Investments	14,328	25,217	257,860	457,594
Total	**14,355**	**28,451**	**341,759**	**566,181**

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 repurchase agreements and Bank Deposit Certificates (CDBs), remunerated on average at the rate of 95.5% of the variation of the Interbank Deposit Certificate (CDI).

9. ACCOUNTS RECEIVABLE FROM CUSTOMERS

a) Consumers, Concessionaires and Licensees

Consolidated

Description	**Falling Due**	**Past Due up to 90 Days**	**Past Due Over 90 Days**	**March 31, 2020**	**December 31, 2019**
Consumers	**1,061,332**	**309,318**	**621,582**	**1,992,232**	**1,884,734**
Residential	251,548	173,642	105,231	530,421	446,134
Industrial	95,256	46,234	364,911	506,401	493,335
Trade	142,106	67,753	114,065	323,924	286,334
Rural	37,788	20,139	9,727	67,654	58,220
Public Power	45,933	1,189	9,339	56,461	51,345
Public Lightening	16,653	8	16,944	33,605	35,870
Public Service	18,758	353	1,365	20,476	18,869
Unbilled sales	453,290	-	-	453,290	494,627
Supply to Other Concessionaires	**197,686**	**19,339**	**75,769**	**292,794**	**257,309**
Concessionaires and Licensees	170,861	19,339	19,065	209,265	174,245
Transactions in the Scope of CCEE	20,090	-	33,071	53,161	55,845
Other Credits	-	-	23,633	23,633	20,484
Unbilled Concessionaires and Licensees	6,735	-	-	6,735	6,735
Total	**1,259,018**	**328,657**	**697,351**	**2,285,026**	**2,142,043**
(PECLD) with Customers (b)				(681,509)	(675,589)
Total Accounts Receivable from Customers - Net				**1,603,517**	**1,466,454**
Current				**1,561,159**	**1,421,771**
Non-Current				**42,358**	**44,683**

b) Estimated Losses in Doubtful Settlement Accounts - PECLD

The estimated losses on the outstanding amounts are constituted by significant increases in credit risk since the initial recognition, assessed individually or collectively, considering all reasonable and sustainable information, including forward-looking information.

Celesc G, in addition to the defaults generated by bilateral contracts, is subject to defaults occurring in the electricity market of the national interconnected system, in which these are managed and accounted for by CCEE and are distributed among market agents.

The composition, by consumption class, is shown below:

Consolidated		
Consumers	**March 31, 2020**	**December 31, 2019**
Residential	105,223	104,230
Industrial	233,591	232,255
Textile (i)	114,614	114,614
Commerce, Services and Others	113,345	110,284
Rural	8,758	8,569
Public Power	11,281	11,405
Public Lightening	16,481	16,481
Public Service	1,365	1,356
Concessionaires and Licensees (ii)	49,254	49,087
Free Consumers	1,312	1,312
Others	26,285	25,996
Total	**681,509**	**675,589**
Current	**566,895**	**560,975**
Non-Current	**114,614**	**114,614**

b.1) Change

Consolidated	
Description	**Total**
Balance on December 31, 2019	**675,589**
Provision Constituted in the period	9,286
Settled Accounts Receivable	(3,366)
Balance on March 31, 2020	**681,509**

(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 Renaux View 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.

In 2012, TEKA filed an application for judicial recovery before the Blumenau District, Santa Catarina. The recovery plan was approved by most of the creditors, although Celesc D has voted against it and in favor of the company's bankruptcy. Therefore, the likelihood of receiving this amount is remote in the management's assessment, and Celesc D incorporated a provision for the full payment of the installment that TEKA has with Celesc D, totaling R$55,795.

In relation to Companhia Têxtil Renaux View S.A., the Management of Celesc D, considering the non-payment rate 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:

Consolidated	
Description	**Total**
Têxtil Renaux View S.A.	45,215
Teka Tecelagem Kuehnrich S.A.	55,795
Companhia Industrial Schlösser S.A	13,604
Balance on December 31, 2019	**114,614**
Provision Constituted in the period	-
Reversal in the Period	-
Balance on March 31, 2020	**114,614**

(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$33,071 as of March 31, 2020, with R$566 reversed throughout this period due to its receipt.

b.3) GSF PECLD Operation

Consolidated	
Description	**Total**
Balance on December 31, 2019	**32,904**
Provision Constituted in the period	733
Reversal in the Period (Settled in Accounts Receivable)	(566)
Balance on March 31, 2020	**33,071**

10. INVENTORIES

Inventories are made up of materials intended for the maintenance of energy distribution operations and materials for administrative use.

Consolidated		
Description	**March 31, 2020**	**December 31, 2019**
Warehouse	16,700	14,053
Others	638	643
Total	**17,338**	**14,696**

11. TAXES TO BE RECOVERED

Parent Company			**Consolidated**	
Description	**March 31, 2020**	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
PIS/COFINS (Exclusion ICMS Calculation Base)	-	-	1,029,275	1,065,238
Income Tax/Social Contribution	10,919	10,905	72,187	21,692
ICMS	-	-	55,227	56,847
PIS/COFINS	-	-	16,652	16,652
Others	-	-	996	995
Total	**10,919**	**10,905**	**1,174,337**	**1,161,424**
Current	**10,919**	**10,905**	**638,885**	**68,579**
Non-Current	**-**	**-**	**535,452**	**1,092,845**

On April 1, 2019, Celesc D obtained the final favorable decision from court, filed under number 5006834-93.2012.4.04.7200, which recognized the right to recover the overpayments as PIS/COFINS due to the inclusion of ICMS in the calculation basis of taxes paid. The amounts paid to be credited to Celesc D correspond to the period from April 2007 to December 2014, due to the time limit granted in the decision due to the supereminence of Federal Law 12973/2014. Celesc D has recognized the amount of R$1,065 billion of taxes to be recovered, restated in accordance with Brazilian Federal Revenue Service (RFB), solution 13/2018, in Other Non-Current Liabilities - Consumers. The Company obtained credits from the Federal Revenue Service in February 2020. Thus, it started the process to offset taxes falling due with the said credit and is still waiting for ANEEL (regulatory body) to define the transfer model to consumers. Due to future offsetting of this balance, Celesc D reclassified the PIS and COFINS credit to current assets based on projected amounts to be offset in the next twelve months.

In addition, it should be noted that the Company filed another lawsuit, under number 5016157-78.2019.4.04.7200, claiming the return of the amounts from January 2015 onwards, which is undergoing. The lawsuit is currently awaiting a decision on the appeal filed by the Union - Brazilian Treasury, against the court decision that upheld the taxpayer’s request. At the same time, it should be noted that extraordinary appeal 574706/PR at the Supreme Court addressing the matter in the scope of general repercussion, whose definition of the modulation of the effects of the decision is awaited by the Company.

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 the 2014 contractual exposure (Note 2.1.1.1, item d and Note 27, item iv).

12. OTHER ASSETS - CURRENT AND NON-CURRENT

Consolidated		
Description	**March 31, 2020**	**December 31, 2019 (Re-submitted)**
PIS/COFINS/ICMS Tax Replacement	56,781	56,128
Infrastructure Share	43,833	41,501
Proinfa Down payment	14,220	14,220
CDE Refund Difference	12,713	21,698
Low Income Program	11,501	11,462
Prepaid Expenses	8,484	6,034
Eletrosul (ANEEL Order 4171/2017)	5,870	13,196
Bill Level	2,187	21,262
Other Credits	11,702	13,429
Total	**167,291**	**198,930**
Current	**164,237**	**193,898**
Non-Current	**3,054**	**5,032**

13. FINANCIAL ASSETS/LIABILITIES

13.1. Installment A – CVA

Consolidated

Description	December 31, 2019	Addition	Amortization	Compensation	Transfers	March 31, 2020	Amortization	Constitution	Current	Non-Current
CVA Asset	**565,797**	**56,105**	**(123,721)**	**7,763**	**-**	**505,944**	**186,789**	**319,155**	**380,054**	**125,890**
Energy	438,497	(6,129)	(98,310)	6,689	-	340,747	146,920	193,827	264,293	76,454
Proinfa	13,079	-	(5,222)	148	-	8,005	8,005	-	8,005	-
Basic Grid Transport	51,694	12,125	(5,371)	565	-	59,013	8,234	50,779	38,983	20,030
Energy Transport	11,953	2,216	(2,566)	137	-	11,740	3,935	7,805	8,661	3,079
CDE	10,148	43,894	-	244	-	54,286	-	54,286	32,873	21,413
Neutrality Installment A	8,479	(8,459)	-	(20)	-	-	-	-	-	-
Others	31,947	12,458	(12,252)	-	-	32,153	19,695	12,458	27,239	4,914
CVA Liability	**(578,261)**	**(115,894)**	**138,631**	**310**	**(270)**	**(555,484)**	**(223,452)**	**(332,032)**	**(393,770)**	**(161,714)**
Proinfa	-	(8,633)	-	(27)	-	(8,660)	-	(8,660)	(5,244)	(3,416)
Energy Overcontracting	(68,138)	-	16,442	(267)	-	(51,963)	(25,942)	(26,021)	(41,699)	(10,264)
ESS	(242,504)	(42,567)	61,750	(2,803)	-	(226,124)	(94,674)	(131,450)	(174,274)	(51,850)
CDE	(103,594)	-	35,450	4,738	-	(63,406)	(63,406)	-	(63,406)	-
Neutrality Installment A	(41,077)	(53,923)	15,934	(315)	-	(79,381)	(25,143)	(54,238)	(57,987)	(21,394)
Tariff Returns	(119,326)	(10,732)	9,055	(927)	-	(121,930)	(14,287)	(107,643)	(48,726)	(73,204)
Others	(3,622)	(39)	-	(89)	(270)	(4,020)	-	(4,020)	(2,434)	(1,586)
Assets/(Liabilities) Balance	**(12,464)**	**(59,789)**	**14,910**	**8,073**	**(270)**	**(49,540)**	**(36,663)**	**(12,877)**	**(13,716)**	**(35,824)**

Consolidated

Description	March 31, 2020	December 31, 2019
CVA 2018 - Period from August 23, 2018 to August 22, 2019	9,014	14,726
CVA 2019 - Period from August 23, 2019 to August 22, 2020	166,587	164,547
Total - CVA	**175,601**	**179,273**
Other Items - Period from August 23, 2018 to August 22, 2019	(45,677)	(74,856)
Other Items - Period from August 23, 2019 to August 22, 2020	(179,464)	(116,881)
Total - Other Items - CVA	**(225,141)**	**(191,737)**
Total	**(49,540)**	**(12,464)**

13.2. Financial Asset – 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 2587, of July 23, 2019; b) Adding the monthly interest calculated based on the Effective Interest Rate - TIR; and c) Adding the monetary restatement by the IPCA, established by the Concession Agreement.

Consolidated

Description	Garcia Plant	Bracinho Plant	Cedros Plant	Salto Plant	Palmeiras Plant	Total
Balance on December 31, 2019	**42,360**	**60,730**	**46,387**	**27,948**	**113,285**	**290,710**
Monetary Restatement	215	309	236	141	578	1,479
Interest	1,257	1,827	1,349	943	2,964	8,340
Amortization/Settled	(1,292)	(1,865)	(1,384)	(949)	(3,092)	(8,582)
Balance on March 31, 2020	**42,540**	**61,001**	**46,588**	**28,083**	**113,735**	**291,947**
Current						**32,893**
Non-Current						**259,054**

14. INDEMNIFIABLE FINANCIAL ASSETS - CONCESSION

Consolidated

Description	March 31, 2020	December 31, 2019
Concession Asset - Energy Distribution (a)	**479,417**	**523,543**
In Service	234,046	223,353
Ongoing	245,371	300,190
Concession Assets – Energy Generation (b)	**2,421**	**2,421**
Indemnifiable Assets	2,421	2,421
Total	**481,838**	**525,964**
Non-Current	**481,838**	**525,964**

a) Indemnifiable Financial Asset - Energy Distribution

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.

Based on Technical Interpretation ICPC 01 - Concession Agreements, 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).

Consolidated	
Description	**Total**
Balance on December 31, 2019	**523,543**
(+) New Investments	9,418
(+/-) Change of Property, Plant & Equipment in Progress - AIC	(54,819)
(+) Update Indemnifiable Financial Assets - Concession	1,283
(-) Redemption	(8)
Balance on March 31, 2020	**479,417**

b) Indemnifiable Financial Asset - Power Generation

Celesc G requested to the granting power, at the end of the concessions granted by Power Plants Bracinho, Cedros, Salto and Palmeiras, as indemnification, according to criteria and procedures for calculation established by Normative Resolution No. 596 of December 19, 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.

Consolidated		
Plants	**March 31, 2020**	**December 31, 2019**
Bracinho HHP	85	85
Cedros HHP	195	195
Salto HPP	1,906	1,906
Palmeiras HHP	235	235
Total	**2,421**	**2,421**

15. SECURITIES

Temporary investments classified as noncurrent assets are measured at fair value.

Parent Company			**Consolidated**	
Fair Value through Other Comprehensive Income (VJORA)	**March 31, 2020**	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
Casan Shares	137,261	137,261	137,261	137,261
Other Investments	217	217	217	217
Non-Current	**137,478**	**137,478**	**137,478**	**137,478**

15.1. Companhia Catarinense de Águas e Saneamento – Casan

The Company has 55,358,800 Ordinary Shares - ON, and 55,357,200 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 acquisition cost of Casan's shares is R$110,716.

For the calculation of valuation, the projection period adopted is 17 years (up to 2035), with a terminal value (flow of the last 12 months of projection). The discount rate used was nominal WACC of 11.99% p.a. with a nominal long-term growth rate (perpetuity) of 3.75% p.a. (mid inflation target from 2021). The cost of debt after taxes is 7.13% p.a. and the cost of equity is 16.3% p.a. As there was no participant in the active market and because it is an estimate with several variables, which did not result in material additions, the Company did not change the fair value of this financial instrument on March 31, 2020.

Book Value Reconciliation

Parent Company		**Consolidated**
Casan Shares	**Total**	**Total**
Balance on December 31, 2018	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
Balance on December 31, 2019	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
Balance on March 31, 2020	**137,261**	**137,261**

16. RELATED PARTIES

The Company has a related party transactions policy, approved by the Board of Directors in 2018. Balances recorded in related parties in current and noncurrent assets and liabilities and changes in results for the period are as follows:

a) The table below shows the changes in the result for the period.

Parent Company			Consolidated			
Description	**Other Expenses**	**Financial Revenues**	**Taxes**	**Sales Revenue**	**Financial Revenues**	**Financial Expenses**
Government of the State of SC:						
ICMS	-	-	670,364	-	-	-
Sales Revenue	-	-	-	25,011	-	-
Underground Network	-	10	-	-	10	-
Celos						
Mathematical Reserve Update	-	-	-	-	-	(44,465)
Celesc Distribuição S.A.						
Personnel Available	(3,202)					
Balance on March 31, 2019	**(3,202)**	**10**	**670,364**	**25,011**	**10**	**(44,465)**
Government of the State of SC:						
ICMS	-	-	(631,050)	-	-	-
Sales Revenue	-	-	-	21,935	-	-
Underground Network	-	-	-	-	-	-
Celos						
Mathematical Reserve Update	-	-	-	-	-	(11,329)
Celesc Distribuição S.A.						
Personnel Available	(1,144)	-	-	-	-	-
Balance on March 31, 2020	**(1,144)**	-	**(631,050)**	**21,935**	-	**(11,329)**

b) The table below shows the balances and transactions in the period.

Parent Company			Consolidated				
Description	Accounts Receivable	**Other Liabilities**	**Taxes to be Collected**	Taxes to be Recovered	Accounts Receivable	Other Credits	**Other Liabilities**
Government of the State of SC:							
ICMS	-	-	144,156	56,847	-	-	-
Accounts Receivable	-	-	-	-	8,013	-	-
Rondinha Energética S.A.	-						
Dividends	-	-	-	-	-	488	-
Celos	-						
Contrib. Pension Plan, Health Plan and Others	-	53	-	-	-	-	18,884
Celesc Distribuição S.A.	-						
Personnel Available	-	451	-	-	-	-	-
Balance on December 31, 2019	**-**	**504**	**144,156**	**56,847**	**8,013**	**488**	**18,884**
Government of the State of SC:							
ICMS	-	-	136,321	55,228	-	-	-
Accounts Receivable	-	-	-	-	8,335	-	-
Celos							
Contrib. Pension Plan, Health Plan and Others	-	35	-	-	-	-	9,199
Celesc Geração S.A.							
Dividends and JCP	17,637	-	-	-	-	-	-
Celesc Distribuição S.A.							
Personnel Available	-	390	-	-	-	-	-
Dividends and JCP	47,066	-	-	-	-	-	-
Balance on March 31, 2020	**64,703**	**425**	**136,321**	**55,228**	**8,335**	**-**	**9,199**

c) Remuneration of Key Management Personnel

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

Parent Company			Consolidated	
Description	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Fees	1,128	1,401	1,128	1,401
Social Charges	307	338	307	338
Others	181	59	181	59
Total	**1,616**	**1,798**	**1,616**	**1,798**

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

a) Composition of Net Deferred IRPJ and CSLL

Deferred IRPJ and CSLL assets and liabilities were calculated based on:

(i) Provision for contingencies of legal proceedings;
(ii) ICPC 10 - Interpretation on the initial application to the property, plant & equipment;
(iii) CPC 01 (R1) - Impairment of Assets on Provision for Losses on Property, Plant & Equipment;
(iv) CPC 33 (R1) - Benefits to employee;
(v) Adjustment to the fair value of the Property, Plant & Equipment, arising from the initial adoption of Technical Pronouncement CPC 27 - Property, Plant & Equipment;
(vi) CPC 39 - Financial Instruments in the recognition and measurement of the New Restitution Value - VNR.
(vii) Deferred taxes calculated on the Rebate Grant were calculated in accordance with RFB Regulatory Instruction 1.700, of March 14, 2017, issued by the Federal Revenue Service.

The following table shows the balances of deferred IRPJ and CSLL accounts:

Description	March 31, 2020	December 31, 2019
Assets	995,084	1,004,094
Liabilities	(20,536)	(19,596)
Net Deferred Tax	**974,548**	**984,498**

Consolidated

Temporary Differences	Deferred Assets		Deferred Liabilities		Net Deferred	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Provision for Contingencies	177,116	179,056	-	-	177,116	179,056
Provision for losses on assets	88,989	87,902	-	-	88,989	87,902
Post-Employment Benefit	865,941	875,252	-	-	865,941	875,252
Cost Assigned	-	-	7,733	7,806	(7,733)	(7,806)
Effects ICPC 01 - Concession Agreements	-	-	53,508	54,038	(53,508)	(54,038)
Effects CPC 39 - Financial Instruments	-	-	65,930	66,583	(65,930)	(66,583)
Grant Bonus	-	-	30,155	29,131	(30,155)	(29,131)
Other Provisions	-	-	172	154	(172)	(154)
Total	**1,132,046**	**1,142,210**	**157,498**	**157,712**	**974,548**	**984,498**

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 indicator of the Company's future results.

The realization of deferred taxes is based on the budget projections approved by the Company's Board of Directors, with the purpose of defining and presenting actions necessary to meet regulatory demands, also converging to comply with 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 remaining balance of the process of initial recognition of involuntary exposure in 2014 by the regulatory body in the amount of R$272,541 million updated until March 31, 2020 is in judicial demand with the federal court and had the IRPJ and CSLL amounts deferred until a final court decision is issued on the ongoing case. In August 2019, through Approval Resolution 2593, ANEEL approved the deferral of the financial effect of the 2014 contractual exposure, reflected in five subsequent annual tariff processes. Accordingly, the 2019 tariff adjustment had a financial realization of R$65.7 million and the consequent realization of deferred Income Tax and Social Contribution on this basis. (Note 2.1.1.1, item d).

The realization of estimates for the balance of the total assets of March 31, 2020 are:

Consolidated

Year	March 31, 2020	December 31, 2019
2020	44,262	54,142
2021	42,413	42,414
2022	35,134	35,135
2023	34,298	34,299
Over 2023	975,939	976,220
Total	**1,132,046**	**1,142,210**

c) IRPJ and CSLL Reconciliation Recognized in the Net Worth

The change in the assigned cost and the initial adoption of CPC 48 - Financial Instruments with IRPJ and CSLL amounts, recognized directly in the net worth, is shown below:

Consolidated

Description	**Total**
Balance on December 31, 2018	**26,782**
(-) Settled Assigned Cost	(838)
(+) Taxes (IRPJ/CSLL)	285
Balance on December 31, 2019	**26,229**
(-) Settled Assigned Cost	(214)
(+) Taxes (IRPJ/CSLL)	73
Balance on March 31, 2020	**26,088**

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	**Total**
Balance on December 31, 2018	**857,932**
(+) Addition of Actuarial Liabilities	927,415
(-) Taxes (IRPJ/CSLL)	(315,321)
Balance on December 31, 2019	**1,470,026**
(+) Addition of Actuarial Liabilities	-
(-) Taxes (IRPJ/CSLL)	-
Balance on March 31, 2020	**1,470,026**

e) IRPJ and CSLL Current and Deferred Reconciliation

The reconciliation of IRPJ and CSLL expenses, at the nominal and effective rate, is shown below:

Parent Company			**Consolidated**	
Description	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**December 31, 2019**
Profit/(Loss) before IRPJ and CSLL	**144,035**	**72,670**	**218,717**	**126,299**
Combined Nominal Rate of IRPJ and CSLL	34%	34%	34%	34%
IRPJ and CSLL	**(48,972)**	**(24,708)**	**(74,364)**	**(42,942)**
Permanent Additions and Exclusions				
Equity in Earnings	50,661	26,848	3,262	2,106
Fiscal Benefit	-	-	(26)	(19)
Fiscal Incentive	-	-	1,124	799
Non-deductible provisions	(170)	(167)	(170)	(167)
Non-deductible Fines	-	-	(2,471)	(2,862)
Income Tax/Social Contribution not recognized without tax loss	(1,451)	(1,903)	(1,451)	(1,903)
Administrators Interest	(68)	(70)	(78)	(82)
Non-Technical Losses	-	-	(498)	(8,554)
Other Additions (Exclusions)	-	-	(10)	(5)
Total Current and Deferred IRPJ and CSLL	-	-	**(74,682)**	**(53,629)**
Current	-	-	**(64,732)**	(49,284)
Deferred	-	-	**(9,950)**	(4,345)
Effective Tax Rate	**0.00%**	**0.00%**	**34.15%**	**42.46%**

f) Uncertainty about Income Tax and Social Contribution Treatment

On September 24, 2018, the Special Office of the Brazilian Federal Revenue Service (SERFB) started the Tax Proceeding 0900100-2018-00117-1. This procedure resulted, on January 8, 2019, in the Deficiency Notice 10980.727742/2018-81 in the amount of R$306.8 million. Said deficiency notice is related to the calculation of the taxable income and the CSLL calculation basis, thus imputing to the concessionaire:

a) Undue adjustments attributed to the Variation Compensation Account of Installment A - CVA Items;

b) Failure to comply with the remaining term of the concession agreement for the purposes of the determinations provided for in article 69 of Federal Law 12973/2014.

After the Management's analysis, it was found that the amounts determined by the tax entity are dissociated from tax rules, doctrine and court decisions in similar cases. The Management, supported by the position of its legal advisors, understands that the procedures adopted will probably be accepted in decisions of higher courts of last resort (probability of acceptance > 50%), for its total value and, therefore, did not record any liabilities of Income Tax/Social Contribution concerning these lawsuits.

18. INVESTMENTS IN SUBSIDIARIES, JOINTLY CONTROLLED AND ASSOCIATED COMPANIES

Parent Company			**Consolidated**	
Description	**March 31, 2020**	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
Subsidiaries	**1,169,163**	**1,028,428**	**-**	**-**
Celesc D	638,650	513,651	-	-
Celesc G	530,513	514,777	-	-

Joint Subsidiaries	**92,751**	**91,440**	**92,751**	**91,440**
SCGÁS	92,751	91,440	92,751	91,440
Affiliates	**100,425**	**93,835**	**162,773**	**155,132**
ECTE	69,822	65,509	69,822	65,509
DFESA	30,603	28,326	30,603	28,326
SPCs	-	-	62,348	61,297
Cubatão	3,353	3,353	3,353	3,353
(-) Provision for Loss in the Cubatão Investment	(3,353)	(3,353)	(3,353)	(3,353)
Total	**1,362,339**	**1,213,703**	**255,524**	**246,572**

a) Information on Investments

Parent Company

Description	Company's Shares	Company's Share		SE	Total Assets	Profit/ (Loss)
	Common	Share Capital	Voting Capital			
Balance on December 31, 2019						
Celesc D	630,000	100.00%	100.00%	513,651	8,409,618	198,173
Celesc G	43,209	100.00%	100.00%	514,777	701,244	74,262
ECTE	13,001	30.88%	30.88%	212,108	461,521	48,119
SCGÁS	1,827	17.00%	51.00%	328,449	586,096	81,108
DFESA	153,382	23.03%	23.03%	122,993	130,883	42,781
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Balance on March 31, 2020						
Celesc D	630,000	100.00%	100.00%	638,650	3,525,095	124,999
Celesc G	43,209	100.00%	100.00%	530,513	701,083	15,736
ECTE	13,001	30.88%	30.88%	226,071	469,652	13,963
SCGÁS	1,827	17.00%	51.00%	338,323	603,632	9,873
DFESA	153,382	23.03%	23.03%	132,881	140,885	9,888
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)

Consolidated

Description	Company's Shares	Company's Share		SE	Total Assets	Profit/ (Loss)
	Common	Share Capital	Voting Capital			
Balance on December 31, 2019						
ECTE	13,001	30.88%	30.88%	212,108	461,521	48,119
SCGÁS	1,827	17.00%	51.00%	328,449	586,096	81,108
DFESA	153,382	23.03%	23.03%	122,993	130,883	42,781
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Rondinha Energética S.A.	15,113	32.50%	32.50%	42,217	56,973	1,016
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	52,610	64,164	7,230
Xavantina Energética S.A.	266	40.00%	40.00%	24,722	38,264	(95)
Garça Branca Energética S.A.	22,326	49.00%	49.00%	36,783	63,842	(1,008)
EDP Transmissão Aliança SC	2,650	10.00%	10.00%	61,343	1,585,189	32,028
Balance on March 31, 2020						
ECTE	13,001	30.88%	30.88%	226,071	469,652	13,963
SCGÁS	1,827	17.00%	51.00%	338,323	603,632	9,873
DFESA	153,382	23.03%	23.03%	132,881	140,885	9,888
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Rondinha Energética S.A.	15,113	32.50%	32.50%	42,177	52,969	173
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	54,588	65,038	1,520
Xavantina Energética S.A.	266	40.00%	40.00%	24,911	37,863	183
Garça Branca Energética S.A.	22,326	49.00%	49.00%	37,486	63,524	(66)
EDP Transmissão Aliança SC	2,650	10.00%	10.00%	61,823	1,625,967	11,229

b) Changes in Investments

Consolidated

Description	Celesc D	Celesc G	ECTE	SCGÁS	DFESA	Total
Balance on December 31, 2019	**513,651**	**514,777**	**65,509**	**91,440**	**28,326**	**1,213,703**
Amortization of the Right to Use Concessions	-	-	-	(367)	-	(367)
Equity in Earnings	124,999	15,736	4,313	1,678	2,277	149,003
Balance on March 31, 2020	**638,650**	**530,513**	**69,822**	**92,751**	**30,603**	**1,362,339**

Consolidated

Description	ECTE	SCGÁS	DFESA	SPCs	Total
Balance on December 31, 2019	**65,509**	**91,440**	**28,326**	**61,297**	**246,572**
Payments	-	-	-	290	290
Dividends and Interest on Shareholders' Equity (ISE) Credited	-	-	-	(567)	(567)
Amortization of the Right to Use Concessions	-	(367)	-	-	(367)
Equity in Earnings	4,313	1,678	2,277	1,328	9,596
Balance on March 31, 2020	**69,822**	**92,751**	**30,603**	**62,348**	**255,524**

c) Acquisition of Concession Use Right

The balance of the concession use right generated in the acquisition of SCGÁS on March 31, 2020 is R$35,236 (R$35,603 on December 31, 2019). The concession use right is amortized by the concession term of provision of public services by said company.

19. PROPERTY, PLANT & EQUIPMENT

19.1. Balance Composition

Consolidated

Description	Lands	Reservoirs, Dams and Ducts	Buildings and Constructions	Machinery and Equipment	Others	Construction in Progress (i)	Total
Balance on December 31, 2019	**9,610**	**13,051**	**31,565**	**86,185**	**385**	**34,000**	**174,796**
Fixed Assets Cost	20,202	169,822	50,169	170,673	1,752	34,000	446,618
Provision for Losses	(3,264)	(24,486)	(723)	(3,656)	25	-	(32,104)
Accrued Depreciation	(7,328)	(132,285)	(17,881)	(80,832)	(1,392)	-	(239,718)
Balance on December 31, 2019	**9,610**	**13,051**	**31,565**	**86,185**	**385**	**34,000**	**174,796**
Additions	-	-	-	-	-	3,733	3,733
Depreciation	-	(106)	(225)	(926)	(39)	-	(1,296)
(+/-) Transfers	-	-	-	834	464	(1,298)	-
Balance on March 31, 2020	**9,610**	**12,945**	**31,340**	**86,093**	**810**	**36,435**	**177,233**
Fixed Assets Cost	20,202	169,061	50,166	171,036	2,216	36,435	449,116
Provision for Losses	(3,264)	(24,486)	(723)	(3,656)	25	-	(32,104)
Accrued Depreciation	(7,328)	(131,630)	(18,103)	(81,287)	(1,431)	-	(239,779)
Balance on March 31, 2020	**9,610**	**12,945**	**31,340**	**86,093**	**810**	**36,435**	**177,233**
Average Depreciation Rate	**0%**	**3.46%**	**2.41%**	**3.11%**	**12.20%**	**0.00%**	

(i) In the first quarter of 2020, Celesc G concluded R$1,298 of the projects in progress.

19.2. Depreciation

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

Consolidated

Management	Percentage (%)
Machinery and Equipment	5.5
Vehicles	12.4
Furniture and Utensils	6.3

Operation	Percentage (%)
Buildings and Constructions	2.4
Machinery and Equipment	3.1
Reservoirs, Dams and Ducts	3.5
Vehicles	12.8
Furniture and Utensils	2.8

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.

The Garcia, Palmeiras, Salto Weissbach, Cedros and Bracinho Plants are depreciated based on the concession term defined in the agreement.

The assets of Pery Plant, Celso Ramos SHP and Caveiras, Ivo Silveira, Piraí, São Lourenço and Rio do Peixe HGPs are depreciated at the rates established by ANEEL Resolution 674, of August 11, 2015, since they have a registration agreement.

The investments made for expansion in the Celso Ramos, Garcia, Palmeiras, Salto Weissbach, Cedros and Bracinho Plants, which are susceptible to indemnification at the end of the concession, are also depreciated by the same Resolution.

The assets of the central administration (Buildings and Constructions, Machinery and Equipment, Vehicles, Furniture and Utensils) are also depreciated by the rates established in the said Resolution.

19.3. Fully Depreciated Property, Plant and Equipment Still in Operation

The gross accounting amount of fixed assets that are fully depreciated and which are still in operation on March 31, 2020:

Consolidated

Description	March 31, 2020	December 31, 2019
Reservoirs, Dams and Ducts	132,349	132,349
Buildings, Civil Works and Improvements	11,935	11,935
Machinery and Equipment	48,226	48,225
Others	13,956	13,956
Total	**206,466**	**206,465**

20. INTANGIBLE ASSETS

i) Goodwill ECTE

The goodwill generated on the acquisition of ECTE is amortized by the concession term of provision of public services by said company.

Parent Company

Description	December 31, 2019	Amortizations	March 31, 2020
Goodwill ECTE (i)	5,446	(126)	5,320

ii) 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.

Consolidated

Description	**Asset of the Celesc D Concession (ii)**	**Software Acquired**	**Goodwill**	**Service Range**	**Items In Progress**	**Total**
Balance on December 31, 2019	**3,448,815**	**754**	**5,446**	**70**	**1,791**	**3,456,876**
Total Cost	5,362,938	6,495	14,248	70	1,791	5,385,542
Accrued Amortization	(1,914,123)	(5,741)	(8,802)	-	-	(1,928,666)
Balance on December 31, 2019	**3,448,815**	**754**	**5,446**	**70**	**1,791**	**3,456,876**
Additions	141,960	-	-	-	-	141,960
Settled	(8,290)	-	-	-	-	(8,290)
Amortizations	(57,390)	(189)	(126)	-	-	(57,705)
Balance on March 31, 2020	**3,525,095**	**565**	**5,320**	**70**	**1,791**	**3,532,841**
Total Cost	5,496,608	6,495	14,248	70	1,791	5,519,212
Accrued Amortization	(1,971,513)	(5,930)	(8,928)	-	-	(1,986,371)
Balance on March 31, 2020	**3,525,095**	**565**	**5,320**	**70**	**1,791**	**3,532,841**
Average Amortization Rate	**4.3%**	**20%**	**0.9%**	**0%**	**0%**	

21. SUPPLIERS

Parent Company

Description	**March 31, 2020**	**December 31, 2019**
Employees Available	390	451
Materials and Services	515	577
Total	**905**	**1,028**

Consolidated

Description	**March 31, 2020**	**December 31, 2019**
Electricity	504,077	503,374
Charges for Using the Electric Grid	98,934	93,916
Materials and Services	96,402	160,947
Electricity Trading Chamber – CCEE (i)	133,552	238,488
Total	**832,965**	**996,725**

(i) The CCEE has as one of its attributions, to determine the value of the accounting of agents. This value, in the case of the distributors, involves in addition to the sale and purchase in the short term, charges, effect of dispatch of thermals and also diverse impacts of hydrological risk.

The hydrological risk in the case of the distributors is associated with the energy contracts (CCEAR-QT) that have been renegotiated, contracts of physical guarantee quota and contract with Itaipu. Celesc D, even being a buyer, assumes the hydrological risk.

Regarding the amounts at the end of 2019 and in March 2020, it should be noted that 2019 has a debt balance referring to the Installment of SUM001 of August and September 2018, a balance that was reduced during the year, despite the differences in PLD in the submarkets, which had a financial impact at the beginning of 2020.

22. LOANS AND FINANCING

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

Consolidated

Description		**March 31, 2020**	**December 31, 2019**
Total in National Currency		**784,862**	**813,035**
Bank Loans (i)	7.40% p.a.	150,357	150,357
Bank Loans (i)	CDI + 1.25% and CDI + 1.3%	276,046	301,388
Bank Loans (i)	CDI + 0.8% p.a.	336,116	336,200
Eletrobras Loans (ii)	5% p.a.	4,690	5,438
Finame Loans (iii)	2.5% to 9.5% p.a.	17,653	19,652
Total in Foreign Currency		**481,748**	**474,596**
Loan - IDB (iv)	CDI + 0.89% p.a.	481,748	474,596
Total		**1,266,610**	**1,287,631**
Current		**453,821**	**383,623**
Non-Current		**812,789**	**904,008**

i) Bank Loans

The bank loan balances refer to contracting, whose resources were used exclusively for the purpose of working capital.

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

Through Bank Credit Note, in April 2018, an additional R$150 million was contracted with Banco Safra, with pre-fixed interest at 7.4% p.a. and required monthly. The contract term was 12 months and its settlement was provided in a single installment at the end of its term (bullet). However, in April 2019, the agreement was renegotiated and the payment term was extended for another 12 months, with a bullet maintained for its settlement at the end of its term.

In November 2018, R$100 million was contracted with Banco do Brasil, through Bank Credit Bill, with remuneration at the rate equivalent to the CDI + 1.25% p.a. required quarterly. The 24-month term is expected to be amortized in 4 quarterly installments, beginning in February 2020 and ending in November 2020.

Also in November 2018 and through Bank Credit Bill, R$200 million were contracted with Banco Safra, with remuneration at the rate equivalent to the CDI + 1.3% p.a. required monthly. The 36-month term has an 18-month grace period for the amortization of the principal, scheduled for settlement in 18 monthly installments, beginning in June 2020 and ending in November 2021.

At the end of the contracts classified as Bank Loans, in April 2019, another R$335 million was contracted with Banco Safra, through Bank Credit Bill, with remuneration at a rate equivalent to the CDI + 0.8% p.a. required monthly. The terms of validity, grace period and settlement of the principal are identical to those described in the previous contract, with the beginning of the amortization scheduled for November 2020 and the end for April 2022.

ii) 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., management fee of 2% p.a. and commission rate of 0.83%. All contracts have ANEEL's consent.

iii) 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.

iv) Banco Interamericano de Desenvolvimento – BID

On October 31, 2018, Celesc D and the Inter-American Development Bank - IDB signed an external credit operation called Loan 4404/OC-BR (BR-L1491).

The total amount of the transaction is US$ 276,051,000.00 (two hundred and seventy-six million and fifty-one thousand US dollars) and the amortization period is of 234 (two hundred and thirty-four) months with a grace period of up to 66 (sixty-six) months, reaching a total term of 300 (three hundred) months.

The amortization is semi-annual through the constant system and the interest rate is the 3-month libor (USD-LIBOR 3m) plus spread, with monetary restatement calculated by the exchange rate change. In addition, there is a requirement for a commitment fee of up to 0.75% per annum on the undisbursed balance and a supervisory fee of up to 1% of the loan amount, divided by the number of semesters included in the original disbursement term 5 (five) years.

The loan is guaranteed by the Federative Republic of Brazil and the State of Santa Catarina, and is intended for the partial financing of the Energy Infrastructure Investment Program within the jurisdiction of the Celesc D.

The first release occurred on December 10, 2018, in the amount of seventy million, three hundred seventy-four thousand, three hundred and two US dollars and ninety-five cents (US$70,374,302.95) and the second, on January 28, 2019, in the amount of nine million, seven hundred and four thousand, three hundred and twenty-eight US dollars and ten cents (US$9,704,328.10).

On May 2, 2019, Celesc D opted to convert, in national currency, the debt balance released up to that date, in the amount of eighty million, seventy-eight thousand, six hundred and thirty-one US dollars and five cents (US$80,078,631.05), and by the change in the interest rate applied to the contract, which became CDI + 0.89% p.a. (already considering the IDB costs) throughout the term of the contract for these releases, therefore, there is no longer any exchange rate change.

Continuing the transaction, two more releases took place: the third, on October 7, 2019, in the amount of twenty-six million, two hundred and ten thousand, seven hundred and fifty-five US dollars (US$26,210,755.00) and the fourth, on December 10, 2019, in the amount of nine million, seven hundred and sixty-seven thousand, eight hundred and ninety-one US dollars and seventy-three cents (US$9,767,891.73).

As in the previous ones, it was also decided to convert the released balance at the national interest rate, linked to the CDI, with CDI + 0.935% p.a. for the release occurred on October 7, 2019, and CDI + 0.77% p.a. for the release that took place on December 10, 2019, (already considering the IDB costs) throughout the term of the agreement for these releases, to avoid any exchange rate change on this financing.

a) Breakdown of Investments

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

Consolidated

Description	**Domestic**		**Foreigner**		**Total**	
	March 31, 2020	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
Year 2021 - 1Q	-	91,219	-	-	-	91,219
Year 2021 - 2Q to 4Q	260,630	260,630	-	-	260,630	260,630
Year 2022	79,107	79,107	-	-	79,107	79,107
Year 2023	3,259	3,259	-	-	3,259	3,259
Year 2024	1,139	1,139	23,415	23,415	24,554	24,554
Year 2025 +	364	364	444,875	444,875	445,239	445,239
Total	**344,499**	**435,718**	**468,290**	**468,290**	**812,789**	**904,008**

b) Movement of Loans and Financing - National

Consolidated

Description	**Current**	**Non-Current**	**Total**
Balance on December 31, 2019	**377,317**	**435,718**	**813,035**
Provisioned Charges	11,024	-	11,024
Transfers	91,219	(91,219)	-
Amortizations of Principal	(27,741)	-	(27,741)
Payment of Charges	(11,456)	-	(11,456)
Balance on March 31, 2020	**440,363**	**344,499**	**784,862**

c) Movement of Loans and Financing - Foreign – BID

Consolidated

Description	**Current**	**Non-Current**	**Total**
Balance on December 31, 2019	**6,306**	**468,290**	**474,596**
Monetary Restatement	7,152	-	7,152
Balance on March 31, 2020	**13,458**	**468,290**	**481,748**

23. DEBENTURES

23.1. Debentures – Celesc D

Celesc D issued, on July 13, 2018, 250,000 (two hundred and fifty thousand) debentures, not convertible into shares, in the unit face value of R$1.0 thousand, totaling R$ 250 million, due on July 13, 2023, not convertible into shares. The proceeds of this issuance were used as an aid for the ordinary management of its business.

The actual guarantee is the assignment in trust of existing and/or future receivables arising from the gross electricity supply to Celesc D's customers and Celesc Holding 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 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. Until December 31, 2019, R$23.7 million of compensation interest were paid.

Annually, the Company, as guarantor, is committed to a covenant in which the Debentures issued do not present a Net Debt/EBITDA ratio above 2.5. Failure to comply with this financial indicator may entail the early due date of the total debt. As of December 31, 2019, there was a ratio below this index, thus fulfilling this obligation.

23.2. Debentures 2018 - Celesc G

On June 1, 2018, Celesc G issued 15,000 debentures with a unit par value of R$10,000, not monetarily restated, totaling R$150 million. The issue was made in a single series, of the simple type and not convertible into shares. The actual guarantee was set as an assignment in trust of present and/or future receivables arising from the gross electricity supply to Celesc G's customers. In turn, a guarantee was set as the trust in favor of the Debentures owners, undertaking the role of guarantor and principal payment of all amounts due under the deed of issuance.

The debentures have a term of five years, as of the their issue date, and the remuneration interest corresponds to 100% of the accumulated variation of the average daily rates of interbank deposits - DI of one day, plus a surcharge or spread of 2.5% per year until the date of actual payment.

Interest has been paid since September 2018 and the amortization has been made since June 2019, both quarterly and consecutively, and until March 31, 2020, the amount of R$20.8 million was paid as remuneration and R$35.3 million was paid as principal.

On a semi-annual basis, the Company, as guarantor, and Celesc G, as issuer, have 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 entail the early due date of the total debt. On December 31, 2019, both presented a ratio below this index, thus fulfilling these obligations.

23.5. Debenture Operation

Consolidated

Description	Total
Balance on December 31, 2019	**373,945**
Provisioned Charges	5,464
Payments of Charges	(6,144)
Principal Payment	(25,490)
Costs to Issue Celesc D Debentures	155
Costs to Issue Celesc G Debentures	123
Balance on March 31, 2020	**348,053**
Current	**104,454**
Non-Current	**243,599**

23.6. Costs in the Collection of Debentures to be Owned

Consolidated

Description	March 31, 2020	December 31, 2019
Year 2020	837	1,115
Year 2021	1,113	1,113
Year 2022	1,113	1,113
Year 2023	528	528
Total	**3,591**	**3,869**

23.7 Reconciliation of Liabilities Resulting from Financing Activities

Parent Company

Description	
Balance Dividends and JCP) as of December 31, 2019	**67,683**
Payments - Changes in the Financing Flow	-
Variations that do Not Affect the Cash	-
Balance Dividends and JCP) as of March 31, 2020	**67,683**

Description	December 31, 2019	Principal Payment	Total Changes in the Financing Flow	Interest Payment (i)	Changes that do not Affect the Cash(ii)	March 31, 2020
Loans/Financing	1,287,631	(27,741)	(27,741)	(11,456)	18,176	1,266,610
Debentures	373,945	(25,490)	(25,490)	(6,144)	5,742	348,053
Dividends and JCP	67,683	-	-	-	-	67,683
Total	**1,729,259**	**(53,231)**	**(53,231)**	**(17,600)**	**23,918**	**1,682,346**

(i) Interest paid is classified in the Operating Activities flow in the Statement of Cash Flow.
(ii) Provision for Loans and Financing charges totaled R$18,176. Debentures totaled R$5,742, with R$278 of this total referring to costs with debentures incurred in 2020.

24. SOCIAL SECURITY AND LABOR DUTIES

	Parent Company		Consolidated	
Description	**March 31, 2020**	**December 31, 2019 (Re-submitted)**	**March 31, 2010**	**December 31, 2019 (Re-submitted)**
Provisions for Payroll and Social Charges	458	378	98,033	100,890
Incentivized Dismissal Plan - PDI (a)	-	-	95,445	119,173
Consignment in Favor of Third Parties	-	-	4,160	8,485
Provision for Profit Sharing - PLR	-	-	27,777	17,999
Net Pay-roll	201	254	12,906	13,787
Total	**659**	**632**	**238,321**	**260,334**
Current	**659**	**632**	**190,135**	**212,148**
Non-Current	**-**	**-**	**48,186**	**48,186**

a) Incentivized Dismissal Plan - PDI

Through Resolution 15, from February 22, 2016, Celesc D approved the regulation of the Incentivized Dismissal Plan (PDI). This program was implemented for the first time in December 2016, with the adherence and dismissal of 62 employees and a cost of approximately R$ 16 million.

In the PDI 2017, 122 employees were dismissed until December 2017. This edition of 2017 continued with the disconnections until June 2018, where the total number of dismissal reached 188 (6% of the current effective staff), with a total actual cost of R$69.2 million.

The 2018 PDI edition made dismissals until July 2019 with 315 exits at a total cost of about R$115 million.

Continuing the planning of dismissals, Celesc D has opened applications for the 2019 edition of the dismissal program, which has over 600 employees enrolled. Registrations were approved by the Company's Board of Directors, and the planned budget also needs to be authorized. By March 2020, 90 employees were dismissed. The exits of this plan will go until June 2020.

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

25. TAXES

25.1. Income Tax and Social Contribution on Net Income and Income Tax on ISE

Parent Company			Consolidated	
Description	**March 31, 2020**	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
IRPJ	-	-	47,875	7,870
CSLL	-	-	18,642	3,874
Income Tax on Interest on Shareholder' Equity (ISE)	-	4,178	-	4,178
Total to Collect	-	4,178	**66,517**	**15,922**
(-) Recoverable Taxes	(10,919)	(10,905)	(72,187)	(21,692)
Net Taxes	**(10,919)**	**(6,727)**	**(5,670)**	**(5,770)**

25.2. Other Taxes

Parent Company			Consolidated	
Description	**March 31, 2020**	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
ICMS	-	-	136,321	144,156
PIS and COFINS	2	5.572-	46,694	45,183
Others	219	105	3,197	4,035
Total to Collect	221	**5,677**	**186,212**	**193,374**
(-) Taxes to be Compensated	-	-	(1,102,150)	(1,139,732)
Net Taxes	**221**	**5,677**	**(915,938**	**(946,358)**

26. REGULATORY FEES

Consolidated		
Description	**March 31, 2020**	**December 31, 2019**
Energy Efficiency Program – PEE (EEP)	172,306	162,400
Emergency Capacity Charge - ECE or ECC	83,359	19,441
ECE Installments	-	67,000
Charge Bill Level	47	35,736
Research & Development – R&D	71,678	69,638
Inspection Fee ANEEL	-	654
Financial Compensation for the Use of Water Resources - CFURH (i)	-	153
Emergency Electricity Acquisition Charge - EAEEE		417
Others	1,242	-
Total	**328,632**	**355,439**
Current	**136,984**	**166,014**
Non-Current	**191,648**	**189,425**

(i) Compensation for use of water resources – CFURH

CFURH is a reimbursement for the occupation of areas by hydroelectric plants and a payment for the use of water to generate energy. The tariff used to calculate the Financial Compensation (Updated Reference Tariff - TAR) is fixed by ANEEL, readjusted annually and revised every four years by the Agency (Financial Compensation = 6.75% x Generated Energy x TAR).

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

Contingencies	Court Deposits		Provision for Risks	
	March 31, 2020	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
Tax	2,117	2,117	1,263	1,263
Labor	4,686	4,669	-	-
Civil	8,443	8,373	299	292
Regulatory	8,182	8,182	2,983	2,983
Environmental	-	-	11	-
Total	**23,428**	**23,341**	**4,556**	**4,538**

Consolidated

Contingencies	Court Deposits		Provision for Risks	
	March 31, 2020	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
Tax (i)	3,752	3,752	9,642	9,641
Labor (ii)	47,699	45,382	60,034	60,123
Civil (iii)	80,857	75,221	122,989	130,581
Regulatory (iv)	46,699	46,699	306,559	303,762
Environmental (v)	-	-	2,133	2,123
Total	**179,007**	**171,054**	**501,357**	**506,230**

The operations in provisions and deposits are shown below:

	Parent Company		Consolidated	
Description	Court Deposits	**Provision for Risks**	Court Deposits	**Provision for Risks**
Balance on December 31, 2019	**23,341**	**4,538**	**171,054**	**506,230**
Constitution	93	24	30,132	21,278
Financial Update	-	-	-	2,796
Settled	(6)	(6)	(22,179)	(28,947)
Balance on March 31, 2020	**23,428**	**4,556**	**179,007**	**501,357**

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 management, 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 at the federal level, related to the collection of COFINS and Social Security Contribution, and at the municipal level, associated with tax notices issued by the City of Florianópolis for ISS requirement.

The most relevant lawsuit, at the federal level, has an estimated loss of R$3.6 million and refers to the tax execution proposed by the Federal Government, with the object of the social security contribution, provided for in article 31 of Law 8212/91, incident on invoices of services provided by assigning labor. Celesc D filed appeals to tax enforcement, maintaining the non-enforceability of the tax, which were deemed partially valid, requiring the Union to rectify the Active Debt Certificate (CDA) under the terms of the decision. The process is in the final stage of adjusting the CDA and determining the remaining tax credit.

At the municipal level, the contingencies for ISS requirements are of different types, totaling R$3.5 million and the tax procedures are in the administrative process.

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 Celesc D, such as: 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 Celesc D 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 2014 contractual exposure (Note 2.1.1.1, item d).

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 D.

b) Possible Contingencies

The Company also has tax, labor, civil, regulatory and environmental lawsuits, involving the risk of loss classified by the Management 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

Contingencies	March 31, 2020	December 31, 2019
Tax(i)	4,227	4,227
Labor (ii)	2,116	15,676
Civil (iii)	303,941	276,243
Regulatory (iv)	153,549	148,679
Environmental (v)	46,962	46,962
Total	**510,795**	**491,787**

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.

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	March 31, 2020	December 31, 2019
Social Security Plans	**1,448,470**	**1,467,554**

Mixed Plan and Transitional Plan (a)	1,448,470	1,467,554
Assistance Plans	**1,369,563**	**1,370,922**
Celos Saúde Agreement (b)	1,306,425	1,308,002
Other Benefits (c)	63,138	62,920
Total	**2,818,033**	**2,838,476**
Current	**172,106**	**176,528**
Non-Current	**2,645,927**	**2,661,948**

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 management of social security benefit plans for its participants represented by employees of Celesc D.

a) Mixed Plan and Transitional Plan

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, R$376.8 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 the actuarial liability of the Mixed and Transitory Plan.

Since this debt should be paid even in the event of a surplus of the Foundation, 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 Saúde Agreement

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) Actuarial Obligations

Consolidated

Description	Mixed Plan	Transitory Plan	Celos Saúde Agreement	Savings Plan	Other Benefits	Total
Balance on December 31, 2018	**2,090,835**	**695,089**	**957,713**	**2,021**	**53,752**	**3,799,410**
Cost of Current Net Service	5,894	-	(20,065)	117	-	(14,054)
Participant Contributions Made in the Period	28,934	14,601	40,806	-	(2,901)	81,440
Interest on Actuarial Duty	185,316	59,030	84,600	164	4,711	333,821
Benefits Paid in the Fiscal Year	(170,603)	(82,601)	(82,598)	(205)	(4,627)	(340,634)
(Gains) Losses on Actuarial Liabilities	547,102	92,828	355,069	49	11,985	1,007,033
Balance on December 31, 2019	**2,687,478**	**778,947**	**1,335,525**	**2,146**	**62,920**	**4,867,016**

b) Determination of Net Liabilities (Assets)

Consolidated

Description	Mixed Plan	Transitory Plan	Celos Saúde Agreement	Savings Plan	Other Benefits	Total
Liabilities (Assets) as of December 31, 2018	**650,262**	**373,993**	**926,828**	**0**	**53,752**	**2,004,835**
Fair Value of Assets at the End of the Period	(1,637,050)	(361,821)	(27,523)	(11,362)	-	(2,037,756)
Actuarial Obligations at the End of the Period	2,687,478	778,947	1,335,525	2,146	62,920	4,867,016
Effect of Additional Asset and Liabilities Ceiling End of the Period	-	-		9,216	-	9,216
Liabilities (Assets) as of December 31, 2019	**1,050,428**	**417,126**	**1,308,002**	**0**	**62,920**	**2,838,476**

c) Reconciliation of the Assets Fair Value

Consolidated

Description	Mixed Plan	Transitory Plan	Celos Saúde Agreement	Savings Plan	Total
Balance on December 31, 2018	**1,440,573**	**321,096**	**30,885**	**9,655**	**1,802,209**
Benefits Paid in the Period Using the Plan Assets	(170,603)	(82,601)	(82,598)	(205)	(336,007)
Contributions from Participants Made in the Period	28,934	14,601	40,806	-	84,341
Employer Contributions Accomplished in the Period	73,190	58,109	48,400	-	179,699
Expected Return on Assets	128,840	28,124	2,512	852	160,328
Gain (Loss) on the Fair Value of the Plan’s Assets	136,116	22,492	(12,482)	1,060	147,186
Balance on December 31, 2019	**1,637,050**	**361,821**	**27,523**	**11,362**	**2,037,756**

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

Consolidated

Description	**March 31, 2020**	**March 31, 2019**
Transitory Plan	2,957	4,198
Mixed Plan	12,867	8,975
Medical Care Agreement	6,913	8,353
Other Benefits	1,082	1,207
Total	**23,819**	**22,733**
Personnel Expenditure	12,490	12,962
Financial Expenditure	11,329	9,771
Total	**23,819**	**22,733**

e) Estimated Expenditure for the 2020 Fiscal Year

The estimated expenditure for the 2020 financial year is shown below:

Consolidated

Plans	**Expenses to be Recognized in 2020**
Transitory Plan	11,826
Mixed Plan	51,469
Savings Plan	4,328
Medical Care Agreement	27,651
Total	**95,274**

f) Changes in Actuarial Liabilities

Consolidated

Description	**Transitory/Mixed Plan**	**Celos Saúde Agreement**	**Other Benefits**	**Total (Re-submitted)**
Balance on December 31, 2019	**1,467,554**	**1,308,002**	**62,920**	**2,838,476**
Payment	(34,908)	(8,490)	(864)	(44,262)
Provision	15,824	6,913	1,082	23,819
Balance on March 31, 2020	**1,448,470**	**1,306,425**	**63,138**	**2,818,033**

29. SHAREHOLDERS' EQUITY

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.

On January 21, 2020, the Board of Directors approved the proposal to amend the Company's Bylaws, increasing the amount of Authorized Share Capital to Two Billion and Six Hundred Million Reais (R$2,600,000,000.00).

In addition to the increase in the authorized Share Capital, it also approved the increase in the Paid-in Capital to Two Billion, Four Hundred and Eighty Million Reais (R$2,480,000,000.00). The payment will be made with the incorporation of part of the Profit Retention Reserves of previous years, without any issue of new shares.

The new Bylaws were sent to the Civil House of the Government of the State of Santa Catarina, following the natural rite of this corporate act, which has already expressed itself in favor of the proposal, sending the process to the Legislative Assembly.

The matter is currently being analyzed by the Constitution and Justice Commission (CCJ) and should also go through the Finance and Taxation Commission and the Economy, Science, Technology, Mines and Energy Commission before being sent to the Plenary for voting and approval.

b) Equity Valuation Adjustment

The table below shows the net effect in the amount of R$1,455,014 on March 31, 2020 and R$1,454,873 on December 31, 2019, in Net Worth:

Consolidated

Equity Valuation Adjustment	**March 31, 2019**	**December 31, 2019**
Cost Assigned – Celesc G (a)	15,012	15,153
Actuarial Liability Adjustment - Celesc D (b)	(1,470,026)	(1,470,026)
Total	**(1,455,014)**	**(1,454,873)**

(a) 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 property, plant and equipment. 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.

(b) Actuarial gains and losses arising from adjustments by experience and changes in actuarial assumptions are recorded directly in shareholders' equity, as other comprehensive income - equity valuation adjustments.

c) Basic and Diluted Earnings per Share

The calculation of basic and diluted profit per share as of March 31, 2020 and 2019 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 March 31, 2020 and 2019, 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 March 31, 2020 and 2019, 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

Description	March 31, 2020	March 31, 2019
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	3.5237	1.7778
Preferred Nominative Shares - PN	3.8761	1.9556
Basic and Diluted Profit Assigned to the Company's Shareholders		
Ordinary Nominative Shares - ON	54,713	27,604
Preferred Nominative Shares - PN	89,322	45,066
Total Basic and Diluted Profit Assigned to the Company's Shareholders	**144,035**	**72,670**

e) 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. INSURANCES

Insurance coverage, as of March 31, 2020, was contracted by the following amounts, according to insurance policies:

Consolidated

Company	Field	Covered Assets	Validity	Insured Amount (i)
Celesc D	Warranty Insurance	Concession Assets and Rights	December 29, 2017 to December 31, 2020	300,000
Celesc D	Named Risks	Substations	May 14, 2019 to May 14, 2020	25,000
Celesc G	Fire/Lightning/Explosion	Plants and Substations	August 8, 2019 to August 8, 2020	24,272
Celesc G	Aircraft Fall	Plants and Substations	August 8, 2019 to August 8, 2020	12,136
Celesc G	Gale	Plants and Substations	August 8, 2019 to August 8, 2020	12,136
Celesc G	Electrical Damage	Plants and Substations	August 8, 2019 to August 8, 2020	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 Management 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 March 31, 2020 and 2019, is as follows:

March 31, 2020

Description	Parent Company	Celesc D	Celesc G	Consolidation Adjustments	Total
Net Operating Revenue – ROL or NOR	**-**	**2,075,756**	**35,409**	**(1,372)**	**2,109,793**
Sale Cost	-	(1,783,089)	(8,409)	1,372	(1,790,126)
Gross Operational Income	**-**	**292,667**	**27,000**	**-**	**319,667**
Selling Expenses	-	(51,992)	(516)	-	(52,508)
General and Administrative Expenses	(4,503)	(80,370)	(3,645)	-	(88,518)
Other Net Revenues/Expenses	(517)	39,565	-	-	39,048
Equity in Earnings	149,003	-	1,328	(140,735)	9,596
Results of Activities	**143,983**	**199,870**	**24,167**	**(140,735)**	**227,285**
Financial Revenues	70	41,265	1,234	(317)	42,252
Financial Expenses	(18)	(48,867)	(2,252)	317	(50,820)
Net Financial Income	**52**	**(7,602)**	**(1,018)**	**-**	**(8,568)**
Profit before IRPJ and CSLL	**144,035**	**192,268**	**23,149**	**(140,735)**	**218,717**
IRPJ and CSLL	-	(67,269)	(7,413)	-	(74,682)
Net Income of the Fiscal Year	**144,035**	**124,999**	**15,736**	**(140,735)**	**144,035**
Total Assets	**1,625,423**	**3,525,095**	**701,083**		
Total Liabilities	**74,264**	**7,786,749**	**170,570**		

March 31, 2019

Description	Parent Company	Celesc D	Celesc G	Consolidation Adjustments	Total
Net Operating Revenue – ROL or NOR	**-**	**2,091,657**	**41,815**	**(1,335)**	**2,132,137**
Sale Cost	-	(1,855,279)	(8,233)	1,335	(1,862,177)
Gross Operational Income	**-**	**236,378**	**33,582**	**-**	**269,960**
Selling Expenses	-	(54,134)	1,682	-	(52,452)
General and Administrative Expenses	(6,083)	(78,732)	(3,012)	-	(87,827)
Other Net Revenues/Expenses	(493)	17,406	(299)	-	16,614
Equity in Earnings	78,965	-	(466)	(72,305)	6,194
Results of Activities	**72,389**	**120,918**	**31,487**	**(72,305)**	**152,489**
Financial Revenues	297	74,094	2,469	(1,992)	74,868
Financial Expenses	(16)	(99,626)	(3,408)	1,992	(101,058)
Net Financial Income	**281**	**(25,532)**	**(939)**	**-**	**(26,190)**
Profit before IRPJ and CSLL	**72,670**	**95,386**	**30,548**	**(72,305)**	**126,299**
IRPJ and CSLL	-	(43,090)	(10,539)		(53,629)
Net Income of the Fiscal Year	**72,670**	**52,296**	**20,009**	**(72,305)**	**72,670**
S					
Total Assets	**1,928,040**	**8,875,740**	**674,480**		
Total Liabilities	**48,255**	**7,842,145**	**191,845**		

31.1. Consolidated Operational Revenue

Description	March 31, 2020	March 31, 2019
Gross Operational Revenue – ROB or GOR	**3,324,898**	**3,472,196**
Electricity Supply (a)	1,679,273	1,987,916
Unbilled sales	(41,346)	(28,389)
Electricity Supply (a)	129,895	131,905
Unbilled Supply	531	1,533
Electric Grid Availability (i)	1,194,089	1,109,691
Update on Indemnifiable Financial Assets - Concession	1,283	1,309
Financial Income Grant Bonus (a)	9,819	12,152
Income from Services Provided	111	642
Short-Term Electricity	118,990	212,188
Revenue from Regulatory Assets and Liabilities	(44,878)	(253,133)
Other Operating Revenues	2,018	3,883
Donations and Subsidies (ii)	168,048	176,989
Construction Revenue	107,065	115,510
Gross Operating Revenue Deductions	**(1,215,105)**	**(1,340,059)**

ICMS	(631,050)	(670,364)
PIS	(52,948)	(55,220)
COFINS	(243,878)	(254,346)
Energy Development Account – CDE	(300,735)	(344,972)
Research and Development – R&D	(10,111)	(10,161)
Energy Efficiency Program – PEE (EEP)	(9,873)	(9,916)
Surveillance Rate – ANEEL	(1,964)	(1,810)
Compensation for use of water resources – CFURH	(235)	(265)
Other Charges (Tariff Level)	35,689	6,995
Net Operating Revenue – ROL or NOR	**2,109,793**	**2,132,137**

(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 first quarter of 2020 was R$159,707. The others refer to the Low-Income Program in the amount of R$2,416, supply of CCRBT Flags at R$14,905 and difference in CDE reimbursement at R$8,980.

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	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Residential	2,418,807	2,353,651	1,770,930	1,837,798	1,093,801	1,251,132
Industrial	111,756	107,976	2,583,451	2,599,258	366,536	422,053
Commercial	276,091	273,366	1,247,399	1,257,102	625,587	704,832
Rural	237,895	234,696	366,357	359,243	174,261	163,599
Public Power	23,552	23,168	117,359	122,366	73,079	82,086
Public Lightening	863	800	162,232	163,533	61,369	66,297
Public Service	3,557	3,453	100,094	94,172	55,540	53,437
Reclassif. Rec. Subj. Rede Elét. Cons.Cat.	-	-	-	-	(812,246)	(783,909)
Total Supply	**3,072,521**	**2,997,110**	**6,347,822**	**6,433,472**	**1,637,927**	**1,959,527**
Energy Supply	95	94	732,513	726,348	130,426	133,438
Revenues Fin. Grant Bonus	-	-	-	-	9,819	12,152
Total	**3,072,616**	**2,997,204**	**7,080,335**	**7,159,820**	**1,778,172**	**2,105,117**

(i) Non-Audited Information

31.2. Consolidated Operating Costs and Expenses

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

March 31, 2020

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Net Expenses/ Revenues	Total
Electricity Purchased for Resale (a)	1,248,565	-	-	-	1,248,565
Charges Related to Use of Electric Network (a)	227,792	-	-	-	227,792
Proinfa (a)	38,714	-	-	-	38,714
Personnel (b)	80,517	41,528	15,321	5,869	143,235
Administrators	-	1,616	-	-	1,616
Actuarial Expenses (CPC 33)	-	12,490	-	-	12,490
Private Social Security Entity (b)	4,134	2,138	626	-	6,898
Material	2,411	1,350	-	-	3,761
Construction Cost	107,065	-	-	-	107,065
Third Party Costs and Services	26,173	17,727	14,004	278	58,182
Depreciation and Amortization	52,202	6,673	-	493	59,368
Net Provisions	-	-	5,920	(7,669)	(1,749)
Infrastructure Share (c)	486	6,052	191	(40,093)	(33,364)
Other Costs and Expenses	2,067	(1,056)	16,446	2,074	19,531
Total	**1,790,126**	**88,518**	**52,508**	**(39,048)**	**1,892,104**

March 31, 2019

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Net Expenses/ Revenues	Total
Electric Energy Purchased for Resale (a)	1,318,237	-	-	-	1,318,237
Charges Related to Use of Electric Network (a)	215,600	-	-	-	215,600
Proinfa (a)	46,548	-	-	-	46,548
Personnel (b)	81,343	44,293	15,440	2,460	143,536
Administrators	-	1,798	-	-	1,798
Actuarial Expenses (CPC 33)	-	12,962	-	-	12,962
Private Social Security Entity (b)	4,618	1,872	724	-	7,214
Material	2,130	1,531	-	-	3,661

Construction Cost	115,510	-	-	-	115,510
Third Party Costs and Services	26,316	16,588	14,355	182	57,441
Depreciation and Amortization	48,875	6,073	-	493	55,441
Net Provisions	-	-	3,118	17,067	20,185
Infrastructure Share (c)	503	4,072	188	(29,757)	(24,994)
Other Costs and Expenses	2,497	(1,362)	18,627	(7,059)	12,703
Total	**1,862,177**	**87,827**	**52,452**	**(16,614)**	**1,985,842**

a) Electricity Purchased for Resale

Consolidated

Description	March 31, 2020	GWh (i)	March 31, 2019	GWh (i)
Aliança Geração de Energia S.A.	16,157	75	14,702	78
Açucareiro Zillo Lorenzetti S.A.	-	-	4,012	17
Centrais Elétricas Brasileiras S.A. – Eletrobras	270,458	933	196,378	914
Engie Brasil Energia Comercializadora.	82,957	354	83,748	368
Centrais Elétricas de Pernambuco S.A.	7,846	69	7,383	68
Petrobrás S.A.	62,059	448	71,090	449
Companhia Energética de Petrolina – CEP	5,636	52	9,226	49
Serra do Facão Energia S.A.	5,871	25	5,702	26
Furnas Centrais Elétricas S.A.	35,691	315	29,273	305
Cemig Geração e Transmissão S.A.	44,606	191	45,043	196
Companhia Energética Potiguar	3,742	33	4,641	33
Delta Comercializadora de Energia	3,707	19	3,682	19
Empresa Metropolitana de Águas e Energia S.A. – EMAE	3,763	13	2,994	12
Companhia Hidrelétrica Teles Pires	3,580	41	3,596	43
Companhia Energética de São Paulo – CESP	17,631	78	17,799	81
HPP São Simão Energia S.A.	11,111	85	10,697	92
Energética Suape II S.A.	5,774	51	8,107	50
Eletrobras Termonuclear S.A.	44,615	175	40,168	172
Porto do Pecém Geração de Energia S.A.	21,529	118	26,670	117
Foz do Chapecó Energia S.A.	12,567	54	12,649	57
Companhia Energética Estreito	11,906	54	12,020	56
Amazonas Geração e Transmissão de Energia	10,239	44	10,050	44
Porto do Itaqui Energy Generation TEP	11,854	60	9,269	60
Santa Cruz Power Corp. Hydro Plants	3,127	14	3,038	14
Companhia Energética Jaguara	2,919	21	2,423	20
Enguia GEN BA Ltda – Jaguari	-	-	2,248	34
EOL São Clemente	-	-	2,538	16
Rio PCH I S.A.	3,242	14	3,207	15
Rio Paraná Energia S.A.	24,736	164	20,335	154
Eletrosul Centrais Elétricas S.A.	-	-	3,010	14
Empresa Energética Porto das Pedras	3,145	14	3,166	14
Empresa de Energia Cachoeira Caldeira	-	-	2,625	21
Açucareira Quatá S.A.	3,649	17	-	-
ECE Participações S.A.	-	-	2,476	18
ENEL Green Power S.A.	4,084	26	2,734	18
Cia de Ger. Term. de E.E. – Eletrobras CGTEE	8,406	48	3,371	34
Winds of Santo Antônio Generating Plant	4,563	23	4,451	23
Norte Energia S.A.	40,522	339	41,447	353
Cia Hidro Elétrica do São Francisco – CHESF	21,908	456	16,973	428
Santo Antônio Energia S.A.	49,903	351	48,576	364
Usina Termelétrica Pampa Sul S.A.	4,160	27	-	-
Centrais Elétricas de Sergipe	8,336	44	-	-
Companhia Energética do Jari – CEJA	3,428	17	-	-
Santa Fé Energia S.A.	-	-	2,418	11
SJC Bionergia Ltda	-	-	2,201	9
Energest S.A.	-	-	2,370	11
Others	90,038	527	68,297	514
Sub Total	**969,465**	**5,389**	**866,803**	**5,391**
Electricity Purchased for Resale - CP	279,100	(167)	451,434	(83)
Charges for Using the Electric Grid	227,792	-	215,600	-
Proinfa	38,714	91	46,548	89
Sub Total	**545,606**	**(76)**	**713,582**	**6**
Total	**1,515,071**	**5,313**	**1,580,385**	**5,397**

(i) Non-Audited Information

b) Personnel and Private Pension

	Parent Company		Consolidated	
Description	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Personnel	**1,360**	**3,448**	**143,235**	**143,536**
Remunerations	1,271	3,362	72,179	75,053
Social Charges	51	57	28,176	30,260
Share in Earnings and Income	-	-	9,678	8,531
Assistance Benefits	-	-	14,598	14,532
Provisions and Indemnities	26	12	18,582	15,136

Others	12	17	22	24
Private Pension Plans - Celos	**-**	**-**	**6,898**	**7,214**
Total	**1,360**	**3,448**	**150,133**	**150,750**

c) Infrastructure Share

It refers to the use of attachment points on the posts of Celesc D, carried out by third parties, for the provision of telecommunications services of collective interest. Such as: Telephony, Internet, Cable TV and others.

31.3. Financial Income (Loss)

Parent company			**Consolidated**	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Financial Revenues	**70**	**297**	**42,252**	**74,868**
Income from Financial Investments	76	295	2,991	4,074
Additions to Arrears without Electricity Bills	-	-	21,361	26,668
Monetary Variations	-	-	5,351	39,194
Monetary Restatement on Financial Assets - CVA	-	-	12,363	6,436
Supplier’s Discount	-	-	-	44
Other Financial Revenues	-	10	2,264	1,371
(-) PIS/COFINS w/o Financial Revenue	(6)	(8)	(2,078)	(2,919)
Financial Expenses	**(18)**	**(16)**	**(50,820)**	**(101,058)**
Debt Charges	-	-	(19,864)	(33,147)
Mathematical Reserve Update to be Amortized	-	-	(11,329)	(9,771)
Tax on Financial Operations - IOF	-	-	(884)	-
Monetary Variations	-	-	(6,187)	(21,684)
R&D Update and Energy Efficiency	-	-	(2,371)	(4,055)
Monetary Restatement without Financial Liabilities - CVA	-	-	(7,093)	(12,245)
CDE Update	-	-	-	(6,836)
Interest and Expenditure with Debentures	-	-	(2,246)	(10,488)
Other Financial Expenses	(18)	(16)	(846)	(2,832)
Financial Income (Loss)	**52**	**281**	**(8,568)**	**(26,190)**

32. COMPLEMENTARY INFORMATION OF CELESC D

32.1. Balance Sheet - Assets

Assets	**March 31, 2020**	**March 31, 2019**
Current	**2,691,691**	**2,133,010**
Cash and Cash Equivalents	288,506	400,090
Accounts Receivable from Customers	1,541,273	1,403,888
Inventories	17,239	14,594
Taxes to be Recovered	625,723	65,740
CDE - Subsidy Decree 7.891/2013	53,236	53,236
Others	165,714	195,462
Non-Current	**5,733,708**	**6,276,608**
Long-Term Receivables	**2,208,613**	**2,827,793**
Indemnifiable Financial Assets - Concession	479,417	523,543
Accounts Receivable from Customers	42,358	44,683
Deferred Taxes	995,084	1,004,094
Taxes to be Recovered	533,490	1,090,907
Court Deposits	155,210	147,344
Financial Assets - CVA	-	12,678
Others	3,054	4,544
Intangible Assets	**3,525,095**	**3,448,815**
Total Assets	**8,425,399**	**8,409,618**

32.2. Balance Sheet – Liabilities

Liabilities	**March 31, 2020**	**December 31, 2019 (Re-submitted)**
Current	**2,317,711**	**2,347,280**
Suppliers	828,107	989,272
National Currency Loans	440,363	377,317
Foreign Currency Loans	13,458	6,306
Debentures	69,041	69,644
Social Security and Labor Duties	189,476	211,516
Taxes to be Collected	244,387	194,446
Dividends and Interest on Shareholders' Equity (ISE) Declared	47,066	47,066
Regulatory Fees	135,918	165,049
Loans (i)	90,317	-
Actuarial Liabilities (CPC 33)	172,106	176,528
Financial Liabilities - CVA	13,716	25,142
Other Liabilities	73,756	84,994
Non-Current	**5,469,038**	**5,548,687**
National Currency Loans	344,499	435,718
Foreign Currency Loans	468,290	468,290
Debentures	165,248	181,760
Regulatory Fees	189,245	187,073
Social Security and Labor Duties	48,186	48,186
Actuarial Liabilities (CPC 33)	2,645,927	2,661,948
Provision for Contingencies	495,583	500,474
Financial Liabilities - Portion A	35,824	-
PIS/COFINS to be Refunded to Consumers	1,076,236	1,065,238
Shareholders' Equity	**638,650**	**513,651**
Share capital	1,053,590	1,053,590
Profit Reserves	930,087	930,087
Equity Valuation Adjustment	(1,470,026)	(1,470,026)
Accrued Profit	124,999	-
Total Liabilities	**8,425,399**	**8,409,618**

(i) Loan between Celesc D and Celesc G

At a regular meeting of the Board of Directors, held on January 21, 2020, the transfer of funds from Celesc G to Celesc D in the form of a Loan Agreement was approved. The purpose of the operation is for working capital and ANEEL's consent was given through Order 3679/2019 of December 27, 2019.

The contract was signed on February 26, 2020, effective for 12 (twelve) months. The transfers were made in the amounts of R$40 million on the date of signature and R$50 million the following day, totaling R$90 million, which is equivalent to the limit established.

The remuneration interest of the operation corresponds to 96.75% of the CDI per year, of the accumulated variation of the daily average rates of DI - Interbank Deposits of one day, over extra-group, based on 252 business days, calculated and disclosed daily by B3.

32.3. Income Statement

Description	March 31, 2020	March 31, 2019
Net Operating Revenue – ROL or NOR	**2,075,756**	**2,091,657**
Net Revenue from Electricity Sales and Service	2,012,286	2,227,971
Revenue from Financial Assets (Liabilities) (CVA)	(44,878)	(253,133)
Construction Revenue - CPC 47	107,065	115,510
Update on Indemnifiable Financial Assets - Concession	1,283	1,309
Costs of Sales/Services	**(1,783,089)**	**(1,855,279)**
Cost of Goods Sold	(1,510,942)	(1,576,403)
Cost of Services	(165,082)	(163,366)
Cost of Construction - CPC 47	(107,065)	(115,510)
Gross Operational Income	**292,667**	**236,378**
Operational Expenses	**(92,797)**	**(115,460)**
Selling Expenses	(51,992)	(54,134)
General and Administrative Expenses	(80,370)	(78,732)
Other Operating Revenues (Expenses)	39,565	17,406
Operational Income Prior to Financial Income	**199,870**	**120,918**
Financial Income (Loss)	**(7,602)**	**(25,532)**
Financial Revenues	41,265	74,094
Financial Expenses	(48,867)	(99,626)
Profit before IRPJ and CSLL	**192,268**	**95,386**
IRPJ and CSLL	**(67,269)**	**(43,090)**
Current	(58,259)	(41,262)
Deferred	(9,010)	(1,828)
Net Profit (Loss) for the Period	**124,999**	**52,296**

32.3.1. Operational Revenue

Description	March 31, 2020	March 31, 2019
Gross Operational Revenue – ROB or GOR	**3,286,923**	**3,427,454**
Electricity Supply (a)	1,670,218	1,979,974
Unbilled sales	(41,337)	(27,551)
Electricity Supply (a)	110,760	107,344
Financial Assets and (Liabilities) – CVA	(44,878)	(253,133)
Electric Grid Availability	1,194,645	1,110,299
Short-Term Energy	118,990	212,188
Donations and Subsidies	168,048	176,989
Construction Revenue	107,065	115,510
Update on Indemnifiable Financial Assets - Concession	1,283	1,309
Other Operating Revenues	2,129	4,525
Gross Operating Revenue Deductions	**(1,211,167)**	**(1,335,797)**
ICMS	(631,050)	(670,364)
PIS	(52,342)	(54,563)
COFINS	(241,089)	(251,319)
Energy Development Account – CDE	(300,735)	(344,972)
Research and Development – R&D	(9,873)	(9,916)
Energy Efficiency Program – PEE (EEP)	(9,873)	(9,916)
Surveillance Rate	(1,894)	(1,742)
Other Charges	35,689	6,995
Net Operating Revenue – ROL or NOR	**2,075,756**	**2,091,657**

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	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Residential	2,418,807	2,353,651	1,770,930	1,837,798	1,093,801	1,251,132
Industrial	111,748	107,968	2,551,420	2,572,875	359,698	416,565
Commercial	276,090	273,365	1,233,803	1,246,674	623,379	703,216
Rural	237,895	234,696	366,357	359,243	174,261	163,599
Public Power	23,552	23,168	117,359	122,366	73,079	82,086
Public Lightening	863	800	162,232	163,533	61,369	66,297

Public Service	3,557	3,453	100,094	94,172	55,540	53,437
Reclassif. Revenue Avail. Rede Elét.– Cons.Cativo	-	-	-	-	(812,246)	(783,909)
Total Supply	**3,072,512**	**2,997,101**	**6,302,195**	**6,396,661**	**1,628,881**	**1,952,423**
Energy Supply	51	51	604,276	569,373	110,760	107,344
Total	**3,072,563**	**2,997,152**	**6,906,471**	**6,966,034**	**1,739,641**	**2,059,767**

(i) Non-Audited Information

32.3.2. Operating Costs and Expenses

March 31, 2020

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Net Expenses/ Revenues	Total
Electricity Purchased for Resale	1,510,942	-	-	-	1,510,942
Personnel	80,000	37,377	15,149	5,869	138,395
Actuarial Expense	-	12,490	-	-	12,490
Private Social Security Entity	4,134	2,138	626	-	6,898
Material	2,341	1,338	-	-	3,679
Construction Cost	107,065	-	-	-	107,065
Third Party Costs and Services	25,086	16,090	13,849	278	55,303
Depreciation and Amortization	50,946	6,444	-	-	57,390
Net Provisions	-	-	5,753	(7,687)	(1,934)
Other Costs and Expenses	2,575	4,493	16,615	(38,025)	(14,342)
Total	**1,783,089**	**80,370**	**51,992**	**(39,565)**	**1,875,886**

March 31, 2019

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Net Expenses/ Revenues	Total
Electricity Purchased for Resale	1,576,403	-	-	-	1,576,403
Personnel	81,001	38,597	15,235	2,460	137,293
Actuarial Expense	-	12,962	-	-	12,962
Private Social Security Entity	4,618	1,872	724	-	7,214
Material	2,072	1,509	-	-	3,581
Construction Cost	115,510	-	-	-	115,510
Third Party Costs and Services	24,781	15,669	14,202	182	54,834
Depreciation and Amortization	47,790	5,856	-	-	53,646
Net Provisions	-	-	5,180	16,855	22,035
Other Costs and Expenses	3,104	2,267	18,793	(36,903)	(12,739)
Total	**1,855,279**	**78,732**	**54,134**	**(17,406)**	**1,970,739**

33. CELESC G'S COMPLEMENTARY INFORMATION

33.1. Balance Sheet - Assets

Assets	March 31, 2020	December 31, 2019 (Re-submitted)
Current	**94,970**	**189,225**
Cash and Cash Equivalents	38,898	137,640
Accounts Receivable from Customers	20,097	18,116
Inventories	99	102
Taxes to be Recovered	2,243	635
Advanced expenses	77	134
Dividends receivable	663	-
Financial Asset – Grant Bonus	32,893	32,597
Others	-	1
Non-Current	**606,113**	**512,019**
Long-Term Receivables	**364,123**	**273,329**
Loans	90,317	-
Court Deposits	369	369
Taxes to be Recovered	1,962	1,938
Indemnifiable Financial Assets - Concession	2,421	2,421
Financial Asset – Grant Bonus	259,054	258,113
Advance for Future Capital Increase	10,000	10,000
Others	-	488
Investments	**62,348**	**61,297**
Property, Plant & Equipment	**177,216**	**174,778**
Intangible Assets	**2,426**	**2,615**
Total Assets	**701,083**	**701,244**

33.2. Balance Sheet – Liabilities

Liabilities	March 31, 2020	31.032019 (Restated)
Current	**68,062**	**76,249**
Suppliers	4,554	7,109
Debentures	35,413	35,489
Taxes to be Collected	8,121	13,696
Regulatory Fees	1,066	965
Dividends payable	17,637	17,637
Others	1,271	1,353
Non-Current	**102,508**	**110,218**
Debentures	78,351	87,052
Deferred Taxes	20,536	19,596
Regulatory Fees	2,403	2,352
Provision for Contingencies	1,218	1,218
Shareholders' Equity	**530,513**	**514,777**
Share Capital	250,000	250,000
Legal reserve	17,604	17,604
Profit Retention Reserve	228,493	228,493
Dividends Available at the ASM	3,527	3,527
Equity Valuation Adjustment	15,012	15,153
Accrued Profit	15,877	-
Total Liabilities	**701,083**	**701,244**

33.3. Income Statement

Description	March 31, 2020	March 31, 2019
Net Operating Revenue – ROL or NOR	**35,409**	**41,815**
Net Revenue from Electricity Sales	35,409	41,815
Cost of Sales	**(8,409)**	**(8,233)**
Operation Costs	(8,409)	(8,233)
Gross Income	**27,000**	**33,582**
Operational Expenses	**(2,833)**	**(2,095)**
With sales	(516)	1,682
General and Administrative	(3,645)	(3,012)
Other Net Revenues/Expenses	-	(299)
Equity in Earnings	1,328	(466)
Operational Income Prior to Financial Income	**24,167**	**31,487**
Financial Income (Loss)	**(1,018)**	**(939)**
Financial Revenues	1,234	2,469
Financial Expenses	(2,252)	(3,408)
Profit before IRPJ and CSLL	**23,149**	**30,548**
IRPJ and CSLL	**(7,413)**	**(10,539)**
Current	(6,473)	(8,022)
Deferred	(940)	(2,517)
Net Profit/(Loss) in the Period	**15,736**	**20,009**

33.3.1. Operational Revenue

Description	March 31, 2020	March 31, 2019
Gross Operational Revenue – ROB or GOR (a)	**39,347**	**46,077**
Electric Power Supply - Industrial	6,847	6,326
Electricity Supply (b) - Industrial - Unbilled	(9)	(838)
Electric Power Supply - Commercial	2,208	1,616
Electricity Supply	16,550	19,837
Electricity Supply (b) - Unbilled	531	1,533
Short-Term Electricity	3,401	5,451
Update/Interest on Grant Bonus Return	9,819	12,152
Deductions from Operating Revenue	**(3,938)**	**(4,262)**
PIS	(606)	(657)
COFINS	(2,789)	(3,027)
Supervisory Fee ANEEL	(70)	(68)
Research and Development – R&D	(238)	(245)
Compensation for use of water resources	(235)	(265)
Net Operating Revenue – ROL or NOR	**35,409**	**41,815**

a) Electricity Supply and Provision

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Industrial	8	8	32,031	26,383	6,838	5,488
Commercial, Services and Others	1	1	13,596	10,428	2,208	1,616
Energy Supply	44	43	120,196	134,678	17,081	21,370
Short-Term Electricity (CCEE)	-	-	8,041	22,297	3,401	5,451
Update/Interest on Grant Bonus Return	-	-	-	-	9,819	12,152
Total	**53**	**52**	**173,864**	**193,786**	**39,347**	**46,077**

(i) Non-Audited Information

33.3.2. Operating Costs and Expenses

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Net Expenses/ Revenues	Total
Electricity Purchased for Resale	4,945	-	-	-	4,945
Charges for Using the Electric Grid	556	-	-	-	556
Personnel	517	2,791	172	-	3,480
Material	70	12	-	-	82
Third Party Costs and Services	1,087	497	155	-	1,739
Depreciation and Amortization	1,256	228	-	-	1,484
Insurances	57	-	-	-	57
Net Provisions	-	-	167	-	167
Taxes	(79)	31	22	-	(26)
Rents	-	86	-	-	86
Total	**8,409**	**3,645**	**516**		**12,570**

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Net Expenses/ Revenues	Total
Electricity Purchased for Resale	4,709	-	-	-	4,709
Charges for Using the Electric Grid	608	-	-	-	608
Personnel	342	2,248	205	-	2,795
Material	58	22	-	-	80
Third Party Costs and Services	1,535	424	153	-	2,112
Depreciation and Amortization	1,085	216	-	-	1,301
Insurances	57	-	-	-	57
Net Provisions	-	-	(2,062)	212	(1,850)
Taxes	(87)	26	22	-	(39)
Rents	-	75	-	-	75
Other Costs and Expenses	(74)	1	-	87	14
Total	**8,233**	**3,012**	**(1,682)**	**299**	**9,862**

34. SUBSEQUENT EVENTS

34.1. Coronavirus Impacts and the Company's Actions Due to Pandemic

Human infection, caused by the new coronavirus (COVID-19), has had a strong impact on Brazilian and global society and, therefore, severe measures have been adopted - both by the Federal Government and by the Health and Ministerial Bodies - to prevent the spread of the virus.

On February 6, 2020, Federal Law 13,979 was published, which established measures to deal with the public health emergency, of international importance, resulting from the coronavirus, responsible for the 2019 outbreak. On March 11, 2020, the World Health Organization (WHO) classified COVID-19 as a pandemic.

The Government of the State of Santa Catarina, aware of the effects of the pandemic, published, on March 17, 2020, State Decree 515, declaring an emergency situation throughout the territory of Santa Catarina, to have a drastic restriction of circulation of people.

On March 18, 2020, the Minister of State for Mines and Energy published Decree 117/GM and created the Sector's Crisis Committee. In its Exhibit II, item III, it was set that mixed and state-owned companies related should submit an action plan to the Ministry, covering their respective activities, to maintain the provision of services.

On March 20, 2020, Legislative Decree 6 was published, which recognized, exclusively for the purposes of Article 65 of Complementary Law 101/2000, a state of public calamity, with effect until December 31, 2020. On the same date, Decree 10282 was also published, which regulated the already mentioned Federal Law 13979/2020, to define essential public services and activities.

On March 23, 2020, State Decree 525 was published, with new measures to deal with the public health emergency, of international importance, resulting from the coronavirus.

The board of the Brazilian Electricity Regulatory Agency (ANEEL), on March 24, 2020, in an extraordinary public meeting, listed a set of measures, through Regulatory Resolution 878, to preserve the provision of the public electricity distribution service due to the public calamity related to the coronavirus pandemic (COVID-19).

On April 2, 2020, through Celesc Resolution 49, the COVID-19 Committee was created to identify the risks undertaken in the company's budgetary and strategic plan for the current year and those arising from the pandemic crisis.

Actions Taken - Celesc and Electricity Sector

The electricity sector is having discussions, in different spheres, to minimize the impacts of COVID-19. The Energy Regulation and Management Board coordinates the discussions with different players, together with the Company's associations and departments, thus seeking solutions to maintain the Company's essential activities. Thus, many actions taken over the past few days will be addressed, from the granting authority to the specific actions taken by Celesc and its subsidiaries:

a) Ministry of Mines and Energy - MME

On April 8, 2020, the executive branch signed Provisional Measure 950, which establishes important steps to deal with the impacts of the Covid-19 pandemic in the electricity sector.

The Government solved two urgent issues envisaged by the Ministries involved: the loss of the payment capacity of low-income consumers, beneficiaries of the social tariff, and a partial relief in the financial capacity of the electricity distributors, given the increased default and the decreased energy consumption.

The Provisional Measure exempts consumers who benefit from the social tariff from paying for a consumption of up to 220 kWh/month, for 3 months. Therefore, an investment of R$900 million is foreseen in the Energy Development Account (CDE), which will be made possible through the creation of extraordinary credit, subject of Provisional Measure 949, also signed on the same date.

The Government establishes the conditions to make credit operations feasible, to provide financial relief to distributors given the sudden decrease in the market. The measure will enable distributors to continue honoring their commitments to other sector agents, preserving the sustainability of the electricity sector. Additionally, it will ease the tariff pressure on consumers in 2020, due to extraordinary costs in the context of the Covid-19 pandemic.

b) Brazilian Electricity Regulatory Agency - ANEEL - [Agência Nacional de Energia Elétrica]

Among the measures already announced by ANEEL are Regulatory Resolution 878/2020, with a set of measures to ensure the continuity of the electricity distribution service, protecting consumers and employees of concessionaires, including forbidding, for 90 days, the suspension of electricity supply due to default by residential consumers.

In addition, since March 24, 2020, public meetings of the board of directors are being held virtually with live transmission and preservation of all rites.

The Regulatory Agency authorized the Electricity Trading Chamber (CCEE) to transfer to distributors and part of the free market agents the financial resources available in the reserve fund for future burden relief. The action's purpose is to reinforce the electricity sector's liquidity in the pandemic scenario and will anticipate R$2.022 billion reserved for future relief of charges for the distributors of the Regulated Contracting Environment - ACR and for 7,166 agents of the Free Contracting Environment - ACL. We highlight the amount of R$71.37 million received by Celesc D on April 8, 2020.

In addition, ANEEL established, on April 8, 2020, the Office to Monitor the Electricity Situation - GMSE. The action adds to others that the agency previously announced, focused on addressing the pandemic scenario. The Office was created to identify the effects of the pandemic on the electricity market, monitor the economic-financial situation and the energy demand and supply, as well as coordinate studies of proposals, focused on preserving the balance in the relations between agents in the sector. GMSE will be coordinated by the collegiate board of ANEEL and will have technical advisors from the board. The Technical Note 001/2020, issued by the Office, stands out with initial considerations of the effects of the pandemic.

c) Brazilian Association of Electricity Distributors - ABRADEE

ABRADEE, due to the first legal acts related to the pandemic, still in March 2020, sent an official letter to sector agents, addressing the possible impacts on the distribution activity and in the entire chain of the electric sector.

ABRADEE stressed that, since the Association is at the end of the electricity industry chain, the energy distribution represents the link with consumers and has received requests from many segments of society affected by the crisis.

However, the Association recalled that in this gear that makes electricity reach the consumer units, there are several agents involved and pointed out that over 80% of the electricity bill corresponds to costs that are not from energy distributors, such as taxes and charges of the sector, transferred to governments and other agents; as well as electricity purchase and transmission costs, which are transferred to generators and transmitters.

In short, it showed that the distributor is main responsible for collecting and transferring revenues to the other members of the electricity production chain and the taxes destined to the Government.

Also, due to its minority share in the total of this revenue from the electricity supply, it is worth noting that the distributor, alone, does not have the financial and economic conditions to withstand the extraordinary impacts that this crisis has brought to the planet.

From an internal point of view, the Association discussed on its Board of Directors many possibilities, opening two working fronts: the first, addressing an immediate solution with the sector's entities to the distributor's cash and the second, creating two thematic groups:

G1: Apportioning the intra-sector delinquency (formulating ABRADEE's position on the notifications issued by the associates);

G2: Formulating the new ACR Account and the Regulatory Asset of Portion B.

Celesc D participates, through the coordination of its regulatory area, of the two groups and, at this moment, both thematic fronts, with the contracted consultants, are defining new strategies aligned with the Board of Directors to reduce the impact on the energy distribution environment.

d) Actions to Protect Celesc D's Cash

To keep a healthy short-term cash flow and minimize the impacts of the turbulent financial and global market scenario, some companies are using funds from committed credit lines.

In this sense, although Celesc D does not hold this type of agreement, it has a credit card, currently R$150 million, to make some types of transactions, such as payment of slips.

In addition to using special credit lines, Celesc D is adopting the following measures to protect the cash:

i) approval, by the Board of Directors in an extraordinary meeting on March 27, 2020, of a 26% decrease in expenses with Materials, Services and Others and 42% decrease in Investments;

ii) deferral of the payment period for the Employer's Social Security Contribution (Decree 139, of April 3, 2020);

iii) deferral of the FGTS's payment period (Provisional Measure 927, of March 22, 2020);

iv) adjustments to the "S" System Contributions (Provisional Measure 932, of March 31, 2020);

v) start offsetting credits referring to the lawsuit, final and unappealable, of Celesc D on the exclusion of ICMS from the PIS/COFINS calculation base, the amounts of which have already been used in the Electronic Request for Refund or Reimbursement and Statement of Compensation - PER/DCOMP in March 2020;

vi) approval, at a meeting of the Board of Directors on April 23, 2020, to continue the layoffs in the Incentivized Dismissal Plan, with releasing an additional R$112 million budget to carry out the terminations in 2020.

e) Actions to Protect Celesc G's Cash

Celesc G received some notifications from customers regarding the possibility of reducing their contracts, which are under analysis.

From the budget's point of view, Celesc G revised its investment actions, postponing projects with lower priority.

During the first quarter of the year, Celesc G was working on a new issue of Debentures, totaling R$37 million, to implement the expansion project of the Celso Ramos Plant, whose works started in July 2019. However, with the pandemic's impact on the economy, the strong macroeconomic instability greatly affected the capital market and led to the discontinuity of this operation. Due to Federal and State Decrees, Celesc G suspended the works for the said expansion at the end of March 2020, establishing its restart for the end of April 2020, after the release of the main and related activities by the official bodies.

Regarding managerial aspects, it followed the Company's guidelines.

f) Actions to Fight Covid-19

Celesc created a Crisis Committee in response to the pandemic and its possible implications for its operation, considering State Decree 515, of March 17, 2020, which decreed the emergency situation in Santa Catarina.

The Committee is responsible for forwarding measures and actions relevant to the current context, as per the notice to the market released on March 17, 2020: Covid-19 - Clarifications and Measures Adopted.

Accordingly, the Company issued a resolution with preventive measures, namely:

a) suspending in-person services as of March 18, 2020, with stores remaining closed with the staff answering calls through transfers and back-office;

b) making available hand sanitizers and masks for customer service points;

c) suspension of interstate and international travel for work;

d) employees who return from trips abroad cannot go to their workplace up to 7 days after their arrival and, after the deadline, they must contact Celesc's medical team for evaluation;

e) employees with symptoms of infection by Covid-19 (symptomatic) must take a leave of absence for, at least, 14 (fourteen) days, after their from the trip or after contact, as established by a doctor;

f) employees with 60 years old or more, with chronic respiratory diseases, who live with elderly people with chronic diseases or live with people who have been abroad in the last seven days, pregnant women, nursing mothers and employees who have school-age children whose classes have been suspended and they have no other caregiver to take care of the child or they need to take turns in the care may work from home, as well as other management's employees; the essential services necessary must be maintained;

g) Guidance to all managers under contract, so that contracted companies are notified of the responsibility to adopt all necessary measures to control the spread of the virus and comply with State Decree 507/2020.

Lastly, the Crisis Committee, in line with the actions of the health authorities of the State of Santa Catarina, keep evaluating the possible impacts on the Company's operation, immediately adopting the appropriate mitigating measures for business stability.

34.2. Emergency Incentivized Dismissal Plan - PDI-E

The Board of Directors approved, on April 23, 2020, Celesc D carrying out an Emergency Incentivized Dismissal Plan - PDI-E employees with over 33 years of work, in two phases: one of enrollment and the other of confirmation.

Enrollments took place between April 27 and May 4, 2020 and, among the 270 employees eligible for the plan, 132 made their interest effective, with around 100 termination confirmations, resulting in a provision of approximately R$45 million.

The layoffs are scheduled to take place on May 31 and June 30, 2020, subject to the approval, by the unions, of a specific Collective Labor Agreement on the subject.

The provisions in the result will occur in the said months in which the layoffs occur, as this will take place within the Fiscal Year 2020.

1. INVESTMENTS

The funds invested in fixed assets, intangible assets and shares in SHPs by the Company in the first quarter of 2020 reached R$129,849, compared to R$122,284 in 2019, 6.19% higher than the same period of the previous year, as shown in the table below:

Consolidated

Description	March 31, 2020		March 31, 2019		Horizontal Analysis
	R$ 000	%	R$ 000	%	
Electricity Distribution	**125,826**	**96.90%**	**121,864**	**99.66%**	**3.25%**
Own Resources	96,559	-	92,337	-	-
Consumer's Financial Share	29,267	-	29,527	-	-
Electricity Generation	**4,023**	**3.10%**	**420**	**0.34%**	**857.86%**
Corporate Share	290	-	-	-	-
Own Generating Site	3,733	-	420	-	-
Total	**129,849**	**100%**	**122,284**	**100%**	**6.19%**

Of the total invested, the largest volume of R$125,826 was allocated to the expansion and improvement of the system, operational efficiency and modernization of the management of Celesc D. Of this amount, R$96,559 was related to its own resource, with R$82,582 in materials and services, R$13,977 in own resources and R$29,267 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 Regulatory Resolution 414 from September 9, 2010.

Of the main investments made in the company's own generating site, R$3,373 refers to the civil, environment, electricity and mechanic project, mobilization and construction site, manufacture of the elevator at the Celso Ramos Plant; R$10 refers to the cable carrier, cable guide, submersible pressure sensor at Pery Plant; R$84 refers to automation, as well as in the exhaust, ventilation and air system at Rio dos

Cedros Plant; and R$230 refers to the hydraulic turbine at the Salto Plant.

2. STOCK MARKET

The BOVESPA index closed the first quarter of 2020 with a 36.86% depreciation. The Energy Sector Index (IEE), an indicator of the electricity sector, increased by 24.38% in the same period.

During this same period, the Common Shares (ON) of the Company appreciated 19.86%, while the Preferred Shares (PN) depreciated by 7.58%.

The table below presents the final quotations as of March 31, 2020 and the respective percentage changes in the Company's shares and the main market indicators:

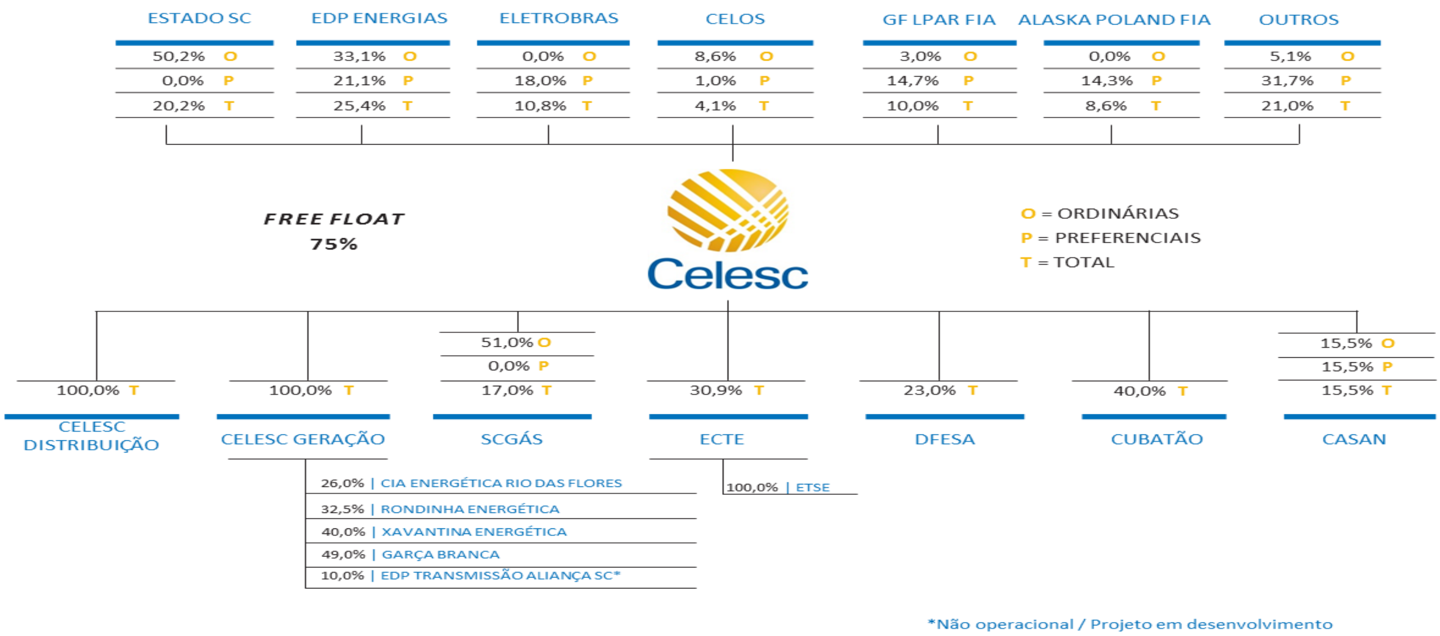
Description	Closing date		Variation %
	March 31, 2020	1Q2020	In 12 months
Celesc PN	R$46.30	-7.58%	-8.87%
Celesc ON	R$56.00	19.86%	2.54%
IBOVESPA	73,020	-36.86%	-23.47%
IEE	57,941	-24.38%	0.85%

Percentage changes with adjustment to earnings

3. SHARE MARKET VALUE

The Company's share market value as of March 31, 2020, as shown above, are: R$56.00 (fifty-six reais) for each Common Share - ON (CLSC3) and R$46.30 (forty-six reais and thirty 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 March 31, 2020, is presented in the following chart:



4. HUMAN RESOURCES

Celesc ended the first quarter of 2020 with a staff of 3,382 employees. The total number of employees represents an increase of 0.15% in relation to the same period of the previous year (3,377 employees).

5. FINANCIAL ECONOMIC PERFORMANCE

The Company’s accumulated Net Income, on March 31, 2020, reached R$144.0 million, up by around 98% compared to 2019, when it totaled R$72.7 million.

Gross Operating Revenue (GOR) reached R$3.3 billion, down by 4.24%, mainly due to the negative average annual tariff adjustment of 7.8%, occurred at Celesc D in August 2019, which reduced the revenue from electricity supply. Net Operating Revenue (NOR) reached R$2.1 billion in the period, down by 1.05% year-on-year. The decreased performance in revenues, both gross and net, were similar, as deductions from gross revenue followed this trend, closing the first three months of the year at R$1.2 billion, down by 9.32%.

From the NOR, the Company evolved in several points, which led the result to the verified and mentioned increase in Net Income, comparing the first quarters of 2019 and 2020. Electricity service costs decreased by 3.87%, operating expenses decreased by 21.36% and the financial result improved by 49.71%. Three points stand out, respectively, the best results achieved in the purchase of electricity, the net effect of provisions and the significant decrease in interest and monetary restatement of debts.

Based on the Company's consolidated information, the main economic indicators, as of March 31, 2020, compared to March 31, 2019, are as follows:

Description - Amount in Thousand Reais	March 31, 2020	March 31, 2019	AH (%)
Gross Operational Revenue – ROB or GOR	3,324,898	3,472,196	-4.24%
Net Operating Revenue – ROL or NOR	2,109,793	2,132,137	-1.05%
Operational Income	227,285	152,489	49.05%
EBITDA	286,653	207,930	37.86%
EBITDA Margin (EBITDA/ROL)	13.59%	9.75%	3.83 p.p.
Net Margin (LL/ROL)	6.83%	3.41%	3.42 p.p.
Financial Income (Loss)	(8,568)	(26,190)	-67.29%
Total Assets	9,425,930	9,824,279	-4.05%
Property, Plant & Equipment	177,233	159,256	11.29%
Shareholders' Equity	1,551,159	1,879,785	-17.48%
Net profit	144,035	72,670	98.20%

Regarding the change in Net earnings before interest, taxes, financial result and depreciation/amortization (EBITDA), the following table details the situation:

Reconciliation of EBITDA - Values in reais thousand	March 31, 2020	March 31, 2019
Net profit	144,035	72,670
Current and Deferred IRPJ and CSLL	74,682	53,629
Financial Income (Loss)	8,568	26,190
Depreciation and Amortization	59,368	55,441
EBITDA	**286,653**	**207,930**

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 Base on March 31, 2020

Shareholder	Ordinary Shares		Preferred Shares		Total	
	#	%	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.	5,140,868	33.11	4,637,520	20.12	9,778,388	25.35
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	460,000	2.96	3,400,000	14.75	3,860,000	10.01
Centrais Elétricas Brasileiras - Eletrobras*	4,233	0.03	4,142,774	17.98	4,147,007	10.75
Alaska Poland FIA	-	0.00	3,322,000	14.42	3,322,000	8.61
Others	790,552	5.09	7,311,169	31.73	8,101,721	21.00
Total	**15,527,137**	**100.00**	**23,044,454**	**100.00**	**38,571,591**	**100.00**
Grand Total	**15,527,137**	**40.26**	**23,044,454**	**59.74**	**38,571,591**	**100.00**

Share Capital: R$1,340,000,000.00 and Authorized Capital: R$1,340,000,000.00
*Public-traded Company

7. FOREIGN CAPITAL SHARE

Foreign investors closed the first quarter of 2020, representing 3.88% of the Company's total share capital, with a total of 1,498,205 shares, mostly preferred shares.

Investor Share by Residence	Number of Shares	%
Foreign Investors	1,498,205	3.88%
Domestic Investors	37,073,386	96.12%
Total	**38,571,591**	**100.00**

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	Common Shares		Preferred Shares		Total	
	#	%	Quantity	%	Quantity	%

Controller	9,229,660	59.44%	234,305	1.02%	9,463,965	24.54%
Board of Directors	-	-	-	0.00%	-	0.00%
Executive Board	-	-	-	0.00%	-	0.00%
Fiscal Council	-	-	-	0.00%	-	0.00%
Other Shareholders	6,297,477	40.56%	22,810,149	98.98%	29,107,626	75.46%
Total	**15,527,137**	**100.00%**	**23,044,454**	**100.00%**	**38,571,591**	**100.00%**
Outstanding Shares	**6,297,477**	**40.56%**	**22,810,149**	**98.98%**	**29,107,626**	**75.46%**

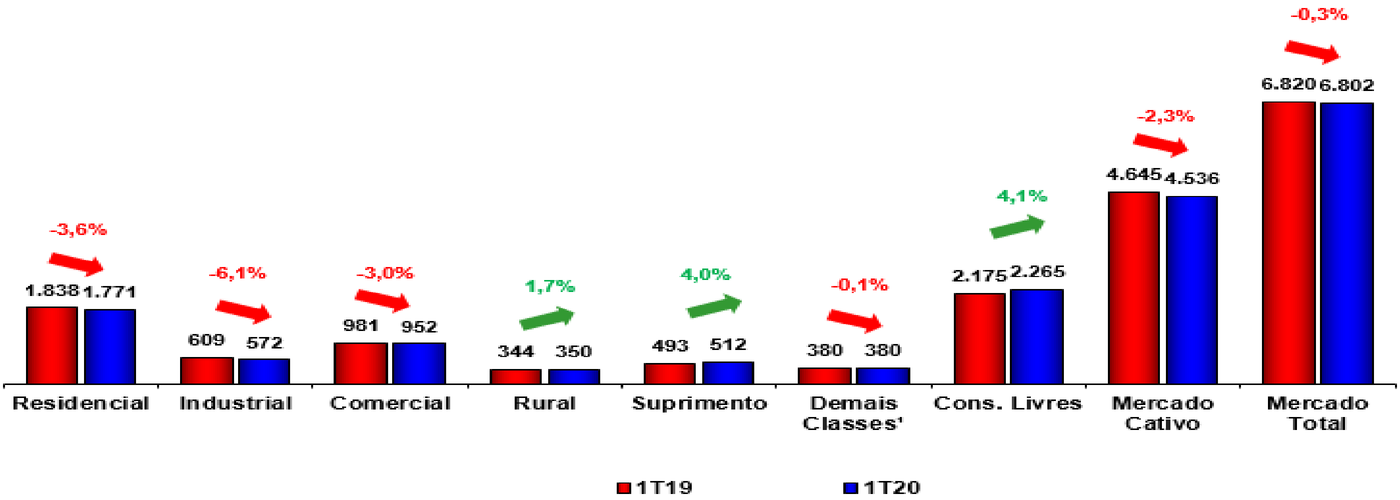
9. OUTSTANDING SHARES

Description	Common Shares - CLSC3		Preferred Shares - CLSC4		Total	
	#	%	Quantity	%	Quantity	%
Total Capital	15,527,137	100.0	23,044,454	100.0	38,571,591	100.00
Outstanding Shares	6,297,477	40.56%	22,810,149	98.98%	29,107,626	75.46%

10. ENERGETIC BALANCE

Celesc D's Captive Market posted a growth of 2.3% in the first quarter of 2020 year-on-year, reaching 4,536 GWh. Regarding the Total Market, including free consumers, the decrease in electricity consumption was 0.3%, reaching 6,802 GWh.

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



Other Classes¹ = Public Power + Public Lightning + Public Service. Own consumption not considered.

11. ELECTRICITY MARKET

ELECTRICITY CAPTIVE MARKET

Description	2020		2019		Vertical Variation				Horizontal Variation	
	1st Quarter	Accumulated	1st Quarter	Accumulated	1st Quarter 2020	Accumulated 2020	1st Quarter 2019	Accumulated 2019	1st Quarter 20-19	Accumulated 20-19
Sales Revenue by Consumption Class in R$ K										
Residential	1,093,801	1,093,801	1,251,132	1,251,132	42.9%	42.9%	44.0%	44.0%	-12.6%	-12.6%
Industrial	359,698	359,698	416,565	416,565	14.1%	14.1%	14.6%	14.6%	-13.7%	-13.7%
Commercial	623,379	623,379	703,216	703,216	24.4%	24.4%	24.7%	24.7%	-11.4%	-11.4%
Rural	174,261	174,261	163,599	163,599	6.8%	6.8%	5.8%	5.8%	6.5%	6.5%
Public Power	73,079	73,079	82,086	82,086	2.9%	2.9%	2.9%	2.9%	-11.0%	-11.0%
Public Lightening	61,369	61,369	66,297	66,297	2.4%	2.4%	2.3%	2.3%	-7.4%	-7.4%
Public Service	55,540	55,540	53,437	53,437	2.2%	2.2%	1.9%	1.9%	3.9%	3.9%
Subtotal	**2,441,128**	**2,441,128**	**2,736,332**	**2,736,332**	**95.7%**	**95.7%**	**96.2%**	**96.2%**	**-10.8%**	**-10.8%**
Supply	110,760	110,760	107,344	107,344	4.3%	4.3%	3.8%	3.8%	3.2%	3.2%
TOTAL	**2,551,888**	**2,551,888**	**2,843,676**	**2,843,676**	**100%**	**100%**	**100%**	**100%**	**-10.3%**	**-10.3%**
Consumption by Class in MWh										
Residential	1,770,930	1,770,930	1,837,798	1,837,798	39.0%	39.0%	39.6%	39.6%	-3.6%	-3.6%
Industrial	571,922	571,922	609,097	609,097	12.6%	12.6%	13.1%	13.1%	-6.1%	-6.1%
Commercial	951,811	951,811	981,472	981,472	21.0%	21.0%	21.1%	21.1%	-3.0%	-3.0%
Rural	349,843	349,843	344,110	344,110	7.7%	7.7%	7.4%	7.4%	1.7%	1.7%
Public Power	117,359	117,359	122,366	122,366	2.6%	2.6%	2.6%	2.6%	-4.1%	-4.1%
Public Lightening	162,232	162,232	163,533	163,533	3.6%	3.6%	3.5%	3.5%	-0.8%	-0.8%
Public Service	100,094	100,094	94,172	94,172	2.2%	2.2%	2.0%	2.0%	6.3%	6.3%
Subtotal	**4,024,192**	**4,024,192**	**4,152,547**	**4,152,547**	**88.7%**	**88.7%**	**89.4%**	**89.4%**	**-3.1%**	**-3.1%**
Supply	512,268	512,268	492,767	492,767	11.3%	11.3%	10.6%	10.6%	4.0%	4.0%
TOTAL	**4,536,459**	**4,536,459**	**4,645,314**	**4,645,314**	**100%**	**100%**	**100%**	**100%**	**-2.3%**	**-2.3%**
Unit Average Price for the MWh in R$										
Residential	617.64	617.64	680.78	680.78	109.8%	109.8%	111.2%	111.2%	-9.3%	-9.3%
Industrial	628.93	628.93	683.91	683.91	111.8%	111.8%	111.7%	111.7%	-8.0%	-8.0%

Commercial	654.94	654.94	716.49	716.49	116.4%	116.4%	117.0%	117.0%	-8.6%	-8.6%
Rural	498.11	498.11	475.43	475.43	88.5%	88.5%	77.7%	77.7%	4.8%	4.8%
Public Power	622.69	622.69	670.83	670.83	110.7%	110.7%	109.6%	109.6%	-7.2%	-7.2%
Public Lightening	378.28	378.28	405.40	405.40	67.2%	67.2%	66.2%	66.2%	-6.7%	-6.7%
Public Service	554.88	554.88	567.44	567.44	98.6%	98.6%	92.7%	92.7%	-2.2%	-2.2%
Subtotal	**606.61**	**606.61**	**658.95**	**658.95**	**107.8%**	**107.8%**	**107.6%**	**107.6%**	**-7.9%**	**-7.9%**
Supply	216.22	216.22	217.84	217.84	38.4%	38.4%	35.6%	35.6%	-0.7%	-0.7%
TOTAL	**562.53**	**562.53**	**612.16**	**612.16**	**100%**	**100%**	**100%**	**100%**	**-8.1%**	**-8.1%**

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 regulations of Level 2, the Level 2 Participation Contract, the Sanctions Regulation and the Arb Regulation of the Market Arbitration Chamber."

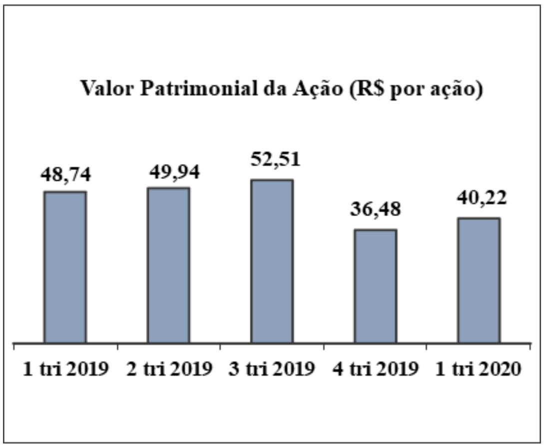
13. INDEPENDENT AUDITORS

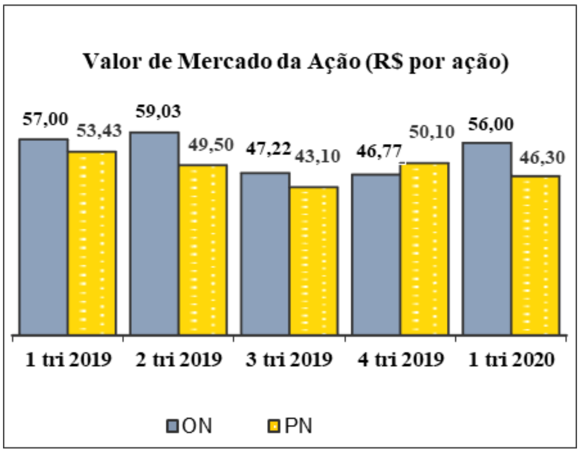
Pursuant to CVM Instruction 381, of January 14, 2003, and ratified by Circular Order CVM/SNC/SEP No. 01, dated from February 25, 2005, the Company informs that the Independent Auditor did not provide any type of service other than those strictly related to the external audit activity.

Florianópolis, May 08, 2020.

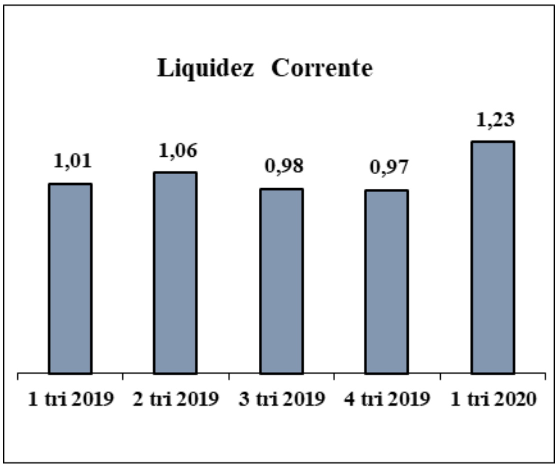
The Management

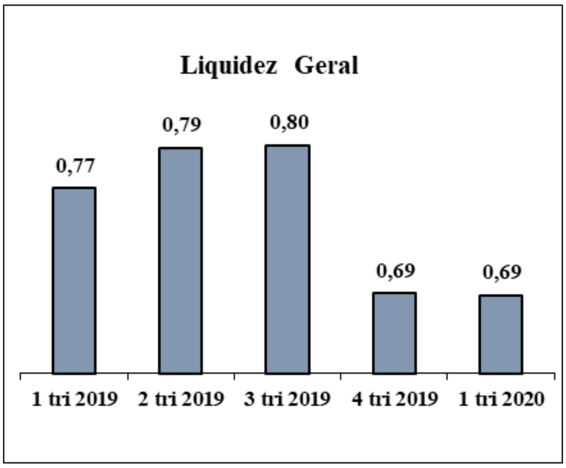
1.1. Equity



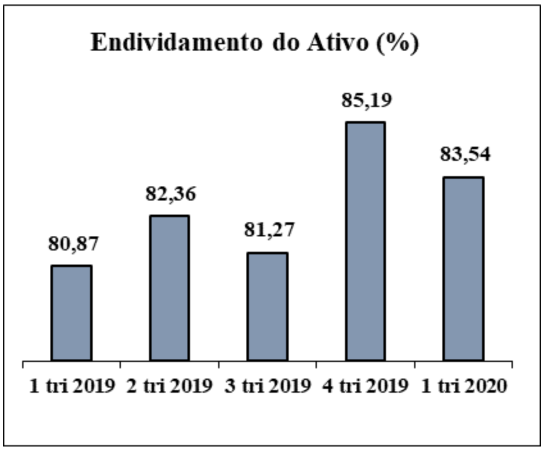


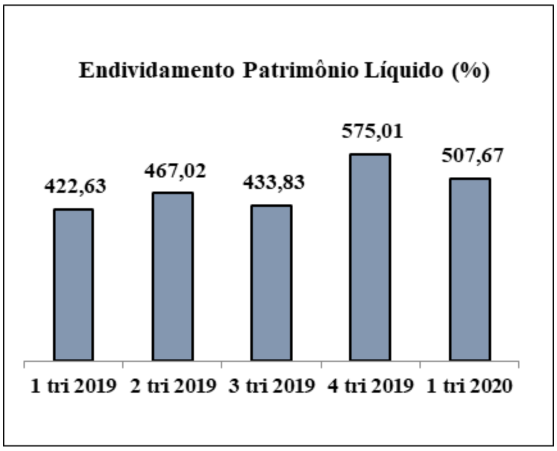
1.2. Liquidity



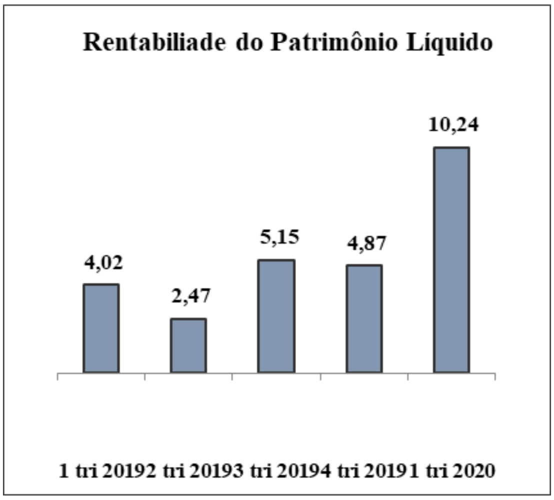


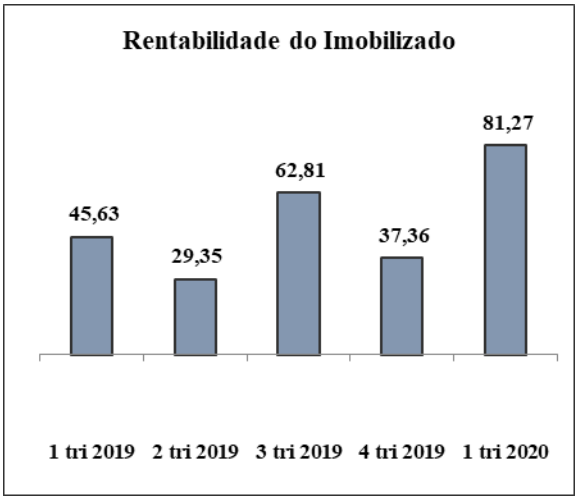
1.3. Indebtedness

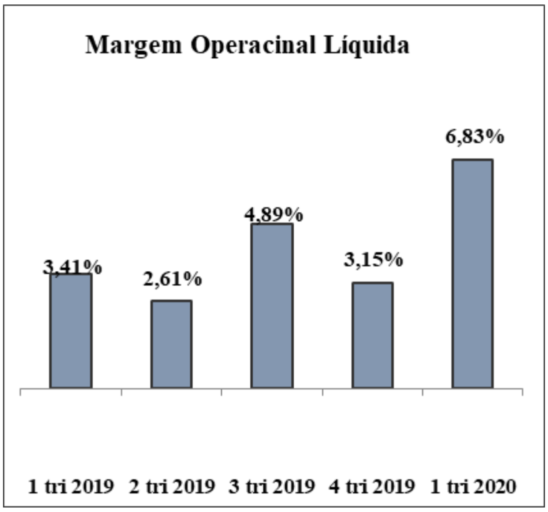


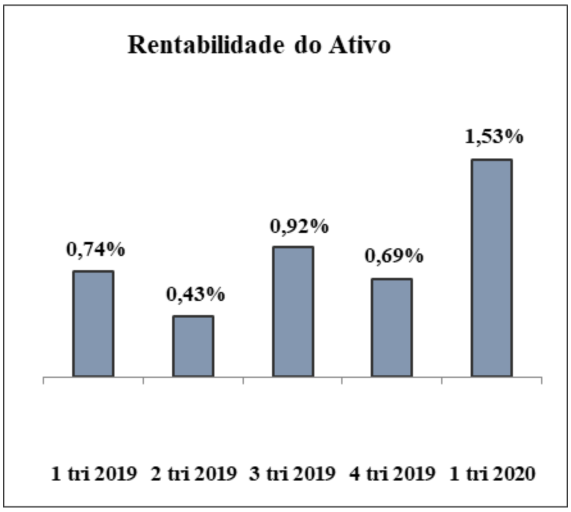


1.4. Profitability

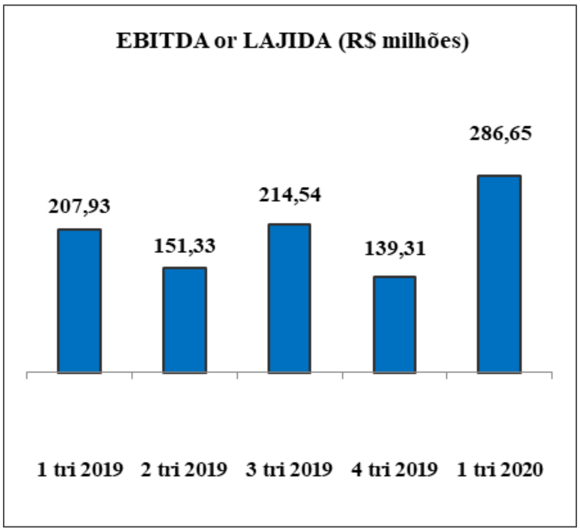


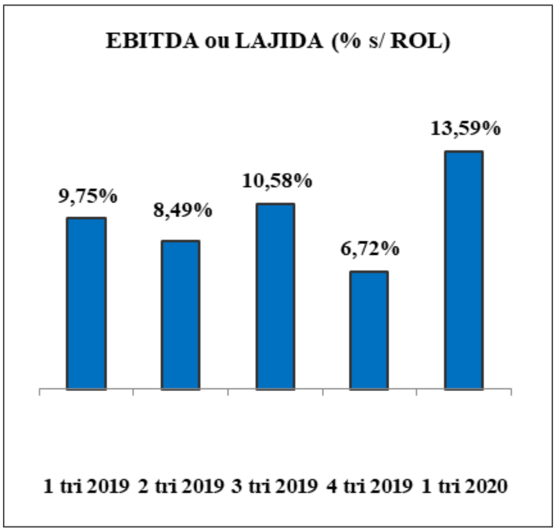




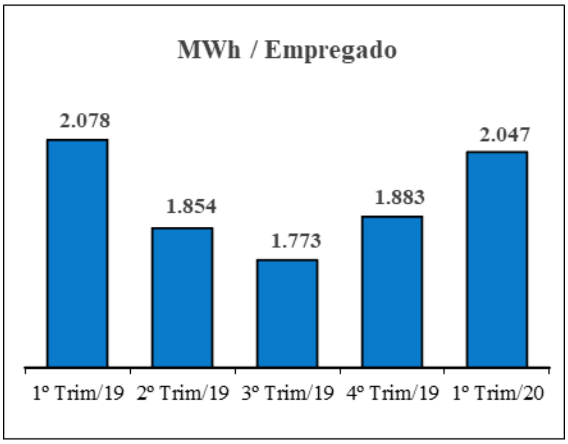


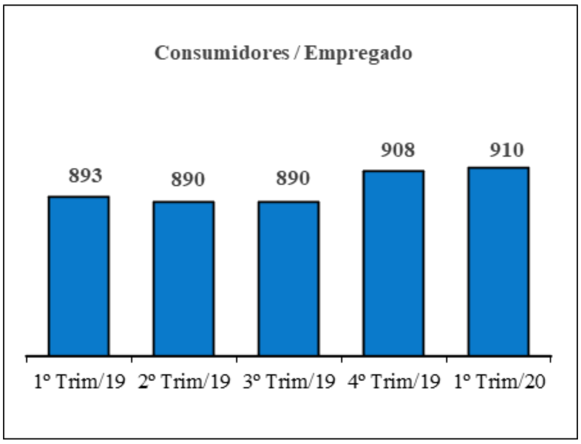
1.5. EBITDA or LAJIDA

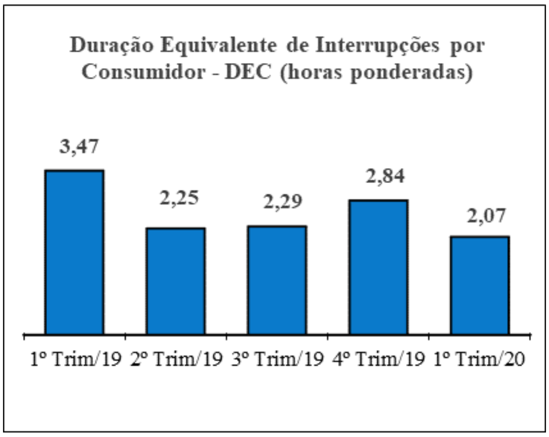


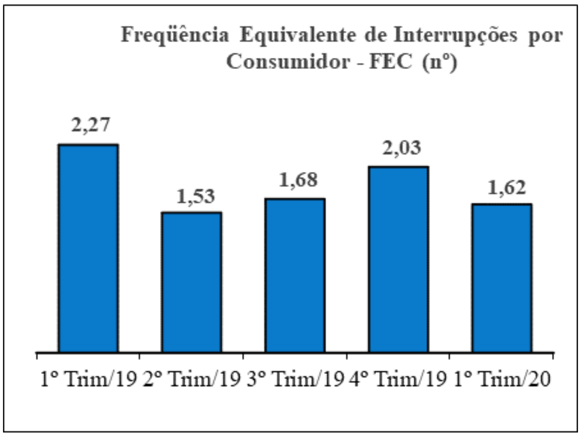


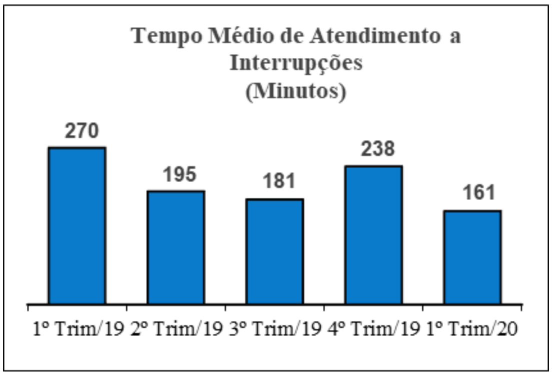
1.6. Efficiency

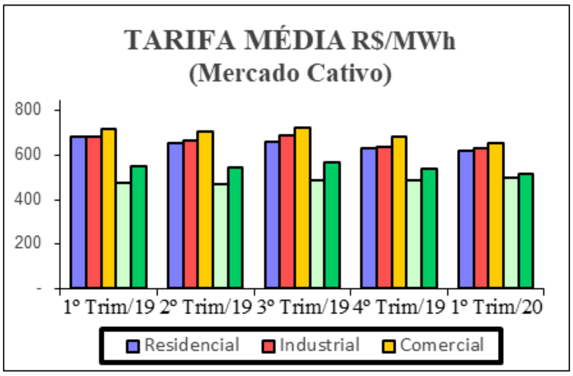












EXECUTIVE OFFICERS' STATEMENT ON THE FINANCIAL STATEMENTS

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc state that they have examined, reviewed and agreed with all information in the Company's Intermediate Financial Statements for the 1st quarter of 2020.

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Cleicio Poleto Martins
Chief Executive Officer

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Claudine Furtado Anchite
CFO and IRO

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Sandro Ricardo Levandoski
Business Officer

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Sandro Ricardo Levandoski
Distribution Officer

.

Pablo Cupani Carena
Corporate Management Officer

.

Pablo Cupani Carena
Officer of Generation, Transmission and New Businesses

.

Fábio Valentim da Silva
Regulation and Energy Management Officer

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Marcos Penna
Planning, Controls and Compliance Officer

.

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

Centrais Elétricas de Santa Catarina S.A.

Quarterly Earnings Release – ITR on March 31, 2020
and Report on the Review of the Quarterly Earnings Release

Report on the review of quarterly financial information

To the Management and Shareholders
Centrais Elétricas de Santa Catarina S.A.

Introduction

We have reviewed the individual and consolidated quarterly financial information of Centrais Elétricas de Santa Catarina S.A. (“Company”), in the Quarterly Financial Report (ITR) for the quarter ended March 31, 2020, including the balance sheet on March 31, 2020 and their statements of income, comprehensive income, changes in shareholders' equity and cash flows for the said three-month period, as well as a summary of the main accounting policies and other notes.

The Management is responsible for preparing the individual and consolidated quarterly financial information in accordance with CPC 21 - Interim Financial Reporting and the international accounting standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as for presenting this information in compliance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Financial Report (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the Review

We have reviewed the interim quarterly financial information in accordance with Brazilian and international standards for reviewing interim information (NBC TR 2410 – “*Revisão de Informações Intermediárias Executadas pelo Auditor da Entidade*” and ISRE 2410 – “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, respectively). A review of interim financial information includes inquiries, mainly to those in charge of the financial and accounting matters, and the use of analytical procedures and other review procedures. The scope of a review is significantly smaller than the scope of an audit carried out in accordance with auditing standards and, therefore, we can’t be sure that we have all information on all material matters that could be identified in an audit. Therefore, we do not issue an audit opinion.

Conclusion on the Quarterly Information

Based on our review, we are not aware of any fact that would lead us to believe that the individual and consolidated quarterly financial information mentioned above, has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34, applicable to the preparation of Quarterly Reports (ITR), and in compliance with the standards issued by the Brazilian Securities and Exchange Commission.

ther Subjects

Statement of Added Value

The quarterly earnings release referred to above includes the individual and consolidated Statement of Added Value (DVA) for the nine-month period ended March 31, 2020, prepared under the responsibility of the Company’s Management and presented as additional information under IAS 34. These statements have been subject to review procedures carried out with the review of the quarterly earnings release to conclude that they are reconciled with interim financial information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - “Statement of Added Value”. Based on our review, we are not aware of any fact that leads us to believe that these statements of added value were not prepared, in all material respects, according to the criteria defined in this Technical Pronouncement and in a consistent manner in relation to the individual and consolidated interim financial information taken together.

Florianópolis, May 8, 2020.

PricewaterhouseCoopers
Independent Auditors
CRC 2SP000160/O-5

Leandro Sidney Camilo da Costa
Accountant CRC 1SP 236051/O-7