Rio de Janeiro, November 13, 2019.

Light S.A. consolidates as a True Corporation

Total losses stabilize and PMSO of the distribution decrease 8.3% in the quarter

Results were positively affected by the final and unappealable decision rendered in a lawsuit

Financial Highlights

- **Consolidated adjusted EBITDA totaled R$1,084 million** in 3Q19, representing an increase of R$749 million, due to revenue related to the recognition of the final and unappealable decision rendered in the lawsuit seeking the exclusion of ICMS from the calculation basis of PIS/COFINS, in the amount of R$1,086 million. Excluding non-recurring effects, EBITDA totaled R$291 million, representing a 13.2% decrease compared to 3Q18, due to the increase in contingencies. In 9M19, EBITDA is in line with that of 9M18.
- **In 3Q19, consolidated net income totaled R$1,519 million,** compared to R$6 million in 3Q18. Financial revenues from the adjustment of PIS/COFINS credit totaled R$1,461 million and the total impact of the lawsuit on result was R$1,636 million, net of taxes.
- **In 3Q19, PMSO totaled R$252 million**, the same amount as in 3Q18; in 9M19 PMSO totaled R$715 million, representing a 2.2% decrease compared to 9M18. **In 3Q19, PMSO of the distribution company decreased by 8.3%** compared to 3Q18.
- **In 3Q19, PECLD totaled R$371 million (compared to R$89 million in 3Q18),** due to the provision for credits held by LigthCom against Renova, in the amount of R$278 million. Excluding this extraordinary item, PECLD totaled R$93 million in 3Q19, **accounting for 1.8% of gross revenue (12 months).** This percentage is in line with the amount recorded in June 2019.
- **In 3Q19, Net Debt/EBITDA ratio was 3.0x**, representing an improvement compared to the ratio recorded in 2Q19 (3.69x). Funds from the follow-on transaction, received in July 2019, allowed a reduction in the debt balance and provided a more robust cash position. **In 3Q19, net debt totaled R$6,541 million.**

Financial Highlights (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Net Revenue*	3,754	2,993	25.4%	9,565	8,614	11.0%
PMSO	252	252	0.2%	715	731	-2.2%
EBITDA for Covenants (12 months)**	2,183	2,277	-4.1%	2,183	2,277	-4.1%
Adjusted EBITDA²	1,084	335	223.3%	2,044	1,254	63.0%
Pro Forma EBITDA	291	335	-13.2%	1,251	1,254	-0.2%
Net Income	1,519	6	24678.9%	1,694	73	2207.2%
Net Debt/EBITDA - covenants (x)	3.00	3.57	-16.1%	3.00	3.57	-16.1%
PECLD/ROB	1.8%	2.3%	-0.5 p.p.	1.8%	2.3%	-0.5 p.p.
CAPEX Light	236	213	10.6%	602	521	15.7%
Net operating cash generation	(161)	59	-	239	(93)	-

* Does not consider construction revenue.

** Does not consider Renova's credit provision

Operating Highlights

- **Total losses on grid load (12 months) in September 2019 totaled 25.93%,** virtually in line with the result recorded in June 2019, of 25.76%. The moving average volume of total losses in the last 12 months stabilized in 3Q19 (9,737 GWh) compared to 2Q19 (9,739 GWh). The total losses/grid load indicator of possible areas decreased slightly in 3Q19 to 16.8%, compared to 17.1% in 2Q19.
- **The billed market decreased by 3.5% compared to 3Q18,** especially in the residential and industrial segments, which were primarily affected by a decreased volume of REN and a decrease related to two customers from the steel industry.
- **In 3Q19, DEC (12 months) was 8.40 hours**, representing a 0.5% increase compared to 2Q19, still affected by the bad weather in the beginning of the year, and **FEC (12 months) was 4.36x in 2Q19**, representing a 0.5% decrease compared to 2Q19.
- **The 6.9% increase in the number of employees** is due to the insourcing strategy regarding network maintenance and reading/delivery of bills.

Operational Highlights	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Grid Load* (GWh)	8,023	8,285	-3.2%	28,059	27,371	2.5%
Billed Market (GWh)	6,228	6,455	-3.5%	20,831	21,073	-1.1%
Sold Energy - Generation (MWm)	552	545	1.4%	541	541	0.1%
Commercializated Energy - Com (MWm)	704	862	-18.3%	663	789	-16.1%
Total Losses/Grid Load (12 months)	25.93%	23.15%	2.78 p.p.	25.93%	23.15%	2.78 p.p.
DEC - Hours (12 Months)	8.40	7.67	9.5%	8.40	7.67	9.5%
FEC - Times (12 Months)	4.36	4.60	-5.2%	4.36	4.60	-5.2%
Number of own staff	4,861	4,548	6.9%	4,861	4,548	6.9%
Number of outsourced staff	7,435	7,904	-5.9%	7,435	7,904	-5.9%

* Own Load + Use of Network

1- EBITDA for covenants purposes is CVM EBITDA less equity income, provisions and other operating income (expenses).
2- Adjusted EBITDA is CVM EBITDA adjusted by equity income and other operating income (expenses) (previously known as non-operating result). The Company adopted Adjusted EBITDA to conduct the analyses described in this document.

Disclaimer

Operating information and information relating to Management's expectations on the future performance of the Company have not been reviewed by the independent auditors. Forward-looking statements are subject to risks and uncertainties. These statements are based on Management's judgment and assumptions and information currently available to the Company. Forward-looking statements include information about our current plans, opinions or expectations, as well as the plans, opinions or expectations of the members of the Board of Directors and Board of Executive Officers of the Company. Forward-looking statements and information also include information about potential or assumed results of operations, as well as statements that are preceded or followed by, or include the terms "believe," "may," "will," "continue," "expect," "predict," "intend," "estimate" or similar words. Forward-looking statements and information are not an assurance of future performance. They involve risks, uncertainties, and assumptions as they relate to future events and therefore are contingent on circumstances which may or may not occur. Future results and the creation of shareholder value may differ significantly from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and amounts are beyond the control of or cannot be predicted by LIGHT S.A.

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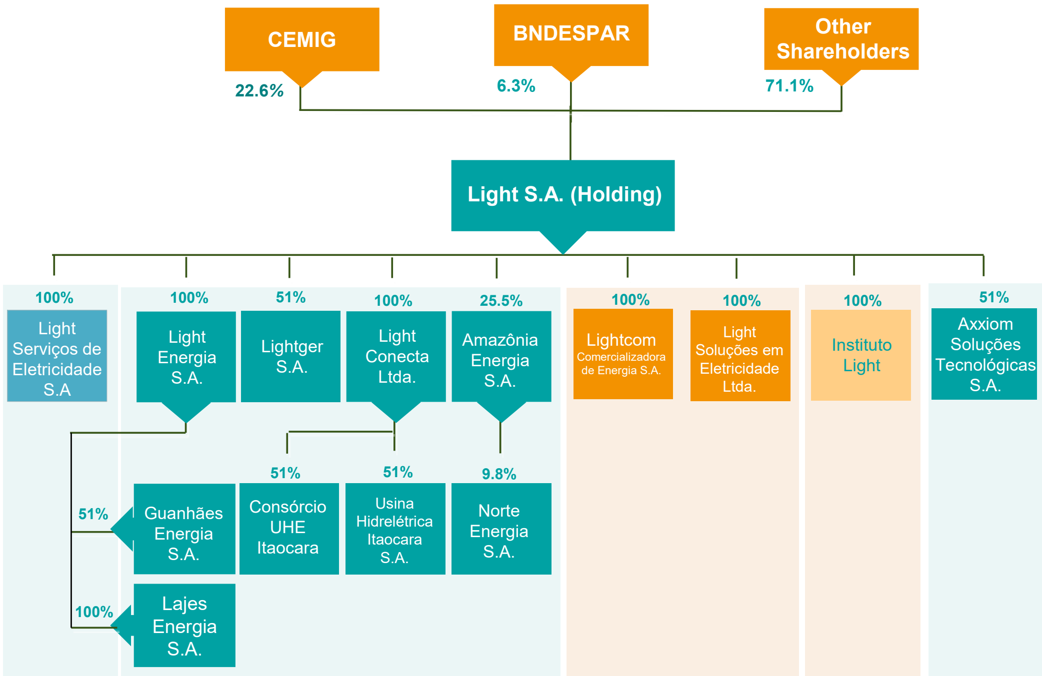
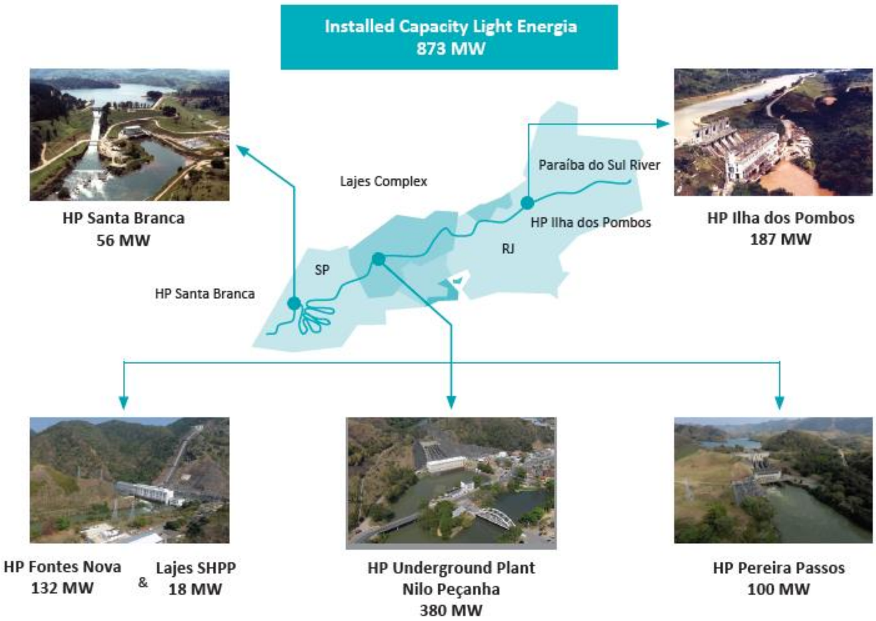
1. Profile and Corporate Structure

Light is an integrated company of the energy industry in Brazil, headquartered in Rio de Janeiro, operating in the energy generation, distribution and trading segments.



The State of Rio de Janeiro has an area of 43,781 km² and a population of approximately 17.2 million people. The Company's concession area corresponds to 26% (11,307 thousand km²) of the State and encompasses 11 million people, accounting for 64% of the total population. Of the 92 cities in the State, with a total of 7 million consumers of electricity, the Company operates in 31 cities, with a base of approximately 4.4 million customers.



The Company's generation complex comprises five hydroelectric power plants and one small hydroelectric power plant, totaling an installed capacity of 873 MW. These power plants are: (i) Fontes Nova, Nilo Peçanha, Pereira Passos and SHPP Lajes, which comprise the Lajes Complex (in the city of Piraí); (ii) Ilha dos Pombos, in the city of Carmo, State of Rio de Janeiro; and (iii) Santa Branca, in the city of Santa Branca, State of São Paulo. The Lajes Complex also comprises two pumping plants: Santa Cecília and Vigário. Including the interest held in SHPP Paracambi, Belo Monte and Guanhães, the Company has a total installed capacity of 1,158 MW.

2. Material Events in the Period

2.1. Completion of the Public Offering of Shares (*Follow-on Transaction*)

On July 1, our Board of Directors approved the primary and secondary offering of shares. The primary offering comprised the issuance of 100,000,000 new common shares issued by us and the secondary offering initially comprised the sale of 11,111,111 common shares issued by us and held by CEMIG.

On July 11, the Board of Directors approved the follow-on transaction at a price per share of R$18.75. Accordingly, the capital increase totaled R$1,875 million, equivalent to the issuance of 100,000,000 new shares by us and the sale of 33,333,333 shares held by CEMIG. As a result, Light's new capital stock totals R$4,051 million, divided in 303,934,060 common shares. The shares under the follow-on transactions started to be traded on B3 on July 15 and the delivery and settlement of the shares occurred on July 16.

2.2. Favorable Decision in a Judicial Proceeding – Exclusion of ICMS from the calculation basis of PIS/COFINS

On August 7, the Federal Regional Court of the Second Region (*Tribunal Regional Federal da Segunda Região*) rendered a final and unappealable decision that was favorable to Light SESA, recognizing its right to exclude ICMS from the calculation basis of PIS and COFINS, with a retroactive effect to January 2002.

3. Subsequent Events

3.1 Termination of the Alto Sertão III Transaction

On October 10, the sale transaction of Alto Sertão III Wind Farm and certain projects under development by Renova with AES Tietê were terminated, as the parties did not reach an agreement regarding the commercial conditions of the transaction.

3.2 Sale of Equity Interest Held by Light Energia in Renova

On October 13, Light Energia executed an agreement for the sale of all shares it held in Renova, equivalent to 17.17% of Renova's capital stock, for one *real* (R$1.00), to CG I Fundo de Investimento. Under this transaction, Lightcom assigned all credits held against Renova to CG I for one *real* (R$1.00).

After BNDESPAR was notified about its full tag along right and Cemig GT was notified about its preemptive and tag along rights, the transaction was completed with the effective transfer of shares on October 15.

The transactions described above are in line with the strategy of divestment of non-core assets and focus on the creation of value to shareholders through operational improvements in its distribution asset.

3.3 Purchase of 449 MWa at the A-6 Auction by Light SESA

At the 30th A-6 New Energy Auction, held by CCEE on October 18, Light SESA purchased a total amount of 449 MWa, supply beginning in January 2025, for a term of up to 30 years, at an average price of R$176.09/MWh. This energy will replace the agreements currently in effect, which expire in December 2024, at an adjusted average price of approximately R$280.00/MWh, representing a decrease of approximately 38%. Decreased energy purchase expenses benefit the plans to combat losses and decrease default, in addition to decrease the pressure on the Company's cash.

3.4 Partial Early Redemption of Bonds

On November 4, 35% of the bonds were early redeemed, in an amount equivalent to US$210 million, of which US$140 million corresponded to Light SESA and US$70 million corresponded to Light Energia. The outstanding balance of the bonds, in the amount of US$390 million, matures in the original maturity date of May 2023, with optional redemption as of May 2021.

3.5 PDV

On October 25, the Company launched a Voluntary Dismissal Program (*Programa de Demissão Voluntário*) (PDV) for its employees. The main conditions to adhere to the PDV are: (i) to have been an employee of Light for more than ten years and fulfill the legal conditions to retire or already be retired; or (ii) to have worked for at least 30 years for the Company. The benefits are, in addition to severance pay, 1.5 to 5 base salaries and the extension of the health care plan for a period of up to 24 months. Employees may adhere to the program until November 22, 2019, and employment contracts will be terminated by April 2020. The PDV has an estimated cost of R$35 million.

3.6 Extraordinary Shareholders' Meeting Calling

On November 4, the Company received a letter set by shareholders representing more than 5% of its capital stock requiring the convening of an Extraordinary Shareholders' to resolve on the recomposition of the Board of Directors' through the new election of 8 members. On November 11, the Call Notice, the Distance Voting Ballot and the Management Proposal were released.

4. Light S.A. - Consolidated

4.1. Consolidated Financial Performance

Income Statement (R$ MN)	3Q19	3Q18	Var. %	9M19	9M18	Var. %
Gross Operating Revenue	**5,466**	**4,927**	**10.9%**	**15,518**	**14,587**	**6.4%**
Deductions	(1,711)	(1,934)	-11.5%	(5,953)	(5,973)	-0.3%
Net Operating Revenue	**3,754**	**2,993**	25.4%	**9,565**	**8,614**	**11.0%**
Operating Expense	**(2,817)**	**(2,796)**	**0.7%**	**(7,961)**	**(7,767)**	**2.5%**
PMSO	(252)	(252)	0.2%	(715)	(731)	-2.2%
Personnel	(103)	(106)	-2.4%	(327)	(302)	8.3%
Material	(5)	(3)	77.0%	(18)	(36)	-50.8%
Outsourced Services	(141)	(145)	-2.8%	(407)	(403)	1.0%
Others	(3)	2	-	36	9	296.3%
Purchased Energy	(1,940)	(2,251)	-13.8%	(6,022)	(6,089)	-1.1%
Depreciation	(147)	(139)	5.9%	(440)	(406)	8.2%
Provisions - Contingencies	(106)	(66)	61.7%	(270)	(174)	55.9%
Provisions - PECLD	(93)	(89)	4.6%	(237)	(366)	-35.3%
Provisions - PECLD Renova	(278)	-	-	(278)	-	-
Adjusted EBITDA*	**1,084**	**335**	**223.3%**	**2,044**	**1,254**	**63.0%**
Financial Result	1,277	(142)	-	1,015	(593)	-
Non Operating Result	(17)	(5)	239.3%	(29)	(35)	-17.2%
Result Before Taxes and Interest	2,197	50	4326.3%	2,590	219	1081.7%
Social Contributions and Income Tax	(2)	10	-	(139)	(41)	236.3%
Deferred Income Tax	(747)	(27)	2667.1%	(747)	(39)	1793.2%
Equity Income	71	(26)	-	(10)	(65)	-84.1%
Net Income	**1,519**	**6**	**24678.9%**	**1,694**	**73**	**2207.2%**

Note: excludes Construction Revenue/Expenses.

* Adjusted EBITDA is calculated as net income before income tax and social contribution, equity income, other operating income (expenses), financial result, depreciation and amortization.

4.2. 3Q19 Pro Forma Result

In the table below, the pro forma amounts exclude the non-recurring and extraordinary effects from the favorable decision rendered in a lawsuit excluding ICMS from the calculation basis of PIS/COFINS and those related to the sale of Renova.

Income Statement (R$ MN)	3Q19	3Q19 Pro Forma	3Q18	Var. % Pro Forma/3Q18
Gross Operating Revenue	**5,466**	**4,379**	**4,927**	**-11.1%**
Deductions	(1,711)	(1,711)	(1,934)	-11.5%
Net Operating Revenue	**3,754**	**2,668**	**2,993**	**-10.9%**
Operating Expense	**(2,817)**	**(2,524)**	**(2,796)**	**-9.7%**
PMSO	(252)	(237)	(252)	-6.0%
Personnel	(103)	(103)	(106)	-2.4%
Material	(5)	(5)	(3)	77.0%
Outsourced Services	(141)	(141)	(145)	-2.8%
Others	(3)	13	2	591.0%
Purchased Energy	(1,940)	(1,940)	(2,251)	-13.8%
Depreciation	(147)	(147)	(139)	5.9%
Provisions - Contingencies	(106)	(106)	(66)	61.7%
Provisions - PECLD	(93)	(93)	(89)	4.6%
Provisions - PECLD Renova	(278)	-	-	-
Adjusted EBITDA*	**1,084**	**291**	**335**	**-13.2%**
Financial Result	1,277	(116)	(142)	-17.8%
Non Operating Result	(17)	(17)	(5)	239.3%
Social Contributions and Income Tax	(2)	-	10	-
Deferred Income Tax	(747)	-	(27)	-
Equity Income	71	(21)	(26)	-20.6%
Net Income	**1,519**	**(11)**	**6**	**-**

4.3. Consolidated Adjusted EBITDA [4]

Consolidated EBITDA by Segment (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Distribution	1,286	285	351.2%	1,797	895	100.8%
Generation	54	24	131.2%	433	300	44.3%
Trading	(236)	29	-	(159)	70	-
Others and eliminations	(21)	(4)	491.1%	(27)	(15)	76.2%
Total	**1,084**	**335**	**223.3%**	**2,044**	**1,254**	**63.0%**
EBITDA Margin (%)	28.9%	11.2%	17.68 p.p.	21.4%	14.6%	6.81 p.p.

In 3Q19, EBITDA increased by R$749 million compared to 3Q18 due to the following extraordinary events:

- Distribution: in August 2019, a final and unappealable decision was rendered in a lawsuit seeking the exclusion of ICMS from the calculation basis of PIS/COFINS, with a retroactive effect to January 2002. Accordingly, in 3Q19, the distribution company established recoverable PIS/COFINS credits in the amount of R$6,169 million. Based on the opinion of legal counsel and pursuant to applicable law, the Company understands that a portion of the credits receivable must be returned to consumers (R$3,573 million), in connection with a period of ten years (September 2009 to August 2019). The portion corresponding to Light, in connection with the period between January 2002 and August 2009, was recorded in other revenue (R$1,086 million) and financial revenues (R$1,461 million), as described in section 4.4.

  The amounts will be returned to consumers as of the effective payment of tax credits, which are still pending validation by the Brazilian Federal Revenue Office (*Receita Federal*). It is noteworthy that the mechanisms and criteria regarding the return are still under discussion with ANEEL.

- Trading: in view of the deterioration of the financial condition of Renova, an amount of R$278 million was provisioned regarding the credits held by LightCom against Renova. Subsequently, under the sale of equity interest held by Light Energia in Renova to CG I Fundo de Investimentos, LightCom executed an assignment instrument that transferred debt recognition and agreement instruments (*Termo de Acordo e Reconhecimento de Dívida – TARDs*) held against Renova to CG I for R$1.00.

- Others (Light S.A.): payment of R$15.6 million regarding a bank guarantee provided by Light S.A. as collateral for the debt incurred by Renova with Itaú and Bradesco.

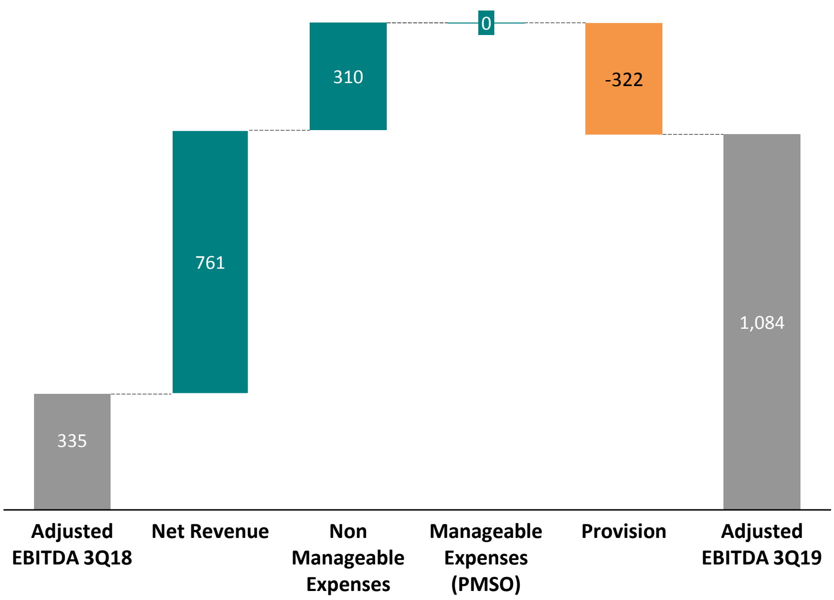
Excluding non-recurring and extraordinary items, pro forma Adjusted EBITDA in 3Q19 totaled R$291 million, representing a decrease of R$44 million compared to 3Q18, as set forth in the table below.

Consolidated EBITDA by Segment (R$ MN)	3Q19	3Q19 Pro Forma	3Q18	Var. % Pro Forma/3Q18
Distribution	1,286	200	285	-29.8%
Generation	54	54	24	131.2%
Trading	(236)	42	29	43.6%
Others and eliminations	(21)	(5)	(3)	106.9%
Total	**1,084**	**291**	**335**	**-13.2%**

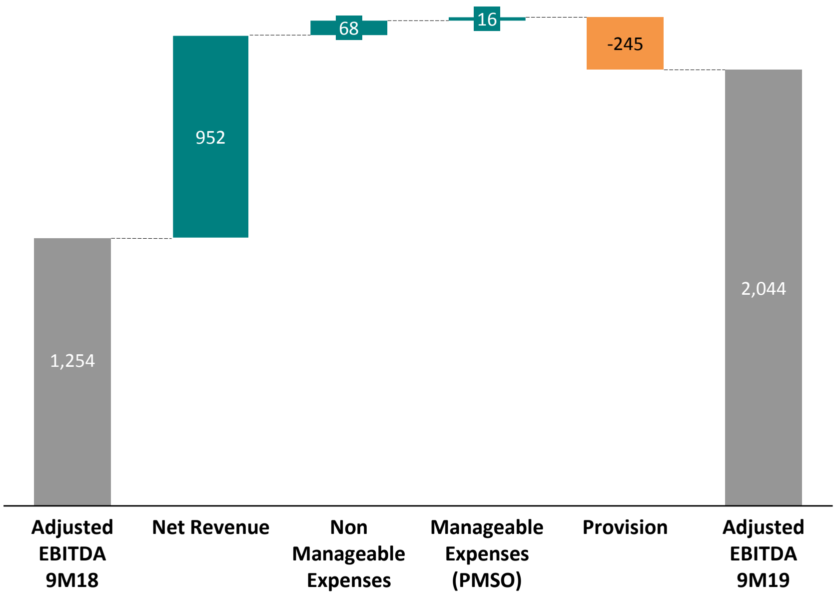
[4] Adjusted EBITDA is calculated as net income before income tax and social contribution, equity income, other operating income (expenses), net financial result, depreciation and amortization.

The decrease in pro forma EBITDA compared to 3Q18 is primarily due to the increase in provisions for contingencies. However, this decrease was partially offset to improve EBITDA of the generation and trading companies due to decreased expenses with energy purchase, as a result of the trading strategy and the average PLD in 3Q19 of R$214.1/MWh, compared to R$494.4/MWh in 3Q18.

Consolidated Adjusted EBITDA
3Q18 / 3Q19 – R$MN



Consolidated Adjusted EBITDA
9M18 / 9M19 – R$MN



4.4. Consolidated Net Income

Consolidated Net Income/Loss by Segment (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Distribution	1,593	21	7419.5%	1,558	25	6013.7%
Generation	114	(47)	-	263	7	3547.8%
Trading	(151)	26	-	(87)	53	-
Services	-	1	-	-	(11)	-
Others and eliminations	(37)	5	-	(40)	(2)	1858.1%
Total	**1,519**	**6**	**24678.9%**	**1,694**	**73**	**2207.2%**
Net Margin (%)	40.5%	0.2%	40.26 p.p.	17.7%	0.9%	16.86 p.p.

Following the non-recurring effects described in section 4.3, we highlight the following extraordinary events that affected Net Income in 3Q19:

- Distribution: Financial Revenues from the adjustment for inflation of PIS/COFINS credits in the amount of R$1,461 million for the period between January 2002 and July 2009. Additionally, on the financial adjustment of the total amount under discussion, in the amount of R$2,499 million, PIS/COFINS in the amount of R$116 million were charged, of which R$68 million corresponded to Light. The balance of R$48 million, corresponding to consumers, was deducted from the liabilities related to the tax credits to be returned. Payment of income tax and social contribution, in the amount of R$843 million, was deferred to the amount of credit validation by the Brazilian Federal Revenue Office.

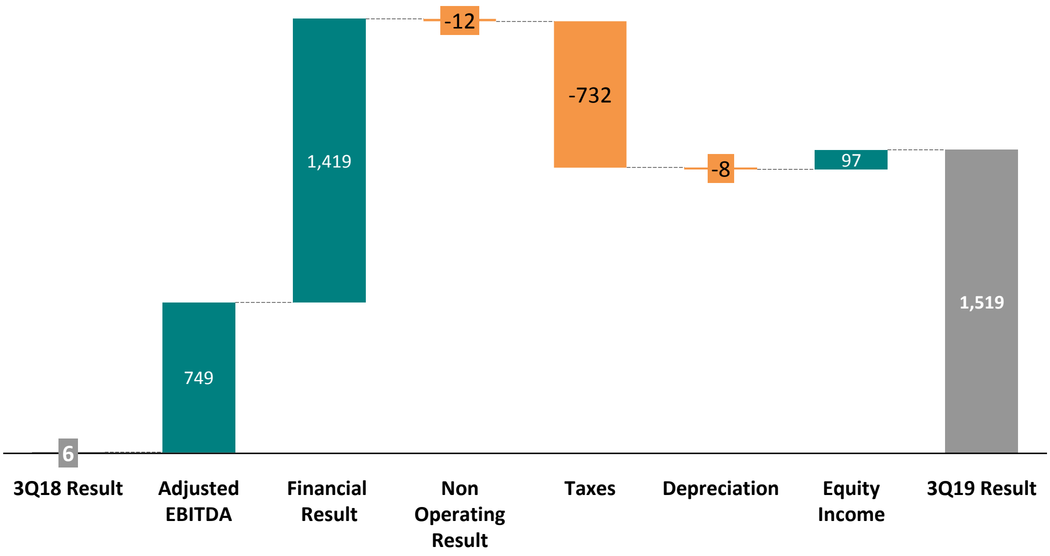
- Generation: reversal of Renova's provision in the amount of R$92 million, which had been recorded in 2Q19 as equity income. Accordingly, the effect was neutral in 9M19.

- Trading: deferred income tax and social contribution in the amount of R$94 million due to the provision for losses related to TARDs.

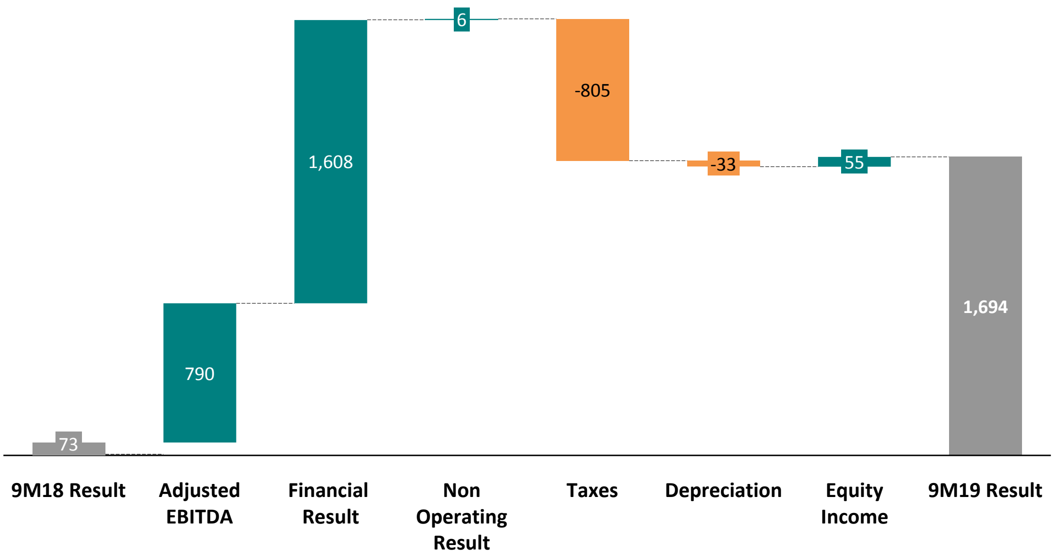
Excluding non-recurring and extraordinary items, net loss in 3Q19 totaled R$11 million, compared to net income of R$6 million in 3Q18, as set forth in the table below.

Consolidated Net Income/Loss by Segment (R$ MN)	3Q19	3Q19 Pro Forma	3Q18	Var. % Pro Forma/3Q18
Distribution	1,593	(44)	21	-
Generation	114	22	(47)	-
Trading	(151)	32	26	26.4%
Others and eliminations	(37)	(21)	6	-
Total	**1,519**	**(11)**	**6**	**-**

Consolidated Net Income
3Q18 / 3Q19 – R$MN



Consolidated Net Income
9M18 / 9M19 – R$MM



5. Light SESA – Distribution

5.1. Operating Performance

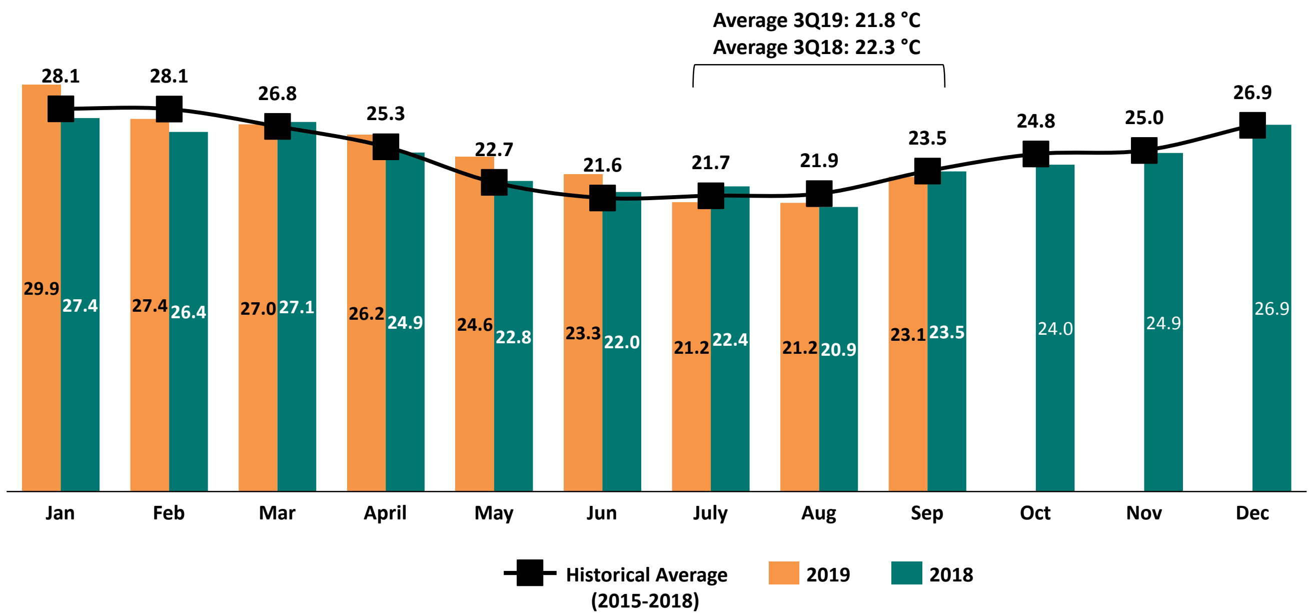
Operating Highlights	3Q19	3Q18	% Change 3Q19/3Q18
Nº of Consumers (thousand)	4,431	4,422	0.2%
Nº of Employees	4,612	4,299	7.3%
Average provision tariff* - R$/MWh	826	864	-4.4%
Average provision tariff* - R$/MWh (w/out taxes)	583	582	0.2%
Average bilateral contracts cost** - R$/MWh	224.0	240.3	-6.8%
Average energy purchase cost with Spot*** - R$/MWh	228.0	193.9	17.6%

[1] Considers the number of active contracts
[3] Captive market
* Does not include purchase in the spot market and hydrological risk
**Does not include hydrological risk

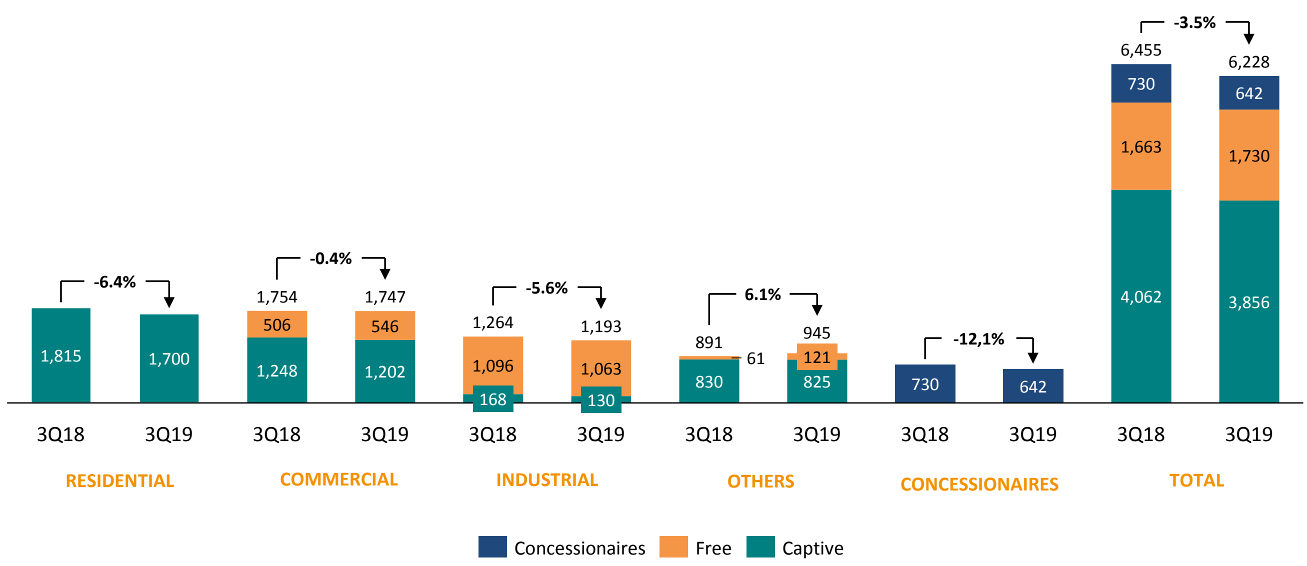
The increase in the number of employees is due to the insourcing strategy primarily regarding network maintenance and reading/delivery of bills. The objective of increased insourcing is to obtain productivity gains and allow a better ethical control and management of field teams. The 17.6% increase in average energy purchase expenses is due to the decrease in sales in the spot market at a decreased PLD in 3Q19.

5.1.1. Market

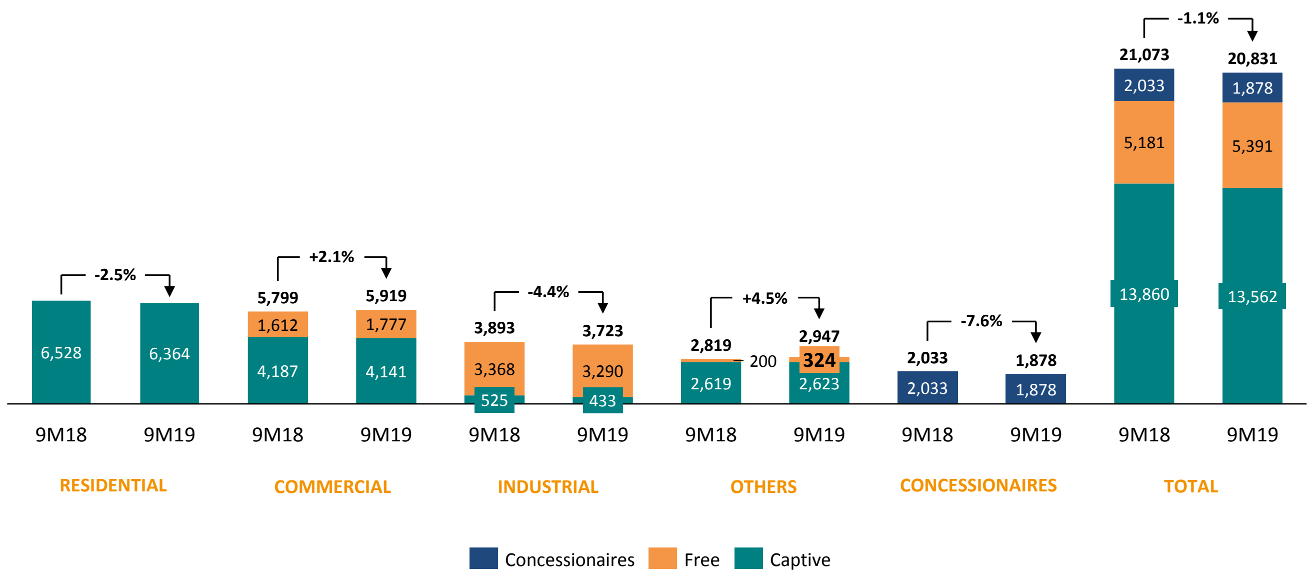
Temperature (Celsius degrees)



Billed Market (GWh)

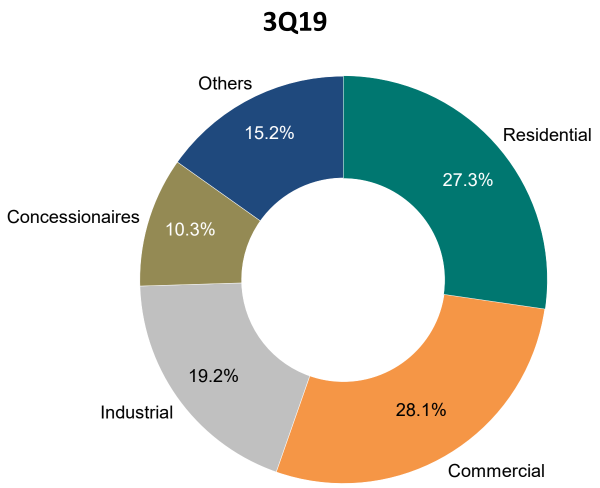


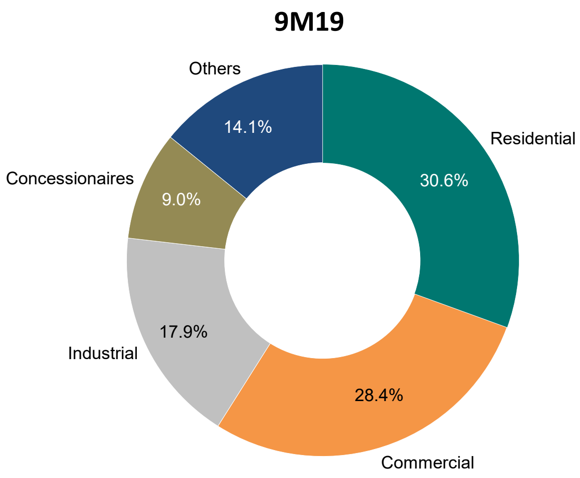
Billed Market (GWh)



Energy Market

Energy Market





In 3Q19, the total energy market amounted to 6,228 GWh, representing a 3.5% decrease compared to 3Q18, also due to the 3.2% decrease in grid load in the period. Excluding the effect of REN, in 3Q19, the market decreased by 2,8% compared to 3Q18.

In 9M19, the volume totaled 20,831 GWh, representing a 1.1% decrease compared to 9M18. Excluding the effect of REN, total market increased by 0.7% in 9M19 compared to the previous year.

In 3Q19, the consumption of the residential segment totaled 1,700 GWh in 3Q19, representing a 6.4% decrease compared to 3Q18. This decrease is due to the 37.4% decrease in REN in 3Q19 (84 GWh in 3Q19 compared to 135 GWh in 3Q18). Excluding the effect of REN, the residential segment decreased by 1.5%, primarily due to fewer billed days in 3Q19.

In 3Q19, the consumption of the commercial segment remained virtually in line with that of 3Q18 regarding consolidated consumption of captive and free customers. In 9M19, the consumption of the commercial segment increased by 2.1% compared to 9M18, highlighting the positive performance of the banking, retail and condominium sectors.

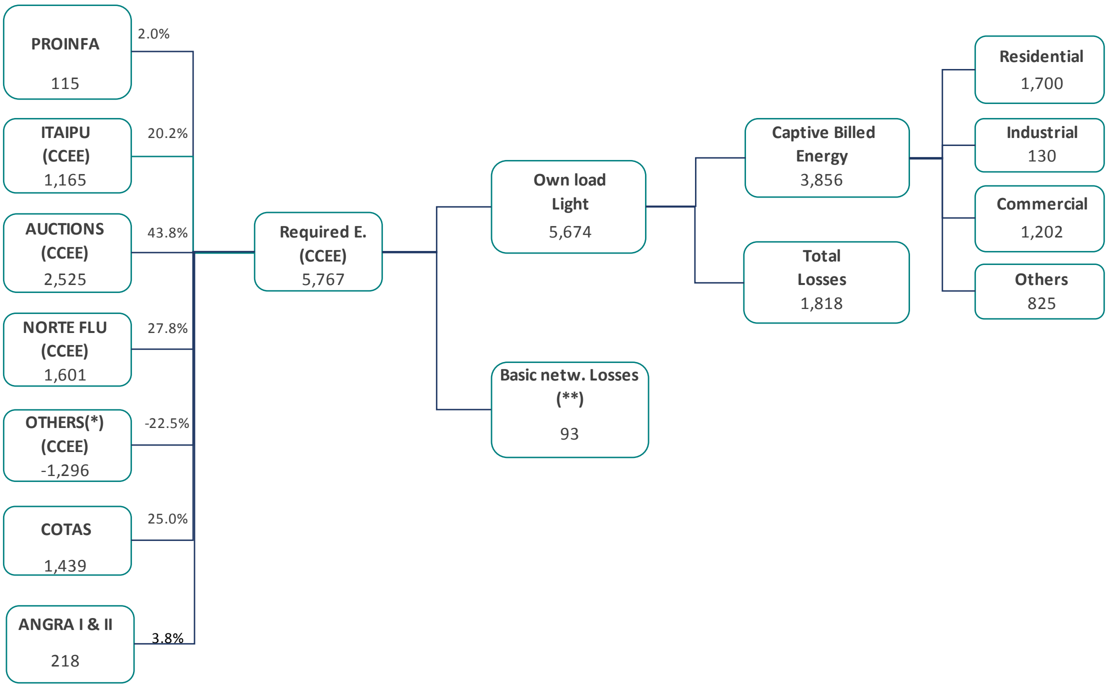
In 3Q19, the consumption of the industrial segment decreased by 5.6% compared to 3Q18, primarily due to the 10% decrease in consumption of the steel industry, especially in regard to two large customers.

In 3Q19, the Others segment increased by 6.1%, primarily due to the increase in consumption of the Public Sector, public lighting and water/sewage utilities.

At the end of 3Q19, the free market accounted for 27.8% of the total market of the distribution company. The migration of captive customers to the free market does not affect margin, as energy continues to be transported by the Company, which receives TUSD.

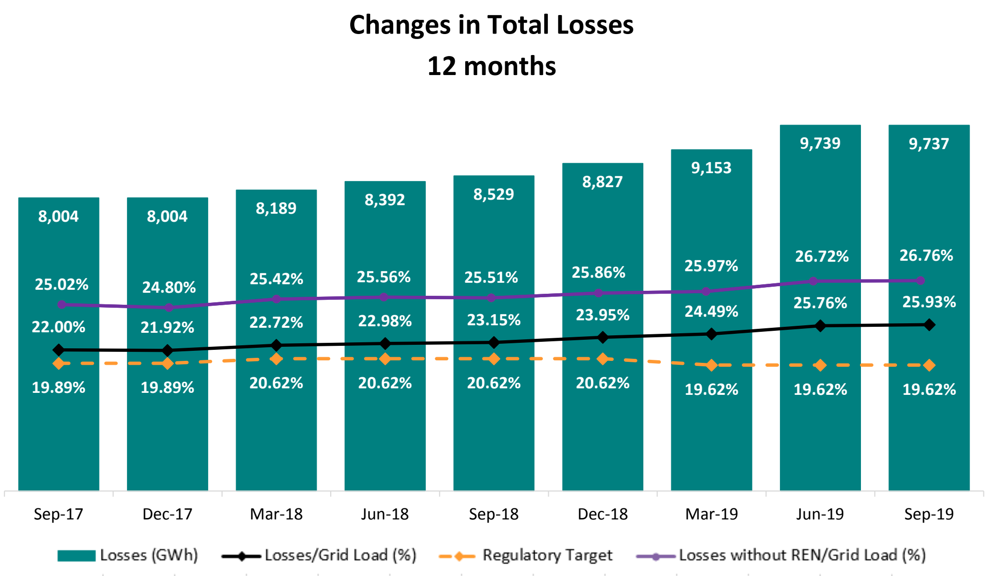
5.1.2. Energy Balance

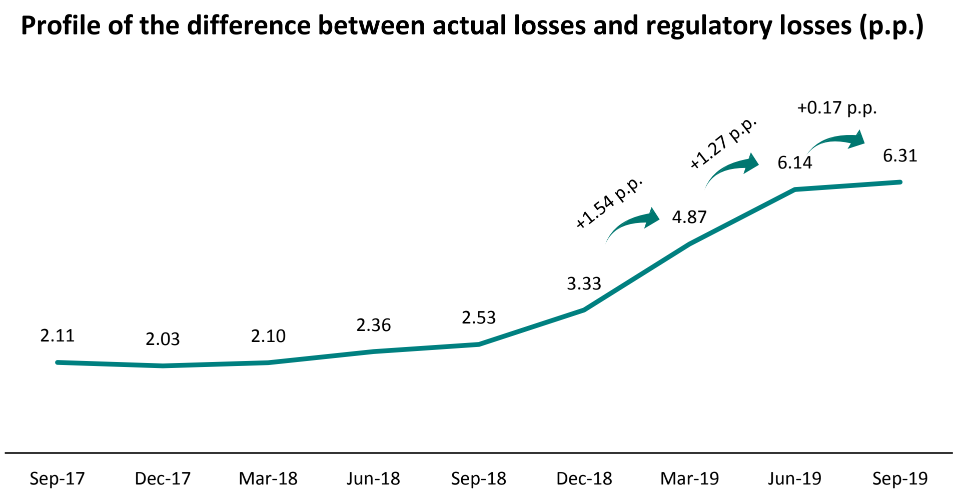
Energy Distribution Balance (GWh)
3Q19



Energy Balance (GWh)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
= Grid Load	8,023	8,285	-3.2%	28,059	27,371	2.5%
- Energy transported to utilities	642	730	-12.1%	1,878	2,033	-7.6%
- Energy transported to free customers	1,707	1,673	2.0%	5,386	5,155	4.5%
= Own Load	5,674	5,882	-3.5%	20,795	20,183	3.0%
- Billed Energy (Captive Market)	3,856	4,062	-5.1%	13,562	13,860	-2.1%
Low Voltage Market	2,882	2,975	-3.1%	10,251	10,336	-0.8%
Medium and High Voltage Market	974	1,087	-10.4%	3,311	3,524	-6.0%
= Total Losses	1,818	1,820	-0.1%	7,234	6,323	14.4%

5.1.3. Energy Losses





Focused on improving management, the Company's commercial area underwent a restructuring process in the last months. In addition to the change of approximately 78% of leadership positions in the commercial area, teams were decentralized per region to increase their agility, use their knowledge of local areas and facilitate prioritization of activities.

In order to improve the results regarding commercial losses, customer service and collection, a number of initiatives were implemented as of August 2019. The agreements entered into with companies providing services to combat losses were renegotiated. Previously, the compensation under these agreements was based on the number of inspections conducted and documented in inspection reports (*termos de ocorrência*) (TOI). In order to improve the quality of REN, compensation under these agreements is now based on a success fee, i.e., in addition to a fixed portion (to cover fixed costs), service providers receive payment based on IEN.

Another initiative that also showed results was the review of indirect low voltage (*baixa tensão indireta* – BTI) customers, which account for approximately 5.5% of sales. 12% of these customers had no actual energy consumption readings and were billed based on a historical average or minimum consumption. At the end of 3Q19, this percentage decreased to 3.4%.

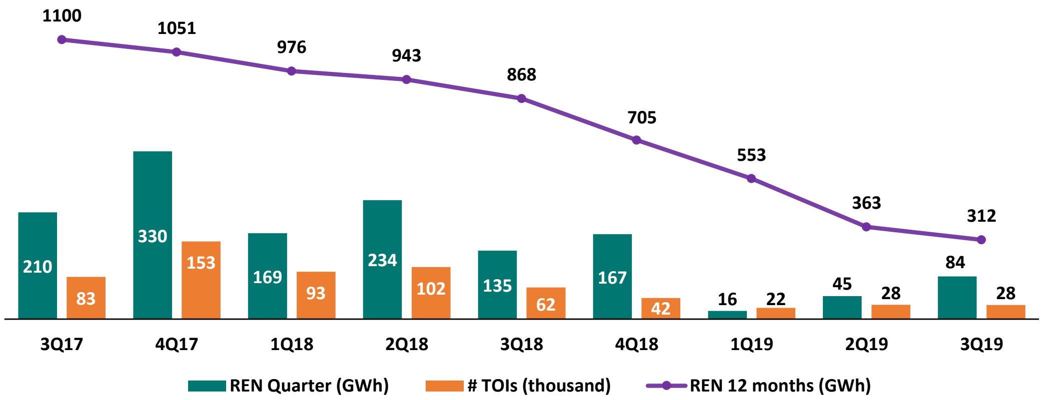
Accordingly, total losses have already stabilized in 3Q19 (12 months), totaling 9,737 GWh, compared to 9,739 GWh in 2Q19. At the end of September 2019, the total losses on grid load indicator was 25.93%, virtually in line with 25.76% in 2Q19. Excluding REN, at the end of September 2019, the total losses on grid load indicator (12 months) was 26.76%, representing an increase of only 0.04 p.p. compared to 2Q19. The volume of total losses (12 months), excluding REN, decreased by 53 GWh in 3Q19.

The Company is 6.31 p.p. above the percentage of regulatory transfer to tariffs, of 19.62%[5], pursuant to the parameters established by Aneel in the Periodic Tariff Adjustment (RTP) of March 2017, already adjusted by the reference market for the next 12 months and ratified by Aneel at the time of the tariff adjustment (IRT) in March 2019. The 1 p.p. difference in the regulatory level in 2018 compared to 2019 is due to the increase in the grid load and decrease in the low voltage market in the 2019 tariff adjustment (IRT).

In regard to combatting losses, field activities gradually resumed as of August 2019. The Company repositioned its execution strategy, prioritizing the quality of REN to avoid future cancellations and increase IEN.

In 3Q19, IEN totaled 50 GWh, representing a 66.6% increase compared to 2Q19. In 3Q19, REN increased by 86.6% compared to 2Q19, totaling 84 GWh.

Changes in REN in the Quarter and in the Last 12 Months (GWh) and Number of TOIs (thousands)

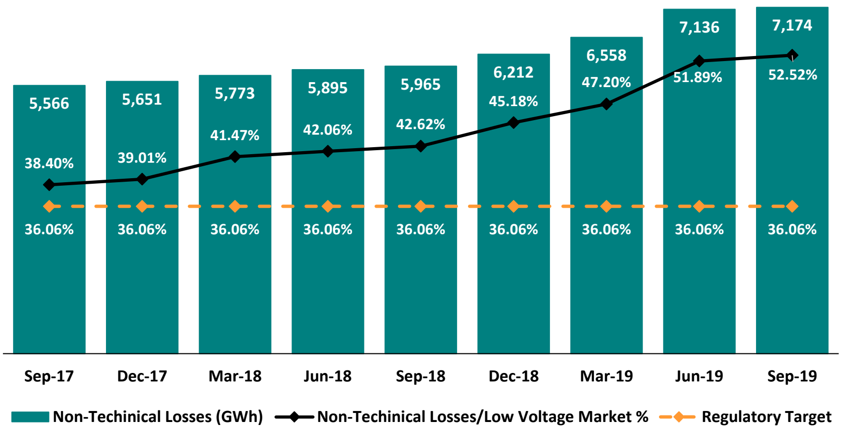


In addition to conventional field activities, we also have other ongoing actions to combat losses, including: (i) a pilot project, with the replacement of 3,000 depreciated electromechanical meters (average age above 45 years); (ii) shielding of networks of customers with medium purchasing power and high levels of repeated energy theft in possible areas; and (iii) completion of inspection of customers that account for 50% of revenue until the end of the year, 90% of which have already been inspected.

At the end of 3Q19, non-technical losses (12 months) in risk areas accounted for 54% or 3,906 GWh. Metering in these areas will improve upon completion of the ongoing installation of border meters. In 3Q19, in possible areas, non-technical losses totaled 3,267 GWh (46%), representing a decrease of 121 GWh compared to 2Q19. The total loss/grid load indicator (12 months) in these areas slightly decreased, from 17.1% in 2Q19 to 16.8% in 3Q19, due to the initiatives implemented as of August, as described above.

[5] Calculated based on loss pass-through levels established by ANEEL in the 4th Periodic Tariff Revision (4th RTP), ratified on March 15, 2017 for the 2017-2022 period, as follows: 6.34% for technical losses on the grid load and 36.06% for non-technical losses on the low voltage market. These percentages may vary during the cycle due to the performance of the low voltage market and the grid load.

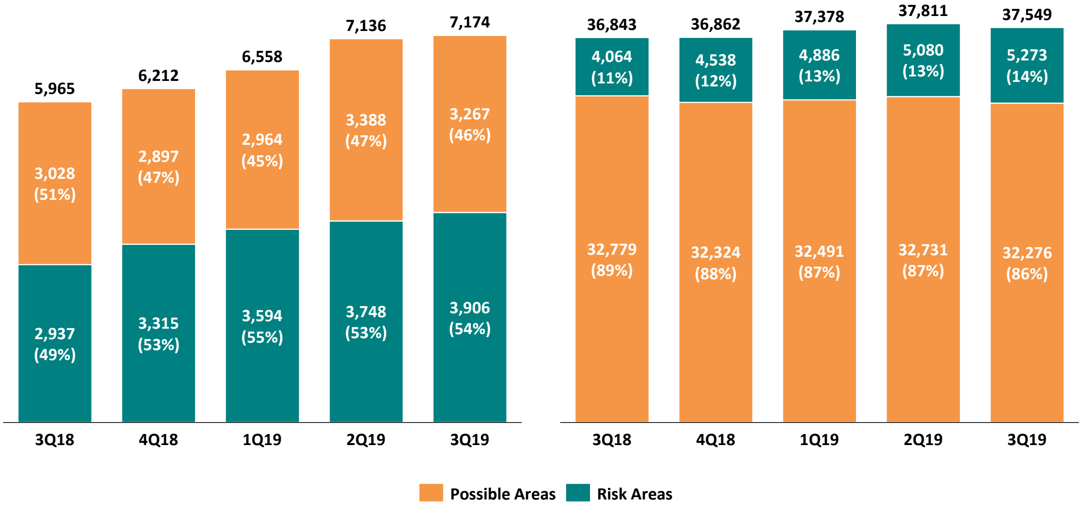
Changes in Non-Technical Losses/Low Voltage Market
12 Months



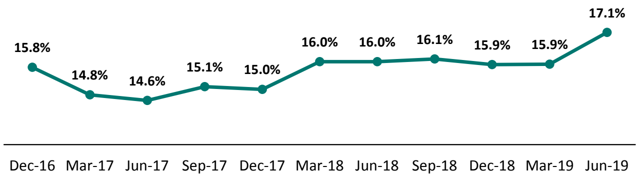
The volume of non-technical losses increased by 38 GWh (3Q19 vs. 2Q19 in the 12-month period), affected by the decreased volume of REN.

Non Technical Losses (GWh)
12 monhts

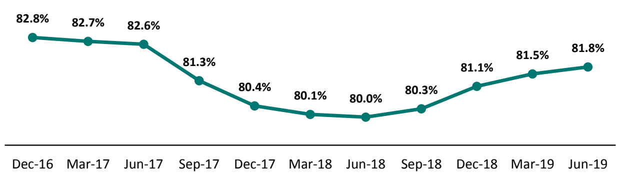
Grid Load (GWh)
12 months



Total Losses / Grid Load – Possible Areas 12 Months



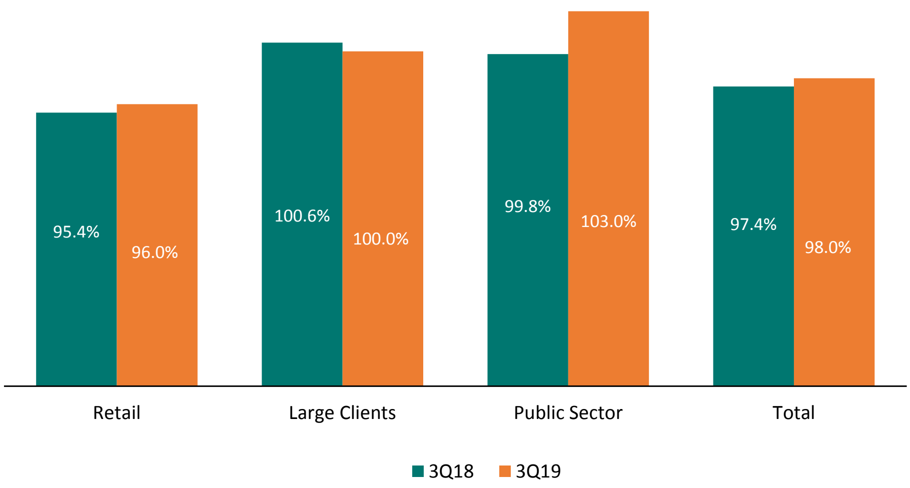
Total Losses / Grid Load – Risk Areas 12 Months



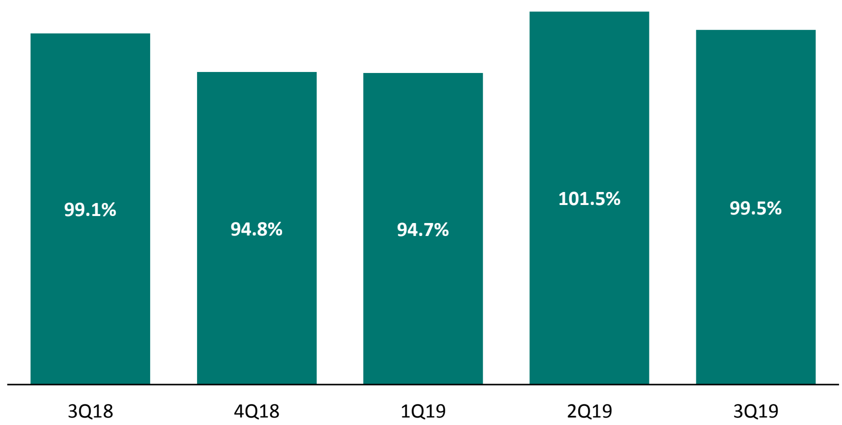
5.1.4. Collection

Collection Rate by Segment – 12 months

(Considering REN overdue bills)



Historical Total Collection Rate
(Considering REN overdue bills)



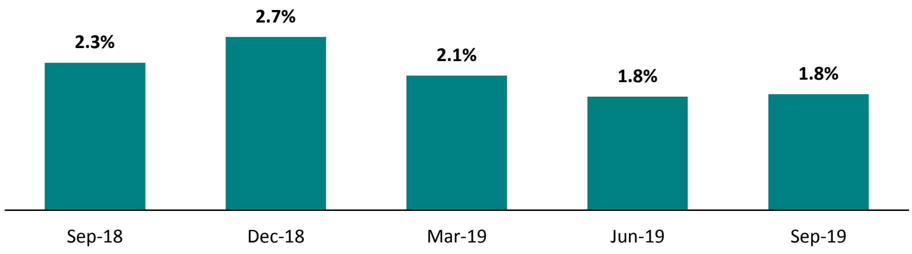
In the 12 months ended September 30, 2019, the total moving average collection rate was 98.0%, in line with that of the previous quarter and representing a 0.6 p.p. increase compared to 97.4% in 3Q18. This improvement occurred in the retail and public sectors, as set forth in the first chart above.

In the 12 months ended September 30, 2019, the accumulated collection rate regarding the Public Sector increased by 3.2 p.p. compared to the same period in the previous year, due to negotiations with the Rio de Janeiro State and City Governments, which amounts are being regularly paid.

As set forth in the second chart above, the collection rate in 2Q19 was higher than in 3Q19, due to market seasonality.

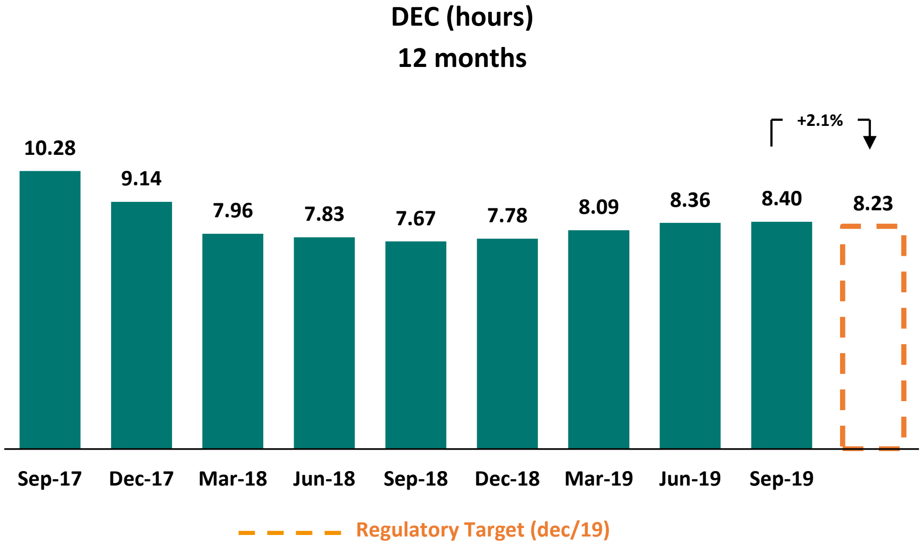
In the 12 months ended September 30, 2019, the PECLD/Gross Revenue ratio was 1.8%, in the same level as that of 2Q19, and 0.5 p.p. below the PECLD/Gross Revenue ratio of 3Q18. This improvement in PECLD reflects the volume of REN.

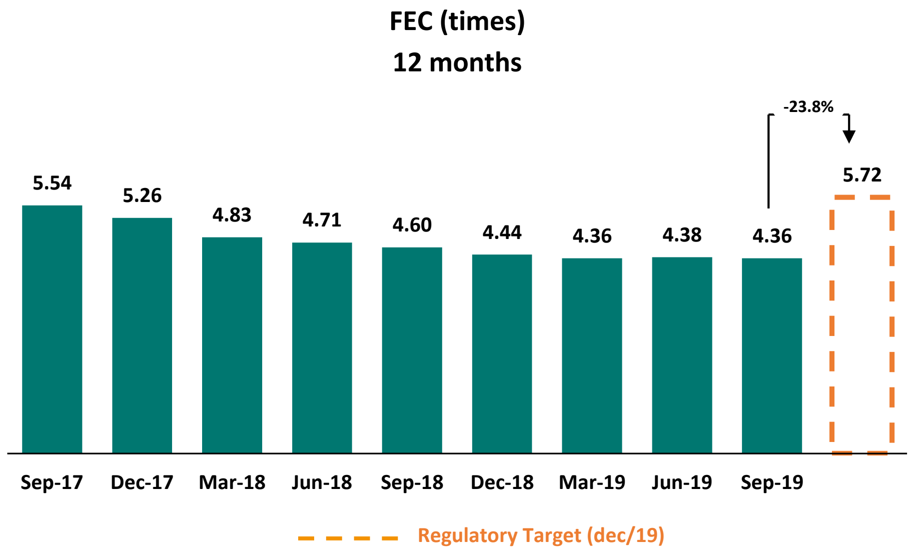
PECLD/Gross Revenue[6]
(Supply – 12 Months)



[6] Gross Revenue from the Captive Market + Free Market.

5.1.5. Quality Indicators





In September 2019, DEC (12 months) was 8.40 hours, representing a 0.5% increase compared to June 2019, still affected by the bad weather in the beginning of the year. DEC is currently 2.1% above the limit established by ANEEL, of 8.23 hours. However, DEC is assessed annually and will be measured at the end of 2019.

In September 2019, FEC (12 months) was 4.36x, representing a 0.5% decrease compared to 2Q19, and 22.7% below the regulatory target.

5.2. Financial Performance

Income Statement (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Net Operating Revenue	**3,383**	**2,465**	**37.2%**	**8,499**	**7,411**	**14.7%**
Operating Expense	(2,246)	(2,307)	-2.6%	(7,126)	(6,893)	3.4%
Adjusted EBITDA	**1,286**	**285**	**351.2%**	**1,797**	**895**	**100.8%**
Financial Result	1,274	(124)	-	993	(476)	-
Non Operating Result	(17)	(2)	622.0%	(27)	(14)	90.2%
Result before taxes and interest	2,410	35	6886.7%	2,367	43	5382.9%
Income Tax/Social Contribution	(818)	(13)	6329.0%	(808)	(17)	4628.4%
Net Income/Loss	**1,593**	**21**	**7419.5%**	**1,558**	**25**	**6013.7%**
EBITDA Margin*	38.0%	11.6%	26.47 p.p.	21.1%	12.1%	9.07 p.p.

* Does not consider construction revenue

5.2.1. Net Revenue[7]

Net Revenue (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Captive Customers	1,841	1,815	1.4%	6,239	5,913	5.5%
Non billed Energy	(22)	(12)	85.1%	(45)	(43)	5.3%
Free Clients	310	250	23.9%	902	739	22.2%
CCRBT Account	76	(23)	-	89	(48)	-
CVA	62	367	-83.0%	94	655	-85.7%
Others	1,116	68	1539.8%	1,220	195	525.9%
Concession Right of Use	15	46	-68.3%	111	134	-17.4%
Others Revenues	1,101	22	4880.0%	1,110	61	1720.5%
Subtotal	**3,383**	**2,465**	37.2%	**8,499**	**7,411**	14.7%
Construction Revenue*	182	183	-1.1%	529	467	13.2%
Total	**3,564**	**2,649**	**34.6%**	**9,028**	**7,877**	**14.6%**

* The subsidiary Light SESA book revenues and costs, with zero margin, related to services of construction or improvement in infrastructure used in providing electricity distribution services.

In view of the favorable decision recognizing the right to exclude ICMS from the calculation basis of PIS/COFINS, in 3Q19, the Company recorded a revenue of R$1,086 million regarding the credits to be returned in connection with the period between January 2002 and August 2009. Accordingly, in 3Q19, net revenue, excluding construction revenue, increased by 37.2% (R$917 million) compared to 3Q18. Excluding the non-recurring effect, in 3Q19, net revenue totaled R$2,296 million, representing a decrease of R$169 million compared to 3Q18, including the following highlights:

- a decrease of R$305 million in CVA in 3Q19 compared to 3Q18, primarily due to the decrease in formation of energy CVA regarding expenses with hydrological risk;
- a decrease of R$31 million in the fair value of the concession indemnifiable asset (VNR), due to the lower variation of IPCA in 3Q19 compared to 3Q18;
- an increase of R$60 million in the free customers segment, due to the migration of a captive customer of the transportation sector to the free market.

[7] On December 10, 2014, the Company entered into the fourth amendment to its distribution concession agreement, pursuant to which the remaining balances of any tariff under-collected amounts or reimbursements at the end of the concession will be added to or deducted from the indemnification amount, allowing the recognition of the balances of these regulatory assets and liabilities.

5.2.2. Costs and Expenses

Costs and Expenses (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Non-Manageable Costs and Expenses	**(1,676)**	**(1,787)**	**-6.2%**	**(5,547)**	**(5,320)**	**4.3%**
Energy Purchase Costs	(1,806)	(1,724)	4.8%	(5,994)	(5,054)	18.6%
Costs with Charges and Transmission	(236)	(223)	6.0%	(664)	(731)	-9.2%
PIS/COFINS Credit on purchase	179	159	12.4%	535	466	15.0%
Crédito ICMS sobre compra de Energia	187	-	-	576	-	-
Manageable Costs and Expenses	**(570)**	**(520)**	**9.7%**	**(1,579)**	**(1,573)**	**0.4%**
PMSO	(218)	(238)	-8.3%	(646)	(658)	-1.9%
Personnel	(92)	(97)	-5.3%	(296)	(273)	8.1%
Material	(5.0)	(5.4)	-8.5%	(17)	(15)	9.2%
Outsourced Services	(136)	(139)	-2.3%	(392)	(394)	-0.7%
Others	15	4	283.4%	58	25	132.5%
Provisions - Contingencies	(108)	(66)	65.0%	(272)	(173)	57.5%
Provisions - PECLD	(93)	(89)	4.6%	(237)	(366)	-35.3%
Depreciation and Amortization	(133)	(124)	6.6%	(397)	(362)	9.7%
Non Operating Result	(17)	(2)	622.0%	(27)	(14)	90.2%
Total costs without Construction Revenue	**(2,246)**	**(2,307)**	**-2.6%**	**(7,126)**	**(6,893)**	**3.4%**
Construction Revenue	(182)	(183)	-1.1%	(529)	(467)	13.2%
Total Costs	**(2,428)**	**(2,490)**	**-2.5%**	**(7,655)**	**(7,360)**	**4.0%**

5.2.2.1. Manageable Costs and Expenses

In 3Q19, manageable costs and expenses totaled R$570 million, representing an increase of 9.7% (R$50 million) compared to 3Q18, primarily due to the increase in provisions/contingencies in the amount of R$42 million.

PMSO decreased by 8.3% compared to 3Q18. The decrease in personnel expenses and outsourced services expenses is due to improved processes. The Company recorded decreased expenses with tree pruning and reading/delivery of bills, as a result of insourcing, which ensures a better ethical control and management, and decreased expenses with REN services.

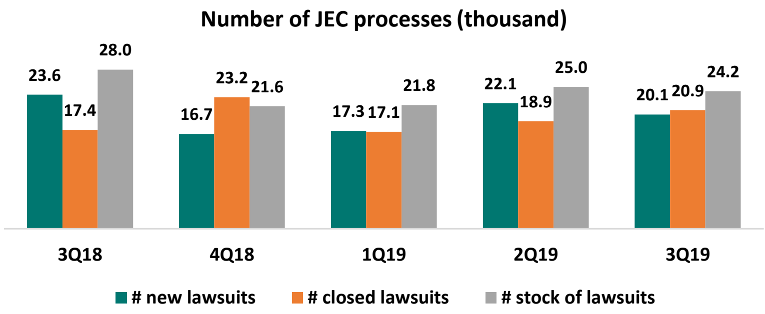
The variation in "Others" is due to: (i) the reversal of supplier agreements in the amount of R$7 million; and (ii) credit in the amount of R$6.3 million as a result of the adoption of IFRS 16, which took effect in January 2019.

In 3Q19, PECLD totaled R$93 million, virtually in line with R$89 million recorded in 3Q18.

Provision (R$ MN)	3Q19	2Q19	% Change 3Q19/ 2Q19	3Q18	% Change 3Q19/ 3Q18
JEC	(51)	(54)	-5.7%	(48)	6.3%
Civil	(30)	(32)	-5.4%	5	-
Others	(28)	(2)	1300.0%	(23)	21.7%
Total	**(108)**	**(88)**	**23.5%**	**(66)**	**64.2%**

Provisions/contingencies increased by R$42 million in the quarterly comparison (3Q19 vs. 3Q18) due to civil lawsuits. In relation to 2Q19, this variation is due to the regulatory provision for a fine in the amount of R$25 million resulting from an administrative proceeding judged by Aneel regarding the maintenance and operation of Light's underground network.

Excluding this fine, the variation reported in the results due to provisions for contingencies established in 3Q19 corresponded to an improvement of R$5 million compared to 2Q19, due to the decrease in inventory and new lawsuits filed with the Civil Special Court (*Juizado Especial Cível*).



In 3Q19, the number of new lawsuits filed with special civil courts decreased by 9% compared to 2Q19 and by 15% compared to 3Q18. This decrease reflects the improvement in the Company's internal processes, primarily related to the application of TOIs and changes in ownership. In 3Q19, the number of closed lawsuits totaled 21,000, representing a 10% increase compared to 2Q19, including an increase in the number of settlements. Accordingly, at the end of the period, there were 24,000 lawsuits. It is noteworthy that the average time to close a lawsuit filed with the Special Civil Court is 4 months.

5.2.2.2. Non-Manageable Costs and Expenses

Non-Manageable Costs and Expenses (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Use of Basic Network and ONS Charges	**(216)**	**(208)**	**3.8%**	**(610)**	**(695)**	**-12.3%**
Connection Charges - Transmission	**(20)**	**(14)**	**37.7%**	**(55)**	**(36)**	**51.3%**
Itaipu	**(305)**	**(303)**	**0.4%**	**(870)**	**(816)**	**6.6%**
Transported Energy - Itaipu	**(31)**	**(30)**	**5.4%**	**(88)**	**(83)**	**6.3%**
TPP Norte Fluminense	**(606)**	**(365)**	**65.8%**	**(1,819)**	**(1,084)**	**67.7%**
PROINFA	**(42)**	**(38)**	**10.6%**	**(131)**	**(121)**	**7.9%**
Assured energy Quotas	**(168)**	**(164)**	**2.2%**	**(479)**	**(443)**	**8.0%**
Nuclear Quotas	**(55)**	**(54)**	**1.9%**	**(164)**	**(161)**	**1.9%**
Energy auction	**(482)**	**(606)**	**-20.4%**	**(1,513)**	**(1,646)**	**-8.1%**
Contracts by Availabilities	(267)	(323)	-17.3%	(883)	(1,005)	-12.2%
Contracts by Quantity	(215)	(283)	-24.0%	(630)	(640)	-1.6%
Costs with Charges and Transmission	**(118)**	**(163)**	**-28.0%**	**(930)**	**(698)**	**33.2%**
Sale/ Purchase (Spot)	270	535	-49.6%	(180)	597	-
Hydrological Risk	(264)	(673)	-60.7%	(380)	(1,002)	-62.1%
Effects of Contracts by Availabilities	(94)	(78)	20.7%	(270)	(293)	-7.7%
ESS	7	(36)	-	(10)	(53)	-82.0%
Reserve Power	(15)	89	-	(54)	12	-
Other	(21)	(1)	2795.4%	(37)	41	-
PIS / COFINS Credit on Purchase	179	159	12.4%	535	466	15.0%
ICMS Credit on Purchase	187	-	-	576	-	-
Total	**(1,676)**	**(1,787)**	**-6.2%**	**(5,547)**	**(5,320)**	**4.3%**

In 3Q19, non-manageable costs and expenses totaled R$1,676 million, representing a 6.2% decrease compared to 3Q18, primarily due to a decreased average PLD in the Southeast in 3Q19 (R$214.1/MWh) compared to 3Q18 (R$494.4/MWh), decreasing payments regarding hydrological risk and offsetting the decrease in revenue from sales in the spot market.

In the quarterly comparison, energy auctions decreased by R$124 million, due to: (i) decreased payments under agreements by volume, as a result of the end of supply related to the 15th Existing Energy Auction; and (ii) decreased payments in agreements by availability, as a result of decreased use of thermal power plants.

Additionally, in the end of 3Q19, the volume of contracted energy was virtually in line with that of 3Q18, as the decreases in contracted energy from Itaipu, physical guarantee quotas and agreements for the purchase of energy in the regulated market (*Contratos de Compra de Energia no Ambiente Regulado* – CCEARs) that expired in 2018 were offset by the execution of new CCEARs.

5.2.3. "A Component" Variation Offset Account – CVA

Net Regulatory Assets/ Liabilities (R$ MN)	3Q19	2Q19	1Q19	4Q18	3Q18
Regulatory Assets	1,380	1,486	1,728	2,028	2,157
Regulatory Liabilities	(560)	(754)	(1,002)	(1,318)	(1,423)
Net Regulatory Assets/ Liabilities	**819**	**732**	**725**	**710**	**734**

In the end of 3Q19, the "A Component" Variation Offset Account – CVA totaled R$819 million, encompassing (i) the remaining balance of CVA and financial items ratified by Aneel and transferred to tariffs in the tariff adjustment of March 15, 2019, which will be invoiced and amortized in subsequent months, and (ii) the formation of CVA not yet transferred to tariffs, primarily comprised of amounts regarding the period from January to September 2019, which Aneel will take into account in the tariff process of March 2020.

5.2.4. Financial Result

Financial Result (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Financial Revenues	**1,731**	**194**	**790.8%**	**1,821**	**454**	**301.4%**
Income from Financial Investments	18	11	55.3%	30	20	50.2%
Swap Operations	205	120	71.1%	242	269	-9.8%
Interest on energy accounts and debt installments	16	48	-65.9%	60	94	-36.5%
Restatement of Sector's Assets and Liabilities	25	11	124.9%	14	59	-75.7%
Restatement of ICMS calculation basis of PIS/COFINS	1,461	-	-	1,461	-	-
Others Financial Revenues	6	4	41.5%	12	11	2.4%
Financial Expenses	**(457)**	**(319)**	**43.3%**	**(828)**	**(930)**	**-10.9%**
Debt Expenses (Local Currency)	(102)	(114)	-10.6%	(328)	(337)	-2.6%
Debt Expenses (Foreign Currency)	(52)	(45)	14.4%	(132)	(62)	112.4%
Monetary Variation	(10)	(20)	-50.2%	(75)	(44)	68.7%
Exchange Rate Variation	(186)	(97)	91.5%	(150)	(379)	-60.6%
Swap Operations	-	-	-	(1)	-	-
Itaipu Exchange Rate Variation	(11)	(7)	57.3%	(4)	(33)	-88.9%
Restatement of provision for contingencies	(6)	(2)	140.1%	(12)	(8)	47.0%
Restatement of R&D/PEE/FNDCT	(3)	(3)	5.7%	(10)	(9)	7.8%
Interest and Fines on Taxes	(3)	(4)	-22.8%	(7)	(12)	-42.1%
Installment Payment - Fines and Interest Rates Law 11.9	(1)	(1)	-21.4%	(3)	(4)	-20.2%
Other Financial Expenses (Includes IOF)	(83)	(24)	244.3%	(108)	(39)	174.6%
Braslight (Private Pension Fund)	-	-	-	-	(2)	-
Total	**1,274**	**(124)**	**-**	**993**	**(476)**	**-**

In 3Q19, financial result totaled net financial revenues of R$1,274 million compared to net financial expenses of R$124 million in 3Q18, due to the financial adjustment of the amount to be returned as a result of the favorable decision authorizing the exclusion of ICMS from the calculation basis of PIS/COFINS. The amount of R$1,461 million, which corresponds to Light, refers to the adjustment based on the Selic Rate for the period between January 2002 and August 2009. PIS/COFINS in the amount of R$116 million were charged on the total financial adjustment amounts for the period between January 2002 and August 2019. From this amount, R$68 million corresponds to Light and is recorded under other financial expenses.

Excluding this non-recurring item, financial result totaled net financial expenses of R$119 million in 3Q19, in line with that of 3Q18.

6. Light Energia – Generation

Operating Highlights	3Q19	3Q18	% Change 3Q19/3Q18
Nº of Employees	219	216	1.4%
Installed capacity (MW)	1,158	1,043	11.0%
Light Energia	873	873	0.1%
Participation*	285	188	51.4%
Assured energy (Average MW)	860	782	9.9%
Light Energia	724	638	13.5%
Participation*	136	144	-5.7%
Pumping and internal losses (Average MW)	119	102	16.7%
Available energy Light Energia (Average MW)	605	536	12.9%

[1] Includes The Installed Capacity of Lajes

* Proportional stake in associates: Renova, Belo Monte, Guanhães and PCH Paracambi.

The installed capacity of stakes increased by 51.4% in 3Q19 compared to 3Q18, due to the commencement of operations of the power plants of the Belo Monte Complex and SHPP Guanhães. In 3Q19, the equity interest held by Light Energia in Renova was excluded, as Renova was sold in October 2019.The Assured Energy of Light Energia increased by 86 MWm in the quarterly comparison due to the seasonality policy adopted by the Company to mitigate the risk of exposure to fluctuations in PLD.

6.1. Operating Performance

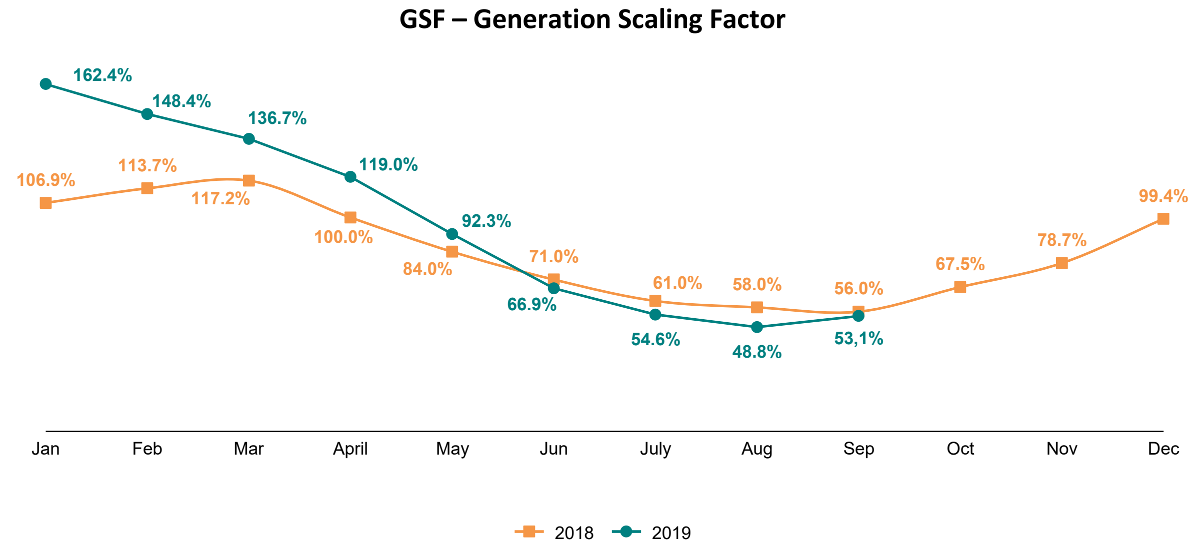
6.1.1. Energy Purchases and Sales

Energy Sale (MWm)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Free Contracting Environment Sales	552	545	1.4%	541	541	0.1%
Spot Sales/Purchase (CCEE)	(39)	(62)	-36.5%	39	15	2

In 3Q19, energy purchases in the spot market decreased compared to 3Q18 due to a higher allocation of assured energy due to the adopted seasonality policy, as well as a higher volume of energy purchase in the ACL to mitigate hydrological risk.

Pursuant to a court decision, Light Energia does not have to make payments relating to any exposure in monthly CCEE settlements, exempting it from making payments in the spot market and protecting its cash flows, even though this cost and revenue are regularly fully recognized in its result. As of September 2019, the outstanding balance of the liabilities for the period between May 2015 and September 2019 totaled approximately R$1.1 billion under trading in the short-term market. On the other hand, the balance of receivables of the Generation Company totaled R$467 million, resulting in net liabilities of R$645 million as of September 2019.

The completion of discussions on Bill 10,985/18 must be taken into account. This bill had already been approved in June 2019 by the Brazilian Congress, including an amendment about another matter that does not concern renegotiation. The Bill returned to the Brazilian Senate solely as a result of this amendment. The Senate cannot present new amendments, it can only accept or reject the changes proposed by Congress before submitting the Bill to the Brazilian President for approval. The Bill sets forth that Aneel must regulate the matter within 90 days from the date of publication of the Law.


GSF – Generation Scaling Factor
162.4%
148.4%
136.7%
119.0%
92.3%
66.9%
54.6%
48.8%
53,1%
106.9%
113.7%
117.2%
100.0%
84.0%
71.0%
61.0%
58.0%
56.0%
67.5%
78.7%
99.4%
Jan
Feb
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April
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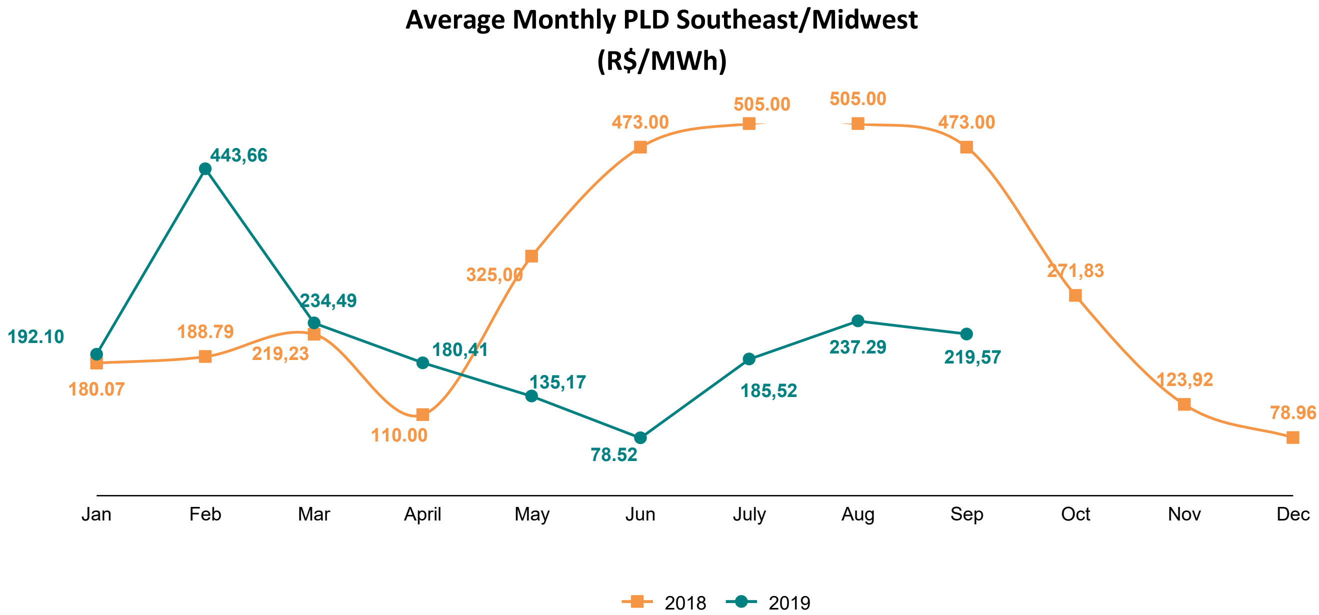
Oct
Nov
Dec
2018
2019


Average Monthly PLD Southeast/Midwest
(R$/MWh)
192.10
443,66
234,49
180,41
135,17
78.52
185,52
237.29
219,57
180.07
188.79
219,23
110.00
325,00
473.00
505.00
505.00
473.00
271,83
123,92
78.96
Jan
Feb
Mar
April
May
Jun
July
Aug
Sep
Oct
Nov
Dec
2018
2019

6.2. Financial Performance

Income Statement (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Net Operating Revenue	**284**	**364**	**-22.1%**	**778**	**831**	**-6.3%**
Operating Expense	(244)	(349)	-30.2%	(389)	(568)	-31.6%
Adjusted EBITDA	**54**	**24**	**131.2%**	**433**	**300**	**44.3%**
Financial Result	(5)	(28)	-82.2%	(8)	(129)	-93.6%
Non Operating Result	-	5	-	(1)	3	-
Result before taxes and Equity Income	35	(8)	-	381	136	180.2%
Income Tax/Social Contribution	(9)	9	-	(122)	(38)	222.7%
Equity Income	87	(43)	-	5	(88)	-
Net Income/Loss	**114**	**(47)**	-	**263**	**7**	**3547.8%**
EBITDA Margin	19.2%	6.5%	12.70 p.p.	55.6%	36.1%	19.50 p.p.

6.2.1. Net Revenue, Costs and Expenses

Net Revenue (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Generation Sale (ACL)	204	196	3.8%	610	565	8.1%
Short-Term	78	165	-53.0%	160	259	-38.1%
Others	3	3	-6.2%	8	7	5.9%
Total	**284**	**364**	**-22.1%**	**778**	**831**	**-6.3%**

Operating Costs and Expenses (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Personnel	(7)	(5)	28.7%	(19)	(18)	9.4%
Material and Outsourced Services	(4)	(4)	-18.8%	(12)	(12)	-1.4%
Purchased Energy / CUSD / CUST	(220)	(329)	-33.3%	(311)	(495)	-37.1%
Depreciation	(14)	(14)	5.8%	(42)	(41)	4.2%
Non Operating Result	-	5	-	(1)	3	-
Others (includes provisions)	0	(2)	-	(3)	(6)	-48.4%
Total	**(244)**	**(349)**	**-30.2%**	**(389)**	**(568)**	**-31.6%**

In 3Q19, net revenue decreased by R$80 million (22.1%) compared to the same period in the previous year, primarily due to the decrease in sales in the spot market[8] (R$87 million), as a result of a lower average PLD in the Southeast and Midwest regions (R$214.1/MWh in 3Q19 compared to R$494.4/MWh in 3Q18).

On the other hand, in 3Q19, costs and expenses decreased by R$105 million compared to 3Q18, primarily due to lower energy purchase expenses, as a result of the trading strategy and lower market prices.

Accordingly, in 3Q19, Adjusted EBITDA increased by R$30 million compared to 3Q18 and, in 9M19, Adjusted EBITDA increased by R$133 million (44.3%) compared to the same period in the last year.

[8] For purposes of recording with the CCEE, GSF=1 is used as reference at the monthly closing. In the subsequent month, CCEE informs the required adjustment in revenue, based on the actual GSF assessed.

6.2.2. Financial Result

Financial Result (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Financial Revenues	**86.5**	**56.4**	**53.4%**	**145.6**	**113.8**	**28.0%**
Income from Financial Investments	11.5	9.9	15.6%	28.7	18.3	56.6%
Swap Operations	74.8	46.4	61.1%	116.4	91.8	26.8%
Others Financial Revenues	0.2	0.0	564.7%	0.5	0.2	191.7%
Financial Expenses	**(91.5)**	**(84.2)**	**8.7%**	**(154.1)**	**(245.9)**	**-37.3%**
Debt Expenses (Local Currency)	(2.8)	(12.2)	-76.8%	(14.5)	(48.5)	-70.0%
Debt Expenses (Foreign Currency)	(17.5)	(16.5)	5.6%	(48.3)	(28.9)	67.0%
Exchange Rate Variation	(65.1)	(32.6)	99.9%	(54.0)	(119.9)	-55.0%
Restatement of provision for contingencies	(0.0)	(0.0)	-87.5%	(0.1)	(0.0)	6.4%
Restatement of R&D/PEE/FNDCT	(0.2)	(0.2)	20.4%	(0.5)	(0.5)	18.1%
Interest and Fines on Taxes	0.0	(0.1)	-	0.0	(0.6)	-
Restatement of GSF	(4.7)	(21.2)	-77.6%	(28.0)	(45.1)	-37.9%
Other Financial Expenses (Includes IOF)	(1.2)	(1.5)	-22.7%	(8.7)	(2.1)	308.6%
Braslight (Private Pension Fund)	-	-	-	-	(0.1)	-
Total	**(5.0)**	**(27.8)**	**-82.2%**	**(8.5)**	**(129.4)**	**-93.4%**

In 3Q19, net financial expenses totaled R$5 million, representing an improvement of 82.2%, due to decreased debt charges in Brazilian currency, as a result of a decrease in debt (settlement of the 2nd and 5th Issuance of Debentures and the 3rd and 4th Promissory Notes) in the period.

Moreover, the adjustment in the GSF balance decreased, due to a lower variation of IGP-M in 3Q19 compared to 3Q18.

6.2.3. Net Income (Loss)

Net Income/Loss (R$MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Light Energia (without Stakes)	**26**	**(4)**	**-**	**259**	**95**	**173.1%**
Guanhães - Equity Income	(5)	(2)	199.6%	5	(3)	-
Renova Energia -Equity Income	92	(41)	-	-	(85)	-
Net Result	**114**	**(47)**	**-**	**264**	**7**	**3552.0%**

In 3Q19, Light Energia's net income, excluding equity income, totaled R$26 million, compared to net loss of R$4 million in 3Q18. Including the effect of equity income, Light Energia's net income totaled R$114 million in 3Q19. Upon the sale of Renova in October 2019, there was a reversal of R$92 million, which was recorded in 2Q19 in regard to expected equity income losses, having no effect in 9M19.

7. Light Com - Trading

7.1. Operating Performance

Operating Highlights	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Volume Sold - MWm	704	862	-18.3%	663	789	-16.1%
Average Selling Price (Net of Taxes) - R$/MWh	190.5	205.3	-7.2%	186.6	188.7	-1.1%

In 3Q19, sales volume decreased by 18.3% compared to 3Q18, due to the expiration of certain long-term agreements entered into with end consumers and a reduction in short-term transactions with trading companies.

In 3Q19, average sales price decreased by 7.2% compared to 3Q18, due to the decrease in the volume of short-term transactions and the 60% decrease in the short-term price. This price results from PLD, which totaled R$214.1/MWh in 3Q19 and R$494.4/MWh in 3Q18.

7.2. Financial Performance

Income Statement (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Net Operating Revenue	**296**	**390**	**-24.1%**	**833**	**981**	**-15.1%**
Energy Supply	296	390	-24.1%	810	981	-17.4%
Others	0	0	10.4%	22	1	4042.4%
Operating Expenses	(532)	(361)	47.3%	(992)	(911)	8.9%
Personnel	(1)	(1)	24.9%	(3)	(3)	1.9%
Material and Outsourced Services	(0)	(0)	5100.0%	(0)	(0)	143.1%
Others	(0)	(0)	79.0%	(1)	(1)	35.8%
Purchased Energy	(253)	(360)	-29.8%	(710)	(907)	-21.7%
Provisions - PECLD Renova	(278)	-	-	(278)	-	-
Adjusted EBITDA	**(236)**	**29**	**-**	**(159)**	**70**	**-**
EBITDA Margin	-79.6%	7.5%	-87.04 p.p.	-19.1%	7.2%	-26.26 p.p.
Financial Result	7	10	-25.6%	27	11	147.7%
Financial Revenue	8	11	-28.5%	29	12	130.8%
Financial Expense	(0)	(1)	-59.9%	(1)	(1)	2.9%
Result Before Taxes and Interests	(228)	39	-	(132)	81	-
Net Income/Loss	**(151)**	**26**	**-**	**(87)**	**53**	**-**

In 3Q19, EBITDA of the Trading Company totaled a negative amount of R$236 million, due to the provision for losses regarding advances on energy bills and operating indemnification in favor of Renova, whose economic and financial conditions deteriorated during the period.

Results excluding non recurring (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
EBITDA Pro Forma	42	29	43.6%	119	70	68.8%
Net Income Pro Forma	32	26	26.4%	96	53	79.9%

Excluding the non-recurring effect, in 3Q19, EBITDA totaled R$42 million, representing an increase of R$13 million compared to 3Q18, due to the seasonality strategy, which provided better opportunities to purchase and sell energy.

8. Indebtedness

8.1. Light S.A.

R$ Million	Cost	Current	%	Non Current	%	Total	%
Light SESA		**1,316**	**100.0%**	**6,539**	**100.0%**	**7,856**	**100.0%**
Domestic Currency		**1,275**	**96.8%**	**4,534**	**69.3%**	**5,808**	**73.9%**
Debentures 8th Issuance	CDI + 1,18%	39	3.0%	235	3.6%	274	3.5%
Debentures 9th Issuance - Serie A	CDI + 1,15%	250	19.0%	250	3.8%	500	6.4%
Debentures 9th Issuance - Serie B	IPCA + 5,74%	212	16.1%	635	9.7%	846	10.8%
Debentures 10th Issuance	115% CDI	250	19.0%	-	0.0%	250	3.2%
Debentures 12ª Issuance 3	IPCA + 9,09%	58	4.4%	-	0.0%	58	0.7%
Debentures 13ª Issuance	IPCA + 7,44%	-	0.0%	493	7.5%	493	6.3%
Debentures 15ª Issuance 1	IPCA + 6,83%	-	0.0%	555	8.5%	555	7.1%
Debentures 15ª Issuance 2	CDI + 2,20%	-	0.0%	160	2.4%	160	2.0%
Debentures 16ª Issuance 1	CDI + 0,90%	-	0.0%	133	2.0%	133	1.7%
Debentures 16ª Issuance 2	CDI + 1,25%	-	0.0%	423	6.5%	423	5.4%
Debentures 16ª Issuance 3	CDI + 1,35%	-	0.0%	63	1.0%	63	0.8%
CCB Bradesco	CDI + 3,50%	15	1.1%	-	0.0%	15	0.2%
CCB IBM 2017	CDI + 3,84%	11	0.8%	-	0.0%	11	0.1%
CCB IBM 2019	CDI	1	0.0%	1	0.0%	2	0.0%
Leasing IBM	CDI	1	0.0%	-	0.0%	1	0.0%
BNDES (CAPEX) TJLP **	TJLP + 3,52%	82	6.2%	136	2.1%	218	2.8%
BNDES (CAPEX) SELIC **	Selic + 3,08%	62	4.7%	110	1.7%	172	2.2%
BNDES (CAPEX) TLP **	IPCA + 6,14%	42	3.2%	235	3.6%	277	3.5%
BNDES (CAPEX) Prefixed **	6.00%	14	1.1%	55	0.8%	69	0.9%
BNDES Olimpíadas TJLP **	TJLP + 2,89%	14	1.0%	9	0.1%	22	0.3%
BNDES Olimpíadas SELIC **	SELIC + 2,58%	5	0.4%	3	0.0%	8	0.1%
BNDES Olimpíadas Prefixed **	3.50%	**2**	**0.1%**	**5**	**0.1%**	**7**	**0.1%**
FINEP - Innovation and Research	4.00%	23	1.8%	39	0.6%	62	0.8%
FIDC 2018 Série A	CDI + 1,20%	169	12.8%	791	12.1%	960	12.2%
FIDC 2018 Série B	IPCA + 5,75%	84	6.4%	315	4.8%	400	5.1%
Others	-	(57)	-4.4%	(112)	-1.7%	(169)	-2.1%
Foreign Currency		**42**	**3.2%**	**2,006**	**30.7%**	**2,047**	**26.1%**
Tesouro Nacional	64,05% CDI	-	0.0%	27	0.4%	27	0.3%
Citibank	CDI + 1,50%	42	3.2%	333	5.1%	375	4.8%
Notes Units	142,79% CDI	-	0.0%	1,666	25.5%	1,666	21.2%
Others		(0)	0.0%	(20)	-0.3%	(21)	-0.3%
Light Energia		**23**	**100.0%**	**1,191**	**100.0%**	**1,214**	**100.0%**
Domestic Currency		**23**	**100.0%**	**35**	**3.0%**	**58**	**4.8%**
Debentures 3rd Issuance	CDI + 1,18%	3	10.9%	15	1.3%	18	1.4%
Debentures 6th Issuance	CDI + 3,50%	17	72.9%	-	-	17	1.4%
BNDES Lajes	TJLP + 2,95%	4	16.9%	21	0	24	2.0%
Foreign Currency		-	0.0%	1,156	1	1,156	95.2%
Citibank	CDI + 1,30%	-	0.0%	333	0	333	27.4%
Notes Units	143,01% CDI	-	0.0%	833	1	833	68.6%
Others	-	-	0.0%	(10)	(0)	(10)	-0.9%
Light Conecta		**1**	**100.0%**	**1**	**100.0%**	**1**	**100.0%**
BNDES - Conecta (Domestic Currency)	TJLP + 0,53%	1	100%	1	100%	1	100%
Total		**1,340**		**7,731**		**9,071**	

R$ MM	Light SESA	Light Energia	Conecta	Others Light S.A.	Light S.A. 2Q19	Light S.A. 1Q19	Δ %
Domestic Currency	5,808	58	1	-	5,868	6,391	-8.2%
Foreign Currency	2,047	1,156	-	-	3,203	3,019	6.1%
Loans and Financing	4,167	1,180	1	-	5,348	5,220	2.5%
Debentures	3,689	34	-	-	3,723	4,191	-11.2%
Interest	169	26	0	-	195	98	98.8%
Swap Operations	-451	-222	-	-	-673	(369)	82.5%
Gross Debt	**7,574**	**1,018**	**1**	**-**	**8,593**	**9,140**	**-6.0%**
Cash and Cash Equivalents	995	958	9	90	2,052	1,151	78.4%
Net Debt	**6,579**	**60**	**-7**	**-90**	**6,541**	**7,989**	**-18.1%**

At the end of 3Q19, the Company's consolidated net debt totaled R$6,541 million, representing an 18.1% decrease compared to 2Q19. This decrease is primarily due to the increase in cash, as a result of the capital increase of R$1.9 billion resulting from the follow-on transaction and the early redemption regarding the 14th Issuance of Debentures of Light SESA.

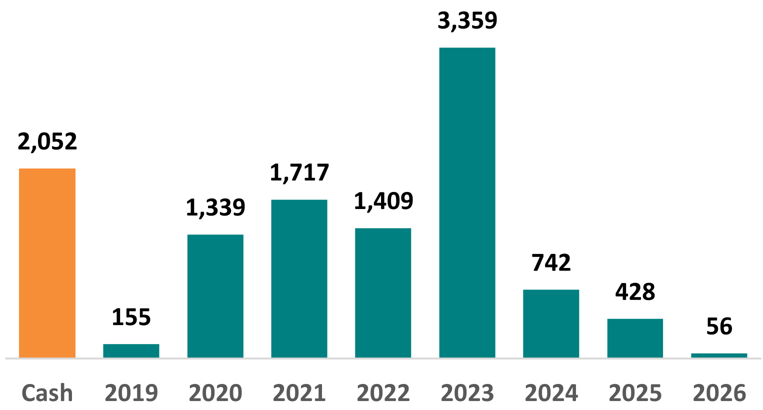
In order to optimize its debt profile, reduce financial costs and create value to its shareholders, Light conducted a number of liability management activities in 3Q19, amongst which we highlight:

I. Early redemption regarding the 14th issuance of debentures of Light Sesa, in the amount of R$328 million, which accrued interest at CDI + 3.5% p.a. and originally matured in March 2021;
II. Completion of the swap transactions regarding the 9th issuance of debentures of Light Sesa, 1st series, for the total amount of R$101 million, with a notional amount of R$500 million, accruing interest at IPCA + 7.82% p.a. and maturing in May 2021;
III. Early repayment of USD90 million, from a total of USD180 million, under the financing of Light Sesa with Citibank, which accrued interest at CDI + 2.2% p.a. and the remaining balance accrues interest at CDI + 1.5% p.a., maturing in August 2021; and
IV. Loan obtained by Light Energia with Citibank in the amount of US$80 million, accruing interest at CDI + 1.30% p.a. and bullet repayments within two years.

In addition to these initiatives, on September 27, the Board of Directors of the Company approved the following financial transactions:

I. 17th issuance of simple debentures of Light Sesa, with restricted placement efforts, pursuant to CVM Instruction No. 476/09, in the total amount of up to R$1.0 billion. Funds will be primarily used to refinance existing debt and reinforce working capital; and
II. Early redemption of 35% of the bonds issued by Light Sesa and Light Energia, in an amount equivalent to USD210 million.

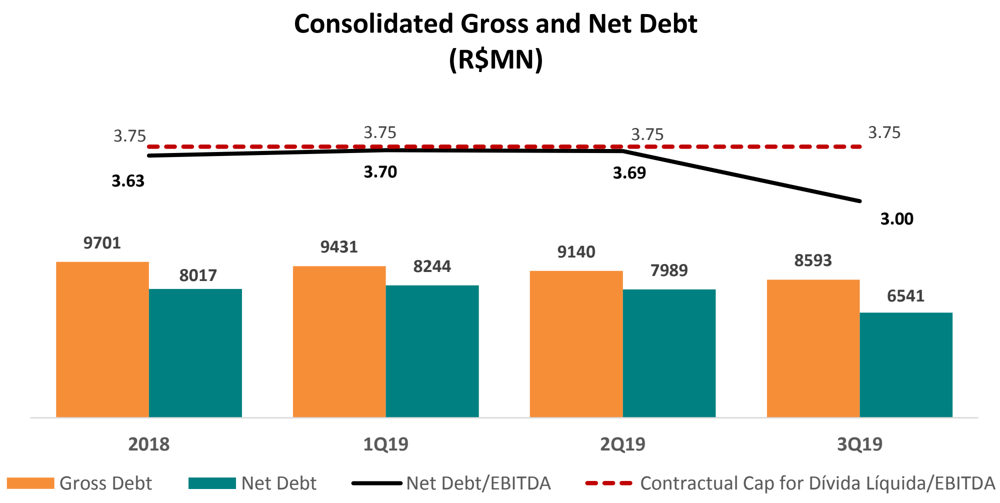
Amortization of Loans and Financing and Debentures (R$MM)
Average Maturity: 3.0 years

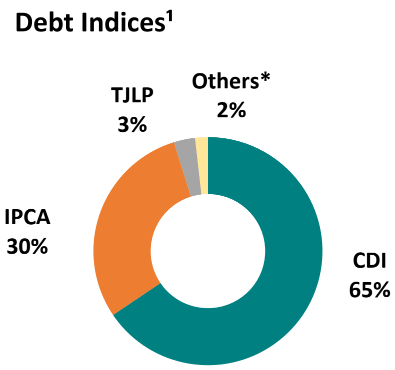


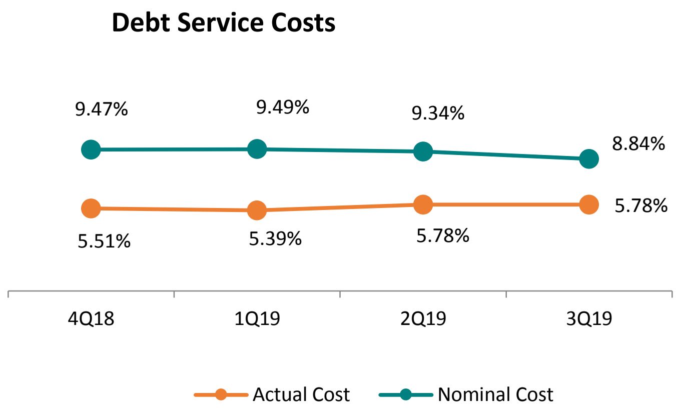
At the end of 3Q19, the Net Debt/EBITDA ratio was 3.00x, an improvement compared to 2Q19 (3.69x), due to an inflow of funds from the follow-on transaction, which allowed a reduction in the debt balance and provided a more robust cash position. The calculation of EBITDA for covenants excluded non-recurring revenue of R$1,086 million, as set forth in the table below.

It is important to highlight that the contractual maximum covenant limit is 3.75x under most agreements.

At the end of 3Q19, EBITDA/Interest ratio was 3.12x, above the minimum contractual limit of 2.0x under most agreements.







[1]Considering Hedge
* Equivalent to the sum of fixed cost, Libor and U.S. dollar exchange rate variation.

Covenants Multiple - R$ MN		sep/19	jun/19	mar/19	dec/18	sep/18
Loans and Financing	+	5,417	5,293	5,367	5,561	5,876
Loans and Financing Cost	-	(68)	(72)	-	-	-
Interest related to Loans and Financing	+	88	39	88	62	109
Debentures	+	3,788	4,265	4,137	4,356	3,766
Debentures Cost	-	(65)	(74)	-	-	-
Interest related to Debentures	+	107	59	99	49	106
Swap Operations	+	(673)	(369)	(260)	(328)	(312)
Gross Debt	=	**8,593**	**9,140**	**9,431**	**9,701**	**9,545**
Cash	-	2,052	1,151	1,187	1,684	1,406
Net Debt (a)	=	**6,541**	**7,989**	**8,244**	**8,017**	**8,139**
EBITDA CVM (12 months)		**2,358**	**1,524**	**1,645**	**1,507**	**1,707**
Equity Income (12 months)	-	(31)	(128)	(59)	(85)	(254)
Provision (12 months)	-	(919)	(597)	(627)	(674)	(594)
Other Operational Revenues/Expenses (12 months)	-	(85)	(73)	(82)	(91)	(63)
Regulatory Assets and Liabilities (12 months)	+	(124)	(155)	(185)	(147)	(341)
Other Revenue -PIS/COFINS credit		1,086	-	-	-	-
EBITDA for Covenants (12 months) (b)	=	**2,183**	**2,167**	**2,229**	**2,211**	**2,277**
Interests (c)		**699**	**726**	**718**	**697**	**629**
Net Debt/EBITDA for Covenants (a/b)		**3.00**	**3.69**	**3.70**	**3.63**	**3.57**
Contractual Cap for Dívida Líquida/EBITDA		3.75	3.75	3.75	3.75	3.75
EBITDA for Covenants/Interest (b/c)		**3.12**	**2.99**	**3.10**	**3.17**	**3.62**
Contractual Lower Limit for EBITDA/Juros		2.00	2.00	2.00	2.00	2.00

Ratings	Grade		Date
	National	Foreign	
Fitch	A+	BB-	07/16/2019
Standard & Poors	AA+	-	07/15/2019
Moody's	A2.br	Ba3	09/04/2019

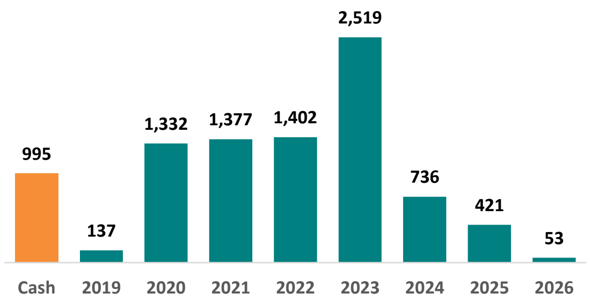
In 3Q19, the Company's credit ratings changed compared to 2Q19. As a consequence of the follow-on transaction, Moody's upgraded the Company's rating from A3.br to A2.br in the national scale and confirmed the Ba3 rating in the international scale, maintaining both ratings with a stable prospect.

In September 2019, S&P Global rated the 17th issuance of debentures of Light Sesa as AA+ in the national scale.

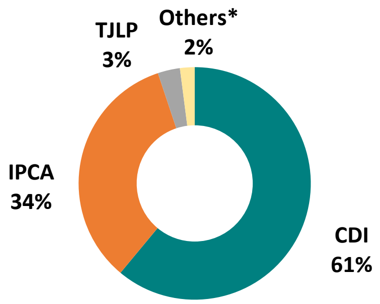
8.2. Debt Breakdown

Light SESA

Amortization[1] (R$MN)
Average Maturity: 3.0 years

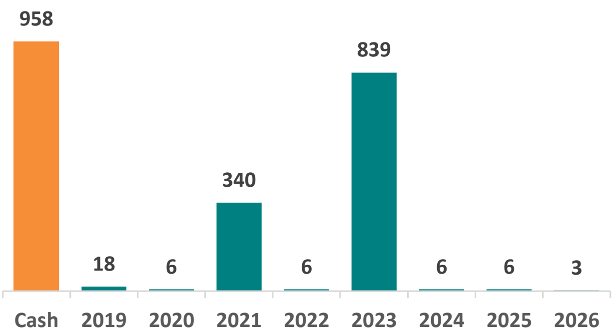


Debt Indices[2]



Light Energia

Amortization[1] (R$MN)
Average Maturity: 3.2 years



Debt Indices[2]

[1] Principal of loans and financing and debentures.
[2] Considering Hedge
* Equivalent to the sum of fixed cost, Libor and the U.S. dollar exchange rate variation

9. Consolidated Capital Expenditure

Capex (R$ MM)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Distribution	202	176	14.2%	522	447	16.7%
Engineering	135	110	22.2%	369	289	27.6%
Commercial	67	66	0.9%	153	158	-3.2%
Non-electrical Assets	19	23	-17.6%	46	46	-0.8%
Generation	16	14	10.8%	34	27	26.6%
Total	**236**	**213**	**10.6%**	**602**	**521**	**15.7%**
Capital Contribution	**23**	**17**	**37.6%**	**50**	**81**	**-38.2%**
Belo Monte	-	-	-	0	24	-99.9%
Itaocara	23	-	-	23	4	554.9%
Guanhães	-	17	-	21	53	-61.3%
Axxiom	-	-	-	6	-	-
Total Capex (includes transfers to subsidiaries)	**259**	**230**	**12.6%**	**652**	**601**	**8.5%**

The Company's consolidated capital expenditure, excluding contributions, increased by 10.6% in 3Q19 compared to 3Q18, primarily due to an increased number of new customer connections and investments in projects focused on improved quality, corrective maintenance of the network and increased capacity of substations.

In continuation to the decision of not implementing UHE Itaocara, Itaocara received a contribution of R$23 million in 3Q19 to pay for the termination of energy sales agreements still outstanding. Accordingly, all agreements of UHE Itaocara were terminated.

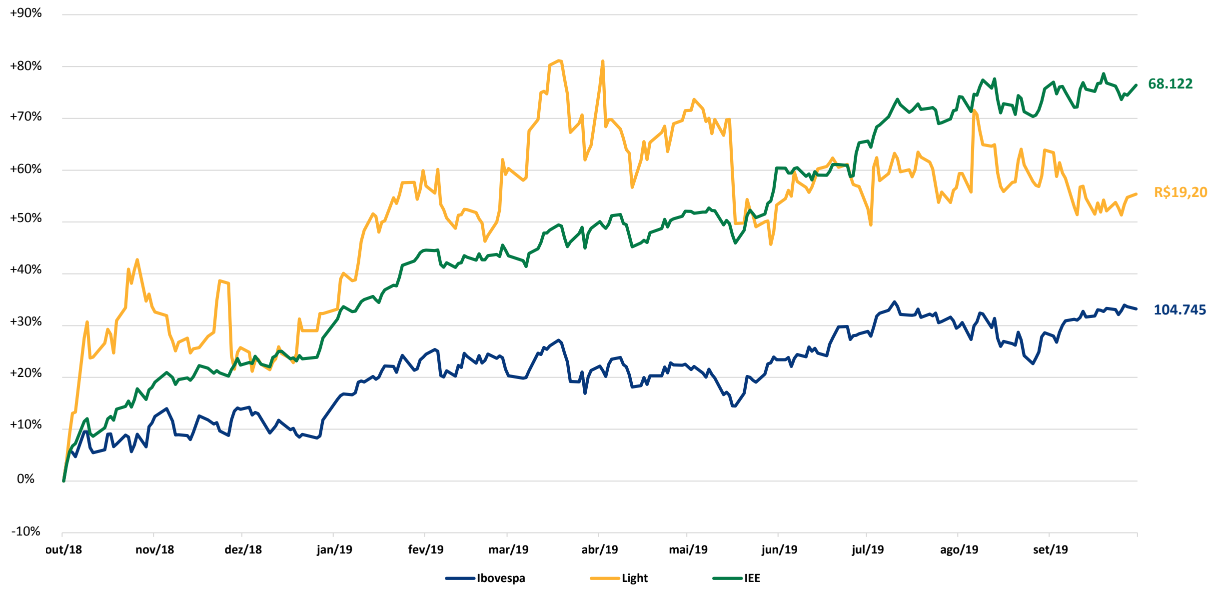
The decision not to implement Itaocara is part of the strategy of divestment of non-core assets, including shared-controlled equity interest.

10. Capital Markets

Light S.A.'s shares (LIGT3) were priced at R$19.20 at the end of September 2019. At the end of 3Q19, the Company's market value was R$5.8 billion.

Performance Light's shares vs. Ibovespa vs. IEE

On a 100 basis on October 1, 18



Market Information	3Q19	3Q18
Volume Average - LIGT3 (R$ MN)	59.2	16.2
Shares Average - LIGT3 (R$ / share)	19.6	12.7
ADTV 90 days (R$ MN)	48.0	16.9
Price Change - LIGT3	1.9%	13.5%
Price Change - IEE	6.5%	2.1%
Price Change - IBOV	3.4%	9.0%

ANNEX I – Generation Projects

Current Generation Park					
Existing Power Plants	Installed Capacity (MW)[1]	Assured Energy (MWm)[2]	Operation Start	Concession / Authorization Expiration Date	Light's stake
Fontes Nova	132	99	1940	2026	100%
Nilo Peçanha	380	334	1953	2026	100%
Pereira Passos	100	49	1962	2026	100%
Ilha dos Pombos	187	109	1924	2026	100%
Santa Branca	56	30	1999	2026	100%
Elevatórias	-	(101)	-	-	-
SHPP Lajes	18	17	2018	2026	100%
SHPP Paracambi	13	10	2012	2031	51%
Belo Monte	249	114	2016	2045	2.49%
Guanhães	22	12	2018	2047	51%
Total	**1158**	**672**	-	-	-

New Projects	Installed Capacity (MW)[1]	Assured Energy (MWm)[12]	Operation Start	Concession / Authorization Expiration Date	Light's stake
Belo Monte	30	0	2016	2045	2.49%
Total	**30**	**0**	-	-	-

[1]Light's proportional stake

[2]Assured Energy as of Jan 1st, 2018 (MWm)

ANNEX II – CVM EBITDA Reconciliation

CVM EBITDA (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Net Operating Revenue (A)	**1,519**	**6**	**24678.9%**	**1,694**	**73**	**2207.2%**
Social Contributions & Income Tax (B)	(2)	10	-	(139)	(41)	236.3%
Deferred Income Tax (C)	(747)	(27)	2667.1%	(747)	(39)	1793.2%
EBT (A - (B + C))	**2,268**	**23**	**9654.7%**	**2,580**	**154**	**1574.0%**
Depreciation (D)	(147)	(139)	5.9%	(440)	(406)	8.2%
Financial Expenses Revenue (E)	1,277	(142)	-	1,015	(593)	-
CVM EBITDA ((A) - (B) - (C) - (D) - (E))	**1,138**	**304**	**274.5%**	**2,004**	**1,153**	**73.8%**

Light

ANNEX III – Income Statement

Light SESA

Income Statement (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Operating Revenues	**5,228**	**4,526**	**15.5%**	**14,839**	**13,693**	**8.4%**
Electricity Sales	3,262	3,445	-5.3%	**11,272**	11,012	2.4%
CVA	62	367	-83.0%	94	655	-85.7%
Construction Revenues	182	183	-1.1%	529	467	13.2%
Other Revenues - PIS/COFINS credits	1,086	-	-	1,086	-	-
Other Revenues	636	531	19.9%	1,859	1,558	19.3%
Deductions From Operating Revenues	(1,664)	(1,877)	-11.3%	(5,812)	(5,815)	-0.1%
Net Operating Revenues	**3,564**	**2,649**	**34.6%**	**9,028**	**7,878**	**14.6%**
Electricity Costs	(1,858)	(1,971)	-5.7%	(6,076)	(5,786)	5.0%
Operating Expenses	(420)	(393)	6.8%	(1,155)	(1,197)	-3.5%
Personnel	(92)	(97)	-5.3%	(296)	(273)	8.1%
Material	(5)	(5)	-8.5%	(17)	(15)	9.2%
Third party services	(136)	(139)	-2.3%	(392)	(394)	-0.7%
Provisions	(202)	(155)	30.2%	(509)	(539)	-5.6%
Others	15	4	283.4%	58	25	132.5%
Adjusted EBITDA	**1,286**	**285**	**351.2%**	**1,797**	**895**	**100.8%**
Depreciation and amortization	(133)	(124)	6.6%	(397)	(362)	9.7%
Other operating revenues/expenses	(17)	(2)	622.0%	(27)	(14)	90.2%
Operating Income	1,136	158	617.6%	1,373	519	164.8%
Net Financial Result	1,274	(124)	-	993	(476)	-
Financial Revenues	1,731	194	790.8%	1,821	454	301.4%
Financial Expenses	(457)	(319)	43.3%	(828)	(930)	-10.9%
Income before tax	2,410	35	6886.7%	2,367	43	5382.9%
Income Tax / Social Contribution	2	-	-	2	-	-
Deferred Taxes	(819)	(13)	6342.6%	(809)	(17)	4638.5%
Net Income	**1,593**	**21**	**7419.5%**	**1,558**	**25**	**6013.7%**

Light Energia

Income Statement (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Operating Revenues	**319**	**402**	**-20.6%**	**882**	**933**	**-5.4%**
Energy supply - Energy sales	229	217	6.0%	693	636	8.9%
Energy supply - Spot	87	182	-52.4%	181	288	-37.4%
Others - TUSD	2	3	-6.8%	7	6	16.7%
Others	1	1	5.8%	1	2	-28.4%
Deductions from Operating Revenues	(36)	(38)	-6.4%	(104)	(102)	1.9%
Net Operating Revenues	**284**	**364**	**-22.1%**	**778**	**831**	**-6.3%**
Electricity Costs	(220)	(329)	-33.3%	(311)	(495)	-37.1%
Operating Expenses	(10)	(11)	-13.5%	(34)	(36)	-4.3%
Personnel	(7)	(5)	28.7%	(19)	(18)	9.4%
Material	(0)	(0)	67.2%	(1)	(0)	38.4%
Third party services	(3)	(4)	-21.5%	(11)	(11)	-3.1%
Provisions	2	(0)	-	2	(1)	-
Others	(2)	(2)	-2.9%	(5)	(5)	-9.4%
Adjusted EBITDA	**54**	**24**	**131.2%**	**433**	**300**	**44.3%**
Depreciation and amortization	(14)	(14)	5.8%	(42)	(41)	4.2%
Other operating revenues/expenses	-	5	-	(1)	3	-
Operating income	40	15	165.0%	390	262	48.6%
Equity Income	87	(43)	-	5	(88)	-
Net Financial Result	(5)	(28)	-82.2%	(8)	(129)	-93.6%
Financial Revenues	87	56	53.4%	146	114	28.0%
Financial Expenses	(91)	(84)	8.7%	(154)	(246)	-37.4%
Income before Tax	122	(56)	-	386	45	754.9%
Income Tax / Social Contribution	13	23	-41.8%	(91)	(12)	633.2%
Deferred Taxes	(22)	(14)	54.0%	(32)	(26)	24.4%
Net Income	**114**	**(47)**	**-**	**263**	**7**	**3547.8%**

ANNEX IV – Statement of Financial Result

Light S.A.

Financial Result (R$ MN)	3Q19	3Q18	% Change 3Q19/3Q18	9M19	9M18	% Change 9M19/9M18
Financial Revenues	**1,827**	**257**	**612.1%**	**2,000**	**577**	**246.5%**
Income from Financial Investments	31	22	40.7%	63	41	56.2%
Swap Operations	279	160	74.2%	358	355	0.8%
Moratory Increase / Debts Penalty	16	48	-65.9%	60	94	-36.5%
Restatement of Sector's Assets and Liabilities	25	11	124.9%	15	59	-73.7%
Restatement of ICMS calculation basis of PIS/COFINS	1,461	-	-	1,461	-	-
Others Financial Revenues	13	15	-10.3%	42	29	45.8%
Financial Expenses	**(550)**	**(398)**	**-38.0%**	**(984)**	**(1,170)**	**-15.9%**
Debt Expenses (Local Currency)	(105)	(126)	-16.8%	(343)	(383)	-10.4%
Debt Expenses (Foreign Currency)	(69)	(62)	12.1%	(180)	(91)	97.9%
Monetary Variation	(10)	(20)	-50.3%	(75)	(44)	68.0%
Exchange Rate Variation	(251)	(130)	93.6%	(204)	(499)	-59.2%
Itaipu Exchange Rate Variation	(11)	(7)	57.3%	(4)	(33)	-88.9%
Restatement of provision for contingencies	(6)	(2)	168.9%	(13)	(8)	55.5%
Restatement of R&D/PEE/FNDCT	(4)	(3)	6.4%	(11)	(10)	8.3%
Interest and Fines on Taxes	(3)	(5)	-30.5%	(7)	(14)	-47.6%
Installment Payment - Fines and Interest Rates Law 11.9	(1)	(1)	-21.4%	(3)	(4)	-20.2%
Restatement of GSF	0	(21)	-	(23)	(45)	-49.1%
Other Financial Expenses (Includes IOF)	(89)	(20)	336.6%	(124)	(38)	227.3%
Braslight (Private Pension Fund)	-	-	-	-	(2)	-
Total	**1,277**	**(142)**	**-**	**1,015**	**(593)**	**-**

ANNEX V – Statement of Financial Position

Light S.A. (R$ million)

ASSETS	09/30/2019	12/31/2018
Current	**5,619**	**5,635**
Cash & cash equivalents	456	707
Marketable securities	1,597	977
Receivable accounts	2,382	2,855
Inventories	42	38
Taxes and contributions recoverable	139	75
Income tax and social contribution recoverable	82	30
Sector's financial assets	545	564
Prepaid expenses	24	30
Dividends receivable	0	0
Receivables from services rendered	81	90
Swap derivative financial instruments	1	15
Other current assets	271	254
Non-current	**19,117**	**12,228**
Receivable accounts	1,364	1,013
Taxes and contributions recoverable	6,224	52
Deferred taxes	97	405
Sector's financial assets	274	148
Concession financial asset	4,505	4,272
Deposits related to litigation	279	295
Swap derivative financial instruments	685	424
Other current assets	0	84
Contractual asset	639	330
Right of use asset	85	0
Investments	582	547
Fixed assets	1,551	1,560
Intangible	2,831	3,096
Total Assets	**24,735**	**17,864**

LIABILITIES	09/30/2019	12/31/2018
Current	**4,988**	**5,278**
Suppliers	2,258	2,120
Taxes and contributions	436	339
Income tax and social contribution	65	14
Loans and financing	619	1,041
Debentures	916	955
Financial liabilities of the sector	0	3
Dividends payable	39	39
Labor obligations	101	77
Leasing	31	0
Other obligations	522	691
Non-current	**12,837**	**9,196**
Loans and financing	4,817	4,582
Debentures	2,914	3,451
Swap derivative financial instruments	13	112
Taxes and contributions	259	305
Deferred taxes	647	208
Provisions for tax, civil, labor and regulatory risks	500	476
Leasing	56	0
Amounts to be refunded to consumers	3,573	0
Other obligations	56	62
Shareholders' Equity	**6,911**	**3,389**
Capital Stock	4,051	2,226
Capital reserves	2	0
Profit reserves	929	929
Asset valuation adjustments	324	336
Other comprehensive income	(101)	(101)
Retained Earnings	1,706	0
Total Liabilities	**24,735**	**17,864**

Light SESA (R$ million)

ASSETS	09/30/2019	12/31/2018
Current	**3,938**	**4,357**
Cash & cash equivalents	289	491
Marketable securities	706	493
Receivable accounts	1,778	2,335
Inventories	37	34
Taxes and contributions	133	67
Income tax and social contribution	81	29
Sector's financial assets	545	564
Prepaid expenses	24	28
Receivables from services rendered	81	90
Swap derivative financial instruments	1	1
Other current assets	264	226
Non-current	**16,863**	**10,046**
Receivable accounts	1,323	875
Taxes and contributions	6,224	52
Deferred taxes	0	402
Sector's financial assets	274	148
Concession financial asset	4,505	4,272
Deposits related to litigation	275	292
Swap derivative financial instruments	457	324
Contractual asset	639	330
Right of use asset	82	0
Investments	28	30
Fixed assets	229	230
Intangible	2,826	3,091
Total Assets	**20,801**	**14,402**

LIABILITIES	09/30/2019	12/31/2018
Current	**3,582**	**3,791**
Suppliers	1,068	1,133
Taxes and contributions	429	329
Income tax and social contribution	1	1
Loans and financing	589	814
Debentures	896	777
Financial liabilities of the sector	0	3
Dividends payable	18	18
Labor obligations	91	68
Leasing	30	0
Other obligations	460	648
Non-current	**11,383**	**8,165**
Loans and financing	3,640	3,792
Debentures	2,899	3,433
Swap derivative financial instruments	7	112
Taxes and contributions	259	305
Deferred taxes	407	0
Provisions for tax, civil, labor and regulatory risks	496	471
Leasing	54	0
Amounts to be refunded to consumers	3,573	0
Other obligations	48	53
Shareholders' Equity	**5,836**	**2,446**
Capital Stock	4,146	2,314
Capital reserves	7	7
Profit reserves	222	222
Other comprehensive income	-97	-97
Accumulated losses	1,558	0
Total Liabilities	**20,801**	**14,402**

Light Energia (R$ million)

ASSETS	09/30/2019	12/31/2018
Current	**1,666**	**1,265**
Cash & cash equivalents	105	90
Marketable securities	853	483
Receivable accounts	695	663
Taxes and contributions	4	6
Swap derivative financial instruments	0	14
Inventories	5	4
Prepaid expenses	0	2
Other current assets	4	4
Non-current	**1,655**	**1,507**
Swap derivative financial instruments	228	101
Contingency deposits	3	3
Investments	136	111
Fixed assets	1,281	1,289
Intangible	3	3
Right of use asset	3	0
Total Assets	**3,321**	**2,772**

LIABILITIES	09/30/2019	12/31/2018
Current	**1,330**	**1,466**
Suppliers	1,172	1,013
Taxes and contributions	3	3
Income tax and social contribution	54	1
Loans and financing	29	224
Debentures	20	178
Labor obligations	8	6
Leasing obligations	1	0
Other obligations	43	40
Non-current	**1,452**	**1,030**
Loans and financing	1,176	789
Debentures	15	17
Deferred taxes	240	208
Swap	6	0
Provisions for tax, civil, labor and regulatory risks	4	5
Other obligations	9	10
Leasing obligations	2	0
Shareholders' Equity	**540**	**276**
Capital Stock	77	77
Profit reserves	25	25
Asset valuation adjustments	324	336
Other comprehensive income	-4	-4
Accumulated losses	116	-159
Total Liabilities	**3,321**	**2,772**

ANNEX VI – Statement of Cash Flows

Light S.A.

R$ MN	9M19	9M18
Net cash generated by operating activities	**239**	**(93)**
Cash generated by (used in) operations	**1,322**	**1,117**
Net income (loss) before income tax and social contribution	2,580	154
Allowance for doubtful accounts	515	366
Depreciation and amortization	440	406
Loss from the sale or write-off of intangible assets/property, plant and equipment/investment	45	11
Exchange and inflation adjustment losses from financial activities	278	544
Financial provisions and update for tax, civil, labor and regulatory risks and financial update of deposits related to litigation	278	174
Adjustment to present value and prepayment of receivables	(1)	(13)
Interest expense on loans, borrowings and debentures	523	475
Charges and inflation adjustment of post-employment obligations	-	2
Interest over lease obligations	6	-
Swap variation	(358)	(355)
Equity in the earnings of subsidiaries	10	65
Provision for investment losses	-	13
Effect of PIS/COFINS Credits	(2,480)	-
Stock option granted	2	-
Gain (loss) on investments valued at cost	1	-
Fair value of the concession's indemnifiable assets	(111)	(134)
Recognition and restatement of financial assets and liabilities of the sector	(404)	(592)
Changes in assets and liabilities	**(1,083)**	**(1,210)**
Marketable securities	(128)	(67)
Consumers, concessionaires and permissionaires	(113)	(747)
Dividends received	3	2
Taxes, fees and contributions to offset	(118)	58
Financial assets and liabilities of the sector	295	(40)
Inventories	(4)	(3)
Receivables from services rendered	9	(11)
Prepaid expenses	6	3
Deposits related to litigation	(11)	(42)
Other assets	(115)	(192)
Assets and liabilities classified for sale		(44)
Suppliers	148	210
Labor obligations	24	19
Taxes, fees and contributions payable	(68)	167
Payment of provisions for tax, civil, labor and regulatory risks	(227)	(121)
Other liabilities	(274)	41
Interest paid	(427)	(337)
Income tax and social contribution paid	(84)	(107)
Net cash used in investing activities	**(1,130)**	**(1,484)**
Receivables from sale of equity stakes	14	-
Acquisition of property, plant and equipment	(40)	(44)
Acquisition of intangible and contractual assets	(563)	(464)
Capital Increase	(50)	(77)
Redemption of financial investments	1,513	658
Financial investments	(2,004)	(1,557)
Net cash generated by (used in) financing activities	**640**	**1,663**
Receipt for the issue of shares	1,825	-
Dividends paid	-	(30)
Payment of lease obligations	(28)	-
Loans, borrowings and debentures	1,212	4,900
Amortization of loans, borrowings and debentures	(2,370)	(3,153)
Amortization of pension plan contractual debt	-	(54)
Net increase (decrease) in cash and cash equivalents	**(251)**	**87**
Cash and cash equivalents at the beginning of the year	707	270
Cash and cash equivalents at the end of the year	456	357

Light SESA

R$ MN	9M19	9M18
Net cash generated by operating activities	**(202)**	**(324)**
Cash generated by (used in) operations	**774**	**780**
Net income (loss) before income tax and social contribution	2,366	43
Allowance for doubtful accounts	237	366
Depreciation and amortization	397	362
Loss from the sale or write-off of intangible assets/property, plant and equipment	43	9
Exchange and inflation adjustment losses from financial activities	224	424
Provisions for tax, civil, labor and regulatory risks and judicial deposits	279	173
Adjustment to present value and prepayment of receivables	-1	-13
Interest expense on loans, borrowings and debentures	460	404
Charges and inflation adjustment of post-employment obligations	0	2
	-2,480	0
Fair value of the concession's indemnifiable assets	-111	-134
Interest over lease obligations	6	0
Swap variation	-242	-263
Recognition and restatement of financial assets and liabilities of the sector	-242	-592
Gain (loss) on investments valued at cost	1	0
Changes in assets and liabilities	**(976)**	**(1,104)**
Marketable securities	-107	-60
Consumers, concessionaires and permissionaires	-128	-546
Taxes, fees and contributions to offset	-121	37
Financial assets and liabilities of the sector	295	-40
Inventories	-3	-8
Receivables from services rendered	9	-11
Prepaid expenses	4	2
Deposits related to litigation	-10	-42
Other assets	70	-85
Suppliers	-56	-150
Labor obligations	23	17
Taxes, fees and contributions payable	-60	193
Provisions for tax, civil, labor and regulatory risks	-227	-121
Other liabilities	-297	26
Interest paid	-369	-317
Net cash used in investing activities	**(677)**	**(960)**
Acquisition of property, plant and equipment	-8	-17
Acquisition of intangible and contractual assets	-563	-463
Redemption of financial investments	1,049	426
Financial investments	-1,155	-906
Net cash generated by (used in) financing activities	**678**	**1,248**
Capital increase	1,832	0
Dividends Paid	0	-22
Payment of lease obligations	-27	0
Loans, borrowings and debentures	878	4,024
Amortization of loans, borrowings and debentures	-2,006	-2,612
Amortization of pension plan debt	0	-52
Amortization of loans - related parties	0	-90
Net increase (decrease) in cash and cash equivalents	**(202)**	**(35)**
Cash and cash equivalents at the beginning of the year	491	160
Cash and cash equivalents at the end of the year	289	124

Light Energia

R$ MN	9M19	9M18
Net cash generated by operating activities	**448**	**201**
Cash generated by (used in) operations	**423**	**278**
Net income before income tax and social contribution	386	45
Depreciation and amortization	42	41
Loss from the sale of intangible assets/property, plant and equipment	0	2
Exchange rate and monetary losses (gains) from financial activities	54	120
Provision for contingencies and restatement	(2)	1
Interest expense on loans, borrowings and debentures	63	74
Swap variation	(116)	(92)
Equity in the earnings of subsidiaries	(5)	88
Changes in assets and liabilities	**25**	**(77)**
Marketable securities	(20)	(12)
Concessionaires and licensees	(32)	(373)
Taxes, fees and contributions	2	(8)
Inventories	(1)	(0)
Prepaid expenses	2	2
Deposits related to litigation	(1)	(0)
Other assets	2	(9)
Suppliers	158	365
Labor liabilities	1	2
Taxes, fees and contributions payable	(5)	9
Other liabilities	8	28
Interest paid	(58)	(50)
Interest received	-	31
Income tax and social contribution paid	(34)	(61)
Net cash used in investing activities	**(403)**	**(501)**
Acquisition of property, plant and equipment	(32)	(28)
Redemption of financial investments	457	177
Financial investments	(808)	(596)
Investments/Acquisition of inventsments	(21)	(53)
Net cash generated by (used in) financing activities	**(29)**	**0**
Obligation payment of finance lease	(1)	877
Loans, borrowings and debentures	334	(532)
Amortization of loans, borrowings and debentures	(361)	90
Received loans - Related parties	-	(3)
Net increase (decrease) in cash and cash equivalents	**16**	**133**
Cash and cash equivalents at the beginning of the year	90	53
Cash and cash equivalents at the end of the year	105	186

List of Abbreviations and Acronyms

- **ACL –** Free Contracting Environment
- **ANEEL –** National Electric Energy Agency
- **BNDES –** Brazilian Development Bank
- **CCEE –** Brazilian Electricity Trading Chamber
- **CCRBT –** Rate Tier Fund Account
- **CDE –** Energy Development Account
- **ACR Account –** Regulated Market Account
- **CUSD –** Distribution System Utilization Agreement
- **CUST –** Transmission System Utilization Agreement
- **CVA –** "A Component" Variation Offset Account
- **CVM –** Brazilian Securities Commission
- **DDSD –** Delegated Services Defense Office
- **DEC –** Equivalent Outage Duration
- **DIC –** Individual Outage Duration per Consumer Unit
- **DIT –** Other Distribution Facilities
- **ESS –** System Service Charges
- **FEC –** Equivalent Outage Frequency
- **FIC –** Individual Outage Frequency per Consumer Unit
- **GSF –** Generation Scaling Factor
- **IRT –** Annual Tariff Adjustment Index
- **O&M –** Operation and Maintenance
- **PCH –** Small Hydro Plant
- **PECLD –** Estimated Allowance for Doubtful Accounts
- **PLD –** Difference Settlement Price
- **PMSO –** Personnel, Materials, Services and Others
- **REN –** Energy Recovery
- **TOI –** Inspection Report
- **TUSD –** Distribution System Usage Charge
- **TUST –** Transmission System Usage Charge
- **UHE –** Hydropower Plant
- **UTE –** Thermal Power Plant
- **VNR –** New Replacement Value

NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY FINANCIAL REPORT

FOR THE QUARTER ENDED ON SEPTEMBER 30, 2019

LIGHT S.A.

STATEMENTS OF FINANCIAL POSITION

ON SEPTEMBER 30, 2019 AND DECEMBER 31, 2018

(In thousands of reais)

ASSETS	Notes	Parent Company		Consolidated	
		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Cash & Cash Equivalents	4	61	73,026	455,743	707,042
Marketable Securities	5	29,219	2	1,596,528	976,798
Consumers, Concessionaires, Permissionaires and Clients	6	-	-	2,381,542	2,855,348
Inventories		-	-	41,728	38,046
Taxes and Contributions to be Recovered	8	-	39	138,553	75,089
Recoverable income tax and social contribution	8	622	861	82,157	29,786
Financial Assets of the Sector	10	-	-	545,060	564,186
Prepaid Expenses		-	70	23,793	29,707
Dividends to Receive	14	111,875	18,717	-	-
Services Receivable		100	259	81,331	90,439
Derivative Financial Instruments - Swap	35	-	-	1,092	14,935
Other Credits	12	3,294	18,676	271,002	253,994
TOTAL CURRENT ASSETS		**145,171**	**111,650**	**5,618,529**	**5,635,370**
Consumers, Concessionaires, Permissionaires and Clients	6	-	-	1,363,844	1,013,206
Taxes and Contributions to be Recovered	8	-	-	6,224,000	52,404
Deferred Taxes	9	-	-	97,164	404,867
Prepaid Expenses		-	-	125	125
Financial Assets of the Sector	10	-	-	274,349	148,469
Concession's financial assets	11	-	-	4,505,492	4,271,861
Deposits Related to Litigation	21	628	601	278,922	294,906
Derivative Financial Instruments - Swap	35	-	-	685,390	424,424
Other Credits	12	-	-	-	84,260
Contract asset	13	-	-	639,357	330,240
Right-of-use assets	24	-	-	85,063	-
Investments	14	6,891,398	3,324,434	581,675	546,622
Property, Plant & Equipment	15	-	-	1,550,699	1,560,481
Intangible Assets	16	-	-	2,830,885	3,096,468
TOTAL NON-CURRENT ASSETS		**6,892,026**	**3,325,035**	**19,116,965**	**12,228,333**
TOTAL ASSETS		**7,037,197**	**3,436,685**	**24,735,494**	**17,863,703**

The notes are an integral part of the interim financial information.

LIGHT S.A.

STATEMENTS OF FINANCIAL POSITION

ON SEPTEMBER 30, 2019 AND DECEMBER 31, 2018

(In thousands of reais)

LIABILITIES	Notes	Parent Company		Consolidated	
		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Suppliers	17	1,986	3,840	2,258,300	2,119,660
Taxes and Contributions Payable	18	73	2,070	436,238	338,911
Income tax and social contribution payable	18	57	56	64,953	13,937
Loans and Financing	19	-	-	619,282	1,041,084
Debentures	20	-	-	915,722	954,952
Financial liabilities of the sector	10	-	-	-	2,619
Dividends to Pay	14	39,373	39,373	39,373	39,373
Labor Liabilities		1,504	1,379	101,051	76,606
Liabilities due to Lease	24	-	-	31,365	-
Other Payables	25	15,972	475	521,822	691,267
TOTAL CURRENT LIABILITIES		**58,965**	**47,193**	**4,988,106**	**5,278,409**
Loans and Financing	19	-	-	4,817,330	4,581,886
Debentures	20	-	-	2,913,757	3,450,539
Derivative Financial Instruments - Swap	35	-	-	13,450	111,664
Taxes and Contributions Payable	18	-	-	259,468	304,553
Deferred Taxes	9	-	-	647,460	208,488
Short-Term Equity Interest	14	66,713	-	-	-
Provisions for tax, civil, labor and regulatory contingencies	21	846	-	500,096	476,244
Liabilities due to Lease	24	-	-	55,736	-
Amounts to be refunded to consumers	7	-	-	3,573,063	-
Other Payables	25	-	-	56,355	62,428
TOTAL NON-CURRENT LIABILITIES		**67,559**	**-**	**12,836,715**	**9,195,802**
SHAREHOLDERS’ EQUITY					
Share Capital	27	4,051,285	2,225,822	4,051,285	2,225,822
Capital Reserve		1,534	-	1,534	-
Profit Reserves		929,056	929,056	929,056	929,056
Equity valuation adjustments		324,009	336,107	324,009	336,107
Other comprehensive income		(101,493)	(101,493)	(101,493)	(101,493)
Accumulated Profits		1,706,282	-	1,706,282	-
TOTAL SHAREHOLDERS' EQUITY		**6,910,673**	**3,389,492**	**6,910,673**	**3,389,492**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7,037,197**	**3,436,685**	**24,735,494**	**17,863,703**

The notes are an integral part of the interim financial information.

LIGHT S.A.

STATEMENTS OF INCOME

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(In thousands of reais, except earnings per share)

		Parent Company				Consolidated			
	Notes	July 1, 2019 to September 30, 2019	January 1, 2019 to September 30, 2019	July 1, 2018 to September 30, 2018	January 1, 2018 to September 30, 2018	July 1, 2019 to September 30, 2019	January 1, 2019 to September 30, 2019	July 1, 2018 to September 30, 2018	January 1, 2018 to September 30, 2018
NET REVENUE	29	**-**	**-**	**-**	**-**	**3,935,989**	**10,094,130**	**3,176,446**	**9,080,783**
OPERATIONS COSTS	31	**-**	**-**	**-**	**-**	**(2,396,305)**	**(7,364,741)**	**(2,706,994)**	**(7,355,356)**
Electric power purchased for resale	32	-	-	-	-	(1,940,296)	(6,021,572)	(2,250,550)	(6,089,340)
Personnel and Management		-	-	-	-	(69,416)	(229,345)	(65,841)	(185,899)
Materials		-	-	-	-	(5,196)	(15,835)	(3,076)	(35,203)
Outsourced Services		-	-	-	-	(87,852)	(252,691)	(96,401)	(266,709)
Depreciation and Amortization		-	-	-	-	(141,706)	(421,581)	(131,705)	(392,302)
Cost of Construction		-	-	-	-	(181,509)	(528,752)	(183,444)	(466,937)
Other revenues, net		-	-	-	-	29,670	105,035	24,023	81,034
GROSS PROFIT		**-**	**-**	**-**	**-**	**1,539,684**	**2,729,389**	**469,452**	**1,725,427**
OPERATING EXPENSES		**(20,004)**	**(27,380)**	**(12,237)**	**(22,613)**	**(619,755)**	**(1,154,609)**	**(278,029)**	**(913,541)**
General and Administrative Expenses	31	(20,004)	(25,972)	(3,224)	(9,247)	(602,353)	(1,125,315)	(272,900)	(878,173)
Other income		-	23	-	-	136	12,119	11,055	18,467
Other Expenses		-	(1,431)	(9,013)	(13,366)	(17,538)	(41,413)	(16,184)	(53,835)
EQUITY PICK-UP	14	**1,538,920**	**1,719,825**	**18,272**	**96,048**	**71,063**	**(10,323)**	**(26,382)**	**(65,062)**
EARNINGS BEFORE THE FINANCIAL RESULT AND TAXES		**1,518,916**	**1,692,445**	**6,035**	**73,435**	**990,992**	**1,564,457**	**165,041**	**746,824**
FINANCIAL RESULT	33	**278**	**1,778**	**96**	**(4)**	**1,276,881**	**1,015,129**	**(141,792)**	**(592,723)**
Revenues		1,006	2,580	264	794	1,826,753	1,999,577	256,535	577,128
Expense		(728)	(802)	(168)	(798)	(549,872)	(984,448)	(398,327)	(1,169,851)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		**1,519,194**	**1,694,223**	**6,131**	**73,431**	**2,267,873**	**2,579,586**	**23,249**	**154,101**
Current income tax and social contribution	34	-	-	-	-	(1,703)	(138,668)	9,877	(41,229)
Deferred income tax and social contribution	34	-	-	-	-	(746,976)	(746,695)	(26,995)	(39,441)
NET INCOME FOR THE PERIOD		**1,519,194**	**1,694,223**	**6,131**	**73,431**	**1,519,194**	**1,694,223**	**6,131**	**73,431**
Attributed to the Controlling Shareholders		**1,519,194**	**1,694,223**	**6,131**	**73,431**	**1,519,194**	**1,694,223**	**6,131**	**73,431**
BASIC AND DILUTED EARNINGS PER SHARE (R$ / Share)	27	**6.19**	**6.90**	**0.03**	**0.36**	**6.19**	**6.90**	**0.03**	**0.36**

The notes are an integral part of the interim financial information.

LIGHT S.A.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(In thousands of reais)

		Parent Company				Consolidated			
	Note	July 1, 2019 to September 30, 2019	January 1, 2019 to September 30, 2019	July 1, 2018 to September 30, 2018	January 1, 2018 to September 30, 2018	July 1, 2019 to September 30, 2019	January 1, 2019 to September 30, 2019	July 1, 2018 to September 30, 2018	January 1, 2018 to September 30, 2018
Net Income for the Period	27	1,519,194	1,694,223	6,131	73,431	1,519,194	1,694,223	6,131	73,431
TOTAL COMPREHENSIVE INCOME		**1,519,194**	**1,694,223**	**6,131**	**73,431**	**1,519,194**	**1,694,223**	**6,131**	**73,431**
Attributed to the Controlling Shareholders		**1,519,194**	**1,694,223**	**6,131**	**73,431**	**1,519,194**	**1,694,223**	**6,131**	**73,431**

The notes are an integral part of the interim financial information.

LIGHT S.A.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - PARENT COMPANY AND CONSOLIDATED

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(In thousands of reais)

	Note	SHARE CAPITAL	CAPITAL RESERVE	PROFIT RESERVES		EQUITY VALUATION ADJUSTMENTS	OTHER COMPREHENSIVE INCOME	ACCUMULATED PROFITS	TOTAL
				LEGAL RESERVE	RETAINED EARNINGS				
BALANCES ON DECEMBER 31, 2018		**2,225,822**	**-**	**276,136**	**652,920**	**336,107**	**(101,493)**	**-**	**3,389,492**
Capital Increase	27	1,875,000	-	-	-	-	-	-	1,875,000
(-) Share issue costs	27	(49,537)	-	-	-	-	-	-	(49,537)
Stock Options Granted	28	-	1,534	-	-	-	-	-	1,534
Total Comprehensive Income:									
Net Income for the Period	27	-	-	-	-	-	-	1,694,223	1,694,223
Realization of Equity Valuation Adjustment, Net of Taxes		-	-	-	-	(12,098)	-	12,059	(39)
BALANCES ON SEPTEMBER 30, 2019		**4,051,285**	**1,534**	**276,136**	**652,920**	**324,009**	**(101,493)**	**1,706,282**	**6,910,673**

	Note	SHARE CAPITAL	PROFIT RESERVES		EQUITY VALUATION ADJUSTMENTS	OTHER COMPREHENSIVE INCOME	ACCUMULATED PROFITS	TOTAL
			LEGAL RESERVE	RETAINED EARNINGS				
BALANCES ON JANUARY 1, 2018		**2,225,822**	**267,847**	**687,626**	**352,671**	**(101,493)**	**-**	**3,432,473**
Initial application of IFRS 9 (CPC 48), net of taxes		-	-	-	-	-	(169,341)	(169,341)
Total Comprehensive Income:								
Net Income for the Period	27	-	-	-	-	-	73,431	73,431
Realization of Equity Valuation Adjustment, Net of Taxes		-	-	-	(12,486)	-	12,437	(49)
BALANCES ON SEPTEMBER 30, 2018		**2,225,822**	**267,847**	**687,626**	**340,185**	**(101,493)**	**(83,473)**	**3,336,514**

The notes are an integral part of the interim financial information.

LIGHT S.A.

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(In thousands of reais)

	Notes	Parent Company		Consolidated	
		January 1, 2019 to September 30, 2019	January 1, 2018 to September 30, 2018	January 1, 2019 to September 30, 2019	January 1, 2018 to September 30, 2018
Net cash (used in) generated by operating activities		**(7,272)**	**52,123**	**238,980**	**(92,569)**
Cash generated by (used in) operations		**(21,791)**	**(9,250)**	**1,321,979**	**1,117,038**
Profit before income tax and social contribution		1,694,223	73,431	2,579,586	154,101
Allowance for Expected Doubtful Accounts	31	-	-	514,517	366,310
Depreciation and Amortization	31	-	-	439,789	406,483
Loss from the sale or write-off of intangible asset /property, plant and equipment/investment and lease		1,431	-	45,085	11,236
Exchange and inflation adjustment losses from financial activities	33	-	-	278,139	543,713
Provision for and restatement of tax, civil, labor, and regulatory contingencies, and write-offs and restatements of deposits related to litigation		846	-	277,793	174,277
Adjustment to present value and factoring		-	-	(942)	(13,158)
Interest expense on loans, financing and debentures and cost amortization	19/20	-	-	522,660	474,741
Charges and inflation adjustment of post-employment obligations	23	-	-	-	2,065
Interest on lease liabilities	24	-	-	5,833	-
Swap Variation	35	-	-	(358,119)	(355,250)
Share of loss (profit) of associates and jointly controlled, net	14	(1,719,825)	(96,048)	10,323	65,062
Effect of PIS and COFINS credits on ICMS		-	-	(2,479,828)	-
Stock Options Granted		1,534	-	1,534	-
Revaluation of Assets available for sale	14	-	13,367	-	13,367
Loss with investments measured at cost		-	-	783	-
Remuneration of concession's financial assets	29	-	-	(110,755)	(134,028)
Recognition and restatement of financial assets and liabilities of the sector	10	-	-	(404,419)	(591,881)
Changes in Assets and Liabilities		**14,519**	**61,373**	**(1,082,999)**	**(1,209,607)**
Marketable Securities		(630)	3	(128,205)	(66,613)
Consumers, concessionaires and permissionaires		-	-	(112,753)	(746,714)
Dividends received	14	3,113	64,434	3,113	1,852
Taxes, fees and contributions to recover		278	149	(118,350)	58,036
Financial assets and liabilities of the sector		-	-	295,046	(40,403)
Inventories		-	-	(3,682)	(2,595)
Services Receivable		159	(172)	9,108	(10,849)
Prepaid Expenses		70	(100)	5,914	3,326
Deposits Related to Litigation		(27)	(179)	(10,843)	(42,020)
Other assets		(216)	(1,784)	(115,010)	(191,842)
Assets and liabilities classified as held for sale		-	-	-	(43,554)
Suppliers		(1,854)	(808)	147,811	209,557
Labor Liabilities		125	(313)	24,445	18,855
Taxes, fees, and contributions payable		(1,996)	(21)	(67,568)	166,944
Payment of provisions for tax, civil, labor and regulatory contingencies		-	-	(227,114)	(120,530)
Post-Employment Benefits		-	-	-	(97)
Other liabilities		15,497	164	(273,732)	41,483
Interests Paid	19/20	-	-	(427,127)	(337,252)
Income tax and social contribution paid		-	-	(84,052)	(107,191)
Net cash used in investing activities		**(1,891,156)**	**(28,291)**	**(1,130,135)**	**(1,483,700)**
Receivables for sale of interest		14,171	-	14,171	-
Acquisition of property, plant and equipment		-	-	(39,961)	(44,310)
Acquisition of intangible and contractual assets		-	-	(563,058)	(463,640)
Capital Increase	14	(1,876,740)	(28,291)	(49,762)	(76,615)
Redemption of financial investments		6,320	-	1,512,755	657,867
Financial investments		(34,907)	-	(2,004,280)	(1,557,002)
Net cash generated by (used in) financing activities		**1,825,463**	**(29,503)**	**639,856**	**1,662,983**
Received from the issue of shares	27	1,825,463	-	1,825,463	-
Payment of lease liabilities	24	-	-	(28,048)	-
Dividends paid		-	(29,503)	-	(29,503)
Loans, financing, and debentures	19/20	-	-	1,212,193	4,900,301
Amortization of loans, financing, and debentures	19/20	-	-	(2,369,752)	(3,153,316)
Amortization of pension plan contractual debt	23	-	-	-	(54,499)
Increase (decrease) in cash and cash equivalents		**(72,965)**	**(5,671)**	**(251,299)**	**86,714**
Cash and cash equivalents at the beginning of the period		73,026	6,955	707,042	269,928
Cash and cash equivalents at the end of the period		61	1,284	455,743	356,642

The notes are an integral part of the interim financial information.

LIGHT S.A.

STATEMENTS OF VALUE ADDED

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(In thousands of reais)

	Notes	Parent Company		Consolidated	
		January 1, 2019 to September 30, 2019	January 1, 2018 to September 30, 2018	January 1, 2019 to September 30, 2019	January 1, 2018 to September 30, 2018
Revenue		**-**	**-**	**15,565,440**	**14,718,080**
Sale of Goods, Products, and Services		-	-	14,431,744	14,586,546
Recovery of PIS and COFINS credits on ICMS	07	-	-	1,086,462	-
Revenue related to the construction of own assets		-	-	561,751	497,844
Allowance for Expected Doubtful Accounts	31	-	-	(514,517)	(366,310)
Inputs acquired from third parties		**(20,079)**	**(16,284)**	**(7,134,762)**	**(7,114,503)**
Cost of products, goods, and services sold	32	-	-	(6,021,572)	(6,089,340)
Materials, energy, outsourced services, and others		(20,079)	(16,284)	(1,113,190)	(1,025,163)
Gross value added		**(20,079)**	**(16,284)**	**8,430,678**	**7,603,577**
Retentions		**-**	**-**	**(439,789)**	**(406,483)**
Depreciation and Amortization	31	-	-	(439,789)	(406,483)
Net value added produced		**(20,079)**	**(16,284)**	**7,990,889**	**7,197,094**
Value-added received in transfer		**1,722,405**	**96,842**	**1,989,254**	**512,066**
Share of (loss) profit of associates and jointly controlled, net	14	1,719,825	96,048	(10,323)	(65,062)
Financial Revenues	33	2,580	794	1,999,577	577,128
Total value added to distribute		**1,702,326**	**80,558**	**9,980,143**	**7,709,160**
Value-added distribution		**1,702,326**	**80,558**	**9,980,143**	**7,709,160**
Personnel		**6,531**	**5,375**	**317,979**	**291,679**
Salaries and wages		5,106	4,840	221,425	210,729
Benefits		270	302	71,136	59,039
Government Severance Fund for Employees (FGTS)		113	233	22,292	20,069
Others		1,042	-	3,126	1,842
Taxes, fees, and contributions		**611**	**639**	**6,985,814**	**6,134,885**
Federal		610	638	3,641,306	2,856,961
State		-	-	3,333,332	3,265,079
Municipal		1	1	11,176	12,845
Remuneration of external capital		**961**	**1,113**	**982,127**	**1,209,165**
Interests		679	739	927,017	1,167,999
Leases		282	374	55,110	41,166
Remuneration of own capital		**1,694,223**	**73,431**	**1,694,223**	**73,431**
Net Income for the Period	27	1,694,223	73,431	1,694,223	73,431

The notes are an integral part of the interim financial information.

LIGHT S.A.
NOTES ON THE QUARTERLY INFORMATION
For the period ended September 30, 2019
(In thousands of Brazilian reais – R$, unless stated otherwise)

1. OPERATIONS

Light S.A. (“Light” or “parent company”) is a publicly held company headquartered in the City of Rio de Janeiro/RJ - Brazil. The corporate purpose of Light is to hold equity interests in other companies, as partner or shareholder, and the direct or indirect exploration, as applicable, of electric power services, including electric power generation, transmission, sale and distribution systems, as well as other related services.

Light Group (“Company” or “Group”) comprises Light’s subsidiaries, Jointly controlled subsidiaries, and associates, described in Note 2.

The Company is listed in the New Market (Novo Mercado) segment of the Brazil, Stock Exchange and Over-the-Counter Market (B3), under the ticker LIGT3, and in the U.S. over the counter (OTC) market, under the ticker LGSXY.

2. GROUP’S ENTITIES

2.1 Direct Subsidiaries

Light Serviços de Eletricidade S.A. (Light SESA – 100%) – a publicly-held corporation, headquartered in the city and state of Rio de Janeiro, engaged in the distribution of electric power, with a concession area comprising 31 cities in the state of Rio de Janeiro, including its capital.

Light Energia S.A. (Light Energia – 100%) – a publicly-held corporation, headquartered in the city and state of Rio de Janeiro, whose main activities are to (a) study, plan, construct, operate and explore systems of electric power generation, transmission, sales, and related services that have been legally granted or that may be granted or authorized to it or to companies in which it holds or may come to hold a controlling interest; (b) to hold interests in other companies as a partner, shareholder or quota holder. It comprises the Pereira Passos, Nilo Peçanha, Ilha dos Pombos, Santa Branca and Fontes Novas plants, with a total installed capacity of 855 MW. Light Energia holds interest in the following subsidiaries and Jointly controlled entities:

- Lajes Energia S.A. (“Lajes Energia” – 100%) – a privately-held corporation headquartered in the city of Piraí, in the state of Rio de Janeiro, engaged in the analysis of the technical and economic feasibility, project design, implementation, operation, maintenance and commercial exploration of SHP Lajes, with a nominal capacity of 17 MW. On July 8, 2014, the Authorizing Resolution 4734/14 was published, transferring the concession of SHP Lajes from Light Energia to Lajes Energia. The construction works of SHP Lajes began in September 2014 and commercial start-up was on July 21, 2018.

- Renova Energia S.A. ("Renova Energia" – 17.2%, Jointly controlled entity) - a corporation whose main activity is the generation of electric power through renewable alternative sources, such as small hydroelectric power plants (SHPs), and wind and solar power plants. On September 30, 2019, Renova Energia holds direct or indirect interests in these sources, totaling 628 MW contracted, 190 MW of which in operation or able to operate. Renova Energia is Jointly-controlled by Light Energia (17.2%), CGI - Casa de Gestão (formerly RR Participações) (13.8% interest in the controlling interest), which is not a related party, and Cemig Geração e Transmissão S.A. – Cemig GT (36.2%).

  On October 13, 2019, the subsidiary Light Energia entered into a joint purchase and sale agreement and other covenants, through which it sold all its shares held in Renova Energia S.A., i.e. 7,163,074 common shares and 98 preferred shares, corresponding to 17.2% of the share capital of Renova, for one real, to CG I Fundo de Investimento em Participações Multiestratégia ("CG"). The transaction was concluded on October 15, 2019, as described in Note 14.

- Guanhães Energia S.A. ("Guanhães Energia" - 51%, Jointly controlled entity) – a privately-held corporation, headquartered in the city of Ipatinga – MG, was created with the purpose of implementing and exploring four small hydroelectric power plants (SHPs) in the state of Minas Gerais, with total installed capacity of 44 MW. The company is a Jointly controlled entity of Light Energia (51%) and Cemig Geração e Transmissão S.A. – Cemig GT (49%). The project was affected by geological and environmental issues, postponing the estimated date for the SHPs start-up. On August 21, 2015, the SHPs won the Auction A-3, which sold power for a 30-year term for R$205.50/MWh, as of January 2018. On December 15, 2015, the Building Consortium agreement for the SHPs was terminated, but the works were resumed in November 2017. The Senhora do Porto, Dores de Guanhães, Fortuna II and Jacaré SHPs have been in full commercial operation since July 2018, November 2018, May 2019 and July 2019, respectively.

- Central Eólica São Judas Tadeu Ltda. ("São Judas Tadeu" – 100%) - a company at the pre-operational stage whose main activity is the generation and sale of electric power through a wind power plant located in the state of Ceará, with 18 MW nominal power. On December 31, 2016, Management provisioned 100% of this investment because it did not expect future recoverability, considering the Company's new strategic planning.

- Central Eólica Fontainha Ltda. ("Fontainha" – 100%) – a company at the pre-operational stage whose main activity is the generation and sale of electric power through a wind power plant located in the state of Ceará, with 16 MW nominal power. On December 31, 2016, Management provisioned 100% of this investment because it did not expect future recoverability, considering the Company's new strategic planning.

Light Conecta Ltda. ("Light Conecta" - 100% - new trade name of Itaocara Energia Ltda.) - a privately held corporation headquartered in the city and state of Rio de Janeiro, whose activities are: design, construction, installation, operation and exploration of electric power generation plants, in addition to the purchase, sale, import, export of electric power, thermal power, gas and industrial utilities, provision of advisory services in the energy sector, rental of real and personal property, as well as the acquisition and sale of goods related to the study, design, implementation, operation and maintenance of construction works and facilities of any nature. Light Conecta holds interest in the UHE Itaocara Consortium for the exploration of the Itaocara Hydroelectric Power Plant (51%). Cemig GT has a 49% interest. On April 30, 2015, the UHE Itaocara Consortium won the Auction A-5 conducted by the -Brazilian Electricity Regulatory Agency (ANEEL) for the concession of Itaocara I Hydroelectric Power Plant. The project will be constructed at Paraíba do Sul River and will have an installed capacity of 150 MW. Light Conecta holds interest in the following Jointly controlled entity:

- Usina Hidrelétrica Itaocara S.A. ("Hidrelétrica Itaocara" – 51%, Jointly controlled entity) – a privately held corporation at the pre-operational stage, headquartered in the city of Rio de Janeiro – RJ. Jointly-controlled by Light Conecta (51%) and Cemig GT (49%), the Company was created to build the Itaocara Hydroelectric Power Plant and its purpose is the concession to use public assets to explore the Itaocara I Hydroelectric Power Plant, pursuant to the Concession Agreement 01/2015 made with the Brazilian Federal Government.

Lightcom Comercializadora de Energia S.A. ("Lightcom" – 100%) – a privately-held corporation, headquartered in the city and state of São Paulo, engaged in the purchase, sale, import, export, and provision of advisory services in the energy sector.

Light Soluções em Eletricidade Ltda. ("Light Soluções" - 100%) – a limited liability company whose main activity is to provide services to low voltage clients, including the assembly, remodeling, and maintenance of facilities in general.

Instituto Light para o Desenvolvimento Urbano e Social ("Instituto Light" - 100%) - a non-profit private company, engaged in participating in social and cultural projects, focused on the cities' social and economic development, affirming the Company's ability to be socially responsible.

2.2 Jointly Controlled Entities

Lightger S.A. ("Lightger") – a privately-held corporation whose purpose is to participate in auctions for concessions, authorizations, and permissions for new electric power plants. Lightger constructed and operates SHP Paracambi. Jointly-controlled by Light S.A. (51%) and by Cemig GT (49%). Lightger has an installed capacity of 25.7 MW and assured energy of 19.5 MW.

Axxiom Soluções Tecnológicas S.A. ("Axxiom") – a privately held corporation, headquartered in the city of Belo Horizonte, State of Minas Gerais, whose purpose is to offer technology solutions and systems for the operational management of public utility concessionaires, including electric power, gas, water, and sewage companies. Jointly-controlled by Light S.A. (51%) and by Companhia Energética de Minas Gerais - CEMIG (49%).

(1) The data on the expected commissioning was not reviewed by the independent auditors.

Energia Olímpica S.A. (“Energia Olímpica”) – a privately held corporation, headquartered in the city and state of Rio de Janeiro, whose main activity is to implement the Vila Olímpica substation and two 138 kV underground lines which are connected to the substation. Jointly-controlled by Light S.A. (50.1%) and by Furnas Centrais Elétricas S.A. - Furnas (49.9%). The constructions of the Vila Olímpica substation and of the two underground lines were concluded. The Company does not expect any material effects from the Energia Olímpica’s settlement that will be concluded until the end of December 2019 (1).

Amazônia Energia Participações S.A. (“Amazônia Energia”) – a privately held corporation whose purpose is to hold an interest, as a shareholder, in Norte Energia S.A. (“NESA”), which holds the concession for the use of public assets to explore the Belo Monte Hydroelectric Power plant, on Xingu River, in the state of Pará. Jointly-controlled by Light S.A. (25.5%) and by Cemig GT (74.5%), Amazônia Energia holds a 9.8% interest in NESA. On August 26, 2010, NESA signed the Concession Agreement No. 001/10 with the federal government through the Ministry of Mines and Energy (MME) to explore electric power generation services, with a 35-year term as of the referred agreement’s date of signature. Still, according to the referred agreement, 70% of the power plant’s assured energy will be destined to the regulated market, 10% to self-producers and 20% to the free market (ACL). The progress of the construction works, and assembly services enabled the tests in the generating units of Pimental and Belo Monte, which were already synchronized with the National Interconnected System. As a result, the commercial start-up of Belo Monte’s units 01, 02 and 03, and Pimental’s units 01, 02, 03 and 04 took place in 2016. In 2017, we had the commercial start-up of Belo Monte’s units 04, 05, 06 and 07 and Pimental’s units 05 and 06. In 2018, we had the commercial start-up of Belo Monte’s units 08, 09, 10, 11 and 12. In 2019, we have the commercial start-up of units 13, 14 and 15. The other generation units are expected to begin operations by December 2019 (1), totaling 18 GUs. All Pimental GUs are now complete.

2.3 Light Group Consolidation

The individual and consolidated interim financial information were prepared based on the practices established by NBC TG 21 - Interim Financial Statements and in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and includes the interim financial information of the Company and entities directly or indirectly controlled by it through its subsidiaries.

Control is obtained when the Company has: (i) power over the investee; (ii) exposure to, or rights over, variable returns resulting from its involvement with the investee; and (iii) capacity to use this power to affect its returns.

The Company reassesses whether or not to maintain control over an investee if there are facts indicating changes in one or more of the three elements of control mentioned above.

If the Company loses control over a subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interest, and other equity components are written-off, while any gain or loss is recorded in profit or loss. Any investment retained is recognized at fair value.

(1) The data on the expected commissioning was not reviewed by the independent auditors.

Associates are those entities over which the Group has significant influence but not control, usually by holding 20% to 50% of voting shares. Shareholding agreements in which two or more parties have joint control are classified as joint ventures, pursuant to the rights and obligations of the parties. These investments are accounted for by the equity method.

The consolidated quarterly financial form includes the interim financial of the Group and its subsidiaries on September 30, 2019. They are fully consolidated as follows:

		September 30, 2019		December 31, 2018	
Subsidiaries	Activity	Direct Interest (%)	Indirect Interest (%)	Direct Interest (%)	Indirect Interest (%)
Light SESA	Distribution	100.0	-	100.0	-
Light Energia	Hydropower Generation	100.0	-	100.0	-
Fontainha	Wind power Generation	-	100.0	-	100.0
São Judas Tadeu	Wind power Generation	-	100.0	-	100.0
Lajes	Hydropower Generation	-	100.0	-	100.0
Lightcom	Trading	100.0	-	100.0	-
Light Soluções	Services	100.0	-	100.0	-
Instituto Light	Others	100.0	-	100.0	-
Light Conecta	Services	100.0	-	100.0	-

2.3.1 Light Group's concessions and authorizations

The chart below summarizes the Light Group's concessions and authorizations effective on September 30, 2019:

Concessions/ Authorizations	Authorization/concession agreement	Maturity Date
Light SESA (concession)	June 1996	June 2026
Light Energia (concession)	June 1996	June 2026
SHP Lajes - Lajes Energia (authorization)	July 2014	May 2026

3. BASIS OF PREPARATION

3.1 Compliance Statement

The individual and consolidated interim financial information were prepared in accordance with NBC TG 21 - Interim Statements and with the International Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and in compliance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information form (ITR).

The Company also considered the guidelines issued by the Technical Guidance OCPC 07 in November 2014 in the preparation of its quarterly information. Therefore, all relevant information from the quarterly financial report is being highlighted, and it corresponds to the information used by Management.

This individual and consolidated interim financial information does not include all information and disclosures required in the individual and consolidated annual financial statements and, therefore, should be read with the individual and consolidated financial statements prepared in accordance with the accounting practices adopted in Brazil and IFRS, for the year ended on December 31, 2018, approved on March 28, 2019. The accounting practices adopted for this quarterly financial information comply with those presented in the Company's financial statements for the year ended December 31, 2018.

The Company's Management granted authorization to issue the quarterly information on November 13, 2019.

3.2 Measurement basis

The Company's parent company and consolidated interim financial information have been prepared based on historical cost, except for certain financial instruments measured at fair value through profit or loss, when required by the rules. Measurement of fair values and classification into categories 1, 2 or 3 (depending on the level of compliance to the variables used) is detailed in Note 35.

3.3 Functional and presentation currency

The parent company and consolidated interim financial information are presented in Brazilian Real, which is the functional currency of the Company. All quarterly information presented in Real was rounded up thousands, except when indicated otherwise.

3.4 Significant changes in accounting policies resulting from the use of new and revised standards, effective as of January 1, 2019

3.4.1 IFRS 16 (CPC 06 (R2)) - Leases

As of January 1, 2019, the Company adopted CPC 06 (R2) - Leases, issued by the CPC and equivalent to the international IFRS 16 – Leases standard, released in January 2016 to replace the previous version of the former CPC 06 rule (R1), equivalent to the international IAS 17 standard. Aimed at unifying the lease accounting model, requiring lessees to recognize liabilities against the assets corresponding to their right-of-use for all leases, unless they fall into one of these exemptions to the standard: (i) short-term leases (lease term of 12 months or less); and (ii) leases where the underlying asset has a low value or which have variable lease payments.

The Company initially applied IFRS 16 (CPC 06 (R2)) on January 1, 2019, using the modified prospective approach. Under this approach, comparative information is not required and the right to use the asset is measured through the same amount as the lease liability. The Company reviewed its operating lease agreements to identify if they are or not a lease, in accordance with IFRS 16. The standard establishes that a contract is or has a lease if conveying the right to control the use of an identified asset for a period of time in exchange for a consideration. In compliance with the standard, the Company also chose to adopt recognition exemptions for short-term leases without expected purchase or renewal options, and for items of low value.

The most significant impact identified by the adoption of IFRS 16 (CPC 06 (R2)) in the Company's assets and liabilities was the operating lease with vehicles leased.

The impacts of the initial adoption of IFRS 16 (CPC 06 (R2)) on January 1, 2019, were directly recognized in the financial statement; therefore they were not recorded in profit or loss for the fiscal year, as follows:

Consolidated	**January 1, 2019**
Right-of-use assets	76,627
Liabilities due to leases	76,627

3.5 Application of the new and revised standards, as of January 1, 2019, that had no effect or had no material effect on the amounts disclosed in the current period and in previous periods.

3.5.1 IFRIC 23 (ICPC 22) – Uncertainty over Income Tax Treatments

This Standard clarifies how to apply the measurement and recognition requirements of CPC 32 when there is uncertainty over income tax treatments. In this circumstance, the entity must recognize and measure its current or deferred tax asset or liability, applying the requirements of CPC 32 based on taxable income (tax loss), tax bases, unused tax losses and credits, and defined tax rates, applying this interpretation.

The Company's Management evaluated the tax treatment that might generate uncertainties in the calculation of income taxes, as well as measured them and reassessed those that could potentially expose the Company to materially probable risks of loss. At the conclusion of these studies, the Company's Management evaluated that none of the relevant positions adopted by the Company changed due to the probability of losses generated by possible inquiries by the tax authorities.

4. CASH & CASH EQUIVALENTS

	Parent Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Money available	61	71,855	6,019	108,189
Short-term financial investments				
Bank Deposit Certificate (CDB)	-	1,171	449,724	598,853
TOTAL	**61**	**73,026**	**455,743**	**707,042**

The short-term investments are highly liquid and convertible into known amounts of cash and are subject to a floating rate represented by transactions purchased from financial institutions trading in the domestic financial market. These short-term investments have a daily repurchase commitment by the counterparty financial institution (the repurchase rate is previously agreed upon by the parties) and yield mostly according to the variation of the interbank deposit rate (CDI), with immaterial loss of income in case of early redemption.

The average yield of the investments in the consolidated is 94.4% of the CDI on September 30, 2019 (82.6% of the CDI on December 31, 2018).

The Company's exposure to interest rate risks and sensitivity analysis of financial assets and liabilities are reported in Note 35.

5. MARKETABLE SECURITIES

	Parent Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Bank Deposit Certificate (CDB)	29,219	2	845,721	261,804
Investment Fund	-	-	750,807	714,994
TOTAL	**29,219**	**2**	**1,596,528**	**976,798**

They are represented by (i) surety bonds pledged in power auctions, (ii) proceeds from the sale of assets that were held for reinvestment in the electric grid system, (iii) investment funds, and (iv) investments to mature within three months or longer of the investment date, with loss of value in case of early redemption. The average yield of these investments is 100.3% of the CDI on September 30, 2019 (102.0% of the CDI on December 31, 2018).

6. CONSUMERS, CONCESSIONAIRES, PERMISSIONAIRES AND CLIENTS

	Consolidated					
	September 30, 2019			December 31, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
Billed sales	2,415,005	-	2,415,005	2,312,803	-	2,312,803
Unbilled Sales	431,311	-	431,311	483,009	-	483,009
Debt payment by installments	420,076	1,322,817	1,742,893	880,546	874,832	1,755,378
Energy Trading	596,741	-	596,741	521,427	82,992	604,419
Supply and Charges on Use of Electric Energy Grid	24,082	-	24,082	24,391	-	24,391
Other Receivables	9,119	41,027	50,146	6	55,382	55,388
	3,896,334	**1,363,844**	**5,260,178**	**4,222,182**	**1,013,206**	**5,235,388**
(-) Estimated Allowance for Expected Doubtful Accounts	(1,514,792)	-	(1,514,792)	(1,366,834)	-	(1,366,834)
TOTAL	**2,381,542**	**1,363,844**	**3,745,386**	**2,855,348**	**1,013,206**	**3,868,554**

They include billed and unbilled electric power supply, energy trading, default charges, interest on late payment and electricity traded with other concessionaries for electricity supply, according to the amounts available in the Electric Energy Commercialization Chamber (CCEE).

The Company classifies the balances of consumers, concessionaires, permissionaires, and clients as financial instruments measured at amortized cost, given that the purpose of its business model is to collect principal and interest cash flows, not considering significant financing components.

The balances related to consumers, concessionaires, permissionaires, and clients are subject to analysis of expected credit losses, pursuant to IFRS 9 (CPC 48). The Company used a simplified approach considering the maturity of accounts receivable, whose default percentage was calculated based on the average history of non-collection over the total billed amount for each month. The Company used a three-year base period, distributed by consumer class, and Management considers it sufficient to cover any losses in the realization of credits.

Receivables are written-off as losses pursuant to Law 9430/1997 and Law 13097/2015. In the nine-month period ended September 30, 2019, write-offs were made in the amount of R$88,905 (R$164,297 in the nine-month period ended September 30, 2018). The write-offs were realized against the allowance for expected doubtful accounts already recorded, thus, not impacting the net income for the period.

On September 30, 2019, the subsidiary Light Energia had an balance receivable of R$466,716 (R$435,505 on December 31, 2018) under the Energy trading line, referring to default in the settlement of the Electric Power Trading Chamber (CCEE) arising from the Energy Reallocation Mechanism (MRE) adjustment caused by a GSF lower than 1.

The overdue and due balances are distributed as follows:

	Due Balances	Overdue				Total	Allowance for Expected Doubtful Accounts	September 30, 2019
		Up to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days			
Residential	273,985	222,984	88,647	164,936	392,424	1,142,976	(548,084)	594,892
Industrial	24,877	14,724	2,737	5,893	72,322	120,553	(73,828)	46,725
Commercial	254,916	74,722	17,098	35,817	299,017	681,570	(293,130)	388,440
Rural	1,455	976	289	311	1,851	4,882	(1,852)	3,030
Public Sector	76,517	51,376	26,408	38,186	59,372	251,859	(90,854)	161,005
Public Lighting	51,024	24,873	12,101	30,504	27,215	145,717	(19,241)	126,476
Public Utility	53,266	939	214	344	12,685	67,448	(8,045)	59,403
Unbilled Sales	349,715	-	-	-	-	349,715	(5,545)	344,170
SUBTOTAL - CONSUMERS	**1,085,755**	**390,594**	**147,494**	**275,991**	**864,886**	**2,764,720**	**(1,040,579)**	**1,724,141**
Energy Trading	596,741	-	-	-	-	596,741	(784)	595,957
Supply and Charges on Use of Electric Energy Grid	24,082	-	-	-	-	24,082	-	24,082
Charges on use of electric energy grid - unbilled	81,596	-	-	-	-	81,596	(437)	81,159
Other Receivables	50,146	-	-	-	-	50,146	-	50,146
	752,565	**-**	**-**	**-**	**-**	**752,565**	**(1,221)**	**751,344**
TOTAL	**1,838,320**	**390,594**	**147,494**	**275,991**	**864,886**	**3,517,285**	**(1,041,800)**	**2,475,485**

	Due Balances	Overdue				Total	Allowance for Expected Doubtful Accounts	December 31, 2018
		Up to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days			
Residential	340,215	250,509	78,644	138,198	237,736	1,045,302	(447,184)	598,118
Industrial	27,424	15,474	3,444	5,162	65,258	116,762	(68,705)	48,057
Commercial	276,900	93,054	18,963	30,296	278,009	697,222	(285,169)	412,053
Rural	1,668	990	165	195	1,878	4,896	(1,982)	2,914
Public Sector	103,762	78,827	9,281	3,497	52,406	247,773	(52,877)	194,896
Public Lighting	56,821	11,618	30,589	8,838	12,274	120,140	(12,520)	107,620
Public Utility	32,600	35,404	99	156	12,449	80,708	(4,915)	75,793
Unbilled Sales	406,765	-	-	-	-	406,765	(6,332)	400,433
SUBTOTAL - CONSUMERS	**1,246,155**	**485,876**	**141,185**	**186,342**	**660,010**	**2,719,568**	**(879,684)**	**1,839,884**
Energy Trading	521,427	-	-	-	82,992	604,419	(784)	603,635
Supply and Charges on Use of Electric Energy Grid	24,391	-	-	-	-	24,391	-	24,391
Charges on use of electric energy grid - unbilled	76,244	-	-	-	-	76,244	(435)	75,809
Other Receivables	55,388	-	-	-	-	55,388	-	55,388
	677,450	**-**	**-**	**-**	**82,992**	**760,442**	**(1,219)**	**759,223**
TOTAL	**1,923,605**	**485,876**	**141,185**	**186,342**	**743,002**	**3,480,010**	**(880,903)**	**2,599,107**

6.1 Debt payment by installments

The Company has balances of concessionaires, permissionaires and clients in installments arising from the negotiation programs carried out.

Consumer class	September 30, 2019			December 31, 2018		
	Total	Allowance for Expected Doubtful Accounts	Net Total	Total	Allowance for Expected Doubtful Accounts	Net Total
Residential	1,293,334	(446,394)	846,940	1,324,190	(434,579)	889,611
Industrial	13,716	(943)	12,773	13,667	(811)	12,856
Commercial	129,537	(16,134)	113,403	122,660	(15,054)	107,606
Rural	1,521	(420)	1,101	1,071	(315)	756
Public Sector	135,172	(7,905)	127,267	148,077	(31,505)	116,572
Public Lighting	10,367	(131)	10,236	11,774	(2,770)	9,004
Public Utility	159,246	(1,065)	158,181	133,939	(897)	133,042
TOTAL	**1,742,893**	**(472,992)**	**1,269,901**	**1,755,378**	**(485,931)**	**1,269,447**

On July 7, 2018, the Company signed an installment agreement with a large customer of the public services segment in which the amount to be received was R$163,212. On June 25, 2019, the Company signed an amendment to this agreement, which included the amount of R$48,149 in the debt installment balance. The updated amount is of R$157,343, classified in the debit installment balance.

On October 16, 2018, an agreement of admission of debt was signed with the municipal government of Rio de Janeiro, totaling R$78,551. The amount will be received in 22 installments and the first receipt occurred in March 2019. The updated amount is of R$101,259, classified in the debit installment balance.

6.2 Allowance for expected doubtful accounts

Below, the breakdown of allowance for expected doubtful accounts in the nine-month periods ended September 30, 2019, and 2018:

BALANCE ON DECEMBER 31, 2018	**(1,366,834)**
Additions (Note 31)	(236,863)
Write-Offs	88,905
BALANCE ON SEPTEMBER 30, 2019	**(1,514,792)**

BALANCE ON JANUARY 1, 2018	**(737,085)**
Initial application of IFRS 9 (CPC 48)	(256,577)
Additions (Note 31)	(366,310)
Write-Offs	164,297
BALANCE ON SEPTEMBER 30, 2018	**(1,195,675)**

The Company's exposure to credit risks related to consumers, concessionaires, permissionaires, and clients is reported in Note 35.

7. PIS AND COFINS CREDITS ON ICMS

On February 18, 2008, the subsidiary Light SESA filed the Writ of Mandamus No. 0012490-07.2008.4.02.5101 regarding the recognition of its right to exclude the ICMS from the PIS and COFINS tax base.

On August 7, 2019, the Federal Court of the 2nd Region issued a decision on the lawsuit filed by the Company, with a decision favorable to the plaintiff, recognizing the right to exclude the ICMS paid from the PIS and COFINS tax base, retroactive to January 2002, duly restated by the SELIC Rate.

Based on the opinion of the legal advisors, the Company's Management understands that part of the credits to be received by the subsidiary Light SESA should be refunded to consumers in its concession area, considering a maximum applicable period of 10 years for the calculation of such return. Thus, the subsidiary Light SESA created a liability corresponding to tax credits to be transferred to consumers covering the period of the last 10 years, i.e., from September 2009 to August 2019, net of PIS/COFINS incurred on its updated financial income.

The Company will adopt the tax credit recovery procedures in accordance with the legal provisions established by IRS and the transfer to consumers will depend on the effective use of the tax credit by the Company and will be made according to mechanisms and criteria to be defined by ANEEL.

Below is the presentation of the accounting effects related to the recognition of PIS and COFINS tax credits, including their update by SELIC, and the amounts to be refunded to consumers recognized in the quarterly information for the period ended September 30, 2019:

Effects on the Balance Sheet	R$ thousand
Recoverable taxes - PIS and COFINS credits on ICMS (Note 08)	6,169,081
Amounts to be refunded to consumers [a]	(3,573,063)
PIS and Cofins deferred (Note 18)	(116,190)
IR/CS - Deferred (Note 09)	(843,142)
SHAREHOLDERS' EQUITY	**1,636,686**

Effects on the Result for the Period	R$ thousand
Recovery of PIS and COFINS credits on ICMS (Note 29) [b]	1,086,462
Finance Revenue (Note 33) [c]	1,461,317
PIS and COFINS on Financial Revenue	(67,951)
Income Tax and Social Contribution	(843,142)
RESULT	**1,636,686**

[a] Amounts to be refunded to consumers on Light SESA's PIS and COFINS credits recognized in August 2019.
[b] Refers to credits recognized in the operating income, totaling R$3,670,374, net of amounts to be refunded to consumers, of R$2,583,912.
[c] Refers to the revenue from the financial restatement of recognized credits, totaling R$2,498,707, net of amounts to be refunded to consumers of R$1,037,390.

In the context of the court decision, the ICMS paid is no longer part of the calculation base of PIS and COFINS in the revenues of the subsidiary Light SESA's customers as of September 2019

8. TAXES AND CONTRIBUTIONS TO BE RECOVERED

	Consolidated					
	September 30, 2019			December 31, 2018		
	Current	Non-Current	Total	Current	Non-current	Total
TAXES AND CONTRIBUTIONS TO BE RECOVERED	**138,553**	**6,224,000**	**6,362,553**	**75,089**	**52,404**	**127,493**
ICMS to offset [(a)]	115,526	54,919	170,445	49,726	52,404	102,130
PIS and COFINS to offset [(b)]	2,960	6,169,081	6,172,041	5,425	-	5,425
INSS (Social Security Contribution)	571	-	571	576	-	576
Others	19,496	-	19,496	19,362	-	19,362
RECOVERABLE INCOME TAX AND SOCIAL CONTRIBUTION	**82,157**	**-**	**82,157**	**29,786**	**-**	**29,786**
Withholding income tax	82,000	-	82,000	29,284	-	29,284
Recoverable income tax and social contribution	157	-	157	502	-	502
TOTAL	**220,710**	**6,224,000**	**6,444,710**	**104,875**	**52,404**	**157,279**

[(a)] Substantially refer to ICMS credits arising from acquisitions of property, plant, and equipment, which can be offset in up to 48 months.
[(b)] Includes PIS/COFINS credits after the final court decision on the lawsuit filed on August 7, 2019, totaling R$6,169,081, as described in Note 07.

9. DEFERRED TAXES

	Consolidated					
	September 30, 2019			December 31, 2018		
	Deferred Assets	Deferred Liabilities	Deferred Net	Deferred Assets	Deferred Liabilities	Deferred Net
Allowance for Expected Doubtful Accounts	609,432	-	609,432	464,724	-	464,724
Provision for profit sharing	8,093	-	8,093	10,279	-	10,279
Provisions for tax, civil, labor and regulatory contingencies	170,033	-	170,033	161,923	-	161,923
Others	14,188	-	14,188	18,857	-	18,857
Tax losses	266,937	-	266,937	193,891	-	193,891
Social contribution tax loss carryforwards	99,125	-	99,125	72,827	-	72,827
PIS and COFINS credits on ICMS exclusion	1,270,746	(2,113,888)	(843,142)			
Derivative Financial Instruments - Swap	4,573	(233,404)	(228,831)	37,966	(149,382)	(111,416)
Remuneration of concession's financial assets	-	(479,217)	(479,217)	-	(441,560)	(441,560)
Deemed cost - Light Energia	-	(166,914)	(166,914)	-	(173,146)	(173,146)
GROSS DEFERRED TAX ASSETS/(LIABILITIES)	**2,443,127**	**(2,993,423)**	**(550,296)**	**960,467**	**(764,088)**	**196,379**
Net Amount	(2,345,963)	2,345,963	-	(555,600)	555,600	-
NET DEFERRED TAX ASSETS/(LIABILITIES)	**97,164**	**(647,460)**	**(550,296)**	**404,867**	**(208,488)**	**196,379**

In order to support the deferred tax credits recorded, the Company updated the technical feasibility study of tax realization including the amounts realized until September 30, 2019. The study shows the recovery of deferred tax credits recorded on September 30, 2019, in up to five years, in accordance with the following annual realization schedule:

2019	266,688
2020	548,582
2021	576,176
2022	597,795
2023	453,886
Total tax credits	**2,443,127**

The Company estimates that the use of deferred tax credits throughout 2019 will be concentrated in the estimated allowance for doubtful accounts and derivative financial instruments, among others.

On September 30, 2019, the Company had an unrecognized credit balance on accumulated tax losses and social contribution tax loss carryforwards amounting to R$133,399 (R$127,915 on December 31, 2018) related to the Parent Company, in view of uncertainties regarding its realization.

10. FINANCIAL ASSETS AND LIABILITIES OF THE SECTOR

This item represents balances receivable and/or refundable related to financial assets and liabilities incurred of the sector and not yet realized by the energy distribution company's tariff (Light SESA).

The chart below shows a breakdown of the balance of financial assets and liabilities of the sector on September 30, 2019, and December 31, 2018:

	Consolidated							
	September 30, 2019							
	Current				Non-Current		Total	
	Approved Amounts		Next Adjustments		Next Adjustments			
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Portion A Items	**609,676**	**(171,842)**	**111,603**	**(81,679)**	**94,432**	**(69,112)**	**815,711**	**(322,633)**
Energy Development Account - CDE	50,560	-	55,126	-	46,645	-	152,331	-
Energy Acquisition Cost	546,509	-	34,731	(47,575)	29,388	(40,255)	610,628	(87,830)
System Service Charges - ESS	-	(168,886)	-	(34,104)	-	(28,857)	-	(231,847)
PROINFA	2,800	-	-	-	-	-	2,800	-
Electric Energy Transportation - Itaipu	9,807	-	6,108	-	5,167	-	21,082	-
Electric Energy Transportation through Basic Network	-	(2,956)	15,638	-	13,232	-	28,870	(2,956)
Financial Items	**-**	**(217,004)**	**305,531**	**(11,225)**	**258,527**	**(9,498)**	**564,058**	**(237,727)**
Other Financial Items	-	(206,639)	48,366	(3,712)	40,925	(3,141)	89,291	(213,492)
Energy Overcontracting and Involuntary Exposure	-	-	220,127	-	186,262	-	406,389	-
Portion A Neutrality	-	-	37,038	-	31,340	-	68,378	-
Tariff Returns	-	(10,365)	-	(7,513)	-	(6,357)	-	(24,235)
Gross Financial ASSETS / (LIABILITIES) of the sector	**609,676**	**(388,846)**	**417,134**	**(92,904)**	**352,959**	**(78,610)**	**1,379,769**	**(560,360)**
Net Amount	(388,846)	388,846	(92,904)	92,904	(78,610)	78,610	(560,360)	560,360
Net Financial ASSETS / (LIABILITIES) of the sector	**220,830**	**-**	**324,230**	**-**	**274,349**	**-**	**819,409**	**-**

Consolidated

	December 31, 2018							
	Current				Non-Current		Total	
	Approved Amounts		Next Adjustments		Next Adjustments			
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Portion A Items	**421,443**	**(237,110)**	**938,210**	**(144,372)**	**246,896**	**(37,993)**	**1,606,549**	**(419,475)**
Energy Development Account - CDE	-	(41,309)	76,208	-	20,054	-	96,262	(41,309)
Energy Acquisition Cost	420,963	-	847,497	-	223,026	-	1,491,486	-
System Service Charges - ESS	-	(183,716)	-	(140,458)	-	(36,963)	-	(361,137)
PROINFA	480	-	379	-	99	-	958	-
Electric Energy Transportation - Itaipu	-	(679)	14,126	-	3,717	-	17,843	(679)
Electric Energy Transportation through Basic Network	-	(11,406)	-	(3,914)	-	(1,030)	-	(16,350)
Financial Items	**-**	**(186,952)**	**176,738**	**(406,390)**	**46,511**	**(106,945)**	**223,249**	**(700,287)**
Other Financial Items	-	(178,211)	101,420	(14,017)	26,690	(3,689)	128,110	(195,917)
Energy Overcontracting and Involuntary Exposure	-	-	-	(355,090)	-	(93,445)	-	(448,535)
Portion A Neutrality	-	-	75,318	-	19,821	-	95,139	-
Tariff Returns	-	(8,741)	-	(37,283)	-	(9,811)	-	(55,835)
Gross Financial ASSETS / (LIABILITIES) of the sector	**421,443**	**(424,062)**	**1,114,948**	**(550,762)**	**293,407**	**(144,938)**	**1,829,798**	**(1,119,762)**
Net Amount	(421,443)	421,443	(550,762)	550,762	(144,938)	144,938	(1,117,143)	1,117,143
Net Financial ASSETS / (LIABILITIES) of the sector	**-**	**(2,619)**	**564,186**	**-**	**148,469**	**-**	**712,655**	**(2,619)**

The chart below shows the changes in the balance of financial assets and liabilities of the sector in the nine-month periods ended September 30, 2019, and 2018:

BALANCE ON DECEMBER 31, 2018	**710,036**
Recognition [a]	388,986
Amortization [a]	(206,195)
Funds received from the CCRBT [a]	(88,851)
Restatement - Selic (Note 33)	15,433
BALANCE ON SEPTEMBER 30, 2019	**819,409**

BALANCE ON JANUARY 1, 2018	**101,482**
Recognition [a]	533,169
Amortization [a]	74,152
Funds received from the CCRBT account [a]	48,010
R&D refunded by the National Treasury	(81,759)
Restatement - Selic (Note 33)	58,712
BALANCE ON SEPTEMBER 30, 2018	**733,766**

[a] Balances recognized in the statement of income, under net revenue, “financial assets and liabilities of the sector” (see Note 29), which included funds from the Centralizing Account of Tariff Levels Resources (CCRBT).

The chart below shows the changes in the balance of financial assets and liabilities by tariff cycle:

	Ratified by Aneel in the adjustment of March 15, 2019	Next Tariff Adjustments	Total
Balance ratified by ANEEL in adjustment of March 15, 2019	435,996	-	435,996
Financial assets and liabilities of the sector(Amortization/Recognition)	(204,801)	612,449	407,648
Tariff returns [a]	(10,365)	(13,870)	(24,235)
BALANCE ON SEPTEMBER 30, 2019	**220,830**	**598,579**	**819,409**

[a] This refers to an excess of demand and excessive reactive power to be billed to consumers through the tariff directly by means of Portion B.

10.1 Tariff adjustment and extraordinary rate adjustment

On March 12, 2019, through regulatory resolution 2520/2019, ANEEL approved the tariff adjustment process conducted by the subsidiary Light SESA. The approved result represents an average tariff adjustment of 11.12% and encompasses all the consumer classes (residential, industrial, commercial, rural and others). The adjustment index is comprised of two components: (i) structural, which is now part of the tariff, of 6.07%, composed of non-manageable costs (Portion A) and manageable costs (Portion B); and (ii) financial, applied exclusively to the following 12 months, and derived from the previous process' financial bubble, amounting to 5.06%. The new tariffs have been applied as of March 15, 2019.

In a public meeting held on March 26, 2019, ANEEL approved an extraordinary rate adjustment for the subsidiary Light SESA, considering only the incorporation of a negative financial item to reflect the anticipated amortization of credit operations contracted by the Brazilian Electricity Trading Chamber - CCEE on the Regulated Market Account (ACR Account), pursuant to Regulatory Resolution no. 612 of 2014. The average effect on consumers will be -2.30%, effective as of April 1, 2019.

11. CONCESSION'S FINANCIAL ASSETS

These represent the amounts receivable at the end of concession from the granting authority, or any of its agents, by way of compensation for investments made and not recovered through services rendered related to subsidiary Light SESA's concession.

For indemnification purposes, the amount of investments related to returnable assets not yet amortized or depreciated is recorded using the New Replacement Value ("VNR").

Below, the changes in the balances related to indemnifiable assets at the end of the concession, for the nine-month periods ended September 30, 2019, and 2018:

	Consolidated		
	Gross Financial Assets	Special Obligations	Net Financial Assets
BALANCE ON DECEMBER 31, 2018	**5,311,351**	**(1,039,490)**	**4,271,861**
Additions [(a)]	151,841	(10,240)	141,601
Fair value – Adjustment to VNR (Note 29)	141,626	(30,871)	110,755
Write-Offs	(18,725)	-	(18,725)
Transfers	81,366	(81,366)	-
BALANCE ON SEPTEMBER 30, 2019	**5,667,459**	**(1,161,967)**	**4,505,492**

	Consolidated		
	Gross Financial Assets	Special Obligations	Net Financial Assets
BALANCE ON JANUARY 1, 2018	**4,719,547**	**(955,352)**	**3,764,195**
Additions [(a)]	229,789	(32,208)	197,581
Fair value – Adjustment to VNR (Note 29)	169,604	(35,576)	134,028
Write-Offs	(4,892)	-	(4,892)
BALANCE ON SEPTEMBER 30, 2018	**5,114,048**	**(1,023,136)**	**4,090,912**

[(a)] A transfer resulting from the bifurcation of assets after start-up, pursuant to IFRIC 12 (ICPC 01) (see Notes 13 and 16).

12. OTHER CREDITS

Current	Consolidated					
	September 30, 2019			December 31, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
Advances to suppliers [(a)]	10,488	-	10,488	4,580	84,260	88,840
Public lighting fee	85,100	-	85,100	91,453	-	91,453
Expenditures to refund	20,164	-	20,164	16,727	-	16,727
Ongoing deactivations and sales	60,481	-	60,481	46,681	-	46,681
Subsidy to low-income segment	13,272	-	13,272	17,196	-	17,196
CDE subsidy[(b)]	75,241	-	75,241	50,533	-	50,533
Sale of Interest (Light Esco)	2,642	-	2,642	18,243	-	18,243
Accounts receivable - Renova Energia	277,654	-	277,654	-	-	-
Others	3,614	-	3,614	8,581	-	8,581
(-) Estimated Allowance for Expected Doubtful Accounts	(277,654)	-	(277,654)	-	-	-
TOTAL	**271,002**	**-**	**271,002**	**253,994**	**84,260**	**338,254**

[(a)] On December 31, 2018, it includes R$84,260 referring to advance payments between Lightcom and Renova Energia, as per Note 26.
[(b)] Includes subsidy resulting from Decrees 7945/13 and 8221/14.

On September 30, 2019, due to the expected receipt of credits from the subsidiary Lightcom with Renova Energia, the Company provisioned R$277,654 referring to balances between Lightcom and Renova arising from prepayments made on energy bills and operational indemnification due to changes in the commercial conditions. In addition, on October 13, 2019, the subsidiary Lightcom entered into an assignment agreement to assign all credits held at Renova to CG I Fundo de Investimento em Participações Multiestratégia.

13. CONTRACTUAL ASSET

The contractual asset is a right in exchange for goods or services provided to the client. As determined by IFRS 15 (CPC 47), assets related to the concession under construction, registered under the scope of ICPC 01 (R1) - Concession Agreements, should be classified as a contractual asset because the Company will have the right to (i) charge for the services provided to users of public services (ii) receive cash or other financial assets, for the reversion of the public service infrastructure, only after transferring the assets under construction (contractual assets) to the concession’s intangible assets.

Contractual assets are initially recognized by their fair value on the acquisition or construction date and include loan costs.

The Company sums up, on a monthly basis, all interests incurred on loans and financing at the cost of construction of the infrastructure recorded in the contractual assets, considering the following criteria for capitalizations: (a) interest is capitalized during the construction phase of the infrastructure; (b) interest is capitalized considering the weighted average rate of the outstanding loans on the capitalization date; and (c) total monthly capitalized interest does not exceed the total monthly interest expense.

In the nine-month period ended on September 30, 2019, the amount of R$19,988 was included in the contract asset, as interest capitalization, with an average capitalization rate of 8.2% per year.

Consolidated	Balance on December 31, 2018	Additions	Transfers to intangible assets	Balances on September 30, 2019
Concession Right of Use	401,679	548,249	(244,673)	705,255
Special Liabilities - Concession Right of Use	(71,439)	(8,491)	14,032	(65,898)
Total	**330,240**	**539,758**	**(230,641)**	**639,357**

14. INVESTMENTS

	Parent Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Measured by the equity method: *				
Light SESA	5,836,368	2,446,130	-	-
Light Energia	539,609	276,294	-	-
Renova Energia [b]	-	-	-	-
Guanhães Energia [b]	-	-	136,399	111,188
Lightcom	(66,713)	98,559	-	-
Light Soluções	1,302	1,286	-	-
Lightger [b]	47,156	43,913	47,156	43,913
Light Conecta	102,683	101,803	-	-
UHE Itaocara [a]	-	-	5,378	5,340
Axxiom [b]	9,322	8,641	9,322	8,641
Amazônia Energia [b]	353,757	346,607	353,757	346,607
Energia Olímpica [b]	1,201	1,201	1,201	1,201
SUBTOTAL	**6,824,685**	**3,324,434**	**553,213**	**516,890**
Other permanent investments [c]	-	-	28,462	29,732
SUBTOTAL	**-**	**-**	**28,462**	**29,732**
Total of Short-Term Equity Interest	**66,713**	**-**	**-**	**-**
TOTAL INVESTMENTS	**6,891,398**	**3,324,434**	**581,675**	**546,622**

[a] Company at pre-operational stage

[b] Refers to investments calculated based on the shareholders' equity for the purposes of equity in the earnings (losses) of subsidiaries. On December 31, 2018 and September 30, 2019, due to the negative shareholders' equity (liabilities at risk) of the investee Renova Energia, the Company reduced the accounting balance of its interest to zero, in accordance with the shareholders' agreement, which does not provide a legal or constructive liability to the investee. On October 13, 2019, a joint purchase and sale agreement and other covenants were entered into, through which subsidiary Light Energia sold all of its shares held in Renova Energia SA's capital. The transaction was concluded on October 15, 2019, as described in note 39.

[c] Includes investments related to the interest held by the subsidiary Light SESA in other companies, assessed at market value.

* Light Institute has a balance of less than R$1 for the years presented.

In the quarter ended September 30, 2019, the subsidiary Lightcom reported an accumulated loss of R$87,113, as well as a negative shareholders' equity (short-term liabilities) of R$66,713, resulting from the provision for the expected loss with credit settlement of R$277,654, relating to balances with the Jointly controlled entity Renova Energia. The Company's Management intends to carry out a capital increase in Lightcom to settle the short-term liability.

Information on subsidiaries (consolidated) and Jointly controlled entities (equity income and proportional balances) is as follows:

	Parent Company			
	Shareholders' Equity	Dividends to Receive	Dividends Received	Income (Loss) for the Period

Subsidiaries and Jointly controlled entities - Interest		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Light SESA	100.0%	5,836,368	2,446,130	(18,219)	(18,219)	-	(22,101)	1,558,237	25,736
Light Energia	100.0%	539,609	276,294	-	-	-	-	263,355	7,264
Light Esco [(a)]	-	-	-	-	-	-	-	-	(10,669)
Lightcom	100.0%	(66,713)	98,559	(93,158)	-	-	(40,481)	(87,113)	53,449
Light Soluções	100.0%	1,302	1,286	(498)	(498)	-	-	(533)	160
Lightger	51.0%	47,156	43,913	-	-	(3,113)	(1,852)	6,346	2,176
Light Conecta	100.0%	102,683	101,803	-	-	-	-	(22,284)	-
Axxiom	51.0%	9,322	8,641	-	-	-	-	(5,319)	(6,121)
Amazônia Energia	25.5%	353,757	346,607	-	-	-	-	7,124	19,101
Energia Olímpica	50.1%	1,201	1,201	-	-	-	-	-	-
		6,824,685	**3,324,434**	**(111,875)**	**(18,717)**	**(3,113)**	**(64,434)**	**1,719,813**	**91,096**

[(a)] On October 4, 2018, the Company concluded the sale of all shares held in the capital stock of Light Esco - Prestação de Serviços S.A., its wholly-owned subsidiary, to Ecogen Brasil Soluções Energéticas S.A. (“Ecogen”). Some of Light Esco’s assets were not included in the transaction and were transferred to Light Conecta.

Consolidated							
Jointly controlled entities - Interest		Shareholders’ Equity		Dividends Received		Income (Loss) for the Period	
		September 30, 2019	December 31, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Light Energia							
Renova Energia	17.2%	-	-	-	-	-	(83,611)
Guanhães Energia	51.0%	136,399	111,188	-	-	(636)	(2,835)
Lightger	51.0%	47,156	43,913	(3,113)	(1,852)	6,346	2,176
Axxiom	51.0%	9,322	8,641	-	-	(5,319)	(6,121)
Amazônia Energia	25.5%	353,757	346,607	-	-	7,124	19,101
Energia Olímpica	50.1%	1,201	1,201	-	-	-	-
Light Conecta							
UHE Itaocara	51.0%	5,378	5,340	-	-	(23,126)	-
		553,213	**516,890**	**(3,113)**	**(1,852)**	**(15,611)**	**(71,290)**

Other information:

Parent Company				
Subsidiaries and Jointly controlled entities	Paid-in Capital		Total Assets	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Light SESA	4,146,365	2,314,365	20,801,216	14,402,483
Light Energia	77,422	77,422	3,321,122	2,772,055
Lightcom	19,500	4,500	267,437	361,548
Light Soluções	3,850	3,850	1,921	1,988
Lightger	40,408	40,408	105,612	102,769
Light Conecta	139,397	116,233	108,075	109,451
Axxiom	29,766	23,766	27,489	27,995
Amazônia Energia	337,245	337,219	353,895	346,744
Energia Olímpica [(a)]	-	-	2,781	2,781

[(a)] Energia Olímpica has a balance of paid-up capital of less than R$1 in the periods presented.

Jointly Controlled Entities	Paid-in Capital		Total Assets	
	September 30, 2019	**December 31, 2018**	**September 30, 2019**	**December 31, 2018**
Light Energia				
Renova Energia	508,365	508,365	397,588	451,294
Guanhães Energia	279,799	259,224	136,683	198,877
Lightger	40,408	40,408	105,612	102,769
Axxiom	29,766	23,766	27,489	27,995
Amazônia Energia	337,245	337,219	353,895	346,744
Energia Olímpica [(a)]	-	-	2,781	2,781
Light Conecta				
UHE Itaocara	34,469	11,304	13,131	9,862

(Consolidated)

[(a)] Energia Olímpica has a balance of paid-up capital of less than R$1 in the periods presented.

Changes in subsidiaries (consolidated) and Jointly controlled entities (equity income) in the nine-month periods ended September 30, 2019, and 2018:

	Parent Company						
	December 31, 2018	**Capital Increase**	**Dividends**	**Write-off of Attributed Cost**	**Equity Pick-up**		**September 30, 2019**
					Others	**Result**	
Light SESA	2,446,130	1,832,000	-	-	1	1,558,237	5,836,368
Light Energia	276,294	-	-	(40)	-	263,355	539,609
Lightcom	98,559	15,000	(93,158)	-	(1)	(87,113)	(66,713)
Light Soluções	1,286	550	-	-	(1)	(533)	1,302
Lightger	43,913	-	(3,113)	-	10	6,346	47,156
Light Conecta	101,803	23,164	-	-	-	(22,284)	102,683
Axxiom	8,641	6,000	-	-	-	(5,319)	9,322
Amazônia Energia	346,607	26	-	-	-	7,124	353,757
Energia Olímpica	1,201	-	-	-	-	-	1,201
TOTAL	**3,324,434**	**1,876,740**	**(96,271)**	**(40)**	**9**	**1,719,813**	**6,824,685**

	Parent Company									
	January 1, 2018	**Capital increase (decrease)**	**Dividends**	**Write-off of Attributed Cost**	**Transfer to Held for Sale**	**Adoption of IFRS 9 (CPC 48)**	**Provision for loss**	**Equity Pick-up**		**September 30, 2018**
								Others	**Result**	
Light SESA	2,556,980	-	-	-	-	(169,341)	-	1	25,736	2,413,376
Light Energia	240,342	-	-	(49)	-	-	-	1	7,264	247,558
Light Esco [(a)]	152,333	(64,334)	-	-	(61,620)	-	(13,367)	(2,343)	(10,669)	-
Lightcom	91,326	-	(85,925)	-	-	-	-	(1)	53,449	58,849
Light Soluções	542	600	-	-	-	-	-	-	160	1,302
Lightger	42,499	-	(1,852)	-	-	-	-	(1)	2,176	42,822
Light Conecta	37,495	68,561	-	-	-	-	-	(2)	-	106,054
Axxiom	12,350	-	-	-	-	-	-	-	(6,121)	6,229
Amazônia Energia	289,274	23,464	-	-	-	-	-	7,853	19,101	339,692
Energia Olímpica	1,760	-	-	-	-	-	-	(559)	-	1,201
TOTAL	**3,424,901**	**28,291**	**(87,777)**	**(49)**	**(61,620)**	**(169,341)**	**(13,367)**	**4,949**	**91,096**	**3,217,083**

[(a)] On October 4, 2018, the Company concluded the sale of all shares held in the capital stock of Light Esco - Prestação de Serviços S.A., its wholly-owned subsidiary, to Ecogen Brasil Soluções Energéticas S.A. (“Ecogen”). Some of Light Esco’s assets were not included in the transaction and were transferred to Light Conecta.

	Consolidated					
	December 31, 2018	Capital Increase	Dividends	Equity Pick-up		September 30, 2019
				Others	Result	
Light Energia						
Guanhães Energia	111,188	20,572	-	5,275	(636)	136,399
Lightger	43,913	-	(3,113)	10	6,346	47,156
Axxiom	8,641	6,000	-	-	(5,319)	9,322
Amazônia Energia	346,607	26	-	-	7,124	353,757
Energia Olímpica	1,201	-	-	-	-	1,201
Light Conecta						
UHE Itaocara	5,340	23,164	-	-	(23,126)	5,378
TOTAL	**516,890**	**49,762**	**(3,113)**	**5,285**	**(15,611)**	**553,213**

	Consolidated					
	January 1, 2018	Capital Increase	Dividends	Equity Pick-up		September 30, 2018
				Others	Result	
Light Energia						
Renova Energia	134,958	-	-	(1,064)	(83,611)	50,283
Guanhães Energia	26,039	53,151	-	2	(2,835)	76,357
Lightger	42,499	-	(1,852)	(1)	2,176	42,822
Axxiom	12,350	-	-	-	(6,121)	6,229
Amazônia Energia	289,274	23,464	-	7,853	19,101	339,692
Energia Olímpica	1,760	-	-	(559)	-	1,201
TOTAL	**506,880**	**76,615**	**(1,852)**	**6,231**	**(71,290)**	**516,584**

Below, the full balances on September 30, 2019, and December 31, 2018, and the results for the nine-month period ended in 2019 and 2018 of the main Jointly controlled entities, which were recorded under the equity method:

September 30, 2019	Axxiom	Amazônia	Lightger	Renova	Guanhães	Energia Olímpica	UHE Itaocara
ASSETS							
Current	29,412	27	80,075	26,640	1,320	2,262	7,689
Cash and Cash Equivalents	4,724	13	65,542	6,068	1,055	2,183	7,541
Others	24,688	14	14,533	20,572	265	79	148
Non-Current	24,488	1,387,795	127,007	2,288,958	266,686	3,289	18,058
TOTAL ASSETS	**53,900**	**1,387,822**	**207,082**	**2,315,598**	**268,006**	**5,551**	**25,747**
LIABILITIES							
Current	29,753	541	49,503	2,362,920	537	3,154	195
Loans, Financing and Debentures	8,620	-	8,620	1,109,402	-	-	-
Others	21,133	541	40,883	1,253,518	537	3,154	195
Non-Current	5,869	-	65,115	803,996	17	-	15,005
Loans, Financing and Debentures	1,304	-	65,115	384,755	-	-	-
Others	4,565	-	-	419,241	17	-	15,005
Shareholders' Equity	18,278	1,387,281	92,464	(851,318)	267,452	2,397	10,547
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**53,900**	**1,387,822**	**207,082**	**2,315,598**	**268,006**	**5,551**	**25,747**

Accumulated 9 Months - 2019	Axxiom	Amazônia	Lightger	Renova	Guanhães	UHE Itaocara
INCOME STATEMENT						
Net Revenue from Sales	38,725	-	36,129	87,058	-	-
Cost of Sales	(42,452)	-	-	(61,818)	-	-
GROSS INCOME (LOSS)	**(3,727)**	**-**	**36,129**	**25,240**	**-**	**-**
General and Administrative Expenses	(5,685)	(189)	(18,919)	(130,067)	(1,502)	(45,345)
Equity Pick-up	-	-	-	49,033	-	-
Impairments of Fixed Assets	-	-	-	(259,403)	-	-
Other Expenses	-	-	-	(140,871)	(1)	-
Net Financial Income	(1,015)	28,128	(2,564)	(312,242)	257	1
INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**(10,427)**	**27,939**	**14,646**	**(768,280)**	**(1,246)**	**(45,344)**
Income Tax and Social Contribution	(2)	-	(2,202)	(6,549)	-	-
INCOME (LOSS) FOR THE PERIOD	**(10,429)**	**27,939**	**12,444**	**(774,829)**	**(1,246)**	**(45,344)**

December 31, 2018	Axxiom	Amazônia	Lightger	Renova	Guanhães	Energia Olímpica	UHE Itaocara
ASSETS							
Current	**28,345**	**110**	**69,867**	**1,737,707**	**5,420**	**2,262**	**4,803**
Cash & Cash Equivalents	6,952	97	58,418	28,707	4,578	2,183	4,693
Others	21,393	13	11,449	1,709,000	842	79	110
Non-Current	26,546	1,359,670	131,640	890,678	384,535	3,289	14,534
TOTAL ASSETS	**54,891**	**1,359,780**	**201,507**	**2,628,385**	**389,955**	**5,551**	**19,337**
LIABILITIES							
Current	**33,268**	**538**	**44,204**	**2,195,371**	**27,449**	**3,154**	**204**
Loans, Financing and Debentures	8,888	-	8,614	348,669	12,866	-	-
Others	24,380	538	35,590	1,846,702	14,583	3,154	204
Non-Current	**4,680**	**-**	**71,198**	**509,503**	**144,490**	**-**	**8,663**
Loans, Financing and Debentures	1,304	-	71,198	63,587	139,170	-	-
Others	3,376	-	-	445,916	5,320	-	8,663
Shareholders' Equity	16,943	1,359,242	86,105	(76,489)	218,016	2,397	10,470
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**54,891**	**1,359,780**	**201,507**	**2,628,385**	**389,955**	**5,551**	**19,337**

Accumulated 9 Months - 2018	Axxiom	Amazônia	Lightger	Renova	Guanhães
INCOME STATEMENT					
Net Revenue from Sales	35,390	-	34,124	573,131	6,569
Cost of Sales	(40,460)	-	-	(679,260)	-
GROSS INCOME (LOSS)	**(5,070)**	**-**	**34,124**	**(106,129)**	**6,569**
General and Administrative Expenses	(5,753)	(343)	(25,437)	(67,600)	(11,542)
Equity Pick-up	-	77,294	-	36,076	-
Other revenues (expenses)	-	-	-	(79,284)	-
Net Financial Income	(736)	(2,044)	(2,343)	(266,189)	(586)
INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**(11,559)**	**74,907**	**6,344**	**(483,126)**	**(5,559)**
Income Tax and Social Contribution	(443)	-	(2,077)	(3,830)	-
INCOME (LOSS) FOR THE PERIOD	**(12,002)**	**74,907**	**4,267**	**(486,956)**	**(5,559)**

14.1 Renova Energia

On October 13, 2019, the subsidiary Light Energia entered into a joint purchase and sale agreement and other covenants, through which the subsidiary sold all its shares held in the indirect subsidiary Renova Energia S.A., i.e. 7,163,074 common shares and 98 preferred shares, corresponding to 17.17% of the share capital of the company, for one real, to CG I Fundo de Investimento em Participações Multiestratégia, belonging to the founding partners of Renova. On the same date, the subsidiary Lightcom also signed with CGI the assignment of credits held by Renova, also for the amount of one real.

On October 15, 2019, the subsidiary Light Energia concluded the sale of all its shares in Renova Energia S.A. to CGI Fundo de Investimento em Participações Multiestratégia, as outlined in note 39.

Due to the worsening of Renova's financial condition, for the quarter ended September 30, 2019, the subsidiary Lightcom recognized as a provision the amount of R$277,654, originating from credits held by Lightcom with Renova.

Renova Energia and its shareholders sought several alternatives to improve the equation of the company's financial health. Such process was based on (i) a corporate restructuring, pursuant to the Material Fact of March 21, 2019, when was signed the share purchase and sale agreement related to the acquisition, by the subsidiary company Light Energia and Cemig Geração e Transmissão SA ("Cemig GT"), of up to 7,282,036 shares issued by Renova Energia, all owned by CG I Fundo de Investimento em Participações ("CG I"); (ii) sale of assets, according to Renova's Material Fact of April 9, 2019, in which a share purchase agreement ("CCVA") was signed with AES Tietê Energia S.A., for the sale of the Alto Sertão III wind complex and certain wind projects under development and (iii) debt rescheduling, including amendments to the debt with Banco BTG Pactual S.A., on May 3, 2019, rollover of the bridge loan with BNDES, from July 15, 2019 to October 15, 2019, and entering into a Bank Credit Note ("CCB") with Citibank on July 23, 2019.

Additionally, given the events disclosed in the quarter ended June 30, 2019, such as: (i) investigations carried out by public authorities; (ii) ANEEL's cancellation, on June 4, 2019, of the authorization of the AS3 Phase B Projects, due to the delay in the schedule; (iii) on the same date, ANEEL indicated its intention to cancel the regulated energy agreement LER 2013 ("PPA AS3 Phase A"), due to the delayed start-up of the parks and alleging that energy prices are much higher today when compared to the prices of the last regulated market auctions and, (iv) on June 19, 2019, AES demonstrated difficulties to proceed with the purchase, according to the base of the agreement, due to the frustrated negotiation with the wind turbine supplier.

The shareholders of Renova Energia, Light Energia and Cemig GT, worked throughout August and September to set up an Investment Agreement. This Investment Agreement provided capital contributions to be made by Cemig GT in Renova Energia, which would be used to develop and maintain its operating activities, as well as the possibility to assign obligations to Light Energia of the purchase and sale agreement entered into March 2019 between Cemig GT and Light Energia. Due to the impossibility, by Cemig GT, of making this Agreement, the subsidiary Light Energia received, on October 11, 2019, after closing the market, a proposal for the acquisition of its entire interest held in Renova, by CG I Fundo de Investimento em Participações Multiestratégia, belonging to the founding partners, for one Real, which was appraised by Light's Board of Directors, according to the Material Fact of October 13, 2019.

14.1.1 Investigation conducted by public authorities in the indirect Jointly controlled entity Renova Energia regarding certain expenses and related allocation

On January 19, 2018, Renova Energia defended an official letter of the Minas Gerais Civil Police received in November 2017, related to an investigation conducted by the said authority regarding certain contributions by the controlling shareholders to Renova Energia and contributions by Renova Energia to certain projects in progress in 2014. In December 2017, Light defended an official letter, also sent by the Minas Gerais Civil Police, presenting documents related to the investments of its subsidiary Light Energia in Renova. Due to the said investigation, Renova Energia's governance bodies requested the opening of an internal investigation related to this matter, which is being conducted by an independent company. In addition, a monitoring committee has been established to monitor the internal investigation of Renova Energia, composed of independent board members, the chairman of the fiscal council and of the board of directors and the coordinator of the audit committee, who are monitoring the internal investigation.

In this context, the scope of the independent internal investigation includes evaluating possible irregularities, including on the Brazilian law concerning acts of corruption and money laundering, Renova's Code of Ethics and Integrity Policies. The internal investigation in Renova Energia is still in progress and, at this moment, it is not possible to measure any effects of said investigation. The investments that originated this inquiry, assessed by the equity method, were written-off by Renova Energia in December 2017, reducing Light Energia's result by R$11,052.

On April 11, 2019, the Federal Police, the Federal Revenue Service, and the Federal Public Prosecutor's Office carried out an operation that resulted in a search and seizure warrant at the headquarters of Renova Energia to establish possible overpriced contracts and contracts without the proper provision of services. On July 25, 2019, the Federal Police disclosed the second phase of this operation, which did not result in direct actions against Renova. Investigations of this operation have not yet been concluded.

On April 25, 2019, the governing bodies of Renova Energia requested that the internal investigation carried out by an independent company also include new information on this ongoing investigation. The internal investigation has not yet been concluded, which is why it's not possible to measure any effects, as well as any impacts on the individual and consolidated financial information of the Company for the period ended September 30, 2019, and prior periods.

14.2 Amazônia Energia

14.2.1 Risks related to laws and regulations in the indirect investee Norte Energia S.A.

Since 2014, the Federal Prosecution Office has been investigating irregularities involving contractors, suppliers and state-owned companies, and discovered an extensive scheme of illegal payments. In this context, the Federal Prosecution Office began investigations on irregularities involving some contractors and suppliers of Eletrobras, as well as contractors and suppliers of certain Eletrobras' investments involved in the construction of generation plants, including Norte Energia, responsible for the construction of the Belo Monte Hydroelectric Power Plant.

The Eletrobras Group, which holds 49.98% of Norte Energia's capital stock, hired a law firm specialized in corporate investigation to ascertain possible irregularities in projects in which the Eletrobras Group's companies corporately participate or hold minority interests.

The final reports of the independent internal investigation include certain findings with estimated impacts on the financial statements of Norte Energia. It was concluded that the amount attributed to possible overbilling arising from bribes and/or fraudulent bids and activities considered of illicit nature was R$183,000 in Norte Energia, generating an effect of R$4,559 on the Company. The impact was fully recognized in the results for the year ended December 31, 2015.

14.3 Guanhães Energia

14.3.1 Investigation conducted by public authorities of acquisition in the indirect Jointly controlled entity Guanhães Energia

On September 4, 2018, and October 23, 2018, the Company received official letters of the Minas Gerais Civil Police requesting information about the acquisition, in 2012, of a 51% interest in the Jointly controlled entity Guanhães Energia, previously held by Investminas Participações S.A. ("Investminas"). The information requested includes the rate of return, investments carried out and payment receipts. According to the Notice to the Market released on October 20, 2015, the Company stated that it is not aware of payments made to intermediaries, as mentioned in a news article regarding its acquisition of interest in Guanhães Energia, confirming it interacted directly with Investminas Participações S.A. ("Investminas") and Cemig GT, and only recognizing the payment made to Investminas as seller of the 51% interest in Guanhães Energia. The Company timely defended said official letters and reiterates that it is unaware of any irregularity involving the acquisition of an interest in Guanhães Energia.

15. PROPERTY, PLANT & EQUIPMENT

	Consolidated				
	September 30, 2019				December 31, 2018
	Average Annual Rate (%)	Historical Cost	Accumulated Depreciation	Net Amount	Net Amount
Generation	3.32	2,952,447	(1,870,320)	1,082,127	1,018,561
Transmission	3.91	51,753	(37,085)	14,668	15,258
Distribution	4.69	21,172	(20,470)	702	732
Management	7.96	469,097	(286,368)	182,729	182,549
Trading	7.96	19,132	(10,693)	8,439	8,911
IN SERVICE		**3,513,601**	**(2,224,936)**	**1,288,665**	**1,226,011**
Generation		214,449	-	214,449	285,304
Management		47,585	-	47,585	49,166
IN PROGRESS		**262,034**	**-**	**262,034**	**334,470**
TOTAL		**3,775,635**	**(2,224,936)**	**1,550,699**	**1,560,481**

The chart below shows the changes in Property, Plant & Equipment in the nine-month periods ended September 30, 2019, and 2018:

	Consolidated				
	Balances on December 31, 2018	Additions	Write-Offs	Transfer to Service	Balances on September 30, 2019
PROPERTY, PLANT AND EQUIPMENT IN SERVICE					
Cost					
Land	104,954	-	-	-	104,954
Reservoir, dams and water mains	1,311,338	-	-	29,391	1,340,729
Buildings, Works and Improvements	300,865	-	(46)	2,928	303,747
Machinery and Equipment	1,567,702	-	(999)	90,889	1,657,592
Vehicles	14,263	-	-	16	14,279
Furniture and Fixtures	97,281	-	(1,961)	76	95,396
Special Obligations	(3,096)	-	-	-	(3,096)
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE - COST	**3,393,307**	**-**	**(3,006)**	**123,300**	**3,513,601**
(-) Depreciation					
Reservoir, dams and water mains	(908,876)	(13,491)	-	-	(922,367)
Buildings, Works and Improvements	(192,261)	(4,567)	46	-	(196,782)
Machinery and Equipment	(968,450)	(41,191)	934	-	(1,008,707)
Vehicles	(12,978)	(382)	-	-	(13,360)
Furniture and Fixtures	(84,977)	(1,015)	1,961	-	(84,031)
Special Obligations	246	65	-	-	311
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE - DEPRECIATION	**(2,167,296)**	**(60,581)**	**2,941**	**-**	**(2,224,936)**
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE	**1,226,011**	**(60,581)**	**(65)**	**123,300**	**1,288,665**
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS					
Land	452	-	-	-	452
Reservoir, dams and water mains	29,114	1,722	-	(17,764)	13,072
Buildings, Works and Improvements	39,831	2,554	(328)	(2,132)	39,925
Machinery and Equipment	207,985	46,860	-	(103,388)	151,457
Vehicles	36	-	-	(16)	20
Furniture and Fixtures	406	20	(5)	-	421
Studies and Projects	56,646	41	-	-	56,687
TOTAL PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	**334,470**	**51,197**	**(333)**	**(123,300)**	**262,034**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,560,481**	**(9,384)**	**(398)**	**-**	**1,550,699**

	Consolidated				
	Balances on January 1, 2018	Additions	Write-Offs	Transfer to Service	Balances on September 30, 2018
PROPERTY, PLANT AND EQUIPMENT IN SERVICE					
Cost					
Land	104,954	-	-	-	104,954
Reservoir, dams and water mains	1,309,087	-	-	2,250	1,311,337
Buildings, Works and Improvements	300,623	-	(89)	331	300,865
Machinery and Equipment	1,639,222	-	(897)	7,226	1,645,551
Vehicles	14,308	-	(293)	248	14,263
Furniture and Fixtures	97,274	-	-	-	97,274
Special Obligations	(3,096)	-	-	-	(3,096)
Transfer to Assets Held for Sale	-	-	-	-	(82,412)
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE - COST	**3,462,372**	**-**	**(1,279)**	**10,055**	**3,388,736**
(-) Depreciation					
Reservoir, dams and water mains	(891,464)	(13,056)	-	-	(904,520)
Buildings, Works and Improvements	(186,027)	(4,750)	89	-	(190,688)
Machinery and Equipment	(932,844)	(45,473)	203	-	(978,114)
Vehicles	(12,750)	(393)	292	-	(12,851)
Furniture and Fixtures	(83,580)	(1,053)	-	-	(84,633)
Special Obligations	158	65	-	-	223
Transfer to Assets Held for Sale	-	-	-	-	23,254
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE - DEPRECIATION	**(2,106,507)**	**(64,660)**	**584**	**-**	**(2,147,329)**
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE	**1,355,865**	**(64,660)**	**(695)**	**10,055**	**1,241,407**
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS					
Land	487	1	-	-	488
Reservoir, dams and water mains	24,730	4,008	(97)	(128)	28,513
Buildings, Works and Improvements	29,972	5,773	(212)	(318)	35,215
Machinery and Equipment	145,146	38,383	(1,181)	(9,333)	173,015
Vehicles	166	102	-	(248)	20
Furniture and Fixtures	401	30	-	(28)	403
Studies and Projects	56,632	97	(167)	-	56,562
Transfer to Assets Held for Sale	-	-	-	-	(53)
TOTAL PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	**257,534**	**48,394**	**(1,657)**	**(10,055)**	**294,163**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,613,399**	**(16,266)**	**(2,352)**	**-**	**1,535,570**

In the nine-month period ended on September 30, 2019, the amount of R$1,529 (R$4,084 in the nine-month period ended on September 30, 2019) was included in Property, Plant & Equipment, as interest capitalization, with an average capitalization rate of 8.2% per year.

15.1 Annual depreciation rates:

The schedule below summarizes significant annual depreciation rates, based on the assets' estimated useful lives:

GENERATION	%	TRADING	%	MANAGEMENT	%	TRANSMISSION	%
Dams	2.50	Buildings	3.33	Buildings	3.33	System conductor	2.70
Circuit breaker	3.03	General Equipment	6.25	General Equipment	6.25	General Equipment	6.25
Buildings	2.00	Vehicles	14.29	Vehicles	14.29	System structure	3.13
Water intake equipment	3.70					Recloser	4.00
Water intake structure	2.86						
Generator	3.33						
Motor group - generator	5.88						
Reservoir, dams and water mains	2.00						
Local communication system	6.67						
Water turbine	2.50						

The Company did not identify signs of impairment of its property, plant, and equipment on September 30, 2019, and December 31, 2018. The concession agreements of the hydroelectric power plants of subsidiary Light Energia establish that at the end of each concession's term, the granting authority will determine the amount to be indemnified, so that Management understands that the value of property, plant, and equipment not depreciated at the end of concession will be reimbursed by the granting authority.

For property, plant and equipment items without indemnity guarantee, the items are depreciated under the straight-line method considering the asset's useful life.

16. INTANGIBLE ASSETS

	Consolidated			
	September 30, 2019			December 31, 2018
	Historical Cost	Accumulated Amortization	Net Amount	Net Amount
Concession Right of Use	7,723,193	(5,132,880)	2,590,313	2,832,026
Others [(a)]	925,870	(786,081)	139,789	172,019
IN SERVICE	**8,649,063**	**(5,918,961)**	**2,730,102**	**3,004,045**
Others [(a)]	100,783	-	100,783	92,423
IN PROGRESS	**100,783**	**-**	**100,783**	**92,423**
TOTAL INTANGIBLE ASSETS	**8,749,846**	**(5,918,961)**	**2,830,885**	**3,096,468**

[(a)] Includes basically software and licenses

As set forth by IFRS 15 (CPC 47), contractual assets related to the concession under construction and registered under the scope of ICPC 01 (R1) - Concession Agreements, must be classified as a contractual asset. When they are finalized, the investments are divided into two parts (bifurcated), the first of which is recorded in intangible assets in service, related to the amount that will be amortized during the concession term, and the other is recorded as the concession's financial assets and will be received by the granting authority as indemnification at the end of the concession agreement. Both amounts recorded are net of special obligations.
Special obligations are contributions made by the federal government, states, municipalities and consumers, any unqualified donations (i.e. not subject to any consideration to the benefit of the donor), and subsidy intended as investments to be made toward concession of the electric power distribution utility.

The infrastructure used by subsidiary Light SESA is associated with the distribution service, and therefore cannot be removed, disposed of, assigned, conveyed, or encumbered as mortgage collateral without the prior written authorization of the granting authority, which authorization, if given, is regulated by ANEEL Resolution No. 20/99.

The chart below shows the changes in Intangible Assets in the nine-month periods ended September 30, 2019, and 2018:

	Consolidated					
	Balances on December 31, 2018	Additions	Write-offs	Inter-Account Transfers [(a)]	Transfer of contract asset	Balances on September 30, 2019
IN SERVICE						
Concession Right of Use	8,383,402	-	(106,306)	(154,550)	244,673	8,367,219
Special Liabilities - Concession Right of Use	(640,234)	-	-	10,240	(14,032)	(644,026)
	7,743,168	-	(106,306)	(144,310)	230,641	7,723,193
Others	979,902	-	-	28,454	-	1,008,356
Special Liabilities - Others	(82,486)	-	-	-	-	(82,486)
	897,416	-	-	28,454	-	925,870
TOTAL INTANGIBLE ASSETS IN SERVICE - COST	**8,640,584**	**-**	**(106,306)**	**(115,856)**	**230,641**	**8,649,063**
(-) Amortization						
Concession Right of Use	(5,111,873)	(347,142)	81,299	-	-	(5,377,716)
Special Liabilities - Concession Right of Use	200,731	44,105	-	-	-	244,836
	(4,911,142)	(303,037)	81,299	-	-	(5,132,880)
Others	(739,434)	(63,060)	-	-	-	(802,494)
Special Liabilities - Others	14,037	2,376	-	-	-	16,413
	(725,397)	(60,684)	-	-	-	(786,081)
TOTAL INTANGIBLE ASSETS IN SERVICE - AMORTIZATION	**(5,636,539)**	**(363,721)**	**81,299**	**-**	**-**	**(5,918,961)**
TOTAL INTANGIBLE ASSETS IN SERVICE	**3,004,045**	**(363,721)**	**(25,007)**	**(115,856)**	**230,641**	**2,730,102**
Others	92,423	34,117	(12)	(25,745)	-	100,783
	92,423	34,117	(12)	(25,745)	-	100,783
TOTAL INTANGIBLE ASSETS IN PROGRESS	**92,423**	**34,117**	**(12)**	**(25,745)**	**-**	**100,783**
TOTAL INTANGIBLE ASSETS	**3,096,468**	**(329,604)**	**(25,019)**	**(141,601)**	**230,641**	**2,830,885**

[(a)] Transfer to concessions' financial asset, as a result of the split of assets upon start-up, pursuant to IFRIC 12 / ICPC 01, and transfer from concessions' financial asset referring to special obligations (see Note 11).

	Consolidated				
	Balances on January 1, 2018	Additions	Write-offs	Inter-Account Transfers [(a)]	Balances on September 30, 2018
IN SERVICE					
Concession Right of Use	8,151,823	-	(51,955)	137,275	8,237,143
Special Liabilities - Concession Right of Use	(622,531)	-	-	(13,786)	(636,317)
	7,529,292	-	(51,955)	123,489	7,600,826
Others	860,687	-	-	115,949	976,636
Special Liabilities - Others	(82,486)	-	-	-	(82,486)
	778,201	-	-	115,949	894,150
TOTAL INTANGIBLE ASSETS IN SERVICE - COST	**8,307,493**	**-**	**(51,955)**	**239,438**	**8,494,976**
(-) Amortization					
Concession Right of Use	(4,709,917)	(329,395)	47,914	-	(4,991,398)
Special Liabilities - Concession Right of Use	143,304	42,872	-	-	186,176
	(4,566,613)	(286,523)	47,914	-	(4,805,222)
Others	(661,665)	(56,031)	-	-	(717,696)
Special Liabilities - Others	10,870	2,376	-	-	13,246
	(650,795)	(53,655)	-	-	(704,450)
TOTAL INTANGIBLE ASSETS IN SERVICE - AMORTIZATION	**(5,217,408)**	**(340,178)**	**47,914**	**-**	**(5,509,672)**
TOTAL INTANGIBLE ASSETS IN SERVICE	**3,090,085**	**(340,178)**	**(4,041)**	**239,438**	**2,985,304**
IN PROGRESS					
Concession Right of Use	313,518	474,596	-	(372,941)	415,173
Special Liabilities - Concession Right of Use	(95,321)	(33,455)	-	45,994	(82,782)
	218,197	441,141	-	(326,947)	332,391
Others	265,285	28,139	-	(110,072)	183,352
	265,285	28,139	-	(110,072)	183,352
TOTAL INTANGIBLE ASSETS IN PROGRESS	**483,482**	**469,280**	**-**	**(437,019)**	**515,743**
TOTAL INTANGIBLE ASSETS	**3,573,567**	**129,102**	**(4,041)**	**(197,581)**	**3,501,047**

[(a)] Transfer to concessions' financial assets, as a result of the split of assets upon start-up, pursuant to IFRIC 12 / ICPC 01 (see Note 11).

The amortization of intangible assets must reflect the manner in which the Company expects to allocate the future benefits related to the use of assets, or the end of the concession, whichever occurs first. The consumption pattern of these assets is related to the estimated useful life of each asset that is part of tangible assets contained in the distribution infrastructure. As a result of the use of this amortization criteria, the total intangible assets will always be amortized in a non-linear manner given that the regulator uses these estimated useful lives as a basis to determine the tariff to be charged for the services rendered in the concessions, as per concession agreements.

17. SUPPLIERS

	Consolidated	
	September 30, 2019	December 31, 2018
Sales in the short-term market	1,247,642	1,059,624
Charges on use of electric energy grid	84,662	79,983
Free energy – refund to generation companies[a]	109,698	104,811
Electric power auctions	303,026	280,577
Itaipu binational	218,896	228,107
UTE Norte Fluminense	138,439	142,970
Supplies and services	155,937	223,588
TOTAL	**2,258,300**	**2,119,660**

[a] Free energy refers to amounts payable to electric power generators referring to losses during the power rationing period between June 2001 and February 2002. The Company has Writs of Mandamus against Decisions SFF/ANEEL no. 2.517/2010 and SFF/ANEEL no. 1.068/2010, and their amount is monthly restated by the SELIC interest rate.

On September 30, 2019, the subsidiary Light Energia had an outstanding balance of R$1,111,904 (R$950,877 on December 31, 2018) under the Sales in the short-term market line, referring to the settlement of the Electric Power Trading Chamber (CCEE) arising from the Energy Reallocation Mechanism (MRE) adjustment caused by a GSF lower than 1 (see Note 35). As mentioned in Note 06, the Company has a balance receivable of R$466,716 (R$435,505 on December 31, 2018), resulting from net liabilities of R$645,188 on September 30, 2019 (net liabilities of R$515,372, on December 31, 2018).

18. TAXES AND CONTRIBUTIONS PAYABLE

	Consolidated					
	September 30, 2019			December 31, 2018		
	Current	Non-Current	Total	Current	Non-current	Total
TAXES AND CONTRIBUTIONS PAYABLE	**436,238**	**259,468**	**695,706**	**338,911**	**304,553**	**643,464**
ICMS payable	252,067	150,456	402,523	213,558	179,266	392,824
Payment in installments - Law 11941/09	24,013	109,012	133,025	23,855	125,287	149,142
PIS and COFINS payable [b]	147,348	-	147,348	84,650	-	84,650
INSS (Social Security Contribution)	2,847	-	2,847	3,735	-	3,735
Others	9,963	-	9,963	13,113	-	13,113
INCOME TAX AND SOCIAL CONTRIBUTION PAYABLE	**64,953**	**-**	**64,953**	**13,937**	**-**	**13,937**
Withholding income tax payable	942	-	942	1,204	-	1,204
Provision for income tax and social contribution	64,011	-	64,011	12,733	-	12,733
TOTAL	**501,191**	**259,468**	**760,659**	**352,848**	**304,553**	**657,401**

[a] ICMS payable, recorded under non-current liabilities, arises from installment payment of bills.
[b] Includes R$116,190 relating to PIS and COFINS on financial income from credit restatement referring to the right to exclude ICMS from the PIS and COFINS tax base.

19. LOANS AND FINANCING

Consolidated								
Financing Entity	Subsidiary	Current			Non-Current		Total	Total
		Principal	Charges	Total	Principal	Total	September 30, 2019	December 31, 2018
TN - Par Bond	Light SESA	-	4,606	4,606	162,076	162,076	166,682	152,753
TN - Surety - Par Bond	Light SESA	-	-	-	(146,028)	(146,028)	(146,028)	(130,225)
TN - Discount Bond	Light SESA	-	1,953	1,953	113,092	113,092	115,045	106,018
TN - Surety - Discount Bond	Light SESA	-	-	-	(101,879)	(101,879)	(101,879)	(90,999)
4131 Citibank 2018	Light SESA	-	-	-	-	-	-	741,319
4131 Citibank 2019	Light SESA	41,644	886	42,530	333,152	333,152	375,682	-
Bonds	Light SESA	-	49,313	49,313	1,665,760	1,665,760	1,715,073	1,567,712
4131 Citibank 2018	Light Energia	-	-	-	-	-	-	78,050
4131 Citibank 2019	Light Energia	-	761	761	333,152	333,152	333,913	-
Bonds	Light Energia	-	24,489	24,489	832,880	832,880	857,369	783,700
Subtotal - Foreign currency		**41,644**	**82,008**	**123,652**	**3,192,205**	**3,192,205**	**3,315,857**	**3,208,328**
Funding Cost		-	-	-	(30,828)	(30,828)	(30,828)	(37,134)
Covenant Fee Cost		(72)	-	(72)	-	-	(72)	(398)
Cost - Foreign currency		**(72)**	**-**	**(72)**	**(30,828)**	**(30,828)**	**(30,900)**	**(37,532)**
TOTAL FOREIGN CURRENCY		**41,572**	**82,008**	**123,580**	**3,161,377**	**3,161,377**	**3,284,957**	**3,170,796**
Eletrobras - Reluz	Light SESA	-	-	-	-	-	-	787
CCB Banco do Brasil 2017	Light SESA	-	-	-	-	-	-	15,021
CCB Bradesco 2016	Light SESA	14,980	222	15,202	-	-	15,202	60,773
CCB - IBM 2017	Light SESA	10,946	118	11,064	-	-	11,064	40,500
CCB - IBM 2019	Light SESA	956	-	956	637	637	1,593	-
Leasing IBM	Light SESA	541	-	541	-	-	541	1,598
BNDES - Capex 2009/10 Sub C	Light SESA	-	-	-	-	-	-	9,311
BNDES - Capex 2011/12 Sub 1	Light SESA	-	-	-	-	-	-	308
BNDES - Capex 2011/12 Sub 2	Light SESA	-	-	-	-	-	-	9,090
BNDES - Capex 2011/12 Sub 3	Light SESA	-	-	-	-	-	-	10,931
BNDES - Capex 2011/12 Sub 4	Light SESA	-	-	-	-	-	-	10,934
BNDES - Capex 2011/12 Sub 17	Light SESA	-	-	-	-	-	-	1
BNDES - Capex 2011/12 Sub 18	Light SESA	-	-	-	-	-	-	1
BNDES - Capex 2013/14 Sub-A	Light SESA	33,235	163	33,398	16,617	16,617	50,015	74,793
BNDES - Capex 2013/14 Sub B	Light SESA	21,762	36	21,798	10,881	10,881	32,679	46,825
BNDES - Capex 2013/14 Sub C	Light SESA	13,936	153	14,089	54,583	54,583	68,672	79,148
BNDES - Capex 2013/14 Sub-D	Light SESA	680	3	683	340	340	1,023	1,530
BNDES - Capex 2013/14 Sub E	Light SESA	446	1	447	223	223	670	960
BNDES - CAPEX 2015/16 Sub-A	Light SESA	33,606	418	34,024	84,015	84,015	118,039	142,904
BNDES - CAPEX 2015/16 Sub B	Light SESA	39,751	221	39,972	99,382	99,382	139,354	161,638
BNDES - CAPEX 2015/16 Sub C	Light SESA	14,207	177	14,384	35,517	35,517	49,901	60,412
BNDES - CAPEX 2017/18	Light SESA	42,103	867	42,970	235,076	235,076	278,046	-
BNDES - 2013/16 Olympics Sub A	Light SESA	4,149	17	4,166	1,037	1,037	5,203	8,302
BNDES - 2013/16 Olympics Sub B	Light SESA	4,149	18	4,167	1,037	1,037	5,204	8,302
BNDES - 2013/16 Olympics Sub C	Light SESA	3,195	14	3,209	799	799	4,008	6,411
BNDES - 2013/16 Olympics Sub D	Light SESA	2,419	18	2,437	3,024	3,024	5,461	7,259
BNDES - 2013/16 Olympics Sub E	Light SESA	2,432	19	2,451	3,040	3,040	5,491	7,300
BNDES - 2013/16 Olympics Sub F	Light SESA	1,874	15	1,889	2,343	2,343	4,232	5,641
BNDES - 2013/16 Olympics Sub G	Light SESA	1,607	9	1,616	5,223	5,223	6,839	8,046
BNDES - 2013/16 Olympics Sub H	Light SESA	447	2	449	559	559	1,008	1,339
FINEP - Research and Innovation	Light SESA	23,193	101	23,294	38,654	38,654	61,948	79,380
Promissory Note - 4th NP	Light SESA	-	-	-	-	-	-	95,237
FIDC 2018 Series A	Light SESA	168,815	2,516	171,331	791,354	791,354	962,685	1,002,645
FIDC 2018 Series B	Light SESA	84,124	887	85,011	315,464	315,464	400,475	410,422
BNDES - Capex 2009/10 Sub C	Light Energia	-	-	-	-	-	-	579
BNDES - Lajes Project - SUB A	Light Energia	1,879	40	1,919	10,022	10,022	11,941	13,314
BNDES - Lajes Project - SUB B	Light Energia	1,985	42	2,027	10,588	10,588	12,615	14,066
Promissory Note - 3rd NP	Light Energia	-	-	-	-	-	-	28,632
Promissory Note - 4th NP	Light Energia	-	-	-	-	-	-	107,537
BNDES Conecta	Light Conecta	911	3	914	527	527	1,441	3,657
Sundry bank guarantee	Light SESA	-	39	39	-	-	39	55
FIDC Subordinated Shares	Light SESA	-	-	-	(35,104)	(35,104)	(35,104)	(35,104)
FIDC Retention	Light SESA	(31,146)	-	(31,146)	-	-	(31,146)	(9,193)
Subtotal - Domestic currency		**497,182**	**6,119**	**503,301**	**1,685,838**	**1,685,838**	**2,189,139**	**2,491,292**
Funding Cost		(7,599)	-	(7,599)	(29,885)	(29,885)	(37,484)	(38,943)
Covenant Fee Cost		-	-	-	-	-	-	(175)
Cost - Domestic currency		**(7,599)**	**-**	**(7,599)**	**(29,885)**	**(29,885)**	**(37,484)**	**(39,118)**
TOTAL DOMESTIC CURRENCY		**489,583**	**6,119**	**495,702**	**1,655,953**	**1,655,953**	**2,151,655**	**2,452,174**
TOTAL		**531,155**	**88,127**	**619,282**	**4,817,330**	**4,817,330**	**5,436,612**	**5,622,970**

The table below summarizes the contractual terms and conditions applicable to existing loans and financing as of December 31, 2019:

Financing Entity	Subsidiary	Date of Signature	Currency	Interest rate p.a. [(a)]	Effective rate [(a)]	Principal Amortization Beginning	Principal Amortization Payment	Principal Amortization End
TN - Par Bond	Light SESA	April 29, 1996	US$	64.05% CDI	4.00%	Apr/2024	Single	Apr/2024
TN - Surety - Par Bond	Light SESA	April 29, 1996	US$	U$ Treasury	-	Apr/2024	Single	Apr/2024
TN - Discount Bond	Light SESA	April 29, 1996	US$	64.05 CDI	4.00%	Apr/2024	Single	Apr/2024
TN - Surety - Discount Bond	Light SESA	April 29, 1996	US$	U$ Treasury	-	Apr/2024	Single	Apr/2024
4131 Citibank 2018	Light SESA	February 1, 2018	US$	CDI + 3.50%	N/A	May/2018	Half-Yearly	Aug/2021
4131 Citibank 2019	Light SESA	September 5, 2019	US$	CDI + 1.50%	7.84%	Mar/2020	Annually	Sep/2021
Bonds	Light SESA	May 3, 2018	US$	142.79% CDI	8.92%	May/2023	Single	May/2023
4131 Citibank 2018	Light Energia	February 1, 2018	US$	CDI + 3.50%	N/A	Mar/2018	Half-Yearly	Aug/2019
4131 Citibank 2019	Light Energia	September 4, 2019	US$	CDI + 1.30%	7.63%	Sep/2021	Single	Sep/2021
Bonds	Light Energia	May 3, 2018	US$	143.01% CDI	8.94%	May/2023	Single	May/2023
Eletrobras - Reluz	Light SESA	March 22, 2010	R$	5.00%	5.00%	Sep /2014	Monthly	Aug/2019
CCB Banco do Brasil 2017	Light SESA	February 21, 2017	R$	140% of CDI	N/A	Aug /2017	Every two months	Fev/2019
CCB Bradesco 2016	Light SESA	November 16, 2016	R$	CDI + 3.50%	9.97%	Feb/2017	Quarterly	Nov/2019
CCB - IBM 2017 [(b)]	Light SESA	January 10, 2017	R$	CDI + 3.84%	10.33 %	Jan/2017	Quarterly	May/2020
CCB - IBM 2019	Light SESA	May 9, 2019	R$	CDI	6.25%	May/2019	Monthly	May/2021
Leasing IBM	Light SESA	November 10, 2016	R$	CDI	6.25%	Feb/2017	Monthly	Feb/2020
BNDES - Capex 2009/10 Sub C	Light SESA	November 30, 2009	R$	4.50%	4.50%	May/2011	Monthly	Sep/2019
BNDES - Capex 2011/12 Sub 1	Light SESA	December 6, 2011	R$	TJLP	N/A	Apr/2013	Monthly	Mar/2019
BNDES - Capex 2011/12 Sub 2	Light SESA	December 6, 2011	R$	TJLP + 1.81%	N/A	Apr/2013	Monthly	Mar/2019
BNDES - Capex 2011/12 Sub 3	Light SESA	December 6, 2011	R$	TJLP + 2.21%	N/A	Apr/2013	Monthly	Mar/2019
BNDES - Capex 2011/12 Sub 4	Light SESA	December 6, 2011	R$	TJLP + 3.21%	N/A	Apr/2013	Monthly	Mar/2019
BNDES - Capex 2011/12 Sub 17	Light SESA	December 6, 2011	R$	TJLP + 2.21%	N/A	Apr/2013	Monthly	Mar/2019
BNDES - Capex 2011/12 Sub 18	Light SESA	December 6, 2011	R$	TJLP + 3.21%	N/A	Apr/2013	Monthly	Mar/2019
BNDES - Capex 2013/14 Sub A	Light SESA	November 28, 2014	R$	TJLP + 2.78%	8.73%	Apr/2015	Monthly	Mar/2021
BNDES - Capex 2013/14 Sub B	Light SESA	November 28, 2014	R$	SELIC + 2.78%	9.20%	Mar/2015	Monthly	Mar/2021
BNDES - Capex 2013/14 Sub C	Light SESA	November 28, 2014	R$	6.00%	6.00%	Apr/2015	Monthly	Aug/2024
BNDES - Capex 2013/14 Sub D	Light SESA	November 28, 2014	R$	TJLP + 2.78%	8.73%	Apr/2015	Monthly	Mar/2021
BNDES - Capex 2013/14 Sub E	Light SESA	November 28, 2014	R$	SELIC + 2.78%	9.20%	Apr/2015	Monthly	Mar/2021
BNDES - CAPEX 2015/16 Sub A	Light SESA	December 26, 2016	R$	TJLP + 3.74%	9.69%	Apr/2017	Monthly	Mar/2023
BNDES - CAPEX 2015/16 SUB B	Light SESA	December 26, 2016	R$	SELIC + 4.08%	10.59 %	Apr/2017	Monthly	Mar/2023
BNDES - CAPEX 2015/16 Sub C	Light SESA	December 26, 2016	R$	TJLP + 3.74%	9.69%	Apr/2017	Monthly	Mar/2023
BNDES - CAPEX 2017/18	Light SESA	December 28, 2018	R$	IPCA + 6.14%	9.21%	Jun/2019	Monthly	Apr/2026
BNDES - 2013/16 Olympics Sub A	Light SESA	December 16, 2013	R$	TJLP + 2.58%	8.53%	Jan/2015	Monthly	Dec/2020
BNDES - 2013/16 Olympics Sub B	Light SESA	December 16, 2013	R$	TJLP + 3.58%	9.53%	Jan/2015	Monthly	Dec/2020
BNDES - 2013/16 Olympics Sub C	Light SESA	December 16, 2013	R$	SELIC + 2.58%	8.99%	Jan/2015	Monthly	Dec/2020
BNDES - 2013/16 Olympics Sub D	Light SESA	December 16, 2013	R$	TJLP + 2.58%	8.53%	Jan/2016	Monthly	Dec/2021
BNDES - 2013/16 Olympics Sub E	Light SESA	December 16, 2013	R$	TJLP + 3.58%	9.53%	Jan/2016	Monthly	Dec/2021
BNDES - 2013/16 Olympics Sub F	Light SESA	December 16, 2013	R$	SELIC + 2.58%	8.99%	Jan/2016	Monthly	Dec/2021
BNDES - 2013/16 Olympics Sub G	Light SESA	December 16, 2013	R$	3.50%	3.50%	Jan/2016	Monthly	Dec/2023
BNDES - 2013/16 Olympics Sub H	Light SESA	December 16, 2013	R$	TJLP	5.95%	Jan/2019	Monthly	Dec/2021
FINEP - Research and Innovation	Light SESA	April 16, 2014	R$	4.00%	4.00%	May/2016	Monthly	May/2022
Promissory Note - 4th NP	Light SESA	December 21, 2017	R$	CDI + 3.5%	N/A	Jan/2019	Single	Jan/2019
FIDC 2018 Series A	Light SESA	April 4, 2018	R$	CDI + 1.20%	7.53%	Jul/2019	Monthly	Jun/2024
FIDC 2018 Series B	Light SESA	April 4, 2018	R$	IPCA + 5.75%	8.81%	Jul/2019	Monthly	Jun/2024
BNDES - Capex 2009/10 Sub C	Light Energia	November 30, 2009	R$	4.50%	4.50%	May/2011	Monthly	Sep/2019
BNDES - Lajes Project - SUB A	Light Energia	September 28, 2016	R$	TJLP + 2.95%	8.90%	Feb/2017	Monthly	Jan/2026
BNDES - Lajes Project - SUB B	Light Energia	September 28, 2016	R$	TJLP + 2.95%	8.90%	Apr/2017	Monthly	Jan/2026
Promissory Note - 3rd NP	Light Energia	August 17, 2017	R$	CDI + 3.5%	N/A	May/2018	Quarterly	Feb/ 2019
Promissory Note - 4th NP	Light Energia	March 23, 2018	R$	CDI + 3.5%	N/A	Mar/2019	Single	Mar/2019
BNDES Conecta [(b)]	Light Conecta	October 10, 2018	R$	TJLP + 0.53%	6.48%	Oct/2018	Monthly	Oct/2023

(a) For foreign currency debt, we considered the costs in reais, as per the related swap agreements.
(b) For these debts, we considered the average cost of the tranches of each operation.

The main financial operations in the nine-month period ended September 30, 2019, were:

- On January 22, 2019, the subsidiary Light SESA paid the 4th Promissory Note, totaling R$95,392.

- On February 1, 2019, the rollover of the Resolution 4131 debt between the subsidiary company Light SESA and Citibank was carried out in the amount of R$ 657,342. The transaction has a one-year grace period on principal, semi-annual amortizations, quarterly interest payments and matures in August 2022. A swap transaction was contracted to fully protect principal, interest, and taxes at a cost of CDI + 2.20% p.a.

- On February 8, 2019, the subsidiary Light Energia paid the 3rd Promissory Note, totaling R$28,941.

- On February 22, 2019, the subsidiary Light SESA paid in full the Commercial Credit Note with Banco do Brasil, totaling R$15,119.

- On February 26, 2019, the subsidiary company Light SESA received the first release of funds related to the 2017-2018 Capex financing agreement with BNDES, in the amount of R$200,000. The transaction has costs of TLP + 3.16% p.a., with a seven-year term and monthly amortizations.

- On March 28, 2019, the subsidiary Light Energia paid the 4th Promissory Note, totaling R$110,034.

- On July 30, 2019, the subsidiary company Light SESA received the last release of funds related to the 2017-2018 Capex financing agreement with BNDES, in the amount of R$89,015.

- On August 1, 2019, the subsidiary Light Energia settled the transaction through Resolution 4131 with Citibank in the amount of R$37,649.

- On September 5, 2019, subsidiary light SESA made a pre-payment of R$375,498 out of a total of R$R $ 750,996 of the financing with Citibank for the operation through Resolution 4131. The swap cost to fully hedge the principal, interest, and tax was CDI + 2.20% p.a. and changed after the repurchase to CDI + 1.50% p.a. due September 2021.

- On September 5, 2019, the subsidiary Light Energia raised with Citibank the amount of R$333,776, maturing in 2 years. A swap transaction was contracted to fully protect principal, interest, and taxes at a cost of CDI + +1.30% p.a.

In addition to the collaterals, the loans are backed by guarantees of (i) Light S.A.; and (ii) receivables of the subsidiary Light SESA, in the amount of R$650,676 (R$503,315 on December 31, 2018), given as a guarantee for the operations with the BNDES. Also, current and future receivables of the subsidiary Light SESA were transferred, and the maximum amount of R$796,320 is made available every year for the constitution of the FIDC.

On September 30, 2019, Light S.A. had guarantees, sureties or corporate guarantees issued in favor of its subsidiaries or Jointly controlled entities totaling R$8,679,846 (R$9,620,276 on December 31, 2018).

The portions related to the principal of consolidated loans and financing, classified in non-current liabilities, and excluding costs of funding and covenant fees (waivers), have the following maturities on September 30, 2019:

	Consolidated		
	Domestic currency	Foreign currency	Total
2020	127,854	-	127,854
2021	467,530	666,304	1,133,834
2022	450,659	-	450,659
2023	395,315	2,498,640	2,893,955
2024	184,156	27,261	211,417
2024 onwards	60,324	-	60,324
TOTAL	**1,685,838**	**3,192,205**	**4,878,043**

Below, the consolidated loans and borrowings breakdown in the nine-month periods ended September 30, 2019, and 2018:

	Consolidated		
	Principal	Charges	Total
BALANCE ON DECEMBER 31, 2018	**5,560,790**	**62,180**	**5,622,970**
Funding	626,535	-	626,535
Exchange Variation and Inflation Adjustment	224,142	-	224,142
Financial Charges Accrued	-	292,210	292,210
Financial Charges Paid	-	(273,821)	(273,821)
Financing Amortization	(1,049,295)	-	(1,049,295)
Funding Cost	(5,435)	-	(5,435)
Funding Cost Amortization	13,701	-	13,701
Subordinated Shares and Retention - FIDC	(21,953)	-	(21,953)
Charges capitalized in contract assets and property, plant & equipment	-	7,558	7,558
BALANCE ON SEPTEMBER 30, 2019	**5,348,485**	**88,127**	**5,436,612**

	Consolidated		
	Principal	Charges	Total
BALANCE ON JANUARY 1, 2018	**3,093,656**	**21,999**	**3,115,655**
Funding	4,612,566	-	4,612,566
Exchange Variation and Inflation Adjustment	519,584	-	519,584
Financial Charges Accrued	-	216,474	216,474
Financial Charges Paid	-	(142,927)	(142,927)
Financing Amortization	(2,232,238)	-	(2,232,238)
Funding Cost	(87,773)	-	(87,773)
Funding Cost Amortization	13,186	-	13,186
Subordinated Shares and Retention - FIDC	(43,423)	-	(43,423)
Capitalized charges on intangible assets and property, plant & equipment	-	13,813	13,813
Transfer to liabilities directly associated with assets held for sale	(27,721)	(57)	(27,778)
BALANCE ON SEPTEMBER 30, 2018	**5,847,837**	**109,302**	**5,957,139**

The Company's exposure to interest rate, foreign currency and liquidity risks related to loans and borrowings are reported in Note 35.

Covenants

The Company has clauses that may cause the early maturity of debt in certain loan and financing agreements, including cross-default. The early maturity only occurs when one of the ratios has not been complied with in two consecutive quarters or four intercalate quarters, and when certain non-financial covenants have not been complied with. The bank credit certificates of Bradesco, as well as loans with Citibank, the BNDES and FIDC require that the Company maintains certain net debt/EBITDA ratios and covenants. On September 30, 2019, the Company was in conformity with the required debt covenants.

20. DEBENTURES

Consolidated								
Issuance	Subsidiary	Current			Non-Current		Total	Total
		Principal	Charges	Total	Principal	Total	September 30, 2019	December 31, 2018
Debentures 8th Issuance	Light SESA	39,198	6,486	45,684	235,000	235,000	280,684	315,004
Debentures 9th Issuance Series A	Light SESA	250,000	14,790	264,790	250,000	250,000	514,790	757,131
Debentures 9th Issuance Series B	Light SESA	211,529	18,374	229,903	634,583	634,583	864,486	828,187
Debentures 10th Issuance	Light SESA	250,050	6,982	257,032	-	-	257,032	504,861
Debentures 12th Issuance Series 1	Light SESA	-	-	-	-	-	-	50,744
Debentures 12th Issuance Series 2	Light SESA	-	-	-	-	-	-	155,015
Debentures 12th Issuance Series 3	Light SESA	57,714	1,110	58,824	-	-	58,824	58,446
Debentures 13th Issuance	Light SESA	-	35,031	35,031	492,568	492,568	527,599	486,290
Debentures 14th Issuance	Light SESA	-	-	-	-	-	-	425,000
Debentures 15th Issuance Series 1	Light SESA	-	17,294	17,294	555,344	555,344	572,638	546,386
Debentures 15th Issuance Series 2	Light SESA	-	6,195	6,195	160,000	160,000	166,195	162,412
Debentures 16th Issuance Series 1	Light SESA	-	-	-	132,500	132,500	132,500	-
Debentures 16th Issuance Series 2	Light SESA	-	-	-	422,950	422,950	422,950	-
Debentures 16th Issuance Series 3	Light SESA	-	-	-	62,500	62,500	62,500	-
Debentures 2nd Issuance	Light Energia	-	-	-	-	-	-	109,085
Debentures 3rd Issuance	Light Energia	2,502	414	2,916	15,000	15,000	17,916	20,107
Debentures 6th Issuance	Light Energia	16,667	157	16,824	-	-	16,824	67,337
Subtotal - Debentures		**827,660**	**106,833**	**934,493**	**2,960,445**	**2,960,445**	**3,894,938**	**4,486,005**
Funding Cost		(13,152)	-	(13,152)	(39,727)	(39,727)	(52,879)	(63,681)
Covenant Fee Cost		(5,619)	-	(5,619)	(6,961)	(6,961)	(12,580)	(16,833)
Costs - Debentures		**(18,771)**	**-**	**(18,771)**	**(46,688)**	**(46,688)**	**(65,459)**	**(80,514)**
TOTAL		**808,889**	**106,833**	**915,722**	**2,913,757**	**2,913,757**	**3,829,479**	**4,405,491**

Below, contractual conditions of existing debentures on a consolidated basis in 2019:

Issuance	Subsidiary	Date of Signature	Currency	Interest Rate p.a.	Effective rate	Beginning	Payment	End
Debentures 8th Issuance	Light SESA	August 24, 2012	R$	CDI + 1.18%	7.50%	Jun/2015	Annually	Jun/2026
Debentures 9th Issuance Series A	Light SESA	June 15, 2013	R$	CDI + 1.15%	7.47%	Mar/2018	Annually	May/2021
Debentures 9th Issuance Series B	Light SESA	June 15, 2013	R$	IPCA + 5.74%	8.80%	May/2020	Annually	May/2023
Debentures 10th Issuance	Light SESA	April 30, 2014	R$	115% CDI	7.19%	May/2018	Annually	May/2020
Debentures 12th Issuance Series 1	Light SESA	July 7, 2017	R$	CDI + 4.00%	N/A	Apr/2018	Quarterly	Jan/2019
Debentures 12th Issuance Series 2	Light SESA	July 7, 2017	R$	CDI + 4.20%	N/A	Jul/2020	Single	Jul/2020
Debentures 12th Issuance Series 3	Light SESA	July 7, 2017	R$	IPCA + 9.09%	12.24%	Jul/2020	Single	Jul/2020
Debentures 13th Issuance	Light SESA	November 1, 2017	R$	IPCA + 7.44%	10.55%	Oct/2022	Single	Oct/2022
Debentures 14th Issuance	Light SESA	March 26, 2018	R$	CDI + 3.50%	9.97%	Mar/2019	Every two months	Mar/2021
Debentures 15th Issuance Series 1	Light SESA	September 12, 2018	R$	IPCA + 6.83%	9.92%	Oct/2024	Annually	Oct/2025
Debentures 15th Issuance Series 2	Light SESA	September 12, 2018	R$	CDI + 2.20%	8.59%	Oct/2021	Annually	Oct/2022
Debentures 16th Issuance Series 1	Light SESA	April 26, 2019	R$	CDI + 0.90%	7.21%	Apr/2022	Single	Apr/2022
Debentures 16th Issuance Series 2	Light SESA	April 26, 2019	R$	CDI + 1.25%	7.58%	Apr/2023	Annually	Apr/2024
Debentures 16th Issuance Series 3	Light SESA	April 26, 2019	R$	CDI + 1.35%	7.68%	Apr/2025	Single	Apr/2025
Debentures 2nd Issuance	Light Energia	December 29, 2011	R$	CDI + 1.18%	7.50%	Aug/2016	Annually	Aug/2019
Debentures 3rd Issuance	Light Energia	August 24, 2012	R$	CDI + 1.18%	7.50%	Jun/2015	Annually	Jun/2026
Debentures 6th Issuance	Light Energia	November 30, 2017	R$	CDI + 3.5%	9.97%	Aug/2018	Quarterly	Nov/2019

The main financial operations in the nine-month period ended September 30, 2019, were:

- On January 15, 2019, the subsidiary Light SESA paid off the debt related to the 1st series of the 12th issuance of debentures, totaling R$50,948.

- On February 11, 2019, the subsidiary Light SESA made the full early redemption of the debt related to the 2nd series of the 12th issuance of debentures, totaling R$149,143.

- On May 07, 2019, the subsidiary Light SESA carried out its 16th Debenture Issuance, totaling R$617,950, in three series. The amounts and conditions of the series can be found below:

Series	Amount in R$ thousand	Interest Rate p.a.	Maturity
1st Series	R$132,500	CDI + 0.90%	April 15, 2022
2nd Series	R$422,950	CDI + 1.25%	April 15, 2024
3rd Series	R$62,500	CDI + 1.35%	April 15, 2025

- On August 9, 2019, the total early redemption of the 14th debenture issuance of the subsidiary Light SESA was carried out, with Banco do Brasil, in the principal amount of R$326,935. The transaction had a cost of CDI + 3.50% p.a., due in March 2021.

- On August 19, 2019, the subsidiary Light Energia paid off the debt to Banco do Brasil referring to the 2nd Issuance of Debentures in the amount of R$106,250.

The portions related to the principal of consolidated debentures, classified in non-current liabilities, and excluding funding costs and covenant fee costs (waivers), have the following maturities on September 30, 2019:

	Total
2021	583,178
2022	958,245
2023	464,703
2024	530,797
2024 onwards	423,522
TOTAL	**2,960,445**

Below, debentures breakdown on a consolidated basis in the nine-month periods ended September 30, 2019 and 2018:

	Consolidated		
	Principal	Charges	Total
BALANCE ON DECEMBER 31, 2018	**4,356,101**	**49,390**	**4,405,491**
Debentures issued	617,950	-	617,950
Inflation Adjustment	53,997	-	53,997
Financial Charges Accrued	-	196,790	196,790
Financial Charges Paid	-	(153,306)	(153,306)
Amortization of Debentures	(1,320,457)	-	(1,320,457)
Issue Cost	(4,904)	-	(4,904)
Amortization of Issue Cost	19,959	-	19,959
Charges capitalized in contract assets and property, plant & equipment	-	13,959	13,959
BALANCE ON SEPTEMBER 30, 2019	**3,722,646**	**106,833**	**3,829,479**

	Consolidated		
	Principal	Charges	Total
BALANCE ON JANUARY 1, 2018	**4,037,292**	**257,622**	**4,294,914**
Debentures issued	425,000	-	425,000
Inflation Adjustment	-	24,129	24,129
Financial Charges Accrued	-	232,004	232,004
Financial Charges Paid	-	(194,325)	(194,325)
Amortization of Debentures	(921,078)	-	(921,078)
Issue Cost	(6,069)	-	(6,069)
Amortization of Issue Cost	13,077	-	13,077
Capitalized charges on intangible assets and property, plant & equipment	-	3,814	3,814
BALANCE ON SEPTEMBER 30, 2018	**3,548,222**	**323,244**	**3,871,466**

The Company’s debentures are not subject to scheduled renegotiation. The Company’s exposure to interest rate and liquidity risks related to debentures is reported in Note 35.

Covenants

The Company has clauses that may anticipate the maturity of debts in certain debentures agreements, including the cross-default. The early maturity only occurs when one of the ratios has not been complied with in two consecutive quarters or four intercalate quarters, and when certain non-financial covenants have not been complied with. All issuance of debentures require the maintenance of net debt/EBITDA ratios and covenants. On September 30, 2019, the Company was in conformity with all the required debt covenants in the indentures.

21. PROVISIONS FOR TAX, CIVIL, LABOR, AND REGULATORY CONTINGENCIES

The Company and its subsidiaries are parties in tax, labor, civil lawsuits, and regulatory proceedings in several courts. Management periodically assesses the risks of contingencies related to these proceedings and based on the legal counsel's opinion it records a provision when unfavorable decisions are probable and whose amounts are quantifiable.

Below, the balance of provisions, including provisions for risks and provisions for success fees:

	September 30, 2019			December 31, 2018		
TOTAL PROVISIONS	Provision	Success Fees	Total	Provision	Success Fees	Total
Labor	134,991	680	135,671	143,789	574	144,363
Civil Lawsuits	199,888	72,008	271,896	165,360	74,766	240,126
Tax	54,303	29,585	83,888	53,411	29,387	82,798
Regulatory	8,641	-	8,641	8,957	-	8,957
TOTAL	**397,823**	**102,273**	**500,096**	**371,517**	**104,727**	**476,244**

21.1 Provision for risks

Below, provisions for risks and changes for the nine-month periods ended September 30, 2019, and 2018:

PROVISIONS FOR PROBABLE LOSSES	Labor Lawsuits	Civil Lawsuits	Tax Lawsuits	Regulatory Lawsuits	Total
BALANCE ON DECEMBER 31, 2018	**143,789**	**165,360**	**53,411**	**8,957**	**371,517**
Additions	4,840	200,310	137	28,754	234,041
Updates	-	5,589	755	4,423	10,767
Write-offs due to Payments	(6,419)	(164,059)	-	(33,493)	(203,971)
Write-offs due to Reversals	(7,219)	(7,312)	-	-	(14,531)
BALANCE ON SEPTEMBER 30, 2019	**134,991**	**199,888**	**54,303**	**8,641**	**397,823**
Judicial Deposits on September 30, 2019	**24,024**	**5,384**	**5,640**	**-**	**35,048**

PROVISIONS FOR PROBABLE LOSSES	Labor Lawsuits	Civil Lawsuits	Tax Lawsuits	Regulatory Lawsuits	Total
BALANCE ON JANUARY 1, 2018	**123,712**	**167,783**	**53,056**	**9,404**	**353,955**
Additions	25,410	117,508	84	-	143,002
Updates	-	5,059	254	61	5,374
Write-offs due to Payments	(6,056)	(101,067)	-	-	(107,123)
Write-offs due to Reversals	(4,056)	(11,521)	-	(643)	(16,220)
BALANCE ON SEPTEMBER 30, 2018	**139,010**	**177,762**	**53,394**	**8,822**	**378,988**
Judicial Deposits on September 30, 2019	**26,031**	**6,843**	**5,615**	**-**	**38,489**

The total amount of R$278,922 is recorded under escrow deposits on September 30, 2019 (R$294,906 on December 31, 2018), of which R$35,048 (R$35,956 on December 31, 2018) refer to claims with recorded provision. Other deposits refer to lawsuits whose likelihood of loss is possible or remote. Below, the balance of judicial deposits:

Consolidated	September 30, 2019	December 31, 2018
Labor Lawsuits	65,730	63,395
Civil Lawsuits	125,573	130,744
Tax Lawsuits	87,619	100,767
TOTAL	**278,922**	**294,906**

There follows a breakdown of provisions for risks:

21.2 Provisions for labor proceedings:

Consolidated	Provisioned Amount (Probable Loss)	
	September 30, 2019	December 31, 2018
Own employees	53,048	60,541
Outsourced employees	81,943	83,248
TOTAL	**134,991**	**143,789**

The provision for labor risks is based on the assessment of the respective attorneys, which assess the loss risk in the process. The provision amount regarding own employees fluctuates because of the direct relationship with the Company and the consequent rights. As for the outsourced employees, the risk involves mostly the subsidiary responsibility, which means that the Company will bear the payment only in case the absence of this by the real employer, the outsourced company.

21.3 Provision for civil proceedings:

Consolidated	Provisioned Amount (Probable Loss)	
	September 30, 2019	December 31, 2018
Civil proceedings [(a)]	138,095	110,120
Special civil court [(b)]	37,519	27,007
“Cruzado" Plan [(c)]	24,274	28,233
TOTAL	**199,888**	**165,360**

(a) The provision for civil proceedings comprises lawsuits in which the Company and its subsidiaries are defendants and it is probable the claim will result in a loss in the opinion of the respective attorneys. The claims mainly involve alleged moral and property damage due to the Company’s ostensive behavior fighting irregularities in the network, as well as consumers challenging the amounts paid.

(b) Lawsuits in the Special Civil Court are mostly related to matters regarding consumer relations, such as improper collection, undue power cut, power cut due to delinquency, network problems, various irregularities, bill complaints, meter complaints and problems with ownership transfer. There is a limit of 40 minimum monthly wages for claims under procedural progress at the Special Civil Court. Accruals are based on the separation of the seven main reasons for complaints about the Company – which represent approximately 91.5% of the lawsuits; and a block for other reasons. For the six main offenders and other reasons block, an adjusted average is used – considering 95% of the sample, i.e. excluding the 2.5% highest and lowest amounts – the average of the last 12 months of condemnation amount. In the case of the accident block, the average of the last 12 months of condemnation amount is considered.

(c) These are lawsuits filed against the subsidiary Light SESA referring to increase in electricity tariffs approved by Ordinances No. 38 of February 27, 1986, and No. 45 of March 4, 1986, published by the extinguished DNAEE – National Department of Water and Electricity, which contradicted the Decree-Law No. 2.283/86 ("Cruzado" Plan decree), which established that all prices would be "frozen". The plaintiffs of these lawsuits plead the refund of amounts supposedly overpaid in the electricity bills when Light SESA's tariffs increased in the period that prices were "frozen".

21.4 Provision for tax proceedings:

Consolidated	Provisioned Amount (Probable Loss)	
	September 30, 2019	December 31, 2018
ICMS – Credits approved [(a)]	46,232	46,232
Others	8,071	7,179
TOTAL	**54,303**	**53,411**

(a) The Light SESA subsidiary provisioned R$46,232, regarding part of the amount fined in the process through which the State of Rio de Janeiro intends to charge ICMS from the alleged improper use of tax credits, acquired by Light SESA from third parties, and which had previously been ratified by the State Finance Department. The debt currently amounts to R$606,485. After the revaluation, the internal and external legal advisors classified the amount of R$42,029 of the principal (tax), as well as the proportional amount, concerning legal fees of the Prosecutor, in the amount of R$4,203, as probable loss, and all the remaining amount fined, regarding interests, monetary corrections, and proportionate legal fees, as remote loss. The administrative proceeding was concluded in June 2015, with the unfavorable decision to the Company, which, in turn, filed a writ of mandamus to remove part of the debt to be registered as overdue state liabilities related to interest rates and monetary restatement. The injunction was granted but subsequently reversed by a decision rendered in an interlocutory appeal filed by the State of Rio de Janeiro. The Tax Foreclosure was filed, with Light SESA presenting the insurance policy as a guarantee and, as a result, filed Motions to Stay the Tax Foreclosure. A judgment was rendered regarding the Tax Foreclosure filed, acknowledging the exemption of the default charges (monetary restatement and interest for late payment) of the Release Note filed against the Company. Both parties lodged Appeals, which are pending judgment.

21.5 Regulatory provisions:

In this topic, the Company describes the main regulatory contingencies arising from administrative issues with ANEEL:

- Deficiency Notice No. 061/2017-SFE/ANEEL - The Deficiency Notice was received by the subsidiary Light SESA on October 30, 2017. SFE/ANEL conducted an inspection between November 21, 2016 and November 25, 2016 in order to check up on the provision of services by the subsidiary Light SESA and thus determine if it fulfills the requirements of regularity, continuity, and efficiency, safety, as well as if its techniques, equipment, and facilities are up-to-date and well kept, imposing a fine penalty in the amount of R$36,311 for five non-compliances identified. The appeal was filed by the Company at ANEEL on November 09, 2017. SFE/ANEEL, in exercising the reconsideration decision, did not accept the arguments presented. The Federal Attorney's Office subsequently drafted the Expert Opinion 267/2019, opting for the partial dismissal of the appeal, only to disregard the dosimetry of the penalties of "non-compliances" N.2, N.3, N.4 and N. 5 the condition "damage to the service and/or users".

  On September 3, 2019, ANEEL's Executive Board voted to know and, on merit, to grant the administrative appeal filed by subsidiary Light SESA, partially reducing the amount of the penalty to R$29,587. In compliance with the administrative rules established by ANEEL, which set the inflation adjustment to the payment date, the total amount paid was R$33,492. The said administrative proceeding is therefore terminated.

- Deficiency Notice No. 01/2019-SFE/ANEEL - The Deficiency Notice was received by the subsidiary Light SESA on January 24, 2019. SFE/ANEEL carried out an inspection from September 18 to 22, 2017 with the purpose of verifying the due provision of services regarding the quality of commercial service, specifically on issues related to the request for change to the ownership, collection with irregular procedure in the measurement and debt in installments, provided by the subsidiary Light SESA, based on the provisions of Regulatory Resolution 414 of 2010, which establishes the provisions regarding the general conditions of electricity supply, applying a fine of R$52,113, for thirteen non-compliances identified. The Company filed an appeal with ANEEL on February 4, 2019, and awaits its evaluation and, thereafter, the final decision of the Board. The amount currently provisioned by the Company is of R$4,061.

- Deficiency Notice No. 13/2017-SFE/ANEEL - The Deficiency Notice was received by the subsidiary Light SESA on April 24, 2017. SFE/ANEEL carried out an inspection from May 04 to 08, 2015, to verify the procedures for collecting, calculating, recording and storing the indicators for the continuity of the electricity distribution service, as well as verify the calculation of compensations due to the violation of the individual continuity limits, consumer information and actual payment within the regulatory deadlines for 2014, based on PRODIST's provisions, applying a fine of R$12,483, for six non-compliances identified. The appeal was filed by the Company at ANEEL on May 4, 2017. SFE/ANEEL, in a reconsideration court, by Order 629/2018, reduced the fine to R$10,761. Therefore, we are awaiting the final decision of the Board. The amount currently provisioned by the Company is of R$3,161.

21.6 Provisions for success fees:

Management periodically reassesses lawsuits with success fees for legal advisors and, based on the opinion of its legal counsels, records provisions for lawsuits whose likelihood of loss was considered possible, remote and, exceptionally, probable.

Below, a chart with the position and changes in the nine-month periods ended September 30, 2019, and 2018:

PROVISIONS FOR SUCCESS FEES:	Labor Lawsuits	Civil Lawsuits	Tax Lawsuits	Total
BALANCE ON DECEMBER 31, 2018	**574**	**74,766**	**29,387**	**104,727**
Additions	168	26,098	1,745	28,011
Updates	-	1,040	776	1,816
Write-offs due to Payments	(61)	(22,033)	(1,049)	(23,143)
Write-offs due to Reversals	(1)	(7,863)	(1,274)	(9,138)
BALANCE ON SEPTEMBER 30, 2019	**680**	**72,008**	**29,585**	**102,273**

PROVISIONS FOR SUCCESS FEES:	Labor Lawsuits	Civil Lawsuits	Tax Lawsuits	Total
BALANCE ON JANUARY 1, 2018	**561**	**69,236**	**26,578**	**96,375**
Additions	92	22,790	1,968	24,850
Updates	-	1,520	1,197	2,717
Write-offs due to Payments	(79)	(10,938)	(2,390)	(13,407)
Write-offs due to Reversals	(2)	(5,650)	(239)	(5,891)
BALANCE ON SEPTEMBER 30, 2018	**572**	**76,958**	**27,114**	**104,644**

22. CONTINGENCIES

The Company is a party to lawsuits whose risk of loss Management believes is less than probable, based on the opinion of its legal counsels. Therefore, no provision was established. The main contingencies with possible loss are broken down as follows:

	Consolidated			
	September 30, 2019		December 31, 2018	
	Balance	Number of Proceedings [(a)]	Balance	Number of Proceedings [(a)]
Civil Lawsuits	761,201	54,008	908,689	47,420
Labor Lawsuits	332,316	833	319,641	921
Tax Lawsuits	4,975,868	655	4,467,419	738
TOTAL	**6,069,385**	**55,496**	**5,695,749**	**49,079**

[(a)] Not reviewed by independent auditors

The main reasons for litigations are listed below:

22.1 Civil Lawsuits

- Irregularities – The subsidiary Light SESA has several lawsuits where irregularities are discussed, arising from non-technical commercial losses due to meters alteration, equipment theft, irregular connections, and clandestine connections. Most of the litigations are based on the evidence of irregularity and amounts charged by the concessionaire in view of such evidence. The amount currently assessed represented by these claims is R$231,207 (R$242,002 on December 31, 2018).

- Amounts charged and bills – Many litigations are currently in progress and discuss amounts charged by the subsidiary Light SESA for services provided, such as demand amounts, consumption amounts, financial charges, rates, insurances, among others. The amount currently assessed represented by these claims is R$95,953 (R$104,488 on December 31, 2018).

- Accidents – The subsidiary Light SESA is a defendant in lawsuits filed by victims and/or their successors, regarding accidents with Light's electric power grid and/or service provision for several causes. The amount currently assessed represented by these claims is R$26,179 (R$29,529 on December 31, 2018).

- Discontinuance and suspension – The subsidiary Light SESA is defendant in civil proceedings discussing service discontinuance, whether by fortuitous cases or events of force majeure, or for purposes of intervention in the electrical system, among other reasons, and also service suspension, whether for indebtedness, denied access or meters replacement, among other facts for suspension. The amount currently assessed represented by these claims is R$33,605 (R$40,391 on December 31, 2018).

- Equipment and network – The subsidiary Light SESA has litigations due to electronic meters used to measure energy consumption. Litigations address several themes, such as meter functionality, approval by the metrological agency, among others, and also litigations about its network, due to its extension, removal or even financial contribution of the client to install the network. The amount currently assessed represented by these claims is R$9,276 (R$10,212 on December 31, 2018).

- Regarding civil discussions, we highlight the initiatives proposed by the Companhia Siderúrgica Nacional (CSN): in the last quarter of 2011, CSN filed a suit claiming approximately R$100,000 as indemnity for service interruption occurred at its Consumer Unit of Volta Redonda. We point out that out of amount claimed, R$88,700 only refer to the service interruption occurred on November 10, 2009, affecting 40% of Brazilian territory and over 90% of Paraguay, which only proves that the causes go beyond Light SESA's scope of operation, as electric power distribution company. Moreover, the ONS report concluded that the origin and causes of this service interruption were Furnas' responsibility. Thus, the Company's exposure to risk is R$78,365 (R$68,959 on December 31, 2018).

- The subsidiary Light SESA is also in litigation against Companhia Siderúrgica Nacional in a motion to set aside judgment filed by CSN through which CSN aims to vacate the sentence in the action for refund of undue payment number 1995.001.073862-2, which discussed the legality of Ordinances 38 of February 27, 1986 and 45 of March 4, 1986, published by the National Department of Water and Electricity - DNAEE, which increased the electricity tariffs of a certain class of consumers and which the Company won. The Company's exposure to risk is R$230,073 (R$204,666 on December 31, 2018).

- Two civil proceedings involving the Energy Reallocation Mechanism (MRE) caused by the Generation Scaling Factor (GSF). The objective of lawsuit No. 38848-51.2015.4.013400, filed by the subsidiary Light Energia, Lightger and Aliança Geração de Energia S.A., is to challenge the financial exposure due to the Energy Reallocation Mechanism (MRE) adjustment caused by a GSF lower than 1. An interlocutory relief was granted, sentencing the Agency, until the final decision is rendered, to abstain from applying the adjustment referring to the MRE, if MRE's total generation is lower than the assured energy. A favorable judgment was rendered in the GSF lawsuit, limiting the hydrological risk to 95%; ANEEL appealed against the said ruling. The GSF amount related to Light Energia and Lightger has been duly provisioned under trade accounts payable, against the income statement, even though payments have not been made due to the effects of the above-mentioned injunction.

  Despite the above decision, the filing of Writ of Mandamus No. 1005338-30.2015.4.01.3400 was also necessary in order to protect Light Energia and Lightger from the effects of court rulings restricting the other agents' GSF. In this case, an injunction was granted so that Light Energia and Lightger would not need to be included in the apportionment of the other agents' GSF.

The Writ of Mandamus was dismissed without prejudice, as the judge understood that ANEEL could not be the enforcement authority. In light of this decision, the Company filed a new lawsuit, No. 0032638-47.2016.4.01.3400, to request an interlocutory relief in order to protect itself from the other agents' injunctions. The interlocutory relief was granted and therefore Light will not be liable to financial charges as a result any court rulings obtained by other agents, including those that have already been issued and those that may be issued during the course of the lawsuit, regardless of the jurisdiction to which they refer, related to the effects of current GSF values on hydroelectric generators. In the above-mentioned case, a court decision was rendered, dismissing the claims, and the Company filed an appeal. It should be highlighted that there is an order from ANEEL that, in practice, brings the effect of the decision sought in this proceeding. In ANEEL Order 2982/2016, the Agency administratively granted "precautionary measure to agents without judicial protection, to suspend the financial effects of costs associated with the hydrological risks of third parties until the lawsuits on this matter are resolved". These proceedings have a possible chance of loss.

Bill 3975/2019 (formerly Bill 10,985 / 2018), with the purpose to establish new conditions for the renegotiation of hydrological risk of electric energy generation, is since October 8, 2019, in the Committee on Economic Affairs of the Senate under the report of Senator Eduardo Braga. Awaiting the convening of the Senate to deliberate in CAE the referred the Bill, which was approved in the Plenary of the House of Representatives on June 26, 2019, with an amendment on another issue that is not related to the renegotiation (division of resources arising from the trade of oil, natural gas and other hydrocarbons). Due solely to such an amendment, it has returned to the Senate for voting, which will not be able to make new amendments to the text, but only to accept or reject the changes made by the House of Representatives, before being sent to the President's sanction. The text provides that ANEEL will regulate the issue within 90 days of the publication of the Law.

22.2 Tax Lawsuits

- ICMS Commercial Losses - Tax Deficiency Notices related to ICMS, FECP and fine due to failure to collect said tax in operations preceding electric power distribution, as a result of commercial losses in the subsidiary Light SESA.

i) Administrative Proceedings E-04/054.752/2011 (AI 03.326780-8) and E04/054.751/2011 (AI 04.011949-7): The tax inspection authority acknowledged that the losses have been fully incorporated in the tariff during the period of the notice, thus remaining 15.73% only. Mandatory reviews are pending judgment by the Board of Tax Appeals. The tax inspection authority acknowledged the losses incorporated in the tariff. The Company is awaiting a decision on the Appeals regarding the remaining amounts. On October 25, 2017, the 2nd Chamber of the Board of Tax Appeals of SEFAZ-RJ decided on the denial of the Mandatory reviews filed (51.725 and 51.490). The infraction notices 03.326780-8 and 04.011949-7 were definitively canceled.

ii) Administrative Proceedings E-04/055.040/2011 (AI 03.326784-0) and E04/055.039/2011 (AI 04.028752-6): The Inspection recognized that the losses included in the tariff should be excluded from the fine. Light SESA's voluntary appeal was partially granted, recognizing that the losses incorporated into the tariff should be excluded from the calculation base object of the tax deficiency notice. As a result, these assessments have already been definitively reduced. The amount of debt involved went from R$1,507,960 to R$290,498, at the time. The subsidiary Light SESA appealed to the Plenary, challenging the remaining amount. The administrative proceedings have been concluded. The remaining debts of the two infraction notices are under discussion in the Action for Annulment 0244617-63.2017.8.19.0001.

Action for Annulment no. 0244617-63.2017.8.19.0001: On September 21, 2018, an injunction was granted to suspend the eligibility of ICMS tax credits and FECP, supported by Tax Deficiency Notices no. 03.326784-0 and no. 04.028752-6. The pending entry of the judgment.

iii) Administrative Proceeding E-04/036.119/2014 (AI 03.380329-7): The administrative proceedings have been concluded. Action for Annulment filed 0101484-89.2019.8.19.0001.

Action for Annulment No. 0101484-89.2019.8.19.0001 (AI 03.380329-7): The anticipation of the appeal filed by Light in connection to the Interlocutory Appeal was granted, to suspend the payment of debts under Infraction Notice 03.380329-7.

iv) Tax Foreclosure no. 0030827-59.2018.8.19.0001 (E-04/036.120/2014 - AI 03.380330-5): The Company filed a motion to dismiss the execution of this lawsuit, which is still pending judgment.

Writ of Mandamus no. 0020864-27.2018.8.19.0001 (E-04/036.120/2014 - AI 03.380330-5): The injunction was granted and remains in force even after the appeals lodged. The pending entry of the judgment.

v) Administrative Proceeding E-04-211001672/2019 (AI 03.527501-5) - The Motion presented by the Company is awaiting the appraisal.

The amount currently assessed represented by these tax deficiency notices totaled R$730,261 (R$528,000 on December 31, 2018).

- LIR/LOI - IRPJ/CSLL – (Proceedings 16682.720216/2010-83, 15374-001.757/2008-13 and 16682.720203/2014-38) – the subsidiary Light SESA filed a writ of mandamus mainly discussing the taxation of profit of the subsidiaries LIR and LOI abroad, more specifically, it advocated that income tax and social contribution should be levied on profit only, not on equity in the earnings of subsidiaries (a broader concept that includes exchange variations as provided for by IN 213/02). In order to take advantage of the benefits of the REFIS Program, the Company fully waived the Writ of Mandamus, thus, a final court decision was unfavorably rendered to the Company. Accordingly, the procedure has been changed to assess results by the equity method, in accordance with the decision of the writ of mandamus. Tax authorities disagreed with this procedure and issued a deficiency notice to the Company for the fiscal years 2004 to 2008, requiring taxation on profit only. For 2004, a Tax Appeal was filed, in which we presented the insurance policy to guarantee the judgment and oppose the Motion to Stay the Execution, despite the favorable expert report, was issued a court decision dismissing the case as unfounded. The Appeal filed by Light against the unfavorable judgment was rejected. Distribution of the Appeal filed by the Company is pending. For 2005, the administrative sphere was closed unfavorably to the Company. Filed a writ of mandamus seeking to annul the court decision handed down by CARF and obtained an injunction to suspend the enforceability of the debt. Already for 2006 to 2008, the Company's Voluntary Appeal was approved. The Treasury filed a Special Appeal which was denied (favorable closure for the defendant). In April 2014, the Company was notified in relation to 2009 and filed an objection, which was deemed groundless. A Voluntary Appeal was filed. By a majority vote, an appellate decision was issued, partially granting the Voluntary Appeal to exclude the penalty and interest for late payment. The Special Appeal filed by the Company is pending judgment. According to the legal counsels, the claim may possibly result in a loss involving the amount of R$406,709 (R$400,500 on December 31, 2018).

- Normative Instruction (NI) No. 86 (Proceeding 10707000751/2007-15 - (2003 through 2005) - This deficiency notice was issued to assess a fine on the Company for alleged failure to make electronic filings as required by NI No. 86/2001, for calendar years 2003 through 2005. The administrative proceeding was concluded in July 2015, with the unfavorable decision to the subsidiary Light SESA, which filed a writ of mandamus aiming at removing the registration as overdue federal liability, subject matter of such collection. The Company plea was granted. The Union lodged an Appeal, which is pending judgment. The amount currently assessed represented by this claim is R$457,291 (R$406,000 on December 31, 2018).

- ICMS on subsidies of the “Baixa Renda” (Low-income) federal program

i) Action for Annulment no. 0354511-42.2015.8.19.0001 (AI 03.326783-2): Interlocutory relief was granted for the suspension of eligibility for this credit. An unfavorable decision was rendered in the case, which led the Company to file an Appeal, which was unanimously partially granted only to determine the reduction of attorney's fees. As to the merit, the Court Decision invoked the case-law of the STJ on the matter (Resp 1.667.780/SP), which was established by the inclusion of the economic subsidy in the calculation base of the ICMS levied on electric energy. Appeals were filed and are still pending consideration.

Tax Foreclosure no. 0057266-78.2016.8.19.0001 (AI 03.326783-2): Filed to charge for the debt object of Action for Annulment 0354511- 42.2015.8.19.0001. A motion to dismiss the execution of the Tax Foreclosure was filed, given that said debt, had its eligibility suspended by the interlocutory relief granted in the Action for Annulment and, therefore, the Tax Foreclosure could not have been lodged. A judgment was rendered to dismiss the tax foreclosure after the Government Attorney's Office found for the cancellation of the debt. Pending decision of the Appeal.

Tax Foreclosure no. 0030842-28.2018.8.19.0001 (AI 03.326783-2): A motion to dismiss the execution of the Tax Foreclosure was filed, which was rejected by the Judge of the 11th Public Treasury Court. A decision was issued accepting the insurance policy to guarantee the debt executed and determining that it constitutes an obstacle to the issuance of the positive certificate with negative effects. In addition, the suspension of the tax execution was determined until the final court decision of the Action for Annulment 0354511-42.2015.8.19.0001.

ii) Action for Annulment no. 0342346-60.2015.8.19.0001 (AI 03.170374-7): Interlocutory relief was granted for the suspension of eligibility of this credit. The pending entry of the judgment. An unfavorable judgment was rendered, against which the Company filed an appeal that is still pending distribution. The Company filed a request for the assignment of an active suspensive effect to its appeal, which was granted. Therefore, the State filed an Internal Appeal, which is pending a decision.
iii) Action for Annulment no. 0031148-65.2016.8.19.0001 (AI 03.380332-1 and 03.380331-3): Interlocutory relief was denied. Guarantee insurance was presented, which was accepted. An unfavorable judgment was rendered, against which the Company filed an appeal that is still pending judgment.

Tax Foreclosure no. 0030787-77.2018.8.19.0001 (AI 03.380332-1): Filed to charge for the debt object of Action 0031148-65.2016.8.19.0001. A decision was rendered accepting the insurance policy to guarantee the debt executed and ordering the suspension of the tax execution until the final court decision of the Action for Annulment 0031148-65.2016.8.19.0001.

Tax Foreclosure no. 0030786-92.2018.8.19.0001 (AI 03.380331-3): Filed to charge for the debt object of Action 0031148-65.2016.8.19.0001. A petition was filed by the Company, stating that the debt is secured by an Insurance Policy, which was duly accepted in the record of the Action for Annulment 0031148-65.2016.8.19.0001. Awaiting appreciation.

iv) E-04/036.33/2018 (Tax Deficiency Notice no. 03.536116-1): Given the unfavorable decision rendered in the lower administrative court, the Company filed the due Voluntary Appeal, which was dismissed. The pending judgment of Voluntary Appeal filed by the Company at the First Chamber of the Taxpayers Council, by the casting vote. The Full Appeal filed by the Company is pending judgment.

The amount currently calculated for these proceedings is R$293,800 (R$280,000 on December 31, 2018).

- Decisions (57 proceedings) rendered by the Internal Revenue Service to deny approval to several petitions for indemnification filed by subsidiary Light SESA, for utilization of PIS, COFINS, income tax and social contribution credits, alleging that these credits would be undue or insufficient to comprise the debts against which these were opposed. The subsidiary Light SESA filed a Motion to Disagree against referred decisions. In few cases, final court decisions were favorably rendered to Light SESA and in other cases, unfavorable decisions, against which we appealed. The amount currently assessed represented by this claim is R$327,124 (R$331,290 on December 31, 2018).

- Non-approval of compensations - Tax Foreclosure filed for the collection of alleged PIS/COFINS debts from in the disallowance of credits of the same nature carried out by RFB in twenty-two administrative proceedings arising from compensation, promoted by the Company for the periods of March and April 2005, January, February, March, May, June, July, August and September 2006 and January and February 2007. We are awaiting the trial on the Motions to Stay presented by the Company. The amount currently assessed and represented by this claim is of R$57,979.

- TFGE – Tariff of Control, Monitoring and Environmental Inspection of the Activities of Generation, Transmission, and Distribution of Electric Power from Hydraulic, Thermal, and Nuclear Sources. This tariff was introduced by Law 7,184/15 of the State of Rio de Janeiro. As a result, the subsidiary Light SESA filed a preventive writ of mandamus requesting a preliminary injunction to prevent it from being obliged to collect said tariff. Injunction deferred. A favorable judgment was rendered. Distribution of the Appeal filed by the State of Rio de Janeiro is pending. The amount currently assessed represented by this claim is R$54,900 (R$42,600 on December 31, 2018).

- Non-recognition of compensation - CVA - (30 Administrative Proceedings) - Non-recognition of compensation by the Federal Revenue for compensations carried out by Light SESA due to credits arising from undue payment, or PIS and COFINS, whichever is greater, are mainly due to the change in timing for the PIS and COFINS to be charged over the Variation Compensation Account of "Portion A" Items – CVA. The Company filed Motions to Disagree that are still pending judgment. The amount currently assessed represented by this claim is R$268,092 (R$254,100 on December 31, 2018).

- IRPJ, CSLL, PIS and COFINS - Non-Technical Losses - two violations that received an administrative proceeding against subsidiary Light SESA, based on the understanding that PIS and COFINS credits referring to non-technical losses in 2014 should be reversed, pursuant to Article 3, Paragraph 13, of Law 10.833/03 and Consultation Solution COSIT No. 3/2017 ("SC 3/2017"), and two violations that received an administrative proceeding based on the understanding that non-technical loss amounts for the 2013 and 2014 periods should have been added to the income statement for purposes of calculating the taxable income and IRPJ and CSLL taxes. The IRPJ and CSLL Appeal Request were partially dismissed so that the tax losses and negative tax bases of previous years are offset to the legal limit, thus reducing the amount required (around R$400,000 of the negative calculation base of CSLL). The Appeal Request of PIS and COFINS was dismissed. The voluntary appeal is pending judgment in both cases. The amount currently assessed represented by this claim is R$1,781,709 (R$1,716,666 on December 31, 2018).

- E-04-211001761/2019 (AI 03.487402-4) This is a Deficiency Notice issued by the State Inspection regarding the absence of payment to the State Fund of Tax Balance of the State of Rio de Janeiro (“EFSF”), ICMS corresponding to 10% (ten percent) of the tax benefits for third parties, for the period from December 2016 to June 2017. The Motion presented by the Company is awaiting appraisal. The amount currently assessed and represented by this claim is of R$47,950.

22.3 Labor Lawsuits

The main labor claims involve equal pay and related accretions, overtime and related accretions, occupational accident, hazardous work wage premium and pain and suffering.

Each claim is detailed below:

- Equal pay and related accretions – the claimants intend to receive wage differences alleging that they exercise or exercised activities identical to other employees' or former employees' activities, with the same productivity and technical perfection, but they received different wages. The amount currently assessed represented by these claims is R$6,300 (R$11,037 on December 31, 2018).

- Overtime and related accretions – the claimants intend to receive overtime pay, alleging that they performed their activities beyond standard working hours and overtime has not been paid or offset. The amount currently assessed represented by these claims is R$72,843 (R$85,900 on December 31, 2018).

- Occupational accidents – employees, former employees or service providers involved in occupational accidents attribute responsibility to Light, claiming indemnifications and life annuity. The amount currently assessed represented by these claims is R$30,398 (R$30,196 on December 31, 2018).

- Risk premium difference – in the past, the Company used to pay a 30% difference of base salary up to April 2012, as per the 2011/2012 Collective Bargaining Agreement. The amount currently assessed represented by these claims is R$6,815 (R$15,880 on December 31, 2018).

- Pain and suffering – claim based on several grounds: persecution, moral harassment, lack of security (operations in risk area) and others. The amount currently assessed represented by these claims is R$130,126 (R$80,265 on December 31, 2018).

The Superior Labor Court (TST), considering the position adopted by the Federal Supreme Court (STF) in two direct actions for the declaration of unconstitutionality regarding the index to adjust registered warrants for inflation, decided that, on August 4, 2015, labor credits must be adjusted based on the Special Extended Consumer Price Index (IPCA-E), replacing the Reference Rate (TR), for labor lawsuits claiming debts before June 30, 2009, in the outstanding proceedings. On October 16, 2015, a preliminary injunction was granted by the STF which suspends the effects from TST decision, since it understands that only STF is able to analyze the general repercussion of the constitutional issue.

Despite the revocation of the preliminary order, due to the judgment of the aforementioned lawsuit, Law 13467/2017 included a provision in the CLT (labor law) reaffirming the use of the Referential Rate (TR) for monetary restatement purposes.

The estimated amount of the difference between inflation adjustment indices for labor lawsuits is R$9,251 (R$8,600 on December 31, 2018), and no additional provision was recorded, because the Company, based on the analysis of its counsel, considered that the probability of loss is possible, considering the STF's decision, the jurisprudence on the matter and the lack of consolidated and binding court precedents.

22.4 Below, we point out lawsuits in progress, whose chances of losses are remote, with relevant amounts under dispute, which, in case of an unfavorable decision, may impact the Company, its subsidiaries, and Jointly controlled entities:

- PASEP/PIS (Proceeding 15374002130/2006-18) – It refers to the Offset Disallowance made by the subsidiary Light SESA of PASEP credits with PIS debts. A decision was issued partially granting the Company's Voluntary Appeal, recognizing the right to compensation, except for the debts of January 1999, April 1999, June 1999, December 1999, June 2000, December 2001 and February 2002. The Company is waiting for notification. The amount currently assessed represented by this claim is R$336,559 (R$330,400 on December 31, 2018).

- IRRF - Disallowance of tax offset - LIR/LOI (Proceeding 10768.002.435/2004-11) - There is no confirmation from Brazilian Tax Authority regarding the tax offsets related to withholding income tax credits on financial investments and withholding income tax credits on the payment of energy accounts by government bodies, offset due to outstanding balance of Corporate Income Tax in the reference year of 2002. The motion to disagree filed by Light SESA subsidiary was deemed groundless. The voluntary appeal lodged by Light SESA is pending judgment. In view of the favorable decision received in August 2012 referring to the proceeding 18471002113/2004-09, which directly impacts this case. The amount currently assessed represented by this claim is R$260,792 (R$256,800 on December 31, 2018).

23. POST-EMPLOYMENT BENEFITS

Light Group's companies sponsor Fundação de Seguridade Social Braslight (Braslight), a nonprofit closed pension entity, whose purpose is to provide retirement benefits to the Company's employees and pension benefits to their dependents.

Braslight was incorporated in April 1974 and has four plans - A, B, C and D – established in 1975, 1984, 1998 and 2010, respectively, and plan C received migration from about 96% of the active participants of plans A and B.

Current plans in effect include defined-benefit- (Plans A and B), mixed-benefit- (Plan C), and defined-contribution plans (Plan D).

On September 30, 2019, and December 31, 2018, there were no liabilities from pension plan benefits recorded in the Company's Balance Sheet:

There were no changes in the contractual liabilities in the nine-month period ended September 30, 2019. Below are the changes in the contractual liabilities in the nine-month period ended September 30, 2018:

Non-Current	Consolidated
BALANCE ON JANUARY 1, 2018	**52,434**
Allocation of profit for the period	2,065
Amortization in the period	(54,499)
BALANCE ON SEPTEMBER 30, 2018	**-**

24. LIABILITIES DUE TO LEASE AND ASSETS OF RIGHT OF USE

As detailed in Note 3.4, the Company adopted CPC 06 (R2) - leasing operations, with cumulative effect as of January 1, 2019.

For all lease agreements, the Company recognized assets representing the right of use (leased assets) and lease liabilities. Contracts with a term of less than twelve months or with a non-significant value of the leased asset were not analyzed within the scope of IFRS 16 (CPC 06 (R2)).

The rights to use assets are depreciated over the useful life of the asset or the term of the agreement, whichever is less.

Financial lease balances on September30, 2019, totaled R$85,063 in assets and R$87,101 in liabilities, respectively, pursuant to the IFRS 16 (CPC 06 (R2)) adopted.

24.1 On September 30, 2019, the balances of the lease liabilities were as follows:

CONSOLIDATED			
LIABILITIES DUE TO LEASE	Current	Non-Current	Total
Land and Real Estate	1,364	2,263	3,627
Machinery and Equipment	1,012	499	1,511
Vehicles	28,989	52,974	81,963
TOTAL	**31,365**	**55,736**	**87,101**

24.2 Breakdown of liabilities due to lease and assets of the right to use

CONSOLIDATED						
RIGHT-OF-USE ASSETS	Initial Adoption IFRS 16 CPC 06 (R2)	Lease Additions	Inflation Adjustment	Amortization	Lease Write-off	Balance on September 30, 2019
Land and Real Estate	2,601	1,971	57	(1,089)	-	3,540
Machinery and Equipment	2,215	-	-	(751)	-	1,464
Vehicles	71,811	97,004	-	(22,862)	(65,894)	80,059
TOTAL	**76,627**	**98,975**	**57**	**(24,702)**	**(65,894)**	**85,063**

CONSOLIDATED							
LIABILITIES DUE TO LEASE	Initial Adoption IFRS 16 CPC 06 (R2)	Lease Additions	Inflation Adjustment	Payment of installment	Interest expense	Lease Write-off	Balance on September 30, 2019
Land and Real Estate	2,601	1,971	57	(1,221)	219	-	3,627
Machinery and Equipment	2,215	-	-	(828)	124	-	1,511
Vehicles	71,811	97,004	-	(25,999)	5,490	(66,343)	81,963
TOTAL	**76,627**	**98,975**	**57**	**(28,048)**	**5,833**	**(66,343)**	**87,101**

25. OTHER PAYABLES

	Consolidated					
	September 30, 2019			December 31, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
Regulatory charges	**274,385**	**-**	**274,385**	**465,665**	**-**	**465,665**
Energy Research Company – EPE	2,176	-	2,176	2,310	-	2,310
National Scientific and Technological Development Fund – FNDCT	4,324	-	4,324	3,745	-	3,745
Energy Efficiency Program – PEE	183,956	-	183,956	165,443	-	165,443
Research and Development Program – R&D	82,782	-	82,782	82,127	-	82,127
Energy development account quota – CDE	-	-	-	200,460	-	200,460
Global reversal reserve quota – RGR	1,147	-	1,147	1,122	-	1,122
Centralizing Account of Tariff Levels Resources (CCRBT)	-	-	-	10,458	-	10,458
Others	**247,437**	**56,355**	**303,792**	**225,602**	**62,428**	**288,030**
Advances from Clients	61,537	-	61,537	59,458	-	59,458
Compensation for use of water resources	3,150	-	3,150	2,987	-	2,987
Public lighting fee	101,987	-	101,987	122,185	-	122,185
Reserve for reversal	-	56,335	56,335	-	62,163	62,163
Refunds to consumers	52,496	-	52,496	30,412	-	30,412
Others	28,267	20	28,287	10,560	265	10,825
TOTAL	**521,822**	**56,355**	**578,177**	**691,267**	**62,428**	**753,695**

26. RELATED-PARTY TRANSACTIONS

On September 30, 2019, Light S.A. pertained to the controlling shareholder Companhia Energética de Minas Gerais - CEMIG ("CEMIG"), which does not control the Company.

Interest in subsidiaries and Jointly controlled entities are outlined in Note 2.

Below, the summary of related-party transactions in the nine-month periods ended September 30, 2019, and 2018:

26.1 Assets and revenues

PARENT COMPANY									
Agreements with the Same Group (Balance sheet group, characteristics of the agreement and relationship)	Original Value	Remaining Balance	Effectiveness period	Contractual Conditions	Conditions for Cancellation or Termination	Assets		Revenues	
						September 30, 2019	December 31, 2018	January 1, 2019 to September 30, 2019	January 1, 2018 to September 30, 2018
Other credits - Referred to a loan agreement entered into between Light S.A and Lajes Energia - Parent Company	10,000	-	Dec 2017 to Jan 2019	CDI + 3.50 p.a	N/A	-	-	-	698

CONSOLIDATED									
Agreements with the Same Group (Balance sheet group, characteristics of the agreement and relationship)	Original Value	Remaining Balance	Effectiveness period	Contractual Conditions	Conditions for Cancellation or Termination	Assets		Revenues	
						September 30, 2019	December 31, 2018	January 1, 2019 to September 30, 2019	January 1, 2018 to September 30, 2018
Client - Collection of charge for the use of the distribution system between Light SESA and CEMIG - Shareholder	N/A [(a)]	82	As of Nov/2003. Indefinite Maturity	Price Practiced in the Regulated Market	N/A	82	80	742	611
Client - Collection of charge for the use of basic network between Light SESA and Lightger - under joint control	N/A [(a)]	32	As of Dec/2010. Indefinite Maturity	Price Practiced in the Regulated Market	N/A	32	28	279	255
Client - Collection of charge for the use of basic network between Light Energia and CEMIG - Shareholder	N/A [(a)]	23	As of Dec/2002	Price Practiced in the Regulated Market	N/A	23	16	146	124
Client - Collection referring to services rendered by Light Energia to Lightger - under joint control	4,325	86	Dec/2012 to Apr/2019	Terms and Conditions Agreed between the Parties	N/A	86	79	859	729
Client - Lightcom Energy Purchase Agreement with Renova - under joint control	N/A	-	Oct/2014 to Dec/2019	Price Practiced in the Regulated Market	N/A	-	-	-	11,273
Client - Operating indemnification due to changes to commercial conditions between Lightcom and Renova - under joint control	71,100	-	N/A	Terms and Conditions Agreed between the Parties	N/A	-	82,992	-	9,932
Other credits - Prepayments to suppliers of energy bills and operational indemnification due to changes in Lightcom's trading conditions with Renova - Under joint control	N/A	277,653	N/A	Terms and Conditions Agreed between the Parties	N/A	277,653	90,506	59,711	-
Client - Assignment of rights and obligations between Lightcom and CEMIG, Tard's Renova Energia - Shareholder	N/A	797	Mar/2019 to Dec/2019	Terms and Conditions Agreed between the Parties	N/A	797	-	5,517	-

[(a)] The agreements related to charges for the use of the distribution system and the basic network are billed in accordance with the network's energy demand.

26.2 Liabilities and expenses

CONSOLIDATED									
Agreements with the Same Group (Balance sheet group, characteristics of the agreement and relationship)	Original Value	Remaining Balance	Effectiveness period	Contractual Conditions	Conditions for Cancellation or Termination	Liabilities		Expense	
						September 30, 2019	December 31, 2018	January 1, 2019 to September 30, 2019	January 1, 2018 to September 30, 2018
Supplier - power purchase commitment between Light SESA and CEMIG - Shareholder	275,238	4,249	Jan/2010 to Dec/2039	Price Practiced in the Regulated Market	30% of the remaining balance	4,249	4,851	(36,314)	(50,186)
Supplier - Commitment with charges for the use of basic network between Light SESA and CEMIG - Shareholder	N/A [(a)]	1,416	As of Dec/2002. Indefinite Maturity	Price Practiced in the Regulated Market	N/A	1,416	1,398	(12,246)	(18,847)
Supplier - power purchase commitment between Light Energia and Lightger - - under joint control	217,213	1,604	Dec/2010 to Jun/2028	Terms and Conditions Agreed between the Parties	N/A	1,604	1,937	(15,799)	(15,133)
Other debts - Commitment with advisory services between Light SESA and Axxiom - under joint control	N/A [(b)]	1,350	As of Dec/2010. Indefinite Maturity	IGP-M	N/A	1,350	8	(11,009)	(13,494)
Pension plan - Commitment between Light S.A, Light SESA, Light Energia, Light Esco and Lightcom and Fundação de Seguridade Social Braslight - the foundation's sponsor	42,726	-	Dec/2013 to Jun/2026	IPCA + 5.58% p.a.	N/A	-	-	-	(2,065)
Supplier - Lightcom's Energy Sales Commitment to Renova - Under the Same Group	807,216	-	Jul/2015 to Aug/2036	Price Practiced in the Regulated Market	N/A	-	-	-	(155,029)
Supplier - Assignment of rights and obligations between Lightcom and CEMIG, Tard's Renova Energia - Shareholder	N/A	883	Mar/2019 to Dec/2019	Terms and Conditions Agreed between the Parties	N/A	883	-	33,086	-

[(a)] The agreements related to charges for the use of the distribution system and the basic network are billed in accordance with the network's energy demand.

[(b)] The service agreement is billed in accordance with the number of hours spent in the contracted service.

Related-party transactions have been executed in accordance with the agreements between the parties.

26.3 Management Compensation

The amounts below refer to the compensation of the Board of Directors, Executive Board and Fiscal Council, recognized under the accrual method, related to the nine-month periods ended September 30, 2019, and 2018:

	Accumulated 9 Months			
	Parent Company		Consolidated	
	2019	2018	2019	2018
Officers' compensation	1,163	1,645	8,024	9,069
Bonus	411	630	4,106	6,532
Social charges	330	502	2,575	3,572
Post-Employment Benefits	37	42	404	431
Social welfare benefits	39	56	849	710
Benefits due to position termination	245	438	2,453	4,379
Compensation based on shares	1,313	-	1,313	-
TOTAL	**3,538**	**3,313**	**19,724**	**24,693**

Additionally, the Company has a share-based compensation program for its management and employees, as described in note 28.

27. SHAREHOLDERS' EQUITY

27.1 Share Capital

On September 30, 2019, the capital of Light S.A. is represented by 303,934,060 - three hundred and three million, nine hundred and thirty four thousand and sixty (203,934,060 on December 31, 2018 - two hundred and three million, nine hundred and thirty-four thousand and sixty)non-par, book-entry, registered, common shares, whose share capital is R$4,051,285, as follows:

	September 30, 2019		December 31, 2018	
SHAREHOLDERS	Number of shares (units)	% Interest	Number of shares (units)	% Interest
RME Rio Minas Energia Participações S.A.	-	-	22,226,150	10.90
Companhia Energética de Minas Gerais	68,621,263	22.58	53,152,298	26.06
Luce Empreendimentos e Participações S.A.	-	-	26,576,149	13.03
BNDES Participações S.A. - BNDESPAR	19,140,808	6.30	19,140,808	9.39
Market	216,171,989	71.12	82,838,655	40.62
OVERALL TOTAL	**303,934,060**	**100.00**	**203,934,060**	**100.00**

Light S.A. is a full publicly held company without shareholders' agreement.

Light S.A. is authorized to increase its capital up to the limit of 323,934,060 non-par, book-entry, registered, common shares through the resolution of the Board of Directors, regardless of amendments to the bylaws.

27.2 Conclusion of the incorporation of RME and LEPSA by Cemig

On April 24, 2019, the incorporation processes of its wholly-owned subsidiaries LEPSA and RME were concluded by Cemig. The extinction of RME and LEPSA leads to the immediate and automatic loss of the object and the extinction of the liabilities of the shareholders' agreement of Light SA, signed on December 30, 2009, and amended on November 13, 2018. Cemig approved the incorporation of RME and LEPSA at the Extraordinary Shareholders' Meeting held on March 25, 2019. Since this is the incorporation of a wholly-owned subsidiary, there will be no capital increase and the Company will not issue new shares. We emphasize that such incorporation does not change the interest of Cemig already held in the Company's capital.

27.2.1 Public offering of primary and secondary distribution of common shares

On July 17, 2019, the public offering of primary and secondary distribution of registered, book-entry common shares with no par value, all free and clear of any liens or encumbrances, was carried out in accordance with the procedures of the Brazilian Securities and Exchange Commission.

Within the scope of the public offering, 100,000,000 (one hundred million) new shares issued by the Company (primary offering) were placed, with the due increase of the Company's share capital in the amount of R$1,875,000, and 33,333,333 (thirty and three million, three hundred and thirty-three thousand, three hundred and thirty-three) shares issued by the Company and held by CEMIG (secondary offering), at the price per share of R$18.75.

On September 30, 2019, expenses with the issuance of these new shares totaled R$49,537 and were recorded reducing the capital increase.

Due to the increase in the Company's share capital, the Company's capital increased to R$4,051,285, divided into three hundred and three million, nine hundred and thirty-four thousand and sixty (303,934,060) common shares, all registered, book-entry and without par value.

27.3 Earnings per share

The table below reconciles the net income for the nine-month periods ended September 30, 2019, and 2018 with the amounts used to calculate the basic and diluted earnings (losses) per share.

	3rd Quarter		Accumulated 9 Months	
	2019	2018	2019	2018
NUMERATOR				
Net Income for the Period	1,519,194	6,131	1,694,223	73,431
DENOMINATOR				
Weighted average number of common shares	245,600,727	203,934,060	245,600,727	203,934,060
BASIC AND DILUTED PROFIT PER COMMON SHARE IN R$	**6.19**	**0.03**	**6.90**	**0.36**

In the three-month and nine-month periods ended September 30, 2019, and 2018, there were no differences between basic and diluted earnings (losses) per share, considering that the Company did not have any potentially dilutive instruments.

28. PLAN TO GRANT THE OPTION TO BUY SHARES

The Extraordinary Shareholders' Meeting held on July 04, 2019 approved the Company's stock option plan for the management and employees of the Company and its subsidiaries. The Plan has a purpose to strengthen the retention of executives, align the interests of shareholders with those of eligible people, and create long-term, sustainable business value.

The total number of shares that may be acquired or subscribed under the Stock Option Plan must not exceed 2.1% of the shares representing the Company's total share capital (including the shares to be issued as a result of the exercise of stock options based on the Stock Option Plan) on the date of approval of the Option Plan.

Once the option has been exercised by the interested parties, said shares will be issued through a capital increase of the Company. The Options will become exercisable to the extent that the respective beneficiaries remain bound as a member of the management or employee of the Company or another company under their control, for the period from the grant date to the dates specified below, as follows:

(a) Twenty-five percent (25%) of the Options may be exercised, in whole or in part, after the first anniversary of the grant date;

(b) Twenty-five percent (25%) of the Options may be exercised, in whole or in part, after the second anniversary of the grant date;

(c) Twenty-five percent (25%) of the Options may be exercised, in whole or in part, after the third anniversary of the grant date; and

(d) Twenty-five percent (25%) of the Options may be exercised, in whole or in part, after the fourth anniversary of the grant date.

Options not exercised after the 1^{st} anniversary of the grant date may be exercised in subsequent periods and so on for Options not exercised after the other anniversaries until the maximum term of the options, which will be 5 (five) years from the grant date.

Further details on the Plan can be found in the minutes of the ESM that approved it, which is available on the Company's website and on CVM’s website.

28.1 Option Strike Price

The strike price of the Options granted under the Plan is R$20.54, corresponding to the average price of the Company’s shares in B3 S.A., weighted by the trading volume, in the sixty trading sessions prior to the creation of the plan.

The exercise price will be reduced by the number of dividends, interest on shareholders’ equity and other earnings distributed by the Company to shareholders or any other amounts per share made available to shareholders by the Company, including due to the decrease of share capital without cancellation of shares or any other corporate operation that implies the allocation of resources to shareholders or decrease of the price of the shares, always considering the period between the grant date and the exercise date of the options.

28.2 Beneficiaries

During a period of one year from the date of exercise of the Options, the beneficiaries may not sell, assign or otherwise dispose of the shares of the Company originally acquired or subscribed under the Plan, as well as those that they may acquire due to bonuses, stock splits, subscriptions or any other method of acquisition and rights to subscribe for shares or any other securities issued by the Company convertible into shares or granting the right to subscribe shares (“Lock-Up”).

In the nine-month period ended September 30, 2019, the Board of Directors granted 3,411,500 (three million, four hundred and eleven thousand and five hundred) Options to the beneficiaries.

28.3 Accounting Impacts

The options are recognized at fair value, deducted in the income statement, under personnel expenses and included in the shareholders' equity, under capital reserve. In the nine-month period ended September 30, 2019, the amount of R$1,534 was recorded.

29. NET REVENUE

	Consolidated			
	3rd Quarter		Accumulated 9 Months	
	2019	2018	2019	2018
Network Use / Supply / Revenue (Note 30)	4,146,266	4,454,656	13,865,670	13,568,333
(-) Fine due to non-compliance with power supply continuity indicators	(5,314)	(3,815)	(34,825)	(24,665)
Leases, rents and other	20,126	20,495	60,625	59,518
Construction revenue	181,509	183,444	528,752	466,937
Revenue from services rendered	3,462	10,494	32,872	42,950
CDE subsidy	60,470	53,916	209,174	195,014
Taxed service fee	1,634	1,445	4,682	4,047
Fair Value of Concessions' Financial Assets (Note 11)	14,583	45,940	110,755	134,028
Recovery of PIS and COFINS credits on ICMS exclusion (Note 07)	1,086,462	-	1,086,462	-
Unbilled revenue - Contributions from CCRBT account (Note 10)	75,723	(22,730)	88,851	(48,010)
Financial assets and liabilities of the sector(10)	62,177	366,566	93,940	655,331
GROSS REVENUE	**5,647,098**	**5,110,411**	**16,046,958**	**15,053,483**
ICMS	(920,005)	(1,012,018)	(3,333,287)	(3,265,040)
PIS and COFINS	(361,146)	(430,532)	(1,262,336)	(1,305,195)
Others	(1,133)	(1,535)	(3,404)	(5,179)
REVENUE TAXES	**(1,282,284)**	**(1,444,085)**	**(4,599,027)**	**(4,575,414)**
Energy Development Account - CDE	(379,254)	(441,677)	(1,206,342)	(1,241,447)
Global reversal reserve - RGR	(3,440)	(2,973)	(10,172)	(8,919)
Energy Research Company – EPE	(2,820)	(3,089)	(8,803)	(8,945)
National Scientific and Technological Development Fund – FNDCT	(5,643)	(6,177)	(17,608)	(17,886)
Energy Efficiency Program – PEE	(11,330)	(11,978)	(36,386)	(36,769)
Research and Development Program – R&D	(5,643)	(6,177)	(17,608)	(17,886)
Special Obligations	-	-	-	(19,086)
Other charges - PROINFA	(12,978)	(10,551)	(33,338)	(23,623)
Other charges	(7,717)	(7,258)	(23,544)	(22,725)
CONSUMER CHARGES	**(428,825)**	**(489,880)**	**(1,353,801)**	**(1,397,286)**
TOTAL DEDUCTIONS	**(1,711,109)**	**(1,933,965)**	**(5,952,828)**	**(5,972,700)**
NET REVENUE	**3,935,989**	**3,176,446**	**10,094,130**	**9,080,783**

Light SESA's revenue comprises over 4.5 million consumers, being largely diluted and not concentrated on a few consumers. The tariffs are established by ANEEL and applied to each consumer class. The revenue has a certain level of seasonality due to temperature variation in its concession area. Revenue increased in the periods recording the highest temperatures.

30. REVENUE FROM ELECTRIC POWER SUPPLY AND FROM NETWORK USAGE

	Consolidated					
	3rd Quarter					
	Number of Billed Sales [a] [b]		GWh [a]		R$	
	2019	2018	2019	2018	2019	2018
Residential	4,062,951	4,084,551	1,700	1,815	1,177,253	1,201,738
Industrial	10,043	10,110	130	168	65,611	109,434
Commerce, Services, and Others	329,785	325,507	1,202	1,248	773,593	858,808
Rural	12,441	12,341	13	15	1,270	2,924
Public Sector	12,007	12,401	320	308	204,338	199,075
Public Lighting	758	810	220	186	88,572	75,071
Public Utility	1,719	1,729	243	293	114,630	134,878
Own Consumption	456	455	29	29	-	-
Revenue from Network Usage	896	740	2,371	2,393	406,161	289,294
BILLED SALES	**4,431,056**	**4,448,644**	**6,227**	**6,455**	**2,831,428**	**2,871,222**
ICMS	-	-	-	-	917,704	1,009,691
Unbilled Sales (net of ICMS)	-	-	-	-	(25,016)	(13,346)
TOTAL SUPPLY[c]	**4,431,056**	**4,448,644**	**6,227**	**6,455**	**3,724,116**	**3,867,567**
Energy Trading/Other	-	-	1,219	1,202	333,000	402,365
ICMS	-	-	-	-	2,301	2,327
Short-Term Energy	-	-	(23)	1	86,849	182,397
TOTAL SUPPLY	**-**	**-**	**1,196**	**1,203**	**422,150**	**587,089**
TOTAL	**4,431,056**	**4,448,644**	**7,423**	**7,658**	**4,146,266**	**4,454,656**

[a] Not reviewed by independent auditors
[b] Number of invoiced bills in September, with and without consumption
[c] Light SESA

	Consolidated					
	Accumulated 9 Months					
	Number of Billed Sales [a] [b]		GWh [a]		R$	
	2019	2018	2019	2018	2019	2018
Residential	4,062,951	4,084,551	6,364	6,528	4,195,234	4,087,237
Industrial	10,043	10,110	433	525	268,160	388,513
Commerce, Services, and Others	329,785	325,507	4,141	4,187	2,670,822	2,553,430
Rural	12,441	12,341	42	49	5,696	8,940
Public Sector	12,007	12,401	1,113	1,027	669,964	598,986
Public Lighting	758	810	596	569	224,939	210,801
Public Utility	1,719	1,729	784	888	335,036	366,700
Own Consumption	456	455	87	86	-	-
Revenue from network usage	896	740	7,269	7,214	1,030,496	784,098
BILLED SALES	**4,431,056**	**4,448,644**	**20,830**	**21,073**	**9,400,347**	**8,998,705**
ICMS	-	-	-	-	3,326,090	3,249,308
Unbilled Sales (net of ICMS)	-	-	-	-	(51,698)	(47,388)
TOTAL SUPPLY[c]	**4,431,056**	**4,448,644**	**20,830**	**21,073**	**12,674,739**	**12,200,625**
Energy Trading/Other	-	-	3,547	3,544	1,003,096	1,063,636
ICMS	-	-	-	-	7,197	15,732
Short-Term Energy	-	-	1,478	783	180,638	288,340
TOTAL SUPPLY	**-**	**-**	**5,025**	**4,327**	**1,190,931**	**1,367,708**
TOTAL	**4,431,056**	**4,448,644**	**25,855**	**25,400**	**13,865,670**	**13,568,333**

[a] Not reviewed by independent auditors
[b] Number of invoiced bills in September, with and without consumption
[c] Light SESA

31. OPERATING COSTS AND EXPENSES

COSTS	Consolidated							
	3rd Quarter				Accumulated 9 Months			
	Electric Energy Costs		Operation Costs		Electric Energy Costs		Operation Costs	
	2019	2018	2019	2018	2019	2018	2019	2018
Personnel and Management	-	-	(69,416)	(65,841)	-	-	(229,345)	(185,899)
Materials	-	-	(5,196)	(3,076)	-	-	(15,835)	(35,203)
Outsourced Services	-	-	(87,852)	(96,401)	-	-	(252,691)	(266,709)
Electric power purchased for resale (Note 32)	(1,940,296)	(2,250,550)	-	-	(6,021,572)	(6,089,340)	-	-
Depreciation and Amortization	-	-	(141,706)	(131,705)	-	-	(421,581)	(392,302)
Cost of Construction	-	-	(181,509)	(183,444)	-	-	(528,752)	(466,937)
Fines from clients and suppliers	-	-	27,593	25,812	-	-	101,826	80,533
Other Costs and Expenses	-	-	2,077	(1,789)	-	-	3,209	501
TOTAL	**(1,940,296)**	**(2,250,550)**	**(456,009)**	**(456,444)**	**(6,021,572)**	**(6,089,340)**	**(1,343,169)**	**(1,266,016)**

EXPENSES	Consolidated			
	General and administrative expenses			
	3rd Quarter		Accumulated 9 Months	
	2019	2018	2019	2018
Personnel and Management	(33,780)	(39,901)	(97,186)	(115,613)
Materials	(11)	135	(1,697)	(458)
Outsourced Services	(53,237)	(48,739)	(154,380)	(136,196)
Depreciation and Amortization	(5,357)	(7,152)	(18,208)	(14,181)
Allowance for expected doubtful accounts	(371,005)	(89,285)	(514,517)	(366,310)
Provision for tax, civil, labor, and regulatory contingencies and judicial deposits.	(106,346)	(65,767)	(270,446)	(173,504)
Other Costs and Expenses	(32,617)	(22,191)	(68,881)	(71,911)
TOTAL	**(602,353)**	**(272,900)**	**(1,125,315)**	**(878,173)**

32. ELECTRIC POWER PURCHASED FOR RESALE

	Consolidated							
	3rd Quarter				Accumulated 9 Months			
	GWh [a]		R$		GWh [a]		R$	
	2019	2018	2019	2018	2019	2018	2019	2018
Electric power purchased for resale								
Spot Market Energy - CCEE	(1,296)	(935)	(216,175)	(396,019)	(595)	(1,115)	(1,036,238)	(983,054)
Itaipu binacional	1,165	1,176	(304,689)	(303,374)	3,445	3,483	(870,074)	(816,129)
UTE Norte Fluminense	1,601	1,601	(605,760)	(365,367)	4,751	4,751	(1,818,887)	(1,084,476)
Electric Energy Auction	3,821	2,436	(683,876)	(879,968)	8,472	7,591	(1,973,469)	(2,240,420)
Assured Energy Quotas	1,439	1,494	(167,843)	(164,298)	4,766	4,963	(478,876)	(443,375)
Nuclear Energy Quota	218	219	(54,808)	(53,796)	648	649	(164,425)	(161,391)
Charges for the use of transmission and distribution system								
Charges for the use of basic network and National Electric System Operator (ONS)	-	-	(215,412)	(207,444)	-	-	(606,952)	(693,162)
Transmission - Connection charges	-	-	(18,780)	(13,474)	-	-	(52,188)	(33,825)
Charges for the use of Distribution Network - CUSD	-	-	(663)	(608)	-	-	(1,981)	(2,152)
Energy Transportation - Itaipu	-	-	(31,154)	(29,564)	-	-	(88,099)	(82,908)
PROINFA	115	126	(41,770)	(37,777)	333	360	(130,905)	(121,361)
PIS/COFINS credits on purchase	-	-	213,794	201,139	-	-	624,839	572,913
ICMS on purchase[b]	-	-	186,840	-	-	-	575,683	-
TOTAL	**7,063**	**6,117**	**(1,940,296)**	**(2,250,550)**	**21,820**	**20,682**	**(6,021,572)**	**(6,089,340)**

[a] Not reviewed by independent auditors

[b] Credit arising from Decree no. 46.207, in which the state of Rio de Janeiro revoked the deferral of ICMS on purchase of machinery, equipment, materials and natural gas.

33. FINANCIAL RESULT

	Consolidated			
	3rd Quarter		Accumulated 9 Months	
	2019	2018	2019	2018
REVENUES				
Interest on late payment of energy sales	16,410	48,068	59,782	94,080
Income from cash equivalents and marketable securities	31,086	22,088	63,308	40,536
Swap operations	279,344	160,364	358,119	355,250
Restatement of judicial deposits	2,844	3,427	7,060	8,689
Adjustments to financial assets and liabilities of the sector(10)	25,380	11,285	15,433	58,712
Updated PIS and COFINS credits on ICMS exclusion	1,461,317	-	1,461,317	-
Other financial revenue	10,372	11,303	34,558	19,861
TOTAL FINANCIAL REVENUE	**1,826,753**	**256,535**	**1,999,577**	**577,128**
EXPENSE				
Inflation adjustment of provisions for tax, civil, labor and regulatory contingencies	(6,271)	(2,334)	(12,583)	(8,091)
Expenses with tax liabilities	(4,369)	(6,110)	(10,356)	(17,642)
Charges of loans, financing, debentures and Braslight	(174,040)	(191,076)	(522,660)	(476,806)
Exchange variation and inflation adjustment	(261,359)	(149,991)	(278,139)	(543,713)
Exchange variation on power bills	(11,159)	(7,095)	(3,633)	(32,600)
Inflation adjustment on GSF	(4,737)	(21,166)	(28,014)	(45,146)
PIS and COFINS on financial revenue	(73,120)	(9,392)	(77,079)	(13,101)
Other financial expenses	(14,817)	(11,163)	(51,984)	(32,752)
TOTAL FINANCIAL EXPENSES	**(549,872)**	**(398,327)**	**(984,448)**	**(1,169,851)**
FINANCIAL RESULT	**1,276,881**	**(141,792)**	**1,015,129**	**(592,723)**

34. RECONCILIATION OF TAXES IN PROFIT OR LOSS

Reconciliation of effective and nominal rates in the provision for income tax and social contribution:

	3rd Quarter				Accumulated 9 Months			
	Parent Company		Consolidated		Parent Company		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018
Earnings before income tax and social contribution	1,519,194	6,131	2,267,873	23,249	1,694,223	73,431	2,579,586	154,101
Nominal income tax and social contribution rate	34%	34%	34%	34%	34%	34%	34%	34%
INCOME TAX AND SOCIAL CONTRIBUTION AT THE RATES ESTABLISHED BY THE CURRENT LEGISLATION	**(516,526)**	**(2,085)**	**(771,077)**	**(7,905)**	**(576,036)**	**(24,967)**	**(877,059)**	**(52,394)**
Equity Pick-up	523,233	6,212	24,161	(8,970)	584,741	32,656	(3,510)	(22,121)
Unrecognized deferred tax credits CVM No. 371/02 - Light S.A	(501)	(1,042)	(501)	(1,042)	(1,865)	(3,010)	(1,865)	(3,010)
Tax Incentives [a]	-	-	484	(105)	-	-	632	631
Other effects from income tax and social contribution on permanent additions and exclusions	(6,206)	(3,085)	(1,746)	904	(6,840)	(4,679)	(3,561)	(3,776)
INCOME TAX AND SOCIAL CONTRIBUTION IN THE RESULT	**-**	**-**	**(748,679)**	**(17,118)**	**-**	**-**	**(885,363)**	**(80,670)**
Current income tax and social contribution	-	-	(1,703)	9,877	-	-	(138,668)	(41,229)
Deferred income tax and social contribution	-	-	(746,976)	(26,995)	-	-	(746,695)	(39,441)

[a] Refers to the Federal Law for the Promotion of Culture (Law 8,313/91), which allows the use of up to 4% of due income tax for cultural activities.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

35.1 Fair value and classification of financial instruments

There are three types of classification levels for the fair value of financial instruments. This hierarchy prioritizes unadjusted prices quoted in an active market for financial assets or liabilities. The classification of hierarchical levels can be presented as follows:

- Level 1 - Data originating from an active market (unadjusted quoted price) that can be accessed on a daily basis, including on the date of fair value measurement.

- Level 2 - Different data originating from the active market (unadjusted quoted price) included in Level 1, extracted from a pricing model based on data observable in the market.

- Level 3 - Data extracted from a pricing model based on data that are not observable in the market.

The chart below presents the carrying amounts and fair values of the Company's main assets and liabilities, together with their measurement levels, on September 30, 2019, and December 31, 2018:

		Parent Company			
		September 30, 2019		December 31, 2018	
	Levels	Book Value	Fair Value	Book Value	Fair Value
FINANCIAL ASSETS (CURRENT/NON-CURRENT)					
MEASURED AT AMORTIZED COST					
Cash Equivalents (Note 4)	2	-	-	1,171	1,171
Marketable Securities	2	29,219	29,219	2	2
Services Receivable	2	100	100	259	259
Other Credits	2	3,294	3,294	18,676	18,676
TOTAL		**32,613**	**32,613**	**20,108**	**20,108**
FINANCIAL LIABILITIES (CURRENT/NON-CURRENT)					
MEASURED AT AMORTIZED COST					
Suppliers	2	1,986	1,986	3,840	3,840
Other Payables	2	15,972	15,972	475	475
TOTAL		**17,958**	**17,958**	**4,315**	**4,315**

		Consolidated			
		September 30, 2019		December 31, 2018	
	Levels	Book Value	Fair Value	Book Value	Fair Value
FINANCIAL ASSETS (CURRENT/NON-CURRENT)					
MEASURED AT AMORTIZED COST					
Cash Equivalents (Note 4)	2	449,724	449,724	598,853	598,853
Marketable securities- CDB (Note 5)	2	845,721	845,721	261,804	261,804
Consumers, concessionaires, permissionaires and clients (Note 6)	2	3,745,386	3,745,386	3,868,554	3,868,554
Services Receivable	2	81,331	81,331	90,439	90,439
Financial assets of the sector (Note 10)	3	819,409	819,409	712,655	712,655
Other receivables (Note 12)	2	271,002	271,002	338,254	338,254
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS					
Marketable securities - investment funds (Note 5)	2	750,807	750,807	714,994	714,994
Concessions' financial assets (Note 11)	3	4,505,492	4,505,492	4,271,861	4,271,861
Derivative Financial Instruments - Swaps	2	686,482	686,482	439,359	439,359
TOTAL		**12,155,354**	**12,155,354**	**11,296,773**	**11,296,773**
FINANCIAL LIABILITIES (CURRENT/NON-CURRENT)					
MEASURED AT AMORTIZED COST					
Trade accounts payable (Note 17)	2	2,258,300	2,258,300	2,119,660	2,119,660
Loans and Financing (Note 19)	2	5,436,612	5,145,815	5,622,970	5,628,568
Debentures (Note 20)	2	3,829,479	3,893,734	4,405,491	4,476,263
Financial liabilities of the sector (Note 10)	3	-	-	2,619	2,619
Obligations for leasing (Note 24) [(a)]	2	87,101	87,101	-	-
Other Payables (Note 25)	2	578,177	578,177	753,695	753,695
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS					
Derivative Financial Instruments - Swaps	2	13,450	13,450	111,664	111,664
TOTAL		**12,203,119**	**11,976,577**	**13,016,099**	**13,092,469**

[(a)] Lease obligations were recognized as a result of the initial adoption of IFRS 16/CPC 06 (R2), as described in note 24.

Valuation techniques and methods

It is worth mentioning that the estimated fair value of financial assets and liabilities was determined by means of information available on the market and appropriate valuation methodologies. Nevertheless, meaningful judgment was required from Management when interpreting market data to produce the most appropriate fair value estimate.

As most of the trade accounts receivable and payable mature in the short term, the Company believes their fair value is already reflected in their book value. The same applies to marketable securities classified as held-to-maturity. In this case, the Company believes their fair value is similar to their book value as these securities bear interest rates that are pegged to the DI (Interbank Deposit) curve, thus reflecting changes in market conditions.

Regarding the concession's financial assets, classified as fair value through profit or loss, the inclusion in level 3 was due to the fact that the relevant factors for the valuation at fair value were not publicly observable. The changes between the periods and the respective gains and losses in the income statement for the period are described in Note 11.

Policy concerning derivative instruments

The Company has a policy of using derivative instruments, which has been approved by its Board of Directors. According to this policy, the debt service (principal plus interest and charges) denominated in foreign currency maturing within 24 months is to be hedged, except no speculative transaction is allowed, whether using derivatives or any other risky assets.

In line with the policy standards, the Company does not have any options, swaps, callable swaps, flexible options, derivatives embedded in other products, derivative-structured transactions and so-called "exotic derivatives". Furthermore, the statement below denotes that the Company uses cashless exchange rate swaps (US$ vs. CDI), of which the Notional Contract Value is equal to the amount of the debt service denominated in foreign currency maturing in 24 months.

35.2 Risk management and goals achieved

Management of derivative instruments is achieved through operating strategies with a view of liquidity, profitability, and safety. Our control policy consists of ongoing enforcement of policy standards concerning the use of derivative instruments, as well as continued monitoring of agreed-upon rates versus market rates.

35.3 Market Risk

During the normal course of its businesses, the Company and its subsidiaries are exposed to the market risks related to currency variations and interest rates. There follows a breakdown of debt by currency and index (it does not include financial charges):

	Consolidated			
	September 30, 2019		December 31, 2018	
	R$	%	R$	%
USD	3,202,949	35.3	3,135,865	31.6
TOTAL - FOREIGN CURRENCY	**3,202,949**	**35.3**	**3,135,865**	**31.6**
CDI	2,836,058	31.3	3,923,614	39.5
IPCA	2,628,505	29.0	2,307,342	23.3
TJLP	265,855	2.9	373,742	3.8
Others	137,764	1.5	176,328	1.8
TOTAL - DOMESTIC CURRENCY	**5,868,182**	**64.7**	**6,781,026**	**68.4**
TOTAL	**9,071,131**	**100.0**	**9,916,891**	**100.0**

Derivative financial instruments in the form of swaps were contracted for the portion of debt denominated in foreign currency, in accordance with the policy for utilization of derivative instruments approved by the Board of Directors. Thus, including the swaps, the Company's foreign exchange exposure related to debt represents 0.30% of total debt denominated in foreign currency on September 30, 2019 (0.39% on December 31, 2018).

Below, we provide a few considerations and analyses on risk factors impacting on the business of Light Group's companies:

35.4 Currency risk

For a portion of loans and borrowings denominated in foreign currency, the Company uses derivative financial instruments (swap operations) to hedge against service associated with these debts (principal plus interest and commissions) to expire within 24 months. Funds raised as per BACEN Resolution 4131 from Citibank and the issue of Bonds abroad were already contracted with swap for the entire duration of the debt, previously approved by the Board of Directors.

Listed below is the chart with the breakdown of derivative transactions on September 30, 2019, and December 31, 2018:

Institution	Subsidiary	Currency	Light's Receivable	Light's Payable	Starting Date	Maturity Date	Notional Value (R$) September 30, 2019	Notional Value (US$) September 30, 2019	Swap (Accrual) (R$) September 30, 2019	Fair Value Swap (Accounting) (R$) September 30, 2019	Fair Value x Accrual September 30, 2019
Citibank	Light SESA	US$	US$ + Libor3M + 1.02%	CDI + 1.50%	September 5, 2019	September 8, 2021	374,796	90,000	1,792	7,152	5,360
BMG	Light SESA	US$	US$	64.05% CDI	December 26, 2017	October 15, 2019	23,853	5,728	(1,110)	(1,092)	18
Citi (Bond)	Light SESA	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	416,440	100,000	(68,370)	(107,648)	(39,278)
Bradesco (Bond)	Light SESA	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	416,440	100,000	(68,035)	(107,648)	(39,613)
Bradesco (Bond)	Light SESA	US$	US$ + 7.25% p.a.	142.48% CDI	May 3, 2018	May 3, 2023	832,880	200,000	(136,181)	(216,262)	(80,081)
Santander (Bond)	Light SESA	US$	US$ + 1.27940% p.a.	18.62% CDI	May 3, 2018	May 3, 2023	106,559	25,588	(2,410)	(25,600)	(23,190)
Citibank	Light Energia	US$	US$ + Libor3M + 0.91%	CDI + 1.30%	September 5, 2019	September 8, 2021	333,152	80,000	1,478	6,298	4,820
Itaú (Bond)	Light Energia	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	624,660	150,000	(102,052)	(161,472)	(59,420)
BBM (Bond)	Light Energia	US$	US$ + 7.25% p.a.	142.75% CDI	May 3, 2018	May 3, 2023	208,220	50,000	(34,033)	(53,960)	(19,927)
Santander (Bond)	Light Energia	US$	US$ + 1.27940% p.a.	18.62% CDI	May 3, 2018	May 3, 2023	53,279	12,794	(1,205)	(12,800)	(11,595)
						TOTAL	**3,390,279**	**814,110**	**(410,126)**	**(673,032)**	**(262,906)**

Institution	Subsidiary	Currency	Light's Receivable	Light's Payable	Starting Date	Maturity Date	Notional Value (R$) December 31, 2018	Notional Value (US$) December 31, 2018	Swap (accrual) (R$) December 31, 2018	Fair value swap (accounting) (R$) December 31, 2018	Fair Value x Accrual December 31, 2018
Citibank	Light SESA	US$	US$ + Libor3M + 1.62%	CDI + 3.50%	February 1, 2018	August 2, 2021	129,159	33,333	(21,403)	(19,915)	1,488
Citibank	Light SESA	US$	US$ + Libor3M + 1.62%	CDI + 3.50%	February 1, 2018	August 2, 2021	129,159	33,333	(21,403)	(19,915)	1,488
Citibank	Light SESA	US$	US$ + Libor3M + 1.62%	CDI + 3.50%	February 1, 2018	August 2, 2021	129,159	33,333	(21,403)	(19,915)	1,488
Citibank	Light SESA	US$	US$ + Libor3M + 1.62%	CDI + 3.50%	February 1, 2018	August 2, 2021	387,480	100,000	(67,680)	(60,951)	6,729
BMG	Light SESA	US$	US$	64.05% CDI	December 26, 2017	October 15, 2019	22,194	5,728	(1,483)	(1,335)	148
Citi (Bond)	Light SESA	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	387,480	100,000	(38,971)	(49,648)	(10,677)
Bradesco (Bond)	Light SESA	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	387,480	100,000	(39,127)	(49,648)	(10,521)
Bradesco (Bond)	Light SESA	US$	US$ + 7.25% p.a.	142.48% CDI	May 3, 2018	May 3, 2023	774,960	200,000	(78,295)	(100,689)	(22,394)
Santander (Bond)	Light SESA	US$	US$ + 1.27940% p.a.	18.62% CDI	May 3, 2018	May 3, 2023	99,148	25,588	(767)	(2,833)	(2,066)
Citibank	Light Energia	US$	US$ + Libor3M + 1.75%	CDI + 3.50%	February 1, 2018	August 1, 2019	25,829	6,666	(4,633)	(4,488)	145
Citibank	Light Energia	US$	US$ + Libor3M + 1.75%	CDI + 3.50%	February 1, 2018	August 1, 2019	25,829	6,666	(4,633)	(4,488)	145
Citibank	Light Energia	US$	US$ + Libor3M + 1.75%	CDI + 3.50%	February 1, 2018	August 1, 2019	25,829	6,666	(4,633)	(4,624)	9
Itaú (Bond)	Light Energia	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	581,220	150,000	(58,456)	(74,472)	(16,016)
BBM (Bond)	Light Energia	US$	US$ + 7.25% p.a.	142.75% CDI	May 3, 2018	May 3, 2023	193,740	50,000	(19,569)	(25,022)	(5,453)
Santander (Bond)	Light Energia	US$	US$ + 1.27940% p.a.	18.62% CDI	May 3, 2018	May 3, 2023	49,574	12,794	(384)	(1,416)	(1,032)
						TOTAL	**3,348,240**	**864,107**	**(382,840)**	**(439,359)**	**(56,519)**

The amount recorded was measured by its fair value on September 30, 2019, and December 31, 2018. All operations with derivative financial instruments are registered in clearinghouses for the custody and financial settlement of securities and there is no margin deposited in the guarantee. Operations have no initial cost.

The difference between the curve (accrual) and market values was the result of the unique calculation methodology, because while the curve swap balance corresponds to the principal plus interest and restated by the exchange rate until September 30, 2019, the market swap balance is calculated considering the future curve of the indexes discounted by the exchange coupon.

Pursuant to the Brazilian accounting practices and IFRS, the number of derivative instruments are recorded at fair value, which approximates market value.

Below, the sensitivity analysis for foreign exchange rate fluctuations, showing eventual impacts on the Company's financial result. These sensitivity analyses were prepared to assume that the equity balances were outstanding during the period.

The methodology used in the "Probable Scenario" considered the best estimate for the foreign exchange rate on September 30, 2020. It is worth highlighting that, as this refers to a sensitivity analysis of the impact on the financial result of the next 12 months, debt balances on September 30, 2019, were considered. It is worth mentioning that the balance of temporary cash investments will fluctuate according to the need or available funds of the Company, as well as the behavior of debt and derivatives balances will observe their respective contracts.

Exchange Rate Sensitivity Analysis, with the presentation of effects on the income statement before taxes, based on rates and projections of B3 and BNDES on September 30, 2019.

				R$		
OPERATION	**Subsidiary**	**Risk**	**Debt - US$ Thousand**	**Scenario (I) - Probable**	**Scenario (II) - 25%**	**Scenario (III)+ 50%**
FINANCIAL LIABILITIES				**(64,697)**	**(909,836)**	**(1,754,973)**
TN - Par Bond	Light SESA	US$	40,025	(3,252)	(45,736)	(88,219)
TN - Surety - Par Bond	Light SESA	US$	(35,066)	2,849	40,069	77,288
TN - Discount Bond	Light SESA	US$	27,626	(2,245)	(31,567)	(60,889)
TN - Surety - Discount Bond	Light SESA	US$	(24,464)	1,988	27,954	53,921
4131 Citibank 2019	Light SESA	US$	90,213	(7,330)	(103,083)	(198,836)
Bonds	Light SESA	US$	411,842	(33,463)	(470,598)	(907,732)
4131 Citibank 2019	Light Energia	US$	80,183	(6,515)	(91,622)	(176,729)
Bonds	Light Energia	US$	205,881	(16,729)	(235,253)	(453,777)
DERIVATIVES				**64,037**	**900,556**	**1,737,074**
Currency Swaps (Long Position)	Light SESA	US$	(502,055)	40,793	573,681	1,106,568
Currency Swaps (Long Position)	Light Energia	US$	(286,064)	23,244	326,875	630,506
TOTAL LOSS				**(660)**	**(9,280)**	**(17,899)**
Reference for Financial Assets and Liabilities					+25%	+50%
R$/US$ Exchange Rate (on September 30, 2020)				4.25	5.31	6.37

In the chart above, it is possible to identify hedge against all foreign currency debt, with the only exception of National Treasury contracts, i.e. Par Bonds, Discount Bonds, and Sureties. It is worth noting that although the National Treasury principal balance is not hedged against the exchange variation, these contracts' interest payments are hedged against exchange variation for 24 months.

35.5 Interest rate risk

This risk derives from the impact of interest rates fluctuation not only over financial expenses associated with loans, borrowings, and debentures of the Company but also over financial revenues deriving from temporary cash investments. The policy for the utilization of derivatives approved by the Board of Directors does not comprise the contracting of instruments against such risk. Nevertheless, the Company continuously monitors interest rates so that to evaluate the eventual need for contracting derivatives to hedge against interest rates volatility risk. In these cases, prior approval of the Board of Directors is requested.

On September 30, 2019, there were no interest swap transactions in force. The chart below shows the position of the interest rate swap transactions on December 31, 2018:

						R$			
Institution	Subsidiary	Light's Receivable	Light's Payable	Starting Date	Maturity Date	Notional Value December 31, 2018	Swap (accrual) December 31, 2018	Fair value swap (accounting) December 31, 2018	Fair Value x Accrual December 31, 2018
BMG	Light SESA	CDI + 1.15%	IPCA + 7.82%	May 20, 2016	May 17, 2021	600,000	54,293	89,331	35,038
PLURAL	Light SESA	CDI + 1.15%	IPCA + 7.82%	May 20, 2016	May 17, 2021	150,000	14,842	22,333	7,491
					TOTAL	**750,000**	**69,135**	**111,664**	**42,529**

- On August 14, 2019, the rate swap operation (CDI x IPCA) of subsidiary Light SESA with Banco BMG was prepaid. The swap transaction changed the cost from CDI + 1.15% p.a. to IPCA + 7.82% p.a. of a principal debt of R$400,000 and maturing in May 2021. The prepayment was of R$80,500, referring to the swap balance at market value on this date.

- On August 29, 2019, the rate swap operation (CDI x IPCA) of subsidiary Light SESA with Banco Plural was prepaid. The swap transaction changed the cost from CDI + 1.15% p.a. to IPCA + 7.82% p.a. of a principal debt of R$100,000 and maturing in May 2021. The prepayment was of R$21,000, referring to the swap balance at market value on this date.

The swap transactions with BMG and Plural bank were associated with the 9th debenture issuance of the subsidiary Light SESA with Banco do Brasil. The purpose of the transaction was: (i) to hedge with revenue because part of the tariff adjustments is restated by the IPCA; (ii) to reinforce working capital because, during the grace period of the debentures, the Company will receive funds to amortize the interest pegged to the CDI; and (iii) reduction in the percentage of debt pegged to the CDI.

Below, the sensitivity analysis for interest rate fluctuations, showing possible impacts on the result before taxes. These sensitivity analyses were prepared to assume that the equity balances were outstanding during the period.

The methodology used in the "Probable Scenario" considered the best estimate for the interest rate on September 30, 2020. It is worth highlighting that, as this refers to a sensitivity analysis of the impact on the financial result of the next twelve months, considers debt and investment balances on September 30, 2019, were considered. It is worth mentioning that the behavior of debt and derivatives balances will observe their respective contracts, and the balance of temporary cash investments will fluctuate according to the need or available funds of the Company.

Interest Rate Sensitivity Analysis, with the presentation of effects on the income statement before taxes, based on rates and projections of B3 and BNDES on September 30, 2019.

			R$		
OPERATION	**Subsidiary**	**Risk**	**Scenario (I) - Probable**	**Scenario (II) - 25%**	**Scenario (III)+ 50%**
FINANCIAL ASSETS			**(7,950)**	**(32,515)**	**(57,080)**
Cash equivalents and marketable securities [a]		CDI	(7,950)	(32,515)	(57,080)
FINANCIAL LIABILITIES			**71,891**	**9,975**	**(51,939)**
TN - Discount Bond	Light SESA	Libor6M	205	(336)	(876)
4131 Citibank 2019	Light SESA	Libor3M	(391)	(2,447)	(4,503)
CCB Bradesco 2016	Light SESA	CDI	220	30	(161)
CCB - IBM 2017	Light SESA	CDI	161	22	(118)
CCB - IBM 2019	Light SESA	CDI	22	3	(16)
Leasing IBM	Light SESA	CDI	8	1	(6)
Debentures 8th Issuance	Light SESA	CDI	3,976	532	(2,911)
Debentures 9th Issuance Series A	Light SESA	CDI	7,315	980	(5,356)
Debentures 10th Issuance	Light SESA	CDI	4,138	554	(3,030)
Debentures 15th Issuance - 2nd Series	Light SESA	CDI	2,378	318	(1,741)
FIDC 2018 Series A	Light SESA	CDI	13,639	1,827	(9,986)
Debentures 16th Issuance Series 1	Light SESA	CDI	1,872	251	(1,370)
Debentures 16th Issuance Series 2	Light SESA	CDI	5,995	803	(4,389)
Debentures 16th Issuance Series 3	Light SESA	CDI	887	119	(649)
Debentures 9th Issuance Series B	Light SESA	IPCA	10,147	6,079	2,011
Debentures 12th Issuance - 3rd Series	Light SESA	IPCA	712	427	141
Debentures 13th Issuance	Light SESA	IPCA	6,292	3,769	1,247
FIDC 2018 Series B	Light SESA	IPCA	4,701	2,816	932
Debentures 15th Issuance - 1st Series	Light SESA	IPCA	6,790	4,068	1,346
BNDES - Capex 2013/14 Sub A	Light SESA	TJLP	-	(744)	(1,488)
BNDES - Capex 2013/14 Sub D	Light SESA	TJLP	-	(15)	(30)
BNDES - CAPEX 2015/16 SUB A	Light SESA	TJLP	-	(1,756)	(3,512)
BNDES - CAPEX 2015/16 SUB C	Light SESA	TJLP	-	(742)	(1,485)
BNDES - 2013/16 Olympics Sub A	Light SESA	TJLP	-	(4,136)	(8,272)
BNDES - 2013/16 Olympics Sub B	Light SESA	TJLP	-	(77)	(155)
BNDES - 2013/16 Olympics Sub D	Light SESA	TJLP	-	(60)	(119)
BNDES - 2013/16 Olympics Sub E	Light SESA	TJLP	-	(81)	(162)
BNDES - 2013/16 Olympics Sub H	Light SESA	TJLP	-	(102)	(203)
BNDES - Capex 2013/14 Sub B	Light SESA	SELIC	470	63	(344)
BNDES - Capex 2013/14 Sub E	Light SESA	SELIC	10	1	(7)
BNDES - CAPEX 2015/16 SUB B	Light SESA	SELIC	2,031	272	(1,487)
BNDES - 2013/16 Olympics Sub C	Light SESA	SELIC	75	10	(55)
BNDES - 2013/16 Olympics Sub F	Light SESA	SELIC	79	11	(58)
BNDES - Lajes Project - SUB A	Light Energia	TJLP	-	(178)	(355)
BNDES - Lajes Project - SUB B	Light Energia	TJLP	-	(188)	(375)
Debentures 3rd Issuance	Light Energia	CDI	254	34	(186)
Debentures 6th Issuance	Light Energia	CDI	244	33	(178)
4131 Citibank 2018	Light Energia	Libor 3M	(339)	(2,165)	(3,990)
BNDES Conecta	Light Conecta	TJLP	-	(21)	(43)
DERIVATIVES			**53,476**	**7,162**	**(39,152)**
Currency swaps (short position) [a]		CDI	53,476	7,162	(39,152)
TOTAL GAIN (LOSS)			**117,417**	**(15,378)**	**(148,171)**
Reference for FINANCIAL ASSETS				-25%	-50%
CDI (% on September 30, 2020)			4.85%	3.64%	2.43%
Reference for FINANCIAL LIABILITIES				+25%	+50%
CDI (% on September 30, 2020)			4.85%	6.06%	7.28%
TJLP (% on September 30, 2020)			5.95%	7.44%	8.93%
IPCA (% on September 30, 2020)			1.78%	2.23%	2.67%
Selic (% on September 30, 2020)			4.85%	6.06%	7.28%
Libor3M (% on September 30, 2020)			2.17%	2.71%	3.25%
Libor6M (% on September 30, 2020)			1.86%	2.33%	2.79%

[a] Includes Light Group's subsidiaries.

35.6 Credit risk

It refers to the Company eventually suffering losses deriving from the default of consumers or depository financial institutions of funds or temporary cash investments. To mitigate these risks, the Company uses all collection tools allowed by the regulatory body, such as disconnection for delinquency, negative clients in credit protection companies and judicial collection. The credit risk of receivables is diluted due to the Company’s client base.

Concerning financial institutions, the Company only carries out low-risk operations, classified by rating agencies. The Company has a policy of not concentrating its portfolio in a certain financial institution. Therefore, the policy’s principle is to control the portfolio concentration through limits imposed on the Groups and monitor financial institutions through their shareholders’ equity and ratings.

Through its policy, the Company will be able to invest in fixed income products and Interbank Deposit Rate (CDI)-indexed post-fixed income and post-fixed government bonds.

35.7 Liquidity risk

Liquidity risk relates to the Company's ability to settle its liabilities. In order to determine the ability to meet satisfactorily its financial liabilities, the streams of maturities for funds raised and other liabilities are reported with the Company's statements. Further information on the funds raised can be found in detail in Notes 19 and 20.

The Company has raised funds through its operations, from financial market transactions and from affiliate companies, primarily allocated to its investment plan and the management of its cash for working capital and financial commitments.

The Company manages the liquidity risk by continuously monitoring expected and real cash flows and combining the maturity profiles of its financial liabilities and its financial indicator limits and covenants.

The ratings assigned to the Company by the credit rating agencies are as follows:

Ratings	National	International	Date of publication
Fitch	A+	BB-	July 16, 2019
S&P	AA+	-	July 15, 2019
Moody's	A2.br	Ba3	September 4, 2019

The energy sold by the Company is mostly produced by hydroelectric power plants. A rainfall shortage lengthy period may result in reduced water volume in power plant reservoirs and result in losses due to higher energy acquisition costs or decreased revenues with the implementation of comprehensive electric power conservation programs. The lengthening of energy generation through the thermal power plants may pressure higher costs for energy distribution companies, causing higher cash needs in the short term, which are recoverable within the current regulatory framework, and may result in future tariff increases. The tariff flag enables the Company to partially reduce an increased exposure to energy purchase cost variations, thus reducing the liquidity risk.

In the regular process of energy purchase and agreements for the use of transmission system, subsidiary Light SESA's future receivables were tendered as collateral, especially in energy auctions, in the regulated trading environment (ACR), totaling R$355,327 on September 30, 2019 (R$395,425 on December 31, 2018).

The realization flow concerning future liabilities as per the relevant terms and conditions, which include future interest up to the contractual maturity dates, is summarized in the statement below:

Consolidated					
Interest rate instruments:	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Floating					
Loans, Financing and Debentures	(424,676)	(1,512,477)	(8,882,937)	(170,831)	(10,990,921)
Fixed-rate					
Loans, Financing and Debentures	(18,470)	(40,448)	(190,925)	-	(249,843)
Suppliers	(2,258,300)	-	-	-	(2,258,300)
Swap	(10,328)	(30,984)	(631,719)	-	(673,031)
TOTAL	**(2,711,774)**	**(1,583,909)**	**(9,705,581)**	**(170,831)**	**(14,172,095)**

35.8 Energy contracting risk

The portfolio of energy contracts comprises Itaipu contracts, PROINFA, assured energy quotas (CCGF), Angra 1 and 2 quotas and energy trading contracts in the regulated environment (CCEARs) and a bilateral agreement entered into before the enactment of Law 10848/2004.

Pursuant to MME Decree No. 5,163/2004, energy must be contracted by distribution agents through auction bids and the duration of these contracts (CCEARs) is established by the Ministry of Mines and Energy (MME).

Costs related to the acquisition of energy are composed of non-manageable items. The current legislation establishes that distribution companies must guarantee service to all their energy markets and stipulates that ANEEL must consider, in the transfer of energy acquisition costs, up to 105% of the total amount of contracted energy in relation to the distribution company's annual supply volume.

The Company's energy contracting strategy seeks to ensure that the contracting level remains between 100% and 105%, minimizing costs with the acquisition of energy to supply the captive market. As a result, the Company adopted a risk management approach to energy acquisition focused on the identification and measurement of volume, prices and period of supply, in addition to the use of optimization tools to support the decision to contract energy.

The uncertainties in the macroeconomic and meteorological scenarios have a significant impact on the projected volumes to be acquired. However, the models used guide energy contracting with acceptable risk levels and, over time, the projections need to be adjusted.

The main factors for uncertainty in energy acquisition are related to future price estimates and the projection of energy acquisition needs up to seven years before the beginning of the acquired energy supply. If the Company fails to serve 100% of the market, it may be subject to penalties due to under-contracting and will not be able to pass through the full cost of energy acquisition in the spot market to the tariffs. The penalties from not fully serving the distribution agents' energy market are not applicable in the event of an involuntary contractual exposure recognized by ANEEL.

In addition, ANEEL will not pass through energy acquisition costs to the end consumers' tariffs if the contracting level is higher than one hundred and five percent (105%) of the total amount of energy acquired in relation to the distribution agent's annual supply volume.

In order to mitigate over- and under-contracting (exposure), the regulation establishes certain instruments, such as (i) adjustment auctions, (ii) Surplus and Deficit Compensation Mechanism (MCSD) of new and existing energy, (iii) bilateral reduction agreements, (iv) temporary energy sales, (v) option to reduce existing energy CCEARs due to the migration of customers to the free market, increases in the acquisition of energy from contracts executed before the enactment of Law No. 10,848/2004 and other market variations, (vi) mechanism for exceeding sales and (vii) the recognition of involuntary exposure or over contracting.

Pursuant to ANEEL's Regulatory Resolution No. 453, of October 18, 2011, any involuntary exposure or over contracting to which the distribution companies may be subject, as a result of facts outside their control, may be passed through to the respective tariffs. This pass-through will be granted as long as the distribution agents use all the mechanisms set forth in the regulation to meet the obligation to contract energy for their entire market.

The difference not passed through to consumer tariffs will be absorbed by the concessionaire and may result in risk or opportunity, depending on the energy price scenario throughout the year.

The Company closed 2016 with a contracting level of 106.2%. According to the current regulations, the amount of energy that exceeds the regulatory limit of 105% and which is not characterized as involuntary is settled in the Short-Term market (SPOT market) and the differences in relation to the average price of the contracts affect the economic result of the distributor. Therefore, notwithstanding the fact that there is a case in ANEEL for the full characterization of Light's over-contracting in 2016 as involuntary, the Company did not recognize, on December 31, 2016, the amount of R$29,500 thousand related to this possible pass-through to the tariff as a sectorial financial asset The restated amount totaled R$36,163 on September 30, 2019.

On December 31, 2017, and December 31, 2018, the subsidiary Light SESA also ended the year over contracted, reaching the percentage of 106.2% and 105.1%, respectively. However, as the 2017 and 2018 SPOT price was higher than the average price of the subsidiary Light SESA contracts, there was no economic loss.

ANEEL has not yet decided on the contracting level and the respective tariff pass-through for 2016, 2017 and 2018.

35.9 Socio-environmental risks

Socio-environmental risks are related to environmental issues, population and employee safety, employee-related issues, social impacts, and supplier management.

To mitigate the risk of fines, embargoes, accidents, lawsuits and damage to the Company's reputation, in 2001, the Company implemented the Environment Management System (EMS), based on ISO 14001, which assesses and monitors the aspects and impacts of its operational complex in order to enforce compliance with current legislation and environmental quality standards. In addition to ISO 14001, the Company's hydroelectric power plants hold OHSAS 18001 Occupational Health and Safety and ISO 9001 quality certifications, forming an Integrated Management System (IMS).

With respect to the risk of accidents involving the population and employees related to the operation and maintenance of energy distribution networks and generation units, the Company continues to invest primarily in health promotion and accident prevention through the "Programa Vida!" (Life Program), as well as communication campaigns related to the risk of the electric grid for the population.

Regarding the benefits the Company offers to its employees, in addition to private pension plans, managed by Braslight, the benefit package chiefly comprises health and dental care plans, which are extensive to dependents, as well as food vouchers, Christmas food vouchers, daycare assistance, sickness allowance, social and psychological assistance, life insurance and scholarships to Colégio 1º de Maio.

In light of the upsurge in violence-related issues in the city of Rio de Janeiro, the Company is not able to serve several communities, which has a direct impact on the quality of energy supply. To mitigate this problem, the Energy Efficiency Program actions were intensified for customers living in slums, focusing on recovering energy and strengthening the Company's image. In addition to the energy efficiency and sustainability actions, the Company provided guidance on conscious consumption and social tariff, regularization, and improvements in the electric grid.

To ensure that the Company's suppliers are aligned with its guidelines on human rights, labor practices, and social and environmental impact reduction, Light establishes criteria for the selection and management of suppliers, which include compliance with the Company's Social Responsibility Agreement and Code of Ethics and Business Conduct.

35.10 Concession Continuity Risks

The Company and its subsidiaries carry out their electric energy transmission, generation, and distribution activities in accordance with concession agreements and electric energy sector legislation, including all resolutions issued by ANEEL.

The fifth amendment to the concession agreement of the subsidiary Light SESA, entered into in March 2017, includes clauses that condition the continuation of the concession to the compliance by subsidiary Light SESA with the new efficiency criteria in relation to the quality of service and economic and financial sustainability of the company.

The efficiency criteria regarding (i) the quality of service is measured by indicators that consider the frequency and average duration of power outages, and the annual global limits set out in that amendment; and (ii) the economic and financial management is measured by indicators that consider the company's indebtedness level and limits which are defined in the said amendment.

Non-compliance with the quality of service criterion will be verified in cases where the indicators are not met for:

(a) two consecutive years between 2018 and 2021, or;
(b) specifically in 2022;
(c) for three consecutive years as of 2023.

The noncompliance with items (a) and (b) above implies administrative proceedings to terminate the concession and the noncompliance with the item (c) implies a forfeiture proceeding, in which proceed with the concessionaire's non-compliance will be assessed.

For the year ended December 31, 2018, the subsidiary Light SESA met the indicators for quality of service. However, as per the notice sent by ANEEL on June 25, 2019, the subsidiary Light SESA did not meet the economic and financial indicators.

In turn, the non-compliance with the criterion of economic and financial sustainability is due to the non-compliance of the indicator for two consecutive years, or specifically in 2020.

Failure to comply with these indicators may lead to an administrative proceeding to terminate the concession.

35.11 Capital Management

The Company manages its capital with the purpose of safeguarding its capacity to offer continuously return to shareholders and benefits to other stakeholders, in addition to maintaining the ideal capital structure to reduce costs.

In order to maintain or adjust its capital structure, the Company either reviews the dividend payment policy, returns capital to shareholders, issues new shares or sells assets to reduce the indebtedness level.

	Consolidated	
	September 30, 2019	December 31, 2018
Debt from loans, financing, and debentures	9,266,091	10,028,461
Liabilities due to Lease [1]	87,101	-
Derivative Financial Instruments - Swap	(673,032)	(327,695)
Gross Debt	**8,680,160**	**9,700,766**
(-) Cash and cash equivalents and TVM	2,052,271	1,683,840
Net debt (A)	**6,627,889**	**8,016,926**
Shareholders' Equity (B)	6,910,673	3,389,492
Percentage of third-party capital - % (A÷ (B+A))	**49%**	**70%**

[1] For purposes of calculating the financial indicators to comply with covenants, lease obligations are not part of the total net debt.

36. INSURANCE

On September 30, 2019, the Light group had insurances covering its main assets, including:

Operational Risk Insurance - it covers damages caused to hydroelectric and thermoelectric power plants, including, but not limited to its machinery, steam turbines, gas turbines, generators, boilers, transformers, channels, tunnels, dams, spillway, civil works, offices, and warehouses. All assets are insured under the Operational Risks modality, with an “All Risks” coverage, including the transmission and distribution lines up to 1,000 feet from generation site.

Directors and Officers Liability Insurance (D&O) - It has the purpose of protecting Executives from losses and damages resulting from the performance of their activities inherent to the position as Directors, Officers, and Managers of the Company.

General and Civil Liability Insurance - focuses on the payment of indemnity if the Company is deemed civilly liable by a final and irrevocable court decision or deal authorized by the insurance company, in relation to remedies for property damage and involuntary personal injury caused to third parties and also those related to pollution, contamination, sudden and/or accidental leakage.

Financial Guarantee Insurance – Energy Trading and Judicial. Property Insurance – Comprehensive Business (Leased Properties). International Transport Insurance – Imports, Corporate Travel Insurance and Personal Insurance.

Below, a summarized breakdown of the main insurance policies considered by Management:

RISKS	Term		Amount Insured	Net Premium
	From	To		
Directors & Officers (D&O)	August 10, 2019	August 10, 2020	40,350	241
Civil and general liabilities	October 31, 2019	April 30, 2021	20,000	1,239
Operating risks [a]	October 31, 2019	October 31, 2020	7,591,286	3,499

[a] Maximum limit of liability (LMR) is R$300,000 - Indemnity
[a] Total Value in Risk of R$7,591,286

The Company's insurances are not part of the independent auditor's scope of review.

37. SEGMENT REPORTING

Segment reporting is presented in relation to the business of the Company, identified based on its management structure and internal management information.

The Company's Management considers the following segments: power distribution, power generation, power trading and others (including the holding company). The eliminations comprise intersegment balances and transactions. The Company is segmented according to its operation, which has different risks and compensation. No client accounts for more than 10% of the Company's revenue or receivables, and the Company operates only in Brazil.
Information by segment for the nine-month periods ended September 30, 2019, and 2018 and equity positions on September 30, 2019, and December 31, 2018, are as follows:

	Distribution	Generation	Trading	Others	Eliminations	Consolidated September 30, 2019
Assets:						
Current Assets	3,938,204	1,666,342	169,172	166,012	(321,201)	5,618,529
Other Non-Current Assets	13,779,628	234,993	97,215	41,870	-	14,153,706
Investments	28,463	136,399	-	6,896,776	(6,479,963)	581,675
Property, Plant & Equipment	228,695	1,280,864	396	40,744	-	1,550,699
Intangible Assets	2,826,226	2,524	654	1,481	-	2,830,885
TOTAL ASSETS	**20,801,216**	**3,321,122**	**267,437**	**7,146,883**	**(6,801,164)**	**24,735,494**
Liabilities and Shareholders' Equity:						
Current Liabilities	3,581,637	1,329,462	334,120	64,088	(321,201)	4,988,106
Non-Current Liabilities	11,383,211	1,452,051	30	68,136	(66,713)	12,836,715
Shareholders' Equity	5,836,368	539,609	(66,713)	7,014,659	(6,413,250)	6,910,673
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**20,801,216**	**3,321,122**	**267,437**	**7,146,883**	**(6,801,164)**	**24,735,494**

	Distribution	Generation	Trading	Others	Eliminations	Consolidated December 31, 2018
Assets:						
Current Assets	4,356,768	1,264,930	190,509	119,515	(296,352)	5,635,370
Other Non-Current Assets	6,695,042	103,608	170,004	56,108	-	7,024,762
Investments	29,734	111,188	-	3,329,773	(2,924,073)	546,622
Property, Plant & Equipment	230,113	1,288,924	381	41,063	-	1,560,481
Intangible Assets	3,090,826	3,405	654	1,583	-	3,096,468
TOTAL ASSETS	**14,402,483**	**2,772,055**	**361,548**	**3,548,042**	**(3,220,425)**	**17,863,703**
Liabilities and Shareholders' Equity:						
Current Liabilities	3,791,317	1,466,062	262,989	54,393	(296,352)	5,278,409
Non-Current Liabilities	8,165,036	1,029,698	-	1,068	-	9,195,802
Shareholders' Equity	2,446,130	276,295	98,559	3,492,581	(2,924,073)	3,389,492
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**14,402,483**	**2,772,055**	**361,548**	**3,548,042**	**(3,220,425)**	**17,863,703**

Income segment reporting:

Accumulated 9 Months	Distribution	Generation	Trading	Others	Eliminations	Consolidated 2019
NET REVENUE	**9,027,919**	**778,347**	**832,641**	**4,723**	**(549,500)**	**10,094,130**
OPERATING COSTS AND EXPENSES	**(7,654,792)**	**(388,661)**	**(991,836)**	**(33,561)**	**549,500**	**(8,519,350)**
Equity Pick-up	**-**	**4,640**	**-**	**1,704,862**	**(1,719,825)**	**(10,323)**
FINANCIAL RESULT	**992,677**	**(8,530)**	**27,161**	**3,821**	**-**	**1,015,129**
Financial Income	1,820,291	145,588	28,650	5,048	-	1,999,577
Financial Expense	(827,614)	(154,118)	(1,489)	(1,227)	-	(984,448)
EARNINGS BEFORE TAXES	**2,365,804**	**385,796**	**(132,034)**	**1,679,845**	**(1,719,825)**	**2,579,586**
Social Contribution	(213,751)	(32,645)	11,881	(79)	-	(234,594)
Income Tax	(593,816)	(89,796)	33,040	(197)	-	(650,769)
NET RESULT	**1,558,237**	**263,355**	**(87,113)**	**1,679,569**	**(1,719,825)**	**1,694,223**

Accumulated 9 Months	Distribution	Generation	Services	Trading	Others	Eliminations	Consolidated 2018
NET REVENUE	**7,877,889**	**830,575**	**27,077**	**981,177**	**673**	**(636,608)**	**9,080,783**
OPERATING COSTS AND EXPENSES	**(7,359,173)**	**(568,315)**	**(43,511)**	**(911,427)**	**(23,079)**	**636,608**	**(8,268,897)**
Equity Pick-up	**-**	**(87,513)**	**-**	**-**	**120,842**	**(98,391)**	**(65,062)**
FINANCIAL RESULT	**(475,901)**	**(129,541)**	**4,128**	**10,964**	**(2,373)**	**-**	**(592,723)**
Financial Income	448,085	113,876	6,089	12,412	802	(4,136)	577,128
Financial Expense	(923,986)	(243,417)	(1,961)	(1,448)	(3,175)	4,136	(1,169,851)
EARNINGS BEFORE TAXES	**42,815**	**45,206**	**(12,306)**	**80,714**	**96,063**	**(98,391)**	**154,101**
Social Contribution	(4,522)	(10,262)	429	(7,281)	-	-	(21,636)
Income Tax	(12,557)	(27,680)	1,208	(19,985)	(20)	-	(59,034)
NET RESULT	**25,736**	**7,264**	**(10,669)**	**53,448**	**96,043**	**(98,391)**	**73,431**

38. NON-CASH TRANSACTIONS

During the nine-month periods ended September 30, 2019, and 2018, the Company carried out the following non-cash investment and financing activities. Therefore, these transactions are not reflected in the cash flow statements:

	Consolidated	
	Accumulated 9 Months	
	2019	2018
Acquisition of intangible assets against suppliers	22,958	32,301
Revenue relating to the construction of own assets (DVA)	561,751	497,844

39. SUBSEQUENT EVENTS

39.1 Sale of all Shares of Jointly controlled entity Renova Energia

On October 13, 2019, the subsidiary Light Energia entered into a joint purchase and sale agreement and other covenants, through which it sold all of its shares held in Renova Energia SA's capital, for the value of one real, to the CGI Fundo de Investimento em Participações Multiestratégia (“CG”). The transaction was concluded on October 15, 2019, as outlined in note 14.

39.2 Energy Acquisition in Auction held by CCEE

On October 18, 2019, through the 30th New Energy Auction A-6, the subsidiary Light SESA acquired energy in the total amount of 449 MW on average, starting the supply in January 2025 and effective up to 30 years, at the average price of R$176.09/MWh.

This energy will replace agreements currently in force and maturing in December 2024 and updated average price of around R$280.00/MWh, representing a 37.1% decrease.

39.3 Voluntary Dismissal Program

On October 25, 2019, the Company disclosed a Voluntary Dismissal Program (VDP) to its employees. The main conditions to join the POS were having worked for the company for more than 10, having already retired, having legal conditions to retire or having at least 30 years of services rendered to the Company. The benefits are, in addition to statutory severance pay, 1.5 to 5 base salaries and extension of the health plan for up to 24 months. Adherence to the program was authorized until November 22, 2019, and the termination of employment will occur until April 30, 2020. As a result of the POS, the estimated additional compensatory indemnity is around R$35,000.

39.4 Partial prepayment of notes units issued by subsidiaries Light SESA and Light Energia

On November 4, 35% of the note units were redeemed in the amount of R$835,506 (USD210,000), with R$557,004 (USD140,000) from subsidiary Light SESA and R$278,502 (USD70,000) from subsidiary Light Energia. Swap operations were settled in the same proportion.

BOARD OF DIRECTORS

David Zylbersztajn
Ricardo Reisen de Pinho
Vacant
Antonio Rodrigues dos Santos
Maurício Fernandes Leonardo Júnior
Raphael Manhães Martins
Afonso Henriques Moreira Santos
Carlos Alberto Cruz
Doris Beatriz França Wilhelm

FISCAL COUNCIL

SITTING MEMBERS	ALTERNATE MEMBERS
Julia Figueiredo Goytacaz Sant'Anna	João Alan Haddad
Michele da Silva Gonsales	Vacant
Domenica Eisentein Noronha	Maurício Rocha Alves de Carvalho

EXECUTIVE BOARD

Ana Marta Horta Veloso
Chief Executive Officer and Investor Relations Officer

Roberto Caixeta Barroso
CFO and Shareholding Officer

Claudio Bernardo Guimarães de Moraes
Business Management Officer

Dalmer Alves de Souza
Chief Commercial Officer

Alessandra Genu Dutra Amaral
Energy and Trading Officer

Marcus Auguste Pimenta
Chief Engineering Officer

CONTROLLERSHIP SUPERINTENDENCE

Eduardo Righi Reis
Controllership Superintendent
Individual Taxpayer's Id 044.566.946-29

Simone da Silva Cerutti de Azevedo
Accountant - Accounting Manager
Individual Taxpayer's Id 094.894.347-52
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A free translation from Portuguese into English of Independent auditor's review report on quarterly information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

Independent auditor's review report on quarterly information

To the Shareholders, Board of Directors and Officers

Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Light S.A. ("Company") for the quarter ended September 30, 2019, comprising the statement of financial position as of September 30, 2019 and the related statements of profit or loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine- month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis of matter

Risks related to compliance with laws and regulations

As mentioned in Note 14 to the individual and consolidated interim financial information, at September 30, 2019 the Company held investments in Norte Energia S.A. and Renova Energia S.A. (collectively referred to as “investees”), which were valued under the equity method. There are investigations and other legal actions in place, conducted by public authorities on these non-subsidiary companies on certain expenditures and their allocations, which involve and include some of their shareholders and certain executives of these shareholders. Governance bodies of Renova Energia S.A. authorized the engagement of a specialized company to analyze the internal procedures related to these expenditures and check those allegations. At the moment, it is not possible to anticipate the future developments resulting from these internal investigation procedures conducted by public authorities, nor their possible effects on the Company’s individual and consolidated interim financial information. Our conclusion is not qualified in respect of this matter.

Going-concern risk of non-subsidiary investee Renova Energia S.A.

As disclosed in Note 14 to the individual and consolidated interim financial information, non-subsidiary investee Renova Energia S.A. has been incurring recurring losses and, at September 30, 2019, recorded negative working capital. In addition, in order to comply with the construction commitments of its wind and solar farms, as well as to settle its short-term obligations, the investee depended, at that date, on raising funds and on the materialization of a restructuring plan agreed upon between its shareholders. This plan provided, among other actions, for the disposal of assets, the rescheduling of debts and contributions provided for in an Investment Agreement. On October 13, 2019, due to the impossibility of carrying out the planned restructuring, subsidiary Light Energia S.A. sold all the shares held in Renova Energia S.A. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the nine-month period ended September 30, 2019, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, November 13, 2019

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