
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934**

For the month of May, 2008

Commission File Number 32297

CPFL Energy Incorporated
(Translation of Registrant's name into English)

**Rua Gomes de Carvalho, 1510, 14º andar, cj 1402
CEP 04547-005 - Vila Olímpia, São Paulo – SP
Federative Republic of Brazil
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

**REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY.
COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.**

01.01 - IDENTIFICATION

| | | |
|---|---|--|
| 1 - CVM CODE 01866-0 | 2 - COMPANY NAME CPFL ENERGIA S.A | 3 - CNPJ (Federal Tax ID) 02.429.144/0001-93 |
| 4 - NIRE (State Registration Number) 353.001.861.33 | | |

01.02 - HEAD OFFICE

| | | | | |
|---|----------------------------|--------------------|------------------------------|------------|
| 1 - ADDRESS Rua Gomes de Carvalho, 1510 14º andar – Conjunto 2 | | | 2 - DISTRICT Vila Olímpia | |
| 3 - ZIP CODE 04547-005 | 4 - CITY São Paulo | | 5 - STATE SP | |
| 6 - AREA CODE 019 | 7 - TELEPHONE 3756-8018 | 8 - TELEPHONE - | 9 - TELEPHONE - | 10 - TELEX |
| 11 - AREA CODE 019 | 12 - FAX 3756-8392 | 13 - FAX - | 14 - FAX - | |
| 15 - E-MAIL ri@cpfl.com.br | | | | |

01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)

| | | | | |
|---|----------------------------|--------------------|--------------------------------|------------|
| 1 - NAME José Antonio de Almeida Filippo | | | | |
| 2 - ADDRESS Rodovia Campinas Mogi-Mirim, 1755, Km 2,5 | | | 3 - DISTRICT Jardim Santana | |
| 4 - ZIP CODE 13088-900 | 5 - CITY Campinas | | 6 - STATE SP | |
| 7 - AREA CODE 019 | 8 - TELEPHONE 3756-8704 | 9 - TELEPHONE - | 10 - TELEPHONE - | 11 - TELEX |
| 12 - AREA CODE 019 | 13 - FAX 3756-8777 | 14 - FAX - | 15 - FAX - | |
| 16 - E-MAIL jfilippo@cpfl.com.br | | | | |

01.04 – ITR REFERENCE AND AUDITOR INFORMATION

| CURRENT YEAR | | CURRENT QUARTER | | | PREVIOUS QUARTER | | |
|--|------------|-----------------|---------------|------------|---|---------------|------------|
| 1 - BEGINNING | 2 - END | 3 - QUARTER | 4 - BEGINNING | 5 - END | 6 - QUARTER | 7 - BEGINNING | 8 - END |
| 01.01.2008 | 12.31.2008 | 1 | 01.01.2008 | 03.31.2008 | 4 | 10.01.2007 | 12.31.2007 |
| 09 - INDEPENDENT ACCOUNTANT KPMG Auditores Independentes | | | | | 10 - CVM CODE 00418-9 | | |
| 11. PARTNER IN CHARGE Jarib Brisola Duarte Fogaça | | | | | 12 - CPF (INDIVIDUAL TAX ID) 012.163.378-02 | | |

01.05 - CAPITAL STOCK

| Number of Shares (in units) | 1 – Current Quarter 03.31.2008 | 2 –Previous Quarter 12.31.2007 | 3 – Same Quarter of Last Year 03.31.2007 |
|--------------------------------|-----------------------------------|-----------------------------------|---|
| Paid-in Capital | | | |
| 1 - Common | 479,910,938 | 479,910,938 | 479,756,730 |
| 2 - Preferred | 0 | 0 | 0 |
| 3 - Total | 479,910,938 | 479,910,938 | 479,756,730 |
| Treasury Stock | | | |
| 4 - Common | 0 | 0 | 0 |
| 5 - Preferred | 0 | 0 | 0 |
| 6 - Total | 0 | 0 | 0 |

01.06 - COMPANY PROFILE

| |
|---|
| 1 - TYPE OF COMPANY Commercial, Industrial and Other |
| 2 - STATUS Operational |
| 3 - NATURE OF OWNERSHIP Private National |
| 4 - ACTIVITY CODE 3120 – Administration and Participation Company - Electric Energy |
| 5 - MAIN ACTIVITY Holding |
| 6 - CONSOLIDATION TYPE Full |
| 7 – TYPE OF REPORT OF INDEPENDENT AUDITORS Unqualified |

01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|----------|---------------------------|------------------|
| 1 - ITEM | 2 - CNPJ (Federal Tax ID) | 3 - COMPANY NAME |
|----------|---------------------------|------------------|

01.08 - CASH DIVIDENDS

| 1 – ITEM | 2 – EVENT | 3 – APPROVAL | 4 – TYPE | 5 - DATE OF PAYMENT | 6 - TYPE OF SHARE | 7 - AMOUNT PER SHARE |
|----------|-----------|--------------|----------|------------------------|----------------------|-------------------------|
| 01 | AGO/E | 04.09.2008 | Dividend | 04.30.2008 | ON | 1.4979645300 |

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

| 1 - ITEM | 2 - DATE OF CHANGE | 3 - CAPITAL STOCK (IN THOUSANDS OF REAIS) | 4 - AMOUNT OF CHANGE (IN THOUSANDS OF REAIS) | 5 - NATURE OF CHANGE | 7 - NUMBER OF SHARES ISSUED (IN UNITS) | 8 - SHARE PRICE WHEN ISSUED (IN REAIS) |
|----------|-----------------------|---|---|-------------------------|--|--|
|----------|-----------------------|---|---|-------------------------|--|--|

01.10 - INVESTOR RELATIONS OFFICER

| | |
|---------|---------------|
| 1- DATE | 2 – SIGNATURE |
|---------|---------------|

02.01 - BALANCE SHEET - ASSETS (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 – 03/31/2008 | 4 - 12/31/2007 |
|-----------------|--|-----------------------|-----------------------|
| 1 | Total assets | 6,644,184 | 6,442,445 |
| 1.01 | Current assets | 1,029,828 | 1,107,786 |
| 1.01.01 | Cash and banks | 4,890 | 17,803 |
| 1.01.02 | Credits | 1,016,074 | 1,085,251 |
| 1.01.02.01 | Accounts receivable | 0 | 0 |
| 1.01.02.02 | Other receivables | 1,016,074 | 1,085,251 |
| 1.01.02.02.01 | Dividends and interest on shareholder's equity | 935,363 | 1,008,363 |
| 1.01.02.02.02 | Financial investments | 37,243 | 34,555 |
| 1.01.02.02.03 | Recoverable taxes | 33,468 | 31,899 |
| 1.01.02.02.04 | Deferred taxes | 9,673 | 10,107 |
| 1.01.02.02.05 | Prepaid expenses | 327 | 327 |
| 1.01.03 | Material and supplies | 0 | 0 |
| 1.01.04 | Other | 8,864 | 4,732 |
| 1.01.04.01 | Derivatives | 4,153 | 0 |
| 1.01.04.02 | Other credits | 4,711 | 4,732 |
| 1.02 | Noncurrent assets | 5,614,356 | 5,334,659 |
| 1.02.01 | Long-term assets | 585,625 | 595,548 |
| 1.02.01.01 | Other receivables | 176,308 | 181,199 |
| 1.02.01.01.01 | Financial investments | 93,659 | 97,521 |
| 1.02.01.01.02 | Recoverable taxes | 2,787 | 2,787 |
| 1.02.01.01.03 | Deferred taxes | 78,090 | 79,038 |
| 1.02.01.01.04 | Prepaid expenses | 1,772 | 1,853 |
| 1.02.01.02 | Related parties | 409,310 | 414,342 |
| 1.02.01.02.01 | Associated companies | 0 | 5,032 |
| 1.02.01.02.02 | Subsidiaries | 409,310 | 409,310 |
| 1.02.01.02.03 | Other related parties | 0 | 0 |
| 1.02.01.03 | Other | 7 | 7 |
| 1.02.02 | Permanent assets | 5,028,731 | 4,739,111 |
| 1.02.02.01 | Investments | 5,022,203 | 4,732,232 |
| 1.02.02.01.01 | Associated companies | 0 | 0 |
| 1.02.02.01.02 | Associated companies - goodwill | 0 | 0 |
| 1.02.02.01.03 | Permanent equity interests | 3,399,786 | 3,077,514 |
| 1.02.02.01.04 | Permanent equity interests - goodwill | 1,622,417 | 1,654,718 |
| 1.02.02.01.05 | Other investments | 0 | 0 |
| 1.02.02.02 | Property, plant and equipment | 443 | 467 |
| 1.02.02.03 | Intangible | 0 | 0 |
| 1.02.02.04 | Deferred charges | 6,085 | 6,412 |

02.02 - BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 – 03/31/2008 | 4 - 12/31/2007 |
|-----------------|--|-----------------------|-----------------------|
| 2 | Total liabilities and shareholders' equity | 6,644,184 | 6,442,445 |
| 2.01 | Current liabilities | 921,561 | 762,251 |
| 2.01.01 | Loans and financing | 180,990 | 0 |
| 2.01.01.01 | Interest on debts | 180,490 | 0 |
| 2.01.01.02 | Loans and financing | 500 | 0 |
| 2.01.02 | Debentures | 3,737 | 15,983 |
| 2.01.02.01 | Interest on debentures | 3,737 | 15,983 |
| 2.01.03 | Suppliers | 4,868 | 14,029 |
| 2.01.04 | Taxes and social contributions payable | 113 | 273 |
| 2.01.05 | Dividends and interest on equity | 730,604 | 730,634 |
| 2.01.06 | Reserves | 0 | 0 |
| 2.01.07 | Related parties | 0 | 0 |
| 2.01.08 | Other | 1,249 | 1,332 |
| 2.01.08.01 | Accrued liabilities | 82 | 96 |
| 2.01.08.02 | Derivative contracts | 5 | 22 |
| 2.01.08.03 | Other | 1,162 | 1,214 |
| 2.02 | Non-current liabilities | 494,722 | 725,360 |
| 2.02.01 | Long-term liabilities | 494,722 | 725,360 |
| 2.02.01.01 | Loans and financing | 0 | 183,756 |
| 2.02.01.01.01 | Loans and financing | 0 | 171,251 |
| 2.02.01.01.02 | Interest on loans and financing | 0 | 12,505 |
| 2.02.01.02 | Debentures | 450,000 | 450,000 |
| 2.02.01.03 | Reserves | 44,722 | 43,691 |
| 2.02.01.03.01 | Reserve for contingencies | 44,722 | 43,691 |
| 2.02.01.04 | Related parties | 0 | 0 |
| 2.02.01.05 | Advances for future capital increase | 0 | 0 |
| 2.02.01.06 | Other | 0 | 47,913 |
| 2.02.01.06.01 | Derivative contracts | 0 | 47,913 |
| 2.02.02 | Deferred income | 0 | 0 |
| 2.04 | Shareholders' equity | 5,227,901 | 4,954,834 |
| 2.04.01 | Capital | 4,741,175 | 4,741,175 |
| 2.04.02 | Capital reserves | 16 | 16 |
| 2.04.03 | Revaluation reserves | 0 | 0 |
| 2.04.03.01 | Own assets | 0 | 0 |
| 2.04.03.02 | Subsidiary/associated companies | 0 | 0 |
| 2.04.04 | Profit reserves | 213,643 | 213,643 |
| 2.04.04.01 | Legal reserves | 213,643 | 213,643 |
| 2.04.04.02 | Statutory reserves | 0 | 0 |
| 2.04.04.03 | For contingencies | 0 | 0 |
| 2.04.04.04 | Unrealized profits | 0 | 0 |
| 2.04.04.05 | Profit retention | 0 | 0 |

| | | | |
|------------|---|---------|---|
| 2.04.04.06 | Special reserve for undistributed dividends | 0 | 0 |
| 2.04.04.07 | Other revenue reserve | 0 | 0 |
| 2.04.05 | Retained earnings | 273,067 | 0 |
| 2.04.06 | Advance for future capital increase | 0 | 0 |

03.01 - INCOME STATEMENT (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 – 01/01/2008 to 03/31/2008 | 4 - 01/01/2008 to 03/31/2008 | 5 – 01/01/2007 to 03/31/2007 | 6 - 01/01/2007 to 03/31/2007 |
|-----------------|------------------------------------|---|---|---|---|
| 3.01 | Operating revenues | 0 | 0 | 0 | 0 |
| 3.02 | Deductions from operating revenues | 0 | 0 | 0 | 0 |
| 3.03 | Net operating revenues | 0 | 0 | 0 | 0 |
| 3.04 | Cost of sales and/or services | 0 | 0 | 0 | 0 |
| 3.05 | Gross operating income | 0 | 0 | 0 | 0 |
| 3.06 | Operating expenses/income | 275,435 | 275,435 | 471,819 | 471,819 |
| 3.06.01 | Sales and marketing | 0 | 0 | 0 | 0 |
| 3.06.02 | General and administrative | (4,348) | (4,348) | (5,932) | (5,932) |
| 3.06.03 | Financial | (42,489) | (42,489) | (18,193) | (18,193) |
| 3.06.03.01 | Financial income | 12,087 | 12,087 | 8,093 | 8,093 |
| 3.06.03.02 | Financial expenses | (54,576) | (54,576) | (26,286) | (26,286) |
| 3.06.03.02.01 | Goodwill amortization | (32,301) | (32,301) | (25,193) | (25,193) |
| 3.06.03.02.02 | Other financial expenses | (22,275) | (22,275) | (1,093) | (1,093) |
| 3.06.04 | Other operating income | 0 | 0 | 0 | 0 |
| 3.06.05 | Other operating expenses | 0 | 0 | 0 | 0 |

03.01 - INCOME STATEMENT (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 – 01/01/2008 to 03/31/2008 | 4 - 01/01/2008 to 03/31/2008 | 5 – 01/01/2007 to 03/31/2007 | 6 - 01/01/2007 to 03/31/2007 |
|-----------------|---|---|---|---|---|
| 3.06.06 | Equity in subsidiaries | 322,272 | 322,272 | 495,944 | 495,944 |
| 3.06.06.01 | Companhia Paulista de Força e Luz | 172,062 | 172,062 | 213,417 | 213,417 |
| 3.06.06.02 | Companhia Piratininga de Força e Luz | 32,782 | 32,782 | 89,012 | 89,012 |
| 3.06.06.03 | CPFL Geração de Energia S.A. | 40,336 | 40,336 | 88,700 | 88,700 |
| 3.06.06.04 | CPFL Comercialização Brasil S.A. | 25,105 | 25,105 | 74,394 | 74,394 |
| 3.06.06.05 | Nova 4 Participações Ltda | 0 | 0 | (4,725) | (4,725) |
| 3.06.06.06 | CPFL Serra Ltda | 0 | 0 | 33,705 | 33,705 |
| 3.06.06.07 | CPFL Comercialização Cone Sul S.A. | 0 | 0 | 1,441 | 1,441 |
| 3.06.06.08 | Rio Grande Energia S.A. | 40,000 | 40,000 | 0 | 0 |
| 3.06.06.09 | Perácio Participações S.A. | 7,577 | 7,577 | 0 | 0 |
| 3.06.06.10 | Companhia Luz e Força Santa Cruz | 4,410 | 4,410 | 0 | 0 |
| 3.07 | Income (loss) from operations | 275,435 | 275,435 | 471,819 | 471,819 |
| 3.08 | Nonoperating income/expense | (986) | (986) | 1,863 | 1,863 |
| 3.08.01 | Income | 0 | 0 | 1,863 | 1,863 |
| 3.08.02 | Expenses | (986) | (986) | 0 | 0 |
| 3.09 | Income before taxes on income and minority interest | 274,449 | 274,449 | 473,682 | 473,682 |
| 3.10 | Income tax and social contribution | 0 | 0 | (568) | (568) |
| 3.10.01 | Income tax | 0 | 0 | (568) | (568) |
| 3.11 | Deferred tax | (1,382) | (1,382) | (186) | (186) |
| 3.11.01 | Deferred social contribution | (434) | (434) | (26) | (26) |
| 3.11.02 | Deferred income tax | (948) | (948) | (160) | (160) |
| 3.12 | Statutory profit sharing/contributions | 0 | 0 | 0 | 0 |
| 3.12.01 | Profit sharing | 0 | 0 | 0 | 0 |

| | | | | | |
|---------|---|-------------|-------------|-------------|-------------|
| 3.12.02 | Contributions | 0 | 0 | 0 | 0 |
| 3.13 | Reversal of interest on shareholder's equity | 0 | 0 | 0 | 0 |
| 3.15 | Net income for the period | 273,067 | 273,067 | 472,928 | 472,928 |
| | SHARES OUTSTANDING EX-TREASURY STOCK (in units) | 479,910,938 | 479,910,938 | 479,756,730 | 479,756,730 |
| | INCOME PER SHARE | 0.56900 | 0.56900 | 0.98577 | 0.98577 |
| | LOSS PER SHARE | | | | |

04.01 – NOTES TO THE INTERIM FINANCIAL STATEMENTS

(Amounts stated in thousands of Brazilian reais, except where otherwise indicated)

(1) OPERATIONS

CPFL Energia S.A. (“CPFL Energia” or “Company”) is a publicly quoted corporation incorporated for the principal purpose of acting as a holding company, participating in the capital of other companies primarily dedicated to electric energy distribution, generation and sales activities.

The Company has direct and indirect interests in the following operational subsidiaries, allocated by line of business:

| Subsidiary | Consolidation Method | March 31, 2008 | | December 31, 2007 | |
|--|----------------------|---------------------|--------------|---------------------|--------------|
| | | Equity Interest - % | | Equity Interest - % | |
| | | Direct | Indirect (*) | Direct | Indirect (*) |
| Energy Distribution | | | | | |
| Companhia Paulista de Força e Luz (“CPFL Paulista”) | Full | 100.00 | - | 100.00 | - |
| Companhia Piratininga de Força e Luz (“CPFL Piratininga”) | Full | 100.00 | - | 100.00 | - |
| Companhia Luz e Força Santa Cruz (“CPFL Santa Cruz”) | Full | 99.99 | - | 99.99 | - |
| Rio Grande Energia S.A. (“RGE”) | Full | 100.00 | - | 100.00 | - |
| Companhia Paulista de Energia Elétrica (“CPFL Leste Paulista”) | Full | - | 96.56 | - | 96.56 |
| Companhia Jaguari de Energia (“CPFL Jaguari”) | Full | - | 90.15 | - | 90.15 |
| Companhia Sul Paulista de Energia (“CPFL Sul Paulista”) | Full | - | 87.80 | - | 87.80 |
| Companhia Luz e Força de Mococa (“CPFL Mococa”) | Full | - | 89.75 | - | 89.75 |
| Energy Generation | | | | | |
| CPFL Geração de Energia S.A. (“CPFL Geração”) | Full | 100.00 | - | 100.00 | - |
| CPFL Sul Centrais Elétricas Ltda. (“CPFL Sul Centrais Elétricas”) | Full | - | 100.00 | - | 100.00 |
| Paulista Lajeado Energia S.A. (“Paulista Lajeado”) | Full | - | 54.03 | - | 54.03 |
| CERAN - Companhia Energética Rio das Antas ("CERAN") | Proportionate | - | 65.00 | - | 65.00 |
| BAESA - Energética Barra Grande S.A. ("BAESA") | Proportionate | - | 25.01 | - | 25.01 |
| Foz do Chapecó Energia S.A. ("Fóz do Chapecó") | Proportionate | - | 51.00 | - | 51.00 |
| Campos Novos Energia S.A. ("ENERCAN") | Proportionate | - | 48.72 | - | 48.72 |
| Energy Commercialization | | | | | |
| CPFL Comercialização Brasil S.A. ("CPFL Brasil") | Full | 100.00 | - | 100.00 | - |
| CPFL Comercialização Cone Sul S.A. ("CPFL Cone Sul") | Full | - | 100.00 | - | 100.00 |
| Clion Assessoria e Comercialização de Energia Elétrica Ltda. ("CPFL Meridional") | Full | - | 100.00 | - | 100.00 |
| Sul Geradora Participações S.A. ("Sul Geradora") | Full | - | 99.95 | - | 99.95 |
| CPFL Planalto Ltda. ("CPFL Planalto") | Full | - | 100.00 | - | 100.00 |

Services

CPFL Serviços, Equipamentos, Indústria e Comércio S.A. ("CPFL Serviços")

| | | | | |
|------|---|-------|---|-------|
| Full | - | 89.81 | - | 89.81 |
|------|---|-------|---|-------|

Holding Company

Perácio Participações S.A. ("Perácio")

| | | | | |
|------|--------|---|--------|---|
| Full | 100.00 | - | 100.00 | - |
|------|--------|---|--------|---|

Chumpitaz Participações S.A. ("Chumpitaz")

| | | | | |
|------|--------|---|--------|---|
| Full | 100.00 | - | 100.00 | - |
|------|--------|---|--------|---|

Makelele Participações S.A. ("Makelele")

| | | | | |
|------|---|--------|---|--------|
| Full | - | 100.00 | - | 100.00 |
|------|---|--------|---|--------|

CPFL Jaguariúna S.A. ("CPFL Jaguariúna")

| | | | | |
|------|---|--------|---|--------|
| Full | - | 100.00 | - | 100.00 |
|------|---|--------|---|--------|

Companhia Jaguarí Geração de Energia ("Jaguarí Geração")

| | | | | |
|------|---|-------|---|-------|
| Full | - | 90.15 | - | 90.15 |
|------|---|-------|---|-------|

(2) PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The parent company's and consolidated interim financial statements have been prepared in accordance with principles, practices and criteria consistent with those adopted for preparing the prior year's financial statements and should be analyzed together with those statements. These interim financial statements were prepared in accordance with generally accepted accounting principles in Brazil, rules of the Accounting Manual of the Public Electric Energy Service, standards defined by ANEEL, and the standards published by the Brazilian Securities Commission ("CVM").

In order to improve the information presented to the market, the Cash Flow and Added Value Statements for the quarter ended in March 31, 2008 and 2007, are presented as additional information, in APPENDICES I and II.

The Cash Flow Statements were prepared in accordance with the criteria established by "FAS 95 – Statement of Cash Flows", with respect to the presentation format, within the context of registering the Company's financial statements with the Securities and Exchange Commission ("SEC").

Consolidation Principles

The consolidated financial statements include the balances and transactions of the Company and its subsidiaries CPFL Paulista, CPFL Piratininga, CPFL Geração, CPFL Brasil, CPFL Santa Cruz, RGE and Perácio. The asset, liability, income and expense balances were fully consolidated. Prior to consolidation into the Company's financial statements, the financial statements of CPFL Geração, CPFL Brasil and Perácio are consolidated with those of their subsidiaries, fully (majority) controlled subsidiaries or proportionally (jointly) controlled subsidiaries, according to the rules defined in CVM Instruction No. 247/96.

In compliance with the conditions described above, the portion relating to the non-controlling shareholders is stated separately in liabilities and income statements for the presented period.

All significant intercompany balances and transactions have been eliminated.

The accounting policies of the parent company's subsidiaries are consistent with those of the parent company. The main difference in accounting policies relates to the revaluation of property, plant and equipment recorded by the indirect subsidiary RGE, which is eliminated in the shareholders' equity base for calculation of equity interest and, consequently, in consolidation.

(3) REGULATORY ASSETS AND LIABILITIES

11

Assets**Consumers, Concessionaires and Licensees (note 5)**

| | Consolidated | | | |
|--|----------------|-------------------|----------------|-------------------|
| | Current | | Noncurrent | |
| | March 31, 2008 | December 31, 2007 | March 31, 2008 | December 31, 2007 |
| Extraordinary tariff adjustment (a) | 3,048 | 3,448 | - | 456 |
| Free energy (a) | 1,326 | 1,924 | 81 | 480 |
| Tariff review - remuneration base (b.1) | - | 1,443 | - | - |
| Tariff review - depreciation (b.1) | 948 | 13,147 | - | - |
| Discounts on the TUSD and irrigation (b.3) | 77,640 | 64,235 | 6,182 | 19,637 |
| Other financial components | 4,573 | 1,769 | 95 | 95 |
| | 87,535 | 85,966 | 6,358 | 20,668 |

Deferred Costs Variations

| | | | | |
|----------------|----------------|----------------|----------------|----------------|
| Parcel "A" (a) | 312,520 | 343,233 | 109,020 | 167,716 |
| CVA (c) | 306,957 | 189,216 | 64,782 | 38,178 |
| | 619,477 | 532,449 | 173,802 | 205,894 |

Prepaid Expenses (note 9)

| | | | | |
|--|---------------|----------------|--------------|---------------|
| Other financial components | 7,007 | 20,001 | 42 | 42 |
| PIS and COFINS - Generators pass-through | 515 | 1,210 | - | - |
| Increase in PIS and COFINS (b.2) | 2,396 | 25,097 | - | - |
| Overcontracting of electric energy (b.2) | 81 | 81,704 | 973 | 28,605 |
| Low income consumers' subsidy - Losses (d) | 39,489 | 55,967 | - | - |
| | 49,488 | 183,979 | 1,015 | 28,647 |

Liabilities**Suppliers (note 17)**

| | | | | |
|-----------------|----------|----------|---|-------|
| Free energy (a) | (29,867) | (35,609) | - | (223) |
|-----------------|----------|----------|---|-------|

Deferred Gains Variations

| | | | | |
|----------------|------------------|------------------|-----------------|-----------------|
| Parcel "A" (a) | (9,439) | (9,668) | (3,240) | (4,890) |
| CVA (c) | (301,163) | (220,370) | (28,926) | (63,499) |
| | <u>(310,602)</u> | <u>(230,038)</u> | <u>(32,166)</u> | <u>(68,389)</u> |

Other Accounts Payable (note 22)

| | | | | |
|---|------------------|------------------|-----------------|--------------|
| PIS and COFINS - Generators pass-through (b.2) | - | (8) | - | - |
| Reimbursement to the consumer – IRT recalculation (b.2) | (1,892) | (26,213) | - | - |
| Other financial components | (1,138) | (1,492) | (54) | (54) |
| Increase in PIS and COFINS (b.2) | (116,612) | (113,964) | - | - |
| Refund to consumer - Irrigation (b.3) | (2,070) | - | - | - |
| Refund to consumer - Overcontracting of electric energy (b.3) | (39,014) | (130) | (23,477) | (12) |
| Low income consumers' subsidy - Gains (d) | (9,208) | (8,553) | - | (71) |
| | <u>(169,934)</u> | <u>(150,360)</u> | <u>(23,531)</u> | <u>(137)</u> |

| | | | | |
|--------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total | <u>246,097</u> | <u>386,387</u> | <u>125,478</u> | <u>186,460</u> |
|--------------|-----------------------|-----------------------|-----------------------|-----------------------|

a) Rationing

At the end of 2001, as a result of the Emergency Program for the Reduction of Electric Energy Consumption, in effect between June 2001 and February 2002, the generators, the power distributors and the Federal Government signed the "Overall Agreement for the Electric Energy Sector". The agreement introduced an Extraordinary Tariff Increase of 2.9% on electric power supply to residential consumers (except those regarded as "low income consumers") and for rural and public lighting, and 7.9% for all other consumers, as a mechanism to reimburse the electricity sector for the losses incurred as a result of this program.

The changes in balances for the quarter ended in March 31, 2008 in relation to RTE, Free Energy and Parcel "A", net of the provision for losses, are shown below:

| Description | Consolidated | | | Parcel "A" Net |
|---|--------------|--------------|-----------------|----------------|
| | RTE | Free Energy | | |
| | | Asset | Liability | |
| Balances as of December 31, 2007 | 3,904 | 2,404 | (35,832) | 496,391 |
| Monetary restatement | 172 | 280 | (117) | 12,056 |
| Provision for losses | (115) | (326) | 78 | - |
| Realization | (913) | (951) | 6,004 | (99,586) |
| Balances as of March 31, 2008 | 3,048 | 1,407 | (29,867) | 408,861 |

• **Extraordinary Tariff Adjustment (RTE)** – Corresponds to the loss of revenue determined by comparison of the sales revenues from energy effectively recorded in the rationing period, and projected revenue for this period, not taking into account the effects of the Energy Rationing Program.

Due to the deadline's end of other distributors, the RTE balance refers to the indirect subsidiary CPFL Sul Paulista, which established a provision for losses of R\$ 2,136, based on estimated projections of revenue, taking into consideration the market growth and expectations of inflation, interest and regulatory aspects. The deadline established by ANEEL for recovery of the RTE by CPFL Sul Paulista is January 2009.

The distributors CPFL Paulista and CPFL Piratininga recorded losses of R\$ 152,090 in previous years, due to the deadline for recovery of the full amount of the RTE having passed.

• **Electric energy from Independent Suppliers ("Free Energy")** – Corresponds to the energy produced and made available to the consumer market during the rationing period by the independent producers and self-producers of energy.

The distribution utilities collected the funds from the consumer through the extraordinary tariff adjustment and passed them on to the generators, according to the percentage established to each concessionaire, recording an asset and a liability. These amounts are monetarily restated in accordance with the ANEEL instructions.

The subsidiary CPFL Sul Paulista has a reserve for losses on realization of Free Energy amounting R\$ 1,816.

Regarding the subsidiary RGE, the Free Energy regulatory asset derives from the assignment, by the distributor, of its quota of Itaipu to the rationing program. As in the case of the RTE, as of March 31, 2008, the subsidiaries RGE and CPFL Geração have a reserve for losses on realization of Free Energy amounting to a total of R\$ 5,369. The subsidiary CPFL Geração also recorded a loss of R\$ 4,521 relating to funds to be passed on by distributors, for which the deadlines for receipt have passed.

• **Parcel “A”** – Refers to the variation in the financial amounts of non-manageable costs representing Parcel "A" of the concession contracts, between January 1 and October 25, 2001. These amounts are restated based on the variation in the SELIC rate.

The subsidiaries CPFL Piratininga and CPFL Paulista started to offset Parcel “A” as from February 2007 and January 2008, respectively, using a mechanism similar to that used for the RTE. For the subsidiary CPFL Sul Paulista, amortization of parcel “A” will start from February 2009, over the period required to reach the amount recorded. In the case of the subsidiaries CPFL Santa Cruz, CPFL Leste Paulista, CPFL Mococa and CPFL Jaguari, Parcel “A” was amortized in November 2007, September 2005, March 2007 and August 2005, respectively.

The amortization of Parcel “A” in the quarter for CPFL Paulista, CPFL Piratininga and CPFL Jaguariúna is as follows:

| | Consolidated March 31, 2008 |
|--------------------------------|--|
| Energy purchased | 72,149 |
| System service charge | 7,374 |
| Fuel Consumption Account - CCC | 21,629 |
| RGR | (1,645) |
| Inspection fee | 79 |
| Total | 99,586 |

b) Review and Adjustment Tariff

b.1) 1st Tariff review cycle (2003/2004)

a) CPFL Paulista – Depreciation Difference

In 2007, by Ratification Resolution nº 443, ANEEL amended the final result of the first periodic tariff review of the subsidiary CPFL Paulista, approved in April 2005, adjusting the energy supply tariffs by 20.66%, due to a review of the calculation of the average depreciation percentage used in the 2003 tariff review. The difference in income resulting from the change in the tariff adjustment from 20.29% to 20.66%, and of the Xe component of the X Factor from 1.1352% to 1.2530%, corresponds to a financial adjustment of R\$ 44,868, which is being offset in the 2007 tariff adjustment. This regulatory asset was recorded in the “Consumers, concessionaires and licensees – Tariff review - Depreciation” account, including the effects of PIS and COFINS, and has been amortized since the adjustment.

b) CPFL Piratininga – Remuneration Base

In 2006, by Ratification Resolution nº 385, and in answer to the application filed by Bandeirante Energia S.A. (“Bandeirante”) for reconsideration of the tariff review, ANEEL amended the amounts of the subsidiary CPFL Piratininga remuneration base.

In accordance with this amendment, ANEEL established that the electric energy supply tariffs should be reset at 10.14% . Accordingly, in line with the new provisional percentage established by ANEEL, the subsidiary CPFL Piratininga recorded a regulatory asset of R\$ 26,970 in 2006, in the “Consumers, Concessionaires and Licensees” account, including PIS and COFINS, which was amortized until October 2007.

ANEEL Resolution nº 336, of 2001, concerning approval of the request for spin-off of Bandeirante and the partial transfer of its concession area to the subsidiary CPFL Piratininga, established that, in the first periodic tariff review, the lower of the rates of the two concessionaires would apply. As the rate for Bandeirante was 10.14%, against 11.52% for CPFL Piratininga, the rate of 10.14% applies.

ANEEL Order nº 3209, of October 22, 2007, ratified the result of the subsidiary CPFL Piratininga’s first tariff review, making it final.

c) CPFL Santa Cruz, CPFL Mococa and CPFL Leste Paulista – Remuneration Base

In 2005, ANEEL finally approved the results of the first periodic tariff review of February 2004 for the subsidiaries CPFL Santa Cruz, CPFL Leste Paulista, CPFL Sul Paulista, CPFL Jaguari and CPFL Mococa. The differences between the provisional and the final percentages for subsidiaries CPFL Santa Cruz, CPFL Leste Paulista e CPFL Mococa were recovered until January 2008.

b.2) 2nd tariff review cycle (2007/2008)

ANEEL provisionally readjusted the tariffs and financial components relating to the tariff review on October 23, 2007, for the subsidiary CPFL Piratininga, on February 3, 2008, for the subsidiaries CPFL Santa Cruz, CPFL Jaguari, CPFL Mococa, CPFL Leste Paulista and CPFL Sul Paulista, on April 08, 2008, for the subsidiary CPFL Paulista and on April 19, 2008, for RGE, as detailed below:

| | CPFL Santa Cruz | CPFL Jaguari | CPFL Mococa | CPFL Leste Paulista | CPFL Sul Paulista | CPFL Piratinunga | CPFL Paulista | RGE |
|--------------------------------------|--------------------|-----------------|----------------|---------------------------|----------------------|---------------------|------------------|------------------|
| Verified revenue | 213,312 | 87,989 | 54,148 | 77,145 | 92,390 | 2,136,914 | 5,175,546 | 1,950,452 |
| Parcel A - Total | 124,331 | 68,585 | 30,989 | 42,854 | 58,690 | 1,423,875 | 3,314,145 | 1,324,735 |
| Sector charges | 21,504 | 12,294 | 4,687 | 8,072 | 10,594 | 257,170 | 540,872 | 191,416 |
| Purchase of energy | 85,546 | 46,524 | 21,357 | 26,643 | 37,956 | 954,779 | 2,394,482 | 948,665 |
| Energy transmission | 17,281 | 9,767 | 4,945 | 8,139 | 10,140 | 211,926 | 378,791 | 184,654 |
| Parcel B - Total | 69,506 | 19,386 | 19,019 | 32,786 | 31,802 | 492,479 | 1,180,392 | 533,062 |
| Gross interest on capital | 14,894 | 4,880 | 3,658 | 11,696 | 7,745 | 154,530 | 351,310 | 179,713 |
| Depreciation rate | 10,594 | 2,492 | 1,816 | 4,322 | 4,230 | 81,098 | 252,111 | 97,139 |
| Reference company | 42,555 | 11,794 | 13,419 | 16,581 | 19,602 | 244,232 | 542,368 | 241,662 |
| Default | 1,463 | 220 | 126 | 187 | 225 | 12,619 | 34,603 | 14,548 |
| Income required (Parc. A + B) | 193,837 | 87,971 | 50,008 | 75,640 | 90,492 | 1,916,354 | 4,494,537 | 1,857,797 |
| (-) Other income | (1,291) | (291) | (411) | (569) | (860) | (13,152) | (27,276) | (12,170) |
| Net required revenue | 192,546 | 87,680 | 49,597 | 75,071 | 89,632 | 1,903,202 | 4,467,261 | 1,845,627 |
| Financial components | 5,013 | (1,079) | 1,366 | 777 | (524) | 15,767 | 3,336 | 187,320 |
| Financial repositioning | -9.73% | -0.35% | -8.40% | -2.69% | -2.98% | -10.94% | -13.69% | -5.37% |
| Financial components (*) | 2.60% | -1.23% | 2.75% | 1.04% | -0.58% | 0.83% | 0.08% | 10.15% |
| Total repositioning | -7.13% | -1.58% | -5.65% | -1.65% | -3.57% | -10.11% | -13.61% | 4.77% |
| Factor Xe | 0.22% | 2.10% | 0.24% | 1.07% | 1.31% | 0.73% | 0.83% | 0.66% |
| Consumer perception (**) | -8.14% | -3.56% | -8.15% | -1.45% | -7.11% | -15.29% | -17.21% | 2.52% |

(*) In addition to the CVA (see item “c”), the main additional financial components are deferred tariff costs and gains variations Parcel “A” (“CVA”), overcontracting of electric energy, discounts on collection of TUSD, adjustments of connection charges, basic network and CUSD, and other components. In the subsidiary RGE 56% of the financial components refer to the subsidies to cooperatives located within the concession area.

(**) Represents the average effect perceived by the consumer, as a result of the elimination from the tariff base of financial components added in the annual adjustment for the previous year.

In the tariff review process of the subsidiary CPFL Paulista, ANEEL provisionally recalculated the amount to be passed on to the tariffs relating to “Overcontracting” as of December 31, 2007. The regulatory agency included a refund to the consumer of R\$ 27,534 in the tariff review, while the balance at the same date was an asset of R\$ 76,798.

The management of the subsidiary CPFL Paulista, analysing the process, reassessed their procedures and applied to the CCEE for reassessment of part of the transactions involving the supply agreement of electric energy dealt between the subsidiaries CPFL Paulista and CPFL Brasil.

Considering the aforementioned, pending the final result of the analysis by the regulatory agency, in March 2008 the subsidiary CPFL Paulista conservatively recorded a provision of R\$ 39,853 for accounts receivable in relation to the CCEE reassessment for the period from January 2005 to February 2008, set against an increase of R\$ 17,749 in CCEE revenue and a reduction of R\$ 22,104 in CCEE cost. As a result of the reassessment, a provision of R\$ 25,769 was recorded for the overcontracting asset and a provision of R\$ 14,084 for a liability to refund to the consumers in the next tariff adjustment, set against “Electric energy costs”. These records did not affect CPFL Paulista’s income.

Conservatively, and in order to fully comply with the amounts approved by the regulatory agency, provisions of R\$ 51,029 and R\$ 27,534, respectively, were recorded in the first quarter of 2008 by the subsidiary CPFL Paulista for realization of an asset and a provision for a liability, set against the electric energy costs – overcontracting, relating to seasonal effects and losses, as defined

provisionally by ANEEL. The provision on account of seasonal effects generated a CVA credit of R\$ 9,487. These provisions will be maintained until ANEEL concludes its analyses and ratifies the final result of this review.

Since similar transactions were performed between the subsidiaries CPFL Piratininga and CPFL Brasil, the same provisions procedure was applied in CPFL Piratininga. A provision of R\$ 14,453 related to reassessment of CCEE (increase of R\$ 4,945 in CCEE income and reduction of R\$ 9,507 in CCEE cost, respectively) and a provision of R\$ 45,398 in overcontracting for CCEE operations and losses.

Also in relation to the CCEE reassessment, a provision of R\$ 71,879 was recorded in CPFL Brasil for accounts payable to CCEE (note 17), set against R\$ 66,438 (reversal of income) of CCEE sales and R\$ 5,441 in financial expenses.

In the consolidated statements, the effects on income of the provisions made in relation to ANEEL's understanding as to overcontracting of energy in the provisional tariff adjustment was R\$ 186,352 (R\$ 111,895 net of taxes).

b.3) Reajuste tarifário

By establishing the Annual Tariff Adjustment Rate ("IRT") of the subsidiary CPFL Paulista on April 3, 2007, in Ratification Resolution No. 445, and in order to review the PIS and COFINS amounts of the generators, ANEEL recalculated the electric energy cost of the first 2005 IRT initial contracts of the subsidiary CPFL Paulista. As the cost of electric energy affects adjustment of the consumer tariff and calculation of CVA, the recalculation, which resulted in a reduction in the average energy price, generated a liability to be reimbursed to the consumers and an additional CVA asset. Also, the CVA amounts approved by ANEEL in the 2007 IRT excluded the surpluses of the electric energy contracts, in accordance with item 61 of ANEEL Technical Note nº 069 of March 22, 2007. Accordingly, these effects basically explain the adjustments made in the first quarter of 2007 of R\$ 98,635, recorded in "Other Accounts Payable", and R\$ 177,710, recorded in "Deferral of Tariff Costs", both set against "Cost of Electric Energy" (note 25).

In addition to the CVA (see item "c"), the main additional financial components of the assets and liabilities recorded are as follows:

• Increase in PIS and COFINS

Refers to the difference between the costs relating to PIS and COFINS calculated by applying the current legislation, and those incorporated into tariff until April 2005 for the subsidiary CPFL Paulista and October 2005 for the subsidiary CPFL Piratininga.

The amounts approved in 2006 and 2007 were recorded in the "Prepaid Expenses" account and will be amortized until April 2008.

In view of the discussions in respect of the nature of this credit, the Company conservatively opted to record a liability of the same assets amount, posted in the account "Other Accounts Payable" (note 22), which is monetarily restated based on the variation of the IGP-M.

• Overcontracting

The electricity distribution concessionaires are obliged to guarantee 100% of their energy and power market through contracts approved, registered and ratified by ANEEL. The distribution

concessionaires are also guaranteed that costs or income derived from overcontracting of electric energy will be passed on to the tariffs, limited to 3% of the energy load requirement. See item b.3 for further details on movement during this period.

The constitution and amortization of overcontracting are being recorded as "Prepaid Expenses" (note 9) and set against a credit recorded in the "Cost of Electric Energy" (note 25).

• Discounts on the TUSD and Irrigation

The subsidiaries record regulatory assets, relating to (i) the special discounts applied on the TUSD related to the supply of electricity from alternative sources, and on (ii) activities of irrigation and aquaculture.

The provisions and realization of the discounts on the TUSD and irrigation are recorded in "Consumers, Concessionaires and Licensees" and set against the "Revenue from Electricity Sales" (Note 24) account.

The following table shows the changes in the items described above, relating to tariff review and Adjustments, occurred during the quarter ended March 31, 2008:

| Consolidated | | | | | | | | | | | | | |
|-----------------------------------|--|---|--|--|-----------|---|--|-----------|-----------------------|-----------|--|--|-----------|
| Description | Tariff review- Remuneration base (b.1) | Tariff review - Depreciation (b.1) | Tariff adjustment- Other asset and liability (1) | PIS and Cofins - Generators pass-through (b.3) | | Tariff review - Refund to consumer- IRT 2005 and 2006 recalculated (b.3) | Increase in PIS and COFINS (b.3) | | Overcontracting (b.3) | | Discounts on the TUSD and irrigation (b.3) | Refund to consumer - Irrigation (b.3) | Total |
| | | | | Asset (2) | Liability | | Asset | Liability | Asset | Liability | | | |
| Balance as of December 31,2007 | 1,443 | 13,147 | 20,361 | 1,210 | (8) | (26,213) | 25,097 | (113,964) | 110,309 | (142) | 83,872 | - | 115,112 |
| Constitution | 728 | - | 4,907 | 622 | - | - | - | - | 11,327 | (4,030) | 10,344 | (2,070) | 21,828 |
| Restatement | 22 | - | - | - | - | - | 72 | (2,648) | - | - | 1,847 | - | (707) |
| Amortization | (2,193) | (12,199) | (14,743) | (1,317) | 8 | 24,321 | (22,773) | - | (1,047) | - | (12,241) | - | (42,184) |
| Allowance | - | - | - | - | - | - | - | - | (119,535) | (58,319) | - | - | (177,854) |
| Balance as of March 31,2008 | - | 948 | 10,525 | 515 | - | (1,892) | 2,396 | (116,612) | 1,054 | (62,491) | 83,822 | (2,070) | (83,805) |

(1) The effects of constitution were recorded in Operating Income R\$ 3,748, Energy Cost R\$ 1,426, accounts receivable (R\$ 224) and Energy Cost (R\$ 43).

The effects of amortization were recorded in Operating Income R\$ 13,254, Energy Cost R\$ 91, Operating Expense R\$ 612, Charges for Use of Network R\$ 962 and Financial Income R\$ 6.

(2) The effects of constitution were recorded in Operating Expense R\$ 364 and Operating Income R\$ 258. The effects of amortization were recorded in Operating Income R\$ 491 and Accounts Receivable R\$ 826.

c) Deferred Tariff Costs and Gains Variations ("CVA")

Refer to the mechanism for compensation of the variations in unmanageable costs incurred by the electric power distribution concessionaires. These variations are calculated in accordance with the difference between the expenses effectively incurred and the expenses estimated at the time of composing the tariffs for the annual tariff adjustments.

The amounts of CVA are monetarily restated based on the SELIC rate.

| | Balance as of December 31, 2007 | Consolidated Changes | | | Balance as of March 31, 2008 |
|----------------------------------|---------------------------------------|-------------------------|-----------------|----------------|------------------------------------|
| | | Deferral | Amortization | Restatement | |
| ASSET | | | | | |
| Energy purchased | 203,119 | 173,774 | (42,542) | 5,379 | 339,730 |
| System service charge | 7,760 | 8,283 | (2,855) | 203 | 13,391 |
| Fuel Consumption Account - CCC | 3,856 | 2,007 | (106) | 117 | 5,874 |
| Energy Development Account - CDE | 12,659 | 2,172 | (2,392) | 305 | 12,744 |
| Total | 227,394 | 186,236 | (47,895) | 6,004 | 371,739 |
| LIABILITY | | | | | |
| Energy purchased | (195,963) | (64,167) | 8,435 | (6,751) | (258,446) |
| System service charge | (29,090) | (4,767) | 104 | (734) | (34,487) |
| Fuel consumption account - CCC | (58,816) | 4,770 | 18,167 | (1,277) | (37,156) |
| Total | (283,869) | (64,164) | 26,706 | (8,762) | (330,089) |

d) Low Income Consumers' Subsidy

Law n° 10.438, of April 26, 2002 and Decree n° 4.336 of August 15, 2002 established new guidelines and criteria for classification of consumer units in the low-income residential sub-category. According to the legislation, this new criteria encompasses consumer units served by monophasic circuits, with an average monthly consumption in the last 12 months of less than 80kWh, and consumer units with an average monthly consumption in the last 12 months of 80 to 220kWh, provided certain specific requirements are complied with, such as enrollment in Federal Government Social Programs.

As the subsidies granted to the consumers should be offset in the ambit of the concessionaire itself, through the tariff charged to the other consumers of the market served, and as the introduction of this new criteria has an impact on the tariff levels, in addition to the principal of reasonable tariffs for the rest of the market, ANEEL established a new methodology for calculating the subsidy, which has been applied monthly since May 2002.

After ratification by ANEEL, the amounts calculated using this new methodology should be settled as follows:

- For months in which losses are recorded by the concessionaire, the amounts should be reimbursed through granting of an economic subsidy by Eletrobrás (Governmental institution), through the Energy Development Account – CDE.
- For months in which gains are recorded by the concessionaire, the amounts should be reimbursed to the customer through a reduction in the annual tariff adjustments.

The movements in the balances in the quarter as of March 31, 2008, are as follows:

| | Consolidated | |
|---|---------------|----------------|
| | Asset | Liability |
| Balances as of December 31, 2007 | 55,967 | (8,624) |
| Gain (Loss) of revenue | 7,643 | (933) |
| Amortization of tariff adjustment | (107) | 454 |
| Receivables approved by ANEEL | (24,014) | - |
| Monetary restatement | - | (105) |
| Balances as of March 31, 2008 | 39,489 | (9,208) |

(4) CASH AND BANKS

| | Parent Company | | Consolidated | |
|----------------------------------|------------------|----------------------|------------------|----------------------|
| | March 31,2008 | December 31, 2007 | March 31,2008 | December 31, 2007 |
| Bank deposits | 623 | 216 | 189,293 | 679,937 |
| Short-term financial investments | 4,267 | 17,587 | 957,955 | 426,371 |
| Total | 4,890 | 17,803 | 1,147,248 | 1,106,308 |

The short-term financial investments refer to operations with financial institutions under normal market conditions and rates, mainly remunerated based on the variation of the CDI, and are available for use in the operations of the Company and its subsidiaries.

(5) CONSUMERS, CONCESSIONAIRES AND LICENSEES

The consolidated balance mainly refers to electricity sales activities as of March 31, 2008 and December 31, 2007, as follows:

| | Consolidated | | | | |
|-----------------------------------|---------------------------|------------------|----------------------|------------------|----------------------|
| | Balances Coming due | Past due | | Total | |
| | | Up to 90 days | More than 90 days | March 31,2008 | December 31, 2007 |
| Current | | | | | |
| Consumer Categories | | | | | |
| Residential | 237,753 | 175,843 | 27,723 | 441,319 | 425,219 |
| Industrial | 186,293 | 59,739 | 37,155 | 283,187 | 284,661 |
| Commercial | 103,259 | 48,669 | 29,266 | 181,194 | 181,987 |
| Rural | 24,137 | 7,395 | 1,826 | 33,358 | 40,954 |
| Public administration | 29,319 | 4,422 | 2,565 | 36,306 | 38,172 |
| Public lighting | 51,715 | 3,626 | 37,876 | 93,217 | 66,484 |
| Public service | 25,419 | 7,703 | 4,413 | 37,535 | 41,407 |
| Billed | 657,895 | 307,397 | 140,824 | 1,106,116 | 1,078,884 |
| Unbilled | 436,246 | - | - | 436,246 | 421,552 |
| Financing of consumers' debts | 24,320 | 2,740 | 8,744 | 35,804 | 40,860 |
| Regulatory asset (note 3) | 87,535 | - | - | 87,535 | 85,966 |
| CCEE transactions (a) | 77,970 | - | - | 77,970 | 38,876 |
| Concessionaires and licensees (b) | 90,421 | 535 | 4 | 90,960 | 85,682 |
| Other | 45,422 | - | - | 45,422 | 65,968 |
| Total | 1,419,809 | 310,672 | 149,572 | 1,880,053 | 1,817,788 |
| Noncurrent | | | | | |
| Financing of consumers' debts | 143,819 | - | - | 143,819 | 152,549 |
| CCEE transactions (a) | 41,798 | - | - | 41,798 | 41,797 |
| Regulatory asset (note 3) | 6,358 | - | - | 6,358 | 20,668 |
| Total | 191,975 | - | - | 191,975 | 215,014 |

a) Electric Energy Trading Chamber ("CCEE") transactions

The amounts refer to the accounting records of the Electric Energy Trading Chamber – CCEE for the period September 2000 to March 2008. As of March 31, 2008, a provision of R\$ 53,040 was recorded relating to the application to the CCEE for reassessment, as mentioned in note 3 b.2. The non-current amount receivable for energy sales as of March 31, 2008 mainly comprises: (i) legal adjustments, made as the result of suits brought by agents in the sector; (ii) lawsuits challenging the CCEE accounting for the period September 2000 to December 2002; (iii) provisional accounting entries made by the CCEE; (iv) amounts negotiated bilaterally pending settlement. The subsidiaries consider that there is no significant risk on the realization of these assets and consequently no provision were posted in the accounts.

b) Concessionaires and Licensees

Refers basically to accounts receivable in respect of the supply of electricity to other Concessionaires and Licensees, mainly by the subsidiaries CPFL Geração and CPFL Brasil, and to certain transactions

relating to the partial spin-off of Bandeirante by the subsidiary CPFL Piratininga. The amounts are set off against accounts payable, through a settlement of accounts.

(6) FINANCIAL INVESTMENTS

In April 2005, through a Private Credit Agreement, the Company acquired the credit arising from the Purchase and Sale of Electricity Agreement between Companhia Energética de São Paulo ("CESP") (seller) and CPFL Brasil (purchaser), referring to the supply of energy for a period of 8 years. The amounts handed over by the Company to CESP will be settled using the funds derived from the acquisition of energy produced by that company for CPFL Brasil.

As of March 31, 2008 the short-term balance is R\$ 37,243 (R\$ 34,555 as of December 31, 2007), and the long-term balance is R\$ 93,659 (R\$ 97,521 as of December 31, 2007). The operation is subject to interest of 17.5% p.a., plus the annual variation of the IGP-M, and is being amortized in monthly installments of amounts corresponding to the purchase of energy.

(7) RECOVERABLE TAXES

| | Parent Company | | Consolidated | |
|--|---------------------------|------------------------------|---------------------------|------------------------------|
| | March 31, 2008 | December 31, 2007 | March 31, 2008 | December 31, 2007 |
| Current | | | | |
| Social contribution prepayments - CSLL | - | 501 | 7,273 | 8,653 |
| Income tax prepayments - IRPJ | - | 1,351 | 6,186 | 10,051 |
| Social contribution and income tax | 32,235 | - | 46,701 | 10,766 |
| Withholding income tax - IRRF | 1,160 | 29,974 | 26,038 | 71,825 |
| ICMS (State VAT) | - | - | 65,753 | 64,221 |
| PIS (Tax on revenue) | - | - | 2,619 | 2,457 |
| COFINS (Tax on revenue) | - | 9 | 9,529 | 8,594 |
| INSS (Social security) | - | - | 2,257 | 1,831 |
| Other | 73 | 64 | 4,369 | 3,356 |
| Total | 33,468 | 31,899 | 170,725 | 181,754 |
| Noncurrent | | | | |
| Social contribution tax - CSLL | - | - | 25,314 | 24,966 |
| Income tax - IRPJ | - | - | 857 | 840 |
| PIS (Tax on revenue) | 2,787 | 2,787 | 3,043 | 3,044 |
| COFINS (Tax on revenue) | - | - | 859 | 859 |
| ICMS (State VAT) | - | - | 68,533 | 69,508 |
| INSS (Social security) | - | - | 97 | - |
| Other | - | - | 578 | 730 |
| Total | 2,787 | 2,787 | 99,281 | 99,947 |

(8) ALLOWANCE FOR DOUBTFUL ACCOUNTS

| | <u>Consolidated</u> |
|----------------------------------|---------------------|
| Balance as of December 31,2007 | (95,639) |
| Additional allowance recorded | (14,311) |
| Recovery of revenue | 7,219 |
| Write-off of accounts receivable | 11,735 |
| Balance as of March 31,2008 | <u>(90,996)</u> |

(9) PREPAID EXPENSES

| | <u>Consolidated</u> | | | |
|---------------------------|--------------------------|------------------------------|--------------------------|------------------------------|
| | <u>Current</u> | | <u>Noncurrent</u> | |
| | <u>March 31,2008</u> | <u>December 31, 2007</u> | <u>March 31,2008</u> | <u>December 31, 2007</u> |
| Regulatory asset (note 3) | 49,488 | 183,979 | 1,015 | 28,647 |
| Other | 19,895 | 18,742 | 12,954 | 14,464 |
| Total | <u>69,383</u> | <u>202,721</u> | <u>13,969</u> | <u>43,111</u> |

(10) DEFERRED TAXES**10.1 Composition of the tax credits:**

| | <u>Parent Company</u> | | <u>Consolidated</u> | |
|--|--------------------------|------------------------------|--------------------------|------------------------------|
| | <u>March 31,2008</u> | <u>December 31, 2007</u> | <u>March 31,2008</u> | <u>December 31, 2007</u> |
| <u>Social Contribution Credit on:</u> | | | | |
| Tax loss carryforwards | 15,123 | 15,123 | 34,189 | 34,637 |
| Tax benefit on merged goodwill | - | - | 230,406 | 234,114 |
| Temporarily nondeductible differences | 373 | 807 | 86,880 | 68,001 |
| Subtotal | 15,496 | 15,930 | 351,475 | 336,752 |
| <u>Income Tax Credit on:</u> | | | | |
| Tax loss carryforwards | 60,051 | 60,051 | 81,258 | 83,092 |
| Tax benefit on merged goodwill | - | - | 698,029 | 714,041 |
| Temporarily nondeductible differences | 12,216 | 13,164 | 251,775 | 198,576 |
| Subtotal | 72,267 | 73,215 | 1,031,062 | 995,709 |
| <u>PIS and COFINS Credit on:</u> | | | | |
| Temporarily nondeductible differences | - | - | 19,774 | - |
| Subtotal | - | - | 19,774 | - |
| Total | 87,763 | 89,145 | 1,402,311 | 1,332,461 |
| Short term | 9,673 | 10,107 | 254,059 | 168,485 |
| Long term | <u>78,090</u> | <u>79,038</u> | <u>1,148,252</u> | <u>1,163,976</u> |
| | <u>87,763</u> | <u>89,145</u> | <u>1,402,311</u> | <u>1,332,461</u> |

The projections of future results that guided and support the recording of deferred tax credits of the Company and its subsidiaries were approved by the Boards of Directors and examined by the Audit Committees. For the quarter ended in March 31, 2008, management does not expect relevant changes in the projections disclosed in the financial statements as of December 31, 2007.

10.2 – Tax Credit on Tax Benefit on Merged Goodwill:

The tax benefit on merged goodwill refers to the tax credit calculated on the merged goodwill on purchase and is recorded in accordance with CVM Instructions nº 319/1999 and nº 349/2001. The benefit is realized in proportion to amortization of the merged goodwill, in accordance with the net projected profit of the subsidiaries during the remaining term of the concession, as shown in note 13.2.

| | Consolidated | | | |
|---------------------|--------------------------------------|----------------------|--------------------------------------|-------------------------|
| | March 31, 2008 | | December 31, 2007 | |
| | Social Contribution Tax (CSLL) | Income Tax (IRPJ) | Social Contribution Tax (CSLL) | Income Tax (IRPJ) |
| CPFL Paulista | 120,783 | 335,508 | 123,187 | 342,186 |
| CPFL Piratininga | 26,855 | 92,087 | 27,377 | 93,863 |
| RGE | 68,344 | 189,848 | 68,584 | 195,202 |
| CPFL Santa Cruz | 8,130 | 25,563 | 8,465 | 26,616 |
| CPFL Leste Paulista | 1,901 | 5,282 | 1,964 | 5,455 |
| CPFL Sul Paulista | 1,862 | 5,174 | 1,924 | 5,344 |
| CPFL Jaguari | 1,778 | 4,939 | 1,837 | 5,102 |
| CPFL Mococa | 753 | 2,089 | 776 | 2,157 |
| CPFL Geração | - | 37,539 | - | 38,116 |
| Total | 230,406 | 698,029 | 234,114 | 714,041 |

10.3 - Temporary nondeductible differences balance:

| | Consolidated | | | | |
|--|--------------------------------|-------------------|----------------|--------------------------------|-------------------|
| | March 31, 2008 | | | December 31, 2007 | |
| | Social Contribution Tax (CSLL) | Income Tax (IRPJ) | PIS and COFINS | Social Contribution Tax (CSLL) | Income Tax (IRPJ) |
| Reserve for contingencies | 12,266 | 45,017 | - | 12,262 | 44,745 |
| Pension plan expenses | 5,676 | 16,763 | - | 5,914 | 17,425 |
| Allowance for doubtful accounts | 8,367 | 23,238 | - | 8,883 | 24,672 |
| Provision for losses on the realization of RTE | 192 | 534 | - | 404 | 1,121 |
| Research and development and Energy efficiency programs | 13,695 | 38,039 | - | 14,000 | 38,888 |
| Profit sharing | 2,224 | 6,724 | - | 1,604 | 5,138 |
| Differences on revaluation rates | 10,414 | 29,135 | - | 11,109 | 30,859 |
| Regulatory liabilities – Increase on PIS and COFINS | 9,882 | 27,449 | - | 8,105 | 22,512 |
| Provision for CCEE reassessment and overcontracting (note 3.b.2) | 17,952 | 49,866 | 19,774 | - | - |
| Other | 6,212 | 15,010 | - | 5,720 | 13,216 |
| Total | 86,880 | 251,775 | 19,774 | 68,001 | 198,576 |

10.4 - Reconciliation of the amounts of income tax and social contribution reported in the income statements for the quarters ended March 31, 2008 and 2007:

| | Parent Company | | | |
|---|--------------------------------|-------------------|--------------------------------|-------------------|
| | March 31, 2008 | | March 31, 2007 | |
| | Social Contribution Tax (CSLL) | Income Tax (IRPJ) | Social Contribution Tax (CSLL) | Income Tax (IRPJ) |
| Income before CSLL and IRPJ | 274,449 | 274,449 | 473,682 | 473,682 |
| Adjustments to reflect effective rate: | | | | |
| - Equity in subsidiaries | (322,272) | (322,272) | (495,944) | (495,944) |
| - Goodwill amortization | 25,551 | 32,301 | 18,657 | 25,193 |
| - Other permanent additions (deductions), net | 617 | - | 3,894 | (21) |
| Calculation base | (21,655) | (15,522) | 289 | 2,910 |
| Statutory tax rate | 9% | 25% | 9% | 25% |
| Tax (debit) credit result | 1,949 | 3,881 | (26) | (728) |
| - Tax credit realized | (434) | (948) | - | - |
| - Tax credit allocated (not allocated) | (1,949) | (3,881) | - | - |
| Total | (434) | (948) | (26) | (728) |

| | Consolidated | | | |
|---|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | March 31,2008 | | March 31,2007 | |
| | Social Contribution Tax (CSLL) | Income Tax (IRPJ) | Social Contribution Tax (CSLL) | Income Tax (IRPJ) |
| Income before CSLL and IRPJ | 444,401 | 444,401 | 677,077 | 677,077 |
| Adjustments to reflect effective rate: | | | | |
| - Goodwill amortization | 27,064 | 38,476 | 18,657 | 37,969 |
| - CMC realization | 3,849 | - | 4,466 | - |
| - Other permanent additions (deductions), net | (26,122) | 3,875 | 21,669 | 2,236 |
| Calculation base | 449,192 | 486,752 | 721,869 | 717,282 |
| Statutory tax rate | 9% | 25% | 9% | 25% |
| Tax (debit) credit result | (40,427) | (121,688) | (64,968) | (179,321) |
| - Tax credit realized | (434) | (948) | - | - |
| - Tax credit allocated (not allocated) | (2,328) | (3,881) | - | 40,234 |
| Total | (43,189) | (126,517) | (64,968) | (139,087) |

The tax credit of R\$ 40,234 allocated in the first quarter of 2007, in the consolidated statements, refers to the tax benefit of the merged goodwill of the indirect subsidiary SEMESA, amortization of which, since the merger, is deductible for income tax purposes. The tax credit not allocated and realized in the quarter is due to the fact that the Company recorded a tax loss in the first quarter and the allocation of credits is limited to projected income over the next 10 years.

(11) OTHER CREDITS

| | Consolidated | | | |
|-------------------------------------|------------------|----------------------|------------------|----------------------|
| | Current | | Noncurrent | |
| | March 31,2008 | December 31, 2007 | March 31,2008 | December 31, 2007 |
| Receivables from CESP | 18,005 | 18,277 | 17,909 | 27,204 |
| Receivables from BAESA shareholders | - | - | 31,794 | 31,794 |
| Advances - Fundação CESP | 7,021 | 5,732 | - | - |
| Pledges, funds and tied deposits | 4,722 | 3,137 | 162,270 | 139,181 |
| Orders in progress | 12,026 | 19,018 | - | - |
| Services rendered to third parties | 20,158 | 19,979 | - | - |
| Reimbursement RGR | 4,285 | 3,340 | 707 | 707 |
| Advance energy purchase agreements | 9,557 | 8,129 | 29,074 | 29,845 |
| Other | 30,325 | 33,740 | 3,083 | 3,089 |
| Total | 106,099 | 111,352 | 244,837 | 231,820 |

(12) ADVANCE FOR FUTURE CAPITAL INCREASE

| | Parent Company | |
|--------------|---------------------------|------------------------------|
| | March 31, 2008 | December 31, 2007 |
| Perácio | 409,310 | 409,310 |
| Total | 409,310 | 409,310 |

(13) INVESTMENTS

| | Parent Company | | Consolidated | |
|------------------------------|--------------------------|------------------------------|--------------------------|------------------------------|
| | March 31,2008 | December 31, 2007 | March 31,2008 | December 31, 2007 |
| Permanent equity interests | 3,399,786 | 3,077,514 | - | - |
| Goodwill / Negative goodwill | 1,622,417 | 1,654,718 | 1,829,641 | 1,868,116 |
| Leased assets | - | - | 716,380 | 722,094 |
| Other | - | - | 115,476 | 115,482 |
| Total | 5,022,203 | 4,732,232 | 2,661,497 | 2,705,692 |

13.1 - Permanent Equity Interests:

The principal information on the investments in Permanent Equity Interests direct is as follows:

| Investment | Number of Shares held | Share of Capital - % | March 31, 2008 | | | March 31, 2008 | December 31, 2007 | 1st Quarter 2008 | 1st Quarter 2007 |
|-------------------|----------------------------------|-------------------------------------|-----------------------|--------------------------------|-----------------------|---|----------------------------------|---------------------------------|---------------------------------|
| | | | Capital | Shareholders Equity | Net Income | Shareholders Equity Interest | Equity in Subsidiaries | | |
| CPFL Paulista | 1,000 | 100,00% | 1,000 | 669,450 | 172,062 | 669,450 | 497,388 | 172,062 | 213,417 |
| CPFL Piratininga | 53,031,259 | 100,00% | 47,418 | 263,320 | 32,782 | 263,320 | 230,538 | 32,782 | 89,012 |
| CPFL Serra | - | 100,00% | - | - | - | - | - | - | 33,704 |
| RGE | 807,168 | 100,00% | 830,924 | 1,137,275 | 40,000 | 1,137,275 | 1,097,275 | 40,000 | - |
| Nova 4 | - | 100,00% | - | - | - | - | - | - | (4,725) |
| CPFL Santa Cruz | 371,772 | 99,99% | 78,167 | 124,544 | 4,410 | 124,534 | 120,124 | 4,410 | - |
| CPFL Geração | 205,487,716 | 100,00% | 1,039,618 | 1,168,927 | 40,336 | 1,168,927 | 1,128,591 | 40,336 | 88,700 |
| CPFL Brasil | 2,999 | 100,00% | 2,999 | 28,703 | 25,105 | 28,703 | 3,598 | 25,105 | 74,394 |
| CPFL Cone Sul | 373 | 100,00% | - | - | - | - | - | - | 1,442 |
| Perácio | - | 100,00% | - | 7,577 | 7,577 | 7,577 | - | 7,577 | - |
| Total | | | | | | 3,399,786 | 3,077,514 | 322,272 | 495,944 |

The changes in the balance of equity interests over the period refer to the result of equity adjustment.

Start of commercial operations of the CASTRO ALVES Hydropower Plant

In March and April 2008, commercial operations began at two generator units of the Castro Alves Hydropower Plant, the total installed capacity of which is 130 MW. The final unit of this plant is scheduled to start operating in May 2008. The portion of the plant's energy relating to CPFL Geração already has energy sales agreements approved by ANEEL and signed with the distributors CPFL Paulista and CPFL Piratininga and the commercial agent CPFL Brasil.

13.2 – Goodwill and negative goodwill:

| | Consolidated | | | | Amortization Rate - First Quarter 2008 |
|--------------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|--|
| | March 31, 2008 | | | December 31, 2007 | |
| | Historical Cost | Accumulated Amortization | Net Value | Net Value | |
| Goodwill on acquisition | | | | | |
| Parent company | | | | | |
| CPFL Paulista | 292,033 | (43,914) | 248,119 | 253,325 | 6,23% |
| CPFL Piratininga | 39,065 | (5,484) | 33,581 | 34,235 | 6,70% |
| CPFL Geração | 54,555 | (8,878) | 45,677 | 46,519 | 6,21% |
| RGE | 3,150 | (48) | 3,102 | 3,150 | 6,07% |
| Other | 26 | - | 26 | 26 | |
| | <u>388,829</u> | <u>(58,324)</u> | <u>330,505</u> | <u>337,255</u> | |
| Subsidiaries | | | | | |
| CPFL Jaguariúna | 142,793 | (9,332) | 133,461 | 137,677 | 11,81% |
| ENERCAN | 10,233 | (543) | 9,690 | 9,814 | 4,83% |
| Barra Grande | 3,081 | (495) | 2,586 | 2,636 | 6,65% |
| Foz do Chapecó | 7,319 | - | 7,319 | 7,319 | 0,00% |
| Other | 17,518 | (9,510) | 8,008 | 8,279 | 4,99% to 11,65% |
| | <u>180,944</u> | <u>(19,880)</u> | <u>161,064</u> | <u>165,725</u> | |
| Subtotal | <u>569,773</u> | <u>(78,204)</u> | <u>491,569</u> | <u>502,980</u> | |
| Goodwill reassessment | | | | | |
| Parent company | | | | | |
| CPFL Paulista | 1,074,026 | (233,127) | 840,899 | 857,635 | 6,23% |
| CPFL Piratininga | 115,762 | (16,252) | 99,510 | 101,448 | 6,70% |
| RGE | 310,127 | (15,262) | 294,865 | 299,410 | 5,88% |
| CPFL Santa Cruz | 61,685 | (5,047) | 56,638 | 58,970 | 15,12% |
| | <u>1,561,600</u> | <u>(269,688)</u> | <u>1,291,912</u> | <u>1,317,463</u> | |
| Subsidiaries | | | | | |
| CPFL Leste Paulista | 21,131 | (7,187) | 13,944 | 14,402 | 8,67% |
| CPFL Sul Paulista | 20,941 | (7,284) | 13,657 | 14,107 | 8,59% |
| CPFL Jaguari | 20,026 | (6,986) | 13,040 | 13,468 | 8,56% |
| CPFL Mococa | 8,444 | (2,925) | 5,519 | 5,696 | 8,49% |
| | <u>70,542</u> | <u>(24,382)</u> | <u>46,160</u> | <u>47,673</u> | |
| Subtotal | <u>1,632,142</u> | <u>(294,070)</u> | <u>1,338,072</u> | <u>1,365,136</u> | |
| Total Parent company | <u>1,950,429</u> | <u>(328,012)</u> | <u>1,622,417</u> | <u>1,654,718</u> | |
| Total Consolidated | <u>2,201,915</u> | <u>(372,274)</u> | <u>1,829,641</u> | <u>1,868,116</u> | |

The goodwill arising from the acquisitions of the equity interests is amortized in proportion to the net income curves projected for the remaining term of the concession contract. The rates are subject to periodical review.

Goodwill on Purchase:

Parent Company: Refers mainly to acquisition of all the shares held by minority shareholders (share merger) of CPFL Geração's in June 2005, CPFL Paulista and CPFL Piratininga in November 2005, and RGE in December 2007.

Goodwill reassessment

In order to comply with ANEEL instructions and avoid the goodwill amortization resulting from the merger of the parent company causing a negative impact on dividends paid to the shareholders, the subsidiaries apply the concepts of CVM Instructions nº 319/1999 and nº 349/2001 in relation to this goodwill. Accordingly, a reserve was recorded, set against to the reserve of subsidiaries' equity, to maintain the integrity of the subsidiaries' equity, so that the effect on the equity reflects the tax benefit of the merged goodwill. These changes affected the Company's investment in the subsidiaries, and goodwill was recorded in the parent company in order to restore it. The goodwill is amortized by the Company in proportion to the projected net income curves for the remaining term of the subsidiaries' concession.

13.3 - Leased Assets

In the consolidated financial statements, the leased assets refer principally to the assets of the Serra da Mesa Plant, owned by the subsidiary CPFL Geração, leased to the concession holder (FURNAS) for a 30-year period ending in 2028. These assets are depreciated over their estimated useful life at annual rates defined by ANEEL, and in accordance with general conditions of the concession agreement held by FURNAS.

13.4 – Other

Refers mainly to the indirect subsidiary Paulista Lajeado Energia S.A.'s 5.84% participation in the total capital of Investco S/A, comprising 25,829 common shares and 16,412 preferred shares. This investment is recorded on a cost basis. Due to the participation of minority shareholders in the form of (i) preferred shares representing 40.07% of the total capital of Paulista Lajeado, and (ii) beneficiaries (founder-shares) who assign the right to 10% of net income before profit sharing, these effects, totaling R\$ 73,471, were registered in consolidated financial statements in the Non-Controlling Shareholders Interest liabilities.

13.5 – Interest on Shareholders' Equity and Dividend:

| | Consolidated | | | | | |
|---------------------|-------------------|----------------------|------------------------|----------------------|-------------------|----------------------|
| | Dividend | | Interest on net equity | | Total | |
| | March 31, 2008 | December 31, 2007 | March 31, 2008 | December 31, 2007 | March 31, 2008 | December 31, 2007 |
| Subsidiaries | | | | | | |
| CPFL Paulista | 405,108 | 405,108 | 13,447 | 13,447 | 418,555 | 418,555 |
| CPFL Piratininga | 151,397 | 151,397 | 6,124 | 6,124 | 157,521 | 157,521 |
| RGE | 44,322 | 44,322 | 49,350 | 49,350 | 93,672 | 93,672 |
| CPFL Santa Cruz | 32,541 | 32,541 | 4,670 | 4,670 | 37,211 | 37,211 |
| CPFL Geração | 72,623 | 145,623 | 29,605 | 29,605 | 102,228 | 175,228 |
| CPFL Brasil | 108,678 | 108,678 | - | - | 108,678 | 108,678 |
| Perácio | 17,498 | 17,498 | - | - | 17,498 | 17,498 |
| Total | 832,167 | 905,167 | 103,196 | 103,196 | 935,363 | 1,008,363 |

(14) PROPERTY, PLANT AND EQUIPMENT

| | Consolidated | | | |
|---|-------------------|-----------------------------|------------------|----------------------|
| | March 31, 2008 | | | December 31, 2007 |
| | Historical Cost | Accumulated Depreciation | Net Value | Net Value |
| In Service | | | | |
| - Distribution | 7,684,301 | (3,914,050) | 3,770,251 | 3,719,784 |
| - Generation | 1,780,307 | (164,192) | 1,616,115 | 1,345,418 |
| - Commercialization | 209,524 | (81,100) | 128,424 | 128,665 |
| - Administration | 236,606 | (153,979) | 82,627 | 82,015 |
| | 9,910,738 | (4,313,321) | 5,597,417 | 5,275,882 |
| In Progress | | | | |
| - Distribution | 297,442 | - | 297,442 | 284,420 |
| - Generation | 612,822 | - | 612,822 | 802,857 |
| - Commercialization | 10,897 | - | 10,897 | 13,966 |
| - Administration | 29,158 | - | 29,158 | 36,078 |
| | 950,319 | - | 950,319 | 1,137,321 |
| Subtotal | 10,861,057 | (4,313,321) | 6,547,736 | 6,413,203 |
| Other assets not linked to the concession | 1,553,786 | (861,395) | 692,391 | 701,940 |
| Total of Property, Plant and Equipment | 12,414,843 | (5,174,716) | 7,240,127 | 7,115,143 |
| Special obligations linked to the concession | | | (943,140) | (919,097) |
| Net Property, Plant and Equipment | | | 6,296,987 | 6,196,046 |

The average depreciation rate of the assets is approximately 5.0% p.a. for the distributors and 2.6% p.a. for the generators.

(15) INTEREST, LOANS AND FINANCING

| | Consolidated | | | | | | | |
|--------------------------------|---|-----------|-------------|-------------------|--|-----------|-------------|-----------|
| | March 31, 2008 | | | December 31, 2007 | | | | |
| | Interest Current and Non current | Principal | | Total | Interest Current and Non current | Principal | | Total |
| | | Current | Non current | | | Current | Non current | |
| LOCAL CURRENCY | | | | | | | | |
| BNDES - Power Increases | 135 | 8,704 | 28,302 | 37,141 | 124 | 7,057 | 26,521 | 33,702 |
| BNDES - Investment | 11,113 | 233,343 | 1,595,294 | 1,839,750 | 6,164 | 237,672 | 1,637,143 | 1,880,979 |
| BNDES - Regulatory asset | 268 | 58,360 | - | 58,628 | 663 | 142,216 | - | 142,879 |
| BNDES - Purchase of assets | 16 | - | 869 | 885 | 16 | - | 869 | 885 |
| Furnas Centrais Elétricas S.A. | - | 69,499 | 100,221 | 169,720 | - | 47,519 | 111,665 | 159,184 |
| Financial Institutions | 1,343 | 82,615 | 142,356 | 226,314 | 45,418 | 233,752 | 143,032 | 422,202 |
| Other | 487 | 30,080 | 36,495 | 67,062 | 607 | 28,913 | 26,416 | 55,936 |
| Subtotal | 13,362 | 482,601 | 1,903,537 | 2,399,500 | 52,992 | 697,129 | 1,945,646 | 2,695,767 |
| FOREIGN CURRENCY | | | | | | | | |
| IDB | 452 | 3,138 | 57,349 | 60,939 | 669 | 3,133 | 59,394 | 63,196 |
| Financial institutions | 11,173 | 153,262 | 1,049,807 | 1,214,242 | 31,531 | 162,443 | 860,064 | 1,054,038 |
| Subtotal | 11,625 | 156,400 | 1,107,156 | 1,275,181 | 32,200 | 165,576 | 919,458 | 1,117,234 |
| Total | 24,987 | 639,001 | 3,010,693 | 3,674,681 | 85,192 | 862,705 | 2,865,104 | 3,813,001 |

| LOCAL CURRENCY | Consolidated | | Remuneration | Amortization | Collateral |
|--|-------------------|----------------------|---|--|---|
| | March 31, 2008 | December 31, 2007 | | | |
| BNDES - Power Increases (PCH's) | | | | | |
| CPFL Geração | 4,422 | 5,022 | TJLP + 3.5% p.a. | 84 monthly installments from February 2003 | Guarantee of CPFL Paulista |
| CPFL Geração | 32,185 | 28,080 | TJLP + 3.1% a 4.3% p.a. | Monthly installments from September 2004 | Guarantee of CPFL Energia |
| CPFL Geração | 217 | 248 | UMBND + 3.5% p.a. | 84 monthly installments from February 2003 | Guarantee of CPFL Paulista |
| CPFL Geração | 317 | 352 | UMBND + 4% p.a. | 72 monthly installments from September 2004 | Guarantee of CPFL Energia |
| BNDES - Investment | | | | | |
| CPFL Paulista - FINEM I | - | 1,700 | TJLP + 3.25% p.a. | 78 monthly installments from October 2000 and October 2001 | Revenue |
| CPFL Paulista - FINEM II | 174,419 | 190,161 | TJLP + 5.4% p.a. | 48 monthly installments from January 2007 | Guarantee of CPFL Energia and receivables |
| CPFL Paulista - FINEM III | 120,413 | 125,574 | TJLP + 3.3% p.a. | 72 monthly installments from January 2008 | Guarantee of CPFL Energia and receivables |
| RGE - FINEM I | 124,394 | 136,740 | TJLP + 3.5% to 5.0% p.a. | monthly installments from October 2000 to December 2012 | Revenue collection/Promissory Notes/Reserve Account |
| RGE - FINEM II | 3,104 | 4,062 | UMBND + 4.5% p.a (1) | 36 monthly installments from February 2006 | Revenue collection/reserve account |
| CPFL Piratininga - FINEM I | 64,946 | 70,808 | TJLP + 5.4%p.a. | 48 monthly installments from January 2007 | Guarantee of CPFL Energia and receivables |
| CPFL Piratininga - FINEM II | 84,323 | 87,937 | TJLP + 3.3% p.a. | 72 monthly installments from January 2008 | Guarantee of CPFL Energia and receivables |
| BAESA | 162,939 | 166,751 | TJLP + 3.125%p.a. | 144 monthly installments from September 2006 | Letters of Credit |
| BAESA | 33,305 | 34,725 | UMBND + 3.125% p.a. (1) | 144 monthly installments from November 2006 | Letters of Credit |
| ENERCAN | 364,030 | 372,079 | TJLP + 4% p.a. | 144 monthly installments from April 2007 | Letters of Credit |
| ENERCAN | 21,881 | 22,688 | UMBND + 4% p.a. | 144 monthly installments from April 2007 | Letters of Credit |
| CERAN | 281,380 | 277,903 | TJLP + 5% p.a. | 168 monthly installments from December 2005 | Guarantee of CPFL Energia |
| CERAN | 40,957 | 40,703 | UMBND + 5% p.a. (2) | 168 monthly installments from February 2006 | Guarantee of CPFL Energia |
| CERAN | 113,287 | 104,116 | TJLP + 3.69% p.a. (average of percentage) | 168 monthly installments from November 2008 | Guarantee of CPFL Energia |
| Foz do Chapecó | 250,372 | 245,032 | TJLP + 2.49% to 2.95% p.a. | 192 monthly installments from October 2011 | Pledge of shares, credit rights and revenue |
| BNDES - Regulatory asset | | | | | |
| CPFL Paulista - Parcel "A" | 56,819 | 139,760 | Selic + 1.0 % p.a. | 13 monthly installments from May 2007 | Receivables |
| RGE - Free Energy | - | 494 | Selic + 1.0 % p.a. | 60 monthly installments from March 2003 | Revenue |
| CPFL Sul Paulista - RTE | 1,809 | 2,267 | Selic + 1.0 % p.a. | 79 monthly installments from March 2002 | Receivables |
| CPFL Geração - Free Energy | - | 358 | Selic + 1.0 % p.a. | 60 monthly installments from March 2003 | Guarantee of CPFL Paulista |
| BNDES - Purchase of assets | | | | | |
| CPFL Brasil | 885 | 885 | TJLP + 2.84% p.a. | 36 monthly installments from May 2009 | Linked to the asset |
| Furnas Centrais Elétricas S.A. | | | | | |
| CPFL Geração | 169,720 | 159,184 | IGP-M + 10% p.a. | 24 monthly installments from June 2008 | Energy produced by plant |
| Financial Institutions | | | | | |
| Parent company | | | | | |
| Banco Unibanco | 76,425 | - | Pre fixed rate 12.55% p.a. (5) | 1 installment in June 2008 | No guarantee |
| CPFL Paulista | | | | | |
| Banco do Brasil - Law 8727 | 49,268 | 49,675 | IGPM variation + 7.42% p.a. | 240 monthly installments from May 1994 | Receivables |
| RGE | | | | | |
| Banco Itaú BBA | 100,621 | 103,425 | 106% of CDI | 1 installment in March 2011 | No guarantee |
| Banco Santander II | - | 57,690 | 104.5% of CDI | 1 installment in January 2008 | No guarantee |
| Banco ABN AMRO Real | - | 84,419 | 107.5% of CDI (3) | 2 installments in January and 1 installment in February 2008 | No guarantee |
| Banco do Brasil | - | 38,481 | 105% of CDI | 1 installment in January 2008 | No guarantee |
| Foz do Chapecó | | | | | |
| Banco Bradesco | - | 88,512 | 104.6%, 106.8% and 107.6% of CDI | 1 installment in January 2008 | No guarantee |
| Other | | | | | |
| Eletrobrás | | | | | |
| CPFL Paulista | 10,542 | 11,369 | RGR + rate variable of 6% to 9% p.a. | Monthly installments until July 2016 | Receivables/Promissory notes |
| CPFL Piratininga | 2,270 | 2,444 | 5% p.a. | Various | Receivables/Promissory notes |
| RGE | 5,084 | 5,183 | RGR + 6% | 120 monthly installments from August 2006 | Revenue/Promissory notes |
| CPFL Santa Cruz | 6,501 | 6,764 | 5% p.a. | 100 to 120 monthly installments from December 2002 | Revenue |

| LOCAL CURRENCY | Consolidated | | Remuneration | Amortization | Collateral |
|--|-------------------|----------------------|-------------------------------------|--|---|
| | March 31, 2008 | December 31, 2007 | | | |
| CPFL Sul Paulista | 1,229 | 1,250 | 5% to 9% p.a. | 120 monthly installments from August 2007 | Revenue |
| CPFL Jaguarí | 1,842 | 1,892 | 5% to 9% p.a. | 120 monthly installments from June 2007 | Revenue |
| CPFL Mococa | 38 | 39 | 5% to 9% p.a. | 120 monthly installments from January 2008 | Revenue |
| Outros | 347 | 356 | | | |
| Total Local Currency | 2,360,291 | 2,669,128 | | | |
| Foreign currency | | | | | |
| Financial Institutions | | | | | |
| Parent Company | | | | | |
| Banco Safra | - | 183,756 | Yen + 1.5% p.a. (6) | 1 installment in April 2008 | No guarantee |
| CPFL Paulista | | | | | |
| New Money Bond | 9,642 | 9,610 | US\$ + 6-month Libor + 0.875% p.a. | 17 semiannual installments from April 2001 | Revenue/Government SP guaranteed |
| FLIRB | 848 | 845 | US\$ + 6-month Libor + 0.8125% p.a. | 13 semiannual installments from April 2003 | Revenue/Government SP guaranteed |
| C-Bond | 860 | 857 | US\$ + 8% p.a. | 21 semiannual installments from April 2004 | Revenue/Government SP guaranteed |
| Discount Bond | 12,525 | 12,434 | US\$ + 6-month Libor + 0.8125% p.a. | 1 installment in April 2024 | Escrow deposits and revenue/ Gov.SP guarantee |
| PAR-Bond | 15,700 | 15,650 | US\$ + 6% p.a. | 1 installment in April 2024 | Escrow deposits and revenue/ Gov.SP guarantee |
| Banco do Brasil | 22,470 | 22,412 | Yen + 5.7778% p.a. (4) | 1 installment in January 2011 | No guarantee |
| ABN AMRO | 86,087 | 83,139 | Yen + 1.4824% p.a. (7) | 1 installment in August 2009 | No guarantee |
| Total Foreign Currency - Parent company | - | 183,756 | | | |
| Total Foreign Currency | 452,520 | 664,585 | | | |
| Total | 2,812,811 | 3,333,713 | | | |

The Company and its subsidiaries hold swap converting the local cost of currency variation to interest tax variation in reais, corresponding to

| | | |
|-------------------------------|-------------------|-------------------------------|
| (1) 100% of CDI | (5) 115.5% of CDI | (9) 104.2% to 104.5% of CDI |
| (2) 100.00% and 152.9% of CDI | (6) 112% of CDI | (10) 104.5% and 107.6% of CDI |
| (3) 107.5% of CDI | (7) 102.9% of CDI | (11) 96.2% to 97.15% of CDI |
| (4) 103.5% and 105.5% of CDI | (8) 106.0% of CDI | (12) 104.5% of CDI |

Main funding in the period:

Local Currency

BNDES - Investment (CERAN) – In the quarter, installments of the loan contracted in February 2004 from the BNDES, amounting to R\$ 9,342 (R\$ 6,072 in proportion to the participation of the subsidiary CPFL Geração), were released to the indirect subsidiary for financing of the 14 de Julho project.

Foreign Currency

Financial Institutions – (CPFL Piratininga) – the subsidiary contracted a foreign currency loan of R\$ 42,428 from Banco BNP Paribás in March 2008, in order to reinforce working capital.

Financial Institutions – (CPFL Energia) – In the quarter, the Company contracted foreign currency loans of R\$ 100,000 from Banco Safra, and R\$ 76,000 from Banco Unibanco, to increase working capital.

Financial Institutions - (CPFL Geração) – In order to honor existing commitments, during the quarter the subsidiary carried out a transaction to repay existing loans of R\$ 230,617 from Banco do Brasil and contracted a new credit line of R\$ 406,760 from the same financial institution, significantly extending the due dates.

SWAP OPERATIONS

The net gains and losses on the swap operations made by the Company and its subsidiaries, including contracting on short-term operations, are recorded, net, under Derivatives, and corresponding amounts are recognized under financial income or expense. These operations resulted, in March 31, 2008, in an asset of R\$ 67,392 and a liability of R\$ 45,151 (asset of R\$ 995 and a liability of R\$ 176,739 as of December 31, 2007).

RESTRICTIVE COVENANTS

The loan and financing agreements are subject to certain restrictive covenants, including clauses that require the Company and its subsidiaries to maintain certain financial ratios within predefined parameters. Details of these restrictive covenants are presented in the financial statements as of December 31, 2007.

ENERCAN's loan from the BNDES and IDB establishes restrictive clauses that require the subsidiary to maintain certain financial ratios within preestablished parameters. As a result of the damage that occurred in the bypass tunnels of the Campos Novos hydropower plant, which caused the postponement of the start of the commercial operations of the three generator sets, generation of the cash required to meet certain contractual obligations by the deadline originally foreseen was delayed. ENERCAN's management has already asked the respective financial institutions to review the contractual parameters, and has obtained confirmation that this review will not involve declaration of early maturity of the loan contract.

The management of the Company, except for the mentioned above, monitor these indices systematically and constantly to ensure that the contractual conditions are complied with. In the opinion of the Company's management, these restrictive covenants and clauses are being adequately complied with.

(16) DEBENTURES

| | | | | | Consolidated | | | | | | | |
|-------------------------|--------|------------------------------|---|---|----------------|----------------|------------------|------------------|-------------------|----------------|------------------|------------------|
| | | | | | Balances as of | | | | | | | |
| | | | | | March 31, 2008 | | | | December 31, 2007 | | | |
| | Issued | Remuneration | Amortization Conditions | Collateral | Interest | Current | Non current | Total | Interest | Current | Non current | Total |
| Parent Company | | | | | | | | | | | | |
| 3rd issue | | | | | | | | | | | | |
| Unique series | 45,000 | CDI + 0.45% p.a. (1) | 3 annual installments from September 2012 | Unsecured | 3,737 | - | 450,000 | 453,737 | 15,983 | - | 450,000 | 465,983 |
| CPFL Paulista | | | | | | | | | | | | |
| 2nd issue | | | | | | | | | | | | |
| 1st serie | 11,968 | 109% of the CDI IGP-M + 9.8% | July 1, 2009. | Unsecured | 3,310 | - | 119,680 | 122,990 | 7,109 | - | 119,680 | 126,789 |
| 2nd serie | 13,032 | p.a. | July 1, 2009. | Unsecured | 11,358 | - | 158,990 | 170,348 | 7,368 | - | 155,217 | 162,585 |
| 3rd issue | | | | | - | - | - | - | - | - | - | - |
| 1st serie | 64,000 | 104.4% of CDI | 3 annual installments from December 2011 | Guarantee of CPFL Energia | 22,701 | - | 640,000 | 662,701 | 5,328 | - | 640,000 | 645,328 |
| | | | | | 37,369 | - | 918,670 | 956,039 | 19,805 | - | 914,897 | 934,702 |
| CPFL Piratininga | | | | | | | | | | | | |
| 1st issue | | | | | | | | | | | | |
| Unique serie | 40,000 | 104% of the CDI | 2 annual installments from January 2010 | Guarantee of CPFL Energia | 10,548 | - | 400,000 | 410,548 | 22,641 | - | 400,000 | 422,641 |
| RGE | | | | | | | | | | | | |
| 2nd issue | | | | | | | | | | | | |
| 1st serie | 2,620 | IGP-M + 9.6% p.a. | 1 installment in April 1, 2011 | Unsecured | 5,072 | - | 26,200 | 31,272 | 3,660 | - | 26,200 | 29,860 |
| 2nd serie | 20,380 | 106.0% of CDI | 1 installment in April 1, 2009 | Unsecured | 11,309 | - | 203,800 | 215,109 | 5,584 | - | 203,800 | 209,384 |
| 3rd issue | | | | | | | | | | | | |
| 1st serie | 1 | CDI + 0.60% p.a. (2) | 3 annual installments from December 2011 | CPFL Energia guarantee | 3,637 | - | 100,000 | 103,637 | 888 | - | 100,000 | 100,888 |
| 2nd serie | 1 | CDI + 0.60% p.a. (3) | 3 annual installments from December 2013 | CPFL Energia guarantee | 3,816 | - | 140,000 | 143,816 | - | - | - | - |
| 3rd serie | 1 | CDI + 0.60% p.a. (4) | 3 annual installments from December 2013 | CPFL Energia guarantee | 676 | - | 40,000 | 40,676 | - | - | - | - |
| | | | | | 24,510 | - | 510,000 | 534,510 | 10,132 | - | 330,000 | 340,132 |
| CPFL Geração | | | | | | | | | | | | |
| 2nd Issue | | | | | | | | | | | | |
| | 69,189 | TJLP + 4 to 5% p.a. | Semiannual with settlement in June 2009 | Guarantee of CPFL Energia, Receivables and CPFL Geração common nominal shares | 7,404 | 150,505 | 80,806 | 238,715 | 1,720 | 150,416 | 80,758 | 232,894 |
| Baesa | | | | | | | | | | | | |
| 1st serie | 9,000 | 100% of the CDI+ 0.3% p.a. | Quarterly with settlement in August 2016 | Letters of Guarantee | 1,506 | 3,164 | 23,732 | 28,402 | 1,008 | 3,164 | 25,560 | 29,732 |
| 2nd serie | 9,000 | 100% of the CDI+ 0.4% p.a. | Annually with settlement in August 2016. | Letters of Guarantee | - | - | 9,331 | 9,331 | 235 | 1,037 | 7,257 | 8,529 |
| | | | | | 1,506 | 3,164 | 33,063 | 37,733 | 1,243 | 4,201 | 32,817 | 38,261 |
| | | | | | 85,074 | 153,669 | 2,392,539 | 2,631,282 | 71,524 | 154,617 | 2,208,472 | 2,434,613 |

RGE

On December 1, 2007, the subsidiary RGE issued a third issuance of simple unsecured registered book-entry debentures, without share certificates, not convertible into shares, with no scheduled renegotiation option. The 1st serie, totaling R\$ 100,000, was subscribed and paid up in December 2007. The 2nd and 3rd series, totaling R\$ 140,000 and R\$ 40,000, respectively, were subscribed and paid up in the quarter.

RESTRICTIVE COVENANTS

The debentures are subject to certain restrictive covenants, including clauses that require the subsidiaries to maintain certain financial ratios within pre-established parameters. Details of these restrictive covenants are presented in the financial statements as of December 31, 2007. In the opinion of the subsidiary's Management, these restrictive covenants and clauses are being adequately complied with.

(17) SUPPLIERS

| | Consolidated | |
|-----------------------------------|-------------------|----------------------|
| | March 31, 2008 | December 31, 2007 |
| Current | | |
| System service charges | 8,217 | 6,126 |
| Energy purchased (a) | 673,019 | 572,498 |
| Electricity network usage charges | 94,470 | 94,931 |
| Materials and services | 87,787 | 148,174 |
| Co-generators | 626 | 5,559 |
| Regulatory liability (note 3) | 29,867 | 35,609 |
| Other | 18,456 | 5,057 |
| Total | 912,442 | 867,954 |
| Non-Current | | |
| Regulatory liability (note 3) | - | 223 |

(a) As of March 31, 2008 the Company recorded a provision of R\$ 71,879 which refers to the CCEE reassessment applied for, as mentioned in note 3.b.2.

(18) TAXES AND SOCIAL CONTRIBUTIONS PAYABLE

| | Consolidated | | | |
|--------------------------------|-------------------|----------------------|------------------|----------------------|
| | Current | | Non current | |
| | March 31, 2008 | December 31, 2007 | March 31,2008 | December 31, 2007 |
| ICMS (State VAT) | 297,670 | 294,760 | - | - |
| PIS (Tax on revenue) | 12,805 | 11,668 | - | - |
| COFINS (Tax on revenue) | 54,625 | 52,910 | 2,034 | 249 |
| IRPJ (Corporate income tax) | 107,830 | 186,480 | 9,250 | 12,140 |
| CSLL (Social contribution tax) | 31,372 | 39,846 | 3,109 | 4,140 |
| Other | 22,759 | 18,429 | - | - |
| Total | 527,061 | 604,093 | 14,393 | 16,529 |

(19) EMPLOYEE PENSION PLANS

The subsidiaries CPFL Paulista, CPFL Piratininga and CPFL Geração, through Fundação CESP, the subsidiary RGE, through Fundação CEEE de Seguridade Social - ELETROCEEE, the indirect subsidiary CPFL Santa Cruz, through BB Previdência – Fundo de Pensão Banco do Brasil, and the subsidiary CPFL Jaguariuna through IHPREV Fundo de Pensão, sponsor supplementary retirement and pension plans for their employees. The main characteristics of these plans are as follows:

I – CPFL Paulista

A Proportional Supplementary Defined Benefit (“BSPS”) and a Mixed Benefit Plan are currently in effect for the employees of the subsidiary CPFL Paulista.

On modification of the Pension Plan in September 1997, the subsidiary recognized an obligation to pay in respect of the plan deficit determined at the time by the external actuaries of the Fundação CESP. This deficit will be liquidated in 260 installments, amortized monthly, plus interest of 6% p.a. and restatement based on the IGP-DI (FGV). Through the addendum to the agreement with Fundação CESP dated January 17, 2008, the payment terms were changed to 238 monthly payments and 19 annual installments, in relation to the base date of December 31, 2007, with final maturity on October 31, 2027. The balance of the liability as of March 31, 2008 is R\$ 568,143 (R\$ 560,190 as of December 31, 2007).

II – CPFL Piratininga

As a result of the split-off of Bandeirante Energia S.A. (the subsidiary’s predecessor), the subsidiary CPFL Piratininga assumed the responsibility for the actuarial liabilities for its retired and discharged employees up to the date of the split-off, as well as the responsibilities relating to the active employees transferred to CPFL Piratininga.

A Proportional Supplementary Defined Benefit (“BSPS”) and a Mixed Benefit Plan are currently in effect for the employees of CPFL Piratininga.

In September 1997, through a contractual instrument of adjustment of reserves to be amortized, Eletropaulo Metropolitana El São Paulo S.A. (the predecessor of Bandeirante) recognized an obligation to pay in respect of the plan deficit determined at the time by the external actuaries of the Fundação CESP, to be liquidated in 260 installments, amortized on a monthly basis, plus interest of 6% p.a. and restatement based on the IGP-DI (FGV). Under the Contractual Amendment, signed with Fundação CESP on January 17, 2008, the payment terms were amended to 221 monthly payments and 18 annual installments, in relation to the base date of December 31, 2007, with final maturity on May 31, 2026. The balance of the liability as of March 31, 2008 is R\$ 147,710 (R\$ 145,813 as of December 31, 2007).

III – RGE

A defined benefit type plan, with a benefit level equal to 100% of the adjusted average of the most recent salaries, including the presumed Social Security benefit, with a Segregated Net Asset administered by ELETROCEEE. Only those employed prior to the spin-off from CEEE to RGE are entitled to this benefit.

IV – CPFL Santa Cruz

The subsidiary CPFL Santa Cruz plan has a defined benefit plan.

V – CPFL Geração

The plans currently in force for the employees of subsidiary CPFL Geração are a Proportional Supplementary Defined Benefit (“BSPS”) and a Mixed Benefit Plan, along the same lines as the CPFL Paulista plan.

With the modification of the Retirement Plan, at that point maintained by CPFL Paulista, in October 1997, a liability was recognized as payable by the subsidiary CPFL Geração, relating to the plan deficit calculated by the external actuaries of Fundação CESP, which is being amortized on a monthly basis, in

260 installments, plus interest of 6% p.a. and restatement according to the IGP-DI (FGV). Under the Contractual Amendment, signed with Fundação CESP on January 17, 2008, the payment terms were amended to 238 monthly installments and 19 annual installments, in relation to the base date of December 31, 2007, with final maturity on October 31, 2027. As of March 31, 2008, the balance of the liability, which is restated annually in line with the evolution of the actuarial deficit calculated in accordance with the criteria of the Supplementary Pensions Department, was R\$ 11,480 (R\$ 11,318 as of December 31, 2007).

VI – CPFL Jaguariúna

The plan is structured through the defined contribution type.

The changes in net actuarial liability recorded during this quarter, in line with CVM Resolution nº 371/2000, are as follows:

| | March 31, 2008 | | | | |
|---|----------------|------------------|----------------|--------------|----------------|
| | CPFL Paulista | CPFL Piratininga | RGE | CPFL Geração | Consolidated |
| Net actuarial liability at the beginning of the quarter | 533,948 | 144,136 | (3,520) | 9,655 | 684,219 |
| Income recognized in income statement | (16,580) | (3,091) | (921) | (447) | (21,039) |
| Sponsor's contributions during the period | (16,684) | (4,605) | - | (353) | (21,642) |
| Net actuarial liability at the end of the period | 500,684 | 136,440 | (4,441) | 8,855 | 641,538 |
| Other contributions | 12,010 | 236 | 13,298 | 160 | 25,704 |
| TOTAL | 512,694 | 136,676 | 8,857 | 9,015 | 667,242 |
| Current | 40,995 | 13,274 | 711 | 1,104 | 56,084 |
| Non current | 471,699 | 123,402 | 8,146 | 7,911 | 611,158 |
| | 512,694 | 136,676 | 8,857 | 9,015 | 667,242 |

The (revenues) expenses recognized are as follows:

| | 1st quarter 2008 | | | | |
|--|------------------|------------------|----------------|--------------|-----------------|
| | CPFL Paulista | CPFL Piratininga | RGE | CPFL Geração | Consolidated |
| Cost of service | 271 | 1,143 | 308 | 27 | 1,749 |
| Interest on actuarial liabilities | 67,046 | 16,618 | 4,003 | 1,426 | 89,093 |
| Expected return on assets | (83,889) | (20,505) | (5,843) | (1,865) | (112,102) |
| Unrecognized cost of past service | - | 3 | - | - | 3 |
| Unrecognized actuarial gains amortization | - | - | (310) | - | (310) |
| Subtotal | (16,572) | (2,741) | (1,842) | (412) | (21,567) |
| Expected contributions from participants | (8) | (350) | - | (35) | (393) |
| Subtotal | (16,580) | (3,091) | (1,842) | (447) | (21,960) |
| Decrease of 50% on prepaid pension expense (*) | - | - | 921 | - | 921 |
| Total | (16,580) | (3,091) | (921) | (447) | (21,039) |

| | 1st quarter 2007 | | | | |
|---|------------------|------------------|----------------|--------------|-----------------|
| | CPFL Paulista | CPFL Piratininga | RGE | CPFL Geração | Consolidated |
| Cost of service | 262 | 1,022 | 225 | 22 | 1,531 |
| Interest on actuarial liabilities | 64,878 | 16,272 | 2,831 | 1,363 | 85,344 |
| Expected return on assets | (74,137) | (18,425) | (3,834) | (1,614) | (98,010) |
| Unrecognized cost of past service | - | 3 | - | - | 3 |
| Unrecognized actuarial gains amortization | - | - | (965) | - | (965) |
| Subtotal | (8,997) | (1,128) | (1,743) | (229) | (12,097) |
| Expected contributions from participants | (9) | (477) | - | - | (486) |
| Total | (9,006) | (1,605) | (1,743) | (229) | (12,583) |

(*) As the sponsor, RGE matches the participants' contributions to this plan, only 50% was recorded.

The expenses (revenues) were recorded in the following accounts in the statement of operations:

| 1st Quarter 2008 | | | | | |
|------------------|------------------|-------------------|--------------|-----------------|-----------------|
| | CPFL Paulista | CPFL Piratinga | RGE | CPFL Geração | Consolidated |
| Operating cost | (16,580) | (3,091) | (921) | (447) | (21,039) |
| Total | (16,580) | (3,091) | (921) | (447) | (21,039) |

| 1st Quarter 2007 | | | | | |
|--------------------|------------------|-------------------|----------------|-----------------|-----------------|
| | CPFL Paulista | CPFL Piratinga | RGE | CPFL Geração | Consolidated |
| Operating cost | (9,006) | (1,605) | (1,743) | 13 | (12,341) |
| Operating expenses | - | - | - | (242) | (242) |
| Total | (9,006) | (1,605) | (1,743) | (229) | (12,583) |

(20) REGULATORY CHARGES

| Consolidated | | |
|------------------------------------|------------------|----------------------|
| | March 31,2008 | December 31, 2007 |
| Fee for the use of water resources | 1,722 | 2,327 |
| Global reverse fund - RGR | 7,642 | 5,741 |
| ANEEL inspection fee | 1,776 | 1,873 |
| Fuel consumption account - CCC | 29,612 | 27,195 |
| Energy development account - CDE | 32,702 | 31,560 |
| Total | 73,454 | 68,696 |

(21) RESERVE FOR CONTINGENCIES

| Consolidated | | | | | | | | |
|---|-----------------------------------|--|--------------------------------|------------------------------|-----------------------------------|--|--------------------------------|------------------------------|
| March 31, 2008 | | | | | December 31, 2007 | | | |
| | Reserve for contingencies - Gross | Escrow Deposits related to Contingencies (1) | Reserve for Contingencies, net | Other deposits, Judicial (2) | Reserve for contingencies - Gross | Escrow Deposits related to Contingencies (1) | Reserve for Contingencies, net | Other deposits, Judicial (2) |
| Labor | | | | | | | | |
| Various | 64,288 | 49,864 | 14,424 | 40,432 | 66,610 | 51,443 | 15,167 | 35,184 |
| Civil | | | | | | | | |
| General damages | 16,024 | 14,209 | 1,815 | 25,201 | 14,716 | 12,670 | 2,046 | 20,509 |
| Tariff increase | 12,862 | 3,423 | 9,439 | 7,780 | 15,872 | 4,068 | 11,804 | 5,998 |
| Energy purchased | 40,808 | 28,167 | 12,641 | - | 40,809 | 28,168 | 12,641 | - |
| Other | 8,070 | 6,743 | 1,327 | 11,728 | 9,792 | 8,610 | 1,182 | 14,308 |
| | <u>77,764</u> | <u>52,542</u> | <u>25,222</u> | <u>44,709</u> | <u>81,189</u> | <u>53,516</u> | <u>27,673</u> | <u>40,815</u> |
| Tax | | | | | | | | |
| FINSOCIAL | 18,211 | 18,211 | - | 33,677 | 18,171 | 18,171 | - | 33,603 |
| Increase on basis - PIS and COFINS | 2,651 | - | 2,651 | - | 2,592 | - | 2,592 | 301 |
| Interest on shareholders' equity - PIS and COFINS | 47,888 | - | 47,888 | 301 | 46,811 | - | 46,811 | - |
| Income tax | 54,409 | 33,163 | 21,246 | 384,987 | 52,400 | 32,323 | 20,077 | 375,267 |
| Other | 8,321 | 3,525 | 4,796 | 12,997 | 8,280 | 3,423 | 4,857 | 12,874 |
| | <u>131,480</u> | <u>54,899</u> | <u>76,581</u> | <u>431,962</u> | <u>128,254</u> | <u>53,917</u> | <u>74,337</u> | <u>422,045</u> |
| Total | 273,532 | 157,305 | 116,227 | 517,103 | 276,053 | 158,876 | 117,177 | 498,044 |

The changes in the balances in the quarter ended March 31, 2008, are as follows:

| | Consolidated | | | | | |
|--|------------------------------|-----------------|-----------------|----------------|---------------------------------|---------------------------|
| | December 31, 2007 | Addition | Reversal | Payment | Monetary Restatement | March 31, 2008 |
| Labor | 66,610 | 232 | (1,092) | (1,462) | - | 64,288 |
| Civil | 81,189 | 2,410 | (2,211) | (3,624) | - | 77,764 |
| Tax | 128,254 | 3,445 | (1,653) | (51) | 1,485 | 131,480 |
| Reserve for contingencies - Gross | 276,053 | 6,087 | (4,956) | (5,137) | 1,485 | 273,532 |
| Escrow Deposits (1) + (2) | 656,920 | 22,714 | (11,442) | (4,616) | 10,832 | 674,408 |

The reserves for contingencies were based on appraisal of the risks of losing litigation to which the Company and its subsidiaries are parties, where a loss is probable in the opinion of the legal advisers and the management of the Company and its subsidiaries. Details of the reserves for contingencies are presented on the financial statements as of December 31, 2007.

Possible Losses: The Company and its subsidiaries are parties to other suits in which management, supported by its legal advisers, believes that the chances of a successful outcome are possible, due to a solid defensive base in these cases. These questions do not yet indicate a trend in the decisions of the courts or any other decision in similar proceedings considered probable or remote, and therefore no provision has been established for these. As of March 31, 2008, the claims relating to possible losses were as follows: (i) R\$ 210,357 for labor suits (R\$ 211,432 as of December 31, 2007); (ii) R\$ 396,882 for civil suits, mainly for civil suits for personal injuries, environmental damages and tariff increases (R\$ 398,739 as of December 31, 2007); and (iii) R\$ 475,372 in respect of tax suits, relating basically to Income Tax, ICMS, FINSOCIAL and PIS and COFINS (R\$ 466,769 as of December 31, 2007).

Based on the opinion of their legal advisers, Management of the Company and of its subsidiaries consider that there are no significant contingent risks that are not covered by adequate provisions in the Interim Financial Statements, or that might result in the significant impact on future earnings.

(22) OTHER ACCOUNTS PAYABLE

| | Consolidated | | | |
|---|------------------|----------------------|------------------|----------------------|
| | Current | | Non Current | |
| | March 31,2008 | December 31, 2007 | March 31,2008 | December 31, 2007 |
| Consumers and concessionaires | 53,094 | 55,724 | - | - |
| Liability regulatory (note 3) | 169,934 | 150,360 | 23,531 | 137 |
| Energy Efficiency Program - PEE | 39,393 | 45,241 | 68,209 | 59,853 |
| Research & Development - P&D | 31,880 | 34,280 | 46,547 | 44,535 |
| National Scientific and Technological Development | | | | |
| Fund - FNDCT | 25,492 | 24,220 | 1,902 | 3,257 |
| Energy Research Company – EPE | 12,676 | 12,264 | 637 | 1,113 |
| Fund for reversal | - | - | 17,751 | 17,751 |
| Advances | 12,623 | 11,475 | 82,597 | 82,597 |
| Interest on compulsory loan | 3,678 | 3,954 | - | - |
| Emergency charges (ECE/EAAE) | 5,033 | 4,466 | - | - |
| Provision for environmental expenses | 9,529 | 778 | 543 | 3,684 |
| Payroll | 6,842 | 9,617 | - | - |
| Profit sharing | 24,809 | 23,893 | - | - |
| Other | 43,573 | 51,451 | 6,454 | 6,565 |
| Total | 438,556 | 427,723 | 248,171 | 219,492 |

(23) SHAREHOLDERS' EQUITY

The participations of the shareholders in the Company's equity as of March 31, 2008 and December 31, 2007 are distributed as follows:

| | Total Shares | | | |
|----------------------------|--------------------|---------------|--------------------|---------------|
| | March 31, 2008 | | December 31, 2007 | |
| | Common Shares | Interest % | Common Shares | Interest % |
| Shareholders | | | | |
| VBC Energia S.A. | 136,329,808 | 28.41 | 136,329,808 | 28.41 |
| 521 Participações S.A. | 149,233,727 | 31.10 | 149,233,727 | 31.10 |
| Bonaire Participações S.A. | 60,713,511 | 12.65 | 60,713,511 | 12.65 |
| BNDES Participações S.A. | 27,465,653 | 5.72 | 27,465,653 | 5.72 |
| Brumado Holdings S.A. | 28,420,052 | 5.92 | 28,420,052 | 5.92 |
| Board Members | 3,112 | - | 3,112 | - |
| Executive Officers | 16,564 | - | 30,964 | 0.01 |
| Other Shareholders | 77,728,511 | 16.20 | 77,714,111 | 16.19 |
| Total | 479,910,938 | 100.00 | 479,910,938 | 100.00 |

Interest on Shareholders' Equity and Dividend

| | Parent Company | |
|---|--------------------------|------------------------------|
| | March 31,2008 | December 31, 2007 |
| Interest on Shareholders' Equity Payable | 444 | 445 |
| Dividend Payable | | |
| VBC Energia S.A. | 204,217 | 204,217 |
| 521 Participações S.A. | 223,547 | 223,547 |
| Bonaire Participações S.A. | 90,947 | 90,947 |
| BNDES Participações S.A. | 41,143 | 41,143 |
| Other Shareholders | 170,306 | 170,335 |
| Subtotal | 730,160 | 730,189 |
| Total | 730,604 | 730,634 |

(24) OPERATING REVENUES

| | Consolidated | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Customers (*) | | GWh (*) | | R\$ thousand | |
| | 1st Quarter 2008 | 1st Quarter 2007 | 1st Quarter 2008 | 1st Quarter 2007 | 1st Quarter 2008 | 1st Quarter 2007 |
| Revenue from electric energy operations | | | | | | |
| Consumer class | | | | | | |
| Residential | 5,431,877 | 5,111,038 | 2,887 | 2,687 | 1,192,745 | 1,126,334 |
| Industrial | 87,723 | 82,883 | 3,847 | 3,875 | 1,011,109 | 920,032 |
| Commercial | 485,378 | 463,410 | 1,771 | 1,662 | 648,815 | 623,192 |
| Rural | 240,034 | 248,804 | 629 | 545 | 117,461 | 101,981 |
| Public Administration | 41,028 | 38,581 | 240 | 223 | 84,349 | 79,466 |
| Public Lighting | 4,975 | 3,116 | 334 | 311 | 70,255 | 66,140 |
| Public Services | 6,323 | 5,916 | 410 | 382 | 112,179 | 103,541 |
| Billed | 6,297,338 | 5,953,748 | 10,118 | 9,685 | 3,236,913 | 3,020,686 |
| Own consumption | 727 | 617 | 8 | 7 | - | - |
| Unbilled (Net) | | | | | 14,438 | 29,734 |
| Emergency charges - ECE/EAEE | | | | | 4 | 10 |
| Realization of extraordinary tariff adjustment (note 3 a) | | | | | (913) | (55,915) |
| Realization of free energy (note 3 a) | | | | | (242) | (19,724) |
| Tariff review - Remuneration base (note 3 b.1) | | | | | 728 | 2,010 |
| Realization of tariff review - Remuneration base (note 3 b.1) | | | | | (2,193) | (6,650) |
| Tariff review - Depreciation (note 3 b.1) | | | | | - | 6,310 |
| Realization of tariff review - Depreciation (note 3 b.1) | | | | | (12,199) | - |
| Tariff adjustment -Purchase of electric energy from Itaipu | | | | | - | (12,118) |
| Other financial components | | | | | 3,748 | 17,158 |
| Realization of other financial components | | | | | (13,254) | (464) |
| PIS and COFINS - Generators pass-through (note 3 b.3) | | | | | 258 | (10,491) |
| Realization PIS and COFINS - Generators pass-through (note 3 b.3) | | | | | (491) | 10,020 |
| Discount of tariff adjustment TUSD and irrigation (note 3.b.3) | | | | | 8,274 | 15,171 |
| Realization of discount of tariff adjustment TUSD and irrigation (note 3.b.3) | | | | | (12,241) | (3,792) |
| ELECTRICITY SALES TO FINAL CONSUMERS | 6,298,065 | 5,954,365 | 10,126 | 9,692 | 3,222,830 | 2,991,945 |
| Furnas Centrais Elétricas S.A. | | | 755 | 746 | 80,315 | 73,715 |
| Other concessionaires and licensees | | | 1,127 | 675 | 139,381 | 43,624 |
| Current electric energy | | | 146 | 656 | (4,165) | 14,263 |
| ELECTRICITY SALES TO WHOLESALE | | | 2,028 | 2,077 | 215,531 | 131,602 |
| Revenue due to network usage charge - TUSD | | | | | 191,108 | 198,529 |
| Low income consumer's subsidy (note 3 d) | | | | | 7,057 | (6,120) |
| Other revenue and income | | | | | 45,489 | 25,772 |
| OTHER OPERATING REVENUES | | | | | 243,654 | 218,181 |
| Total | | | | | 3,682,015 | 3,341,728 |

(*) Information not reviewed by the independent auditors.

An application was made and recorded in the quarter for reassessment by the CCEE, which effect in the consolidated statements was a reduction of short term sales of R\$ 43,745 (see note 3 b.2).

(25) COST OF ELECTRIC ENERGY

| | Consolidated | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | GWh (*) | | R\$ thousand | |
| | 1st quarter 2008 | 1st quarter 2007 | 1st quarter 2008 | 1st quarter 2007 |
| Electricity purchased for resale | | | | |
| Energy Purchased in Restricted Framework - ACR | | | | |
| Itaipu Binacional | 2,753 | 2,690 | 229,565 | 254,062 |
| Furnas Centrais Elétricas S.A. | 311 | 288 | 23,448 | 20,782 |
| CESP - Cia Energética de São Paulo | 442 | 128 | 34,128 | 9,244 |
| Cia de Geração de Energia Elétrica do Tietê | 75 | 93 | 6,622 | 7,907 |
| Duke Energy Inter. Ger. Parapanema S.A. | 51 | 323 | 3,667 | 30,836 |
| Tractebel Energia S.A. | 1,780 | 2,154 | 223,543 | 256,529 |
| Petróleo Brasileiro S.A. Petrobrás | 390 | 389 | 44,334 | 44,100 |
| CHESF - Cia Hidro Elétrica do São Francisco | 277 | 150 | 21,517 | 10,096 |
| CEMIG - Cia Energética de Minas Gerais | 183 | 68 | 19,945 | 5,060 |
| TermoRio S.A. | 105 | - | 20,144 | - |
| Enguia Gen | 48 | - | 18,734 | - |
| AES Uruguiana Ltda. | 323 | 320 | 44,864 | 36,631 |
| Câmara de Comercialização de Energia Elétrica - CCEE | 1,197 | 562 | 199,459 | 4,575 |
| Other | 748 | 484 | 93,374 | 54,679 |
| | 8,683 | 7,649 | 983,344 | 734,501 |
| Energy Purchased in the Free Market - ACL | 3,696 | 4,792 | 340,507 | 286,959 |
| | 12,379 | 12,441 | 1,323,851 | 1,021,460 |
| Deferral/Amortization liquid effect - CVA | - | - | (5,112) | (142,471) |
| Overcontracting of energy (note 3 b.2) | - | - | 171,604 | (20,187) |
| Refund to consumer - Tariff adjustments (note 3 b.3) | - | - | (24,321) | 98,635 |
| Credit of PIS and COFINS | - | - | (116,021) | (86,254) |
| Others | - | - | 538 | - |
| Subtotal | 12,379 | 12,441 | 1,350,539 | 871,183 |
| Electricity Network Usage Charge | | | | |
| Basic network charges | - | - | 174,875 | 155,565 |
| Charges for transmission from Itaipu | - | - | 17,349 | 15,391 |
| Connection charges | - | - | 15,150 | 12,226 |
| System Service Charges - ESS | - | - | 7,756 | 8,805 |
| | - | - | 215,130 | 191,987 |
| Net effect of deferral and amortization - CVA | - | - | 6,425 | 4,631 |
| Credit of PIS and COFINS | - | - | (19,429) | (16,625) |
| Subtotal | - | - | 202,126 | 179,993 |
| Total | 12,379 | 12,441 | 1,552,665 | 1,051,176 |

(*) Information not reviewed by the independent auditors

(26) OPERATING EXPENSES

| | Parent Company | | Consolidated | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 1st quarter 2008 | 1st quarter 2007 | 1st quarter 2008 | 1st quarter 2007 |
| Sales Expenses | | | | |
| Personnel | - | - | 19,059 | 12,227 |
| Materials | - | - | 705 | 435 |
| Outside services | - | - | 12,318 | 13,741 |
| Allowance for doubtful accounts | - | - | 7,092 | 11,806 |
| Depreciation and amortization | - | - | 2,893 | 2,204 |
| Collection fee | - | - | 11,431 | 10,706 |
| Other | - | - | 2,821 | 3,597 |
| Total | - | - | 56,319 | 54,716 |
| General and Administrative Expenses | | | | |
| Personnel | 554 | 255 | 33,400 | 24,497 |
| Materials | 9 | 18 | 1,438 | 905 |
| Outside services | 2,934 | 4,691 | 34,242 | 32,395 |
| Leases and rentals | 11 | 72 | 5,084 | 972 |
| Depreciation and amortization | 25 | 25 | 5,171 | 4,262 |
| Publicity and advertising | 173 | 410 | 360 | 988 |
| Legal, judicial and indemnities | 175 | 81 | 8,112 | (175) |
| Donations, contributions and subsidies | 108 | - | 1,255 | 963 |
| Other | 359 | 380 | 7,683 | 6,128 |
| Total | 4,348 | 5,932 | 96,745 | 70,935 |
| Other Operating Expenses | | | | |
| Inspection fee | - | - | 5,897 | 4,851 |
| RTE and free energy losses | - | - | 362 | 254 |
| Other operating expenses | - | - | 402 | 3 |
| Total | - | - | 6,661 | 5,108 |
| Amortization of merged goodwill | - | - | 9,530 | 8,164 |
| Total Operating expenses | 4,348 | 5,932 | 169,255 | 138,923 |

(27) FINANCIAL INCOME (EXPENSE)

| Financial Income | Parent Company | | Consolidated | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 1st quarter 2008 | 1st quarter 2007 | 1st quarter 2008 | 1st quarter 2007 |
| Income from financial investments | 7,585 | 6,453 | 30,355 | 26,288 |
| Arrears of interest and fines | - | - | 29,682 | 25,669 |
| Interest on prepaid income and social contribution taxes | 857 | 738 | 1,797 | 2,336 |
| Monetary variation on escrow deposits | - | - | 11,164 | 1,279 |
| Monetary and exchange variations | - | - | 9,969 | 126 |
| Interest - CVA and Parcel "A" | - | - | 9,298 | 24,336 |
| Discount on purchase of ICMS credit | - | - | 3,812 | 3,289 |
| Interest - Extraordinary tariff adjustment (note 3 a) | - | - | 172 | 8,869 |
| Other | 3,645 | 902 | 12,816 | 9,952 |
| Total | 12,087 | 8,093 | 109,065 | 102,144 |
| Financial Expense | | | | |
| Debt charges | (15,239) | (9) | (132,240) | (122,002) |
| Banking expenses | (12) | (254) | (1,394) | (20,059) |
| Monetary and exchange variations | (5,590) | (187) | (41,821) | (22,201) |
| Interest on intercompany loans | - | - | 13 | - |
| Other | (1,434) | (643) | (12,954) | (10,498) |
| Subtotal | (22,275) | (1,093) | (188,396) | (174,760) |
| Goodwill amortization | (32,301) | (25,193) | (38,476) | (34,430) |
| Total | (54,576) | (26,286) | (226,872) | (209,190) |
| Net financial expenses | (42,489) | (18,193) | (117,807) | (107,046) |

(28) FINANCIAL INSTRUMENTS AND OPERATING RISKS**28.1 RISK CONSIDERATIONS**

The business of the Company and its subsidiaries comprises principally generation, sale and distribution of electric energy. As public service concessionaires, the operations and tariffs of its principal subsidiaries are regulated by ANEEL.

The principal market risk factors that affect business are related basically to fluctuations in exchange rates and interest, credit, energy shortages and prepayments of debts. The Company and its subsidiaries manage these risks in such a way as to minimize them through the compensation mechanism ("CVA"), contracting swap operations, adopting collection policies, obtaining guarantees and cutting off supplies to defaulting customers and monitoring contractual obligations.

28.2 VALUATION OF FINANCIAL INSTRUMENTS

The Company and its subsidiaries maintain certain operating and financial policies and strategies with a view to ensuring the liquidity, security and profitability of their assets. As a result, control and follow-up procedures are in place on the transactions and balances of financial instruments, for the purpose of monitoring the risks and current rates in relation to those used in the market.

As of March 31, 2008, the principal financial asset and liability instruments of the Company and its subsidiaries are as follows:

- Cash and banks – with market values approximately equivalent to the amounts stated in the balance sheets (note 4);
- Investments – investments are valued by the equity method accounting (note 13);
- Regulatory Assets and Liabilities – the amounts are recorded in accordance with the criteria defined by ANEEL rules and instructions (note 3);
- Loans and Financing - are valued in accordance with the criteria stipulated in the contracts and the characteristics defined in note 15;
- Debentures – may be traded on the market and are valued in accordance with the criteria stipulated at the time of issue and the characteristics defined in note 16.

The book values of the main financial instruments for the Company and its subsidiaries compared with the market funding amounts as of March 31, 2008 and December 31, 2007, are as follows:

| | Parent Company | | | |
|-------------------------------|----------------|----------------|-------------------|----------------|
| | March 31, 2008 | | December 31, 2007 | |
| | Book Value | Fair Value | Book Value | Fair Value |
| Loans and financing (note 15) | 180,990 | 181,298 | 183,756 | 181,642 |
| Debêntures (note 16) | 453,737 | 461,927 | 465,983 | 474,493 |
| Derivatives (note 15) | (4,148) | (4,014) | 47,935 | 51,724 |
| Total | 630,579 | 639,211 | 697,674 | 707,859 |

| | Consolidated | | | |
|-------------------------------|------------------|------------------|-------------------|------------------|
| | March 31, 2008 | | December 31, 2007 | |
| | Book Value | Fair Value | Book Value | Fair Value |
| Loans and financing (note 15) | 3,674,681 | 3,523,427 | 3,813,001 | 3,695,602 |
| Debêntures (note 16) | 2,631,282 | 2,663,545 | 2,434,613 | 2,466,855 |
| Derivatives (note 15) | (22,241) | (6,174) | 175,744 | 188,560 |
| Total | 6,283,722 | 6,180,798 | 6,423,358 | 6,351,017 |

The estimates of the market value of these financial instruments for the Company and its subsidiaries were based on models that discount future cash flows to present value, comparison with similar transactions contracted on dates close to the end of the quarter and comparisons with average market parameters. In cases where there are no similar transactions in the market, principally relating to the loan linked to the regulatory assets and credits receivable from CESP, the subsidiaries assumed that the market value corresponds to the respective book value.

(29) CHANGE IN THE LEGISLATION – AMENDMENT OF LAW 6.404/76 – LAW 11.638/07

Law 11.638/07 was enacted on December 28, 2007, amending, revoking and adding to the provisions of Brazilian Company Law (Law 6.404/76) relating to preparation and disclosure of Financial Statements. These changes came into effect as from January 1, 2008.

Exclusively to comply with the provisions of CVM Instruction nº 469, of May 2, 2008, the Company analyzed the effects of Law 11.638/2007 on its financial statements for the first quarter of 2008. These analyses cannot be used as a final indication of the actual impact on these financial statements, if the International Accounting Standards Board (“IASB”) rulings were applied in their entirety.

The main changes included in this law, which came into effect as from January 1, 2008, and the related impacts to the Company are summarized below:

- Certain financial instruments and derivatives should be recorded at market value.

As of March 31, 2008, the impact on consolidated financial statements of recording the derivatives, net of taxes, in shareholders' equity and net income for the period would be a decrease of R\$ 10,604 and R\$ 2,146, respectively. The difference between the accumulated amounts recorded in shareholders' equity and in net income for the period refers to the accumulated adjustment for periods prior to the base date of December 31, 2007. The effects of market valuation of the derivatives are disclosed in Note 28;

- Mandatory registration in fixed assets of the rights on physical assets to be used in maintaining the Company's operations, including those deriving from operations that transfer to the Company the benefits, risks and control of the assets, such as financial leasing.

Adoption of the requirements of the new law in respect of treatment of leasing operations and considering the orientation included in the IASB ruling IAS 17 – Leases will result in the actual accounting practice change, affecting the manner of recognition for some assets and liabilities. Although, at this moment the related amounts can not be measured, since a survey of historic information in order to quantify the impact and application of this regulation will require a longer period. Management is evaluating all the elements required to obtain a reasonable estimate of the potential effects related to adoption of this requirement.

- Prefixed long term financial assets and liabilities, and short-term assets and liabilities when relevant, should be adjusted to present value when the effects are relevant.

Based on the rulings issued by the CVM, Company management believes that no significant adjustments are required to the quarterly financial information disclosed.

- The use of deferred assets is restricted to preoperating expenses and to incremental restructuring costs.

Company management is of the opinion that no significant adjustments are required in relation to this matter.

- Assets and liabilities should be recorded at market value in the case of mergers, amalgamations or spin-offs between unrelated parties and tied to the effective transfer of control.

The Company was not involved in any transactions of this nature in the quarter.

Additionally, the Company (i) was not affected by the change in the rule for evaluation of investments in associated companies, (ii) did not effect any transactions involving premiums received on the issuing of debentures, donations or investment subsidies, (iii) does not have an accounting policy of revaluation of assets, and (iv) has no remuneration based on shares.

As announced to the market, CVM intends to conclude, in 2008, the regulatory process for the provisions of corporate law that have been altered and that require regulation, and to review all its regulatory rulings on accounting matters, in order to check and eliminate any divergences in relation to the specific changes made by the new law.

The effects of application of the new Law on the Company's quarterly information have been evaluated based on the legislation and regulations in force as of this date, and may still change as a result of regulations to be issued by the appropriate agencies.

(30) SUBSEQUENT EVENTS

30.1 – Distribution of Dividends

The Ordinary and Extraordinary General Meetings held on April 9, 2008 approved the declaration of dividends of R\$ 718,889 corresponding to the remaining portion of the net income for 2007.

(31) CASH FLOW

For the period of three months ended March 31, 2008 and 2007
(Stated in thousands of Reais)

| | Parent Company | | Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2008 | March 31, 2007 | March 31, 2008 | March 31, 2007 |
| OPERATING CASH FLOW | | | | |
| Income for the period | 273,067 | 472,928 | 273,067 | 472,928 |
| Adjustments to reconcile net income to cash derived from operations | | | | |
| Non-controlling shareholders' interest | - | - | 1,628 | 94 |
| Monetary restatement of rationing regulatory assets | - | - | (12,391) | (24,490) |
| Provision for losses on rationing regulatory assets | - | - | 363 | 254 |
| Tariff review and adjustment | - | - | 23,478 | (642) |
| Other regulatory assets | - | - | 175,439 | 87,994 |
| Low income consumers' subsidy | - | - | (7,057) | 6,120 |
| Depreciation and amortization | 32,326 | 25,218 | 144,399 | 131,726 |
| Reserve for contingencies | 1,031 | 635 | (950) | (4,935) |
| Interest, monetary and exchange restatement | 4,571 | (6,422) | 95,797 | 18,779 |
| Derivative contracts | (52,083) | (40,141) | (197,985) | (4,283) |
| Pension plan costs | - | - | (21,039) | (13,121) |
| Equity in subsidiaries | (322,272) | (495,944) | - | - |
| Loss (gain) on the write-off of permanent assets and investment | - | (1,863) | 6,005 | 2,089 |
| Deferred taxes - assets and liabilities | 1,382 | 185 | (81,132) | 10,501 |
| Research and development and energy efficiency programs | - | - | (1,158) | (8,536) |
| Other | - | - | (7,356) | 2,119 |
| REDUCTION (INCREASE) IN OPERATING ASSETS | | | | |
| Consumers, concessionaires and licensees | - | - | (59,510) | 45,268 |
| Dividend and interest on equity received | 73,000 | 29,530 | - | - |
| Recoverable taxes | (1,569) | (277) | 11,695 | 42,930 |
| Financial Investments | 9,916 | (1,638) | (184,938) | (216,869) |
| Deferred tariff costs variations | - | - | (42,880) | (92,356) |
| Escrow deposits | - | - | (8,737) | (11,985) |
| Other operating assets | - | 351 | 34,450 | 7,959 |
| INCREASE (DECREASE) IN OPERATING LIABILITIES | | | | |
| Suppliers | (9,161) | (4,307) | 44,265 | (90,487) |
| Taxes and social contributions payable | (160) | (49) | (66,824) | 9,524 |
| Deferred tariff gains variations | - | - | 44,341 | 75,499 |
| Other liabilities with employee pension plans | - | - | (32,234) | (22,432) |
| Interest on debts - accrued and paid | (24,253) | (120) | (73,214) | (3,603) |
| Interest on debts - incorporated interest | - | - | 31,485 | 15,025 |
| Regulatory charges | - | - | 4,758 | (38,206) |
| Related parties | - | (2,556) | - | - |
| Other operating liabilities | 37 | (8) | 28,626 | (2,409) |
| CASH FLOWS PROVIDED BY OPERATIONS | (14,168) | (24,478) | 122,391 | 394,455 |
| 51 | | | | |
| INVESTMENT ACTIVITIES | | | | |
| Increase in property, plant and equipment | (1) | (3) | (229,402) | (236,872) |
| Financial investments | - | - | (31,047) | 3,686 |
| Redemption of financial investments | 8,349 | 7,669 | 8,349 | 7,669 |
| Advance energy purchase agreements | - | - | 362 | (126) |
| Increase in special obligations | - | - | 15,336 | 10,250 |
| Additions (reduction) to deferred charges | 327 | 218 | (1,728) | (909) |
| Sale of permanent assets | - | 2,635 | 3,605 | 11,739 |
| Intercompany loans | 5,031 | - | - | - |
| UTILIZATION OF CASH IN INVESTMENTS | 13,706 | 10,519 | (234,525) | (204,563) |
| FINANCING ACTIVITIES | | | | |
| Loans, financing and debentures obtained | 351,717 | - | 993,123 | 159,428 |
| Payments of loan and debentures | (354,222) | (8,203) | (1,024,200) | (167,455) |
| Dividend and interest on equity paid | (30) | (48) | (787) | (77) |
| UTILIZATION OF CASH IN FINANCING | (2,535) | (8,251) | (31,864) | (8,104) |
| (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (2,997) | (22,210) | (143,998) | 181,788 |
| OPENING BALANCE OF CASH AND CASH EQUIVALENTS | 5,744 | 25,429 | 927,897 | 540,364 |

**CLOSING BALANCE OF CASH AND CASH
EQUIVALENTS**

SUPPLEMENTARY INFORMATION

| | | | | |
|---|--------------|--------------|----------------|----------------|
| | <u>2,747</u> | <u>3,219</u> | <u>783,899</u> | <u>722,152</u> |
| Social contribution and income tax paid | - | - | 477,972 | 169,556 |
| Interest paid | 39,492 | 129 | 331,252 | 88,199 |

| | March 31, 2008 | December, 2007 | March 31, 2007 | December, 2006 |
|--------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| CASH AND CASH EQUIVALENTS | | | | |
| PARENT COMPANY | | | | |
| Balance according to Corporation Law | 4,890 | 17,803 | 5,821 | 26,393 |
| Reclassification - FAS 95 (1) | (2,143) | (12,059) | (2,602) | (964) |
| Adjusted balance | <u>2,747</u> | <u>5,744</u> | <u>3,219</u> | <u>25,429</u> |
| Consolidated | | | | |
| Balance according to Corporation Law | 1,147,248 | 1,106,308 | 1,028,907 | 630,250 |
| Reclassification - FAS 95 (1) | (363,349) | (178,411) | (306,755) | (89,886) |
| Adjusted balance | <u>783,899</u> | <u>927,897</u> | <u>722,152</u> | <u>540,364</u> |

(1) Adjustment made to cash and cash equivalents to adjust the Cash Flow Statement to the criteria established by FAS 95 – Statements of Cash Flow. In accordance with this criterion, short term cash investments which, while having immediate liquidity, have maturity dates of more than 90 days, with early redemption subject to their market value, are subject to reclassification to Financial Investments.

APENDIX II
Added Value Statements
For the period of three months ended March 31, 2008 and 2007
(in thousands of Brazilian Reais)

| | Parent Company | | Consolidated | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | March 31, 2008 | March 31, 2007 | March 31, 2008 | March 31, 2007 |
| 1 - Revenues | (986) | 1,863 | 3,668,126 | 3,327,083 |
| 1.1 Operating revenues | - | - | 3,682,015 | 3,341,728 |
| 1.2 Provision for losses on the realization of regulatory assets | - | - | (362) | - |
| 1.3 Allowance for doubtful accounts | - | - | (7,092) | (11,806) |
| 1.4 Nonoperating income (expense) | (986) | 1,863 | (6,435) | (2,839) |
| 2- (-) Inputs | (3,758) | (5,578) | (1,842,829) | (1,289,603) |
| 2.1 - Electricity purchased for resale | - | - | (1,688,115) | (1,154,055) |
| 2.2 - Outsourced services | (2,934) | (4,691) | (86,224) | (75,740) |
| 2.3 - Material | (9) | (18) | (14,381) | (11,024) |
| 2.4 - Other | (815) | (869) | (52,304) | (47,113) |
| 2.5 - Cost of service rendered | - | - | (1,805) | (1,671) |
| 3- Gross added value (1 + 2) | (4,744) | (3,715) | 1,825,297 | 2,037,480 |
| 4- Retentions | (32,326) | (25,218) | (149,361) | (134,844) |
| 4.1 - Depreciation and amortization | (25) | (25) | (101,355) | (92,250) |
| 4.2 - Goodwill amortization | (32,301) | (25,193) | (48,006) | (42,594) |
| 5- Net Added Value Generated (3 + 4) | (37,070) | (28,933) | 1,675,936 | 1,902,636 |
| 6- Added value received in transfer | 334,359 | 504,036 | 107,437 | 102,050 |
| 6.1 - Financial income | 12,087 | 8,092 | 109,065 | 102,144 |
| 6.2 - Equity in subsidiaries | 322,272 | 495,944 | - | - |
| 6.3 - Non-controlling shareholder's equity | - | - | (1,628) | (94) |
| 7- Added value to be distributed (5 + 6) | 297,289 | 475,103 | 1,783,373 | 2,004,686 |
| 8- Distribution of added value | | | | |
| 8.1 - Personnel and charges | 426 | 216 | 77,288 | 68,252 |
| 8.2 - Taxes, fees and contributions | 1,526 | 1,047 | 1,238,124 | 1,307,290 |
| 8.3 - Interest and rentals | 22,270 | 912 | 194,894 | 156,216 |
| 8.4 - Dividend | - | - | - | - |
| 8.5 - Retained income for the year | 273,067 | 472,928 | 273,067 | 472,928 |
| | 297,289 | 475,103 | 1,783,373 | 2,004,686 |

05.01 – COMMENTS ON PERFORMANCE OF THE QUARTER

Analysis of Results – CPFL Energia (parent company)

In the 1st quarter of 2008, the net income was R\$ 273,067, a decrease of 42.3% (R\$ 199,861) compared to the same quarter of the previous year, due mainly to the results of equity in subsidiaries, in relation to the performance of the subsidiaries, as shown below:

| | <u>1st quarter 2008</u> | <u>1st quarter 2007</u> |
|-----------------------|---|---|
| RGE | 40,000 | - |
| CPFL Paulista | 172,062 | 213,417 |
| CPFL Piratininga | 32,782 | 89,012 |
| CPFL Geração | 40,336 | 88,700 |
| CPFL Brasil | 25,105 | 74,394 |
| CPFL Serra | - | 33,705 |
| CPFL Cone Sul | - | 1,441 |
| Nova 4 Participações | - | (4,725) |
| Perácio Participações | 7,577 | - |
| CPFL Santa Cruz | 4,410 | - |
| Total | <u>322,272</u> | <u>495,944</u> |

06.01 - CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 – 03/31/2008 | 4 - 12/31/2007 |
|-----------------|---|-----------------------|-----------------------|
| 1 | Total assets | 15,792,124 | 15,595,769 |
| 1.01 | Current assets | 4,213,720 | 4,076,064 |
| 1.01.01 | Cash and banks | 1,147,248 | 1,106,308 |
| 1.01.02 | Credits | 2,251,087 | 2,107,427 |
| 1.01.02.01 | Accounts receivable | 2,251,087 | 2,107,427 |
| 1.01.02.01.01 | Consumers, concessionaires and licensees | 1,880,053 | 1,817,788 |
| 1.01.02.01.02 | Financial Investments | 37,246 | 35,039 |
| 1.01.02.01.03 | Recoverable taxes | 170,725 | 181,754 |
| 1.01.02.01.04 | (-) Allowance for doubtful accounts | (90,996) | (95,639) |
| 1.01.02.01.05 | Deferred taxes | 254,059 | 168,485 |
| 1.01.02.02 | Other credits | 0 | 0 |
| 1.01.03 | Materials and suppliers | 14,817 | 14,812 |
| 1.01.04 | Other | 800,568 | 847,517 |
| 1.01.04.01 | Deferred tariff costs variations | 619,477 | 532,449 |
| 1.01.04.02 | Prepaid expenses | 69,383 | 202,721 |
| 1.01.04.03 | Derivatives contracts | 5,609 | 995 |
| 1.01.04.04 | Other credits | 106,099 | 111,352 |
| 1.02 | Noncurrent assets | 11,578,404 | 11,519,705 |
| 1.02.01 | Long-term assets | 2,553,495 | 2,555,327 |
| 1.02.01.01 | Other credits | 1,542,001 | 1,576,458 |
| 1.02.01.01.01 | Consumers, concessionaires and licensees | 191,975 | 215,014 |
| 1.02.01.01.02 | Financial investments | 102,493 | 97,521 |
| 1.02.01.01.03 | Recoverable taxes | 99,281 | 99,947 |
| 1.02.01.01.04 | Deferred taxes | 1,148,252 | 1,163,976 |
| 1.02.01.02 | Related parties | 0 | 0 |
| 1.02.01.02.01 | Associated companies | 0 | 0 |
| 1.02.01.02.02 | Subsidiaries | 0 | 0 |
| 1.02.01.02.03 | Other related parties | 0 | 0 |
| 1.02.01.03 | Other | 1,011,494 | 978,869 |
| 1.02.01.03.01 | Escrow deposits | 517,103 | 498,044 |
| 1.02.01.03.02 | Deferred tariff costs variations | 173,802 | 205,894 |
| 1.02.01.03.03 | Prepaid expenses | 13,969 | 43,111 |
| 1.02.01.03.04 | Derivatives contracts | 61,783 | 0 |
| 1.02.01.03.05 | Other | 244,837 | 231,820 |
| 1.02.02 | Permanent assets | 9,024,909 | 8,964,378 |
| 1.02.02.01 | Investments | 2,661,497 | 2,705,692 |
| 1.02.02.01.01 | Associated companies | 0 | 0 |
| 1.02.02.01.02 | Associated companies - goodwill | 0 | 0 |
| 1.02.02.01.03 | Permanent equity interests | 0 | 0 |
| 1.02.02.01.04 | Permanent equity interests - goodwill | 1,829,641 | 1,868,116 |
| 1.02.02.01.05 | Other investments | 831,856 | 837,576 |
| 1.02.02.02 | Property, plant and equipment | 6,296,987 | 6,196,046 |
| 1.02.02.02.01 | Property, plant and equipment | 7,240,127 | 7,115,143 |
| 1.02.02.02.02 | (-) Special obligation linked to the concession | (943,140) | (919,097) |
| 1.02.02.03 | Intangible | 0 | 0 |

| | | | |
|------------|------------------|--------|--------|
| 1.03.02.04 | Deferred charges | 66,425 | 62,640 |
|------------|------------------|--------|--------|

06.02 - CONSOLIDATED BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 – 03/31/2008 | 4 - 12/31/2007 |
|-----------------|--|-----------------------|-----------------------|
| 2 | Total liabilities and shareholders' equity | 15,792,124 | 15,595,769 |
| 2.01 | Current liabilities | 3,990,325 | 4,217,536 |
| 2.01.01 | Loans and financing | 649,418 | 921,840 |
| 2.01.01.01 | Accrued interest on debts | 10,417 | 59,135 |
| 2.01.01.02 | Loans and financing | 639,001 | 862,705 |
| 2.01.02 | Debentures | 238,743 | 226,141 |
| 2.01.02.01 | Accrued interest on debentures | 85,074 | 71,524 |
| 2.01.02.02 | Debentures | 153,669 | 154,617 |
| 2.01.03 | Suppliers | 912,442 | 867,954 |
| 2.01.04 | Taxes and social contributions payable | 527,061 | 604,093 |
| 2.01.05 | Dividends and interest on equity | 743,572 | 743,628 |
| 2.01.06 | Reserves | 780 | 765 |
| 2.01.06.01 | Reserve for contingencies | 780 | 765 |
| 2.01.07 | Due to related parties | 0 | 0 |
| 2.01.08 | Other | 918,309 | 853,115 |
| 2.01.08.01 | Employee pension plans | 56,084 | 64,484 |
| 2.01.08.02 | Regulatory charges | 73,454 | 68,696 |
| 2.01.08.03 | Accrued liabilities | 39,608 | 43,987 |
| 2.01.08.04 | Deferred tariff gains variations | 310,602 | 230,038 |
| 2.01.08.05 | Derivative contracts | 5 | 18,187 |
| 2.01.08.06 | Other | 438,556 | 427,723 |
| 2.02 | Noncurrent liabilities | 6,484,283 | 6,335,270 |
| 2.02.01 | Long-term liabilities | 6,484,283 | 6,335,270 |
| 2.02.01.01 | Loans and financing | 3,025,263 | 2,891,161 |
| 2.02.01.01.01 | Accrued interest on debts | 14,570 | 26,057 |
| 2.02.01.01.02 | Loans and financing | 3,010,693 | 2,865,104 |
| 2.02.01.02 | Debentures | 2,392,539 | 2,208,472 |
| 2.02.01.03 | Reserves | 115,447 | 116,412 |
| 2.02.01.03.01 | Reserve for contingencies | 115,447 | 116,412 |
| 2.02.01.04 | Related parties | 0 | 0 |
| 2.02.01.05 | Advance for future capital increase | 0 | 0 |
| 2.02.01.06 | Other | 951,034 | 1,119,225 |
| 2.02.01.06.01 | Suppliers | 0 | 223 |
| 2.02.01.06.02 | Employee pension plans | 611,158 | 656,040 |
| 2.02.01.06.03 | Taxes and social contributions payable | 14,393 | 16,529 |
| 2.02.01.06.04 | Deferred tariff gains variations | 32,166 | 68,389 |
| 2.02.01.06.05 | Derivative contracts | 45,146 | 158,552 |
| 2.02.01.06.06 | Other | 248,171 | 219,492 |
| 2.02.02 | Deferred income | 0 | 0 |
| 2.03 | Non-controlling shareholders' interest | 89,615 | 88,129 |
| 2.04 | Shareholders' equity | 5,227,901 | 4,954,834 |

06.02 - CONSOLIDATED BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of Brazilian reais – R\$)

| | | | |
|------------|---|-----------|-----------|
| 2.04.01 | Capital | 4,741,175 | 4,741,175 |
| 2.04.02 | Capital reserves | 16 | 16 |
| 2.04.03 | Revaluation reserves | 0 | 0 |
| 2.04.03.01 | Own assets | 0 | 0 |
| 2.04.03.02 | Subsidiary/associated companies | 0 | 0 |
| 2.04.04 | Profit reserves | 213,643 | 213,643 |
| 2.04.04.01 | Legal reserves | 213,643 | 213,643 |
| 2.04.04.02 | Statutory reserves | 0 | 0 |
| 2.04.04.03 | For contingencies | 0 | 0 |
| 2.04.04.04 | Unrealized profits | 0 | 0 |
| 2.04.04.05 | Profit retention | 0 | 0 |
| 2.04.04.06 | Special reserve for undistributed dividends | 0 | 0 |
| 2.04.04.07 | Other revenue reserves | 0 | 0 |
| 2.04.05 | Accumulated profit | 273,067 | 0 |
| 2.04.06 | Advance for future capital increase | 0 | 0 |

07.01 - CONSOLIDATED INCOME STATEMENT (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 - 01/01/2008 to 03/31/2008 | 4 - 01/01/2008 to 03/31/2008 | 5 - 01/01/2007 to 03/31/2007 | 6 - 01/01/2007 to 03/31/2007 |
|-----------------|-------------------------------------|---|---|---|---|
| 3.01 | Operating revenues | 3,682,015 | 3,682,015 | 3,341,728 | 3,341,728 |
| 3.02 | Deductions from operating revenues | (1,197,531) | (1,197,531) | (1,188,534) | (1,188,534) |
| 3.03 | Net operating revenues | 2,484,484 | 2,484,484 | 2,153,194 | 2,153,194 |
| 3.04 | Cost of electricity energy services | (1,746,586) | (1,746,586) | (1,227,309) | (1,227,309) |
| 3.04.01 | Electricity purchased for resale | (1,350,539) | (1,350,539) | (871,183) | (871,183) |
| 3.04.02 | Electricity network usage charges | (202,126) | (202,126) | (179,993) | (179,993) |
| 3.04.03 | Personnel | (66,823) | (66,823) | (60,338) | (60,338) |
| 3.04.04 | Employee pension plans | 21,039 | 21,039 | 12,341 | 12,341 |
| 3.04.05 | Material | (11,728) | (11,728) | (9,333) | (9,333) |
| 3.04.06 | Outsourced services | (37,483) | (37,483) | (27,499) | (27,499) |
| 3.04.07 | Depreciation and amortization | (88,329) | (88,329) | (82,666) | (82,666) |
| 3.04.08 | Other | (10,597) | (10,597) | (8,638) | (8,638) |
| 3.05 | Gross operating income | 737,898 | 737,898 | 925,885 | 925,885 |
| 3.06 | Operating expenses/income | (287,062) | (287,062) | (245,969) | (245,969) |
| 3.06.01 | Sales and marketing | (56,319) | (56,319) | (54,716) | (54,716) |
| 3.06.02 | General and administrative | (96,745) | (96,745) | (70,935) | (70,935) |

07.01 - CONSOLIDATED INCOME STATEMENT (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 - 01/01/2008 to 03/31/2008 | 4 - 01/01/2008 to 03/31/2008 | 5 - 01/01/2007 to 03/31/2007 | 6 - 01/01/2007 to 03/31/2007 |
|---------------|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 3.06.03 | Financial | (117,807) | (117,807) | (107,046) | (107,046) |
| 3.06.03.01 | Financial income | 109,065 | 109,065 | 102,144 | 102,144 |
| 3.06.03.02 | Financial expenses | (226,872) | (226,872) | (209,190) | (209,190) |
| 3.06.03.02.01 | Interest on shareholders' equity | (38,476) | (38,476) | (34,430) | (34,430) |
| 3.06.03.02.02 | Goodwill amortization | (188,396) | (188,396) | (174,760) | (174,760) |
| 3.06.04 | Other operating income | 0 | 0 | 0 | 0 |
| 3.06.05 | Other operating expense | (16,191) | (16,191) | (13,272) | (13,272) |
| 3.06.05.01 | Merged goodwill | (9,530) | (9,530) | (8,164) | (8,164) |
| 3.06.05.02 | Other | (6,661) | (6,661) | (5,108) | (5,108) |
| 3.06.06 | Equity in subsidiaries | 0 | 0 | 0 | 0 |
| 3.07 | Income (loss) from operations | 450,836 | 450,836 | 679,916 | 679,916 |
| 3.08 | Nonoperating income (expense) | (6,435) | (6,435) | (2,839) | (2,839) |
| 3.08.01 | Income | 1,717 | 1,717 | 3,305 | 3,305 |
| 3.08.02 | Expenses | (8,152) | (8,152) | (6,144) | (6,144) |
| 3.09 | Income before taxes on income and minority interest | 444,401 | 444,401 | 677,077 | 677,077 |
| 3.10 | Income tax and social contribution | (226,418) | (226,418) | (193,856) | (193,856) |
| 3.10.01 | Social contribution | (60,742) | (60,742) | (50,584) | (50,584) |
| 3.10.02 | Income tax | (165,676) | (165,676) | (143,272) | (143,272) |
| 3.11 | Deferred income tax and social contribution | 56,712 | 56,712 | (10,199) | (10,199) |
| 3.11.01 | Deferred Social contribution | 17,553 | 17,553 | (14,384) | (14,384) |
| 3.11.02 | Deferred Income tax | 39,159 | 39,159 | 4,185 | 4,185 |
| 3.12 | Statutory profit sharing/contributions | 0 | 0 | 0 | 0 |
| 3.12.01 | Profit sharing | 0 | 0 | 0 | 0 |
| 3.12.02 | Contributions | 0 | 0 | 0 | 0 |
| 3.13 | Reversal of interest on shareholders' equity | 0 | 0 | 0 | 0 |

07.01 - CONSOLIDATED INCOME STATEMENT (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 - 01/01/2008 to 03/31/2008 | 4 - 01/01/2008 to 03/31/2008 | 5 - 01/01/2007 to 03/31/2007 | 6 - 01/01/2007 to 03/31/2007 |
|----------|---|------------------------------|------------------------------|------------------------------|------------------------------|
| 3.14 | Non-controlling shareholder's interest | (1,628) | (1,628) | (94) | (94) |
| 3.15 | Net income (loss) for the period | 273,067 | 273,067 | 472,928 | 472,928 |
| | SHARES OUTSTANDING EX-TREASURY STOCK (in units) | 479,910,938 | 479,910,938 | 479,756,730 | 479,756,730 |
| | EARNINGS PER SHARE | 0.56900 | 0.56900 | 0.98577 | 0.98577 |
| | LOSSES PER SHARE | | | | |

08.01 – COMMENTS ON CONSOLIDATED PERFORMANCE OF THE QUARTER

Analysis of Results – CPFL Energia Consolidated

The comments on performance are expressed in thousands of Brazilian reais, unless otherwise indicated.

| Information (Consolidated - R\$ thousands) | Parent company | | | Consolidated | | |
|--|------------------|------------------|----------------|--------------------|--------------------|---------------|
| | March 31,2008 | March 31,2007 | Variation | March 31,2008 | March 31,2007 | Variation |
| GROSS REVENUE | - | - | - | 3,682,015 | 3,341,728 | 10.2% |
| Electricity sales to final consumers | - | - | - | 3,222,830 | 2,991,945 | 7.7% |
| Electricity sales to wholesaler | - | - | - | 215,531 | 131,602 | 63.8% |
| Other operating revenues | - | - | - | 243,654 | 218,181 | 11.7% |
| DEDUCTION FROM OPERATING REVENUE | - | - | - | (1,197,531) | (1,188,534) | 0.8% |
| NET OPERATING REVENUE | - | - | - | 2,484,484 | 2,153,194 | 15.4% |
| ENERGY COST | - | - | - | (1,552,665) | (1,051,176) | 47.7% |
| Electricity purchased for resale | - | - | - | (1,350,539) | (871,183) | 55.0% |
| Electricity network usage charges | - | - | - | (202,126) | (179,993) | 12.3% |
| OPERATING COST/EXPENSE | (4,348) | (5,932) | -26.7% | (363,176) | (315,056) | 15.3% |
| Personnel | (554) | (255) | 117.3% | (119,470) | (97,275) | 22.8% |
| Employee pension plan | - | - | - | 21,039 | 12,583 | 67.2% |
| Material | (9) | (18) | -50.0% | (14,451) | (11,046) | 30.8% |
| Outsourced Services | (2,934) | (4,691) | -37.5% | (85,543) | (74,185) | 15.3% |
| Depreciation and Amortization | (25) | (25) | - | (96,535) | (89,279) | 8.1% |
| Merged Goodwill Amortization | - | - | - | (9,544) | (8,164) | 16.9% |
| Other | (826) | (943) | -12.4% | (58,672) | (47,690) | 23.0% |
| INCOME FROM ELECTRIC UTILITY SERVICES | (4,348) | (5,932) | -26.7% | 568,643 | 786,962 | -27.7% |
| FINANCIAL INCOME (EXPENSE) | (42,489) | (18,193) | 133.5% | (117,807) | (107,046) | 10.1% |
| Income | 12,087 | 8,093 | 49.4% | 109,065 | 102,144 | 6.8% |
| Expenses | (54,576) | (26,286) | 107.6% | (226,872) | (209,190) | 8.5% |
| Net expense | (42,489) | (18,193) | 133.5% | (117,807) | (107,046) | 10.1% |
| EQUITY IN SUBSIDIARIES | 322,272 | 495,944 | -35.0% | - | - | 0.0% |
| OPERATING INCOME | 275,435 | 471,819 | -41.6% | 450,836 | 679,916 | -33.7% |
| NON-OPERATING INCOME (EXPENSE) | (986) | 1,863 | -152.9% | (6,435) | (2,839) | 126.7% |
| Income | - | 1,863 | -100.0% | 1,717 | 3,305 | -48.0% |
| Expenses | (986) | - | - | (8,152) | (6,144) | 32.7% |
| INCOME BEFORE TAX | 274,449 | 473,682 | -42.1% | 444,401 | 677,077 | -34.4% |
| Social contribution | (434) | (26) | 1569.2% | (43,189) | (64,968) | -33.5% |
| Income tax | (948) | (728) | 30.2% | (126,517) | (139,087) | -9.0% |
| INCOME BEFORE MINORITY INTEREST AND REVERSALS | 273,067 | 472,928 | -42.3% | 274,695 | 473,022 | -41.9% |
| Minority interest | - | - | - | (1,628) | (94) | 0.0% |
| NET INCOME FOR THE PERIOD | 273,067 | 472,928 | -42.3% | 273,067 | 472,928 | -42.3% |
| EBITDA | (5,309) | (4,044) | 31.3% | 645,620 | 868,889 | -25.7% |

Net Income for the Period and EBITDA Reconciliation (*)

| NET INCOME FOR THE PERIOD | 273,067 | 472,928 | 273,067 | 472,928 |
|-------------------------------|----------------|----------------|----------------|----------------|
| Employee pension plan | - | - | (21,039) | (12,583) |
| Depreciation and amortization | 25 | 25 | 106,079 | 97,443 |
| Financial income (expense) | 42,489 | 18,193 | 117,807 | 107,046 |
| Equity in subsidiaries | (322,272) | (495,944) | - | - |
| Social contribution | 434 | 26 | 43,189 | 64,968 |
| Income Ttax | 948 | 728 | 126,517 | 139,087 |
| EBITDA | (5,309) | (4,044) | 645,620 | 868,889 |

(*) information not reviewed by the Independent Auditors

Comparing the results of the periods, the following factors that generated income in the quarter, with no equivalent in the previous quarter, should be taken into consideration:

- i. Operational start-up in the quarter of the first turbine of the Castro Alves hydropower plant, part of the CERAN energy complex, in March 2008;
- ii. Operational start-up of ENERCAN, in February 2007;
- iii. In June 2007, CPFL Energia acquired 100% of the shares of CPFL Jaguariúna, income from which has been fully consolidated as from July 2007.

Gross Operating Income

In the first quarter of 2008, the gross operating income amounted to R\$ 3,682,015, an increase of 10.2% (R\$ 340,287) compared to the same period of the previous year.

The main factors that contributed to this variation were:

- i. An increase of R\$ 230,885 in the supply of electric energy, due mainly to an increase of 4.5% in the amount of energy sold to end users and 2.6% in the average prices charged;
- ii. An increase of R\$ 95,757 in the electric energy supplied to other Concessionaires and Licensee, mainly as a result of energy commercialization by CPFL Brasil;
- iii. A reduction of R\$ 43,745 in the energy sold in the CCEE due to the effects of the tariff review for CPFL Paulista (see note 3 b.2).

• Quantity of Energy Sold

The amount of energy sold to end consumers increased by 4.5% in the first quarter of 2008, largely due to the additional amount of energy added by the acquisition of CPFL Jaguariúna and subsidiaries, which were responsible for an increase of 3.3% in the period.

The increase in the amount of energy sold to end consumers related mainly to the energy distributed to the residential, commercial and rural categories, which increased by 7.4%, 6.3% and 15.3%, respectively. The quantities sold to the industrial category dropped slightly by 0.7%, due to the reduction in the sale by CPFL Brasil to independent customers, which was offset by the higher sales under bilateral agreements. The growth in CPFL Energia's concession areas, which affected both the supply billed and the TUSD charged, was 8.1% in the first quarter of 2008, compared to the same period of the previous year. Eliminating the gain from the purchase of CPFL Jaguariúna, the growth would be 4.8% .

Deductions from Operating Income

The deductions from operating income amounted to R\$ 1,197,531 in the first quarter of 2008, an increase of 0.8% in relation to the same quarter of 2007, due mainly to (i) a reduction of R\$ 59,559 in the CCC sector charge and (ii) an increase in the taxes on sales in line with the increase in operating income.

Cost of Electric Energy

The Cost of Electric Energy totaled R\$1,552,665 in the quarter, an increase of 47.7% in relation to the same period of the previous year.

In the first quarter of 2008, Electric Energy Purchased for Resale amounted to R\$ 1,350,539, an increase of 55.0% (R\$ 479,356) compared to the same quarter of the previous year. The main reasons were:

- i. A cost increase of R\$ 137,168 in relation to the regulatory overcontracting asset/liability, due to the adjustments made as a result of the tariff review (see note 3.b.3);
- ii. The start of amortization of R\$ 58,336 of Parcel “A”, in this quarter, by CPFL Paulista in relation to energy purchased and charges (see note 3.a);
- iii. The effects of recalculation of the 2005 and 2006 IRT of CPFL Paulista, made in the previous year at the time of the 2007 tariff adjustment, which generated an additional CVA asset of R\$ 177,710 and a regulatory liability – refund to the consumer of R\$ 98,635 (reduction of R\$ 79,075 in net cost in that year – see note 3.b.2);
- iv. Acquisition of CPFL Jaguariúna, generating an increase in the cost of electric energy of R\$ 34,040;
- v. The increase of R\$ 26,091 in the cost of electric energy for the generators compared with the same quarter of 2007 is mainly due to the purchases made by the Castro Alves plant, amounting to R\$ 19,784, due to the delay in energy generation and the commitment assumed to deliver energy already contracted, and to the energy acquisition cost of R\$ 4,560 paid by the subsidiaries Baesa and Enercan due to the lack of rain in the period;
- vi. Increase of R\$ 53,548 on purchased energy in the Free Market (“Ambiente de Contratação Livre – ACL”);
- vii. Price adjustment in relation to inflation passed on in the period.

Although there was an increase of 4.5% in the amount of energy sold, energy purchases remained stable. This was mainly due to the energy supplied to the distributors by the generation subsidiaries, eliminated in the consolidation process.

Operating Costs and Expense

Operating Cost and Expense amounted to R\$ 363,176 in the quarter, an increase of 15.3% (R\$ 48,120) compared to the same period of the previous year. This increase was mainly due to:

- **Manageable Operating Expenses**

These comprise costs of Personnel, Material, Outsourced Services and Other Expenses, and totaled R\$ 278,136 in the first quarter of 2008, an increase of 20.8% (R\$ 47,940) in relation to the same quarter of 2007. In addition to the adjustments in relation to inflation for the period, the increase was due to (i) the effects of the operational start-up of Castro Alves (CERAN complex) and acquisition of CPFL Jaguariúna (R\$ 20,184), (ii) provision for taxes of Fundação CESP paid by the sponsors (R\$ 3,979) and (iii) increase in the expense for outsourced services due to the activities carried out by our commercial agents (R\$ 6,482).

- **Private Pension Plan**

The Private Pension Plan recorded income of R\$ 21,039 in the quarter (R\$ 8,456 higher than in the same period of 2007). The variation was mainly due to the anticipated earnings on the plan's assets, in accordance with the Actuarial Report of December 2007.

- **Depreciation and Amortization**

The increase of 8.1% (R\$ 7.3 million) refers basically to the effects of ENERCAN (R\$ 2.5 million) and CPFL Jaguariúna (R\$ 2.7 million).

Financial Income (Loss)

The net financial results for the quarter were an expense of R\$ 117,807, in comparison with R\$ 107,046 in the same period of 2007, due mainly to:

- i. The increase in monetary and exchange charges related to the higher indebtedness, due to issuing of debentures amounting to R\$ 450,000 for the acquisition of CPFL Jaguariúna and the operational start-up of Enercan and Ceran, amounting to R\$ 8,557 and R\$ 2,429, respectively;
- ii. A reduction of R\$ 18,665 in banking expense, mainly due to suspension of the Provisional Contribution on Financial Movement - CPMF;
- iii. A reduction of R\$ 23,735 in financial income in relation to interest on regulatory assets, mainly due to realization of the Extraordinary Tariff Adjustment (RTE) and Parcel "A" and the reduction in the indexes for restating a portion of the regulatory assets;
- iv. Favorable impact on the financial result of the reduction in the indexes, including the CDI and the TJLP.

Social Contribution and Income Tax

Taxes on income amounted to R\$ 169,706 in the first quarter of 2008, a reduction of 16.8% (R\$ 34,349) in relation to the same quarter of 2007, due to (i) the reduction in the pre-tax profit and (ii) recording, in March 2007, of the income tax credit of R\$ 40,234, resulting from the merger of SEMESA's operations by CPFL Geração.

Net Income and EBITDA

Due to the factors mentioned above, with the emphasis on the effect of R\$ 186,352 (R\$ 111,895 net of taxes) in relation to the adjustments of overcontracting of energy, the net income recorded in the quarter was R\$ 273,067, 42.3% (R\$ 199,861) lower than the same period of 2007.

The adjusted EBITDA (Net income for the quarter, eliminating the effects of the private pension plan, depreciation, amortization, financial income (loss), equity pick-up, social contribution, income tax and extraordinary item) for the first quarter of 2008 was R\$ 645,620, 25.7% (R\$ 223,269) less than the EBITDA for the same period of 2007.

09.01 INVESTMENTS IN SUBSIDIARIES AND/OR ASSOCIATED COMPANIES

| 1 - ITEM | 2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY | 3 - CNPJ (Federal Tax ID) | 4 - CLASSIFICATION | 5 - EQUITY IN CAPITAL OF INVESTEE - % | 6 - SHAREHOLDERS' EQUITY - % |
|----------------------------------|---|---|--|---------------------------------------|------------------------------|
| 7 - TYPE OF COMPANY | | 8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (in units) | 9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (in units) | | |
| 01 | COMPANHIA PAULISTA DE FORÇA E LUZ - CPFL | 33.050.196/0001-88 | PUBLIC SUBSIDIARY | 100.00 | 41.63 |
| COMMERCIAL, INDUSTRIAL AND OTHER | | | | 999,996 | 999,996 |
| 02 | CPFL GERAÇÃO DE ENERGIA S/A | 03.953.509/0001-47 | PUBLIC SUBSIDIARY | 100.00 | 25.19 |
| COMMERCIAL, INDUSTRIAL AND OTHER | | | | 205,487,715,790 | 205,487,715,790 |
| 03 | CPFL COMERCIALIZAÇÃO BRASIL S/A | 04.973.790/0001-42 | CLOSED SUBSIDIARY | 100.00 | 2.63 |
| COMMERCIAL, INDUSTRIAL AND OTHER | | | | 2,998,565 | 2,998,565 |
| 04 | COMPANHIA PIRATININGA DE FORÇA E LUZ | 04.172.213/0001-51 | PUBLIC SUBSIDIARY | 100.00 | 10.60 |
| COMMERCIAL, INDUSTRIAL AND OTHER | | | | 53,031,258,896 | 53,031,258,896 |
| 05 | RIO GRANDE ENERGIA S/A | 02.016.439/0001-38 | PUBLIC SUBSIDIARY | 99.76 | 29.25 |
| COMMERCIAL, INDUSTRIAL AND OTHER | | | | 804,776,417 | 804,776,417 |

10.01 CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUE OF DEBENTURES

| | |
|---|----------------------|
| 1 - ITEM | 01 |
| 2 - ISSUE ORDER NUMBER | 3 |
| 3 - REGISTRATION NUMBER WITH CVM | CVM/SRE/DEB/2007/042 |
| 4 - DATE OF REGISTRATION WITH CVM | 10/25/2007 |
| 5 - ISSUED SERIES | UN |
| 6 - TYPE | SIMPLE |
| 7 - NATURE | PUBLIC |
| 8 - ISSUE DATE | 09/03/2007 |
| 9 - DUE DATE | 09/03/2014 |
| 10 - TYPE OF DEBENTURE | NO PREFERENCE |
| 11 - REMUNERATION CONDITIONS PREVAILING | CDI + 0.45% |
| 12 - PREMIUM/DISCOUNT | |
| 13 - NOMINAL VALUE (Reais) | 10,000.00 |
| 14 - ISSUED AMOUNT (Thousands of Reais) | 450,000 |
| 15 - NUMBER OF DEBENTURES ISSUED (UNIT) | 45,000 |
| 16 - OUTSTANDING DEBENTURES (UNIT) | 45,000 |
| 17 - TREASURY DEBENTURES (UNIT) | 0 |
| 18 - REDEEMED DEBENTURES (UNIT) | 0 |
| 19 - CONVERTED DEBENTURES (UNIT) | 0 |
| 20 - DEBENTURES TO BE PLACED (UNIT) | 0 |
| 21 - DATE OF THE LAST RENEGOTIATION | |
| 22 - DATE OF NEXT EVENT | 09/03/2012 |

15.01 – INVESTMENTS

(Not reviewed by independent auditors)

Our principal capital expenditure in the last years have been for the maintenance and upgrading of our distribution network and generation projects. The following table sets forth our capital expenditure for the first quarter of 2008, as well as the three years ended December 31, 2007, 2006 and 2005.

| | In million of R\$ | | | |
|---------------------------|-------------------|-------------------------|------------|------------|
| | Three Months | Year Ended December 31, | | |
| | | 2007 | 2006 | 2005 |
| Distribution: | | | | |
| CPFL Paulista | 62 | 291 | 245 | 189 |
| CPFL Piratininga | 29 | 144 | 131 | 86 |
| RGE | 37 | 221 | 151 | 93 |
| CPFL Santa Cruz | 4 | 11 | - | - |
| CPFL Jaguariúna | 3 | 9 | - | - |
| Total distribution | 136 | 676 | 527 | 368 |
| Generation | 91 | 445 | 266 | 255 |
| Commercialization | 2 | 9 | 4 | 4 |
| Other | 1 | 2 | - | - |
| Total | 229 | 1,132 | 797 | 627 |

We plan to make capital expenditures totaling approximately R\$ 1,233 million in 2008 and approximately R\$ 1,126 million in 2009. Of total budgeted capital expenditure over this period, R\$ 1,505 million is for distribution, R\$ 815 million is for generation, R\$ 0.4 million is for holding and R\$ 39 million is for commercialization.

16.01 OTHER IMPORTANT INFORMATION ON THE COMPANY

Additional information – New Market

Position of the shareholders of **CPFL Energia S/A** with more than 5% of the shares holding voting rights, as of March 31, 2008:

| Shareholders | Common Shares | Interest - % |
|-------------------------------|--------------------------|---------------------|
| VBC Energia S.A. | 136,329,808 | 28.41 |
| 521 Participações S.A. | 149,233,727 | 31.10 |
| Bonaire Participações S.A. | 60,713,511 | 12.65 |
| BNDES Participações S.A. | 27,465,653 | 5.72 |
| Brumado Holdings S.A. | 28,420,052 | 5.92 |
| Board of directors | 3,112 | - |
| Executive officers | 16,564 | - |
| Other shareholders | 77,728,511 | 16.20 |
| Total | 479,910,938 | 100.00% |

Quantity and characteristic of securities held by the Controlling Shareholders, Executive Officers, Board of Directors, Fiscal Council and Free Float, as of March 31, 2008 and December 31, 2007:

| | March 31, 2008 | | December 31, 2007 | |
|------------------------------------|--------------------------|----------------|--------------------------|----------------|
| Shareholders | Common Shares | % | Common Shares | % |
| Controlling shareholders | 347,114,888 | 72.33% | 347,114,888 | 72.33% |
| Administrator | | | | |
| Executive officers | 16,564 | 0.00% | 30,964 | 0.01% |
| Board of directors | 3,112 | 0.00% | 3,112 | 0.00% |
| Other shareholders – Free float | 132,776,374 | 27.67% | 132,761,974 | 27.66% |
| Total | 479,910,938 | 100.00% | 479,910,938 | 100.00% |

Shareholder's composition of VBC Energia S/A with more than 5% of common shares (voting right), up to the individuals level, as of March 31, 2008.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|-----------------------------|------------------|----------------|------------------|----------------|------------------|----------------|
| (a) | Votorantim Energia Ltda | 1,100,652 | 30.31% | 47,018 | 33.33% | 1,147,670 | 30.42% |
| (b) | Atila Holdings S/A | 550,326 | 15.15% | 23,510 | 16.67% | 573,836 | 15.21% |
| (c) | Camargo Corrêa Energia S.A. | 1,100,652 | 30.31% | 47,018 | 33.33% | 1,147,670 | 30.42% |
| | Other Shareholders | 880,225 | 24.23% | 23,515 | 16.67% | 903,740 | 23.95% |
| | Total | 3,631,855 | 100.00% | 141,061 | 100.00% | 3,772,916 | 100.00% |

(a) Votorantim Energia Ltda

| | Shareholders | Quotas | % |
|-----|---|--------------------|----------------|
| (d) | Votorantim Investimentos Industriais S.A. | 228,617,352 | 70.28% |
| (e) | Companhia Brasileira de Alumínio | 70,827,862 | 21.77% |
| (f) | Santa Cruz Geração de Energia S.A. | 25,855,977 | 7.95% |
| | Total | 325,301,191 | 100.00% |

(b) Atila Holdings S.A.

| | Shareholders | Quotas | % |
|-----|---|-------------------|----------------|
| (d) | Votorantim Investimentos Industriais S.A. | 43,888,284 | 100.00% |
| | Total | 43,888,284 | 100.00% |

(c) Camargo Corrêa Energia S.A.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|---|----------------|----------------|------------------|----------------|------------------|----------------|
| (g) | Camargo Corrêa Investimento em Infra-Estrutura S.A. | 518,860 | 100.00% | 518,853 | 100.00% | 1,037,713 | 100.00% |
| | Other Shareholders | 0 | 0.00% | 7 | 0.00% | 7 | 0.00% |
| | Total | 518,860 | 100.00% | 518,860 | 100.00% | 1,037,720 | 100.00% |

(d) Votorantim Investimentos Industriais S.A.

| | Shareholders | Common Shares | % |
|------------|-------------------------------|-----------------------|----------------|
| (h) | Votorantim Participações S.A. | 11,165,582,998 | 100.00% |
| | Other Shareholders | 2 | 0.00% |
| | Total | 11,165,583,000 | 100.00% |

e) Companhia Brasileira de Alumínio

| | Shareholders | Common Shares | % |
|------------|---|--------------------|----------------|
| (d) | Votorantim Investimentos Industriais S.A. | 765,534,496 | 99.76% |
| | Other Shareholders | 1,874,557 | 0.24% |
| | Total | 767,409,053 | 100.00% |

(f) Santa Cruz Geração de Energia S.A.

| | Shareholders | Common Shares | % |
|------------|----------------------------------|-------------------|----------------|
| (e) | Companhia Brasileira de Alumínio | 42,105,504 | 100.00% |
| | Other Shareholders | 6 | 0.00% |
| | Total | 42,105,510 | 100.00% |

(g) Camargo Corrêa Investimentos em Infra-Estrutura S.A.

| | Shareholders | Common Shares | % |
|------------|---------------------|--------------------|----------------|
| (i) | Camargo Corrêa S.A. | 526,206,813 | 100.00% |
| | Other Shareholders | 7 | 0.00% |
| | Total | 526,206,820 | 100.00% |

(h) Votorantim Participações S.A.

| | Shareholders | Common Shares | % |
|------------|-----------------------------|----------------------|----------------|
| (k) | Hejoassu Administração S.A. | 5,304,772,480 | 98.59% |
| | Other Shareholders | 76,106,493 | 1.41% |
| | Total | 5,380,878,973 | 100.00% |

(i) Camargo Corrêa S.A.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|-----------------------------------|---------------|----------------|------------------|----------------|----------------|----------------|
| (j) | Participações Morro Vermelho S.A. | 48,940 | 99.99% | 93,099 | 95.68% | 142,039 | 97.12% |
| | Other Shareholders | 6 | 0.01% | 4,204 | 4.32% | 4,210 | 2.88% |
| | Total | 48,946 | 100.00% | 97,303 | 100.00% | 146,249 | 100.00% |

(j) Participações Morro Vermelho S.A.

| Shareholders | Common Shares | % |
|------------------------------------|-------------------|----------------|
| Rosana Camargo Arruda Botelho | 4,882,646 | 33.34% |
| Renata Camargo Nascimento | 4,882,646 | 33.33% |
| Regina Camargo Pires Oliveira Dias | 4,882,644 | 33.33% |
| Other Shareholders | 191 | 0.00% |
| Total | 14,648,127 | 100.00% |

(k) Hejoassu Administração S.A.

| | Shareholders | Common Shares | % |
|-----|--------------------------|------------------|----------------|
| (l) | JEMF Participações S.A. | 400,000 | 25.00% |
| (m) | AEM Participações S.A. | 400,000 | 25.00% |
| (n) | ERMAN Participações S.A. | 400,000 | 25.00% |
| (o) | MRC Participações S.A. | 400,000 | 25.00% |
| | Total | 1,600,000 | 100.00% |

(l) JEMF Participações S.A.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|-----------------------------|--------------------|----------------|------------------|----------------|--------------------|----------------|
| | José Ermírio de Moraes Neto | 228,243,033 | 33.33% | 0 | 0.00% | 228,243,033 | 33.33% |
| | José Roberto Ermírio Moraes | 228,243,033 | 33.33% | 0 | 0.00% | 228,243,033 | 33.33% |
| | Neide Helena de Moraes | 228,243,034 | 33.34% | 0 | 0.00% | 228,243,034 | 33.34% |
| (m) | AEM Participações S.A. | 0 | 0.00% | 300 | 33.34% | 300 | 0.00% |
| (n) | ERMAN Participações S.A. | 0 | 0.00% | 300 | 33.33% | 300 | 0.00% |
| (o) | MRC Participações S.A. | 0 | 0.00% | 300 | 33.33% | 300 | 0.00% |
| | Total | 684,729,100 | 100.00% | 900 | 100.00% | 684,730,000 | 100.00% |

(m) AEM Participações S.A.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|--|--------------------|----------------|------------------|----------------|--------------------|----------------|
| | Antonio Ermírio de Moraes holds the voting rights in relation to all his common shares | 684,729,100 | 100.00% | 0 | 0.00% | 684,729,100 | 100.00% |
| (l) | JEMF Participações S.A. | 0 | 0.00% | 300 | 33.34% | 300 | 0.00% |
| (n) | ERMAN Participações S.A. | 0 | 0.00% | 300 | 33.33% | 300 | 0.00% |
| (o) | MRC Participações S.A. | 0 | 0.00% | 300 | 33.33% | 300 | 0.00% |
| | Total | 684,729,100 | 100.00% | 900 | 100.00% | 684,730,000 | 100.00% |

(n) ERMAN Participações S.A.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|--|--------------------|----------------|------------------|----------------|--------------------|----------------|
| | Ermírio Pereira de Moraes holds the voting rights in relation to all his common shares | 684,729,100 | 100.00% | 0 | 0.00% | 684,729,100 | 100.00% |
| (l) | JEMF Participações S/A | 0 | 0.00% | 300 | 33.34% | 300 | 0.00% |
| (m) | AEM Participações S/A | 0 | 0.00% | 300 | 33.33% | 300 | 0.00% |
| (o) | MRC Participações S/A | 0 | 0.00% | 300 | 33.33% | 300 | 0.00% |
| | Total | 684,729,100 | 100.00% | 900 | 100.00% | 684,730,000 | 100.00% |

(o) MRC Participações S.A.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|---|--------------------|----------------|------------------|----------------|--------------------|----------------|
| | Maria Helena Moraes Scipilliti holds the voting rights in relation to all her common shares | 684,729,100 | 100.00% | 0 | 0.00% | 684,729,100 | 100.00% |
| (l) | JEMF Participações S/A | 0 | 0.00% | 300 | 33.34% | 300 | 0.00% |
| (n) | ERMAN Participações S.A. | 0 | 0.00% | 300 | 33.33% | 300 | 0.00% |
| (m) | AEM Participações S.A. | 0 | 0.00% | 300 | 33.33% | 300 | 0.00% |
| | Total | 684,729,100 | 100.00% | 900 | 100.00% | 684,730,000 | 100.00% |

Shareholder's composition of **521 Participações S.A.** with more than 5% of common shares (voting right), up to the individuals level, as of March 31, 2008.

| Shareholders | Common Shares | % |
|--|------------------|----------------|
| Fundo de Investimento Financeiro BB Renda Fixa IV | 377,592 | 15.70% |
| Fundo Mutuo de Investimento em Ações BB - Free Portfolio I | 2,027,402 | 84.30% |
| Other Shareholders | 6 | 0.00% |
| Total | 2,405,000 | 100.00% |

Shareholder's composition of **Bonaire Participações S.A.** with more than 5% of common shares (voting right), up to the individuals level, as of March 31, 2008.

| Shareholders | Common Shares | % |
|--|-------------------|----------------|
| Energia São Paulo Fundo de Investimento em Participações | 66,728,872 | 100.00% |
| Other Shareholders | 6 | 0.00% |
| Total | 66,728,878 | 100.00% |

Shareholder's composition of **BRUMADO HOLDINGS S.A.** with more than 5% of common shares (voting right), up to the individuals level, as of March 31, 2008.

| Shareholders | Common Shares | % |
|--------------------------|--------------------|----------------|
| (a) Antares Holding Ltda | 980,527,791 | 100.00% |
| Other Shareholders | 1 | 0.00% |
| Total | 980,527,792 | 100.00% |

(a) Antares Holding Ltda

| Shareholders | Common Shares | % |
|--------------------|--------------------|----------------|
| (b) Bradespar S.A. | 274,546,567 | 100.00% |
| Other Shareholders | 1 | 0.00% |
| Total | 274,546,568 | 100.00% |

(b) Bradespar S.A.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|--|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| (c) | Cidade de Deus Cia Cial de Participações | 44,883,224 | 36.59% | 300,960 | 0.13% | 45,184,184 | 12.92% |
| | Fundação Bradesco | 18,179,304 | 14.82% | 2,898,984 | 1.28% | 21,078,288 | 6.03% |
| | Hedging Griffó (Fundos) | 6,323,980 | 5.16% | 17,632,268 | 7.77% | 23,956,248 | 6.85% |
| (d) | NCF Participações S.A. | 17,147,512 | 13.98% | - | 0.00% | 17,147,512 | 4.90% |
| | Fundo de Pensões do Banco Espírito Santo | 11,900,000 | 9.70% | - | 0.00% | 11,900,000 | 3.40% |
| | BlackRock, Inc. | - | - | 12,541,200 | 5.52% | 12,541,200 | 3.59% |
| | Other Shareholders | 24,230,484 | 19.75% | 193,651,484 | 85.30% | 217,881,968 | 62.31% |
| | Total | 122,664,504 | 100.00% | 227,024,896 | 100.00% | 349,689,400 | 100.00% |

(c) Cidade de Deus Cia Cial de Participações

| | Shareholders | Common Shares | % |
|-----|--|----------------------|----------------|
| (e) | Nova Cidade de Deus Participações S.A. | 2,574,939,991 | 44.78% |
| | Fundação Bradesco | 1,903,839,616 | 33.11% |
| | Lia Maria Aguiar | 417,744,408 | 7.26% |
| | Lina Maria Aguiar | 488,038,330 | 8.48% |
| | Other Shareholders | 366,156,434 | 6.37% |
| | Total | 5,750,718,779 | 100.00% |

(d) NCF Participações S.A.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|--|-------------------|----------------|-------------------|----------------|--------------------|----------------|
| | Fundação Bradesco | 14,532,960 | 25.10% | 51,543,858 | 100.00% | 66,076,818 | 60.38% |
| (c) | Cidade de Deus Cia Cial de Participações | 42,570,192 | 73.54% | - | - | 42,570,192 | 38.90% |
| (e) | Nova Cidade de Deus Participações S.A. | 787,932 | 1.36% | - | - | 787,932 | 0.72% |
| | Total | 57,891,084 | 100.00% | 51,543,858 | 100.00% | 109,434,942 | 100.00% |

(e) Nova Cidade de Deus Participações S.A.

| Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|--|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| Fundação Bradesco | 101,082,737 | 46.30% | 231,332,928 | 98.35% | 332,415,665 | 73.29% |
| (f) Elo Participações e Investimentos S.A. | 117,230,771 | 53.70% | 0 | 0.00% | 117,230,771 | 25.85% |
| Caixa Beneficiente Fund. do Bradesco | 0 | 0% | 3,885,487 | 1.65% | 3,885,487 | 0.86% |
| Total | 218,313,508 | 100.00% | 235,218,415 | 100.00% | 453,531,923 | 100.00% |

(f) Elo Participações S.A.

| Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-------------------------|--------------------|----------------|-------------------|----------------|--------------------|----------------|
| Lázaro de Mello Brandão | 10,194,242 | 6.33% | - | 0.00% | 10,194,242 | 4.43% |
| Other Shareholders | 150,956,300 | 93.67% | 69,006,686 | 100.00% | 219,962,986 | 95.57% |
| Total | 161,150,542 | 100.00% | 69,006,686 | 100.00% | 230,157,228 | 100.00% |

Shareholder's composition of **BNDES S.A.** with more than 5% of common shares (voting right), up to the individuals level, as of March 31, 2008.

| Shareholders | Common Shares | % |
|---|---------------|----------------|
| Banco Nacional de Desenv.Econômico e Social (1) | 1 | 100.00% |
| Total | 1 | 100.00% |

(1) State agency – Brazilian Federal.

The quantity of shares are expressed in units

Commitment to arbitrage

The Company is committed to arbitrage in the Market Chamber of Arbitrage, in accordance with the Arbitration Clause in Article 44 of the Company's By-Laws.

Company: CPFL ENERGIA S.A.

| 1 - Basis for Calculation | 1º Quarter 2008 Value (R\$ thousand) | | | 1º Quarter 2007 Value (R\$ thousand) | | |
|---|--------------------------------------|---------|---------|--------------------------------------|---------|---------|
| Net Revenues (NR) | 2,484,484 | | | 2,153,194 | | |
| Operating Result (OR) | 450,836 | | | 679,916 | | |
| Gross Payroll (GP) | 105,559 | | | 89,821 | | |
| 2 - Internal Social Indicators | Value (000) | % of GP | % of NR | Valor (000) | % of GP | % of NR |
| Food | 7,949 | 7.53% | 0.32% | 7,045 | 7.84% | 0.33% |
| Mandatory payroll taxes | 29,262 | 27.72% | 1.18% | 23,678 | 26.36% | 1.10% |
| Private pension plan | 8,093 | 7.67% | 0.33% | 4,976 | 5.54% | 0.23% |
| Health | 8,290 | 7.85% | 0.33% | 4,600 | 5.12% | 0.21% |
| Occupational safety and health | 489 | 0.46% | 0.02% | 474 | 0.53% | 0.02% |
| Education | 532 | 0.50% | 0.02% | 422 | 0.47% | 0.02% |
| Culture | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% |
| Training and professional development | 1,049 | 0.99% | 0.04% | 1,258 | 1.40% | 0.06% |
| Day-care / allowance | 211 | 0.20% | 0.01% | 188 | 0.21% | 0.01% |
| Profit / income sharing | 7,565 | 7.17% | 0.30% | 7,023 | 7.82% | 0.33% |
| Others | 1,150 | 1.09% | 0.05% | 1,231 | 1.37% | 0.06% |
| Total - internal social indicators | 64,589 | 61.19% | 2.60% | 50,895 | 56.66% | 2.36% |
| 3 - External Social Indicators | Valor (000) | % of OR | % of NR | Valor (000) | % of OR | % of NR |
| Education | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% |
| Culture | 1,512 | 0.34% | 0.06% | 1,122 | 0.17% | 0.05% |
| Health and sanitation | 0 | 0.00% | 0.00% | 169 | 0.02% | 0.01% |
| Sport | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% |
| War on hunger and malnutrition | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% |
| Others | 1,000 | 0.22% | 0.04% | 61 | 0.01% | 0.00% |
| Total contributions to society | 2,512 | 0.56% | 0.10% | 1,352 | 0.20% | 0.06% |
| Taxes (excluding payroll taxes) | 1,184,919 | 262.83% | 47.69% | 1,259,676 | 185.27% | 58.50% |
| Total - external social indicators | 1,187,431 | 263.38% | 47.79% | 1,,261,028 | 185.47% | 58.57% |
| 4 - Environmental Indicators | Valor (000) | % of OR | % of NR | Valor (000) | % of OR | % of NR |
| Investments relatated to company production / operation | 29,245 | 6.49% | 1.18% | 7,638 | 1.12% | 0.35% |
| Investments in external programs and/or projects | 2,626 | 0.58% | 0.11% | 1,250 | 0.18% | 0.06% |
| Total environmental investments | 31,871 | 7.07% | 1.28% | 8,888 | 1.31% | 0.41% |

Regarding the establishment of "annual targets" to minimize residues, the consumption in production / operation and increase efficiency in the use of natural resources, the company:

() do not have targets
() fulfill from 0 to 50%

() fulfill from 51 to 75%
(X) fulfill from 76 to 100%

() do not have targets
() fulfill from 0 to 50%

() fulfill from 51 to 75%
(X) fulfill from 76 to 100%

| 5 - Staff Indicators | 1º Quarter 2008 | 1º Quarter 2007 |
|---|-----------------|-----------------|
| Nº of employees at the end of period | 7,075 | 6,214 |
| Nº of employees hired during the period | 232 | 114 |
| Nº of outsourced employees | 6,980 | 5,003 |
| Nº of interns | 210 | 154 |
| Nº of employees above 45 years age | 1,655 | 1,481 |
| Nº of women working at the company | 1,186 | 1,031 |
| % of management position occupied by women | 10.31% | 11.02% |
| Nº of Afro-Brazilian employees working at the company | 549 | 445 |
| % of management position occupied by Afro-Brazilian employees | 1.03% | 0.39% |
| Nº of employees with disabilities | 203 | 191 |

| 6 - Relevant information regarding the exercise of corporate citizenship | | | 1º Quarter 2008 | 1º Quarter 2007 |
|---|---|---|--|--|
| Ratio of the highest to the lowest compensation at company | | | 73.87 | 73.54 |
| Total number of work-related accidents | | | 2 | 13 |
| Social and environmental projects developed by the company were decided upon by: | () directors (X) directors and managers | () all employees | () directors and managers | (X) directors and managers () all employees |
| Health and safety standards at the workplace were decided upon by: | () directors and managers | () all employees | (X) all + Cipa | () directors and managers () all employees (X) all + Cipa |
| Regarding the liberty to join a union, the right to a collective negotiation and the internal representation of the employees, the company: | () does not get involved () directors | () follows the OIT rules () directors and managers | (X) motivates and follows OIT (X) all employees | () will not get involved () directors () will follow the OIT rules () directors and managers (X) will motivate and follow OIT (X) all employees |
| The private pension plan contemplates: | () directors | () directors and managers | (X) all employees | () directors and managers (X) all employees |
| The profit / income sharing contemplates: | () directors | () directors and managers | (X) all employees | () directors and managers (X) all employees |
| In the selection of suppliers, the same ethical standards and social / environmental responsibilities adopted by the company: | () are not considered | (X) are suggested | () are required | () will not be considered (X) will be suggested () will be required |
| Regarding the participation of employees in voluntary work programs, the company: | () does not get involved | () supports | (X) organizes and motivates | () will not get involved () will support (X) will organize and motivate |
| Total number of customer complaints and criticisms: | in the company 224,463 | in Procon 248 | in the Courts 374 | in the company 251,783 in Procon 698 in the Courts 845 |
| % of complaints and criticisms attended to or resolved: | in the company 100% | in Procon 100% | in the Courts 42.27% | in the company 100% in Procon 100% in the Courts 59.21% |
| Total value-added to distribute (R\$ 000): | In first quarter 2008: 1,783,373 | | In first quarter 2007: 2,004,686 | |
| | 69% government 0% shareholders 16% retained | 4% employees 11% third parties | 65% government 0% shareholders 24% retained | 3% employees 8% third parties |

7 - Other Information

Consolidated information

In the financial items were utilized the percentage of stock participation. For the other information, as number of employees and legal lawsuits, the informations were available in full numbers.

Responsible: Antônio Carlos Bassalo, phone: 55-19-3756-8018, bassalo@cpfl.com.br

(*) Not reviewed by the auditors.

17.01 REPORT ON SPECIAL REVIEW-UNQUALIFIED

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Independent auditors' review report

To
The Shareholders and Directors
CPFL Energia S.A.
São Paulo - SP

1 We have reviewed the accompanying quarterly financial information individual and consolidated of CPFL Energia S.A. as of March 31, 2008, comprising the balance sheet, and the statements of income, cash flows and added value, the performance reports and relevant information, prepared under the responsibility of the Company's Management.

2 The quarterly financial information of the jointly-owned indirect subsidiary BAESA - Energética Barra Grande S.A. as of March 31, 2008 was reviewed by other independent auditors, who issued a qualified special review report on April 22, 2008, with respect to a lack of recognition of a liability resulted from acquisition of energy in February 2008. If the company had recorded the effect of the adjustment, the shareholders equity and the statement of income would be understated in R\$ 1,123 thousand, and the effect in the indirect controlling company CPFL Energia S.A. would be R\$ 280 thousand. CPFL Energia S.A. values its indirect interest in BAESA - Energética Barra Grande S.A. by the equity method of accounting and consolidates this investment by the proportional consolidation method. As of March 31, 2008, the balance of this investment is R\$ 135,317 thousand, and the equity in income of subsidiaries and associated companies of this investment in the net income for this three-month period is a profit of R\$ 3,986 thousand. The quarterly financial information of this indirect investee included in the consolidated quarterly financial information presents proportional assets of R\$ 378,443 thousand as of March 31, 2008. Our report, as regards the amounts generated by this company during the aforementioned three-month period is based exclusively on the report of the review conducted by the independent auditors of BAESA - Energética Barra Grande S.A.

3 Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON) and the Federal Accounting Council (CFC), which consisted mainly of (a) inquiries of and discussions with persons responsible for the accounting, financial and operating areas of the Company and its subsidiaries about the main criteria adopted in preparing the quarterly financial information, and (b) review of the information and subsequent events that have or may have material effects on the financial position and operations of the Company and its subsidiaries.

4 Based on our special review and the review reports issued by other independent auditors, we are not aware of any material modifications that should be made to the quarterly financial information mentioned in paragraph 1 for it to be in conformity with the regulations issued by the Brazilian Securities Commission (CVM), specifically applicable to the preparation of mandatory quarterly financial information, including the CVM instruction 469/08.

5 As described in note 29, Law 11638 was published on December 28, 2007 applicable as from the January 1, 2008. This law amended, revoked and introduced new provisions to law 6404/76 (Corporation Law) and has introduced changes in accounting practices adopted in Brazil. Although the aforementioned law has already come into force, some changes introduced by it depend on regulation on the part of regulatory agencies in order to be applied by the companies. Accordingly, in this transition stage, the Brazilian Securities Commission (CVM), through CVM instruction 469/08, has made the non-application of all the provisions of Law 11638/07 optional in the preparation of the quarterly information. Accordingly, the information contained in the quarterly information for the quarter ended March 31, 2008 was prepared in accordance with the specific instructions of CVM and do not include all the changes in the accounting practices introduced by Law 11638/07.

6 As mentioned in Note 3, item (b.2) to the quarterly financial information, as result of the second periodical tariff review established on the concession agreement, the Brazilian Electricity Agency (ANEEL) ratified, on a temporary basis, the percentage of the subsidiary Companhia Piratininga de Força e Luz, of -10.11%, to be applied to the tariffs as of October 23, 2007. The possible effects resulting from this final review, if any, will be recorded in the Company's equity and financial position in subsequent periods.

7 As mentioned in Note 3, item (b.2) to the quarterly financial information, as result of the second periodical tariff review established on the concession agreement, the Brazilian Electricity Agency (ANEEL) ratified, on a temporary basis, the percentage of the subsidiary Companhia Paulista de Força e Luz, of -13.61%, to be applied to the tariffs as of April 8, 2008. The possible effects resulting from this final review, if any, will be recorded in the

Company's equity and financial position in subsequent periods.

8 As mentioned in Note 3, item (b.2) to the quarterly financial information, as result of the second periodical tariff review established on the concession agreement, the Brazilian Electricity Agency (ANEEL) ratified, on a temporary basis, the percentage of the subsidiary Rio Grande Energia S.A., of 4.77%, to be applied to the tariffs as of April 19, 2008. The possible effects resulting from this final review, if any, will be recorded in the Company's equity and financial position in subsequent periods.

9 As mentioned in Note 3, item (b.2) to the quarterly financial information, as result of the second periodical tariff review established on the concession agreement, the Brazilian Electricity Agency (ANEEL) ratified, on a temporary basis, the percentage of the subsidiary Companhia Luz e Força Santa Cruz, of -7.13%, to be applied to the tariffs as of February 1, 2008. The possible effects resulting from this final review, if any, will be recorded in the

Company's equity and financial position in subsequent periods.

10 As mentioned in Note 3, item (b.2) to the quarterly financial information, as result of the second periodical tariff review established on the

concession agreement, the Brazilian Electricity Agency (ANEEL) ratified, on a temporary basis, the percentage of the indirect subsidiaries of CPFL Jaguariuna group, Companhia Paulista de Energia Elétrica, Companhia Sul Paulista de Energia Elétrica, Companhia Jaguari de Energia e Companhia Luz e Força Mococa respectively in -1.65%, -3.57%, -1.58% e -5.65% to be applied to the tariffs as of February 1, 2008. The possible effects resulting from this final review, if any, will be recorded in the Company's equity and financial position in subsequent periods.

11 The statements of income, cash flows and added value, individual and consolidated of CPFL Energia S.A. for the three-month period ended March 31, 2007, which are presented for comparative purposes, were reviewed by other independent auditors who issued an unqualified special review report thereon, dated April 24, 2007.

May 9, 2008

KPMG Auditores Independentes
CRC 2SP014428/O-6

Jarib Brisola Duarte Fogaça
Accountant CRC 1SP125991/O-0

18.02 COMMENTS ON PERFORMANCE OF SUBSIDIARIES

Subsidiary: COMPANHIA PAULISTA DE FORÇA E LUZ - CPFL

The subsidiary Companhia Paulista de Força e Luz - CPFL is a public company and its Comments on the performance in this quarter are attached in the Interim Financial Statements as of March 31, 2008, filed at CVM (Brazilian Securities Commission).

18.02 COMMENTS ON PERFORMANCE OF SUBSIDIARIES

Subsidiary: CPFL GERAÇÃO DE ENERGIA S.A.

The subsidiary CPFL Geração de Energia S.A. is a public company and its Comments on the performance in this quarter (the Company and Consolidated) are attached in the Interim Financial Statements as of March 31, 2008, filed at CVM (Brazilian Securities Commission).

18.01 – INCOME STATEMENT OF SUBSIDIARY (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 - 01/01/2008 to 03/31/2008 | 4 - 01/01/2008 to 03/31/2008 | 5 - 01/01/2007 to 03/31/2007 | 6 - 01/01/2007 to 03/31/2007 |
|------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 3.01 | Operating revenues | 435,112 | 435,112 | 448,434 | 448,434 |
| 3.02 | Deductions from operating revenues | (68,908) | (68,908) | (62,112) | (62,112) |
| 3.03 | Net operating revenues | 366,204 | 366,204 | 386,322 | 386,322 |
| 3.04 | Cost of sales and/or services | (321,077) | (321,077) | (270,674) | (270,674) |
| 3.05 | Gross operating income | 45,127 | 45,127 | 115,648 | 115,648 |
| 3.06 | Operating expenses/income | (10,496) | (10,496) | (3,163) | (3,163) |
| 3.06.01 | Sales and Marketing | (5,173) | (5,173) | (4,267) | (4,267) |
| 3.06.02 | General and administrative | (3,584) | (3,584) | (40) | (40) |
| 3.06.03 | Financial | (1,739) | (1,739) | 1,144 | 1,144 |
| 3.06.03.01 | Financial income | 4,134 | 4,134 | 3,753 | 3,753 |
| 3.06.03.02 | Financial expenses | (5,873) | (5,873) | (2,609) | (2,609) |
| 3.06.04 | Other operating income | 0 | 0 | 0 | 0 |
| 3.06.05 | Other operating expense | 0 | 0 | 0 | 0 |
| 3.06.06 | Equity in subsidiaries | 0 | 0 | 0 | 0 |
| 3.07 | Income from operations | 34,631 | 34,631 | 112,485 | 112,485 |
| 3.08 | Nonoperating income (expense) | 0 | 0 | 0 | 0 |
| 3.08.01 | Income | 0 | 0 | 0 | 0 |
| 3.08.02 | Expenses | 0 | 0 | 0 | 0 |

18.01 – INCOME STATEMENT OF SUBSIDIARY (in thousands of Brazilian reais – R\$)

| 1 – Code | 2 – Description | 3 - 01/01/2008 to 03/31/2008 | 4 - 01/01/2008 to 03/31/2008 | 5 - 01/01/2007 to 03/31/2007 | 6 - 01/01/2007 to 03/31/2007 |
|----------|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 3.09 | Income before taxes on income and minority interest | 34,631 | 34,631 | 112,485 | 112,485 |
| 3.10 | Income tax and social contribution | (31,936) | (31,936) | (38,091) | (38,091) |
| 3.11 | Deferred income tax and social contribution | 22,410 | 22,410 | 0 | 0 |
| 3.11.01 | Social contribution | 5,915 | 5,915 | 0 | 0 |
| 3.11.02 | Income tax | 16,495 | 16,495 | 0 | 0 |
| 3.12 | Statutory profit sharing/contributions | 0 | 0 | 0 | 0 |
| 3.12.01 | Profit sharing | 0 | 0 | 0 | 0 |
| 3.12.02 | Contributions | 0 | 0 | 0 | 0 |
| 3.13 | Reversal of interest on shareholders' equity | 0 | 0 | 0 | 0 |
| 3.15 | Net income (loss) for the period | 25,105 | 25,105 | 74,394 | 74,394 |
| | SHARES OUTSTANDING EX-TREASURY STOCK (in units) | 2,998,565 | 2,998,565 | 455,996 | 455,996 |
| | EARNINGS PER SHARE | 8.37234 | 8.37234 | 163.14617 | 163.14617 |
| | LOSS PER SHARE | | | | |

18.02 – COMMENTS ON PERFORMANCE OF SUBSIDIARIES

Gross Revenue

The Gross revenue for the 1st quarter of 2008, which includes the operations of the subsidiaries CLION, Sul Geradora and Cone Sul (from May, 2007), was R\$ 435,112, a decrease of 3% in relation to the same quarter of 2007.

Net Income

Net income of R\$ 25,105 was recorded in the 1st quarter of 2008, a decrease of R\$ 49,289 (66%) compared to the same quarter of 2007. The decrease is due principally to the application for recalculation and reassessment of accounting for energy sales to the CCEE in the period April 2005 to February 2008, which resulted in reversal of revenue in the quarter, restated at the IGP-M rate, of R\$ 71.879, or R\$ 43,384 after tax. The reassessment was proposed to the CCEE by CPFL Brasil, in connection with the tariff review of CPFL Paulista and CPFL Piratininga, described by CPFL Energia in Note 3.b.2. The effects on CPFL Brasil's income are shown below:

| | |
|-------------------------------------|----------|
| Reversal of income in the CCEE | (66,438) |
| PIS and COFINS | 6,146 |
| Effects on net revenue | (60,292) |
| Financial expenses | (5,441) |
| | (65,733) |
| Income tax and social contribution | 22,349 |
| Effects on net income in the period | (43,384) |

EBITDA (net income before financial income, income tax and social contribution, depreciation and amortization) for the 1st quarter of 2008 was R\$ 36,821, a decrease of 67% in relation to the same quarter of 2007, which amounted to R\$ 111,602 (information not reviewed by the Independent Auditors).

Subsidiary: CPFL PIRATININGA DE FORÇA E LUZ

The subsidiary CPFL Piratininga de Força e Luz is a public company and its Comments on the performance in this quarter are attached in the Interim Financial Statements as of March 31, 2008, filed at CVM (Brazilian Securities Commission).

18.02 COMMENTS ON PERFORMANCE OF SUBSIDIARIES

Subsidiary: RIO GRANDE ENERGIA S.A.

The subsidiary Rio Grande Energia S.A. is a public company and its Comments on the performance in this quarter are attached in the Interim Financial Statements as of March 31, 2008, filed at CVM (Brazilian Securities Commission).

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 12, 2008

CPFL ENERGIA S.A.

By: /s/ JOSÉ ANTONIO DE ALMEIDA FILIPPO

Name: José Antonio de Almeida Filippo

Title: Chief Financial Officer and Head of Investor Relations

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
