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

FORM 6-K / A

**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, 2019
Commission File Number 32297**

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

**Rua Jorge Figueiredo Corrêa, n° 1632, Jardim Professora Tarcília
CEP 13087-397, Campinas - 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-_____

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| Capital Composition | |
|---------------------|---------------|
| Number of Shares | Closing Date |
| (In units) | 03/31/2019 |
| Paid-in capital | |
| Common | 1,017,914,746 |
| Preferred | 0 |
| Total | 1,017,914,746 |
| Treasury Stock | |
| Common | 0 |
| Preferred | 0 |
| Total | 0 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Individual Financial Statements

Statement of Financial Position – Assets

(In thousands of Brazilian reais - R\$)

| Code | Description | Current Year 03/31/2019 | Previous Year 12/31/2018 |
|---------------|--|-------------------------|--------------------------|
| 1 | Total assets | 11,398,144 | 10,807,954 |
| 1.01 | Current assets | 848,085 | 799,599 |
| 1.01.01 | Cash and cash equivalents | 163,408 | 79,364 |
| 1.01.06 | Taxes recoverable | 5,229 | 18,087 |
| 1.01.06.01 | Current taxes recoverable | 5,229 | 18,087 |
| 1.01.06.01.01 | Income tax and social contribution recoverable | 1,873 | 9,441 |
| 1.01.06.01.02 | Other taxes recoverable | 3,356 | 8,646 |
| 1.01.08 | Other current assets | 679,448 | 702,148 |
| 1.01.08.03 | Other | 679,448 | 702,148 |
| 1.01.08.03.01 | Other receivables | 4,512 | 417 |
| 1.01.08.03.04 | Dividends and interest on capital | 674,936 | 701,731 |
| 1.02 | Noncurrent assets | 10,550,059 | 10,008,355 |
| 1.02.01 | Long-term assets | 119,309 | 191,019 |
| 1.02.01.07 | Deferred taxes | 112,998 | 112,522 |
| 1.02.01.07.02 | Deferred tax assets | 112,998 | 112,522 |
| 1.02.01.09 | Receivables from related parties | 936 | 72,933 |
| 1.02.01.09.02 | Receivables from subsidiaries | 936 | 72,933 |
| 1.02.01.10 | Other noncurrent assets | 5,375 | 5,564 |
| 1.02.01.10.04 | Escrow Deposits | 738 | 703 |
| 1.02.01.10.10 | Other receivables | 4,637 | 4,861 |
| 1.02.02 | Investments | 10,429,842 | 9,816,139 |
| 1.02.02.01 | Equity interests | 10,429,842 | 9,816,139 |
| 1.02.02.01.02 | Equity interests in subsidiaries | 9,363,704 | 8,835,777 |
| 1.02.02.01.03 | Equity interests in joint ventures | 1,066,138 | 980,362 |
| 1.02.03 | Property, plant and equipment | 799 | 1,087 |
| 1.02.03.01 | Property, plant and equipment - in service | 799 | 1,087 |
| 1.02.04 | Intangible assets | 109 | 110 |
| 1.02.04.01 | Intangible assets | 109 | 110 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Individual Financial Statements

Statement of Financial Position – Liabilities and Equity

(In thousands of Brazilian reais - R\$)

| Code | Description | Current Year 03/31/2019 | Previous Year 12/31/2018 |
|---------------|--|-------------------------|--------------------------|
| 2 | Total liabilities | 11,398,144 | 10,807,954 |
| 2.01 | Current liabilities | 516,518 | 531,380 |
| 2.01.02 | Trade payables | 1,786 | 2,854 |
| 2.01.02.01 | Domestic suppliers | 1,786 | 2,854 |
| 2.01.03 | Taxes payable | 3,533 | 13,519 |
| 2.01.03.01 | Federal taxes | 3,521 | 13,500 |
| 2.01.03.01.01 | Income tax and social contribution payable | 418 | 8,261 |
| 2.01.03.01.02 | Other taxes | 3,103 | 5,239 |
| 2.01.03.03 | Municipal taxes | 12 | 19 |
| 2.01.05 | Other liabilities | 511,199 | 515,007 |
| 2.01.05.02 | Others | 511,199 | 515,007 |
| 2.01.05.02.01 | Dividends and interest on capital payable | 491,580 | 491,602 |
| 2.01.05.02.07 | Other payables | 19,619 | 23,405 |
| 2.02 | Noncurrent liabilities | 13,500 | 13,825 |
| 2.02.02 | Other liabilities | 13,215 | 13,584 |
| 2.02.02.02 | Others | 13,215 | 13,584 |
| 2.02.02.02.04 | Other payables | 13,215 | 13,584 |
| 2.02.04 | Provisions | 285 | 241 |
| 2.02.04.01 | Tax, social security, labor and civil provisions | 285 | 241 |
| 2.02.04.01.04 | Civil provisions | 285 | 241 |
| 2.03 | Equity | 10,868,126 | 10,262,749 |
| 2.03.01 | Issued capital | 5,741,284 | 5,741,284 |
| 2.03.02 | Capital reserves | 469,257 | 469,257 |
| 2.03.04 | Earnings reserves | 4,428,502 | 4,428,502 |
| 2.03.04.01 | Legal reserve | 900,992 | 900,992 |
| 2.03.04.02 | Statutory reserve | 3,527,510 | 3,527,510 |
| 2.03.05 | Retained earnings | 609,873 | - |
| 2.03.08 | Other comprehensive income | (380,790) | (376,294) |
| 2.03.08.01 | Accumulated comprehensive income | (380,790) | (376,294) |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Individual Financial Statements

Statement of income

(In thousands of Brazilian reais - R\$)

| Code | Description | YTD Current Year | YTD Previous Year |
|------------|--|--------------------------|--------------------------|
| | | 01/01/2019 to 03/31/2019 | 01/01/2018 to 03/31/2018 |
| 3.04 | Operating income (expenses) | 600,932 | 441,740 |
| 3.04.02 | General and administrative expenses | (10,845) | (9,246) |
| 3.04.02.01 | Depreciation and amortization | (54) | (48) |
| 3.04.02.02 | Other general and administrative expenses | (10,791) | (9,198) |
| 3.04.06 | Share of profit (loss) of investees | 611,777 | 450,986 |
| 3.05 | Profit before finance income (costs) and taxes | 600,932 | 441,740 |
| 3.06 | Finance income (costs) | 2,462 | 1,775 |
| 3.06.01 | Finance income | 2,470 | 7,084 |
| 3.06.02 | Financial expenses | (8) | (5,309) |
| 3.07 | Profit (loss) before taxes on income | 603,394 | 443,515 |
| 3.08 | Income tax and social contribution | 56 | 268 |
| 3.08.01 | Current | (421) | (5) |
| 3.08.02 | Deferred | 477 | 273 |
| 3.09 | Profit (loss) from continuing operations | 603,450 | 443,783 |
| 3.11 | Profit (loss) for the period | 603,450 | 443,783 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Individual Financial Statements

Statement of Comprehensive Income

(In thousands of Brazilian reais - R\$)

| Code | Description | YTD Current Year | YTD Previous Year |
|---------|---|--------------------------|--------------------------|
| | | 01/01/2019 to 03/31/2019 | 01/01/2018 to 03/31/2018 |
| 4.01 | Profit for the period | 603,450 | 443,783 |
| 4.02 | Other comprehensive income | 1,927 | (1,804) |
| 4.02.01 | Comprehensive income for the period of subsidiaries | 1,927 | (1,804) |
| 4.03 | Total comprehensive income for the period | 605,377 | 441,979 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Individual Financial Statements

Statement of Cash Flows – Indirect Method

(In thousands of Brazilian reais - R\$)

| Code | Description | YTD Current Year | YTD Previous Year |
|------------|---|--------------------------|--------------------------|
| | | 01/01/2019 to 03/31/2019 | 01/01/2018 to 03/31/2018 |
| 6.01 | Cash flows from operating activities | 12,044 | 55,547 |
| 6.01.01 | Cash generated from operations | (8,309) | (4,478) |
| 6.01.01.01 | Profit before taxes | 603,394 | 443,515 |
| 6.01.01.02 | Depreciation and amortization | 54 | 48 |
| 6.01.01.03 | Provision for tax, civil and labor risks | 52 | (36) |
| 6.01.01.05 | Interest on debts, inflation adjustment and exchange rate changes | (32) | 2,981 |
| 6.01.01.06 | Equity interests in associates and joint ventures | (611,777) | (450,986) |
| 6.01.02 | Changes in assets and liabilities | 28,616 | 64,260 |
| 6.01.02.01 | Dividend and interest on capital received | 26,795 | 65,383 |
| 6.01.02.02 | Taxes recoverable | 12,816 | (20) |
| 6.01.02.03 | Escrow deposits | (33) | (65) |
| 6.01.02.04 | Other operating assets | (3,635) | 174 |
| 6.01.02.05 | Trade payables | (1,068) | (206) |
| 6.01.02.06 | Other taxes and social contributions | (2,094) | 1,220 |
| 6.01.02.09 | Tax, civil and labor risks paid | (11) | (27) |
| 6.01.02.10 | Other operating liabilities | (4,154) | (2,199) |
| 6.01.03 | Others | (8,263) | (4,235) |
| 6.02 | Net cash generated by (used in) investing activities | 72,022 | 127,364 |
| 6.02.01 | Purchases of property, plant and equipment | - | (198) |
| 6.02.07 | Purchases of intangible assets | - | (23) |
| 6.02.08 | Advances for future capital increases | - | (40) |
| 6.02.09 | Intragroup loans to subsidiaries | (310) | (7,592) |
| 6.02.10 | Receiving of intragroup loans from subsidiaries | 72,332 | 135,217 |
| 6.03 | Net cash from financing activities | (22) | (186,006) |
| 6.03.01 | Repayment of principal of borrowings and debentures | - | (186,000) |
| 6.03.02 | Dividend and interest on capital paid | (22) | (6) |
| 6.05 | Increase (decrease) in cash and cash equivalents | 84,044 | (3,095) |
| 6.05.01 | Cash and cash equivalents at the beginning of the period | 79,364 | 6,581 |
| 6.05.02 | Cash and cash equivalents at the end of the period | 163,408 | 3,486 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Individual Financial Statements

Statement of Changes in Equity – from January 1, 2019 to March 31, 2019

(In thousands of Brazilian reais - R\$)

| Code | Description | Issued capital | Capital reserves, stock options and treasury stock | Earnings reserves | Retained earnings/ accumulated losses | Other comprehensive income | Equity |
|------------|--|----------------|--|----------------------|--|----------------------------------|------------|
| 5.01 | Opening balances | 5,741,284 | 469,257 | 4,428,502 | - | (376,294) | 10,262,749 |
| 5.03 | Adjusted opening balances | 5,741,284 | 469,257 | 4,428,502 | - | (376,294) | 10,262,749 |
| 5.05 | Total comprehensive income | - | - | - | 603,451 | 1,926 | 605,377 |
| 5.05.01 | Profit for the period | - | - | - | 603,451 | - | 603,451 |
| 5.05.02 | Other comprehensive income | - | - | - | - | 1,926 | 1,926 |
| 5.05.02.03 | Equity on comprehensive income of subsidiaries | - | - | - | - | - | 1,926 |
| 5.06 | Internal changes in equity | - | - | - | 6,422 | (6,422) | - |
| 5.06.06 | Equity on comprehensive income of subsidiaries | - | - | - | 6,422 | (6,422) | - |
| 5.07 | Closing balances | 5,741,284 | 469,257 | 4,428,502 | 609,873 | (380,790) | 10,868,126 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Individual Financial Statements

Statement of Changes in Equity – from January 1, 2018 to March 31, 2018

(In thousands of Brazilian reais - R\$)

| Code | Description | Share capital | Capital reserves, options granted and treasury shares | Earnings reserves | Retained earnings or accumulated losses | Other comprehensive income | Equity |
|------------|---|---------------|---|-------------------|---|----------------------------|-----------|
| 5.01 | Opening balances | 5,741,284 | 468,014 | 2,916,736 | - | (164,506) | 8,961,528 |
| 5.03 | Adjusted opening balances | 5,741,284 | 468,014 | 2,916,736 | - | (164,506) | 8,961,528 |
| 5.05 | Total comprehensive income | - | - | - | 395,322 | (18,051) | 377,271 |
| 5.05.01 | Profit for the period | - | - | - | 443,783 | - | 443,783 |
| 5.05.02 | Other comprehensive income | - | - | - | (48,461) | (18,051) | (66,512) |
| 5.05.02.09 | Share of profit (loss) on comprehensive income of subsidiaries and associates | - | - | - | (48,461) | (18,051) | (66,512) |
| 5.06 | Internal changes in equity | - | 4 | 41,313 | (34,845) | (6,468) | 4 |
| 5.06.04 | Equity on comprehensive income of subsidiaries | - | - | - | 6,468 | (6,468) | - |
| 5.06.05 | Changes in statutory reserve in the period | - | - | 41,313 | (41,313) | - | - |
| 5.06.09 | Other changes in noncontrolling interests | - | 4 | - | - | - | 4 |
| 5.07 | Closing balances | 5,741,284 | 468,018 | 2,958,049 | 360,477 | (189,025) | 9,338,803 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Individual Financial Statements

Statement of Value Added

(In thousands of Brazilian reais - R\$)

| Code | Description | YTD Current Year | YTD Previous Year |
|------------|--|--------------------------|--------------------------|
| | | 01/01/2019 to 03/31/2019 | 01/01/2018 to 03/31/2018 |
| 7.01 | Revenues | - | 221 |
| 7.01.03 | Revenues related to construction of own assets | - | 221 |
| 7.02 | Inputs purchased from third parties | (3,325) | (2,837) |
| 7.02.02 | Materials, energy, third-party services and others | (2,435) | (2,122) |
| 7.02.04 | Others | (890) | (715) |
| 7.03 | Gross value added | (3,325) | (2,616) |
| 7.04 | Retentions | (54) | (48) |
| 7.04.01 | Depreciation and amortization | (54) | (48) |
| 7.05 | Net added value generated | (3,379) | (2,664) |
| 7.06 | Added value received in transfer | 614,368 | 458,417 |
| 7.06.01 | Equity in Subsidiaries | 611,777 | 450,986 |
| 7.06.02 | Finance income | 2,591 | 7,431 |
| 7.07 | Added value to be distributed | 610,989 | 455,753 |
| 7.08 | Distribution of added value | 610,989 | 455,753 |
| 7.08.01 | Personnel and charges | 6,335 | 5,543 |
| 7.08.01.01 | Direct Remuneration | 2,266 | 2,524 |
| 7.08.01.02 | Benefits | 3,605 | 2,587 |
| 7.08.01.03 | Government severance indemnity fund for employees - F.G.T.S. | 464 | 432 |
| 7.08.02 | Taxes, fees and contributions | 1,168 | 1,120 |
| 7.08.02.01 | Federal | 1,160 | 1,104 |
| 7.08.02.02 | State | 8 | 16 |
| 7.08.03 | Interest and Rentals | 35 | 5,307 |
| 7.08.03.01 | Interest | 6 | 5,306 |
| 7.08.03.02 | Rentals | 29 | 1 |
| 7.08.04 | Interest on capital | 603,451 | 443,783 |
| 7.08.04.03 | Retained earnings / Loss for the period | 603,451 | 443,783 |

Consolidated Financial Statements**Statement of Financial Position – Assets**

(In thousands of Brazilian reais - R\$)

| Code | Description | Current Year 03/31/2019 | Previous Year 12/31/2018 |
|---------------|--|-------------------------|--------------------------|
| 1 | Total assets | 43,946,073 | 42,211,530 |
| 1.01 | Current assets | 11,035,803 | 9,402,316 |
| 1.01.01 | Cash and cash equivalents | 3,440,809 | 1,891,457 |
| 1.01.03 | Trade receivables | 4,704,583 | 4,547,951 |
| 1.01.03.01 | Consumers | 4,704,583 | 4,547,951 |
| 1.01.06 | Taxes recoverable | 421,109 | 411,256 |
| 1.01.06.01 | Current taxes recoverable | 421,109 | 411,256 |
| 1.01.06.01.01 | Income tax and social contribution recoverable | 165,905 | 123,739 |
| 1.01.06.01.02 | Other taxes recoverable | 255,204 | 287,517 |
| 1.01.07 | Prepaid expenses | 82,548 | 172,155 |
| 1.01.08 | Other current assets | 2,386,754 | 2,379,497 |
| 1.01.08.03 | Others | 2,386,754 | 2,379,497 |
| 1.01.08.03.01 | Dividends and interest on capital | 100,182 | 100,182 |
| 1.01.08.03.02 | Derivatives | 260,847 | 309,484 |
| 1.01.08.03.04 | Sector financial assets | 1,402,757 | 1,330,981 |
| 1.01.08.03.05 | Contract asset | 23,685 | - |
| 1.01.08.03.06 | Other assets | 599,283 | 638,850 |
| 1.02 | Noncurrent assets | 32,910,270 | 32,809,214 |
| 1.02.01 | Long-term assets | 13,115,878 | 12,909,303 |
| 1.02.01.04 | Trade receivables | 687,826 | 752,795 |
| 1.02.01.04.01 | Consumers | 687,826 | 752,795 |
| 1.02.01.07 | Deferred taxes | 932,673 | 956,380 |
| 1.02.01.07.02 | Deferred tax assets | 932,673 | 956,380 |
| 1.02.01.08 | Prepaid expenses | 6,282 | 6,367 |
| 1.02.01.10 | Other noncurrent assets | 11,489,097 | 11,193,761 |
| 1.02.01.10.03 | Escrow Deposits | 859,842 | 854,374 |
| 1.02.01.10.05 | Derivatives | 349,932 | 347,507 |
| 1.02.01.10.06 | Concession financial asset | 7,677,726 | 7,430,149 |
| 1.02.01.10.08 | Sector financial asset | 27,093 | 223,880 |
| 1.02.01.10.09 | Income tax and social contribution recoverable | 68,382 | 67,966 |
| 1.02.01.10.10 | Other taxes recoverable | 355,228 | 185,725 |
| 1.02.01.10.11 | Investments at cost | 116,654 | 116,654 |
| 1.02.01.10.12 | Contract asset | 1,329,593 | 1,046,433 |
| 1.02.01.10.13 | Other assets | 704,647 | 921,073 |
| 1.02.02 | Investments | 1,066,138 | 980,362 |
| 1.02.02.01 | Equity interests | 1,066,138 | 980,362 |
| 1.02.02.01.04 | Equity interests in joint ventures | 1,066,138 | 980,362 |
| 1.02.03 | Property, plant and equipment | 9,351,350 | 9,456,614 |
| 1.02.03.01 | Property, plant and equipment - in service | 9,133,920 | 9,245,853 |
| 1.02.03.03 | Property, plant and equipment - in progress | 217,430 | 210,761 |
| 1.02.04 | Intangible assets | 9,376,904 | 9,462,935 |
| 1.02.04.01 | Intangible assets | 9,376,904 | 9,462,935 |
| 1.02.04.01.01 | Concession contract | 9,291,619 | 9,380,810 |
| 1.02.04.01.02 | Goodwill | 6,115 | 6,115 |
| 1.02.04.01.03 | Other intangible assets | 79,170 | 76,010 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Consolidated Financial Statements

Statement of Financial Position – Liabilities and Equity

(In thousands of Brazilian reais - R\$)

| Code | Description | Current Year 03/31/2019 | Previous Year 12/31/2018 |
|---------------|--|-------------------------|--------------------------|
| 2 | Total liabilities | 43,946,073 | 42,211,530 |
| 2.01 | Current liabilities | 9,726,955 | 8,415,132 |
| 2.01.01 | Payroll and related taxes | 129,141 | 119,252 |
| 2.01.01.01 | Related taxes | 29,693 | 27,154 |
| 2.01.01.02 | Payroll taxes | 99,448 | 92,098 |
| 2.01.02 | Trade payables | 3,159,696 | 2,398,085 |
| 2.01.02.01 | Domestic suppliers | 3,159,696 | 2,398,085 |
| 2.01.03 | Taxes payable | 724,688 | 765,438 |
| 2.01.03.01 | Federal taxes | 341,937 | 327,658 |
| 2.01.03.01.01 | Income tax and social contribution | 117,436 | 100,450 |
| 2.01.03.01.02 | Other taxes | 224,501 | 227,208 |
| 2.01.03.02 | State taxes | 376,024 | 430,149 |
| 2.01.03.03 | Municipal taxes | 6,727 | 7,631 |
| 2.01.04 | Borrowings | 3,880,206 | 3,363,465 |
| 2.01.04.01 | Borrowings | 2,764,095 | 2,446,113 |
| 2.01.04.01.01 | In local currency | 1,300,631 | 876,777 |
| 2.01.04.01.02 | In foreign currency | 1,463,464 | 1,569,336 |
| 2.01.04.02 | Debentures | 1,116,111 | 917,352 |
| 2.01.05 | Other payables | 1,833,224 | 1,768,892 |
| 2.01.05.02 | Others | 1,833,224 | 1,768,892 |
| 2.01.05.02.01 | Dividends and interest on capital payable | 532,790 | 532,608 |
| 2.01.05.02.04 | Regulatory liabilities | 125,274 | 150,656 |
| 2.01.05.02.05 | Derivatives | 4,863 | 8,139 |
| 2.01.05.02.06 | Use of public asset | 11,771 | 11,570 |
| 2.01.05.02.08 | Private pension plan | 109,611 | 86,623 |
| 2.01.05.02.09 | Other payables | 1,048,915 | 979,296 |
| 2.02 | Noncurrent liabilities | 21,118,375 | 21,264,015 |
| 2.02.01 | Borrowings | 16,596,467 | 17,013,339 |
| 2.02.01.01 | Borrowings | 8,588,747 | 8,989,846 |
| 2.02.01.01.01 | In local currency | 4,759,951 | 4,927,927 |
| 2.02.01.01.02 | In foreign currency | 3,828,796 | 4,061,919 |
| 2.02.01.02 | Debentures | 8,007,720 | 8,023,493 |
| 2.02.02 | Other liabilities | 2,412,476 | 2,135,089 |
| 2.02.02.02 | Others | 2,412,476 | 2,135,089 |
| 2.02.02.02.03 | Trade payables | 320,024 | 333,036 |
| 2.02.02.02.04 | Other taxes, fees and contributions | 7,053 | 9,691 |
| 2.02.02.02.06 | Derivatives | 20,135 | 23,659 |
| 2.02.02.02.07 | Use of public asset | 88,957 | 89,965 |
| 2.02.02.02.08 | Sector financial liability | 218,038 | 46,703 |
| 2.02.02.02.09 | Private pension plan | 1,135,215 | 1,156,639 |
| 2.02.02.02.10 | Other payables | 623,054 | 475,396 |
| 2.02.03 | Deferred taxes | 1,130,097 | 1,136,227 |
| 2.02.03.01 | Deferred income tax and social contribution | 1,130,097 | 1,136,227 |
| 2.02.03.01.01 | Deferred income tax and social contribution | 1,120,138 | 1,126,141 |
| 2.02.03.01.02 | Others deferred taxes | 9,959 | 10,086 |
| 2.02.04 | Provisions | 979,335 | 979,360 |
| 2.02.04.01 | Tax, social security, labor and civil provisions | 979,335 | 979,360 |
| 2.02.04.01.01 | Tax provisions | 401,835 | 389,823 |
| 2.02.04.01.02 | Social security and labor provisions | 217,960 | 219,314 |
| 2.02.04.01.04 | Civil provisions | 271,268 | 281,304 |
| 2.02.04.01.05 | Others provisions | 88,272 | 88,919 |
| 2.03 | Consolidated equity | 13,100,743 | 12,532,383 |
| 2.03.01 | Issued capital | 5,741,284 | 5,741,284 |
| 2.03.02 | Capital reserves | 469,257 | 469,257 |
| 2.03.04 | Earnings reserves | 4,428,502 | 4,428,502 |
| 2.03.04.01 | Legal reserve | 900,992 | 900,992 |
| 2.03.04.02 | Statutory reserve | 3,527,510 | 3,527,510 |
| 2.03.05 | Retained earnings | 609,873 | - |
| 2.03.08 | Other comprehensive income | (380,790) | (376,294) |
| 2.03.09 | Noncontrolling interests | 2,232,617 | 2,269,634 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Consolidated Financial Statements

Statement of income

(In thousands of Brazilian reais - R\$)

| Code | Description | YTD Current Year | YTD Previous Year |
|------------|---|--------------------------|--------------------------|
| | | 01/01/2019 to 03/31/2019 | 01/01/2018 to 03/31/2018 |
| 3.01 | Net operating revenue | 7,127,446 | 6,374,654 |
| 3.02 | Cost of electric energy services | (5,594,442) | (5,055,015) |
| 3.02.01 | Cost of electric energy | (4,483,763) | (4,013,721) |
| 3.02.02 | Cost of operation - Depreciation and amortization | (314,285) | (296,668) |
| 3.02.03 | Cost of operation - Others | (380,499) | (373,265) |
| 3.02.04 | Cost of services rendered to third parties | (415,895) | (371,361) |
| 3.03 | Gross profit | 1,533,004 | 1,319,639 |
| 3.04 | Operating expenses/income | (406,492) | (343,692) |
| 3.04.01 | Selling expenses | (181,182) | (128,640) |
| 3.04.01.01 | Depreciation and amortization | (1,280) | (1,070) |
| 3.04.01.02 | Allowance for doubtful accounts | (68,615) | (26,420) |
| 3.04.01.03 | Other selling expenses | (111,287) | (101,150) |
| 3.04.02 | General and administrative expenses | (215,637) | (203,875) |
| 3.04.02.01 | Depreciation and amortization | (16,766) | (20,938) |
| 3.04.02.02 | Others general and administrative expenses | (198,871) | (182,937) |
| 3.04.05 | Other operating expenses | (95,448) | (96,533) |
| 3.04.05.01 | Amortization of concession intangible asset | (72,109) | (71,508) |
| 3.04.05.02 | Others operating expenses | (23,339) | (25,025) |
| 3.04.06 | Equity interests in subsidiaries, associates and joint ventures | 85,775 | 85,356 |
| 3.05 | Profit before financial income (expenses) and taxes | 1,126,512 | 975,947 |
| 3.06 | Financial income (expenses) | (220,040) | (307,519) |
| 3.06.01 | Financial income | 206,595 | 197,151 |
| 3.06.02 | Financial expenses | (426,635) | (504,670) |
| 3.07 | Profit before taxes | 906,472 | 668,428 |
| 3.08 | Income tax and social contribution | (336,114) | (249,024) |
| 3.08.01 | Current | (320,345) | (265,458) |
| 3.08.02 | Deferred | (15,769) | 16,434 |
| 3.09 | Profit from continuing operations | 570,358 | 419,404 |
| 3.11 | Consolidated profit for the period | 570,358 | 419,404 |
| 3.11.01 | Attributable to owners of the Company | 603,450 | 443,783 |
| 3.11.02 | Attributable to noncontrolling interests | (33,092) | (24,379) |
| 3.99.01.01 | ON | 0.59 | 0.44 |
| 3.99.02.01 | ON | 0.59 | 0.44 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Consolidated Financial Statements

Statement of Comprehensive Income

(In thousands of Brazilian reais - R\$)

| Code | Description | YTD Current Year | YTD Previous Year |
|---------|--|--------------------------|--------------------------|
| | | 01/01/2019 to 03/31/2019 | 01/01/2018 to 03/31/2018 |
| 4.01 | Consolidated profit for the period | 570,358 | 419,404 |
| 4.02 | Other comprehensive income | 1,926 | (1,804) |
| 4.02.01 | Actuarial gains (losses), net of tax effects | (1,833) | (1,804) |
| 4.02.02 | Credit risk in mark to market of financial liabilities | 3,759 | - |
| 4.03 | Consolidated comprehensive income for the period | 572,284 | 417,600 |
| 4.03.01 | Attributable to owners of the Company | 605,377 | 441,979 |
| 4.03.02 | Attributable to noncontrolling interests | (33,093) | (24,379) |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Consolidated Financial Statements

Statement of Cash Flows – Indirect Method

(In thousands of Brazilian reais - R\$)

| Code | Description | YTD Current Year | YTD Previous Year |
|------------|---|--------------------------|--------------------------|
| | | 01/01/2019 to 03/31/2019 | 01/01/2018 to 03/31/2018 |
| 6.01 | Net cash from operating activities | 1,898,319 | (463,070) |
| 6.01.01 | Cash generated from operations | 1,627,565 | 1,420,841 |
| 6.01.01.01 | Profit before taxes | 906,472 | 668,428 |
| 6.01.01.02 | Depreciation and amortization | 404,440 | 390,185 |
| 6.01.01.03 | Provision for tax, civil and labor risks | 27,758 | 25,507 |
| 6.01.01.04 | Allowance for doubtful accounts | 68,615 | 26,420 |
| 6.01.01.05 | Interest on debts, inflation adjustment and exchange rate changes | 256,867 | 359,359 |
| 6.01.01.06 | Pension plan expense (income) | 28,150 | 22,477 |
| 6.01.01.07 | Equity interests in associates and joint ventures | (85,775) | (85,356) |
| 6.01.01.08 | Loss (gain) on disposal of noncurrent assets | 21,165 | 25,061 |
| 6.01.01.09 | Deferred taxes (PIS and COFINS) | (127) | (155) |
| 6.01.01.10 | Others | - | (11,085) |
| 6.01.02 | Changes in assets and liabilities | 874,940 | (1,304,094) |
| 6.01.02.01 | Consumers, concessionaries and licensees | (160,055) | (62,912) |
| 6.01.02.02 | Dividend and interest on capital received | - | 21,503 |
| 6.01.02.03 | Taxes recoverable | (155,026) | (12,528) |
| 6.01.02.05 | Escrow deposits | 3,426 | (5,431) |
| 6.01.02.06 | Sector financial asset | 194,604 | (21,033) |
| 6.01.02.07 | Receivables - CDE | 4,318 | 37,218 |
| 6.01.02.10 | Other operating assets | (36,312) | (142,492) |
| 6.01.02.11 | Trade payables | 748,599 | (768,048) |
| 6.01.02.12 | Other taxes and social contributions | (69,306) | (14,018) |
| 6.01.02.13 | Other liabilities with private pension plan | (28,419) | (27,196) |
| 6.01.02.14 | Regulatory liabilities | (25,382) | (436,406) |
| 6.01.02.16 | Tax, civil and labor risks paid | (41,595) | (30,811) |
| 6.01.02.17 | Sector financial liability | 129,276 | (55,161) |
| 6.01.02.18 | Payables - CDE | 6,169 | (1,356) |
| 6.01.02.19 | Other operating liabilities | 304,643 | 214,577 |
| 6.01.03 | Others | (604,186) | (579,817) |
| 6.01.03.01 | Interest paid on debts and debentures | (286,886) | (327,727) |
| 6.01.03.02 | Income tax and social contribution paid | (317,300) | (252,090) |
| 6.02 | Net cash from investing activities | (423,466) | (445,733) |
| 6.02.01 | Purchases of property, plant and equipment | (36,839) | (56,084) |
| 6.02.02 | Purchases of contract asset | (403,573) | (366,303) |
| 6.02.03 | Purchases and construction of intangible assets | (5,154) | (3,527) |
| 6.02.04 | Securities, pledges and restricted deposits - investment | (46,177) | (88,367) |
| 6.02.05 | Securities, pledges and restricted deposits - redemption | 68,277 | 68,548 |
| 6.03 | Net cash from financing activities | 74,499 | 688,139 |
| 6.03.01 | Borrowings and debentures raised | 799,731 | 2,947,881 |
| 6.03.02 | Repayment of principal of borrowings and debentures | (857,840) | (2,443,707) |
| 6.03.03 | Repayment of derivatives | 136,375 | 187,568 |
| 6.03.05 | Dividend and interest on capital paid | (3,767) | (3,603) |
| 6.05 | Increase (decrease) in cash and cash equivalents | 1,549,352 | (220,664) |
| 6.05.01 | Cash and cash equivalents at the beginning of the period | 1,891,457 | 3,249,642 |
| 6.05.02 | Cash and cash equivalents at the end of the period | 3,440,809 | 3,028,978 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Consolidated Financial Statements

Statement of Changes in Equity – from January 1, 2019 to March 31, 2019

(In thousands of Brazilian reais - R\$)

| Code | Description | Issued capital | Capital reserves, stock options and treasury stock | Earnings reserves | Retained earnings/ accumulated losses | Other comprehensive income | Equity | Noncontrolling interests | Consolidated equity |
|------------|---|----------------|--|-------------------|---------------------------------------|----------------------------|------------|--------------------------|---------------------|
| 5.01 | Opening balances | 5,741,284 | 469,257 | 4,428,502 | - | (376,294) | 10,262,749 | 2,269,634 | 12,532,383 |
| 5.03 | Adjusted opening balances | 5,741,284 | 469,257 | 4,428,502 | - | (376,294) | 10,262,749 | 2,269,634 | 12,532,383 |
| 5.04 | Capital transactions with owners | - | - | - | - | - | - | (3,907) | (3,907) |
| 5.04.01 | Capital increase | - | - | - | - | - | - | 43 | 43 |
| 5.04.06 | Dividend | - | - | - | - | - | - | (3,950) | (3,950) |
| 5.05 | Total comprehensive income | - | - | - | 603,451 | 1,926 | 605,377 | (33,093) | 572,284 |
| 5.05.01 | Profit for the period | - | - | - | 603,451 | - | 603,451 | (33,093) | 570,358 |
| 5.05.02 | Other comprehensive income | - | - | - | - | 1,926 | 1,926 | - | 1,926 |
| 5.05.02.01 | Financial instruments adjustment | - | - | - | - | 5,696 | 5,696 | - | 5,696 |
| 5.05.02.02 | Tax on financial instruments adjustment | - | - | - | - | (1,937) | (1,937) | - | (1,937) |
| 5.05.02.06 | Other comprehensive income - actuarial gains (losses) | - | - | - | - | (1,833) | (1,833) | - | (1,833) |
| 5.06 | Internal changes in equity | - | - | - | 6,422 | (6,422) | - | (18) | (18) |
| 5.06.04 | Realization of deemed cost of property, plant and equipment | - | - | - | 9,730 | (9,730) | - | - | - |
| 5.06.05 | Tax effect on realization of deemed cost | - | - | - | (3,308) | 3,308 | - | - | - |
| 5.06.08 | Other changes | - | - | - | - | - | - | (18) | (18) |
| 5.07 | Closing balances | 5,741,284 | 469,257 | 4,428,502 | 609,873 | (380,790) | 10,868,126 | 2,232,616 | 13,100,742 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Consolidated Financial Statements

Statement of Changes in Equity – from January 1, 2018 to March 31, 2018

(In thousands of Brazilian reais - R\$)

| Code | Description | Issued capital | Capital reserves, stock options and treasury stock | Earnings reserves | Retained earnings/ accumulated losses | Other comprehensive income | Equity | Noncontrolling interests | Consolidated equity |
|------------|---|----------------|--|-------------------|---------------------------------------|----------------------------|-----------|--------------------------|---------------------|
| 5.01 | Opening balances | 5,741,284 | 468,014 | 2,916,736 | - | (164,506) | 8,961,528 | 2,224,816 | 11,186,344 |
| 5.03 | Adjusted opening balances | 5,741,284 | 468,014 | 2,916,736 | - | (164,506) | 8,961,528 | 2,224,816 | 11,186,344 |
| 5.05 | Capital transactions with owners | - | - | - | 395,322 | (18,051) | 377,271 | (24,379) | 352,892 |
| 5.05.01 | Profit for the period | - | - | - | 443,783 | - | 443,783 | (24,379) | 419,404 |
| 5.05.02 | Other comprehensive income | - | - | - | (48,461) | (18,051) | (66,512) | - | (66,512) |
| 5.05.02.01 | Financial instruments adjustment | - | - | - | - | (16,247) | (16,247) | - | (16,247) |
| 5.05.02.06 | Other comprehensive income: gain/loss actuarial | - | - | - | - | (1,804) | (1,804) | - | (1,804) |
| 5.05.02.09 | Effects of first adoption of IFRS 9 / CPC 48 | - | - | - | (48,461) | - | (48,461) | - | (48,461) |
| 5.06 | Internal changes in equity | - | 4 | 41,313 | (34,845) | (6,468) | 4 | (17) | (13) |
| 5.06.05 | Changes in statutory reserve in the period | - | - | 41,313 | (41,313) | - | - | - | - |
| 5.06.06 | Realization of deemed cost of property, plant and equipment | - | - | - | 9,799 | (9,799) | - | - | - |
| 5.06.07 | Tax effect on realization of deemed cost | - | - | - | (3,331) | 3,331 | - | - | - |
| 5.06.09 | Other changes | - | 4 | - | - | - | 4 | (17) | (13) |
| 5.07 | Closing balances | 5,741,284 | 468,018 | 2,958,049 | 360,477 | (189,025) | 9,338,803 | 2,200,420 | 11,539,223 |

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

Consolidated Interim Financial Statements

Statement of Value Added

(In thousands of Brazilian reais - R\$)

| Code | Description | YTD Current Year | YTD Previous Year |
|------------|--|--------------------------|--------------------------|
| | | 01/01/2019 to 03/31/2019 | 01/01/2018 to 03/31/2018 |
| 7.01 | Revenues | 10,785,204 | 9,673,757 |
| 7.01.01 | Sales of goods and services | 10,372,542 | 9,266,935 |
| 7.01.02 | Other revenues | 415,213 | 370,562 |
| 7.01.02.01 | Revenue from construction of concession infrastructure | 415,213 | 370,562 |
| 7.01.03 | Revenues related to construction of own assets | 66,064 | 62,680 |
| 7.01.04 | Allowance for doubtful debts | (68,615) | (26,420) |
| 7.02 | Inputs purchased from third parties | (5,778,639) | (5,189,576) |
| 7.02.01 | Cost of sales and services | (4,961,254) | (4,442,138) |
| 7.02.02 | Materials, energy, third-party services and others | (674,244) | (630,914) |
| 7.02.04 | Others | (143,141) | (116,524) |
| 7.03 | Gross added value | 5,006,565 | 4,484,181 |
| 7.04 | Retentions | (406,182) | (391,227) |
| 7.04.01 | Depreciation and amortization | (334,074) | (319,718) |
| 7.04.02 | Others | (72,108) | (71,509) |
| 7.04.02.01 | Amortization of concession intangible asset | (72,108) | (71,509) |
| 7.05 | Net added value generated | 4,600,383 | 4,092,954 |
| 7.06 | Added value received in transfer | 302,749 | 294,210 |
| 7.06.01 | Equity interests in associates and joint ventures | 85,776 | 85,356 |
| 7.06.02 | Financial income | 216,973 | 208,854 |
| 7.07 | Added value to be distributed | 4,903,132 | 4,387,164 |
| 7.08 | Distribution of added value | 4,903,132 | 4,387,164 |
| 7.08.01 | Personnel and charges | 350,924 | 336,795 |
| 7.08.01.01 | Direct Remuneration | 198,675 | 197,685 |
| 7.08.01.02 | Benefits | 135,768 | 122,391 |
| 7.08.01.03 | Government severance indemnity fund for employees - F.G.T.S. | 16,481 | 16,719 |
| 7.08.02 | Taxes, fees and contributions | 3,530,642 | 3,105,820 |
| 7.08.02.01 | Federal | 1,755,649 | 1,674,230 |
| 7.08.02.02 | State | 1,767,959 | 1,425,792 |
| 7.08.02.03 | Municipal | 7,034 | 5,798 |
| 7.08.03 | Interest and Rentals | 451,208 | 525,145 |
| 7.08.03.01 | Interest | 431,421 | 507,082 |
| 7.08.03.02 | Rentals | 19,787 | 18,063 |
| 7.08.04 | Interest on capital | 570,358 | 419,404 |
| 7.08.04.03 | Retained earnings / Loss for the period | 570,358 | 419,404 |

COMMENTS ON PERFORMANCE

The comments on performance are expressed in thousands of Reais - R\$, unless otherwise stated.

Profit or loss analysis**CPFL Energia (Parent)**

This quarter, the increase in profit was R\$ 159,668 when compared with the same period of the prior year (R\$ 603,450 in 2019 and R\$ 443,783 in 2018) mainly due to the increase in profit of investees.

| | Consolidated | | |
|--|--------------------|--------------------|---------------|
| | 1st quarter | | |
| | 2019 | 2018 | % |
| OPERATING REVENUES | 10,787,756 | 9,637,497 | 11.9% |
| Electricity sales to final consumers (*) | 8,009,894 | 6,747,443 | 18.7% |
| Electricity sales to wholesaler's (*) | 1,352,491 | 998,459 | 35.5% |
| Revenue from construction of concession infrastructure | 415,213 | 370,562 | 12.0% |
| Other operating revenues (*) | 1,334,038 | 1,147,486 | 16.3% |
| Sector financial assets and liabilities | (323,880) | 373,547 | -186.7% |
| Deductions from operating revenues | (3,660,309) | (3,262,847) | 12.2% |
| NET OPERATING REVENUE | 7,127,446 | 6,374,649 | 11.8% |
| COST OF ELECTRIC ENERGY SERVICES | (4,483,763) | (4,013,721) | 11.7% |
| Electricity purchased for resale | (3,952,543) | (3,301,275) | 19.7% |
| Electricity network usage charges | (531,221) | (712,446) | -25.4% |
| OPERATING COST/EXPENSE | (1,602,946) | (1,470,342) | 9.0% |
| Personnel | (348,018) | (337,745) | 3.0% |
| Employee pension plans | (28,150) | (22,477) | 25.2% |
| Materials | (66,857) | (62,623) | 6.8% |
| Outside Services | (165,010) | (180,932) | -8.8% |
| Depreciation and Amortization | (332,331) | (318,677) | 4.3% |
| Merged Goodwill Amortization | (72,110) | (71,509) | 0.8% |
| Costs related to infrastructure construction | (415,211) | (370,559) | 12.1% |
| Other | (175,258) | (105,820) | 65.6% |
| INCOME FROM ELECTRIC ENERGY SERVICE | 1,040,736 | 890,586 | 16.9% |
| FINANCIAL INCOME (EXPENSE) | (220,040) | (307,519) | -28.4% |
| Income | 206,595 | 197,151 | 4.8% |
| Expense | (426,635) | (504,671) | -15.5% |
| Equity in subsidiaries | 85,775 | 85,356 | 0.5% |
| INCOME BEFORE TAXES | 906,472 | 668,428 | 35.6% |
| Social Contribution | (90,050) | (66,869) | 34.7% |
| Income Tax | (246,064) | (182,156) | 35.1% |
| NET INCOME | 570,358 | 419,404 | 36.0% |
| Net income attributable to the shareholders of the company | 603,450 | 443,783 | 36.0% |
| Net income attributable to the non controlling interests | (33,093) | (24,379) | 35.7% |
| EBITDA | 1,531,097 | 1,366,277 | 12.1% |

Net Income for the Period and Adjusted EBITDA Reconciliation

| | | |
|--|------------------|------------------|
| NET INCOME FOR THE PERIOD | 570,358 | 419,404 |
| Depreciation and Amortization | 404,441 | 390,187 |
| Amortization of fair value adjustment of asset | 145 | 145 |
| Financial Income (Expense) | 220,040 | 307,519 |
| Social Contribution | 90,050 | 66,869 |
| Income Tax | 246,064 | 182,156 |
| Adjusted EBITDA | 1,531,097 | 1,366,278 |

(*) For purposes of presentation of the comments on performance, the reclassification of revenue from network usage charge - TUSD to captive consumer was not made.

Gross Operating Revenue

Gross operating revenue for the 1st quarter of 2019 was R\$ 10,787,756, an increase of 11.9% (R\$ 1,291,155) compared with the same period of the prior year.

The main factors of this variation were:

- Increase of 27.1% (R\$ 1,031,267) in the electricity sales to final consumer, justified by the increase in average tariffs of 19.2% (R\$ 1,291,155), mainly due to the positive effects of the Annual and Periodics Tariff Adjustments (RTA / RTP);
- Increase of 34.3% (R\$ 336,479) in the electricity sales to wholesalers, mainly due to:
 - Increase of 98.7% (R\$ 164,013) in sale of spot market energy in CCEE (Electric Energy Trading Chamber), mainly due to the increase in energy sold of 118.7% (R\$ 197,150) partially offset by reduction in average tariffs of 9.1% (R\$ 33,137)
 - Increase of 27.2% (R\$ 189,757) in other concessionaires, licensees and authorized, due to the increase of 34.1% in the average price (R\$ 255,941) partially offset by the reduction of energy sold of 5.2% (R\$ 36,184);
- Decrease of 186.7% (R\$ 697,427) in sector financial assets and liabilities (expense of R\$ 323,880 on 1st quarter of 2019 and income of R\$ 373,547 on 1st quarter of 2018) due to realization of assets on the 1st quarter of 2019 (R\$ 237,070) and realization of liabilities on the 1st quarter of 2018 (R\$ 325,729) and set up of liabilities on the 1st quarter of 2019 (R\$86,810).
- Increase of 16.3% (R\$ 186,546) in other operating revenues, due to: increase in (i) TUSD free consumers (R\$ 162,210) and (ii) contribution CDE (R\$ 51,942), partially offset by an increase of expenses of compensation due offset for non-compliance with technical indexes (R\$ 15,179).

➤ Volume of energy sold by distributors

In the 1st quarter of 2019, the amount of energy billed to captive consumers in the period, including other licensees presented an increase of 3.5% when compared with the same quarter of the prior year.

The consumption of the residential class represents 45.2% of the total market supplied by the distributor and recorded an increase of 8.4%, in the 1st quarter of 2019 in relation to the same period of the prior year.

The commercial class represents 19.3% of the total Market supplied by the distributor and recorded an increase of 3.2% in the 1st quarter of 2019 in relation to the same period of the prior year.

The industrial class, which represents 11.3% of the total market supplied by distributors, reported a fall of 6.8% in the 1st quarter of 2019 in relation to the same period of the prior year. Such performance reflects the client's migration to the free market.

The other consumption classes (rural, public administration, public utilities and licensees) participate with 24.2% of the total market supplied by distributors. Such classes presented a growth of 0.7% in the 1st quarter of 2019 in relation to the same period of the prior year.

Regarding the amount of energy sold and transported in the concession area, which impacts both the billed supply (captive market) and the TUSD collection (free market), there was an increase of 3.2% when compared with the same period of the prior year. The variation by class presents an increase of 8.4% in the residential class, an increase of 5.1% in the commercial class and an increase of 0.9% in the industrial class. Regarding other classes, there was a growth of 0.9%

➤ **Tariffs**

In the 1st quarter of 2019, energy supply tariffs increased on average 19.2%. This occurred mainly due to the effects of the annual tariff adjustments and periodic tariff review, as follows:

| Distributor | Month | 2019 | | 2018 | |
|------------------|-----------|-----------|-----------------------------------|-----------|-----------------------------------|
| | | RTA / RTP | Effect perceived by consumers (a) | RTA / RTP | Effect perceived by consumers (a) |
| CPFL Paulista | April (b) | 12.02% | 8.66% | 12.68% | 16.90% |
| CPFL Piratininga | October | (c) | (c) | 20.01% | 19.25% |
| RGE | June | (c) | (c) | 21.27% | 20.58% |
| RGE Sul (RGE) | April (e) | (e) | (e) | 18.45% | 22.47% |
| CPFL Santa Cruz | March | 13.70% | 13.31% | (d) | (d) |

- (a) Represents the average effect perceived by the consumer, as a result of the elimination from the tariff base of financial components that had been added in the prior tariff adjustment.
- (b) As mentioned in note 5.2, in April 2019 the controlled CPFL Paulista had an RTA.
- (c) The tariff adjustments for 2019 had not occurred yet.
- (d) For 2018, the average annual tariff adjustment of CPFL Santa Cruz was 5.71%, 4.41% regarding the economic tariff adjustment and 1.30% regarding relevant financial components. The average effect to be perceived by consumers of the original concessions are:

| | Jaguari | Mococa | Leste Paulista | Sul Paulista | Santa Cruz |
|-------------------------------|---------|--------|----------------|--------------|------------|
| Effect perceived by consumers | 21.15% | 3.40% | 7.03% | 7.50% | 5.32% |

Deductions from operating revenue

Deductions from operating revenue in the 1st quarter of 2019 were R\$ 3,660,309, an increase of 12.2% (R\$ 397,462) in relation to the same quarter of 2018, which mainly occurred due to:

- Increase of 24.0% (R\$ 342,320) in ICMS mainly due to the increase in the billed supply;
- Decrease of 1.6% (R\$15,995) in sector charges, mainly due a decrease in tariff flags and others (R\$ 129,439); partially offset by the increase in CDE (R\$ 100,040),
- Increase of 8.1% (R\$ 67,593) in PIS and COFINS, mainly due to the increase in the basis of calculation of these taxes (operating revenue), partially offset by the effects of exclusion of ICMS from the PIS and COFINS tax base.

Cost of Electric Energy

The cost of electric energy this quarter amounted to R\$ 4,483,763, an increase of 11.7% (R\$ 470,042) in relation to the same period of the prior year, mainly justified by:

- Increase of 19.7% (R\$ 651,267) in electric energy purchased for resale, due to:
 - Increase of 11.1% (R\$ 396,226) in average price due to: increase in the PLD and dólar rate (Itaipu);
 - Increase of 7.7% (R\$ 255,042) in the amount of energy purchased.
- Decrease of 25.4% (R\$ 181,225) in the transmission and distribution system usage charges, mainly due to: (i) system service charge – ESS (R\$ 102,565) (ii) basic network charges (R\$ 69,153), (iii) reserve energy charge – EER (R\$ 65,914) partially offset by increases in: (iv) connection charges (R\$ 15,228) e (v) PIS and COFINS credits (R\$ 18,806).

Operating costs and expenses

Disregarding the cost of construction of the concession infrastructure, operating costs and expenses this quarter amounted to R\$ 1,192,966, an increase of 4.7% (R\$ 53,574) compared with the same period of the prior year. This variation is mainly due to:

- **Personnel:** increase of 3.0% (R\$ 10,273), mainly due to the effects of the collective labor agreement;
- **Private pension entity:** increase of 25.2% (R\$ 5,673) due to the recognition of the impact of the actuarial report of 2019;
- **Materials:** increase of 6.8% (R\$ 4,235), mainly due to an increase maintenance of fleet, lines, networks (R\$ 8,415), partially offset by the decrease in the maintenance of machinery, equipment and other (R\$ 5,367);
- **Third-party services:** decrease of 8.8% (R\$ 15,857) mainly due to insourcing of services (R\$ 26,991), partially offset by substation maintenance (R\$ 7,622) and services related to electric energy billing (R\$ 3,233);
- **Other Expenses:** increase of 65.5% (R\$ 69,368), mainly due to: (i) allowance for doubtful debts (R\$ 42,195), (ii) legal, judicial and indemnities (R\$ 19,754).

Financial Income (Expenses)

Net finance result this quarter presented expenses of R\$ 220,040, compared with R\$ 307,519 in the same period of 2018, a decrease of 28.4% (R\$ 87,479). Such variation is basically due to:

- Increase in finance income of 4.8% (R\$ 9,444), mainly due to increase in: (i) adjustments of the sector financial asset (R\$ 20,429); (ii) accruals and fines ((R\$ 5,790), partially offset by decrease in: (i) financial investment earnings (R\$ 17,816);
- Decrease in finance costs of 15.5% (R\$ 78,036), mainly due to: (i) the charges on debts, adjustments for inflation and exchange rate changes, net of capitalized interest (R\$ 81,090).

Share of profit (loss) of investees

The variation in share of profit (loss) of investees refers to the effect of the share of profit (loss) of joint ventures. In the first quarter of 2019, the result was an increase of 0.5%.

Social Contribution and Income Tax

Expenses on taxes on profit in the 1st quarter of 2019 were R\$ 336,114, an increase of 35.0% (R\$ 87,090) in relation to the one recorded in the same quarter of 2018, which reflects mainly the effects of variation in Profit Before Taxes

Profit for the Period and EBITDA

Due to the factors described above, the profit for this quarter was R\$ 570,358, 36.0% (R\$ 150,954) higher than the one of the same period of 2018.

EBITDA (Earnings before the effects of depreciation, amortization, finance income and costs, and income tax and social contribution) for the 1st quarter of 2019 was R\$ 1,531,097, 12.1% (R\$ 164,820) higher than the one determined in the same period of 2018.

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Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

COMMENT ON THE PERFORMANCE OF SUBSIDIARIES/ASSOCIATES

Subsidiary/Associate: Companhia Paulista de Força e Luz - CPFL

The subsidiary Companhia Paulista de Força e Luz - CPFL is a publicly-held corporation, and the comment on its performance is included in its Quarterly Information - ITR as of March 31, 2019 filed with the Brazilian Securities and Exchange Commission (CVM).

Subsidiary/Associate: CPFL Geração de Energia S.A.

The subsidiary CPFL Geração de Energia S/A is a publicly-held corporation, and the comments on its individual and consolidated performance is included in its Quarterly Information – ITR as of March 31, 2019 filed with the Brazilian Securities and Exchange Commission (CVM).

Subsidiary/Associate: Companhia Piratininga de Força e Luz

The subsidiary Companhia Piratininga de Força e Luz is a publicly-held corporation, and the comments on its performance is included in its Quarterly Information – ITR as of March 31, 2019 filed with the Brazilian Securities and Exchange Commission (CVM).

Subsidiary/Associate: RGE Sul Distribuidora de Energia S.A.

The subsidiary RGE Sul Distribuidora de Energia S.A is a publicly-held corporation, and the comment on its performance is included in its Quarterly Information – ITR as of March 31, 2019 filed with the Brazilian Securities and Exchange Commission (CVM).

Controlada: CPFL Comercialização Brasil S.A.

| | Consolidated | | |
|--|------------------|------------------|---------------|
| | 1st quarter | | |
| | 2019 | 2018 | % |
| OPERATING REVENUES | 861,853 | 802,964 | 7.3% |
| Electricity sales to final consumers | 497,545 | 456,254 | 9.1% |
| Electricity sales to wholesaler's | 364,306 | 346,708 | 5.1% |
| Other operating revenues | 2 | 2 | 0.0% |
| Deductions from operating revenues | (102,743) | (96,183) | 6.8% |
| NET OPERATING REVENUE | 759,110 | 706,781 | 7.4% |
| COST OF ELECTRIC ENERGY SERVICES | (718,769) | (688,827) | 4.3% |
| Electricity purchased for resale | (718,810) | (688,827) | 4.4% |
| Electricity network usage charges | 42 | 0 | 34386.5% |
| OPERATING COST/EXPENSE | (11,260) | (11,356) | -0.9% |
| Personnel | (7,321) | (7,839) | -6.6% |
| Materials | (38) | (25) | 53.1% |
| Outside Services | (2,074) | (1,911) | 8.5% |
| Depreciation and Amortization | (520) | (607) | -14.2% |
| Other | (1,305) | (974) | 34.0% |
| INCOME FROM ELECTRIC ENERGY SERVICE | 29,081 | 6,598 | 340.8% |
| FINANCIAL INCOME (EXPENSE) | (7,748) | (7,443) | 4.1% |
| Income | 6,532 | 10,686 | -38.9% |
| Expense | (14,280) | (18,129) | -21.2% |
| Equity in subsidiaries | 18,159 | 12,494 | 45.3% |
| INCOME BEFORE TAXES | 39,494 | 11,649 | 239.0% |
| Social Contribution | (1,961) | 26 | -7600.6% |
| Income Tax | (5,510) | (183) | 2914.3% |
| NET INCOME | 32,022 | 11,492 | 178.6% |
| Net income attributable to the shareholders of the company | 32,023 | 11,492 | 178.6% |
| Net income attributable to the non controlling interests | (0) | - | 0.0% |
| EBITDA | 48,395 | 19,990 | 142.1% |

Net Income for the Period and Adjusted EBITDA Reconciliation (*)

| | | |
|----------------------------------|---------------|---------------|
| NET INCOME FOR THE PERIOD | 32,022 | 11,492 |
| Depreciation and Amortization | 521 | 607 |
| | 633 | 291 |
| Financial Income (Expense) | 7,748 | 7,443 |
| Social Contribution | 1,961 | (26) |
| Income Tax | 5,510 | 183 |
| Adjusted EBITDA | 48,395 | 19,990 |

Gross Operating Revenue

The gross operating revenue for the 1st quarter of 2019 was R\$ 861,853, an increase of R\$ 58,889 (7.3 in relation to the same quarter of 2018, mainly due to (i) supply of electric energy, basically in the amount sold to commercial and industrial clients, (R\$ 34,870) and (ii) supply of energy mainly due to the amount of energy sold comercializada (R\$ 25,712).

Cost of Electric Energy

Cost of electric energy in the 1st quarter of 2019 was R\$ 718,769, an increase of R\$ 29,941 (4.3%) in relation to the same quarter of 2018, basically explained by bilateral contracts, an increase in the average volume purchased (61 GWh - R\$ 28,404) and increase in the average price of 6%.

Financial Income (Expenses)

Net finance result this quarter presented expenses of R\$ 7,748, an increase of R\$ 305 compared to the same quarter of 2018, mainly due to an increase of monetary adjustments of accounts receivables with CCEE (R\$ 5,558) partially offset by decreases in: (i) incomes on bank applications (R\$ 1,537), (ii) monetary adjustments (R\$ 1,737) e (iii) effect on mark to market (R\$ 1,792).

The variation in share of profit (loss) of investees in the 1st quarter of 2019 (R\$18,159) refers mainly to the effect of the share of profit (loss) of RGE Sul (R\$ 18,791).

Profit for the Period and EBITDA

The result determined in the 1st quarter of 2019 was a profit of R\$ 32,022, an increase of R\$ 20,530 (178.6%) when compared with the same quarter of 2018.

EBITDA (Earnings before finance result, income tax and social contribution, depreciation and amortization) for the 1st quarter of 2019 was R\$ 48,395, an increase of 142.1% when compared with the same quarter of 2018, which was R\$ 19,990.

SUMMARY

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Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

| ASSETS | Note | Parent company | | Consolidated | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 163,408 | 79,364 | 3,440,809 | 1,891,457 |
| Consumers, concessionaires and licensees | 6 | - | - | 4,704,583 | 4,547,951 |
| Dividends and interest on capital | 12 | 674,936 | 701,731 | 100,182 | 100,182 |
| Income tax and social contribution recoverable | 7 | 1,873 | 9,441 | 165,905 | 123,739 |
| Other taxes recoverable | 7 | 3,356 | 8,646 | 255,204 | 287,517 |
| Derivatives | 33 | - | - | 260,847 | 309,484 |
| Sector financial asset | 8 | - | - | 1,402,757 | 1,330,981 |
| Contract assets | 15 | - | - | 23,685 | - |
| Other assets | 11 | 4,511 | 417 | 681,831 | 811,005 |
| Total current assets | | 848,085 | 799,599 | 11,035,803 | 9,402,316 |
| Noncurrent assets | | | | | |
| Consumers, concessionaires and licensees | 6 | - | - | 687,826 | 752,795 |
| Intragroup loans | 30 | 936 | 72,933 | - | - |
| Escrow Deposits | 21 | 738 | 703 | 859,842 | 854,374 |
| Income tax and social contribution recoverable | 7 | - | - | 68,382 | 67,966 |
| Other taxes recoverable | 7 | - | - | 355,228 | 185,725 |
| Sector financial assets | 8 | - | - | 27,093 | 223,880 |
| Derivatives | 33 | - | - | 349,932 | 347,507 |
| Deferred tax assets | 9 | 112,998 | 112,522 | 932,673 | 956,380 |
| Concession financial asset | 10 | - | - | 7,677,726 | 7,430,149 |
| Investments at cost | | - | - | 116,654 | 116,654 |
| Other assets | 11 | 4,637 | 4,863 | 710,930 | 927,440 |
| Investments | 12 | 10,429,842 | 9,816,139 | 1,066,138 | 980,362 |
| Property, plant and equipment | 13 | 799 | 1,087 | 9,351,350 | 9,456,614 |
| Contract asset | 15 | - | - | 1,329,593 | 1,046,433 |
| Intangible assets | 14 | 109 | 110 | 9,376,904 | 9,462,935 |
| Total noncurrent assets | | 10,550,059 | 10,008,356 | 32,910,270 | 32,809,214 |
| Total assets | | 11,398,144 | 10,807,954 | 43,946,073 | 42,211,530 |

The accompanying notes are an integral part of these interim financial statements.



CPFL Energia S.A.

Statements of financial position at March 31, 2019 and December 31, 2018
(in thousands of Brazilian Reais)

| | Note | Parent company | | Consolidated | |
|---|-----------|-------------------|-------------------|-------------------|-------------------|
| | | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities | | | | | |
| Trade payables | 16 | 1,786 | 2,854 | 3,159,696 | 2,398,085 |
| Borrowings | 17 | - | - | 2,764,095 | 2,446,113 |
| Debentures | 18 | - | - | 1,116,111 | 917,352 |
| Private pension plan | 19 | - | - | 109,611 | 86,623 |
| Regulatory liabilities | 20 | - | - | 125,274 | 150,656 |
| Income tax and social contribution payable | 21 | 418 | 8,261 | 117,436 | 100,450 |
| Other taxes, fees and contributions | 21 | 3,115 | 5,258 | 607,252 | 664,989 |
| Dividends | | 491,580 | 491,602 | 532,790 | 532,608 |
| Estimated payroll | | - | - | 129,141 | 119,252 |
| Derivatives | 33 | - | - | 4,863 | 8,139 |
| Use of public asset | | - | - | 11,771 | 11,570 |
| Other payables | 23 | 19,619 | 23,405 | 1,048,916 | 979,296 |
| Total current liabilities | | 516,518 | 531,380 | 9,726,955 | 8,415,132 |
| Noncurrent liabilities | | | | | |
| Trade payables | 16 | - | - | 320,024 | 333,036 |
| Borrowings | 17 | - | - | 8,588,747 | 8,989,846 |
| Debentures | 18 | - | - | 8,007,720 | 8,023,493 |
| Private pension plan | 19 | - | - | 1,135,215 | 1,156,639 |
| Other taxes, fees and contributions | 21 | - | - | 7,053 | 9,691 |
| Deferred tax liabilities | 9 | - | - | 1,130,097 | 1,136,227 |
| Provision for tax, civil and labor risks | 22 | 285 | 241 | 979,335 | 979,360 |
| Derivatives | 33 | - | - | 20,135 | 23,659 |
| Sector financial liability | 8 | - | - | 218,038 | 46,703 |
| Use of public asset | | - | - | 88,957 | 89,965 |
| Other payables | 23 | 13,215 | 13,584 | 623,054 | 475,396 |
| Total noncurrent liabilities | | 13,500 | 13,825 | 21,118,375 | 21,264,015 |
| Equity | | | | | |
| | 24 | | | | |
| Issued capital | | 5,741,284 | 5,741,284 | 5,741,284 | 5,741,284 |
| Capital reserves | | 469,257 | 469,257 | 469,257 | 469,257 |
| Legal reserve | | 900,992 | 900,992 | 900,992 | 900,992 |
| Statutory reserve - working capital improvement | | 3,527,510 | 3,527,510 | 3,527,510 | 3,527,510 |
| Accumulated comprehensive income | | (380,790) | (376,294) | (380,790) | (376,294) |
| Retained earnings | | 609,873 | - | 609,873 | - |
| | | 10,868,126 | 10,262,749 | 10,868,126 | 10,262,749 |
| Equity attributable to noncontrolling interests | | - | - | 2,232,617 | 2,269,634 |
| Total equity | | 10,868,126 | 10,262,749 | 13,100,743 | 12,532,383 |
| Total liabilities and equity | | 11,398,144 | 10,807,954 | 43,946,073 | 42,211,530 |

The accompanying notes are an integral part of these interim financial statements.



CPFL Energia S.A.
Statements of income for the periods ended on March 31, 2019 and 2018
(in thousands of Brazilian Reais, except for Earnings per share)

| | Note | Parent company | | Consolidated | |
|---|-----------|------------------|----------------------|------------------|----------------------|
| | | 1st quarter 2019 | 1st quarter 2018 (1) | 1st quarter 2019 | 1st quarter 2018 (1) |
| Net operating revenue | 26 | - | - | 7,127,446 | 6,374,654 |
| Cost of services | | | | | |
| Cost of electric energy | 27 | - | - | (4,483,763) | (4,013,721) |
| Cost of operation | | - | - | (694,783) | (669,933) |
| Depreciation and amortization | | - | - | (314,285) | (296,668) |
| Other cost of operation | 28 | - | - | (380,498) | (373,265) |
| Cost of services rendered to third parties | 28 | - | - | (415,895) | (371,361) |
| Gross profit | | - | - | 1,533,004 | 1,319,640 |
| Operating expenses | | | | | |
| Selling expenses | | - | - | (181,182) | (128,640) |
| Depreciation and amortization | | - | - | (1,280) | (1,070) |
| Allowance for doubtful accounts | | - | - | (68,615) | (26,420) |
| Other selling expenses | 28 | - | - | (111,287) | (101,150) |
| General and administrative expenses | | (10,845) | (9,246) | (215,638) | (203,875) |
| Depreciation and amortization | | (54) | (48) | (16,766) | (20,938) |
| Other general and administrative expenses | 28 | (10,791) | (9,198) | (198,872) | (182,937) |
| Other operating expenses | | - | - | (95,448) | (96,533) |
| Amortization of concession intangible asset | | - | - | (72,109) | (71,508) |
| Other operating expenses | 28 | - | - | (23,339) | (25,025) |
| Income from electric energy services | | (10,845) | (9,246) | 1,040,736 | 890,592 |
| Equity interests in subsidiaries, associates and joint ventures | 12 | 611,777 | 450,986 | 85,775 | 85,356 |
| Financial income (expenses) | 29 | | | | |
| Financial income | | 2,470 | 7,084 | 206,595 | 197,151 |
| Financial expenses | | (8) | (5,309) | (426,635) | (504,671) |
| | | 2,462 | 1,775 | (220,040) | (307,519) |
| Profit before taxes | | 603,394 | 443,515 | 906,472 | 668,428 |
| Social contribution | 9 | 685 | 552 | (90,050) | (66,869) |
| Income tax | 9 | (629) | (285) | (246,064) | (182,156) |
| | | 56 | 267 | (336,114) | (249,024) |
| Profit for the period | | 603,450 | 443,783 | 570,358 | 419,404 |
| Profit (loss) for the period attributable to owners of the Company | | | | 603,450 | 443,783 |
| Profit (loss) for the period attributable to noncontrolling interests | | | | (33,093) | (24,379) |
| Basic earnings per share attributable to owners of the Company (R\$): | 25 | | | 0.59 | 0.44 |
| Diluted earnings per share attributable to owners of the Company (R\$): | 25 | | | 0.59 | 0.44 |

(1) See note 2.8.

The accompanying notes are an integral part of these interim financial statements



CPFL Energia S.A.
Statements of comprehensive income for the periods ended March 31, 2019 and 2018
(In thousands of Brazilian reais - R\$)

| | Parent company | |
|---|-------------------------|-------------------------|
| | 1st quarter 2019 | 1st quarter 2018 |
| Profit for the period | 603,450 | 443,783 |
| Other comprehensive income | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Comprehensive income for the period of subsidiaries | (1,833) | (1,803) |
| Items that will be reclassified subsequently to profit or loss | | |
| Comprehensive income for the period of subsidiaries | 3,759 | - |
| Total comprehensive income for the period - individual | 605,377 | 441,979 |
| | | |
| | Consolidated | |
| | 1st quarter 2019 | 1st quarter 2018 |
| Profit for the period | 570,358 | 419,404 |
| Other comprehensive income | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| - Actuarial gains (losses), net of tax effects | (1,833) | (1,803) |
| Items that will be reclassified subsequently to profit or loss | | |
| - Credit risk in fair value measurement of financial liabilities | 3,759 | - |
| Total comprehensive income for the period | 572,284 | 417,601 |
| Attributable to owners of the Company | 605,377 | 441,979 |
| Attributable to noncontrolling interests | (33,093) | (24,379) |

The accompanying notes are an integral part of these interim financial statements

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.



CPFL Energia S.A.
Statements of changes in shareholders' equity for the periods ended March 31, 2019 and 2018
(In thousands of Brazilian reais - R\$)

| | Earning reserves | | | | Accumulated comprehensive income | | Retained earnings | Total | Noncontrolling interests | | Total equity |
|---|------------------|-----------------|----------------|-----------------------------|----------------------------------|---|-------------------|-------------------|----------------------------------|-------------------------|-------------------|
| | Issued capital | Capital reserve | Legal reserve | Working capital improvement | Deemed cost | Private pension plan / Credit risk in fair value measurement of financial liabilities | | | Accumulated comprehensive income | Other equity components | |
| Balance at December 31, 2018 | 5,741,284 | 469,257 | 900,992 | 3,527,510 | 380,721 | (757,016) | - | 10,262,749 | 10,055 | 2,259,578 | 12,532,383 |
| Total comprehensive income | - | - | - | - | - | 1,926 | 603,451 | 605,377 | - | (33,093) | 572,284 |
| Profit for the period | - | - | - | - | - | - | 603,451 | 603,451 | - | (33,093) | 570,358 |
| Other comprehensive income - credit risk in fair value measurement of financial liabilities | - | - | - | - | - | 3,759 | - | 3,759 | - | - | 3,759 |
| Other comprehensive income - actuarial gains (losses) | - | - | - | - | - | (1,833) | - | (1,833) | - | - | (1,833) |
| Internal changes in equity | - | - | - | - | (6,422) | - | 6,422 | - | (444) | 426 | (18) |
| Realization of deemed cost of property, plant and equipment | - | - | - | - | (9,730) | - | 9,730 | - | (673) | 673 | - |
| Tax effect on realization of deemed cost | - | - | - | - | 3,308 | - | (3,308) | - | 229 | (229) | - |
| Other changes | - | - | - | - | - | - | - | - | - | (18) | (18) |
| Capital transactions with owners | - | - | - | - | - | - | - | - | - | (3,907) | (3,907) |
| Capital increase (reduction) | - | - | - | - | - | - | - | - | - | 43 | 43 |
| Unclaimed dividend | - | - | - | - | - | - | - | - | - | - | - |
| Dividend proposal approved | - | - | - | - | - | - | - | - | - | (3,950) | (3,950) |
| Other changes | - | - | - | - | - | - | - | - | - | - | - |
| Balance at March 31, 2019 | 5,741,284 | 469,257 | 900,992 | 3,527,510 | 374,299 | (755,090) | 609,873 | 10,868,126 | 9,611 | 2,223,004 | 13,100,742 |

The accompanying notes are an integral part of these interim financial statements

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

CPFL Energia S.A.
Statements of changes in shareholders' equity for the periods ended March 31, 2018 and 2017
(in thousands of Brazilian reais - R\$)

| | (in thousands of Brazilian Reals - R\$) | | | | | | Accumulated comprehensive income | | | Noncontrolling interests | | |
|---|---|-----------------|---------------|----------------------------|-----------------------------|-------------|---|-------------------|-----------|----------------------------------|-------------------------|--------------|
| | Earning reserves | | | | | | | | | | | |
| | Statutory reserves | | | | | | | | | | | |
| | Issued capital | Capital reserve | Legal reserve | Concession financial asset | Working capital improvement | Deemed cost | Private pension plan / Credit risk in fair value measurement of financial liabilities | Retained earnings | Total | Accumulated comprehensive income | Other equity components | Total equity |
| Balance at December 31, 2017 | 5,741,284 | 468,014 | 798,090 | 826,600 | 1,292,046 | 405,840 | (570,346) | - | 8,961,528 | 11,833 | 2,212,983 | 11,186 |
| Total comprehensive income | - | - | - | - | - | - | (18,051) | 395,322 | 377,272 | - | (24,379) | 352 |
| Profit for the period | - | - | - | - | - | - | - | 443,783 | 443,783 | - | (24,379) | 415 |
| Other comprehensive income - credit risk in fair value measurement of financial liabilities | - | - | - | - | - | - | (16,247) | - | (16,247) | - | - | (16) |
| Other comprehensive income - actuarial gains (losses) | - | - | - | - | - | - | (1,803) | - | (1,803) | - | - | (1) |
| Effects of first adoption of IFRS 9 / CPC 48 | - | - | - | - | - | - | - | (48,461) | (48,461) | - | - | (48) |
| Internal changes in equity | - | 5 | - | 41,312 | - | (6,468) | - | (34,844) | 5 | (444) | 426 | |
| Realization of deemed cost of property, plant and equipment | - | - | - | - | - | (9,799) | - | 9,799 | - | (673) | 673 | |
| Tax effect on realization of deemed cost | - | - | - | - | - | 3,332 | - | (3,332) | - | 229 | (229) | |
| Recognition of legal reserve | - | - | - | - | - | - | - | - | - | - | - | |
| Changes in statutory reserve in the period | - | - | - | 41,312 | - | - | - | (41,312) | - | - | - | |
| Other changes in noncontrolling interests | - | 5 | - | - | - | - | - | - | 5 | - | (18) | |
| Balance at March 31, 2018 | 5,741,284 | 468,018 | 798,090 | 867,912 | 1,292,046 | 399,371 | (588,395) | 360,478 | 9,338,803 | 11,388 | 2,189,030 | 11,536 |

The accompanying notes are an integral part of these interim financial statements.

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.



CPFL Energia S/A
Statements of cash flow for the periods ended March 31, 2019 and 2018
(in thousand of Brazilian Reais - R\$)

| | Parent company | | Consolidated | |
|---|-----------------------|--------------------------|-----------------------|--------------------------|
| | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| Profit before taxes | 603,394 | 443,515 | 906,472 | 668,428 |
| Adjustment to reconcile profit to cash from operating activities | | | | |
| Depreciation and amortization | 54 | 48 | 404,440 | 390,185 |
| Provision for tax, civil and labor risks | 52 | (36) | 27,758 | 25,507 |
| Allowance for doubtful accounts | - | - | 68,615 | 26,420 |
| Interest on debts, inflation adjustment and exchange rate changes | (32) | 2,981 | 256,867 | 359,359 |
| Pension plan expense (income) | - | - | 28,150 | 22,477 |
| Equity interests in associates and joint ventures | (611,777) | (450,986) | (85,775) | (85,356) |
| Impairment | - | - | - | (5,837) |
| Loss (gain) on disposal of noncurrent assets | - | - | 21,165 | 30,898 |
| Deferred taxes (PIS and COFINS) | - | - | (127) | (155) |
| Others | - | - | - | (11,085) |
| | (8,309) | (4,478) | 1,627,565 | 1,420,841 |
| Decrease (increase) in operating assets | | | | |
| Consumers, concessionaires and licensees | - | - | (160,055) | (62,912) |
| Dividend and interest on capital received | 26,795 | 65,383 | - | 21,503 |
| Taxes recoverable | 12,816 | (20) | (155,026) | (12,528) |
| Escrow deposits | (33) | (65) | 3,426 | (5,431) |
| Sector financial asset | - | - | 194,604 | (21,033) |
| Receivables - CDE | - | - | 4,318 | 37,218 |
| Concession financial assets (transmission companies) | - | - | - | - |
| Other operating assets | (3,635) | 174 | (36,312) | (142,493) |
| Increase (decrease) in operating liabilities | | | | |
| Trade payables | (1,068) | (206) | 748,599 | (768,048) |
| Other taxes and social contributions | (2,094) | 1,220 | (69,306) | (14,018) |
| Other liabilities with private pension plan | - | - | (28,419) | (27,196) |
| Regulatory liabilities | - | - | (25,382) | (436,406) |
| Tax, civil and labor risks paid | (11) | (27) | (41,595) | (30,811) |
| Sector financial liability | - | - | 129,276 | (55,161) |
| Payables - CDE | - | - | 6,169 | (1,356) |
| Other operating liabilities | (4,155) | (2,199) | 304,644 | 214,578 |
| Cash flows provided (used) by operations | 20,306 | 59,782 | 2,502,505 | 116,747 |
| Interest paid on debts and debentures | - | (4,235) | (286,886) | (327,727) |
| Income tax and social contribution paid | (8,263) | - | (317,300) | (252,090) |
| Cash flows provided (used) by operations activities | 12,043 | 55,547 | 1,898,319 | (463,070) |
| Investing activities | | | | |
| Purchases of property, plant and equipment | - | (198) | (36,839) | (56,084) |
| Purchases of contract asset | - | - | (403,573) | (366,303) |
| Purchases and construction of intangible assets | - | (23) | (5,154) | (3,527) |
| Securities, pledges and restricted deposits - investment | - | - | (46,177) | (88,367) |
| Securities, pledges and restricted deposits - redemption | - | - | 68,277 | 68,548 |
| Advances for future capital increases | - | (40) | - | - |
| Intragroup loans to subsidiaries | (310) | (7,592) | - | - |
| Receiving of intragroup loans from subsidiaries | 72,332 | 135,217 | - | - |
| Net cash generated by (used) in investing activities | 72,022 | 127,364 | (423,466) | (445,733) |
| Financing activities | | | | |
| Borrowings and debentures raised | - | - | 799,731 | 2,947,881 |
| Repayment of principal of borrowings and debentures | - | (186,000) | (857,840) | (2,443,707) |
| Repayment of derivatives | - | - | 136,375 | 187,568 |
| Dividend and interest on capital paid | (22) | (5) | (3,767) | (3,603) |
| Net cash generated by (used in) financing activities | (22) | (186,005) | 74,499 | 688,139 |
| Net increase (decrease) in cash and cash equivalents | 84,044 | (3,094) | 1,549,353 | (220,664) |
| Cash and cash equivalents at the beginning of the period | 79,364 | 6,581 | 1,891,457 | 3,249,642 |
| Cash and cash equivalents at the end of the period | 163,408 | 3,487 | 3,440,809 | 3,028,978 |

The accompanying notes are an integral part of these interim financial statements.



CPFL Energia S.A.
Statements of value added for the periods ended March 31, 2019 and 2018
(in thousand of Brazilian Reals - R\$)

| | Parent company | | Consolidated | |
|--|------------------|------------------|--------------------|--------------------|
| | 1st quarter 2019 | 1st quarter 2018 | 1st quarter 2019 | 1st quarter 2018 |
| 1. Revenues | - | 221 | 10,785,204 | 9,673,757 |
| 1.1 Operating revenues | - | - | 10,372,542 | 9,266,935 |
| 1.6 Revenues related to the construction of own assets | - | 221 | 66,064 | 62,681 |
| 1.5 Revenue from infrastructure construction | - | - | 415,213 | 370,562 |
| 1.4 Allowance for doubtful accounts | - | - | (68,615) | (26,420) |
| 2. (-) Inputs | (3,325) | (2,837) | (5,778,639) | (5,189,577) |
| 2.1 Electricity Purchased for Resale | - | - | (4,961,254) | (4,442,138) |
| 2.7 Material | (77) | (225) | (323,163) | (295,106) |
| 2.6 Outsourced Services | (2,358) | (1,896) | (351,081) | (335,807) |
| 2.5 Other | (890) | (715) | (143,141) | (116,525) |
| 3. Gross added value (1 + 2) | (3,325) | (2,616) | 5,006,565 | 4,484,181 |
| 4. Retentions | (54) | (48) | (406,183) | (391,226) |
| 4.1 Depreciation and amortization | (54) | (48) | (334,074) | (319,718) |
| 4.7 Amortization of intangible assets | - | - | (72,109) | (71,508) |
| 5. Net added value generated (3 + 4) | (3,379) | (2,664) | 4,600,382 | 4,092,954 |
| 6. Added value received in transfer | 614,368 | 458,417 | 302,748 | 294,209 |
| 6.1 Financial Income | 2,591 | 7,430 | 216,972 | 208,853 |
| 6.6 Equity in Subsidiaries | 611,777 | 450,986 | 85,775 | 85,356 |
| 7. Added value to be distributed (5 + 6) | 610,989 | 455,753 | 4,903,131 | 4,387,164 |
| 8. Distribution of added value | | | | |
| 8.1 Personnel and Charges | 6,335 | 5,543 | 350,924 | 336,795 |
| 8.1.1 Direct Remuneration | 2,267 | 2,524 | 198,675 | 197,685 |
| 8.1.7 Benefits | 3,605 | 2,587 | 135,768 | 122,391 |
| 8.1.6 Government severance indemnity fund for employees - F.G.T.S. | 464 | 432 | 16,481 | 16,719 |
| 8.2 Taxes, Fees and Contributions | 1,168 | 1,120 | 3,530,642 | 3,105,820 |
| 8.2.1 Federal | 1,160 | 1,104 | 1,755,649 | 1,674,230 |
| 8.2.7 Estate | 8 | 16 | 1,767,958 | 1,425,792 |
| 8.2.6 Municipal | - | - | 7,034 | 5,798 |
| 8.3 Interest and Rentals | 35 | 5,307 | 451,208 | 525,145 |
| 8.3.1 Interest | 6 | 5,306 | 431,422 | 507,082 |
| 8.3.6 Rental | 29 | 1 | 19,787 | 18,062 |
| 8.3.5 Other | - | - | - | - |
| 8.4 Interest on capital | 603,450 | 443,783 | 570,358 | 419,404 |
| 8.4.2 Retained Earnings | 603,450 | 443,783 | 570,358 | 419,404 |
| | 610,989 | 455,753 | 4,903,131 | 4,387,164 |

The accompanying notes are an integral part of these interim financial statements.

CPFL ENERGIA S.A.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AT MARCH 31, 2019
(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)

(1) OPERATIONS

CPFL Energia S.A. ("CPFL Energia" or "Company") is a publicly-held corporation incorporated for the principal purpose of operating as a holding company, with equity interests in other companies primarily engaged in electric energy distribution, generation and commercialization activities in Brazil.

The Company's registered office is located at Rua Jorge Figueiredo Corrêa, nº 1.632, Jardim Professora Tarcília, CEP 13087-397 – Campinas - SP - Brazil.

The Company has direct and indirect interests in the following subsidiaries and joint ventures:

| Energy distribution | Company type | Equity interest | Location (state) | Number of municipalities | Approximate number of consumers (in thousands) | Concession period | End of the concession |
|---|----------------------------|--------------------------|--|--------------------------|--|-------------------|-----------------------|
| | | | | | | | |
| Companhia Paulista de Força e Luz ("CPFL Paulista") | Publicly-held corporation | Direct 100% | Interior of São Paulo | 234 | 4,516 | 30 years | November 2027 |
| Companhia Piratininga de Força e Luz ("CPFL Piratininga") | Publicly-held corporation | Direct 100% | Interior and coast of São Paulo | 27 | 1,760 | 30 years | October 2028 |
| RGE Sul Distribuidora de Energia S.A. ("RGE") (f) | Publicly-held corporation | Direct and Indirect 100% | Interior of Rio Grande do Sul | 381 | 2,888 | 30 years | November 2027 |
| Companhia Jaguarí de Energia ("CPFL Santa Cruz") | Privately-held corporation | Direct 100% | Interior of São Paulo, Paraná and Minas Gerais | 45 | 458 | 30 years | July 2045 |

| Energy generation (conventional and renewable sources) and Energy transmission | Company type | Equity interest | Location (state) | Number of plants / type of energy | Installed power (MW) | |
|--|----------------------------|---------------------|------------------------------------|-----------------------------------|----------------------|------------|
| | | | | | Total | CPFL share |
| CPFL Geração de Energia S.A. ("CPFL Geração") | Publicly-held corporation | Direct 100% | São Paulo e Goiás | 3 Hydropower (a) | 1295 | 678 |
| CERAN - Companhia Energética Rio das Antas ("CERAN") | Privately-held corporation | Indirect 65% | Rio Grande do Sul | 3 Hydropower | 360 | 234 |
| Foz do Chapecó Energia S.A. ("Foz do Chapecó") | Privately-held corporation | Indirect 51% (d) | Santa Catarina e Rio Grande do Sul | 1 Hydropower | 855 | 436 |
| Campos Novos Energia S.A. ("ENERCAN") | Privately-held corporation | Indirect 48.72% | Santa Catarina | 1 Hydropower | 880 | 429 |
| BAESA - Energética Barra Grande S.A. ("BAESA") | Publicly-held corporation | Indirect 25.01% | Santa Catarina e Rio Grande do Sul | 1 Hydropower | 690 | 173 |
| Centrais Elétricas da Paraíba S.A. ("EPASA") | Privately-held corporation | Indirect 53.34% | Paraíba | 2 Thermal | 342 | 182 |
| Paulista Lajeado Energia S.A. ("Paulista Lajeado") | Privately-held corporation | Indirect 59.93% (b) | Tocantins | 1 Hydropower | 903 | 38 |
| CPFL Energias Renováveis S.A. ("CPFL Renováveis") | Publicly-held corporation | Indirect 51.56% | (c) | (c) | (c) | (c) |
| CPFL Centrais Geradoras Ltda ("CPFL Centrais Geradoras") | Limited liability company | Direct 100% | São Paulo e Minas Gerais | 6 SHPs | 4 | 4 |
| CPFL Transmissão Piracicaba S.A. ("CPFL Transmissão Piracicaba") | Privately-held corporation | Indirect 100% | São Paulo | n/a | n/a | n/a |
| CPFL Transmissão Morro Agudo S.A. ("CPFL Transmissão Morro Agudo") | Privately-held corporation | Indirect 100% | São Paulo | n/a | n/a | n/a |
| CPFL Transmissão Maracanaú S.A. ("CPFL Maracanaú") (e) | Privately-held corporation | Indirect 100% | Ceará | n/a | n/a | n/a |
| CPFL Transmissão Sul I S.A. ("CPFL Sul I") (e) | Privately-held corporation | Indirect 100% | Santa Catarina | n/a | n/a | n/a |
| CPFL Transmissão Sul II S.A. ("CPFL Sul II") (e) | Privately-held corporation | Indirect 100% | Rio Grande do Sul | n/a | n/a | n/a |

| Energy commercialization | Company type | Core activity | Equity interest |
|--|----------------------------|--|--------------------|
| CPFL Comercialização Brasil S.A. ("CPFL Brasil") | Privately-held corporation | Energy commercialization | Direct 100% |
| Clion Assessoria e Comercialização de Energia Elétrica Ltda. ("CPFL Meridional") | Limited liability company | Commercialization and provision of energy services | Indirect 100% |
| CPFL Comercialização Cone Sul S.A. ("CPFL Cone Sul") | Privately-held corporation | Energy commercialization | Indirect 100% |
| CPFL Planalto Ltda. ("CPFL Planalto") | Limited liability company | Energy commercialization | Direct 100% |
| CPFL Brasil Varejista S.A. ("CPFL Brasil Varejista") | Privately-held corporation | Energy commercialization | Indirect 100% |
| Provision of services | Company type | Core activity | Equity interest |
| CPFL Serviços, Equipamentos, Indústria e Comércio S.A. ("CPFL Serviços") | Privately-held corporation | Manufacturing, commercialization, rental and maintenance of electro-mechanical equipment and service provision | Direct 100% |
| NECT Serviços Administrativos Ltda ("Nect") | Limited liability company | Provision of administrative services | Direct 100% |
| CPFL Atende Centro de Contatos e Atendimento Ltda. ("CPFL Atende") | Limited liability company | Provision of call center services | Direct 100% |
| CPFL Total Serviços Administrativos Ltda. ("CPFL Total") | Limited liability company | Collection services | Direct 100% |
| CPFL Eficiência Energética S.A. ("CPFL Eficiência") | Privately-held corporation | Energy efficiency management | Direct 100% |
| TI Nect Serviços de Informática Ltda. ("Authi") | Limited liability company | Provision of IT services | Direct 100% |
| CPFL GD S.A. ("CPFL GD") | Privately-held corporation | Provision of maintenance services for energy generation companies | Indirect 100% |
| Others | Company type | Core activity | Equity interest |
| CPFL Jaguar de Geração de Energia Ltda ("Jaguar Geração") | Limited liability company | Holding company | Direct 100% |
| Chapecoense Geração S.A. ("Chapecoense") | Privately-held corporation | Holding company | Indirect 51% |
| Sul Geradora Participações S.A. ("Sul Geradora") | Privately-held corporation | Holding company | Indirect 99.95% |
| CPFL Telecom S.A. ("CPFL Telecom") | Privately-held corporation | Telecommunication services | Direct 100% |

a) CPFL Geração has 51.54% of the assured energy and power of the Serra da Mesa hydropower plant, which concession is owned by Furnas.

b) Paulista Lajeado holds a 7% interest in the installed power of Investco S.A. (5.94% interest in total capital).

c) CPFL Renováveis has operations in the states of São Paulo, Minas Gerais, Mato Grosso, Santa Catarina, Ceará, Rio Grande do Norte, Paraná and Rio Grande do Sul and its main activities are: (i) holding investments in companies of the renewable energy segment; (ii) identification, development, and exploration of generation potentials; and (iii) sale of electric energy. At March 31, 2019, CPFL Renováveis had a portfolio of 110 projects of de 2,480.1 MW of installed capacity (2,132.7 MW in operation):

- Hydropower generation: 44 SHP's (514.9 MW) with 40 SHPs in operation (453.1 MW) and 4 SHPs under construction/development (61.8 MW);
- Wind power generation: 57 projects (1,594.1 MW) with 45 projects in operation (1,308.5 MW) and 12 projects under construction/development (285.6 MW);
- Biomass power generation: 8 plants in operation (370 MW);
- Solar power generation: 1 solar plant in operation (1.1 MW).

d) The joint venture Chapecoense has as its direct subsidiary Foz do Chapecó and fully consolidates its financial statements.

- e) In August 2018 it was established CPFL Transmissão Maracanaú S.A. (at Ceará state) and in March 2019 it was established CPFL Transmissão Sul I (at Santa Catarina state) e a CPFL Transmissão Sul II (at Rio Grande do Sul state). The purpose of these subsidiaries is the exploring concessions for electric power transmission, including the construction, operation and maintenance of basic grid transmission facilities.
- f) As described in note 12.6.1 of financial statements of December 31, 2018 the merger of RGE with RGE Sul was approved by ANEEL. Since January 1, 2019, the operations of these subsidiaries have been carried out only by RGE Sul, which adopted the trade name "RGE".

(2) PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 Basis of preparation

This interim individual (Parent Company) and consolidated financial statement has been prepared and is being presented in accordance with the International Accounting Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standard Board – IASB, and also based on standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Financial Information (ITR), in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting.

The Company and the subsidiaries ("Group") also follows the guidelines of the Accounting Manual of the Brazilian Electricity Sector and the standards laid down by the Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica – ANEEL), when these do not conflict with the accounting practices adopted in Brazil and/or International Financial Reporting Standards.

The accounting practices and criteria adopted in preparing these individual and consolidated interim financial statements are consistent with those adopted in preparing the financial statements at December 31, 2018, except for IFRS 16 and IFRIC 23 that, as described in note 3.18 of those financial statements, had no material impact, and therefore should be read together.

Management states that all material information of the interim financial statements is disclosed and corresponds to what is used in the Group's management.

The interim financial statements were authorized for issue by Management and on May 6, 2019.

2.2 Basis of measurement

The interim financial statements has been prepared on the historical cost basis except for the following items recorded in the statements of financial position: i) derivative financial instruments measured at fair value and ii) non derivative financial instruments measured at fair value through profit or loss. The classification of the fair value measurement in the level 1, 2 or 3 categories (depending on the degree of observance of the variables used) is presented in note 33 – Financial Instruments.

2.3 Use of estimates and judgments

The preparation of the interim financial statements requires the Group's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

By definition, the accounting estimates are rarely the same as the actual results. Accordingly, the Group's management review the estimates and assumptions on an ongoing basis, based on previous experience and other relevant factors. Adjustments resulting from revisions to accounting estimates are recognized in the period in which the estimates are revised and applied on a prospective basis.

The main accounts that require the adoption of estimates and assumptions, which are subject to a greater degree of uncertainty and may result in a material adjustment if these estimates and assumptions suffer significant changes in subsequent periods, are:

- Note 6 – Consumers, concessionaires and licensees (Allowance for doubtful accounts: key assumptions regarding to the expected credit loss - ECL);
- Note 8 – Sector financial asset and liability (Regulatory discretion and judgement over certain items);
- Note 9 – Deferred tax assets and liabilities (recognition of assets: availability of future taxable profit against which the tax losses can be utilized);
- Note 10 – Concession financial asset (assumptions for fair value measurement, based on significant unobservable inputs, see note 33);
- Note 11 – Other assets (allowance for doubtful accounts: key assumptions regarding to the expected credit loss - ECL);
- Note 13 – Property, plant and equipment (definition of useful lives and key assumptions regarding recoverable amounts);
- Note 14 – Intangible assets (key assumptions regarding recoverable amounts);
- Note 19 – Private pension plan (key actuarial assumptions used in the measurement of defined benefit obligations);
- Note 22 – Provision for tax, civil and labor risks and escrow deposits (recognition and measurement: key assumptions on the probability and magnitude of outflow of resources); and
- Note 26 – Net operating revenue (assumptions for measurement of unbilled supply and Distribution System Usage Tariff - TUSD).

2.4 Functional currency and presentation currency

The Group's functional currency is the Brazilian Real, and the individual and consolidated interim financial statements is being presented in thousands of reais. Figures are rounded only after sum-up of the amounts. Consequently, when summed up, the amounts stated in thousands of reais may not tally with the rounded totals.

2.5 Segment information

An operating segment is a component of the Company (i) that engages in operating activities from which it earns revenues and incurs expenses, (ii) whose operating results are regularly reviewed by Management to make decisions about resources to be allocated and assess the segment's performance, and (iii) for which individual financial information is available.

The Group's officers use reports to make strategic decisions, segmenting the business into: (i) electric energy distribution activities ("Distribution"); (ii) electric energy generation and transmission from conventional sources activities ("Generation"); (iii) electric energy generation activities from renewable sources ("Renewables"); (iv) energy commercialization activities ("Commercialization"); (v) service activities ("Services"); and (vi) other activities not listed in the previous items.

2.6 Information on equity interests

The Company's equity interests in direct and indirect subsidiaries and joint ventures are described in note 1. Except for (i) the companies ENERCAN, BAESA, Chapecoense and EPASA, which use the equity method of accounting, and (ii) the non-controlling interest in the investment stated at cost by the subsidiary Paulista Lajeado in Investco S.A., that is the best estimate of their fair value, all other entities are fully consolidated.

At March 31, 2019 and December 31, 2018 and for the quarters ended March 31, 2019 and 2018 the noncontrolling interests in the consolidated balances refer to interests held by third parties in subsidiaries CERAN, Paulista Lajeado and CPFL Renováveis.

2.7 Statement of value added

The Company has prepared the individual and consolidated statements of value added ("DVA") in conformity with technical pronouncement CPC 09 - Statement of Value Added, which are presented as an integral part of the interim financial statements in accordance with accounting practices adopted in Brazil and as supplementary information to the interim financial statements in accordance with IFRS, as this statement is neither provided for nor required by IFRS.

2.8 New presentation of financial statements of 2018 – breakdown of lines

Starting in 2019, focusing on improving the presentation of the financial statements for the monitoring of results by Group Management, through a better analysis of costs and expenses accounts, the Company split the depreciation, amortization and allowance for doubtful accounts lines in the income statement.

For comparability purposes, these changes were applied retrospectively according to CPC 23/IAS 8, and therefore, the interim financial statements regarding 2018 are being restated with the same breakdown. There are no changes in costs and expenses assumptions.

The following table summarizes the impacts on interim financial statements:

| | Parent company | | | Consolidated | | |
|--|----------------------|--------------------|------------------|----------------------|--------------------|------------------|
| | 1st quarter 2018 | | | 1st quarter 2018 | | |
| | Originally disclosed | Breakdown of lines | New presentation | Originally disclosed | Breakdown of lines | New presentation |
| NET OPERATING REVENUE | - | - | - | 6,374,654 | - | 6,374,654 |
| COST OF ELECTRIC ENERGY SERVICES | | | | | | |
| Cost of electric energy | - | - | - | (4,013,721) | - | (4,013,721) |
| Cost of operation | - | - | - | (669,933) | - | (669,933) |
| Depreciation and amortization | - | - | - | - | (296,668) | (296,668) |
| Other cost of operation | - | - | - | - | (373,265) | (373,265) |
| Cost of services rendered to third parties | - | - | - | (371,361) | - | (371,361) |
| Gross profit | - | - | - | 1,319,640 | - | 1,319,640 |
| OPERATING EXPENSES | | | | | | |
| Selling expenses | - | - | - | (128,640) | - | (128,640) |
| Depreciation and amortization | - | - | - | - | (1,070) | (1,070) |
| Allowance for doubtful accounts | - | - | - | - | (26,420) | (26,420) |
| Other selling expenses | - | - | - | - | (101,150) | (101,150) |
| General and administrative expenses | (9,246) | - | (9,246) | (203,875) | - | (203,875) |
| Depreciation and amortization | - | (48) | (48) | - | (20,938) | (20,938) |
| Other general and administrative expenses | - | (9,198) | (9,198) | - | (182,937) | (182,937) |
| Other operating expenses | - | - | - | (96,533) | - | (96,533) |
| Amortization of concession intangible asset | - | - | - | - | (71,508) | (71,508) |
| Other operating expenses | - | - | - | - | (25,025) | (25,025) |
| Income from electric energy services | (9,246) | - | (9,245) | 890,592 | - | 890,592 |
| Equity interests in subsidiaries, associates and joint ventures | 450,986 | - | 450,986 | 85,356 | - | 85,356 |
| Financial income (expenses) | | | | | | |
| Financial income | 7,084 | - | 7,084 | 197,151 | - | 197,151 |
| Financial expenses | (5,309) | - | (5,309) | (504,671) | - | (504,671) |
| Profit before taxes | 1,775 | - | 1,775 | (307,519) | - | (307,519) |
| Social contribution | 443,515 | - | 443,515 | 668,428 | - | 668,428 |
| Income tax | 552 | - | 552 | (66,869) | - | (66,869) |
| | (285) | - | (285) | (182,156) | - | (182,156) |
| | 267 | - | 267 | (249,024) | - | (249,024) |
| Profit for the period | 443,783 | - | 443,783 | 419,404 | - | 419,404 |
| Profit (loss) for the period attributable to owners of the Company | | | | 443,783 | - | 443,783 |
| Profit (loss) for the period attributable to noncontrolling interests | | | | (24,379) | - | (24,379) |

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the changes noted below these interim financial information of the Group was prepared based on the same accounting policies described in notes 3.1 to 3.18 disclosed in the financial statements for the year ended December 31, 2018. Effects of the changes in accounting policies on the group's consolidated financial statements for the year ended December 31, 2019 are also expected.

Nature and effect of the changes arising from the application of the new and revised standards

The Group initially adopted CPC 06(R2) / IFRS 16 Leases and ICPC 22 / IFRIC 23 Uncertainty over Income Tax Treatments as of January 1, 2019. A series of other new standards are effective as of January 1, 2019, without material effect on the Group's interim accounting information.

With respect to ICPC 22 / IFRIC 23, the Group applied the interpretation and informs that there was no material impact on its adoption.

The CPC 06 (R2) / IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases, from the lessees and lessors' perspectives. Among the changes arising from IFRS 16, this standard eliminated the classification of leases as either operating leases or finance, providing for a single lessee accounting model in which all leases result in the recognition of a right-of-use asset and a lease liability.

Following the adoption of CPC 06 (R2) / IFRS 16, lease payments under operating leases are not charged to operating results on accrual basis. Instead, depreciation of the right to use a leased asset, as well as the finance expenses and foreign exchange gains or losses over the lease liability, affect the results. As regards the lessors, it virtually retains the requirements of IAS 17, including only some additional disclosure aspects. The Company applied short-term lease exemption and recognizes payments associated with such leases as expenses over the arrangements terms.

According to the transition provisions set forth in CPC 06 (R2) / IFRS 16, the Company applied this standard retrospectively with the cumulative effect of its initial application recognized at January 1, 2019, without restatement of prior period information, and the following practical expedients were chosen: short-term leases (contracts with maximum duration of 12 months) and low-value items (fair value of the identified leased asset lower than US\$ 5 thousand). The lessor accounting remained similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The standard defines that a contract is or contains a lease if it conveys the right to control the use of the identified assets for a period of time for a consideration. As a result of the initial application of IFRS 16, in regard to leases that were previously classified as operating leases, the Group assessed the standard and concluded that there was no material impact on its adoption.

(4) FAIR VALUE MEASUREMENT

A number of the Group's accounting policies and disclosures require the fair value measurement, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, additional information on the assumptions made in the fair value measurement is disclosed in the notes specific to that asset or liability.

The Group measures fair value as the price that would be received for the sale of the asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- Property, plant and equipment, intangible assets and contract asset

The fair value of items of property, plant and equipment is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

- Financial instruments

Financial instruments measured at fair value are valued based on quoted prices in an active market, or, if such prices are not available, they are assessed using pricing models, applied individually to each transaction, taking into consideration future cash flows, based on the contractual conditions, discounted to present value at rates obtained from market interest curves, having as a basis, whenever available, information obtained from the websites of B3 S.A. and "Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais – ANBIMA" (note 33) and also includes the debtor's credit risk rate.

The right to compensation, to be paid by the Federal Government when the distribution concessionaires' assets are handed over at the end of the concession period are classified as measured at fair value through profit or loss. The methodology adopted for valuing these assets is based on the tariff review process for distributors. This process, conducted every four or five years according to each concessionaire, involves assessing the replacement price of the distribution infrastructure, in accordance with criteria established by the granting authority ("ANEEL"). This valuation basis is also used for establishing the distribution tariff, which is adjusted annually up to the next tariff review, based on main inflation indices.

Accordingly, at the time of the tariff review, each distribution concessionaire adjusts the position of the financial asset base for compensation at the amounts ratified by the granting authority and uses the Extended Consumer Price Index ("IPCA") as the best estimates for adjusting the original value until the next tariff review process.

(5) CASH AND CASH EQUIVALENTS

| | Parent company | | Consolidated | |
|----------------------------------|----------------|-------------------|------------------|-------------------|
| | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| Bank balances | 968 | 2,824 | 220,497 | 422,968 |
| Short-term financial investments | 162,440 | 76,540 | 3,220,312 | 1,468,489 |
| Overnight investment (a) | - | - | 5 | 66 |
| Private credit notes (b) | 162,440 | 76,540 | 2,499,779 | 639,601 |
| Investment funds (c) | - | - | 720,528 | 828,822 |
| Total | 163,408 | 79,364 | 3,440,809 | 1,891,457 |

- a) Bank account balances, which earn daily interest by investment in repurchase agreements secured on Bank Certificate Deposit (CDB) and interest of 15% of the variation in the Interbank Certificate of Deposit (CDI).
- b) Short-term investments in: (i) Bank Certificates of Deposit (CDB) (R\$ 1,394,006 in March 31, 2019 and R\$ 462,551 in December 31, 2018), (ii) secured debentures (R\$ 722,285 in March 31, 2019 and R\$ 177,050 in December 31, 2018) and (iii) leasing notes (R\$ 383,488), with major financial institutions that operate in the Brazilian financial market, with daily liquidity, short term maturity, low credit risk and interest equivalent, on average, to 94.4% of the CDI.
- c) Investments funds, with high liquidity and interest equivalent, on average, to 98.84% of the CDI, subject to floating rates tied to the CDI linked to federal government bonds, CDBs, financial bills and secured debentures of major financial institutions, with low credit risk and short term maturity.

(6) CONSUMERS, CONCESSIONAIRES AND LICENSEES

The consolidated balance includes mainly activities from the supply of electric energy, broken down as follows at March 31, 2019 and December 31, 2018:

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

| | Consolidated | | | | |
|---------------------------------|------------------------|----------------|----------------|------------------|-------------------|
| | Amounts not overdue | Past due | | Total | |
| | | up to 90 days | > 90 days | March 31, 2019 | December 31, 2018 |
| Current | | | | | |
| Consumer classes | | | | | |
| Residential | 837,219 | 631,163 | 79,161 | 1,547,543 | 1,459,186 |
| Industrial | 294,712 | 83,260 | 75,063 | 453,036 | 480,184 |
| Commercial | 324,335 | 105,454 | 35,066 | 464,855 | 466,483 |
| Rural | 92,430 | 32,346 | 8,979 | 133,756 | 123,392 |
| Public administration | 80,448 | 17,632 | 2,083 | 100,163 | 99,051 |
| Public lighting | 59,251 | 6,069 | 7,037 | 72,358 | 77,868 |
| Public utilities | 92,179 | 6,586 | 6,121 | 104,886 | 121,840 |
| Billed | 1,780,574 | 882,510 | 213,510 | 2,876,597 | 2,828,004 |
| Unbilled | 1,180,501 | - | - | 1,180,501 | 1,158,106 |
| Financing of consumers' debts | 178,096 | 34,333 | 28,434 | 240,863 | 224,903 |
| CCEE transactions | 189,091 | 4,472 | 24,917 | 218,480 | 175,176 |
| Concessionaires and licensees | 466,603 | 3,275 | 6,159 | 476,037 | 428,361 |
| Others | 40,816 | - | - | 40,816 | 34,002 |
| | 3,835,681 | 924,590 | 273,020 | 5,033,294 | 4,848,552 |
| Allowance for doubtful accounts | | | | (328,711) | (300,601) |
| Total | | | | 4,704,583 | 4,547,951 |
| Noncurrent | | | | | |
| Financing of consumers' debts | 181,661 | - | - | 181,661 | 196,635 |
| Free energy | 6,457 | - | - | 6,457 | 6,360 |
| CCEE transactions | 219,357 | 280,351 | - | 499,708 | 549,800 |
| | 407,475 | 280,351 | - | 687,826 | 752,795 |
| Total | | | | 687,826 | 752,795 |

Allowance for doubtful accounts

The allowance for doubtful debts is set up based on the expected credit loss (ECL), adopting the simplified method of recognizing, based on the history and future probability of default.

Movements in the allowance for doubtful accounts are shown below:

| | Consumers, concessionaires and licensees | Other assets (note 11) | Total |
|---|---|------------------------------|------------------|
| At December 31, 2018 | (300,601) | (28,698) | (329,299) |
| Allowance - reversal (recognition), net | (108,683) | (237) | (108,920) |
| Recovery of revenue | 40,291 | 15 | 40,306 |
| Write-off of accrued receivables | 40,283 | (15) | 40,268 |
| At March 31, 2019 | (328,711) | (28,935) | (357,646) |

(7) TAXES RECOVERABLE

| | Parent company | | Consolidated | |
|---|----------------|-------------------|----------------|-------------------|
| | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| Current | | | | |
| Prepayments of social contribution – CSLL | - | - | 6,251 | 12,373 |
| Prepayments of income tax - IRPJ | - | 49 | 18,158 | 36,972 |
| Income tax and social contribution recoverable | 1,873 | 9,392 | 141,495 | 74,395 |
| Income tax and social contribution recoverable | 1,873 | 9,441 | 165,905 | 123,739 |
| Withholding income tax - IRRF on interest on capital | 2,293 | 7,909 | 2,293 | 8,163 |
| Withholding income tax - IRRF | 668 | 346 | 61,845 | 92,210 |
| State VAT - ICMS to be offset | - | - | 130,457 | 125,669 |
| Social Integration Program - PIS | 66 | 65 | 9,834 | 9,970 |
| Contribution for Social Security Funding - COFINS | 330 | 326 | 45,704 | 46,741 |
| Others | - | - | 5,071 | 4,764 |
| Others taxes recoverable | 3,356 | 8,646 | 255,204 | 287,517 |
| Total current | 5,229 | 18,087 | 421,109 | 411,256 |
| Noncurrent | | | | |
| Social contribution to be offset - CSLL | - | - | 62,860 | 62,458 |
| Income tax to be offset - IRPJ | - | - | 5,521 | 5,508 |
| Income tax and social contribution recoverable | - | - | 68,382 | 67,966 |
| State VAT - ICMS to be offset | - | - | 177,184 | 174,596 |
| Social Integration Program - PIS | - | - | 30,834 | 1,060 |
| Contribution for Social Security Funding - COFINS | - | - | 142,025 | 4,885 |
| Others | - | - | 5,185 | 5,185 |
| Others taxes recoverable | - | - | 355,228 | 185,725 |
| Total noncurrent | - | - | 423,610 | 253,691 |

Exclusion of ICMS from the PIS and COFINS tax base

A number of subsidiaries of the Group are parties to several pending legal proceedings involving the Brazilian federal government that address the exclusion of ICMS amounts from the PIS and COFINS tax base, as well as the Group subsidiaries' rights to receive refunds of other amounts previously paid. In the quarter ended March 31, 2019, CPFL Santa Cruz (related to the original lawsuit presented by four merged companies - CPFL Leste Paulista, CPFL Sul Paulista, CPFL Jaguarí and CPFL Mococa) received a favorable final judicial decision on these matters, which is not subject to further appeal. As a result, CPFL Santa Cruz recognized a tax credit of R\$ 166,870 using the calculation method in accordance with the "Federal Revenue Orientation 13/2018". Based on advice of external legal counsel, the Group understands that amounts received by its distribution subsidiaries as tax credits will need to be refunded to consumers as soon the Brazilian Federal Revenue approves such tax credits as compensation payable to affected consumers. The Group is still discussing with its external legal advisors the relevant time period applicable to calculating the refunds of tax credits to consumers, which may be for a period of three, five or ten years. On March, 31 2019, CPFL Santa Cruz recognized a liability related to tax credits that need to be refunded to the relevant consumers for the maximum period of 10 years.

As a result, for the quarter ended March 31, 2019, CPFL Santa Cruz recognized a debit of R\$ 166,870 as "Taxes Recoverable", against R\$ 132,374 of credit in "Other Payable – Consumers" and a credit of R\$ 34,495 as "Deduction from operating revenues – PIS and COFINS". No other amounts have been recognized as the other Group subsidiaries await final decisions in their respective legal proceedings.

(8) SECTOR FINANCIAL ASSET AND LIABILITY

The breakdown of the balances of sector financial asset and liability and the movement for the period are as follows:

| | Consolidated | | | | | | Finance income or expense (note 29) | | |
|------------------------------|----------------------|----------------|------------------|-----------------------------|------------------|---------------------|-------------------------------------|----------------|------------------|
| | At December 31, 2018 | | | Operating revenue (note 26) | | Monetary adjustment | At March 31, 2019 | | |
| | Deferred | Approved | Total | Constitution | Through billing | | Deferred | Approved | Total |
| Parcel "A" | 1,306,751 | 592,281 | 1,899,031 | (73,597) | (294,002) | 30,816 | 1,163,375 | 398,875 | 1,562,250 |
| CVA (*) | | | | | | | | | |
| CDE (**) | 208,156 | (7,275) | 200,881 | 10,140 | 24,927 | 4,433 | 208,393 | 31,988 | 240,381 |
| Electric energy cost | 586,027 | 634,599 | 1,220,626 | 117,988 | (401,616) | 19,403 | 694,953 | 261,450 | 956,402 |
| ESS and EER (***) | (562,800) | (450,230) | (1,013,030) | (197,477) | 277,958 | (14,759) | (736,335) | (210,974) | (947,309) |
| Proinfa | 246 | 3,129 | 3,375 | 23,134 | (3,081) | 313 | 22,779 | 962 | 23,740 |
| Basic network charges | 36,256 | 23,526 | 59,782 | (4,077) | (4,712) | 614 | 18,004 | 33,603 | 51,607 |
| Pass-through from Itaipu | 1,141,254 | 465,184 | 1,606,438 | 156,538 | (268,730) | 23,923 | 1,243,230 | 274,939 | 1,518,170 |
| Transmission from Itaipu | 31,784 | 12,439 | 44,222 | 9,337 | (4,583) | 596 | 39,558 | 10,014 | 49,572 |
| Neutrality of sector charges | (40,763) | (8,370) | (49,133) | (76,215) | (1,380) | (2,267) | (128,915) | (80) | (128,994) |
| Overcontracting | (93,409) | (80,721) | (174,130) | (112,965) | 87,215 | (1,439) | (198,292) | (3,027) | (201,319) |
| Other financial components | (275,550) | (115,325) | (390,875) | (13,213) | 56,932 | (3,282) | (290,098) | (60,340) | (350,438) |
| Total | 1,031,201 | 476,956 | 1,508,156 | (86,810) | (237,070) | 27,534 | 873,277 | 338,535 | 1,211,812 |
| Current assets | | | 1,330,981 | | | | | | 1,402,757 |
| Noncurrent assets | | | 223,880 | | | | | | 27,093 |
| Noncurrent liabilities | | | (46,703) | | | | | | (218,038) |

(*) Deferred tariff costs and gains variations from Parcel "A" items

(**) Energy Development Account – CDE

(***) System Service Charge (ESS) and Reserve Energy Charge (EER)

The details of the nature of each sector financial asset and liability are provided in Note 8 to the financial statements at December 31, 2018.

(9) DEFERRED TAX ASSETS AND LIABILITIES**9.1 Breakdown of tax assets and liabilities**

| | Parent company | | Consolidated | |
|--|----------------|-------------------|------------------|-------------------|
| | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| <u>Social contribution credit/(debit)</u> | | | | |
| Tax losses carryforwards | 30,445 | 29,750 | 132,596 | 137,577 |
| Tax benefit of merged intangible | - | - | 95,344 | 97,288 |
| Temporarily nondeductible/taxable differences | (364) | (355) | (289,175) | (292,257) |
| Subtotal | 30,080 | 29,395 | (61,235) | (57,392) |
| <u>Income tax credit / (debit)</u> | | | | |
| Tax losses carryforwards | 83,930 | 84,113 | 366,554 | 382,359 |
| Tax benefit of merged intangible | - | - | 308,580 | 315,189 |
| Temporarily nondeductible/taxable differences | (1,012) | (986) | (801,366) | (809,917) |
| Subtotal | 82,918 | 83,127 | (126,231) | (112,369) |
| <u>PIS and COFINS credit/(debit)</u> | | | | |
| Temporarily nondeductible/taxable differences | - | - | (9,959) | (10,086) |
| Total | 112,998 | 112,522 | (197,424) | (179,847) |
| Total tax credit | 112,998 | 112,522 | 932,673 | 956,380 |
| Total tax debit | - | - | (1,130,097) | (1,136,227) |

The expected recovery of the deferred tax assets arising from nondeductible temporary differences, tax benefit of merged intangible and income tax and social contribution losses, is based on the projections of future profits, approved by the Board of Directors and reviewed by the Fiscal Council.

9.2 Tax benefit of merged intangible asset

Refers to the tax benefit calculated on the intangible assets derived from the acquisition of subsidiaries, as shown in the following table, which were merged and are recognized in accordance with the concepts of CVM Instructions No. 319/1999 and No. 349/2001 and ICPC 09 (R2) - Individual Financial Statements, Separate Financial Statements, Consolidated financial statements and Application of the Equity Method. The benefit is being realized in proportion to the tax amortization of the merged intangible assets that originated them as per CPC 27 and CPC 04 (R1) - Clarification of acceptable methods of depreciation and amortization, over the remaining concession period, as shown in note 14.

| | Consolidated | | | |
|------------------|---------------------|----------------|---------------------|----------------|
| | March 31, 2019 | | December 31, 2018 | |
| | Social contribution | Income tax | Social contribution | Income tax |
| CPFL Paulista | 40,089 | 111,359 | 41,246 | 114,572 |
| CPFL Piratininga | 9,921 | 34,049 | 10,180 | 34,938 |
| RGE | 45,333 | 151,433 | 45,863 | 153,618 |
| CPFL Geração | - | 11,738 | - | 12,061 |
| Total | 95,344 | 308,580 | 97,288 | 315,189 |

9.3 Accumulated balances on nondeductible temporary / taxable differences

| | Consolidated | | | | | |
|--|---------------------|------------------|----------------|---------------------|------------------|-----------------|
| | March 31, 2019 | | | December 31, 2018 | | |
| | Social contribution | Income tax | PIS/COFINS | Social contribution | Income tax | PIS/COFINS |
| Temporarily nondeductible/taxable differences | | | | | | |
| Provision for tax, civil and labor risks | 57,410 | 159,473 | - | 57,635 | 160,096 | - |
| Private pension fund | 3,191 | 8,864 | - | 2,913 | 8,093 | - |
| Allowance for doubtful accounts | 32,864 | 91,288 | - | 30,316 | 84,211 | - |
| Free energy supply | 9,285 | 25,791 | - | 9,166 | 25,462 | - |
| Research and development and energy efficiency programs | 28,199 | 78,329 | - | 27,506 | 76,405 | - |
| Personnel-related provisions | 6,761 | 18,780 | - | 5,208 | 14,467 | - |
| Depreciation rate difference | 4,599 | 12,775 | - | 4,764 | 13,235 | - |
| Derivatives | (53,942) | (149,839) | - | (58,698) | (163,051) | - |
| Recognition of concession - adjustment of intangible asset | (6,198) | (17,216) | - | (6,399) | (17,775) | - |
| Recognition of concession - adjustment of financial asset | (152,146) | (422,629) | - | (146,342) | (406,506) | - |
| Actuarial losses | 26,122 | 72,559 | - | 26,001 | 72,223 | - |
| Financial instruments | (5,323) | (14,785) | - | (5,111) | (14,194) | - |
| Others | (26,586) | (71,950) | (9,959) | (21,053) | (56,573) | (10,086) |
| Temporarily nondeductible differences - accumulated comprehensive income: | | | | | | |
| Property, plant and equipment - adjustment of deemed cost | (47,995) | (133,319) | - | (48,806) | (135,572) | - |
| Actuarial losses | 58,071 | 161,307 | - | 58,071 | 161,307 | - |
| Temporarily nondeductible differences - business combination | | | | | | |
| Deferred taxes - asset: | | | | | | |
| Provision for tax, civil and labor risks | 11,568 | 32,133 | - | 11,620 | 32,277 | - |
| Fair value of property, plant and equipment (negative value added of assets) | 19,817 | 55,047 | - | 19,817 | 55,047 | - |
| Deferred taxes - liability: | | | | | | |
| Value added derived from determination of deemed cost | (28,231) | (78,421) | - | (24,690) | (68,584) | - |
| Intangible asset - exploration right/authorization | (220,348) | (612,079) | - | (227,199) | (631,106) | - |
| Other temporary differences | (6,293) | (17,474) | - | (6,976) | (19,379) | - |
| Total | (289,175) | (801,366) | (9,959) | (292,257) | (809,917) | (10,086) |

9.4 Reconciliation of the income tax and social contribution amounts recognized in the statements of profit or loss for the quarters ended by March 31, 2019 and March 31, 2018:

| | Parent company | | | |
|--|---------------------|----------------|---------------------|----------------|
| | 1st quarter 2019 | | 1st quarter 2018 | |
| | Social contribution | Income tax | Social contribution | Income tax |
| Profit before taxes | 603,394 | 603,394 | 443,515 | 443,515 |
| Reconciliation to reflect effective rate: | | | | |
| Equity in subsidiaries and joint ventures | (611,777) | (611,777) | (450,986) | (450,986) |
| Amortization of intangible asset acquired | (3,382) | - | (3,382) | - |
| Other permanent additions (exclusions), net | 4,154 | 10,898 | 4,722 | 8,608 |
| Tax base | (7,611) | 2,515 | (6,131) | 1,137 |
| Statutory rate | 9% | 25% | 9% | 25% |
| Tax credit/(debit) | 685 | (629) | 552 | (285) |
| Recorded (unrecognized) tax credit, net | - | - | - | - |
| Total | 685 | (629) | 552 | (285) |
| Current | (1) | (420) | (1) | (4) |
| Deferred | 686 | (209) | 553 | (280) |

| | Consolidated | | | |
|--|---------------------|------------------|---------------------|------------------|
| | 1st quarter 2019 | | 1st quarter 2018 | |
| | Social contribution | Income tax | Social contribution | Income tax |
| Profit before taxes | 906,472 | 906,472 | 668,428 | 668,428 |
| Reconciliation to reflect effective rate: | | | | |
| Equity in subsidiaries and joint ventures | (85,775) | (85,775) | (85,356) | (85,356) |
| Amortization of intangible asset acquired | 12,162 | 15,689 | 12,162 | 15,689 |
| Effect of presumed profit system | (45,296) | (52,646) | (41,404) | (47,483) |
| Adjustment of revenue from excess demand and excess reactive power | 45,387 | 45,387 | 38,520 | 38,520 |
| Other permanent additions (exclusions), net | 17,549 | 12,512 | 23,052 | 22,021 |
| Tax base | 850,499 | 841,639 | 615,402 | 611,819 |
| Statutory rate | 9% | 25% | 9% | 25% |
| Tax credit/(debit) | (76,545) | (210,410) | (55,386) | (152,955) |
| Recorded (unrecognized) tax credit, net | (13,506) | (35,654) | (11,481) | (29,201) |
| Total | (90,050) | (246,064) | (66,867) | (182,156) |
| Current | (86,720) | (233,626) | (73,091) | (192,367) |
| Deferred | (3,330) | (12,439) | 6,223 | 10,211 |

(10) CONCESSION FINANCIAL ASSET

| | Consolidated |
|-----------------------------------|---------------------|
| At of December 31, 2018 | 7,430,149 |
| Additions | 186,629 |
| Fair value measurement adjustment | 67,264 |
| Disposals | (6,316) |
| At of March 31, 2019 | 7,677,726 |

The amount refers to the financial asset corresponding to the right established in the concession agreements of the energy distributors to receive cash by compensation upon the return of the assets to the granting authority at the end of the concession, measured at fair value.

According to the current tariff model, the remuneration for this asset is recognized in profit or loss upon billing to consumers and the realization occurs upon receipt of the electric energy bills. Moreover, the difference to adjust the balance at fair value (new replacement value) is recognized as a balancing item to the operating income account (note 26) in the statement of profit or loss for the period (R\$ 67,264 for the quarter ended March 31, 2019 and R\$ 66,637 for the quarter ended March 31, 2018).

(11) OTHER ASSETS

| | Consolidated | | | |
|--|-----------------------|--------------------------|-----------------------|--------------------------|
| | Current | | Noncurrent | |
| | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| Advances - Fundação CESP | 5,821 | 3,929 | 6,797 | 6,797 |
| Advances to suppliers | 14,526 | 4,031 | - | - |
| Pledges, funds and restricted deposits | 51,226 | 77,442 | 532,760 | 524,461 |
| Orders in progress | 127,515 | 142,708 | 7,574 | 6,844 |
| Services rendered to third parties | 19,952 | 9,281 | - | - |
| Energy pre-purchase agreements | - | - | 25,877 | 25,390 |
| Prepaid expenses | 82,548 | 172,155 | 6,281 | 6,367 |
| GSF renegotiation | 13,346 | 13,701 | 2,888 | 5,782 |
| Receivables - CDE | 179,392 | 183,710 | - | - |
| Advances to employees | 41,791 | 22,287 | - | - |
| Contract asset of transmission | - | 23,535 | - | 226,117 |
| Others | 174,648 | 186,923 | 128,752 | 125,681 |
| (-) Allowance for doubtful accounts (note 6) | (28,935) | (28,698) | - | - |
| Total | 681,831 | 811,005 | 710,930 | 927,440 |

Receivables – CDE: refer to: (i) low-income subsidies amounting to R\$ 11,844 (R\$ 12,536 at December 31, 2018), (ii) other tariff discounts granted to consumers amounting to R\$ 167,445 (R\$ 170,858 at December 31, 2018), and (iii) tariff discounts – court injunctions amounting to R\$ 103 (R\$ 317 at December 31, 2018)

At March 31, 2019, the subsidiaries offset the receivables relating to the CDE account against the payables relating to the Energy Development Account (CDE) (note 20) amounting to R\$ 497 authorized by Order No. 1,576/2016.

(12) INVESTMENTS

| | Parent company | | Consolidated | |
|---|-------------------|-------------------|------------------|-------------------|
| | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| Investment in equity interest | | | | |
| By equity method of the subsidiaries and joint ventures | 9,719,492 | 9,088,049 | 1,056,222 | 970,302 |
| Advances for future capital increases | 82,395 | 82,395 | - | - |
| Subtotal | 9,801,887 | 9,170,444 | 1,056,222 | 970,302 |
| Asset surplus, net | 621,900 | 639,640 | 9,916 | 10,060 |
| Goodwill | 6,054 | 6,054 | - | - |
| Total | 10,429,842 | 9,816,139 | 1,066,138 | 980,362 |

12.1 Equity interests – equity method

The main information on investments in direct equity interests is as follows:

| Investment | Number of shares (thousand) | March 31, 2019 | | | | March 31, 2019 | December 31, 2018 | 1st quarter 2019 |
|---|-----------------------------|----------------|----------------|-----------|-------------------------------|------------------------------|------------------------------|------------------------------|
| | | Total assets | Issued capital | Equity | Profit or loss for the period | Share of equity of investees | Share of profit of investees | Share of profit of investees |
| CPFL Paulista | 880,653 | 10,005,762 | 1,273,423 | 2,098,807 | 187,465 | 2,098,807 | 1,910,866 | 187,465 |
| CPFL Piratininga | 53,096,770 | 4,063,249 | 240,144 | 585,350 | 67,491 | 585,350 | 516,235 | 67,491 |
| CPFL Jaguari | 359,058 | 1,414,518 | 170,413 | 433,843 | 41,823 | 433,843 | 392,040 | 41,823 |
| RGE (**) | - | - | - | - | - | - | - | - |
| RGE Sul (RGE) (**) | 1,125 | 9,779,196 | 2,788,107 | 3,863,402 | 170,998 | 3,438,853 | 3,286,587 | 152,206 |
| CPFL Geração | 205,492,020 | 5,981,259 | 1,043,922 | 2,747,180 | 121,904 | 2,747,180 | 2,625,465 | 121,904 |
| CPFL Jaguari Geração (*) | 40,108 | 64,496 | 40,108 | 60,966 | 2,310 | 60,966 | 58,656 | 2,310 |
| CPFL Brasil | 3,000 | 1,728,259 | 3,000 | 104,677 | 32,023 | 104,677 | 72,680 | 32,023 |
| CPFL Planalto (*) | 630 | 3,607 | 630 | 3,390 | 946 | 3,390 | 2,444 | 946 |
| CPFL Serviços | 1,564,844 | 232,022 | 105,105 | 120,786 | (143) | 120,786 | 120,929 | (143) |
| CPFL Atende (*) | 13,991 | 32,588 | 13,991 | 22,947 | 3,584 | 22,947 | 19,363 | 3,584 |
| Nect (*) | 2,059 | 34,505 | 2,059 | 22,603 | 6,045 | 22,603 | 16,558 | 6,045 |
| CPFL Total (*) | 9,005 | 29,331 | 9,005 | 26,378 | 6,425 | 26,378 | 19,953 | 6,425 |
| CPFL Telecom | 119,780 | 6,921 | 1,833 | 5,489 | 24 | 5,489 | 5,465 | 24 |
| CPFL Centrais Geradoras (*) | 16,128 | 18,669 | 16,128 | 16,222 | 224 | 16,222 | 15,998 | 224 |
| CPFL Eficiência | 48,164 | 129,072 | 48,164 | 85,365 | (378) | 85,365 | 85,744 | (378) |
| AUTHI (*) | 10 | 37,889 | 10 | 29,033 | 7,570 | 29,033 | 21,463 | 7,570 |
| Subtotal - by subsidiaries and joint ventures equity | | | | | | 9,801,887 | 9,170,444 | 629,519 |
| Amortization of asset surplus | | | | | | - | - | (17,740) |
| Total | | | | | | 9,801,887 | 9,170,444 | 611,777 |

(*) number of quotas

(**) See note 12.6.1 of financial statements of December 31, 2018

Asset surplus (value added) of net assets acquired in business combinations are classified in the parent's statement of profit or loss in the group of Investments. In the parent company's statement of profit or loss, the amortization of the asset surplus (value added) of net assets of R\$ 17,740 (R\$ 16,627 in the first quarter 2018) is classified in line item "share of profit (loss) of investees", in conformity with ICPC 09 (R2).

The movements, in the parent company, of the balances of investments in subsidiaries for the period are as follows:

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

| Investment | Investment at December 31, 2018 | Share of profit (loss) of investees | Other comprehensive income | Investment at March 31, 2019 |
|-------------------------|------------------------------------|--|-------------------------------|---------------------------------|
| CPFL Paulista | 1,910,866 | 187,465 | 476 | 2,098,807 |
| CPFL Piratininga | 516,235 | 67,491 | 1,624 | 585,350 |
| CPFL Santa Cruz | 392,040 | 41,823 | (20) | 433,843 |
| RGE | 3,286,587 | 152,206 | 60 | 3,438,853 |
| CPFL Geração | 2,625,465 | 121,904 | (189) | 2,747,180 |
| CPFL Jaguari Geração | 58,656 | 2,310 | - | 60,966 |
| CPFL Brasil | 72,680 | 32,023 | (25) | 104,677 |
| CPFL Planalto | 2,444 | 946 | - | 3,390 |
| CPFL Serviços | 120,929 | (143) | - | 120,786 |
| CPFL Atende | 19,363 | 3,584 | - | 22,947 |
| Nect | 16,558 | 6,045 | - | 22,603 |
| CPFL Total | 19,953 | 6,425 | - | 26,378 |
| CPFL Telecom | 5,465 | 24 | - | 5,489 |
| CPFL Centrais Geradoras | 15,998 | 224 | - | 16,222 |
| CPFL Eficiência | 85,744 | (378) | - | 85,365 |
| AUTHI | 21,463 | 7,570 | - | 29,033 |
| | 9,170,444 | 629,519 | 1,926 | 9,801,887 |

In the consolidated, the investment balances refer to interests in joint ventures accounted for using the equity method:

| | March 31, 2019 | December 31, 2018 | 1st quarter 2019 | 1st quarter 2018 |
|---------------------------------------|------------------|-------------------|------------------------|------------------------|
| Investments in joint ventures | Share of equity | Share of equity | Share of profit (loss) | Share of profit (loss) |
| Baesá | 178,655 | 175,189 | 3,467 | 3,049 |
| Enercan | 205,605 | 175,122 | 30,483 | 27,398 |
| Chapecoense | 408,559 | 378,558 | 30,000 | 30,789 |
| EPASA | 263,404 | 241,433 | 21,971 | 24,264 |
| Fair value adjustments of assets, net | 9,916 | 10,060 | (145) | (145) |
| | 1,066,138 | 980,362 | 85,775 | 85,356 |

12.2 Fair value adjustments and goodwill

Fair value adjustments refer basically to the right to the concession acquired through business combinations. The goodwill refers basically to acquisitions of investments and is based on projections of future profits.

In the financial statements, these amounts are classified as Intangible Assets (note 14).

12.3 Dividends and interest on capital receivable

At March 31, 2019 and December 31, 2018, the Company has the following amounts receivable from the subsidiaries below, relating to dividends and interest on capital:

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

| Subsidiary | Dividends | | Parent company Interest on capital | | Total | |
|-------------------------|----------------|-------------------|---------------------------------------|-------------------|----------------|-------------------|
| | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| | | | | | | |
| CPFL Paulista | 92,596 | 92,596 | 110,214 | 110,214 | 202,810 | 202,810 |
| CPFL Piratininga | 6,226 | 6,226 | 31,708 | 31,708 | 37,934 | 37,934 |
| CPFL Santa Cruz | - | - | 19,160 | 19,160 | 19,160 | 19,160 |
| RGE Sul | - | 26,795 | 94,312 | 94,312 | 94,312 | 121,107 |
| CPFL Geração | 71,099 | 71,099 | 102,436 | 102,436 | 173,535 | 173,535 |
| CPFL Centrais Geradoras | 815 | 815 | - | - | 815 | 815 |
| CPFL Jaguari Geração | 3,398 | 3,398 | - | - | 3,398 | 3,398 |
| CPFL Brasil | 111,083 | 111,083 | 2,451 | 2,451 | 113,534 | 113,534 |
| CPFL Atende | - | - | 876 | 876 | 876 | 876 |
| CPFL Telecom | 1,111 | 1,111 | - | - | 1,111 | 1,111 |
| CPFL Eficiência | 12,195 | 12,195 | 15,104 | 15,104 | 27,299 | 27,299 |
| AUTHI | 151 | 151 | - | - | 151 | 151 |
| | 298,674 | 325,469 | 376,261 | 376,261 | 674,936 | 701,731 |

The consolidated balance includes dividends and interest on capital receivable amounting to R\$ 100,182 at March 31, 2019 and at December 31, 2018 related basically to joint ventures.

12.4 Noncontrolling interests and joint ventures

The disclosure of interests in subsidiaries, in accordance with IFRS 12 and CPC 45, is as follows:

12.4.1 Movements in noncontrolling interests

| | CERAN | CPFL Renováveis | Paulista Lajeado | Total |
|---|---------------|------------------|------------------|------------------|
| At December 31, 2018 | 76,448 | 2,112,693 | 80,493 | 2,269,634 |
| Equity interest and voting capital | 35.00% | 48.44% | 40.07% | |
| Equity attributable to noncontrolling interests | 8,669 | (43,598) | 1,837 | (33,093) |
| Dividends | - | (3,950) | - | (3,950) |
| Other movements | - | 43 | (18) | 25 |
| At March 31, 2019 | 85,117 | 2,065,188 | 82,312 | 2,232,617 |
| Equity Interests and voting capital | 35.00% | 48.44% | 40.07% | |

12.4.2 Summarized financial information on subsidiaries that have noncontrolling interests

The summarized financial information on subsidiaries that have noncontrolling interests at March 31, 2019 and December 31, 2018 and the quarters ended at March 31, 2019 and 2018, is as follows:

(Free Translation of the original in Portuguese)

Interim Standard Financial Statements – ITR – Date: March 31, 2019 - CPFL Energia S.A.

| | March 31, 2019 | | | December 31, 2018 | | |
|---|----------------|-----------------|------------------|-------------------|-----------------|------------------|
| | CERAN | CPFL Renováveis | Paulista Lajeado | CERAN | CPFL Renováveis | Paulista Lajeado |
| Current assets | 102,247 | 1,227,707 | 23,236 | 80,367 | 1,330,819 | 15,499 |
| Cash and cash equivalents | 61,428 | 799,210 | 11,659 | 32,729 | 876,571 | 5,687 |
| Noncurrent assets | 786,739 | 10,751,360 | 141,059 | 799,390 | 10,845,036 | 144,863 |
| Current liabilities | 231,470 | 1,481,350 | 33,681 | 246,482 | 1,396,120 | 33,883 |
| Borrowings and debentures | 113,488 | 851,922 | - | 106,555 | 819,993 | - |
| Other financial liabilities | 13,102 | 7,697 | 292 | 13,406 | 7,670 | 282 |
| Noncurrent liabilities | 414,324 | 6,343,474 | 1,043 | 414,852 | 6,528,563 | 1,033 |
| Borrowings and debentures | 316,699 | 4,568,022 | - | 316,581 | 4,738,841 | - |
| Other financial liabilities | 88,957 | - | - | 89,965 | - | - |
| Equity | 243,192 | 4,154,242 | 129,571 | 218,423 | 4,251,172 | 125,446 |
| Equity attributable to owners of the Company | 243,192 | 4,051,931 | 129,571 | 218,423 | 4,147,795 | 125,446 |
| Equity attributable to noncontrolling interests | - | 102,311 | - | - | 103,377 | - |

| | 1st quarter 2019 | | | 1st quarter 2018 | | |
|--|------------------|-----------------|------------------|------------------|-----------------|------------------|
| | CERAN | CPFL Renováveis | Paulista Lajeado | CERAN | CPFL Renováveis | Paulista Lajeado |
| Net operating revenue | 73,896 | 334,189 | 11,654 | 76,889 | 383,553 | 12,953 |
| Operational costs and expenses | (17,093) | (142,149) | (6,758) | (17,160) | (155,767) | (8,972) |
| Depreciation and amortization | (10,889) | (160,580) | (1) | (11,370) | (157,687) | (1) |
| Interest income | 635 | 20,156 | 119 | 1,094 | 23,685 | 351 |
| Interest expense | (8,861) | (115,360) | - | (9,091) | (118,777) | (348) |
| Income tax expense | (12,744) | (12,777) | (451) | (12,333) | (13,406) | (669) |
| Profit (loss) for the year | 24,769 | (93,023) | 4,584 | 23,957 | (72,521) | 3,363 |
| Attributable to owners of the Company | 24,769 | (95,864) | 4,584 | 23,957 | (74,431) | 3,363 |
| Attributable to noncontrolling interests | - | 2,841 | - | - | 1,911 | - |

12.4.3 Joint ventures

The summarized financial information on joint ventures at March 31, 2019 and December 31, 2018 and the quarters ended at March 31, 2019 and 2018, is as follows:

| | March 31, 2019 | | | | December 31, 2018 | | | |
|-----------------------------|----------------|---------|-------------|---------|-------------------|---------|-------------|---------|
| | Enercan | Baesa | Chapecoense | Epasa | Enercan | Baesa | Chapecoense | Epasa |
| Current assets | 221,479 | 96,577 | 352,916 | 361,654 | 208,326 | 68,956 | 345,737 | 327,084 |
| Cash and cash equivalents | 93,759 | 51,792 | 84,748 | 30,087 | 66,519 | 17,425 | 184,002 | 18,269 |
| Noncurrent assets | 1,017,965 | 951,295 | 2,570,209 | 491,190 | 1,033,320 | 966,664 | 2,604,162 | 502,618 |
| Current liabilities | 319,081 | 41,953 | 373,081 | 137,246 | 385,271 | 50,639 | 424,635 | 152,168 |
| Borrowings and debentures | 128,873 | - | 139,463 | 34,535 | 137,225 | - | 138,706 | 34,473 |
| Other financial liabilities | 5,842 | 19,012 | 73,564 | 1,301 | 5,869 | 34,832 | 74,156 | 1,346 |
| Noncurrent liabilities | 498,376 | 291,466 | 1,748,950 | 221,811 | 496,953 | 284,391 | 1,782,993 | 224,933 |
| Borrowings and debentures | 383,479 | - | 1,014,125 | 143,377 | 383,358 | - | 1,045,402 | 151,964 |
| Other financial liabilities | 26,287 | 278,787 | 731,490 | - | 26,936 | 272,079 | 734,630 | - |
| Equity | 421,987 | 714,453 | 801,095 | 493,788 | 359,422 | 700,590 | 742,271 | 452,601 |

| | 1st quarter 2019 | | | | 1st quarter 2018 | | | |
|---|------------------|----------|-------------|-----------|------------------|----------|-------------|-----------|
| | Enercan | Baesa | Chapecoense | Epasa | Enercan | Baesa | Chapecoense | Epasa |
| Net operating revenue | 138,673 | 57,803 | 212,543 | 196,535 | 140,605 | 62,178 | 208,391 | 174,961 |
| Operational costs and expenses | (23,655) | (24,192) | (56,092) | (133,809) | (30,767) | (19,329) | (47,422) | (108,488) |
| Depreciation and amortization | (12,421) | (12,759) | (30,905) | (8,714) | (13,017) | (12,722) | (30,339) | (8,760) |
| Interest income | 1,179 | 581 | 3,725 | 827 | 968 | 1,021 | 3,493 | 1,402 |
| Interest expense | (8,504) | (625) | (38,239) | (3,895) | (11,102) | (1,977) | (26,848) | (4,526) |
| Income tax and social contribution expenses | (32,227) | (6,802) | (29,546) | (9,878) | (28,961) | (6,127) | (31,130) | (9,235) |
| Profit (loss) for the period | 62,564 | 13,863 | 58,824 | 41,187 | 56,233 | 12,193 | 60,371 | 45,487 |
| Equity interests and voting capital | 48.72% | 25.01% | 51.00% | 53.34% | 48.72% | 25.01% | 51.00% | 53.34% |

Even holding more than 50% of the equity interest in Epasa and Chapecoense, the subsidiary CPFL Geração jointly controls these investments with other shareholders. The analysis of the classification of the type of investment is based on the Shareholders' Agreement of each joint venture.

The borrowings from BNDES obtained by the joint venture Chapecoense establish restrictions on the payment of dividend to subsidiary CPFL Geração above the minimum mandatory dividend of 25% without the prior consent of BNDES.

12.4.4 Joint operation

Through its wholly-owned subsidiary CPFL Geração, the Company holds part of the assets of the Serra da Mesa hydropower plant, located on the Tocantins River, in Goiás State. The concession and the right to operate the hydropower plant are held by Furnas Centrais Elétricas S.A. In order to maintain these assets operating jointly with Furnas (jointly operation), CPFL Geração was assured 51.54% of the installed power of 1,275 MW (657 MW) and the assured energy of mean 637.5 MW (mean 328.57 MW) until 2028.

(13) PROPERTY, PLANT AND EQUIPMENT

| | Consolidated | | | | | | |
|----------------------------------|----------------|--|---|----------------------------|---------------|---------------------------|----------------|
| | Land | Reservoirs, dams and water mains | Buildings, construction and improvements | Machinery and equipment | Vehicles | Furniture and fittings | In progress |
| At December 31, 2018 | 176,839 | 1,391,775 | 986,800 | 6,615,793 | 67,135 | 7,512 | 210,760 |
| Historical cost | 224,783 | 2,218,604 | 1,585,723 | 9,905,396 | 131,549 | 23,039 | 210,760 |
| Accumulated depreciation | (47,944) | (826,829) | (598,923) | (3,289,603) | (64,415) | (15,527) | - |
| At December 31, 2018 | | | | | | | |
| Additions | - | - | - | - | - | - | 61,076 |
| Disposals | - | (5) | (8,936) | (4,787) | (4,257) | - | (174) |
| Transfers | 744 | 8,003 | 25,713 | 16,271 | 3,251 | 248 | (54,231) |
| Depreciation | (2,206) | (21,359) | (15,519) | (110,571) | (4,968) | (209) | - |
| Write-off of depreciation | - | 5 | 606 | 3,351 | 2,691 | - | - |
| At March 31, 2019 | 175,377 | 1,378,420 | 988,664 | 6,520,059 | 63,851 | 7,550 | 217,430 |
| Historical cost | 225,527 | 2,226,603 | 1,602,499 | 9,916,881 | 130,543 | 23,286 | 217,430 |
| Accumulated depreciation | (50,150) | (848,183) | (613,836) | (3,396,822) | (66,692) | (15,736) | - |
| Average depreciation rate | 3.86% | 3.92% | 3.96% | 4.54% | 14.25% | 5.75% | |

(14) INTANGIBLE ASSETS

| | Consolidated | | | | | Total |
|--------------------------------------|--------------|-----------------------------------|---|------------------|-------------------------|------------------|
| | Goodwill | Acquired in business combinations | Concession right Distribution infrastructure - operational | Public utilities | Other intangible assets | |
| At December 31, 2018 | 6,115 | 3,772,188 | 5,584,136 | 24,485 | 76,009 | 9,462,935 |
| Historical cost | 6,152 | 7,495,458 | 11,909,149 | 35,840 | 217,542 | 19,664,141 |
| Accumulated Amortization | (37) | (3,723,270) | (6,325,012) | (11,355) | (141,532) | (10,201,206) |
| | | | | | | |
| Additions | - | - | - | - | 5,154 | 5,154 |
| Amortization | - | (72,110) | (176,741) | (355) | (2,161) | (251,368) |
| Transfer - contract asset | - | - | 168,733 | - | - | 168,733 |
| Transfer - financial asset | - | - | (801) | - | - | (801) |
| Disposal and transfer - other assets | - | - | (7,917) | - | 167 | (7,750) |
| At March 31, 2019 | 6,115 | 3,700,079 | 5,567,410 | 24,130 | 79,170 | 9,376,904 |
| Historical cost | 6,152 | 7,495,458 | 12,014,580 | 35,840 | 222,863 | 19,774,893 |
| Accumulated Amortization | (37) | (3,795,380) | (6,447,170) | (11,710) | (143,694) | (10,397,991) |

In the consolidated financial statements the amortization of intangible assets is recognized in the income statement as follows: (i) "depreciation and amortization" for amortization of distribution infrastructure intangible assets, use of public asset and other intangible assets; and (ii) "amortization of concession intangible asset" for amortization of the intangible asset acquired in business combination.

14.1 Intangible asset acquired in business combinations

The breakdown of the intangible asset related to the right to operate the concessions acquired in business combinations is as follows:

| | Consolidated | | | | | |
|--|----------------|--------------------------|-----------|-------------------|--------------------------|-------|
| | March 31, 2019 | | | December 31, 2018 | Annual amortization rate | |
| | Historic cost | Accumulated amortization | Net value | Net value | 2019 | 2018 |
| Intangible asset - acquired in business combinations | | | | | | |
| Intangible asset acquired, not subsumed | | | | | | |
| CPFL Paulista | 304,861 | (219,485) | 85,377 | 87,873 | 3.28% | 3.28% |
| CPFL Piratininga | 39,065 | (26,658) | 12,406 | 12,730 | 3.31% | 3.32% |
| RGE Sul (RGE) | 3,768 | (2,237) | 1,531 | 1,575 | 4.69% | 4.70% |
| CPFL Geração | 54,555 | (37,795) | 16,760 | 17,221 | 3.38% | 3.38% |
| CPFL Jaguarí Geração | 7,896 | (4,189) | 3,707 | 3,775 | 3.41% | 3.41% |
| CPFL Renováveis | 3,653,906 | (1,091,090) | 2,562,818 | 2,602,622 | 4.36% | 5.90% |
| Subtotal | 4,064,052 | (1,381,453) | 2,682,599 | 2,725,797 | | |
| Intangible asset acquired and subsumed | | | | | | |
| RGE Sul (RGE) | 1,433,007 | (984,226) | 448,781 | 461,795 | 3.63% | 3.63% |
| CPFL Geração | 426,450 | (335,921) | 90,528 | 93,020 | 2.34% | 2.34% |
| Subtotal | 1,859,457 | (1,320,147) | 539,309 | 554,816 | | |
| Intangible asset acquired and merged – reassembled | | | | | | |
| CPFL Paulista | 1,074,026 | (794,921) | 279,105 | 287,156 | 3.00% | 3.00% |
| CPFL Piratininga | 115,762 | (78,998) | 36,764 | 37,723 | 3.31% | 3.31% |
| CPFL Jaguarí Geração | 15,275 | (8,952) | 6,323 | 6,438 | 3.01% | 3.01% |
| RGE Sul (RGE) | 366,887 | (210,909) | 155,978 | 160,256 | 4.66% | 4.67% |
| | 1,571,949 | (1,093,779) | 478,170 | 491,574 | | |
| Total | 7,495,458 | (3,795,380) | 3,700,079 | 3,772,187 | | |

(15) CONTRACT ASSETS

| | Distribution | Transmission | Consolidated |
|---|------------------|----------------|------------------|
| At December 31, 2018 | 1,046,433 | - | 1,046,433 |
| Noncurrent | 1,046,433 | - | 1,046,433 |
| Reclassification from other assets | - | 249,652 | 249,652 |
| Additions | 409,809 | 55 | 409,863 |
| Transfer - intangible assets in service | (168,733) | - | (168,733) |
| Transfer - financial assets | (185,827) | - | (185,827) |
| Monetary adjustment | - | 7,735 | 7,735 |
| Cash inputs - RAP | - | (5,718) | (5,718) |
| Disposal and transfer - other assets | - | (127) | (127) |
| At March 31, 2019 | 1,101,682 | 251,597 | 1,353,278 |
| Current | - | 23,685 | 23,685 |
| Noncurrent | 1,101,682 | 227,912 | 1,329,593 |

Contractual asset of distribution companies: Refers to concession infrastructure assets of the distribution companies during the construction period.

Contract asset of transmission companies: refers to the right to receive the "Permitted Annual Revenue – RAP" over the concession period as well as an indemnity at the end of the concession of the transmission subsidiaries

(16) TRADE PAYABLES

| | Consolidated | |
|-----------------------------------|------------------|-------------------|
| | March 31, 2019 | December 31, 2018 |
| Current | | |
| System service charges | 885 | 62,674 |
| Energy purchased | 2,320,312 | 1,607,116 |
| Electricity network usage charges | 240,697 | 205,656 |
| Materials and services | 441,170 | 368,344 |
| Free energy | 156,631 | 154,296 |
| Total | 3,159,696 | 2,398,085 |
| Noncurrent | | |
| Energy purchased | 320,024 | 333,036 |

(17) BORROWINGS

The movement in borrowings are as follows:

(Free Translation of the original in Portuguese)

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| | | Consolidated | | | | | |
|-------------------------------|---------------------------------|---------------------|------------------|---|---------------------------|----------------------|------------------------------|
| | At December 31, 2018 | Raised | Repayment | Interest, monetary adjustment and fair value measurement | Exchange rates | Interest paid | At March 31, 2019 |
| Measured at cost | | | | | | | |
| Local currency | | | | | | | |
| Fixed Rate | 892,776 | - | (48,958) | 12,485 | - | (12,507) | 843,795 |
| Post Fixed Rate | | | | | | | |
| TJLP | 3,158,119 | - | (107,658) | 69,113 | - | (58,039) | 3,061,535 |
| TLP (IPCA) | 1,190,169 | - | - | 20,207 | - | (11,706) | 1,198,670 |
| Selic | 114,117 | - | (8,862) | 2,395 | - | (704) | 106,946 |
| CDI | 386,272 | 476,000 | (76,608) | 13,423 | - | (5,638) | 793,450 |
| IGP-M | 51,889 | - | (2,717) | 932 | - | (1,028) | 49,075 |
| UMBNDDES | 2,152 | - | (129) | 80 | - | (34) | 2,068 |
| Others | 66,403 | - | (5,509) | 544 | - | (485) | 60,953 |
| Total at cost | 5,861,896 | 476,000 | (250,442) | 119,179 | - | (90,141) | 6,116,493 |
| Borrowing costs * | (57,193) | (753) | - | 2,034 | - | - | (55,912) |
| Measured at fair value | | | | | | | |
| Foreign currency | | | | | | | |
| Dollar | 4,855,108 | - | (453,568) | 40,321 | 98,777 | (36,098) | 4,504,540 |
| Euro | 879,499 | - | - | 1,638 | 3,901 | (1,646) | 883,392 |
| Fair value measurement | (103,351) | - | - | 7,680 | - | - | (95,671) |
| Total at fair value | 5,631,255 | - | (453,568) | 49,639 | 102,678 | (37,744) | 5,292,261 |
| Total | 11,435,958 | 475,247 | (704,010) | 170,852 | 102,678 | (127,885) | 11,352,842 |
| Current | 2,446,113 | | | | | | 2,764,095 |
| Noncurrent | 8,989,846 | | | | | | 8,588,747 |

(*) In accordance with CPC 48/IFRS 9, this refers to borrowing costs directly attributable to the issuance of the respective debts.

The detail on borrowings are as follows:

(Free Translation of the original in Portuguese)

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| Category | Annual interest | | Consolidated | | Maturity range | Collateral |
|---|--|-----|----------------|-------------------|----------------|--|
| | | | March 31, 2019 | December 31, 2018 | | |
| Measured at cost - Local Currency | | | | | | |
| Pre fixed | | | | | | |
| FINEM | Fixed rate de 2.5% to 8% | (a) | 334,697 | 418,336 | 2011 to 2024 | (i) CPFL Energia and State Grid Brazil Power guarantee (ii) Receivables; (iii) Pledge of shares of CPFL Renováveis and SPE; (iv) Pledge of emergents rights authorized by ANEEL; (v) Lines of creditor rights and related revenues. |
| FINAME | Fixed rate de 2.5% to 10% | (a) | 95,003 | 48,672 | 2012 to 2025 | (i) Liens on equipment (ii) Liens on revenues; (iii) Guarantee of CPFL Energia (iv) Liens on assets |
| FINEP | Fixed rate from 3.5% to 8% | | 5,600 | 6,576 | 2013 to 2021 | Bank guarantee |
| Bank loans | Fixed rate of 9.5% to 10.14% | | 408,495 | 419,191 | 2009 to 2037 | (i) Liens on emergents rights; (ii) Liens on equipment and receivables (ii) Pledge of revenues (iv) Bank guaranteee (v) CPFL Renovaveis guarantee |
| | | | 843,795 | 892,776 | | |
| Post Fixed | | | | | | |
| TJLP | | | | | | |
| FINEM | TJLP and TJLP + from 1.72% to 3.4% | (b) | 3,033,608 | 3,128,625 | 2009 to 2039 | (i) Bank guarantee (ii) CPFL Energia guarantee (iii) Pledge of receivables, equipment and assignment of credit and concession rights authorized by ANEEL and shares os SPE (iv) Liens on equipment and receivables (v) guarantee of Bioenergia S.A., CPFL Renováveis, CPFL Energia and State Grid Brazil Power |
| FINAME | TJLP + 2.2% to 4.2% | (b) | 19,912 | 20,935 | 2017 to 2027 | (i) CPFL Energia guarantee (ii) Liens on equipment and receivables |
| FINEP | TJLP and TJLP -1% | | 3,243 | 3,491 | 2016 to 2024 | Bank guarantee |
| Bank loans | TJLP + 2.99% to 3.1% | | 4,772 | 5,069 | 2005 to 2023 | (i) Pledge of receivables, equipment and assignment of credit and concession rights (ii) CPFL Energia guarantee |
| | | | 3,061,535 | 3,158,119 | | |
| TLP (IPCA) | | | | | | |
| FINEM | TLP (IPCA) + 4.74% to 4.80% | (b) | 1,198,670 | 1,190,169 | 2020 to 2028 | CPFL Energia guarantee and receivables |
| SELIC | | | | | | |
| FINEM | SELIC + 2.19% to 2.66% | (c) | 101,777 | 108,752 | 2015 to 2022 | (i)State Grid Brazil Power and CPFL Energia guarantee and (ii) receivables |
| FINAME | SELIC + 2.70% to 3.90% | | 5,170 | 5,365 | 2016 to 2022 | (i) CPFL Energia guarantee and (ii) liens on equipment |
| | | | 106,946 | 114,117 | | |
| CDI | | | | | | |
| Bank loans | (i) From 100.00% to 109.50% of CDI (ii) CDI + 0.10% to 1.90% | (c) | 218,626 | 208,384 | 2012 to 2023 | (i) CPFL Energia guarantee (ii) Liens of SPE shares |
| Promissory note | 104.4% of CDI | | 483,202 | - | 2019 | (i) CPFL Energia guarantee |
| Bank loans | CDI + 1.45% to 1.9% | | 91,622 | 177,888 | 2017 to 2023 | (i) CPFLRenováveis guarantee |
| | | | 793,450 | 386,272 | | |
| IGPM | | | | | | |
| Bank loans | IGPM + 8.63% | | 49,075 | 51,889 | 2011 to 2024 | (i) Liens on equipment and receivables (ii) Pledge of shares of SPE and rights authorized by ANEEL and receivables of operation contracts |
| UMBNDDES | | | | | | |
| Bank loans | UMBNDDES + from 1.99% to 5% | | 2,068 | 2,152 | 2006 to 2023 | (i) CPFL Energia guarantee |
| Other | | | | | | |
| Other | | | 60,953 | 66,403 | 2007 to 2038 | (i) Promissory notes, (ii) Bank guarantee, (iii) receivables; (iv) Credit Rights ; (v) Pledge of shares; (vi) Liens on machinery, equipment (vii) CPFL Renováveis guarantee |
| Total - Local currency | | | 6,116,493 | 5,861,896 | | |
| Borrowing costs (*) | | | (55,912) | (57,193) | | |
| Measured at fair value - Foreign Currency | | | | | | |
| Dollar | | | | | | |
| Bank loans (Law 4.131) | US\$ + Libor 3 months + from 0.8% to 1.55% | (c) | 1,438,249 | 1,866,418 | 2017 to 2022 | CPFL Energia guarantee and promissory notes |
| Bank loans (Law 4.131) | US\$ +from 2.3% to 4.32% | | 3,066,291 | 2,988,689 | 2017 to 2021 | CPFL Energia guarantee and promissory notes |
| | | | 4,504,540 | 4,855,108 | | |
| Euro | | | | | | |
| Bank loans (Law 4.131) | Euro + from 0.42% to 0.96% | | 883,392 | 879,499 | 2019 to 2022 | CPFL Energia guarantee and promissory notes |
| Fair value measurement | | | (95,671) | (103,351) | | |
| Total in foreign currency | | | 5,292,261 | 5,631,255 | | |
| Total | | | 11,352,842 | 11,435,958 | | |

(*) In accordance with CPC 48/IFRS 9, this refers to borrowing costs directly attributable to the issuance of the respective debts.

The subsidiaries hold swaps converting the operating cost of currency variation to interest tax variation in reais. For further information about the considered rates, see note 33.

Effective rate:

(a) 30% to 70% of CDI

(b) 60% to 110% of CDI

(c) 100% to 130% of CDI

As segregated in the tables above, in conformity with CPC 48 and IFRS 9, the Group classified their debts as (i) financial liabilities measured at amortized cost, and (ii) financial liabilities measured at fair value through profit or loss.

The objective of the classification as financial liabilities of borrowings measured at fair value is to reduce the effects of the recognition of gains and losses derived from fair valuing debt-related derivatives in order to obtain more relevant and consistent accounting information, reducing the accounting mismatch. At March 31, 2019, the balance of the borrowings measured at fair value was R\$ 5,292,261 (R\$ 5,631,255 at December 31, 2018).

Changes in the fair values of these borrowings are recognized in the finance income / expense of the Group, except for the changes in fair value due to credit risk, which is recognized in other comprehensive income. At March 31, 2019, the accumulated gains of R\$ 95,671 (R\$ 103,351 at December 31, 2018) on measuring of the borrowings to fair value, offset by the losses of R\$ 56,275 (R\$ 65,678 at December 31, 2018) of fair value measurement of the derivative financial instruments contracted as a hedge against foreign exchange variations (note 33), resulted in a total net gain of R\$ 39,396 (R\$ 37,673 at December 31, 2018).

The maturities of the principal of borrowings recorded in noncurrent liabilities are scheduled as follows:

| Maturity | Consolidated |
|------------------------|---------------------|
| From April 1st, 2020 | 1,379,993 |
| 2021 | 2,390,112 |
| 2022 | 1,598,204 |
| 2023 | 978,078 |
| 2024 | 433,025 |
| 2025 to 2029 | 1,498,218 |
| 2030 to 2034 | 304,169 |
| 2035 to 2039 | 89,365 |
| Subtotal | 8,671,164 |
| Fair value measurement | (82,417) |
| Total | 8,588,747 |

Main borrowings in the period:

| Category Subsidiary | Total approved | Released (R\$ thousand) | | Interest | Repayment | Utilization | Annual rate | Effective annual rate |
|------------------------|-------------------|-------------------------|--------------------------------|----------|----------------------------|-----------------|------------------|--------------------------|
| | | in 2019 | Net of fundraising costs | | | | | |
| Local currency | | | | | | | | |
| CDI - Promissory note | | | | | | | | |
| CPFL Paulista | 351,000 | 351,000 | 350,649 | Bullet | Bullet in December 2019 | Working capital | 103.4% of CDI | 104.95% of CDI |
| CPFL Piratininga | 125,000 | 125,000 | 124,818 | Bullet | Bullet in December 2019 | Working capital | 103.4% of CDI | 104.95% of CDI |
| | 476,000 | 476,000 | 475,467 | | | | | |

Covenants

Borrowings raised by Group companies require the compliance with certain restrictive financial clauses, under penalty of restriction in the distribution of dividends and/or advance maturity of the related debts. Furthermore, failure to comply with the obligations or restrictions mentioned may result in default in relation to other contractual obligations (cross default), depending on each borrowing agreement. Additionally, borrowings contain non-financial covenants, which are met as per the last calculation period.

For borrowings raised or with funds released in 2019, certain have restrictive clauses related to financial ratios, as follows:

Ratios required for the individual or consolidated financial statements of CPFL Energia

- Debt indebtedness divided by EBITDA maximum of 3.75 and
- EBITDA divided by the financial result minimum of 2.25.

For other borrowings, the details of the covenants are presented in the financial statements as of December 31, 2018.

The Group's management monitors these ratios on a systematic and constant basis, so that all conditions are met. All covenants, financial and non-financial clauses are properly complied, in the opinion of the Group's Management.

(18) DEBENTURES

The movement in debentures are as follows:

| Category | Consolidated | | | | | At March 31, 2019 |
|--|----------------------|----------------|------------------|--|------------------|-------------------|
| | At December 31, 2018 | Raised | Repayment | Interest, monetary adjustment and fair value measurement | Exchange rates | |
| Measured at cost - Post fixed | | | | | | |
| TJLP | 481,099 | - | - | 9,461 | - | 490,560 |
| CDI | 6,717,747 | 325,000 | (153,830) | 112,574 | (119,443) | 6,882,048 |
| IPCA | 1,367,428 | - | - | 31,534 | (29,055) | 1,369,907 |
| Total at cost | 8,566,274 | 325,000 | (153,830) | 153,569 | (148,499) | 8,742,515 |
| Borrowing costs (*) | (59,796) | (516) | - | 3,740 | - | (56,572) |
| Measured at fair value - Post fixed | | | | | | |
| IPCA | 426,989 | - | - | 10,629 | (10,501) | 427,118 |
| Fair value measurement | 7,378 | - | - | 3,392 | - | 10,770 |
| Total at fair value | 434,367 | - | - | 14,021 | (10,501) | 437,888 |
| Total | 8,940,845 | 324,484 | (153,830) | 171,330 | (159,000) | 9,123,831 |
| Current | 917,352 | | | | | 1,116,111 |
| Noncurrent | 8,023,493 | | | | | 8,007,720 |

The detail on debentures are as follows :

(Free Translation of the original in Portuguese)

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| Category | Annual Interest | | Consolidated | | Maturity range | Collateral |
|--|----------------------------------|-----|------------------|-------------------|----------------|--|
| | | | March 31, 2019 | December 31, 2018 | | |
| Measured at cost - Post fixed | | | | | | |
| TJLP | TJLP + 1% | (d) | 490,560 | 481,099 | 2009 to 2029 | Liens |
| CDI | (i) From 103.6% to 129.5% of CDI | (a) | 5,918,692 | 5,858,319 | 2015 to 2025 | (i) CPFL Energia and CPFLRenováveis guarantee (ii) Guarantee of CPFL Energia (iii) Fiduciary assignment of PCH Holding dividends No guarantee |
| | (ii) CDI + 0.48% to 1.70% | (a) | 963,356 | 859,428 | 2018 to 2022 | |
| | From 107.75% to 114.50% of CDI | (b) | | | | |
| IPCA | IPCA + from 4.42% to 5.8% | (c) | 1,369,907 | 1,367,428 | 2019 to 2027 | CPFL Energia guarantee |
| | | | 8,742,515 | 8,566,274 | | |
| | Borrowing costs (*) | | (56,572) | (59,796) | | |
| Measured at fair value - Post fixed | | | | | | |
| IPCA | IPCA + 5.80% | (b) | 427,118 | 426,989 | 2024 to 2026 | CPFL Energia guarantee |
| | Fair value measurement | | 10,770 | 7,378 | | |
| | | | 437,888 | 434,367 | | |
| | Total consolidated | | 9,123,831 | 8,940,845 | | |

Some debentures hold swaps converting IPCA variation to CDI variation. For further information about the considered rates, see note 33.

Effective rates:

(a) From 105.4% to 144.6% of CDI | CDI + from 0.89% to 4.76%

(b) IPCA + 4.84% to 6.31%

(c) From 101.74% to 103.3% of CDI

(d) TJLP + 3.48%

(*) In accordance with CPC 48/IFRS 9 this refers to borrowing costs directly attributable to the issuance of the respective debts.

As shown in the table above, the Company classifies its debentures as (i) financial liabilities measured at amortized cost; and (ii) financial liabilities measured at fair value through profit or loss.

The classification of debentures measured at fair value as financial liabilities is aimed at reducing the accounting mismatching of the effects of the recognition of gains and losses derived from the fair value measurement of hedging derivatives linked to such debentures, in order to obtain a more relevant and consistent accounting information. At March 31, 2019, the balance of debentures designated at fair value totaled R\$ 437,888 (R\$ 434,367 at December 31, 2018).

The changes in the fair values of these debentures are recognized in the Company's finance income (expense), except for the fair value changes in credit risk, which is recognized in other comprehensive income. At March 31, 2019, the accumulated losses obtained from the fair value measurement of such debentures amounted to R\$ 10,770 (R\$ 7,378 at December 31, 2018) which, offset by the gains obtained from the fair value measurement of the derivative instruments of R\$ 30,486 (R\$ 21,012 at December 31, 2018), undertaken to hedge the interest rate changes (note 33), generated a total gain of R\$ 19,716 (R\$ 13,634 at December 31, 2018).

The maturities of the principal of debentures recognized in noncurrent liabilities are as follows:

| Maturity | Consolidated |
|------------------------|------------------|
| From April 1st, 2020 | 1,024,603 |
| 2021 | 2,686,856 |
| 2022 | 1,154,703 |
| 2023 | 1,236,216 |
| 2024 | 1,006,315 |
| 2025 to 2029 | 888,256 |
| Subtotal | 7,996,950 |
| Fair value measurement | 10,770 |
| Total | 8,007,720 |

(Free Translation of the original in Portuguese)

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Main additions in the period:

| Category Subsidiary | Issue | Quantity issued | Released (R\$ thousand) | | Interest | Repayment | Annual rate | Effective annual rate | Application |
|------------------------|------------------------|--------------------|-------------------------|--------------------------------|-------------|---|-------------------|--------------------------|-------------|
| | | | in 2019 | Net of fundraising costs | | | | | |
| Local currency - CDI | | | | | | | | | |
| CPFL Brasil | 5th issue 1st serie | 105,000 | 105,000 | 104,833 | Semmiannual | Bullet in December 2019 | 103.6% of CDI | 106.82% of CDI | (a) |
| CPFL Brasil | 5th issue 2nd serie | 220,000 | 220,000 | 219,651 | Semmiannual | 2 annual installments from January 2023 | 108.25% of CDI | 109.06% of CDI | (a) |
| | | | 325,000 | 324,484 | | | | | |

(a) Investment plan, refinancing and working capital of subsidiary

RESTRICTIVE COVENANTS

The debenture agreements are subject to certain restrictive covenants, including covenants that require the Company and its subsidiaries to maintain certain financial ratios within pre-established parameters. Moreover, these agreements contain restrictive non-financial covenants, which are complied with as per the last measurement period.

Ratios required in the consolidated financial statements of CPFL Energia

Debentures issued in 2019 are subject to the following covenants:

- Debt indebtedness divided by EBITDA maximum of 3.75 and
- EBITDA divided by the financial result minimum of 2.25.

The details of the restrictive conditions for other debts are presented in the Financial Statements of December 31, 2018.

The Group's management monitors these ratios on a systematic and constant basis, so that all conditions are met. All covenants, financial and non-financial clauses are properly complied, in the opinion of the Group's Management.

(19) PRIVATE PENSION PLAN

The subsidiaries sponsor supplementary retirement and pension plans for their employees, the characteristics of which are described in note 18 to the financial statements for the year ended December 31, 2018.

19.1 Movements in the defined benefit plans

The movements in net liability occurred in the period are as follows:

| | CPFL Paulista | CPFL Piratiníngua | CPFL Geração | RGE Sul (RGE) | | Total |
|---|----------------|----------------------|---------------|---------------|---------------|------------------|
| | | | | Plan 1 (*) | Plan 2 | |
| Net actuarial liability at December 31, 2018 | 907,807 | 210,744 | 21,129 | - | 89,922 | 1,229,600 |
| Expenses (income) recognized in the statement of profit or loss | 19,494 | 5,678 | 473 | (44) | 2,550 | 28,151 |
| Sponsors' contributions transferred during the period | (18,112) | (7,211) | (282) | (1,789) | (1,205) | (28,598) |
| Effect of asset ceiling | - | - | - | 1,833 | - | 1,833 |
| Net actuarial liability at March 31, 2019 | 909,189 | 209,211 | 21,320 | - | 91,267 | 1,230,987 |
| Other contributions | 11,768 | 698 | 84 | - | 1,289 | 13,839 |
| Total liability | 920,957 | 209,909 | 21,404 | - | 92,556 | 1,244,826 |
| Current | | | | | | 109,611 |
| Noncurrent | | | | | | 1,135,215 |

(*) Plan 1 was recorded at the dissolved RGE until the merger of the distribution companies as of October 31, 2018, as mentioned in note 12.6.1 of financial statements of December 31, 2018

The income and expenses recognized as cost of the operation are shown below:

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| 1st quarter 2019 | | | | | |
|-----------------------------------|---------------|------------------|--------------|---------------|----------------|
| | CPFL Paulista | CPFL Piratininga | CPFL Geração | RGE Sul (RGE) | |
| | | | | Plan 1 (*) | Plan 2 |
| Service cost | 231 | 1,362 | 21 | 46 | 588 |
| Interest on actuarial obligations | 112,293 | 31,265 | 2,627 | 8,586 | 12,199 |
| Expected return on plan assets | (93,030) | (26,949) | (2,175) | (9,375) | (10,237) |
| Effect of asset ceiling | - | - | - | 699 | - |
| Total expense (income) | 19,494 | 5,678 | 473 | (44) | 2,550 |
| 1st quarter 2018 | | | | | |
| | CPFL Paulista | CPFL Piratininga | CPFL Geração | RGE | |
| | | | | Plan 1 (*) | RGE Sul Plan 2 |
| Service cost | 209 | 1,091 | 20 | 44 | 698 |
| Interest on actuarial obligations | 105,271 | 28,657 | 2,527 | 8,388 | 12,055 |
| Expected return on plan assets | (89,897) | (25,655) | (2,159) | (8,988) | (10,292) |
| Effect of asset ceiling | - | - | - | 509 | - |
| Total expense (income) | 15,583 | 4,093 | 388 | (47) | 2,461 |

(*) Plan 1 was recorded at the dissolved RGE until the merger of the distribution companies as of October 31, 2018, as mentioned in note 12.6.1 of financial statements of December 31, 2018

(20) REGULATORY LIABILITIES

| | Consolidated | |
|---|----------------|-------------------|
| | March 31, 2019 | December 31, 2018 |
| Financial compensation for the use of water resources | 1,272 | 1,701 |
| Global reversal reserve - RGR | 17,289 | 17,288 |
| ANEEL inspection fee -TFSEE | 6,301 | 5,470 |
| Energy development account - CDE | 99,812 | - |
| Tariff flags and others | 600 | 126,196 |
| Total | 125,274 | 150,656 |

Energy development account – CDE: The balance refers to quota for the refund of the CDE contribution for the period from January, 2013 to January, 2014.

Tariff flags and others – Refer basically to the amount to be passed through to the Centralizing Account of Tariff Flag Resources ("CCRBT"), whose amount receivable was recognized through the issue of electricity bills (note 26.4).

In 2019 the subsidiaries anticipated the payment of CDE quotas of December 2018 and they also offset the amounts payable against the amounts receivable – CDE (note 11), in the amount of R\$ 497 (R\$ 2,213 in 2018).

(21) TAXES, FEES AND CONTRIBUTIONS

| | Consolidated | |
|--|----------------|-------------------|
| | March 31, 2019 | December 31, 2018 |
| Current | | |
| IRPJ (corporate income tax) | 86,437 | 73,058 |
| CSLL (social contribution on net income) | 30,999 | 27,392 |
| Income tax and social contribution | 117,436 | 100,450 |
| ICMS (State VAT) | 376,024 | 430,149 |
| PIS (tax on revenue) | 30,706 | 30,760 |
| COFINS (tax on revenue) | 152,829 | 152,945 |
| Other taxes | 47,694 | 51,135 |
| Other taxes, fees and contributions | 607,252 | 664,989 |
| Total current | 724,688 | 765,438 |
| Noncurrent | | |
| ICMS (State VAT) | 780 | 772 |
| PIS/COFINS payment | 6,273 | 8,919 |
| Other taxes, fees and contributions | 7,053 | 9,691 |

(22) PROVISION FOR TAX, CIVIL AND LABOR RISKS AND ESCROW DEPOSITS

| | Consolidated | | | |
|---------------|---|-----------------|---|-----------------|
| | March 31, 2019 | | December 31, 2018 | |
| | Provision for tax,civil and labor risks | Escrow Deposits | Provision for tax,civil and labor risks | Escrow Deposits |
| Labor | 217,960 | 103,388 | 219,314 | 103,760 |
| Civil | 271,268 | 98,041 | 281,304 | 99,604 |
| Tax | | | | |
| FINSOCIAL | 42,124 | 99,925 | 39,727 | 99,146 |
| Income Tax | 156,743 | 405,721 | 154,717 | 401,381 |
| Others | 202,968 | 152,717 | 195,379 | 150,472 |
| | 401,835 | 658,364 | 389,823 | 650,999 |
| Others | 88,270 | 48 | 88,920 | 12 |
| Total | 979,335 | 859,842 | 979,360 | 854,374 |

The movements in the provision for tax, civil, labor and other risks are shown below:

| | Consolidated | | | | | March 31, 2019 |
|--------------|-------------------|---------------|-----------------|-----------------|---------------------|----------------|
| | December 31, 2018 | Additions | Reversals | Payments | Monetary adjustment | |
| Labor | 219,314 | 14,029 | (7,169) | (13,606) | 5,394 | 217,960 |
| Civil | 281,304 | 17,281 | (6,182) | (26,391) | 5,258 | 271,268 |
| Tax | 389,823 | 7,719 | (1,383) | (667) | 6,342 | 401,835 |
| Others | 88,920 | - | (324) | (931) | 605 | 88,270 |
| Total | 979,360 | 39,029 | (15,060) | (41,595) | 17,600 | 979,335 |

The provision for tax, civil, labor and other risks was based on the assessment of the risks of losing the lawsuits to which the Group is part, where the likelihood of loss is probable in the opinion of the outside legal counselors and the Management of the Group.

The details of the nature of the provision for tax, civil, labor and other risks and escrow deposits are presented in the Note 21 of the financial statements at December 31, 2018.

Possible losses

The Group is part to other lawsuits in which Management, supported by its external legal counselors, believes that the chances of a successful outcome are possible due to a solid defensive position in these cases, therefore no provision was recognized. It is not yet possible to predict the outcome of the courts' decisions or any other decisions in similar proceedings considered probable or remote.

The claims relating to possible losses at March 31, 2019 and December 31, 2018 were as follows:

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| Consolidated | | | |
|---------------------|-----------------------|--------------------------|--|
| | March 31, 2019 | December 31, 2018 | |
| Labor | 779,292 | 786,901 | Work accidents, risk premium for dangerousness at workplace and overtime |
| Civil | 1,705,169 | 1,630,630 | Personal injury, environmental impacts and surcharge tariffs |
| Tax | 6,390,059 | 6,199,589 | INSS, FINSOCIAL, PIS and COFINS, Social contribution and Income tax |
| Regulatory | 159,232 | 139,593 | Technical, commercial and economic-financial supervisions |
| Total | 9,033,752 | 8,756,713 | |

Tax – There is a discussion about the deductibility for income tax of the expense recognized in 1997 relating to the commitment assumed in regard to the pension plan of employees of the subsidiary CPFL Paulista with FUNCESP in the estimated amount of R\$ 1,237,310 with a escrow deposit in the amount of R\$ 206,874 and financial guarantee (letter of guarantee e guarantee insurance).

With respect to labor contingencies, the Group informs that, as described in note 21 to the financial statements as of December 31, 2018, there is a discussion regarding the possibility of changing the adjustment index adopted by the Labor Court, and the discussion status has not changed since then the rate currently used remains valid.

Based on the opinion of their outside legal counselors, the Group's management believes that the amounts provided for reflect the current best estimate.

(23) OTHER PAYABLES

| | Consolidated | | | |
|---|-----------------------|--------------------------|-----------------------|--------------------------|
| | Current | | Noncurrent | |
| | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 |
| Consumers and concessionaires | 78,915 | 93,612 | 181,240 | 47,831 |
| Energy efficiency program - PEE | 197,693 | 183,225 | 107,829 | 120,563 |
| Research & Development - P&D | 95,772 | 110,495 | 94,512 | 72,941 |
| EPE / FNDCT / PROCEL (*) | 31,947 | 38,052 | - | - |
| Reversion fund | 1,712 | 1,712 | 13,899 | 14,327 |
| Advances | 261,478 | 197,470 | 40,215 | 48,724 |
| Tariff discounts - CDE | 102,988 | 96,819 | - | - |
| Provision for socio environmental costs | 23,090 | 22,709 | 128,442 | 110,261 |
| Payroll | 15,597 | 15,674 | - | - |
| Profit sharing | 103,494 | 95,502 | 16,216 | 20,575 |
| Collection agreements | 91,170 | 85,018 | - | - |
| Business combination | 7,516 | 7,598 | - | - |
| Others | 37,545 | 31,410 | 40,702 | 40,174 |
| Total | 1,048,916 | 979,296 | 623,054 | 475,396 |

(*) EPE - Energy Research Company

FNDCT - National Fund for Scientific and Technology Development

PROCEL - National Electric Energy Conservation Program

Advances: refer mainly to advances from customers in relation to advance billing by the subsidiary CPFL Renováveis, before the energy or service has actually been provided or delivered.

(24) EQUITY

The shareholders' interest in the Company's equity at March 31, 2019 and December 31, 2018 is shown below:

| Shareholders | Number of shares | | | |
|--|----------------------|----------------|----------------------|----------------|
| | March 31, 2019 | | December 31, 2018 | |
| | Common shares | Interest % | Common shares | Interest % |
| State Grid Brazil Power Participações S.A. | 730,435,698 | 71.76% | 730,435,698 | 71.76% |
| ESC Energia S.A. | 234,086,204 | 23.00% | 234,086,204 | 23.00% |
| Members of the Executive Board | 189 | 0.00% | 189 | 0.00% |
| Other shareholders | 53,392,655 | 5.25% | 53,392,655 | 5.25% |
| Total | 1,017,914,746 | 100.00% | 1,017,914,746 | 100.00% |

The details of the items included in equity are described in the financial statements for the year ended December 31, 2018.

(25) EARNINGS PER SHARE

Earnings per share – basic and diluted

The calculation of the basic and diluted earnings per share for the quarters ended at March 31, 2019 and 2018 was based on the profit of the period attributable to controlling shareholder and the weighted average number of common shares outstanding in the period:

| | 1st quarter 2019 | 1st quarter 2018 |
|--|------------------|------------------|
| Numerator | | |
| Profit attributable to controlling shareholders | 603,450 | 443,783 |
| Denominator | | |
| Weighted average number of shares held by shareholders | 1,017,914,746 | 1,017,914,746 |
| Earnings per share - basic | 0.59 | 0.44 |

For the quarters ended at March 31, 2019 and 2018, the calculation of earnings per share was not affected by the effects of debentures convertible into shares due to the fact that they presented antidilutive effects.

(26) NET OPERATING REVENUE

| | Consolidated | | | | | |
|--|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| | Number of Consumers | | In GWh | | R\$ thousand | |
| | March 31, 2019 | March 31, 2018 | 1st quarter 2019 | 1st quarter 2018 | 1st quarter 2019 | 1st quarter 2018 |
| Revenue from Elettric Energy Operations | | | | | | |
| Consumer class | | | | | | |
| Residential | 8,588,317 | 8,383,834 | 5,604 | 5,291 | 4,005,340 | 3,117,458 |
| Industrial | 57,890 | 59,498 | 3,145 | 3,375 | 1,214,385 | 1,159,349 |
| Commercial | 530,821 | 542,582 | 2,875 | 2,753 | 1,709,173 | 1,434,467 |
| Rural | 362,264 | 360,154 | 948 | 1,236 | 368,957 | 352,401 |
| Public administration | 60,743 | 60,704 | 383 | 374 | 227,799 | 192,918 |
| Public lighting | 11,709 | 11,323 | 500 | 504 | 187,844 | 154,050 |
| Public services | 10,250 | 9,858 | 589 | 571 | 288,850 | 238,326 |
| Billed | 9,621,994 | 9,427,953 | 14,044 | 14,104 | 8,002,349 | 6,648,969 |
| Own consumption | - | - | 10 | 9 | - | - |
| Unbilled (net) | - | - | - | - | 7,545 | 98,474 |
| (-) Reclassification to Network Usage Charge - TUSD - Captive Consumers | - | - | - | - | (3,173,236) | (2,942,052) |
| Electricity sales to final consumers | 9,621,994 | 9,427,953 | 14,054 | 14,113 | 4,836,658 | 3,805,391 |
| Furnas Centrais Elétricas S.A. | | | 709 | 709 | 134,348 | 134,086 |
| Other concessionaires and licensees | | | 3,883 | 3,570 | 888,002 | 698,245 |
| (-) Reclassification to Network Usage Charge - TUSD - Captive Consumers | | | - | - | (35,408) | (17,855) |
| Spot market energy | | | 1,253 | 573 | 330,141 | 166,128 |
| Electricity sales to wholesalers | | | 5,846 | 4,852 | 1,317,083 | 980,604 |
| Revenue due to Network Usage Charge - TUSD - Captive Consumers | | | | | 3,208,644 | 2,959,906 |
| Revenue due to Network Usage Charge - TUSD - Free Consumers | | | | | 741,450 | 579,240 |
| (-) Compensation paid for failure to comply with the limits of continuity | | | | | (31,559) | (16,386) |
| Revenue from construction of concession infrastructure | | | | | 415,213 | 370,562 |
| Sector financial asset and liability (Note 8) | | | | | (323,880) | 373,547 |
| Concession financial asset - fair value adjustment (Note 10) | | | | | 64,491 | 64,857 |
| Energy development account - CDE - Low-income, Tariff discounts - judicial injunctions ,and other tariff discounts | | | | | 428,683 | 376,741 |
| Other revenues and income | | | | | 130,973 | 143,029 |
| Other operating revenues | | | | | 4,634,015 | 4,851,496 |
| Total gross operating revenue | | | | | 10,787,756 | 9,637,492 |
| Deductions from operating revenues | | | | | | |
| ICMS | | | | | (1,766,589) | (1,424,269) |
| PIS | | | | | (161,842) | (149,685) |
| COFINS | | | | | (744,952) | (689,516) |
| ISS | | | | | (4,527) | (3,528) |
| Global reversal reserve - RGR | | | | | (291) | (247) |
| Energy development account - CDE | | | | | (997,711) | (897,671) |
| Research and development and energy efficiency programs | | | | | (56,347) | (48,593) |
| PROINFA | | | | | (38,825) | (35,275) |
| Tariff flags and others | | | | | 122,343 | (7,096) |
| Fee for the use of water | | | | | (2,397) | - |
| Others | | | | | (9,172) | (6,963) |
| | | | | | (3,660,309) | (3,262,842) |
| Net operating revenue | | | | | 7,127,446 | 6,374,654 |

26.1 Adjustment of revenues from excess demand and excess reactive power

The information related to accounting and historical are described in note 25.1 of financial statements of December 31, 2018.

26.2 Periodic tariff review ("RTP") and Annual tariff adjustment ("RTA")

| Distributor | Month | 2019 | | 2018 | |
|------------------|-----------|-----------|-----------------------------------|-----------|-----------------------------------|
| | | RTA / RTP | Effect perceived by consumers (a) | RTA / RTP | Effect perceived by consumers (a) |
| CPFL Paulista | April (b) | 12.02% | 8.66% | 12.68% | 16.90% |
| CPFL Piratininga | October | (c) | (c) | 20.01% | 19.25% |
| RGE | June | (c) | (c) | 21.27% | 20.58% |
| RGE Sul (RGE) | April (e) | (e) | (e) | 18.45% | 22.47% |
| CPFL Santa Cruz | March | 13.70% | 13.31% | (d) | (d) |

(a) Represents the average effect perceived by the consumer, as a result of the elimination from the tariff base of financial components that had been added in the prior tariff adjustment.

(b) As mentioned in note 35.2, in April 2019 the controlled CPFL Paulista had an RTA.

(c) The tariff adjustments for 2019 had not occurred yet.

(d) For 2018, as mentioned in note 25.2 of financial statements of December 31, 2018, the average annual tariff adjustment of CPFL Santa Cruz was 5.71%, 4.41% regarding the economic tariff adjustment and 1.30% regarding relevant financial components. The average effect to be perceived by consumers of the original concessions are:

| | Jaguari | Mococa | Leste Paulista | Sul Paulista | Santa Cruz |
|-------------------------------|---------|--------|----------------|--------------|------------|
| Effect perceived by consumers | 21.15% | 3.40% | 7.03% | 7.50% | 5.32% |

(e) According Authorizing Resolution No. 2.528/2019, due to the merger of subsidiaries RGE and RGE Sul (note 12.6.1 of financial statements of December 31, 2018), the tariff of concession area from former RGE Sul will be adjusted only at June 19, 2019, with tariff adjustment of concession area from RGE. From that date on, the tariff for both of these subsidiaries will be unified. The effects of such tariff postponement will be offset in the Annual Tariff Adjustment of June 2019.

26.3 Energy Development Account (CDE) – Low income, other tariff subsidies and tariff discounts - injunctions

All details on the CDE contribution are disclosed in notes 25.3 to the financial statements as of December 31, 2018.

In the 1st quarter of 2019, revenue of R\$ 428,683 was recognized (R\$ 376,741 in the 1st quarter of 2018), considering (i) R\$ 17,832 for low-income subsidy (R\$ 21,114 in the 1st quarter of 2018), (ii) R\$ 350,272 for other tariff discounts (R\$ 350,771 in the 1st quarter of 2018), and (iii) R\$ 60,579 for tariff discounts – CCRBT injunctions and subsidy (R\$ 4,857 in the 1st quarter of 2018). These items were recognized against other assets in the line item Receivables – CDE (note 11) and other payables in line item Tariff discounts – CDE (note 23)

26.4 Tariff flags

The system of Tariff Flags application is described in note 25.4 to the financial statements as of December 31, 2018.

In the 1st quarter of 2019, ANEEL approved the Tariff Flags billed from November to December 2018 and January 2019. The amount approved in this period was R\$ 122,995 and the amount received from CCRBT was R\$ 60,295, amounting R\$ 183,290 used to offset part of the sector financial asset and liability (note 8) The amount of R\$ 589 with respect to the tariff flag billed for February and March 2019, was not approved and is recorded in regulatory fees (note 20).

26.5 Energy development account (“CDE”)

ANEEL, by means of Ratifying Resolution (“REH”) No. 2,510 of December 18, 2018, amended by REH No. 2,368 of February 9, 2018, established the definitive annual quotas of CDE for the year 2019. These quotas comprise: (i) annual quota of the CDE – USAGE account; and (ii) quota of the CDE – Energy account, (final settlements finished in March 2019), related to part of the CDE contributions received by the electric energy distribution concessionaires in the period from January 2013 to January 2014, charged from consumers and passed on to the CDE Account in up to five years from the RTE of 2015.

ANEEL, by means of REH n° 2,521 of March 20, 2019, ANEEL established the payment in advance of quota intended for the amortization of the ACR Account, due to its positive balance, with payment and pass through to the CDE Account for March 2019 to August 2019, cancelling the previously REH n° 2,231 of 2017.

(27) COST OF ELECTRIC ENERGY

| | Consolidated | | | |
|---|------------------|------------------|------------------|------------------|
| | GWh | | R\$ thousand | |
| | 1st quarter 2019 | 1st quarter 2018 | 1st quarter 2019 | 1st quarter 2018 |
| <u>Electricity Purchased for Resale</u> | | | | |
| Itaipu Binacional | 2,720 | 2,739 | 657,298 | 558,432 |
| PROINFA | 257 | - | 104,815 | 85,875 |
| Energy purchased through auction in the regulated market, bilateral contracts and spot market | 16,915 | 11,886 | 3,572,208 | 2,975,166 |
| PIS and COFINS credit | - | - | (381,780) | (318,198) |
| Subtotal | 19,892 | 18,465 | 3,952,543 | 3,301,275 |
| <u>Electricity network usage charge</u> | | | | |
| Basic network charges | | | 498,287 | 567,440 |
| Transmission from Itaipu | | | 66,554 | 62,191 |
| Connection charges | | | 47,424 | 32,196 |
| Charges for use of the distribution system | | | 12,965 | 9,567 |
| System service charges - ESS net of CONER pass trough (*) | | | (41,079) | 46,875 |
| Reserve energy charges - EER | | | - | 65,914 |
| PIS and COFINS credit | | | (52,930) | (71,736) |
| Subtotal | | | 531,221 | 712,446 |
| Total | | | 4,483,763 | 4,013,721 |

(*) Energy reserve account.

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(28) OTHER OPERATING COSTS AND EXPENSES

| | Consolidated | | | | | | | | | | | |
|---|------------------|------------------|------------------------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|-----------|-----------|
| | Operating costs | | Services rendered to third parties | | Operating Expenses | | | | | | Total | |
| | | | | | Sales | | General | | Other | | | |
| | 1st quarter 2019 | 1st quarter 2018 | 1st quarter 2019 | 1st quarter 2018 | 1st quarter 2019 | 1st quarter 2018 | 1st quarter 2019 | 1st quarter 2018 | 1st quarter 2019 | 1st quarter 2018 | | |
| | | | | | | | | | | | | |
| Personnel | 225,973 | 216,403 | - | - | 42,516 | 40,701 | 79,530 | 80,641 | - | - | 348,019 | 337,745 |
| Private pension plan | 28,150 | 22,477 | - | - | - | - | - | - | - | - | 28,150 | 22,477 |
| Materials | 63,541 | 56,926 | 174 | 191 | 2,538 | 1,938 | 604 | 3,567 | - | - | 66,857 | 62,622 |
| Third party services | 48,785 | 64,313 | 511 | 613 | 42,158 | 37,984 | 73,556 | 78,022 | - | - | 165,010 | 180,932 |
| Costs of infrastructure construction | - | - | 415,211 | 370,559 | - | - | - | - | - | - | 415,211 | 370,559 |
| Others | 14,048 | 13,146 | (1) | (2) | 24,076 | 20,526 | 45,183 | 20,707 | 23,339 | 25,024 | 106,645 | 79,401 |
| Collection fees | - | - | - | - | 24,817 | 20,106 | - | - | - | - | 24,817 | 20,106 |
| Leases and rentals | 12,563 | 14,448 | - | - | - | - | 5,280 | 3,347 | - | - | 17,843 | 17,795 |
| Publicity and advertising | 1 | - | - | - | - | - | 3,891 | 2,265 | - | - | 3,892 | 2,265 |
| Legal, judicial and indemnities | 26 | - | - | - | 9 | - | 32,003 | 12,284 | - | - | 32,038 | 12,284 |
| Donations, contributions and subsidies | - | 13 | - | - | - | - | 931 | 1,127 | - | - | 931 | 1,140 |
| Gain (loss) on disposal, retirement and other noncurrent assets | - | - | - | - | - | - | - | - | 21,165 | 30,898 | 21,165 | 30,898 |
| Others | 1,458 | (1,315) | (1) | (2) | (750) | 420 | 3,078 | 1,684 | 2,174 | (5,874) | 5,959 | (5,087) |
| Total | 380,498 | 373,265 | 415,895 | 371,361 | 111,287 | 101,150 | 198,872 | 182,937 | 23,339 | 25,025 | 1,129,891 | 1,053,738 |

(29) FINANCE INCOME (EXPENSES)

| | Consolidated | |
|--|------------------|------------------|
| | 1st quarter 2019 | 1st quarter 2018 |
| <u>Financial income</u> | | |
| Income from financial investments | 48,570 | 66,386 |
| Late payment interest and fines | 75,313 | 69,523 |
| Monetary adjustment of tax credits | 1,227 | 2,540 |
| Monetary adjustment of escrow deposits | 8,899 | 8,804 |
| Monetary adjustment and exchange rate changes | 8,245 | 22,742 |
| Discount on purchase of ICMS credit | 6,871 | 6,732 |
| Adjustments to the sector financial asset (note 8) | 27,534 | 7,105 |
| PIS and COFINS on other finance income | (10,377) | (11,666) |
| Others | 40,312 | 24,986 |
| Total | 206,595 | 197,151 |
| <u>Financial expenses</u> | | |
| Interest on debts | (295,284) | (343,232) |
| Monetary adjustment and exchange rate changes | (85,370) | (119,132) |
| (-) Capitalized interest | 5,589 | 6,209 |
| Adjustments to the sector financial liability (note 8) | - | (4,663) |
| Use of public asset | (1,928) | (3,802) |
| Others | (49,641) | (40,052) |
| Total | (426,635) | (504,671) |
| Financial expenses, net | (220,040) | (307,519) |

In line item of monetary adjustment and exchange rate changes, the expense includes the effects of gains of R\$ 96,434 in the 1st quarter of 2019 (R\$ 16,528 in the 1st quarter of 2018) on derivative instruments (note 33).

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(30) SEGMENT INFORMATION

| 1st quarter 2019 | Distribution | Generation (conventional source) | Generation (renewable source) | Commercialization | Services | Total | Other (*) | Elimination | Total |
|---|--------------|--|-------------------------------------|-------------------|-----------|-------------|-----------|-------------|-------------|
| Net operating revenue | 5,919,870 | 150,791 | 275,219 | 759,156 | 22,410 | 7,127,446 | - | - | 7,127,446 |
| (-) Intersegment revenues | 16,356 | 118,669 | 58,970 | 1,113 | 123,227 | 318,335 | - | (318,335) | - |
| Cost of electric energy | (3,877,202) | (29,200) | (53,271) | (718,769) | - | (4,678,441) | - | 194,678 | (4,483,763) |
| Operating costs and expenses | (1,079,440) | (22,290) | (88,878) | (10,838) | (109,874) | (1,311,319) | (10,844) | 123,656 | (1,198,506) |
| Depreciation and amortization | (192,004) | (29,703) | (160,580) | (520) | (5,899) | (388,707) | (15,734) | - | (404,440) |
| Income from electric energy service | 787,581 | 188,267 | 31,460 | 30,143 | 29,863 | 1,067,314 | (26,577) | - | 1,040,736 |
| Equity | - | 85,775 | - | - | - | 85,775 | - | - | 85,775 |
| Financial income | 145,176 | 10,087 | 48,590 | 6,558 | 1,453 | 211,863 | 2,552 | (7,820) | 206,595 |
| Financial expenses | (204,707) | (54,127) | (160,296) | (14,283) | (1,033) | (434,445) | (10) | 7,820 | (426,635) |
| Profit (loss) before taxes | 728,049 | 230,003 | (80,246) | 22,418 | 30,284 | 930,508 | (24,036) | - | 906,472 |
| Income tax and social contribution | (262,968) | (45,634) | (12,777) | (7,608) | (7,182) | (336,169) | 55 | - | (336,114) |
| Profit (loss) for the year | 465,081 | 184,369 | (93,023) | 14,810 | 23,101 | 594,338 | (23,980) | - | 570,358 |
| Purchases of contract asset, PP&E and intangible assets | 403,520 | 1,312 | 32,505 | 601 | 7,455 | 445,393 | - | - | 445,393 |

| 1st quarter 2018 | Distribution | Generation (conventional source) | Generation (renewable source) | Commercialization | Services | Total | Other (*) | Elimination | Total |
|---|--------------|--|-------------------------------------|-------------------|----------|-------------|-----------|-------------|-------------|
| Net operating revenue | 5,199,141 | 170,270 | 277,556 | 709,823 | 17,864 | 6,374,654 | - | - | 6,374,654 |
| (-) Intersegment revenues | 1,617 | 111,185 | 105,997 | 111 | 93,795 | 312,705 | - | (312,705) | - |
| Cost of electric energy | (3,450,874) | (18,550) | (70,466) | (691,078) | - | (4,230,967) | - | 217,246 | (4,013,721) |
| Operating costs and expenses | (957,507) | (23,245) | (85,301) | (11,093) | (89,101) | (1,166,249) | (9,367) | 95,459 | (1,080,157) |
| Depreciation and amortization | (180,504) | (30,147) | (157,687) | (612) | (5,504) | (374,455) | (15,730) | - | (390,184) |
| Income from electric energy service | 611,873 | 209,513 | 70,099 | 7,151 | 17,053 | 915,688 | (25,096) | - | 890,592 |
| Equity | - | 85,356 | - | - | - | 85,356 | - | - | 85,356 |
| Financial income | 136,438 | 20,463 | 30,140 | 10,846 | 1,778 | 199,664 | 7,098 | (9,609) | 197,151 |
| Financial expenses | (241,145) | (88,328) | (159,354) | (18,139) | (2,005) | (508,971) | (5,309) | 9,609 | (504,671) |
| Profit (loss) before taxes | 507,165 | 227,003 | (59,115) | (142) | 16,826 | 691,738 | (23,309) | - | 668,428 |
| Income tax and social contribution | (186,611) | (45,123) | (13,406) | (295) | (3,857) | (249,292) | 267 | - | (249,024) |
| Profit (loss) for the year | 320,554 | 181,880 | (72,521) | (436) | 12,969 | 442,446 | (23,042) | - | 419,404 |
| Purchases of contract asset, PP&E and intangible assets | 366,374 | 1,256 | 44,049 | 794 | 13,220 | 425,693 | 221 | - | 425,914 |

(*) Others – refer basically to assets and transactions which are not related to any of the identified segments.

(31) RELATED PARTY TRANSACTIONS

The Company's controlling shareholders, related party information and main transactions are disclosed in note 30 of the financial statements of December 31, 2018.

The total compensation of key management personnel in the 1st quarter of 2019, in accordance with CVM Decision 560/2008, was R\$ 19,862 (R\$ 19,893 in the 1st quarter of 2018). This amount comprises R\$ 19,378 (R\$ 19,403 in the 1st quarter of 2018) in respect of short-term benefits and R\$ 484 (R\$ 489 in the 1st quarter of 2018) of post-employment benefits.

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Transactions with entities under common control basically refers to transmission system charge paid by the Company's subsidiaries to the direct or indirect subsidiaries of State Grid Corporation of China.

Transactions involving controlling shareholders, entities under common control or significant influence and joint ventures:

| | Consolidated | | | | | | | |
|---|-------------------|----------------------|-------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| | ASSETS | | LIABILITIES | | INCOME | | EXPENSES | |
| | March 31, 2019 | December 31, 2018 | March 31, 2019 | December 31, 2018 | 1st quarter 2019 | 1st quarter 2018 | 1st quarter 2019 | 1st quarter 2018 |
| Advances | | | | | | | | |
| BAESA – Energética Barra Grande S.A. | - | - | - | 657 | - | - | - | - |
| Foz do Chapecó Energia S.A. | - | - | - | 930 | - | - | - | - |
| ENERCAN - Campos Novos Energia S.A. | - | - | - | 1,155 | - | - | - | - |
| EPASA - Centrais Elétricas da Paraíba | - | - | - | 418 | - | - | - | - |
| Energy purchase and sales, and charges | | | | | | | | |
| Entities under common control (State Grid Corporation of China subsidiaries) | - | - | 904 | 16 | - | - | 42,493 | 38,622 |
| BAESA – Energética Barra Grande S.A. | - | - | 1,396 | 2,993 | 3 | - | 4,799 | 3,847 |
| Foz do Chapecó Energia S.A. | 1,773 | - | 40,836 | 41,850 | 5 | - | 118,108 | 99,319 |
| ENERCAN - Campos Novos Energia S.A. | 945 | 943 | 87,353 | 78,639 | 2,741 | 2,601 | 85,518 | 68,961 |
| EPASA - Centrais Elétricas da Paraíba | - | - | 11,142 | 13,397 | 1 | - | 18,783 | 30,727 |
| Intangible assets, property, plant and equipment, materials and service rendered | | | | | | | | |
| BAESA – Energética Barra Grande S.A. | - | 2 | - | - | 540 | 401 | - | - |
| Foz do Chapecó Energia S.A. | 2 | 15 | - | - | 534 | 440 | - | - |
| ENERCAN - Campos Novos Energia S.A. | - | 2 | - | - | 484 | 4 | - | - |
| EPASA - Centrais Elétricas da Paraíba S.A. | 25 | 534 | - | - | 79 | 73 | - | - |
| Intragroup loans | | | | | | | | |
| EPASA - Centrais Elétricas da Paraíba S.A. | - | - | - | - | - | 1 | - | - |
| Dividends and interest on capital | | | | | | | | |
| BAESA – Energética Barra Grande S.A. | 3 | 3 | - | - | - | - | - | - |
| Chapecoense Geração S.A. | 33,733 | 33,733 | - | - | - | - | - | - |
| ENERCAN - Campos Novos Energia S.A. | 65,010 | 65,010 | - | - | - | - | - | - |
| Others | | | | | | | | |
| Instituto CPFL | - | - | - | - | - | - | 928 | 1,018 |

(32) RISK MANAGEMENT

The risk management structure and the main risk factors that affect the Group's business are disclosed in note 32 to the financial statements for the year ended December 31, 2018.

(33) FINANCIAL INSTRUMENTS

The main financial instruments are:

| | Note | Category / Measurement | Level (*) | Consolidated | |
|---|------|---------------------------|-----------|-------------------|-------------------|
| | | | | March 31, 2019 | |
| | | | | Carrying amount | Fair value |
| Assets | | | | | |
| Cash and cash equivalent | 5 | (a) | Level 1 | 243,155 | 243,155 |
| Cash and cash equivalent | 5 | (a) | Level 2 | 3,197,654 | 3,197,654 |
| Derivatives | 33 | (a) | Level 2 | 595,440 | 595,440 |
| Derivatives - Zero-cost collar | 33 | (a) | Level 3 | 15,339 | 15,339 |
| Concession financial asset - distribution | 10 | (a) | Level 3 | 7,677,726 | 7,677,726 |
| | | | | 11,729,314 | 11,729,314 |
| Liabilities | | | | | |
| Borrowings - principal and interest | 16 | (b) | Level 2 | 6,060,582 | 6,025,180 |
| Borrowings - principal and interest (**) | 16 | (a) | Level 2 | 5,292,260 | 5,292,260 |
| Debentures - Principal and interest | 17 | (b) | Level 2 | 8,685,943 | 8,712,624 |
| Debentures - Principal and interest (**) | 17 | (a) | Level 2 | 437,888 | 437,888 |
| Derivatives | 33 | (a) | Level 2 | 24,998 | 24,998 |
| | | | | 20,501,671 | 20,492,950 |

(*) Refers to the hierarchy for fair value measurement

(**) As a result of the initial designation of this financial liability, the consolidated balances reported a loss of R\$ 11,072 in the 1st quarter 2019 (a loss of R\$ 68,935 in the 1st quarter 2018).

Key

Category:

- (a) - Measured at fair value through profit or loss
- (b) - Measured at amortized cost

The classification of financial instruments in "amortized cost" or "fair value through profit or loss" is based on the portfolio business model and in the characteristics of expected cash flow for each instrument.

The financial instruments for which the carrying amounts approximate the fair values, due to their nature, at the end of the reporting year are:

- Financial assets: (i) consumers, concessionaires and licensees, (ii) leases, (iii) intercompany loans between associates, subsidiaries and parent company, (iv) receivables – CDE, (v) pledges, funds and restricted deposits, (vi) services rendered to third parties, (vii) collection agreements and (viii) sector financial asset;
- Financial liabilities: (i) trade payables, (ii) regulatory charges, (iii) use of public asset, (iv) consumers and concessionaires, (v) FNDCT/EPE/PROCEL, (vi) collection agreement, (vii) reversal fund, (viii) payables for business combination, (ix) tariff discounts – CDE and (x) sector financial liability.

In addition, in the first quarter of 2019 there were no transfers between the fair value hierarchy levels.

a) Measurement of financial instruments

As mentioned in note 4, the fair value of a security corresponds to its maturity value (redemption value) adjusted to present value by the discount factor (relating to the maturity date of the security) obtained from the market interest curve, in Brazilian reais.

The three levels of the fair value hierarchy are:

Level 1: Quoted prices in an active market for identical instruments;

Level 2: Observable inputs other than quoted prices in an active market that are observable for the asset or liability, directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Instruments whose relevant factors are not observable market inputs.

As the distribution concessionaires classified the respective concession financial assets as fair value through profit or loss, the relevant factors for fair value measurement are not publicly observable. Therefore, the fair value hierarchy classification is level 3. The movements and respective gains (losses) in profit for or loss for the period are R\$ 67,264 (R\$ 66,637 in 2018) and the main assumptions are described in note 10 and 26.

Additionally, the main assumptions used in the fair value measurement of the zero-cost collar derivative, the fair value hierarchy of which is Level 3, are disclosed in note 33 b.1.

The Company recognizes in "Investments at cost" in the financial statements the 5.94% interest held by the indirect subsidiary Paulista Lajeado Energia S.A. in the total capital of Investco S.A. ("Investco"), in the form of 28,154,140 common shares and 18,593,070 preferred shares. As Investco's shares are not traded on the stock exchange and the main objective of its operations is to generate electric energy for commercialization by the shareholders holding the concession, the Company opted to recognize the investment at cost, that is the best estimate of their fair value, since there are no available recent information for the fair value calculation, according to IFRS 9.

b) Derivatives

The Group has the policy of using derivatives to hedge against the risks of fluctuations in exchange and interest rates, without any speculative purposes. The Group has currency hedges in a volume compatible with the net exchange exposure, including all assets and liabilities tied to exchange rate changes.

The hedging instruments entered into by the Group are currency or interest rate swaps with no leverage component, margin call requirements or daily or periodic adjustments. Furthermore, in 2015 the subsidiary CPFL Geração contracted a zero-cost collar derivative (see item b.1 below).

As a large part of the derivatives entered into by the subsidiaries have their terms fully aligned with the hedged debts, and in order to obtain more relevant and consistent accounting information through the recognition of income and expenses, these debts were designated for the accounting recognition at fair value (notes 17 and 18). Other debts that have terms different from the derivatives contracted as a hedge continue to be recognized at amortized cost. Furthermore, the Group did not adopt hedge accounting for transactions with derivative instruments.

At March 31, 2019, the Group had the following swap transactions, all traded on the over-the-counter market:

| Strategy | Fair values (carrying amounts) | | | Values at cost, net (1) | Gain (loss) on fair value measurement | Currency / debt index | Currency /swap index | Maturity range | Notional |
|---|--------------------------------|-------------|-----------------|-------------------------|---------------------------------------|--|--------------------------|-----------------------------|-----------|
| | Assets | Liabilities | Fair value, net | | | | | | |
| Derivatives to hedge debts designated at fair value | | | | | | | | | |
| Exchange rate hedge | | | | | | | | | |
| Bank Loans - Law 4.131 | 530,798 | (4,863) | 525,936 | 566,460 | (40,525) | US\$ + (Libor 3 months + 0.8% to 1.55% or 2.3% to 4.32%) | 99.80% to 116% of CDI | October 2018 to March 2022 | 3,896,229 |
| Bank Loans - Law 4.131 | 3,752 | (20,135) | (16,383) | (633) | (15,750) | Euro + 0.42% to 0.96% | 102% to 105.8% of CDI | April 2019 to March 2022 | 879,630 |
| | 534,550 | (24,997) | 509,553 | 565,827 | (56,275) | | | | |
| Hedge variation price index | | | | | | | | | |
| Debentures | 37,718 | - | 37,718 | 7,232 | 30,486 | IPCA + 5.8% | 100.15% to 104.3% of CDI | August 2025 | 416,600 |
| Derivatives to hedge debts not designated at fair value | | | | | | | | | |
| Hedge variation price index: | | | | | | | | | |
| Debentures | 23,173 | - | 23,173 | 22,645 | 528 | IPCA + 5.86% | 100.15% to 104.3% of CDI | April 2019 | 70,469 |
| Other (2): | | | | | | | | | |
| Zero cost collar | 15,339 | - | 15,339 | 2,929 | 12,410 | US\$ | (note 33 b.1) | July 2018 to September 2020 | 44,083 |
| | 610,779 | (24,997) | 585,782 | 598,633 | (12,851) | | | | |
| Current | 260,847 | (4,863) | | | | | | | |
| Noncurrent | 349,932 | (20,135) | | | | | | | |

For further details on terms and information on debts and debentures, see notes 17 and 18

(1) The value at cost are the derivative amount without the respective fair value measurement, while the notional refers to the balance of the debt and is reduced according to the respective amortization;

(2) Due to the characteristics of this derivative (zero-cost collar), the notional amount is presented in U.S. dollar.

Changes in derivatives are stated below:

| | Consolidated | | | |
|---------------------------------------|-------------------------|---|------------------|-------------------|
| | At December 31, 2018 | Interest, monetary adjustment, exchange rate and fair value measurement | Repayment | At March 31, 2019 |
| Values at cost, net | | | | |
| To debts designated at fair value | 631,368 | 78,067 | (136,375) | 573,060 |
| To debts not designated at fair value | 21,548 | 1,097 | - | 22,645 |
| Other (zero cost collar) | - | 2,929 | - | 2,929 |
| Fair value measurement (*) | (27,722) | 14,871 | - | (12,851) |
| | 625,194 | 96,964 | (136,375) | 585,782 |

(*)The effects on the income and comprehensive income of 2019 related to the fair value adjustments (MTM) of the derivatives are: (i) gains of R\$ 18,876 for the debts designated at fair value, (ii) losses of R\$ 49 for non- designated at fair value and (iii) losses of R\$ 3,957 for other derivatives (zero cost collar).

As mentioned above, certain subsidiaries elected to fair value measurement debts for which they have fully debt-related derivatives instruments (note 17 and 18).

The Group has recognized gains and losses on their derivatives. However, as these derivatives are used as a hedging instrument, these gains and losses minimized the impacts of fluctuations in exchange and interest rates on the hedged debts. For the quarters ended at March 31, 2019 and 2018, the derivatives generated the following impacts on the consolidated profit or loss, recognized in the line item of Finance costs on monetary adjustment and exchange rate changes and in the consolidated comprehensive income in the credit risk in the fair value measurement related to debts at fair value.

| | Gain (Loss) on income | | Gain (Loss) in comprehensive income |
|-------------------------|-----------------------|------------------|--|
| | 1st quarter 2019 | 1st quarter 2018 | 1st quarter 2019 |
| Interest rate variation | 4,823 | 2,978 | - |
| Fair value measurement | 8,884 | (42,517) | (16) |
| Exchange variation | 77,269 | 3,732 | - |
| Fair value measurement | 5,456 | 52,336 | 540 |
| | 96,434 | 16,528 | 524 |

b.1) Zero-cost collar derivative transactions entered into by CPFL Geração

In 2015, the subsidiary CPFL Geração entered into a transaction involving put options and call options in US\$, both having the same institution as counterpart, and that combined are featured as a transaction usually known as zero-cost collar. Entering into this transaction does not have any speculative purpose, in as much as it is aimed at minimizing any negative impacts on future revenue of the joint venture ENERCAN, which has electric energy sale agreements with annual adjustment of part of the tariff based on the dollar variation. In addition, according to Management's view, the scenario in 2015 was favorable to enter into this type of financial instrument, considering the high volatility implicit in dollar options and the fact that there is no initial cost for this type of transaction.

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The total amount contracted was US\$ 111,817 thousand, with due dates between October 1, 2015 and September 30, 2020. At March 31, 2019, the total amount contracted was US\$ 44,083 thousand, considering the options already settled until this date. The strike prices of the dollar options vary from R\$ 4.20 to R\$ 4.40 for put options and from R\$ 5.40 to R\$7.50 for call options.

These options were measured at fair value in a recurring manner, as required by IFRS 9 /CPC 48. The fair value of the options that are part of this transaction was calculated based on the following assumptions:

| | |
|--|--|
| Valuation technique(s) and key information | We used the Black Scholes Option Pricing Model, which aims to obtain the fair price of the options involving the following variables: value of the asset, strike price of the option, interest rate, term and volatility. |
| Significant unobservable inputs | Volatility determined based on the average market pricing calculations, future dollar and other variables applicable to this specific transaction, with average variation of 17.80%. |
| Relationship between unobservable inputs and fair value (sensitivity) | A slight rise in long-term volatility, analyzed separately, would result in an insignificant increase in fair value. If the volatility were 10% higher and all the other variables remained constant, the net carrying amount (asset) would increase by R\$ 487, resulting in a net asset of R\$ 15,826. |

The following table reconciles the opening and closing balances of the call and put options for the 1st quarter of 2019, as required by IFRS 13/CPC 46:

| | Consolidated | | |
|---|---------------------|------------------|---------------|
| | Asset | Liability | Net |
| At December 31, 2018 | 16,367 | - | 16,367 |
| Measurement at fair value | (1,028) | - | (1,028) |
| Net cash, received from settlement of flows | - | - | - |
| At March 31, 2019 | 15,339 | - | 15,339 |

The fair value measurement of these financial instruments was recognized as finance income (expense) of the period, and no effects were recognized in other comprehensive income.

c) Concession financial assets - distribution

As the distribution subsidiaries have classified the respective financial assets of the concession as measured at fair value through profit or loss, the relevant factors to measure the fair value are not publicly observable and there is no active market. Therefore, the classification of the fair value hierarchy is level 3.

d) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group uses derivatives to manage market risks.

e) Sensitivity analysis

The Group performed sensitivity analyses of the main risks to which their financial instruments (including derivatives) are exposed, mainly comprising changes in exchange and interest rates.

When the risk exposure is considered asset, the risk to be taken into account is a reduction in the pegged indexes, due to a consequent negative impact on the Group's profit or loss. Similarly, if the risk exposure is considered liability, the risk is of an increase in the pegged indexes and the consequent negative effect on the profit or loss. The Group therefore quantify the risks in terms of the net exposure of the variables (dollar, euro, CDI, IGP-M, IPCA, TJLP and SELIC), as shown below:

e.1) Exchange rates variation

Considering that the net exchange rate exposure at March 31, 2019 is maintained, the simulation of the effects by type of financial instrument for three different scenarios would be:

| Instruments | Exposure (a) | Risk | Consolidated | | |
|--|---------------|-------------------|-----------------------------------|----------------------------------|----------------------------------|
| | | | Income (expense) - R\$ thousand | | |
| | | | Exchange depreciation of 3.7% (b) | Currency appreciation of 25% (c) | Currency appreciation of 50% (c) |
| Financial liability instruments | (4,435,128) | | (164,011) | 985,774 | 2,135,558 |
| Derivatives - Plain Vanilla Swap | 4,500,822 | | 166,440 | (1,000,375) | (2,167,191) |
| | 65,694 | drop in the dolar | 2,429 | (14,601) | (31,633) |
| Financial liability instruments | (859,201) | | (57,921) | 171,359 | 400,640 |
| Derivatives - Plain Vanilla Swap | 873,387 | | 58,878 | (174,188) | (407,255) |
| | 14,186 | drop in the euro | 957 | (2,829) | (6,615) |
| Total | 79,880 | | 3,386 | (17,430) | (38,248) |
| Effects in the accumulated comprehensive income | | | 2,567 | (12,510) | (27,586) |
| Effects in the income of the year | | | 819 | (4,920) | (10,662) |

| Instruments | Exposure US\$ thousand (a) | | Income (expense) - R\$ thousand | | |
|------------------------------|----------------------------|-------------------------|---------------------------------|----------------------------------|----------------------------------|
| | | | Currency depreciation (b) | Currency appreciation of 25% (c) | Currency appreciation of 50% (c) |
| | | | | | |
| Derivatives zero-cost collar | 44,083 | (d) raise in the dollar | (1,807) | (14,480) | (27,153) |

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(a) The exchange rate considered at 03/31/2019 was R\$ 3.90 per US\$ 1.00 and R\$ 4.38 per €\$ 1.00.

(b) As per the exchange rate curves obtained from information made available by B3 S.A., with the exchange rate being considered at R\$ 4.04 and 4.67, and the currency depreciation at 3.70% and 6.74% for US\$ and €\$, respectively at 03/31/2019.

(c) As required by CVM Instruction No. 475/2008, the percentage increases in the ratios applied refer to the information made available by the B3 S.A..

(d) Owing to the characteristics of this derivative (zero-cost collar), the notional amount is presented in US\$.

Except for the zero-cost collar, as the net exchange exposure of the dollar and the euro for the other derivative instruments is an asset, the risk is a drop in the dollar, and the euro, therefore, the exchange rate is appreciated by 25% and 50% in relation to the probable exchange rate.

e.2) Interest rates variation

Assuming that the scenario of net exposure of the financial instruments indexed to floating interest rates at March 2019 is maintained, the net finance cost for the next 12 months for each of the three scenarios defined, would be:

| Instruments | Exposure R\$ thousand (a) | Risk | rate in the period | rate likely scenario (a) | Consolidated | | |
|--|---------------------------------|--------------------|-----------------------|--------------------------------|---------------------------------|----------------------------------|----------------------------------|
| | | | | | Income (expense) - R\$ thousand | | |
| | | | | | likely scenario | Raising/Drop index by 25% (b) | Raising/Drop index by 50% (b) |
| Financial asset instruments | 3,915,476 | | | | 259,596 | 324,495 | 389,394 |
| Financial liability instruments | (7,675,498) | | | | (508,886) | (636,107) | (763,328) |
| Derivatives - Plain Vanilla Swap | (5,364,776) | | | | (355,685) | (444,606) | (533,527) |
| | (9,124,798) | raise in the CDI | 6.34% | 6.63% | (604,975) | (756,218) | (907,461) |
| Financial liability instruments | (149,803) | | | | (6,726) | (8,408) | (10,089) |
| | (149,803) | raise in the IGP-M | 8.27% | 4.49% | (6,726) | (8,408) | (10,089) |
| Financial liability instruments | (3,552,095) | | | | (222,361) | (277,951) | (333,542) |
| | (3,552,095) | raise in the TJLP | 6.79% | 6.26% | (222,361) | (277,951) | (333,542) |
| Financial liability instruments | (3,006,465) | | | | (121,461) | (91,096) | (60,731) |
| Derivatives - Plain Vanilla Swap | 561,010 | | | | 22,665 | 16,999 | 11,332 |
| Concession financial asset | 7,677,726 | | | | 310,180 | 232,635 | 155,090 |
| | 5,232,271 | drop in the IPCA | 4.40% | 4.04% | 211,384 | 158,538 | 105,691 |
| Setorial financial assets and liabilities | 1,211,812 | | | | 79,737 | 59,803 | 39,869 |
| | (106,946) | raise in the SELIC | | | (7,037) | (5,278) | (3,519) |
| | 1,104,866 | drop in the IPCA | 6.35% | 6.58% | 72,700 | 54,525 | 36,350 |
| Total | (6,489,559) | | | | (549,978) | (829,514) | (1,109,051) |
| Effects in the accumulated comprehensive income | | | | | 1,126 | 894 | 664 |
| Effects in the income of the year | | | | | (551,104) | (830,408) | (1,109,715) |

(a) The indexes were obtained from information available in the market.

(b) As required by CVM Instruction number 475/2008, the percentages of increase were applied to the indexes in the probable scenario.

Additionally, the debts exposed to pre-fixed indexes would generate an expense of R\$ 58,897.

f) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from Consumers, Concessionaires and Licensees and financial instruments. Monthly, the risk is monitored and classified according to the current exposure, considering the limit approved by Management.

Impairment losses on financial assets recognized in profit or loss are presented in note 6 – Consumers, Concessionaires and Licensees.

Consumers, Concessionaries and Licensees

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, Management also considers the factors that may influence the credit risk.

The Group uses a provision matrix to measure the expected credit losses of trade receivables according to the consumer class (Residential, Commercial, Rural, Public Power, Public Lighting, Public Services), Other Revenues and Unbilled Revenue, comprising mostly a large number of dispersed balances.

Loss rates are based on actual credit loss experience over the past.

These rates reflect differences between economic conditions during the period over which the historical data have been collected, current conditions and the Group's view of future economic conditions over the expected lives of the receivables. Accordingly, an "adjusted" revenue was calculated, reflecting the Group perception on expected loss. Such "adjusted" revenue was allocated by consumption class (matrix) according to the interval currently used in the allowance guided by the regulatory parameters as follows:

| Class | Days | Period |
|--|------|---|
| Residential | 90 | Revenue of 3 months prior to the current month |
| Commercial and other revenues | 180 | Revenue of 6 months prior to the current month |
| Industrial, rural, public power in general | 360 | Revenue of 12 months prior to the current month |
| Unbilled | - | Uses revenue of the same month |

Therefore, based on the assumptions above, an "Adjusted" ratio of the expected credit losses ("ECL") allowance for the month is calculated, which was determined dividing the "Actual ECL" allowance by the "Adjusted Revenue" for each month. Then, the ECL allowance is estimated monthly, considering the respective moving average for the months of the "Adjusted" monthly ratios and applied to the actual revenue for the current month.

Based on this criterion, the ECL allowance percentage to be applied is changed monthly to the extent that the moving average is calculated.

The methodology used by Management includes a percentage that is compliant with the IFRS rule described as expected credit losses, including in a single percentage the probability of loss, weighted by the expected loss and possible outcomes, that is, including Probability of default ("PD"), Exposure at default ("EAD") and ("LGD").

Macroeconomic factors

After studies developed by the Company to assess which variables present a correlation ratio with the actual amount of Expected Credit Losses Allowance, no ratios or macroeconomic factors that would have material impacts or that had direct correlation with the default level were identified, due to the electric sector characteristic of having instruments that mitigate the risk of losses, such as cutting energy supply to default customers.

Cash and cash equivalents

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating of at least AA-.

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. Management did not identify for the quarter ended March 31, 2019 and the year ended December 31, 2018 that the securities had a significantly change in credit risk.

Derivatives

The Group adopts a policy of using derivatives with the purpose of hedge (economic hedge) against the risks of fluctuations in exchange rates and interest rates, mostly comprising currency and interest rate swaps. The derivative transactions are entered into with first-tier banks and financial institutions with a rating of at least AA-, based on the main credit rating agencies in the market (note 33). Management has not identified for the period of 2019 and the year 2018 that the derivative financial assets had a significant impairment using the criterion of expected losses.

The Group adopts a policy of providing financial guarantees for the obligations of its subsidiaries and joint ventures. As at March 31, 2019 and December 31, 2018, the Company had provided guarantees to certain financial institutions with respect to the credit lines granted to its subsidiaries and joint ventures, as presented in notes 17 and 18.

(34) NON-CASH TRANSACTIONS

| | Consolidated | |
|--|----------------|-------------------|
| | March 31, 2019 | December 31, 2018 |
| Capital increase in investees with advance for future capital increase | 43 | - |
| Interest capitalized | 5,589 | 6,209 |
| Provision for environmental costs capitalized in property, plant and equipment | 15,906 | 9,725 |
| Transfer between fixed assets and other assets | 167 | 2,881 |

(35) SIGNIFICANT FACT AND EVENTS AFTER THE REPORTING PERIOD

35.1 Extension of deadline to reestablish the free float

According to note 23.1 of financial statements of December 31, 2018, the Company has a period of the 18 months from November 30, 2017 to take a decision of reestablish the minimum floating required or delist its shares from the public stock market.

On April 2, 2019, the Company informed the B3 of its intention to bring the free float in compliance with Novo Mercado rules by carrying out a follow-on offering for the Company common shares, and on April 18, 2019, B3 approved such request for an extension of the deadline to reach a minimum free float of 15% of the Company total capital until October 31, 2019. The Company is still considering the terms and conditions of any potential follow-on offering.

In the context of these disclosed intention, on April 24, 2019, the Company published a Relevant Fact informing that filed in with the Securities and Exchange Commission ("SEC") a Registration Statement on Form F-3 ("Form F-3"). Once declared effective by the SEC, the Form F-3 will allow the Company to carry out in the United States certain specified public offerings of its common shares, including American Depositary Shares ("ADS"). The Offering is still under analysis by the Company and its controlling shareholder, and until this date there is no definition on the size of the Offering, the price per share or its timetable.

The intended Offering is also subject to Brazilian and international securities markets conditions, to the applicable regulatory approvals and to the corporate approvals of the Company.

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35.2 Annual Tariff Adjustment - CPFL Paulista

On April 2, 2019, ANEEL published Ratifying Resolution No. 2.526, which set the average tariff adjustment of the subsidiary CPFL Paulista, effective as of April 8, 2019, by 12.02%, of which 2.95% relating to the economic tariff adjustment and 9.07% to the related financial components. The total average effect to be perceived by consumers is 8.66%.

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OTHER RELEVANT INFORMATION

Shareholders of CPFL Energia S/A holding more than 5% of the shares of the same type and class, at March 31, 2019:

| Shareholders | Common shares | Interest - % |
|---|----------------------|---------------|
| State Grid Brazil Power Participações Ltda. | 730,435,698 | 71.76 |
| ESC Energia S.A. | 234,086,204 | 23.00 |
| Other shareholders | 53,392,844 | 5.25 |
| Total | 1,017,914,746 | 100.00 |

Quantity and characteristic of securities held by directly or indirectly Controlling Shareholders, Executive Officers, Board of Directors, Fiscal Council and Free Float, as of March 31, 2019 and December 31, 2018:

| Shareholders | March 31, 2019 | | December 31, 2018 | |
|-----------------------------------|----------------------|---------------|----------------------|---------------|
| | Common shares | Interest - % | Common shares | Interest - % |
| Controlling shareholders | 964,521,902 | 94.75 | 964,521,902 | 94.75 |
| Administrator | - | - | - | - |
| Members of the Executive Officers | 189 | 0.00 | 189 | 0.00 |
| Members of the Board of Directors | - | - | - | - |
| Fiscal Council Members | - | - | - | - |
| Other shareholders | 53,392,655 | 5.25 | 53,392,655 | 5.25 |
| Total | 1,017,914,746 | 100.00 | 1,017,914,746 | 100.00 |
| Outstanding shares - free float | 53,392,655 | 5.25 | 53,392,655 | 5.25 |

| SHAREHOLDING STRUCTURE | | | | | | | | | 1st quarter of 2019 | | |
|------------------------|--|--------------------|----------------------|---------|---------|------------------|---------|---------|---------------------|---------|---------------------|
| CPFL ENERGIA S/A | | | | | | | | | Per units shares | | Date of last change |
| # | 1 - SHAREHOLDERS OF THE COMPANY | CNPJ or CPF | Quotes/common shares | % | % Total | Preferred shares | % | % Total | TOTAL | % Total | |
| | Controlling shareholders | | 964,521,902 | 94.75% | 100.00% | - | 0.00% | 0.00% | 964,521,902 | 94.75% | |
| 1.1 | Esc Energia S.A. | 15.146.011/0001-51 | 234,086,204 | 23.00% | 100.00% | - | 0.00% | 0.00% | 234,086,204 | 23.00% | January 23, 2017 |
| 1.2 | State Grid Brazil Power Participações Ltda. | 26.002.119/0001-97 | 730,435,698 | 71.76% | 100.00% | - | 0.00% | 0.00% | 730,435,698 | 71.76% | November 30, 2017 |
| | Noncontrolling shareholders | | 53,392,844 | 5.25% | 100.00% | - | 0.00% | 0.00% | 53,392,844 | 5.25% | |
| 1.3 | Board of Directors members | 07.341.926/001-90 | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | November 30, 2017 |
| 1.4 | Executive Office members | | 189 | 0.00% | 100.00% | - | 0.00% | 0.00% | 189 | 0.00% | November 30, 2017 |
| 1.5 | Other shareholders | | 53,392,655 | 5.25% | 100.00% | - | 0.00% | 0.00% | 53,392,655 | 5.25% | |
| | Total | | 1,017,914,746 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1,017,914,746 | 100.00% | |
| | 2 - Entity: 1.1 Esc Energia S.A. | CNPJ or CPF | Quotes/common shares | % | % Total | Preferred shares | % | % Total | TOTAL | % Total | |
| | Controlling shareholders | | 1,042,392,615 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1,042,392,615 | 100.00% | |
| 1.1.1 | State Grid Brazil Power Participações Ltda. | 26.002.119/0001-97 | 1,042,392,615 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1,042,392,615 | 100.00% | January 23, 2017 |
| | Noncontrolling shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| 1.1.2 | Other shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| | Total | | 1,042,392,615 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1,042,392,615 | 100.00% | |
| | 3 - Entity: 1.2 State Grid Brazil Power Participações S.A. | CNPJ or CPF | Quotes/common shares | % | % Total | Preferred shares | % | % Total | TOTAL | % Total | |
| | Controlling shareholders | | 29,165,194,229 | 100.00% | 100.00% | - | 0.00% | 0.00% | 29,165,194,229 | 100.00% | |
| 1.2.1 | International Grid Holdings Limited | | 29,165,194,229 | 100.00% | 100.00% | - | 0.00% | 0.00% | 29,165,194,229 | 100.00% | August 14, 2018 |
| | Noncontrolling shareholders | | 1 | 0.00% | 100.00% | - | 0.00% | 0.00% | 1 | 0.00% | |
| 1.2.2 | Top View Grid Investment Limited | | 1 | 0.00% | 100.00% | - | 0.00% | 0.00% | 1 | 0.00% | March 28, 2017 |
| 1.2.3 | Other shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| | Total | | 29,165,194,230 | 100.00% | 100.00% | - | 0.00% | 0.00% | 29,165,194,230 | 100.00% | |
| | 4 - Entity: 1.2.1 International Grid Holdings Limited | CNPJ or CPF | Quotes/common shares | % | % Total | Preferred shares | % | % Total | TOTAL | % Total | |
| | Controlling shareholders | | 1 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1 | 100.00% | |
| 1.2.1.1 | State Grid International Development Limited | | 1 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1 | 100.00% | July 31, 2017 |
| | Noncontrolling shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| 1.2.1.2 | Other shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| | Total | | 1 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1 | 100.00% | |
| | 5 - Entity: 1.2.2 Top View Grid Investment Limited | CNPJ or CPF | Quotes/common shares | % | % Total | Preferred shares | % | % Total | TOTAL | % Total | |
| | Controlling shareholders | | 1 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1 | 100.00% | |
| 1.2.2.1 | State Grid International Development Limited | | 1 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1 | 100.00% | July 31, 2017 |
| | Noncontrolling shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| 1.2.2.2 | Other shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| | Total | | 1 | 100.00% | 100.00% | - | 0.00% | 0.00% | 1 | 100.00% | |
| | 6 - Entity: 1.2.1.1 State Grid International Development Limited | CNPJ or CPF | Quotes/common shares | % | % Total | Preferred shares | % | % Total | TOTAL | % Total | |
| | Controlling shareholders | | 21,429,327,845 | 100.00% | 100.00% | - | 0.00% | 0.00% | 21,429,327,845 | 21.32% | |
| 1.2.1.1.1 | State Grid International Development Co., Ltd | | 21,429,327,845 | 100.00% | 100.00% | - | 0.00% | 0.00% | 21,429,327,845 | 21.32% | July 31, 2017 |
| | Noncontrolling shareholders | | - | 0.00% | 0.00% | 79,091,019,116 | 100.00% | 100.00% | 79,091,019,116 | 78.68% | |
| 1.2.1.1.2 | State Grid Overseas Investment Ltd | | - | 0.00% | 0.00% | 79,091,019,116 | 100.00% | 100.00% | 79,091,019,116 | 78.68% | |
| 1.2.1.1.3 | Other shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| | Total | | 21,429,327,845 | 100.00% | 21.32% | 79,091,019,116 | 100.00% | 78.68% | 100,520,346,961 | 100.00% | |
| | 7 - Entity: 1.2.1.1.1 State Grid | CNPJ or CPF | Quotes/common | % | % Total | Preferred shares | % | % Total | TOTAL | % Total | |

| | | | | | | | | | | | |
|-------------|--|-------------|----------------------|---------|---------|------------------|-------|---------|---------------|---------|---------------|
| | International Development Co., Ltd | | shares | | | | | | | | |
| | Controlling shareholders | | 7,131,288,000 | 100.00% | 100.00% | - | 0.00% | 0.00% | 7,131,288,000 | 100.00% | |
| 1.2.1.1.1.1 | State Grid Corporation of China | | 7,131,288,000 | 100.00% | 100.00% | - | 0.00% | 0.00% | 7,131,288,000 | 100.00% | July 31, 2017 |
| | Noncontrolling shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| 1.2.1.1.1.2 | Other shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| | Total | | 7,131,288,000 | 100.00% | 100.00% | - | 0.00% | 0.00% | 7,131,288,000 | 100.00% | |
| | 8 - Entity: 1.2.1.1.2 State Grid Overseas Investment Ltd | CNPJ or CPF | Quotes/common shares | % | % Total | Preferred shares | % | % Total | TOTAL | % Total | |
| | Controlling shareholders | | 100 | 100.00% | 100.00% | - | 0.00% | 0.00% | 100 | 100.00% | |
| 1.2.1.1.2.1 | State Grid Corporation of China | | 100 | 100.00% | 100.00% | - | 0.00% | 0.00% | 100 | 100.00% | July 31, 2017 |
| | Noncontrolling shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| 1.2.1.1.2.2 | Other shareholders | | - | 0.00% | 0.00% | - | 0.00% | 0.00% | - | 0.00% | |
| | Total | | 100 | 100.00% | 100.00% | - | 0.00% | 0.00% | 100 | 100.00% | |

The Company is committed to arbitration in the Market Arbitration Chamber, in accordance with the Arbitration

INDEPENDENT AUDITORS' REPORT

KPMG Auditores Independentes
Av. Coronel Silva Telles, 977 - 10º andar, Cambuí
13024-001 - Campinas/SP – Brasil
Edifício Dahruj Tower
Caixa Postal 737 - CEP 13012-970 - Campinas/SP - Brasil
Telephone +55 (19) 3198-6000, Fax +55 (19) 3198-6205
www.kpmg.com.br

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards - IFRS)

**To the Board of Directors and Shareholders of
CPFL Energia S.A.
Campinas - SP**

Introduction

We have reviewed the accompanying individual and consolidated, interim financial information of CPFL Energia S.A. ("the Company"), included in the Quarterly Information Form - ITR, for the quarter ended March 31, 2019, which comprises the statement of financial position as of March 31, 2019 and the respective statements of profit or loss, other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, comprising the explanatory notes.

Management is responsible for the preparation of the interim financial information in accordance with CPC 21(R1) Technical Pronouncement - Interim Financial Information and International Standard IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board - IASB, and for presentation of this interim financial information in accordance with the rules issued by Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the quarterly information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information referred above is not prepared, in all material respects, in accordance with CPC 21 (R1) and the IAS 34, issued by IASB, applicable to the preparation of the Quarterly Information and presented in accordance with the rules issued by Brazilian Securities and Exchange Commission - CVM.

Other matters - Statements of Value Added

The individual and consolidated interim financial information, related to statements of value added (DVA) for the three-month period ended March 31, 2019, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, were submitted to the same review procedures followed together with the review of the Company's interim financial information. In order to form our conclusion, we evaluated whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Campinas, May 06, 2019.

KPMG Auditores Independentes
CRC 2SP014428/O-6

(Original in Portuguese signed by)
Marcio José dos Santos
Accountant CRC 1SP252906/O-0

Management declaration on independent auditor's report and financial statements

In compliance with the provisions in items V and VI of article 25 of the Brazilian Securities & Exchange Commission (CVM) Instruction No. 480, of December 7, 2009, as amended by CVM Instruction No. 586, of June 8, 2017, the chief executive officers and the officers of CPFL Energia S.A, a publicly traded company, with its registered office at Rua Jorge Figueiredo Corrêa, nº 1.632, Jardim Professora Tarcília, CEP 13087-397 - Campinas - SP - Brazil, enrolled with the National Register of Legal Entities (CNPJ) under No. 02.429.144/0001-93, hereby stated that:

- a) they have reviewed and discussed, and agree with, the opinions expressed in the opinion of KPMG Auditores Independentes on the interim financial statements (Quarterly Information – ITR) of **CPFL Energia** for the period ended March 31, 2019;
- b) they have reviewed and discussed, and agree with, the interim financial statements (Quarterly Information – ITR) of **CPFL Energia** for the period ended March 31, 2019.

Campinas, May 6, 2019.

GUSTAVO ESTRELLA

Chief Executive Officer, holding also the function of
Chief Business Development Officer

YUMENG ZHAO

Deputy Chief Executive Officer

YUEHUI PAN

Chief Financial and
Investor Relations Officer

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 8, 2019

CPFL ENERGIA S.A.

By: _____ /s/ YueHui Pan

Name: YueHui Pan

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.
