



3Q06 Results – CPFL Energia

Capital Market Performance – 2 years since IPO

Value Creation Agenda

- 11.5% increase in total energy sales¹
- Acquisition of Cia. Luz e Força Santa Cruz in Oct/06
- CPFL share prices increased 10%² in 3Q06, above IEE (6.2%) and Ibovespa (-0.5%)
- Average annual tariff adjustment of 10.79% for CPFL Piratininga in Oct/06

Non-recurring positive effects:

- Sale of 3.93% stake in Comgás, generating net gains of R\$ 41 million
- Favorable decision referring to PIS/COFINS paid on the increase in the calculation base, ruled in favor of CPFL Paulista and CPFL Piratininga, generating net gains of R\$ 75 million



Net Revenue
R\$ 2,344 million (3Q06)
R\$ 1,956 million (3Q05)

19.8%



EBITDA
R\$ 792 million (3Q06)
R\$ 570 million (3Q05)

38.8%



Net Income
R\$ 447 million (3Q06)
R\$ 240 million (3Q05)

86.2%

1) 6.7% excluding the acquisition effect of additional stake in RGE
2) Share prices adjusted for dividends



3Q06 Results – CPFL Energia

As of Sep 30, 2006.

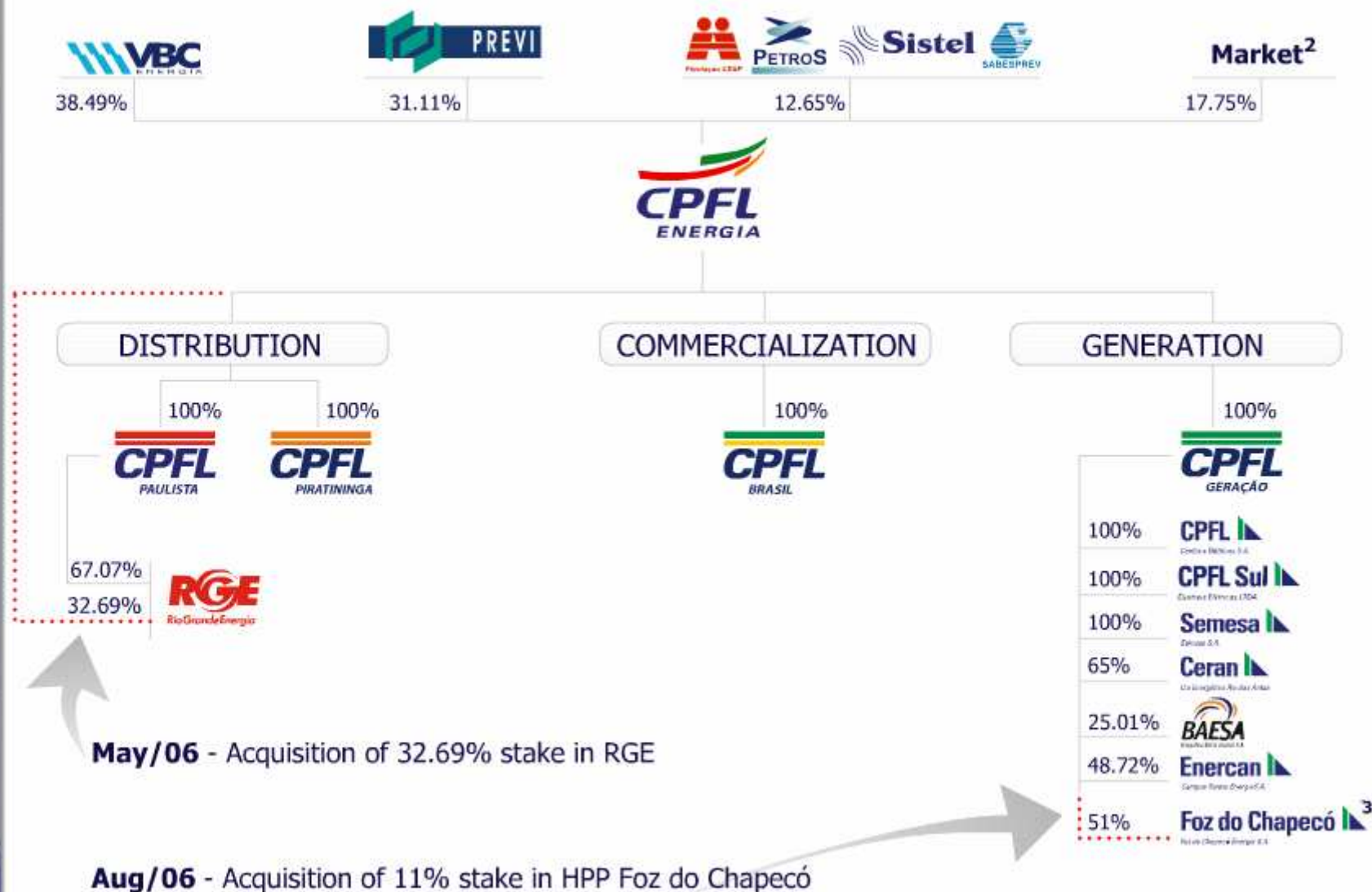
1) Including 0.01% of others

2) Considering combined stakes in Foz do Chapecó Energia S.A. (66,67%) and Consórcio Energético Foz do Chapecó (60%)



1) Acquisition of stakes in Foz Chapecó HPP and Santa Cruz undergoing approval by ANEEL

2) Including 0.01% of others

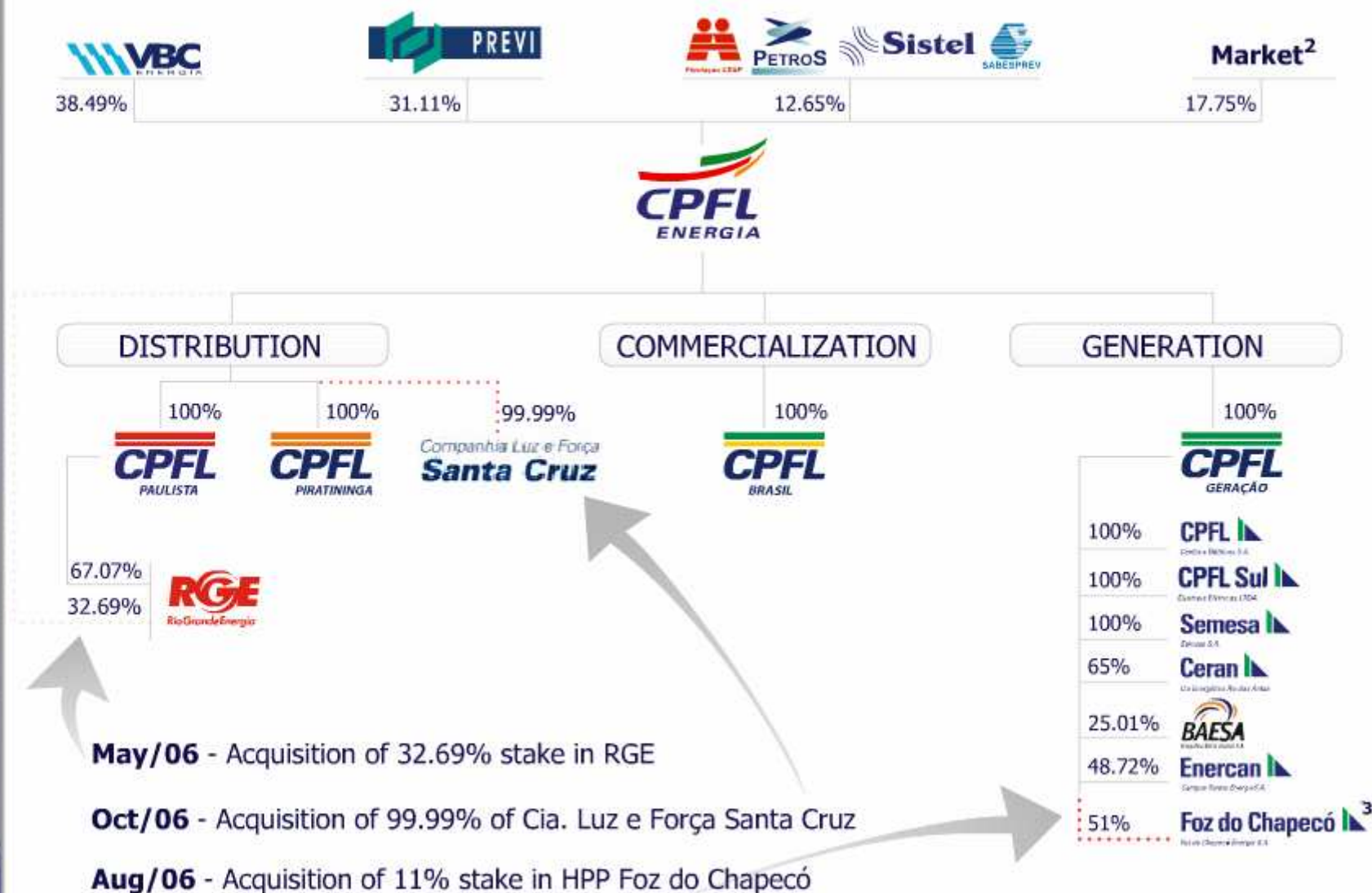


Pro-forma

1) Acquisition of stakes in Foz Chapecó HPP and Santa Cruz undergoing approval by ANEEL

2) Including 0.01% of others

3) Considering combined stakes in Foz do Chapecó Energia S.A. (85%) and Consórcio Energético Foz do Chapecó (60%)



Pro-forma

1) Acquisition of stakes in Foz Chapecó HPP and Santa Cruz undergoing approval by ANEEL

2) Including 0.01% of others

3) Considering combined stakes in Foz do Chapecó Energia S.A. (85%) and Consórcio Energético Foz do Chapecó (60%)

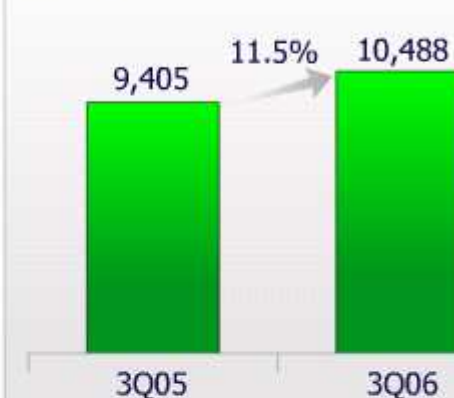
Concession Area Sales
(GWh)



Free Market Sales
(GWh)¹



Total Energy Sales
(GWh)²



1) Free Market Sales (Commercialization and CPFL Sul Centrais Elétricas), excluding transactions between group's companies (consolidation accounting criteria) and CCEE.

2) Excluding transactions between group's companies (consolidation accounting criteria), CCEE and generation sales (except to the Free Market).

Concession Area Sales (GWh)



Free Market Sales (GWh)¹



Total Energy Sales (GWh)²



Concession Area Sales



10.8% (4.8% excluding the RGE stake acquisition effect)

Captive Market



Residential
11.9%



Rural
31.5%



Commercial
11.5%

TUSD Sales



29.4%

without RGE effect

6.2%

15.7%

6.1%

without RGE effect

27.3%

6.3% Concession area sales growth in 9M06

1) Free Market Sales (Commercialization and CPFL Sul Centrais Elétricas), excluding transactions between group's companies (consolidation accounting criteria) and CCEE.

2) Excluding transactions between group's companies (consolidation accounting criteria), CCEE and generation sales (except to the Free Market).

Concession Area Sales
(GWh)



Free Market Sales
(GWh)¹



Total Energy Sales
(GWh)²



● Total Energy Sales



11.5% (6.7% excluding the RGE stake acquisition effect)

Free Market



35.6%

7.7% Total Energy Sales growth and 43.6% Free Market Sales growth in 9M06

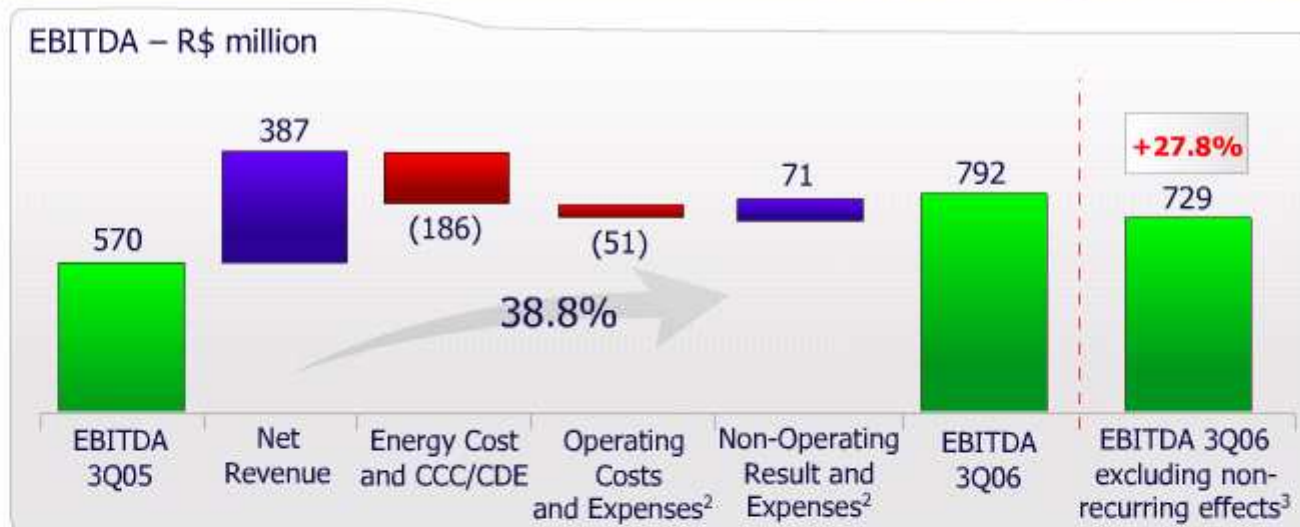
1) Free Market Sales (Commercialization and CPFL Sul Centrais Elétricas), excluding transactions between group's companies (consolidation accounting criteria) and CCEE.

2) Excluding transactions between group's companies (consolidation accounting criteria), CCEE and generation sales (except to the Free Market).



- 19.8% Net Revenue Increase (R\$ 387 million)
 - (+) 17.3% Electricity Sales Revenue increase (R\$ 450 million)
 - (+) 11.5% Total energy sales growth
 - (+) 4.8% Impact from the increased stake in RGE (R\$ 191 million)
 - (+) Annual Tariff Adjustment for CPFL Paulista (Apr/06: 10.8%), RGE (Apr/06: 10.2%) and CPFL Piratininga (Oct/05: 1.54%)
 - (+) Difference in tariff review index for CPFL Piratininga from Oct/03 to Sep/06 (R\$ 24 million)
 - (+) 41.3% TUSD revenue increase (R\$ 53 million)
 - (-) ICMS tax and other revenue deductions¹ (R\$ 115 million)

In 9M06, Net Revenue reached R\$ 6,519 million, growth of 14.8% over 9M05 (R\$ 5,679 million)



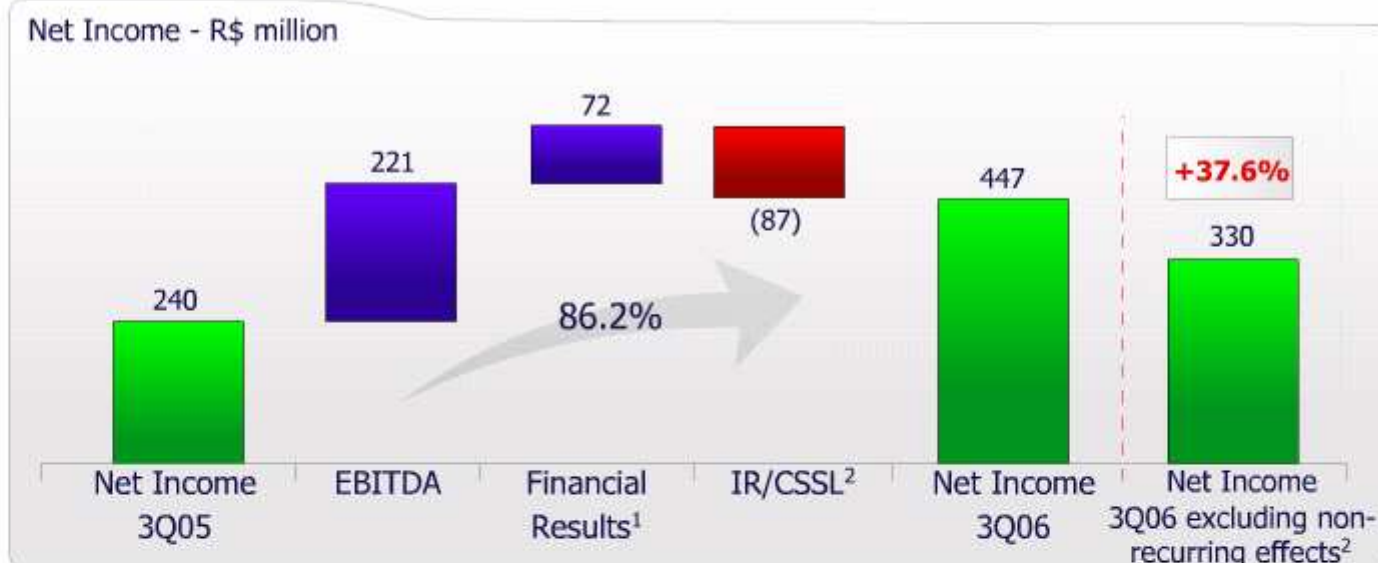
- 38.8% EBITDA increase (R\$ 221 million)
 - (+) 19.8% Net Revenue increase (R\$ 387 million)
 - (-) 11.0% Energy Cost increase (R\$ 110 million)
 - (-) 43.7% CCC / CDE Cost increase (R\$ 76 million)
 - (-) 24.7% Operating Costs and Expenses increase¹ (R\$ 51 million)
 - (-) Additional stake in RGE (R\$ 17 million)
 - (+) Non-Operating Result and Others² (R\$ 71 million)
 - Sale of stake in Comgás (R\$ 63 million)

In 9M06, EBITDA reached R\$ 2,105 million, growth of 29.0% over 9M05 (R\$ 1,631 million)

1) Including Personnel, Materials, Third Party Services and Others

2) Include Minority Interest

3) Non-recurring effect: sale of stake in Comgás



- 86.2% Net Income Increase (R\$ 207 million)
 - (+) 38.8% EBITDA increase (R\$ 221 million)
 - (+) Financial Results improvement (R\$ 72 million)
 - (-) 15.9% Financial Income decrease (R\$ 20 million)
 - (+) Favorable decision related to PIS/COFINS – calculation base (R\$ 114 million)
 - (-) 11.2% Financial Expenses increase (R\$ 22 million)
 - (-) Income Tax, Social Contribution Tax and Others increase¹ (R\$ 87 million)
 - (-) Income Tax and Social Contribution Tax on sale of stake in Comgás (R\$ 21 million)
 - (-) Income Tax and Social Contribution Tax related to PIS/COFINS favorable decision (R\$ 39 million)

In 9M06, Net Income reached R\$ 1,059 million, 65.3% growth over 9M05 (R\$ 641 million)

CPFL Energia reports consistent growth in EBITDA and Net Income

3Q06 Results – CPFL Energia

EBITDA – last twelve months (R\$ million)



Net Income – last twelve months (R\$ million)



EBITDA Margin Performance



EBITDA Margin

2005

9M06

CPFL Energia

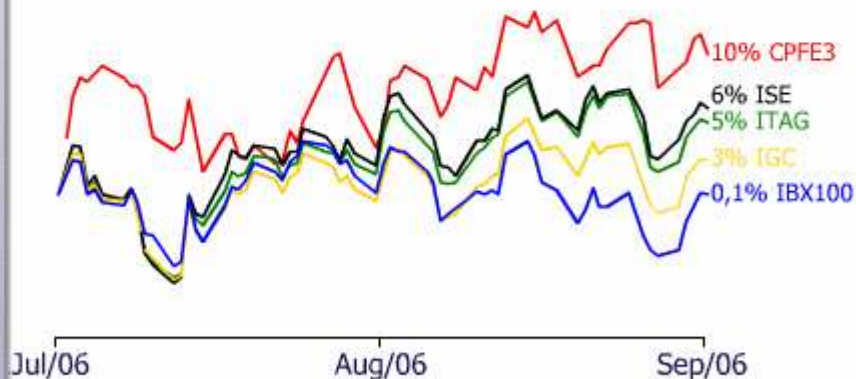
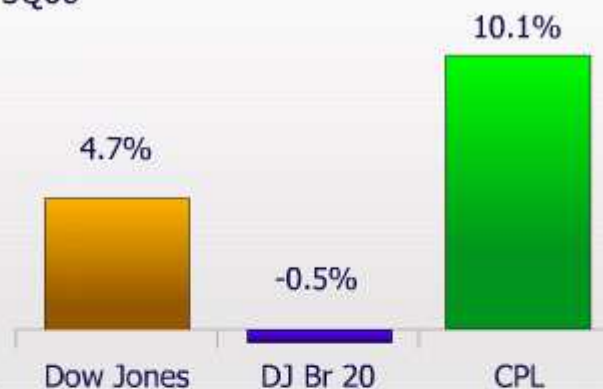
27.4%

32.3%

Share Performance - BOVESPA¹
3Q06



Share Performance - NYSE¹
3Q06



Daily Average Volume
R\$ million



3Q06 Results – CPFL Energia

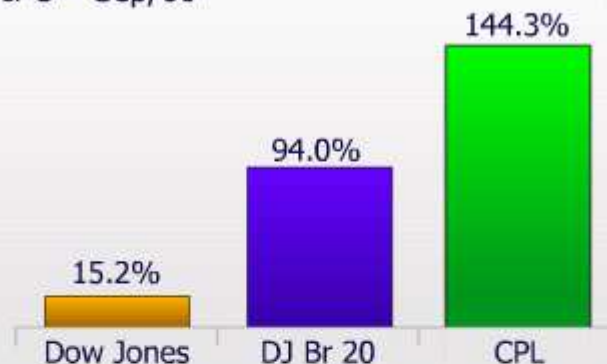
Capital Market Performance – 2 years since IPO

Value Creation Agenda

Share performance - BOVESPA¹
IPO – Sep/06



Share performance - NYSE¹
IPO – Sep/06



● Growth in Distribution

- Acquisition of 32.69% stake in RGE
- Acquisition of Cia. Luz e Força Santa Cruz
- 419 thousand new connections

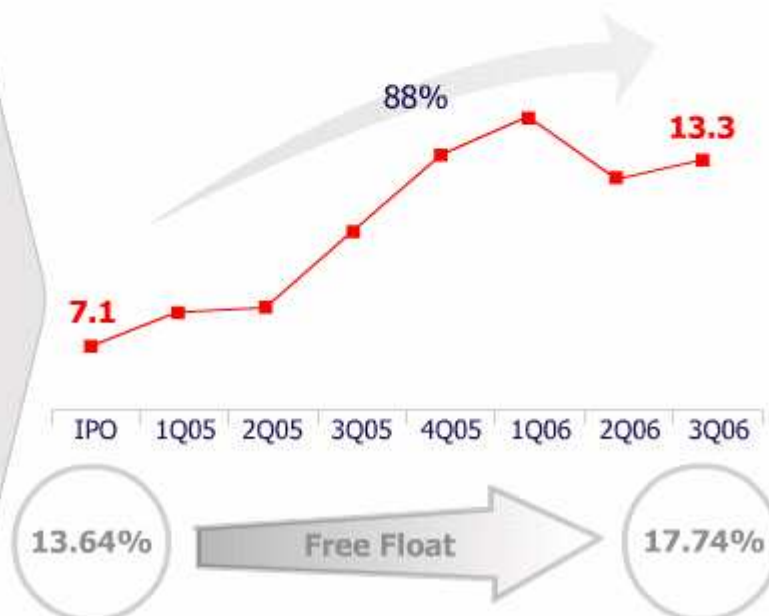
● Growth in Generation

- Acquisition of 11% stake in Foz do Chapecó HPP
- 32% Installed Capacity growth
- 31% Assured Energy growth

● Growth in Commercialization

- 114% increase in number of clients
- 1,300 b.p. increase in market share

Market Cap Evolution – R\$ billion



Traded volume increases relative participation in Bovespa

Capital Market Performance – 2 years since IPO

Daily Average Volume Comparison
R\$ million



Participation in Bovespa's Daily Average Volume



Daily Average Number of CPFL Trades - Bovespa



- Proximity to investors (503 one-on-one meetings since IPO)
- Wide analyst coverage (18 institutions)
- Minority migration (CPFL Geração, CPFL Paulista and CPFL Piratininga)
- Listed in important indexes: DJBr 20, IBX-100, IEE, ISE, ITAG and IGC



EuroMoney Magazine

CPFL Energia – Deal of the Year in Latin America – Equity category



ABAMEC 2004 Award

Best Publicly-traded Company of 2004



Institutional Investor

1st place in Corporate Governance – Latin America Electric Utilities

2nd place in Investor Relations – Latin America Electric Utilities – Sell Side

2nd place in Investor Relations – Latin America Electric Utilities – Buy Side



IR Magazine Awards 2005 Brazil

Honorable Mention CPFL Energia – Best Investor Relations in IPO



Qualidade APIMEC Award

Best 2005 Presentation



IR Magazine Awards Brazil

2006 – Best Investor Relations Performance by a CEO/CFO

Honorable Mention – Best Corporate Governance



Agência Estado Corporate Rankings

8th Best Company in which to invest



Selo Assiduidade APIMEC-SP – 4 years



Selo Assiduidade APIMEC-Sul – 1 year



Selo Assiduidade APIMEC-MG – 1 year



Expomoney 2006 Award

Respect for Individual Investors

Special Mention

Cicuito Expomoney 2006



ABERJE São Paulo Award

Investor Relations

3Q06 Results – CPFL Energia

Capital Market Performance – 2 years since IPO

Value Creation Agenda



Synergic growth



Operating efficiency



Financial discipline



Sustainability and social responsibility



Differentiated corporate governance

First stage of the RGE Integration Plan concluded in Oct/2006

Consolidation of Results

- Balance Sheet from January 1st, 2006
- Income Statement from June 1st, 2006

First stage of Integration Plan concluded

- Definition of a new corporate structure
 - 45% reduction in the number of functional areas
- Operational areas management-focused
- Efficiency improvement in Electric System
 - Additional CAPEX of R\$ 66 million in 2007



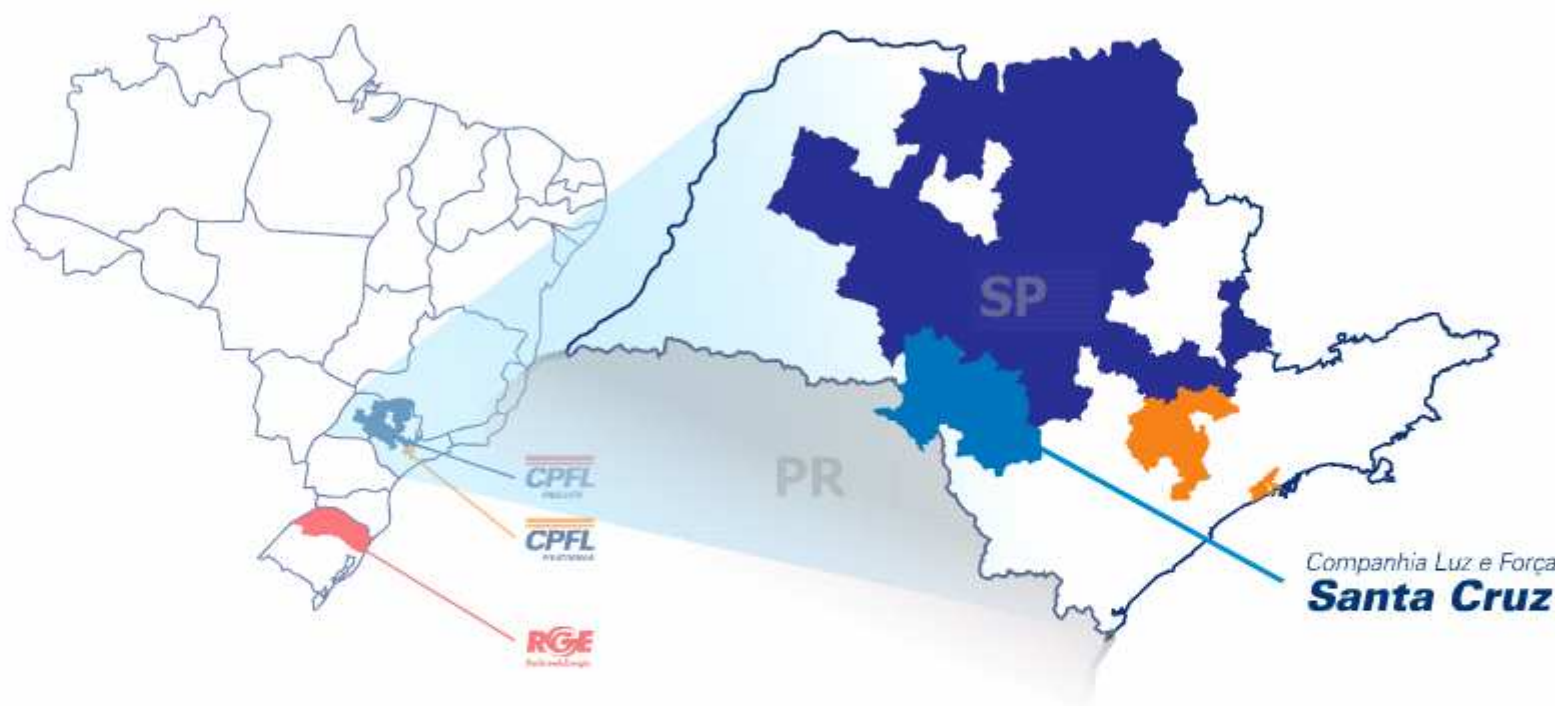
Annual estimated gains of R\$ 32.5 million with synergies initiatives

- Organizational restructuring
- Supply's centralization
- Human resources process' centralization
- Call center virtual unification
- Software's licenses and services of support and programming optimization
- Infrastructure's optimization / headquarter
- Delinquency recovery
- Cost of debt, banking taxes and insurance reduction
- Goodwill tax credit's optimization

CPFL acquires 99.99% of Cia. Luz e Força Santa Cruz

R\$ 203 million paid for the acquisition






Value Creation Agenda - Synergic growth



	Santa Cruz		CPFL Energia
Number of clients (thousand)	161		5,608
		+	
Distribution concession area (km ²)	11,850		187,943

Generation - Installed capacity reaches 1.1 thousand MW

Value Creation Agenda - Synergic growth

	Installed Capacity (MW)	Assured Energy (MWmedium)
 CPFL <small>Centrais Elétricas S.A.</small>	154.9	88.8
 CPFL Sul <small>Centrais Elétricas LTDA</small>	2.7	2.4
 Semesa <small>Semesa S.A.</small>	657.1	345.8
 Ceran <small>En Energética Rio das Antas</small>	84.5	38.4
 BAESA <small>Engenharia e Energia S.A.</small>	172.5	95.2
Total	1071.7	570.6



Capão Preto SPP

Repowering works begun in Oct/06 in the Capão Preto SPP and Chibarro SPP, representing investments of R\$ 19 million and addition of 2.3 MWmedium to Group's assured energy as of Dec/07



Chibarro SPP

The Group's installed capacity will reach 2.1 thousand MW in 2010

Value Creation Agenda - Synergic growth

		Installed Capacity	Assured Energy	Commercial Operation
Enercan  <small>Campos Novos Energia S.A.</small>		428.8 MW	184.1 MWmedium	2006/2007
Ceran  <small>Cia. Energética Rio das Antas</small>	Castro Alves HPP 14 de Julho HPP	84.5 MW 65 MW	41.6 MWmedium 32.5 MWmedium	2007 2008
Foz do Chapecó  <small>Foz do Chapecó Energia S.A.</small>		436.1 MW	220.3 MWmedium	2010



Castro Alves HPP



14 de Julho HPP

Conclusion of Construction of Campos Novos HPP



- ANEEL's analysis and approval necessity
- Minimal Operational Quota: 655 meters
 - Current Quota: 485 meters
- Beginning of reservoir filling expected for Nov/Dec
- Beginning of commercial operations expected for 1Q07



Synergic growth

- 1st stage of the RGE Integration Plan
- Acquisition of Cia. Luz e Força Santa Cruz



Operating efficiency



Financial discipline



Sustainability and social responsibility



Differentiated corporate governance

The solidity achieved by CPFL Energia reflects its operational efficiency and the quality of the markets in which it operates

Consolidated Distribution

- 52.3 thousand new connections in 3Q06 – average of 17.4 thousand connections/month

Commercial Losses (%)
last twelve months



- 143 thousand inspections

R\$ 37 million revenue recovery¹, 35% increase over the 3Q05

Continuous management of delinquency levels:

- Intensified negotiations with Government and hospitals
- Intensified collection from high and low voltage groups

Delinquency² (%)
last twelve months



1) Considering 100% of RGE

2) Bills overdue for more than 30 days - % of billing

The solidity achieved by CPFL Energia reflects its operational efficiency and the quality of the markets in which it operates

Value Creation Agenda - Operating efficiency

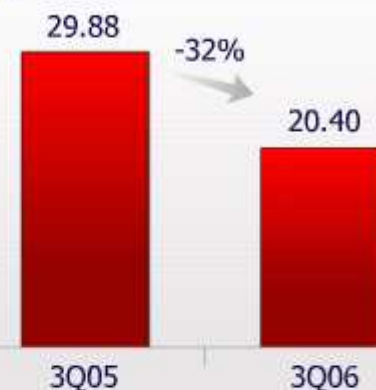
DEC (hours)
CPFL Paulista



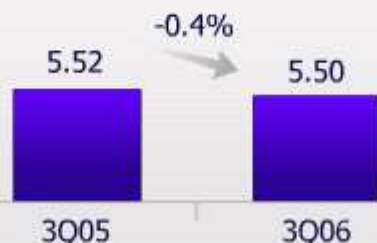
DEC (hours)
CPFL Piratininga



DEC (hours)
RGE



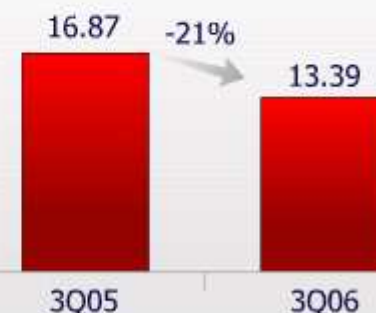
FEC (times)
CPFL Paulista



FEC (times)
CPFL Piratininga



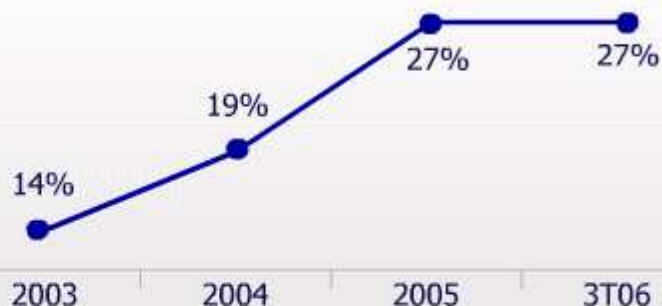
FEC (times)
RGE



CPFL Piratininga and CPFL Paulista have the best DEC and FEC rates in Brazil

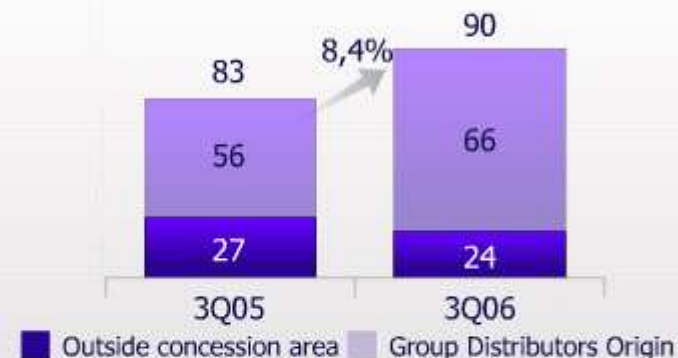
Commercialization's market-share increase and positive balance in free customers movement

Commercialization Market-share – CPFL Brasil

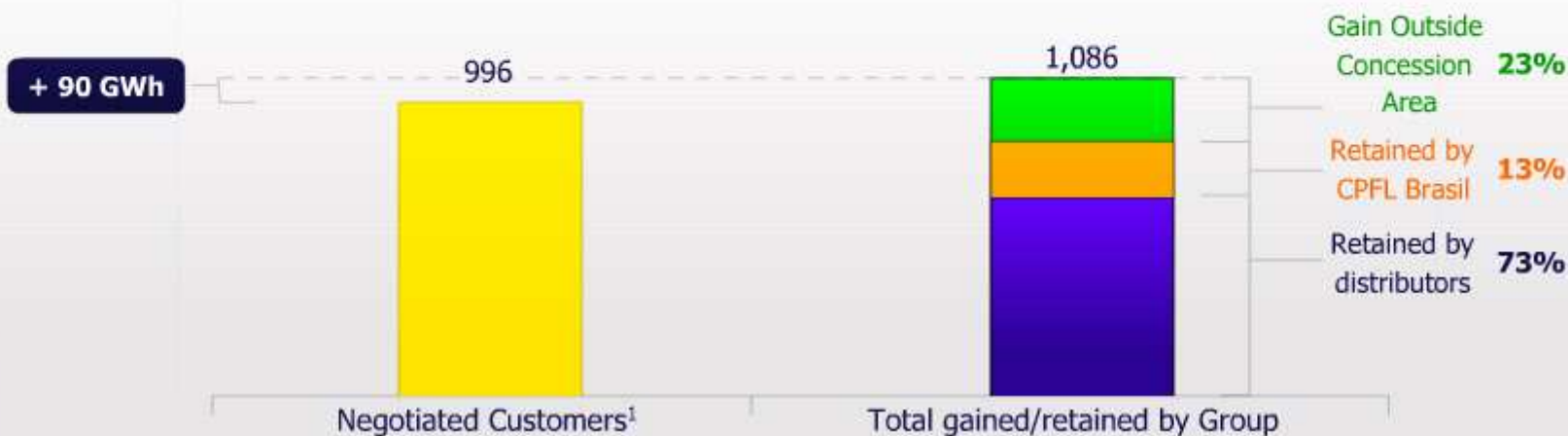


Fonte: CCEE (acum.jul/06)

Nº of clients in free market



Free customers flow in 3Q06 (GWh)



1) CPFL Paulista and CPFL Piratininga customers classified as potentially free, with contracts due in 3Q06

ANEEL approved a 10.79% annual tariff readjustment for CPFL Piratininga, which includes an adjustment related to the 2003 tariff review

- ANEEL approved 10.79% average Annual Tariff Review for CPFL Piratininga on October 23rd, 2006

ANEEL approved a 10.79% annual tariff readjustment for CPFL Piratininga, which includes an adjustment related to the 2003 tariff review

- ANEEL approved 10.79% average Annual Tariff Review for CPFL Piratininga on October 23rd, 2006
- ANEEL reviewed Bandeirante's Energia remuneration asset base value, increasing the Tariff Review Index from 9.67% to 10.14%



Effects on CPFL Piratininga's Results¹

3Q06

Effect on Gross Revenue

R\$ 27.0 thousand

Effect on EBITDA

R\$ 24.5 thousand

Effect on Net Income

R\$ 16.2 thousand

The application of the new tariff review index should generate an additional impact of R\$ 8.4 million on CPFL Piratininga's EBITDA in the next 12 months

2nd tariff review perspectives for the Distribution companies' s

Distribution companies' s Tariff Review	<ul style="list-style-type: none"> • Oct/2007 – CPFL Piratininga • Feb/2008 — Santa Cruz • Apr/2008 — CPFL Paulista e RGE
---	--

Perspectives for tariff review' s key-elements

Regulatory Asset Base (RAB)

- Regulatory Asset Base defined in the first stage remains "protected"
- Changes in the asset base value should occur within 4 parameters:
 - (+) real investments
 - (+) IGP-M variation in the period
 - (-) regulatory depreciation and write-offs
 - (+) methodology' s improvements considering the inclusion of JOA - Interest During Construction, additional costs of construction and minor components
- Creation of ANEEL' s data base of prices

Cost of Capital (WACC)

- Capital structure review considering domestic and foreign market references
- The same debt cost included in the WACC for all companies

2nd tariff review perspectives for the Distribution companies's

Distribution companies's Tariff Review	<ul style="list-style-type: none"> • Oct/2007 – CPFL Piratininga • Feb/2008 — Santa Cruz • Apr/2008 — CPFL Paulista e RGE
--	--

Perspectives for tariff review's key-elements

Reference company	<ul style="list-style-type: none"> • Theoretical Reference Company concept maintenance, in each concession area, motivating the operating efficiency • Rated services included in the reference company costs • Regulatory delinquency review, considering real historical losses
-------------------	--

Factor X	<ul style="list-style-type: none"> • Exclusion of Factor Xc – Customer satisfaction
----------	--

Other revenues	<ul style="list-style-type: none"> • 10% will be allocated to the distribution company and 90% to the fare's cheapness
----------------	---



Synergic growth

- 1st stage of the RGE Integration Plan
- Acquisition of Cia. Luz e Força Santa Cruz



Operating efficiency

- CPFL Piratininga and CPFL Paulista have the Brazil's best DEC and FEC rates
- Revista Moderna Award – CPFL Paulista
- CPFL Piratininga's Average Annual Tariff Readjustment of 10.79%



Financial discipline

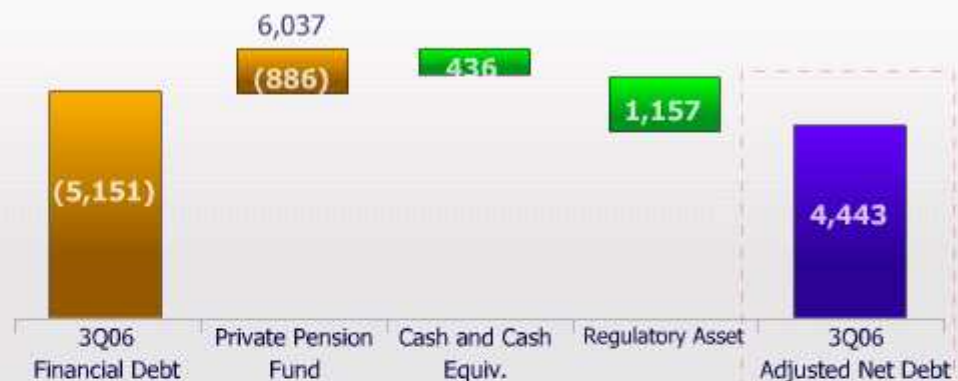


Sustainability and social responsibility

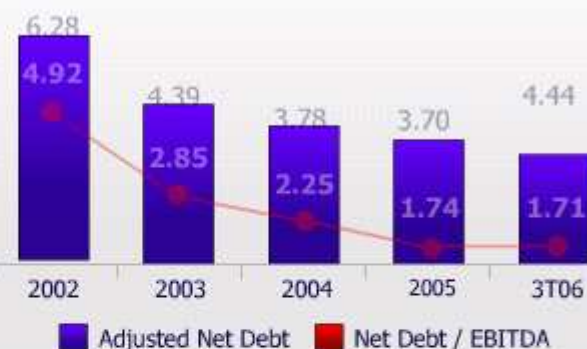


Differentiated corporate governance

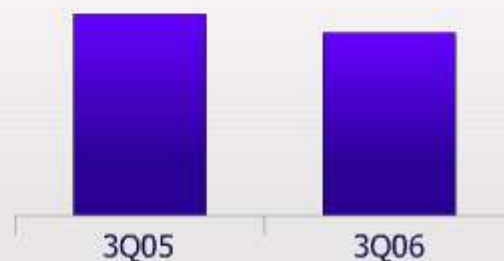
Adjusted net debt¹
R\$ million



Adjusted net debt¹ / EBITDA²
R\$ billions



Nominal cost of debt³ (% p.a.)

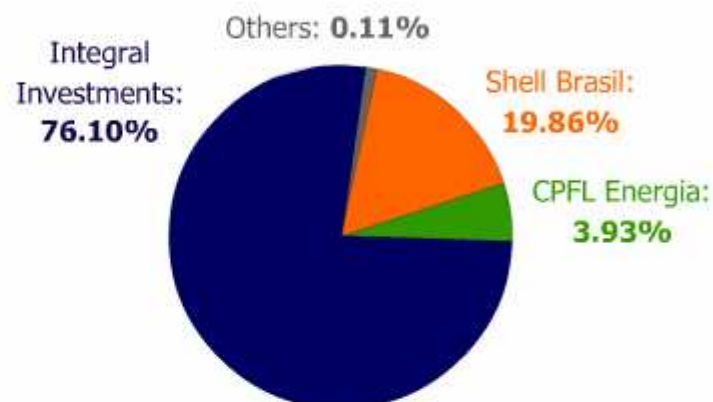


Debt Breakdown – Sep/06³

- 1) Adjusted net debt = total financial debt + private pension fund – cash and cash equivalents – regulatory asset
- 2) LTM EBITDA
- 3) Debt without RTE

Sale of 3.93% of common shares on September 04th, 2006

Comgás Shareholder's Structure¹– Common Shares



Total shares sold	369,121,217
Final price per thousand shares	R\$ 243.65

Net Value received from shares sold	R\$ 89.9 million
(-) Book value of the investment	R\$ 27.2 million
(=) Operating Profit	R\$ 62.7 million
(-) Effect of Taxation	R\$ 21.3 million
(=) Net gain from the operation	R\$ 41.4 million

The operation generated a net gain of R\$ 41.4 million in 3Q06

CPFL Energia plans to invest R\$ 3.3 billion¹ over the next 4 years

Total Capex - R\$ million



Distribution - R\$ million



Generation - Expansion - R\$ million





Synergic growth

- 1st stage of the RGE Integration Plan
- Acquisition of Cia. Luz e Força Santa Cruz



Operating efficiency

- CPFL Piratininga and CPFL Paulista have the Brazil's best DEC and FEC rates
- Revista Moderna Award – CPFL Paulista
- CPFL Piratininga's Average Annual Tariff Readjustment of 10.79%



Financial discipline

- Capital structure management: net debt/EBITDA < 2
- Sale of 3.93% stake in Comgás



Sustainability and social responsibility



Differentiated corporate governance

● Value Chain

5th Annual Suppliers' Meeting in Aug/06
Participation of 90 suppliers



● 1 year of the Programa CPFL de Revitalização das Santas Casas e Hospitais Filantrópicos" (CPFL Program for the Revitalization of Santas Casas (Catholic Hospitals) and Philanthropic Hospitals)

- Amount invested: R\$ 1.5 million
- Pilot program: 13 hospitals in the Franca region and 6 in the Piracicaba region, with 1,646 trained participants
- CQH – appraiser – monitors and certifies the progress of the Santas Casas and Philanthropic Hospitals: of the 6 hospitals which have received direct advisory services, all had improved the management and 5 already are classified as good or very good quality management Partners



Sale of Carbon Credits and Environmental Initiatives

Sale of Carbon Credits:

Approved Projects:

Potential Sales until 2012
(tonnes of CO₂ equivalent)

CPFL Centrais Elétricas

120,000

HPP Monte Claro

850,000

Approval by the Interministerial
Commission for Global Climate Change¹

may/06

sep/06

Average Acquisition Price (€/tonne)

12.8

Deadline for Clean Development
Mechanism response

Dec/06

Forecast of Net Revenue

€ 1.2 million

Ongoing projects:

- HPP Castro Alves
- HPP 14 de Julho

Environmental Initiatives in 2006:

- Preservation of aquatic fauna, through the introduction of 400,000 alevins into São Paulo watersheds
- Returned actions to the urban forestation, offering technical support and 72,000 seedlings
- Support for the community, with 12,300 children taking part in the "Barco-Escola" program



Synergic growth

- 1st stage of the RGE Integration Plan
- Acquisition of Cia. Luz e Força Santa Cruz



Operating efficiency

- CPFL Piratininga and CPFL Paulista have the Brazil's best DEC and FEC rates
- Revista Moderna Award – CPFL Paulista
- CPFL Piratininga's Average Annual Tariff Readjustment of 10.79%



Financial discipline

- Capital structure management: net debt/EBITDA < 2
- Sale of 3.93% stake in Comgás



Sustainability and social responsibility

- 5th Annual Suppliers' Meeting
- 1 year of the "CPFL Energia Program for the Revitalization of Santas Casas and Philanthropic Hospitals"
- Sale of carbon credits
- Environmental initiatives



Differentiated corporate governance

● Code of Ethics and Corporate Conduct Review

The Company is committed to making periodic reviews and alterations to its Code of Ethics:

- International consulting firms recommends a review every two years
- SOx suggests an annual review

Need to adapt the Code of Ethics to changes in the economics, political, technological and corporate scenario

Need to renew and reinforce ethical commitments among the Company's Officers and our various groups of employees

Review of the Code in light of the recommendations in the Sarbanes-Oxley Act

Expectation of management system gains and increasing reflection on ethical conduct in the Company's various constituencies





Synergic growth

- 1st stage of the RGE Integration Plan
- Acquisition of Cia. Luz e Força Santa Cruz



Operating efficiency

- CPFL Piratininga and CPFL Paulista have the Brazil's best DEC and FEC rates
- Revista Moderna Award – CPFL Paulista
- CPFL Piratininga's Average Annual Tariff Readjustment of 10.79%



Financial discipline

- Capital structure management: net debt/EBITDA < 2
- Sale of 3.93% stake in Comgás



Sustainability and social responsibility

- 5th Annual Suppliers' Meeting
- 1 year of the "CPFL Energia Program for the Revitalization of Santas Casas and Philanthropic Hospitals"
- Sale of carbon credits
- Environmental initiatives



Differentiated corporate governance

- Corporate Conduct and Ethics Code Review

