

CPFL 3Q22 Results

Energy for a more sustainable future

3Q22 CPFL Results

- ✓ **EBITDA** of **R\$ 2,967 million**, growth of **14.3%**
- ✓ **Net Income** of **R\$ 1,419 million**, a decrease of **1.2%**
- ✓ Capex of **R\$ 1,606 million**, growth of **72.4%**
- ✓ Net Debt of **R\$ 22.0 billion** with a leverage of **1.92x Net Debt/EBITDA**
- ✓ Decrease of **43.3%** in ADA reaching **0.90%** of Revenue from Sales to Final Consumers
- ✓ **CPFL Transmissão's** DTO: released on October 19th and the auction will be held on **November 18th**
- ✓ **CPFL Geração** exercised the Right of First Refusal to **acquire 3.4%** of **Enercan** shares
- ✓ **CPFL Soluções** signed the **Allegra Project**, with **CAPEX of R\$ 70 million** and O&M contract of **R\$ 300 million** for 15 years
- ✓ **CPFL Energia** won the "**Melhores da Dinheiro**" Award and the 1st position in **ESG** category in "**Época Negócios 360°**" yearbook among the companies in the Utilities Sector

Video Conference with Simultaneous Translation into English (Bilingual Q&A)

Friday, November 11, 2022 – 11:00 a.m. (BRT), 09:00 a.m. (ET)

Zoom platform – click here to register:

https://us02web.zoom.us/webinar/register/WN_mpRL-Kj8SXCNiVpfxNHwA

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MESSAGE FROM THE CEO

We reached the end of the 3rd quarter of 2022 celebrating one year since the acquisition of CPFL Transmissão. A lot has been done for implementing the CPFL Energia business model. We revised contracts to obtain greater efficiency and reduce costs. We settled dollar-denominated debt with development banks and replaced it with debentures at a CPFL-standard cost. We shifted our headquarters to a modern location that enables us to implement our corporate culture quicker. We identified several investment opportunities, which should drive revenue growth in the future. A few results are already evident and others will come, but one thing is certain: our expectations were exceeded!

In September/22, we also took a step forward in the Generation segment. We exercised our preemptive right, after the CEEE-G auction, to acquire 3.4% of the shares of Campos Novos HPP (Enercan). The deal should be closed in the coming days, after which we will start consolidating 100% of that asset in our financial statements.

Another important point worth highlighting is our Capex. Just this quarter, we invested R\$ 1.6 billion, which is 72.4% higher than in the same period last year. A total of R\$4.2 billion has been invested in the first nine months, which is 57.4% higher than in the same period in 2021. Around 85% of this amount was invested in Distribution assets that will make up the remuneration base at the next tariff review cycle beginning in 2023.

As for the results of the first nine months of 2022, I am sharing the excellent numbers posted by the CPFL Group: EBITDA of R\$8.5 billion, up 27.8%, and Net Income of R\$3.8 billion, up 9.1%. In the quarter, EBITDA grew 14.3% to R\$3.0 billion, mainly driven by the Transmission segment, especially CPFL Transmissão, which began to be consolidated in the group in October 2021. In the Generation segment, the lower generation by wind farms due to weaker winds was offset by positive results from contractual adjustments pegged to inflation and lower GSF. In the Distribution segment, the results remained at the same level as in 2021. Despite the positive effect of tariff adjustments, the concession's financial assets declined due to the deflation in recent months. Allowance for doubtful accounts (ADA) deserves special mention, having declined 43.3% due to the 20% reduction in average consumer tariff with the removal of the water scarcity tariff flag and the reduction in the ICMS tax.

On the financial front, we continue to exercise financial discipline. We ended the quarter with cash balance of R\$4.1 billion, while the net debt of CPFL Energia stood at 1.92 times EBITDA based on the measurement criterion of our financial covenants. With regard to dividends, note that we will pay R\$1,868 million, that is R\$1.62 per share, by December 30, 2022. On the ESG front, I wish to state that the Company continues its pursuit of best practices. This quarter, I wish to mention about the Allegra Project, where CPFL Soluções will participate in the entire modernization process of the Pacaembu Complex. Our Capex for this project is R\$70 million, which will be used in technologies for reducing consumption, own generation, electric vehicle chargers and preventive equipment for energy supply interruption and/or peak demand cases. CPFL Soluções will also be responsible for the operations and maintenance of the complex for 15 years, through an agreement for approximately R\$300 million.

Finally, I end this message by highlighting the excellent work performed by the CPFL Group, focusing on investments and operational efficiency, without neglecting our strong corporate governance and the financial discipline necessary to ensure value generation for all stakeholders. This way, we will continue to build the future of the CPFL Group in the Brazilian electricity sector.

Gustavo Estrella

Chief Executive Officer, CPFL Energia

Indicators (R\$ Million)	3Q22	3Q21	Var.	9M22	9M21	Var.
Load in the Concession Area - GWh	16,721	17,061	-2.0%	51,877	52,284	-0.8%
Sales within the Concession Area - GWh	16,789	16,823	-0.2%	51,931	52,064	-0.3%
Captive Market	9,590	10,164	-5.6%	30,515	32,194	-5.2%
Free Client	7,199	6,659	8.1%	21,416	19,870	7.8%
Gross Operating Revenue	13,245	15,666	-15.5%	40,622	40,854	-0.6%
Net Operating Revenue	10,006	11,190	-10.6%	28,618	28,291	1.2%
EBITDA ⁽¹⁾	2,967	2,596	14.3%	8,458	6,616	27.8%
Distribution	1,499	1,535	-2.3%	5,185	4,045	28.2%
Generation	1,080	1,215	-11.2%	2,509	2,566	-2.2%
Transmission ⁽²⁾	374	(123)	-	714	(96)	-
Commercialization, Services & Others	14	(32)	-	49	100	-50.9%
Net Income	1,419	1,436	-1.2%	3,844	3,523	9.1%
Net Debt ⁽³⁾	(21,957)	(15,948)	37.7%	(21,957)	(15,948)	37.7%
Net Debt / EBITDA ⁽³⁾	1.92	1.77	8.9%	1.92	1.77	8.9%
Investments ⁽⁴⁾	1,606	932	72.4%	4,163	2,646	57.4%

Notes:

- (1) EBITDA is calculated from the sum of net income, taxes, financial result, depreciation/amortization, as CVM Resolution no. 156/22. See the calculation in item 3.1 of this report;
- (2) Includes CPFL Transmissão;
- (3) In financial covenants criteria, which considers CPFL Energia's stake in each generation projects and in CPFL Transmissão;
- (4) Does not include special obligations.

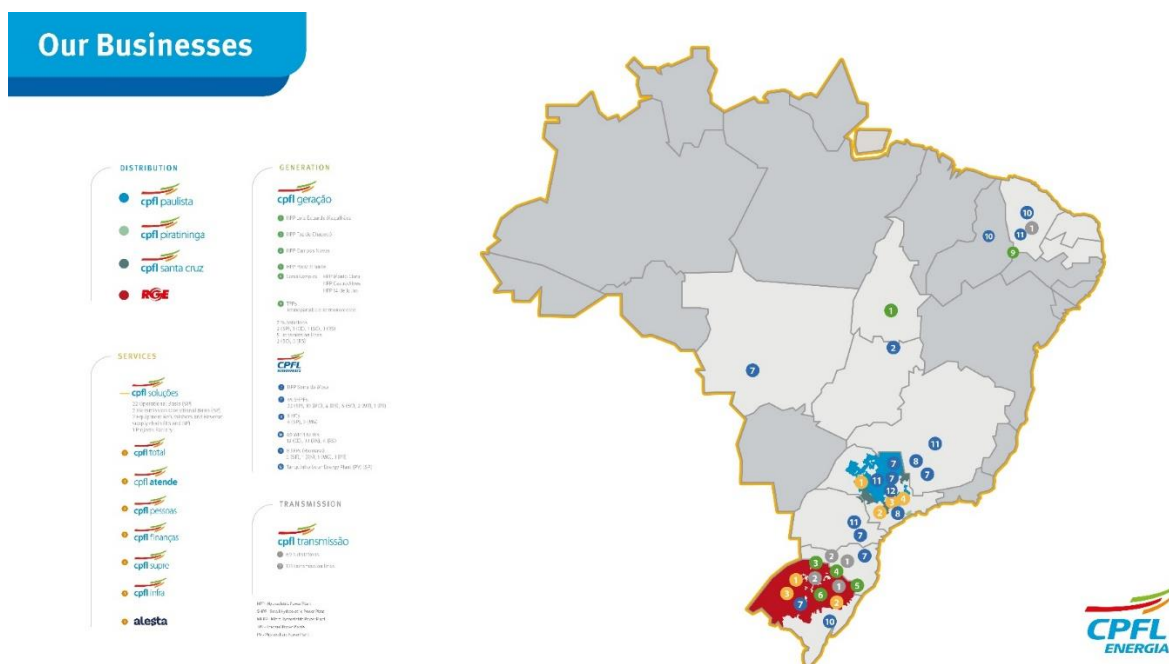
CONTENTS

1) COMPANY PROFILE AND CORPORATE STRUCTURE	4
2) OPERATIONAL PERFORMANCE.....	7
2.1) Distribution	7
2.1.1) Load net of losses in the concession area	7
2.1.2) Sales within the Distributors' Concession Area	7
2.1.3) Losses.....	9
2.1.4) SAIDI and SAIFI	9
2.1.5) Delinquency	10
2.2) Generation	11
2.2.1) Installed Capacity	11
2.2.2) Operational and under construction projects.....	12
2.3) Commercialization	12
2.4) Transmission	13
2.4.1) CPFL Transmissão.....	13
2.4.2) Other Transcos Portfolio.....	13
3) CPFL ENERGIA ECONOMIC-FINANCIAL PERFORMANCE.....	14
3.1) Economic-Financial Performance.....	14
3.2.1) Debt (IFRS)	23
3.2.2) Debt in Financial Covenants Criteria	26
3.3.1) Actual Investments	27
3.3.2) Investment Forecast	28
4) STOCK MARKETS	29
4.1) Stock Performance.....	29
4.2) Daily Average Volume	29
5) SUSTAINABILITY AND ESG INDICATORS	30
5.1) Sustainability Plan (2020-2024)	30
5.2) Key ESG Indicators aligned to the Plan.....	30
6) PERFORMANCE OF BUSINESS SEGMENTS.....	34
6.1) Distribution Segment	34
6.1.1) Economic-Financial Performance.....	34
6.1.2) Tariff Events.....	44
6.2) Commercialization and Services Segments	46
6.3) Generation Segment	47
6.4) Transmission Segment	54
6.4.1) CPFL Transmissão.....	54
6.4.1.1) Regulatory Themes	54
6.4.1.2) Regulatory Results	58
6.4.1.3) Key Differences – Regulatory vs. IFRS.....	62
7) ATTACHMENTS.....	63

1) COMPANY PROFILE AND CORPORATE STRUCTURE

Company Operation

CPFL Energia operates in the Generation, Transmission, Distribution, Commercialization and Services segments, with presence in 11 states in all regions of the country.



CPFL is the second largest distributor in volume of energy sales, with 14% of the national market, serving approximately 10.3 million customers in 687 municipalities. With 4,385 MW of installed capacity, it is the fourth largest private generator in the country, being among the leaders in renewable generation, operating in hydroelectric, solar, wind and biomass sources. With the acquisition of CPFL Transmissão in October 2021, the group now also has a relevant role in the Transmission segment. It also has a national operation through CPFL Soluções, providing integrated solutions in energy management and commercialization, energy efficiency, distributed generation, energy infrastructure and consulting services.

Shareholders Structure

CPFL Energia is a holding company that owns stake in other companies. State Grid Corporation of China (SGCC) controls CPFL Energia through its subsidiaries State Grid International Development Co., Ltd, State Grid International Development Limited (SGID), International Grid Holdings Limited, State Grid Brazil Power Participações S.A. (SGBP) and ESC Energia S.A.

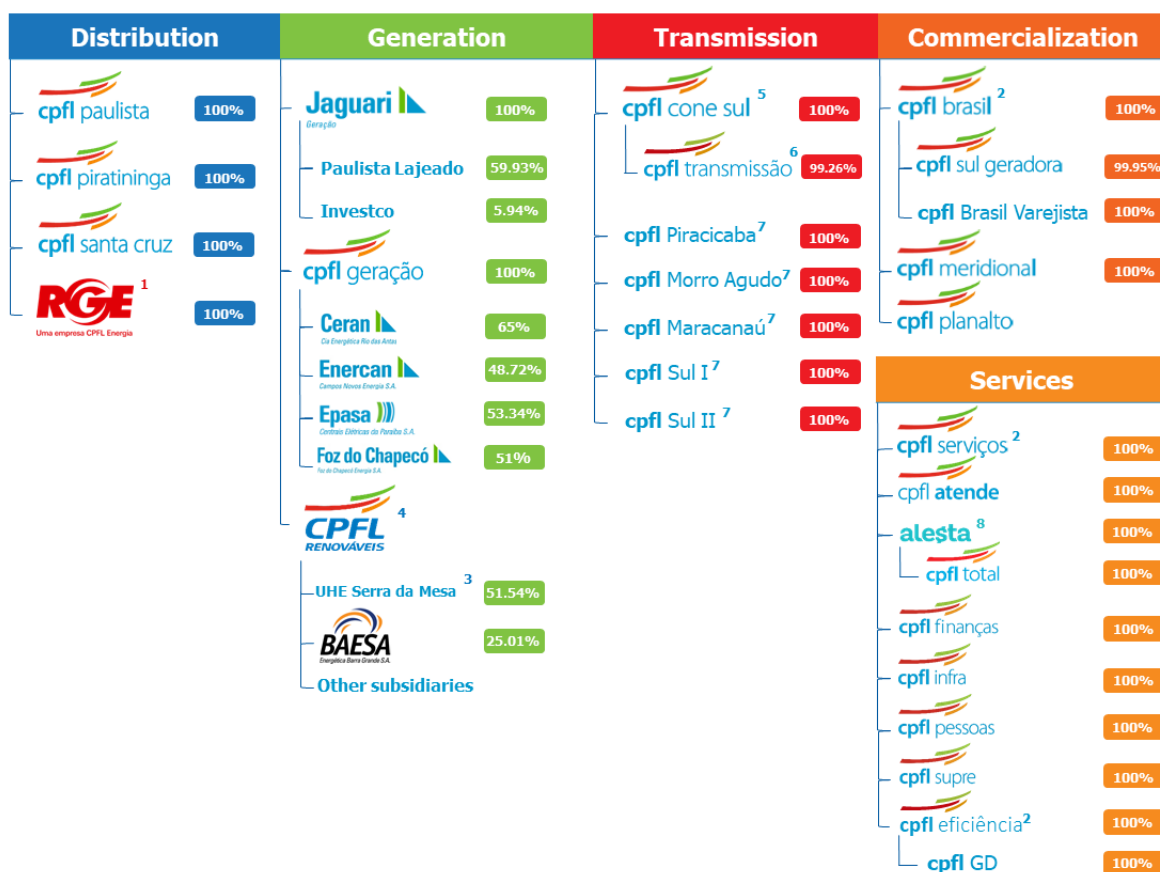


STATE GRID
CORPORATION OF CHINA

83.71%

**Free Float**

16.29%



Reference date: 09/30/2022

Notes:

(1) RGE is held by CPFL Energia (89.0107%) and CPFL Brasil (10.9893%);

(2) CPFL Soluções = CPFL Brasil + CPFL Serviços + CPFL Eficiência;

(3) 51.54% stake of the availability of power and energy of Serra da Mesa HPP, regarding the Power Purchase Agreement between CPFL Renováveis and Furnas;

(4) CPFL Renováveis is controlled by CPFL Energia (49.1502%) and CPFL Geração (50.8498%);

(5) CPFL Cone Sul is a subsidiary of CPFL Brasil;

(6) CPFL Transmissão is controlled by CPFL Cone Sul (99.26%, as of April, 08, 2022);

(7) CPFL Piracicaba, CPFL Morro Agudo, CPFL Maracanaú, CPFL Sul I e CPFL Sul II are consolidated in CPFL Geração;

(8) Alesta is controlled by CPFL Energia (99.99%) and by CPFL Brasil (0.01%).

Notice of tender offer for the acquisition of common and preferred shares issued by CPFL-T ("Notice") ("Tender Offer")

On October 19th, 2022, a Notice was disclosed containing all the terms and conditions of the Tender Offer for the acquisition of shares issued by CPFL Transmissão, to be carried out by CPFL Comercialização de Energia Cone Sul Ltda., CPFL Transmissão's publicly-held company registration as a securities issuer from category "A" to category "B".

The registration of the Tender Offer and the authorization for its execution were granted by

CVM by means of Official Letter No. 528/2022/CVM/SER/GER-1 of October 10th, 2022.

Furthermore, the Tender Offer auction will be held at B3 S.A. – Brasil, Bolsa, Balcão on November 18th, 2022.

For more details, please consult relevant facts and notices to the market available on the [IR website](#).

Corporate Governance

The corporate governance model adopted by CPFL Energia is based on the 4 basic principles of the Brazilian Corporative Government System: transparency, equity, accountability and corporate responsibility.

CPFL's Management is composed by the Board of Directors and the Board of Executive Officers.

The Board of Directors is responsible for the strategic direction of the CPFL Group, consists of 7 members (2 independent members), whose term of office is 2 years, with the possibility of reelection. It has 5 Advisory Committees that assist in the decisions and monitoring of relevant and strategic topics, which, are namely: (i) Audit Committee (non-statutory); (ii) Related Parties Committee; (iii) People Committee; (iv) Finance and Risk Management Committee; and (v) Strategy, Growth, Innovation and ESG Committee.

The Board of Executives consists of 1 Chief Executive Officer and 8 Vice-Chief Executive Officers, all with term of office of 2 years, with possibility of reelection, whose responsibility is the execution of the strategies of CPFL Energia and its subsidiaries, which are defined by the Board of Directors going along with the corporate governance guidelines.

CPFL Energia has a permanent Fiscal Council, composed of 3 effective members and equal number of alternates, all with 1 year of term of office, with the possibility of reelection, whose function is to perform an independent oversight role from the administrators and with the objective of preserving the value of the organization.

The guidelines and documents on corporate governance are available at the [IR website](#).

Dividend Policy

The CPFL Energia dividend distribution policy determines that the Company should distribute annually, as dividends, at least 50% of the adjusted net income¹. The approved Dividend Policy is merely indicative, with the purpose of signaling to the market the treatment that the Company intends to give to the distribution of dividends to its shareholders, having, therefore, a programmatic character, not binding upon the Company or its governing bodies. The Dividend Policy is available at the [IR website](#).

¹ It also establishes the factors that will influence in the amount of distribution, as well as other factors considered relevant for the board of directors and the shareholders. It's also highlights that certain obligations contained in the Company's financial contracts may limit the amount of dividends and/or interest on equity that may be distributed.

2) OPERATIONAL PERFORMANCE

2.1) Distribution

2.1.1) Load net of losses in the concession area

Load within the Concession Area - GWh						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Captive Market	9,455	10,221	-7.5%	30,206	32,068	-5.8%
Free Client	7,266	6,840	6.2%	21,671	20,216	7.2%
Total	16,721	17,061	-2.0%	51,877	52,284	-0.8%

2.1.2) Sales within the Distributors' Concession Area

Sales within the Concession Area - GWh								
	3Q22	3Q21	Var.	Part.	9M22	9M21	Var.	Part.
Captive Market	9,590	10,164	-5.6%	57.1%	30,515	32,194	-5.2%	58.8%
Free Client	7,199	6,659	8.1%	42.9%	21,416	19,870	7.8%	41.2%
Total	16,789	16,823	-0.2%	100.0%	51,931	52,064	-0.3%	100.0%

Sales within the Concession Area - GWh								
	3Q22	3Q21	Var.	Part.	9M22	9M21	Var.	Part.
Residential	4,905	5,019	-2.3%	29.2%	15,551	15,759	-1.3%	29.9%
Industrial	6,685	6,472	3.3%	39.8%	19,557	19,321	1.2%	37.7%
Commercial	2,618	2,492	5.1%	15.6%	8,542	7,980	7.0%	16.4%
Others	2,581	2,840	-9.1%	15.4%	8,282	9,005	-8.0%	15.9%
Total	16,789	16,823	-0.2%	100.0%	51,931	52,064	-0.3%	100.0%

Notes:

1) The tables with sales within the concession area by distributor can be consulted in the CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#);

2) As of 1Q22, sales in the concession area also include amounts distributed to other concessionaires and permissionaires, which make use of CPFL Energia's grid ("Use D"), so that the amounts from the free market have been changed throughout the historical series.

Highlights in the concession area in 3Q22:

- **Residential Segment (29.2% of total sales):** down 2.3% mainly pressured by the increase in distributed generation (DG). Another factor that negatively affected this quarter was the temperature effect, that this year was more expressive than in the same period last year. In order to offset these effects, there was a positive impact from the macroeconomy, in addition to the organic growth in residential units;
- **Industrial Segment (39.8% of total sales):** increase of 3.3%, mainly associated with the economic scenario, which has become more stable as of 2Q22. Growth driven mainly by the food, rubber and plastic sectors;
- **Commercial Segment (15.6% of total sales):** growth of 5.1%, mainly due to the advance in the post-pandemic resumption of commercial activity. In addition, another factor that positively impacted this segment was the effects of ANEEL Normative Resolution (REN) No. 1,000/2021, which deals with the cadastral review of consumer units, especially rural and public consumers, who receive tariff benefits, re-registering them as commercial in case of non-compliance with the criteria to receive the tariff benefit;
- **Others Segment (15.4% of total sales):** decrease of 9.1%, mostly due to the high volume of rainfall that occurred in the rural area of RGE and CPFL Paulista, in addition to the effects of the ANEEL REN No. 1,000/2021, as explained above. Moreover, the migration

of permissionaires to the Basic Network once again impacted this segment.

Highlights in the concession area in **9M22**:

- **Residential Segment (29.9% of total sales):** decrease of 1.3%, affected by the increase of DG. Offsetting these points, there was a positive temperature effect in RGE, in addition to the organic growth in the segment;
- **Industrial Segment (37.7% of total sales):** increase of 1.2%, a better result compared to the average of the Brazilian industrial production, which had a decrease of 1.09% in comparison with the period from January to September 2021;
- **Commercial Segment (16.4% of total sales):** growth of 7.0%, due to the resumption of the economic activity because of better COVID-19 indicators. In addition, there was the effect of the ANEEL REN No. 1,000/2021 affecting positively the segment, as explained before. On the other hand, we registered a higher negative impact from DG;
- **Others Segment (15.9% of total sales):** decrease of 8.0%, especially due to the permissionaires migration and the effect of the ANEEL REN No. 1,000/2021, and also the higher rainfall volume occurred in 3Q22 in RGE and CPFL Paulista.

Sales to the Captive Market - GWh						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Residential	4,905	5,019	-2.3%	15,551	15,759	-1.3%
Industrial	1,038	1,099	-5.6%	3,035	3,325	-8.7%
Commercial	1,671	1,672	-0.1%	5,509	5,471	0.7%
Others	1,977	2,373	-16.7%	6,421	7,639	-15.9%
Total	9,590	10,164	-5.6%	30,515	32,194	-5.2%

Note: The tables with sales within the concession area by distributor can be consulted in the CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#).

Free Client - GWh						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Industrial	5,648	5,373	5.1%	16,522	15,996	3.3%
Commercial	947	819	15.6%	3,033	2,508	20.9%
Others	604	467	29.3%	1,861	1,366	36.2%
Total	7,199	6,659	8.1%	21,416	19,870	7.8%

Note: As of 1Q22, sales in the concession area also include amounts distributed to other concessionaires and permissionaires, which make use of CPFL Energia's grid ("Use D"), so that the amounts from the free market have been changed throughout the historical series.

2.1.3) Losses

The consolidated losses index of CPFL Energia was of 8.55% in the 12 months ended in Sep-22, compared to 8.82% in Sep-21, a decrease of 0.27 p.p. Disregarding the effect of the billing calendar in both years, the decrease would be of 0.39 p.p. (8.89% in Sep-21 to 8.49% in Sep-22), indicating an improvement of this indicator.

12M Accumulated Losses ¹						
	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	ANEEL
CPFL Energia	8.82%	8.71%	8.79%	8.76%	8.55%	8.19%
CPFL Paulista	9.09%	9.02%	9.32%	9.05%	8.76%	8.36%
CPFL Piratininga	7.65%	7.40%	7.43%	7.43%	7.47%	6.51%
RGE Sul	9.47%	9.30%	9.11%	9.52%	9.29%	9.17%
CPFL Santa Cruz	7.42%	7.78%	7.55%	7.39%	6.82%	8.29%

Note: According to the criteria defined by the Regulatory Agency (ANEEL). In CPFL Piratininga and RGE, high-voltage customers (A1) were disregarded.

The CPFL Energia group continually seeks for reducing losses, focusing on combating non-technical losses, in a robust metering and network shielding plan in 2022.

Since 2020, when the shielding plan started, 1.5 thousand shields of group A customers were carried out with measurement sets, 67.2 thousand shields of group B with Armored Boxes and 13.7 thousand regularizations of illegal consumers.

In addition, the main achievements of 3Q22 were:

- (i) Shielding of electrical borders and internal substations;
- (ii) Mapping of energy losses through microbalances;
- (iii) 312.5 thousand fraud inspections performed in consumer units;
- (iv) Replacement of more than 16.1 thousand obsolete/defective meters with new electronics;
- (v) Visit in 38.4 thousand consumer units inactivated for cutting in cases of self-reconnection;
- (vi) Market discipline through 323 news in media related to CPFL operations to fight fraud and theft.

2.1.4) SAIDI and SAIFI

The SAIDI (System Average Interruption Duration Index) measures the average duration, in hours, of consumer's interruptions per year and the SAIFI (System Average Interruption Frequency Index) measures the average number of consumer's interruptions per year. These indicators measure the quality and reliability of the electricity supply.

SAIDI Indicators								
Distributor								
	2018	2019	2020	2021	3Q21	3Q22	Var. %	ANEEL ¹
CPFL Energia	8.62	8.83	7.66	7.52	7.91	7.11	-10.1%	n.d
CPFL Paulista	6.17	6.72	6.81	6.21	6.93	5.56	-19.8%	6.77
CPFL Piratininga	5.94	6.49	5.83	5.95	6.58	5.04	-23.4%	6.21
RGE ²	14.44	14.01	10.83	10.84	10.62	11.07	4.2%	10.76
CPFL Santa Cruz ³	6.01	5.56	4.89	5.66	5.37	5.39	0.4%	8.13

SAIFI Indicators								
Distributor	SAIFI (interruptions)							
	2018	2019	2020	2020	3Q21	3Q22	Var. %	ANEEL ¹
CPFL Energia	4.68	4.93	4.54	4.40	4.69	4.02	-14.3%	n.d
CPFL Paulista	4.03	4.38	4.27	4.24	4.63	3.74	-19.2%	5.47
CPFL Piratininga	3.89	4.34	4.32	4.13	4.75	3.66	-22.9%	5.15
RGE ²	6.10	6.25	5.27	4.83	4.83	4.76	-1.4%	7.69
CPFL Santa Cruz ³	5.09	4.25	3.68	4.21	4.26	3.54	-16.9%	6.92

Notes:

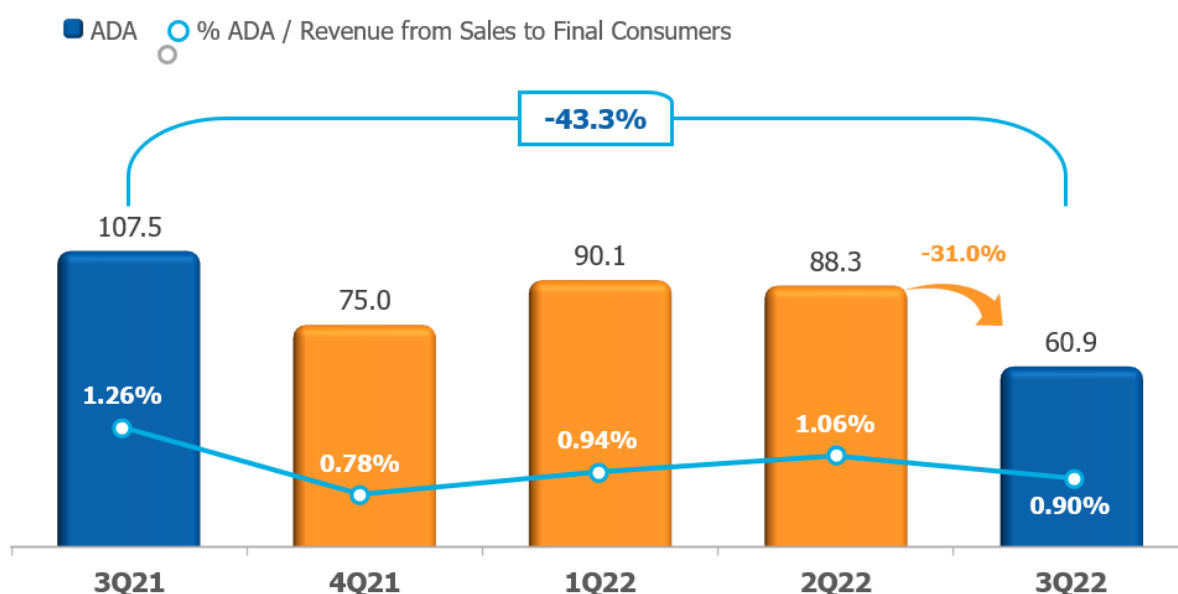
(1) ANEEL limit;

(2) Since 2019, the RGE and RGE Sul concessions have been unified, becoming a single distributor for the purpose of calculating technical indicators;

(3) Since 2018, the concessions of CPFL Santa Cruz, Sul Paulista, Mococa, Jaguari and Leste Paulista have been unified, becoming a single distributor for purposes of calculating technical indicators.

In the consolidated of the distributors, the annualized values of SAIDI and SAIFI in 3Q22 were lower than in 3Q21 (-10.1% and -14.3%, respectively). These better results can be attributed to CPFL's continuous search for improvement in its operation, whether through new investments or a strong maintenance operation in its grid. The only deviation was in RGE, due to the higher level of rain, much above normal, that occurred in July and August of this year.

2.1.5) Delinquency



ADA registered a decrease of 31.0% (R\$ 27 million) in 3Q22, compared to 2Q22, and of 43.3% (R\$ 47 million) compared to 3Q21.

Comparing the ADA/Revenue from Sales to Final Consumers index, we recorded 0.90% in 3Q22 a slight improvement from 1.26% in 3Q21, but still above the historical average of 0.7%-0.8%. The factors that led to this behavior are: (i) reduction of the ICMS rate; (ii) removal of the "water scarcity" tariff flag; (iii) increase in real payroll.

In 9M22, we had a reduction in ADA of 8.4% (R\$ 22 million) compared to 9M21. In the ADA/Revenue from Sales to Final Consumers relationship, we see a drop in the indicator that registered 0.97% in 9M22 against 1.08% in 9M21. Despite the still unfavorable macroeconomic scenario, the measures highlighted above contributed to the control of delinquency.

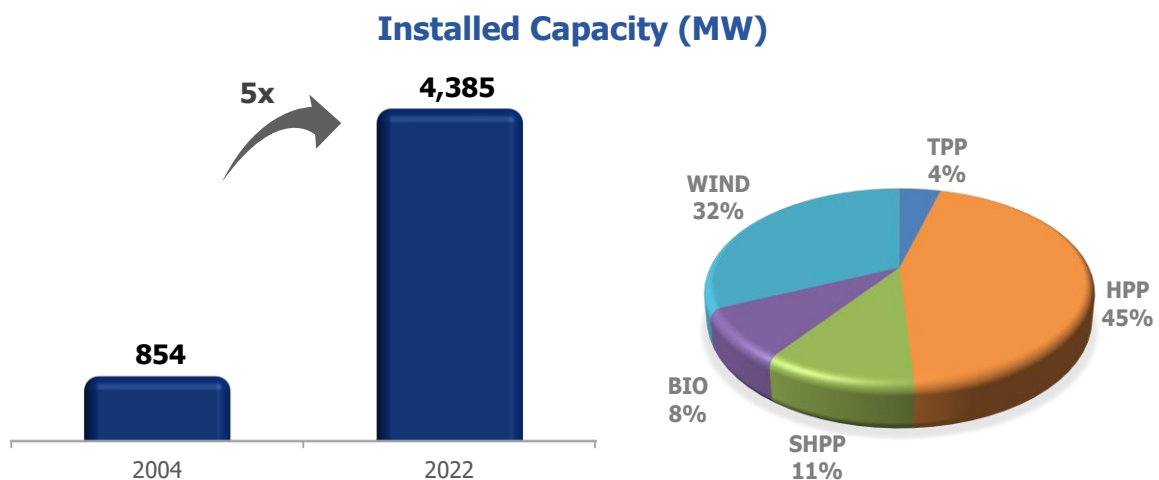
In addition, CPFL has been maintaining a high volume of collection actions, highlighting:

- (i) Volume of collection actions kept in high levels, with 696 thousand cuts in 3Q22, totaling 1,845 thousand in 2022;
- (ii) Refinement of the collection action prioritization algorithm, with analysis of each customer's payment history, to define the best collection action, based on their invoice payment probability score.

2.2) Generation

2.2.1) Installed Capacity

On September 30th, 2022, the Generation installed capacity of CPFL Energia, considering the proportional stake in each project, is of 4,385 MW.



Note: Breakdown graphic by source does not consider 1 MW of Solar Generation of Tanquinho Plant.

2.2.2) Operational and under construction projects

In MW	Portfolio						Total
	TPP	HPP	SHPP/MHPP	Bio	Wind	Solar	
In operation	182	1,966	475	370	1,391	1	4,385
In construction	-	-	28	-	-	-	28
In development	-	-	96	-	1,764	2,539	4,399
Total	182	1,966	599	370	3,155	2,540	8,812

On September 30th, 2022, the project portfolio of Generation segment (considering CPFL Energia's participation in each project) totaled 8,812 MW of installed capacity. The plants in operation totalize 4,385 MW, comprising 8 HPPs (1,966 MW), 49 wind farms (1,391 MW), 48 SHPPs and MHPPs (475 MW), 8 biomass thermoelectric plants (370 MW), 2 TPPs (182 MW) and 1 solar plant (1 MW).

Still under construction is the Lucia Cherobim SHPP (28 MW). Additionally, we have wind, solar and SHPP projects under development totaling 4,399 MW.

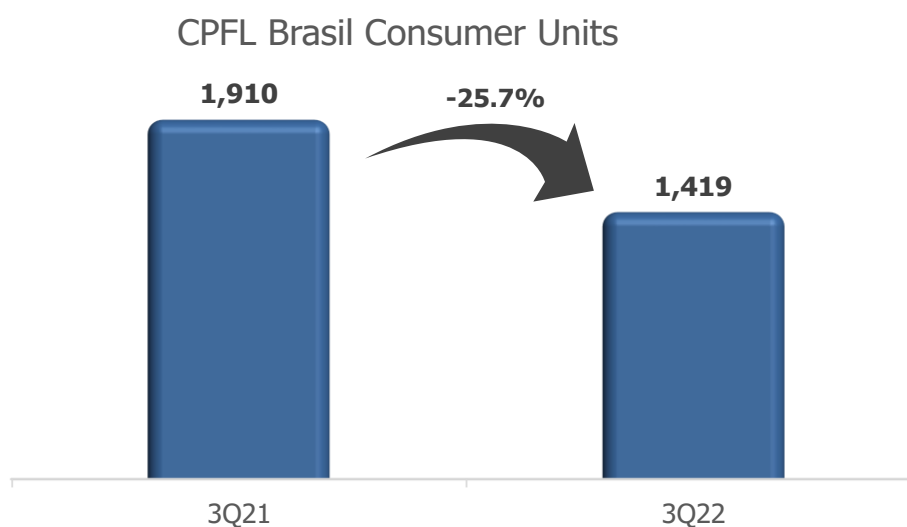
Lucia Cherobim SHPP

Lucia Cherobim SHPP, a project located in the state of Paraná, is scheduled to start operating in 2024. In September 2022, the physical progress of the project was 21.22%. Installed capacity is of 28.0 MW and physical guarantee is of 16.6 average MW. The energy was sold under a long-term contract at the 2018 new energy auction (A-6) (price: R\$ 239.78/MWh – Sep-22).

2.3) Commercialization

Number of Commercialization Consumer Units

In Sep-22, CPFL Brasil consumer units reached 1,419, a decrease of 25.7% compared to the same period of 2021. This was due to a lower volume of contracts signed for 2022.



2.4) Transmission

2.4.1) CPFL Transmissão

Portfolio

Portfolio - CPFL TRANSMISSÃO									
Concession Contracts	Contract Start Date	Contract End Date	CPFL -T Share	Operation Status	Estimated Delivery	Indice	RAP 2021-2022 (R\$ million)	RAP 2022-2023 (R\$ million)	RAP Expected
055/2001	12/31/2002	12/31/2042	100%	Operational	-	IPCA	832	918	-
080/2002	12/18/2002	12/18/2032	100%	Operational	-	IGP-M	20	22	-
004/2021	03/31/2021	03/31/2051	100%	Construction	2024	IPCA	-	-	11
TESB	07/27/2011	07/27/2041	94%	Construction	2022	IPCA	18	28	14
ETAU	12/18/2002	12/18/2032	10%	Operational	-	IGP-M	51	57	-
TPAE	11/19/2009	11/19/2039	10%	Operational	-	IPCA	10	11	-

ENS – Unsupplied Energy (MWh)

The Unsupplied Energy (ENS) indicator consists of the analysis of the amount of energy interrupted due to the unavailability of Transmission assets and, therefore, verifies the effective impact of the unavailability for the society. In 3Q22, the ENS totaled 193.74 MWh vs. 111.13 MWh in 3Q21, an increase of 74.3%, mainly justified by the event occurred in the Transmission Line 138 kV Erechim 1/Passo Fundo, which resulted in a total of ENS of 65.33 MWh. The ENS accounting related to Unsupplied Feeder Energy, which began to be measured only in 2022, totaled 3.73 MWh. Disregarding this effect, the variation would be of 71%.

PVd – Discounted Variable Parcel

The Discounted Variable Parcel (PVd) consists of the percentage ratio of the Variable Parcel discounts effected on the basis of the Transmitter's Monthly Invoicing. Such data are made available monthly by the National Electric System Operator (ONS). In 3Q22, PVd totaled 1.150% vs. 0.742% in 3Q21, an increase of 54.9%. The variation in the performance of the indicator is justified by 2 events of asset unavailability, which occurred in 2022, affecting the 3Q22 results in R\$ 1.1 million. It is worth noting that the historical average of this indicator is 0.75%.

2.4.2) Other Transcos Portfolio

Operational Portfolio					
Project	Location	RAP (R\$ MM)	Capex (R\$ MM)	Operation Start	Substation Nº
Piracicaba	SP	14.1	100	Jul/15	1
Morro Agudo	SP	17.5	100	Jul/17	1
Maracanaú	CE	10.3	102.2	May/22	1

Portfolio under Construction							
Project	Location	RAP (R\$ MM)	Estimated Capex by Aneel (R\$ MM)	Operation Start	Substation Nº	Lines (Km)	Built
Sul I	SC	33.5	366	Mar/24	1	320	86.53%
Sul II	RS	43.0	349	Mar/23	3	85	91.80%

3) CPFL ENERGIA ECONOMIC-FINANCIAL PERFORMANCE

3.1) Economic-Financial Performance

Consolidated Income Statement - CPFL ENERGIA (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Gross Operating Revenue	13,245	15,666	-15.5%	40,622	40,854	-0.6%
Net Operating Revenue	10,006	11,190	-10.6%	28,618	28,291	1.2%
Revenue from building the infrastructure	1,559	798	95.4%	3,868	2,165	78.7%
Net Operating Revenue (ex-rev. from infrastru	8,447	10,392	-18.7%	24,750	26,126	-5.3%
Cost of Electric Power	(4,613)	(6,912)	-33.3%	(13,467)	(17,078)	-21.1%
Contribution Margin	3,833	3,480	10.2%	11,282	9,048	24.7%
PMSO	(1,012)	(891)	13.6%	(3,070)	(2,515)	22.0%
Other Operating Costs & Expenses	(2,074)	(1,431)	44.9%	(5,470)	(3,759)	45.5%
Equity Income	143	206	-30.8%	385	388	-0.7%
EBITDA¹	2,967	2,596	14.3%	8,458	6,616	27.8%
Financial Income (Expense)	(480)	(189)	153.3%	(1,560)	(320)	388.1%
Income Before Taxes	1,970	1,972	-0.1%	5,435	5,006	8.6%
Net Income	1,419	1,436	-1.2%	3,844	3,523	9.1%

Notes:

- (1) EBITDA is calculated from the sum of net income, taxes, financial results and depreciation/amortization;
 (2) The complete Income Statement can be consulted in CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#).

CPFL Energia - Key financial indicators by business segment (R\$ million)					
	Distribution	Generation	Transmission	Others	Consolidated
3Q22					
EBITDA ¹	1,499	1,080	374	14	2,967
Financial results	(258)	(169)	(25)	(28)	(480)
Net Income	621	618	231	(51)	1,419
3Q21					
EBITDA ¹	1,535	1,215	(123)	(32)	2,596
Financial results	(142)	(59)	(0)	12	(189)
Net Income	798	835	(126)	(71)	1,436
Variation (%)					
EBITDA ¹	-2.3%	-11.2%	-	-	14.3%
Financial results	81.1%	186.3%	26751.4%	-	153.3%
Net Income	-22.1%	-26.0%	-	-28.3%	-1.2%

CPFL Energia - Key financial indicators by business segment (R\$ million)					
	Distribution	Generation	Transmission	Others	Consolidated
9M22					
EBITDA ¹	5,185	2,509	714	49	8,458
Financial results	(913)	(454)	(19)	(175)	(1,560)
Net Income	2,256	1,277	515	(204)	3,844
9M21					
EBITDA ¹	4,045	2,566	(96)	100	6,616
Financial results	(233)	(168)	(0)	81	(320)
Net Income	2,058	1,561	(104)	7	3,523
Variation (%)					
EBITDA ¹	28.2%	-2.2%	-	-50.9%	27.8%
Financial results	291.7%	170.3%	23730.2%	-	388.1%
Net Income	9.6%	-18.2%	-	-	9.1%

Notes:

(1) The analysis by business segment is presented in chapter 6;

(2) The breakdown of economic-financial performance by business segment can be consulted in CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#).

Non-cash effects, extraordinary items and others

We highlight below the non-cash effects, extraordinary items and others of greater relevance observed in the periods analyzed, as a way to facilitate the understanding of the variations in Company's results.

EBITDA effects - R\$ million	3Q22	3Q21	Var.	9M22	9M21	Var.
Adjustments in the concession financial assets (VNR)	(67)	271	-	676	745	-9.2%
Legal and judicial expenses	(60)	(58)	3.1%	(186)	(121)	53.7%
Assets write-off	(47)	(35)	33.7%	(103)	(108)	-4.2%
Other extraordinary items:						
CPFL Santa Cruz - Tariff review effects (RAB appraisal report)	-	-	-	-	7	-
CPFL Santa Cruz - PIS/Cofins over ICMS	-	-	-	-	(34)	-
CPFL Brasil - PIS/Cofins over ICMS	-	-	-	-	45	-
Gain with GSF in Free Market and Regulated Market	-	274	-	-	274	-
Higher Capex / delay in start-up of greenfield projects	-	(138)	-	-	(138)	-
CPFL Piratininga - payment of the balance of pension fund	75	-	-	75	-	-
EBITDA effects (CPFL Transmissão Consolidation) - R\$ million	3Q22	3Q21	Var.	9M22	9M21	Var.
CPFL Transmissão - EBITDA IFRS (-) Regulatory EBITDA	114	-	-	208	-	-
Financial results effects - R\$ million	3Q22	3Q21	Var.	9M22	9M21	Var.
Mark-to-market (MTM)	(1)	(10)	-93.3%	31	10	197.7%
CPFL Brasil - PIS/Cofins over ICMS	-	-	-	-	40	-
Late payment interest and fines	108	124	-13.0%	370	430	-13.9%

Note: The breakdown of economic-financial performance by business segment can be consulted in CPFL Energia's Historical Information Base, available in the IR website. To access, [click here](#).

Impact of the acquisition of CPFL Transmissão: With the consolidation of CPFL Transmissão's figures as of 10/01/2021, the main impacts in 3Q22 and 9M22 on CPFL Energia were:

- (i) R\$ 430 million in gross operating revenue, representing an increase of 2.7% in the quarter, and of R\$ 1,187 million, representing an increase of 2.9% in YTD;
- (ii) R\$ 336 million in net operating revenue (ex-construction revenue), representing an increase of 3.2% in the quarter, and R\$ 882 million, representing an increase of 3.4% in YTD;
- (iii) R\$ 39 million in PMSO, representing an increase of 4.4% in the quarter, and R\$ 251 million, representing an increase of 10.0% in YTD;
- (iv) R\$ 279 million in Ebitda, representing an increase of 10.7% in the quarter, and R\$ 581 million, representing an increase of 8.8% in YTD;
- (v) R\$ 19 million of net financial expenses, representing an increase of 10.0% in the quarter, and R\$ 20 million of net financial revenues, reducing the variation in financial result in 6.4%, in YTD;
- (vi) R\$ 149 million in Net Income, representing an increase of 10.4% in the quarter, and R\$ 437 million, representing an increase of 12.4% in YTD.

These amounts were considered for the purposes of consolidating CPFL Transmissão into the CPFL Energia group in 3Q22, that is, they already reflect the effects of the business combination. Therefore, the amounts may differ from those presented in CPFL Transmissão's Quarter Financial Statements.

Disregarding the effects of the consolidation of CPFL Transmissão over 3Q22, the variations would be:

Consolidated Income Statement - CPFL ENERGIA without consolidation of CPFL Transmissão (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Gross Operating Revenue	12,815	15,666	-18.2%	39,434	40,854	-3.5%
Net Operating Revenue	9,637	11,190	-13.9%	27,619	28,291	-2.4%
Revenue from building the infrastructure	1,526	798	91.3%	3,751	2,165	73.3%
Net Operating Revenue (ex-rev. from infrastructure)	8,111	10,392	-22.0%	23,868	26,126	-8.6%
Cost of Electric Power	(4,614)	(6,912)	-33.3%	(13,467)	(17,078)	-21.1%
Contribution Margin	3,497	3,480	0.5%	10,400	9,048	14.9%
PMSO	(973)	(891)	9.2%	(2,819)	(2,515)	12.1%
Other Operating Costs & Expenses	(1,993)	(1,431)	39.2%	(5,247)	(3,759)	39.6%
Equity Income	143	206	-30.7%	384	388	-1.1%
EBITDA¹	2,688	2,596	3.5%	7,877	6,616	19.1%
Financial Income (Expense)	(461)	(189)	143.2%	(1,581)	(320)	394.4%
Income Before Taxes	1,740	1,972	-11.8%	4,889	5,006	-2.3%
Net Income	1,270	1,436	-11.6%	3,407	3,523	-3.3%

- (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization, according to CVM Resolution 156/22.



The explanations below must be read along with the impacts, listed on the previous page, related to the consolidation of CPFL Transmissão, a new company of the CPFL Energia group, for a complete understanding of the amounts reported in the 3Q22 Financial Statements.

Operating Revenue

In 3Q22, gross operating revenue reached R\$ 12,815 million, representing a decrease of 18.2% (R\$ 2.852 million). Net operating revenue reached R\$ 9,637 million in 3Q22, registering a decrease of 13.9% (R\$ 1,553 million).

In 9M22, gross operating revenue reached R\$ 39,434 million, representing a decrease of 3.5% (R\$ 1,419 million). Net operating revenue reached R\$ 27,619 million in 9M22, registering decrease of 2.4% (R\$ 672 million).

The breakdown of net operating revenue by business segment is presented in the table below:

Net Operating Revenue without consolidation of CPFL Transmissão (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Distribution	8,008	9,593	-16.5%	23,606	24,208	-2.5%
Generation	1,221	1,217	0.4%	2,921	2,839	2.9%
Transmission	213	16	1193.9%	474	112	323.7%
Commercialization	637	652	-2.3%	1,720	1,866	-7.8%
Services	285	217	31.2%	783	621	26.1%
Elimination and Others	(728)	(505)	44.0%	(1,886)	(1,356)	39.1%
Total	9,637	11,190	-13.9%	27,619	28,291	-2.4%

For further details about the revenue variation by segment, see **chapter 6 – Performance of Business Segments**.

Cost of Electric Energy

Cost of Electric Energy without consolidation of CPFL Transmissão (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Cost of Electric Power Purchased for Resale						
Itaipu	792	965	-17.9%	2,230	2,759	-19.1%
PROINFA	142	87	63.9%	459	272	69.0%
Auction, Bilateral Contracts and Spot Market	2,973	5,463	-45.6%	8,571	12,129	-29.3%
PIS and COFINS Tax Credit	(350)	(587)	-40.5%	(998)	(1,350)	-26.1%
Total	3,558	5,928	-40.0%	10,263	13,810	-25.7%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	868	654	32.7%	2,222	2,181	1.9%
Itaipu Transmission Charges	79	54	46.0%	208	224	-7.1%
Connection Charges	27	68	-60.7%	76	167	-54.8%
Charges for the Use of the Distribution System	20	17	14.7%	56	48	16.8%
ESS / EER	178	290	-38.6%	993	976	1.7%
PIS and COFINS Tax Credit	(116)	(99)	16.9%	(350)	(328)	6.7%
Total	1,056	985	7.2%	3,204	3,268	-2.0%
Cost of Electric Energy	4,614	6,912	-33.3%	13,467	17,078	-21.1%

Cost of Electric Power Purchased for Resale

In 3Q22, the cost of electric power purchased for resale reached R\$ 3,558 million, a reduction of 40.0% (R\$ 2,370 million), mainly due to:

- (i) Decrease of 45.6% in energy purchased in **auctions, bilateral contracts and spot market** (R\$ 2,491 million), mainly due to the lower average price (-47.4%);
- (ii) Decrease of 17.9% in energy from **Itaipu** (R\$ 172 million), as a result of the exchange variation (-15.3%);

Partially offset by the:

- (iii) Reduction of 40.5% in **PIS and COFINS tax credit** (R\$ 238 million);
- (iv) Increase of 63.9% in **PROINFA** (R\$ 56 million).

In 9M22, the cost of electric power purchased for resale reached R\$ 10,263 million, a reduction of 25.7% (R\$ 3,547 million), mainly due to:

- (i) Decrease of 29.3% in energy purchased in **auctions, bilateral contracts and spot market** (R\$ 3,558 million), due to the lower average price (-30.3%);
- (ii) Decrease of 19.1% in energy from **Itaipu** (R\$ 528 million), due to the exchange variation (-16.6%);

Partially offset by the:

- (iii) Reduction of 26.1% in **PIS and COFINS tax credit** (R\$ 352 million);
- (iv) Increase of 69.0% in **PROINFA** (R\$ 187 million).

Volume of purchased energy (GWh)	3Q22	3Q21	Var.	9M22	9M21	Var.
Itaipu	5,081	5,239	-3.0%	7,607	7,844	-3.0%
PROINFA	476	497	-4.2%	706	755	-6.4%
Auction, Bilateral Contracts and Spot Market	29,949	28,969	3.4%	43,954	43,360	1.4%
Total	35,506	34,705	2.3%	52,267	51,959	0.6%

Average price (R\$/MWh)	3Q22	3Q21	Var.	9M22	9M21	Var.
Itaipu	155.90	184.11	-15.3%	293.21	351.67	-16.6%
PROINFA	299.07	174.75	71.1%	649.71	359.81	80.6%
Auction, Bilateral Contracts and Spot Market	99.25	188.59	-47.4%	195.00	279.73	-30.3%
Total	110.04	187.72	-41.4%	215.44	291.75	-26.2%

Charges for the Use of the Transmission and Distribution System

In 3Q22, charges for the use of the transmission and distribution system reached R\$ 1,056 million, an increase of 7.2% (R\$ 71 million), due to:

- (i) Increase of 25.2% in **connection and transmission charges** (basic network, Itaipu transport, connection, and use of the distribution system) (R\$ 200 million);

Partially offset by:

- (ii) Reduction of 38.6% in **sector charges (ESS/EER)** (R\$ 112 million), mainly due to ESS – System Service Usage Charges. The variation in this charge was due to the lower need to dispatch thermal power plants outside the merit order in 3Q22, compared to 3Q21, due to improvements in hydrological conditions. This effect was partially offset

by the increase of EER – Reserve Energy Charges, resulting from a lower PLD and the impact of the start of operations of some plants contracted under the terms of the 1st Simplified Tender Process - PCS/MME/ANEEL;

- (iii) Increase of 16.9% in **PIS and COFINS tax credit** (R\$ 17 million).

In 9M22, charges for the use of the transmission and distribution system reached R\$ 3,204 million, a decrease of 2.0% (R\$ 64 million), due to:

- (i) Reduction of 2.2% in **connection and transmission charges** (basic network, Itaipu transport, connection, and use of the distribution system) (R\$ 58 million);
- (ii) Increase of 6.7% in **PIS and COFINS tax credit** (R\$ 22 million);

Partially offset by:

- (iii) Increase of 1.7% in **sector charges (ESS/EER)** (R\$ 16 million), mainly due to the increase in the EER – Reserve Energy Charges, resulting from a lower PLD in this period, partially offset by the reduction of the ESS – System Service Usage Charges, due to the lower need to activate thermal power plants.

PMSO

PMSO without consolidation of CPFL Transmissão (R\$ million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Personnel	460	397	15.8%	1,318	1,145	15.2%
Material	133	93	43.9%	363	248	45.9%
Outsourced Services	158	155	-16.5%	434	462	-6.0%
Other Operating Costs/Expenses	221	245	-9.9%	704	660	6.6%
<i>Allowance for doubtful accounts</i>	62	106	-41.9%	244	260	-6.4%
<i>Legal and judicial expenses</i>	62	58	6.6%	158	121	30.9%
<i>Assets Write-Off</i>	(42)	(35)	18.4%	(101)	(108)	-6.9%
<i>Others</i>	139	116	19.7%	402	387	3.9%
Total PMSO	973	891	9.2%	2,819	2,515	12.1%

PMSO in 3Q22 reached R\$ 973 million, an increase of 9.2% (R\$ 82 million), due to the following factors:

- (i) Increase of 15.8% (R\$ 101 million) in PMSO expenses linked to inflation:
- In Personnel, the 15.8% variation (R\$ 63 million) is explained not only by the salary adjustments in accordance with the collective labor agreement based on inflation, but also due to the increase in headcount, mainly in CPFL Serviços (+8.5%), due to higher volume of executed jobs, and in the Distribution segment (+5.8%).
 - In MSO, it is worth mentioning expenses related to fleet and transport, which presented an increase of 39.3% (R\$ 18 million); the increase in the diesel price in the concession area was of +53.2%; gas and ethanol kept the same level of 3Q21;

Excluding the effects of the increase in headcount and fleet and transport expenses, the PMSO linked to inflation would have increased by 8.7% (R\$ 52 million);

- (ii) Increase of 36.9% (R\$ 13 million) in expenses related to Capex efforts;
- (iii) Increase of 18.4% (R\$ 6 million) in assets write-off;

- (iv) Increase of 6.6% (R\$ 4 million) in legal and judicial expenses, due to the higher volume of civil and labor lawsuit;
- (v) Increase of 12.2% (R\$ 2 million) in collection actions;
Partially offset by:
- (vi) Reduction of 41.9% (R\$ 44 million) in the allowance for doubtful accounts (ADA). Despite this positive result, delinquency continues to be pressured by the unfavorable economic situation.

PMSO in 9M22 reached R\$ 2,819 million, an increase of 12.1% (R\$ 304 million), due to the following factors:

- (i) Increase of 13.5% (R\$ 254 million) in PMSO expenses linked to inflation, reflection of the factors mentioned in the explanation above, in the variation of the quarter. Excluding the effects of the increase in headcount and fleet and transport expenses, the PMSO linked to inflation would have increased by 7.5% (R\$ 130 million);
- (ii) Increase of 30.9% (R\$ 37 million) in legal and judicial expenses, due to the higher volume of civil and labor lawsuits;
- (iii) Increase of 33.9% (R\$ 33 million) in expenses related to Capex efforts;
- (iv) Increase of 8.8% (R\$ 5 million) in collection actions;
Partially offset by:
- (v) Reduction of 6.4% (R\$ 17 million) in the allowance for doubtful accounts (ADA), reflecting the improvement observed in 3Q22. In the analysis of the index ADA/Revenue from Sales to Final Consumers, we went from 1.08% in 9M21 to 0.97% in 9M22, which indicates an improvement in the volume of provisions;
- (vi) Reduction of 6.9% (R\$ 7 million) in assets write-off.

Other operating costs and expenses

Other operating costs and expenses without consolidation of CPFL Transmissão						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Costs of Building the Infrastructure	1,522	940	61.9%	3,739	2,300	62.5%
Private Pension Fund	(17)	57	-	145	170	-14.8%
Depreciation and Amortization	487	435	12.1%	1,407	1,289	9.1%
Total	1,993	1,431	39.2%	5,291	3,760	40.7%

The Piratininga PSAP Plan (pension fund) was discontinued, and the settlement was approved by the regulator. As a result, the plan ceased to receive new monthly contributions and its assumptions were revised in order to contemplate its termination. As a result, an actuarial revenue of R\$ 75 million was recorded (extraordinary effect) in the Private Pension Fund line.

EBITDA

In 3Q22, **EBITDA (without consolidation of CPFL Transmissão)** reached R\$ 2,688 million, registering an increase of 3.5% (R\$ 92 million), favored mainly by the good result of the Transmission and Commercialization, Services & Others segments.

In 9M22, **EBITDA (without consolidation of CPFL Transmissão)** reached R\$ 7,877 million, registering an increase of 19.1% (R\$ 1,261 million), favored mainly by the good result of the Distribution segment.

EBITDA is calculated according to CVM Resolution No. 156/22 and showed in the table below:

EBITDA and Net Income conciliation without consolidation of CPFL Transmissão (R\$ million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Net Income	1,270	1,436	-11.6%	3,407	3,523	-3.3%
Depreciation and Amortization	487	435	12.1%	1,407	1,289	9.1%
Financial Result	461	189	143.2%	1,581	320	394.4%
Income Tax / Social Contribution	470	536	-12.3%	1,482	1,483	-0.1%
EBITDA	2,688	2,596	3.5%	7,877	6,616	19.1%

Financial Result

Financial Result without consolidation of CPFL Transmissão (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Revenues	555	252	120.3%	1,538	801	92.0%
Expenses	(1,016)	(441)	130.2%	(3,118)	(1,121)	178.3%
Financial Result	(461)	(189)	143.2%	(1,581)	(320)	394.4%

Managerial Analysis

Financial Result without consolidation of CPFL Transmissão (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	9M21
Expenses with the net debt	(602)	(338)	78.0%	(2,130)	(810)	163.0%
Late payment interest and fines	108	124	-13.0%	370	430	-13.9%
Mark-to-market	(1)	(10)	-93.3%	31	10	197.7%
Adjustment to the sectoral financial asset/liability	74	35	108.7%	298	48	525.0%
Other financial revenues/expenses	(40)	(1)	3393.5%	(149)	2	-
Financial Result	(461)	(189)	143.2%	(1,581)	(320)	394.4%

In 3Q22, the **net financial expense** was R\$ 461 million, an increase of R\$ 271 million compared to the 3Q21. The items that explain this variation are:

- (i) Increase of 78.0% (R\$ 264 million) in the **expenses with the net debt** (debt charges net of income from financial investments), mainly reflecting the increase of CDI in the period and a higher debt balance;
- (ii) Negative variation of R\$ 39 million in **other financial revenues/expenses**;
- (iii) Reduction of 13.0% (R\$ 16 million) in **late payment interests and fines**, due to the replacement of the IGP-M by the IPCA as the monetary adjustment index in invoices issued from 07/01/2021, as determined by Aneel, and by a lower IPCA tax due the overdue energy bills in 3Q22 compared to 3Q21;

Partially offset by:

- (iv) Positive variation of R\$ 38 million in **adjustment to the sectoral financial asset/liability**;
- (v) Positive variation of R\$ 9 million in **mark-to-market** (non-cash effect).

In 9M22, the **net financial expense** was R\$ 1,581 million, an increase of R\$ 1,261 million compared to the 9M21. The items that explain this variation are:

- (i) Increase of 163.0% (R\$ 1,320 million) in the **expenses with the net debt** (debt charges net of income from financial investments), mainly reflecting the increase of CDI in the period;
- (ii) Negative variation of R\$ 152 million in **other financial revenues/expenses**:
 - a. Negative variation of R\$ 65 million, lower revenue from **CCEE energy settlement**, due to the lower PLD;
 - b. Increase of 52.7% (R\$ 25 million) in expenses with **PIS and COFINS** over financial revenue and IoE;
 - c. Increase of 23.1% (R\$ 11 million) in expenses with **contingencies**; and
 - d. Other variation (R\$ 51 million);
- (iii) Reduction of 13,9% (R\$ 60 million) in **late payment interests and fines**, due to the replacement of the IGP-M by the IPCA as the monetary adjustment index and the lower IPCA observed in 2022;

Partially offset by:

- (vi) Positive variation of R\$ 250 million in **adjustment to the sectoral financial asset/liability**;
- (vii) Positive variation of R\$ 21 million in **mark-to-market** (non-cash effect).

Income Tax and Social Contribution

In 3Q22, Income Tax and Social Contribution recorded a decrease of 12.3% (R\$ 66 million), explained by the decrease in operational revenue, mainly in the Distribution segment (deflation on the concession's financial assets). The effective rate was 27.0% in 3Q22, compared to 27.2% in 3Q21.

In 9M22, Income Tax and Social Contribution is in line with the amount reported in 9M21, recording a decrease of 0.1% (R\$ 1 million). The effective rate was 29.6% in 9M21 and 30.3% in 9M22.

Net Income

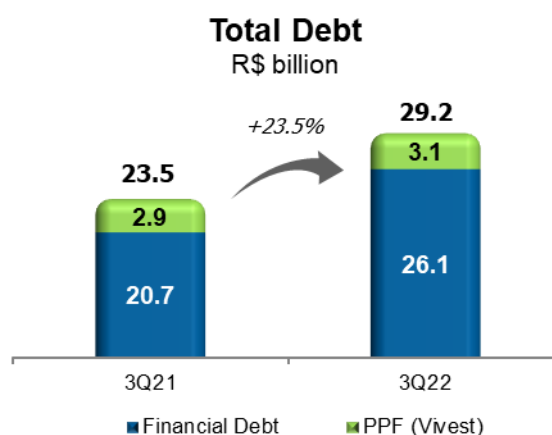
Net income (without consolidation of CPFL Transmissão) was of R\$ 1,270 million in 3Q22, recording a reduction of 11.6% (R\$ 166 million). This result reflects the decrease in the Distribution segment, explained by the lower update on the concession's financial assets, and the higher net financial expense.

In 9M22, the **Net income (without consolidation of CPFL Transmissão)** was of R\$ 3,407 million, registering a reduction of 3.3% (R\$ 116 million). This result reflects the increase in EBITDA, mainly due to the improvement in the performance of the Distribution segment, partially offset by the higher net financial expense.

3.2) Indebtedness

3.2.1) Debt (IFRS)

In September 30, 2022, CPFL Energia's total debt was R\$ 29.2 billion, with an increase of 23.5% compared to the last year. The financial debt of the group, which considers loans, debentures and intercompany loans, was of R\$ 26.1 billion in the same date.

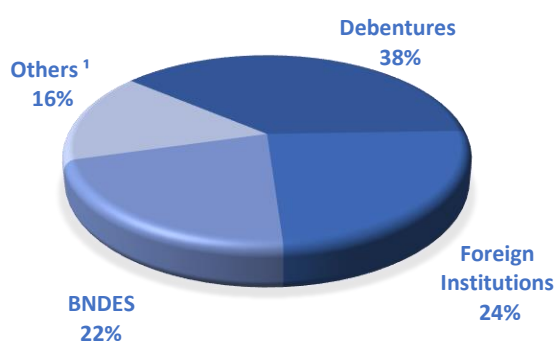


Notes:

(1) Including the mark-to-market (MTM) effect and borrowing costs;

(2) Including the intercompany loan, in the amount of R\$ 2.4 billion, of CPFL Renováveis and CPFL Brasil with SGBP.

Debt Profile – IFRS



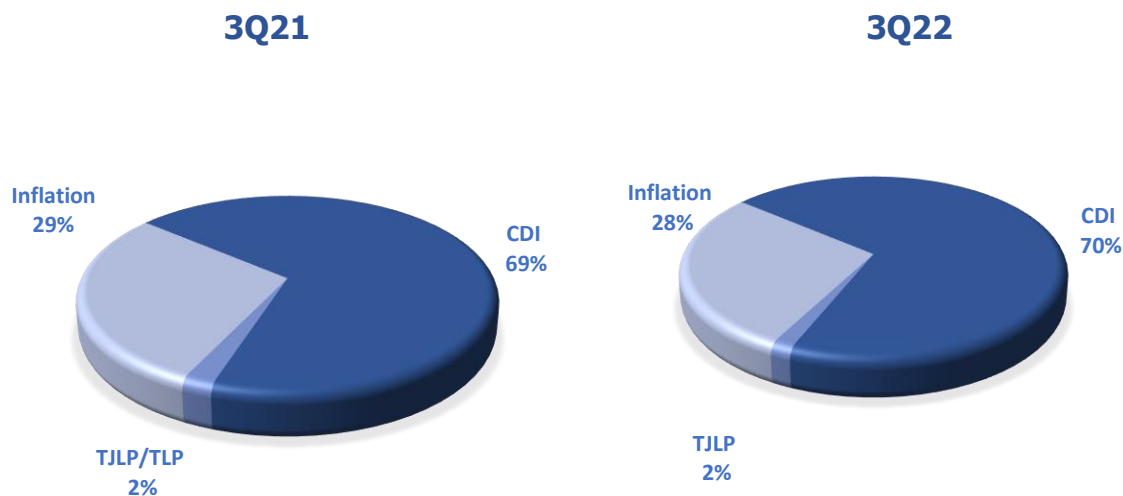
Average Cost (End of the period – IFRS)

3Q22 – 13.83%
3Q21 – 8.69%

Note: (1) Others: credit lines and intercompany loans of CPFL Renováveis and CPFL Brasil with SGBP.

The CPFL Group constantly seeks to mitigate any possibility of market fluctuations risk and, for this reason, a share of its debt's portfolio, around R\$ 7.1 billion, is protected by hedge operations. Considering, for instance, foreign loans, which represent almost 24% of the total debts (in IFRS), it was contracted swap operations, aiming protection for the foreign exchange and the rate linked to the contract.

Indexation After Hedge 3Q21 vs. 3Q22

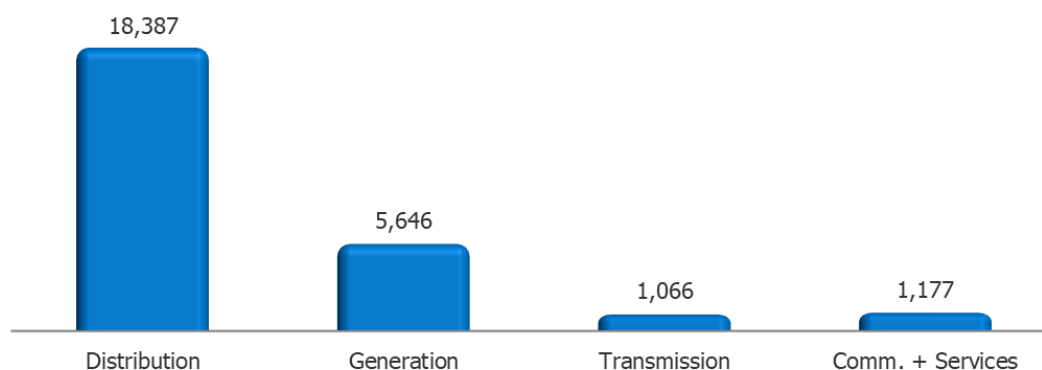


Note: (1) For debts contracted in foreign currency (24.0% of the total in 3Q22), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in IFRS criteria

IFRS R\$ Million	3Q22	3Q21	Var. %
Financial Debt (including hedge)	(26,091)	(20,688)	26.1%
(+) Available Funds	4,312	4,921	-12.4%
(=) Net Debt	(21,779)	(15,767)	38.1%

Debt by Segment (R\$ Million – IFRS)



Notes:

- 1) The Generation segment considers CPFL Renováveis, CPFL Geração and Ceran; the Services segment considers CPFL Serviços and CPFL Eficiência.
- 2) Considering the debt's notional, interests and derivatives. Includes the intercompany loans of CPFL Renováveis and CPFL Brasil with SGBP.

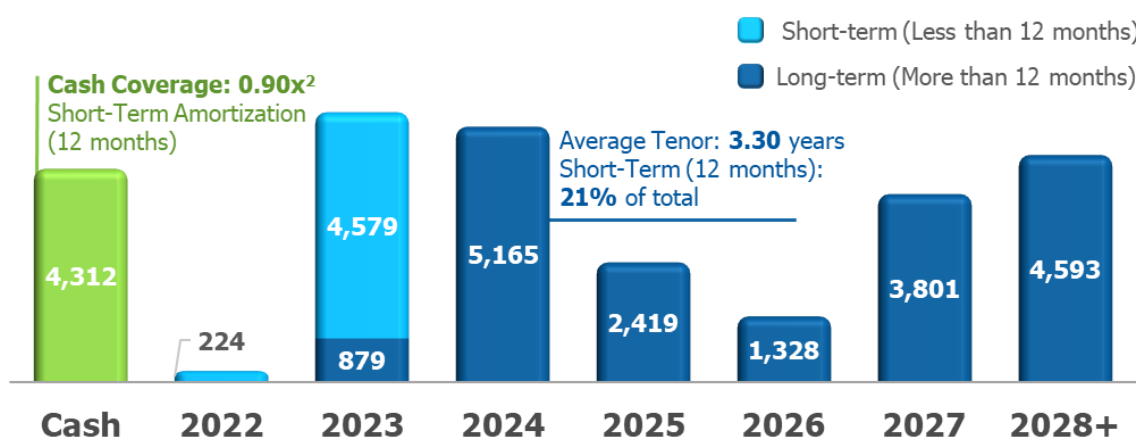
Debt Amortization Schedule in IFRS (September 2022)

The Group CPFL constantly evaluates market opportunities to close deals that enables financial results that meet the company's strategies and policies. Thus, due to CPFL's broad access to several kinds of fundraising in the market, both national and international, different modalities and instruments compose the group's debt portfolio.

The cash position at the end of 3Q22 had a coverage ratio of **0.90x** the amortizations of the next 12 months, which allows the CPFL Group to honor all the amortization commitments until June 2023. The average amortization term based on this schedule is of **3.30 years**.

The debt amortization schedule of the financial debt below considers only the notional of the debts and derivatives.

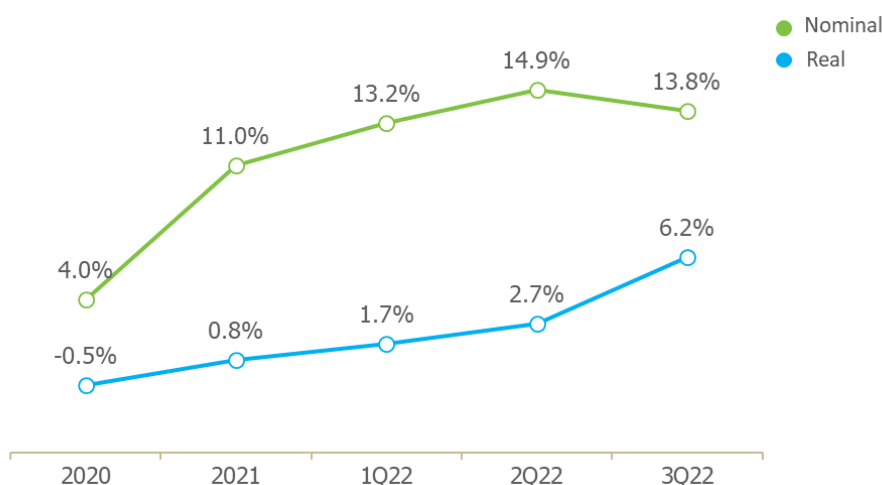
Debt Amortization Schedule (IFRS)



Note:

- (1) Considering only the notional and hedge of the debt. In order to reach the financial result of R\$ 26,010 million, should be included charges and the mark-to-market (MTM) effect and cost with funding;
- (2) Including the intercompany loan of CPFL Renováveis and CPFL Brasil with SGBP;
- (3) It does consider the amount of R\$ 284 million of Marketable Securities, according to covenants criteria.

Gross Debt Cost¹ in IFRS criteria



Note: (1) The calculation considers the average cost in the end of the period, since it better reflects the interest rate variations.

Ratings

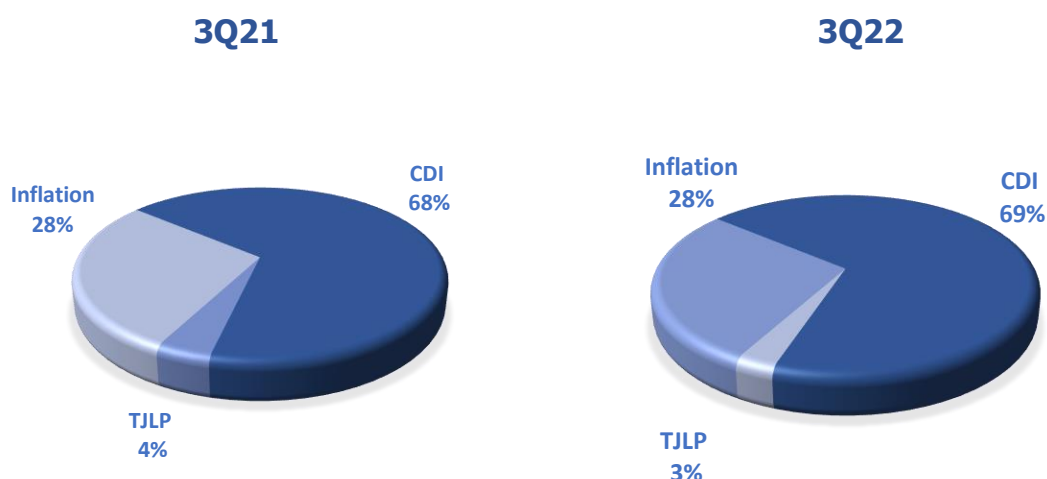
The following table shows the corporate ratings of CPFL Energia.

Ratings of CPFL Energia - Corporate Credit			
Agency	Scale	Rating	Perspective
Standard & Poor's	Brazilian	brAAA	Stable
Fitch Rating	Brazilian	AAA(bra)	Stable
Moody's	Brazilian	Aaa.br	Stable

3.2.2) Debt in Financial Covenants Criteria

Indexation and Debt Cost in Financial Covenants Criteria

Indexation¹ after Hedge² - 3Q21 vs. 3Q22



Notes:

(1) The total amount considers the proportional consolidation of Ceran, Enercan, Foz do Chapecó and EPASA;

(2) For debts contracted in foreign currency (24.0% of the total), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in Financial Covenants Criteria and Leverage

In the end of the 3Q22, the *Proforma* Net Debt totaled **R\$ 21,957** million, an increase of **37.7%** compared to net debt position at the end of 3Q21, in the amount of **R\$ 15,948** million.

The reconciliation of CPFL Energia's Net Debt/EBITDA indicator, for purposes of calculating financial covenants, is available on CPFL Energia's Historical Information Base, on the IR website. [Click here](#) to access it.

Covenant Criteria - R\$ Million	3Q22	3Q21	Var. %
Financial Debt (including hedge) ¹	(26,692)	(21,116)	26.4%
(+) Available Funds ³	4,734	5,168	-8.4%
(=) Net Debt	(21,957)	(15,948)	37.7%
EBITDA Proforma ²	11,409	9,023	26.4%
Net Debt / EBITDA	1.92	1.77	8.9%

Notes:

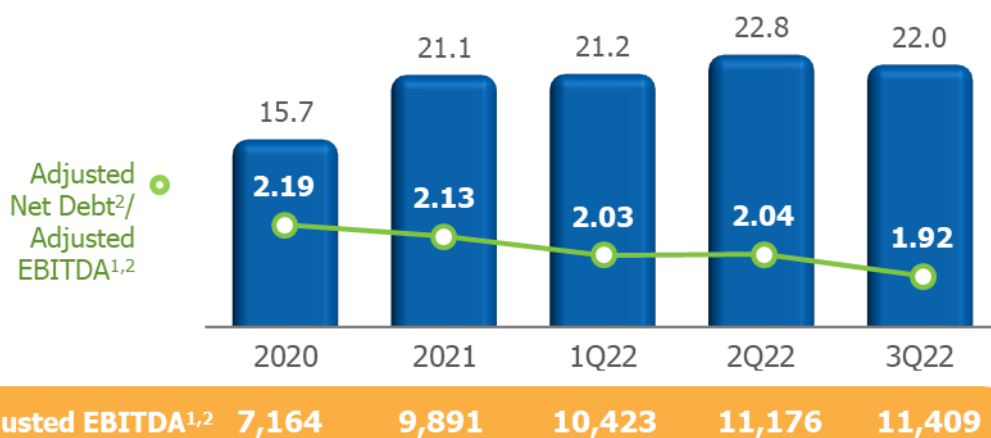
(1) Considers the proportional consolidation of Ceran, Enercan, Foz do Chapecó and EPASA. For more details, the reconciliation between IFRS balances and covenants will be in our CPFL Energia's Historical Information Basis;

(2) *Proforma* EBITDA in the financial covenants criteria: (a) adjusted according CPFL Energia's stake in each of its subsidiaries; (b) considers the result of the last 12 months of CPFL Transmissão. For more details, the reconciliation between IFRS balances and covenants is in CPFL Energia's Historical Information Base;

(3) Available Funds already considering Marketable Securities.

Considering that the *Proforma* Net Debt totaled **R\$ 21,957 million** and *Proforma* EBITDA in the last 12 months reached **R\$ 11,409 million**, the ratio *Proforma* Net Debt/EBITDA at the end of 3Q22 reached **1.92x**.

Leverage in financial covenants criteria - R\$ billion



Notes:

(1) LTM EBITDA, including CPFL Transmissão, according to financial covenants criteria;

(2) Adjusted for the proportional consolidation of the assets of Geração and CPFL Transmissão, as well as considering the loan agreement with SGBP.

3.3) Investments

3.3.1) Actual Investments

Segment	Investments (R\$ Million)					
	3Q22	3Q21	Var.	9M22	9M21	Var.
Distribution	1,375	821	67.4%	3,487	2,156	61.8%
Generation	58	71	-19.1%	162	339	-52.1%
Commercialization	2	1	11.1%	4	6	-32.1%
Services and Others ¹	16	22	-26.4%	31	56	-45.0%
Transmission ²	155	16	886.0%	479	90	433.0%
Total	1,606	932	72.4%	4,163	2,646	57.4%

Notes:

(1) Others - basically refers to assets and transactions that are not related to the listed segments;

(2) Transmission - Transmission assets do not have fixed assets, the figures in this table are the addition of contractual assets.

In 3Q22, the investments were of R\$ 1,606 million, an increase of 72.4%, compared to R\$

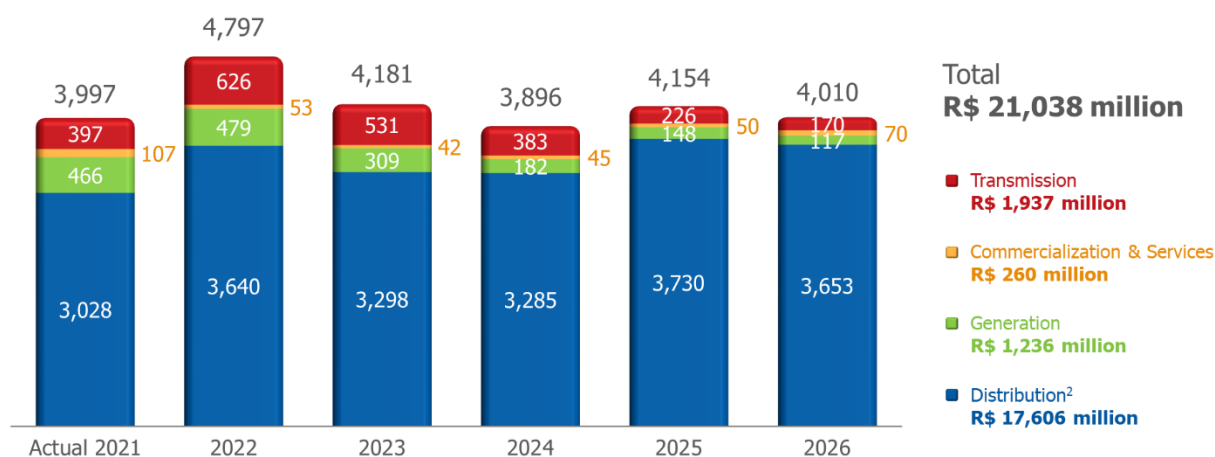
932 million registered in 3Q21. In 9M22, the investments were of R\$ 4,163 million, which represents an increase of 57.4% related to the same period in 2021.

We highlight investments made by CPFL Energia in the Distribution segment, in the amount of R\$ 1,375 million during the 3Q22 and of R\$ 3,487 million in 9M22, mainly intended to customer service works and sector expansion, along with improvements and modernization.

3.3.2) Investment Forecast

On November 11th, 2021, the Board of Directors of CPFL Energia approved Board of Executive Officers' proposal for 2022 Annual Budget and 2022/2026 Multiannual Plan for the Company, which was previously discussed by the Budget and Corporate Finance Committee.

Investment Forecast (R\$ million)¹



Notes:

- 1) Constant currency;
- 2) Disregard investments in Special Obligations (among other items financed by consumers).

4) STOCK MARKETS

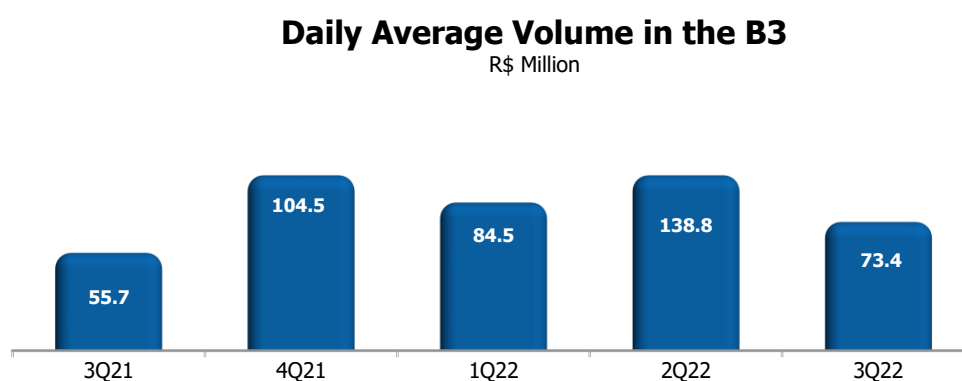
4.1) Stock Performance

CPFL Energia is listed in the B3, in Novo Mercado, segment with the highest levels of corporate governance.

B3				
Date	CPFE3	IEE	IBOV	
09/30/2022	R\$ 33.76	78,488	110,037	
06/30/2022	R\$ 30.88	78,787	98,542	
12/31/2021	R\$ 26.83	76,305	104,822	
09/30/2021	R\$ 26.93	78,296	110,979	
QoQ	9.3%	-0.4%	11.7%	
9M	25.8%	2.9%	5.0%	
YoY	25.4%	0.2%	-0.8%	

4.2) Daily Average Volume

The daily average volume trading of CPFL Energia in 3Q22 was R\$ 73.4 million, representing an increase of 31.6% if compared to 3Q21.



5) SUSTAINABILITY AND ESG INDICATORS

5.1) Sustainability Plan (2020-2024)

The Sustainability Plan (2020-2024), integrated into the CPFL Energia's Strategic Plan, defines the guidelines so that we can "provide sustainable, accessible and reliable energy at all times, making people's lives safer, healthier and more prosperous in the regions where we operate". Our corporate goal is to drive the transition to a more sustainable model of producing and consuming energy, leveraging the positive impacts of our business model on the community and the value chain.

To this end, we have identified three pillars that support the way we conduct our business and execute our strategy: Sustainable Energy, Smart Solutions and Society Shared Value. Within the pillars, we made 15 commitments guided by the United Nations' Sustainable Development Goals (SDGs). We also define the enablers: ethics, employee development & inclusion and transparency. The commitments are available on the CPFL Energia IR website: www.cpfl.com.br/ir.

5.2) Key ESG Indicators aligned to the Plan

Below we list some indicators in line with the Sustainability Plan, which we will disclose quarterly for follow-up.

3Q22



SUSTAINABLE ENERGY - Seeking the smallest possible environmental footprint

Theme	Indicator	Unit	3Q22	3Q21	Var.
Renewable energy	Total energy generated by renewable sources	GWh	4,577	4,093	11.8%
	↳ HPPs (hydro)	GWh	2,578	1,992	29.4%
	↳ SHPPs and CGHs	GWh	293	154	90.0%
	↳ Solar	GWh	0.0	0.2	-88.7%
	↳ Wind	GWh	1,383	1,550	-10.8%
	↳ Biomass	GWh	323	397	-18.5%
Circular economy	Number of refurbished transformers	unit	3,162	3,016	4.8%
	Volume of aluminum, copper and iron sent to the reverse chain	tons	2,491	2,013	23.7%
Natural resources	Water consumption (administrative buildings)	1,000 m ³	17	36	-52.3%
	Energy consumption (administrative buildings)	MWh	9,174	8,214	11.7%

**SMART SOLUTIONS - Offering solutions for the future of energy**

Theme	Indicator	Unit	3Q22	3Q21	Var.
Smart Grid	% of telemetered load	%	58.0%	56.4%	2.8%
	Number of installed automatic reclosers	unit	15,954	14,304	11.5%
Digitalization	% de digitalization of customer services	%	90.3%	89.1%	1.4%
	Number of digital bills	million	4.3	4.3	-0.3%
	% of bills paid digitally	%	68.9%	64.3%	7.2%
Innovation	Investments in innovation (Aneel R&D) ¹	R\$ million	13.2	12.2	7.8%
Low carbon solutions	Carbon credits and Energy stamps sales Revenue	R\$ million	13.5	6.3	115.1%
	Number of projects qualified for the commercialization of carbon credits and renewable energy seals	unit	40	18	122.2%

Note

¹ Considering only investments that are 100% under CPFL Energia's management**SOCIETY SHARED VALUE - Maximizing our positive impacts on the community and the value chain**

Theme	Indicator	Unit	3Q22	3Q21	Var.
Social transformation	Investment in Energy Efficiency actions (Aneel)	R\$ million	27.6	38.8	-28.9%
	Investment through Instituto CPFL ¹	R\$ million	1.7	3.8	-54.8%
	Number of hospitals benefited by the "CPFL nos Hospitais" Program ²	number of hospitals	328	171	91.8%
	Number of people benefited by Instituto CPFL social programs	1,000 people	157.1	190.9	-17.7%
	Number of low income families benefited by the Energy Efficiency Programs (Aneel)	1,000 families	10.0	6.1	63.9%
Health & Safety	Number of safety inspections carried out in our own headcount and in contracted ones	1,000 inspections	7.1	7.0	1.3%
	Number of audits carried out in the contracted companies	number of audits	212	210	1.0%
	Accident frequency rate (own employees)	Number of injured * 1MM / hours worked with risk exposure	1.2	1.4	-11.1%
	Accident frequency rate (outsourced)	Number of injured * 1MM / hours worked with risk exposure	5.2	2.5	104.8%
	Number of fatal accidents with the population	number of accidents	2	2	-

Notes ¹ Instituto CPFL's investments start in the 2Q**ENABLERS**

Theme	Indicator	Unit	3Q22	3Q21	Var.
Ethics	% of employees trained in Ethics and Integrity	%	90%	86%	4.7%
Employee Development & Inclusion	Number of training hours ¹	1,000 hours	197	200	-1.5%
	% of PoC in the company	%	27.8%	26.3%	5.6%
	% of women in leadership positions	%	21.6%	20.5%	5.1%
Transparency	Number of Independent Member in the Board of Directors	number	2	2	-
	Number of women in the Board of Directors	number	1	0	-

Note:

¹ Consider the professional requalification program

9M22

**SUSTAINABLE ENERGY - Seeking the smallest possible environmental footprint**

Theme	Indicator	Unit	9M22	9M21	Var.
Renewable energy	Total energy generated by renewable sources	GWh	9,861	9,256	6.5%
	↳ HPPs (hydro)	GWh	5,258	4,220	24.6%
	↳ SHPPs and CGHs	GWh	1,166	796	46.5%
	↳ Solar	GWh	0.2	0.9	-81.6%
	↳ Wind	GWh	2,778	3,419	-18.8%
	↳ Biomass	GWh	660	821	-19.6%
Circular economy	Number of refurbished transformers	unit	8,247	8,364	-1.4%
	Volume of aluminum, copper and iron sent to the reverse chain	tons	6,473	5,413	19.6%
Natural resources	Water consumption (administrative buildings)	1,000 m ³	70	90	-22.0%
	Energy consumption (administrative buildings)	MWh	27,148	25,960	4.6%

**SMART SOLUTIONS - Offering solutions for the future of energy**

Theme	Indicator	Unit	9M22	9M21	Var.
Smart Grid	% of telemetered load	%	57.0%	56.0%	1.9%
	Number of installed automatic reclosers	unit	15,954	14,304	11.5%
Digitalization	% de digitalization of customer services	%	90.3%	89.1%	1.4%
	Number of digital bills	million	4.3	4.3	-0.3%
	% of bills paid digitally	%	67.6%	62.5%	8.1%
Innovation	Investments in innovation (Aneel R&D) ¹	R\$ million	36.5	38.6	-5.6%
Low carbon solutions	Carbon credits and Energy stamps sales Revenue	R\$ million	24.1	7.9	206.0%
	Number of projects qualified for the commercialization of carbon credits and renewable energy seals	unit	40	18	122.2%

Note

¹ Considering only investments that are 100% under CPFL Energia's management**SOCIETY SHARED VALUE - Maximizing our positive impacts on the community and the value chain**

Theme	Indicator	Unit	9M22	9M21	Var.
Social transformation	Investment in Energy Efficiency actions (Aneel)	R\$ million	78.7	112.2	-29.8%
	Investment through Instituto CPFL ¹	R\$ million	1.7	3.8	-55.6%
	Number of hospitals benefited by the "CPFL nos Hospitais" Program ²	number of hospitals	328	171	91.8%
	Number of people benefited by Instituto CPFL social programs	1,000 people	509.6	459.3	11.0%
	Number of low income families benefited by the Energy Efficiency Programs (Aneel)	1,000 families	13.8	29.5	-53.2%
Health & Safety	Number of safety inspections carried out in our own headcount and in contracted ones	1,000 inspections	20.7	18.4	12.3%
	Number of audits carried out in the contracted companies	number of audits	640	609	5.1%
	Accident frequency rate (own employees)	Number of injured * 1MM / hours worked with risk exposure	1.2	1.4	-11.1%
	Accident frequency rate (outsourced)	Number of injured * 1MM / hours worked with risk exposure	5.2	2.5	104.8%
	Number of fatal accidents with the population	number of accidents	12	13	-7.7%

Notes ¹ Instituto CPFL's investments start in the 2Q

**ENABLERS**

Theme	Indicator	Unit	9M22	9M21	Var.
Ethics	% of employees trained in Ethics and Integrity	%	90%	86%	4.7%
Employee Development & Inclusion	Number of training hours ¹	1,000 hours	553	696	-20.6%
	% of PoC in the company	%	27.8%	26.3%	5.6%
	% of women in leadership positions	%	21.6%	20.5%	5.1%
Transparency	Number of Independent Member in the Board of Directors	number	2	2	-
	Number of women in the Board of Directors	number	1	0	-

Note:

¹ Consider the professional requalification program

6) PERFORMANCE OF BUSINESS SEGMENTS

6.1) Distribution Segment

6.1.1) Economic-Financial Performance

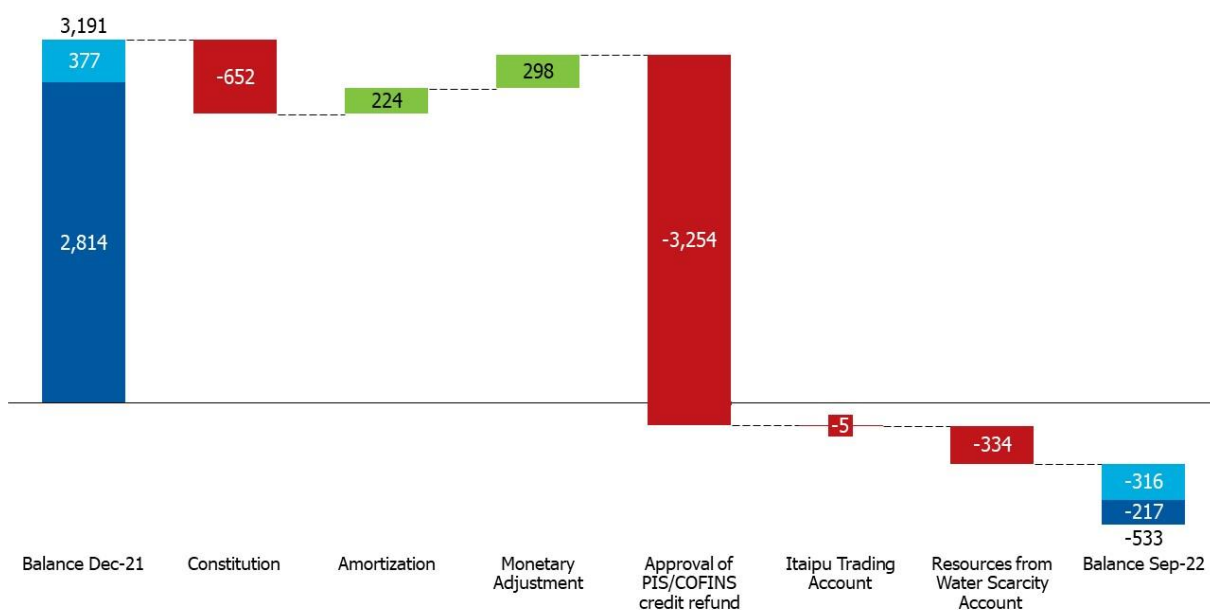
Consolidated Income Statement - Distribution (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Gross Operating Revenue	10,980	13,918	-21.1%	34,906	36,377	-4.0%
Net Operating Revenue	8,008	9,593	-16.5%	23,606	24,208	-2.5%
Cost of Electric Power	(4,306)	(6,432)	-33.1%	(12,549)	(15,749)	-20.3%
Operating Costs & Expenses	(2,479)	(1,858)	33.4%	(6,648)	(5,097)	30.4%
EBIT	1,223	1,303	-6.1%	4,409	3,362	31.2%
EBITDA⁽¹⁾	1,499	1,535	-2.3%	5,185	4,045	28.2%
Financial Income (Expense)	(258)	(142)	81.1%	(913)	(233)	291.7%
Income Before Taxes	966	1,160	-16.8%	3,496	3,129	11.7%
Net Income	621	798	-22.1%	2,256	2,058	9.6%

Note:

- (1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization;
 (2) The complete Income Statement can be consulted in the CPFL historical information base, available in the IR website, to access it, [click here](#).

Sectoral Financial Assets and Liabilities

On September 30th, 2022, the balance of sectoral financial assets and liabilities was negative in R\$ 533 million. If compared to December 31st, 2021, there was a variation of R\$ 3,723 million, as demonstrated in the chart below:



The variation in this balance was due to the constitution of a liability of R\$ 652 million, mainly due to:

- (i) System Service Charge ("ESS") and Reserve Energy Charge ("EER") (R\$ 2,376 million);
 - (ii) Electric energy cost (R\$ 1,069 million);
- Partially offset by the constitution of assets in:
- (iii) Over contracting (R\$ 991 million);
 - (iv) Energy Development Account ("CDE") (R\$ 799 million);
 - (v) Itaipu costs (R\$ 568 million);
 - (vi) Other items (R\$ 435 million).

The positive amortization was positive in R\$ 224 million and the monetary adjustment of assets and liabilities totaled R\$ 298 million.

Moreover, there was also an impact of R\$ 3,254 million, referring to the:

- (i) Approval of the refund of the PIS/COFINS credit; and
- (ii) Deferral of the 2021 tariff processes in CPFL Paulista and RGE.

In addition, Aneel approved the transfer of the balance of the Itaipu account, in the amount of R\$ 5 million to CPFL's distributors, decision taken in order to mitigate the tariff increase.

Finally, there was the transfer of resources from the Water Scarcity Account and Energy Imports and the Cost of the Incentivized Reduction Bonus, in the amount of R\$ 334 million.

Operating Revenue

	Operating Revenue					
	3Q22	3Q21	Var.	9M22	9M21	Var.
Gross Operating Revenue						
Revenue with Energy Sales (Captive + TUSD)	7,987	9,842	-18.9%	29,000	27,990	3.6%
Short-term Electric Energy	182	613	-70.4%	396	1,259	-68.6%
Revenue from Building the Infrastructure of the Concession	1,409	802	75.8%	3,406	2,094	62.6%
Sectoral Financial Assets and Liabilities	832	1,870	-55.5%	(428)	2,813	-
CDE Resources - Low-income and Other Tariff Subsidies	477	406	17.3%	1,472	1,178	25.0%
Adjustments to the Concession's Financial Asset	(67)	271	-	676	752	-10.0%
Other Revenues and Income	178	129	38.5%	473	362	30.9%
Compensatory Fines (DIC/FIC)	(18)	(15)	19.1%	(89)	(72)	24.6%
Total	10,980	13,918	-21.1%	34,906	36,377	-4.0%
Deductions from the Gross Operating Revenue						
ICMS Tax	(621)	(2,012)	-69.1%	(4,635)	(5,734)	-19.2%
PIS and COFINS Taxes	(801)	(1,060)	-24.4%	(2,319)	(2,947)	-21.3%
CDE Sector Charge	(1,390)	(881)	57.9%	(4,232)	(2,806)	50.8%
R&D and Energy Efficiency Program	(67)	(85)	-21.6%	(196)	(214)	-8.5%
PROINFA	(80)	(53)	51.7%	(211)	(148)	42.4%
Tariff Flags	-	(225)	-100.0%	328	(292)	-
Others	(12)	(10)	19.8%	(34)	(27)	25.5%
Total	(2,972)	(4,325)	-31.3%	(11,300)	(12,169)	-7.1%
Net Operating Revenue	8,008	9,593	-16.5%	23,606	24,208	-2.5%

In 3Q22, gross operating revenue amounted to R\$ 10,980 million, an increase of 21.1% (R\$ 2,938 million), due to the following factors:

- (i) Decrease of 18.9% (R\$ 1,855 million) in **Revenue with Energy Sales** (captive + free clients), due to:
 - a. a reduction of 2.0% in the load in the concession area;

- b. the reduction in the ICMS tax rate on electricity;
partially offset by:
- c. the positive average tariff adjustment in the distribution companies in the period between 3Q21 and 3Q22 (average increases 12.40% at CPFL Piratininga, in October 2021, 10.98% at RGE, in June 2022, 6.51% at CPFL Santa Cruz and 12.53% at CPFL Paulista, adjusted in the extraordinary tariff review of July 2022);
- (ii) Variation of 55.5% (R\$ 1,038 million) in the accounting of **Sectoral Financial Assets/Liabilities**;
- (iii) Decrease of 70.4% (R\$ 431 million) in **Short-term Electric Energy**, due to a lower spot price (PLD);
- (iv) Variation of R\$ 338 million in the **adjustments to the Concession's Financial Asset**, due to the variation the IPCA index, from +2.38% in 3Q21 to -0.37% in 3Q22, partially offset by the increase in the asset base;
Partially offset by:
- (v) Increase of 75.8% (R\$ 607 million) in **Revenue from Building the Infrastructure of the Concession**, which has its counterpart in operating costs;
- (vi) Increase of 17.3% (R\$ 70 million) in **CDE Resources - Low-income and Other Tariff Subsidies**;
- (vii) Increase of 41.0% (R\$ 47 million) in the **other revenues and income**.

Deductions from the gross operating revenue were R\$ 2.972 million in 3Q22, representing a decrease of 31.3% (R\$ 1,354 million), due to the following factors:

- (i) Reduction of 53,7% (R\$ 1,649 million) in **taxes** (ICMS and PIS/COFINS);
- (ii) Variation of R\$ 225 million in the accounting of **tariff flags**², due to the reclassification of the tariff flag to Sectorial Financial Assets and Liabilities;

Partially offset by:

- (iii) Increase of 57.9% (R\$ 510 million) in **CDE** due to the increase in the "CDE Use" quote, mainly in CPFL Paulista and RGE;
- (iv) Increase of 7.3% (R\$ 11 million) in the **other items**.

Net operating revenue reached R\$ 8,008 million in 3Q22, representing a decrease of 16.5% (R\$ 1,584 million).

In 9M22, gross operating revenue amounted to R\$ 34,906 million, a decrease of 4.0% (R\$ 1,471 million), due to the following factors:

- (i) Variation of R\$ 3,241 million in the accounting of **Sectoral Financial Assets/Liabilities**, from an asset of R\$ 2,813 million in 9M21 to a liability of R\$ 428 million in 9M22. This variation was also affected by the inclusion of the balance of tariff flags from December 2021, accounted before as a deduction from operating revenues, and considered as a regulatory asset only upon tariff adjustment, according to ANEEL

² Since Jan/22, the Tariff Flags are no longer accounted for in Deductions from Gross Operating Revenue and started to compose the balance of Sectorial Financial Assets and Liabilities.

Dispatch No. 2,904/21 (which approved the 2022 version of the MCSE), in the amount of R\$ 494 million;

- (ii) Decrease of 68.6% (R\$ 863 million) in **Short-term Electric Energy**, due to a lower spot price (PLD);
- (iii) Decrease of 10.0% (R\$ 76 million) in the **adjustments to the Concession's Financial Asset**, due to the reduction of the IPCA, from +2.38% in 2021 to -0.37% in 2022;

Partially offset by:

- (iv) Increase of 62.2% (R\$ 1,311 million) in **Revenue from Building the Infrastructure of the Concession**, which has its counterpart in operating costs;
- (v) Increase of 3.6% (R\$ 1,010 million) in **Revenue with Energy Sales** (captive + free clients), due to: (a) the positive average tariff adjustment in the distribution companies, in consumers' perception, in the period between 9M21 and 9M22; partially offset by (b) the reduction of 0.8% in the load in the concession area and (c) the reduction of ICMS rate as explained in the quarter;
- (vi) Increase of 25.0% (R\$ 294 million) in **CDE Resources - Low-income and Other Tariff Subsidies**;
- (vii) Increase of 32.5% (R\$ 94 million) in the **other revenues and income**.

Deductions from the gross operating revenue were R\$ 11,300 million in 9M22, representing a decrease of 7.1% (R\$ 869 million), due to the following factors:

- (i) Decrease of 19.9% (R\$ 1,727 million) in **taxes** (ICMS and PIS/COFINS);
- (ii) Variation of R\$ 620 million in the accounting of **tariff flags**³, due to the reclassification of the tariff flag to Sectorial Financial Assets and Liabilities;

Partially offset by:

- (iii) Increase of 50.8% (R\$ 1,426 million) in **CDE** due to the increase of R\$ 1,226 million in the "CDE Use" quote and an increase of R\$ 200 million the inclusion of the "CDE Covid Account";
- (iv) Increase of 13.3% (R\$ 52 million) in the **other items**.

Net operating revenue reached R\$ 23,606 million in 9M22, representing a decrease of 2.5% (R\$ 602 million).

³ Since Jan/22, the Tariff Flags are no longer accounted for in Deductions from Gross Operating Revenue and started to compose the balance of Sectorial Financial Assets and Liabilities.

Cost of Electric Energy

Cost of Electric Energy (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Cost of Electric Power Purchased for Resale						
Energy from Itaipu Binacional	792	965	-17.9%	2,230	2,759	-19.1%
PROINFA	142	87	63.9%	459	272	69.0%
Auction, Bilateral Contracts and Spot Market	2,570	4,964	-48.2%	7,364	10,768	-31.6%
PIS and COFINS Tax Credit	(315)	(538)	-41.4%	(894)	(1,228)	-27.3%
Total	3,189	5,478	-41.8%	9,160	12,570	-27.1%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	895	629	42.4%	2,301	2,110	9.1%
Itaipu Transmission Charges	79	54	46.0%	208	224	-7.1%
Connection Charges	67	66	1.3%	202	162	24.6%
Charges for the Use of the Distribution System	12	11	10.1%	34	31	10.2%
ESS / EER	178	293	-39.3%	990	977	1.3%
PIS and COFINS Tax Credit	(114)	(97)	17.0%	(345)	(324)	6.6%
Total	1,117	955	17.0%	3,389	3,180	6.6%
Cost of Electric Energy	4,306	6,433	-33.1%	12,549	15,749	-20.3%

Cost of Electric Power Purchased for Resale

In 3Q22, the cost of electric power purchased for resale reached R\$ 3,189 million, a reduction of 41.8% (R\$ 2,288 million), mainly due to:

- (v) Decrease of 48.2% in energy purchased in **auctions, bilateral contracts and spot market** (R\$ 2,394 million), due to the lower average price (-50.0%);
- (vi) Decrease of 17.9% in **energy from Itaipu** (R\$ 172 million), mainly due to the exchange variation (15.3%);

Partially offset by the:

- (vii) Reduction of 41.4% in **PIS and COFINS tax credit** (R\$ 222 million);
- (viii) Increase of 63.9% in **PROINFA** (R\$ 56 million).

In 9M22, the cost of electric power purchased for resale reached R\$ 9,160 million, a reduction of 27.1% (R\$ 3,410 million), mainly due to:

- (v) Decrease of 31.6% in energy purchased in **auctions, bilateral contracts and spot market** (R\$ 3,404 million), due to the lower average price (-32.4%);
- (vi) Decrease of 19.1% in **energy from Itaipu** (R\$ 528 million), mainly due to the exchange variation (16.6%);

Partially offset by the:

- (vii) Reduction of 27.3% in **PIS and COFINS tax credit** (R\$ 335 million);
- (viii) Increase of 69.0% in **PROINFA** (R\$ 187 million).

Volume of purchased energy (GWh)	3Q22	3Q21	Var.	9M22	9M21	Var.
Energy from Itaipu Binacional	5,081	5,239	-3.0%	7,607	7,844	-3.0%
PROINFA	476	497	-4.2%	706	755	-6.4%
Auction, Bilateral Contracts and Spot Market	23,214	22,433	3.5%	34,319	33,932	1.1%
Total	28,772	28,169	2.1%	42,633	42,530	0.2%

Average price (R\$/MWh)	3Q22	3Q21	Var.	9M22	9M21	Var.
Energy from Itaipu Binacional	155.90	184.11	-15.3%	293.21	351.67	-16.6%
PROINFA	299.07	174.75	71.1%	649.71	359.81	80.6%
Auction, Bilateral Contracts and Spot Market	110.72	221.29	-50.0%	214.57	317.34	-32.4%
Total	110.85	194.46	-43.0%	214.85	295.54	-27.3%

Charges for the Use of the Transmission and Distribution System

In 3Q22, **charges for the use of the transmission and distribution system** reached R\$ 1,117 million, representing an increase of 17.0% (R\$ 162 million), due to:

- (i) Increase of 38.7% (R\$ 294 million) in connection and transmission charges (basic network, Itaipu transport, connection, and use of the distribution system), mainly due to the adjustments in the Tariff for the Use of the Transmission System (TUST), in July 2022, in accordance with ANEEL Resolution No. 3,066/2022;

Partially offset by:

- (ii) Reduction of 39.3% (R\$ 115 million) in **sector charges (ESS/EER)**, mainly due to the ESS – System Service Usage Charges. The variation in this charge was due to the lower need to dispatch thermal power plants outside the merit order in 3Q22, compared to 3Q21, due to improvements in hydrological conditions. This effect was partially offset by the increase of the EER – Reserve Energy Charges, resulting from a lower PLD;
- (iii) Increase of 17.0% (R\$ 17 million) in **PIS and COFINS** tax credit.

In 9M22, charges for the use of the transmission and distribution system reached R\$ 3,389 million, representing an increase of 6.6% (R\$ 210 million), due to:

- (i) Increase of 8.6% (R\$ 218 million) in **connection and transmission charges** (basic network, Itaipu transport, connection, and use of the distribution system) mainly due to increases with TUST adjustments;
- (ii) Increase of 1.3% (R\$ 13 million) in sector charges (ESS/EER);

Partially offset by:

- (iii) Increase of 6.6% (R\$ 21 million) in **PIS and COFINS** tax credit.

PMSO

PMSO (R\$ million)						
	3Q22	3Q21	%	9M22	9M21	%
Personnel	277	247	12.1%	812	729	11.3%
Material	76	57	34.6%	215	154	39.6%
Outsourced Services	260	225	15.2%	720	659	9.3%
Other Operating Costs/Expenses	198	238	-17.0%	621	610	1.8%
<i>Allowance for doubtful accounts</i>	61	107	-43.3%	239	261	-8.4%
<i>Legal and judicial expenses</i>	58	56	4.3%	151	114	32.6%
<i>Assets write-off</i>	42	35	19.9%	103	107	-3.8%
<i>Others</i>	37	41	-8.1%	127	127	0.2%
Total PMSO	811	768	5.6%	2,368	2,152	10.0%

In 3Q22 **PMSO** reached R\$ 811 million, an increase of 5.6% (R\$ 43 million), due to the following factors:

- (i) Increase of 12.6% (R\$ 65 million) in PMSO expenses linked to inflation:
 - a. In the Personnel, the 12.1% variation (R\$ 30 million) is explained not only by the salary adjustments in accordance with the collective labor agreement based on inflation, but also due to the increase in headcount (+5.8%);
 - b. In MSO, it is worth mentioning expenses related to fleet and transport, which presented an increase of 32.2% (R\$ 8 million); the increase in the diesel price in the concession area was of +53.2%; gas and ethanol kept the same level of 3Q21;
 Excluding the effects of the increase in headcount and fleet and transport expenses, the PMSO linked to inflation would have increased by 8.5% (R\$ 42 million);
- (ii) Increase of 36.9% (R\$ 13 million) in expenses with the grid and substations maintenance, related to Capex efforts;
- (iii) Increase of 19.9% (R\$ 7 million) in assets write-off;
- (iv) Increase of 12.3% (R\$ 3 million) in collection actions;
- (v) Increase of 4.3% (R\$ 2 million) in legal and judicial expenses, due to the higher volume of civil lawsuits in RGE and CPFL Paulista;

Partially offset by:

- (vi) Reduction of 43.3% (R\$ 47 million) in the allowance for doubtful accounts (ADA). Despite this positive result, the index ADA/Revenue from Sales to Final Consumers is above the historical level of 0.7% to 0.8%, with the delinquency still pressured by a deteriorated macroeconomic scenario.

In 9M22, **PMSO** reached R\$ 2,368 million, an increase of 10.0% (R\$ 216 million), due to the following factors:

- (i) Increase of 11.0% (R\$ 167 million) in PMSO expenses linked to inflation, reflection of the factors mentioned in the explanation above, in the variation of the quarter. Excluding the effects of the increase in headcount and fleet and transport expenses, the PMSO linked to inflation would have increased by 7.1% (R\$ 102 million);

- (ii) Increase of 32.6% (R\$ 37 million) in legal and judicial expenses, due to the higher volume of civil and labor lawsuits;
 - (iii) Increase of 33.9% (R\$ 33 million) in expenses with grid and substations maintenance, related to Capex efforts;
 - (iv) Increase of 8.7% (R\$ 5 million) in collection actions;
- Partially offset by:
- (i) Reduction of 8.4% (R\$ 22 million) in the allowance for doubtful accounts (ADA);
 - (ii) Reduction of 3.8% (R\$ 4 million) in assets write-off.

Other operating costs and expenses

Other operating costs and expenses						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Costs of Building the Infrastructure	1,409	802	75.8%	3,406	2,094	62.6%
Private Pension Fund	(18)	56	-	98	167	-41.2%
Depreciation and Amortization	262	218	20.1%	734	641	14.5%
Total	1,654	1,076	53.7%	4,238	2,903	46.0%

The Piratininga PSAP Plan was discontinued, and the settlement was approved by the regulator. As a result, the plan ceased to receive new monthly contributions and its assumptions were revised in order to contemplate its termination. As a result, an actuarial revenue of R\$ 75 million was recorded (extraordinary effect) in the Private Pension Fund line.

EBITDA

EBITDA totaled R\$ 1,499 million in 3Q22, a decrease of 2.3% (R\$ 36 million), explained by the lower adjustments to the concession's financial assets.

In 9M22, **EBITDA** totaled R\$ 5.185 million, an increase of 28.2% (R\$ 1,140 million), mainly explained by the tariff adjustments between 9M21 and 9M22.

Conciliation of Net Income and EBITDA (R\$ million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Net income	621	798	-22.1%	2,256	2,058	9.6%
Depreciation and Amortization	276	232	18.8%	776	684	13.6%
Financial Results	258	142	81.1%	913	233	291.7%
Income Tax /Social Contributio	344	363	-5.1%	1,240	1,070	15.8%
EBITDA	1,499	1,535	-2.3%	5,185	4,045	28.2%

EBITDA by Distributor

EBITDA by Distributor						
Distribution	3Q22	3Q21	Var.	9M22	9M21	Var.
CPFL Paulista	624	662	-5.8%	2,108	1,715	22.9%
CPFL Piratininga	292	197	48.1%	942	645	46.1%
RGE	511	603	-15.2%	1,922	1,518	26.6%
CPFL Santa Cruz	73	74	-0.5%	213	166	28.2%
EBITDA	1,499	1,535	-2.3%	5,185	4,045	28.2%

Note: The Income Statement by company can be consulted in the CPFL historical information base, available in the IR website. To access it, [click here](#).

CPFL Paulista:

EBITDA totaled R\$ 624 million in 3Q22, a decrease of 5.8% (R\$ 38 million), explained by the adjustments to the concession's financial assets, which contributed negatively with R\$ 141 million, due to the reduction of the IPCA, which varied from +2.38% in 3Q21 to -0.37% in 3Q22. On the other hand, there was a decrease in ADA of R\$ 23 million.

In 9M22, EBITDA totaled R\$2,108 million, an increase of 22.9% (R\$ 393 million). The positive result is mainly explained by the tariff readjustment.

CPFL Piratininga:

EBITDA totaled R\$ 292 million in 3Q22, an increase of 48.1% (R\$ 95 million), due to the closing of Piratininga PSAP pension plan, with the payment of the balance, which led to a revision in the impact on the result for 2022 (+R\$ 75.5 million). Excluding this effect, EBITDA would have increased by 9.8% (R\$ 19 million), benefited by market and tariff performance, partially offset by the lower adjustments to the concession's financial assets (R\$ 50 million).

In 9M22, EBITDA totaled R\$ 942 million, an increase of 46.1% (R\$ 297 million). The positive result is explained by the tariff readjustment, in addition to the payment of the balance of Piratininga PSAP pension plan, as explained above.

RGE:

EBITDA totaled R\$ 511 million in 3Q22, a decrease of 15.2% (R\$ 92 million), explained by the lower adjustments to the concession's financial assets (R\$ 144 million), due to the variation of the IPCA, from +2.38% in 3Q21 to -0.37% in 3Q22. In addition, the residential and commercial markets have been deeply affected by the expansion of distributed generation, partially reversing the positive effect generated by the tariff adjustment.

In 9M22, EBITDA totaled R\$ 1,922 million, an increase of 26.6% (R\$ 404 million). The positive result is explained by the tariff readjustment. In contrast, we have the impact of the adjustments to the concession's financial assets with R\$ 26 million.

CPFL Santa Cruz:

EBITDA totaled R\$ 73 million in 3Q22, a decrease of 0.5% (R\$ 1 million), explained by the adjustments to the concession's financial assets (R\$ 3 million).

In 9M22, EBITDA totaled R\$ 313 million, an increase of 28.2% (R\$ 47 million), as in 1Q21 the reversal of the gain recorded in 2019 related to the legal process to exclude ICMS from the

tax base of PIS and COFINS was recorded, in the amount of R\$ 34 million, reducing the basis of comparison. Excluding this effect, EBITDA would have increased by 6.3% (R\$ 12 million), driven by market and tariff.

Financial Result

Financial Result (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Revenues	489	196	149.7%	1,372	605	126.7%
Expenses	(747)	(338)	120.8%	(2,285)	(838)	172.5%
Financial Result	(258)	(142)	81.1%	(913)	(233)	291.7%

Managerial Analysis

Financial Result (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Expenses with the net debt	(424)	(272)	55.7%	(1,511)	(641)	135.6%
Late payment interest and fines	108	123	-12.4%	370	429	-13.8%
Mark-to-market	1	(31)	-	13	(14)	-
Adjustment to the sectoral financial asset/liability	74	35	108.7%	298	48	525.0%
Other financial revenues/expenses	(16)	2	-	(83)	(55)	49.5%
Financial Result	(258)	(142)	81.1%	(913)	(233)	291.7%

In 3Q22, the financial result recorded a **net financial expense** of R\$ 258 million, an increase of 81.1% (R\$ 115 million) compared to 3Q21. The items that explain this variation are:

- (i) Increase of 55.7% (R\$ 152 million) in the **expenses with net debt**, resulting mainly from the increase in CDI and higher debt balance;
- (ii) Decrease of 12.4% (R\$ 15 million) in **late payment interest and fines**, due to the replacement of the IGP-M by the IPCA, as determined by Aneel, and the lower IPCA index in 2022, compared to 2021;

Partially offset by:

- (iii) Positive variation of R\$ 38 million in **adjustment to the sectoral financial asset/liability**;
- (iv) Positive variation of R\$ 32 million in **mark-to-market** (non-cash effect);
- (v) Positive variation of R\$ 6 million in **other financial revenues and expenses**.

In 9M22, the financial result recorded a **net financial expense** of R\$ 913 million, an increase of 291.7% (R\$ 680 million) compared to 9M21. The items that explain this variation are:

- (i) Increase of 135.6% (R\$ 869 million) in the **expenses with net debt**, resulting mainly from the increase in CDI and higher debt balance;
- (ii) Decrease of 13.8% (R\$ 59 million) in **late payment interest and fines**, due to the replacement of the IGP-M by the IPCA;
- (iii) Negative variation of R\$ 27 million in **other financial revenues and expenses**;

Partially offset by:

- (iv) Positive variation of R\$ 250 million in **adjustment to the sectoral financial asset/liability**;

- (v) Positive variation of R\$ 26 million in the **mark-to-market** (non-cash effect).

Net Income

Net Income totaled R\$ 621 million in 3Q22, a decrease of 22.1% (R\$ 176 million). This result reflects the negative variation in the adjustments to the concession's financial assets and the worsen financial result, due to higher expenses with net debt.

In 9M22, the **Net Income** totaled R\$ 2,256 million, an increase of 9.6% (R\$ 198 million). This result was due to the increase of the EBITDA, favored by tariff adjustments, partially offset by the worse financial result, due to higher expenses with net debt.

6.1.2) Tariff Events

Reference dates

Tariff Revision					
Distributor	Periodicity	Next Revision	Cycle	Tariff Process Dates	Expiration of Concessions
CPFL Piratininga	Every 4 years	October 2023	6 th PTRC	October 23 rd	October 23, 2028
CPFL Santa Cruz	Every 5 years	March 2026	6 th PTRC	March 22 nd	July 07, 2045
CPFL Paulista	Every 5 years	April 2023	5 th PTRC	April 8 th	November 20, 2027
RGE	Every 5 years	June 2023	5 th PTRC	June 19 th	November 06, 2027

Annual tariff adjustments and Extraordinary Tariff Reviews in 2021 and 2022

Annual Tariff Adjustments (ATAs)				
Annual Tariff Adjustments (ATAs)	CPFL Santa Cruz	CPFL Paulista	RGE	CPFL Piratininga
Ratifying Resolution	3,017	3,018	3,045	3,128
Adjustment	7.82%	12.77%	8.72%	21.07%
Parcel A	5.44%	7.27%	4.07%	14.47%
Parcel B	2.69%	4.27%	3.53%	2.03%
Financial Components	-0.31%	1.23%	1.12%	4.57%
Effect on consumer billings	8.83%	14.97%	10.98%	14.72%
Date of entry into force	03/22/2022	04/08/2022	06/22/2022	10/23/2022

Extraordinary Tariff Reviews (ETRs)		
Extraordinary Tariff Reviews (ETRs)	CPFL Santa Cruz	CPFL Paulista
Ratifying Resolution	3,059	3,058
Financial Components	-2.32%	-2.44%
Effect on consumer billings	6.51%	12.53%
Date of entry into force	07/12/2022	07/12/2022

Note (1): the effect on consumer billing is also impacted by the financial components removed in the last tariff revision or adjustment.

6.2) Commercialization and Services Segments

Economic-Financial Performance

Consolidated Income Statement - Commercialization Segment (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Gross Operating Revenue	758	738	2.6%	2,013	2,071	-2.8%
Net Operating Revenue	637	652	-2.3%	1,720	1,866	-7.8%
Cost of Electric Power	(651)	(709)	-8.2%	(1,764)	(1,847)	-4.5%
Operating Costs & Expenses	(15)	(20)	-24.3%	(44)	(46)	-4.3%
EBIT	(28)	(77)	-63.2%	(88)	(27)	227.4%
1	(27)	(75)	-64.2%	(85)	(24)	253.9%
Financial Income (Expense)	(35)	0	-	(138)	63	-
Before Taxes	(63)	(77)	-18.0%	(226)	37	-
Net Income	(64)	(54)	18.3%	(210)	20	-

Note: 1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

Extraordinary item: in 2Q21, R\$ 45 million were recognized in deductions from Gross Revenue and R\$ 40 million as monetary adjustment in the financial result, related to the lawsuit filed by CPFL Brasil to exclude ICMS from the PIS/COFINS calculation base, in line with the understanding of the external audit.

Consolidated Income Statement - Services Segment (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Gross Operating Revenue	309	235	31.6%	850	676	25.7%
Net Operating Revenue	285	217	31.2%	783	621	26.1%
Operating Costs & Expenses	(244)	(175)	39.5%	(649)	(500)	29.7%
EBIT	41	42	-3.2%	135	121	11.1%
1	50	51	-1.4%	162	145	11.5%
Financial Income (Expense)	1	2	-14.3%	3	2	15.9%
Before Taxes	42	44	-3.6%	137	123	11.2%
Net Income	32	32	-2.3%	103	92	11.9%

Note: 1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

6.3) Generation Segment



Since 4Q21, the result of the Generation segment no longer considers the group's transmission companies, which were all consolidated in the Transmission segment (Chapter 6.4)

Consolidated Income Statement - Generation Segment (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Gross Operating Revenue	1,313	1,308	0.4%	3,152	3,058	3.1%
Net Operating Revenue	1,221	1,217	0.4%	2,921	2,839	2.9%
Cost of Electric Power	(139)	(86)	61.1%	(393)	(309)	27.1%
Operating Costs & Expenses	(331)	(299)	10.8%	(955)	(883)	8.2%
EBIT	752	832	-9.7%	1,573	1,648	-4.5%
Equity income	143	206	-30.7%	384	388	-1.1%
EBITDA¹	1,080	1,215	-11.2%	2,509	2,566	-2.2%
Financial Income (Expense)	(169)	(59)	186.3%	(454)	(168)	170.3%
Income Before Taxes	725	979	-25.9%	1,503	1,867	-19.5%
Net Income	618	835	-26.0%	1,277	1,561	-18.2%

Notes:

(1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

(2) The complete Income Statement can be consulted in the CPFL historical information base, available in the IR website, to access it, [click here](#).

Operating Revenue

In 3Q22, the **Gross Operating Revenue** reached R\$ 1,313 million, an increase of 0.4% (R\$ 5 million). The **Net Operating Revenue** was of R\$ 1,221 million, registering an increase of 0.4% (R\$ 4 million).

The main factors that affected the net operating revenue were:

(i) Increase of R\$ 12 million in **Other Revenues**;

Partially offset by:

(ii) Decrease of 0.3% (R\$ 4 million) in the **Electric Energy Supply**;

(iii) Decrease of R\$ 3 million in **Energy Sales to Final Consumers**;

(iv) Increase of 1.1% (R\$ 1 million) in **Deductions from Operating Revenue**, mainly due to taxes (PIS/COFINS).

In 9M22, the **Gross Operating Revenue** reached R\$ 3,152 million, an increase of 3.1% (R\$ 94 million). The **Net Operating Revenue** was of R\$ 2,921 million, registering an increase of 2.9% (R\$ 82 million).

The main factors that affected the net operating revenue were:

(i) Increase of 2.9% (R\$ 86 million) in the **Electric Energy Supply**;

(ii) Increase of R\$ 17 million in **Other Revenues**;

Partially offset by:

(iii) Increase of 5.5% (R\$ 12 million) in **Deductions from Operating Revenue**, mainly due to taxes (PIS/COFINS);

(iv) Decrease of R\$ 9 million in **Energy Sales to Final Consumers**.

Cost of Electric Power

Cost of Electric Energy - R\$ Million						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Energy Purchased in the Spot Market	18	129	-86.3%	48	209	-76.9%
Bilateral Contracts, ACR and ACL	82	103	-20.2%	234	180	30.0%
ACR / ACL GSF Solution	-	(175)	-100.0%	-	(175)	-100.0%
PIS and COFINS Tax Credit	(6)	(8)	-30.1%	(18)	(15)	19.6%
Cost of Electric Power Purchased for Resale	94	49	91.2%	265	200	32.4%
Basic Network Charges	32	30	7.4%	94	84	11.4%
Connection Charges	4	3	21.2%	10	9	11.8%
Charges for the Use of the Distribution System	10	8	20.2%	29	23	23.6%
ESS/EER	0	(3)	-100.3%	0	(3)	-104.9%
PIS and COFINS Tax Credit	(2)	(1)	14.6%	(5)	(4)	13.1%
Distribution System Usage Charges	45	37	21.0%	128	109	17.5%
Cost of Electric Energy	139	86	61.1%	393	309	27.1%

In 3Q22, the Cost of Electric Energy was of R\$ 139 million, representing an increase of 61.1% (R\$ 53 million), compared to 3Q21, due to:

- (i) Reduction of R\$ 175 million due to the accounting of the **solution for the GSF of the regulated and free market** of Ceran (R\$ 49 million) and of SHPPs of CPFL Renováveis (R\$ 126 million);
- (ii) Increase of 20.7% (R\$ 8 million) in **Distribution System Usage Charges**;
- (iii) Decrease of 23.5% (R\$ 2 million) in **PIS and COFINS Tax Credit**;

These effects were partially offset by:

- (iv) Decrease of 86.3% (R\$ 111 million) in the cost with **energy in the spot market**, due to the decrease in the average purchase price (-88.3%);
- (v) Decrease of 20.2% (R\$ 21 million) in the cost with energy purchased in **bilateral contracts, regulated (ACR) and free market (ACL)**, due to the decrease in the volume (-25.4%).

In 9M22, the Cost of Electric Energy was of R\$ 393 million, representing an increase of 27.1% (R\$ 84 million), compared to 9M21, due to:

- (i) Reduction of R\$ 175 million due to the accounting in 3Q21 of the **solution for the GSF of the regulated and free market** of Ceran (R\$ 49 million) and of SHPPs of CPFL Renováveis (R\$ 126 million);
- (ii) Increase of 30.0% (R\$ 54 million) in the cost with energy purchased in **bilateral contracts, regulated (ACR) and free market (ACL)**, due to the increase in the volume (+14.8%) and average purchase price (+13.3%);
- (iii) Increase of 17.3% (R\$ 20 million) in **Distribution System Usage Charges**;

These effects were partially offset by:

- (iv) Decrease of 76.9% (R\$ 161 million) in the cost with **energy in the spot market**, due to the decrease in the average purchase price (-80.5%);
- (v) Increase of 18.2% (R\$ 3 million) in **PIS and COFINS Tax Credit**.

Volume of purchased energy (GWh)	3Q22	3Q21	Var.	9M22	9M21	Var.
Energy Purchased in the Spot Market	427	365	17.1%	1,366	1,154	18.4%
Bilateral Contracts, ACR and ACL	1,181	1,583	-25.4%	3,261	2,840	14.8%
Total	1,608	1,948	-17.4%	4,627	3,994	15.8%

Average price (R\$/MWh)	3Q22	3Q21	Var.	9M22	9M21	Var.
Energy Purchased in the Spot Market	41.51	354.02	-88.3%	35.36	181.31	-80.5%
Bilateral Contracts, ACR and ACL	69.49	64.99	6.9%	71.85	63.44	13.3%
Total	62.06	119.10	-47.9%	61.08	97.50	-37.4%

PMSO

PMSO Consolidado						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Personnel	44	39	14.7%	123	103	19.3%
Material	8	9	-18.0%	27	20	34.8%
Outsourced Services	60	55	8.8%	164	161	2.4%
Other Operating Costs/Expenses	33	17	88.9%	85	65	31.4%
<i>Asset Write-off</i>	0	1	-63.0%	(0)	2	-
<i>GSF Risk Premium</i>	6	6	10.1%	19	17	10.3%
<i>Legal and judicial expenses</i>	1	1	28.2%	2	3	-24.8%
<i>Others</i>	25	10	144.6%	65	43	50.5%
Total PMSO	145	121	20.1%	400	349	14.7%

In 3Q22, PMSO reached R\$ 145 million, an increase of 20.1% (R\$ 24 million) compared to 3Q21. The increase is mainly due to:

- (i) Increase of 88.9% (R\$ 15 million) in **Other Operating Costs/Expenses**, mainly leases and rentals (R\$ 4 million) and insurance (R\$ 1 million), among others;
- (ii) Increase of 14.7% (R\$ 6 million) in **Personnel**, driven by salary adjustments in accordance with the collective labor agreement based on inflation and also due to the increase in headcount (+7.9%);
- (iii) Increase of 5.0% (R\$ 3 million) in **Material and Outsourced Services** highlighting building maintenance (R\$ 1 million) and property surveillance and security (R\$ 1 million).

In 9M22, PMSO reached R\$ 400 million, an increase of 14.7% (R\$ 51 million), mainly due to:

- (i) The increase of 19.3% (R\$ 20 million) in **Personnel**, due to the collective agreement and the higher number of employees;
- (ii) Increase of 12.7% (R\$ 31 million) in **Material, Outsourced Services and Others** mainly leases and rentals (R\$ 10 million), intensification of asset maintenance activities (R\$ 9 million) and insurance (R\$ 3 million), among others.

Other operating costs and expenses

Other operating costs and expenses						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Private Pension Fund	1	1	-15.1%	3	3	-2.6%
Depreciation and amortization	143	135	6.0%	426	405	5.3%
Amortization of Concession Intangible	42	42	0.2%	126	126	-0.2%
Total	186	178	4.5%	555	534	4.0%

Equity Income

Equity Income (R\$ Million)						
	3Q22	3Q21	Var. %	9M22	9M21	Var. %
Projects						
Barra Grande HPP	(0)	2	-	(2)	(3)	-47.5%
Campos Novos HPP	62	66	-4.9%	170	152	12.3%
Foz do Chapecó HPP	63	116	-46.2%	154	188	-18.1%
Epasa TPP	18	22	-17.0%	61	51	18.9%
Total	143	206	-30.7%	384	388	-1.1%

Notes:

- (1) Disclosure of interest in subsidiaries is made in accordance with IFRS 12 and CPC 45;
- (2) The complete Income Statement of the projects can be consulted in the CPFL historical information base, available in the IR website, to access it, [click here](#).

Below are the main variations of each project:

Barra Grande:

Equity Income (R\$ Million)						
BARRA GRANDE	3Q22	3Q21	Var. %	9M22	9M21	Var. %
Net Revenue	23	37	-36.9%	65	73	-11.7%
Operating Costs / Expenses	(16)	(23)	-28.3%	(40)	(47)	-15.4%
Deprec. / Amortization	(4)	(3)	13.0%	(11)	(9)	12.9%
Net Financial Result	(4)	(7)	-46.8%	(17)	(23)	-26.6%
Income Tax	0	(1)	-	1	3	-65.5%
Net Income	(0)	2	-	(2)	(3)	-47.5%

In 3Q22, the net revenue decreased 36.9% (R\$ 13 million), mainly due to tariff reduction, while the operating costs and expenses decreased 28.3% (R\$ 6 million) mainly due to energy volume and price variation. The net financial expense decreased 46.8% (R\$ 3 million), due to income from financial investments, due to the higher cash balance and the increase in CDI, and lower expenses with UBP, which are adjusted by IGP-M.

In 9M22, the net revenue decreased 11.7% (R\$ 9 million), while the operating costs and expenses decreased 15.4% (R\$ 7 million) in the period. The net financial expense presented a decrease of 26.6% (R\$ 6 million), due to income from financial investments, due to the higher cash balance and the increase in CDI and lower expenses with UBP.

Campos Novos:

CAMPOS NOVOS	Equity Income (R\$ Million)					
	3Q22	3Q21	Var. %	9M22	9M21	Var.%
Net Revenue	135	118	15.1%	371	310	19.9%
Operating Costs / Expenses	(34)	(7)	373.8%	(90)	(54)	65.1%
Deprec. / Amortization	(7)	(9)	-22.0%	(20)	(21)	-2.4%
Net Financial Result	1	(2)	-	(2)	(5)	-58.6%
Income Tax	(32)	(34)	-5.8%	(88)	(78)	12.9%
Net Income	62	66	-4.9%	170	152	12.3%

In 3Q22, the net revenue increased 15.1% (R\$ 18 million), mainly due to the contracts readjustments, by IGP-M and dollar, which occur mainly in April and October. The operating costs and expenses increased R\$ 27 million in the period, due to the accounting of the GSF solution (R\$ 28 million) in 3Q21. The net financial expense decreased R\$ 2 million.

In 9M22, the net revenue increased 19.9% (R\$ 62 million), mainly due to the contracts readjustments, while operating costs and expenses increased 65.1% (R\$ 35 million) due to the accounting of the GSF solution in 3Q21. The net financial expense decreased 58.6% (R\$ 3 million), due to the higher cash balance and the increase in CDI.

Foz do Chapecó:

FOZ DO CHAPECÓ	Equity Income (R\$ Million)					
	3Q22	3Q21	Var. %	9M22	9M21	Var.%
Net Revenue	157	144	9.3%	446	399	12.0%
Operating Costs / Expenses	(31)	67	-	(95)	13	-
Deprec. / Amortization	(13)	(15)	-12.2%	(41)	(42)	-2.2%
Net Financial Result	(15)	(20)	-25.5%	(72)	(86)	-16.0%
Income Tax	(31)	(59)	-46.9%	(78)	(96)	-18.4%
Net Income	63	116	-46.2%	154	188	-18.1%

In 3Q22, net revenue increased 9.3% (R\$ 13 million), mainly due to increase in the price and amount of energy supplied. The operating costs and expenses increased R\$ 98 million in the period, due to the accounting of the GSF solution (R\$ 63 million) in 3Q21. In the net financial expense, there was a decrease of 25.5% (R\$ 5 million), mainly due to income from financial investments, due to the higher cash balance and the increase in the CDI, partially offset by higher debt expenses.

In 9M22, net revenue increased 12.0% (R\$ 48 million), mainly due to the contracts' readjustments, mostly by IGP-M and an increase in the amount of energy supplied. The operating costs and expenses increased R\$ 108 million, due to the accounting of the GSF solution. In the net financial expense, there was a decrease of 16.0% (R\$ 14 million), mainly due to income from financial investments, due to the higher cash balance and the increase in the CDI, partially offset by higher debt expenses.

Epasa:

Equity Income (R\$ Million)						
EPASA	3Q22	3Q21	Var. %	9M22	9M21	Var. %
Net Revenue	47	281	-83.3%	126	488	-74.3%
Operating Costs / Expenses	(17)	(246)	-93.0%	(30)	(391)	-92.3%
Deprec. / Amortization	(12)	(12)	2.5%	(37)	(36)	0.9%
Net Financial Result	4	(0)	-	11	(1)	-
Income Tax	(3)	0	-	(10)	(8)	25.3%
Net Income	18	22	-17.0%	61	51	18.9%

In 3Q22, net revenue decreased R\$ 234 million and the operating costs and expenses were down by R\$ 229 million, due to lower volumes of generation. There was a net financial income of R\$ 4 million, due to the higher cash balance and higher CDI.

In 9M22, net revenue decreased R\$ 362 million and the operating costs and expenses were down by R\$ 361 million, due to lower volumes of generation. There was a net financial income of R\$ 11 million, compared to a net expense of R\$ 1 million in 9M21, due to the higher cash balance and higher CDI, in addition to lower debt expenses.

EBITDA

In 3Q22, **EBITDA** was of R\$ 1,080 million, a decrease of 11.2% (R\$ 136 million), mainly due to the solution for the GSF of the regulated and free market in 3Q21 and worse performance of wind generation, partially offset by contractual readjustments.

In 9M22, **EBITDA** was of R\$ 2,509 million, a decrease of 2.2% (R\$ 57 million). This variation is mainly explained by the same factors that impacted the quarter.

EBITDA and Net Income conciliation (R\$ million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Net Income	618	835	-26.0%	1,277	1,561	-18.2%
Depreciation and Amortization	185	177	4.6%	553	531	4.0%
Financial Result	169	59	186.3%	454	168	170.3%
Income Tax / Social Contribution	108	144	-25.3%	226	306	-26.1%
EBITDA	1,080	1,215	-11.2%	2,509	2,566	-2.2%

Financial Result

Financial Result (IFRS - R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Financial Revenues	50	37	37.2%	120	97	23.7%
Financial Expenses	(219)	(96)	129.3%	(574)	(265)	116.4%
Financial Result	(169)	(59)	186.3%	(454)	(168)	170.3%

In 3Q22, the financial result was a **net financial expense** of R\$ 169 million, an increase of 186.3% (R\$ 110 million), mainly due to higher expenses with net debt (R\$ 82 million), lower revenue from CCEE energy settlement (R\$ 13 million), due to the lower PLD, and other financial expenses (R\$ 15 million).

In 9M22, the financial result was a **net financial expense** of R\$ 454 million, an increase of 170.3% (R\$ 286 million), mainly due to higher expenses with net debt (R\$ 247 million), lower revenue from CCEE energy settlement (R\$ 27 million), due to the lower PLD, and other financial expenses (R\$ 12 million).

Income Tax and Social Contribution

In 3Q22, the income tax and social contribution item registered a negative result of R\$ 108 million, a decrease of 25.3% (R\$ 36 million), explained mainly by the worse performance of the segment in the period. The effective rate was of 14.8%, compared to 14.7% in 3Q21.

In 9M22, the income tax and social contribution item registered a negative result of R\$ 226 million, a decrease of 26.1% (R\$ 80 million), an effective rate of 15.0%, compared to 16.4% in 9M21, due to the better performance of equity income projects.

Net Income

In 3Q22, **net income** was R\$ 618 million, a decrease of 26.0% (R\$ 217 million), mainly reflecting worse EBITDA and financial result, due to higher expenses with net debt.

In 9M22, **net income** was R\$ 1,277 million, a decrease of 18.2% (R\$ 284 million), also due to the increase in the CDI.

6.4) Transmission Segment

Economic-Financial Performance - IFRS (CPFL Transmissão + 5 projects)

Consolidated Income Statement - Transmission Segment (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Gross Operating Revenue	651	4	-	1,680	109	-
Net Operating Revenue	582	16	-	1,473	112	-
Operating Costs & Expenses	(238)	(139)	71.0%	(816)	(208)	291.4%
EBIT	344	(123)	-	658	(96)	-
EBITDA¹	374	(123)	-	714	(96)	-
Financial Income (Expense)	(25)	(0)	-	(19)	(0)	-
Income Before Taxes	319	(123)	-	640	(96)	-
Net Income	231	(126)	-	515	(104)	-

Note:

- (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization;
- (2) The complete Income Statement can be consulted on CPFL Energia's Historical Information Base, available on the IR website. To access it, [click here](#);
- (3) Since 1Q22, the Transmission segment began to include CPFL Cone Sul, holding company of CPFL Transmissão.

6.4.1) CPFL Transmissão

6.4.1.1) Regulatory Themes

Periodic Tariff Revision ("RTP")

The Concession Contract for Electric Power Transmission No. 055/2001-ANEEL, firmed between The Federal Government and the State Electric Power Transmission Company (CEEE-T), was extended under the Law No. 12,783/2013 that defines, in its eighth clause, the review standards that suffice to maintain the economic and financial balance of the concession.

The contract settled that the transmitter received for the provision of service, the Annual Revenue Requirement ("ARR") annually adjusted and revised every five (5) years, since July 1, 2013, according to regulations. Thus, the first Periodic Tariff Revision ("PTR") was scheduled for the 1st of July 2018.

However, the methodology to be applied in this PTR culminated in a long process initiated in August 2017, that went through 3 stages of Public Hearing No. 041/2017, being finalized only in 2020, through the publication of version 4.0 of Submodule 9.1, Tariff Regulation Procedures (PRORET), which was approved by Normative Resolution (REN) No. 880, 7 April 2020.

In this sense, on June 30, 2020, Ratifying Resolution (REH) No. 2,709 was published, which approved the provisional result of the PTR of the ARR of Concession Contract No. 055/2001-ANEEL, effective July 1, 2018. The result was temporary since the Regulatory Remuneration Base ("RRB") was in a preliminary position, without the consolidation of the audit conducted by the Superintendence of Economic and Financial Supervision (SFF). Thusly, the definitive values were determined to be processed after the conclusion of RRB inspection activities and that the necessary adjustments and consequent financial effects would be considered in subsequent tariff adjustment, occurred with the REH No. 2,725/2020. The index of ARR provisional repositioning revised (assets that went into operation until January 31, 2018) in 2020 was **7.17%**.

Due to the filing of Administrative Appeal against REH No. 2,709/2020, the ANEEL Board of Directors published, on April 22, 2021, REH No. 2,845, changing the provisional result approved in 2020. With the adjustments conducted, the index of provisional repositioning in 2021 increased to **7.53%**.

Subsequently, with the conclusion of RRB audit process, as well as the examination of the appeal approved by REH No. 2,845/2021, on October 13, 2021, ANEEL ratified the definitive result of the 2018 PTR of RAP, jointly with Concession Contract No. 055/2001, under the responsibility of the Companhia Estadual de Transmissão de Energia Elétrica - CEEE-T, through the publication of REH No. 2,960/2021, which presented the definitive repositioning index of **3.11%**.

However, a need to make new adjustments to the calculation sheets of the referred REH was identified, through the formalization of an administrative appeal. The financial effects (adjustments in the amounts received to the detriment to the provisional result) resulting from this modification should be enforced in the adjustment of the ARR of the 2022-2023 cycle, to start effectively from July 1, 2022 to June 30, 2023, pursuant to Submodule 9.3 of the PRORET.

Ordinance MME 120/2016 – RBSE

In order to regulate and operationalize the provisions of Law No. 12,783/2013, regarding the payment of assets considered non-depreciated existing on May 31, 2000 ("RBSE"), the Ministry of Mines and Energy ("MME") issued Ordinance No. 120, on April 20, 2016. According to the aforesaid Ordinance, ANEEL issued REN No. 762 of February 21, 2017, defining, in its article 2, that the capital cost of electric power transmission concessionaires would be composed of portions of remuneration and regulatory reintegration quota.

However, in April 2017, some users of the transmission system ended up opposing in court against the payment of the share of equity remuneration ("ke") owing to the transmitters, aiming to suspend the effects on their tariffs, obtaining favorable injunctions.

Since July 2017, the Company received remuneration for RBSE transmission assets existing in May 31, 2000, referring to Concession Contract no. 055/2001, through its ARR. The payment of the parameter ("ke") was not made until the reversal of the suspensive judicial decisions, which occurred at the end of 2019. Therefore, in the tariff process following the recognition of this right (in July 2020), ANEEL included the payment of these suspended amounts ("ke") to the transmitters in the PTR processes of its ARRs.

In the readjustment REH of the 2021/2022 cycle, ANEEL proceeded with the recalculation of the debt balance, constituted by the cost of capital remunerated at the equity cost rate ("ke") until the date of the beginning of the effective payment (July 1st of 2020). Concomitant with the 2021/2022 cycle, ANEEL implemented the "reprofiling" of the payment of the Basic Network Existing System "RBSE" Financial Component within 8 years (cycles from 2020/2021 to 2027/2028), ensuring the net present value of the operation. And keeping the RBSE Economic and O&M Components unchanged.

In May 2021, requests for reconsideration were submitted, alleging material errors, to the detriment of the ANEEL Homologatory Resolution, cycle 2021/2022, which dealt with the "reprofiling". In June 2022, ANEEL's Technical Superintendence proposed a Technical Note about the request for reconsideration. Since then, CPFL and the other affected Transmitters have worked together, via ABRATE, demonstrating that the methodological choice adopted by the Agency is valid. The matter still depends on the deliberation of the Collegiate Board of ANEEL.

Annual Tariff Adjustment ("ATA")

ARR is the remuneration that the transmission companies receive for the provision of the electric power transmission service from the entry into commercial operation of the facilities, as laid down in the concession contract.

The ARR is divided into Basic Network of New Installations ("RBNI"), Basic Network Existing System ("RBSE"), Tendered Basic Network ("RBL") and Connection Revenue to Transmission System ("CCT"). RBNI refers to the New Transmission Facilities, which entered into operation as in January 2013. RBSE concerns undepreciated assets from May 2000 to the end of December 2012, defined in the Annex to Resolution No. 166 of May 31, 2000, validated by Law No. 12,783/13. These two sets of assets generate the largest portion of ARR. RBL is the revenue from the tendered contracts. The Transmission System Connection Revenue is the remuneration that the transmitter receives from users connected to other Transmission Facilities ("DITs") for the provision of the transmission service. DITs are composed, for example, of transmission lines, power buses, power transformers and substation equipment, not part of the Basic Network. Revenue growth is the result of the variation of the IPCA and the entry into operation of reinforcement and improvement projects.

According to REH No. 3,067/2022, for the 2022/2023 cycle, revenue (ARR) added to the adjustment portion (PA) of Concession Contract No. 055/2001 totals R\$ 917.2 million, net of PIS and COFINS, composed of:

- (i) Monetary adjustment of the 2021/2022 cycle (IPCA), totaling R\$ 91.9 million;
- (ii) Re-profiling the financial component of PRT MME 120/2016, for 8 years counting from the 2020/2021 cycle, that resulted in a positive impact of R\$ 50.2 million;
- (iii) Adjustment Portion (AP) considering the effects of the retroactivity of the Final Revision in 2018 (portion 3 of 3), in the amount of R\$ 70.5 million, negatively impacted by the return of revenue received in advance and other adjustments of the 2021/2022 cycle, in the amount of R\$87.6 million, which totals a negative AP of R\$ 16.4 million;
- (iv) Expansion of facilities, entry into operation of new reinforcements and improvements during the 2021/2022 cycle increased R\$ 7.7 million.

Annual Tariff Adjustment 2022/2023							
REH 2959/2021 (*)	IPCA	Expansions, reinforcements and improvements	Deactivations / Transfers	Adjustment RBSE	Adjustment Portion	PTR Repositioning	REH 3067/2022
763,074	91,911	7,692	(4,704)	50,218	(16,359)	25,283	917,117

(*) Approved values not considering the Adjustment Portion – PA.

Concession Agreement No. 080/2002 was adjusted by IGP-M, with an increase of 10.7%, totaling R\$ 22 million. The Adjustment Portion was negative in the amount of R\$ 0.7 million, referring to the return of revenue received beforehand.

Annual Tariff Adjustment 2022/2023							
REH 2959/2021 (*)	IGP-M	Expansions, reinforcements and improvements	Deactivations / Transfers	Adjustment RBSE	Adjustment Portion	PTR Repositioning	REH 3067/2022
20,265	2,173	-	-	-	(705)	-	21,733

The revenue of the subsidiary TESB - Concession Contract No. 001/2011 added to the Adjustment Portion for the 2022/2023 cycle totals R\$ 24.1 million:

- (i) Revenue repositioning after the Tariff Review in R\$ 5.8 million, related to the assets of the 2021/2022 cycle;
- (ii) Negative adjustment portion in the order of R\$ 3.9 million, due to the refund of anticipated revenue received and the discounts provided in REN No. 905/2020 for installations classified as RBF or DITC that entered into commercial operation with non-impediment own pending.

Annual Tariff Adjustment 2022/2023			
REH 2959/2021 (*)	Adjustment Portion	PTR Repositioning	REH 3067/2022
22,073	(3.915)	5,851	24,009

The Regulatory Revenue totals the Company for Concession Contracts No. 055/2001, 080/2002 and the subsidiary TESB 001/2011, net of PIS and COFINS, presents a composition as follows:

Regulatory Revenue 2022/2023								
Concession Contract	RBSE	RBNI	RBL	Adjustment Portion	RPC	RCDM	RMEL	Total 2022 (*)
055/2001	579,904	139,646	-	(16,359)	133,692	71,972	8,383	917,240
080/2002	-	-	22,437	(704)	-	-	-	21,733
001/2011	-	-	25,214	(3,915)	-	-	-	21,299
	579,905	139,647	47,652	(20,979)	133,693	71,972	8,383	960,273

Note: (*) Figures considering Adjustment Parcel – PA.

Fourth Term Additive to Concession Contract No. 055/2001-ANEEL - Suppression of SE Porto Alegre 4

Due to the conclusion of the Concession Contract for Electric Power Transmission No. 3/2021 between ANEEL and MEZ 5 Energia, that occurred on 03/31/2021 (lot 5 of Auction No. 1/2020-ANEEL), was signed the Fourth Additive Term of Concession Contract No. 55/2001-ANEEL. This additive term aims at the economic and financial rebalancing due to the unilateral reduction of the contract due to the removal of SS 230/13.8 kV Porto Alegre 4, which resulted in a reduction in revenue in the order of R\$ 13,114,858.05.

Concession Contract No. 4/2021-ANEEL

On March 31, 2021, Concession Contract no. 4/2021-ANEEL was concluded, which regulates the concession of the public service for the transmission of electricity for the construction, operation and maintenance of transmission facilities in SE 230/138 kV Cachoeirinha 3, referring to Lot 6 of the Auction Notice No. 01/2020-ANEEL. The Company will receive for the provision of the public transmission service, ARR in the amount of R\$ 11,106,511.48 adjusted, from the entry into operation of the assets, scheduled for 2024.

6.4.1.2) Regulatory Results

Disclaimer:



This chapter contains the regulatory results (Regulatory Financial Statements prepared for Aneel, the electricity sector regulatory agency) and analyzes the performance of CPFL Transmissão regardless of its date of acquisition by the CPFL Energia group. **This content, therefore, is merely for the purpose of analyzing the regulatory/management performance, following the market practices for transmission businesses and is not an official report from the Company to the Securities and Exchange Commission of Brazil (CVM), which strictly and rigidly follows the IFRS international accounting standards.**

CPFL Transmissão was acquired, and its balances were incorporated into the consolidated balance sheet of CPFL Energia as of 10/01/2021. The following comparisons are merely illustrative for the purposes of analyzing its performance in 3Q22 vs. 3Q21 and 9M22 vs. 9M21. **The figures have not been audited and are still subject to change.**

Regulatory Income Statement - CPFL Transmissão (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Gross Operating Revenue	308	298	3.4%	884	950	-6.9%
Net Operating Revenue	247	238	3.9%	698	759	-8.0%
Operating Costs & Expenses	(108)	(152)	-29.2%	(404)	(329)	22.7%
Equity Income	1	9	-91.0%	2	44	-95.9%
EBITDA	167	123	36.2%	378	561	-32.7%
Financial Result	(19)	(49)	-61.6%	21	(39)	-152.5%
Earnings Before Taxes	121	46	165.2%	316	434	-27.1%
Net Earnings	74	20	278.4%	282	188	49.8%

Operating Income

Operating Revenue - CPFL Transmissão (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Revenue from Use of the Electricity Grid						
Concession Contract 055/2001	296,0	292,1	1,3%	854	929	-8,1%
Concession Contract 080/2002	5,4	4,8	12,2%	15	12	25,0%
Concession Contract 004/2021	-	-	0,0%	-	-	0,0%
TESB	6,2	0,3	1780,4%	15	9	70,2%
Regulatory Charges	(34)	(32)	5,3%	(108)	(105)	2,6%
Gross Revenue	308	298	3,1%	884	950	-6,9%
Deductions from Revenue	(61)	(60)	1,4%	(187)	(192)	-2,6%
Net Revenue	247	238	4,0%	698	759	-8,0%

In 3Q22, gross operating revenue reached R\$ 308 million, an increase of 3.1% (R\$ 9 million), mainly explained by the 2022/2023 tariff readjust effects of the 055 and 080 contracts, partially offset by a non-recurring event in the 055 contract, a higher revenue in the 3Q21, which was compensated in the 4Q21 (R\$ 13 million). The regulatory charges, which are part of the gross revenue, with the tariff subsidies, had an increase of 5.3% in 3Q22. Deductions from revenue reached R\$ 61 million in 3Q22, growth of 1.4% (R\$ 1 million) from 3Q21, justified by the

increase of the sectorial charges. Deductions from gross revenue refer to taxes (PIS/COFINS) and regulatory charges (CDE, PROINFA, R&D and Inspection Fee), which are passed on to tariffs.

In 9M22, gross operating revenue reached R\$ 884 million, down of 6.9% (R\$ 66 million), mainly justified by to reprofiling of the financial component of RBSE. Still, in 9M22 there is an increase in the Revenue of Concession Agreement No. 080/2002 of the 25% (R\$ 3 million), due to Tariff Adjustment of the last cycle (IGP-M). Regulatory charges had an increase of 2.6% and deductions from revenue reached R\$ 187 million in 9M22, down 2.6% (R\$ 5 million) from 9M21, mainly due to the reduction of PIS/COFINS taxes, resulting from the reduction in operating revenue.

O&M Costs and Expenses – PMSO and Depreciation/Amortization

PMSO and Depreciation/Amortization						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Personnel	(26)	(59)	-55.9%	(166)	(171)	-3.1%
Material	(1)	(2)	-15.9%	(4)	(3)	11.9%
Outsourced Services	(19)	(10)	89.8%	(50)	(48)	3.4%
Private Pension Entity	(14)	(24)	-41.7%	(48)	(79)	-39.2%
Others	(20)	(30)	-32.2%	(54)	60	-190.1%
PMSO	(81)	(125)	-35.2%	(322)	(241)	33.3%
Depreciation and Amortization	(27)	(28)	-2.7%	(82)	(88)	-6.5%
TOTAL	(108)	(152)	-29.2%	(404)	(329)	22.7%

PMSO totaled R\$ 81 million in 3Q22, a decrease of 35.2% (R\$ 44 million) from 3Q21, due to the following factors:

- (i) Decrease in Personnel, caused by headcount reduction (R\$ 33 million);
- (ii) Decrease in judicial expenses, specially labor and civil provisions, mainly due to the reassessment of the lawsuits (R\$ 26 million);
- (iii) Decrease in private pension fund expenses (R\$ 10 million);

Partially offset by the:

- (iv) Increase in Outsourced Services, like vehicles maintenance, Software/ Hardware maintenance and others (R\$ 10 million);
- (v) Increase in taxes expenses, related to IPTU regularization (R\$ 8 million);
- (vi) Increase in assets write-off (R\$ 7 million).

In 3Q22, Depreciation and Amortization reached R\$ 27 million, a decrease of 2.7% (R\$ 1 million) compared to 3Q21.

In 9M22, PMSO expenses totaled R\$ 322 million, increasing 33.3% (R\$ 81 million), chiefly due to:

- (i) Accounting for the gain on disposal of assets (FOTE asset) in June of 2021 (R\$ 121 million) – extraordinary effect;
- (ii) Assets write off, related to Porto Alegre 4 substation (PAL4) (R\$ 11 million);
- (iii) Increase in tax expenses related to IPTU regularization (R\$ 8 million);

(iv) Other expenses (R\$8 million);

Partially offset by the:

(v) Decrease in headcount and private pension fund (R\$ 36 million);

(vi) Decrease in judicial expenses, specially labor and civil, mainly due to the reassessment of the lawsuits (R\$ 31 million).

In 9M22, Depreciation and Amortization totaled R\$ 82 million, a decrease of 6.5% (R\$ 6 million) from 9M21.

Equity Income

Equity Income (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Projects						
TSLE	-	9	-100.0%	-	25	-100.0%
TPAE	0	0	8.9%	0	0	-53.4%
FOTE	-	-	-	-	16	-100.0%
ETAU	1	0	608.0%	2	2	-20.3%
Total	1	9	-91.0%	2	44	-95.9%

In 3Q22, there was a reduction of 91.0% of the equity income recorded in regulatory accounting, resulting in a reduction of R\$ 8 million, mainly justified by the results of TSLE.

In 9M22, the equity income decreased 95.9%, also mainly justified by the results of FOTE and TSLE. These investments were divested during 2021, being part of the company's privatization process.

EBITDA

EBITDA and Net Income conciliation (R\$ million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Net Income	74	20	278.4%	282	188	49.8%
Depreciation and Amortization	27	28	-2.7%	82	88	-6.5%
Financial Result	19	49	-61.5%	(21)	39	-
Income Tax / Social Contribution	47	26	79.7%	34	245	-86.3%
EBITDA	167	123	36.2%	378	561	-32.7%

Regulatory EBITDA in 3Q22 was R\$ 167 million, an increase of 36.2% (R\$ 45 million) compared to R\$ 123 million recorded in 3Q21, mainly due to reduction PMSO expenses.

In 9M22, **Regulatory EBITDA** was R\$ 378 million, a reduction of 32.7% (R\$ 183 million) in contrast to R\$ 561 million recorded in 9M21, mainly due to the reprofiling of the financial component of RBSE that reduced the contract revenue in the 2021/2022 cycle.

Financial Result

Financial Result (R\$ Million)						
	3Q22	3Q21	Var.	9M22	9M21	Var.
Revenue	12	30	-61.0%	166	135	23.2%
Expenses	(31)	(79)	-61.3%	(145)	(173)	-16.0%
Resultado Financeiro	(19)	(49)	-61.5%	20	(38)	-

In 3Q22, the financial result was a **net financial expense** of R\$ 19 million, compared to net financial expense of R\$ 49 million in 3Q21, which resulted in a variation of R\$ 30 million, chiefly due to:

(i) Exchange variation linked to foreign currency loans (R\$ 50 million) in 3Q21. These loans were paid off during 2Q22;

(ii) Other effects (R\$ 12 million);

Partially offset by:

(iii) Variation in expenses with net debt (R\$ 32 million), mainly due to debt issued by the Company – debentures indexed to CDI (R\$ 36 million);

In 9M22, the financial result was a **net financial revenue** of R\$ 20 million, compared to net financial expense of R\$ 38 million in 9M21, which resulted in a variation of R\$ 59 million, chiefly due to:

(i) Decrease in the exchange variation linked to foreign currency loans (R\$ 68 million);

(ii) Payoff of foreign currency loans - non-recurring effect (R\$ 36 million);

Partially offset by the:

(iii) Increase in expenses with net debt (R\$ 18 million), due to the new debt issuance (R\$ 44 million), partially offset by the higher cash balance (R\$ 25 million);

(iv) Monetary adjustment in contingencies (R\$ 17 million);

(v) Other effects (R\$ 10 million).

Income Tax and Social Contribution

In 3Q22, Income Tax and Social Contribution item registered a negative result of R\$ 47 million, compared to a negative result of R\$ 26 million in 3Q21, which represents an increase of R\$ 21 million, mainly justified by deferred taxes registered in the period and also by a higher tax base due to a better result.

In 9M22, a negative result of R\$ 34 million was registered, compared to a negative result of R\$ 245 million, with a variation of R\$ 212 million, impacted by the lower result of EBITDA in contrast to 9M21, in addition to the tax credits resulting from the payment of IDB and AFD loans.

Net Income

In 3Q22, **net income** reached R\$ 74 million, increasing 278.4% (R\$ 55 million), mainly due to better operational and financial results.

In 9M22, **net income** reached R\$ 282 million, increasing 49.8% (R\$ 94 million), mainly

explained by the income tax and social contribution issues already mentioned.

6.4.1.3) Key Differences – Regulatory vs. IFRS

Revenue: As per IFRS, revenues from investments made during the concession period are recognized through the cash flow of the contractual asset, which is remunerated at the estimated rate of the projects. In regulatory accounting, investments are treated as property, plant and equipment, and depreciated over their life cycle, with revenue booked through the billing process, during the concession term, similar to perceived revenue in operating cash flow.

Cost of Construction: Under IFRS, infrastructure installation costs that refer to the investment amounts made, considering the manpower used, are recognized in results. Does not exist in regulatory accounting.

Depreciation: Under IFRS, assets related to the concession are classified as contractual assets or financial assets. Under IFRS, property, plant and equipment comprises assets belonging to the Company and not linked to the concession. In regulatory accounting, the concession asset is considered property, plant and equipment and is depreciated over its life cycle.

Other Expenses (Provisions): Under IFRS, Contractual Assets are measured at fair value and losses related to the impairment of assets that comprise them must be recognized in results. This loss is calculated through future investments linked to obligations, which, according to discounted cash flow, would not be recoverable during the concession period due to the delay in works that result in the reduction of expected RAP. In regulatory accounting, the rule of fair value measurement is not applicable.

Income Tax/Social Contribution: The difference between corporate and regulatory Income Tax/Social Contribution expenses is due to the respective differences in their calculation bases.

7) ATTACHMENTS

The tables contained in this chapter in previous versions of CPFL Energia's Earnings Release are available in Excel format, in the CPFL Energia Historical Information Base, available on the IR website. [Click here](#) access the file.

If you have any doubts, please [Contact IR](#).