
COMMENTS ON THE COMPANY PERFORMANCE FOR THE QUARTER

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

Profit or loss analysis

CPFL Energia (Parent)

In this quarter, the increase in net profit was R\$ 156,128 when compared to the same period of the prior year (R\$ 1,102,464, in 2022, and R\$ 946,336, in 2021), mainly due to the increase in profit of investees.

COMMENTS ON CONSOLIDATED PERFORMANCE

	Consolidated		
	1st quarter		
	2022	2021	%
OPERATING REVENUES	13,424,850	12,484,386	7.5%
Electricity sales to final consumers (*)	10,273,188	8,617,109	19.2%
Electricity sales to wholesaler's (*)	1,045,027	1,064,239	-1.8%
Revenue from construction of concession infrastructure	1,042,220	622,535	67.4%
Other operating revenues (*)	2,412,910	1,928,063	25.1%
Sector financial assets and liabilities	(1,348,494)	252,439	-634.2%
Deductions from operating revenues	(4,137,395)	(4,196,261)	-1.4%
NET OPERATING REVENUE	9,287,455	8,288,125	12.1%
COST OF ELECTRIC ENERGY SERVICES	(4,676,931)	(4,977,287)	-6.0%
Electricity purchased for resale	(3,365,749)	(3,782,971)	-11.0%
Electricity network usage charges	(1,311,182)	(1,194,315)	9.8%
OPERATING COST/EXPENSE	(2,553,169)	(1,859,029)	37.3%
Personnel	(503,512)	(362,962)	38.7%
Employee pension plans	(73,546)	(56,337)	30.5%
Materials	(106,971)	(73,197)	46.1%
Outside Services	(145,161)	(146,880)	-1.2%
Depreciation and Amortization	(389,385)	(351,649)	10.7%
Merged Goodwill Amortization	(81,470)	(72,161)	12.9%
Costs related to infrastructure construction	(1,040,172)	(618,998)	68.0%
Other	(212,951)	(176,843)	20.4%
INCOME FROM ELECTRIC ENERGY SERVICE	2,057,355	1,451,809	41.7%
FINANCIAL INCOME (EXPENSE)	(431,738)	(121,044)	256.7%
Income	563,690	225,134	150.4%
Expense	(995,429)	(346,178)	187.5%
Equity in subsidiaries	114,916	90,249	27.3%
INCOME BEFORE TAXES	1,740,533	1,421,015	22.5%
Social Contribution	(155,394)	(123,161)	26.2%
Income Tax	(423,157)	(336,617)	25.7%
NET INCOME	1,161,982	961,237	20.9%
Net income attributable to the shareholders of the company	1,102,464	946,336	16.5%
Net income attributable to the non controlling interests	59,518	14,901	299.4%
EBITDA	2,643,271	1,966,015	34.4%

Net Income for the Period and Adjusted EBITDA Reconciliation

NET INCOME FOR THE PERIOD	1,161,982	961,237
Depreciation and Amortization	470,855	423,811
Amortization of fair value adjustment of asset	145	145
Financial Income (Expense)	431,738	121,044
Social Contribution	155,394	123,161
Income Tax	423,157	336,617
Adjusted EBITDA	2,643,271	1,966,015

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

Gross operating revenue

Gross operating revenue for the first quarter of 2022 was R\$ 13. 424,850, an increase of 7.5% (R\$ 940,464) when compared to the same period of the previous year.

The main factors for this variation were:

- An increase of 19.2% (R\$ 1,656,078) in electricity supply, mainly due to a 28.3% increase in average tariffs (R\$ 2,264,975), partially offset by a 7.1% reduction in the volume of energy sold (R\$ 608,897);
- Increase of 634.2% (R\$ 1,600,933, revenue reducer in the first quarter of 2022 and revenue in the first quarter of 2021) in sector financial assets and liabilities, mainly due to the higher constitution of liabilities in the first quarter of 2022 (R\$ 1,566,999) and higher realization of assets in the first quarter of 2022 (R\$ 33,933);
- Increase of 24.2% (R\$ 467,140) in other operating revenues mainly due to transmission revenue stemming from the acquisition of CPFL Transmissão;
- Increase of 67.4% (R\$ 419,685) in the concession's infrastructure construction revenue;
- Partially offset by the 1.8% reduction (R\$ 19,212) in energy supply, mainly motivated by:
 - Reduction of 47.4% (R\$ 96,609) in the sale of short-term energy in the Electric Energy Trading Chamber "CCEE", mainly due to a reduction of 44.1% (R\$ 89,837) in the quantity sold and of 5.9% (R\$ 6,772) in the average tariffs;
 - Partially offset by the increase of 4.1% (R\$ 29,108) in other concessionaires, licensees and authorized, due to the increase of 98.1% (R\$ 691,557) in the quantity sold, partially offset by the 47.4% reduction in the average tariff (R\$ 662,449).

➤ Volume of energy sold

In the first quarter of 2022, the amount of energy billed to captive consumers in the period, including other licensees, decreased -5.3% when compared to the same quarter of last year. This drop was more pronounced in the industrial class.

Residential class consumption represents 50.9% of the total market provided by the distributor and showed a drop of -1.6% in the first quarter of 2022 compared to the same period of the previous year. This performance mainly reflects the relaxation of restrictive measures to combat the covid-19 pandemic, which allows greater movement of people and shorter length of stay in homes. Additionally, it also reflects the effect of the increased number of consumer units with distributed generation and a billing calendar with fewer days, when compared to the same period of the previous year.

The commercial class, which represents 18.1% of the total market supplied by the distributor, fell -2.6% in the first quarter of 2022 compared to the same period of the previous year. This performance is due primarily to the increase of consumer units with distributed generation and the migrations of customers to the free market.

The industrial class, which represents 8.8% of the total market supplied by the distributor, showed a drop of -13.3% in the first quarter of 2022 compared to the same period of the previous year. This performance is a reflection of the increase in the number of consumer units with distributed generation, in addition to migrations to the free market.

The other consumption classes (rural, public power, public lighting, public service and licensees) participate with 22.2% of the total market provided by the distributor. These classes decreased -11.5% in the first quarter of 2022 mainly due to the negative result of the licensees class that decreases -56.1%, reflecting the departure of important customers from the captive market.

In relation to the amount of energy sold and transported in the concession area, which impacts both the billed supply (captive market) and the collection of TUSD (free market), there was a decrease of -2.0% when compared to the same period of the previous year. The variation by class was -1.6% in residential, +4.5% in commercial, -1.8% in the industrial and -9.4% in the other consumption classes.

➤ **Tariffs**

In the first quarter of 2022, the energy supply tariffs practiced by distribution subsidiaries are as follows:

Distributor	Month		2022		2021	
			RTA / RTP	Effect perceived by consumers (a)	RTA / RTP	Effect perceived by consumers (a)
CPFL Paulista	April	(b)	12.77%	14.97%	17.62%	8.95%
CPFL Piratininga	October		(c)	(c)	14.78%	12.40%
RGE	June		(c)	(c)	15.23%	9.95%
CPFL Santa Cruz	March		7.82%	8.83%	17.19%	9.95%

- (a) Represents the average effect perceived by the consumer, as a result of the elimination from the tariff base of financial components, which had been added in the previous tariff adjustment;
- (b) In April 2022 there was the annual tariff readjustment (RTA) for the subsidiary CPFL Paulista;
- (c) The tariff adjustments for 2022 have not occurred yet.

Deductions from operating revenue

Deductions from operating income in the first quarter of 2022 were R\$ 4,137. 395, a reduction of 1.4% (R\$ 58,866) compared to the same quarter of 2021, which occurred mainly due to:

- Increase in reducing deductions of R\$ 501,341 in Tariff Flags;
- Increase of 44.2% (R\$ 447,452) in the Energy Development Account (CDE);

Cost of electricity

The cost of electricity in this quarter amounted to R\$ 4. 676,931, a reduction of 6.0% (R\$ 300,356) when compared to the same period of the previous year, justified mainly by:

- Reduction of 11.0% (R\$ 411. 222) in electricity purchased for resale, explained by:
 - Reduction of 12.7% (R\$ 487,492) in the average price;
 - Partially offset by the 1.9% increase (R\$ 70,270) in the amount of energy purchased.
- Partially offset by the 9.8% increase (R\$ 116,866) in the charges for the use of the transmission and distribution system, mainly due to increases in: (i) system service fees – ESS (R\$ 145,877), (ii) reserve energy charges (R\$ 127,792), partially offset by the reduction in (iii) basic network charges (R\$ 93,727), (iv) connection charges (R\$24,426) and (v) Itaipu transportation charges (R\$ 20,031).

Operating costs and expenses

Disregarding the cost of construction of the concession infrastructure, operating costs and expenses in this quarter were R\$ 1. 520,780, an increase of 37.8% (R\$ 280,749) when compared to the same period of the previous year. This variation is mainly due to:

- **Staff:** 38.7% increase (R\$ 140. 550), mainly explained by the acquisition of CPFL Transmissão (R\$ 101,760) and labor collective agreements.
- **Other Expenses:** 20.4% increase (R\$ 36. 108), mainly due to the increase in provision for doubtful accounts (R\$ 36,173).
- **Supplies:** 46.1% increase (R\$ 33. 774), basically by the increase in: (i) replacement-maintenance of lines and networks; (ii) fleet maintenance; (iii) uniforms and equipment;

Financial result

Net financial results in this quarter showed expenses of R\$ 431,738, compared to R\$ 121. 004 in the same period of 2021, representing an increase in net expenses of R\$ 310,694. This variation is basically due to:

- Increase in financial income of R\$ 338,556, mainly due to the increase in (i) updates of sector financial assets (R\$ 124,723), (ii) update of tax credits (R\$ 102,680) and (iii) monetary exchange adjustments (R\$ 69,969).
- Increase in financial expenses of R\$ 649,250, mainly due to the increase in (i) monetary and exchange rate adjustments (R\$ 272,649), (ii) debt charges (R\$ 191,504), (iii) exclusion of the ICMS from the PIS/COFINS calculation base (R\$ 108,561) and (iv) loan with parent company (R\$ 49,851).

Share of profit (loss) of investees

The variation in share of profit (loss) of investees in the consolidated refers to the effect of the share of profit (loss) of joint ventures as follows:

	1st quarter 2022	1st quarter 2021
Epasa	20,770	15,049
Baesa	455	(2,721)
Enercan	51,571	44,275
Chapecoense	41,675	33,791
CPFL Transmissão investments	590	-
Amortization of fair value adjustment of asset	(145)	(145)
Total	114,916	90,249

Income tax and social contribution

Taxes on profits in the first quarter of 2022 were R\$ 578. 551, an increase of 25.8% (R\$ 118. 773) when compared to the same quarter of 2021, basically due to the increase in pre-tax profit.

Profit for the period and EBITDA

As a result of the factors described above, the net profit for in this quarter was R\$ 1. 161,982, 20.9% (R\$ 200,745) higher than the one for the same period in 2021.

EBITDA (Net income excluding the effects of depreciation, amortization, financial result, social contribution and income tax) for the first quarter of 2022 was R\$ 2. 643,271, 34.4% (R\$ 677,256) higher than in the same period of 2021.

COMMENTS ON THE PERFORMANCE OF SUBSIDIARIES/ASSOCIATES

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

The subsidiary Companhia Paulista de Força e Luz - CPFL is a publicly-held company, and the comments on its performance are included in its Quarterly Information - ITR at March 31, 2022 filed with the Brazilian Securities and Exchange Commission (CVM).

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

The subsidiary CPFL Geração de Energia S.A. is a publicly-held company, and the comments on its individual and consolidated performance are included in its Quarterly Information - ITR at March 31, 2022 filed with the CVM.

Subsidiary/Associate: CPFL Transmissão S.A.

The subsidiary **CPFL Transmissão S.A.** is a publicly-held company, and the comments on its consolidated performance are included in its Quarterly Information - ITR at March 31, 2022 filed with the CVM.

Subsidiary/Associate: CPFL Energias Renováveis S.A.

The subsidiary **CPFL Energias Renováveis S.A.** is a publicly-held company, and the comments on its consolidated performance are included in its Quarterly Information - ITR at March 31, 2022 filed with the CVM.

Subsidiary/Associate: Companhia Piratininga de Força e Luz

The subsidiary Companhia Piratininga de Força e Luz is a publicly-held company, and the comments on its performance are included in its Quarterly Information - ITR at March 31, 2022 filed with the CVM.

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

The subsidiary RGE Sul Distribuidora de Energia S.A. is a publicly-held company, and the comments on its performance are included in its Quarterly Information - ITR at March 31, 2022 filed with the CVM.

Subsidiary: CPFL Comercialização Brasil S.A.

	Consolidated		
	1st quarter		
	2022	2021	%
OPERATING REVENUES	932,422	674,130	38.3%
Electricity sales to final consumers	365,080	483,809	-24.5%
Electricity sales to wholesaler's	236,546	190,299	24.3%
Revenue from construction of concession infrastructure	17,499	-	0.0%
Other operating revenues	313,298	22	140244.5%
	-	-	0.0%
Deductions from operating revenues	(133,204)	(83,755)	59.0%
NET OPERATING REVENUE	799,219	590,375	35.4%
COST OF ELECTRIC ENERGY SERVICES	(574,923)	(564,976)	1.8%
Electricity purchased for resale	(573,190)	(564,115)	1.6%
Electricity network usage charges	(1,733)	(862)	101.1%
OPERATING COST/EXPENSE	(173,798)	(10,442)	1564.4%
Personnel	(113,685)	(6,727)	1589.9%
Materials	(1,663)	(23)	6984.1%
Outside Services	(19,409)	(1,773)	994.7%
Depreciation and Amortization	(4,855)	(943)	414.9%
Merged Goodwill Amortization	(9,779)	-	0.0%
Costs related to infrastructure construction	(19,528)	-	0.0%
Other	(4,880)	(975)	400.6%
INCOME FROM ELECTRIC ENERGY SERVICE	50,498	14,956	237.6%
FINANCIAL INCOME (EXPENSE)	60,692	16,264	273.2%
Income	129,913	22,415	479.6%
Expense	(69,221)	(6,151)	1025.4%
Equity in subsidiaries	33,659	21,971	53.2%
INCOME BEFORE TAXES	144,849	53,193	172.3%
Social Contribution	(17,284)	(2,821)	512.6%
Income Tax	(48,143)	(7,822)	515.5%
NET INCOME	79,422	42,549	86.7%
Net income attributable to the shareholders of the company	33,282	42,550	-21.8%
EBITDA	99,886	37,833	164.0%
Net Income for the Period and Adjusted EBITDA Reconciliation			
NET INCOME FOR THE PERIOD	79,422	42,550	
Depreciation and Amortization	14,634	943	
	1,096	(40)	
Financial Income (Expense)	(60,692)	(16,264)	
Social Contribution	17,284	2,821	
Income Tax	48,143	7,822	
Adjusted EBITDA	99,886	37,833	

Gross operating revenue

Gross operating revenue for the first quarter of 2022 was R\$ 932,422, showing an increase of R\$ 258,292 (38.3%) when compared to the same quarter of 2021, mainly due to an increase of R\$ 313, 276 in other operating revenues, due, especially, to transmission revenues stemming from the acquisition of CPFL Transmissão.

Cost of Electricity

The cost of electricity in the first quarter of 2022 was R\$ 574,923, an increase of R\$ 9,946 (1.8%) in comparison with the same quarter of 2021, basically explained by the increase in the average price by 11.5% (R\$ 84,842), partially offset by the volume of purchased energy, by 33.7% (R\$ 276,794).

Operating costs and expenses

The cost and operating expenses calculated in the first quarter of 2022 was R\$ 173.798, representing an increase of R\$ 163,356 when compared to the same quarter in 2021.

- **Personnel:** Increase of R\$ 106,958, explained mainly by the acquisition of CPFL Transmissão.

Financial income (expenses)

The net financial income (expenses) for the first quarter of 2022 was a financial expense of R\$ 60,692, with an increase in net financial income of R\$ 44,428, when compared with the same quarter of 2021.

- **Financial Revenue:** Increase of R\$ 107,498, mainly explained by the acquisition of CPFL Transmissão.
- **Financial Expenses:** Increase of R\$ 63,070, mainly explained by the increase in derivative expenses (R\$ 65,279), combined with the increase in interest on loan agreements (R\$ 33,359).

The share of profit (loss) of investees recorded in the first quarter of 2022 was positive at R\$ 33,659, mainly explained by the effect from the share of profit (loss) of the investee CPFL Cone Sul.

Profit for the Period and EBITDA

The result obtained in the first quarter of 2022 was a profit of R\$ 33,282, a reduction of R\$ 9,268 (21.8%) when compared to the same quarter of 2021.

EBITDA (Net income before financial income, income tax and social contribution, depreciation, amortization) for the first quarter of 2022 was R\$ 99,886, an increase of 164% when compared to the same quarter of 2021, which was R\$ 37,833 (information not reviewed by the Independent Auditors).

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CPFL Energia S.A.

Statements of financial position at March 31, 2022 and December 31, 2021
(in thousands of Brazilian Reais)

ASSETS	Note	Parent company		Consolidated	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Current assets					
Cash and cash equivalents	5	11,177	8,287	3,496,671	2,199,952
Marketable securities	6	-	-	580,655	585,858
Consumers, concessionaires and licensees	7	-	-	5,756,081	5,425,177
Inventories		-	-	192,111	150,867
Dividends and interest on capital	13	80,954	87,081	85,890	134,613
Income tax and social contribution recoverable	8	67	67	97,788	97,083
Other taxes recoverable	8	6,554	13,905	422,846	375,680
PIS/COFINS on ICMS recoverable	8.1	-	-	1,631,833	1,288,824
Derivatives	34	-	-	96,836	357,350
Sector financial asset	9	-	-	1,848,746	2,373,727
Contract assets	15	-	-	847,212	845,025
Other assets	12	1,040	662	1,387,991	1,718,346
Total current assets		99,792	110,002	16,444,662	15,552,504
Noncurrent assets					
Consumers, concessionaires and licensees	7	-	-	238,613	259,173
Intragroup loans	32	148,859	168,943	-	-
Escrow Deposits	23	677	646	877,897	858,981
Income tax and social contribution recoverable	8	411	411	112,804	117,332
Other taxes recoverable	8	-	-	317,123	286,498
PIS/COFINS on ICMS recoverable	8.1	-	-	7,520,807	7,936,570
Sector financial assets	9	-	-	372,667	816,748
Derivatives	34	-	-	283,186	990,491
Deferred tax assets	10	27,240	2,178	398,912	231,594
Concession financial asset	11	-	-	14,024,279	13,281,686
Investments at cost		-	-	116,654	116,654
Other assets	12	1,933	2,159	216,155	199,500
Investments	13	16,091,349	14,940,841	1,317,833	1,202,944
Property, plant and equipment	14	1,788	1,515	8,714,289	8,754,616
Intangible assets	16	471	440	9,527,081	9,673,609
Contract asset	15	-	-	6,340,618	5,840,981
Total noncurrent assets		16,272,728	15,117,133	50,378,917	50,567,374
Total assets		16,372,520	15,227,134	66,823,578	66,119,878

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



CPFL Energia S.A.

Statements of financial position at March 31, 2022 and December 31, 2021
(in thousands of Brazilian Reais)

LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
			December 31,		December 31,
		March 31, 2022	2021	March 31, 2022	2021
Current liabilities					
Trade payables	17	1,362	1,840	3,216,324	4,269,598
Borrowings and financings	18	-	-	3,074,808	2,246,711
Debentures	19	-	-	1,778,576	1,788,125
Private pension plan	20	-	-	598,527	604,254
Regulatory liabilities	21	-	-	73,757	551,966
Income tax and social contribution payable	22	-	10,880	380,892	288,412
Other taxes, fees and contributions	22	2,018	5,542	854,377	886,864
Dividends		22,077	22,118	87,339	100,478
Estimated payroll		-	-	174,946	165,074
Derivatives	34	68,889	4,018	121,774	5,067
Sector financial liability	9	-	-	60,798	-
Decommissioning of assets and environmental expenses		-	-	5,230	2,046
Use of public asset		-	-	16,212	16,212
PIS/COFINS consumers return		-	-	445,481	58,606
Other payables	24	16,289	19,169	2,084,326	1,930,303
Total current liabilities		110,634	63,568	12,973,368	12,913,717
Noncurrent liabilities					
Trade payables	17	-	-	413,055	408,082
Borrowings and financings	18	-	-	10,630,589	12,216,158
Debentures	19	-	-	6,987,736	6,164,877
Private pension plan	20	-	-	2,756,033	2,860,176
Income tax and social contribution payable	22	-	-	235,299	232,603
Other taxes, fees and contributions	22	-	-	6,002	6,092
Deferred tax liabilities	10	-	-	965,708	958,545
Provision for tax, civil and labor risks	23	167	106	1,038,304	1,035,364
Intragroup loans	32	-	-	2,574,166	2,518,150
Derivatives	34	-	-	372,363	86,196
Sector financial liability	9	-	-	317,058	-
Decommissioning of assets and environmental expenses		-	-	152,840	152,812
Use of public asset		-	-	147,423	141,118
PIS/COFINS consumers return		-	-	8,805,379	9,145,520
Other payables		17,050	17,259	486,945	474,591
Total noncurrent liabilities	24	17,216	17,364	35,888,901	36,400,283
Equity					
Issued capital	25	9,388,071	9,388,071	9,388,071	9,388,071
Capital reserves		(1,646,145)	(1,646,145)	(1,646,145)	(1,646,145)
Legal reserve		1,455,685	1,455,685	1,455,685	1,455,685
Statutory reserve - working capital improvement		4,072,689	4,072,689	4,072,689	4,072,689
Dividend		3,735,932	3,735,932	3,735,932	3,735,932
Accumulated comprehensive income		(1,870,934)	(1,860,030)	(1,870,934)	(1,860,030)
Retained earnings		1,109,372	-	1,109,372	-
		16,244,670	15,146,202	16,244,670	15,146,202
Equity attributable to noncontrolling interests		-	-	1,716,640	1,659,676
Total equity		16,244,670	15,146,202	17,961,310	16,805,879
Total liabilities and equity					
		16,372,520	15,227,134	66,823,578	66,119,878

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



CPFL Energia S.A.

Statements of income for the periods ended March 31, 2022 and 2021

(in thousands of Brazilian Reals, except for Earnings per share)

	Note	Parent company		Consolidated	
		2022	2021	2022	2021
		1st quarter	1st quarter	1st quarter	1st quarter
Net operating revenue	27	12	11	9,287,455	8,288,125
Cost of services					
Cost of electric energy	28	-	-	(4,676,931)	(4,977,287)
Cost of operation				(965,488)	(761,446)
Depreciation and amortization		-	-	(358,375)	(324,563)
Other cost of operation	29	-	-	(607,113)	(436,883)
Cost of services rendered to third parties	29	-	-	(1,041,308)	(620,087)
Gross profit		12	11	2,603,728	1,929,305
Operating expenses					
Selling expenses		-	-	(206,654)	(162,246)
Depreciation and amortization		-	-	(2,352)	(2,291)
Allowance for doubtful accounts		-	-	(90,379)	(54,181)
Other selling expenses	29	-	-	(113,923)	(105,774)
General and administrative expenses		(9,709)	(7,591)	(236,628)	(203,978)
Depreciation and amortization		(93)	(105)	(28,659)	(24,795)
Other general and administrative expenses	29	(9,616)	(7,486)	(207,969)	(179,183)
Other operating expenses		-	-	(103,092)	(111,273)
Amortization of concession intangible asset		-	-	(81,470)	(72,161)
Other operating expenses	29	-	-	(21,622)	(39,112)
Income from electric energy services		(9,696)	(7,579)	2,057,355	1,451,809
Equity interests in subsidiaries, associates and joint ventures	13	1,154,505	964,958	114,916	90,249
		1,144,809	957,379	2,172,271	1,542,058
Financial income (expenses)	30				
Financial income		5,867	4,107	563,690	225,134
Financial expenses		(73,274)	(2,086)	(995,429)	(346,178)
		(67,407)	2,021	(431,738)	(121,044)
Profit before taxes		1,077,402	959,400	1,740,533	1,421,015
Social contribution	10	6,928	(3,137)	(155,394)	(123,161)
Income tax	10	18,134	(9,928)	(423,157)	(336,617)
		25,062	(13,064)	(578,551)	(459,778)
Profit for the period		1,102,464	946,336	1,161,982	961,237
Profit (loss) for the period attributable to owners of the Company				1,102,464	946,336
Profit (loss) for the period attributable to noncontrolling interests				59,518	14,901
Earnings per share attributable to owners of the Company (R\$):	26			0.96	0.82

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



CPFL Energia S.A.

Statements of comprehensive income for the periods ended March 31, 2022 and 2021
(in thousands of Brazilian Reais)

	Parent company	
	2022	2021
	1st quarter	1st quarter
Profit for the period	1,102,464	946,336
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Comprehensive income for the period of subsidiaries	(3,996)	(14,321)
Total comprehensive income for the period	1,098,468	932,015
	Consolidated	
	2022	2021
	1st quarter	1st quarter
Profit for the period	1,161,982	961,237
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
- Actuarial gains (losses), net of tax effects	-	(873)
- Credit risk in fair value measurement of financial liabilities	(4,467)	(13,449)
Total comprehensive income for the period	1,157,515	946,916
Attributable to owners of the Company	1,098,468	932,015
Attributable to noncontrolling interests	59,047	14,901

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



CPFL Energia S.A.

Statements of changes in the shareholder equity for the periods ended March 31, 2022 and 2021
(in thousands of Brazilian Reais)

	Earnings reserves					Accumulated comprehensive income			Noncontrolling interests			
	Issued capital	Capital reserve	Legal reserve	Statutory reserve / Working capital	Dividend	Deemed cost	Private pension plan / Credit risk in fair value measurement	Retained earnings	Total	Accumulated comprehensive income	Other equity components	Total equity
Balance at December 31, 2020	9,388,071	(1,643,775)	1,218,283	5,803,185	865,248	329,502	(2,024,737)	-	13,935,777	6,501	293,499	14,235,778
Total comprehensive income	-	-	-	-	-	-	(14,321)	946,336	932,015	-	14,900	946,915
Profit for the period	-	-	-	-	-	-	-	946,336	946,336	-	14,900	961,236
Other comprehensive income - credit risk in fair value measurement of financial liabilities	-	-	-	-	-	-	(13,449)	-	(13,449)	-	-	(13,449)
Other comprehensive income - actuarial gains (losses), net of tax effects	-	-	-	-	-	-	(873)	-	(873)	-	-	(873)
Internal changes in equity	-	-	-	-	-	(6,572)	-	6,572	-	(444)	419	(25)
Realization of deemed cost of property, plant and equipment	-	-	-	-	-	(9,957)	-	9,957	-	(673)	673	-
Tax effect on realization of deemed cost	-	-	-	-	-	3,385	-	(3,385)	-	229	(229)	-
Other changes in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(25)	(25)
Capital transactions with owners	-	-	-	-	-	-	-	-	-	-	(4,200)	(4,200)
Dividend proposal approved	-	-	-	-	-	-	-	-	-	-	(4,200)	(4,200)
Balance at March 31, 2021	9,388,071	(1,643,775)	1,218,283	5,803,185	865,248	322,930	(2,039,058)	952,908	14,867,792	6,057	304,618	15,178,468
Balance at December 31, 2021	9,388,071	(1,646,145)	1,455,685	4,072,689	3,735,932	301,237	(2,161,267)	-	15,146,202	4,724	1,654,954	16,805,879
Total comprehensive income	-	-	-	-	-	-	(3,996)	1,102,464	1,098,468	-	59,047	1,157,515
Profit for the period	-	-	-	-	-	-	-	1,102,464	1,102,464	-	59,518	1,161,982
Other comprehensive income - credit risk in fair value measurement of financial liabilities	-	-	-	-	-	-	(3,996)	-	(3,996)	-	(471)	(4,467)
Internal changes in equity	-	-	-	-	-	(6,908)	-	6,908	-	(444)	439	(6)
Realization of deemed cost of property, plant and equipment	-	-	-	-	-	(10,466)	-	10,466	-	(673)	673	-
Tax effect on realization of deemed cost	-	-	-	-	-	3,559	-	(3,559)	-	229	(229)	-
Other changes	-	-	-	-	-	-	-	-	-	-	(6)	(6)
Capital transactions with owners	-	-	-	-	-	-	-	-	-	-	(2,078)	(2,078)
Acquisition of non-controlling interests of CPFL Renováveis	-	-	-	-	-	-	-	-	-	-	19	19
Dividend proposal approved	-	-	-	-	-	-	-	-	-	-	(2,097)	(2,097)
Balance at March 31, 2022	9,388,071	(1,646,145)	1,455,685	4,072,689	3,735,932	294,329	(2,165,263)	1,109,372	16,244,670	4,280	1,712,362	17,961,310

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



CPFL Energia S.A.

Statements of cash flow for the periods ended March 31, 2022 and 2021

(in thousands of Brazilian Reais)

	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Profit before taxes	1,077,402	959,400	1,740,533	1,421,015
Adjustment to reconcile profit to cash from operating activities				
Depreciation and amortization	94	105	470,856	423,810
Provision for tax, civil and labor risks	235	240	21,203	13,111
Allowance for doubtful accounts	-	-	90,379	54,181
Interest on debts, monetary adjustment and exchange rate changes	67,252	(358)	269,271	20,309
Pension plan expense (income)	-	-	73,546	56,337
Equity interests in subsidiaries, associates and joint ventures	(1,154,505)	(964,958)	(114,916)	(90,249)
Loss (gain) on disposal of noncurrent assets	-	-	20,864	36,818
Others	-	-	20,473	4,236
	(9,522)	(5,571)	2,592,209	1,939,568
Decrease (increase) in operating assets				
Consumers, concessionaires and licensees	-	-	(596,849)	289,822
Dividend and interest on capital received	6,127	11,042	48,723	-
Taxes recoverable	7,559	71	54,214	(63,029)
Escrow deposits	(27)	30	(7,111)	(2,445)
Sector financial asset	-	-	994,673	(327,784)
Receivables - CDE	-	-	(46,547)	(38,549)
Transmission asset additions	-	-	(157,844)	(38,242)
Advance to suppliers	-	-	(5,981)	(78,010)
Orders in progress	19	-	(3,844)	(9,470)
Other operating assets	(171)	(439)	501,866	(177,766)
Increase (decrease) in operating liabilities				
Trade payables	(478)	(1,992)	(1,048,301)	(922,832)
Other taxes and social contributions	(3,525)	1,192	9,474	(38,291)
Other liabilities with private pension plan	-	-	(183,415)	(96,900)
Regulatory charges	-	-	(478,209)	17,665
Tax, civil and labor risks paid	(177)	(151)	(43,954)	(34,105)
Sector financial liability	-	-	367,700	95,589
Payables - CDE	-	-	(22,772)	(28,638)
Other operating liabilities	(3,088)	(4,452)	195,657	190,396
Cash flows provided (used) by operations	(3,283)	(270)	2,169,689	676,980
Interest paid on debts and debentures	-	-	(221,735)	(138,075)
Income tax and social contribution paid	(10,364)	(8,443)	(610,427)	(160,246)
Cash flows provided (used) by operations activities	(13,647)	(8,713)	1,337,527	378,658
Investing activities				
Purchases of property, plant and equipment	(360)	-	(100,246)	(53,490)
Purchases of contract asset	-	-	(949,439)	(596,819)
Purchases and construction of intangible assets	(37)	(295)	(4,373)	(7,075)
Securities, pledges and restricted deposits - investment	-	-	(169,318)	(84,782)
Securities, pledges and restricted deposits - redemption	-	-	173,074	1,008,600
Receiving of intragroup loans from subsidiaries	23,500	-	-	-
Net cash generated by (used) in investing activities	23,103	(295)	(1,050,302)	266,434
Financing activities				
Borrowings and debentures raised	-	-	2,279,683	513,910
Repayment of principal of borrowings and debentures	-	-	(1,351,976)	(519,142)
Repayment of derivatives	(6,524)	-	97,023	75,598
Dividend and interest on capital paid	(42)	(29)	(15,236)	(12,213)
Intragroup loans paid	-	-	-	(3,124)
Net cash generated by (used in) financing activities	(6,566)	(29)	1,009,494	55,028
Net increase (decrease) in cash and cash equivalents	2,890	(9,038)	1,296,718	700,121
Cash and cash equivalents at the beginning of the period	8,287	395,745	2,199,952	3,918,796
Cash and cash equivalents at the end of the period	11,177	386,707	3,496,671	4,618,916

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



CPFL Energia S.A.
Statements of value added for the periods ended March 31, 2022 and 2021
(in thousands of Brazilian Reais)

	Parent company		Consolidated	
	2022	2021	2022	2021
	1st quarter	1st quarter	1st quarter	1st quarter
1. Revenues	390	307	13,375,189	12,488,797
1.1 Operating revenues	14	13	12,382,630	11,861,851
1.2 Revenues related to the construction of own assets	376	295	40,692	58,592
1.3 Revenue from infrastructure construction of the concession	-	-	1,042,220	622,535
1.4 Allowance for doubtful accounts	-	-	(90,354)	(54,181)
2. (-) Inputs	(3,078)	(2,824)	(6,674,941)	(6,523,884)
2.1 Electricity Purchased for Resale	-	-	(5,199,057)	(5,508,766)
2.2 Material	(422)	(30)	(741,070)	(395,364)
2.3 Outsourced Services	(1,753)	(1,845)	(511,815)	(447,607)
2.4 Other	(904)	(949)	(222,999)	(172,146)
3. Gross added value (1 + 2)	(2,688)	(2,516)	6,700,248	5,964,913
4. Retentions	(93)	(105)	(472,596)	(425,907)
4.1 Depreciation and amortization	(93)	(105)	(391,127)	(353,746)
4.2 Amortization of intangible assets of the concession	-	-	(81,470)	(72,161)
5. Net added value generated (3 + 4)	(2,781)	(2,622)	6,227,651	5,539,006
6. Added value received in transfer	1,160,658	969,266	698,283	326,306
6.1 Financial Income	6,153	4,307	583,367	236,057
6.2 Equity interests in subsidiaries, associates and joint ventures	1,154,505	964,958	114,916	90,249
7. Added value to be distributed (5 + 6)	1,157,877	966,644	6,925,935	5,865,313
8. Distribution of added value				
8.1 Personnel and Charges	5,918	4,104	548,199	395,324
8.1.1 Direct Remuneration	2,614	2,473	304,282	212,069
8.1.2 Benefits	3,025	1,402	207,552	167,974
8.1.3 Government severance indemnity fund for employees - F.G.T.S.	280	229	36,365	15,281
8.2 Taxes, Fees and Contributions	(23,854)	14,044	4,187,969	4,132,936
8.2.1 Federal	(23,875)	14,023	2,022,559	2,150,428
8.2.2 Estate	21	21	2,154,475	1,973,217
8.2.3 Municipal	-	-	10,935	9,292
8.3 Interest and Rentals	73,349	2,160	1,027,785	375,816
8.3.1 Interest	73,274	2,086	1,004,555	352,008
8.3.2 Rental	75	74	23,230	23,808
8.4 Interest on capital	1,102,464	946,336	1,161,982	961,237
8.4.1 Retained Earnings	1,102,464	946,336	1,161,982	961,237
	1,157,877	966,644	6,925,935	5,865,313

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

CPFL ENERGIA S.A.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AT MARCH 31, 2022

(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)

(1) OPERATIONS

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

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

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

Energy distribution	Company type	Equity interest	Location (state)	Number of municipalities	Approximate number of consumers (in thousands)	Concession period	End of the concession
Companhia Paulista de Força e Luz (“CPFL Paulista”)	Publicly-held corporation	Direct 100%	Interior of São Paulo	234	4,798	30 years	November 2027
Companhia Piratininga de Força e Luz (“CPFL Piratininga”)	Publicly-held corporation	Direct 100%	Interior and coast of São Paulo	27	1,879	30 years	October 2028
RGE Sul Distribuidora de Energia S.A. (“RGE”)	Publicly-held corporation	Direct and Indirect 100%	Interior of Rio Grande do Sul	381	3,039	30 years	November 2027
Companhia Jaguaré de Energia (“CPFL Santa Cruz”)	Privately-held corporation	Direct 100%	Interior of São Paulo, Paraná and Minas Gerais	45	490	30 years	July 2045

Energy generation	Company type	Equity interest	Location (state)	Number of plants / type of energy	Installed power (MW)	
					Total	CPFL share
CPFL Energias Renováveis S.A. (“CPFL Renováveis”)	Publicly-held corporation	Direct and Indirect 100%	(b)	(b)	(b)	(b)
CPFL Geração de Energia S.A. (“CPFL Geração”)	Publicly-held corporation	Direct 100%	São Paulo	n/a	n/a	n/a
CERAN - Companhia Energética Rio das Antas (“CERAN”)	Privately-held corporation	Indirect 65%	Rio Grande do Sul	3 Hydropower	360	234
Foz do Chapecó Energia S.A. (“Foz do Chapecó”)	Privately-held corporation	Indirect 51% (c)	Santa Catarina and Rio Grande do Sul	1 Hydropower	855	436
Campos Novos Energia S.A. (“ENERCAN”)	Privately-held corporation	Indirect 48.72%	Santa Catarina	1 Hydropower	880	429
BAESA - Energética Barra Grande S.A. (“BAESA”)	Publicly-held corporation	Indirect 25.01%	Santa Catarina and Rio Grande do Sul	1 Hydropower	690	173
Centrais Elétricas da Paraíba S.A. (“EPASA”)	Privately-held corporation	Indirect 53.34%	Paraíba	2 Thermal	342	182
Paulista Lajeado Energia S.A. (“Paulista Lajeado”)	Privately-held corporation	Indirect 59.93% (a)	Tocantins	1 Hydropower	903	38

Energy transmission	Company type	Equity interest	Location (state)
CPFL Transmissão Piracicaba S.A. (“CPFL Transmissão Piracicaba”)	Limited liability company	Indirect 100%	São Paulo
CPFL Transmissão Morro Agudo S.A. (“CPFL Transmissão Morro Agudo”)	Limited liability company	Indirect 100%	São Paulo
CPFL Transmissão Maracanaú S.A. (“CPFL Maracanaú”)	Limited liability company	Indirect 100%	Ceará
CPFL Transmissão Sul I S.A. (“CPFL Sul I”)	Limited liability company	Indirect 100%	Santa Catarina
CPFL Comercialização de Energia Cone Sul Ltda (“CPFL Cone Sul”)	Limited liability company	Indirect 100%	São Paulo
CPFL Transmissão Sul II S.A. (“CPFL Sul II”)	Limited liability company	Indirect 100%	Rio Grande do Sul
Companhia Estadual de Transmissão de Energia Elétrica – CEEE-T (“CPFL Transmissão”) (d)	Publicly-held corporation	Indirect 99.26%	Rio Grande do Sul
Transmissora de Energia Sul Brasil S.A. (TESB)	Privately-held corporation	Indireta 93.52%	Rio Grande do Sul

Energy commercialization	Company type	Core activity	Equity interest
CPFL Comercialização Brasil S.A. ("CPFL Brasil")	Privately-held corporation	Energy commercialization	Direct 100%
Clion Assessoria e Comercialização de Energia Elétrica Ltda ("CPFL Meridional")	Limited liability company	Commercialization and provision of energy services	Indirect 100%
CPFL Planalto Ltda ("CPFL Planalto")	Limited liability company	Energy commercialization	Direct 100%
CPFL Brasil Varejista de Energia Ltda ("CPFL Brasil Varejista")	Limited liability company	Energy commercialization	Indirect 100%
Provision of services	Company type	Core activity	Equity interest
CPFL Serviços, Equipamentos, Indústria e Comércio S.A. ("CPFL Serviços")	Privately-held corporation	Manufacturing, commercialization, rental and maintenance of electro-mechanical equipment and service provision	Direct 100%
Nect Serviços Administrativos de Infraestrutura Ltda ("CPFL Infra")	Limited liability company	Provision of infrastructure and fleet services	Direct 100%
Nect Serviços Administrativos de Recursos Humanos Ltda ("CPFL Pessoas")	Limited liability company	Provision of human resources services	Direct 100%
Nect Serviços Administrativos Financeiros Ltda ("CPFL Finanças")	Limited liability company	Provision of financial services	Direct 100%
Nect Serviços Adm de Suprimentos E Logística Ltda ("CPFL Supre")	Limited liability company	Supply and logistics services	Direct 100%
CPFL Atende Centro de Contatos e Atendimento Ltda ("CPFL Atende")	Limited liability company	Provision of call center services	Direct 100%
CPFL Total Serviços Administrativos S.A. ("CPFL Total")	Privately-held corporation	Collection services	Indirect 100%
CPFL Eficiência Energética Ltda ("CPFL Eficiência")	Limited liability company	Energy efficiency management	Direct 100%
TI Nect Serviços de Informática Ltda ("Authi")	Limited liability company	Provision of IT services	Direct 100%
CPFL Geração Distribuída de Energia Ltda ("CPFL GD")	Limited liability company	Provision of maintenance services for energy generation companies	Indirect 100%
Others	Company type	Core activity	Equity interest
CPFL Jaguarí de Geração de Energia Ltda ("Jaguarí Geração")	Limited liability company	Holding company	Direct 100%
Chapecoense Geração S.A. ("Chapecoense")	Privately-held corporation	Holding company	Indirect 51%
Sul Geradora Participações S.A. ("Sul Geradora")	Privately-held corporation	Holding company	Indirect 99.95%
CPFL Telecomunicações Ltda ("CPFL Telecom")	Limited liability company	Telecommunication services	Direct 100%
Alesta Sociedade de Crédito Direto S.A. ("Alesta")	Privately-held corporation	Financial services	Direct 100%

- a) Paulista Lajeado holds a 7% interest in the installed power of Investco S.A. (5.94% interest in total capital).
- b) CPFL Renováveis has operations in the states of São Paulo, Minas Gerais, Mato Grosso, Santa Catarina, Ceará, Rio Grande do Norte, Paraná, Rio Grande do Sul and Goiás, and its main activities are: (i) holding investments in companies of the renewable energy segment; (ii) identification, development, and exploration of generation potentials; and (iii) sale of electric energy. At March 31, 2022, CPFL Renováveis had a portfolio of 108 enterprises with 3.1 GW of installed capacity (3,090.4 MW in operation):
- Hydropower generation: 47 small hydroelectric plants (SHPs) and central hydroelectric generators (CHGs) (485 MW) with 46 SHPs/CHGs in operation (457.1 MW) and one SHP under construction (28 MW), three hydroelectric power plants (HPPs) in operation (848 MW - 51.54% of the assured energy and power of the Serra da Mesa hydropower plant, which concession is owned by Furnas, 25.01% of BAESA - Energética Barra Grande S.A. ("BAESA") and 100% of Rio do Peixe);
 - Wind power generation: 49 enterprises in operation (1,390.2 MW);
 - Biomass power generation: Eight plants in operation (394 MW);
 - Solar power generation: One solar plant in operation (1.1 MW).
- c) The joint venture Chapecoense has as its direct subsidiary Foz do Chapecó and fully consolidates its financial statements.

- d) In April 2022, as a result of the Tender Offer auction for the mandatory acquisition of common shares through the voluntary and control sale of preferred shares issued by Companhia Estadual de Transmissão de Energia Elétrica - CEEE-T ("CPFL Transmissão"), it became the holder of 99.26% of the total share capital (previously 66.08%). For more details, see Note 36.1.

1.1 COVID-19 impacts

On March 11, 2020, the World Health Organization (WHO) declared that COVID-19 had become a pandemic. The outbreak triggered significant decisions by governments and private sector entities, which, added to the potential impact of the outbreak, increased to some extent the degree of uncertainty for economic agents, which may have significant impacts on these interim financial statements. The main economies of the world and the main economic blocks have been studying and implementing economic stimulus packages to minimize the economic impacts that COVID-19 may cause.

In Brazil, the Executive and Legislative Branches of the Federal Government published several normative acts to prevent and contain the pandemic, with emphasis on Legislative Decree No. 6, published on March 20, 2020, which declared a state of public calamity. State and municipal governments have also published several normative acts seeking to restrict the free movement of people and commercial and service activities, in addition to enabling emergency investments in the area of health, including research and development, and vaccine application. On April 22, 2022, the Minister of Health signed the ordinance that decreed the end of the state of Emergency in Public Health, which becomes effective 30 days after the date of publication in the Official Gazette of the Union.

Management has constantly assessed the impact of the outbreak on the operations and on the financial position of the Company and its subsidiaries (the "Group"), with the objective of implementing appropriate measures to mitigate the impacts on operations. Up to the date of authorization of the issuance of these interim financial statements, the following measures have been taken and the main matters that are under constant monitoring are listed below:

- Implementation of temporary measures relating to the employees, such as home office planning, adaptation of collective spaces to avoid crowding and other applicable health-related measures;
- Negotiation with equipment suppliers to evaluate delivery times in view of the new scenario, without, so far, there being any indication of relevant risks of delay that may have an impact on operations;
- Evaluation of contractual conditions with financial institutions related to borrowings and payment with suppliers, to mitigate any liquidity risks;
- Monitoring of variations in market indexes that could affect borrowings and debentures;
- Evaluation of possible renegotiations with customers due to macroeconomic retraction. Such renegotiations are being directed, in their majority, through temporary displacements in the contracted quantities;
- Monitoring of the reduction of the billed market by the closing, as well as the resumption after the flexibility measures, of commercial and industrial establishments arising from the measures to combat the pandemic;
- Monitoring of over-contracting of the Group's distributors due to load reduction and consequent energy surpluses above 5% foreseen in the regulatory requirements;
- Monitoring of default at the Group's distributors.

Due to the relevance of the potential impacts mentioned, the authorities of the Brazilian Electricity Sector, in particular the Ministry of Mines and Energy (MME) and the Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica – ANEEL), adopted some measures during the pandemic period, among which the most relevant are:

- Exemption for the portion of monthly consumption of up to 220 kilowatt-hours (kWh/month) of low-income residential-class consumers, in the period from April 1 to June 30, 2020, as provided for in Provisional Measure No. 950, of April 8, 2020, funded through Federal Government contributions to the CDE sector fund, as provided for in Provisional Measure No. 949, of April 8, 2020.
- Recognition of energy surpluses resulting from the load reduction of distributors, resulting from the effects of the COVID-19 pandemic, as involuntary contractual exposure, to be regulated by ANEEL, as provided for in Provisional Measure No. 950 of April 8, 2020, and in Decree No. 10,350 of May 18, 2020;
- Creation of the COVID Account through Provisional Measure No. 950, of April 8, 2020, and regulated by Decree No. 10,350, of May 18, 2020, and Normative Resolution No. 885, of June 23, 2020.

Further information on the COVID Account and how it affects the Group's business is disclosed in Note 1.1 to the financial statements for the year ended December 31, 2021.

Considering all the analyses carried out on the aspects related to the possible impacts of COVID-19 on its businesses and those of its subsidiaries, as well as the regulatory updates made in the period, for the quarter ended March 31, 2022, the Company concluded that there were no material effects related to the pandemic in its interim financial statements.

The financial and economic effect for the Group during the next months will depend on the outcome of the crisis and its macroeconomic impacts, especially with regard to the retraction in economic activity, as well as the impacts related to the restriction measures. The Group will continue to constantly monitor the effects of the crisis and the impacts on their operations and interim financial statements.

Economic and Financial Rebalancing

Due to the effects of the restrictive measures adopted by government to contain the advance of the pandemic, the Group's distributors, as well as other energy distribution concessionaires in the country, suffered some extraordinary and immediate impacts, the main ones being the fall in revenue due to the retraction of the consumer market and a reduction in revenue due to the increase in defaults.

Considering the effects of the pandemic and, based on the concession contract between the Group's Distributors and the Granting Authority, through ANEEL, as well as articles 9 and 10 of Law No. 8,987, of February 13, 1995, among other applicable legal provisions, the Group's Distributors have the right to economic and financial rebalancing of the concession contract, so that, in a situation in which the burden generated by events outside the management of the risks inherent to the operation, such as, but not limited to, events categorized as fortuitous events or force majeure, or even determinations from the Granting Authority that impact the Company and its subsidiaries, must be reimbursed to the Company and its subsidiaries to rebalance the economic and financial health of the concession contract.

Decree No. 10,350 of May 18, 2020, which regulates Provisional Measure No. 950 of April 8, 2020, provides for ANEEL's analysis, in a specific administrative process, of the need to restore the economic and financial balance of the concessionaires of distribution of electricity, upon request from interested parties. Pursuant to ANEEL Normative Resolution No. 885 of June 23, 2020, the Agency established the second phase of Public Consultation No. 35 of 2020 ("CP35/2020") in the period from August 18 to October 5, 2020, with the objective of regulating restoration of the economic and financial balance of concession contracts and permission for providing public power distribution services.

Continuing with the process of defining the regulation to restore the economic balance of distribution concessionaires during the pandemic, ANEEL opened the 3rd Phase of Public Consultation No.35 at the end of 2021, in which the rules for allocating Covid Account borrowing costs and involuntary overcontracting for the 2020 calendar year, reflecting the pandemic scenario, were also discussed.

With the third and final phase of CP35/2020 completed, the Agency defined the methodologies regarding the involuntary overcontracting of 2020, the economic rebalancing due to the market downturn and the increase in delinquency during the pandemic, as well as the apportionment of the financial cost of the COVID Account, substantiated in ANEEL Normative Resolution No. 952, of November 23, 2021. The CPFL Group continues to analyze the impacts caused by the pandemic on the Group's distributors and will decide on the need to request the restoration of the economic balance within 60 days after the publication, by ANEEL, of the projection of irrecoverable revenue carried out in the months from March to December 2020, as defined in paragraph 7 of Sub-module 2.10 of *PRORET*, ratified through said normative resolution. In addition, the portion of the financial cost of the COVID Account to be allocated to CPFL Group distributors in the 2022 tariff processes was estimated and recorded.

(2) PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 Basis of preparation

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

The accounting practices adopted in Brazil include those included in the Brazilian corporate law and the technical pronouncements, guidelines and technical interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the CVM.

The Group also follows the guidelines of the Accounting Manual of the Brazilian Electricity Sector and the standards laid down by ANEEL when these do not conflict with the accounting practices adopted in Brazil and/or International Financial Reporting Standards (IFRS).

The accounting practices and criteria adopted in preparing these individual and consolidated interim financial statements are consistent with those adopted in preparing the financial statements at December 31, 2021, and therefore they should be read together.

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

The interim financial statements were authorized for issue by Management on May 09, 2022.

2.2 Basis of measurement

The interim financial statements have been prepared on the historical cost basis except for the following material items which are measured at each reporting date and recorded in the statements of financial position: i) derivative financial instruments measured at fair value, and ii) non derivative financial instruments measured at fair value through profit or loss. The classification of the fair value measurement in the level 1, 2 or 3 categories (depending on the degree of observance of the variables used) is presented in Note 34 – Financial Instruments.

2.3 Use of estimates and judgments

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

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

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

- Note 7 – Consumers, concessionaires and licensees (Allowance for doubtful accounts: key assumptions regarding to the expected credit loss – ECL and premises for measuring the supply and Tariff for use of the distribution system ("TUSD") not invoiced);
- Note 9 – Sector financial asset and liability (Regulatory discretion and judgement over certain items);
- Note 10 – Deferred tax assets and liabilities (recognition of assets: availability of future taxable profit against which the tax losses can be utilized);
- Note 11 – Concession financial asset (assumptions for fair value measurement, based on significant unobservable inputs, see Note 34);
- Note 12 – Other assets (allowance for doubtful accounts: key assumptions regarding to the expected credit loss - ECL);
- Note 13.4 – Business combination (main assumptions for determining the fair value);
- Note 14 – Property, plant and equipment (application of estimated useful lives and main assumptions regarding recoverable amounts);
- Note 15 – Contract Asset (key assumptions regarding recoverable amounts);
- Note 16 – Intangible assets (key assumptions regarding recoverable amounts);

- Note 18 – Borrowings (key assumptions used in the fair value measurement);
- Note 19 – Debentures (key assumptions used in the fair value measurement);
- Note 20 – Private pension plan (key actuarial assumptions used in the measurement of defined benefit obligations);
- Note 22 – Taxes, fees and contributions (uncertainties about income taxes);
- Note 23 – Provision for tax, civil and labor risks and escrow deposits (recognition and measurement: key assumptions on the probability and magnitude of outflow of resources); and
- Note 34 – Financial instruments – derivatives (key assumptions used in the fair value measurement).

2.4 Functional currency and presentation currency

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

2.5 Segment information

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

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

2.6 Information on equity interests

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

At March 31, 2022 and December 31, 2021 and for the quarters and three-month periods ended March 31, 2022 and 2021, the noncontrolling interests in the consolidated balances refer to interests held by third parties in subsidiaries CERAN, Paulista Lajeado and the not wholly-owned subsidiaries of CPFL Renováveis, CPFL Transmissão and TESB.

2.7 Statement of value added

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

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This interim financial information of the Group was prepared based on the same accounting policies described in Note 3 – summary of significant accounting policies in the financial statements for the year ended December 31, 2021.

(4) FAIR VALUE MEASUREMENT

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

The Group measures fair value as the value at which an asset can be traded, or a liability settled, between interested parties, knowledgeable of the business and independent from each other, with the absence of factors that put pressure on the settlement of the transaction or that characterize a compulsory transaction.

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

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

- Financial instruments

Financial instruments measured at fair value are valued based on quoted prices in an active market, or, if such prices are not available, they are assessed using pricing models, applied individually to each transaction, taking into consideration future cash flows, based on the contractual conditions, discounted to present value at rates obtained from market interest curves, having as a basis, whenever available, information obtained from the websites of B3 S.A. and "Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais – ANBIMA" (Note 34) and also includes the debtor's credit risk rate.

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

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

(5) CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Bank balances	1,103	332	786,041	916,324
Short-term financial investments	10,074	7,954	2,710,630	1,283,628
Overnight investment (a)	10,074	7,954	219,860	13,827
Private credit notes (b)	-	-	1,920,707	1,195,745
Investment funds (c)	-	-	570,062	74,055
Total	11,177	8,287	3,496,671	2,199,952

- Bank account balances, which earn daily interest by investment in repurchase agreements secured on Bank Certificate Deposit (CDBs) and interest of 15% of the variation in the Interbank Certificate of Deposit (CDI).
- Short-term investments in: (i) CDBs amounting to R\$ 1,381,753 (R\$ 716,939 in December 31, 2021), and (ii) secured debentures amounting to R\$ 538,954 (R\$ 478,806 in December 31, 2021). All with major financial institutions that operate in the Brazilian financial market, with daily liquidity, short term maturity, low credit risk and interest equivalent, on average, to 99.23 % of the CDI (98.52% of the CDI in December 31, 2021).
- Investment funds, with high liquidity and interest equivalent, on average, to 103.93 % of the CDI, subject to floating rates tied to the CDI (101.4% of the CDI in December 31, 2021). Linked to federal government

bonds, CDBs, financial bills and secured debentures of major financial institutions, with low credit risk and short-term maturity.

(6) MARKETABLE SECURITIES

	Consolidated	
	March 31, 2022	December 31, 2021
Through investment funds (a)	470,083	474,169
Direct investment (b)	110,572	111,689
Total	580,655	585,858

(a) This represents amounts invested in government securities, Financial Bills ("LF") and Financial Treasury Bills ("LFT"), through investment fund quotas, yielding on average 103.93% (101.4% of the CDI in December 31, 2021).

(b) Mainly represents amounts invested by the indirect subsidiary CPFL Transmissão in national treasury notes, series B (NTN-B) with remuneration of 100% of the IPCA plus 6% p.a. default interest.

(7) CONSUMERS, CONCESSIONAIRES AND LICENSEES

The consolidated balance includes mainly activities from the supply of electric energy, broken down as follows at March 31, 2022 and December 31, 2021:

	Consolidated				
	Amounts not due	Past due		Total	
		until 90 days	> 90 days	March 31, 2022	December 31, 2021
Current					
Consumer classes					
Residential	1,200,279	755,572	126,840	2,082,690	2,102,567
Industrial	165,930	62,877	102,359	331,166	348,504
Commercial	304,930	104,772	40,881	450,583	442,050
Rural	121,785	40,616	14,764	177,166	172,036
Public administration	91,814	12,707	14,167	118,689	109,602
Public lighting	134,825	6,318	3,150	144,292	150,422
Public utilities	70,563	24,054	11,976	106,593	102,303
Billed	2,090,126	1,006,916	314,137	3,411,179	3,427,484
Unbilled	1,721,986	-	-	1,721,986	1,356,948
Financing of consumers' debts	274,459	81,996	48,581	405,037	386,240
CCEE transactions	71,364	5,311	55,323	131,998	510,090
Concessionaires and licensees	484,785	29,387	25,409	539,581	519,150
Incentive program for the voluntary reduction of electricity consumption	(27,926)			(27,926)	(371,511)
Others	51,877	-	-	51,877	56,173
	4,666,671	1,123,610	443,450	6,233,732	5,884,574
Allowance for doubtful accounts				(477,650)	(459,396)
Total				5,756,081	5,425,177
Noncurrent					
Financing of consumers' debts	154,992	-	-	154,992	168,961
Free energy	7,405	-	-	7,405	7,230
CCEE transactions	32,170	-	44,046	76,216	82,983
Total	194,567	-	44,046	238,613	259,173

Allowance for doubtful accounts

The allowance for doubtful debts is set up based on the expected credit loss, adopting the simplified method of recognizing, based on the history and future probability of default. The allowance methodology is detailed in note 34 (f).

Movements in the allowance for doubtful accounts are shown below:

	Consumers, concessionaires and licensees	Other assets (note 12)	Total
At December 31, 2021	(459,396)	(30,138)	(489,534)
Allowance - reversal (recognition)	(143,827)	(250)	(144,077)
Revenue recovery	53,616	82	53,698
Write-off of accrued receivables	71,957	(82)	71,875
At March 31, 2022	(477,650)	(30,388)	(508,038)
Current	(477,650)	(30,388)	(508,038)

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(8) TAXES RECOVERABLE

	Consolidated	
	March 31, 2022	December 31, 2021
Current		
Prepayments of social contribution – CSLL	15	4,641
Prepayments of income tax - IRPJ	41	19,459
Income tax and social contribution to be offset	97,732	72,983
Income tax and social contribution to be offset	97,788	97,083
Withholding income tax - IRRF on interest on capital	211	7,817
Withholding income tax - IRRF	102,447	73,311
State VAT - ICMS to be offset	202,008	186,451
Social Integration Program - PIS	21,424	19,656
Contribution for Social Security Funding - COFINS	91,515	83,451
Others	5,241	4,994
Other taxes to be offset	422,846	375,680
Total current	520,634	472,763
Noncurrent		
Social contribution to be offset - CSLL	8,195	8,398
Income tax to be offset - IRPJ	104,609	108,934
Income tax and social contribution to be offset	112,804	117,332
State VAT - ICMS to be offset	301,545	271,003
Social Integration Program - PIS	2,661	2,646
Contribution for Social Security Funding - COFINS	8,716	8,647
Others	4,202	4,202
Other taxes to be offset	317,123	286,498
Total noncurrent	429,927	403,830

8.1 Exclusion of ICMS from PIS and COFINS calculation base

	Consolidated	
	March 31, 2022	December 31, 2021
Assets		
<u>Current</u>		
PIS over ICMS	292,707	226,042
COFINS over ICMS	1,339,126	1,062,781
Total current	1,631,833	1,288,824
<u>Noncurrent</u>		
PIS over ICMS	1,366,654	1,421,731
COFINS over ICMS	6,154,152	6,514,839
Total noncurrent	7,520,807	7,936,570

	Consolidated	
	March 31, 2022	December 31, 2021
Liabilities - PIS/COFINS consumers return		
Current	(445,481)	(58,606)
Noncurrent	(8,805,379)	(9,145,520)

The distribution subsidiaries CPFL Brasil and CPFL Serviços filed lawsuits involving the Federal Government seeking recognition of the right to exclude ICMS from the PIS and COFINS calculation basis, as well as the right to recover amounts previously paid.

In 2019 and 2021, most subsidiaries obtained a final and unappealable decision, recording tax assets to be offset and liabilities with consumers. Also in 2021, in view of (i) the May 2021 decision of the Federal Supreme Court that rejected the motions for clarification filed by the National Treasury in the records of RE No. 574,706 had lawsuits filed before March 15, 2017, and (ii) the terms of CPC 25, item 33, which discusses the concept of classification of an asset considered “practically certain”, PIS and COFINS credits were recognized in June 2021, in the subsidiaries CPFL Santa Cruz (company merged into CPFL Santa Cruz in December 2017), and RGE (company merged into RGE in December 2018). As of 2020, the subsidiaries started offsetting tax credits.

During the tariff readjustments of the subsidiaries RGE and CPFL Santa Cruz, anticipation of the reversal of amounts arising from credits arising from the aforementioned lawsuits was considered as an extraordinary negative financial component in the amount of R\$ 228,800 and R\$ 20,241, respectively.

It is important to point out that, based on the opinion of its legal advisors, the Company understands that, for distributors, the need for reimbursement to consumers of amounts received after the final and unappealable judicial decision, such as PIS and COFINS tax credits, is limited to the statute of limitations of ten years. This position was even expressed by the Company through a contribution presented in the process of Public Consultation No. 05/2021, which is still in progress.

Therefore, the Group’s accounting decision, at this time, not to record any tax credit to its favor does not mean any waiver of rights, but only serves to reflect the position of the aforementioned Public Consultation in progress by ANEEL.

For subsidiary CPFL Brasil, a final and unappealable decision was handed down in October 2021. The credit of approximately R\$ 85,078 was recorded as a deduction of PIS/COFINS revenue and monetary adjustment.

(9) SECTOR FINANCIAL ASSETS AND LIABILITIES

The breakdown of the balances of sector financial assets and liabilities and the movement for the period are as follows:

	Consolidated									
	At December 31, 2021			Operating revenue (note 27)		Adjustment for inflation	Others	At March 31, 2022		
	Deferred	Approved	Total	Constitution	Through billing			Deferred	Approved	Total
Parcel "A"	2,373,119	582,769	2,955,886	(1,079,782)	(243,527)	71,290	(13,879)	1,187,696	502,293	1,689,989
CVA ⁽¹⁾										
CDE ⁽²⁾	(137,471)	21,916	(115,556)	449,547	(17,424)	2,647	-	303,970	15,244	319,214
Electric energy cost	(228,156)	(187,046)	(415,202)	(1,462,778)	134,173	(12,526)	-	(1,612,343)	(143,991)	(1,756,333)
ESS and EER ⁽³⁾	1,415,965	150,042	1,566,007	(195,486)	(69,164)	27,850	-	1,169,330	159,878	1,329,208
Proinfra	992	23,178	24,170	85,179	(11,825)	2,159	-	84,425	15,258	99,683
Basic network charges	112,460	121,316	233,776	(29,069)	(72,589)	7,904	-	79,829	60,193	140,022
Pass-through from Itaipu	1,554,343	526,707	2,081,050	14,108	(236,197)	50,674	(13,879) ⁽⁴⁾	1,461,228	434,528	1,895,756
Transmission from Itaipu	865	16,501	17,366	(7,248)	(8,754)	691	-	(6,725)	8,780	2,055
Neutrality of sector charges	(86,990)	(50,423)	(137,413)	(103,696)	19,808	(1,758)	-	(194,578)	(28,481)	(223,059)
Overcontracting	(258,889)	(39,422)	(298,312)	169,660	18,446	(6,351)	-	(97,440)	(19,117)	(116,557)
Billed tariff flag	-	-	-	(502,616)	-	-	-	(502,616)	-	(502,616)
Other financial components	440,582	(205,994)	234,588	384,578	92,852	46,349	(102,184) ⁽⁵⁾	831,749	(175,565)	656,185
Total	2,813,701	376,775	3,190,474	(1,197,819)	(150,675)	117,639	(116,063)	1,516,829	326,728	1,843,558
Current assets			2,373,727							1,848,746
Noncurrent assets			816,748							372,667
Current liabilities			-							(60,798)
Noncurrent liabilities			-							(317,058)

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

(2) Energy Development Account – CDE

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

(4) Receipt of commercialization account from Itaipu

(5) Approval of the return of the PIS/COFINS credit

Changes due to version 2022 of the Electricity Sector Accounting Manual - ESAM: ANEEL, through Order No. 2904 of September 17, 2021, approved version 2022 of the ESAM, effective as of January 1, 2022, whose main changes involving sectoral financial assets and liabilities were: (i) change in the accounting of the billed tariff flag not yet approved by the CCRBT for sectoral financial assets or liabilities, previously recorded at regulatory rates (note 21), and (ii) change in the accounting of sectoral financial assets and liabilities by tariff cycle (approved and deferred).

The details of the nature of each sector financial asset and liability are provided in Note 9 to the financial statements at December 31, 2021.

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(10) DEFERRED TAX ASSETS AND LIABILITIES

10.1 Breakdown of tax assets and liabilities

	March 31, 2022	December 31, 2021
<u>Social contribution credit/(debit)</u>		
Tax loss carryforwards	177,762	198,774
Tax benefit of merged intangible	72,011	73,956
Temporarily nondeductible/taxable differences	(401,575)	(468,358)
Subtotal	(151,802)	(195,629)
<u>Income tax credit / (debit)</u>		
Tax loss carryforwards	494,203	553,464
Tax benefit of merged intangible	229,275	235,884
Temporarily nondeductible/taxable differences	(1,106,720)	(1,293,467)
Subtotal	(383,241)	(504,119)
<u>PIS and COFINS credit/(debit)</u>		
Temporarily nondeductible/taxable differences	(31,753)	(27,203)
Total	(566,796)	(726,951)
Total tax credit	398,912	231,594
Total tax debit	(965,708)	(958,545)

The expected recovery of the deferred tax assets arising from nondeductible temporary differences, tax benefit of merged intangible assets and income tax and social contribution losses is based on the projections of future taxable profits.

10.2 Tax benefit of merged intangible assets

Refers to the tax benefit calculated on the intangible assets derived from the acquisition of subsidiaries, as shown in the following table, which were merged and are recognized in accordance with the concepts of CVM Instructions No. 319/1999 and No. 349/2001 and ICPC 09 (R2) – Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Application of the Equity Method. The benefit is being realized in proportion to the tax amortization of the merged intangible assets that originated them as per CPC 27 and CPC 04 (R1) – Clarification of acceptable methods of depreciation and amortization, over the remaining concession period, as shown in Note 16.

	Consolidated			
	March 31, 2022		December 31, 2021	
	Social Contribution	Income tax	Social Contribution	Income tax
CPFL Paulista	26,212	72,812	27,369	76,024
CPFL Piratininga	6,815	23,390	7,074	24,279
RGE	38,984	125,212	39,513	127,397
CPFL Renováveis	-	7,861	-	8,184
Total	72,011	229,275	73,956	235,884

10.3 Accumulated balances on nondeductible temporary/taxable differences

	Consolidated					
	March 31, 2022			December 31, 2021		
	Social Contribution	Income tax	PIS/COFINS	Social Contribution	Income tax	PIS/COFINS
Temporarily nondeductible/ taxable differences						
Provision for tax, civil and labor risks	63,518	176,440	-	62,905	174,736	-
Private pension fund	10,732	29,813	-	10,161	28,226	-
Allowance for doubtful accounts	45,809	127,247	-	44,029	122,303	-
Free energy supply	10,453	29,037	-	10,237	28,436	-
Research and development and energy efficiency programs	17,909	49,746	-	17,674	49,094	-
Personnel-related provisions	11,043	30,675	-	8,969	24,913	-
Depreciation rate difference	2,637	7,324	-	2,796	7,767	-
Derivatives	(13,207)	(36,687)	-	(134,790)	(374,417)	-
Recognition of concession - adjustment of intangible asset	(3,527)	(9,797)	-	(3,714)	(10,315)	-
Recognition of concession - adjustment of financial asset	(338,799)	(941,109)	-	(311,378)	(864,939)	-
Recognition of concession - adjustment of contract asset	(104,742)	(282,361)	(31,353)	(99,765)	(269,775)	(26,835)
Actuarial losses	25,153	69,870	-	25,153	69,870	-
Fair value measurement - Derivatives	21,366	59,351	-	20,470	56,861	-
Fair value measurement - Debts	(28,202)	(78,339)	-	(28,455)	(79,041)	-
Other	(44,419)	(123,539)	(401)	(11,343)	(31,662)	(368)
Temporarily nondeductible differences - accumulated comprehensive income:						
Property, plant and equipment - adjustment of deemed cost	(38,360)	(106,557)	-	(39,157)	(108,769)	-
Actuarial losses	135,697	376,937	-	135,697	376,937	-
Fair value measurement - Derivatives	433	1,203	-	600	1,667	-
Fair value measurement - Debts	(2,023)	(5,620)	-	(2,610)	(7,251)	-
Temporarily nondeductible differences - business combination						
Deferred taxes - asset:						
Provision for tax, civil and labor risks	17,071	47,420	-	17,806	49,462	-
Fair value of property, plant and equipment (negative value added of assets)	15,482	43,005	-	15,779	43,829	-
Deferred taxes - liability:						
Fair value of property, plant and equipment (value added of assets)						
Value added derived from determination of deemed cost	(16,300)	(45,279)	-	(16,375)	(45,487)	-
Intangible asset - exploration right/authorization in indirect subsidiaries acquired	(185,521)	(515,007)	-	(189,269)	(525,418)	-
Other temporary differences	(3,778)	(10,494)	-	(3,778)	(10,494)	-
Total	(401,575)	(1,106,720)	(31,753)	(468,358)	(1,293,467)	(27,203)

Reconciliation of the income tax and social contribution amounts recognized in the statements of profit or loss for the quarters and three-month period ended March 31, 2022 and 2021 is as follows:

	Parent Company			
	1st quarter 2022		1st quarter 2021	
	Social Contribution	Income tax	Social Contribution	Income tax
Income before taxes	1,077,402	1,077,402	959,400	959,400
Adjustments to reflect effective rate:				
Equity in subsidiaries	(1,154,505)	(1,154,505)	(964,958)	(964,958)
Amortization of intangible asset acquired	(3,382)	-	(3,382)	-
Other permanent additions (exclusions), net	3,511	4,566	1,676	2,638
Tax base	(76,974)	(72,537)	(7,264)	(2,920)
Statutory rate	9%	25%	9%	25%
Tax credit/(debit)	6,928	18,134	654	730
Tax credit adjustments	-	-	(3,791)	(10,658)
Total	6,928	18,134	(3,137)	(9,928)
Deferred	6,928	18,134	(3,137)	(9,928)

	Consolidated			
	1st quarter 2022		1st quarter 2021	
	Social Contribution	Income tax	Social Contribution	Income tax
Profit before taxes	1,740,533	1,740,533	1,421,015	1,421,015
Reconciliation to reflect effective rate:				
Equity in subsidiaries	(114,916)	(114,916)	(90,249)	(90,249)
Amortization of intangible asset acquired	12,178	15,689	12,178	15,689
Effect of presumed profit system	(87,339)	(105,786)	(115,818)	(133,553)
Adjustment of revenue from excess demand and excess reactive power	53,873	53,873	47,219	47,219
Other permanent additions (exclusions), net	52,527	40,235	65,933	63,747
Tax base	1,656,856	1,629,628	1,340,278	1,323,868
Statutory rate	9%	25%	9%	25%
Tax credit/(debit)	(149,117)	(407,407)	(120,625)	(330,967)
Tax credit adjustments	(6,138)	(15,749)	(2,182)	(5,650)
Provision for tax risks	(138)	-	(355)	-
Total	(155,394)	(423,157)	(123,161)	(336,617)
Current	(198,612)	(542,343)	(45,002)	(115,957)
Deferred	43,218	119,186	(78,159)	(220,660)

Adjustments to tax credits – refers to the net value between: (i) the tax credit of the tax credit on tax losses, recorded due to the review of projections of future profits and (ii) portion of unrecognized tax credit corresponding the loss generated for which, at the moment, there is no probable assurance of generation of sufficient future taxable profits for its absorption.

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(11) CONCESSION FINANCIAL ASSET

	Consolidated
At December 31, 2021	13,281,686
Noncurrent	13,281,686
Fair value adjustment	311,494
Transfer - contract asset	451,232
Transfer - intangible asset	(4,385)
Disposals	(15,747)
At March 31, 2022	14,024,279
Noncurrent	14,024,279

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

According to the current tariff model, the remuneration for this asset is recognized in profit or loss upon billing to consumers and the realization occurs upon receipt of the electric energy bills. Moreover, the difference to adjust the balance at fair value (new replacement value – “NRV” – Note 4) is recognized as a balancing item to the operating income account (Note 27) in the statement of profit or loss for the period.

In the three-month period of 2022, the balance of write-offs of R\$ 15,747 (R\$ 22,572 in the three-month period of 2021) refers to the write-off of the adjustment related to the asset in the amount of R\$ 6,812 (R\$ 6,331 in the three-month period of 2021) and the write-off of the asset of R\$ 8,935 (R\$ 16,241 in the three-month period of 2021).

(12) OTHER ASSETS

	Consolidated			
	Current		Noncurrent	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Advances - Pension plan	7,351	8,877	6,797	6,797
Advances to suppliers	49,795	43,814	-	-
Pledges, funds and restricted deposits	26,738	27,214	18,466	18,026
Orders in progress	444,707	440,863	9,128	10,594
Services rendered to third parties	25,847	36,129	-	-
Energy pre-purchase agreements	-	-	3,532	3,015
Prepaid expenses	127,502	119,436	16,304	17,045
Receivables - CDE	236,323	189,776	-	-
Advances to employees	45,601	27,536	-	-
Incentive program for the voluntary reduction of electricity consumption	420	371,511	-	-
Borrowings	169,578	187,180	-	-
Others	284,515	296,148	161,929	144,022
(-) Allowance for doubtful debts (note 7)	(30,388)	(30,138)	-	-
Total	1,387,991	1,718,346	216,155	199,500

Orders in progress: Encompasses costs and revenues related to ongoing decommissioning or disposal of intangible assets and the service costs related to expenditure on projects in progress under the Energy Efficiency ("PEE") and Research and Development programs ("P&D"). Upon the closing of the respective projects, the balances are amortized against the respective liability recognized in Other Payables (Note 24).

Receivables – CDE: refer to: (i) low-income subsidies amounting to R\$ 39,253 (R\$ 34,135 at December 31, 2021), and (ii) other tariff discounts granted to consumers amounting to R\$ 196,801 (R\$ 155,641 at December 31, 2021).

(13) INVESTMENTS

	Parent Company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Equity method				
By equity method of the subsidiary and joint venture	15,687,737	14,517,982	1,309,656	1,194,622
Fair value of assets, net	397,558	416,805	8,177	8,322
Goodwill	6,054	6,054	-	-
Total	16,091,349	14,940,841	1,317,833	1,202,944

13.1 Equity interests – equity method

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

Investment	March 31, 2022				March 31, 2022	December 31, 2021	1st quarter 2022	1st quarter 2021
	Total assets	Issued capital	Equity	Profit or loss for the period	Share of equity of investees	Share of equity of investees	Share of profit (loss) of investees	Share of profit (loss) of investees
CPFL Paulista	18,323,998	1,343,323	1,883,868	334,285	1,883,868	1,551,033	334,285	246,813
CPFL Piratininga	7,348,170	258,497	562,563	175,661	562,563	387,459	175,661	161,941
CPFL Santa Cruz	1,977,976	170,413	455,329	23,147	455,329	432,359	23,147	(11,813)
RGE	15,428,160	2,831,534	4,029,777	306,232	3,547,193	3,271,259	276,732	177,645
CPFL Geração	5,474,966	2,022,783	4,424,927	217,330	4,424,927	4,207,597	217,330	228,277
CPFL Renováveis	10,571,141	4,032,292	5,883,395	154,712	2,891,688	2,815,646	76,042	102,658
CPFL Jaguarí Geração	60,011	40,108	59,945	732	59,945	59,214	732	3,254
CPFL Brasil	3,848,548	1,352,828	1,352,145	33,282	1,352,145	1,319,878	33,282	42,550
CPFL Planalto	5,144	630	4,215	1,201	4,215	3,014	1,201	1,062
CPFL Serviços	388,172	150,929	194,326	10,969	194,326	183,357	10,969	4,304
CPFL Atende	26,296	5,991	18,314	669	18,314	17,645	669	3,655
CPFL Infra	15,004	38	6,166	1,325	6,166	4,841	1,325	821
CPFL Pessoas	16,071	811	10,983	2,979	10,983	8,004	2,979	2,760
CPFL Finanças	23,880	385	16,534	3,969	16,534	12,565	3,969	3,329
CPFL Supre	11,691	826	7,722	2,290	7,722	5,432	2,290	1,022
CPFL Telecom	3,788	1,928	3,354	61	3,354	3,293	61	4
CPFL Eficiência	153,982	95,234	148,422	2,571	148,422	145,850	2,571	4,437
AUTHI	23,437	10	12,844	194	12,844	12,650	194	30
Alesta	90,314	38,126	86,882	10,256	86,882	76,627	10,256	7,756
Clion	337	206	316	56	316	260	56	-
Subtotal - by subsidiary's equity					15,687,737	14,517,982	1,173,753	980,505
Amortization of fair value adjustment of assets					-	-	(19,247)	(15,548)
Total					15,687,737	14,517,982	1,154,505	964,958

Asset surplus (value added) of net assets acquired in business combinations is classified in the parent company's statement of profit or loss in the group of Investments. In the parent company's statement of profit or loss, the amortization of the asset surplus (value added) of net assets of R\$ 19,247 (R\$ 15,548 in the three-month period of 2021) is classified in line item "share of profit (loss) of investees", in conformity with ICPC 09 (R2).

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

Investment	Investment at December 31, 2021	Share of profit (loss) of investees	Other comprehensive income	Investment at March 31, 2022
CPFL Paulista	1,551,033	334,285	(1,449)	1,883,868
CPFL Piratininga	387,459	175,661	(557)	562,563
CPFL Santa Cruz	432,359	23,147	(177)	455,329
RGE	3,271,259	276,732	(798)	3,547,193
CPFL Geração	4,207,597	217,330	-	4,424,927
CPFL Renováveis	2,815,646	76,042	-	2,891,688
CPFL Jaguarí Geração	59,214	732	-	59,945
CPFL Brasil	1,319,878	33,282	(1,015)	1,352,145
CPFL Planalto	3,014	1,201	-	4,215
CPFL Serviços	183,357	10,969	-	194,326
CPFL Atende	17,645	669	-	18,314
CPFL Infra	4,841	1,325	-	6,166
CPFL Pessoas	8,004	2,979	-	10,983
CPFL Finanças	12,565	3,969	-	16,534
CPFL Supri	5,432	2,290	-	7,722
CPFL Telecom	3,293	61	-	3,354
CPFL Eficiência	145,850	2,571	-	148,422
AUTHI	12,650	194	-	12,844
Alesta	76,627	10,256	-	86,882
Clion	260	56	-	316
	14,517,982	1,173,753	(3,996)	15,687,737

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

	March 31, 2022	December 31, 2021	1st quarter 2022	1st quarter 2021
Investments	Share of equity		Share of profit (loss)	
Baesa	156,158	155,703	455	(2,721)
Enercan	359,030	307,459	51,571	44,275
Chapecoense	475,541	433,866	41,675	33,791
EPASA	302,314	281,544	20,770	15,049
CPFL Transmissão investments	16,613	16,050	590	-
Fair value adjustments of assets, net	8,177	8,322	(145)	(145)
	1,317,833	1,202,944	114,916	90,249

13.2 Fair value adjustments and goodwill

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

In the interim financial statements, these amounts are classified as Intangible Assets (Note 16).

13.3 Dividends and interest on capital receivable

At March 31, 2022 and December 31, 2021, the Company has the following amounts receivable from the subsidiaries below, relating to dividends and interest on capital:

Subsidiary	Parent Company					
	Dividend		Interest on capital		Total	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
CPFL Paulista	-	-	31,260	31,260	31,260	31,260
CPFL Piratininga	-	-	-	6,037	-	6,037
CPFL Santa Cruz	-	-	5,714	5,714	5,714	5,714
CPFL Brasil	8,523	8,523	-	-	8,523	8,523
CPFL Serviços	23,903	23,903	-	-	23,903	23,903
CPFL Atende	-	-	-	90	-	90
AUTHI	10,000	10,000	-	-	10,000	10,000
Alesta	1,553	1,553	-	-	1,553	1,553
	43,979	43,979	36,974	43,101	80,954	87,081

The consolidated balance includes dividends and interest on capital receivable amounting to R\$ 85,890 at March 31, 2022 and R\$ 134,813 at December 31, 2021 related basically to joint ventures.

13.4 Business combination

Acquisition of Companhia Estadual de Transmissão de Energia Elétrica (“CPFL Transmissão”)

As disclosed in note 13.4 of the financial statements as of December 31, 2021, the subsidiary CPFL Cone Sul acquired, on October 14, 2021, shares representing approximately 66.08% of the total capital stock of CPFL Transmissão (approximately 67.12% of the common shares and 0.72% of the preferred shares), previously held by the state of Rio Grande do Sul.

The acquisition of control of CPFL Transmissão was carried out under the conditions disclosed in said explanatory note, whose fair values were provisionally determined for those financial statements based on analyses conducted by the Management itself, until the economic-financial appraisal report is finalized by an independent appraiser. As provided for in CPC 15, Management has 12 months from the acquisition date to finalize the purchase price allocation. Thus, no adjustment to the fair values of assets and liabilities was recognized in the base period of the interim financial information as of March 31, 2022.

Additionally, no other business combinations took place in the first quarter of 2022.

In April 2022, as a result of the auction of the unified public offer for the mandatory acquisition of common shares through the voluntary and control sale of preferred shares issued by CPFL Transmissão, it became the holder of 99.26% of the total share capital (previously 66.08%). For more details, see Note 36.1.

13.5 Noncontrolling interests and joint ventures

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

13.5.1 Movements in noncontrolling interests

	CERAN	LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado	CPFL Transmissão and subsidiaries	Total
At December 31, 2021	113,593	40,836	68,452	88,949	1,347,844	1,659,676
Equity interest and voting capital	35.00%	40.00%	Between 5% and 10%	40.07%	33.92%	
Equity attributable to noncontrolling interests	7,346	5,215	250	567	46,140	59,518
Gain (loss) on interest with no change in control	-	-	19	-	-	19
Dividends	-	(6,326)	-	-	4,230	(2,097)
Other comprehensive income - credit risk in fair value measurement	-	-	-	-	(471)	(471)
Other movements	-	-	-	(9)	3	(6)
At March 31, 2022	120,938	39,724	68,721	89,507	1,397,746	1,716,640
Equity interest and voting capital	35%	40%	Between 5% and 10%	40%	33.92%	

13.5.2 Summarized financial information on subsidiaries that have noncontrolling interests

The summarized financial information on subsidiaries that have noncontrolling interests at March 31, 2022 and December 31, 2021 and the three-month period ended at March 31, 2022 and 2021, is as follows:

BALANCE SHEET

	March 31, 2022					December 31, 2021				
	CPFL CERAN	CPFL Transmissão and subsidiaries	CPFL LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado	CPFL CERAN	CPFL Transmissão and subsidiaries	CPFL LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado
Current assets	32,628	2,056,328	11,620	71,682	21,074	138,247	2,054,120	14,790	72,838	18,745
Cash and cash equivalents	6,127	705,926	1,502	26,330	14,230	94,537	747,165	647	4,854	11,244
Noncurrent assets	767,162	4,548,540	90,489	505,170	135,736	778,464	4,453,762	91,939	507,645	137,125
Current liabilities	235,584	888,016	2,799	65,270	10,096	381,197	1,008,497	4,639	77,373	10,438
Borrowings and debentures	-	550,185	-	23,753	-	106,008	656,088	-	25,198	-
Other financial liabilities	25,200	114,764	417	(4,675)	2,978	28,807	69,894	927	3,991	1,935
Noncurrent liabilities	218,669	1,591,145	-	123,629	819	210,964	1,520,787	-	125,095	810
Borrowings and debentures	-	22,381	-	111,267	-	-	23,591	-	112,581	-
Other financial liabilities	147,423	-	-	-	-	141,118	-	-	-	-
Equity	345,538	4,125,707	99,310	387,953	145,896	324,550	3,978,599	102,089	378,015	144,622
Equity attributable to owners of the Company	224,600	2,727,961	59,586	319,232	56,389	210,957	2,630,755	61,253	309,564	55,673
Equity attributable to noncontrolling interests	120,938	1,397,746	39,724	68,721	89,507	113,593	1,347,844	40,836	68,451	88,949

PROFIT OR LOSS

	1st quarter 2022					1st quarter 2021				
	CPFL CERAN	CPFL Transmissão and subsidiaries	CPFL LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado	CPFL CERAN	CPFL Transmissão and subsidiaries	CPFL LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado
Net operating revenue	78,860	268,067	16,141	23,676	9,029	79,217	-	12,274	13,802	12,343
Operational costs and expenses	(25,688)	(147,417)	(1,291)	(4,062)	(7,555)	(17,600)	-	(708)	(5,413)	(6,883)
Depreciation and amortization	(10,252)	(13,609)	(1,365)	(6,411)	(1)	(10,663)	-	(1,242)	(3,296)	(1)
Interest income	2,052	15,255	110	1,447	307	106	-	7	193	129
Interest expense	(12,552)	(4,348)	-	(3,680)	-	(10,941)	-	-	(427)	-
Income tax expense	(10,805)	(82,298)	(523)	(1,239)	(451)	(13,587)	-	(389)	(969)	(1,171)
Profit (loss) for the year	20,988	136,026	13,037	9,568	1,415	26,423	-	9,923	4,940	6,526
Attributable to owners of the Company	13,642	89,885	7,822	9,318	848	17,175	-	5,954	4,940	6,526
Attributable to noncontrolling interests	7,346	46,140	5,215	250	567	9,248	-	3,969	(2,079)	3,322

13.5.3 Joint ventures

The summarized financial information on joint ventures at March 31, 2022 and December 31, 2021 and the three-month periods ended at March 31, 2022 and 2021, is as follows:

BALANCE SHEET

	March 31, 2022				December 31, 2021			
	Enercan	Baesa	Chapecoense	Epasa	Enercan	Baesa	Chapecoense	Epasa
Current assets	282,617	136,736	520,870	518,380	365,457	128,692	491,037	475,419
Cash and cash equivalents	98,160	94,585	374,452	331,506	168,970	52,609	209,790	165,040
Noncurrent assets	1,061,780	1,111,511	2,383,258	256,633	1,073,375	1,127,147	2,410,469	279,538
Current liabilities	397,454	85,849	356,687	96,813	599,825	104,123	408,941	104,682
Borrowings and debentures	131,720	-	138,076	16,453	130,766	-	137,959	16,452
Other financial liabilities	27,212	63,355	115,098	3,894	34,855	78,236	111,100	26,841
Noncurrent liabilities	210,064	537,914	1,615,008	111,470	207,973	529,052	1,641,847	122,480
Borrowings and debentures	-	-	608,977	22,597	-	-	642,698	26,603
Other financial liabilities	40,927	446,123	989,863	-	40,044	435,853	964,135	-
Equity	736,879	624,484	932,433	566,731	631,034	622,664	850,718	527,795

PROFIT OR LOSS

	1st quarter 2022				1st quarter 2021			
	Enercan	Baesa	Chapecoense	Epasa	Enercan	Baesa	Chapecoense	Epasa
Net operating revenue	236,266	82,295	281,511	72,783	192,904	61,324	239,360	177,322
Operational costs and expenses	(56,464)	(45,498)	(76,168)	(10,022)	(38,930)	(35,020)	(56,774)	(118,767)
Depreciation and amortization	(13,863)	(14,278)	(27,848)	(22,643)	(12,432)	(12,698)	(23,223)	(22,649)
Interest income	3,139	1,914	10,056	6,436	514	268	866	626
Interest expense	(8,444)	(21,588)	(64,132)	(860)	(4,152)	(30,033)	(60,963)	(1,951)
Income tax expense	(54,486)	(893)	(40,351)	(6,392)	(46,812)	5,335	(33,080)	(6,305)
Profit (loss) for the year	105,845	1,821	81,715	38,936	90,871	(10,881)	66,256	28,212
Equity interests and voting capital	48.72%	25.01%	51.00%	53.34%	48.72%	25.01%	51.00%	53.34%

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

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

13.5.4 Joint venture operation

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

(14) PROPERTY, PLANT AND EQUIPMENT

	Consolidated							
	Land	Reservoirs, dams and water mains	Buildings, construction and improvements	Machinery and equipment	Vehicles	Furniture and fittings	In progress	Total
At December 31, 2021	163,416	1,211,801	878,637	6,066,224	63,894	9,161	361,484	8,754,616
Historical cost	227,822	2,245,337	1,655,176	10,696,480	160,474	33,816	361,484	15,380,589
Accumulated depreciation	(64,406)	(1,033,536)	(776,539)	(4,630,256)	(96,580)	(24,655)	-	(6,625,973)
Additions	-	-	-	-	-	-	106,306	106,306
Disposals	-	-	(16)	(4,406)	(1,684)	-	(1,245)	(7,351)
Transfers	4,815	853	2,675	23,750	1,177	45,646	(78,916)	-
Depreciation	(1,129)	(12,784)	(12,728)	(108,678)	(5,173)	(252)	-	(140,744)
Write-off of depreciation	-	-	-	-	1,462	-	-	1,462
At March 31, 2022	167,100	1,199,869	868,568	5,976,890	59,680	54,553	387,628	8,714,289
Historical cost	232,555	2,246,190	1,657,954	10,721,643	158,842	79,465	387,628	15,484,271
Accumulated depreciation	(65,455)	(1,046,320)	(789,386)	(4,744,753)	(99,162)	(24,912)	-	(6,769,983)
Average depreciation rate 2022	3.86%	2.29%	3.08%	4.23%	12.40%	3.77%		

The balance of construction in progress, in the consolidated balances, refers mainly to works in progress of operating and/or under development subsidiaries, particularly for the projects of CPFL Renováveis, which has construction in progress of R\$ 314,773 (R\$ 272,122 at December 31, 2021), particularly for maintenance works especially in wind farms.

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(15) CONTRACT ASSETS

	Distribution	Transmission	Consolidated
At December 31, 2021	1,826,598	4,859,407	6,686,005
Current	-	845,025	845,025
Noncurrent	1,826,598	4,014,382	5,840,980
Additions	986,863	132,176	1,119,039
Transfer - intangible assets in service	(182,809)	-	(182,809)
Transfer - financial assets	(451,232)	-	(451,232)
Monetary adjustment	-	25,998	25,998
Cash inputs - RAP	-	(9,170)	(9,170)
At March 31, 2022	2,179,420	5,008,410	7,187,830
Current	-	847,212	847,212
Noncurrent	2,179,420	4,161,198	6,340,618

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

Contract assets of transmission companies: Refers to the right to receive the “Permitted Annual Revenue – RAP” over the concession period as well as an indemnity at the end of the concession of the transmission subsidiaries.

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(16) INTANGIBLE ASSETS

	Goodwill	Consolidated				Total
		Acquired in business combinations	Concession right Distribution infrastructure - operational	Public utilities/Concession asset	Other intangible assets	
At December 31, 2021	6,115	3,731,861	5,528,035	261,136	146,462	9,673,609
Historical cost	6,152	8,344,528	14,296,858	284,119	336,920	23,268,578
Accumulated amortization	(37)	(4,612,667)	(8,768,823)	(22,983)	(190,459)	(13,594,969)
Additions	-	-	-	-	2,420	2,420
Amortization	-	(81,470)	(232,291)	(2,790)	(5,956)	(322,507)
Transfer - contract assets	-	-	182,809	-	-	182,809
Transfer - financial asset	-	-	4,385	-	-	4,385
Disposal and transfer - other assets	-	(530)	(13,088)	-	(18)	(13,636)
At March 31, 2022	6,115	3,649,861	5,469,851	258,346	142,907	9,527,081
Historical cost	6,152	8,344,528	14,470,965	284,119	339,322	23,445,087
Accumulated amortization	(37)	(4,694,667)	(9,001,114)	(25,773)	(196,415)	(13,918,006)

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

Information on the concession intangible related to the Generation Scaling Factor (GSF) is disclosed in Notes 3.6 and 16.2 of the financial statements for the year ended December 31, 2021.

Intangible assets acquired in business combinations

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

	Consolidated					
	March 31, 2022			December 31, 2021	Annual amortization rate	
	Historic cost	Accumulated amortization	Net value	Net value	2022	2021
Intangible assets - acquired in business combinations						
Intangible assets acquired and not merged						
CPFL Paulista	304,861	(249,441)	55,421	57,917	3.28%	3.28%
CPFL Piratininga	39,065	(30,542)	8,523	8,846	3.31%	3.31%
RGE	3,768	(2,765)	1,003	1,047	4.67%	4.67%
CPFL Geração	54,555	(43,330)	11,225	11,686	3.38%	3.38%
Jaguari Geração	7,896	(4,998)	2,899	2,966	3.41%	3.41%
CPFL Renováveis	3,653,906	(1,582,138)	2,071,769	2,111,685	4.37%	4.71%
CPFL Transmissão	849,070	(20,606)	828,464	838,243	4.61%	5.10%
Subtotal	4,913,121	(1,933,819)	2,979,302	3,032,390		
Intangible assets acquired and merged						
RGE	1,433,007	(1,140,394)	292,613	305,627	3.63%	3.63%
CPFL Renováveis	426,450	(365,821)	60,629	63,121	2.34%	2.34%
Subtotal	1,859,457	(1,506,215)	353,242	368,748		
Intangible assets acquired and merged – reassembled						
CPFL Paulista	1,074,026	(891,535)	182,492	190,543	3.00%	3.00%
CPFL Piratininga	115,762	(90,506)	25,255	26,214	3.31%	3.31%
Jaguari Geração	15,275	(10,331)	4,944	5,059	3.01%	3.01%
RGE	366,887	(262,261)	104,626	108,907	4.67%	4.67%
Subtotal	1,571,950	(1,254,633)	317,317	330,723		
Total	8,344,528	(4,694,667)	3,649,861	3,731,861		

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(17) TRADE PAYABLES

	Consolidated	
	March 31, 2022	December 31, 2021
Current		
System service charges	195,244	926,667
Energy purchased	1,627,463	2,064,676
Electricity network usage charges	390,435	343,755
Materials and services	833,973	759,070
Free market energy	169,210	175,432
Total	3,216,324	4,269,598
Noncurrent		
Energy purchased	391,748	378,388
Materials and services	21,306	29,694
Total	413,055	408,082

(18) BORROWINGS

The movement in borrowings is as follows:

				Consolidated			
	At December 31,			Interest, monetary adjustment and fair value measurement	Exchange rates variation	Interest paid	At March 31, 2022
Category	2021	Raised	Repayment				
Local currency							
Measured at cost							
Pre fixed	8,268	-	(1,618)	34	-	(35)	6,649
Post fixed							
TJLP	452,301	-	(13,887)	10,145	-	(8,491)	440,068
IPCA	4,640,334	609,191	(62,589)	168,582	-	(63,686)	5,291,832
CDI	1,075,836	-	(27,800)	28,032	-	(2,282)	1,073,786
IGP-M	29,205	-	(4,347)	1,949	-	(626)	26,181
Subtotal	6,205,945	609,191	(110,241)	208,741	-	(75,120)	6,838,515
Measured at fair value							
Pre fixed	578,983	-	-	9,513	-	(10,526)	577,970
Fair value measurement	(43,009)	-	-	(4,236)	-	-	(47,245)
Subtotal	535,975	-	-	5,277	-	(10,526)	530,725
Total at local currency	6,741,919	609,191	(110,241)	214,017	-	(85,646)	7,369,240
Borrowing costs	(47,032)	-	-	2,228	-	-	(44,804)
Foreign currency							
Measured at cost							
Dollar	649,363	-	(8,165)	3,746	(95,265)	(5,754)	543,925
Subtotal	649,363	-	(8,165)	3,746	(95,265)	(5,754)	543,925
Measured at fair value							
Dollar	4,869,460	673,574	(354,738)	21,723	(729,533)	(27,622)	4,452,864
Euro	2,421,705	-	(524,832)	2,885	(358,042)	(3,402)	1,538,314
Fair value measurement	(172,545)	-	-	18,402	-	-	(154,143)
Subtotal	7,118,620	673,574	(879,570)	43,010	(1,087,575)	(31,024)	5,837,035
Total at foreign currency	7,767,983	673,574	(887,735)	46,756	(1,182,840)	(36,778)	6,380,960
Total	14,462,869	1,282,765	(997,976)	263,001	(1,182,840)	(122,424)	13,705,397
Current	2,246,711						3,074,808
Noncurrent	12,216,158						10,630,589

The details of borrowings are as follows:

Category	Annual interest		Consolidated			Collateral	
			March 31, 2022	December 31, 2021	Maturity range		
Measured at cost - Local currency							
Pre fixed							
FINAME	Fixed rate from 2.5% to 3%	(a)	6,649	8,268	2012 to 2024	(i) Liens on equipment; (ii) Pledge and liens on credit rights; (iii) Reserve, centralizing and receivables accounts; (iv) CPFL Renováveis, CPFL Energia e State Grid Brazil Power guarantee	
Post Fixed							
TJLP							
FINEM	TJLP and TJLP + from 1.72% to 3.05%	(b)	439,897	451,875	2012 to 2039		
FINEP	TJLP + 5% to 6%		171	427	2017 to 2022	(i) Pledge and liens on equipment; (ii) Pledge and liens on credit rights (iii) Reserve, centralizing and receivables accounts; (iv) Pledge of shares (v) Pledge of emergents rights authorized by ANEEL; (vi) Pledge of beneficiary shares; (vii) CPFL Renováveis, CPFL Energia and State Grid Brazil Power guarantee; (viii) Bank guarantee; (ix) Fiduciary Assignment of Federal Public Securities, denominated National Treasury Notes - Series B Bank guarantee	
			440,068	452,301			
IPCA							
FINEM	IPCA + 4.27% to 4.80%		5,089,839	4,434,659	2020 to 2040		CPFL Energia guarantee and receivables
BNB	IPCA + from 1.06 to 1.48%		201,993	205,676	2022 to 2044	Bank guarantee	
			5,291,832	4,640,334			
CDI							
Bank loans	(i) 105% of CDI	(c)	69,301	97,432	2012 to 2023	(i) CPFL Energia guarantee; (ii) Structure of redeemable preferred shares and (iii) CPFL Renováveis guarantee CPFL Energia guarantee	
Promissory notes	CDI+0.96%		1,004,484	978,404	2024		
IGPM			1,073,786	1,075,836			
Bank loans	IGPM + 8.63%		26,181	29,205	2013 to 2023		(i) Liens on equipment and receivables (ii) Pledge of shares of SPE and rights authorized by ANEEL and receivables of operation contracts
Subtotal			6,838,515	6,205,945			
Measured at fair value - Local currency							
Pre fixed							
Bank loans (Law 4,131)	Pre fixed from 6.16% to 7.38%		577,970	578,983	2024	CPFL Energia guarantee and Promissory notes	
Fair value measurement			(47,245)	(43,009)			
Subtotal			530,725	535,975			
Total - Local currency			7,369,240	6,741,919			
Borrowing costs (*)			(44,804)	(47,032)			
Measured at cost - Foreign Currency							
Dollar							
Incentive bank loans	US\$ + from 1.31% to 4.59%		543,925	649,363	2017 to 2022	Federative Republic of Brazil and the State of Rio Grande do Sul	
Measured at fair value - Foreign Currency							
Dollar							
Bank loans (Law 4,131)	US\$ + Libor 3 months + from 0.87% to 0.99%		475,615	558,630	2023 to 2025	CPFL Energia guarantee and Promissory notes	
Bank loans (Law 4,131)	US\$ + from 0.78% to 4.32%		3,977,249	4,310,829	2018 to 2025	CPFL Energia guarantee and Promissory notes	
			4,452,864	4,869,460			
Euro							
Bank loans (Law 4,131)	Euro + from 0.43% to 0.79%		1,538,314	2,421,705	2021 to 2025	CPFL Energia guarantee and Promissory notes	
Fair value measurement			(154,143)	(172,545)			
Total in foreign currency			6,380,960	7,767,983			
Total			13,705,397	14,462,869			

Certain borrowings, mainly those contracted in foreign currency, have swap converting exchange variation and fixed rate to interest rate variation. For further information about the considered rates, see note 34.

Effective rate:

(a) 30% to 70% of CDI (b) 60% to 110% of CDI (c) 100% to 130% of CDI

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

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

The objective of the classification as financial liabilities of borrowings measured at fair value is to reduce the effects of the recognition of gains and losses derived from fair valuing debt-related derivatives, linked to the respective debts in order to obtain more relevant and consistent accounting information, reducing the accounting mismatch.

Changes in the fair values of these debts are recognized in the Group's financial result, except for the change in fair value due to credit risk, which, depending on the characteristics of the debts at the time of contracting, may be recorded in other comprehensive income or in the result of the period. At March 31, 2022, the unrealized accumulated gains obtained from the fair value measurement of these debts were R\$ 201,388 (R\$ 215,554 at December 31, 2021) which reduced by the unrealized losses obtained from the fair value measurement of derivative financial instruments of R\$ 153,797 (R\$ 155,475 at December 31, 2021), contracted as a hedge against exchange rate variation (note 34), generated total net unrealized gain of R\$ 47,592 (R\$ 60,079 at December 31, 2021).

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

<u>Maturity</u>	<u>Consolidated</u>
From April 1st, 2023	1,971,798
2024	2,176,918
2025	2,229,157
2026	990,212
2027	2,677,090
2028 to 2032	519,021
2033 to 2037	161,498
2038 to 2042	93,433
2043 to 2047	9,030
Subtotal	10,828,158
Fair value measurement	(197,569)
Total	10,630,589

Borrowings raised in the period:

Category Subsidiary	Released (R\$ thousand)		Interest payment	Repayment	Utilization	Annual rate and effective annual rate	Effective rate with derivative
	Total approved	Released in 2022					
Local currency							
IPCA - BNDES							
CPFL Paulista	312,596	62,521	Quarterly until July 2023	Monthly from July 2023	Investment plan	IPCA + 4.34%	not applicable
CPFL Paulista	1,002,912	200,587	Quarterly	Bullet in June 2027	Investment plan	IPCA + 4.34%	not applicable
CPFL Santa Cruz	244,385	48,945	Quarterly until July 2023	Monthly from July 2023	Investment plan	IPCA + 4.34%	not applicable
RGE	353,019	70,607	Quarterly until July 2023	Monthly from July 2023	Investment plan	IPCA + 4.34%	not applicable
RGE	1,132,601	226,532	Quarterly	Bullet in June 2027	Investment plan	IPCA + 4.34%	not applicable
Foreign currency							
Law 4131							
CPFL Piratininga	118,574	118,574	Semiannually	Bullet in March 2025	Working capital	USD + 2.81%	CDI + 1.22%
CPFL Renováveis	294,000	294,000	Semiannually	Bullet in March 2024	Working capital	USD + 2.57%	CDI + 1.05%
CPFL Santa Cruz	89,000	89,000	Semiannually	Bullet in March 2025	Working capital	USD + 2.74%	CDI+1.25%
CPFL Brasil	172,000	172,000	Semiannually	Bullet in March 2024	Working capital	USD + 2.8359% until March/23 after 2.9234%	CDI+1.10%
	3,719,086	1,282,765					

Covenants

Borrowings raised by Group companies require compliance with certain restrictive financial clauses, under penalty of restriction in the distribution of dividends and/or advance maturity of the related debts. Furthermore, failure to comply with the obligations or restrictions mentioned may result in default in relation to other contractual obligations (cross default), depending on each borrowing agreement.

The borrowings raised or with funds released in 2022 have restrictive clauses related to financial ratios, as follows:

Ratios required for the consolidated financial statements of CPFL Energia

- Debt indebtedness divided by adjusted EBITDA smaller than or equal to 3.75
- EBITDA divided by the finance income/expense results greater than or equal to 2.25

Ratios required in the subsidiary's financial statements

- Debt indebtedness divided by adjusted EBITDA smaller than or equal to 4.0

For other borrowings, the details of the covenants are presented in note 18 to the financial statements as of December 31, 2021.

The Group's management monitors these ratios on a systematic and constant basis, so that all conditions are met. On March 31, 2022, the Company's Management did not identify events or conditions of non-compliance with financial and non-financial clauses.

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(19) DEBENTURES

The movement in debentures are as follows:

Category	Consolidated					
	At December 31, 2021	Raised	Repayment	Interest, monetary adjustment and fair value measurement	Interest paid	At March 31, 2022
Measured at cost - Post fixed						
CDI	5,145,242	1,000,000	(354,000)	157,550	(49,076)	5,899,718
IPCA	1,457,645	-	-	56,083	(35,628)	1,478,100
Total at cost	6,602,887	1,000,000	(354,000)	213,635	(84,704)	7,377,818
Borrowing costs (*)	(50,188)	(3,082)	-	2,916	-	(50,353)
Measured at fair value - Post fixed						
IPCA	1,539,051	-	-	60,341	(14,607)	1,584,784
Fair value measurement	(138,748)	-	-	(7,190)	-	(145,938)
Total at fair value	1,400,303	-	-	53,151	(14,607)	1,438,848
Total	7,953,002	996,918	(354,000)	269,702	(99,312)	8,766,311
Current	1,788,125					1,778,576
Noncurrent	6,164,877					6,987,736

The details of debentures are as follows :

Category	Annual Interest		Consolidated		Maturity range	Collateral
			March 31, 2022	December 31, 2021		
Measured at cost - Post fixed						
CDI	(i) From 107% to 109.75% of CDI	(a)	5,030,650	4,297,874	2021 to 2031	CPFL Energia guarantee
	(ii) CDI + 0.96% to 1.50%					
	From 104.75% to 106% of CDI	(a)	869,067	847,368	2021 to 2023	No guarantee
IPCA	IPCA + from 4.30% to 5.8%	(b)	1,478,100	1,457,645	2022 to 2031	CPFL Energia guarantee
			7,377,818	6,602,887		
Borrowing costs			(50,353)	(50,188)		
Measured at fair value - Post fixed						
IPCA	IPCA + 5.80%	(b)	1,584,784	1,539,051	2024 to 2031	CPFL Energia guarantee
Fair value measurement			(145,938)	(138,748)		
Total			8,766,311	7,953,002		

Certain debentures have swap exchanging the variation based on IPCA for variation based on CDI. For further information on the rates considered, see note 34.

Effective rate

(a) From 104.68% to 110.77% of CDI | CDI + from 0.76% to 0.89%

(b) IPCA + 4.84% to 6.31%

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

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

The classification of debentures measured at fair value as financial liabilities is aimed at reducing the accounting mismatching of the effects of the recognition of gains and losses derived from the fair value measurement of hedging derivatives linked to such debentures, in order to obtain more relevant and consistent accounting information.

The changes in the fair values of these debentures are recognized in the Group finance income (expense), except for the fair value changes in credit risk, which is recognized in other comprehensive income. At March 31, 2022, the accumulated unrealized gains obtained from the fair value measurement of such debentures amounted to R\$ 145,938 (R\$ 138,748 at December 31, 2021) which, reduced to the unrealized losses obtained from the fair value measurement of the derivative instruments of R\$ 105,487 (gain of R\$ 92,879 at December 31, 2021), undertaken to hedge the interest rate changes (note 34), generated a total net unrealized gain of R\$ 40,450 (R\$ 45,869 at December 31, 2021).

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

<u>Maturity</u>	<u>Consolidated</u>
From April 1st, 2023	2,111,481
2024	1,862,493
2025	416,221
2026	252,445
2027	753,668
2028 to 2032	1,737,365
Subtotal	7,133,673
Fair value measurement	(145,938)
Total	6,987,736

Debentures raised in the period:

Category Subsidiary	Issued quantity	Released (R\$ thousand)		Interest payment	Repayment	Financial charge and annual effective rate
		Released in 2022	Net of borrowing costs			
Local currency - IPCA						
11 th Issuing - Paulista	750,000	750,000	747,747	Semiannually	2 installments- December 2027 and December 2028	CDI + 1.59%
13 th Issuing - Piratininga	250,000	250,000	249,170	Semiannually	2 installments- December 2027 and December 2028	CDI + 1.59%
		1,000,000	996,919			

The funds raised will be used for investment, debt financing and working capital.

RESTRICTIVE COVENANTS

The debenture agreements are subject to certain restrictive covenants, including covenants that require the Company and its subsidiaries to maintain certain financial ratios within pre-established parameters.

The debentures raised in 2022 have restrictive clauses related to financial indicators, as follows:

Ratios required for the consolidated financial statements of CPFL Energia

- Debt indebtedness divided by adjusted EBITDA smaller than or equal to 3.75
- EBITDA divided by the finance income/expense results greater than or equal to 2.25

For further details of the restrictive conditions for other debentures see note 19 to the Financial Statements of December 31, 2021

The Group's Management monitors these ratios on a systematic and constant basis, so that all conditions are met. As of March 31, 2022, all covenants, financial and non-financial clauses are properly complied, in the opinion of the Group's Management.

(20) PRIVATE PENSION PLAN

The subsidiaries sponsor supplementary retirement and pension plans for their employees, the characteristics of which are described in note 20 to the financial statements for the year ended December 31, 2021.

Movements in the defined benefit plans

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

	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE		CPFL Transmissão			Total
				Plan 1	Plan 2	Plan Único	CTP	CEEEPREV	
Net actuarial liability at December 31, 2021	1,979,235	459,970	47,652	21,084	139,458	296,140	3,857	498,068	3,445,464
Expense (income) recognized in income statement	42,496	11,390	1,039	447	3,577	3,177	96	11,325	73,546
Sponsors' contributions transferred during the period	(121,140)	(38,497)	(2,444)	(498)	(518)	(2,418)	(72)	(8,016)	(173,698)
Net actuarial liability at March 31, 2022	1,900,590	432,770	46,247	21,034	142,516	296,899	3,881	501,377	3,345,312
Other contributions								9,249	
Total liability									3,354,560
Current									598,527
Noncurrent									2,756,033

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

	3 months 2022 actual					CPFL Transmissão			Total
	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE		Plan Único	CTP	CEEEPREV BD	
Service cost	350	2,008	9	(20)	342	(3,767)	-	(102)	(1,180)
Interest on actuarial obligations	161,348	45,879	3,909	10,700	14,114	18,583	96	30,025	284,654
Expected return on plan assets	(119,202)	(36,497)	(2,879)	(10,233)	(10,879)	(11,640)	-	(18,599)	(209,928)
Effect of asset limit to be registered	-	-	-	-	-	-	-	-	-
Total expense (revenue)	42,496	11,390	1,039	447	3,577	3,177	96	11,325	73,546
	3 months 2021 actual					CPFL Transmissão			Total
	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	Plan 1	Plan 2	Plan Único	CTP	CEEEPREV BD	
Service cost	419	2,331	37	(292)	286	-	-	-	2,781
Interest on actuarial obligations	132,545	38,306	2,894	8,437	12,521	-	-	-	194,703
Expected return on plan assets	(92,952)	(28,142)	(2,285)	(8,745)	(9,198)	-	-	-	(141,322)
Effect of asset limit to be registered	-	-	-	216	-	-	-	-	216
Total expense (revenue)	40,012	12,495	646	(385)	3,609	-	-	-	56,377

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(21) REGULATORY LIABILITIES

	Consolidated	
	March 31, 2022	December 31, 2021
Financial compensation for the use of water resources - CFURH	709	933
Global reversal reserve - RGR	17,248	17,248
ANEEL inspection fee - TFSEE	8,881	8,949
Energy development account - CDE	46,909	46,909
Tariff flags and others	10	477,927
Total	73,757	551,966

Tariff flags and others – The balance at December 31, 2021 basically refers to tariff flags (red water scarcity) billed in December 2021 and approved during the first quarter of 2022.

(22) TAXES, FEES AND CONTRIBUTIONS

	Consolidated	
	March 31, 2022	December 31, 2021
Current		
IRPJ (corporate income tax)	293,435	210,896
CSLL (social contribution on net income)	87,457	77,517
Income tax and social contribution payable	380,892	288,412
ICMS (State VAT)	600,005	669,830
PIS (tax on revenue)	31,623	23,340
COFINS (tax on revenue)	150,989	111,933
Income tax withholding on interest on capital	-	7,606
Other taxes	71,760	74,156
Other taxes payable	854,377	886,864
Total current	1,235,269	1,175,276
Noncurrent		
IRPJ (corporate income tax)	216,767	214,430
CSLL (social contribution on net income)	18,532	18,173
Income tax and social contribution payable	235,299	232,603
ICMS (State VAT)	883	874
IRPJ/CSLL installment	5,119	5,218
Other taxes payable	6,002	6,092
Total noncurrent	241,301	238,695

Corporate Income tax – IRPJ: in noncurrent, this refers to the reclassification of provision for tax risks related to taxes on profit. The largest case amount refers to the Writ of Mandamus filed by the subsidiary CPFL Piratininga, which discusses the possibility of excluding the Social Contribution on Profit (CSLL) from the calculation base of the Corporate Income Tax (IRPJ); in such case, it is more probable that the Tax Authorities will not accept the procedure in question.

The Group has some uncertain income tax treatments for which Management has concluded that it is probable more likely than not that they will be accepted by the tax authority and for which the effects of potential contingencies is disclosed in note 23 – Provision for tax, civil and labor risks and escrow deposits.

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

	Consolidated			
	March 31, 2022		December 31, 2021	
	Provision for tax, civil and labor risks	Escrow deposits	Provision for tax, civil and labor risks	Escrow deposits
Labor	435,667	158,737	435,822	150,788
Civil	426,093	44,740	416,029	45,319
Tax				
Income Tax and social contribution	-	445,103	-	438,106
Others	84,638	228,962	92,046	224,636
	84,638	674,066	92,046	662,742
Others	91,906	354	91,467	131
Total	1,038,304	877,897	1,035,364	858,981

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

	Consolidated					At March 31, 2022
	At December 31, 2021	Additions	Reversals	Payments	Monetary adjustment	
Labor	435,822	16,322	(13,181)	(14,422)	11,126	435,667
Civil	416,029	20,852	(4,468)	(26,612)	20,292	426,093
Tax	92,046	398	(326)	(2,921)	(4,560)	84,638
Others	91,467	-	-	-	439	91,906
Total	1,035,364	37,574	(17,972)	(43,954)	27,297	1,038,304

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

The details of the nature of the provision for tax, civil, labor and other risks and escrow deposits are presented in the note 23 of the financial statements at December 31, 2021.

Possible losses

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

The claims relating to possible losses at March 31, 2022 and December 31, 2021 were as follows:

	Consolidated		Main causes
	March 31, 2022	December 31, 2021	
Labor	671,075	574,607	Work accidents, risk premium for dangerousness at workplace and overtime
Civil	2,461,215	2,186,898	Compensation claims, electrical damage, overfed tariffs, review of contracts and charges for occupation of the right-of-way.
Tax	4,975,284	4,939,624	Income tax and social contribution
Tax - Others	2,617,687	2,512,047	INSS, ICMS, FINSOCIAL, PIS and COFINS
Regulatory	139,823	135,765	Technical, commercial and economic-financial supervisions
Total	10,865,084	10,348,941	

Tax:

One of the main cases refers to litigation concerning the deductibility for income tax purposes of expenses recognized in 1997 relating to novation of debt in connection with the pension plan of employees of subsidiary CPFL Paulista to Fundação CESP ("VIVEST") in the estimated amount of R\$ 1,530,515, with escrow deposits in the amount of R\$ 24,187 and financial guarantees (insurance and letters of guarantee) in the total amount of R\$ 1,744,407, under the terms required by the relevant procedural law. In addition, the litigation includes interest that was levied on the escrow deposit withdrawn by the Company, in the amount of

R\$ 267,199 and that is deposited in court. On May 23, June 6 and September 17, 2019, the special appeal of the main proceeding was judged by the Second Panel of the Higher Court of Justice (STJ), which handed down a decision unfavorable to the subsidiary, fully published on June 26, 2020, which embargoes of declaration were opposed on August 4, 2020, awaiting judgment. Additionally, the subsidiary has an extraordinary appeal pending before the Federal Supreme Court (STF). On August 3, 2021 a monocratic decision was handed down by one of the Ministers of the Second Panel, dismissing the Interlocutory appeal and not admitting the extraordinary appeal based on formal and procedural aspects, without evaluating the merits of the case. This decision was appealed to the collegiate of the Second Panel, when all other Ministers will have the opportunity to evaluate the appeal. Based on the current stage of the appeals, both at the STJ and at the STF, and the opinion of its legal advisors, the subsidiary remains confident in the legal grounds substantiating the appeal and will continue to defend its arguments before the Judiciary Branch, assessing the chances of loss as not probable. There is a new opportunity for the analysis of the case at the STF, with a constitutional approach with solid bases, indicating possible success in the extraordinary appeals, and the subsidiary will continue to try to avoid possible cash outflows should it be required to replace existing judicial guarantees with cash deposits.

Labor:

With regard to labor contingencies, the STF reaffirmed in December 2021 the application of the IPCA-E for debts in the pre-procedural phase and SELIC for after the filing of the actions, maintaining modulation of the effects of the decision, according to the procedural progress, supporting payments already made with the TR update. The Group's Management clarifies that it carries out the individual settlement of labor cases, in accordance with the respective decisions, and did not identify any material changes in the preliminary analysis. Thus, the Group continues to monitor the application of STF decisions to its cases until a legislative solution to amend the TR.

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

(24) OTHER PAYABLES

	Consolidated			
	Current		Noncurrent	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Consumers and concessionaires	282,704	219,444	79,554	75,415
Energy efficiency program - PEE	400,884	394,443	-	17,149
Research & Development - P&D	214,603	221,806	41,047	27,660
EPE / FNDCT / PROCEL (*)	113,969	106,301	-	-
Reversion fund	1,712	1,666	8,719	9,192
Advances	626,407	529,182	54,945	56,970
Tariff discounts - CDE	-	22,772	-	-
Payroll	41,823	59,639	-	-
Profit sharing	122,705	104,826	33,909	33,909
Collection agreements	128,514	113,991	-	-
Business acquisition	11,317	11,317	-	-
Others	139,551	144,916	268,771	254,296
Total	2,084,189	1,930,303	486,945	474,591

(*) EPE – Energy Research Company, FNDCT – National Fund for Scientific and Technology Development, PROCEL - National Electric Energy Conservation Program

Consumers and concessionaires: refer to liabilities with consumers in connection with overpayments and adjustments of billing to be offset or returned.

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

(25) EQUITY

The shareholders' interest in the Company's equity at March 31, 2022 and December 31, 2021 is shown below:

Shareholders	Number of shares			
	March 31, 2022		December 31, 2021	
	Common shares	Interest %	Common shares	Interest %
State Grid Brazil Power Participações S.A.	730,435,698	63.39%	730,435,698	63.39%
ESC Energia S.A.	234,086,204	20.32%	234,086,204	20.32%
Members of the Board of Directors	163,600	0.01%	163,600	0.01%
Members of the Executive Board	2,300	0.00%	2,300	0.00%
Other shareholders	187,566,638	16.28%	187,566,638	16.28%
Total	1,152,254,440	100.00%	1,152,254,440	100.00%

The details of the items included in equity are described in note 25 to the financial statements for the year ended December 31, 2021.

(26) EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for the quarters and three-month periods ended at March 31, 2022 and 2021 was based on the profit of the period attributable to controlling shareholder and the weighted average number of common shares outstanding in the period.

	1st quarter 2022	1st quarter 2021
Numerator		
Profit attributable to controlling shareholders	1,102,464	946,336
Denominator		
Weighted average number of shares held by shareholders	1,152,254,440	1,152,254,440
Earnings per share	0.96	0.82

(27) NET OPERATING REVENUE

	Consolidated					
	Number of consumers		GWh		R\$ thousand	
	March 31, 2022	March 31, 2021	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021
Revenue from Electric Energy Operations						
Consumer class						
Residential	9,197,184	8,985,066	5,603	5,697	5,333,375	4,566,001
Industrial	52,395	53,339	2,009	2,604	1,081,690	1,109,645
Commercial	534,613	519,238	2,491	2,658	1,982,909	1,699,784
Rural	334,877	361,447	935	927	596,552	472,506
Public administration	64,101	63,361	334	320	294,345	222,033
Public lighting	10,222	10,154	488	497	294,500	213,783
Public services	11,079	10,863	443	536	351,889	315,234
Billed	10,204,471	10,003,468	12,302	13,238	9,935,260	8,598,986
Own consumption	-	-	9	9	-	-
Unbilled (net)	-	-	-	-	337,928	18,124
(-) Reclassification to Network Usage Charge - TUSD - Captive Consumers	-	-	-	-	(3,814,524)	(3,826,251)
Electricity sales to final consumers	10,204,471	10,003,468	12,312	13,248	6,458,664	4,790,859
Furnas Centrais Elétricas S.A.			709	709	203,576	155,287
Other concessionaires and licensees			2,486	1,255	734,396	705,288
(-) Reclassification to Network Usage Charge - TUSD - Captive Consumers			-	-	(43,194)	(36,741)
Spot market energy			1,576	2,820	107,055	203,664
Electricity sales to wholesalers			4,770	4,784	1,001,833	1,027,498
Revenue due to Network Usage Charge - TUSD - Captive Consumers					3,857,718	3,862,991
Revenue due to Network Usage Charge - TUSD - Free Consumers					1,231,861	1,148,167
(-) Compensation paid for failure to comply with the limits of continuity					(45,753)	(38,008)
Revenue from construction of concession infrastructure					1,042,220	622,535
Sector financial asset and liability (Note 9)					(1,348,494)	252,439
Concession financial asset - fair value adjustment (Note 11)					304,682	258,834
Energy development account - CDE - Low-income, Tariff discounts - judicial injunctions ,and other tariff discounts					470,845	382,535
Other revenues and income					451,274	176,535
Other operating revenues					5,964,353	6,666,028
Total gross operating revenue					13,424,850	12,484,386
Deductions from operating revenues						
ICMS					(2,152,371)	(1,971,659)
PIS					(153,677)	(192,857)
COFINS					(709,841)	(886,808)
ISS					(7,535)	(6,198)
Energy development account - CDE					(1,459,223)	(1,011,771)
Research and development and energy efficiency programs					(69,940)	(63,877)
PROINFRA					(64,026)	(43,961)
Tariff flags and others					494,360	(6,981)
Financial compensation for the use of water resources - CFURH					(1,204)	(2,165)
Other					(13,938)	(9,983)
					(4,137,395)	(4,196,261)
Net operating revenue					9,287,455	8,288,125

27.1 Adjustment of revenues from excess demand and excess reactive power

The information related to accounting and historical are described in note 27.1 of financial statements of December 31, 2021.

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

Distributor	Month		2022		2021	
			Effect perceived by consumers		Effect perceived by consumers	
			RTA / RTP	(a)	RTA / RTP	(a)
CPFL Paulista	April	(b)	12.77%	14.97%	17.62%	8.95%
CPFL Piratininga	October		(c)	(c)	14.78%	12.40%
RGE	June		(c)	(c)	15.23%	9.95%
CPFL Santa Cruz	March		7.82%	8.83%	17.19%	9.95%

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

(b) As described in Note 36.2, in April 2022 there was the RTA for the subsidiary CPFL Paulista

(c) The adjustments for 2022 have not yet occurred

On March 22, 2022, ANEEL published Ratifying Resolution ("REH") No. 3017, which set the average tariff adjustment of the subsidiary CPFL Santa Cruz at 7.82%, of which 8.14% referred to the economic tariff adjustment and -0.31% related to the financial components. The total average effect to be perceived by consumers is 8.83%.

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

In the three-month period of 2022, revenue of R\$ 470,845 was recognized (R\$ 382,535 in the three-month period of 2021), considering (i) R\$ 57,768 for low-income subsidy (R\$ 41,403 in the three-month period of 2021), (ii) R\$ 327,228 for other tariff discounts (R\$ 318,642 in the three-month period of 2021), and (iii) R\$ 85,849 for tariff discounts – CCRBT injunctions and subsidy (R\$ 22,490 in the three-month period of 2021). These items were recognized against other assets in the line item Receivables – CDE (Note 11) and other payables in line item Tariff discounts – CDE (Note 24)

27.4 Energy development account (“CDE”)

ANEEL, through REH No. 3004 of December 14, 2021, established the provisional monthly quotas of the CDE, related to the competence from January to April 2022 to be collected by the distribution concessionaires. The provisional annual quota is presented in Technical Note No. 294/2021-SGT-SRG-SFF-SRD/ANEEL of the Public Consultation – CP 081 of 2021.

Created by means of REN No. 885 of June 23, 2020, Covid Account had its quotas approved by means of Order No. 181 of January 26, 2021, later rectified by means of Order No. 939 of April 5th 2021; the amounts are paid from the month following the distributor's tariff process.

(28) COST OF ELECTRIC ENERGY

	Consolidated			
	GWh		R\$ thousand	
	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021
Electricity Purchased for Resale				
Itaipu Binacional	2,496	2,587	650,935	972,067
PROINFRA	218	222	169,740	96,594
Energy purchased through auction in the regulated market, bilateral contracts and spot market	15,390	14,964	2,864,942	3,076,867
PIS and COFINS credit	-	-	(319,868)	(362,556)
Subtotal	18,104	17,774	3,365,749	3,782,971
Electricity network usage charge				
Basic network charges			686,714	780,442
Transmission from Itaipu			62,622	82,652
Connection charges			23,406	47,832
Charges for use of the distribution system			17,631	15,359
System service charges - ESS net of CONER pass through (*)			499,243	353,366
Reserve energy charges - EER			162,939	35,148
PIS and COFINS credit			(141,374)	(120,483)
Subtotal			1,311,182	1,194,315
Total			4,676,931	4,977,287

(*) Energy reserve account.

(29) OTHER OPERATING COSTS AND EXPENSES

	Consolidated											
	Cost of operation		Cost of Services Rendered to Third Parties		Operating expenses						Total	
					Selling expenses		General and administrative		Other operating expenses			
	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021
Personnel	370,310	245,136	-	-	43,098	39,022	90,104	78,804	-	-	503,512	362,962
Private Pension Plans	73,546	56,337	-	-	-	-	-	-	-	-	73,546	56,337
Materials	100,852	71,361	398	325	2,935	1,953	2,786	(442)	-	-	106,971	73,197
Third party services	26,138	36,961	727	745	46,074	41,255	72,222	67,919	-	-	145,161	146,880
Costs of infrastructure construction	-	-	1,040,172	618,998	-	-	-	-	-	-	1,040,172	618,998
Others	36,266	27,087	11	19	21,816	23,544	42,857	32,900	21,622	39,111	122,573	122,661
Collection fees	-	-	-	-	21,532	23,322	-	-	-	-	21,532	23,322
Leases and rentals	22,007	16,407	-	-	-	-	1,187	3,421	-	-	23,194	19,828
Publicity and advertising	2	-	-	-	-	-	3,486	2,950	-	-	3,488	2,950
Legal, judicial and indemnities	-	-	-	-	-	-	39,929	23,487	-	-	39,929	23,487
Donations, contributions and subsidies	-	-	-	-	-	-	1,118	896	-	-	1,118	896
Gain (loss) on disposal, retirement and other noncurrent assets	-	-	-	-	-	-	-	-	20,864	36,818	20,864	36,818
Others	14,258	10,680	11	19	284	222	(2,863)	2,146	758	2,293	12,448	15,360
Total	607,113	436,883	1,041,308	620,087	113,923	105,774	207,969	179,183	21,622	39,112	1,991,935	1,381,035

(30) FINANCIAL INCOME (COSTS)

	Consolidated	
	2022	2021
	1st quarter	1st quarter
Financial income		
Income from financial investments	78,468	21,681
Late payment interest and fines	92,846	82,326
Adjustment for inflation of tax credits	108,475	5,795
Adjustment for inflation of escrow deposits	18,743	3,024
Adjustment for inflation and exchange rate changes	132,710	62,741
Discount on purchase of ICMS credit	8,151	2,905
Adjustments to the sector financial asset (note 9)	127,970	3,247
PIS and COFINS on other financial income	(19,677)	(10,924)
Other	16,005	54,339
Total	563,690	225,134
Financial expenses		
Interest on debts	(338,291)	(146,787)
Adjustment for inflation and exchange rate changes	(417,845)	(145,196)
(-) Capitalized interest	10,849	7,641
Adjustments to the sector financial liability (note 9)	(10,330)	(2,750)
Use of public asset	(10,359)	(9,837)
Exclusion of ICMS from the PIS/COFINS base (note 8.1)	(110,635)	(1,804)
Intragroup loans (note 32)	(67,899)	(18,048)
Other	(50,919)	(29,398)
Total	(995,429)	(346,178)
Financial income (expenses), net	(431,738)	(121,044)

In the line item monetary adjustment and exchange rate changes, the expense includes the net effects of losses of R\$ 1,203,936 in the three-month period of 2022 (R\$ 504,748 in the three-month period of 2021) on derivative instruments (Note 34).

(31) SEGMENT INFORMATION

The information segregated by segment is presented below, according to the criteria established by the Group's executives:

	Distribution	Generation	Transmission	Commercialization	Services	Subtotal	Other (*)	Elimination	Total
1st Quarter 2022									
Net operating revenue	7,844,160	574,878	293,939	532,128	39,218	9,284,324	3,132	-	9,287,455
(-) Intersegment revenues	2,575	240,272	101,137	1,251	192,126	537,360	-	(537,360)	-
Cost of electric energy	(4,308,579)	(140,108)	(409)	(574,514)	-	(5,023,609)	-	346,678	(4,676,931)
Operating costs and expenses	(1,700,140)	(116,790)	(256,898)	(11,878)	(175,492)	(2,261,198)	(11,799)	190,682	(2,082,314)
Depreciation and amortization	(248,241)	(183,048)	(13,610)	(1,025)	(9,158)	(455,083)	(15,772)	-	(470,856)
Income from electric energy service	1,589,775	375,204	124,158	(54,037)	46,694	2,081,794	(24,439)	-	2,057,355
Equity interests in subsidiaries, associates and joint ventures	-	114,326	590	-	-	114,916	-	-	114,916
Financial income	399,441	29,410	127,099	4,449	2,595	562,994	5,955	(5,258)	563,690
Financial expenses	(687,038)	(166,831)	(17,805)	(53,340)	(2,369)	(927,382)	(73,305)	5,258	(995,429)
Profit (loss) before taxes	1,302,178	352,109	234,043	(102,928)	46,920	1,832,322	(91,789)	-	1,740,533
Income tax and social contribution	(462,854)	(58,026)	(86,688)	16,583	(12,296)	(603,281)	24,730	-	(578,551)
Profit (loss) for the period	839,325	294,083	147,355	(86,345)	34,623	1,229,040	(67,059)	-	1,161,982
Purchases of contract asset PP&E and intangible assets	975,108	61,890	170,085	903	3,525	1,211,511	392	-	1,211,903
1st Quarter 2021									
Net operating revenue	7,091,088	537,277	42,525	586,068	31,155	8,288,114	11	-	8,288,125
(-) Intersegment revenues	2,146	216,277	5,474	6,179	167,524	397,600	-	(397,600)	-
Cost of electric energy	(4,542,175)	(102,314)	-	(564,976)	-	(5,209,466)	-	232,179	(4,977,287)
Operating costs and expenses	(1,289,528)	(104,398)	(35,599)	(10,110)	(153,519)	(1,593,154)	(7,485)	165,421	(1,435,220)
Depreciation and amortization	(222,182)	(177,294)	(1)	(942)	(7,608)	(408,027)	(15,784)	-	(423,810)
Income from electric energy service	1,039,348	369,548	12,399	16,219	37,552	1,475,066	(23,257)	-	1,451,809
Equity interests in subsidiaries, associates and joint ventures	-	90,249	-	-	-	90,249	-	-	90,249
Financial income	172,139	30,325	372	22,443	846	226,125	4,118	(5,108)	225,134
Financial expenses	(260,490)	(81,825)	(102)	(6,159)	(618)	(349,194)	(2,092)	5,108	(346,178)
Profit (loss) before taxes	950,997	408,297	12,670	32,504	37,779	1,442,247	(21,232)	-	1,421,015
Income tax and social contribution	(354,309)	(69,887)	(1,990)	(10,862)	(9,665)	(446,712)	(13,066)	-	(459,778)
Profit (loss) for the year	596,688	338,410	10,680	21,641	28,114	995,534	(34,298)	-	961,237
Purchases of contract asset PP&E and intangible assets	596,818	43,847	38,242	2,711	13,713	695,332	295	-	695,627

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

(32) RELATED PARTY TRANSACTIONS

The Company's controlling shareholders, related party information and main transactions are disclosed in Note 32 of the financial statements of December 31, 2021.

The total compensation for key management personnel in the three-month period of 2022, in accordance with CVM Decision 642/2010 and CPC 05(R1), was R\$ 16,184 (R\$ 11,389 in the three-month period of 2022). This amount comprises R\$ 15,847 related to short-term benefits (R\$ 10,963 in the three-month period of 2021) and R\$ 337 (R\$ 425 in the three-month period of 2021) of post-employment benefits.

The balance of the parent company loan asset at March 31, 2022, in the amount of R\$ 168,943, refers substantially to the loan made to the subsidiaries RGE and CPFL Serviços, with maturity up to December 2022 and remunerated at 107% of the CDI (R\$ 168,943 at December 31, 2021).

The balance of the intercompany loan payable in the consolidated, in the amount of R\$ 2,574,166 (R\$ 2,518,150 at December 31, 2021), mainly refers to the loan between subsidiary CPFL Renováveis and the parent company State Grid Brazil Power – SGBP, maturing up to June 2024 and bearing interest corresponding to CDI + 1.1% p.a. spread.

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

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

	Consolidated							
	ASSETS		LIABILITIES		INCOME		EXPENSES	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021
Energy purchase and sales, and charges								
Entities under common control (State Grid Corporation of China subsidiaries)	6	6	-	-	9	7	83,790	93,311
BAESA – Energética Barra Grande S.A.	1,081	-	13,446	17,635	3,141	3	23,116	15,460
Foz do Chapecó Energia S.A.	-	-	38,838	61,972	-	4	173,552	138,064
ENERCAN – Campos Novos Energia S.A.	2,857	1,560	85,527	88,426	8,299	3,691	130,465	106,260
EPASA – Centrais Elétricas da Paraíba	-	-	6,992	26,393	1	1	15,586	37,160
Intangible assets, property, plant and equipment, materials and service rendered								
Entities under common control (State Grid Corporation of China subsidiaries)	-	-	12,516	7,724	-	-	9,471	2,735
BAESA – Energética Barra Grande S.A.	166	163	-	-	569	522	-	-
Foz do Chapecó Energia S.A.	-	2	-	-	-	555	-	-
ENERCAN – Campos Novos Energia S.A.	-	3	-	-	553	507	-	1
EPASA – Centrais Elétricas da Paraíba S.A.	-	-	-	-	50	47	-	-
Intragroup loans								
State Grid Brazil Power Participações S.A.	-	-	2,574,166	2,518,150	-	-	67,899	18,048
Dividends and interest on capital								
BAESA – Energética Barra Grande S.A.	2,474	2,474	-	-	-	-	-	-
ENERCAN – Campos Novos Energia S.A.	82,426	131,149	-	-	-	-	-	-
Others								
Instituto CPFL	-	-	-	-	-	-	1,113	868

(33) RISK MANAGEMENT

The information about the risk management structure and the main risk factors that affect the Group's business are disclosed in note 34 to the financial statements for the year ended December 31, 2021.

The Group follows operating and financial policies and strategies in order to ensure the liquidity, security and profitability of its assets. These include procedures for controlling and monitoring transactions and balances of financial instruments, so as to monitor risks and interest rates compared to those observable in the market. Such potential impact, stemming from volatility of risk factors and their effects, is periodically assessed to provide support for the decision-making process in connection with the risk management strategy, which may include financial instruments and derivatives.

The financial instruments portfolio is monitored monthly, thus allowing finance results to be monitored together with their impact on cash flow.

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(34) FINANCIAL INSTRUMENTS

The main financial instruments at fair value and/or the carrying amount is significantly different of the respective fair value, classified in accordance with the Group's accounting practices are as follows:

				Consolidated	
				March 31, 2022	
	Note	Category / Measurement	Level (*)	Carrying amount	Fair value
Assets					
Cash and cash equivalent	5	(a)	Level 2	3,496,671	3,496,671
Securities	6	(a)	Level 1	580,655	580,655
Derivatives	34	(a)	Level 2	380,022	380,022
Concession financial asset	11	(a)	Level 3	14,024,279	14,024,279
Total				18,481,627	18,481,627
Liabilities					
Borrowings - principal and interest	18	(b)	Level 2 (***)	7,337,636	7,406,642
Borrowings - principal and interest (**)	18	(a)	Level 2	6,367,760	6,367,760
Debentures - Principal and interest	19	(b)	Level 2 (***)	7,327,465	7,282,901
Debentures - Principal and interest (**)	19	(a)	Nível 2	1,438,847	1,438,847
Derivatives	34	(a)	Level 2	425,197	425,197
Derivatives - others	34	(a)	Level 3	68,940	68,940
Total				22,965,845	22,990,287

(*) Refers to the hierarchy for fair value measurement

(**) As a result of the initial designation of this financial liability, the consolidated balances reported a gain of R\$ 11,213 in the first quarter of 2022 (a gain of R\$ 176,263 in the first quarter of 2021).

(***) Only for disclosure purposes, in accordance with CPC 40 (R1) / IFRS 7

Key**Category / Measurement:**

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

(b) - Measured at amortized cost

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

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

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

In addition, in the three-month period of 2022 there were no transfers between the fair value hierarchy levels.

a) Measurement of financial instruments

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

The three levels of the fair value hierarchy are:

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

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

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

Pricing of forward and futures contracts is on the basis of future curves of the underlying assets. Said curves are usually provided by the stock exchanges on which these assets are traded, or other market price providers. When price is not available for the intended maturity, it is obtained on the basis of interpolation between available maturities.

As the distribution concessionaries classified the respective concession financial assets as fair value through profit or loss, the relevant factors for fair value measurement are not publicly observable. Therefore, the fair value hierarchy classification is level 3. The Company recognizes in "Investments in equity instruments" in the financial statements the 5.94% interest held by the indirect subsidiary Paulista Lajeado Energia S.A. in the total capital of Investco S.A. ("Investco"), in the form of 28,154,140 common shares and 18,593,070 preferred shares. As Investco's main objective of its operations is to generate electric energy for commercialization by the shareholders holding the concession, the Company opted to recognize the investment at fair value, that is the best estimate of their cost, since there is no available recent information for the fair value calculation, according to CPC 48/IFRS 9.

b) Derivatives

The Group adopts a policy of using derivatives with the purpose of hedge (economic hedge) against the risks of fluctuations in exchange rates and interest rates, mostly comprising currency and interest rate swaps. The derivative transactions are entered into with first-tier banks and financial institutions with a local rating of at least AA- or B- global, rated by at least one of the S&P, Moody's or Fitch agencies, and in the case of more than one agency rating, it is considered the lowest rating among them. Management has not identified for the period of 2022 and the year 2021 that the derivative financial assets had significant impairment using the criterion of expected losses.

The Group adopts the policy of offering financial guarantees for the obligations of its subsidiaries and joint ventures. At March 31, 2022 and December 31, 2021, the Company had provided guarantees to certain financial institutions for the credit facilities granted to its subsidiaries and joint ventures, as mentioned in Notes 18 and 19.

The hedging instruments entered into by the Group are currency or interest rate swaps with no leverage component, margin call requirements or daily or periodic adjustments.

As a large part of the derivatives entered into by the subsidiaries have their terms fully aligned with the hedged debts, and in order to obtain more relevant and consistent accounting information through the recognition of income and expenses, these debts were designated for the accounting recognition at fair value (Notes 18 and 19). Other debts that have terms different from the derivatives contracted as a hedge continue to be recognized at amortized cost. Furthermore, the Group did not adopt hedge accounting for transactions with derivative instruments.

At March 31, 2022, the Group had the following swap transactions, all traded on the over-the-counter market:

Strategy	Fair values (carrying amounts)			Values at cost, net (1)	Gain (loss) on fair value measurement	Currency / debt index	Currency / swap index	Maturity range	Nocional
	Assets	Liabilities	Fair value, net						
Derivatives to hedge debts designated at fair value									
Exchange rate hedge									
Bank Loans - Law 4.131	237,921	(292,356)	(54,436)	39,275	(93,711)	US\$ + (Libor 3 months + 0.87% to 0.99%) or (0.78% to 3.66%)	106.4% of CDI or CDI + 0.55% to 1.29%	February 2022 to September 2026	4,343,297
Bank Loans - Law 4.131	41,367	(52,834)	(11,467)	5,751	(17,218)	Euro + 0.43% to 0.70%	CDI + 0.58 to 1.10%	February 2023 to March 2025	1,520,640
	279,288	(345,191)	(65,903)	45,026	(110,929)				
Hedge variation price index									
Debentures	100,734	(35,054)	65,680	171,168	(105,487)	IPCA + 4.3% to 5.8%	104.3% to 111.07% of CDI	August 2024 to May 2031	1,370,600
Bank Loans - Law 4.131	-	(44,953)	(44,953)	(2,085)	(42,868)	6.16% to 7.38%	CDI + 0.69% to 0.88%	March 2024 to June 2024	572,000
	100,734	(80,007)	20,728	169,083	(148,355)				
Subtotal debt hedge	380,022	(425,197)	(45,175)	214,109	(259,284)				
Others derivatives (2)						Currency / debt index	Maturity range	Notional in US\$	
NDF	-	(68,889)	(68,889)	(68,366)	(522)	US\$	January 2022 to June 2022	75,276	
NDF	-	(51)	(51)	(44)	(7)	EUR	March 2022	479	
Subtotal others	-	(68,940)	(68,940)	(68,410)	(530)				
Total	380,022	(494,137)	(114,115)	145,699	(259,814)				
Current	96,836	(121,774)							
Noncurrent	283,186	(372,363)							

For further details of terms and information on debts and debentures, see Notes 18 and 19.

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

⁽²⁾ Due to the characteristics of this derivative the notional amount is presented in U.S. dollar.

Changes in derivatives are stated below:

	Consolidated			
	At December 31, 2021	Monetary adjustment and exchange rate and fair value measurement	Repayment	At March 31, 2022
Derivatives				
To debts designated at fair value	1,509,491	(1,198,198)	(97,184)	214,109
Others	(1,319)	(67,252)	161	(68,410)
Fair value measurement (*)	(251,594)	(8,220)	-	(259,814)
Total	1,256,578	(1,273,670)	(97,023)	(114,115)
Assest - Current	357,350			96,836
Assets - Noncurrent	990,491			283,186
Liabilities - Current	(5,067)			(121,774)
Liabilities - Noncurrent	(86,196)			(372,363)

(*)The effects on the profit or loss and comprehensive income for the three-month period ended at March 31, 2022 related to the fair value adjustments (MTM) of the derivatives are: (i) losses of R\$ 9,210 for the debts designated at fair value and (ii) gains of R\$ 990 for other derivatives.

As mentioned above, certain subsidiaries elected to measure debts at fair value for which they have fully debt-related derivatives instruments (note 18 and 19).

The Group has recognized gains and losses on their derivatives. However, as these derivatives are used as a hedging instrument, these gains and losses minimized the impacts of fluctuations in exchange and interest rates on the hedged debts. For the three months period ended at March 31, 2022 and 2021, the derivatives generated the following impacts on the consolidated profit or loss, recognized in the line item Finance costs on monetary adjustment and exchange rate changes and in the consolidated comprehensive income in the credit risk in the fair value measurement related to debts at fair value:

Hedged risk / transaction	Gain (Loss)		Gain (Loss) in Comprehensive Income	
	2022	2021	2022	2021
	1st quarter	1st quarter	1st quarter	1st quarter
Interest rate variation	19,767	15,928	-	-
Fair Value Measurement	(16,818)	(33,792)	(52)	197
Exchange variation	(1,285,224)	737,797	-	-
Fair Value Measurement	6,465	(215,185)	2,192	3,464
Total	(1,275,810)	504,748	2,139	3,661

c) Concession financial assets – distribution

As the distribution subsidiaries have classified the respective financial assets of the concession as measured at fair value through profit or loss, the relevant factors to measure the fair value are not publicly observable and there is no active market. Therefore, the classification of the fair value hierarchy is level 3. The movement and respective gains (losses) in the result in the period of 2022 of R\$ 304,682 (R\$ 258,834 in 2021), as well as the main assumptions used, are disclosed in Notes 11 and 27.

d) Market risk

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

e) Sensitivity analysis

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

When the risk exposure is considered an asset, the risk to be taken into account is a reduction in the pegged indexes, due to a consequent negative impact on the Group's profit or loss. Similarly, if the risk exposure is considered a liability, the risk is of an increase in the pegged indexes and the consequent negative effect on

the profit or loss. The Group therefore quantifies the risks in terms of the net exposure of the variables (dollar, euro, CDI, IGP-M, IPCA, TJLP and SELIC), as shown below:

e.1) Exchange rate variation

Considering that the net exchange rate exposure at March 31, 2022 is maintained, the simulation of the effects by type of financial instrument for three different scenarios would be as follows:

Instruments	Exposure (a) R\$ thousand	Risk	Consolidated		
			Income (expense)		
			Currency depreciation (b)	Currency appreciation of 25%(c)	Currency appreciation of 50%(c)
Financial liability instruments	(4,869,124)	dollar apprec.	(498,546)	(1,840,464)	(3,182,381)
Derivatives - Plain Vanilla Swap/NDF	4,800,298		491,499	1,814,448	3,137,397
	(68,826)		(7,047)	(26,016)	(44,984)
Financial liability instruments	(1,511,836)	drop in the euro	(187,825)	237,090	662,005
Derivatives - Plain Vanilla Swap	1,538,498		191,138	(241,271)	(673,680)
	26,662		3,313	(4,181)	(11,675)
Total	501,760		(3,734)	(30,197)	(56,659)
Effects in the accumulated comprehensive income			469	1,730	2,991
Effects in the income of the period			(4,202)	(31,927)	(59,650)

(a) The exchange rate considered at 03/31/2022 was R\$ 4.74 per US\$ 1.00 and R\$ 5.26 per €\$ 1.00.

(b) As per the exchange rate curves obtained from information made available by B3 S.A., with the exchange rate being considered at R\$ 5.22 and 5.91, and the currency depreciation at 25% and 50% for US\$ and €\$, respectively at 03/31/2022.

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

Due to the net exchange rate exposure of the dollar being a liability, the risk is high in the dollar, therefore the exchange rate is depreciated by 25% and 50% in relation to the probable exchange rate. For the euro as an asset, the risk is low for the dollar and for the euro, therefore, the exchange rate is appreciated by 25% and 50% in relation to the probable exchange rate.

e.2) Interest rate variation

Assuming that the scenario of net exposure of the financial instruments indexed to floating interest rates at March 31, 2022 is maintained, the net finance cost for the next 12 months for each of the three scenarios defined, would be as follows:

Instruments	Exposure R\$ thousand	Risk	Rate in the period	Likely scenario rate (a)	Consolidated		
					Income (expense)		
					Likely scenario	Raising/Drop index by 25% (b)	Raising/Drop index by 50% (b)
Financial asset instruments	3,356,019	CDI apprec.	6.41%	13.19%	442,659	553,324	663,988
Financial liability instruments	(6,973,503)				(919,805)	(1,149,756)	(1,379,708)
Derivatives - Plain Vanilla Swap	(8,119,006)				(1,070,897)	(1,338,621)	(1,606,345)
	(11,736,490)				(1,548,043)	(1,935,053)	(2,322,065)
Financial liability instruments	(189,817)	IGP-M apprec.	14.77%	7.73%	(14,673)	(18,341)	(22,009)
	(189,817)				(14,673)	(18,341)	(22,009)
Financial liability instruments	(440,068)	TJLP apprec.	5.22%	6.82%	(30,013)	(37,516)	(45,019)
	(440,068)				(30,013)	(37,516)	(45,019)
Financial liability instruments	(8,208,779)	drop in the IPCA	11.30%	7.73%	(634,539)	(475,904)	(317,269)
Derivatives - Plain Vanilla Swap	1,547,264				119,604	89,703	59,802
Financial instruments - assets	14,134,851				1,092,624	819,468	546,312
	7,473,336				577,689	433,267	288,845
Setorial financial assets and liabilities	1,843,558	drop in the SELIC	6.41%	13.19%	243,165	182,374	121,583
	1,843,558				243,165	182,374	121,583
Total	(3,049,482)				(771,875)	(1,375,269)	(1,978,665)
Effects on the comprehensive income					749	244	(260)
Effects on the net profit					(772,624)	(1,375,513)	(1,978,405)

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

(b) In compliance with CVM Instruction 475/08, the percentage of raising index are applied to the likely scenario.

f) Credit risk

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

Impairment losses on financial assets recognized in profit or loss are presented in Note 7 – Consumers, Concessionaires and Licensees.

Receivables and contract assets – Consumers, Concessionaires and Licensees

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

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

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

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

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

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

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

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

Macroeconomic factors

After studies developed by the Group to assess which variables present a correlation ratio with the actual amount of the ECL Allowance, in addition to the effects of the COVID-19 pandemic and which are considered in the calculation methodology, no other ratios or macroeconomic factors that would have material impacts or that had direct correlation with the default level were identified.

Cash and cash equivalents and Marketable securities

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

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. Management did not identify for the quarter ended March 31, 2022 and the year ended December 31, 2021 that the securities had a significant change in credit risk.

Derivatives

The Group adopts a policy of using derivatives with the purpose of hedge (economic hedge) against the risks of fluctuations in exchange rates and interest rates, mostly comprising currency and interest rate swaps. Derivatives are contracted with first-tier banks and financial institutions with a rating of at least global AA- or B-, rated by at least one of the agencies S&P, Moodys or Fitch, and in the case of more than one, it is considered the lowest rating among them (Note 34). For 2021 and 2020, Management did not identify impairment of these derivative financial assets using the expected loss criterion.

The Group adopts a policy of providing financial guarantees for the obligations of its subsidiaries and joint ventures. At March 31, 2022 and December 31, 2021, the Company had provided guarantees to certain financial institutions with respect to the credit lines granted to its subsidiaries and joint ventures, as presented in Notes 18 and 19.

The effects and disclosures in these interim financial statements resulting from the pandemic caused by COVID-19 are described in Note 1.1.

(35) NON-CASH TRANSACTIONS

	Consolidated	
	March 31, 2022	March 31, 2021
Interest capitalized	10,849	7,641

(36) EVENTS AFTER THE REPORTING PERIOD

36.1 Tender Offer auction

On April 6, 2022, the Company disclosed a material fact regarding the auction of the “Oferta Pública Unificada de Aquisição de Ações Ordinárias e Preferenciais de Emissão da Companhia Estadual de Transmissão de Energia Elétrica” (“Notice”).

As a result of the Auction, its subsidiary CPFL Comercialização de Energia Cone Sul Ltda. (“Offeror”) acquired 3,095,570 common shares issued by CEEE-T, representing 32.56% of the total common shares issued by CEEE-T, and 109,251 preferred shares issued by CEEE-T, representing 72.08% of the total preferred shares issued by CEEE-T. The common and preferred shares were acquired for a unit price of R\$ 349.29, for a total amount of R\$ 1,119,411,927.09. After the financial settlement of the acquisitions made in the Auction, which will take place on April 8th, 2022, there will remain 0.32% of the common shares and 27.20% of the preferred shares issued by CEEE-T in free circulation.

After the financial settlement of the Tender Offer, the Offeror will hold 9,586,729 shares issued by CEEE-T, representing approximately 99.26% of its total share capital, being 9,476,391 common shares, representing 99.68% of the total of this type, and 110,338 preferred shares, representing 72.80% of the total of this type.

36.2 Annual tariff adjustment (“RTA”) of the subsidiary CPFL Paulista

On April 05, 2022, ANEEL published REH No. 3,018, regarding the RTA, which set the average tariff adjustment of the subsidiary CPFL Paulista at 12.77%, with 11.54% referring to the economic tariff readjustment and 1.23% related to the financial components. The total average effect to be perceived by consumers is 14.97 %.

36.3 Shortage of hydroelectric energy account

Due to the financial mismatches that the distributors had been supporting due to the costs arising from the measures to face the shortage of hydroelectric energy, but also from the effects associated with macroeconomic issues such as inflation, exchange rates and the high international price of fuels, the Federal Executive Power established Provisional Measure No. 1,078 of December 13, 2021, providing conditions for contracting a credit operation in favor of distributors, which made it possible to structure financial operations using the CDE as a vehicle for their amortization. On January 13, 2022, Decree No. 10,939 regulated PM No.

1,078/2021, with regard to measures aimed at dealing with the financial impacts on the electricity sector arising from the situation of a shortage of hydroelectric energy.

In compliance with the presidential decree, and based on the proposal developed by the Agency's technical areas, ANEEL launched Public Consultation No. for the following items: i) Estimate of the flag account balance for April 2022; ii) Expenses of the consumption reduction incentive program (Bonus); iii) Import Cost of July and August 2021 approved by CREG; iv) Tariff deferrals for 2021 and 2022; and v) revenue from May to December 2022 from the Simplified Competitive Procedure – SCP 2021.

After the consolidation of the borrowing limits per distributor, disclosed by ANEEL through Normative Resolution No. 1,008/2022, the distribution subsidiaries requested the full borrowing of the items that make up the first tranche of the operation, at the amounts set out below, as they are known amounts and that do not generate ancillary cost risks.

	CPFL Paulista	RGE	CPFL Piratininga	CPFL Santa Cruz	TOTAL
RIC program bonuses	101,923	77,840	40,259	10,542	230,564
Energy Import Cost	49,528	29,951	18,167	5,658	103,304
2021 Rate Deferral	234,987	180,114	-	49,731	464,832
TOTAL	386,437	287,905	58,426	65,931	798,700

The subsidiaries also expressed interest in receiving coverage for the other items of the borrowing, on the balance of the flags account from April 2022, to be transferred in June 2022, but still covered in the 1st Tranche, and monthly transfers from May 2022 to December of 2022 on the SCP, which raised the costs of distributors for contracting capacity reserve, in order to guarantee the continuity and security of the electricity supply in the country, to be considered in an eventual 2nd Tranche.

36.4 Borrowings and financings

In April 2022, the indirect subsidiary CPFL Cone Sul raised R\$ 1,180,000 with amortization in a single installment in April 2023, with the adjustment of CDI + 1.05 until October 2022 and CDI + 1.35% after November 2022, with semi-annual payment of interest. The guarantee is a surety from CPFL Energia and the funds were used to pay the OPA (Note 36.1) of CPFL Transmissão.

BOARD OF DIRECTORS

Bo Wen
Chairman

Yuehui Pan
Gustavo Estrella
Antonio Kandir

Marcelo Amaral Moraes
Zhao Yumeng
Li Hong

Directors

EXECUTIVE BOARD

GUSTAVO ESTRELLA
Chief Executive Officer (CEO)

YUEHUI PAN
Chief Financial Officer (CFO) and of Investor
Relations Officer

FLÁVIO HENRIQUE RIBEIRO
Business Management Vice President

Futao Huang
Executive Vice President
Strategy, Innovation and Business Excellence
Vice President

LUIS HENRIQUE FERREIRA PINTO
Regulated Operations Vice President

GUSTAVO PINTO GACHINEIRO
Legal and Institutional Relations Vice President

KARIN REGINA LUCHESI
Market Operations Vice President

VITOR FAGALI
Business Development Vice President

ACCOUNTING DIVISION

SERGIO LUIS FELICE
Accounting Director
CT CRC 1SP192767/O-6

INDEPENDENT AUDITORS' REPORT



(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders CPFL
Energia S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of CPFL Energia S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2022, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International

Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB, as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

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

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the quarter ended March 31, 2022. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Audit and review of the previous year's figures

The quarterly information (ITR) mentioned in the first paragraph includes accounting information corresponding to the result, comprehensive income, changes in equity, cash flows and value added for the quarter ended March 31, 2021, obtained from quarterly information (ITR) for that quarter, and to the balance sheets as of December 31, 2021, obtained from the financial statements as of

December 31, 2021, presented for comparison purposes. The review of the quarterly information (ITR) for the quarter ended March 31, 2021 and the examination of the financial statements for the year ended December 31, 2021 were conducted under the responsibility of other independent auditors, who issued review and audit reports with dates of May 11, 2021 and March 17, 2022, respectively, without reservations.

Campinas, May 9, 2022

PricewaterhouseCoopers

Auditores Independentes Ltda.

CRC 2SP000160/O-5

Adriano Formosinho Correia

Contador CRC 1BA029904/O-5



DECLARAÇÃO	STATEMENT
<p>Em atendimento ao disposto nos incisos V e VI do artigo 25 da Instrução CVM nº 480, de 07 de dezembro de 2009, alterada pela Instrução CVM nº 586, de 8 de junho de 2017, o presidente e os diretores da CPFL Energia S.A., sociedade por ações de capital aberto, com sede na Rua Jorge de Figueiredo Corrêa, nº 1.632 – parte - Jardim Professora Tarcília – CEP: 13087-397, na Cidade de Campinas, Estado de São Paulo, inscrita no CNPJ sob nº 02.429.144/0001-93, declaram que:</p> <p>a) reviram, discutiram e concordam com as opiniões expressas no parecer da PwC Auditores Independentes, relativamente às demonstrações financeiras da CPFL Energia S.A. de 31 de março de 2022;</p> <p>b) reviram, discutiram e concordam com as demonstrações financeiras da CPFL Energia S.A. de 31 de março de 2022.</p> <p>Campinas, 09 de maio de 2022.</p>	<p>In compliance with the provisions in items V and VI of article 25 of the Brazilian Securities & Exchange Commission (CVM) Instruction No. 480, of December 7, 2009, as amended by CVM Instruction No. 586, of June 8, 2017, the chief executive officers and the officers of CPFL Energia S.A., a publicly traded company, with its registered office at Rua Jorge de Figueiredo Corrêa, nº 1.632 – parte - Jardim Professora Tarcília – CEP: 13087-397, Campinas, Estado de São Paulo - Brazil, enrolled with the National Register of Legal Entities (CNPJ) under No. 02.429.144/0001-93, hereby stated that:</p> <p>a) they have reviewed and discussed, and agree with, the opinions expressed in the opinion of PwC Auditores Independentes on the financial statements of CPFL Energia S.A., of March 31, 2022;</p> <p>b) they have reviewed and discussed, and agree with, the financial statements of CPFL Energia S.A., of March 31, 2022.</p> <p>Campinas, May 9, 2022.</p>

Sergio Luis Felice
Diretor de Contabilidade
Chief Accounting Officer
CT CRC: 1SP192.767/O-6
CPF: 119.410.838-54

Yuehui Pan
Diretor Vice-Presidente Financeiro e de
Relações com Investidores
Chief Financial and Investor Relations
Officer
CPF: 061.539.517-16

Gustavo Estrella
Diretor Presidente
Chief Executive Officer