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

FORM 6-K

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

For the month of August, 2005

Commission File Number 32297

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

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

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

Form 20-F ☒ Form 40-F ☐

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

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

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

Yes ☐ No ☒

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

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

01.01 - IDENTIFICATION

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

01.02 - HEAD OFFICE

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

01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)

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

01.04 – ITR REFERENCE AND AUDITOR INFORMATION

| CURRENT YEAR | | CURRENT QUARTER | | | PREVIOUS QUARTER | | |
|--|------------|-----------------|---------------|------------|---|---------------|------------|
| 1 - BEGINNING | 2. END | 3 - QUARTER | 4 - BEGINNING | 5 - END | 6 - QUARTER | 7 - BEGINNING | 8 - END |
| 01.01.2005 | 12.31.2005 | 2 | 04.01.2005 | 06.30.2005 | 1 | 01.01.2005 | 03.31.2005 |
| 09 - INDEPENDENT ACCOUNTANT Deloitte Touche Tohmatsu Auditores Independentes | | | | | 10 - CVM CODE 00385-9 | | |
| 11. PARTNER IN CHARGE José Carlos Amadi | | | | | 12 - CPF (INDIVIDUAL TAX ID) 060.494.668-66 | | |

01.05 - CAPITAL STOCK

| Number of Shares (in units) | 1 – Current Quarter 06.30.2005 | 2 –Previous Quarter 03.31.2005 | 3 – Same Quarter of Last Year 06.30.2004 |
|--------------------------------|-----------------------------------|-----------------------------------|--|
| Paid-in Capital | | | |
| 1 - Common | 456,734,666 | 451,628,769 | 4,118,697,977 |
| 2 - Preferred | 0 | 0 | 0 |
| 3 - Total | 456,734,666 | 451,628,769 | 4,118,697,977 |
| Treasury Stock | | | |
| 4 - Common | 0 | 0 | 0 |
| 5 - Preferred | 0 | 0 | 0 |
| 6 - Total | 0 | 0 | 0 |

01.06 - COMPANY PROFILE

| |
|--|
| 1 - TYPE OF COMPANY Commercial, Industrial and Other |
| 2 - STATUS Operational |
| 3 - NATURE OF OWNERSHIP Private National |
| 4 - ACTIVITY CODE 112 – Electric energy |
| 5 - MAIN ACTIVITY Holding |
| 6 - CONSOLIDATION TYPE Full |
| 7 – TYPE OF REPORT OF INDEPENDENT AUDITORS Unqualified |

01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

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

01.08 - CASH DIVIDENDS

| 1 – ITEM | 2 – EVENT | 3 – APPROVAL | 4 – TYPE Dividends | 5 - DATE OF PAYMENT | 6 - TYPE OF SHARE | 7 - AMOUNT PER SHARE |
|----------|-----------|--------------|-----------------------|------------------------|----------------------|-------------------------|
| 01 | AGO/E | 04.29.2005 | Dividends | 05.12.2005 | ON | 0.3103139460 |
| 02 | RCA | 06.29.2005 | Interest on equity | 09.09.2005 | ON | 0.1684122660 |
| 03 | RCA | 08.09.2005 | Dividends | 09.09.2005 | ON | 0.7086771370 |

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

| 1 - ITEM | 2 - DATE OF CHANGE | 3 - CAPITAL STOCK (IN THOUSANDS OF REAIS) | 4 - AMOUNT OF CHANGE (IN THOUSANDS OF REAIS) | 5 - NATURE OF CHANGE | 7 - NUMBER OF SHARES ISSUED (THOUSANDS) | 8 - SHARE PRICE WHEN ISSUED (IN REAIS) |
|----------|--------------------|--|---|--------------------------------|--|---|
| 01 | 05.06.2005 | 4,107,344 | 25,308 | Assets or Credits Subscription | 1,440,409 | 17.5700000000 |
| 02 | 06.20.2005 | 4,192,921 | 85,577 | Merger of Shares | 3,665,488 | 23.3467911640 |
| 03 | 07.25.2005 | 4,266,589 | 73,667 | Assets or Credits Subscription | 4,159,647 | 17.7100000000 |

01.10 - INVESTOR RELATIONS OFFICER

| | |
|-----------------------|---------------|
| 1- DATE 08/09/2005 | 2 – SIGNATURE |
|-----------------------|---------------|



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

| 1 – Code | 2 – Description | 3 - 06/30/2005 | 4 - 03/31/2005 |
|-----------------|----------------------------------|-----------------------|-----------------------|
| 1 | Total assets | 4,722,176 | 4,537,970 |
| 1.01 | Current assets | 754,493 | 618,976 |
| 1.01.01 | Cash and banks | 228,597 | 330,964 |
| 1.01.02 | Credits | 525,896 | 288,012 |
| 1.01.02.01 | Dividends and interest on equity | 444,994 | 243,424 |
| 1.01.02.02 | Other receivables | 2 | 115 |
| 1.01.02.03 | Financial Investments | 19,451 | 0 |
| 1.01.02.04 | Recoverable taxes | 61,449 | 44,473 |
| 1.01.03 | Inventories | 0 | 0 |
| 1.01.04 | Other | 0 | 0 |
| 1.02 | Noncurrent assets | 152,538 | 0 |
| 1.02.01 | Other receivables | 109,209 | 0 |
| 1.02.01.01 | Financial Investments | 109,209 | 0 |
| 1.02.02 | Related parties | 43,329 | 0 |
| 1.02.02.01 | Associated companies | 0 | 0 |
| 1.02.02.02 | Subsidiaries | 43,329 | 0 |
| 1.02.02.03 | Other related parties | 0 | 0 |
| 1.02.03 | Other | 0 | 0 |
| 1.03 | Permanent assets | 3,815,145 | 3,918,994 |
| 1.03.01 | Investments | 3,814,991 | 3,918,898 |
| 1.03.01.01 | Associated companies | 0 | 0 |
| 1.03.01.02 | Investments in subsidiaries | 3,814,991 | 3,918,898 |
| 1.03.01.02.01 | Permanent equity interests | 2,767,664 | 2,913,010 |
| 1.03.01.02.02 | Goodwill and negative goodwill | 1,047,327 | 1,005,888 |
| 1.03.01.03 | Other investments | 0 | 0 |
| 1.03.02 | Property, plant and equipment | 0 | 0 |
| 1.03.03 | Deferred charges | 154 | 96 |

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

| 1 – Code | 2 – Description | 3 - 06/30/2005 | 4 - 03/31/2005 |
|-----------------|---|-----------------------|-----------------------|
| 2 | Total liabilities and shareholders' equity | 4,722,176 | 4,537,970 |
| 2.01 | Current liabilities | 435,550 | 173,408 |
| 2.01.01 | Loans and financing | 17,297 | 23,085 |
| 2.01.01.01 | Interest on debts | 3,195 | 1,755 |
| 2.01.01.02 | Loans and financing | 14,102 | 21,330 |
| 2.01.02 | Debentures | 0 | 0 |
| 2.01.03 | Suppliers | 2,296 | 3,886 |
| 2.01.04 | Taxes and social contributions payable | 19,485 | 628 |
| 2.01.05 | Dividends and interest on equity | 389,059 | 140,147 |
| 2.01.06 | Reserves | 0 | 0 |
| 2.01.07 | Related parties | 0 | 58 |
| 2.01.08 | Other | 7,413 | 5,604 |
| 2.01.08.01 | Employee Profit Sharing | 0 | 13 |
| 2.01.08.02 | Accrued liabilities | 10 | 8 |
| 2.01.08.03 | Derivative contracts | 7,398 | 5,581 |
| 2.01.08.04 | Other | 5 | 2 |
| 2.02 | Long-term liabilities | 79,759 | 102,934 |
| 2.02.01 | Loans and financing | 56,409 | 85,318 |
| 2.02.02 | Debentures | 0 | 0 |
| 2.02.03 | Reserves | 0 | 0 |
| 2.02.04 | Related parties | 0 | 0 |
| 2.02.05 | Other | 23,350 | 17,616 |
| 2.02.05.01 | Derivative contracts | 23,350 | 17,616 |
| 2.03 | Deferred income | 0 | 0 |
| 2.05 | Shareholders' equity | 4,206,867 | 4,261,628 |
| 2.05.01 | Capital | 4,192,921 | 4,082,036 |
| 2.05.02 | Capital reserves | 0 | 0 |
| 2.05.03 | Revaluation reserves | 0 | 0 |
| 2.05.03.01 | Own assets | 0 | 0 |
| 2.05.03.02 | Subsidiary/associated companies | 0 | 0 |
| 2.05.04 | Profit reserves | 13,946 | 13,946 |
| 2.05.04.01 | Legal | 13,946 | 13,946 |
| 2.05.04.02 | Statutory | 0 | 0 |
| 2.05.04.03 | For contingencies | 0 | 0 |
| 2.05.04.04 | Unrealized profits | 0 | 0 |
| 2.05.04.05 | Profit retention | 0 | 0 |
| 2.05.04.06 | Special reserve for undistributed dividends | 0 | 0 |
| 2.05.04.07 | Other profit reserves | 0 | 0 |
| 2.05.05 | Retained earnings | 0 | 165,646 |

03.01 - INCOME STATEMENT (in thousands of Brazilian reais – R\$, except for per share data)

| 1 – Code | 2 – Description | 3 - 04/01/2005 to 06/30/2005 | 4 - 01/01/2005 to 06/30/2005 | 5 - 04/01/2004 to 06/30/2004 | 5 - 01/01/2004 to 06/30/2004 |
|-----------------|-------------------------------|---|---|---|---|
| 3.01 | Operating revenues | 0 | 0 | 0 | 0 |
| 3.02 | Deductions | 0 | 0 | 0 | 0 |
| 3.03 | Net operating revenues | 0 | 0 | 0 | 0 |
| 3.04 | Cost of sales and/or services | 0 | 0 | 0 | 0 |
| 3.05 | Gross operating income | 0 | 0 | 0 | 0 |
| 3.06 | Operating expenses/income | 239,892 | 405,961 | 189,099 | 177,140 |
| 3.06.01 | Selling | 0 | 0 | 0 | 0 |
| 3.06.02 | General and administrative | (2,334) | (3,821) | (6,451) | (11,094) |
| 3.06.03 | Financial | (7,036) | (17,180) | 14,443 | (17,350) |
| 3.06.03.01 | Financial income | 92,923 | 103,199 | 55,244 | 66,541 |
| 3.06.03.01.01 | Interest on equity | 80,273 | 80,273 | 52,110 | 52,110 |
| 3.06.03.01.02 | Other | 12,650 | 22,926 | 3,134 | 14,431 |
| 3.06.03.02 | Financial expenses | (99,959) | (120,379) | (40,801) | (83,891) |
| 3.06.03.02.01 | Interest on equity | (76,920) | (76,920) | 0 | 0 |
| 3.06.03.02.02 | Goodwill amortization | (13,438) | (26,875) | (18) | (36) |
| 3.06.03.02.03 | Other financial expenses | (9,601) | (16,584) | (40,783) | (83,855) |
| 3.06.04 | Other operating income | 0 | 0 | 0 | 0 |
| 3.06.05 | Other operating expenses | 0 | 0 | 0 | 0 |

03.01 - INCOME STATEMENT (in thousands of Brazilian reais – R\$, except for per share data)

| | | | | | |
|------------|---|-------------|-------------|---------------|---------------|
| 3.06.06 | Equity in subsidiaries | 249,262 | 426,962 | 181,107 | 205,584 |
| 3.06.06.01 | Companhia Paulista de Força e Luz | 179,797 | 295,182 | 140,093 | 117,600 |
| 3.06.06.02 | CPFL Geração de Energia S.A. | 30,196 | 53,633 | 20,651 | 36,722 |
| 3.06.06.03 | CPFL Comercialização Brasil S.A. | 39,247 | 78,125 | 20,363 | 51,262 |
| 3.06.06.04 | Companhia Piratininga de Força e Luz | 22 | 22 | 0 | 0 |
| 3.07 | Income from operations | 239,892 | 405,961 | 189,099 | 177,140 |
| 3.08 | Nonoperating income/expense | (627) | (627) | (204) | (204) |
| 3.08.01 | Income | 31 | 31 | 33 | 33 |
| 3.08.02 | Expenses | (658) | (658) | (237) | (237) |
| 3.09 | Income before taxes on income and minority interest | 239,265 | 405,334 | 188,895 | 176,936 |
| 3.10 | Income tax and social contribution | (961) | (1,384) | 0 | 0 |
| 3.10.01 | Social contribution | (255) | (368) | 0 | 0 |
| 3.10.02 | Income Tax | (706) | (1,016) | 0 | 0 |
| 3.11 | Deferred income tax | 0 | 0 | 0 | 0 |
| 3.12 | Statutory profit sharing/contributions | 0 | 0 | 0 | 0 |
| 3.12.01 | Profit sharing | 0 | 0 | 0 | 0 |
| 3.12.02 | Contributions | 0 | 0 | 0 | 0 |
| 3.13 | Reversal of interest on equity | (3,353) | (3,353) | (52,110) | (52,110) |
| 3.15 | Net income for the period | 234,951 | 400,597 | 136,785 | 124,826 |
| | SHARES OUTSTANDING EX-TREASURY STOCK (in units) | 456,734,666 | 456,734,666 | 4,118,697,977 | 4,118,697,977 |
| | INCOME PER SHARE | 0.51441 | 0.87709 | 0.03321 | 0.03031 |

04.01 – NOTES TO THE INTERIM FINANCIAL STATEMENTS

(1) OPERATIONS

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

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

| Subsidiary | Consolidation Method | Equity Interest - % | |
|--|----------------------|---------------------|--------------|
| | | Direct | Indirect (*) |
| Energy Distribution | | | |
| Companhia Paulista de Força e Luz ("CPFL Paulista") | Full | 94.94 | - |
| Companhia Piratininga de Força e Luz ("CPFL Piratininga") | Full | 0.13 | 97.41 |
| Rio Grande Energia S.A. ("RGE") | Proportionate | - | 67.07 |
| Energy Generation | | | |
| CPFL Geração de Energia S.A. ("CPFL Geração") | Full | 100.00 | - |
| CPFL Centrais Elétricas S.A. ("CPFL Centrais Elétricas") | Full | - | 100.00 |
| SEMESA S.A. ("SEMESA") | Full | - | 100.00 |
| CERAN - Companhia Energética Rio das Antas ("CERAN") | Proportionate | - | 65.00 |
| Foz do Chapecó Energia S.A. ("Foz do Chapecó") | Proportionate | - | 66.67 |
| Campos Novos Energia S.A. ("ENERCAN") | Proportionate | - | 48.72 |
| BAESA - Energética Barra Grande S.A. ("BAESA") | Proportionate | - | 25.01 |
| Energy Commercialization | | | |
| CPFL Comercialização Brasil S.A. ("CPFL Brasil") | Full | 100.00 | - |
| Clion Assessoria e Comercialização de Energia Elétrica Ltda. ("Clion") | Full | - | 100.00 |

(*) Refer to the interests held by direct subsidiaries.

(2) PRESENTATION OF THE FINANCIAL STATEMENTS

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

In order to improve the information presented to the market, the Cash Flow statements of the parent company and consolidated for the six months ended June 30, 2005 and 2004 are being presented as supplementary information (note 31).

The Cash Flow Statements were prepared according to the criteria established by "FAS 95 – Statement of Cash Flows", with respect to the presentation format, within the context of registering the Company's financial statements with the SEC – Securities and Exchange Commission in the United States of America, which occurred during 2004. Therefore, reclassifications were made in the Cash Flow Statement for the six months ended in June 30, 2004 since, at that time, the Company had not yet been registered by the SEC.

The Company and its subsidiaries recorded, in the three and six months ended June 30, 2005, the credits on operating costs and expenses offset in the PIS and COFINS calculations, net of the respective cost and expense accounts, according to the provisions of IBRACON Technical Interpretation No. 1/2004. The income statements for the three-month and six-month periods ended June 30, 2004 were reclassified, with respect to these criteria, in order to ensure the comparability of information.

Consolidation Principles

The consolidated interim financial statements cover the balances and transactions of the Company and its subsidiaries CPFL Paulista, CPFL Geração and CPFL Brasil. As of June 30, March 31, 2005, June 30, and March 31, 2004, the asset, liability and income balances were fully consolidated. Prior to consolidation into the Company's financial statements, the financial statements of CPFL Paulista, CPFL Geração and CPFL Brasil were consolidated with those of their subsidiaries, wholly (majority-owned subsidiaries) or proportionally (joint subsidiaries), according to the rules defined in CVM Instruction No. 247, dated March 27, 1996. Observing the conditions described above, the portion related with the non-controlling shareholders is stated separately in liabilities and the income statements for the period.

(3)REGULATORY ASSETS AND LIABILITIES

| | Consolidated | | | |
|--|-------------------------|--------------------------|-------------------------|--------------------------|
| | Current | | Noncurrent | |
| | June 30,2005 | March 31,2005 | June 30,2005 | March 31,2005 |
| <u>Assets</u> | | | | |
| Consumers, Concessionaires and Licensees (note 5) | | | | |
| RTE - Extraordinary Tariff Adjustment (a) | 267,492 | 245,752 | 260,960 | 321,027 |
| 2003 Tariff Review (b) | 25,495 | 18,626 | 22,398 | 22,398 |
| PIS and COFINS - Generators pass-through (b) | 12,641 | - | - | - |
| Free Energy (a) | 103,792 | 94,575 | 163,266 | 185,393 |
| Deferred Costs Variations (note 10) | | | | |
| Parcel "A" (a) | - | - | 445,328 | 425,873 |
| CVA and Interministerial Ordinance 116 (c) | 341,852 | 465,211 | 117,222 | 80,482 |
| Interministerial Ordinance 361 (c) | 90,146 | 56,279 | 4,558 | 18,182 |
| Prepaid Expenses | | | | |
| PIS and COFINS - Change in legislation (d) | 39,427 | - | 18,264 | 60,459 |
| Other Credits (note 12) | | | | |
| PERCEE | 2,350 | 2,719 | - | - |
| Low Income Consumers' Subsidy - Losses (e) | 48,634 | 47,691 | - | - |
| <u>Liabilities</u> | | | | |
| Suppliers (note 19) | | | | |
| Free Energy (a) | (93,743) | (77,589) | (219,340) | (240,377) |
| PIS and COFINS - Generators pass-through (b) | (12,793) | - | - | - |
| Deferred Gains Variations (note 10) | | | | |
| Parcel "A" (a) | - | - | (9,810) | (9,381) |
| CVA and Interministerial Ordinance 116 (c) | (99,499) | (114,145) | (4,550) | (11,179) |
| Interministerial Ordinance 361 (c) | (95,298) | (49,990) | - | - |
| Other (Accounts Payable) - (note 23) | | | | |
| 2003 Tariff Review (b) | (88,493) | (78,977) | (24,118) | (42,124) |
| Low Income Consumers' Subsidy - Gains (e) | (6,049) | (5,637) | - | - |
| Total | 535,954 | 604,515 | 774,178 | 810,753 |

a) Rationing:

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

This increase is being used to compensate the regulatory assets recorded by the subsidiaries related to the Extraordinary Tariff Adjustment - ("RTE") and the Electricity from Independent Suppliers ("Free Energy"). The periods stipulated for realizing the RTE and the Free Energy at the subsidiaries CPFL Paulista and CPFL Piratininga are 72 and 61 months respectively, as from January 1, 2002, according to the republication on June 1, 2004 of Normative Resolution No. 1 - ANEEL, dated January 12, 2004. After recovering these assets, the Parcel "A" will be realized through a mechanism similar to the RTE's.

As of June 30, 2005 and March 31, 2005, the subsidiaries CPFL Paulista and CPFL Piratininga posted provisions for losses on the realization of the Extraordinary Tariff Adjustment in the consolidated amount of R\$ 32,250, recorded as a reduction of the noncurrent balances, and posted based on the projected results of the subsidiaries considering the growth of their markets, expectations of inflation, interest rates and regulatory aspects.

The movements of these regulatory assets and liabilities for the six-month period ended June 30, 2005, net of the provision for losses, are as follows:

| Description | Consolidated | | | |
|---|----------------|-------------------|-----------------------|----------------|
| | RTE | Free Energy Asset | Free Energy Liability | Parcel "A" |
| Balances as of December 31, 2004 | 599,711 | 291,128 | 321,712 | 399,753 |
| Monetary Restatement | 54,705 | 25,152 | 24,538 | 35,765 |
| Realization/Payment | (125,964) | (49,222) | (33,167) | - |
| Balances as of June 30, 2005 | 528,452 | 267,058 | 313,083 | 435,518 |

b) Periodic Tariff Review and Annual Tariff Increase:

CPFL Paulista

• Periodic Tariff Review of 2003

Through Homologation Resolution 75, dated April 6, 2005, ANEEL homologated the final result of the first periodic tariff review for April 2003 of the subsidiary CPFL Paulista, and established that the electric energy supply tariffs were to be realigned by 20.29% . In addition it established the **Xe factor** (which reflects the productivity gains) at 1.1352%, to be applied as a reduction factor to the manageable costs "Parcel B", for the subsequent Annual Tariff Increases until the next periodic review in April of 2008.

With the validation of the regulatory remuneration base and the reintegration quota under the terms of Resolution 493, dated September 3, 2002, the subsidiary CPFL Paulista recognized a liability (note 23) as a balancing item to Revenue from Electricity Sales, in the amount of R\$ 48,888 (see note 25). These amounts are being deducted from the Annual Tariff Increase that came into force on April 8, 2005, as homologated by ANEEL. The amount deducted and amortized in the accounts in this quarter was R\$ 8,631.

In addition, the subsidiary CPFL Paulista recognized an asset in the amount of R\$ 22,398 (note 5), recorded under noncurrent, as a balancing item to Electricity Sales to Final Consumers (note 25). This asset is due to the difference found in the tariff homologation, as a function of the review of the regulatory depreciation rate of 4.64% per annum, used by ANEEL to calculate the reintegration quota and the percentage of 4.85% per annum, calculated by the subsidiary CPFL Paulista, based on information provided by the granting authority.

The management of the subsidiary CPFL Paulista substantiated the regulatory depreciation rate of 4.85% per annum, and began immediate discussions with ANEEL to clarify the issue. Due to the nature and clarity with which the data to be used by ANEEL in the review of this percentage can be substantiated, the subsidiary's management considers that it will be successful in these discussions.

Bearing in mind this situation, which will require additional discussions with the Regulatory Agency, the subsidiary CPFL Paulista considers that the tariff review of April 2003 will continue to be provisional with respect to the depreciation percentage.

• **Tariff increase of 2005**

ANEEL, through Homologation Resolution 81, dated April 6, 2005, established the annual tariff increase for the subsidiary CPFL Paulista by an average percentage of 17.74%, in force for the tariffs as from April 9, 2005, composed as follows: (i) 10.58% due to the annual tariff increase; (ii) 7.16% due to the financial tariff components over and above the annual increase, especially the CVA, for the current year and 50% of the CVA for the period from April 2002 to March of 2003, as established in Interministerial Ordinance 116, dated April 4, 2003.

Also, as a function of the basis stated in the homologation of the Resolution, the subsidiary CPFL Paulista recognized under current assets the amount of R\$ 16,875 (note 5), referring to reimbursement of the following costs: (i) Appraisal Report of assets in the amount of R\$ 1,350, (ii) PIS and COFINS in the amount of R\$ 13,002, levied on the financial effects related to the April 2004 tariff increase, basically on amortization of the CVA billed in 2004, and (iii) the discounts applied to the Network Usage Charge – TUSD, billed in 2004 in the amount of R\$ 2,523. These amounts were recorded in the first quarter of 2005 as a balancing item to the corresponding income accounts and are being passed through in the Annual Tariff Increased effective as from April 8, 2005, as homologated by ANEEL. The amount passed through and amortized in the accounts in this quarter was R\$ 2,979.

The effects of increasing the PIS and COFINS rates were also taken into account in this Tariff Increase to be passed through to the generators, in the amount of R\$ 15,351. The subsidiary CPFL Paulista recorded a liability (note 19) as a balancing item to the expense (note 26), of what is being passed through monthly to the generators, amounting to R\$ 1,279 as from May 2005. The subsidiary CPFL Paulista also recorded an asset (note 5) as a balancing item to revenue (note 25), in the same amount as the liability, which is being amortized according to the billing to consumers, which in this quarter totaled the amount of R\$ 2,710.

The amounts passed through to the tariffs corresponding to the PIS and COFINS mentioned in the above paragraphs are not final, since the criteria for including these taxes in the tariffs were the object of a specific discussion in a Public Hearing held on July 20, 2005 (ANEEL Convention No. 014/2005) and should be the subject of final regulation after completion of the work of the public hearing mentioned. Any differences that may exist in the amounts passed through should be compensated in the future.

In addition, ANEEL, through Official Letter No. 176/2005-SRE/ANEEL dated July 12, 2005, informed an inconsistency in the value of the expense for the purchase of electric energy from Itaipu Binacional considered in the calculation of the Annual Tariff Increase dated April 8, 2005. This inconsistency allowed the subsidiary CPFL Paulista to recognize the right to complementary revenue in the amount of R\$ 41,206 net of PIS and COFINS (R\$ 45,406 with PIS and COFINS), which will be restated according to the IGP-M and considered in the Tariff Increase of 2006. Of the total amount mentioned, the subsidiary CPFL Paulista recognized, on June 30, 2005, a pro rata daily revenue of R\$ 10,450 (note 25) as a balancing item to the Tariff Increase asset (note 5).

RGE

• Tariff increase of 2005

ANEEL, through Homologation Resolution 92, dated April 18, 2005, established the annual tariff increase for the jointly-owned subsidiary RGE, increasing the electric energy tariffs by an average percentage of 21.93%, composed as follows: (i) 14.57% due to the annual tariff increase; (ii) 7.35% due to the financial tariff components over and above the annual increase, especially the CVA, for the current year and 50% of the CVA amounts for the prior period, as established in Interministerial Ordinance 116, dated April 4, 2003.

CPFL Piratininga

• Tariff Review

On October 18, 2004, by means of Homologation Resolution No. 245, ANEEL altered, on a provisional basis, the periodic tariff review for 2003 for the subsidiary CPFL Piratininga to a percentage of 10.51% . The difference in revenue between the initially established tariff repositioning, which was 14.68%, and the percentage of 10.51%, will be financially compensated in the Tariff Increase for October 2005.

On the same date, ANEEL, through Homologation Resolution No. 246, also homologated provisionally the increase in electric energy supply tariffs of 14.00% . This increase is effective for the period from October 23, 2004 to October 22, 2005.

The definitive value of the increases mentioned will be established at the time of the final definition of the Regulatory Reintegration Quota and the Regulatory Remuneration Base, under the terms of the provisions of ANEEL Resolution No. 493, dated September 3, 2002.

The amounts referring to the adjustments made in 2004 resulting from the tariff review are being restated monthly by the variation in the IGP-M, and should be compensated as from the next annual tariff increase. The assets and liabilities recorded as of June 30, 2005 were R\$ 1,149 (note 5) and R\$ 72,354 (note 23), respectively.

Bearing in mind the provisional nature of this periodic tariff review and tariff increase, they are subject to alteration at the time of definitive homologation.

c) Deferred Cost and Gain Variation (CVA) and Interministerial Ordinances 116 and 361:

Refer to the compensation mechanism for the variations occurred in unmanageable costs incurred by the electric power distribution utilities. This variation is calculated from the difference between the expenses effectively incurred and the expenses estimated at the time of composing the tariffs for the annual tariff increases. Unmanageable costs are considered to be the expenses described in note 10.

By means of Interministerial Ordinance No. 116, the recovery of the balance of the CVA corresponding to the twelve-month period prior to the 2003 Tariff Increase was postponed for twelve months, and should be compensated in the supply tariffs for the twenty-four months subsequent to the Annual Tariff Increase for 2004.

Through Normative Resolution nº 153 dated March 14, 2005, ANEEL established criteria and procedures to calculate and pass through to the tariff, the costs related with the CVA of energy purchased, which was the object of the Interministerial Ordinance nº 361, dated November 26, 2004. On June 30, 2005, the amounts related with Administrative Ordinance No. 361 correspond to a net liability of R\$ 594 in consolidated, and are pending homologation by the regulatory agency, subject to possible alterations at the time of definitive homologation.

d) Regulatory Asset resulting from the increase in PIS and COFINS:

Refers to the difference in cost between the values of PIS and COFINS calculated by applying the current legislation and those incorporated in the tariff. This issue will be the object of definitive regulation, after a public hearing held by ANEEL on July 20, 2005. Of the amount passed through to the Tariff Increase of the subsidiary CPFL Paulista on April 8, 2005, R\$ 5,020 was amortized in this quarter. Also in this quarter, the asset was reduced by R\$ 2,941, as a result of adjustments calculated during the period. Bearing in mind the provisional nature of the amounts posted, they are subject to possible alterations at the time of final homologation, to be defined after a public hearing.

In the case of the indirect subsidiary CPFL Centrais Elétricas, ANEEL, through Homologation Resolution No. 78 dated April 6, 2005, homologated on a provisional basis the differences without tariff coverage for the period mentioned above, the amount of which, R\$ 1,264, will be reimbursed by the subsidiary CPFL Paulista in 12 monthly installments of R\$ 105 as from May of 2005. Bearing in mind their provisional nature, these amounts are subject to possible alterations at the time of definitive homologation by the regulatory agency.

e) Low Income Consumers' Subsidy:

Due to the new guidelines and criteria for classifying consumer units in the low income residential sub-class, a mismatch was found between the subsidies foreseen and those incorporated into the tariffs. Since these differences affect the energy distribution concessionaires or the final consumers, ANEEL has established a calculation methodology to be applied to enable the matching of accounts by means of previously established settlement criteria. These differences were surveyed on a monthly basis and are still subject to inspection by the regulatory agency.

The movements of the balances in the first half of 2005 were as follows:

| | Consolidated | |
|---|---------------|----------------|
| | Asset | Liability |
| Balances as of December 31, 2004 | 43,995 | (5,175) |
| (Gain) Loss of Revenue | 11,200 | (1,211) |
| Amortization IRT/2005 | - | 896 |
| Receivables Homologated by ANEEL | (6,561) | - |
| Monetary Restatement | - | (559) |
| Balances as of June 30, 2005 | 48,634 | (6,049) |

(4)CASH AND BANKS

| | Parent Company | | Consolidated | |
|----------------------------------|-----------------------|----------------------|---------------------|----------------------|
| | June 30,2005 | March 31,2005 | June 30,2005 | March 31,2005 |
| Bank deposits | 41,099 | 369 | 215,247 | 195,680 |
| Short-term financial investments | 187,498 | 330,595 | 489,972 | 772,218 |
| Total | 228,597 | 330,964 | 705,219 | 967,898 |

The bank balances show significant amounts since they are used for payments at the beginning of the subsequent month.

The short-term financial investments correspond to operations with national financial institutions, the majority of which are remunerated based on the variation of the CDI, under normal market conditions and rates, and are available for use immediately.

(5) CONSUMERS, CONCESSIONAIRES AND LICENSEES

| | Consolidated | | | | |
|---|------------------------|------------------|----------------------|------------------|------------------|
| | Balances Coming Due | Past due | | Total | |
| | | Up to 90 days | More than 90 days | June 30,2005 | March 31,2005 |
| Current | | | | | |
| Consumer Classes | | | | | |
| Residential | 178,815 | 113,654 | 18,582 | 311,051 | 299,444 |
| Industrial | 143,074 | 65,493 | 48,732 | 257,299 | 232,314 |
| Commercial | 64,691 | 37,505 | 23,719 | 125,915 | 123,815 |
| Rural | 19,899 | 4,578 | 2,271 | 26,748 | 24,865 |
| Public Administration | 19,607 | 5,290 | 4,237 | 29,134 | 30,030 |
| Public Lighting | 23,789 | 5,656 | 30,468 | 59,913 | 62,924 |
| Public Service | 18,261 | 5,313 | 11,844 | 35,418 | 37,242 |
| Billed | 468,136 | 237,489 | 139,853 | 845,478 | 810,634 |
| Unbilled | 327,066 | - | - | 327,066 | 322,523 |
| Tariff Adjustment and Tariff Review (note 3) | 25,495 | - | - | 25,495 | 18,626 |
| PIS and COFINS - Generators pass- through (note 3) | 12,641 | - | - | 12,641 | - |
| CCEE transactions | 16,502 | - | - | 16,502 | 12,002 |
| Concessionaires and Licensees | 73,263 | - | - | 73,263 | 70,207 |
| Other | 40,354 | - | - | 40,354 | 38,985 |
| Subtotal | 963,457 | 237,489 | 139,853 | 1,340,799 | 1,272,977 |
| Extraordinary Tariff Adjustment (note 3) | 267,492 | - | - | 267,492 | 245,752 |
| Free Energy (note 3) | 103,792 | - | - | 103,792 | 94,575 |
| Total | 1,334,741 | 237,489 | 139,853 | 1,712,083 | 1,613,304 |
| Noncurrent | | | | | |
| CCEE transactions | 49,750 | - | - | 49,750 | 50,365 |
| Extraordinary Tariff Adjustment (note 3) | 260,960 | - | - | 260,960 | 321,027 |
| Tariff Review (note 3) | 22,398 | - | - | 22,398 | 22,398 |
| Free Energy (note 3) | 163,266 | - | - | 163,266 | 185,393 |
| Other | - | - | - | - | 774 |
| Total | 496,374 | - | - | 496,374 | 579,957 |

Electric Energy Trading Chamber ("CCEE") transactions

The amounts refer to the accounting of the Electric Energy Trading Chamber – CCEE (former MAE) related with the period from September 2000 to June of 2005. The balance receivable as of June 30, 2005, derived from the sale of energy, principally comprises: (i) legal adjustments, established as a function of suits brought by agents in the sector; (ii) provisional registers established by CCEE; (iii) estimates made by the subsidiaries for periods not yet provided by the CCEE; and (iv) amounts bilaterally renegotiated pending settlement. The Company considers that there is no significant risk on the realization of these assets and consequently no provision was posted in the accounts.

(6) OTHER RECEIVABLES

| | Consolidated | |
|--------------------------|---------------------|----------------------|
| | June 30,2005 | March 31,2005 |
| Current | | |
| Receivables from CESP | 24,322 | 27,531 |
| Employees | 17,242 | 20,320 |
| Advances - Fundação CESP | 7,638 | 6,962 |
| Indemnities | 6,096 | 6,261 |
| Other | 6,071 | 8,771 |
| Total | 61,369 | 69,845 |
| Noncurrent | | |
| Receivables from CESP | 96,262 | 109,196 |
| Other | 3,183 | 2,957 |
| Total | 99,445 | 112,153 |

(7) FINANCIAL INVESTMENTS

On April 28, 2005, the company acquired, by means of a Private Credit Assignment Instrument, the credit derived from the Electric Energy Purchase and Sale Contract between CESP – Companhia Energética de São Paulo (seller) and CPFL Comercialização Brasil S.A. (buyer), corresponding to the supply of energy for an 8-year period.

The Credit Assignment was purchased by the Company for the amount of R\$ 127,875, and is remunerated at an interest rate of 17.5% p.a., plus the annual variation of the IGP-M, and is being amortized through monthly installments up to January of 2013. The balance on June 30, 2005 was R\$ 128,660.

(8) RECOVERABLE TAXES

| | Parent Company | | Consolidated | |
|---|-----------------------|----------------------|---------------------|----------------------|
| | June 30,2005 | March 31,2005 | June 30,2005 | March 31,2005 |
| Current | | | | |
| Social Contribution prepayments - CSLL | - | - | 39,527 | 12,069 |
| Income Tax prepayments - IRPJ | - | - | 104,297 | 30,176 |
| Social Contribution and Income Tax | 41,560 | 40,072 | 59,283 | 65,437 |
| Withholding Income Tax | 15,765 | 277 | 48,926 | 42,333 |
| ICMS (State VAT) on Purchases of Fixed Assets | - | - | 24,673 | 22,342 |
| PIS (Tax on Revenue) | 4,112 | 4,112 | 5,950 | 6,563 |
| COFINS (Tax on Revenue) | 8 | 8 | 4,644 | 7,809 |
| INSS (Social Security) | - | - | 957 | 951 |
| Other | 4 | 4 | 1,878 | 1,273 |
| Total | 61,449 | 44,473 | 290,135 | 188,953 |

| | Parent Company | | Consolidated | |
|---|----------------|---------------|---------------|---------------|
| | June 30,2005 | March 31,2005 | June 30,2005 | March 31,2005 |
| Social Contribution Tax | - | - | 19,364 | - |
| PIS (Tax on Revenue) | - | - | 1,100 | 1,100 |
| COFINS (Tax on Revenue) | - | - | 4,184 | 4,184 |
| ICMS (State VAT) on Purchases of Fixed Assets | - | - | 31,432 | 31,779 |
| Withholding Income Tax | - | - | 9,201 | 8,930 |
| Total | - | - | 65,281 | 45,993 |

In noncurrent, the balance of the Social Contribution Tax refers to the definitive gain of a lawsuit brought by the subsidiary company CPFL Paulista, recognized in the 2004 financial year. This amount is being reclassified to noncurrent since the company is awaiting the final judgment of the appeal related with the amounts involved to then begin offsetting the tax credit.

(9) ALLOWANCE FOR DOUBTFUL ACCOUNTS

The movements in the Provision for Doubtful Accounts, including a portion to cover any losses with refinancing of consumer debts (note 12), between the period from March 31, 2005 and June 30, 2005, are as follows:

| | Consolidated |
|------------------------------------|-----------------|
| Balance as of March 31,2005 | (47,550) |
| Additional allowance recorded | (25,898) |
| Recovery of Revenue | 11,959 |
| Write-off of Accounts Receivable | 8,030 |
| Balance as of June 30,2005 | (53,459) |

(10) DEFERRED COSTS AND GAINS VARIATIONS

| | Consolidated | | | | | | | |
|----------------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| | ASSETS | | | | LIABILITIES | | | |
| | Current | | Noncurrent | | Current | | Noncurrent | |
| | June 30,2005 | March 31,2005 | June 30,2005 | March 31,2005 | June 30,2005 | March 31,2005 | June 30,2005 | March 31,2005 |
| Detailing: | | | | | | | | |
| Energy Purchased - Itaipu | 121,897 | 135,640 | 215,112 | 217,876 | 60,141 | 70,836 | 4,550 | 7,375 |
| System Service Charge | 69,567 | 87,517 | 27,958 | 25,055 | - | - | - | - |
| Transmission of Energy – Itaipu | 3,411 | 6,274 | 5,442 | 3,744 | - | - | - | - |
| Energy Purchased – Other | 92,631 | 60,108 | 104,745 | 113,992 | 98,721 | 53,175 | - | 286 |
| Fuel Consumption Account – CCC | 53,308 | 91,944 | 144,591 | 107,294 | 35,935 | 40,124 | - | 3,518 |
| Energy Development Account - CDE | 48,644 | 58,005 | 25,226 | 18,527 | - | - | - | - |
| Basic Network Charges | 42,540 | 82,002 | 39,607 | 33,816 | - | - | - | - |
| Global Reversal Quota – RGR | - | - | 1,885 | 1,802 | - | - | 9,383 | 8,972 |
| Inspection Fee | - | - | 720 | 689 | - | - | 427 | 409 |
| Connection Charges | - | - | 1,822 | 1,742 | - | - | - | - |
| Total | 431,998 | 521,490 | 567,108 | 524,537 | 194,797 | 164,135 | 14,360 | 20,560 |
| Summary: | | | | | | | | |
| CVA | 76,199 | 148,552 | 95,058 | 26,048 | 29,357 | 23,691 | 294 | 2,051 |
| Parcel "A" | - | - | 445,328 | 425,873 | - | - | 9,810 | 9,381 |
| Interministerial Ordinance 116 | 265,653 | 316,659 | 22,164 | 54,434 | 70,142 | 90,454 | 4,256 | 9,128 |
| Interministerial Ordinance 361 | 90,146 | 56,279 | 4,558 | 18,182 | 95,298 | 49,990 | - | - |
| Total | 431,998 | 521,490 | 567,108 | 524,537 | 194,797 | 164,135 | 14,360 | 20,560 |

(11) DEFERRED TAX CREDITS
11.1 Composition of the income tax and social contribution credits:

| | Consolidated | |
|---------------------------------------|------------------|-------------------|
| | June 30, 2005 | March 31, 2005 |
| Income Tax Credit on: | | |
| Tax Loss Carryforwards | 133,988 | 139,942 |
| Tax Benefit on Merged Goodwill | 511,340 | 518,715 |
| Temporarily Nondeductible Differences | 105,221 | 105,469 |
| | <u>750,549</u> | <u>764,126</u> |
| Social Contribution Credit on: | | |
| Tax Loss Carryforwards | 59,976 | 60,207 |
| Tax Benefit of Merged Goodwill | 176,587 | 179,018 |
| Temporarily Nondeductible Differences | 29,997 | 30,340 |
| | <u>266,560</u> | <u>269,565</u> |
| Total | 1,017,109 | 1,033,691 |

The tax benefit for the merged goodwill is derived from the mergers of the former controlling companies by CPFL Paulista (DOC 4) and CPFL Piratininga (DRAFT I), and has been realized proportionally to the amortization of the merged goodwill that gave rise to it, according to the net income foreseen during the remaining concession period.

For the first six months of 2005, the annual rates were used of 4.997631% and 5.777282% for the subsidiaries CPFL Paulista and CPFL Piratininga respectively. These rates were established in a projection approved by ANEEL in 2004 and are subject to periodic review.

Expectation of recovery

The expected recovery of the deferred tax credits derived from the tax loss carryforward and temporary nondeductible expenses is based on the income projections prepared by the subsidiaries. This forecast is subject to alteration, since the final results, at the time of realization in subsequent periods, could differ from those considered in the projections. On a conservative basis, the subsidiaries decided to maintain these credits in noncurrent.

The assumptions for realizing the tax credits approved by the Board of Directors at the end of 2004 were maintained, since there was no relevant fact that could lead to their modification.

11.2 Temporary nondeductible differences:

| | Consolidated | | | |
|--|-------------------|-------------------|--------------------------------|-------------------|
| | Income Tax (IRPJ) | | Social Contribution Tax (CSLL) | |
| | June 30, 2005 | March 31, 2005 | June 30, 2005 | March 31, 2005 |
| Reserve for Contingencies | 52,824 | 53,618 | 11,627 | 12,170 |
| Pension Plan Expenses | 28,519 | 26,160 | 9,909 | 9,059 |
| Allowance for Doubtful Accounts | 10,945 | 9,614 | 4,411 | 3,931 |
| Accounts Receivable from Government Entities | 5,938 | 5,002 | 2,137 | 1,801 |
| Profit Sharing | 1,437 | 2,971 | 573 | 1,070 |
| Other | 5,558 | 8,104 | 1,340 | 2,309 |
| Total | 105,221 | 105,469 | 29,997 | 30,340 |

11.3 Reconciliation of the amounts of income tax and social contribution reported in income in the three-month period and six month period ended June 30, 2005 and 2004:

| Consolidated | | | | |
|---|-----------------|-------------------|-----------------|-----------------|
| IRPJ | | | | |
| 2005 | | 2004 | | |
| 2. Quarter | 1. Half | 2. Quarter | 1. Half | |
| Income before IRPJ | 278,501 | 575,454 | 231,220 | 266,957 |
| Adjustments to Reflect Effective Rate: | | | | |
| - Non-deductible Goodwill Amortization | 29,116 | 57,478 | (11,536) | 29,483 |
| - Fundação Cesp - PSAP | - | - | 5,205 | 9,986 |
| - Realization of Revaluation Reserve | 2,974 | 6,687 | 12,957 | 9,017 |
| - Other net Additions/Deductions | (5,574) | (2,354) | (2,796) | (1,408) |
| Calculation base | 305,017 | 637,265 | 235,050 | 314,035 |
| Applicable rate | 25% | 25% | 25% | 25% |
| Tax Debit Result | (76,254) | (159,317) | (58,763) | (78,509) |
| Tax Credit unallocated | (951) | (2,269) | 1,083 | (9,362) |
| TOTAL | (77,205) | (161,586) | (57,680) | (87,871) |

| Consolidated | | | | |
|---|-----------------|-------------------|-----------------|-----------------|
| CSLL | | | | |
| 2005 | | 2004 | | |
| 2. Quarter | 1. Half | 2. Quarter | 1. Half | |
| Income before CSLL | 278,501 | 575,454 | 231,220 | 266,957 |
| Adjustments to Reflect Effective Rate: | | | | |
| - Non-deductible Goodwill Amortization | 15,078 | 29,975 | - | - |
| - Realization CMC | 6,543 | 12,723 | 10,871 | 17,354 |
| - Fundação Cesp - PSAP | - | - | 5,205 | 9,986 |
| - Realization of Revaluation Reserve | 2,974 | 6,687 | 12,957 | 9,017 |
| - Other net Additions/Deductions | (3,341) | 2,782 | 3,051 | 5,950 |
| Calculation base | 299,755 | 627,621 | 263,304 | 309,264 |
| Applicable rate | 9% | 9% | 9% | 9% |
| Tax Debit Result | (26,978) | (56,486) | (23,697) | (27,834) |
| Tax Credit unallocated | (400) | (1,411) | 1,397 | (3,389) |
| TOTAL | (27,378) | (57,897) | (22,300) | (31,223) |

The Tax Credit Unallocated refers to the Tax Loss Carryforwards of the subsidiaries on which tax credits were not posted due to the lack of expectation of their realization.

(12) OTHER CREDITS

| | Consolidated | | | |
|---|------------------|-------------------|------------------|-------------------|
| | Current | | Noncurrent | |
| | June 30, 2005 | March 31, 2005 | June 30, 2005 | March 31, 2005 |
| Refinancing of Consumer Debts | 41,461 | 46,740 | 105,357 | 94,533 |
| Low Income Consumer Subsidies (Note 3) | 48,634 | 47,691 | - | - |
| Collateral linked to Foreign Currency Loans | - | - | 22,052 | 22,863 |
| PERCEE | 2,350 | 2,719 | - | - |
| Orders in Progress | 8,089 | 7,602 | - | - |
| Services Rendered to Third Parties | 18,372 | 19,077 | 616 | 621 |
| Reimbursement RGR | 1,461 | 463 | - | - |
| Assets and Rights for Disposal | 85 | 998 | 3,000 | 1,475 |
| Other | 9,701 | 10,013 | 5,540 | 5,431 |
| Total | 130,153 | 135,303 | 136,565 | 124,923 |

(13) CREDITS WITH RELATED PARTIES

The Noncurrent balance corresponds to loan contracts between the company and the direct subsidiary CPFL Paulista (R\$ 25,340) and indirect subsidiary Semesa (R\$ 17,989), the remuneration on which is 110% of the CDI-CETIP.

(14) INVESTMENTS

| | Parent Company | | Consolidated | |
|------------------------------|------------------|-------------------|------------------|-------------------|
| | June 30, 2005 | March 31, 2005 | June 30, 2005 | March 31, 2005 |
| Permanent Equity Interests | 2,767,664 | 2,913,010 | - | - |
| Goodwill / Negative Goodwill | 1,047,327 | 1,005,888 | 2,016,542 | 1,990,683 |
| Leased Assets | - | - | 777,795 | 783,325 |
| Other Investments | - | - | 30,250 | 30,351 |
| TOTAL | 3,814,991 | 3,918,898 | 2,824,587 | 2,804,359 |

14.1 - Permanent Equity Interests:

The principal information on the investments in permanent equity interests is as follows:

| Information on Equity Interests | Parent Company | | | | | | |
|--|----------------|------------------|--------------|-------------|----------------|--------------|-------------|
| | June 30, 2005 | | | | March 31, 2005 | | |
| | CPFL Paulista | CPFL Piratininga | CPFL Geração | CPFL Brasil | CPFL Paulista | CPFL Geração | CPFL Brasil |
| Subsidiary | | | | | | | |
| Number of Shares - (in thousands) | | | | | | | |
| - Common Share | 12,491,807 | 29,498,491 | 68,495,905 | 456 | 12,491,807 | 68,495,905 | 300 |
| - Preferred Share | 21,113,254 | 23,532,768 | 136,991,811 | - | 21,113,254 | 136,991,811 | - |
| - Total Number of Shares | 33,605,061 | 53,031,259 | 205,487,716 | 456 | 33,605,061 | 205,487,716 | 300 |
| - Treasury Shares (a) | 35 | - | - | - | - | - | - |
| Shareholders' Equity - (R\$ thousands) | | | | | | | |
| - Capital | 1,226,556 | 331,100 | 1,039,618 | 456 | 1,226,556 | 1,039,618 | 3 |
| - Net Income | 310,922 | 16,571 | 55,262 | 78,125 | 121,538 | 24,158 | 38,878 |
| - Shareholders' Equity | 1,813,925 | 534,416 | 1,044,401 | 457 | 1,935,467 | 1,068,559 | 38,882 |
| Parent Company | | | | | | | |
| Held by Parent Company - (in thousands) | | | | | | | |
| - Common Share | 12,084,042 | - | 68,495,905 | 456 | 12,084,042 | 67,317,562 | 300 |
| - Preferred Share | 19,819,681 | 70,800 | 136,991,811 | - | 19,819,681 | 132,033,724 | - |
| - Total Number of Shares | 31,903,723 | 70,800 | 205,487,716 | 456 | 31,903,723 | 199,351,286 | 300 |
| Ownership - (%) | | | | | | | |
| - Voting | 96.7357% | 0.0000% | 100.00% | 100.00% | 96.7357% | 98.2797% | 100.00% |
| - Total | 94.9373% | 0.1335% | 100.00% | 100.00% | 94.9373% | 97.0137% | 100.00% |
| - Adjusted (a) | 94.9374% | - | - | - | 94.9373% | - | - |
| Permanent Equity Interests - (R\$ thousands) | 1,722,092 | 714 | 1,044,401 | 457 | 1,837,480 | 1,036,648 | 38,882 |
| Result Equity in Subsidiaries (b) - (R\$ thousands) | 295,182 | 22 | 53,633 | 78,125 | 115,385 | 23,437 | 38,878 |

(a) The interest in total capital is adjusted as a function of the treasury shares

(b) The income for the period of June 30, 2005 refers to the half-year

Acquisition of shares in the subsidiary CPFL Geração

On May 6, 2005, at an auction held at the São Paulo Stock Exchange - BOVESPA, the Company acquired 90,150,287 common shares and 100,856,977 preferred shares issued by CPFL Geração, totaling 191,007,264 shares, representing 0.093% of its capital, for the price of R\$ 1,606 or R\$ 8.40 per 1,000 share block, increasing its equity interest from 97.01% to 97.11% . This acquisition generated a goodwill in the amount of R\$ 143.

Acquisition of shares in the subsidiary CPFL Piratininga

On June 16, 2005, the Company acquired, at an auction held at the BOVESPA, 70,800,000 preferred shares issued by CPFL Piratininga, corresponding to 0.1335% of its capital, for the price of R\$ 25.76 per 1,000 share block, totaling R\$ 1,824. This acquisition generated a goodwill of R\$ 974.

Merger of shares of the subsidiary CPFL Geração

In an Extraordinary Shareholders' General Meeting held on June 20, 2005, the company approved the merger of shares of the subsidiary CPFL Geração held by the noncontrolling shareholders, converting it into a wholly-owned subsidiary. Each lot of 1,622 common or preferred shares in CPFL Geração corresponds to 1 (one) common share issued by the Company. This transaction led to an asset of R\$ 85,577, in the form of 5,945,422,937 CPFL Geração shares, composed of R\$ 31,816 of the book equity value of CPFL Geração, and a goodwill amounting to R\$ 53,761, since the conversion was made at the economic value.

Dividend and Interest on Equity

Based on the retained earnings as of June 30, 2005 and in the form stipulated in the corresponding Bylaws, the subsidiaries listed below are proposing dividends and declaring Interest on Equity to the following amounts:

| | June 30, 2005 |
|------------------|--------------------------|
| CPFL Paulista | 282,946 |
| CPFL Piratininga | 192 |
| CPFL Geração | 83,731 |
| CPFL Brasil | 78,125 |
| Total | 444,994 |

14.2 - Goodwill or Negative Goodwill:

| Consolidated | | | | | |
|----------------------|------------------|----------------------------|-------------------------------------|---------------------------|------------------|
| June 30, 2005 | | | | March 31, 2005 | |
| Investor | Investee | Historical Cost | Accumulated Amortization | Net Value | Net Value |
| CPFL Energia | CPFL Paulista | (12,828) | - | (12,828) | (12,828) |
| CPFL Energia | CPFL Piratininga | 974 | - | 974 | - |
| CPFL Energia | CPFL Paulista | 1,074,026 | (69,125) | 1,004,901 | 1,018,320 |
| CPFL Energia | CPFL Geração | 54,555 | (275) | 54,280 | 396 |
| CPFL Paulista | RGE | 756,443 | (225,504) | 530,939 | 538,029 |
| CPFL Paulista | CPFL Piratininga | 124,895 | (5,401) | 119,494 | 121,359 |
| CPFL Geração | SEMESA | 426,450 | (121,849) | 304,601 | 311,323 |
| CPFL Geração | Fóz do Chapecó | 770 | - | 770 | 770 |
| CPFL Geração | ENERCAN | 15,693 | (5,460) | 10,233 | 10,233 |
| CPFL Geração | Barra Grande | 3,081 | - | 3,081 | 3,081 |
| CPFL Brasil | Clion | 97 | - | 97 | - |
| Total | | 2,444,156 | (427,614) | 2,016,542 | 1,990,683 |

Change in the criterion for amortizing Goodwill

The goodwill derived from the acquisition of the corporate interests in RGE, CPFL Piratininga and SEMESA, previously amortized on a straight-line basis over a 10-year period, began to be amortized as from June 2004, backdated to January 2004, proportional to the projected net income curves for the remaining concession period of the subsidiaries RGE and CPFL Piratininga and over the remaining term of the lease contract with the concession holder (FURNAS) in the case of the subsidiaries SEMESA.

In the first six months of 2005, the amortization of the goodwill was calculated based on an annual rate of 5.777282% at CPFL Piratininga, 4.997631% at RGE and 7.439278% at SEMESA, these rates being subject to periodic review.

The goodwill derived from the acquisitions of the interests in Foz do Chapecó, ENERCAN and Barra Grande, subsidiaries of CPFL Geração, are based on the expectation of future earnings derived from their concession contracts and will be amortized over the terms of the contract as from the starting date of commercial operations of the companies, forecast respectively for the year 2009, January of 2006 and October of 2005.

14.3 - Leased Assets:

In the consolidated, the balances refer principally to assets forming part of the Serra da Mesa Hydropower Plant, belonging to the indirect subsidiary SEMESA, leased to the concession holder (currently FURNAS) for a 30-year period ending 2028.

(15) PROPERTY, PLANT AND EQUIPMENT

| | Consolidated | | | |
|--|------------------|--------------------------|------------------|------------------|
| | June 30, 2005 | | | March 31, 2005 |
| | Historical Cost | Accumulated Depreciation | Net Value | Net Value |
| In Service | | | | |
| - Distribution | 5,536,702 | (2,836,008) | 2,700,694 | 2,658,220 |
| - Generation | 367,349 | (92,100) | 275,249 | 147,328 |
| - Commercialization | 94,012 | (33,517) | 60,495 | 59,499 |
| - Administration | 192,256 | (120,047) | 72,209 | 116,927 |
| | 6,190,319 | (3,081,672) | 3,108,647 | 2,981,974 |
| In Progress | | | | |
| - Distribution | 150,056 | - | 150,056 | 134,989 |
| - Generation | 988,729 | - | 988,729 | 1,058,051 |
| - Commercialization | 6,566 | - | 6,566 | 6,428 |
| - Administration | 9,512 | - | 9,512 | 12,051 |
| | 1,154,863 | - | 1,154,863 | 1,211,519 |
| Subtotal | 7,345,182 | (3,081,672) | 4,263,510 | 4,193,493 |
| Other Assets not Tied to the Concession | 751,347 | (427,898) | 323,449 | 325,487 |
| Total Property, Plant and Equipment | 8,096,529 | (3,509,570) | 4,586,959 | 4,518,980 |
| Special Obligations linked to the Concession | | | (613,427) | (603,638) |
| Net Property, Plant and Equipment | | | 3,973,532 | 3,915,342 |

The average depreciation rate of the assets is approximately 5.2% p.a.

The amount of R\$ 42,440 was reclassified in this quarter to fixed assets in service from the Administration for Distribution activity of the subsidiary CPFL Paulista, referring to the Distribution Management System.

Other Assets not Tied to the Concession – Refers to the goodwill on the merger of RGE's parent company, amortized over the remaining concession period, proportional to the projected net income curve for the period (annual rate of 2.41% in 2005). The taxes are subject to periodic review.

(16) DEFERRED CHARGES

| | Consolidated | | | |
|---------------------------------------|-----------------|--------------------------|---------------|----------------|
| | June 30, 2005 | | | March 31, 2005 |
| | Historical Cost | Accumulated Amortization | Net Value | Net Value |
| Pre-Operating Expenses in Service | 26,982 | (8,407) | 18,575 | 18,793 |
| Expenses with the Issue of Debentures | 7,134 | (3,029) | 4,105 | 4,414 |
| Deferred Charges in Progress | 19,053 | - | 19,053 | 18,808 |
| Total | 53,169 | (11,436) | 41,733 | 42,015 |

(17) INTEREST ON DEBTS, LOANS AND FINANCING

| | Consolidated | | | | | |
|--|---------------|----------------|------------------|----------------|----------------|------------------|
| | June 30, 2005 | | | March 31, 2005 | | |
| | Interest | Principal | | Interest | Principal | |
| | | Current | Long term | | Current | Long term |
| LOCAL CURRENCY | | | | | | |
| BNDES - Power Increases (PCH's) (a) | 68 | 3,663 | 13,825 | 78 | 3,683 | 14,825 |
| BNDES - Investment (b) | 4,546 | 51,882 | 908,496 | 1,341 | 43,152 | 775,939 |
| BNDES - Regulatory Asset (c) | 2,893 | 175,633 | 508,738 | 6,328 | 216,177 | 489,491 |
| BNDES - CVA and Interministerial Ordinance 116 (d) | 1,620 | 163,214 | 23,551 | 2,100 | 185,280 | 47,716 |
| FIDC (e) | 28,498 | 64,802 | 41,468 | 24,643 | 65,230 | 59,397 |
| BRDE (f) | - | 20,484 | 5,585 | - | 19,867 | 10,910 |
| Financial Institutions (g) | 3,839 | 18,207 | 144,710 | 3,522 | 46,278 | 157,523 |
| Other (h) | 514 | 23,529 | 110,900 | 501 | 20,045 | 109,383 |
| Subtotal | 41,978 | 521,414 | 1,757,273 | 38,513 | 599,712 | 1,665,184 |
| FOREIGN CURRENCY | | | | | | |
| IFC - (i) | 3,195 | 14,102 | 56,409 | 1,755 | 21,330 | 85,318 |
| Floating Rate Notes (j) | 525 | 227,049 | 42,307 | 6,836 | 195,166 | 191,966 |
| Trade Finance - Sul Geradora (k) | 361 | 29,951 | - | 637 | 101,926 | - |
| IDB (l) | - | - | 57,752 | - | - | - |
| Financial Institutions (m) | 1,347 | 12,461 | 95,768 | 2,633 | 16,223 | 113,915 |
| Subtotal | 5,428 | 283,563 | 252,236 | 11,861 | 334,645 | 391,199 |
| Total | 47,406 | 804,977 | 2,009,509 | 50,374 | 934,357 | 2,056,383 |

| | Consolidated | | | | |
|--|---------------|----------------|--|---|--|
| | June 30, 2005 | March 31, 2005 | Remuneration | Amortization | Collateral |
| LOCAL CURRENCY | | | | | |
| BNDES - Power Increases (PCH's) (a) | | | | | |
| CPFL Centrais Elétricas | 15,914 | 16,606 | TJLP + 3.5% p.a. | 84 monthly installments from February 2003 | Guarantee of CPFL Paulista |
| CPFL Centrais Elétricas | 1,642 | 1,980 | UMBND + 3.5% p.a. | 84 monthly installments from February 2003 | Guarantee of CPFL Paulista |
| BNDES - Investment (b) | | | | | |
| CPFL Paulista - FINEM I | 50,325 | 56,099 | TJLP + 3.25% p.a. | 78 monthly installments from October 2000 and October 2001 | Revenue |
| CPFL Paulista - FINEM II | 91,346 | - | TJLP + 5.4% p.a. | 48 monthly installments from January 2007 | Guarantee of CPFL Energia and receivables |
| RGE | 67,468 | 57,386 | TJLP + 3.5% to 4.5% p.a. | 36 monthly installments from December 2005 | Revenue collection |
| RGE | 8,625 | 6,464 | UMBND + 4.5% p.a. | 36 monthly installments from February 2006 | Revenue collection/reserve account |
| CPFL Piratininga - FINEM | 43,563 | 33,608 | TJLP + 5.4% p.a. | 48 monthly installments from January 2007 | Guarantee of CPFL Energia and receivables |
| CPFL Piratininga - FINAME | 135 | 173 | TJLP + 3.45% p.a. | 48 monthly installments from May 2002 | Promissory notes and receivables |
| BAESA | 146,611 | 112,886 | URTJLP + 3.125% p.a. | 144 monthly installments from September 2006 and November 2006 | Guarantee of Shareholders |
| BAESA | 45,129 | 50,480 | UMBND + 3.125% p.a. | 144 monthly installments from November 2006 | Guarantee of Shareholders |
| ENERCAN | 27,403 | 30,496 | UMBND + 4% p.a. | 144 monthly installments from April 2007 | Guarantee of Shareholders |
| ENERCAN | 324,826 | 314,317 | TJLP + 4% p.a. | 144 monthly installments from April 2007 | Guarantee of Shareholders |
| CERAN | 31,893 | 35,368 | UMBND + 5% p.a. | 120 monthly installments from April 2006 | Guarantee of CPFL Energia |
| CERAN | 127,600 | 123,155 | TJLP + 5% p.a. | 120 monthly installments from December 2005 | Guarantee of CPFL Energia |
| BNDES - Parcel "A", RTE and Free Energy (c) | | | | | |
| CPFL Paulista - RTE | 254,970 | 283,043 | Selic + 1% p.a. | 62 monthly installments from March 2002 13 monthly installments from May 2007 | Receivables |
| CPFL Paulista - Parcel "A" | 255,042 | 242,237 | Selic + 1% p.a. | | Receivables |
| CPFL Piratininga - RTE | 73,252 | 86,844 | Selic + 1% p.a. | 54 monthly installments from March 2002 9 monthly installments from September 2007 | Receivables |
| CPFL Piratininga - Parcel "A" | 94,855 | 90,093 | Selic + 1% p.a. | | Receivables |
| RGE - Free Energy | 4,413 | 4,718 | Selic + 1% p.a. | 60 monthly installments from March 2003 | Receivables |
| CPFL Geração - Free Energy | 4,732 | 5,061 | Selic + 1% p.a. | 60 monthly installments from March 2003 | Receivables |
| BNDES - CVA and Interministerial Ordinance 116 (d) | | | | | |
| CPFL Paulista | 104,126 | 132,126 | Selic + 1% p.a. | 24 monthly installments from May 2004 | Receivables |
| CPFL Piratininga | 73,138 | 84,030 | Selic + 1% p.a. | 24 monthly installments from December 2004 | Receivables |
| RGE | 11,121 | 18,940 | Selic + 1% p.a. | 60 monthly installments from March 2003 | Receivables |
| FIDC - CPFL Piratininga (e) | 134,768 | 149,270 | 115% of CDI | 36 monthly installments from March 2004 | Receivables |
| BRDE - RGE (f) | 26,069 | 30,777 | IGP-M + 12% p.a. | 180 monthly installments from September 1991 | Receivables |
| Financial Institutions (g) | | | | | |
| CPFL Paulista | | | | | |
| Banco do Brasil - Law 8727 | 57,295 | 58,342 | Variation of IGPM + 7.42% p.a. | 240 montly installments from May 1994 | Receivables |
| RGE | | | | | |
| Banco Itaú BBA | 69,412 | 69,168 | CDI + 1.75% p.a. | 24 monthly installments from May 2006 | Letters of credits CPFL, Ipê and receivables in the amount of R\$ 38 000 |
| Unibanco | 27,520 | 27,453 | CDI + 2.15% p.a. | 18 quarterly installments from January 2006 | No guarantee |
| Banco Santander | 12,529 | 27,883 | CDI + 2.0% p.a. | 7 quarterly installments from January 2006 | Promissory notes |
| Banco Alfa | - | 8,664 | CDI + 2.0% p.a. | 4 monthly installments from January 2005 | Proportional guarantee and promissory notes |
| Banrisul | - | 1,133 | 122.2 % CDI + 3.5% p.a. | 18 monthly installments from January 2004 | No guarantee |
| Banco Safra | - | 14,680 | 105% of CDI | 1 installment from May 2005 | Promissory notes |
| Other (h) | | | | | |
| CPFL Paulista | | | | | |
| ELETROBRÁS | 16,845 | 16,127 | RGR + rate variable from 6% to 9% p.a. | Monthly installments to March 2016 | Receivables and promissory notes |
| Other | 7,738 | 7,995 | - | - | - |
| RGE | | | | | |
| FINEP | 797 | 791 | TJLP + 4.0% p.a. | 48 monthy installments from July 2006 | Receivables |
| ELETROBRÁS | 3,893 | 4,315 | RGR + rate variable from 6% to 9% p.a. | Monthly installments to July 2010 | Revenue / Promissory notes |
| Other | 7,869 | 8,320 | - | - | - |
| Piratininga | 5,628 | 5,987 | | Monthly installments to July 2016 | |
| ELETROBRÁS | | | RGR + rate variable from 6% to 6.5% p.a. | | Receivables/Promissory notes |
| Other | 1,893 | 862 | - | - | - |
| Semesa | | | | | |
| Furnas Centrais Elétricas | 90,280 | 85,532 | IGP-M + 10% p.a. | 24 monthly installments from August 2008 | Energy produced by plant |
| Subtotal | 2,320,665 | 2,303,409 | | | |

FOREIGN CURRENCY

| | | | | | |
|---|------------------|------------------|--|---|--|
| IFC - CPFL Energia (i) | 73,706 | 108,403 | US\$ + 6-month Libor+ 5.25% p.a. (***) | 10 semiannual installments from July 2005 | Share of CPFL Centrais Elétricas |
| Floating Rate Notes - CPFL Paulista (j) | 269,881 | 393,968 | US\$ + 6-month Libor + 2.95% p.a. (*) | 24 semiannual installments from February 2003 | Receivables, Guarantee and promissory notes |
| Trade Finance - Sul Geradora (k) | 30,312 | 102,563 | US\$ + Libor + 4.7%p.a. (**) | 12 monthly installments 3 in year (May, June and July) - From May 2002 | Guarantee of RGE and Letters of credits |
| BID - ENERCAN (l) | 57,752 | - | US\$ + Libor + 3.5%p.a. | 49 quarterly installments from June 2007 | Guarantee of CPFL Energia |
| Financial Institutions (m) CPFL Paulista | | | | | |
| Debt Conversion Bond | 19,703 | 24,037 | US\$ + 6-month Libor+ 0.875% p.a. | 17 semiannual installments from April 2004 | Revenue/Government SP guaranteed |
| New Money Bond | 2,970 | 3,804 | US\$ + 6-month Libor+ 0.875% p.a. | 17 semiannual installments from April 2001 | Revenue/Government SP guaranteed |
| FLIRB | 3,014 | 3,859 | US\$ + 6-month Libor+ 0.8125%p.a. | 13 semiannual installments from April 2003 | Revenue/Government SP guaranteed |
| C-Bond | 22,845 | 27,905 | US\$ + 8%p.a. | 21 semiannual installments from April 2004 | Revenue/Government SP guaranteed |
| | 20,627 | 23,483 | | 1 installments from 2024 | Escrow deposits and revenue/ GESP guarantee |
| Discount Bond | | | US\$ + 6-month Libor+ 0.8125%p.a. | | |
| | 29,739 | 34,251 | | 1 installments from 2024 | Escrow deposits and revenue/ GESP guarantee |
| PAR-Bond | | | US\$ + 6%p.a. | | |
| EI Bond - Interest Bond | 2,549 | 4,353 | US\$ + 6-month Libor+ 0.8125%p.a. | 19 semiannual from April 1997 | Revenue/Government SP guaranteed |
| RGE | | | | | |
| Banco Itaú BBA | - | 2,096 | US\$ + 7.0%p.a. (**) | 18 monthly installments from January 2004 | Promissory notes |
| Unibanco | 8,129 | 8,983 | US\$ + Libor + 7.25%p.a. (**) | 7 semiannual installments from September 2004 | Receivables and reserve account |
| Subtotal | <u>541,227</u> | <u>737,705</u> | | | |
| Total | <u>2,861,892</u> | <u>3,041,114</u> | | | |

Converted into local cost corresponding to 93.65% and 94.75% of the variation in the CDI

Converted into local cost corresponding to 48.79% and 54.59% of the variation in the CDI

Converted into local cost corresponding to 105.3% of the variation in the CDI

IFC – As commented in note 30, on July 14, 2005 the IFC exercised its right to the subscription bonus, converting the balance of the debt on July 25, 2005 into Company stock.

BNDES – Investment - The subsidiary CPFL Paulista obtained approval for financing from the BNDES in the amount of R\$ 240,856, which forms part of a line of credit from the FINEM to be invested in the expansion and modernization of the Electricity System. The first installment in the amount of R\$ 89,022 was received on April 27, 2005. The remaining balance will be released in quarterly installments up to December of 2006. The interest will be paid quarterly, from July 15, 2005 to January 15, 2007, and monthly as from February 15, 2007.

This contract is subject to certain restrictive conditions, which are being fully complied with, involving clauses that require the subsidiary CPFL Paulista to maintain certain financial ratios at preestablished levels and can be summarized as follows:

- Make payments of Dividends and Interest on Equity totaling more than the minimum compulsory dividend stipulated in the legislation only after substantiation to the BNDES and the leading bank in the operation (UNIBANCO) of full compliance with the restrictive obligations established in the contract;
- Net financial debt divided by EBITDA - a maximum value of 4.0 in 2005 and 2006; and a maximum value of 3.5 from 2007 to 2010;
- Net financial debt divided by the total of net financial debt and Shareholder's Equity- maximum value of 0.65 in 2005 and 2006; and maximum value of 0.60 from 2007 to 2010.

BNDES – Investment – In the indirect subsidiary CPFL Piratininga comprising a credit agreement by the onlending of a loan contacted with the BNDES to the total amount of R\$ 89,382, of which the amounts of R\$ 33,568 and R\$ 8,876 have already been released to the Company in March and June of 2005 respectively. The remaining balance will be released in quarterly installments up to December of 2006. The interest will be paid quarterly from April 15, 2005 to January 15, 2007, and monthly as from February 15, 2007.

This contract is subject to certain restrictive conditions, which are being fully complied with, involving clauses that require the subsidiary indirect CPFL Piratininga to maintain certain financial ratios at preestablished levels and can be summarized as follows:

- Make payments of Dividends and Interest on Equity totaling more than the minimum compulsory dividend stipulated in the legislation only after substantiation to the BNDES and the leading bank in the operation (UNIBANCO) of full compliance with the restrictive obligations established in the contract;
- Net financial debt divided by EBITDA - a maximum value of 3.0 in 2005; and a maximum value of 2.5 from 2006 to 2010;
- Net financial debt divided by the total of net financial debt and Shareholder's Equity - maximum value of 0.60 in 2005 and 2006; and maximum value of 0.55 from 2007 to 2010.

IDB – In April of 2005, the indirect subsidiary ENERCAN obtained from the IDB – Inter-American Development Bank release of a loan amounting to US\$ 75 million for financing the Campos Novos Hydropower Plant venture. The interest will be paid quarterly in February, May, August and November of each year as from May 15, 2006.

This contract is subject to certain restrictive conditions, which are being fully complied with, involving clauses that require the company to maintain certain financial ratios at preestablished levels and can be summarized as follows:

- Service Coverage Ratio of the Historic Debt and Service Coverage Ratio of the Projected Debt, on the date of payment of at least 1.30 and 1.30 respectively. The ratio is calculated by dividing the net cash flow from operations by debt service.
- The Indebtedness Ratio should have a maximum proportion of 75% of debt to 25% of equity.

The Company and its subsidiaries are in full compliance with the restrictive clauses related to the loans and financing with financial institutions.

(18) DEBENTURES

| Consolidated | | | | | | | | | |
|-------------------------------------|-------------|--------|--------------|---------------------|----------------|------------------|----------------|----------------|------------------|
| Characteristics of Debenture Issues | | | | Balances as of: | | | | | |
| | | | | June 30, 2005 | | | March 31, 2004 | | |
| Entity | Issue Serie | Issued | Remuneration | Interest | Current | Long Term | Interest | Current | Long Term |
| CPFL Paulista | 1st | 1st | 44,000 | IGP-M + 11.5% p.a. | 6,452 | - | 732,559 | 70,117 | - |
| CPFL Paulista | 1st | 2nd | 30,142 | CDI + 0.6% p.a. | 2,355 | 150,710 | - | 43,338 | 150,710 |
| CPFL Paulista | 2nd | 1st | 11,968 | 109% of CDI | 11,590 | - | 119,680 | 5,364 | - |
| CPFL Paulista | 2nd | 2nd | 13,032 | IGP-M + 9.8% p.a. | 13,626 | - | 139,625 | 10,004 | - |
| RGE | 2nd | 1st | 2,620 | IGP-M + 9.6% p.a. | 62 | 379 | 17,572 | - | - |
| RGE | 2nd | 2nd | 20,380 | 106% of CDI | 3,633 | 2,874 | 136,686 | - | - |
| SEMESA | 1st | - | 69,189 | TJLP + 4 to 5% p.a. | 4,077 | 113,981 | 414,998 | 18,623 | 107,725 |
| BAESA | 1st | - | 23,094 | 105% of CDI | - | - | 25,858 | - | - |
| BAESA | 2nd | - | 23,281 | IGP-M + 9.55% p.a. | - | - | 26,318 | - | - |
| Total | | | | 41,795 | 267,944 | 1,613,296 | 147,446 | 258,435 | 1,659,192 |

On April 1, 2005, the jointly-owned subsidiary RGE made a second issue of regular debentures for public subscription, of the unsecured type, non-convertible into Company shares, with no optional renegotiation clause, issued in two series, as follows:

- **1st series** - the 2,620 debentures will have a term of 6 years as from the date of issue, maturing on April 1, 2011. The following will be applied to the nominal unit value (i) the variation of the IGP- M (calculated on a pro rata time basis on business days elapsed, based on a year of 252 business days); and (ii) remuneratory interest at a fixed annual rate of 9.6%, which was defined in the bookbuilding procedure. The amounts related with the remuneration of the debentures should be paid annually, always on the 1st of April of each year, the first payment being payable on April 1, 2006.
- **2nd series** – the 20,380 debentures will have a term of 4 years as from the date of issue, maturing on April 1, 2009. Remuneratory interest will be applied to the nominal unit value, which was defined in the bookbuilding procedure at the rate of 106% of the accumulated average daily rate of the DI - One-day Interbank Deposit rate, “over extra grupo”, calculated and published by CETIP - Clearing House for the Custody and Financial Settlement of Securities. The amounts related with the remuneration of the debentures shall be paid half-yearly, always on the 1st day of the months of April and October of each year, the first payment falling due on October 1, 2005.

The debentures issued by the indirect subsidiary RGE have restrictive clauses related with (i) a reduction in the Issuer's Capital and/or alteration to the Issuer's Bylaws that imply the concession of a right to the Issuer's shareholders to withdraw amounts that could directly or indirectly affect compliance with the

Issuer's financial obligations stipulated in the Deed of Issue; (ii) transfer or assignment, directly or indirectly, of equity control, or upstream or downstream merger or spinoff, except in the case of direct sale of control to CPFL Energia and/or a wholly owned subsidiary of CPFL Energia; (iii) sale of the control of PSEG Américas Ltda, except in the case of transfer of control to the Exelon Group (iv) if VBC Participações S.A. no longer holds a majority interest amongst the controlling companies, or if VBC Participações S.A., PREVI and/or Bonaire Participações S.A. no longer hold, jointly, the direct or indirect control of the Issuer.

The financial covenants are:

- the ratio of Total Debt to EBITDA should be less than or equal to 3.0, to be verified quarterly;
- the ratio between EBITDA and Financial Expenses should be higher than or equal to 2.0;
- the ratio between Total Debt and Total Capitalization should be less than or equal to 0.55.

These restrictive clauses and other clauses to which the Company is subject in the debenture issue contract with the financial institutions are being complied with.

(19) SUPPLIERS

| | Consolidated | |
|---|--------------------------|-----------------------|
| | June 30, 2005 | March 31, 2005 |
| Current | | |
| Other - CCEE | 1,075 | 2,686 |
| System Service Charges | 2,837 | 4,688 |
| Transactions in the CCEE (note 5) | 3,912 | 7,374 |
| Energy Purchased | 416,222 | 417,357 |
| Electricity Network Usage Charges | 56,101 | 61,600 |
| Materials and Services | 61,755 | 63,065 |
| Free Energy (note 3) | 93,743 | 77,589 |
| PIS and COFINS - Generators pass-through (note 3) | 12,793 | - |
| Other | 8,301 | 9,237 |
| Total | 652,827 | 636,222 |
| Long term | | |
| Free Energy (note 3) | 219,340 | 240,377 |

(20) TAXES AND SOCIAL CONTRIBUTIONS PAYABLE

| | Consolidated | | | |
|-------------------------------------|----------------|----------------|---------------|---------------|
| | Current | | Long term | |
| | June 30,2005 | March 31,2005 | June 30,2005 | March 31,2005 |
| ICMS (State VAT) | 241,878 | 235,073 | - | - |
| PIS (Tax on Revenue) | 10,227 | 9,335 | 2,057 | 2,767 |
| COFINS (Tax on Revenue) | 44,051 | 40,043 | 9,470 | 12,744 |
| INSS (Social Security Contribution) | 3,736 | 3,369 | - | - |
| IRPJ (Corporate Income Tax) | 139,729 | 76,896 | 38,477 | 47,976 |
| CSLL (Social Contribution Tax) | 51,614 | 26,641 | 14,093 | 17,272 |
| IRRF Interest on equity reserve | 25,742 | - | - | - |
| Other | 6,765 | 7,057 | - | - |
| Total | 523,742 | 398,414 | 64,097 | 80,759 |

The amounts reported under long-term refer to deferred taxes levied on the following assets: (i) Extraordinary Tariff Adjustment – RTE, (ii) Regulatory Asset referring to PIS and COFINS, and (iii) Effects of the Tariff Review at the subsidiaries CPFL Paulista and CPFL Piratininga, which are considered payable by the subsidiaries to the extent that the amount of the principal is realized.

At the parent company as of June 30, 2005, the amounts of Withholding Income Tax and PIS/COFINS related with the Interest on Equity return for the quarter are recorded in the amounts of R\$ 11,538 and R\$ 7,425 respectively.

(21) EMPLOYEE PENSION PLANS

The subsidiaries CPFL Paulista, CPFL Piratininga and CPFL Geração, through Fundação CESP, and the joint subsidiary RGE, through Fundação ELETROCEEE, maintain Supplementary Retirement and Pension Plans for their employees.

With the modification of the Retirement Plan, a liability was recognized in September of 1997 as being payable to the subsidiaries CPFL Paulista and CPFL Geração related with the plan's deficit calculated at the time by the external actuaries of Fundação CESP, which has been amortized in 240 monthly installments, plus interest of 6% p.a. and restated according to the IGP-DI (FGV). The balance of the liability as of June 30, 2005 was R\$ 735,641 (R\$ 735,069 as of March 31, 2005), and the liability was adjusted to comply with the criteria of CVM Ruling 371, dated December 13, 2000.

Ruling No. 371 – Pension Plan Accounting

According to CVM Ruling No. 371, dated December 13, 2000, the subsidiaries opted to record under income the effects of the initial recognition of the post-employment benefits for which it is responsible as an extraordinary item, net of tax effects, for a five-year period beginning in the 2002 financial year.

The movements occurred in net liabilities are as follows:

| | June 30, 2005 | | | | |
|--|-----------------|--------------------|----------------|--------------|----------------|
| | CPFL | CPFL | CPFL | RGE | Consolidado |
| <u>Movements in Net Liabilities:</u> | <u>Paulista</u> | <u>Piratininga</u> | <u>Geração</u> | | |
| Net actuarial liability at the beginning of the year | 711,234 | 125,259 | 13,986 | 3,306 | 853,785 |
| Charges recorded to income during the year | 41,294 | 28,113 | 750 | (695) | 69,462 |
| Sponsor´s Contributions during the yea | (48,800) | (10,860) | (1,079) | (518) | (61,257) |
| | <u>703,728</u> | <u>142,512</u> | <u>13,657</u> | <u>2,093</u> | <u>861,990</u> |
| Current | 60,144 | 18,913 | 1,327 | - | 80,384 |
| Noncurrent | 643,584 | 123,599 | 12,330 | 2,093 | 781,606 |
| | <u>703,728</u> | <u>142,512</u> | <u>13,657</u> | <u>2,093</u> | <u>861,990</u> |

The account balances of the subsidiaries as of June 30, 2005, related with the Entity Pension Plan also include R\$ 38,917 referring to other contributions.

| | 1. Half, 2005 | | | | |
|--|---------------|---------------|------------|--------------|---------------|
| | CPFL | CPFL | CPFL | RGE | Consolidado |
| Expenses and Income recognized up June 30, 2005: _ | Paulista | Piratininga | Geração | | |
| Cost of service | 488 | 2,690 | 14 | 440 | 3,632 |
| Interest on actuarial liabilities | 126,566 | 32,659 | 2,528 | 4,004 | 165,757 |
| Expected return on plan assets | (93,836) | (22,538) | (1,955) | (4,746) | (123,075) |
| Unrecognized cost of past service | - | 6 | - | - | 6 |
| Increase in liabilities due to adoption of CVM Ruling nº 371 | 8,089 | 16,392 | 163 | - | 24,644 |
| Total expense | 41,307 | 29,209 | 750 | (302) | 70,964 |
| Expected participant's contribution | - | (1,096) | - | - | (1,096) |
| | 41,307 | 28,113 | 750 | (302) | 69,868 |
| Administrative Expense | (13) | - | - | (393) | (406) |
| | 41,294 | 28,113 | 750 | (695) | 69,462 |

In the income statement, the expenses were recorded under the following captions:

| | 1. Half, 2005 | | | | |
|---|---------------|---------------|------------|--------------|---------------|
| | CPFL | CPFL | CPFL | RGE | Consolidado |
| | Paulista | Piratininga | Geração | | |
| <u>Expenses with the Pension Entity:</u> | | | | | |
| Operating cost | 33,205 | 11,721 | 200 | (695) | 44,431 |
| General and administrative expenses | - | - | 387 | - | 387 |
| Extraordinary item net of tax effects | 5,338 | 10,819 | 163 | - | 16,320 |
| Taxation of extraordinary item | 2,751 | 5,573 | - | - | 8,324 |
| TOTAL | 41,294 | 28,113 | 750 | (695) | 69,462 |

(22) RESERVE FOR CONTINGENCIES

| | Consolidated | | | |
|----------------------|----------------|----------------|----------------|----------------|
| | June 30, 2005 | | March 31, 2004 | |
| | Accrued | Escrow | Accrued | Escrow |
| | | Deposits | | Deposits |
| Labor | | | | |
| Various | 61,514 | 31,225 | 59,760 | 31,725 |
| Civil | | | | |
| General Damages | 6,907 | 1,959 | 7,573 | 2,009 |
| Tariff Increase | 21,697 | 11,781 | 29,261 | 10,723 |
| Energy Purchased | 94,065 | 71,447 | 72,294 | 51,421 |
| Other | 8,651 | 3,215 | 8,871 | 3,117 |
| | 131,320 | 88,402 | 117,999 | 67,270 |
| Tax | | | | |
| FINSOCIAL litigation | 17,416 | 49,290 | 17,294 | 48,941 |
| PIS/PASEP | 11,694 | - | 11,378 | - |
| COFINS - injunction | 87,225 | 2,317 | 84,674 | 2,317 |
| Income tax | 24,613 | 9,062 | 22,493 | 6,711 |
| Other | 9,657 | 8,079 | 9,509 | 8,079 |
| | 150,605 | 68,748 | 145,348 | 66,048 |
| Total | 343,439 | 188,375 | 323,107 | 165,043 |

The reserve for contingencies was made based on an appraisal of the risk of losing litigation to which the Company and its subsidiaries are parties, whose likelihood of loss is probable in the opinion of the legal advisers and the management of the Company and its subsidiaries.

Possible losses: The Company and its subsidiaries are parties to other suits in which management, supported by its legal advisers, believes that the chances of a successful outcome are possible and therefore did not record any provision for losses on these amounts. These issues do not yet represent a tendency for the decisions by the courts or any other decision on similar cases considered to be probable or remote. The claims related with possible losses as of June 30, 2005 were represented as follows: (i) labor cases in the amount of R\$ 66,648; (ii) civil cases basically represented by personal injuries, in the

amount of R\$ 97,655; and (iii) claims related with tax issues, principally Income Tax, FINSOCIAL and PASEP, in the amount of R\$ 148,941.

Management of the Company and its subsidiaries, based on the opinion of the legal advisers, considers that there are no significant risks that are not covered by provisions in the financial statements or that could result in a significant impact on future results.

(23) OTHER

| | Consolidated | |
|---|--------------------------|---------------------------|
| | June 30, 2005 | March 31, 2005 |
| Current | | |
| Consumers and Concessionaires | 44,875 | 40,631 |
| 2003 Tariff review (note 3) | 88,493 | 78,977 |
| Low Income Consumer Subsidy (note 3) | 6,049 | 5,637 |
| Advances | 17,299 | 16,006 |
| Interest on Compulsory Loan | 4,026 | 6,296 |
| Emergency Capacity Charge - ECE | 31,508 | 33,589 |
| Emergency Energy Purchase Charge - EAEE | 886 | 885 |
| Other | 18,479 | 15,904 |
| Total | 211,615 | 197,925 |
| Long term | | |
| Funds for Capital Increase | 5,456 | 5,456 |
| 2003 Tariff review (note 3) | 24,118 | 42,124 |
| Fund for Reversal | 13,987 | 13,987 |
| Other | 2,614 | 998 |
| Total | 46,175 | 62,565 |

(24) SHAREHOLDERS' EQUITY

24.1 Capital increase

In a Board Meeting held on May 6, 2005, an increase in the Company's capital was approved amounting to R\$ 25,308, via the issue of 1,440,409 common shares, at the price of R\$ 17.57, which were subscribed by the IFC - International Finance Corporation as a result of the Subscription Bonus issued on December 5, 2003. The capital increased from R\$ 4,082,036 to R\$ 4,107,344, divided into 453,069,178 common shares, book entry type, with no par value.

In Extraordinary Shareholders' Meetings of CPFL Energia and CPFL Geração held on June 20, 2005, the merger of all the common and preferred stock of CPFL Geração into the equity of CPFL Energia was approved, with a consequential capital increase of R\$ 85,577, via the issue of 3,665,488 common shares, the capital increasing from R\$ 4,107,344 to R\$ 4,192,921, divided into 456,734,666 common shares. The non-controlling shareholders of CPFL Geração received 1(one) new common share of CPFL Energia for each lot of 1,622 common or preferred shares issued by CPFL Geração. This transaction was carried out based on appraisal reports of the economic value of the Company and CPFL Geração.

Of the total of 205,487,716 thousand shares, only three shareholders, holding 2 thousand shares, exercised the withdrawal right stipulated in Corporation Law. After concluding this process, the Company now holds a 100% of the capital of CPFL Geração.

24.2 – Dividend paid

In the 2nd quarter of 2005, the company made payments amounting to R\$ 140,147 corresponding to the declared dividend provisioned on the December 31, 2004 base date.

24.3 – Interest on equity

In the Board Meeting held on June 29, 2005, the announcement of Interest on Equity was approved, to a gross amount of R\$ 76,920 (R\$ 65,382 net of Income Tax), corresponding to a gross value of R\$ 0.168412266 per share, the payment of which is foreseen for the 3rd quarter of 2005.

24.4 – Distribution of dividend

In accordance with corporation law and the Bylaws, Company Management is proposing distribution of the net income returned on the June 30, 2005 base date, in the form of an interim dividend, to be allocated to the dividend for the 2005 financial year, to a total amount of R\$ 323,677, corresponding to R\$ 0,708677137 per share, payment of which is planned for the 3rd quarter of 2005.

(25) OPERATING REVENUES

| | Consolidated | | | |
|--|------------------|------------------|------------------|------------------|
| | 2005 | | 2004 | |
| Revenue from Electric Energy Operations R\$ thousands | 2. Quarter | 1. Half | 2. Quarter | 1. Half |
| Consumer class - R\$ thousands | | | | |
| Residential | 890,543 | 1,738,988 | 770,375 | 1,509,114 |
| Industrial | 842,038 | 1,580,036 | 801,760 | 1,482,027 |
| Commercial | 471,829 | 914,380 | 387,985 | 762,324 |
| Rural | 76,732 | 146,551 | 64,227 | 124,390 |
| Public Administration | 67,970 | 123,688 | 57,829 | 104,464 |
| Public Lighting | 56,395 | 111,051 | 51,403 | 100,294 |
| Public Service | 82,210 | 155,388 | 69,978 | 132,586 |
| Billed | 2,487,717 | 4,770,082 | 2,203,557 | 4,215,199 |
| Unbilled (Net) | 3,154 | 29,487 | 8,517 | 14 |
| Emergency Charges - ECE/EAE | 69,426 | 140,363 | 87,854 | 186,284 |
| Adjusted of Homologated Value of Free Energy | - | - | 57,199 | 57,199 |
| PIS and COFINS - Generators pass-through (note 3) | 15,351 | 15,351 | - | - |
| Tariff Increase -TUSD (note 3) | - | 2,523 | - | - |
| Tariff Increase ITAIPU Energy Purchase (note 3) | 10,450 | 10,450 | - | - |
| Tariff Review (Note 3) | - | (26,490) | 20,442 | 39,244 |
| | | | (67,757) | |
| Realization of Extraordinary Tariff Adjustment (note 3) | (66,004) | (125,964) | | (120,648) |
| | | | (14,460) | |
| Realization of Free Energy (note 3) | (24,745) | (47,228) | | (35,051) |
| Realization of PIS and COFINS - Generators pass-through (Note 3) | (2,710) | (2,710) | - | - |
| Realization of Tariff Increase -TUSD (note 3) | (1,048) | (1,656) | - | - |
| Realization of Tariff Review (note 3) | 8,631 | 8,631 | - | - |
| ELECTRICITY SALES TO FINAL CONSUMERS | 2,500,222 | 4,772,839 | 2,295,352 | 4,342,241 |
| Furnas Centrais Elétricas S.A. | 74,477 | 148,157 | 60,944 | 126,118 |
| Other Concessionaires and Licensees | 23,182 | 51,976 | 10,193 | 20,986 |
| Current Electric Energy | 12,180 | 14,080 | 1,434 | 7,767 |
| ELECTRICITY SALES TO DISTIBUTORS | 109,839 | 214,213 | 72,571 | 154,871 |
| Revenue due to Network Usage Charge | 113,568 | 206,363 | 54,556 | 89,745 |
| Low Income Consumer's Subsidy (note 3) | 4,206 | 10,885 | 2,989 | 6,099 |
| Other Revenues and Incomes | 24,471 | 48,472 | 21,799 | 43,591 |
| OTHER OPERATING REVENUES | 142,245 | 265,720 | 79,344 | 139,435 |
| Total | 2,752,306 | 5,252,772 | 2,447,267 | 4,636,547 |

Adjusted of Homologated Value of Free Energy – Basically refers to rectification of the amount of R\$ 67,536 for the free energy transactions at the MAE (current CCEE) at the indirect subsidiary CPFL Piratininga, made by ANEEL in June of 2004. A similar value was reported in the Cost of Electric Energy (note 26).

Tariff Review – The amount for 2004 corresponds to the revenue calculated on a pro rata daily basis of the difference found between the Tariff Repositioning (18.08%) and the Tariff Increase Index (14.68%) at the indirect subsidiary CPFL Piratininga.

| | Consolidated | | | |
|---|---------------|---------------|--------------|---------------|
| | 2005 | | 2004 | |
| Revenue from Electric Energy Operations - GWh (*) | 2. Quarter | 1. Half | 2. Quarter | 1. Half |
| Consumer class | | | | |
| Residential | 2,205 | 4,368 | 2,038 | 4,129 |
| Industrial | 4,328 | 8,386 | 4,344 | 8,567 |
| Commercial | 1,352 | 2,693 | 1,205 | 2,447 |
| Rural | 420 | 826 | 376 | 757 |
| Public Administration | 214 | 396 | 194 | 364 |
| Public Lighting | 275 | 548 | 265 | 531 |
| Public Service | 344 | 687 | 332 | 671 |
| Billed | 9,138 | 17,904 | 8,754 | 17,466 |
| Own Consumption | 4 | 11 | 6 | 12 |
| ELECTRICITY SALES TO FINAL CONSUMERS | 9,142 | 17,915 | 8,760 | 17,478 |
| Furnas Centrais Elétricas S.A. | 755 | 1,501 | 755 | 1,509 |
| Other Concessionaires and Licensees | 416 | 882 | 147 | 321 |
| Current Electric Energy | 241 | 377 | 123 | 336 |
| ELECTRICITY SALES TO DISTIBUTORS | 1,412 | 2,760 | 1,025 | 2,166 |
| Total | 10,554 | 20,675 | 9,785 | 19,644 |

| | Consolidated | |
|--|--------------|--------------|
| | June 30,2005 | June 30,2004 |
| No. of Consumers - Thousands (*) (**) | | |
| Consumer class | | |
| Residential | 4,740 | 4,615 |
| Industrial | 151 | 81 |
| Commercial | 445 | 434 |
| Rural | 232 | 228 |
| Public Administration | 38 | 36 |
| Public Lighting | 2 | 1 |
| Public Service | 6 | 5 |
| TOTAL | 5,614 | 5,400 |

(*)Number of consumers and GWh information, not examined by the independent auditors

(**) Represents active customers (customers connected to the distribution network)

(26) COST OF ELECTRIC ENERGY

| | Consolidated | | | |
|---|------------------|------------------|----------------|------------------|
| | 2005 | | 2004 | |
| | 2. Quarter | 1. Half | 2. Quarter | 1. Half |
| Electricity Purchased for Resale | | | | |
| Itaipú Binacional | 216,787 | 449,422 | 248,865 | 484,648 |
| Furnas Centrais Elétricas S.A. | 66,298 | 117,325 | 95,645 | 192,243 |
| CESP - Cia. Energética de São Paulo | 60,966 | 126,011 | 88,245 | 184,020 |
| Cia. de Geração de Energia Elétrica do Tietê | 25,938 | 49,806 | 38,642 | 79,642 |
| Duke Energy Inter. Ger. Paranapanema S.A. | 45,999 | 90,518 | 48,455 | 105,202 |
| Tractebel Energia S.A. | 185,565 | 360,563 | 144,385 | 272,621 |
| Auction of Energy | 23,481 | 43,428 | - | - |
| Petrobrás | 122,617 | 248,462 | 54,409 | 102,153 |
| EMAE - Empresa Metropolitana de Águas e Energia | 3,590 | 7,608 | 6,235 | 13,470 |
| Cia. Estadual Energia Elétrica - CEEE | 2,689 | 4,938 | 4,600 | 8,596 |
| AES Uruguiana Ltda. | 22,635 | 48,527 | 20,966 | 40,976 |
| Co-Generators | 37,404 | 39,339 | 22,813 | 26,395 |
| Other | 44,315 | 89,598 | 37,197 | 72,138 |
| Subtotal | 858,284 | 1,675,545 | 810,457 | 1,582,104 |
| Deferment/Amortization - CVA | 27,157 | 19,323 | 27,027 | 39,039 |
| Adjusted of Homologated Value of Free Energy (note 25) | - | - | 67,536 | 67,536 |
| PIS and COFINS - Generators Lending (note 25) | 15,351 | 15,351 | - | - |
| Credit for PIS/COFINS IBRACON Instruction as of June 22, 2004 | (82,527) | (158,338) | (82,629) | (130,066) |
| Subtotal | 818,265 | 1,551,881 | 822,391 | 1,558,613 |
| Electricity Network Usage Charge | | | | |
| Basic Network Charges | 118,165 | 241,927 | 108,571 | 220,421 |
| Charges for Transmission from Itaipu | 13,807 | 27,498 | 12,451 | 25,009 |
| Connection Charges | 10,728 | 29,367 | 21,343 | 37,196 |
| System Service Charges - ESS | 4,344 | 9,969 | 978 | 5,437 |
| Subtotal | 147,044 | 308,761 | 143,343 | 288,063 |
| Deferment/Amortization - CVA | 58,928 | 123,715 | 43,167 | 23,020 |
| Credit for PIS/COFINS IBRACON Instruction as of June 22, 2004 | (18,405) | (38,731) | (14,034) | (22,781) |
| Subtotal | 187,567 | 393,745 | 172,476 | 288,302 |
| Total | 1,005,832 | 1,945,626 | 994,867 | 1,846,915 |

| | Consolidated | | | |
|---|---------------|---------------|---------------|---------------|
| | 2005 | | 2004 | |
| | 2. Quarter | 1. Half | 2. Quarter | 1. Half |
| Electricity Purchased for Resale - GWh (*) | | | | |
| Itaipú Binacional | 2,603 | 5,181 | 2,545 | 5,158 |
| Furnas Centrais Elétricas S.A. | 934 | 1,549 | 1,213 | 2,448 |
| CESP - Cia. Energética de São Paulo | 833 | 2,088 | 1,223 | 2,621 |
| Cia. de Geração de Energia Elétrica do Tietê | 300 | 605 | 501 | 1,058 |
| Duke Energy Inter. Ger. Paranapanema S.A. | 498 | 1,040 | 809 | 1,387 |
| Tractebel Energia S.A. | 2,133 | 4,234 | 1,765 | 3,290 |
| Auction of energy | 390 | 737 | - | - |
| Petrobrás | 1,495 | 3,261 | 739 | 1,442 |
| EMAE - Empresa Metropolitana de Águas e Energia | 42 | 92 | 82 | 182 |
| Cia. Estadual Energia Elétrica - CEEE | 38 | 76 | 78 | 148 |
| AES Uruguaiana Ltda. | 181 | 396 | 175 | 403 |
| Co-Generators | 363 | 385 | 212 | 245 |
| Other | 944 | 1,672 | 718 | 1,592 |
| Total | 10,754 | 21,316 | 10,060 | 19,974 |

(*) Information not examined by the independent auditors

(27) OPERATING EXPENSES

| | Parent Company | | | |
|--|----------------|----------------|---------------|----------------|
| | 2005 | | 2004 | |
| | 2. Quarter | 1. Half | 2. Quarter | 1. Half |
| General and Administrative Expenses | | | | |
| Personnel | 103 | 152 | 42 | 78 |
| Material | 7 | 11 | 14 | 57 |
| Outside Services | 1,655 | 2,422 | 3,375 | 4,698 |
| Publicity and Advertising | 188 | 734 | 38 | 83 |
| Legal, Judicial and Indemnities | 139 | 159 | 4 | 25 |
| Issue of Debentures | - | - | 2,683 | 5,365 |
| Other | 242 | 343 | 295 | 788 |
| Total | 2,334 | 3,821 | 6,451 | 11,094 |
| Consolidated | | | | |
| | 2005 | | 2004 | |
| | 2. Quarter | 1. Half | 2. Quarter | 1. Half |
| Sales and Marketing | | | | |
| Personnel | 8,677 | 17,170 | 7,786 | 15,093 |
| Material | 1,027 | 1,642 | 691 | 1,124 |
| Outside Services | 11,052 | 20,816 | 11,652 | 21,154 |
| Allowance for Doubtful Accounts | 13,939 | 25,531 | 13,013 | 24,101 |
| Depreciation and Amortization | 1,785 | 3,121 | 909 | 1,821 |
| Collection Tariffs and Services | 10,562 | 20,775 | 7,909 | 17,906 |
| Other | 2,558 | 4,383 | 1,967 | 2,537 |
| Total | 49,600 | 93,438 | 43,927 | 83,736 |
| General and Administrative Expenses | | | | |
| Personnel | 16,424 | 35,129 | 17,208 | 35,744 |
| Employee Pension Plans | 192 | 387 | 704 | 1,381 |
| Material | 610 | 1,541 | 775 | 1,493 |
| Outside Services | 26,070 | 49,288 | 27,769 | 49,037 |
| Leases and Rentals | 1,357 | 2,821 | 1,360 | 2,719 |
| Depreciation and Amortization | 6,119 | 12,640 | 5,287 | 10,197 |
| Publicity and Advertising | 939 | 2,247 | 767 | 1,764 |
| Legal, Judicial and Indemnities | 1,629 | 9,654 | 2,629 | 6,528 |
| Donations, Contributions and Subsidies | 1,083 | 2,197 | 2,048 | 3,439 |
| PERCEE | 460 | 1,368 | 2,944 | 7,475 |
| Issue of Debentures | - | - | 2,682 | 5,365 |
| Other | 1,419 | 6,555 | 1,537 | 7,869 |
| Total | 56,302 | 123,827 | 65,710 | 133,011 |
| Other Operating Expenses | | | | |
| Inspection Fee | 4,295 | 7,898 | 3,345 | 5,691 |
| Energy Efficiency Research | 6,064 | 11,614 | 2,434 | 5,481 |
| Total | 10,359 | 19,512 | 5,779 | 11,172 |

(28) FINANCIAL INCOME (EXPENSE)

| | Parent Company | | | |
|--|-----------------|------------------|-----------------|-----------------|
| | 2005 | | 2004 | |
| | 2. Quarter | 1. Half | 2. Quarter | 1. Half |
| Financial Income | | | | |
| Income from Temporary Cash Investments | 16,163 | 24,543 | 7,057 | 13,154 |
| Restatement of Tax Credits | 2,788 | 2,788 | 478 | 740 |
| Interest on Loan Contracts | 917 | 2,017 | 1,771 | 6,490 |
| Other | 207 | 1,003 | 299 | 634 |
| PIS and COFINS | (7,425) | (7,425) | (6,471) | (6,587) |
| Subtotal | 12,650 | 22,926 | 3,134 | 14,431 |
| Interest on Equity | 80,273 | 80,273 | 52,110 | 52,110 |
| Total | 92,923 | 103,199 | 55,244 | 66,541 |
| Financial Expense | | | | |
| Debt Charges | (1,482) | (3,585) | (35,560) | (76,476) |
| Banking Expenses | (1,603) | (2,340) | (2,542) | (3,912) |
| Monetary Variations | (6,465) | (10,599) | (8,122) | (8,823) |
| Other | (51) | (60) | (130) | (215) |
| PIS and COFINS credit - Technical Interpretation IBRACON No. 1/2004 | - | - | 5,571 | 5,571 |
| Subtotal | (9,601) | (16,584) | (40,783) | (83,855) |
| Amortization of Deferred Exchange Variation | (13,438) | (26,875) | (18) | (36) |
| Interest on Equity | (76,920) | (76,920) | - | - |
| Total | (99,959) | (120,379) | (40,801) | (83,891) |
| Net financial expense | (7,036) | (17,180) | 14,443 | (17,350) |

| | Consolidated | | | |
|---|------------------|------------------|------------------|------------------|
| | 2005 | | 2004 | |
| | 2. Quarter | 1. Half | 2. Quarter | 1. Half |
| Financial Income | | | | |
| Income from Temporary Cash Investments | 38,090 | 65,201 | 16,752 | 29,650 |
| Late payments charges | 23,013 | 42,038 | 20,525 | 39,618 |
| Monetary Variations | (16,263) | (12,767) | 14,645 | 20,701 |
| Interest – CVA and Parcel "A" | 37,303 | 72,520 | 29,254 | 58,489 |
| Arrears Charges | 4,438 | 4,438 | 1,674 | 3,100 |
| Interest from Extraordinary Tariff Adjustment | 27,992 | 55,319 | 28,466 | 59,811 |
| Interest on Intercompany Loans | - | - | 1,216 | 1,805 |
| Dividends received from non-controlled companies | 4,708 | 4,708 | 823 | 846 |
| Other | 6,158 | 21,429 | 5,959 | 12,639 |
| PIS and COFINS | (8,358) | (8,358) | (16,637) | (23,583) |
| Total | 117,081 | 244,528 | 102,677 | 203,076 |
| Financial Expense | | | | |
| Debt Charges | (144,000) | (287,787) | (162,210) | (326,526) |
| Banking Expenses | (16,311) | (28,486) | (15,523) | (28,361) |
| Monetary variations | (23,377) | (79,725) | (88,817) | (160,766) |
| Amortization of Deferred Exchange Variation | - | - | (3,442) | (5,941) |
| Interest on Intercompany Loans | - | - | (475) | (669) |
| Other | (10,634) | (16,800) | (6,598) | (11,255) |
| PIS and COFINS credit - Technical Interpretation IBRACON No. 1/2004 | - | - | 22,605 | 32,059 |
| Subtotal | (194,322) | (412,798) | (254,460) | (501,459) |
| Amortization of Deferred Exchange Variation | (29,116) | (57,478) | 11,501 | (29,518) |
| Interest on Equity | (81,256) | (81,256) | (3,180) | (3,180) |
| Total | (304,694) | (551,532) | (246,139) | (534,157) |
| Net financial expense | (187,613) | (307,004) | (143,462) | (331,081) |

(29) FINANCIAL INSTRUMENTS

29.1 CONSIDERATIONS ON RISKS

The businesses of the Company and its subsidiaries basically comprise the generation, commercialization and sales of energy to final consumers, as public service utilities, whose activities and tariffs are largely regulated by ANEEL.

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

29.2 VALUATION OF FINANCIAL INSTRUMENTS

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

As of June 30, 2005, the principal financial asset and liability instruments of the company and its subsidiaries are described as follows:

- Cash and banks – with market values approximating to the amounts stated in the balance sheets;
- Investments – the investments in subsidiaries that have stock quoted on the capital market approximate to the amounts recorded in the balance sheets;
- Regulatory Assets and Liabilities – the amounts are recorded according to the criteria defined by ANEEL;
- Loans, Financing, Debentures and Credits Receivable - the estimates of the market value of these financial instruments were prepared based on models that discount future cash flows to present value, comparison with similar transactions contracted on dates close to the end of the quarter and comparisons with average market parameters. In the case of transactions without any similar in the market, principally related with the regulatory assets and credits receivable from CESP, the Company assumed that the market value corresponds to the respective carrying value.

The carrying values of the loans and financing, debentures and derivatives, compared with the market borrowing rates as of June 30, 2005 and March 31, 2005, are as follows:

| | Parent Company | | | |
|---------------------|----------------|----------------|----------------|----------------|
| | June 30, 2005 | | March 31, 2005 | |
| | Book Value | Fair Value | Book Value | Fair Value |
| Loans and Financing | 73,706 | 82,446 | 108,403 | 123,607 |
| Derivatives | 30,748 | 27,783 | 23,197 | 24,425 |
| Total | 104,454 | 110,229 | 131,600 | 148,032 |

| | Consolidated | | | |
|---------------------|------------------|------------------|------------------|------------------|
| | June 30, 2005 | | March 31, 2005 | |
| | Book Value | Fair Value | Book Value | Fair Value |
| Loans and Financing | 2,861,892 | 2,843,518 | 3,041,114 | 2,991,557 |
| Debentures | 1,923,035 | 1,930,303 | 2,065,073 | 2,078,358 |
| Derivatives | 100,117 | 95,416 | 79,952 | 76,487 |
| Total | 4,885,044 | 4,869,237 | 5,186,139 | 5,146,402 |

(30) SUBSEQUENT EVENT

(a) Operating license of the Barra Grande Hydropower Plant

The Barra Grande Hydropower Plant, under construction on the River Pelotas, between the municipalities of Pinhal da Serra, in Rio Grande do Sul and Anita Garibaldi in Santa Catarina, received the Operating License from IBAMA on July 4, 2005, which enabled filling of the reservoir to begin on July 5, 2005.

The issue of the license was in line with the construction schedule, and is conditioned to certain requirements by IBAMA, which are being complied with by BAESA and do not represent significant additional costs.

When the reservoir reaches the minimum operating level (planned for mid-September), the commissioning tests of the Generating Units will be completed. It is planned to inaugurate the first Generating Unit in October of this year. The remaining units should come on stream in January and April of 2006.

(b) Subscription Bonus – IFC

On July 14, 2005, the IFC formalized its intention to exercise all its rights derived from the Subscription Bonus issued by the Company on December 5, 2003, by converting the loan amounting to R\$ 73,667 on the July 25, 2005 base date, at the price of R\$ 17.71 per share. The issue of 4,159,647 common shares and the increase in the Company's capital were approved in a Board Meeting held on July 25, 2005.

(c) Acquisition of Small Hydropower Plants (PCH's)

In a meeting held on July 27, 2005, the Board approved the acquisition of Small Hydropower Plants ("PCH's") by NOVA V Participações S.A. ("NOVA V"), a wholly-owned subsidiary of CPFL Geração, a company that had not been carrying on any commercial operations. The PCH's purchased from RGE are at Pirapó, Saltinho, Guaporé and Andorinhas.

The principal objectives of this acquisition were: (i) a history of investments with good results, enabling rates of return higher than those foreseen in the business plan, (ii) better balance of the group's portfolio, (iii) immediate addition to EBITDA, (iv) conditions to compete in the sale of power to consumers in the A4 subgroup with demands greater than 500 kW and less than 3,000 kW, and (v) conditions to defend its own market against the entry of new competitors. The acquisition by NOVA V will depend on prior approval by ANEEL.

(31) CASH FLOW

| | Parent company | | Consolidated | |
|--|-----------------------|-------------------|-----------------------|-------------------|
| | June 30, 2005 | June 30, 2004 | June 30, 2005 | June 30, 2004 |
| OPERATING CASH FLOW | | | | |
| Income for the period | 400,597 | 124,826 | 400,597 | 124,826 |
| ADJUSTMENTS TO RECONCILE INCOME TO CASH | | | | |
| DERIVED FROM OPERATIONS | | | | |
| Non-controlling shareholders' interest | - | - | 20,310 | 9,953 |
| Extraordinary Tariff Adjustment - monetary restatement | - | - | (91,083) | (85,917) |
| Tariff Review -2003 | - | - | 17,859 | (39,244) |
| Other items of tariff increase 2005 | - | - | (24,193) | - |
| Regulatory Asset - PIS/COFINS Change in legislation | - | - | (10,812) | - |
| Low Income Consumers' Subsidy | - | - | (10,885) | - |
| Depreciation and amortization | 26,875 | 36 | 211,451 | 203,504 |
| Provision for contingencies | - | - | 39,664 | 47,179 |
| Interest and monetary restatement | (10,356) | 8,918 | (10,186) | 191,796 |
| Unrealized losses (gains) on derivative instruments | 10,636 | - | 12,365 | (17,857) |
| Cost of Pension Plan | - | - | 63,311 | 107,616 |
| Equity gain (loss) | (426,962) | (205,584) | - | - |
| Loss (gain) on the write-off of permanent assets | - | - | 1,376 | 5,101 |
| Realization (recognition) of tax credits | - | - | 21,777 | (14,277) |
| Other | 24 | 204 | 195 | 1,945 |
| INCREASE (REDUCTION) IN OPERATING ASSETS | | | | |
| - Consumers, concessionaires and licensees | - | - | 57,511 | 33,627 |
| - Dividends receivable | 358,465 | 53,262 | - | - |
| - Other receivables | 113 | - | 17,731 | 15,805 |
| - Recoverable Taxes | (571) | (3,700) | (133,273) | 63,290 |
| - Financial Investment | (158,663) | (98,562) | (37,735) | (131,899) |
| - Inventories | - | - | (670) | 542 |
| - Deferment of tariff costs | - | - | 80,819 | (56,218) |
| - Judicial deposits | - | - | (42,979) | (59,841) |
| - Other operating assets | - | 5,761 | 9,575 | 27,263 |
| REDUCTION (INCREASE) IN OPERATING LIABILITIES | | | | |
| - Suppliers | (4,535) | (42) | (30,088) | 32,539 |
| - Taxes and social contributions | 3,458 | 686 | 83,934 | (25,922) |
| - Payroll | - | - | (418) | 174 |
| - Deferment of tariff costs | - | - | 13,412 | 20,943 |
| - Other liabilities with private pension entity | - | - | (61,836) | (53,828) |
| - Interest on debts | (362) | (102,031) | (69,377) | (143,819) |
| - Loan and financing - Incorporated Interest | - | - | 39,289 | 33,051 |
| - Regulatory charges | - | - | 6,234 | 27,351 |
| - Other liabilities | (52) | - | 17,517 | 17,062 |
| CASH FLOW PROVIDED BY (USED IN) OPERATIONS | 198,667 | (216,226) | 591,392 | 334,745 |
| INVESTMENTS ACTIVITIES | | | | |
| - Acquisitions of equity interests | (2,828) | - | (1,703) | - |
| - Acquisitions of fixed assets | - | - | (265,138) | (291,650) |
| - Special obligations | - | - | 4,805 | 19,963 |
| - Additions to deferred charges | (154) | (1,084) | (3,050) | (13,063) |
| - Sale value of fixed assets | - | - | 4,556 | 5,240 |
| - Operational Loan Contract with Subsidiary and Associated Company | (43,329) | 106,690 | - | 7,530 |
| GENERATION OF CASH FROM (USED IN) INVESTMENTS | (46,311) | 105,606 | (260,530) | (271,980) |
| FINANCING ACTIVITIES | | | | |
| - Loan and financing obtained | - | 215,644 | 581,810 | 810,827 |
| - Payments of loans, financing and debentures | - | - | (781,932) | (799,026) |
| - Dividends paid | (140,147) | - | (152,320) | (2,027) |
| GENERATION (UTILIZATION) OF CASH IN FINANCING | (140,147) | 215,644 | (352,442) | 9,774 |
| INCREASE IN CASH AND CASH EQUIVALENTS | 12,209 | 105,024 | (21,580) | 72,539 |
| OPENING BALANCE OF CASH AND CASH EQUIVALENTS | 102,119 | 81,338 | 499,838 | 374,612 |
| CLOSING BALANCE OF CASH AND CASH EQUIVALENTS | 114,328 | 186,362 | 478,258 | 447,151 |
| SUPPLEMENTARY INFORMATION | | | | |
| - Taxes paid | - | - | 201,031 | 115,860 |
| - Interest paid | 3,985 | 176,871 | 294,791 | 473,266 |
| | 3,985 | 176,871 | 495,822 | 589,126 |
| CASH AND CASH EQUIVALENTS | December, 2003 | June, 2004 | December, 2004 | June, 2005 |
| PARENT COMPANY | | | | |
| Balance according to Corporation Law | 81,338 | 297,044 | 186,385 | 228,597 |
| Reclassification - FAS 95 (1) | - | (110,682) | (84,266) | (114,269) |
| Adjusted balance | 81,338 | 186,362 | 102,119 | 114,328 |
| CONSOLIDATED | | | | |
| Balance according to Corporation Law | 374,612 | 591,169 | 817,724 | 705,219 |
| Reclassification - FAS 95 (1) | - | (144,018) | (317,886) | (226,961) |
| Adjusted balance | 374,612 | 447,151 | 499,838 | 478,258 |

1) Adjustment made to cash and cash equivalents to adjust the Cash Flow Statement to the criteria established by FAS 95 – Statements of Cash Flow. According to this criterion, short-term cash investments that although having immediate liquidity, have maturity dates exceeding 90 days with anticipated redemption subject to their market value are subject to reclassification to the Bonds and Securities line.

Analysis of Results – CPFL Energia Individual

CPFL Energia, as a holding company, does not have any own cash flow. Therefore, in order to manage its investments, it directly depends on the results of operations of its subsidiaries, the receipt of dividends, funds from shareholders and funds raised in the financial market.

In the quarter there was a recovery in results in relation to the equivalent period of the prior year, principally as a result of a reduction in operating expenses, improvements in financial results and equity gains, as follows:

Financial result:

The net financial result in the 2nd quarter of 2005 was an expense of R\$ 7,036 thousand, R\$ 21,479 thousand lower when compared to the income of R\$ 14,443 thousand returned in the equivalent period of 2004.

When the effects of Interest on Equity received from the subsidiaries and those paid to shareholders are excluded, the net financial result for the quarter becomes an expense of R\$ 10,389 thousand, R\$ 27,278 thousand less than the expense of R\$ 37,667 thousand returned in the same period of 2004.

The reduction observed in the financial result is due to: (i) the increase in financial income, principally as a function of the yield from short-term financial investments on the funds of the public offer in 2004; and (ii) a reduction in finance and expenses, basically due to the reduction in the level of indebtedness with the prepayment of the debentures in 2004, partially compensated by the increase in the expense of amortization of goodwill as a result of applying the concepts of CVM Instruction No. 319 by the subsidiary CPFL Paulista.

Gains from Equity Interests:

The equity gains are related with the performance of the subsidiaries, as follows:

| Subsidiaries | 2005 | | 2004 | |
|------------------|------------|---------|------------|---------|
| | 2. Quarter | 1. Half | 2. Quarter | 1. Half |
| CPFL Paulista | 179,797 | 295,182 | 140,093 | 117,600 |
| CPFL Geração | 30,196 | 53,633 | 20,651 | 36,722 |
| CPFL Brasil | 39,247 | 78,125 | 20,363 | 51,262 |
| CPFL Piratininga | 22 | 22 | - | - |
| Total | 249,262 | 426,962 | 181,107 | 205,584 |

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

| 1 – Code | 2 – Description | 3 - 06/30/2005 | 4 - 03/31/2005 |
|-----------------|---|-----------------------|-----------------------|
| 1 | Total assets | 12,893,333 | 12,878,569 |
| 1.01 | Current assets | 3,353,130 | 3,467,040 |
| 1.01.01 | Cash and Banks | 705,219 | 967,898 |
| 1.01.02 | Credits | 2,509,513 | 2,355,796 |
| 1.01.02.01 | Consumers, concessionaires and licensees | 1,712,083 | 1,613,304 |
| 1.01.02.02 | Other receivables | 61,369 | 69,845 |
| 1.01.02.03 | Financial Investments | 19,451 | 0 |
| 1.01.02.04 | Recoverable taxes | 290,135 | 188,953 |
| 1.01.02.05 | (-) Allowance for doubtful accounts | (53,459) | (47,550) |
| 1.01.02.06 | Deferred costs variations | 431,998 | 521,490 |
| 1.01.02.07 | Prepaid expenses | 47,936 | 9,754 |
| 1.01.03 | Inventories | 8,245 | 8,043 |
| 1.01.04 | Other | 130,153 | 135,303 |
| 1.02 | Noncurrent assets | 2,700,351 | 2,649,813 |
| 1.02.01 | Credits | 2,563,786 | 2,524,890 |
| 1.02.01.01 | Consumers, concessionaires and licensees | 496,374 | 579,957 |
| 1.02.01.02 | Other receivables | 99,445 | 112,153 |
| 1.02.01.03 | Escrow deposits | 188,375 | 165,043 |
| 1.02.01.04 | Financial Investments | 110,059 | 850 |
| 1.02.01.05 | Recoverable taxes | 65,281 | 45,993 |
| 1.02.01.06 | Deferred tax credits | 1,017,109 | 1,033,691 |
| 1.02.01.07 | Deferred costs variations | 567,108 | 524,537 |
| 1.02.01.08 | Prepaid expenses | 20,035 | 62,666 |
| 1.02.02 | Related parties | 0 | 0 |
| 1.02.02.01 | Associated companies | 0 | 0 |
| 1.02.02.02 | Subsidiaries | 0 | 0 |
| 1.02.02.03 | Other related parties | 0 | 0 |
| 1.02.03 | Other | 136,565 | 124,923 |
| 1.03 | Permanent assets | 6,839,852 | 6,761,716 |
| 1.03.01 | Investments | 2,824,587 | 2,804,359 |
| 1.03.01.01 | Associated companies | 0 | 0 |
| 1.03.01.02 | Investments in subsidiaries | 2,016,542 | 1,990,683 |
| 1.03.01.02.01 | Goodwill or negative goodwill | 2,016,542 | 1,990,683 |
| 1.03.01.03 | Other investments | 808,045 | 813,676 |
| 1.03.01.03.01 | Leased assets | 777,795 | 783,325 |
| 1.03.01.03.02 | Other | 30,250 | 30,351 |
| 1.03.02 | Property, plant and equipment | 3,973,532 | 3,915,342 |
| 1.03.02.01 | Property, plant and equipment | 4,586,959 | 4,518,980 |
| 1.03.02.02 | (-) Special obligation linked to the concession | (613,427) | (603,638) |
| 1.03.03 | Deferred charges | 41,733 | 42,015 |

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

| 1 – Code | 2 – Description | 3 - 06/30/2005 | 4 - 03/31/2005 |
|-----------------|--|-----------------------|-----------------------|
| 2 | Total liabilities and shareholders' equity | 12,893,333 | 12,878,569 |
| 2.01 | Current liabilities | 3,430,386 | 3,208,779 |
| 2.01.01 | Loans and financing | 852,383 | 984,731 |
| 2.01.01.01 | Interest on debts | 47,406 | 50,374 |
| 2.01.01.02 | Loans and financing | 804,977 | 934,357 |
| 2.01.02 | Debentures | 309,739 | 405,881 |
| 2.01.02.01 | Interest on debentures | 41,795 | 147,446 |
| 2.01.02.02 | Debentures | 267,944 | 258,435 |
| 2.01.03 | Suppliers | 652,827 | 636,222 |
| 2.01.04 | Taxes and social contributions payable | 523,742 | 398,414 |
| 2.01.05 | Dividends and interest on equity | 413,765 | 155,840 |
| 2.01.06 | Reserves | 7,627 | 15,331 |
| 2.01.06.01 | Profit sharing | 7,627 | 15,331 |
| 2.01.07 | Related parties | 0 | 0 |
| 2.01.08 | Other | 670,303 | 612,360 |
| 2.01.08.01 | Payroll | 3,377 | 3,392 |
| 2.01.08.02 | Employee pension plans | 95,080 | 108,555 |
| 2.01.08.03 | Regulatory charges | 67,739 | 66,430 |
| 2.01.08.04 | Accrued liabilities | 32,661 | 24,548 |
| 2.01.08.05 | Deferred gains variations | 194,797 | 164,135 |
| 2.01.08.06 | Derivative contracts | 65,034 | 47,375 |
| 2.01.08.07 | Other | 211,615 | 197,925 |
| 2.02 | Long term liabilities | 5,151,126 | 5,262,898 |
| 2.02.01 | Loans and financings | 2,009,509 | 2,056,383 |
| 2.02.02 | Debentures | 1,613,296 | 1,659,192 |
| 2.02.03 | Reserves | 343,439 | 323,107 |
| 2.02.03.01 | Reserve for contingencies | 343,439 | 323,107 |
| 2.02.04 | Related parties | 0 | 0 |
| 2.02.05 | Other | 1,184,882 | 1,224,216 |
| 2.02.05.01 | Suppliers | 219,340 | 240,377 |
| 2.02.05.02 | Employee pension plans | 805,827 | 787,378 |
| 2.02.05.03 | Taxes and social contributions payable | 64,097 | 80,759 |
| 2.02.05.04 | Derivative contracts | 35,083 | 32,577 |
| 2.02.05.05 | Deferred gains variations | 14,360 | 20,560 |
| 2.02.05.06 | Other | 46,175 | 62,565 |
| 2.03 | Deferred income | 0 | 0 |
| 2.04 | Non-controlling shareholders' interest | 104,954 | 145,264 |

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

| | | | |
|------------|---|-----------|-----------|
| 2.05 | Shareholders' equity | 4,206,867 | 4,261,628 |
| 2.05.01 | Capital | 4,192,921 | 4,082,036 |
| 2.05.02 | Capital reserves | 0 | 0 |
| 2.05.03 | Revaluation reserves | 0 | 0 |
| 2.05.03.01 | Own assets | 0 | 0 |
| 2.05.03.02 | Subsidiary/associated companies | 0 | 0 |
| 2.05.04 | Profit reserves | 13,946 | 13,946 |
| 2.05.04.01 | Legal | 13,946 | 13,946 |
| 2.05.04.02 | Statutory | 0 | 0 |
| 2.05.04.03 | For contingencies | 0 | 0 |
| 2.05.04.04 | Unrealized profits | 0 | 0 |
| 2.05.04.05 | Profit retention | 0 | 0 |
| 2.05.04.06 | Special reserve for undistributed dividends | 0 | 0 |
| 2.05.04.07 | Other profit reserves | 0 | 0 |
| 2.05.05 | Retained earnings | 0 | 165,646 |

07.01 - CONSOLIDATED INCOME STATEMENT (in thousands of Brazilian reais – R\$, except for per share data)

| 1 – Code | 2 – Description | 3 - 04/01/2005 to 06/30/2005 | 4 - 01/01/2005 to 06/30/2005 | 5 - 04/01/2004 to 06/30/2004 | 5 - 04/01/2004 to 06/30/2004 |
|-----------------|------------------------------------|---|---|---|---|
| 3.01 | Operating revenues | 2,752,306 | 5,252,772 | 2,447,267 | 4,636,547 |
| 3.02 | Deductions | (814,900) | (1,530,455) | (712,657) | (1,356,341) |
| 3.02.01 | ICMS | (482,627) | (915,737) | (406,393) | (776,117) |
| 3.02.02 | PIS | (45,830) | (81,714) | (37,518) | (73,716) |
| 3.02.03 | COFINS | (207,006) | (371,682) | (169,584) | (296,822) |
| 3.02.04 | ISS | (163) | (324) | (152) | (239) |
| 3.02.05 | Global Reserve Reversal | (9,848) | (20,635) | (11,156) | (23,163) |
| 3.02.06 | Emergency charges (ECE/EAEF) | (69,426) | (140,363) | (87,854) | (186,284) |
| 3.03 | Net operating revenues | 1,937,406 | 3,722,317 | 1,734,610 | 3,280,206 |
| 3.04 | Cost of sales and/or services | (1,351,836) | (2,596,811) | (1,291,775) | (2,410,469) |
| 3.04.01 | Electricity purchased for resale | (1,005,832) | (1,945,626) | (994,867) | (1,846,915) |
| 3.04.02 | Payroll | (50,829) | (98,924) | (48,818) | (97,329) |
| 3.04.03 | Employee pension plans | (22,218) | (44,431) | (47,654) | (86,907) |
| 3.04.04 | Material | (9,235) | (16,805) | (7,023) | (13,208) |
| 3.04.05 | Outsourced services | (26,591) | (47,406) | (18,729) | (36,201) |
| 3.04.06 | Depreciation and amortization | (67,739) | (134,139) | (59,726) | (120,736) |
| 3.04.07 | Fuel consumption account - CCC | (96,985) | (173,648) | (63,842) | (122,411) |
| 3.04.08 | Energy development account - CDE | (65,109) | (125,627) | (47,138) | (80,020) |
| 3.04.09 | Other | (4,795) | (6,640) | (1,009) | (2,533) |
| 3.04.10 | Services provided by third parties | (2,503) | (3,565) | (2,969) | (4,209) |
| 3.05 | Gross operating income | 585,570 | 1,125,506 | 442,835 | 869,737 |

07.01 - CONSOLIDATED INCOME STATEMENT (in thousands of reais)

| | | | | | |
|---------------|---|-----------|-----------|-----------|-----------|
| 3.06 | Operating Expenses/Income | (305,911) | (547,855) | (206,702) | (598,035) |
| 3.06.01 | Selling | (49,600) | (93,438) | (43,927) | (83,736) |
| 3.06.02 | General and administrative | (56,302) | (123,827) | (65,710) | (133,011) |
| 3.06.03 | Financial | (187,613) | (307,004) | (143,462) | (331,081) |
| 3.06.03.01 | Financial income | 117,081 | 244,528 | 102,677 | 203,076 |
| 3.06.03.02 | Financial expenses | (304,694) | (551,532) | (246,139) | (534,157) |
| 3.06.03.02.01 | Interest on Equity | (81,256) | (81,256) | (3,180) | (3,180) |
| 3.06.03.02.02 | Amortization of investment goodwill | (29,116) | (57,478) | 11,501 | (29,518) |
| 3.06.03.02.03 | Other financial expenses | (194,322) | (412,798) | (254,460) | (501,459) |
| 3.06.04 | Other operating income | 0 | 0 | 0 | 0 |
| 3.06.05 | Other operating expense | (12,396) | (23,586) | 46,397 | (50,207) |
| 3.06.05.01 | Merged Goodwill | (2,037) | (4,074) | 52,176 | (39,035) |
| 3.06.05.02 | Other | (10,359) | (19,512) | (5,779) | (11,172) |
| 3.06.06 | Equity in subsidiaries | 0 | 0 | 0 | 0 |
| 3.07 | Income (loss) from operations | 279,659 | 577,651 | 236,133 | 271,702 |
| 3.08 | Nonoperating income (expense) | (1,158) | (2,197) | (4,913) | (4,745) |
| 3.08.01 | Income | 3,151 | 3,528 | 550 | 3,016 |
| 3.08.02 | Expenses | (4,309) | (5,725) | (5,463) | (7,761) |
| 3.09 | Income before taxes on income and minority interest | 278,501 | 575,454 | 231,220 | 266,957 |
| 3.10 | Income tax and social contribution | (98,252) | (193,361) | (74,748) | (127,571) |
| 3.10.01 | Social contribution | (27,458) | (53,119) | (21,173) | (34,793) |
| 3.10.02 | Income tax | (70,794) | (140,242) | (53,575) | (92,778) |

07.01 - CONSOLIDATED INCOME STATEMENT (in thousands of reais)

| | | | | | |
|------------|--|-------------|-------------|---------------|---------------|
| 3.11 | Deferred income tax and social contribution | (6,331) | (26,122) | (5,232) | 8,477 |
| 3.11.01 | Deferred Social contribution | 80 | (4,778) | (1,127) | 3,570 |
| 3.11.02 | Deferred Income tax | (6,411) | (21,344) | (4,105) | 4,907 |
| 3.12 | Statutory profit sharing/contributions | (8,160) | (16,320) | (8,132) | (16,264) |
| 3.12.01 | Profit sharing | 0 | 0 | 0 | 0 |
| 3.12.02 | Contributions | (8,160) | (16,320) | (8,132) | (16,264) |
| 3.12.02.01 | Extraordinary item net of tax effects | (8,160) | (16,320) | (8,132) | (16,264) |
| 3.13 | Reversal of interest on equity | 81,256 | 81,256 | 3,180 | 3,180 |
| 3.14 | Non-controlling shareholder's interest | (12,063) | (20,310) | (9,503) | (9,953) |
| 3.15 | Net income for the period | 234,951 | 400,597 | 136,785 | 124,826 |
| | SHARES OUTSTANDING EX-TREASURY STOCK (in units) | 456,734,666 | 456,734,666 | 4,118,697,977 | 4,118,697,977 |
| | EARNINGS PER SHARE | 0.51441 | 0.87709 | 0.03321 | 0.03031 |

08.01 – COMMENTS ON CONSOLIDATED PERFORMANCE OF THE QUARTER

Analysis of Results – CPFL Energia Consolidated

| CONSOLIDATED - R\$ thousands | 2005 | | 2004 | | Variation | |
|--|--------------------|--------------------|------------------|--------------------|---------------|---------------|
| | 2.Quarter | 1.Half | 2.Quarter | 1.Half | 2.Quarter | 1.Half |
| GROSS REVENUE | 2,752,306 | 5,252,772 | 2,447,267 | 4,636,547 | 12.5% | 13.3% |
| Electricity sales to final Consumers | 2,500,222 | 4,772,839 | 2,295,352 | 4,342,241 | 8.9% | 9.9% |
| Electricity sales to Distributors | 109,839 | 214,213 | 72,571 | 154,871 | 51.4% | 38.3% |
| Other Operating Revenues | 142,245 | 265,720 | 79,344 | 139,435 | 79.3% | 90.6% |
| DEDUCTION FROM OPERATING REVENUE | (814,900) | (1,530,455) | (712,657) | (1,356,341) | 14.3% | 12.8% |
| NET OPERATING REVENUE | 1,937,406 | 3,722,317 | 1,734,610 | 3,280,206 | 11.7% | 13.5% |
| ENERGY COST | (1,005,832) | (1,945,626) | (994,867) | (1,846,915) | 1.1% | 5.3% |
| Electricity Purchased for resale | (818,265) | (1,551,881) | (822,391) | (1,558,613) | -0.5% | -0.4% |
| Electricity Network Usage Charges | (187,567) | (393,745) | (172,476) | (288,302) | 8.7% | 36.6% |
| OPERATING COST/EXPENSE | (464,302) | (892,036) | (360,148) | (830,508) | 28.9% | 7.4% |
| Personnel | (76,282) | (151,803) | (74,219) | (148,747) | 2.8% | 2.1% |
| Employee Pension Plan | (22,410) | (44,818) | (48,358) | (88,288) | -53.7% | -49.2% |
| Material | (12,254) | (21,609) | (10,552) | (18,476) | 16.1% | 17.0% |
| Outside Services | (64,386) | (118,686) | (57,989) | (107,368) | 11.0% | 10.5% |
| Depreciation and Amortization | (75,734) | (150,082) | (65,925) | (132,754) | 14.9% | 13.1% |
| Merged Goodwill Amortization | (2,037) | (4,074) | 52,176 | (39,035) | -103.9% | -89.6% |
| CCC - Subsidy | (96,985) | (173,648) | (63,842) | (122,411) | 51.9% | 41.9% |
| CDE - Subsidy | (65,109) | (125,627) | (47,138) | (80,020) | 38.1% | 57.0% |
| Other | (49,105) | (101,689) | (44,301) | (93,409) | 10.8% | 8.9% |
| SERVICE RESULTS | 467,272 | 884,655 | 379,595 | 602,783 | 23.1% | 46.8% |
| FINANCIAL RESULTS | (187,613) | (307,004) | (143,462) | (331,081) | 30.8% | -7.3% |
| Expense, Net of Income | (106,357) | (225,748) | (140,282) | (327,901) | -24.2% | -31.2% |
| Interest on equity | (81,256) | (81,256) | (3,180) | (3,180) | 2455.2% | 2455.2% |
| OPERATING RESULTS | 279,659 | 577,651 | 236,133 | 271,702 | 18.4% | 112.6% |
| NON-OPERATING RESULTS | (1,158) | (2,197) | (4,913) | (4,745) | -76.4% | -53.7% |
| Income | 3,151 | 3,528 | 550 | 3,016 | 472.9% | 17.0% |
| Expenses | (4,309) | (5,725) | (5,463) | (7,761) | -21.1% | -26.2% |
| INCOME BEFORE TAX | 278,501 | 575,454 | 231,220 | 266,957 | 20.4% | 115.6% |
| Social Contribution | (27,378) | (57,897) | (22,300) | (31,223) | 22.8% | 85.4% |
| Income Tax | (77,205) | (161,586) | (57,680) | (87,871) | 33.9% | 83.9% |
| INCOME BEFORE EXTRAORDINARY ITEMS | | | | | | |
| MINORITY INTEREST AND REVERSALS | 173,918 | 355,971 | 151,240 | 147,863 | 15.0% | 140.7% |
| Extraordinary Item net of taxes | (8,160) | (16,320) | (8,132) | (16,264) | 0.3% | 0.3% |
| Minority interest | (12,063) | (20,310) | (9,503) | (9,953) | 26.9% | 104.1% |
| Reversal of interest on equity | 81,256 | 81,256 | 3,180 | 3,180 | 2455.2% | 2455.2% |
| NET INCOME FOR THE PERIOD | 234,951 | 400,597 | 136,785 | 124,826 | 71.8% | 220.9% |
| EBITDA | 554,232 | 1,061,122 | 427,286 | 848,162 | 29.7% | 25.1% |

Gross revenue

The gross operating revenue returned in the quarter was R\$ 2,752,306 thousand. The amount is 15.2% higher than the revenue returned in the equivalent period of the prior financial year if the adjustment of free energy in the amount of R\$ 57,199 thousand in 2004 is ignored, since the amount does not affect net income for the financial year due to the compensation in other income accounts for the quarter ("Deductions from operating revenue" and "Cost of electric energy purchased for resale").

The principal factors that contributed towards this growth were the tariff increases in 2005 (for CPFL Paulista and RGE) and 2004 (for Piratininga) and the increase in the quantity of energy sold.

• Tariff increases

CPFL Paulista

In April 2005, ANEEL established an annual tariff increase at an average percentage of 17.74%. In addition, in July of 2005 the regulatory agency recognized an inconsistency that had occurred in the Annual Tariff Increase for 2005, related with the failure to pass through the amount of R\$

41,206 thousands (net of PIS and COFINS) related with the purchase of electric energy from Itaipu. This amount is being monetarily restated and will be taken into account in the 2006 tariff increase. Up to June 30, 2005, the subsidiary CPFL Paulista recorded a pro rata revenue of R\$ 10,450 thousand.

CPFL Piratininga

In October of 2004, ANEEL established on a provisional basis an average increase in the electric energy supply tariffs of 14.0% . In addition, the 2003 tariff review was altered, also on a provisional basis, from 18.08% to 10.51% .

RGE

In April of 2005, ANEEL established the annual tariff increase at an average percentage of 21.93% .

• Quantity of energy sold

In the 2nd quarter, we reported an increase in the quantity of energy sold of 7.9% in relation to the equivalent quarter of the prior year, highlighting the growth in the commercial and residential classes of 12.2% and 8.2% respectively. In addition to the better economic conditions, which resulted in an increase in job offers, income and in an increase in the country's industrial production, the higher temperatures recorded in this quarter also contributed to the increase in consumption.

With respect to the industrial class, it was observed that there was no significant variation, given the migration of free consumers. The effects of this migration are being mitigated through the significant retention at the subsidiary CPFL Brasil, which is a company that sells electric energy, and the revenue obtained from the availability of the electricity network (TUSD). Since these consumers continue to be connected to the concessionaire's distribution system in its region, they are billed for the use of the distribution network. The total billed in this quarter for revenues from the availability of the electricity network was R\$ 113,568 thousand, representing a growth of R\$ 59,012 thousand compared with the amounts billed in the equivalent period of 2004.

Cost of the electric energy service

In the second quarter of 2005, the costs of the electric energy service were R\$ 1,005,832 thousand. If the adjustment of the homologated amount of free energy in 2004 is ignored, amounting to R\$ 67,536 thousand, the costs show an 8.5% increase compared with the costs for the equivalent period of the prior financial year.

The cost increase is basically due to the increase in the quantity of energy purchased during the period (6.9%) .

Operating expenses

The manageable operating expenses, corresponding to the cost of personnel, materials, outside services and others, in the 2nd quarter of 2005 reached the amount of R\$ 202,027 thousand. The expenses were 8.0% higher than the equivalent period of 2004, compatible with the variation in inflation during the period, measured by the IGP-M.

The reversal of the expense amounting to R\$ 52,176 thousand in 2004 related with the amortization of the merged goodwill was due to an extension of the amortization term in June of 2004, backdated to January of that year. In addition, in 2005 the amortization of the merged goodwill related with the acquisition of CPFL Paulista and CPFL Piratininga began to be recorded under financial expense, as a result of application of the concept of CVM Instruction No.349/2001 as from December of 2004.

Expenses with the employee pension plan (Fundação CESP) recorded in this quarter amounting to R\$ 22,410 thousand, showed a reduction of 53.7% compared with the amount recorded in the equivalent period of the prior financial year. The reduction is due to the review of the actuarial assumptions related with the mortality table and the rate of return expected from the plan's assets considered in the actuarial calculation.

The other variations between the quarters ended June 30, 2005 and 2004 are the result of expenses with CCC and CDE, which together totaled R\$ 162,094 thousand, recording a 46.1% increase, due to the increase in the contributions levied and principally due to the amortization in 2005 of the CVA deferred in 2004.

Financial income

The net financial income in this quarter, without the impact of Interest on Equity, comprises an expense of around R\$ 106,357 thousand, 24.2% lower than the expense returned in 2004, principally due to the increase in financial income as a result of the improvement in cash flow generation and the funds of the public offer in 2004, and due to the reduction in financial expenses as a result of the reduction in indebtedness and the variation of the IGP-M, an important indexer of the debt. This reduction was partially compensated by the change in amortization criteria of the goodwill on investment in June and December of 2004.

Net income and EBITDA

Based on the factors described above, the income returned in this quarter, after the effects of income tax and social contribution, was R\$ 234,951 thousand, 71.8% higher than the income obtained for the equivalent period of 2004. For the half-years ended June 30 of 2005 and 2004, the net income returned was R\$ 400,597 thousand and R\$ 124,826 thousand respectively.

In the consolidated, the EBITDA (net income for the quarter, excluding the effects of the private pension plan, depreciation, amortization, financial income, social contribution, income tax, extraordinary item and reversal of interest on equity) for the 2nd quarter of 2005 was R\$ 554,232 thousand, 29.7% higher than the EBITDA returned in the equivalent period of 2004.

09.01 HOLDINGS IN SUBSIDIARIES AND/OR ASSOCIATED COMPANIES

| 1 - ITEM | 2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY | 3 - CNPJ (Federal Tax ID) | 4 - CLASSIFICATION | 5 - PARTICIPATION IN CAPITAL OF INVESTEE - % | 6 - SHAREHOLDERS' EQUITY - % |
|---------------------|---|------------------------------|--|--|------------------------------------|
| 7 - TYPE OF COMPANY | 8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (in units) | | 9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (in units) | | |

| | | | | | |
|-------------------------------------|---|--------------------|----------------------|-------|----------------|
| 01 | COMPANHIA PAULISTA DE FORÇA E LUZ | 33.050.196/0001-88 | PUBLIC SUBSIDIARY | 94.94 | 40.94 |
| COMMERCIAL, INDUSTRIAL AND OTHER | 31,903,722,885 | | | | 31,903,722,885 |

| | | | | | |
|-------------------------------------|---------------------------------|--------------------|----------------------|--------|-----------------|
| 02 | CPFL GERAÇÃO DE ENERGIA S.A. | 03.953.509/0001-47 | PUBLIC SUBSIDIARY | 100.00 | 24.83 |
| COMMERCIAL, INDUSTRIAL AND OTHER | 205,487,715,772 | | | | 199,351,285,592 |

| | | | | | |
|-------------------------------------|--|--------------------|----------------------|--------|---------|
| 03 | CPFL COMERCIALIZAÇÃO BRASIL LTDA | 04.973.790/0001-42 | CLOSED SUBSIDIARY | 100.00 | 0.01 |
| COMMERCIAL, INDUSTRIAL AND OTHER | 455,996 | | | | 300,000 |

| | | | | | |
|-------------------------------------|--|--------------------|----------------------|------|------|
| 04 | COMPANHIA PIRATININGA DE FORÇA E LUZ | 04.172.213/0001-51 | PUBLIC SUBSIDIARY | 0.13 | 0.02 |
| COMMERCIAL, INDUSTRIAL AND OTHER | 70,800,000 | | | | 0 |

15.01 – INVESTMENTS

(Not reviewed by independent auditors)

Our principal capital expenditure in the last years have been for the maintenance and upgrading of our distribution network and generation projects. The following table sets forth our capital expenditure for the first half of 2005, as well as the three years ended December 31, 2004, 2003 and 2002. The table does not include the costs of acquiring BAESA, Foz do Chapecó and ENERCAN in 2002.

| | In million of R\$ | | | |
|---------------------------|-------------------|-------------------------|------------|------------|
| | 1. Half 2005 | Year Ended December 31, | | |
| | | 2004 | 2003 | 2002 |
| Distribution | | | | |
| CPFL Paulista | 71 | 131 | 125 | 121 |
| CPFL Piratininga | 32 | 64 | 64 | 44 |
| RGE | 34 | 66 | 45 | 53 |
| Total distribution | 137 | 261 | 234 | 218 |
| Generation | 128 | 343 | 331 | 294 |
| Commercialization | 0 | 2 | 0 | 0 |
| Total | 265 | 606 | 565 | 512 |

We plan to make capital expenditures totaling approximately R\$ 723 million in 2005 and approximately R\$ 681 million in 2006. Of total budgeted capital expenditure over this period, R\$ 627 million is for distribution and R\$ 777 million is for generation.

16.01 OTHER IMPORTANT INFORMATION ON THE COMPANY

Additional information – New Market

Position of the shareholders of **CPFL Energia S/A** with more than 5% of the shares holding voting rights, as of August 3, 2005:

| | 03/08/2005 (*) | |
|----------------------------|--------------------|----------------|
| | Common Shares | Partic - % |
| Shareholders | | |
| VBC Energia S.A. | 172,743,224 | 37.48% |
| 521 Participações S.A. | 149,230,369 | 32.38% |
| Bonaire Participações S.A. | 61,503,529 | 13.34% |
| BNDES Participações S.A. | 23,005,251 | 4.99% |
| Treasury Shares | 1 | 0.00% |
| Other shareholders | 54,411,939 | 11.81% |
| Total | 460,894,313 | 100.00% |

Quantity and characteristic of securities held by the Controlling Shareholders, Executive Officers, Board of Directors and Fiscal Committee, as of August 03, 2005 and 2004:

| Shareholders | August 3, 2005 (*) | | August 3, 2004 | |
|--------------------------|--------------------|----------------|----------------------|----------------|
| | Common Shares | % | Common Shares | % |
| Controlling Shareholders | 383,477,122 | 83.20% | 3,977,852,885 | 96.58% |
| Executive Officers | 44,971 | 0.01% | - | 0.00% |
| Board of Directors | 1,523 | 0.00% | 22 | 0.00% |
| Fiscal Committee | - | 0.00% | - | 0.00% |
| Treasury Shares | 1 | 0.00% | - | - |
| Other Shareholders | 77,370,696 | 16.79% | 140,845,070 | 3.42% |
| Total | 460,894,313 | 100.00% | 4,118,697,977 | 100.00% |

Composition of market share (Free Float), as of August 03, 2005 and 2004:

| Shareholders | August 3, 2005 (*) | | August 3, 2004 | |
|--------------------|--------------------|---------------|--------------------|--------------|
| | Common Shares | % | Common Shares | % |
| Executive Officers | 44,971 | 0.01% | - | 0.00% |
| Board of Directors | 1,502 | 0.00% | - | 0.00% |
| Other Shareholders | 77,370,696 | 16.79% | 140,845,070 | 3.42% |
| Total | 77,417,169 | 16.80% | 140,845,070 | 3.42% |

(*) Between June 20 and July 27, 2005, the CPFL Geração shareholders could adjust their stock holdings, by type, in multiple lots of 1,622 shares by means of trading on the BOVESPA through any freely selected broker.

On July 25, 2005, the IFC converted the amount of its loan balance into shares, according to the Subscription Bonus issued by the Company on December 5, 2003.

For further information: see notes 24 and 30.

We present in these tables the shareholding position that takes into account all events up to August 3, 2005.

Equity position of Company shareholders with more than 5% of the voting capital, to individual level:

Shareholder's composition of VBC Energia S/A with more than 5% of common shares (voting right), up to the individuals level, as of June 30, 2005.

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|-----------------------|------------------|----------------|------------------|----------------|------------------|----------------|
| (a) | VBC Participações S/A | 3,123,551 | 100.00% | 141,061 | 100.00% | 3,264,612 | 100.00% |
| | Other Shareholders | 7 | 0.00% | 0 | 0.00% | 7 | 0.00% |
| | Total | 3,123,558 | 100.00% | 141,061 | 100.00% | 3,264,619 | 100.00% |

(a) VBC Participações S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|------------------------------|----------------------|----------------|------------------|--------------|----------------------|----------------|
| (b) | Votorantim Energia Ltda. | 3,166,839,246 | 33.34% | 0 | 0.00% | 3,166,839,246 | 33.34% |
| (c) | Bradesplan Participações S/A | 3,166,839,246 | 33.33% | 0 | 0.00% | 3,166,839,246 | 33.33% |
| (d) | Camargo Corrêa Energia S/A | 3,166,839,246 | 33.33% | 0 | 0.00% | 3,166,839,246 | 33.33% |
| | Other Shareholders | 7 | 0.00% | 0 | 0.00% | 7 | 0.00% |
| | Total | 9,500,517,745 | 100.00% | 0 | 0.00% | 9,500,517,745 | 100.00% |

(b) Votorantim Energia Ltda

| | Shareholders | Quotas | % |
|-----|-------------------------------|--------------------|----------------|
| (e) | Votorantim Participações S/A | 515,467,904 | 63.87% |
| (f) | Cia Brasileira de Alumínio | 225,393,870 | 27.93% |
| (g) | Cia de Luz e Força Santa Cruz | 66,201,356 | 8.20% |
| | Total | 807,063,130 | 100.00% |

(c) Bradesplan Participações S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|--------------------|----------------------|----------------|------------------|--------------|----------------------|----------------|
| (h) | Bradespar S/A | 1,774,477,319 | 100.00% | 0 | 0.00% | 1,774,477,319 | 100.00% |
| | Other Shareholders | 6 | 0.00% | 0 | 0.00% | 6 | 0.00% |
| | Total | 1,774,477,325 | 100.00% | 0 | 0.00% | 1,774,477,325 | 100.00% |

(d) Camargo Corrêa Energia S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|--------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| (i) | Camargo Corrêa S/A | 129,617,320 | 100.00% | 129,617,312 | 100.00% | 259,234,632 | 100.00% |
| | Other Shareholders | 0 | 0.00% | 8 | 0.00% | 8 | 0.00% |
| | Total | 129,617,320 | 100.00% | 129,617,320 | 100.00% | 259,234,640 | 100.00% |

(e) Votorantim Participações S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|----------------------------|----------------------|----------------|------------------|--------------|----------------------|----------------|
| (j) | Hejoassu Administração S/A | 4,039,553,777 | 98.15% | | 0.00% | 4,039,553,777 | 98.15% |
| | Other Shareholders | 76,106,492 | 1.85% | | 0.00% | 76,106,492 | 1.85% |
| | Total | 4,115,660,269 | 100.00% | 0 | 0.00% | 4,115,660,269 | 100.00% |

(f) Cia Brasileira de Alumínio

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|------------------------------|--------------------|----------------|------------------|--------------|--------------------|----------------|
| (e) | Votorantim Participações S/A | 711,334,410 | 99.74% | 0 | 0.00% | 711,334,410 | 99.74% |
| | Other Shareholders | 1,874,557 | 0.26% | 0 | 0.00% | 1,874,557 | 0.26% |
| | Total | 713,208,967 | 100.00% | 0 | 0.00% | 713,208,967 | 100.00% |

(g) Cia de Luz e Força Santa Cruz

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|----------------------------|--------------------|----------------|-------------------|----------------|--------------------|----------------|
| (f) | Cia Brasileira de Alumínio | 473,174,855 | 99.99% | 38,101,909 | 100.00% | 511,276,764 | 99.99% |
| | Other Shareholders | 39,243 | 0.01% | 0 | 0.00% | 39,243 | 0.01% |
| | Total | 473,214,098 | 100.00% | 38,101,909 | 100.00% | 511,316,007 | 100.00% |

(h) Bradespar S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|--|-------------------|----------------|-------------------|----------------|-------------------|----------------|
| (l) | Cidade de Deus Cia Cial de Participações | 11,220,806 | 36.59% | 75,240 | 0.13% | 11,296,046 | 12.92% |
| | Fundação Bradesco | 4,544,826 | 14.82% | 724,746 | 1.28% | 5,269,572 | 6.03% |
| (m) | Gespar S/C Ltda | 3,310,216 | 10.79% | 3,032,850 | 5.34% | 6,343,066 | 7.26% |
| (n) | NCF Participações S/A | 4,286,878 | 13.98% | 0 | 0.00% | 4,286,878 | 4.90% |
| | Other Shareholders | 7,303,400 | 23.82% | 52,923,388 | 93.25% | 60,226,788 | 68.89% |
| | Total | 30,666,126 | 100.00% | 56,756,224 | 100.00% | 87,422,350 | 100.00% |

(i) Camargo Corrêa S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|----------------------------------|---------------|----------------|------------------|----------------|----------------|----------------|
| (o) | Participações Morro Vermelho S/A | 48,938 | 99.98% | 93,099 | 100.00% | 142,037 | 99.99% |
| | Other Shareholders | 8 | 0.02% | 1 | 0.00% | 9 | 0.01% |
| | Total | 48,946 | 100.00% | 93,100 | 100.00% | 142,046 | 100.00% |

(j) Hejoassu Administração S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|---|------------------|----------------|------------------|--------------|------------------|----------------|
| | Espólio de José Ermírio de Moraes Filho | 400,000 | 25.00% | 0 | 0.00% | 400,000 | 25.00% |
| (p) | AEM Participações S/A | 400,000 | 25.00% | 0 | 0.00% | 400,000 | 25.00% |
| (q) | ERMAN Participações S/A | 400,000 | 25.00% | 0 | 0.00% | 400,000 | 25.00% |
| (r) | MRC Participações S/A | 400,000 | 25.00% | 0 | 0.00% | 400,000 | 25.00% |
| | Total | 1,600,000 | 100.00% | 0 | 0.00% | 1,600,000 | 100.00% |

(l) Cidade de Deus Cia Cial de Participações

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|---------------------------------------|----------------------|----------------|------------------|--------------|----------------------|----------------|
| (t) | Nova Cidade de Deus Participações S/A | 2,333,056,605 | 44.43% | 0 | 0.00% | 2,333,056,605 | 44.43% |
| | Fundação Bradesco | 1,724,997,712 | 32.85% | 0 | 0.00% | 1,724,997,712 | 32.85% |
| | Lia Maria Aguiar | 417,744,408 | 7.96% | 0 | 0.00% | 417,744,408 | 7.96% |
| | Lina Maria Aguiar | 442,193,236 | 8.42% | 0 | 0.00% | 442,193,236 | 8.42% |
| | Other Shareholders | 332,631,968 | 6.34% | 0 | 0.00% | 332,631,968 | 6.34% |
| | Total | 5,250,623,929 | 100.00% | 0 | 0.00% | 5,250,623,929 | 100.00% |

(m) Gespar S/C Ltda

| Shareholders | Quotas | % |
|--|--------------------|----------------|
| Jampur Trading International Soc Unipessoal Ltda (1) | 195,895,531 | 99.98% |
| Espirito Santo Investimentos S/A | 32,000 | 0.02% |
| Total | 195,927,531 | 100.00% |

(n) NCF Participações S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|--|-------------------|----------------|-------------------|----------------|--------------------|----------------|
| | Fundação Bradesco | 14,331,333 | 25.10% | 50,828,750 | 100.00% | 65,160,083 | 60.38% |
| (l) | Cidade de Deus Cia Cial de Participações | 41,979,583 | 73.54% | 0 | 0.00% | 41,979,583 | 38.90% |
| (t) | Nova Cidade de Deus Participações S/A | 777,000 | 1.36% | 0 | 0.00% | 777,000 | 0.72% |
| | Total | 57,087,916 | 100.00% | 50,828,750 | 100.00% | 107,916,666 | 100.00% |

(o) Participações Morro Vermelho S/A

| Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|---------------------------------------|-------------------|----------------|------------------|----------------|-------------------|----------------|
| Rosana Camargo Arruda Botelho | 4,882,646 | 33.34% | 0 | 0.00% | 4,882,646 | 33.34% |
| Renata de Camargo Nascimento | 4,882,646 | 33.33% | 0 | 0.00% | 4,882,646 | 33.33% |
| Regina de Camargo Pires Oliveira Dias | 4,882,646 | 33.33% | 0 | 0.00% | 4,882,646 | 33.33% |
| Other Shareholders | 191 | 0.00% | 0 | 0.00% | 191 | 0.00% |
| Total | 14,648,127 | 100.00% | 0 | 100.00% | 14,648,127 | 100.00% |

(p) AEM Participações S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|---|--------------------|----------------|------------------|----------------|--------------------|----------------|
| | Antonio Ermírio de Moraes (although having donated his shares to his direct descendants, the shareholder still retains the voting rights at AEM Participações S.A, corresponding to the totality of his common shares, during his lifetime) | 684,729,100 | 100.00% | 0 | 0.00% | 684,729,100 | 100.00% |
| (s) | JEMF Participações S/A | | | 300 | 33.34% | 300 | 0.00% |
| (q) | ERMAN Participações S/A | | | 300 | 33.33% | 300 | 0.00% |
| (r) | MRC Participações S/A | | | 300 | 33.33% | 300 | 0.00% |
| | Total | 684,729,100 | 100.00% | 900 | 100.00% | 684,730,000 | 100.00% |

(q) ERMAN Participações S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|---|--------------------|----------------|------------------|----------------|--------------------|----------------|
| | Ermírio Pereira de Moraes (although having donated his shares to his direct descendants, the shareholder still retains the voting rights at ERMAN Participações S.A, corresponding to the totality of his common shares, during his lifetime) | 684,729,100 | 100.00% | 0 | 0.00% | 684,729,100 | 100.00% |
| (s) | JEMF Participações S/A | | | 300 | 33.34% | 300 | 0.00% |
| (p) | ERMAN Participações S/A | | | 300 | 33.33% | 300 | 0.00% |
| (r) | MRC Participações S/A | | | 300 | 33.33% | 300 | 0.00% |
| | Total | 684,729,100 | 100.00% | 900 | 100.00% | 684,730,000 | 100.00% |

(r) MRC Participações S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|---|--------------------|----------------|------------------|----------------|--------------------|----------------|
| | Maria Helena Moraes Scripilliti (although having donated her shares to her direct descendants, the shareholder still retains the voting rights at MRC Participações S.A, corresponding to the totality of her common shares, during her lifetime) | 684,729,100 | 100.00% | 0 | 0.00% | 684,729,100 | 100.00% |
| (s) | JEMF Participações S/A | | | 300 | 33.34% | 300 | 0.00% |
| (q) | ERMAN Participações S/A | | | 300 | 33.33% | 300 | 0.00% |
| (p) | AEM Participações S/A | | | 300 | 33.33% | 300 | 0.00% |
| | Total | 684,729,100 | 100.00% | 900 | 100.00% | 684,730,000 | 100.00% |

(s) JEMF Participações S/A

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|--|-----------------------------|---------------|----------------|------------------|----------------|---------------|----------------|
| | José Ermírio de Moraes Neto | 3,500 | 33.34% | 0 | 0.00% | 3,500 | 33.30% |
| | José Roberto Ermírio Moraes | 3,500 | 33.33% | 0 | 0.00% | 3,500 | 33.30% |
| | Neide Helena de Moraes | 3,500 | 33.33% | 0 | 0.00% | 3,500 | 33.30% |
| | AEM Participações S/A | 0 | 0.00% | 4 | 33.34% | 4 | 0.04% |
| | ERMAN Participações S/A | 0 | 0.00% | 4 | 33.33% | 4 | 0.03% |
| | MRC Participações S/A | 0 | 0.00% | 4 | 33.33% | 4 | 0.03% |
| | Total | 10,500 | 100.00% | 12 | 100.00% | 10,512 | 100.00% |

(t) Nova Cidade de Deus Participações Ltda

| | Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-----|------------------------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| | Fundação Bradesco | 91,340,406 | 46.30% | 209,037,114 | 98.35% | 300,377,520 | 73.29% |
| (u) | Elo Participações S/A | 105,932,096 | 53.70% | 0 | 0.00% | 105,932,096 | 25.85% |
| | Caixa Beneficiária Fun.do Bradesco | 0 | 0.00% | 3,511,005 | 1.65% | 3,511,005 | 0.86% |
| | Total | 197,272,502 | 100.00% | 212,548,119 | 100.00% | 409,820,621 | 100.00% |

(u) Elo Participações S/A

| Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|-------------------------|--------------------|----------------|-------------------|----------------|--------------------|----------------|
| Lázaro de Mello Brandão | 6,769,981 | 5.63% | 0 | 0.00% | 6,769,981 | 3.68% |
| Other Shareholders | 113,556,200 | 94.37% | 63,996,077 | 100.00% | 177,252,277 | 96.32% |
| Total | 120,326,181 | 100.00% | 63,696,077 | 100.00% | 184,022,258 | 100.00% |

Shareholder's composition of **521 Participações S/A** with more than 5% of common shares (voting right), up to the individuals level, as of June 30, 2005.

| Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|--|------------------|----------------|------------------|--------------|------------------|----------------|
| Fundo de Investimento Financeiro BB Renda Fixa IV | 377,593 | 15.70% | 0 | 0.00% | 377,593 | 15.70% |
| Fundo Mutuo de Investimento em Ações BB - Carteira Livre I | 2,027,402 | 84.30% | 0 | 0.00% | 2,027,402 | 84.30% |
| Other Shareholders | 5 | 0.00% | 0 | 0.00% | 5 | 0.00% |
| Total | 2,405,000 | 100.00% | 0 | 0.00% | 2,405,000 | 100.00% |

Shareholder's composition of **Bonaire Participações S/A** with more than 5% of common shares (voting right), up to the individuals level, as of June 30, 2005.

| Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|--|-------------------|----------------|------------------|--------------|-------------------|----------------|
| Energia Fundo de Investimento em Participações | 66,728,870 | 98.54% | 0 | 0.00% | 66,728,870 | 98.54% |
| Energia II Fundo de Investimento de Ações | 991,731 | 1.46% | 0 | 0.00% | 991,731 | 1.46% |
| Other Shareholders | 7 | 0.00% | 0 | 0.00% | 7 | 0.00% |
| Total | 67,720,608 | 100.00% | 0 | 0.00% | 67,720,608 | 100.00% |

Shareholder's composition of **BNDES Participações S/A** with more than 5% of common shares (voting right), up to the individuals level, as of June 30, 2005.

| Shareholders | Common Shares | % | Preferred Shares | % | TOTAL | % |
|---|---------------|----------------|------------------|--------------|----------|----------------|
| Banco Nacional de Desenv.Econômico e Social (2) | 1 | 100.00% | 0 | 0.00% | 1 | 100.00% |
| Total | 1 | 100.00% | 0 | 0.00% | 1 | 100.00% |

(1) Foreign capital company.

(2) State agency – Brazilian Federal.

17.01 REPORT ON SPECIAL REVIEW-UNQUALIFIED

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

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Shareholders and Management of
CPFL Energia S.A.
São Paulo - SP

1. We have performed a special review of the accompanying interim financial statements of CPFL Energia S.A. and subsidiaries (Company and Consolidated), consisting of the balance sheets as of June 30, 2005, and the related statements of operations for the quarter and six-month period then ended and the performance report, all expressed in Brazilian reais and prepared in accordance with Brazilian accounting practices under the responsibility of the Company's management.
2. The interim financial statements for the quarter and six-month period ended June 30, 2005 and the balance sheet as of March 31, 2005 of the subsidiary Rio Grande Energia S.A. – RGE were reviewed by other independent auditors whose review reports thereon, dated July 26, 2005 and April 25, 2005, respectively, did not contain qualifications. Those auditors also issued a review report, dated January July 20, 2004, on the interim financial statements as of June 30, 2004, containing a qualification with respect to the deferral of exchange losses, and an emphasis of matter paragraph on the receivables and payables arising from energy transactions made within the Wholesale Energy Market (MAE), whose financial settlement depended on final approval from the National Electric Energy Agency (ANEEL) and authorization from MAE. Our reviews, insofar as they relate to (a) total assets of this subsidiary as of June 30, 2005 and March 31, 2005, which represent 9.9% and 9.6%, respectively, of the consolidated total assets; (b) result for the six-month periods ended June 30, 2005 and 2004, which represent 3.2% and 0.8%, respectively, of the consolidated total balances, and (c) the investment recorded under the equity method in the individual interim financial statements of its parent company Companhia Paulista de Força e Luz, with effect on the investment balance of that company recorded by the Company, are based solely on the review reports of those independent auditors.
3. We conducted our review in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Federal Accounting Council, which consisted principally of: (a) inquiries of and discussions with persons responsible for the accounting, financial and operating areas as to the criteria adopted in preparing the interim financial statements, and (b) review of the information and subsequent events that had or might have had material effects on the financial position and results of operations of the Company and its subsidiaries.
4. Based on our special reviews and on the reports of the other independent auditors, we are not aware of any material modifications that should be made to the interim financial statements referred to in paragraph 1 for them to be in conformity with Brazilian accounting practices and standards established by the Brazilian Securities Commission (CVM), specifically applicable to the preparation of mandatory interim financial statements.

5. As mentioned in Notes 14 and 15 to the interim financial statements, certain subsidiaries changed, as of June 30, 2004 and retroactive to January 1, 2004, the percentage for amortization of goodwill on acquisition of investments and downstream merger, from 10% per year to a variable annual percentage determined based on the future profitability projection during the remaining periods of their concessions. In addition, the balances of goodwill on the downstream merger were reclassified from deferred charges to property, plant and equipment.
6. As discussed in Note 3 - item (b) to the interim financial statements, the status of the tariff revisions and adjustments of the subsidiaries CPFL Paulista and CPFL Piratininga is as follows: (i) the National Electric Energy Agency (ANEEL) definitively changed, on April 6, 2005, the percentage related to the periodic tariff revision of 2003 for CPFL Paulista. In addition, CPFL Paulista recognized the amount of R\$ 22,398 thousand, in noncurrent assets, related to the difference between the depreciation rate of 4.64% p.a., used by ANEEL to calculate the "quota de reintegração" (regulatory depreciation – accounting depreciation), and the percentage of 4.85%, calculated by CPFL Paulista based on the information provided to the concession authority. Considering this situation, which will require additional discussions between CPFL Paulista and ANEEL, CPFL Paulista's periodic tariff revision of April 2003 continues to be provisional regarding the depreciation rate used, although subject to change; (ii) ANEEL provisionally changed, on October 18, 2004, the percentage related to the 2003 periodic tariff revision of the subsidiary Companhia Piratininga de Força e Luz, and also provisionally granted the tariff adjustment for application in energy sale tariffs, in the period from October 23, 2004 to October 22, 2005. Considering the provisional nature of this tariff adjustment and revision, they are subject to possible changes upon their definitive ratification.
7. We had previously reviewed the balance sheets as of March 31, 2005 (Company and Consolidated), presented for comparative purposes, and our review report thereon, dated April 25, 2005, contained emphasis of matter paragraphs similar to paragraphs 5 and 6, and an emphasis of matter paragraph regarding the recording, by certain subsidiaries, of regulatory assets and liabilities that are pending ANEEL ratification, as mentioned in Note 3, and that therefore are subject to changes upon their definitive ratification. The statements of operations (Company and Consolidated) for the quarter and six-month period ended June 30, 2004, presented for comparative purposes, were reviewed by us and our review report thereon, dated July 23, 2004, contained an emphasis of matter paragraph related to transactions within the Wholesale Energy Market (MAE), whose amounts may be subject to change due to lawsuits then pending. This matter and its current status are discussed in Note 5 to the interim financial statements.
8. The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, July 26, 2005

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

José Carlos Amadi
Engagement Partner

18.02 COMMENTS ON PERFORMANCE OF SUBSIDIARIES

The subsidiary Companhia Paulista de Força e Luz (“CPFL Paulista”) is a public company and its Comments on the performance of this quarter (the Company and Consolidated) is attached in the Interim Financial Statements as of June 30, 2005, filed at CVM (Brazilian Securities Commission).

The subsidiary CPFL Geração de Energia S.A., is a public company and its Comments on the performance of this quarter (the Company and Consolidated) is attached in the Interim Financial Statements as of June 30, 2005, filed at CVM (Brazilian Securities Commission).

The subsidiary Companhia Piratininga de Força e Luz, is a public company and its Comments on the performance of this quarter is attached in the Interim Financial Statements as of June 30, 2005, filed at CVM (Brazilian Securities Commission).

18.02 – INCOME STATEMENT OF SUBSIDIARY (in thousands of Brazilian reais – R\$, except for per share data)

| 1 – Code | 2 – Description | 3 - 04/01/2005 to 06/30/2005 | 4 - 01/01/2005 to 06/30/2005 | 5 - 04/01/2004 to 06/30/2004 | 5 - 04/01/2004 to 06/30/2004 |
|------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 3.01 | Operating revenues | 343,791 | 640,083 | 203,115 | 392,141 |
| 3.02 | Deductions | (45,584) | (85,611) | (25,460) | (45,107) |
| 3.02.01 | ICMS | (13,791) | (26,379) | (6,631) | (11,491) |
| 3.02.02 | PIS | (5,663) | (10,551) | (3,354) | (6,471) |
| 3.02.03 | COFINS | (26,084) | (48,602) | (15,424) | (27,065) |
| 3.02.04 | ISS | (46) | (79) | (51) | (80) |
| 3.03 | Net operating revenues | 298,207 | 554,472 | 177,655 | 347,034 |
| 3.04 | Cost of sales and/or services | (238,241) | (433,929) | (145,661) | (267,760) |
| 3.04.01 | Electricity purchased for resale | (234,762) | (428,031) | (143,234) | (263,392) |
| 3.04.02 | Material | (346) | (611) | (20) | (184) |
| 3.04.03 | Outside services | (3,133) | (5,287) | (2,352) | (4,072) |
| 3.04.04 | Other | 0 | 0 | (55) | (112) |
| 3.05 | Gross operating income | 59,966 | 120,543 | 31,994 | 79,274 |
| 3.06 | Operating Expenses/Income | (718) | (2,376) | (1,135) | (1,601) |
| 3.06.01 | Selling | (2,671) | (5,990) | (1,586) | (3,056) |
| 3.06.02 | General and administrative | (22) | (22) | 0 | 0 |
| 3.06.03 | Financial | 1,975 | 3,636 | 451 | 1,455 |
| 3.06.03.01 | Financial income | 3,756 | 6,586 | 1,909 | 4,240 |
| 3.06.03.02 | Financial expenses | (1,781) | (2,950) | (1,458) | (2,785) |
| 3.06.04 | Other operating income | 0 | 0 | 0 | 0 |
| 3.06.05 | Other operating expense | 0 | 0 | 0 | 0 |

| | | | | | |
|---------|---|----------|-----------|----------|-----------|
| 3.06.06 | Equity in subsidiaries | 0 | 0 | 0 | 0 |
| 3.07 | Income (loss) from operations | 59,248 | 118,167 | 30,859 | 77,673 |
| 3.08 | Nonoperating income (expense) | 0 | 0 | 0 | 0 |
| 3.08.01 | Income | 0 | 0 | 0 | 0 |
| 3.08.02 | Expenses | 0 | 0 | 0 | 0 |
| 3.09 | Income before taxes on income and minority interest | 59,248 | 118,167 | 30,859 | 77,673 |
| 3.10 | Income tax and social contribution | (20,001) | (40,042) | (10,496) | (26,411) |
| 3.10.01 | Social contribution | (5,297) | (10,603) | (2,780) | (6,994) |
| 3.10.02 | Income tax | (14,704) | (29,439) | (7,716) | (19,417) |
| 3.11 | Deferred income tax and social contribution | 0 | 0 | 0 | 0 |
| 3.12 | Statutory profit sharing/contributions | 0 | 0 | 0 | 0 |
| 3.12.01 | Profit sharing | 0 | 0 | 0 | 0 |
| 3.12.02 | Contributions | 0 | 0 | 0 | 0 |
| 3.13 | Reversal of interest on own capital | 0 | 0 | 0 | 0 |
| 3.15 | Net income for the period | 39,247 | 78,125 | 20,363 | 51,262 |
| | SHARES OUTSTANDING EX-TREASURY STOCK (in units) | 455,996 | 455,996 | 300,000 | 300,000 |
| | EARNINGS PER SHARE | 86.06874 | 171.32826 | 67.87667 | 170.87333 |

18.02 COMMENTS ON PERFORMANCE OF SUBSIDIARIES

Gross revenue

The increase in Gross revenue of R\$ 343,791 in the 2nd quarter of 2005 (R\$ 203,115 in the equivalent period of 2004) was principally a result of the operational growth in the sale of energy to free clients and other concessionaires and license holders.

4,045 GWh were sold in the 2nd quarter of 2005, against 2,500 GWh in the equivalent period of the prior year.

Income

The increase in net income in this quarter to R\$ 39,247 (R\$ 20,363 in the equivalent period of 2004) was a direct result of the growth in operations.

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SIGNATURES

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

Date: August 09, 2005

CPFL ENERGIA S.A.

By: /s/ JOSÉ ANTONIO DE ALMEIDA
FILIPPO

Name: José Antonio de Almeida Filippo
Title: Chief Financial Officer and Head of
Investor Relations

FORWARD-LOOKING STATEMENTS

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