

3Q10 Results



Foz do Chapecó HPP

Net Revenue

3Q10 reported
R\$ 2,758 million

▲ 2.4%

3Q10 recurring
R\$ 2,758 million

▲ 0.01%

3Q09 reported
R\$ 2,694 million

3Q09 recurring
R\$ 2,758 million

EBITDA

3Q10 reported
R\$ 817 million

▲ 21.9%

3Q10 recurring
R\$ 836 million

▲ 7.5%

3Q09 reported
R\$ 670 million

3Q09 recurring
R\$ 778 million

Net Income

3Q10 reported
R\$ 388 million

▲ 33.8%

3Q10 recurring
R\$ 401 million

▲ 10.3%

3Q09 reported
R\$ 290 million

3Q09 recurring
R\$ 363 million

- Growth of 7.6% in sales in the concession area
- Annual economic tariff adjustment of 8.59% for CPFL Piratininga, of which 6.64% was for Parcel B on Oct, 23
- Commercial startup of Baldin TPP¹ on Aug, 27, adding 45 MW of installed power to the Group's overall generation and Foz do Chapecó HPP on Oct, 14, adding 436 MW
- Participation in the 3rd Reserve Energy Auction with wind power sales (30 MW) and biomass (70 MW)
- Raising of the corporate credit rating of CPFL Energia and CPFL Paulista from AA to AA+ by Fitch Ratings
- Award for Best CEO, IRO and IR Team of Utilities sector in Latin America in 2010 by Institutional Investor
- Recognition for 3rd place in the Ranking of the Best Companies for Shareholders in 2010 by Capital Aberto Magazine²
- RGE was awarded as The Best Brazilian Distribution Company in 2010 by ABRADÉE

Net Revenue

3Q10

R\$ 2,758 million



3Q09

R\$ 2,758 million

EBITDA

3Q10

R\$ 836 million



3Q09

R\$ 778 million

Net Income

3Q10

R\$ 401 million



3Q09

R\$ 363 million

Non-recurring effects

3Q10

Labor contingency provision
in CPFL Paulista

- ⊖ 20 EBITDA
- ⊖ 13 Net Income

3Q09

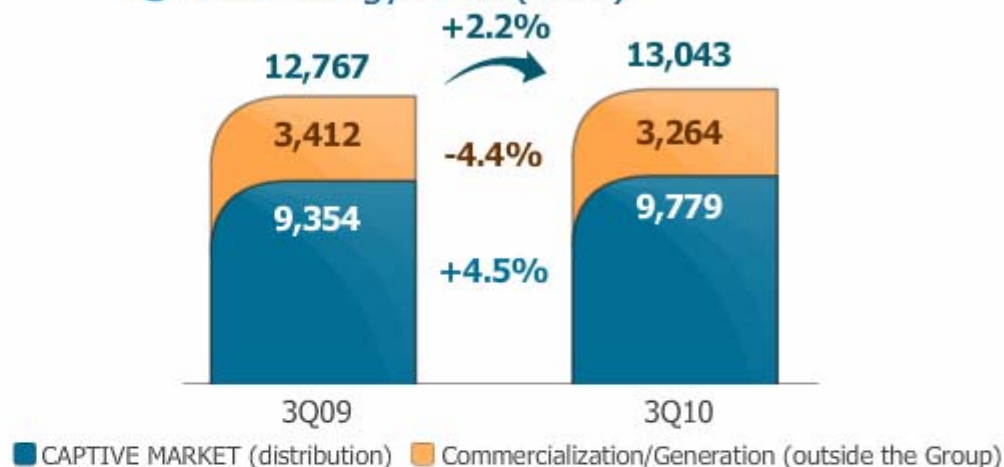
CPFL Piratininga
Tariff review

- ⊖ 64 Net Revenue
- ⊖ 109 EBITDA
- ⊖ 74 Net Income

► Concession area sales (GWh)



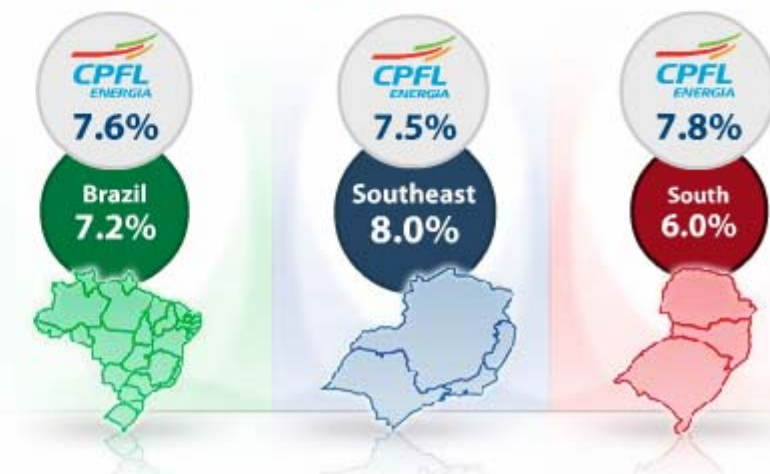
► Total energy sales (GWh)¹



► Concession area sales (GWh) Consumer class



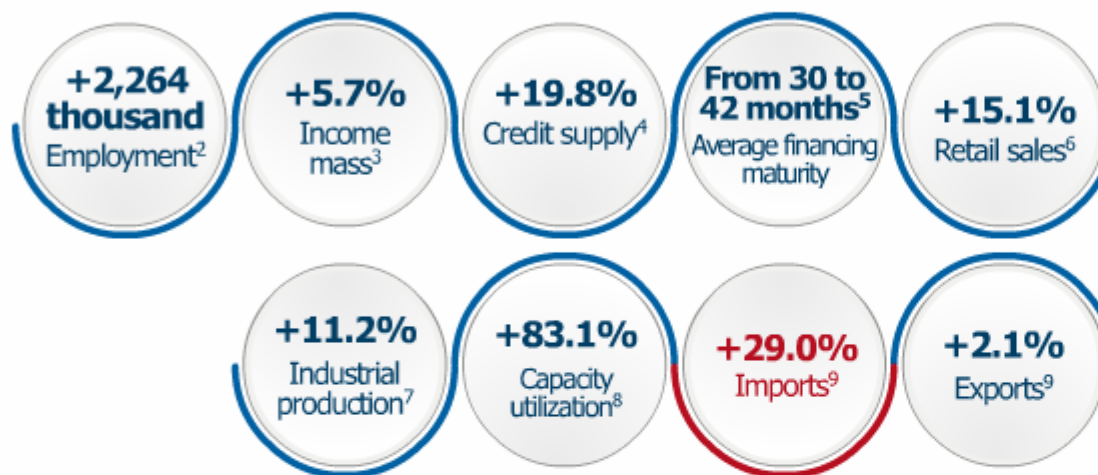
► Concession area sales (GWh)² Comparison by region



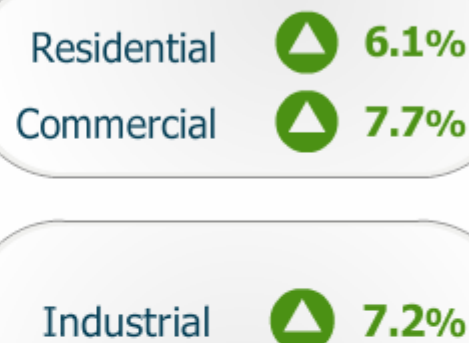
Energy sales and TUSD

Performance and expectations for the consumer classes

▶ Brazil Macroeconomic performance – LTM¹



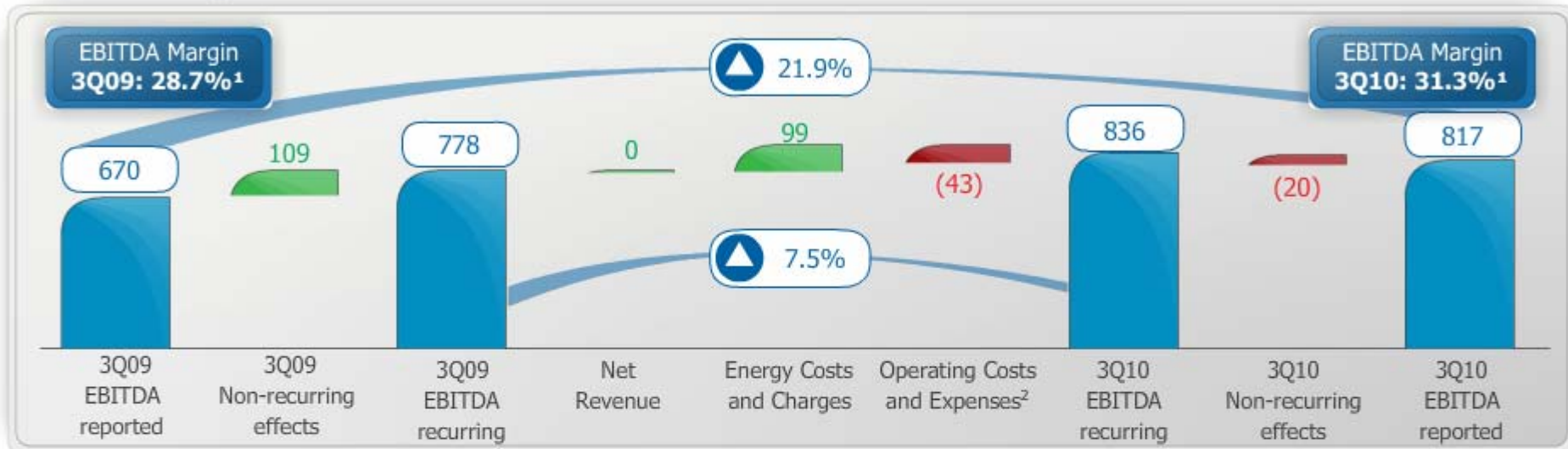
▶ CPFL Energia 3Q10 Concession area performance



▶ 2010-2012 Expectations¹⁰ – Released investments in the CPFL Energia concession area



EBITDA – R\$ million



+ Increase of 0.01% in Net Revenue (R\$ 335 thousand)

+ Increase of 7.6% in concession area sales (captive: +4.5% TUSD free customer: +17.2%)

- Decrease of 4.4% in commercialization/generation sales outside Group

- Tariff adjustments with a reduction of financial components and Parcel A items (average customer perception: -2.64%)

+ Increase of 47.7% in TUSD free customer (R\$ 99 million)

+ Decrease of 5.9% in the Energy Costs and Charges (R\$ 99 million)

+ Reduction in cost of Itaipu energy (R\$ 42 million) and reduction of amortization of ESS (R\$ 52 million)

+ End of Parcel A 2001 amortization (R\$ 61 million)

- Purchased energy for EPASA and Foz do Chapecó HPP (R\$ 52 million) and Reserve Energy Charge (R\$ 7 million)

- Increase of 14.0% in Operating Costs and Expenses (R\$ 43 million)²

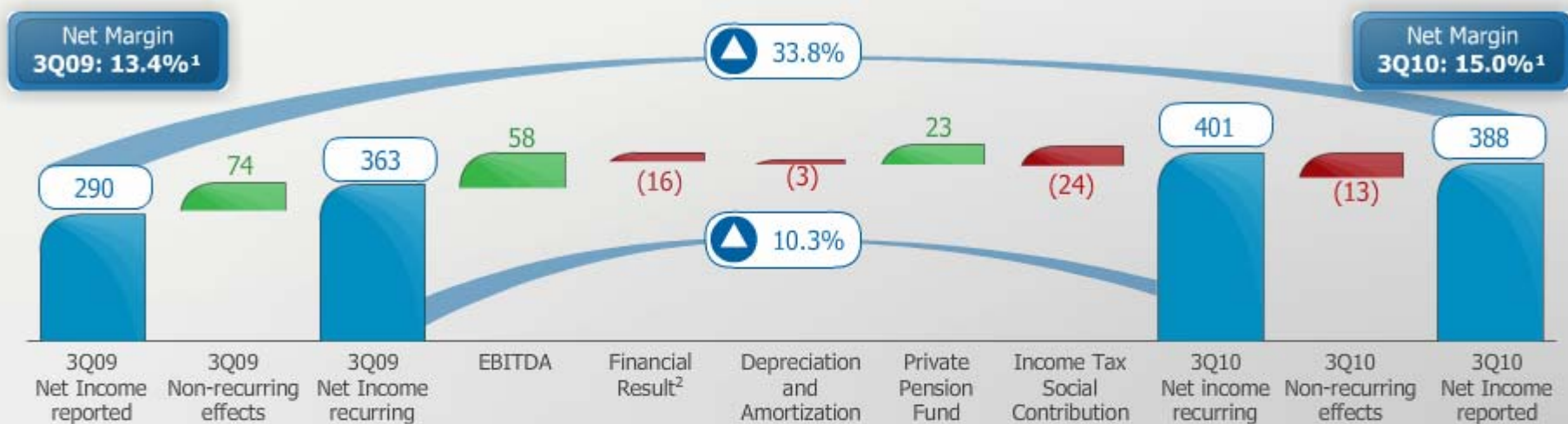
- Payroll expenses in 2010 (R\$ 7 million)

- Business expansion of CPFL Atende, CPFL Total and CPFL Serviços and non-recurring accounting adjustments in 3Q09 (R\$ 10 million)

- Maintenance and assets disposal (R\$ 9 million)

P/M/S/O
adjusted: **+7.8%**

Net Income – R\$ million



- ⊕ Increase of 7.5% of EBITDA (R\$ 58 million)
- ⊖ Decrease of 23.1% in Financial Income (R\$ 16 million)²
 - ⊕ Increase of 45.2% in Financial Revenues (R\$ 39 million), mainly due to increase in Revenue from Financial Investments (R\$ 25 million)
 - ⊖ Increase of 35.2% in Financial Expenses (R\$ 55 million), mainly due to increase of debt and financial indicators (R\$ 45 million)
- ⊖ Increase of 1.9% in Depreciation and Amortization (R\$ 3 million)
- ⊕ Private Pension Fund (R\$ 23 million)
- ⊖ Increase in Income Tax and Social Contribution (R\$ 24 million)

	3Q09	3Q10
Selic	2.19%	2.62%
R\$/US\$	-5.1%	-3.6%
IGP-DI	0.34%	2.21%
TJLP	6.0%	6.0%

▶ Commercialized energy in the 3rd Reserve Energy Auction (Aug, 10)

Biomass Source

Project: CPFL Bio Pedra
 Installed Capacity: 70 MW
 Assured Energy: 24.4 avg. MW
 Price: R\$ 145.48/MWh
 Commercial Start-up: 2Q12

Wind Source

Project: Campos dos Ventos II
 Installed Capacity: 30 MW
 Assured Energy: 14 avg. MW
 Price: R\$ 126.19/MWh
 Commercial Start-up: 3Q13

▶ Preliminary valuation of possible participants HPP's in the A-5 Auction on the 4Q10¹



#	HPP's Project	River	MW	State
1	Ribeiro Gonçalves	Parnaíba	113	MA/PI
2	Castelhano	Parnaíba	64	MA/PI
3	São Roque	Canoas	214	SC
4	Teles Pires	Teles Pires	1,820	PA / MT
5	Sinop	Teles Pires	461	MT

Total 2,672 MW

▶ Contracted Energy x Demand (avg. MW)



- Low deficit risk
- High volume of reserve energy will require new A-5 auctions (2010 and 2011)
- Expansion of supply will continue to be concentrated on renewable energy
- Uncertainties regarding the timing of the startup of fuel oil-burning thermal plants

Objective:

Establishment of the methodologies and general criteria for the 3rd Tariff Review Cycle of the Distribution Companies

Timetable

Public Hearing
Opening

Sep, 10, 2010

Presential
Session in the
ANEEL

Dec, 2, 2010

Deadline for
submission of
contributions

Dec, 10, 2010

Disclosure of Final
Methodology for
Third Tariff
Review Cycle

**Feb to Mar,
2011(e)**

▶ Operating Indicators – Consolidated DEC and FEC (excluding power outage effect in Nov, 09)

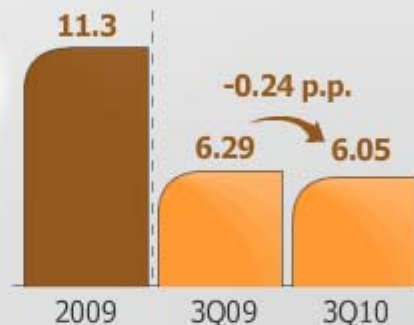
DEC¹

Brazil Average CPFL Energia



FEC²

Brazil Average CPFL Energia



▶ Actual Capex



▶ Automation of equipment installed in the distribution networks

Automated switches installed



Capex(e) (R\$ million)

40

61

Operation

Automated protection and maneuver switches, remotely controlled, installed along the distribution networks

Benefits

- Reduction of operating expenses (sending out of teams)
- Reduction of quantity and duration of interruptions
- Increase in the regulatory asset base (RAB)



1st Sugarcane-fired Thermoelectric Power Plant from CPFL

**Addition of 45 MW to CPFL
Installed Capacity**

R\$ 104 million invested

76% Debt / 24% Equity

**Capacity exported to
CPFL Brasil: 24 MW/harvest**

**400 direct and indirect jobs generated during
the project construction**

Generation – Foz do Chapecó HPP commercial startup in Oct, 14

Lower environmental impact:
10.7 MW of power per flooded km². Five times more
efficient than the national average.

The plant's dam, in the future, will be
used as a road connecting the states
of SC and RS.

CPFL Stake (51%)

**Addition of 436 MW and 236
MW/medium to CPFL's
Capacity Installed and
Assured Energy, respectively**

R\$ 1.3 billion invested

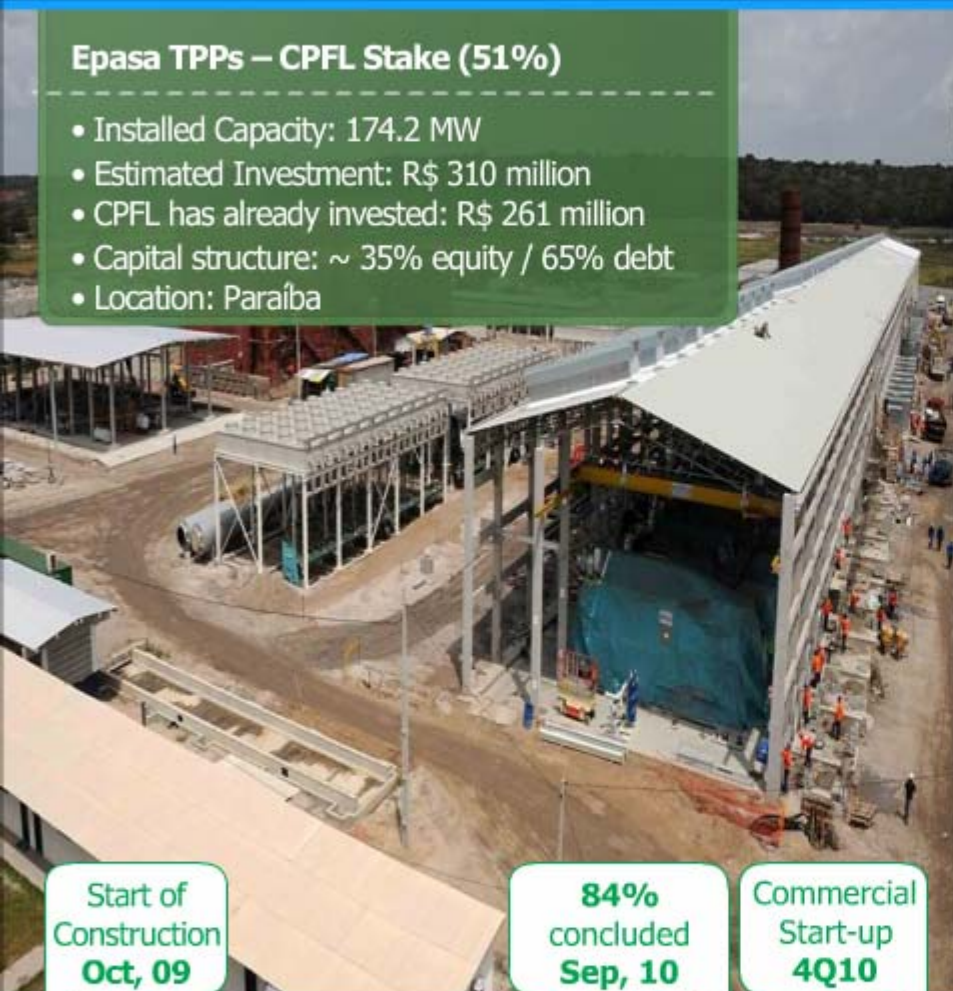
**CPFL Estimated Revenue: R\$
290 million/year**

It is the first Brazilian hydroelectric plant to
use an asphalt nucleus to seal its dam. The
technology is common in countries in Europe
and the United States.

Total installed capacity (855 MW)
corresponds 25% of all of the power
consumption of SC

Epasa TPPs – CPFL Stake (51%)

- Installed Capacity: 174.2 MW
- Estimated Investment: R\$ 310 million
- CPFL has already invested: R\$ 261 million
- Capital structure: ~ 35% equity / 65% debt
- Location: Paraíba



Start of
Construction
Oct, 09

84%
concluded
Sep, 10

Commercial
Start-up
4Q10

Sugarcane-fired Thermoelectric Power Plant



- Installed Capacity: 40 MW
- Capacity exported to CPFL Brasil: 25 MW/harvest
- Estimated Investment: R\$ 127 million
- CPFL has already invested: R\$ 50 million
- Location: Rio Grande do Norte

Monitoring of Installation

- Complete assembly of the metallic structure of the powerhouse
- Financing: approval in progress



Start of
Construction
mar/10

55%
concluded
set/10

Commercial
Start-up
3Q11

Annual fixed revenue around of R\$ 85 million

Santa Clara I, II, III, IV, V, VI and Eurus VI Wind Farms

- Installed Capacity: 188 MW
- Energy commercialized in the reserve auction (Dec, 09): 76 avg. MW
- Estimated Investment: R\$ 801 million
- CPFL has already invested: R\$ 97 million
- Location: Rio Grande do Norte

Monitoring of Installation

- Shared Transforme Substation: Transmission Network auction concluded

Start of Construction
Aug, 10

9% concluded
Sep, 10

Commercial
Start-up
3Q12

Start of
Construction
until 1Q12

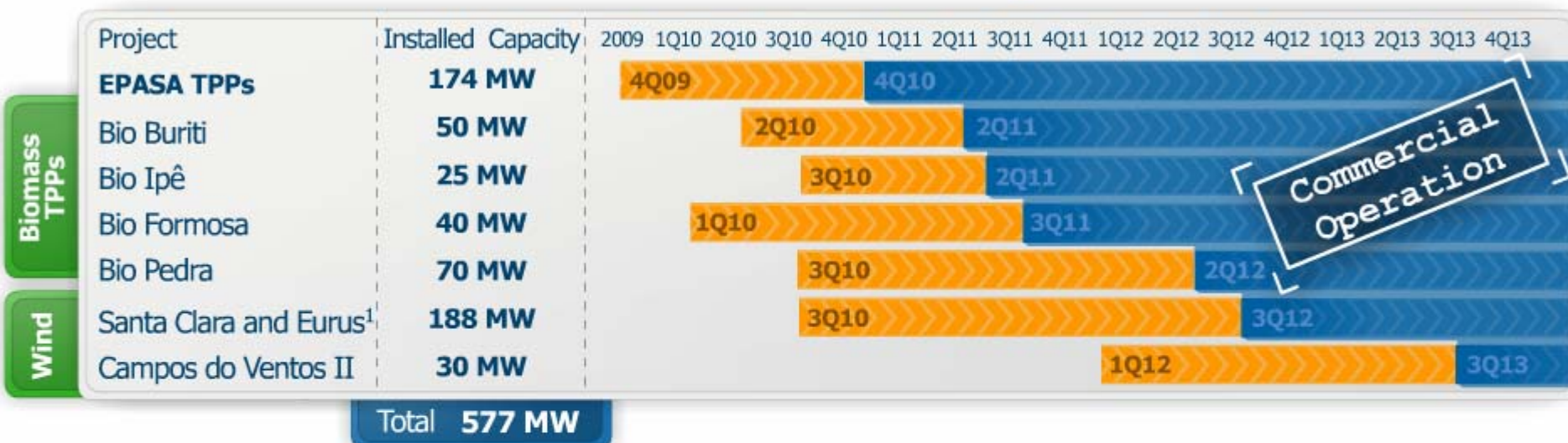
Commercial
Start-up
3Q13

Estimated Revenue: R\$ 100 million/year

Estimated Revenue: R\$ 16 million/year

► Project under construction

■ Under construction
 ■ Commercial operation



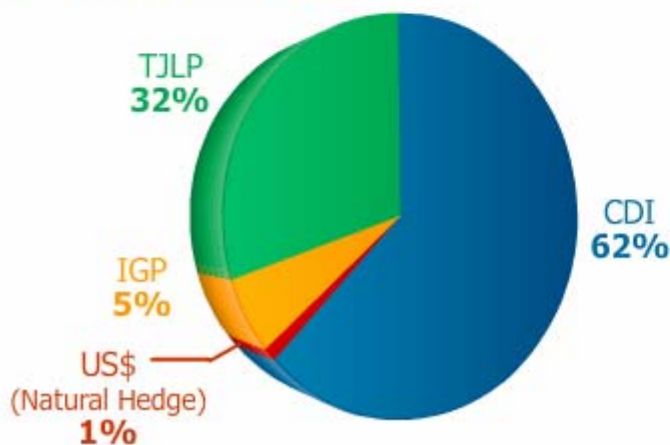
► Installed Capacity Evolution (MW)



▶ Adjusted Net Debt¹ / EBITDA² (R\$ billion)



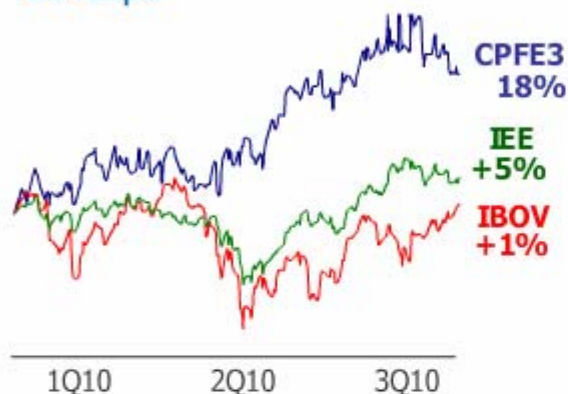
▶ Debt Breakdown



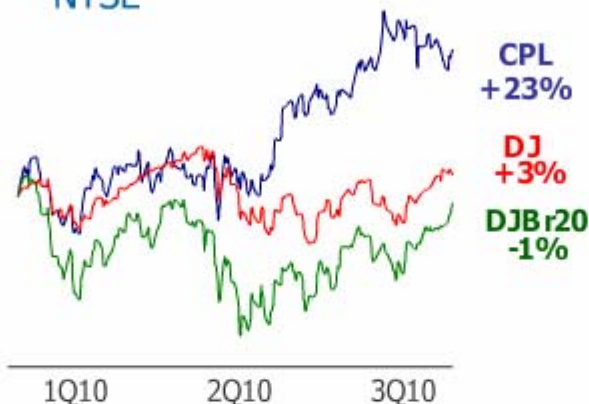
▶ CPFL's Credit Rating Upgrade



▶ Shares performance¹ - 9M10 Bovespa



▶ Shares performance¹ - 9M10 NYSE



▶ Daily average volume



▶ 2010 Latin American Executive Team

Institutional Investor

- Best IR Team – Buy Side and Sell Side
- Best CEO – Buy Side and Sell Side
- Best IRO – Sell Side

▶ The Best Companies for Shareholders in 2010 Rank | Capital Aberto Magazine



CPFL Energia - 3rd place
Market Cap above R\$ 15 billion
24 companies evaluated

PRÊMIO

ABRADEE Award 2010



- Best Electric Power Distributor in Brazil | RGE – 2010
- Best Electric Power Distributor in the South Region | RGE 2010
- Operational Management RGE – 2010
- Best Social Responsibility RGE – 2010
- Quality of management CPFL Piratininga – 2010



12th ABRASCA Award 2010 Edition

12^o PRÊMIO ABRASCA RELATÓRIO ANUAL

2009 CPFL Energia Annual Report was considered as the best of the year by ABRASCA

- First time for the company
- Designed as a Blog
- Allowed a permanent and constant dialogue with stakeholders



Guia Você SA/Exame Best Companies in which to Work 2010

- Leadership Highlight Prize in 2010
- 10th Place in the Best Companies in which to Work among the "Large Companies"
- Presence in the Guide since 1997



4th Intangible Brazil Award PIB 2010 | Consumidor Moderno Magazine

- Best Company in Intangible Assets in the Utilities sector
- Best in the Corporate Governance Intangible Asset
- Evaluation of the 1,000 largest companies in Brazil (Valor 1,000 – Valor Econômico)

3Q10 Results



Investor Relations

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