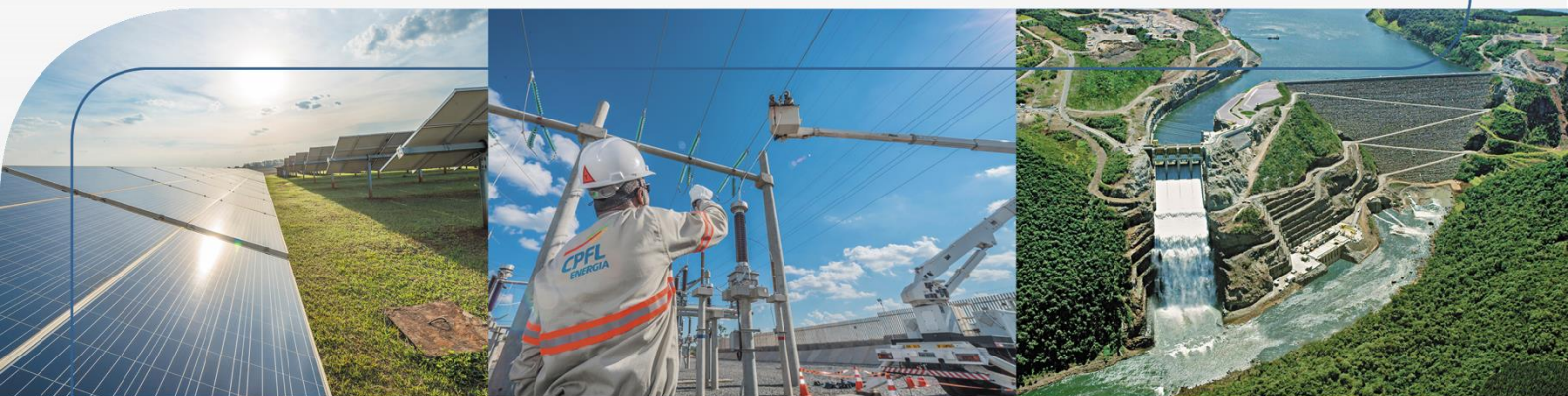


3Q20 CPFL Results



- ✓ Increase of **1.6%** in load in the concession area
- ✓ **EBITDA** of **R\$ 1,954 million**, increase of **20.8%**
- ✓ **Net Income** of **R\$ 1,352 million**, increase of **80.8%**
- ✓ Net Debt of **R\$ 13.3 billion** and leverage of **1.93x Net Debt/EBITDA**
- ✓ **Debts prepayment (CPFL Renováveis):** BNDES debts prepayment (R\$ 2 billion - trapped cash of R\$ 915 million), concluded in Aug-20
- ✓ Investments of **R\$ 770 million**, increase of **25.0%**
- ✓ **CPFL Piratininga tariff adjustment**, in Oct-20: **+9.82%** for the consumers and **+17.02%** in Parcel B
- ✓ Release of funds of **COVID Account** in 3Q20, in the amount of **R\$ 1,280 million**
- ✓ **CPFL Renováveis' integration plan through the Corporate Restructuring of the CPFL Group companies:** concluded on Sep 30th
- ✓ Release of our **2020-2024 Strategic Plan of Sustainability** in Oct-20
- ✓ **CPFL in Hospitals Program:** (i) energy efficiency: R\$ 50.5 million invested up to Sep-20; and (ii) 48 hospitals with concluded actions



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

Friday, November 13, 2020 – 11:00 a.m. (BRT), 09:00 a.m. (ET)

Zoom platform – link to access:

https://us02web.zoom.us/webinar/register/WN_LVyK8GbT4iWO4rF4yl6vg

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MESSAGE FROM THE CEO

We have reached the end of one more quarter. Since the onset of the pandemic, the CPFL Group has been focusing on preventive measures to preserve the health and safety of all its employees, while ensuring its financial health and maintaining the excellence of its services. In the 3rd quarter, we continued to take timely measures in this regard and reap the fruits of the efforts, commitment and resilience of each of our more than 13,000 employees.

As for the 3rd quarter results, I can assure you that the expectations we had when the pandemic broke out have been exceeded and we already see clear signs of recovery in economic activity. Electricity sales in the concession area of our Distributors totaled 16,023 GWh in 3Q20, an increase of 0.4% from 3Q19, mainly driven by the residential category, which grew 8.8%, thanks to the new home office arrangement on account of social distancing and higher temperatures this year. A recovery trend is also observed in industry and commerce, though consumption in 2020 declined in relation to 2019. In the Generation segment, wind power generation merits special mention, growing 11% in 3Q20 compared to 3Q19, as was the availability of our wind farms, which stood at 97%, up 2.2% from 3Q19.

Despite this challenging period, we continued to work on value-creation initiatives and on our investment plan, which in 3Q20 came to R\$770 million, 25.0% higher than in 2019.

I would like to mention the importance of the Environmental, Social and Corporate Governance (ESG) agenda for the CPFL Group. In early October, we announced our Strategic Sustainability Plan, sharing with local and international investors our 15 commitments guided by the UN Sustainable Development Goals (SDGs), based on three major pillars: Sustainable Energy, Smart Solutions and Society Shared Value.

On the social front, we continued with the CPFL in Hospitals program, investing R\$ 50.5 million in 2020 and benefiting 48 hospitals in our concession area. The goal is to cover 200 hospitals by the end of the program at an estimated total investment of R\$ 150 million.

Finally, I wish to state that CPFL Energia acted and continues to act in a timely manner to safeguard its employees and its operations during this pandemic period. But the time has come to think of the future and, although we remain focused on pandemic-related issues, we are seeking growth opportunities and remain highly confident about the recovery of the Brazilian economy in the post-pandemic period. To this end, I reaffirm our commitment to all our stakeholders and take this opportunity to reiterate that our business platform is sustained by our five pillars, which are now even stronger: operational efficiency, corporate governance, sustainability, financial discipline and synergistic growth. We are prepared to face the challenges and seize the opportunities that the future holds for us.

Gustavo Estrella
CEO, CPFL Energia

Indicators (R\$ Million)	3Q20	3Q19	Var.	9M20	9M19	Var.
Load in the Concession Area - GWh	16,703	16,434	1.6%	49,435	51,035	-3.1%
Sales within the Concession Area - GWh	16,023	15,963	0.4%	48,419	50,320	-3.8%
Captive Market	10,503	10,522	-0.2%	32,422	33,951	-4.5%
Free Client	5,520	5,441	1.5%	15,997	16,369	-2.3%
Gross Operating Revenue	11,317	11,665	-3.0%	32,042	33,257	-3.7%
Net Operating Revenue	7,781	7,746	0.4%	21,625	21,910	-1.3%
EBITDA ⁽¹⁾	1,954	1,618	20.8%	4,858	4,654	4.4%
Distribution	1,072	846	26.7%	2,831	2,699	4.9%
Conventional generation	349	338	3.2%	999	976	2.4%
Renewable generation	485	384	26.3%	910	827	10.1%
Commercialization, Services & Others	49	50	-3.0%	118	152	-22.4%
Net Income	1,352	748	80.8%	2,718	1,892	43.7%
Net Debt ⁽²⁾	13,303	16,849	-21.0%	13,303	16,849	-21.0%
Net Debt / EBITDA ⁽²⁾	1.93x	2.68x	18.7%	1.93x	2.68x	18.7%
Investments ⁽³⁾	770	616	25.0%	1,928	1,582	21.9%

Notes:

- (1) EBITDA is calculated from the sum of net income, taxes, financial result, depreciation/amortization, as CVM Instruction no. 527/12. See the calculation in item 3.1 of this report;
- (2) In covenants criteria, which considers CPFL Energia stake in each project;
- (3) Does not include special obligations.

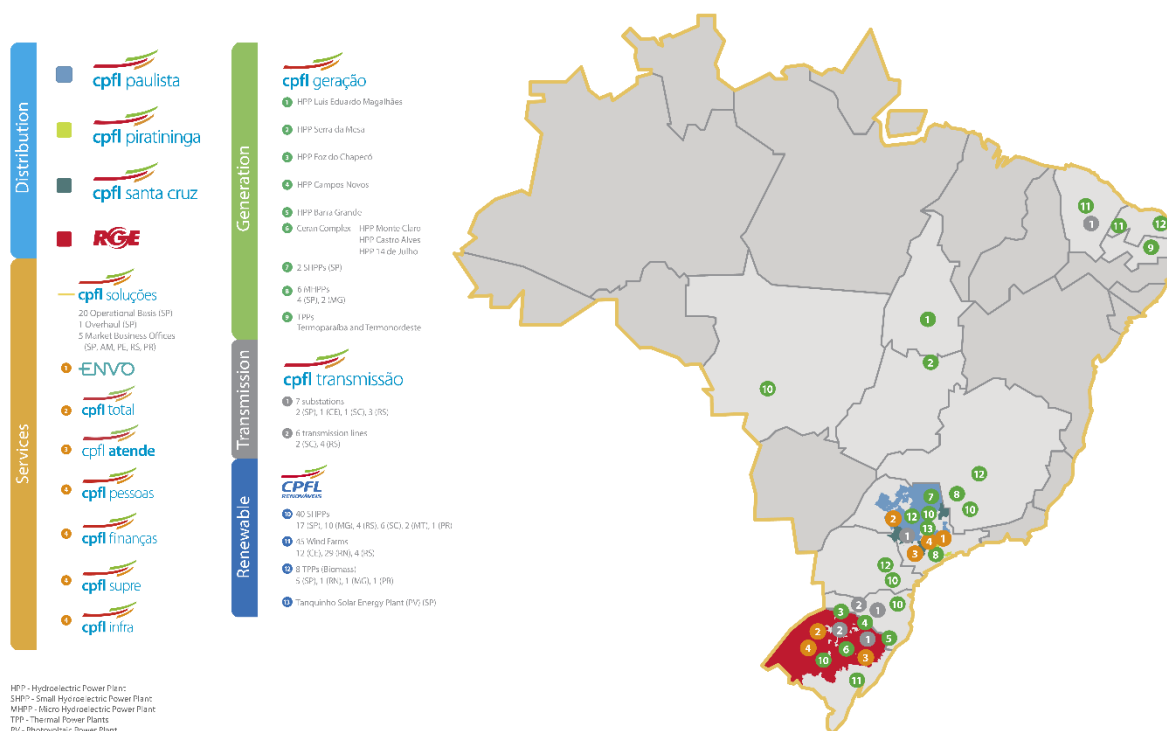
CONTENTS

1) COMPANY PROFILE AND CORPORATE STRUCTURE	4
2) OPERATIONAL PERFORMANCE	6
2.1) Distribution	6
2.1.1) Load net of losses in the concession area	6
2.1.2) Sales within the Distributors' Concession Area.....	6
2.1.3) Losses.....	8
2.1.4) SAIDI and SAIFI	9
2.1.5) Delinquency.....	10
2.2) Conventional and Renewable Generation	11
2.2.1) Installed Capacity.....	11
2.2.2) Operational and under construction Projects.....	11
2.3) Commercialization.....	12
2.4) Transmission	13
3) CPFL ENERGIA ECONOMIC-FINANCIAL PERFORMANCE.....	13
3.1) Economic-Financial Performance	13
3.2) Indebtedness	21
3.2.1) Debt (IFRS)	21
3.2.2) Debt in Financial Covenants Criteria.....	24
3.3) Investments	25
3.3.1) Actual Investments.....	25
3.3.2) Investment Forecast.....	26
4) STOCK MARKETS.....	26
4.1) Stock Performance.....	26
4.2) Daily Average Volume	27
5) PERFORMANCE OF BUSINESS SEGMENTS.....	27
5.1) Distribution Segment.....	27
5.1.1) Economic-Financial Performance.....	27
5.1.2) Tariff Events	36
5.2) Commercialization and Services Segments	37
5.3) Conventional Generation Segment.....	37
5.4) CPFL Renováveis.....	43
6) ATTACHMENTS.....	47
6.1) Balance Sheet - Assets – CPFL Energia	47
6.2) Balance Sheet - Liabilities – CPFL Energia.....	48
6.3) Income Statement – CPFL Energia.....	49
6.4) Income Statement by business segment	50
6.5) Cash Flow – CPFL Energia.....	51
6.6) Income Statement – Conventional Generation Segment	52
6.7) Income Statement – CPFL Renováveis	53
6.8) Income Statement – Distribution Segment	54
6.9) Economic-Financial performance by Distributor.....	55
6.10) Sales within the Concession Area by Distributor	56
6.11) Sales to the Captive Market by Distributor	57
6.12) Information on Interest in Companies	58
6.13) Reconciliation of Net Debt/EBITDA Pro Forma ratio of CPFL Energia for purposes of financial covenants calculation	60

1) COMPANY PROFILE AND CORPORATE STRUCTURE

Company Operation

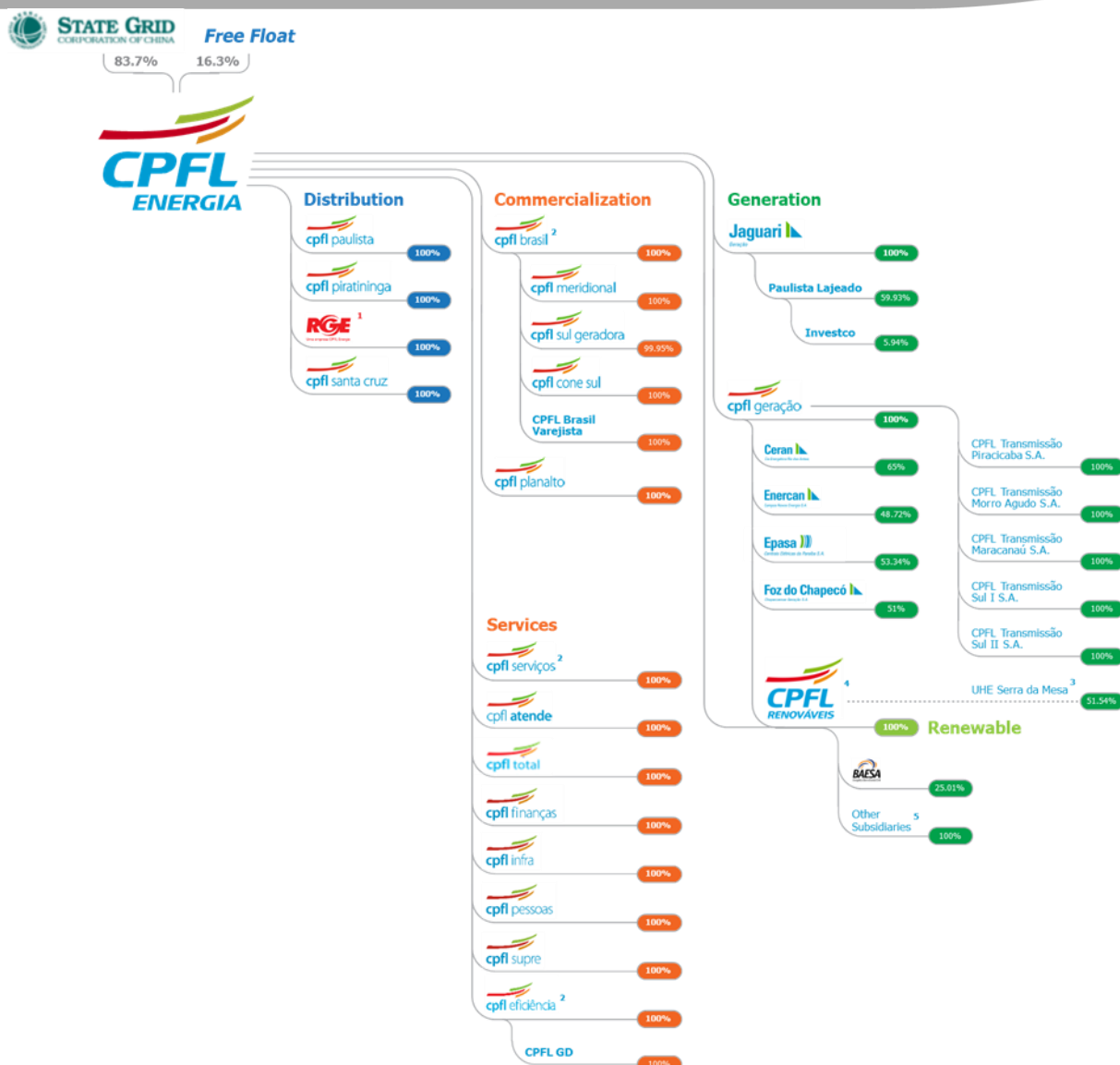
CPFL Energia operates in the Generation, Transmission, Distribution, Commercialization and Services segments, with presence in 11 states in all regions of the country.



CPFL is the second largest distributor in volume of energy sales, with 14% of the national market, serving approximately 9.9 million customers in 687 municipalities. With 4,305 MW of installed capacity, it is the third largest private generator in the country, being the leader in renewable generation, operating in hydroelectric, solar, wind and biomass sources. It also has investments in Transmission and a national operation through CPFL Soluções, providing integrated solutions in energy management and commercialization, energy efficiency, distributed generation, energy infrastructure and consulting services.

Shareholders Structure

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



Reference date: 09/30/2020

Notes:

- (1) RGE is held by CPFL Energia (89.0107%) and CPFL Brasil (10.9893%).
- (2) CPFL Soluções = CPFL Brasil + CPFL Serviços + CPFL Eficiência;
- (3) 51.54% stake of the availability of power and energy of Serra da Mesa HPP
- (4) CPFL Renováveis is controlled by CPFL Energia (49.1502%) and CPFL Geração (50.8498%);
- (5) Includes the assets of the former CPFL Centrais Geradoras and other subsidiaries and affiliates.

Corporate Governance

The corporate governance model adopted by CPFL Energia and its subsidiaries is based on the principles of transparency, equity, accountability and corporate responsibility.

CPFL's Management is composed by the Board of Directors, its decision-making authority, and the Board of Executive Officers, its executive body. CPFL also has five advisory committees to the Board of Directors, which support the Board in its decisions and monitor relevant and strategic themes, and a permanent Fiscal Council, composed of three members, that also exercises the duties of Audit Committee, in line with Sarbanes-Oxley Law (SOX), applicable to foreign companies with registration in Securities and Exchange Commission (SEC) from the United States.

The guidelines and documents on corporate governance are available at the Investor Relations website <http://www.cpfl.com.br/ir>.

Dividend Policy

On May 21, 2019, CPFL Energia announced to its shareholders and to the market that its Board of Directors approved, at the meeting held on that date, the adoption of a dividend distribution policy, which determines that the Company should distribute annually, as dividends, at least 50% of the adjusted net income, in accordance with the Brazilian Corporate Law. Furthermore, the Dividend Policy sets out the factors that will influence the amount of the distributions, as well as other issues considered relevant by the Board of Directors and the shareholders. The Dividend Policy also highlights that certain obligations contained in the Company's financial contracts may limit the amount of dividends and/or interest on own capital that may be distributed.

The approved Dividend Policy is merely indicative, with the purpose of signaling to the market the treatment that the Company intends to give to the distribution of dividends to its shareholders, having, therefore, a programmatic character, not binding upon the Company or its governing bodies.

The Dividend Policy is available at the Investor Relations website <http://www.cpfl.com.br/ir>.

2) OPERATIONAL PERFORMANCE

2.1) Distribution

2.1.1) Load net of losses in the concession area

Load in the Concession Area - GWh						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Captive Market	10,660	10,708	-0.4%	32,585	33,956	-4.0%
Free Client	6,042	5,726	5.5%	16,849	17,079	-1.3%
Total	16,703	16,434	1.6%	49,435	51,035	-3.1%

Note: If disregarding the migration of large consumers, the load within the concession area would have a variation of +2.3% in the quarter and -2.6% in YTD.

In 3Q20, the load net of losses in the concession area totaled 16,703 GWh, an increase of 1.6%. In 9M20, the load totaled 49,435 GWh, a reduction of 3.1% compared to 9M19.

2.1.2) Sales within the Distributors' Concession Area

Sales within the Concession Area - GWh						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Captive Market	10,503	10,522	-0.2%	32,422	33,951	-4.5%
Free Client	5,520	5,441	1.5%	15,997	16,369	-2.3%
Total	16,023	15,963	0.4%	48,419	50,320	-3.8%

In 3Q20, sales in the concession area totaled 16,023 GWh, an increase of 0.4%. If we disregard the migration of large consumers to the Basic Network and the significant reduction in the amount of energy contracted by two permissionaires¹, sales in the concession area in 3Q20 would have a variation of +1.2%.

Sales to the captive market totaled 10,503 GWh in 3Q20, a decrease of 0.2%. The amount of energy, in GWh, corresponding to the consumption of free customers in the concession area of the group's distributors, billed through the Tariff for the Use of the Distribution System (TUSD), reached 5,520 GWh in 3Q20, an increase of 1.5%.

In 9M20, sales in the concession area reached 48,419 GWh, a reduction of 3.8%. Sales to the captive market totaled 32,422 GWh, a reduction of 4.5%, and free customers consumption totaled 15,997 GWh, a reduction of 2.3%. If we disregard the migration of large consumers to the Basic Network and the significant reduction in the amount of energy contracted by two permissionaires, sales in the concession area in 9M20 would have a variation of -2.9%.

Sales within the Concession Area - GWh								
	3Q20	3Q19	Var.	Part.	9M20	9M19	Var.	Part.
Residential	5,041	4,632	8.8%	31.5%	15,334	15,037	2.0%	31.7%
Industrial	5,930	6,114	-3.0%	37.0%	16,921	18,292	-7.5%	34.9%
Commercial	2,304	2,505	-8.0%	14.4%	7,594	8,391	-9.5%	15.7%
Others	2,748	2,712	1.3%	17.2%	8,569	8,600	-0.4%	17.7%
Total	16,023	15,963	0.4%	100.0%	48,419	50,320	-3.8%	100.0%

Note: The tables with sales within the concession area by distributor are attached to this report in item 6.10.

Concession area in 3Q20:

- **Residential Segment (31.5% of total sales):** increase of 8.8%, favored by changes in habit due to the social isolation imposed by the COVID-19 pandemic, by the temperature, that positively impacted this segment (higher temperatures in 3Q20, compared to 3Q19), in addition to the billing calendar effect;
- **Industrial Segment (37.0% of total sales):** decrease of 3.0%, reflecting the economic slowdown, but already showing signs of recovery. Disregarding the migration of large customers to the Basic Network, the industrial segment would have reduced 1.3%;
- **Commercial Segment (14.4% of total sales):** decrease of 8.0%, mainly reflecting the social isolation and the economic slowdown, due to the COVID-19 pandemic, partially offset by the effects of temperature and billing calendar.

Concession area in 9M20:

- **Residential Segment (31.7% of total sales):** increase of 2.0%, reflecting the positive impact of changes in habit due to the social isolation imposed by the COVID-19 pandemic, partially offset by lower temperatures in the 1S20;
- **Industrial Segment (34.9% of total sales):** decrease of 7.5%, reflecting the weak performance of the economy and the migration of large customers to the Basic Network;
- **Commercial Segment (15.7% of total sales):** decrease of 9.5%, reflecting the social isolation and the consequent economic slowdown in 2Q20 and 3Q20, in addition to the lower temperature.

Sales to the Captive Market - GWh						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Residential	5,041	4,632	8.8%	15,334	15,037	2.0%
Industrial	1,164	1,388	-16.1%	3,347	4,214	-20.6%
Commercial	1,693	1,901	-11.0%	5,586	6,406	-12.8%
Others	2,604	2,601	0.1%	8,155	8,294	-1.7%
Total	10,503	10,522	-0.2%	32,422	33,951	-4.5%

Note: The tables with sales within the captive market by distributor are attached to this report in item 6.11.

Free Client - GWh						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Industrial	4,766	4,726	0.8%	13,575	14,078	-3.6%
Commercial	611	604	1.2%	2,008	1,985	1.2%
Others	144	111	29.5%	414	307	34.9%
Total	5,520	5,441	1.5%	15,997	16,369	-2.3%

Free Client by Distributor - GWh						
	3Q20	3Q19	Var.	9M20	9M19	Var.
CPFL Paulista	2,487	2,512	-1.0%	7,282	7,626	-4.5%
CPFL Piratininga	1,557	1,479	5.3%	4,575	4,507	1.5%
RGE	1,256	1,272	-1.3%	3,550	3,704	-4.2%
CPFL Santa Cruz	221	178	24.2%	590	532	10.9%
Total	5,520	5,441	1.5%	15,997	16,369	-2.3%

2.1.3) Losses

The consolidated losses index of CPFL Energia was of 9.06% in the 12 months ended in Sep-20, compared to 9.31% in Sep-19, a decrease of 0.25 p.p. However, disregarding the effect of the billing calendar in both years, there was an increase of 0.15 p.p. (from 9.05% in 3Q19 to 9.20% in 3Q20), indicating a possible reaction to the resumption and intensification of power cuts as of August 20.

12M Accumulated Losses ¹						
	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	ANEEL
CPFL Energia	9.31%	8.89%	9.14%	9.09%	9.06%	8.20%
CPFL Paulista	9.63%	9.12%	9.30%	9.39%	9.24%	8.38%
CPFL Piratininga	7.99%	7.59%	7.58%	7.60%	7.65%	6.53%
RGE	9.86%	9.62%	10.08%	9.79%	9.87%	9.18%
CPFL Santa Cruz	8.34%	7.69%	8.45%	8.01%	8.34%	7.57%

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

The CPFL group has intensified the actions against non-technical losses and the main achievements in the 9M20 were:

- Energy recovery of 479.2 GWh, of which 344.3 GWh related to the increase in revenue and 134.9 GWh of retroactive energy;
- 494.6 thousand fraud inspections;
- 154.5 thousand cuts of inactivated consumer units;

- iv. Telemetry installation with inspection and meter replacement for 5.3 thousand group A customers;
- v. Implementation of armored measuring boxes for 7.8 thousand customers;
- vi. Regularization of 1.6 clandestine consumers;
- vii. Replacement of obsolete/defective meters by new electronic meters;
- viii. More than 1,100 police reports relating to energy fraud identified by CPFL's operational teams;
- ix. More than 200 investigative actions with the police, culminating in leading people to the police station for prison or indictments for energy theft;
- x. Disclosure of the balance of energy fraud and theft in the media, intensifying communication that energy theft is a crime and subject to penalties. In the 9M20, we recorded 263 articles about the subject coming from CPFL group.

2.1.4) SAIDI and SAIFI

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

SAIDI Indicators										
Distributor	SAIDI (hours)									ANEEL ¹
	2016	2017	2018	2019	3Q19	1Q20	2Q20	3Q20	Var. %	
CPFL Energia	10.18	9.06	9.01	8.14	9.03	8.14	7.90	7.72	-14.5%	n.d
CPFL Paulista	7.62	7.14	6.17	6.72	6.84	6.39	6.37	6.22	-9.1%	7.38
CPFL Piratininga	8.44	6.97	5.92	6.48	6.55	5.92	5.85	5.67	-13.4%	6.41
RGE ²	16.82	14.83	14.44	14.01	14.33	12.68	11.99	11.76	-17.9%	11.08
CPFL Santa Cruz	8.47	6.22	6.01	5.56	6.36	4.97	4.77	4.53	-28.8%	8.46

SAIFI Indicators										
Distributor	SAIFI (interruptions)									
	2016	2017	2018	2019	3Q19	1Q20	2Q20	3Q20	Var. %	ANEEL ¹
CPFL Energia	5.85	5.37	4.87	4.64	5.05	4.64	4.59	4.44	-12.1%	n.d
CPFL Paulista	5.00	4.94	4.03	4.38	4.42	4.15	4.14	3.97	-10.2%	6.32
CPFL Piratininga	3.97	4.45	3.87	4.34	4.35	3.93	4.02	4.04	-7.1%	5.68
RGE ²	8.44	7.68	6.10	6.25	6.48	5.93	5.77	5.54	-14.5%	8.35
CPFL Santa Cruz	6.25	5.13	5.09	4.25	4.79	3.85	3.67	3.51	-26.7%	7.64

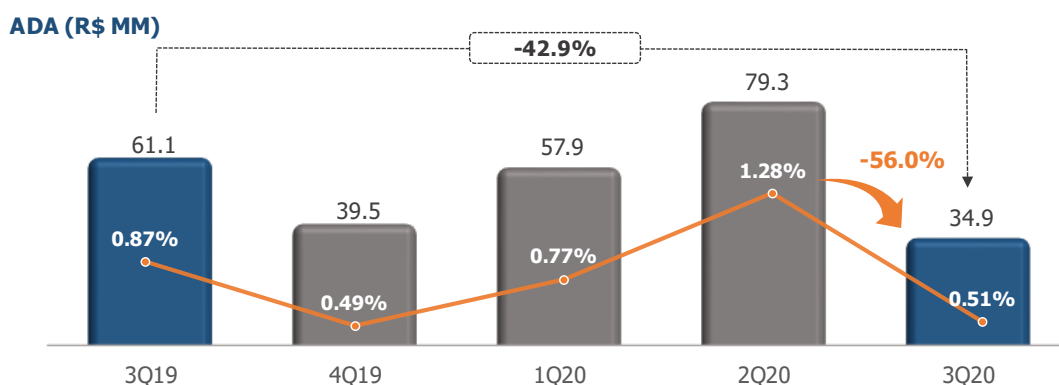
Notes:

1) ANEEL limit;

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

The annualized figures of SAIDI and SAIFI in 3Q20 were lower than in the same period in 2019 (-14.5% in SAIDI and -12.1% in SAIFI) for the consolidated of the distributors. These results reflect maintenance actions and investments for improvements in the CPFL Energia group's distributors. Furthermore, the concession areas had a lower number of occurrences and bad weather situations, if compared to 2019.

2.1.5) Delinquency



The ADA registered a decrease of 42.9% (R\$ 26.2 million) in 3Q20, if compared to 3Q19. In comparison to 2Q20, there was a decrease of 56.0% (R\$ 44.4 million).

In order to combat the advance in the level of delinquency intensified by the economic situation during the COVID pandemic, in a context where the main combat tool (power cut) was suspended, CPFL intensified other collection actions, highlighting:

- i. Implementation of new payment options on the web with credit card, with 134,000 payments, totaling R\$ 47.1 million;
- ii. Implementation of installment with credit card, offering greater convenience to the customer and mitigation the risk of delinquency for the company. In line with CPFL's digitalization strategy, this modality of payment represented, until Sep-20, 45,000 installments made through digital channels, totaling R\$26.7 million;
- iii. Reallocation of power cut teams to collection actions;
- iv. Differentiated negotiation plan for Group A customers of essential services and with greater impact of the crisis in the short term, totaling R\$ 14.5 million in 3Q20, mainly in RGE and CPFL Piratininga;
- v. Implementation of a "delivery" payment, actions using on-site collection, where the field teams assumed the role of collecting agents, taking the debit card machine to the customer's residence.

These actions, which were implemented from Apr-20 to Sep-20, contributed to the reduction of delinquency in 3Q20.

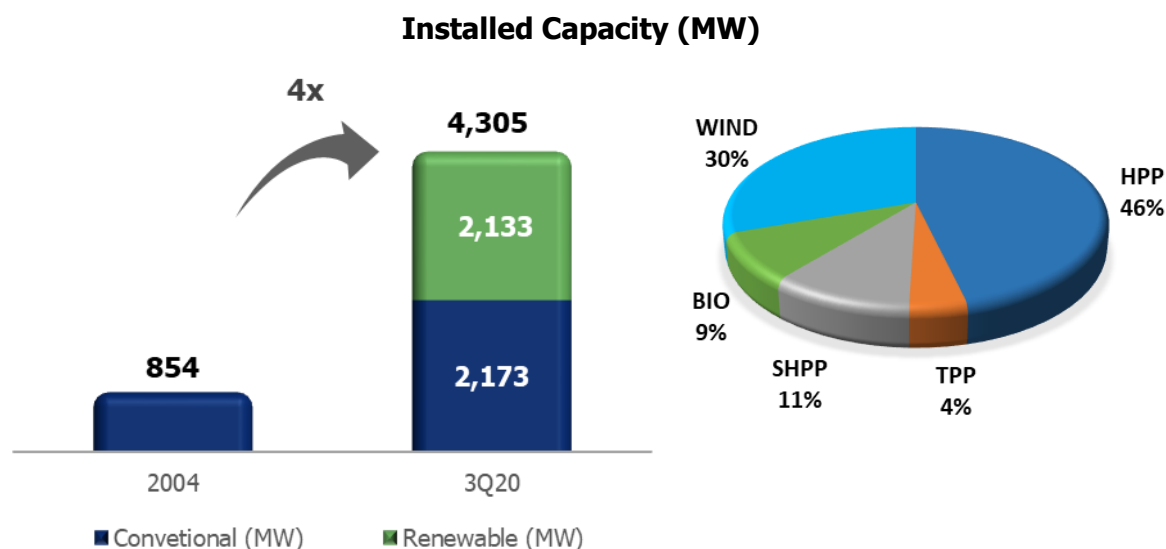
In addition, after the end of the period of prohibition of power cuts by Resolution 878 that was in force until the end of July 2020, CPFL carried out 389,000 suspensions in energy supply due to non-payment, representing an increase of 172.0% over 2Q20 (143,000), prioritizing the overdue bills with higher values. It is worth highlighting that in September, 287,000 cuts were made, a historical record for the Company.

2.2) Conventional and Renewable Generation

2.2.1) Installed Capacity

In 3Q20, the Generation installed capacity of CPFL Energia group, considering the proportional stake in each project, is of 4,305 MW.

Since the IPO in 2004, CPFL Energia has been expanding its portfolio and today has a capacity 4 times higher.



Note: Source breakdown graphic does not consider 1 MW of Solar Generation of Tanquinho Plant.

2.2.2) Operational and under construction Projects

The project portfolio of conventional generation segment (considering CPFL Energia's participation in each project) totals 2,173 MW of installed capacity in operation. The plants in operation comprise 8 HPPs (1,966 MW), 2 TPPs (182 MW) and 9 SHPPs (24 MW).

Conventional Generation - Portfolio				
In MW	HPP	TPP	SHPP	Total
In Operation	1,966	182	24	2,173

CPFL Renováveis' project portfolio totals 2,133 MW of installed capacity in operation and 110 MW of capacity under construction. The plants in operation comprise 40 SHPPs (453 MW), 45 wind farms (1,309 MW), 8 biomass thermoelectric plants (370 MW) e 1 solar plant (1 MW). Still under construction 1 SHPP (28 MW) and 4 wind farms (82 MW).

Additionally, we have wind, solar and SHPP projects under development totaling 3,350 MW.

The table below illustrates the overall portfolio of assets in operation, construction and development, and their installed capacity:

Renewable Generation - Portfolio					
In MW	SHPP	Bio	Wind	Solar	Total
In Operation	453	370	1,309	1	2,133
In Construction	28	-	82	-	110
In Development	116	-	2,094	1,140	3,350
Total	597	370	3,484	1,141	5,593

SHPP Lucia Cherobim

SHPP Lucia Cherobim, a project located in the state of Paraná, is scheduled to start operating in 2024. In September 2020, the physical progress of the project was 10.8%. Installed capacity is 28.0 MW and physical guarantee is 16.6 average MW. The energy was sold under a long-term contract at the 2018 new energy auction (A-6). (Price: R\$ 202.54/MWh - September 2020).

Gameleira Complex Wind Farms

The Gameleira Complex Wind Farms (Costa das Dunas, Figueira Branca, Farol de Touros and Gameleira), located in the state of Rio Grande do Norte, is scheduled to start operating in 2024. In September 2020, the physical progress of the project was 28.1%. The installed capacity is 81.7 MW and the physical guarantee is 41.0 average MW. Part of the energy (12.0 average MW) was sold under a long-term contract at the 2018 new energy auction (A-6). (Price: R\$ 95.84/MWh – September 2020) and the rest was sold on the free market.

Corporate restructuring

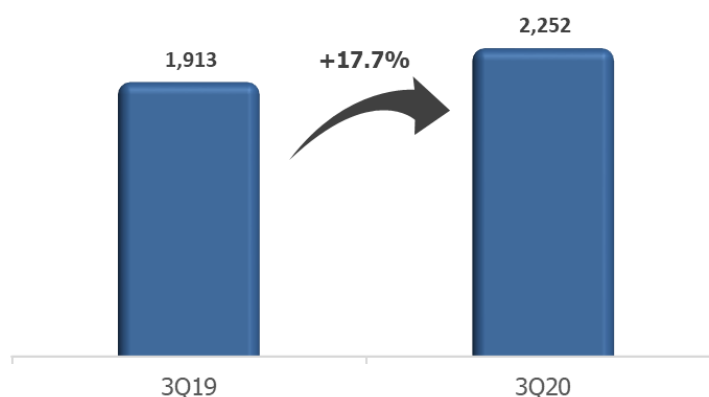
On September 30, the second stage of the CPFL Renováveis integration plan was completed through the Corporate Restructuring of the CPFL Group's generation companies. The new structure strengthens the administrative structures and brings synergies to the Group, which now has a single Generation segment with all its projects.

2.3) Commercialization

Number of Commercialization Consumer Units

In 3Q20, CPFL Brasil consumer units reached a total of 2,252, an increase of 17.7%.

CPFL Brasil Consumer Units



2.4) Transmission

Operational Portfolio						
Project	Location	RAP (R\$ MM)	Capex (R\$ MM)	Operation Start	Substation #	Lines (Km)
Piracicaba	SP	8.9	100	Apr/16	1	6.5
Morro Agudo	SP	10.8	100	Jun/17	1	1

In Construction Portfolio						
Project	Location	RAP (R\$ MM)	Estimated Capex by Aneel (R\$ MM)	Operation Start	Substation #	Lines (Km)
Maracanaú	CE	7.9	102	Mar/22	1	2
Sul I	SC	26.4	366	Mar/24	1	320
Sul II	RS	33.9	349	Mar/24	3	85

Notes: Base Date - Piracicaba (12/19/12) – Morro Agudo (06/01/14) – Maracanaú (06/28/18) – Sul I and II (12/20/18).

3) CPFL ENERGIA ECONOMIC-FINANCIAL PERFORMANCE

3.1) Economic-Financial Performance

Consolidated Income Statement - CPFL ENERGIA (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Gross Operating Revenue	11,317	11,665	-3.0%	32,042	33,257	-3.7%
Net Operating Revenue	7,781	7,746	0.4%	21,625	21,910	-1.3%
Revenue from building the infrastructure	690	562	22.9%	1,790	1,488	20.2%
Net Operating Revenue (ex-rev. from infrastructure)	7,091	7,185	-1.3%	19,835	20,422	-2.9%
Cost of Electric Power	(4,468)	(4,779)	-6.5%	(12,832)	(13,532)	-5.2%
Contribution Margin	2,623	2,405	9.0%	7,003	6,890	1.6%
PMSO	(727)	(841)	-13.6%	(2,288)	(2,410)	-5.0%
Other Operating Costs & Expenses	(1,109)	(1,008)	10.1%	(3,153)	(2,803)	12.5%
Equity Income	96	82	16.7%	266	258	3.3%
EBITDA¹	1,954	1,618	20.8%	4,858	4,654	4.4%
Financial Income (Expense)	(192)	(132)	45.1%	(143)	(564)	-74.6%
Income Before Taxes	1,380	1,068	29.3%	3,474	2,859	21.5%
Net Income	1,352	748	80.8%	2,718	1,892	43.7%

Note: (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization, according to CVM Instruction no. 527/12.

CPFL Energia - Key financial indicators by business segment (R\$ million)						
	Distribution	Conventional Generation	Renewable Generation	Others	Eliminations	Consolidated
3Q20						
Contribution margin	1,735	273	576	208	(170)	2,623
EBITDA ¹	1,072	349	485	49	-	1,954
Financial results	(75)	(13)	(105)	1	-	(192)
Net Income	571	273	538	(30)	-	1,352
3Q19						
Contribution margin	1,574	281	493	186	(127)	2,405
EBITDA ¹	846	338	384	50	-	1,618
Financial results	(43)	(43)	(93)	47	-	(132)
Net Income	375	232	124	17	-	748
Variation (%)						
Contribution margin	10.3%	-2.5%	16.9%	12.2%	33.2%	9.0%
EBITDA ¹	26.7%	3.2%	26.3%	-3.0%	-	20.8%
Financial results	74.3%	-69.6%	13.7%	-97.4%	-	45.1%
Net Income	52.4%	17.4%	333.9%	-	-	80.8%

CPFL Energia - Key financial indicators by business segment (R\$ million)						
	Distribution	Conventional Generation	Renewable Generation	Others	Eliminations	Consolidated
9M20						
Contribution Margin	4,886	802	1,180	576	(440)	7,003
EBITDA ¹	2,831	999	910	118	-	4,858
Financial results	150	(58)	(257)	22	-	(143)
Net Income	1,568	697	465	(13)	-	2,718
9M19						
Contribution Margin	4,807	789	1,119	561	(386)	6,890
EBITDA ¹	2,699	976	827	152	-	4,654
Financial results	(174)	(126)	(316)	52	-	(564)
Net Income	1,227	624	(8)	48	-	1,892
Variation (%)						
Contribution Margin	1.6%	1.6%	5.5%	2.5%	14.0%	1.6%
EBITDA ¹	4.9%	2.4%	10.1%	-22.4%	-	4.4%
Financial results	-	-54.2%	-18.4%	-57.8%	-	-74.6%
Net Income	27.8%	11.6%	-	-	-	43.7%

Notes: (1) The analysis by business segment is presented in chapter 5; (2) The breakdown of economic-financial performance by business segment is presented in annex 6.4.

Non-cash effects, extraordinary items and others

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

EBITDA effects - R\$ million	3Q20	3Q19	Var.	9M20	9M19	Var.
Adjustments in the concession financial assets (VNR)	80	22	268.7%	157	194	-19.2%
CPFL Piratininga - Tariff review effects (RAB appraisal report)	-	42	-	-	42	-
Legal and judicial expenses	(44)	(55)	-20.9%	(107)	(126)	-14.9%
Assets write-off	(27)	(48)	-43.8%	(78)	(102)	-23.9%
Other extraordinary items:						
CPFL Santa Cruz - PIS/Cofins over ICMS	-	-	-	-	34	-

Financial results effects - R\$ million	3Q20	3Q19	Var.	9M20	9M19	Var.
Mark-to-market (MTM)	(61)	6	-	209	11	1796.0%
Financial revenues due to Re-IPO resources	-	56	-	-	62	-

Operating Revenue

In 3Q20, gross operating revenue reached R\$ 11,317 million, representing a reduction of 3.0% (R\$ 348 million). Net operating revenue reached R\$ 7,781 million in 3Q20, registering an increase of 0.4% (R\$ 35 million).

In 9M20, gross operating revenue reached R\$ 32,042 million, representing a reduction of 3.7% (R\$ 1,215 million). Net operating revenue reached R\$ 21,625 million in 9M20, registering a reduction of 1.3% (R\$ 285 million).

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

Net Operating Revenue (R\$ Milhões)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Distribution	6,286	6,134	2.5%	17,783	17,837	-0.3%
Conventional Generation	346	324	6.8%	968	891	8.7%
Renewable Generation	670	599	11.9%	1,384	1,345	2.9%
Commercialization	758	969	-21.8%	2,186	2,542	-14.0%
Services	190	147	29.6%	517	451	14.7%
Elimination and Others	(470)	(426)	10.1%	(1,212)	(1,155)	5.0%
Total	7,781	7,746	0.4%	21,625	21,910	-1.3%

For further details about the revenue variation by segment, see chapter 5 – Performance of Business Segments.

Cost of Electric Energy

Cost of Electric Energy (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Cost of Electric Power Purchased for Resale						
Energy from Itaipu Binacional	1,010	752	34.3%	2,939	2,102	39.8%
PROINFA	76	99	-23.2%	220	303	-27.3%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	2,843	3,711	-23.4%	8,729	10,387	-16.0%
PIS and COFINS Tax Credit	(346)	(412)	-16.0%	(1,056)	(1,083)	-2.4%
Total	3,583	4,150	-13.7%	10,832	11,709	-7.5%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	722	544	32.7%	1,788	1,530	16.8%
Itaipu Transmission Charges	91	74	22.8%	234	211	11.2%
Connection Charges	48	40	18.1%	130	134	-2.9%
Charges for the Use of the Distribution System	12	11	1.3%	33	36	-8.2%
ESS / EER	102	22	354.5%	15	94	-83.6%
PIS and COFINS Tax Credit	(89)	(63)	41.2%	(200)	(182)	9.7%
Total	885	629	40.7%	2,001	1,822	9.8%
Cost of Electric Energy	4,468	4,779	-6.5%	12,832	13,532	-5.2%

Cost of Electric Power Purchased for Resale

In 3Q20, the cost of electric power purchased for resale reached R\$ 3,583 million, a reduction of 13.7% (R\$ 567 million), mainly due to:

- (i) Reduction of 23.4% in **energy purchased in auctions, bilateral contracts and spot market** (R\$ 868 million), due to the lower volume of purchased energy (-8.7%) and the decrease in the average purchase price (-16.1%);
- (ii) Reduction of 23.2% in **PROINFA** (R\$ 23 million);

Partially offset by the:

- (iii) Increase of 34.3% in **energy from Itaipu** (R\$ 258 million), due to exchange variation, which raised the average purchase price in 34.8%;
- (iv) Reduction of 16.0% in **PIS and COFINS tax credit** (R\$ 66 million).

In 9M20, the cost of electric power purchased for resale reached R\$ 10,832 million, a reduction of 7.5% (R\$ 878 million), mainly due to:

- (i) Reduction of 16.0% in **energy purchased in auctions, bilateral contracts and spot market** (R\$ 1,658 million), due to the lower volume of purchased energy (-4.9%) and the decrease in the average purchase price (-11.7%);
- (ii) Reduction of 27.3% in **PROINFA** (R\$ 83 million);

Partially offset by the:

- (iii) Increase of 39.8% in **energy from Itaipu** (R\$ 837 million), due to exchange variation, which raised the average purchase price in 40.5%;
- (iv) Reduction of 2.4% in **PIS and COFINS tax credit** (R\$ 26 million).

Volume of purchased energy (GWh)	3Q20	3Q19	Var.	9M20	9M19	Var.
Energy from Itaipu Binacional	2,765	2,776	-0.4%	8,201	8,241	-0.5%
PROINFA	285	284	0.2%	797	807	-1.3%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	15,296	16,746	-8.7%	46,920	49,328	-4.9%
Total	18,346	19,806	-7.4%	55,918	58,376	-4.2%

Average price (R\$/MWh)	3Q20	3Q19	Var.	9M20	9M19	Var.
Energy from Itaipu Binacional	365.09	270.76	34.8%	358.34	255.03	40.5%
PROINFA	267.20	348.39	-23.3%	276.50	375.31	-26.3%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	185.86	221.62	-16.1%	186.03	210.57	-11.7%
Total	195.30	209.55	-6.8%	193.71	200.58	-3.4%

Charges for the Use of the Transmission and Distribution System

In 3Q20, charges for the use of the transmission and distribution system reached R\$ 885 million, an increase of 40.7% (R\$ 256 million), due to the **connection and transmission charges** (national grid, Itaipu transmission, connection and usage of the distribution system) (R\$ 202 million) and the **sector charges** (ESS/EER) (R\$ 79 million). Such effects were partially offset by the **PIS/Cofins tax credit** (R\$ 26 million).

In 9M20, charges for the use of the transmission and distribution system reached R\$ 2,001 million, an increase of 9.8% (R\$ 178 million), due to the **connection and transmission charges** (national grid, Itaipu transmission, connection and usage of the distribution system) (R\$ 275 million), partially offset by the **sector charges** (ESS/EER) (R\$ 78 million) and the **PIS/Cofins tax credit** (R\$ 18 million).

Contribution margin

In 3Q20, **contribution margin** reached R\$ 2,623 million, an increase of 9.0% (R\$ 218 million). In 9M20, **contribution margin** reached R\$ 7,003 million, an increase of 1.6% (R\$ 113 million). These results mainly reflect the improvement in the performance of the Distribution and Renewable Generation segments in the periods. For more details, see items 5.1.1 and 5.4.

PMSO

PMSO (R\$ million)								
	3Q20	3Q19	Variation		9M20	9M19	Variação	
			R\$ MM	%			R\$ MM	%
Personnel	(355)	(364)	9	-2.4%	(1,066)	(1,077)	11	-1.0%
Material	(74)	(71)	(3)	4.4%	(207)	(204)	(3)	1.5%
Outsourced Services	(128)	(172)	44	-25.8%	(449)	(515)	66	-12.8%
Other Operating Costs/Expenses	(170)	(235)	64	-27.5%	(566)	(613)	47	-7.7%
Allowance for doubtful accounts	(36)	(61)	25	-40.4%	(174)	(195)	21	-10.5%
Legal and judicial expenses	(44)	(55)	12	-20.9%	(107)	(126)	19	-14.9%
Assets Write-Off	(27)	(48)	21	-43.8%	(78)	(102)	24	-23.9%
Others	(63)	(70)	7	-10.0%	(206)	(190)	(16)	8.5%
Total Reported PMSO	(727)	(841)	114	-13.6%	(2,288)	(2,410)	121	-5.0%

PMSO reached R\$ 727 million in 3Q20, a reduction of 13.6% (R\$ 114 million), due to the following factors:

- (i) Reduction of 40.4% (R\$ 25 million) in allowance for doubtful accounts;

- (ii) Reduction of 43.8% (R\$ 21 million) in assets write-off;
- (iii) Reduction of 20.9% (R\$ 12 million) in legal and judicial expenses;
- (iv) Other items with a reduction of 8.8% (R\$ 57 million), highlighting personnel (R\$ 9 million), hardware/software maintenance (R\$ 8 million), telecommunication materials (R\$ 6 million), invoices reading and delivery (R\$ 3 million), tree pruning (R\$ 3 million), travel (R\$ 3 million), publicity and advertising (R\$ 3 million) and banks' collection fee (R\$ 2 million), among others;

In 9M20, PMSO reached R\$ 2,288 million, a reduction of 5.0% (R\$ 121 million), due to the following factors:

- (i) Reduction of 23.9% (R\$ 24 million) in assets write-off;
- (ii) Reduction of 10.5% (R\$ 21 million) in allowance for doubtful accounts;
- (iii) Reduction of 14.9% (R\$ 19 million) in legal and judicial expenses;
- (iv) Other items with a reduction of 3.7% (R\$ 70 million), highlighting telecommunication materials (R\$ 12 million), personnel (R\$ 11 million), invoices reading and delivery (R\$ 6 million), travel (R\$ 5 million) and hardware/software maintenance (R\$ 5 million), among others;

Partially offset by:

- (v) Increase of 15.0% (R\$ 12 million) in expenses with grid and substation maintenance, related to Capex efforts.

Other operating costs and expenses

Other operating costs and expenses						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Costs of Building the Infrastructure	685	561	22.2%	1,781	1,487	19.7%
Private Pension Fund	43	29	47.5%	131	85	53.6%
Depreciation and Amortization	382	418	-8.7%	1,241	1,231	0.8%
Total	1,110	1,008	10.1%	3,153	2,803	12.5%

EBITDA

In 3Q20, **EBITDA** reached R\$ 1,954 million, registering an increase of 20.8% (R\$ 336 million). In 9M20, **EBITDA** reached R\$ 4,858 million, registering an increase of 4.4% (R\$ 205 million). These results mainly reflect the improvement in the performance of the Distribution and Renewable Generation segments in the periods. For more details, see items 5.1.1 and 5.4.

EBITDA is calculated according to CVM Instruction no. 527/12 and showed in the table below:

EBITDA and Net Income conciliation (R\$ million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Net Income	1,352	748	80.8%	2,718	1,892	43.7%
Depreciation and Amortization	382	418	-8.7%	1,241	1,231	0.8%
Financial Result	192	132	45.1%	143	564	-74.6%
Income Tax / Social Contribution	29	320	-91.0%	756	967	-21.8%
EBITDA	1,954	1,618	20.8%	4,858	4,654	4.4%

Financial Result

Financial Result (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Revenues	140	280	-50.2%	760	718	5.9%
Expenses	(332)	(412)	-19.6%	(904)	(1,282)	-29.5%
Financial Result	(192)	(132)	45.1%	(143)	(564)	-74.6%

In 3Q20, **net financial expense** was of R\$ 192 million, an increase of 45.1% (R\$ 60 million) if compared to the net financial expense observed in 3Q19. The items explaining this variation are as follows:

- (i) Variation of R\$ 67 million in the **mark-to-market** (non-cash effect);
- (ii) Financial revenue from **Re-IPO** funds in 3Q19 (R\$ 56 million), which enabled the maintenance of a higher cash balance throughout the process of completing the transfer of CPFL Renováveis' shares, from State Grid to CPFL Energia;
- (iii) **Updates of the sectoral financial asset/liability** (R\$ 20 million);
- (iv) Negative variation of R\$ 16 million in other financial revenues/expenses;

Partially offset by:

- (v) Reduction of 35.5% (R\$ 99 million) in the **expenses with the net debt** (debt charges net of income from financial investments), mainly reflecting the reduction in interest rate (CDI) and the lower debt cost.

In 9M20, **net financial revenue** was of R\$ 143 million, a reduction of 74.6% (R\$ 420 million) if compared to the net financial expense observed in 9M19. The items explaining this variation are as follows:

- (i) Reduction of 35.5% (R\$ 321 million) in the **expenses with the net debt** (debt charges net of income from financial investments), mainly reflecting the reduction in interest rate (CDI) and the lower debt cost;
- (ii) Variation of R\$ 198 million in the **mark-to-market** (non-cash effect);
- (iii) Positive variation of R\$ 19 million in other financial revenues/expenses;

Partially offset by:

- (iv) Financial revenue from **Re-IPO** funds in 9M19 (R\$ 62 million), which enabled the maintenance of a higher cash balance throughout the process of completing the

transfer of CPFL Renováveis' shares, from State Grid to CPFL Energia;

(v) **Updates of the sectoral financial asset/liability** (R\$ 55 million).

Income Tax and Social Contribution

In 3Q20, Income Tax and Social Contribution recorded a reduction of 91.0% (R\$ 291 million), mainly explained by the recognition of tax credits in CPFL Renováveis (R\$ 271 million). The effective tax rate, that was 30.0% in 3Q19, went to 2.1% in 3Q20.

In 9M20, Income Tax and Social Contribution recorded a reduction of 21.8% (R\$ 211 million), mainly explained by the recognition of tax credits in CPFL Renováveis (R\$ 271 million) in 3Q20, partially offset by the increase in earnings before taxation.

Net Income

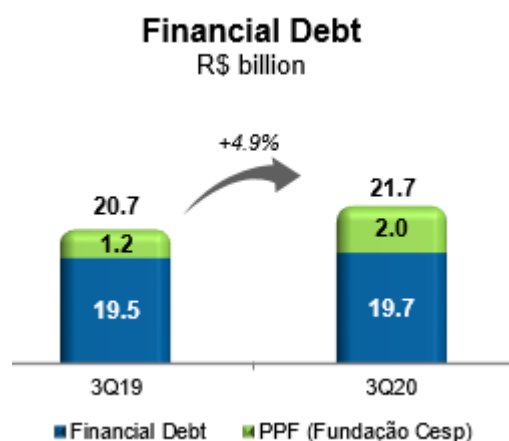
Net income was of R\$ 1,352 million in 3Q20, registering an increase of 80.8% (R\$ 604 million). This result reflects the increase in EBITDA, mainly due to the improvement in the performance of the Distribution and Renewable Generation segments, and the reduction in Income Tax and Social Contribution, partially offset by the worsening in the financial result, due to the negative variation in mark-to-market and the non-recurring financial revenue from Re-IPO funds in 3Q19.

In 9M20, **net income** was of R\$ 2,718 million, registering an increase of 43.7% (R\$ 826 million). This result reflects the increase in EBITDA, mainly due to the improvement in the performance of the Distribution and Renewable Generation segments, the reduction in Income Tax and Social Contribution and the gain recorded in the financial result, due to the mark-to-market of debts and the reduction in debt cost.

3.2) Indebtedness

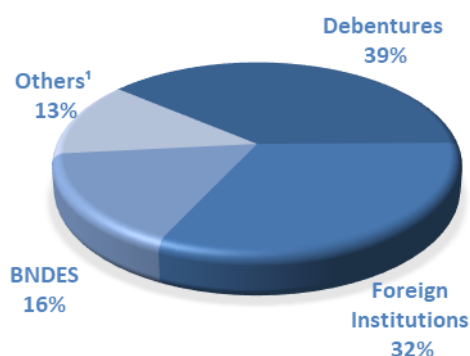
3.2.1) Debt (IFRS)

On September 30, 2020, CPFL Energia's total debt was R\$ 21.7 billion, with a variation of +4.9% compared to the last year. The financial debt of the group, which considers loans, debentures and intercompany loans, was of R\$ 19.7 billion in the same date.



Note: (1) Including the mark-to-market (MTM) effect and borrowing costs; (2) Including the intercompany loan, in the amount of R\$ 2.4 billion, of CPFL Renováveis and CPFL Brasil with SGBP.

Debt Profile – IFRS



Average Cost (End of the period – IFRS)

3Q20 – 3.62%
3Q19 – 6.75%

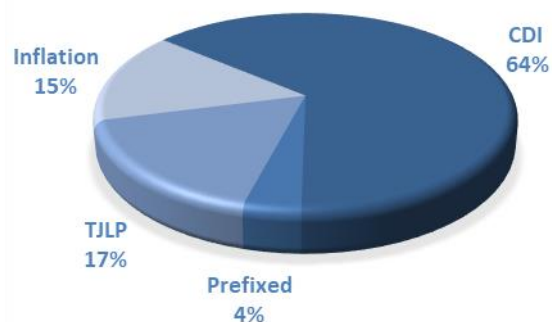
Note: (1) Others: credit lines and intercompany loan of CPFL Renováveis and CPFL Brasil with SGBP.

The CPFL Group constantly seeks to mitigate any possibility of market fluctuations risk and, for this reason, a share of its debts portfolio, around R\$ 6.8 billion, is protected by hedge operations. Considering, for instance, foreign loans, which represent almost 32% of the total debts (IFRS criteria), it was contracted swap operations, aiming protection for the foreign exchange and the rate linked to the contract.

Indexation After Hedge

3Q19 vs. 3Q20

3Q19



3Q20

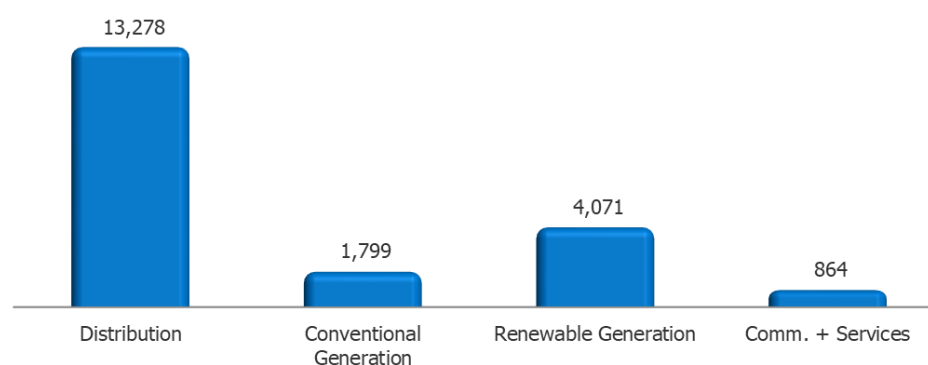


Note: (1) For debts contracted in foreign currency (32.26% of the total in 3Q20), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in IFRS criteria

IFRS R\$ Million	3Q20	3Q19	Var. %
Financial Debt (including hedge)	(19,733)	(19,502)	1.2%
(+) Available Funds	6,758	3,232	109.1%
(=) Net Debt	(12,974)	(16,270)	-20.3%

Debt by Segment (R\$ Million – IFRS)



Notes:

- 1) The Conventional Generation segment considers CPFL Geração, Ceran and CPFL Transmissão Piracicaba; Service segment considers CPFL Serviços and CPFL Eficiência.
- 2) Considering the debt's notional, interests and derivatives.
- 3) In the Renewable Generation and Commercialization + Services segments, the balance of the intercompany loans was considered.

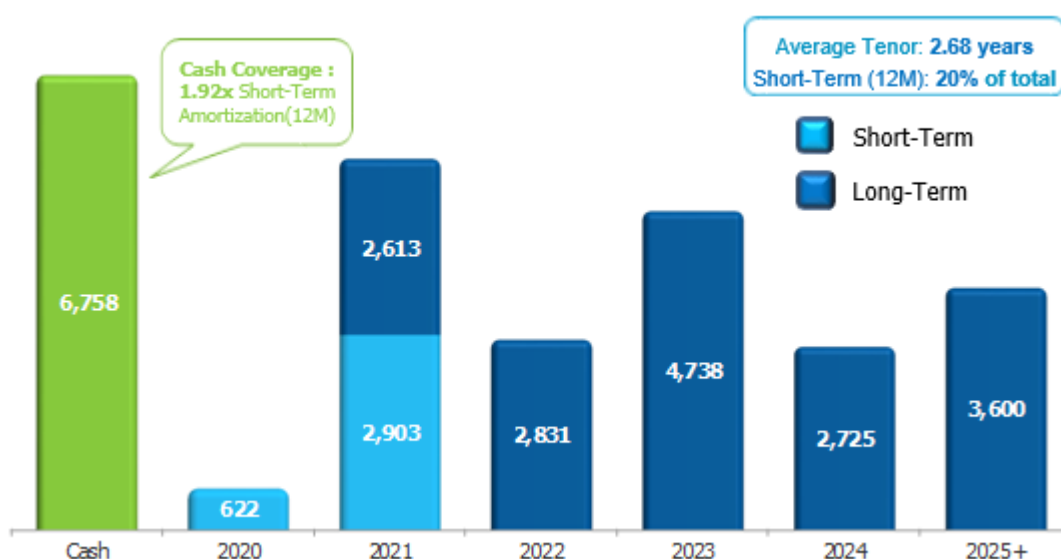
Debt Amortization Schedule in IFRS (September-20)

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

The cash position at the end of 3Q20 had a coverage ratio of **1.92x** the amortizations of the next 12 months, which allows the CPFL Group to honor the amortization commitments until September-21. The average amortization term based on this schedule is of **2.68 years**.

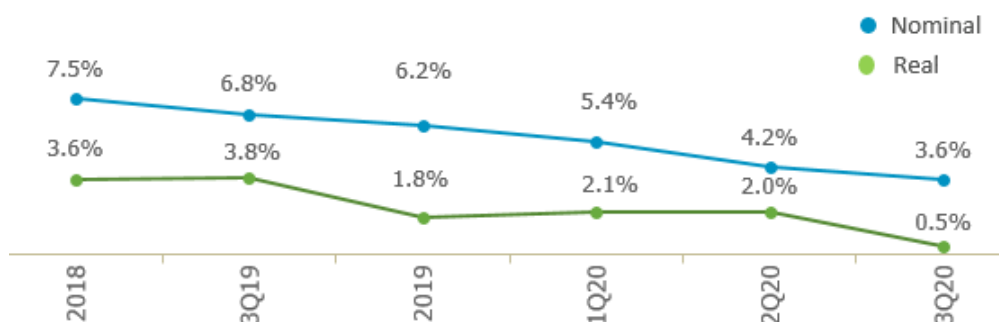
The debt amortization schedule of the financial debt below considers only the notional of the debts and derivatives.

Debt Amortization Schedule (IFRS)



Note: (1) Considering only the notional and hedge of the debt. In order to reach the financial result of R\$ 19,733 million, should be included charges and the mark-to-market (MTM) effect and cost with funding; (2) Including the intercompany loan of CPFL Renováveis and CPFL Brasil with SGBP.

Gross Debt Cost¹ in IFRS criteria



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

Ratings

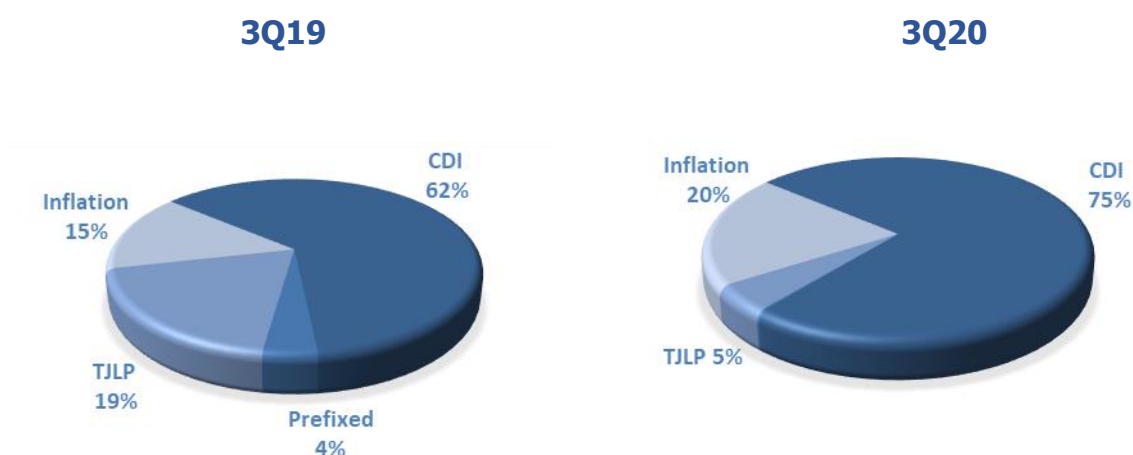
The following table shows the corporate ratings of CPFL Energia.

Ratings of CPFL Energia - Corporate Credit			
Agency	Scale	Rating	Perspective
Standard & Poor's	Brazilian	brAAA	Stable
Fitch Ratings	Brazilian	AAA(bra)	Stable
Moody's	Brazilian Global	Aaa.br Ba1	Stable

3.2.2) Debt in Financial Covenants Criteria

Indexation and Debt Cost in Financial Covenants Criteria

Indexation¹ after Hedge² - 3Q19 vs. 3Q20



Note:

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

(2) For debts contracted in foreign currency (31.38% of the total), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in Financial Covenants Criteria and Leverage

In the end of the 3Q20, the *Proforma* Net Debt totaled **R\$ 13,303** million, an increase of **21.0%** compared to net debt position at the end of 3Q19, of **R\$ 16,849** million.

Covenant Criteria (*) - R\$ Million	3Q20	3Q19	Var.%
Financial Debt (including hedge) ¹	(20,297)	(20,174)	0.6%
(+) Available Funds	6,995	3,325	110.4%
(=) Net Debt	(13,303)	(16,849)	-21.0%
EBITDA Proforma ²	6,895	6,296	9.5%
Net Debt / EBITDA	1.93	2.68	-27.9%

Notes:

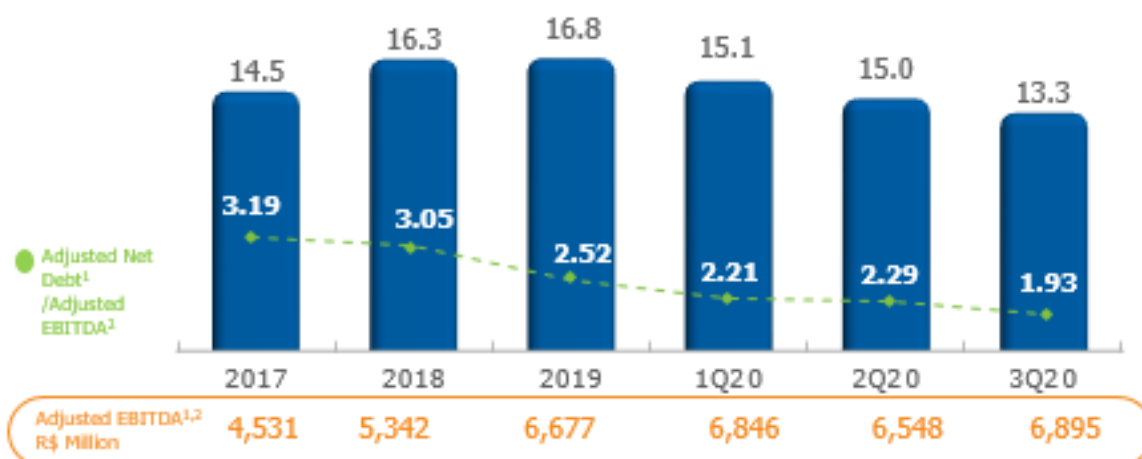
(1) The total amount considers the proportional consolidation of CERAN, ENERCAN, Foz do Chapecó and EPASA;

(2) *Proforma* EBITDA in the financial covenants criteria: adjusted according CPFL Energia's stake in each of its subsidiaries.

In line with the criteria for calculation of financial covenants of loan agreements with financial institutions, net debt and the EBITDA are adjusted according to the equivalent stake of CPFL Energia in each of its subsidiaries.

Considering that the *Proforma* Net Debt totaled **R\$ 13,303 million** and *Proforma* EBITDA in the last 12 months reached **R\$ 6,895 million**, the ratio *Proforma* Net Debt / EBITDA at the end of 3Q20 reached **1.93x**.

Leverage in financial covenants criteria - R\$ billion



Notes: (1) LTM EBITDA; (2) Adjusted by the proportional consolidation.

3.3) Investments

3.3.1) Actual Investments

Investments (R\$ Million)						
Segment	3Q20	3Q19	Var.	9M20	9M19	Var.
Distribution	601	550	9.2%	1,601	1,436	11.5%
Generation - Conventional	1	1	-35.1%	2	6.84	-65.4%
Generation - Renewable	98	45	116.3%	189	95	100.2%
Commercialization	1	1	19.1%	2	2	-1.0%
Services and Others ²	15	10	49.5%	40	32	23.0%
Subtotal	715	608	17.8%	1,834	1,571	16.7%
Transmission ¹	54	9	539.3%	94	11	742.1%
Total	770	616	25.0%	1,928	1,582	21.9%

Notes:

1) Transmission – Transmission assets do not have fixed assets, the figures in this table is the addition of concession financial assets;

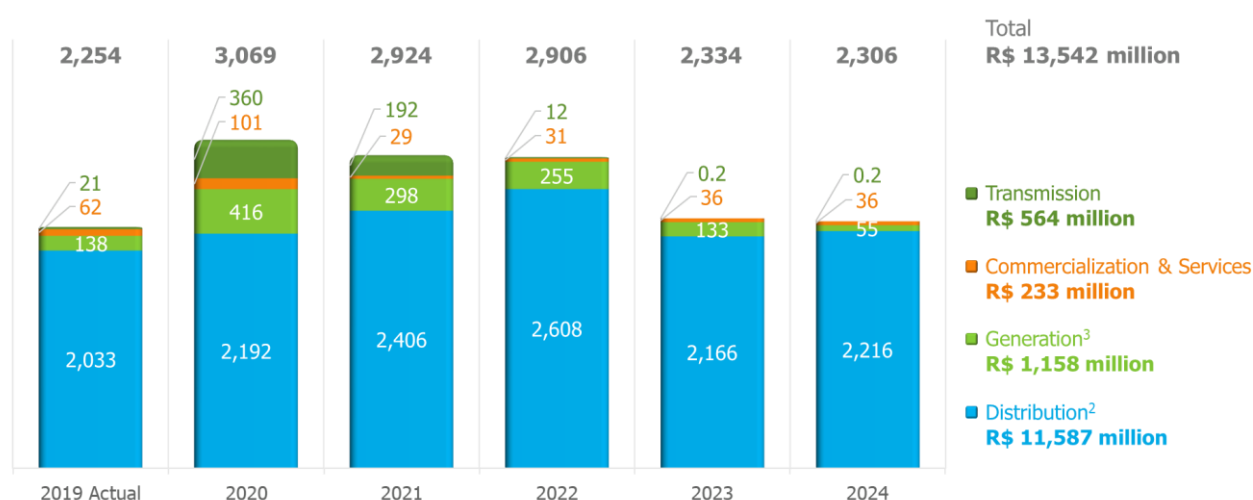
2) Others – basically refers to assets and transactions that are not related to the listed segments.

In 3Q20, the investments were R\$ 770 million, an increase of 25.0%, compared to R\$ 616 million registered in 3Q19. We highlight investments made by CPFL Energia in the Distribution segment, in the amount of R\$ 601 million, mainly intended for expansion, modernization and maintenance of electrical system.

3.3.2) Investment Forecast

On November 29, 2019, the Board of Directors of CPFL Energia approved Board of Executive Officers' proposal for 2020 Annual Budget and 2021/2024 Multiannual Plan for the Company, which was previously discussed by the Budget and Corporate Finance Committee.

Investments Forecast (R\$ million)^{1,4}



Notes:

1) Constant currency;

2) Disregard investments in Special Obligations (among other items financed by consumers);

3) Conventional + Renewable.

4) It is worth mentioning that the resources for carrying out projects and actions related to the theme of sustainability contained in the 2020-24 Sustainability Plan, which total approximately R\$ 1.8 billion, are already included in the amounts presented in the graph above, in a total amount of R\$ 1 billion. The rest of the amount will come from projects made possible with regulated resources from ANEEL programs and encouraged resources through the CPFL Institute.

4) STOCK MARKETS

4.1) Stock Performance

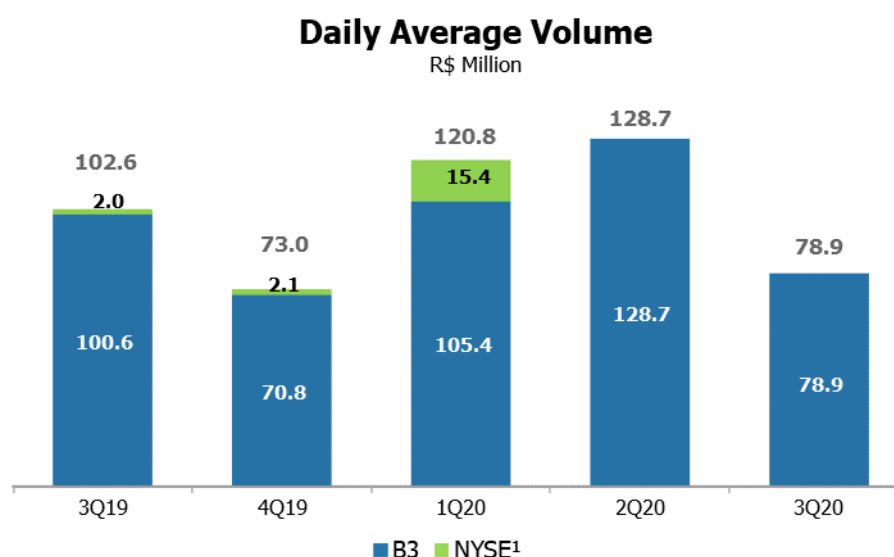
CPFL Energia is listed in B3 (Novo Mercado), segment with the highest levels of corporate governance.

B3			
Date	CPFE3 (R\$)	IEE	IBOV
09/30/2020	R\$ 27.56	68,569	94,603
06/30/2020	R\$ 30.66	70,160	95,056
09/30/2019	R\$ 32.89	68,122	104,745
QoQ	-10.1%	-2.3%	-0.5%
YoY	-16.2%	0.7%	-9.7%

On September 30, 2020, CPFL Energia's shares closed at R\$ 27.56 per share in the B3, a depreciation of 10.1% in the quarter. Considering the variation in the last 12 months, the shares depreciated by 16.2%.

4.2) Daily Average Volume

The daily average volume trading of CPFL Energia in 3Q20 was R\$ 78.9 million, representing a decrease of 21.6% if compared to 3Q19. The daily average number of trades of CPFL Energia's share went from 8,490 in 3Q19 to 11,202 in 3Q20, a variation of 31.9%.



Note: For the NYSE daily average trading volume, it was considered the volume until 01/27/2020, the date on which the ADR negotiation was suspended in NYSE, as a result of the process of delisting in this stock exchange.

5) PERFORMANCE OF BUSINESS SEGMENTS

5.1) Distribution Segment

5.1.1) Economic-Financial Performance

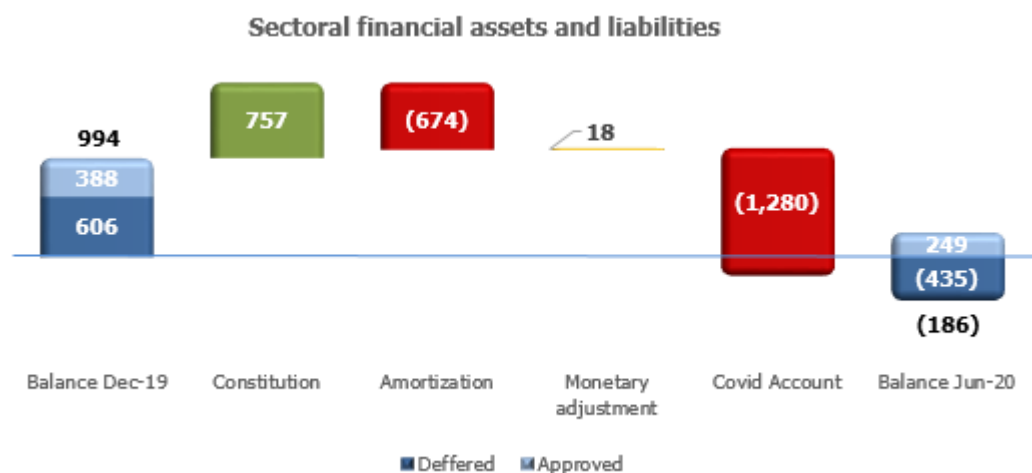
Consolidated Income Statement - Distribution (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Gross Operating Revenue	9,656	9,870	-2.2%	27,732	28,693	-3.3%
Net Operating Revenue	6,286	6,134	2.5%	17,783	17,837	-0.3%
Cost of Electric Power	(3,915)	(4,009)	-2.3%	(11,201)	(11,552)	-3.0%
Operating Costs & Expenses	(1,519)	(1,483)	2.4%	(4,398)	(4,176)	5.3%
EBIT	852	642	32.7%	2,183	2,108	3.5%
EBITDA⁽¹⁾	1,072	846	26.7%	2,831	2,699	4.9%
Financial Income (Expense)	(75)	(43)	74.3%	150	(174)	-
Income Before Taxes	777	599	29.8%	2,333	1,934	20.6%
Net Income	571	375	52.4%	1,568	1,227	27.8%

Note:

(1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization, as CVM Instruction no. 527/12.

Sectoral Financial Assets and Liabilities

On September 30, 2020, the balance of sectoral financial assets and liabilities was negative in R\$ 184 million. If compared to December 31, 2019, there was a reduction of R\$ 1,178 million, as demonstrated in the chart below:



The variation in this balance was due to the constitution of an asset of R\$ 757 million, due to higher energy costs of Itaipu and an increase in energy overcontracting. However, there was an amortization of R\$ 674 million, mainly favored by the tariff readjustments in the period, which allowed the pass-through of costs to consumers. The monetary adjustment of assets and liabilities totaled R\$ 18 million. In addition to these effects, some portions of the COVID Account were received, in the total amount of R\$ 1,280 million, as a way of anticipating the resources that would be passed in the next tariff events. Consumers will pay this loan through the CDE charge, in a 5-year installment, as of the 2021 tariff event.

Operating Revenue

Operating Revenue						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Gross Operating Revenue						
Revenue with Energy Sales (Captive + TUSD)	8,059	8,138	-1.0%	23,842	24,919	-4.3%
Short-term Electric Energy	182	441	-58.7%	602	799	-24.7%
Revenue from Building the Infrastructure of the Concession	636	551	15.3%	1,695	1,477	14.8%
Sectoral Financial Assets and Liabilities	256	238	7.3%	83	(65)	-
CDE Resources - Low-income and Other Tariff Subsidies	355	352	0.9%	1,115	1,119	-0.4%
Adjustments to the Concession's Financial Asset	80	63	26.2%	157	236	-33.4%
Other Revenues and Income	100	104	-4.2%	299	274	9.4%
Compensatory Fines (DIC/FIC)	(11)	(17)	-35.2%	(61)	(66)	-7.7%
Total	9,656	9,870	-2.2%	27,732	28,693	-3.3%
Deductions from the Gross Operating Revenue						
ICMS Tax	(1,606)	(1,606)	0.0%	(4,836)	(4,960)	-2.5%
PIS and COFINS Taxes	(814)	(847)	-3.9%	(2,368)	(2,453)	-3.5%
CDE Sector Charge	(845)	(947)	-10.7%	(2,631)	(2,991)	-12.0%
R&D and Energy Efficiency Program	(56)	(55)	0.8%	(160)	(162)	-1.6%
PROINFA	(41)	(44)	-7.6%	(129)	(127)	1.9%
Tariff Flags	(0)	(229)	-99.9%	198	(142)	-
Others	(8)	(7)	5.8%	(23)	(21)	7.4%
Total	(3,370)	(3,736)	-9.8%	(9,949)	(10,856)	-8.4%
Net Operating Revenue	6,286	6,134	2.5%	17,783	17,837	-0.3%

In 3Q20, gross operating revenue amounted to R\$ 9,656 million, a decrease of 2.2% (R\$ 214 million), due to the following factors:

- Decrease of 58.7% (R\$ 259 million) in **Short-term Electric Energy** due to the lower PLD;
- Decrease of 1.0% (R\$ 79 million) in the **revenue with energy sales** (captive + free clients), due to: (i) the tariff review with negative average readjustment in the consumer perception of 7.80% in CPFL Piratininga; partially offset by (ii) the positive average tariff adjustments in the distribution companies in the period between 3Q19 and 3Q20 (average increases of 0.20% in CPFL Santa Cruz, in March 2020, of 6.05% in CPFL Paulista, in April 2020, and of 6.09% in RGE in June 2020); partially offset by the increase of 1.6% in the load in the concession area¹;

Partially offset by:

- Increase of 15.3% (R\$ 85 million) in **Revenue from Building the Infrastructure of the Concession**; this revenue has its counterpart in operating costs;
- Increase of 26.9% (R\$ 17 million) in the **adjustments to the concession's financial asset**. In 3Q19, there was an extraordinary effect in the amount of R\$ 42 million, due to the RAB appraisal report for the tariff revision of CPFL Piratininga; disregarding this effect, in 3Q20 we would have an increase of R\$ 58 million, due to the higher IPCA (from +0.31 in 2019 to +0.86% in 2020);
- Increase of 7.3% (R\$ 17 million) in the accounting of **Sectoral Financial Assets/Liabilities**;
- Increase of 1.1% (R\$ 5 million) in the **other items**.

Deductions from the gross operating revenue were R\$ 3,370 million in 3Q20, representing a decrease of 9.8% (R\$ 366 million), due to the following factors:

- Decrease of 99.9% (R\$ 229 million) in the accounting of **tariff flags** approved by CCEE;
- Decrease of 10.7% (R\$ 102 million) in **CDE** due to the reduction of the CDE quota, mainly due to the termination of ACR account loans;
- Decrease of 1.4% (R\$ 36 million) in the **other items**.

Net operating revenue reached R\$ 6,286 million in 3Q20, representing an increase of 2.5% (R\$ 152 million).

In 9M20, gross operating revenue amounted to R\$ 27,732 million, a decrease of 3.3% (R\$ 961 million), due to the following factors:

- Decrease of 4.3% (R\$ 1,078 million) in the **revenue with energy sales** (captive + free clients), due to the reduction of 3.1% in the load in the concession area², partially offset by the positive average tariff adjustments in the distribution companies in the period between 9M19 and 9M20;

¹ If considering the migration of large consumers the load in 3Q20 would be +2.3%.

² If considering the migration of large consumers the load in 9M20 would be -2.6%.

- Decrease of 24.7% (R\$ 197 million) in **Short-term Electric Energy** due to a lower PLD and a variation of 2.2 GWh in volume;
- Decrease of 33.4% (R\$ 79 million) in the **adjustments to the concession' financial asset**;

Partially offset by:

- Increase of 14.8% (R\$ 218 million) in **Revenue from Building the Infrastructure of the Concession**;
- Variation of R\$ 148 million in the accounting of **Sectoral Financial Assets/Liabilities**;
- Increase of 2.0% (R\$ 27 million) in **other items**.

Deductions from the gross operating revenue were R\$ 9,949 million in 9M20, representing a decrease of 8.4% (R\$ 907 million), due to the following factors:

- Variation of R\$ 339 million in the accounting of **tariff flags** approved by CCEE;
- Decrease of 12.0% (R\$ 360 million) in **CDE** due to the reduction of the CDE quota, mainly due to the termination of ACR account loans;
- Decrease of 2.8% (R\$ 209 million) in **taxes** (ICMS and PIS/COFINS);

Partially offset by:

- Increase of 0.5% (R\$ 1 million) in **others items**.

Net operating revenue reached R\$ 17,783 million in 9M20, representing a decrease of 0.3% (R\$ 54 million).

Cost of Electric Energy

Cost of Electric Energy (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Cost of Electric Power Purchased for Resale						
Energy from Itaipu Binacional	1,010	752	34.3%	2,939	2,102	39.8%
PROINFA	76	99	-23.2%	220	303	-27.3%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	2,269	2,897	-21.7%	7,028	8,297	-15.3%
PIS and COFINS Tax Credit	(297)	(342)	-13.2%	(907)	(898)	1.1%
Total	3,058	3,406	-10.2%	9,279	9,804	-5.4%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	700	523	33.8%	1,725	1,471	17.2%
Itaipu Transmission Charges	91	74	22.8%	234	211	11.2%
Connection Charges	46	39	18.9%	125	128	-3.0%
Charges for the Use of the Distribution System	7	7	-1.8%	19	22	-13.9%
ESS / EER	102	22	356.2%	16	93	-83.4%
PIS and COFINS Tax Credit	(87)	(61)	42.1%	(196)	(178)	10.0%
Total	857	603	42.1%	1,922	1,748	10.0%
Cost of Electric Energy	3,915	4,009	-2.3%	11,201	11,552	-3.0%

Cost of Electric Power Purchased for Resale

In 3Q20, the cost of electric power purchased for resale amounted to R\$ 3,058 million, representing a decrease of 10.2% (R\$ 348 million), due to:

- Decrease of 21.7% (R\$ 628 million) in the cost with **energy purchased in the regulated environment, bilateral contracts and short term**, due to a decrease in volume (-3.7%) and in the average purchase price (-18.7%);
- Decrease of 23.2% (R\$ 23 million) in **Proinfa**, mainly due to a decrease in the average purchase price;

Partially offset by:

- Increase of 34.3% (R\$ 258 million) in the cost with **Energy from Itaipu**, due to the increase in the average purchase price (34.8%), as a result of the exchange rate variation;
- Decrease of 13.2% (R\$ 45 million) in **PIS and COFINS tax credit**.

In 9M20, the cost of electric power purchased for resale amounted to R\$ 9,279 million, representing a decrease of 5.4% (R\$ 525 million), due to:

- Decrease of 15.3% (R\$ 1,270 million) in the cost with **energy purchased in the regulated environment, bilateral contracts and short term**, due to a decrease in volume (-3.3%) and in the average purchase price (-12.4%);
- Decrease of 27.3% (R\$ 83 million) in **Proinfa**, due to a decrease in the average purchase price;
- Increase of 1.1% (R\$ 10 million) in **PIS and COFINS tax credit**;

Partially offset by:

- Increase of 39.8% (R\$ 837 million) in the cost with **Energy from Itaipu**, due to the increase in the average purchase price (40.5%), as a result of the exchange rate variation.

Volume of purchased energy (GWh)	3Q20	3Q19	Var.	9M20	9M19	Var.
Energy from Itaipu Binacional	2,765	2,776	-0.4%	8,201	8,241	-0.5%
PROINFA	285	284	0.2%	797	807	-1.3%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	11,166	11,599	-3.7%	34,233	35,398	-3.3%
Total	14,217	14,659	-3.0%	43,230	44,446	-2.7%

Average price (R\$/MWh)	3Q20	3Q19	Var.	9M20	9M19	Var.
Energy from Itaipu Binacional	365.09	270.76	34.8%	358.34	255.03	40.5%
PROINFA	267.20	348.39	-23.3%	276.50	375.31	-26.3%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	203.19	249.78	-18.7%	205.29	234.40	-12.4%
Total	215.10	232.36	-7.4%	214.64	220.59	-2.7%

Charges for the Use of the Transmission and Distribution System

In 3Q20, the **charges for the use of the transmission and distribution system** reached R\$ 857 million, representing an increase of 42.1% (R\$ 254 million), due to:

- Increase of 31.3% (R\$ 201 million) in **connection and transmission charges** (basic network, Itaipu transmission, connection and use of the distribution system);
- Increase of 356.2% (R\$ 79 million) in **sector charges** (ESS/EER), mainly due to the Reserve Energy Charge. Due to an increase in the generation surplus of the reserve power plants being liquidated at a PLD lower than that of 2019, there was the need for a higher payment of EER. The ESS was also impacted by a CCEE resettlement for 2019,

a result of Public Consultancy 39/2019.

Partially offset by:

- Increase of 42.1% (R\$ 26 million) in **PIS and COFINS tax credit**.

In 9M20, the **charges for the use of the transmission and distribution system** reached R\$ 1,922 million, representing an increase of 10.0% (R\$ 174 million), due to:

- Increase of 14.7% (R\$ 270 million) in **connection and transmission charges** (basic network, Itaipu transmission, connection and use of the distribution system);

Partially offset by:

- Reduction of 83.4% (R\$ 78 million) in **sector charges** (ESS/EER), mainly due to the resources from the Reserve Fund for Future Relief of Charges, in the amount of R\$ 229 million, authorized by the ANEEL Dispatch #986/2020 as a way to mitigate the impacts of the COVID-19 pandemic. This effect was partially offset by the higher volume of reserve energy and the lower PLD, which elevated the ESS;
- Increase of 10.0% in **PIS and COFINS tax credit** (R\$ 18 million).

PMSO

Reported PMSO (R\$ million)							
	3Q20	3Q19	Variation		9M20	9M19	Variação
			R\$ MM	%			R\$ MM %
Personnel	(228)	(235)	7	-2.9%	(689)	(704)	15 -2.2%
Material	(44)	(46)	3	-5.9%	(132)	(137)	4 -3.1%
Outsourced Services	(200)	(212)	12	-5.7%	(607)	(638)	31 -4.8%
Other Operating Costs/Expenses	(150)	(206)	56	-27.4%	(498)	(546)	48 -8.8%
<i>Allowance for doubtful accounts</i>	<i>(35)</i>	<i>(61)</i>	<i>26</i>	<i>-42.9%</i>	<i>(172)</i>	<i>(194)</i>	<i>21 -11.1%</i>
<i>Legal and judicial expenses</i>	<i>(43)</i>	<i>(53)</i>	<i>10</i>	<i>-19.4%</i>	<i>(104)</i>	<i>(122)</i>	<i>18 -14.8%</i>
<i>Assets write-off</i>	<i>(25)</i>	<i>(39)</i>	<i>14</i>	<i>-35.1%</i>	<i>(74)</i>	<i>(91)</i>	<i>17 -18.7%</i>
<i>Others</i>	<i>(46)</i>	<i>(53)</i>	<i>6</i>	<i>-11.9%</i>	<i>(148)</i>	<i>(140)</i>	<i>(9) 6.2%</i>
Total Reported PMSO	(621)	(699)	78	-11.2%	(1,926)	(2,025)	98 -4.9%

In 3Q20, **PMSO** reached R\$ 621 million, a decrease of 11.2% (R\$ 78 million), due to the following factors:

- Decrease of 42.9% (R\$ 26 million) in the allowance for doubtful accounts, reflecting the negotiations during the pandemic period and the resumption of power cuts due to delinquency;
- Decrease of 35.1% (R\$ 14 million) in the assets write-off, due to an adequacy in the registers, which impacted on the volume of write-offs;
- Decrease of 19.4% (R\$ 10 million) in legal and judicial expenses due to the lower number of lawsuits, mainly in RGE;
- Decrease of 2.9% (R\$ 7 million) reduction in expenses with personnel, due to lower use of medical assistance in the period, lower overtime and variation in headcount;
- Other items with a decrease of 6.7% (R\$ 21 million), mainly due to the reduction telecommunication materials (R\$ 6 million), tree pruning (R\$ 4 million), properties

maintenance (R\$ 3 million), invoices reading and delivery (R\$ 3 million), banks' collection fee (R\$ 2 million), travel expenses (R\$ 2 million), among others.

In 9M20, **PMSO** reached R\$ 1,926 million, a decrease of 4.9% (R\$ 98 million), due to the following factors:

- (i) Decrease of 11.1 (R\$ 21 million) in allowance for doubtful accounts, reflecting the negotiations during the pandemic period and the resumption of power cuts due to delinquency, since August 2020;
- (ii) Decrease of 14.8% (R\$ 18 million) in legal and judicial expenses;
- (iii) Decrease of 18.7% (R\$ 17 million) in assets write-off;
- (iv) Other items with a decrease of 3.5% (R\$ 54 million) due to mainly the reduction in expenses with personnel (R\$ 15 millions), telecommunication materials (R\$ 12 million), invoices reading and delivery (R\$ 6 million), properties maintenance (R\$ 5 million), fleet maintenance (R\$ 4 million), tree pruning (R\$ 4 million), banks' collection fee (R\$ 4 million) and travel expenses (R\$ 3 million), among others;

Partially offset by:

- (v) Increase of 15.0% (R\$ 12 million) in expenses with lines, grid and substation maintenance, related to Capex efforts.

Other operating costs and expenses						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Costs of Building the Infrastructure	636	551	15.3%	1,695	1,477	14.8%
Private Pension Fund	42	29	47.5%	129	84	53.5%
Depreciation and Amortization	206	190	8.4%	605	548	10.5%
Total	884	770	14.8%	2,430	2,109	15.2%

EBITDA

EBITDA totaled R\$ 1,072 million in 3Q20, an increase of 26.7% (R\$ 226 million), due to the improvement in market performance and the recovery of the ADA, in addition to the reduction in the PMSO.

In 9M20, **EBITDA** totaled R\$ 2,831 million, an increase of 4.9% (R\$ 132 million), favored by the market performance and tariff and the impact of the reduction in the PMSO.

Conciliation of Net Income and EBITDA (R\$ million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Net income	571	375	52.4%	1,568	1,227	27.8%
Depreciation and Amortization	220	204	7.8%	648	590	9.7%
Financial Results	75	43	74.3%	(150)	174	-
Income Tax /Social Contributio	206	224	-8.1%	764	707	8.1%
EBITDA	1,072	846	26.7%	2,831	2,699	4.9%

EBITDA by Distributor

EBITDA by Distributor						
Distribuidoras	3Q20	3Q19	Var.	9M20	9M19	Var.
CPFL Paulista	476	352	35.2%	1,214	1,106	9.8%
CPFL Piratininga	164	157	4.6%	454	421	7.9%
RGE	385	297	29.7%	1,017	1,003	1.4%
CPFL Santa Cruz	47	40	17.4%	146	169	-13.7%
EBITDA	1,072	846	26.7%	2,831	2,699	4.9%

CPFL Paulista:

EBITDA totaled R\$ 476 million in 3Q20, an increase of 35.2% (R\$ 123 million), explained by the better market performance and tariff, leveraged by the positive variation of the residential segment (9.5%) and other segments (5.4%) in relation to 3Q19, which represent 48.9% of the consumption of the concession area. Another effect was the update of the financial assets of the concession which contributed with R\$ 24 million. In addition, CPFL Paulista presented an 8.2% reduction in the PMSO, with a highlight to assets write-off.

In 9M20, the EBITDA totaled R\$ 1,214 million, an increase of 9.8% (R\$ 108 million), resulting from the tariff adjustment. CPFL Paulista presented a 5.2% reduction in the PMSO, with highlight to assets write-off, legal and judicial expenses, among others.

CPFL Piratininga:

EBITDA totaled R\$ 164 million in 3Q20, an increase of 4.6% (R\$ 7 million). The less expressive result in this quarter is due to the RAB appraisal report of the tariff revision, which led to a gain of R\$ 42 million in 3Q19 (extraordinary effect). Disregarding this effect, EBITDA would have varied 42.2%.

In 9M20, the EBITDA totaled R\$ 454 million, an increase of 7.9% (R\$ 33 million), mainly due to a reduction in PMSO, highlighting assets write-off, partially offset by the RAB appraisal report, already mentioned above. Disregarding this effect, EBITDA would have varied 19.7% in 9M20.

RGE:

EBITDA totaled R\$ 384 million in 3Q20, an increase of 29.7% (R\$ 88 million), explained by the better market and tariff performance, leveraged by the positive variation of the residential segment (7.1%), which represents 31.6% of the consumption in the concession area. Another effect was the update of the concession financial assets, which contributed with R\$ 25 million. In addition, RGE presented a reduction in PMSO of R\$ 28 million, mainly in legal and judicial expenses.

In 9M20, EBITDA totaled R\$ 1,017 million, an increase of 1.4% (R\$ 14 million), resulting from the tariff adjustment and PMSO reduction. The less expressive result in the accumulated is due to the adjustment in the regulatory asset in the RTA, which generated a gain in 2019 (extraordinary effect).

CPFL Santa Cruz:

EBITDA totaled R\$ 46 million in 3Q20, an increase of 17.4% (R\$ 7 million), explained by the better market and tariff performance, leveraged by the positive variation of the residential

(7.2%) and industrial (5.1%) segments in relation to 3Q19, which represent 63.4% of consumption in the concession area.

In 9M20, EBITDA totaled R\$ 146 million, a 13.7% reduction (R\$ 23 million). The less expressive result in 9M20 is due to the accounting of the favorable decision in relation to the PIS/Cofins over ICMS (extraordinary effect), which has generated a gain of \$ 34.2 million. Disregarding this effect, EBITDA would have increased 8.3%.

Financial Result

Financial Result (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Revenues	106	168	-37.2%	635	462	37.7%
Expenses	(180)	(211)	-14.6%	(485)	(636)	-23.6%
Financial Result	(75)	(43)	74.3%	150	(174)	-

In 3Q20, the financial result recorded a net financial expense of R\$ 75 million, compared to a net financial expense of R\$ 43 million in 3Q19, an increase of 73.9%. The items that explain this variation are:

- (i) Decrease of 33.0% (R\$ 50 million) in the **expenses with net debt**, resulting mainly from the drop in the CDI rate, partially offset by the increase in the IPCA;
- (ii) Increase of 35.0% (R\$ 30 million) in **late payment interest and fines**;

Partially offset by:

- (iii) Variation of R\$ 61 million in the **mark-to-market** (non-cash effect).
- (iv) Decrease of 77.5% (R\$ 20 million) in the **update of sectoral financial assets/liabilities**;
- (v) Decrease of 196.8% (R\$ 18 million) in **other monetary updates**;
- (vi) Decrease of 70.2% (R\$ 6 million) in **judicial deposits updates**;
- (vii) Variation of R\$ 6 million in other financial income and expenses.

In 9M20, the financial result recorded a net financial revenue of R\$ 150 million, compared to a net financial expense of R\$ 174 million in 9M19. The items that explain this variation are:

- (i) Variation of R\$ 177 million in the **mark-to-market** (non-cash effect);
- (ii) Decrease of 36.3% (R\$ 177 million) in the **expenses with net debt** due to the fall in the interest rate (CDI);
- (iii) Increase of 15.0% (R\$ 41 million) in **late payment interest and fines**;

Partially offset by:

- (iv) Decrease of 75.5% (R\$ 55 million) in the **update of sectoral financial assets/liabilities**;
- (v) Decrease of 54.3% (R\$ 14 million) in **judicial deposits updates**;
- (vi) Variation of R\$ 17 million in other financial revenues and expenses.

Net Income

Net Income totaled R\$ 571 million in 3Q20, an increase of 52.4% (R\$ 196 million), mainly reflecting an increase of the EBITDA and the gain registered in the financial result, due to lower expenses with net debt.

In 9M20, **Net Income** totaled R\$ 1,568 million, an increase of 27.8% (R\$ 342 million). The positive result was mainly a reflection of the increase in the EBITDA and the gain registered in the financial result, due to the mark-to-market of debts and lower expenses with net debt.

5.1.2) Tariff Events

Reference dates

Tariff Revision				
Distributor	Periodicity	Next Revision	Cycle	Tariff Process Dates
CPFL Piratininga	Every 4 years	October 2023	6 th PTRC	October 23 rd
CPFL Santa Cruz	Every 5 years	March 2021	5 th PTRC	March 22 nd
CPFL Paulista	Every 5 years	April 2023	5 th PTRC	April 8 th
RGE	Every 5 years	June 2023	5 th PTRC	June 19 th

Annual tariff adjustments and periodic tariff reviews in 2019 and 2020

Annual Tariff Adjustments (ATAs)				
	CPFL Santa Cruz	CPFL Paulista ⁽¹⁾	RGE ⁽¹⁾	CPFL Piratininga
Ratifying Resolution	2,522	2,526	2,697	2,627
Adjustment	10.71%	14.90%	15.74%	18.31%
Parcel A	4.79%	5.83%	8.25%	11.80%
Parcel B	-1.59%	0.26%	1.82%	3.96%
Financial Components	7.51%	8.80%	5.67%	2.55%
Effect on consumer billings	0.20%	6.05%	6.09%	9.82%
Date of entry into force	03/22/2020	04/08/2020	06/19/2020	10/23/2020

- (1) ANEEL suspended the application of 2020 new tariffs for CPFL Paulista and RGE until July 1, 2020, due to the COVID-19 pandemic. The difference in revenue from the anniversary date of the Distributors until July 1 was transferred to the Distributor through the sectoral loan "COVID Account". Additionally, to avoid a cash flow mismatch, ANEEL gave a discount on the CDE payment to CCEE, in the same period, in the estimated amount of this difference of revenue, to be refunded in installments from July to December 2020.

5.2) Commercialization and Services Segments

Economic-Financial Performance

Consolidated Income Statement - Commercialization (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Net Operating Revenue	758	969	-21.8%	2,186	2,542	-14.0%
EBITDA⁽¹⁾	8	25	-68.5%	28	77	-63.0%
Net Income	9	12	-20.3%	29	40	-26.2%

Consolidated Income Statement - Services (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Net Operating Revenue	190	147	29.6%	517	451	14.7%
EBITDA⁽¹⁾	49	32	51.6%	122	107	14.0%
Net Income	37	17	115.2%	81	63	28.5%

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

5.3) Conventional Generation Segment

Consolidated Income Statement - Conventional Generation (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Gross Operating Revenue	385	358	7.6%	1,074	991	8.4%
Net Operating Revenue	346	324	6.8%	968	891	8.7%
Cost of Electric Power	(18)	(33)	-45.0%	(72)	(91)	-20.7%
Operating Costs & Expenses	(105)	(65)	61.7%	(253)	(171)	47.3%
EBITDA⁽¹⁾	349	338	3.2%	999	976	2.4%
Equity Income	96	82	16.8%	266	258	3.1%
Net Income	273	232	17.4%	697	624	11.6%

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

Operating Revenue

In 3Q20, the **Gross Operating Revenue** reached R\$ 385 million, an increase of 7.6% (R\$ 27 million). The **Net Operating Revenue** was of R\$ 346 million, registering an increase of 6.8% (R\$ 22 million).

The main factors that affected the net operating revenue were:

- Increase of R\$ 44 million in the **Revenue from Building the Infrastructure of the Concession**, related to the services rendered to the construction of transmission lines and substation; this revenue has its counterpart in operating costs;

These effects were partially offset by:

- Decrease of 3.0% (R\$ 10 million) with **Electric Energy Supply**;
- Decrease of 26.2% (R\$ 7 million) in **Other Revenues**;

- Increase of 11.0% (R\$ 4 million) of **PIS/COFINS**;
- Higher expense with **CFURH** (R\$ 2 million).

In 9M20, the **Gross Operating Revenue** reached R\$ 1,074 million, an increase of 8.4% (R\$ 83 million). The **Net Operating Revenue** was of R\$ 968 million, an increase of 8.7% (R\$ 77 million).

The main factors that affected the net operating revenue were:

- Increase of R\$ 83 million in the **Revenue from Building the Infrastructure of the Concession**;
- Increase of 0.6% (R\$ 5 million) with **Electric Energy Supply**;
- Lower expense with **CFURH** (R\$ 2 million);
- Lower expense with **Aneel's inspection fee** (R\$ 1 million);

These effects were partially offset by:

- Increase of 10.2% (R\$ 10 million) of **PIS/COFINS**;
- Reduction of 8.9% (R\$ 5 million) in **Other Revenues**.

Cost of Electric Power

Cost of Electric Energy (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Cost of Electric Power Purchased for Resale						
Energy Purchased in the Spot Market	(0)	(5)	-95.1%	(14)	(13)	6.6%
Energy Purchased Bilateral Contracts and ACL	(11)	(23)	-50.8%	(40)	(63)	-36.7%
PIS and COFINS Tax Credit	1	2	-52.5%	4	6	-36.2%
Total	(10)	(25)	-59.0%	(50)	(70)	-28.6%
Charges						
Basic Network Charges	(8)	(7)	4.5%	(23)	(21)	5.9%
Charges for the Use of the Distribution System	(0)	(0)	0.3%	(1)	(1)	2.5%
Connection Charges	1	1	2.0%	2	2	6.1%
Total	(7)	(7)	4.5%	(22)	(21)	5.8%
Cost of Electric Energy	(18)	(33)	-45.0%	(72)	(90)	-20.7%

In 3Q20, the Cost of Electric Energy was of R\$ 18 million, representing a decrease of 45.0% (R\$ 15 million), compared to 3Q19. There was a reduction of 59.0% (R\$ 15 million) in the Cost of Electric Power Purchased for Resale, due to:

- Decrease of 50.8% (R\$ 12 million) in **the cost with energy purchased in the free market and bilateral contracts**, due to the reductions in the volume (-22.2%) and in the average purchase price (-36.8%);
- Decrease of 95.1% (R\$ 5 million) in the **cost with energy in the spot market**, due to the reductions in the volume (-77.4%) and in the average purchase price (-78.3%);

Partially offset by:

- Decrease of 52.5% (R\$ 1 million) in **PIS and COFINS tax credit**.

In 9M20, the Cost of Electric Energy amounted to R\$ 72 million, representing a decrease of 20.7% (R\$ 19 million), compared to 9M19. There was a reduction of 28.6% (R\$ 20 million) in

the Cost of Electric Power Purchased for Resale, due to:

- Decrease of 36.7% (R\$ 23 million) in **the cost with energy purchased in the free market and bilateral contracts**, due to the reductions in the volume (-12.5%) and in the average purchase price (-27.7%);

Partially offset by:

- Decrease of 36.2% (R\$ 2 million) in **PIS and COFINS tax credit**;
- Increase of 6.6% (R\$ 1 million) in the **cost with energy in the spot market**, due to the increase in the volume (176.1%), partially offset by the reduction in the average purchase price (-61.4%).

Volume of purchased energy (GWh)	3Q20	3Q19	Var.	9M20	9M19	Var.
Energy Purchased in the Spot Market	23	102	-77.4%	528	191	176.1%
Energy Purchased Bilateral Contracts and ACL	206	265	-22.2%	631	721	-12.5%
Total	229	366	-37.5%	1,159	912	27.1%

Average price (R\$/MWh)	3Q20	3Q19	Var.	9M20	9M19	Var.
Energy Purchased in the Spot Market	(10.13)	(46.77)	-78.3%	(26.47)	(68.56)	-61.4%
Energy Purchased Bilateral Contracts and ACL	(54.17)	(85.69)	-36.8%	(63.08)	(87.20)	-27.7%
Total	(49.75)	(74.89)	-33.6%	(46.40)	(83.29)	-44.3%

PMSO

PMSO (R\$ million)								
	3Q20	3Q19	Variation		9M20	9M19	Variation	
			R\$ MM	%			R\$ MM	%
PMSO								
Personnel	11	10	1	5.9%	33	27	6	22.2%
Material	1	1	(0)	-3.7%	3	3	0	4.3%
Outsourced Services	5	6	(1)	-23.0%	17	19	(1)	-7.2%
Other Operating Costs/Expenses	8	8	1	8.8%	22	23	(0)	-0.6%
<i>GSF Risk Premium</i>	4	2	1	68.4%	9	7	2	23.7%
<i>Others</i>	4	5	(1)	-17.4%	14	15	(2)	-11.8%
Total PMSO	25	25	(0)	-0.8%	75	71	5	6.5%

The PMSO reached R\$ 25 million in 3Q20, maintaining the same place as 3Q19.

In 9M20, the PMSO registered an increase of 6.5% (R\$ 5 million), explained by the increase in the expenses with personnel of 22.2% (R\$ 6 million), due mainly to the increase in headcount and the effects of the collective bargaining agreement. This result was partially offset by a decrease of 7.2% (R\$ 1 million) in the expenses with outsourced services.

Other operating costs and expenses

Other operating costs and expenses						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Costs with Infrastructure Construction	(49)	(10)	413.6%	(86)	(10)	738.6%
Private Pension Fund	(1)	(0)	49.0%	(2)	(1)	60.5%
Depreciation and Amortization	(30)	(30)	0.8%	(89)	(89)	0.3%
Total	(80)	(40)	101.2%	(177)	(101)	75.9%

Equity Income

Equity Income (R\$ Million)						
	3Q20	3Q19	Var. %	9M20	9M19	Var. %
Projects						
Barra Grande HPP	(1)	(4)	-71.4%	(9)	(3)	158.0%
Campos Novos HPP	42	26	61.1%	111	93	19.4%
Foz do Chapecó HPP	36	39	-7.8%	111	101	9.4%
Epasa TPP	19	20	-8.3%	54	67	-20.2%
Total	96	82	16.7%	266	258	3.3%

Note: Disclosure of interest in subsidiaries is made in accordance with IFRS 12 and CPC 45.

In 3Q20, the result of the Equity Income was R\$ 96 million, an increase of 16.7% (R\$ 14 million). In 9M20, the result of the Equity Income was R\$ 266 million, an increase of 3.3% (R\$ 9 million).

Equity Income (R\$ Million)						
BARRA GRANDE	3Q20	3Q19	Var. %	9M20	9M19	Var. %
Net Revenue	9	21	-54.9%	33	49	-32.3%
Operating Costs / Expenses	(7)	(19)	-62.1%	(26)	(37)	-29.7%
Deprec. / Amortization	(3)	(3)	0.4%	(10)	(10)	0.0%
Net Financial Result	(5)	(3)	79.9%	(11)	(6)	74.5%
Income Tax	5	(0)	-	4	(0)	-
Net Income	(1)	(4)	-71.4%	(9)	(3)	158.0%

Equity Income (R\$ Million)						
CAMPOS NOVOS	3Q20	3Q19	Var. %	9M20	9M19	Var. %
Net Revenue	94	80	17.4%	257	236	9.0%
Operating Costs / Expenses	(23)	(31)	-27.0%	(65)	(66)	-1.0%
Deprec. / Amortization	(6)	(6)	0.6%	(18)	(18)	2.1%
Net Financial Result	(1)	(4)	-58.6%	(7)	(14)	-51.0%
Income Tax	(22)	(13)	65.2%	(57)	(48)	20.2%
Net Income	42	26	61.1%	111	93	19.4%

Equity Income (R\$ Million)						
FOZ DO CHAPECÓ	3Q20	3Q19	Var. %	9M20	9M19	Var. %
Net Revenue	119	114	5.0%	353	333	6.1%
Operating Costs / Expenses	(24)	(23)	8.3%	(77)	(75)	2.4%
Deprec. / Amortization	(16)	(16)	-0.9%	(48)	(48)	0.3%
Net Financial Result	(26)	(18)	48.3%	(67)	(65)	3.7%
Income Tax	(19)	(20)	-5.1%	(57)	(51)	11.9%
Net Income	36	39	-7.8%	111	101	9.4%

Equity Income (R\$ Million)						
EPASA	3Q20	3Q19	Var. %	9M20	9M19	Var.%
Net Revenue	35	39	-9.2%	108	254	-57.7%
Operating Costs / Expenses	(8)	(8)	-0.5%	(26)	(153)	-83.0%
Deprec. / Amortization	(5)	(5)	0.6%	(14)	(14)	0.2%
Net Financial Result	(1)	(1)	-18.7%	(4)	(6)	-26.3%
Income Tax	(5)	(5)	-1.1%	(13)	(16)	-20.5%
Net Income	19	20	-8.3%	54	67	-20.2%

Below are the main variations:

Barra Grande:

In 3Q20, the net revenue decreased 54.9% (R\$ 11 million), while the operating costs and expenses had a decrease of 62.1% (R\$ 12 million). The financial result (net financial expense) increased 79.9% (R\$ 2 million), due to the increase in expenses with UBP, which were impacted by IGP-M.

In 9M20, the net revenue decreased 32.3% (R\$ 16 million), while the operating costs and expenses decreased 29.7% (R\$ 11 million). The financial result (net financial expense) presented an increase of 74.5% (R\$ 5 million), due to the increase in expenses with UBP (impacted by IGP-M).

Campos Novos:

In 3Q20, the net revenue increased 17.4% (R\$ 14 million), especially due to the contracts readjustments. The operating costs and expenses decreased 27.0% (R\$ 8 million), mainly due to lower energy purchased. The financial result (net financial expense) presented a reduction of 58.6% (R\$ 3 million), due to the lower debt expenses, especially regarding lower CDI interest rate over debentures.

In 9M20, the net revenue increased 9.0% (R\$ 21 million), especially due to the contracts readjustments. The operating costs and expenses of 9M20 remained stable compared to 9M19. The financial result (net financial expense) presented a reduction of 51.0% (R\$ 7 million), due to the lower debt expenses, favored by lower CDI interest rate over debentures.

Foz do Chapecó:

In 3Q20, an increase of 5.0% in the net revenue, especially due to the contracts readjustments. The operating costs and expenses presented an increase of 8.3% (R\$ 1 million). In the financial result (net financial expense), there was an increase of 48.3% (R\$ 9 million), due mainly to the increase in expenses with UBP (impacted by IGP-M and IPCA).

In 9M20, net revenue increased 6.1% (R\$ 20 million), especially due to the contracts readjustment. The operating costs and expenses increased 2.4% (R\$ 2 million). The financial result (net financial expense) presented an increase of 3.7% (R\$ 2 million), due mainly to the increase in expenses with UBP (impacted by IGP-M and IPCA), partially offset by the reduction in debt expenses.

Epasa:

In 3Q20, net revenue decreased 9.2% (R\$ 3 million), due to lower sell of energy in the spot market. The operating costs and expenses and the financial result of 3Q20 remained stable compared to 3Q19.

In 9M20, the net revenue decreased 57.7% (R\$ 147 million), due to the lower volume of generation and lower energy sales in the spot market. The operating costs and expenses decreased 83.0% (R\$ 127 million), due to lower fuel purchase. The financial result (net financial expense) presented a decrease of 26.3% (R\$ 2 million) due to lower debt expenses.

EBITDA

In 3Q20, **EBITDA** was of R\$ 349 million, an increase of 3.2% (R\$ 11 million), mainly due to the lower expenses with GSF and the contracts readjustments.

In 9M20, **EBITDA** was of R\$ 999 million, an increase of 2.4% (R\$ 23 million), mainly due to the contracts readjustments.

Conciliation of Net Income and EBITDA (R\$ million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Net Income	273	232	17.4%	697	624	11.6%
Depreciation and Amortization	30	30	0.8%	90	89	0.3%
Financial Result	13	43	-69.6%	58	126	-54.2%
Income Tax /Social Contribution	33	33	0.8%	154	135	14.0%
EBITDA	349	338	3.2%	999	976	2.3%

Financial Result

Resultado Financeiro (R\$ Milhões)						
	3T20	3T19	Var.	9M20	9M19	Var.
Receitas	9	13	-28.1%	28	36	-23.1%
Despesas	(22)	(56)	-60.2%	(86)	(162)	-47.3%
Resultado Financeiro	(13)	(43)	-69.6%	(58)	(126)	-54.2%

In 3Q20, the financial result was a **net financial expense** of R\$ 13 million, a reduction of 69.6% (R\$ 30 million), mainly due to lower expenses with net debt (R\$ 25 million) and other items (R\$ 5 million).

In 9M20, the financial result was a **net financial expense** of R\$ 58 million, a reduction of 54.2% (R\$ 68 million), mainly due to lower expenses with net debt (R\$ 56 million) and other items (R\$ 12 million).

Net Income

In 3Q20, **net income** was R\$ 273 million, an increase of 17.4% (R\$ 40 million), compared to 3Q19. In 9M20, **net income** was R\$ 697 million, an increase of 11.6% (R\$ 73 million), compared to 9M19. These results mainly reflects the higher EBITDA and the gain with the financial result, due to lower expenses with net debt.

5.4) CPFL Renováveis

Economic-Financial Performance

Consolidated Income Statement - CPFL RENOVÁVEIS (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Gross Operating Revenue	703	634	10.8%	1,465	1,422	3.0%
Net Operating Revenue	670	599	11.9%	1,384	1,345	2.9%
Cost of Electric Power	(95)	(106)	-11.1%	(204)	(226)	-9.6%
Operating Costs & Expenses	(198)	(270)	-26.6%	(702)	(775)	-9.4%
EBIT	377	222	69.7%	477	343	39.1%
EBITDA¹	485	384	26.3%	910	827	10.1%
Financial Income (Expense)	(105)	(93)	13.7%	(257)	(316)	-18.4%
Income Before Taxes	272	130	109.6%	220	28	695.2%
Net Income	538	124	333.9%	465	(8)	-

Note:

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

Operating Revenue

Renewable Generation Revenue by Source (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
SHPP	144	138	4.5%	417	402	3.6%
Biomass	89	100	-10.4%	217	207	4.8%
Wind/Holding	437	362	20.9%	750	735	2.0%
Total Net Operating Revenue	670	599	11.9%	1,384	1,345	2.9%

In 3Q20, **Gross Operating Revenue** reached R\$ 703 million, representing an increase of 10.8% (R\$ 69 million). **Net Operating Revenue** reached R\$ 670 million, representing an increase of 11.9% (R\$ 71 million). These variations are mainly explained by the following factors:

SHPPs Source:

- Increase of R\$ 6 million in revenue from SHPPs, mainly due to the different strategy of seasonal adjustment of physical guarantee in the agreements between the periods and price readjustments.

Biomass Source:

- Decrease of R\$ 11 million in biomass revenue, mainly due to the strategy of contract seasonalization and the lower generation.

Wind Source and Holding Company:

- Increase of R\$ 75 million in revenue from wind farms and the Holding Company, mainly due to the higher generation and availability of wind complexes.

In 9M20, **Gross Operating Revenue** reached R\$ 1,465 million, representing an increase of 3.0% (R\$ 43 million). **Net Operating Revenue** reached R\$ 1,384 million, representing an increase of 2.9% (R\$ 40 million). These variations are mainly explained by the following factors:

SHPPs Source:

- Increase of R\$ 15 million in revenue from SHPPs, mainly due to the readjustment of contracts and different strategy of seasonal adjustment of physical guarantee in the agreements between the periods, partially offset by the GSF exposure.

Biomass Source:

- Increase of R\$ 10 million in biomass revenue, mainly due to the strategy of contract seasonalization.

Wind Source and Holding Company:

- Increase of R\$ 15 million in revenue from wind farms and the Holding Company, mainly due to the higher generation in the 3Q20 and the higher availability of wind complexes.

Cost of Electric Power

Cost of Electric Energy (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Cost of Electric Power Purchased for Resale	(68)	(81)	-15.6%	(126)	(152)	-16.9%
Charges for the Use of the Transmission and Distribution System	(26)	(26)	3.4%	(78)	(74)	5.4%
Cost of Electric Energy	(95)	(106)	-11.1%	(204)	(226)	-9.6%

In 3Q20, **Cost of Electric Energy** totaled R\$ 95 million, representing a decrease of 11.1% (R\$ 12 million). Energy purchase cost totaled R\$ 68 million in 3Q20, a decrease of 15.6% (R\$ 13 million), mainly due to the lower energy volume purchased for SHPPs and wind farms. Cost of charges for the use of the system totaled R\$ 26 million in 3Q20, an increase of 3.4% (R\$ 1 million).

In 9M20, **Cost of Electric Energy** totaled R\$ 204 million, a decrease of 9.6% (R\$ 22 million). Energy purchase cost totaled R\$ 126 million in 9M20, a decrease of 16.9% (R\$ 26 million), mainly due to the lower energy volume purchased for SHPPs and wind farms. Cost of charges for the use of the system totaled R\$ 78 million in 9M20, an increase of 5.4% (R\$ 4 million).

PMSO

Reported PMSO (R\$ million)								
	3Q20	3Q19	Variation		9M20	9M19	Variação	
			R\$ MM	%			R\$ MM	%
Reported PMSO								
Personnel	(24)	(31)	7	-22.5%	(74)	(85)	11	-12.4%
Material	(12)	(5)	(6)	114.5%	(14)	(13)	(1)	4.2%
Outsourced Services	(40)	(52)	11	-21.9%	(134)	(148)	14	-9.4%
Other Operating Costs/Expenses	(15)	(20)	6	-28.2%	(47)	(45)	(2)	4.1%
Asset Write-off	(2)	(9)	8	-82.9%	(3)	(9)	6	-64.2%
Others	(13)	(11)	(2)	15.6%	(44)	(36)	(8)	21.3%
Total Reported PMSO	(91)	(109)	18	-16.4%	(269)	(292)	22	-7.6%

PMSO reached R\$ 91 million in 3Q20, compared to R\$ 109 million in 3Q19, a decrease of 16.4% (R\$ 18 million). This variation is explained by the reduction in assets write-off, in comparison with 3Q19, when we had the write-off of fixed assets of wind farms which were operated by Suzlon, in the amount of R\$ 9 million. In addition, there was a decrease of R\$ 7 million in personnel costs, mainly due to the reduction in the number of employees and the average cost per employee, due to the restructuring proposed by the Group.

In 9M20, PMSO reached R\$ 269 million, compared to R\$ 292 million in 9M19, a decrease of 7.6% (R\$ 22 million). This variation is mainly explained by the same factors that influenced the quarter, in addition to a decrease in outsourced services.

Other operating costs and expenses

Other operating costs and expenses						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Depreciation and amortization	(68)	(122)	-44.6%	(313)	(365)	-14.0%
Amortization of Concession Intangible	(40)	(40)	0.5%	(120)	(119)	0.2%
Total	(108)	(162)	-33.5%	(433)	(484)	-10.5%

EBITDA

In 3Q20, **EBITDA** was of R\$ 485 million, compared to R\$ 384 million in 3Q19, an increase of 26.3% (R\$ 101 million). This result is mainly due to higher generation and availability in wind farms, lower cost with GSF and contracts adjustments in the SHPPs.

In 9M20, **EBITDA** was of R\$ 910 million, compared to R\$ 827 million in 9M19, an increase of 10.1% (R\$ 83 million). This result is mainly due to SHPPs contract adjustments and higher availability of wind farms, partially offset by the lower wind performance.

EBITDA and Net Income conciliation (R\$ million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Net Income	538	124	333.9%	465	(8)	-
Depreciation and Amortization	108	162	-33.5%	433	484	-10.5%
Financial Result	105	93	13.7%	257	316	-18.4%
Income Tax / Social Contribution	(265)	6	-	(245)	35	-
EBITDA	485	384	26.3%	910	827	10.1%

Financial Result

Financial Result (R\$ Million)						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Revenues	16	43	-61.8%	68	141	-52.2%
Expenses	(122)	(135)	-10.0%	(325)	(457)	-28.9%
Financial Result	(105)	(93)	13.7%	(257)	(316)	-18.4%

In 3Q20, financial result registered a net financial expense of R\$ 105 million, an increase of 13.7% (R\$ 13 million). This variation is basically explained by the decrease of 21.7% (R\$ 19 million) in **expenses with the net debt** (debt charges, net of income from financial investments), mainly due to the decrease in interest rates (CDI) and the lower debt cost. This effect was offset by an additional expense to debt pre-payments other items of the financial result.

In 9M20, financial result registered a net financial expense of R\$ 257 million, a decrease of 18.4% (R\$ 58 million). This variation is basically explained by the decrease of 28.2% (R\$ 82 million) in **expenses with the net debt** (debt charges, net of income from financial investments), mainly due to the decrease in interest rates (CDI) and lower debt cost, partially offset by the variation of R\$ 24 million in other items.

Income Tax and Social Contribution

In 3Q20, the income tax and social contribution item registered a positive result of R\$ 265 million, compared to a negative result of R\$ 6 million in 3Q19, a variation de R\$ 271 million. In 9M20, the income tax and social contribution item registered a positive result of R\$ 245 million, compared to a negative result of R\$ 35 million in 9M19, a variation of R\$ 281 million. These variations are explained by the recognition of tax credits (R\$ 271 million) occurred in 3Q20.

Net Income

In 3Q20, **net income** was of R\$ 538 million, compared to the net income of R\$ 124 million in 3Q19, an increase of 333.9% (R\$ 414 million). This performance reflects the improvement in EBITDA and in the income tax and social contribution item, partially offset by the worsening in the financial result.

In 9M20, **net income** was of R\$ 465 million, compared to the net loss of R\$ 8 million in 9M19. This performance reflects the improvement in EBITDA, in the financial result and in the income tax and social contribution item.

6) ATTACHMENTS

6.1) Balance Sheet - Assets – CPFL Energia

(R\$ thousands)



	Consolidated		
ASSETS	09/30/2020	12/31/2019	09/30/2019
CURRENT			
Cash and Cash Equivalents	6,758,471	1,937,163	3,231,733
Bonds and securities	1,357,372	851,004	725
Consumers, Concessionaries and Licensees	4,739,787	4,985,578	5,046,010
Dividend and Interest on Equity	99,942	100,297	98,318
Recoverable Taxes	589,026	419,126	419,722
Derivatives	1,139,475	281,326	318,385
Sectoral Financial Assets	332,721	1,093,588	1,328,954
Contractual Assets	24,565	24,387	34,262
Other assets	891,686	648,161	590,041
TOTAL CURRENT	15,933,045	10,340,630	11,068,152
NON-CURRENT			
Consumers, Concessionaries and Licensees	758,494	713,068	662,605
Judicial Deposits	766,124	757,370	876,539
Recoverable Taxes	418,750	472,123	430,881
Sectoral Financial Assets	-	2,748	325,012
Derivatives	1,715,469	369,767	536,754
Deferred Taxes	348,049	1,064,716	760,934
Concession Financial Assets	9,772,378	8,779,717	8,398,420
Investments at Cost	116,654	116,654	116,654
Other assets	193,624	736,019	706,587
Investments	1,098,857	997,997	973,882
Property, Plant and Equipment	8,894,142	9,083,710	9,106,888
Contractual Assets	1,581,055	1,322,822	1,396,228
Intangible Assets	9,077,416	9,320,953	9,264,793
TOTAL NON-CURRENT	34,741,011	33,737,664	33,556,177
TOTAL ASSETS	50,674,056	44,078,293	44,624,329

6.2) Balance Sheet - Liabilities – CPFL Energia

(R\$ thousands)



	Consolidated		
LIABILITIES AND SHAREHOLDERS' EQUITY	09/30/2020	12/31/2019	09/30/2019
CURRENT			
Trade payables	2,881,472	3,260,180	3,211,553
Borrowings	3,466,905	2,776,193	3,394,489
Debentures	1,301,309	682,582	584,682
Private pension plan	154,851	224,851	123,486
Regulatory liabilities	114,067	232,251	247,053
Taxes, Fees and Contributions	1,236,547	960,497	731,835
Dividends	2,120,493	668,859	512,257
Estimated payroll	184,210	125,057	174,024
Derivatives	-	29,400	1,377
Use of public asset	12,573	11,771	6,189
Other payables	1,517,817	1,094,269	1,123,247
TOTAL CURRENT	12,990,245	10,065,908	10,110,192
NON-CURRENT			
Trade payables	399,297	359,944	334,949
Borrowings	8,915,535	7,587,102	8,256,512
Debentures	6,508,223	7,863,696	8,115,705
Private pension plan	1,849,054	2,153,327	1,101,463
Taxes, Fees and Contributions	158,713	157,003	1,588
Deferred tax liabilities	891,192	1,048,069	1,087,252
Provision for tax, civil and labor risks	530,281	600,775	821,032
Loans with Controlled and Controlling Companies	2,395,881	-	-
Derivatives	-	6,157	4,092
Sectoral financial liabilities	518,300	102,561	137,539
Use of public asset	100,290	91,181	96,442
Other payables	596,340	759,331	620,933
TOTAL NON-CURRENT	22,863,105	20,729,147	20,577,509
SHAREHOLDERS' EQUITY			
Issued capital	9,388,080	9,388,081	9,388,978
Capital Reserves	(1,643,776)	(1,640,962)	(1,640,962)
Legal Reserve	1,036,125	1,036,125	900,992
Statutory reserve - working capital improvement	4,046,305	4,046,305	3,527,510
Dividend	-	1,433,295	-
Accumulated comprehensive income	(990,716)	(1,268,465)	(406,889)
Retained earnings	2,698,679	-	1,879,755
	14,534,698	12,994,381	13,649,386
Equity attributable to noncontrolling interests	286,008	288,857	287,242
TOTAL SHAREHOLDERS' EQUITY	14,820,706	13,283,238	13,936,627
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	50,674,056	44,078,293	44,624,329

6.3) Income Statement – CPFL Energia

(R\$ thousands)



	Consolidated					
	3Q20	3Q19	Variation	9M20	9M19	Variation
OPERATING REVENUES						
Electricity Sales to Final Customers	7,505,802	7,675,780	-2.2%	22,253,622	23,213,292	-4.1%
Electricity Sales to Distributors	1,297,020	1,787,762	-27.5%	3,494,689	4,456,730	-21.6%
Revenue from building the infrastructure	690,319	561,861	22.9%	1,789,593	1,488,441	20.2%
Update of concession's financial asset	79,774	63,213	26.2%	157,124	236,000	-33.4%
Sectorial financial assets and liabilities	255,624	238,278	7.3%	83,080	(64,548)	-
Other Operating Revenues	1,488,204	1,337,955	11.2%	4,263,900	3,926,718	8.6%
	11,316,742	11,664,848	-3.0%	32,042,010	33,256,634	-3.7%
DEDUCTIONS FROM OPERATING REVENUES	(3,535,722)	(3,918,367)	-9.8%	(10,417,079)	(11,346,400)	-8.2%
NET OPERATING REVENUES	7,781,020	7,746,482	0.4%	21,624,931	21,910,234	-1.3%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(3,582,924)	(4,150,261)	-13.7%	(10,831,541)	(11,709,289)	-7.5%
Electricity Network Usage Charges	(884,948)	(629,141)	40.7%	(2,000,939)	(1,822,487)	9.8%
	(4,467,872)	(4,779,402)	-6.5%	(12,832,480)	(13,531,776)	-5.2%
OPERATING COSTS AND EXPENSES						
Personnel	(354,870)	(363,683)	-2.4%	(1,066,447)	(1,077,469)	-1.0%
Material	(74,125)	(71,008)	4.4%	(207,019)	(204,005)	1.5%
Outsourced Services	(127,637)	(171,957)	-25.8%	(449,342)	(515,415)	-12.8%
Other Operating Costs/Expenses	(170,166)	(234,559)	-27.5%	(565,564)	(612,981)	-7.7%
<i>Allowance for Doubtful Accounts</i>	<i>(36,372)</i>	<i>(61,016)</i>	<i>-40.4%</i>	<i>(174,344)</i>	<i>(194,866)</i>	<i>-10.5%</i>
<i>Legal and judicial expenses</i>	<i>(43,655)</i>	<i>(55,180)</i>	<i>-20.9%</i>	<i>(107,417)</i>	<i>(126,155)</i>	<i>-14.9%</i>
<i>Others</i>	<i>(90,139)</i>	<i>(118,364)</i>	<i>-23.8%</i>	<i>(283,803)</i>	<i>(291,960)</i>	<i>-2.8%</i>
Cost of building the infrastructure	(685,234)	(560,882)	22.2%	(1,780,831)	(1,487,416)	19.7%
Employee Pension Plans	(42,813)	(29,020)	47.5%	(131,065)	(85,322)	53.6%
Depreciation and Amortization	(309,124)	(345,801)	-10.6%	(715,121)	(1,014,203)	-29.5%
Amortization of Concession's Intangible	(72,311)	(72,109)	0.3%	(144,219)	(216,328)	-33.3%
	(1,836,280)	(1,849,021)	-0.7%	(5,059,608)	(5,213,140)	-2.9%
EBITDA¹	1,954,094	1,618,024	20.8%	4,858,457	4,653,623	4.4%
INCOME FROM ELECTRIC ENERGY SERVICE	1,476,868	1,118,058	32.1%	3,732,843	3,165,318	17.9%
FINANCIAL REVENUES (EXPENSES)						
Financial Revenues	139,622	280,129	-50.2%	760,397	718,061	5.9%
Financial Expenses	(331,666)	(412,487)	-19.6%	(903,693)	(1,281,783)	-29.5%
	(192,044)	(132,358)	45.1%	(143,297)	(563,722)	-74.6%
EQUITY ACCOUNTING						
Equity Accounting	95,790	82,055	16.7%	266,274	257,774	3.3%
Assets Surplus Value Amortization	(145)	(145)	0.0%	(435)	(435)	0.0%
	95,645	81,910	16.8%	265,839	257,339	3.3%
INCOME BEFORE TAXES	1,380,469	1,067,610	29.3%	3,855,386	2,858,936	34.9%
Social Contribution	(10,207)	(86,711)	-88.2%	(205,238)	(260,789)	-21.3%
Income Tax	(18,673)	(233,160)	-92.0%	(550,790)	(706,377)	-22.0%
NET INCOME	1,351,589	747,739	80.8%	3,099,358	1,891,770	63.8%
Controlling Shareholders' Interest	1,337,434	676,957	97.6%	2,678,569	1,861,036	43.9%
Non-Controlling Shareholders' Interest	14,155	70,782	-80.0%	39,354	30,734	28.0%

Note: (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization, according to CVM Instruction no. 527/12.

6.4) Income Statement by business segment

(R\$ thousands)

Income Statement by business segment - CPFL Energia (R\$ million)								
	Distribution	Conventional Generation	Renewable Generation	Commercialization	Services	Others	Eliminations	Total
3Q20								
Net operating revenue	6,286	346	670	758	190	0	(470)	7,781
Operating costs and expenses	(5,215)	(93)	(185)	(750)	(142)	(8)	470	(5,923)
Depreciation e amortization	(220)	(30)	(108)	(1)	(7)	(16)	-	(382)
Income from electric energy service	852	223	377	7	42	(24)	(0)	1,477
Equity accounting	-	96	-	-	-	-	-	96
EBITDA	1,072	349	485	8	49	(8)	-	1,954
Financial result	(75)	(13)	(105)	7	0	(6)	-	(192)
Income (loss) before taxes	777	305	272	13	42	(29)	-	1,380
Income tax and social contribution	(206)	(33)	265	(4)	(5)	(46)	-	(29)
Net income (loss)	571	273	538	9	37	(76)	-	1,352
3Q19								
Net operating revenue	6,134	324	599	969	147	2	(429)	7,746
Operating costs and expenses	(5,289)	(68)	(215)	(945)	(115)	(9)	429	(6,211)
Depreciation e amortization	(204)	(30)	(162)	(0)	(6)	(16)	-	(418)
Income from electric energy service	642	226	222	24	26	(22)	0	1,118
Equity accounting	-	82	-	-	-	-	-	82
EBITDA	846	338	384	25	32	(7)	-	1,618
Financial result	(43)	(43)	(93)	(8)	0	54	-	(132)
Income (loss) before taxes	599	265	130	17	26	32	-	1,068
Income tax and social contribution	(224)	(33)	(6)	(5)	(9)	(44)	-	(320)
Net income (loss)	375	232	124	12	17	(12)	-	748
Variation								
Net operating revenue	2.5%	6.8%	11.9%	-21.8%	29.6%	-99.1%	9.5%	0.4%
Operating costs and expenses	-1.4%	37.2%	-13.8%	-20.6%	23.4%	-12.8%	9.5%	-4.6%
Depreciation e amortization	7.8%	0.8%	-33.5%	142.1%	12.3%	0.4%	-	-8.7%
Income from electric energy service	32.7%	-1.5%	69.7%	-72.5%	61.0%	5.4%	-	32.1%
Equity accounting	-	16.7%	-	-	-	-	-	16.7%
EBITDA	26.7%	3.2%	26.3%	-68.5%	51.6%	17.4%	-	20.8%
Financial result	74.3%	-69.6%	13.7%	-	148.2%	-	-	45.1%
Income (loss) before taxes	29.8%	15.4%	109.6%	-19.0%	61.5%	-	-	29.3%
Income tax and social contribution	-8.1%	0.8%	-	-15.9%	-40.5%	6.1%	-	-91.0%
Net income (loss)	52.4%	17.4%	333.9%	-20.3%	115.2%	539.5%	-	80.8%
Income Statement by business segment - CPFL Energia (R\$ million)								
	Distribution	Conventional Generation	Renewable Generation	Commercialization	Services	Others	Eliminations	Total
9M20								
Net operating revenue	17,783	968	1,384	2,186	517	(4)	(1,208)	21,625
Operating costs and expenses	(14,952)	(235)	(474)	(2,157)	(395)	(28)	1,208	(17,033)
Depreciation e amortization	(648)	(90)	(433)	(2)	(21)	(47)	-	(1,241)
Income from electric energy service	2,183	643	477	26	101	(79)	0	3,351
Equity accounting	-	266	-	-	-	-	-	266
EBITDA	2,831	999	910	28	122	(32)	-	4,858
Financial result	150	(58)	(257)	18	1	3	-	(143)
Income (loss) before taxes	2,333	851	220	44	102	(77)	-	3,474
Income tax and social contribution	(764)	(154)	245	(14)	(21)	(47)	-	(756)
Net income (loss)	1,568	697	465	29	81	(123)	-	2,718
9M19								
Net operating revenue	17,837	891	1,345	2,542	451	2	(1,157)	21,910
Operating costs and expenses	(15,138)	(173)	(517)	(2,465)	(344)	(34)	1,157	(17,514)
Depreciation e amortization	(590)	(90)	(484)	(1)	(18)	(47)	-	(1,231)
Income from electric energy service	2,108	629	343	76	88	(79)	(0)	3,165
Equity accounting	-	258	-	-	-	-	-	258
EBITDA	2,699	976	827	77	107	(32)	-	4,654
Financial result	(174)	(126)	(316)	(17)	1	68	-	(564)
Income (loss) before taxes	1,934	760	28	59	89	(11)	-	2,859
Income tax and social contribution	(707)	(135)	(35)	(19)	(26)	(44)	-	(967)
Net income (loss)	1,227	624	(8)	40	63	(55)	-	1,892
Variation								
Net operating revenue	-0.3%	8.7%	2.9%	-14.0%	14.7%	-	4.4%	-1.3%
Operating costs and expenses	-1.2%	35.9%	-8.4%	-12.5%	14.9%	-17.0%	4.4%	-2.7%
Depreciation e amortization	9.7%	0.3%	-10.5%	68.4%	13.1%	0.3%	-	0.8%
Income from electric energy service	3.5%	2.3%	39.1%	-65.6%	14.2%	0.8%	-	5.9%
Equity accounting	-	3.3%	-	-	-	-	-	3.3%
EBITDA	4.9%	2.4%	10.1%	-63.0%	14.0%	1.6%	-	4.4%
Financial result	-	-54.2%	-18.4%	-	52.4%	-95.7%	-	-74.6%
Income (loss) before taxes	20.6%	12.1%	695.2%	-26.0%	14.6%	603.3%	-	21.5%
Income tax and social contribution	8.1%	14.0%	-	-25.5%	-18.8%	6.8%	-	-21.8%
Net income (loss)	27.8%	11.6%	-	-26.2%	28.5%	125.3%	-	43.7%

6.5) Cash Flow – CPFL Energia

(R\$ thousands)



Consolidated		
	3Q20	Last 12 months
Beginning Balance	6,987,631	3,231,733
Net Income Before Taxes	1,380,469	4,601,307
Depreciation and Amortization	381,435	1,691,297
Interest on Debts and Monetary and Foreign Exchange Restatements	205,031	534,469
Consumers, Concessionaries and Licensees	(543,405)	(3,269)
Sectoral Financial Assets	591,460	1,415,488
Accounts Receivable - Resources Provided by the CDE/CCEE	17,040	4,005
Suppliers	171,901	(265,734)
Sectoral Financial Liabilities	433,178	319,606
Accounts Payable - CDE	142	(41,255)
Interest on Debts and Debentures Paid	(185,184)	(943,132)
Income Tax and Social Contribution Paid	(39,223)	(577,134)
Others	(423,762)	205,920
	608,613	2,340,261
Total Operating Activities	1,989,082	6,941,568
Investment Activities		
Purchases of Contract Asset, Property, Plant and Equipment and Intangible Assets	(674,406)	(2,529,627)
Securities, Pledges and Restricted Deposits	522,298	(817,633)
Others	(1,951)	(5,298)
Total Investment Activities	(154,059)	(3,352,558)
Financing Activities		
Loans and Debentures	-	4,665,140
Principal Amortization of Loans and Debentures, Net of Derivatives	(3,586,457)	(6,587,538)
Dividend and Interest on Equity Paid	(4,098)	(518,723)
Intragroup Loans with Subsidiaries	1,530,000	2,380,000
Amortization of Intragroup Loans with Subsidiaries	(3,628)	555
Others	1	(1,706)
Total Financing Activities	(2,064,183)	(62,272)
Cash Flow Generation	(229,159)	3,526,738
Ending Balance - 09/30/2020	6,758,471	6,758,471

6.6) Income Statement – Conventional Generation Segment

(R\$ thousands)



Conventional Generation						
	3Q20	3Q19	Var.	9M20	9M19	Var.
OPERATING REVENUE						
Electricity Sales to Distributors	310,846	320,484	-3.0%	925,395	920,152	0.6%
Revenue from construction of concession infrastructure	54,469	10,593	414.2%	94,340	11,230	740.1%
Other Operating Revenues	19,884	26,939	-26.2%	54,116	59,385	-8.9%
	385,199	358,017	7.6%	1,073,852	990,767	8.4%
DEDUCTIONS FROM OPERATING REVENUE	(39,424)	(34,369)	14.7%	(105,990)	(100,004)	6.0%
NET OPERATING REVENUE	345,775	323,647	6.8%	967,862	890,763	8.7%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(10,400)	(25,358)	-59.0%	(49,771)	(69,690)	-28.6%
Electricity Network Usage Charges	(7,485)	(7,165)	4.5%	(22,007)	(20,827)	5.7%
	(17,885)	(32,523)	-45.0%	(71,778)	(90,517)	-20.7%
OPERATING COSTS AND EXPENSES						
Personnel	(10,643)	(10,046)	5.9%	(32,712)	(26,761)	22.2%
Material	(994)	(1,032)	-3.7%	(2,838)	(2,720)	4.3%
Outsourced Services	(4,812)	(6,252)	-23.0%	(17,241)	(18,587)	-7.2%
Other Operating Costs/Expenses	(8,484)	(7,796)	8.8%	(22,496)	(22,625)	-0.6%
Costs of infrastructure construction	(49,384)	(9,615)	413.6%	(85,578)	(10,205)	738.6%
Employee Pension Plans	(705)	(473)	49.0%	(2,278)	(1,419)	60.5%
Depreciation and Amortization	(27,432)	(27,192)	0.9%	(81,972)	(81,681)	0.4%
Amortization of Concession's Intangible	(2,492)	(2,492)	0.0%	(7,475)	(7,475)	0.0%
Amortization of Concession Goodwill	-	-	0.0%	-	-	0.0%
	(104,944)	(64,897)	61.7%	(252,589)	(171,474)	47.3%
EBITDA¹	348,659	337,966	3.2%	999,215	975,701	2.4%
EBIT	222,945	226,228	-1.5%	643,495	628,772	2.3%
FINANCIAL INCOME (EXPENSE)						
Financial Income	9,125	12,697	-28.1%	27,612	35,926	-23.1%
Financial Expenses	(22,332)	(56,163)	-60.2%	(85,533)	(162,314)	-47.3%
	(13,207)	(43,467)	-69.6%	(57,921)	(126,388)	-54.2%
EQUITY ACCOUNTING						
Equity Accounting	95,790	82,055	16.7%	266,274	257,774	3.3%
Assets Surplus Value Amortization	(145)	(145)	0.0%	(435)	(435)	0.0%
	95,645	81,910	16.8%	265,839	257,339	3.3%
INCOME BEFORE TAXES ON INCOME	305,384	264,671	15.4%	851,413	759,723	12.1%
Social Contribution	(8,711)	(8,803)	-1.0%	(40,955)	(36,099)	13.5%
Income Tax	(24,051)	(23,705)	1.5%	(113,246)	(99,132)	14.2%
NET INCOME	272,621	232,163	17.4%	697,212	624,492	11.6%

Note: (1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization, as CVM Instruction no. 527/12.

6.7) Income Statement – CPFL Renováveis

(R\$ thousands)



	Consolidated					
	3Q20	3Q19	Variation	9M20	9M19	Variation
OPERATING REVENUES						
Electricity Sales to Final Customers	5,613	5,169	8.6%	17,563	16,588	5.9%
Electricity Sales to Distributors	696,839	628,524	10.9%	1,445,887	1,401,803	3.1%
Other Operating Revenues	355	397	-10.6%	1,096	3,599	-69.5%
	702,807	634,089	10.8%	1,464,547	1,421,989	3.0%
DEDUCTIONS FROM OPERATING REVENUES	(32,454)	(35,033)	-7.4%	(80,364)	(77,448)	3.8%
NET OPERATING REVENUES	670,352	599,056	11.9%	1,384,183	1,344,542	2.9%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(68,115)	(80,733)	-15.6%	(126,110)	(151,752)	-16.9%
Electricity Network Usage Charges	(26,414)	(25,553)	3.4%	(78,113)	(74,143)	5.4%
	(94,529)	(106,285)	-11.1%	(204,223)	(225,895)	-9.6%
OPERATING COSTS AND EXPENSES						
Personnel	(24,150)	(31,144)	-22.5%	(74,159)	(84,663)	-12.4%
Material	(11,632)	(5,423)	114.5%	(13,868)	(13,315)	4.2%
Outsourced Services	(40,261)	(51,533)	-21.9%	(134,265)	(148,208)	-9.4%
Other Operating Costs/Expenses	(14,703)	(20,470)	-28.2%	(47,205)	(45,336)	4.1%
Depreciation and Amortization	(67,613)	(121,954)	-44.6%	(313,361)	(364,532)	-14.0%
Amortization of Concession's Intangible	(40,009)	(39,807)	0.5%	(119,622)	(119,421)	0.2%
	(198,368)	(270,331)	-26.6%	(702,480)	(775,475)	-9.4%
EBITDA¹	485,077	384,200	26.3%	910,464	827,124	10.1%
INCOME FROM ELECTRIC ENERGY SERVICE	377,455	222,439	69.7%	477,481	343,171	39.1%
FINANCIAL REVENUES (EXPENSES)						
Financial Revenues	16,280	42,584	-61.8%	67,527	141,371	-52.2%
Financial Expenses	(121,618)	(135,205)	-10.0%	(324,974)	(456,871)	-28.9%
	(105,338)	(92,620)	13.7%	(257,447)	(315,500)	-18.4%
INCOME BEFORE TAXES ON INCOME	272,117	129,819	109.6%	220,034	27,671	695.2%
Social Contribution	68,014	(2,970)	-	59,343	(12,721)	-
Income Tax	197,385	(2,962)	-	185,910	(22,584)	-
NET INCOME	537,516	123,887	333.9%	465,286	(7,634)	-

Note: (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization, according to CVM Instruction no. 527/12.

6.8) Income Statement – Distribution Segment

(R\$ thousand)



	Consolidated					
	3Q20	3Q19	Variation	9M20	9M19	Variation
OPERATING REVENUE						
Electricity Sales to Final Customers	6,919,652	7,118,937	-2.8%	20,593,562	21,615,399	-4.7%
Electricity Sales to Distributors	333,480	618,941	-46.1%	1,098,486	1,658,946	-33.8%
Revenue from building the infrastructure	635,850	551,267	15.3%	1,695,253	1,477,211	14.8%
Adjustments to the concession's financial asset	79,774	63,213	26.2%	157,124	236,000	-33.4%
Sectoral financial assets and liabilities	255,624	238,278	7.3%	83,080	(64,548)	-
Other Operating Revenues	1,431,484	1,279,689	11.9%	4,104,378	3,769,872	8.9%
	9,655,864	9,870,324	-2.2%	27,731,885	28,692,880	-3.3%
DEDUCTIONS FROM OPERATING REVENUE	(3,369,608)	(3,736,085)	-9.8%	(9,949,210)	(10,856,016)	-8.4%
NET OPERATING REVENUE	6,286,256	6,134,239	2.5%	17,782,675	17,836,864	-0.3%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(3,057,958)	(3,406,107)	-10.2%	(9,279,132)	(9,804,238)	-5.4%
Electricity Network Usage Charges	(857,496)	(603,272)	42.1%	(1,922,329)	(1,748,187)	10.0%
	(3,915,453)	(4,009,379)	-2.3%	(11,201,461)	(11,552,425)	-3.0%
OPERATING COSTS AND EXPENSES						
Personnel	(228,369)	(235,284)	-2.9%	(688,523)	(703,957)	-2.2%
Material	(43,741)	(46,471)	-5.9%	(132,477)	(136,672)	-3.1%
Outsourced Services	(199,526)	(211,696)	-5.7%	(607,417)	(638,209)	-4.8%
Other Operating Costs/Expenses	(149,532)	(205,908)	-27.4%	(497,984)	(545,844)	-8.8%
<i>Allowance for Doubtful Accounts</i>	<i>(34,919)</i>	<i>(61,105)</i>	<i>-42.9%</i>	<i>(172,102)</i>	<i>(193,538)</i>	<i>-11.1%</i>
<i>Legal and Judicial Expenses</i>	<i>(43,103)</i>	<i>(53,444)</i>	<i>-19.4%</i>	<i>(103,802)</i>	<i>(121,873)</i>	<i>-14.8%</i>
<i>Others</i>	<i>(71,510)</i>	<i>(91,359)</i>	<i>-21.7%</i>	<i>(222,080)</i>	<i>(229,858)</i>	<i>-3.4%</i>
Cost of building the infrastructure	(635,850)	(551,267)	15.3%	(1,695,253)	(1,477,211)	14.8%
Employee Pension Plans	(42,108)	(28,547)	47.5%	(128,787)	(83,903)	53.5%
Depreciation and Amortization	(205,909)	(189,965)	8.4%	(605,468)	(548,100)	10.5%
Amortization of Concession's Intangible	(14,133)	(14,133)	0.0%	(42,399)	(42,399)	0.0%
	(1,519,168)	(1,483,270)	2.4%	(4,398,308)	(4,176,295)	5.3%
EBITDA¹	1,071,677	845,687	26.7%	2,830,773	2,698,642	4.9%
EBIT	851,635	641,590	32.7%	2,182,906	2,108,144	3.5%
FINANCIAL INCOME (EXPENSE)						
Financial Income	105,768	168,428	-37.2%	635,451	461,587	37.7%
Financial Expenses	(180,459)	(211,289)	-14.6%	(485,406)	(635,609)	-23.6%
Interest on Equity						
	(74,691)	(42,861)	0.0%	150,045	(174,022)	-
INCOME BEFORE TAXES ON INCOME	776,943	598,729	29.8%	2,332,951	1,934,122	20.6%
Social Contribution	(55,072)	(60,036)	-8.3%	(203,063)	(189,737)	7.0%
Income Tax	(150,648)	(163,822)	-8.0%	(561,395)	(517,394)	8.5%
NET INCOME	571,223	374,871	52.4%	1,568,493	1,226,991	27.8%

Note: (1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization, as CVM Instruction no. 527/12.

6.9) Economic-Financial performance by Distributor

(R\$ thousand)



CPFL PAULISTA						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Gross Operating Revenue	4,334,779	4,349,461	-0.3%	12,195,565	12,443,979	-2.0%
Net Operating Revenue	2,882,339	2,749,311	4.8%	7,965,948	7,836,471	1.7%
Cost of Electric Power	(1,851,732)	(1,864,038)	-0.7%	(5,197,077)	(5,242,398)	-0.9%
Operating Costs & Expenses	(629,382)	(602,689)	4.4%	(1,772,921)	(1,685,718)	5.2%
EBIT	401,225	282,584	42.0%	995,950	908,354	9.6%
EBITDA ⁽¹⁾	475,537	351,712	35.2%	1,214,017	1,106,080	9.8%
Financial Income (Expense)	(19,598)	(7,742)	153.1%	107,352	(47,350)	-
Income Before Taxes	381,628	274,842	38.9%	1,103,302	861,004	28.1%
Net Income	246,650	176,837	39.5%	712,243	553,156	28.8%

CPFL PIRATININGA						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Gross Operating Revenue	1,690,083	1,801,238	-6.2%	4,930,210	5,295,775	-6.9%
Net Operating Revenue	1,093,627	1,108,673	-1.4%	3,153,785	3,223,653	-2.2%
Cost of Electric Power	(759,853)	(777,433)	-2.3%	(2,193,551)	(2,234,650)	-1.8%
Operating Costs & Expenses	(198,488)	(202,396)	-1.9%	(593,382)	(650,621)	-8.8%
EBIT	135,285	128,843	5.0%	366,853	338,381	8.4%
EBITDA ⁽¹⁾	164,419	157,257	4.6%	454,063	420,786	7.9%
Financial Income (Expense)	(2,362)	(5,077)	-53.5%	44,258	(27,674)	-
Income Before Taxes	132,923	123,766	7.4%	411,111	310,708	32.3%
Net Income	85,311	76,781	11.1%	263,856	195,620	34.9%

RGE						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Gross Operating Revenue	3,147,363	3,262,130	-3.5%	9,263,298	9,640,653	-3.9%
Net Operating Revenue	1,961,512	1,970,728	-0.5%	5,710,938	5,872,192	-2.7%
Cost of Electric Power	(1,113,287)	(1,184,068)	-6.0%	(3,290,173)	(3,559,954)	-7.6%
Operating Costs & Expenses	(564,398)	(583,895)	-3.3%	(1,703,209)	(1,582,770)	7.6%
EBIT	283,827	202,765	40.0%	717,556	729,468	-1.6%
EBITDA ⁽¹⁾	384,966	296,895	29.7%	1,017,155	1,003,153	1.4%
Financial Income (Expense)	(49,779)	(28,040)	77.5%	(3,837)	(89,979)	-95.7%
Income Before Taxes	234,047	174,726	34.0%	713,719	639,490	11.6%
Net Income	221,318	105,913	109.0%	525,662	400,153	31.4%

CPFL SANTA CRUZ						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Gross Operating Revenue	483,639	457,495	5.7%	1,342,813	1,312,472	2.3%
Net Operating Revenue	348,779	305,527	14.2%	952,003	904,548	5.2%
Cost of Electric Power	(190,581)	(183,840)	3.7%	(520,660)	(515,422)	1.0%
Operating Costs & Expenses	(126,900)	(94,289)	34.6%	(328,796)	(257,186)	27.8%
EBIT	31,298	27,398	14.2%	102,547	131,940	-22.3%
EBITDA ⁽¹⁾	46,755	39,823	17.4%	145,538	168,623	-13.7%
Financial Income (Expense)	(2,953)	(2,002)	47.5%	2,272	(9,020)	0.0%
Income Before Taxes	28,345	25,395	11.6%	104,819	122,920	-14.7%
Net Income	17,943	15,339	17.0%	66,732	78,062	-14.5%

Note: (1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization, as CVM Instruction no. 527/12.

6.10) Sales within the Concession Area by Distributor

(In GWh)



CPFL Paulista						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Residential	2,414	2,205	9.5%	7,299	7,208	1.3%
Industrial	2,629	2,714	-3.1%	7,519	8,131	-7.5%
Commercial	1,164	1,274	-8.6%	3,813	4,254	-10.4%
Others	1,209	1,148	5.4%	3,351	3,342	0.3%
Total	7,417	7,340	1.0%	21,982	22,935	-4.2%

CPFL Piratininga						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Residential	1,007	914	10.1%	3,046	3,016	1.0%
Industrial	1,510	1,502	0.5%	4,375	4,574	-4.3%
Commercial	550	570	-3.5%	1,765	1,904	-7.3%
Others	311	311	0.1%	950	969	-2.0%
Total	3,378	3,298	2.5%	10,136	10,462	-3.1%

RGE						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Residential	1,409	1,315	7.1%	4,356	4,195	3.9%
Industrial	1,513	1,634	-7.4%	4,252	4,790	-11.2%
Commercial	511	577	-11.5%	1,765	1,959	-9.9%
Others	1,025	1,063	-3.6%	3,684	3,733	-1.3%
Total	4,458	4,590	-2.9%	14,057	14,676	-4.2%

CPFL Santa Cruz						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Residential	212	198	7.2%	633	618	2.5%
Industrial	278	264	5.1%	775	797	-2.8%
Commercial	78	84	-6.6%	251	275	-8.8%
Others	202	190	6.3%	584	556	5.1%
Total	770	736	4.7%	2,243	2,247	-0.1%

6.11) Sales to the Captive Market by Distributor

(in GWh)



CPFL Paulista						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Residential	2,414	2,205	9.5%	7,299	7,208	1.3%
Industrial	519	587	-11.5%	1,470	1,768	-16.9%
Commercial	841	937	-10.3%	2,739	3,130	-12.5%
Others	1,156	1,099	5.2%	3,193	3,203	-0.3%
Total	4,930	4,828	2.1%	14,700	15,309	-4.0%

CPFL Piratininga						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Residential	1,007	914	10.1%	3,046	3,016	1.0%
Industrial	204	249	-17.9%	592	763	-22.4%
Commercial	369	399	-7.4%	1,193	1,351	-11.7%
Others	241	257	-6.1%	731	826	-11.5%
Total	1,821	1,818	0.2%	5,561	5,955	-6.6%

RGE						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Residential	1,409	1,315	7.1%	4,356	4,195	3.9%
Industrial	372	458	-18.8%	1,068	1,397	-23.6%
Commercial	416	488	-14.9%	1,435	1,671	-14.1%
Others	1,006	1,056	-4.8%	3,649	3,710	-1.7%
Total	3,203	3,318	-3.5%	10,507	10,972	-4.2%

CPFL Santa Cruz						
	3Q20	3Q19	Var.	9M20	9M19	Var.
Residential	212	198	7.2%	633	618	2.5%
Industrial	68	93	-27.1%	218	287	-24.2%
Commercial	67	77	-12.5%	219	255	-13.8%
Others	202	190	6.3%	583	555	5.1%
Total	549	558	-1.6%	1,653	1,714	-3.6%

6.12) Information on Interest in Companies

Energy distribution	Company type	Equity interest	Location (state)	Number of municipalities	Approximate number of consumers (in thousands)	Concession period	End of the concession
Companhia Paulista de Força e Luz ("CPFL Paulista")	Publicly-held corporation	Direct 100%	Interior of São Paulo	234	4,644	30 years	November 2027
Companhia Piratininga de Força e Luz ("CPFL Piratininga")	Publicly-held corporation	Direct 100%	Interior and coast of São Paulo	27	1,814	30 years	October 2028
RGE Sul Distribuidora de Energia S.A. ("RGE")	Publicly-held corporation	Direct and Indirect 100%	Interior of Rio Grande do Sul	381	2,954	30 years	November 2027
Companhia Jaguarí de Energia ("CPFL Santa Cruz")	Privately-held corporation	Direct 100%	Interior of São Paulo, Paraná and Minas Gerais	45	472	30 years	July 2045

Note:

- (a) On December 31, 2018, was approved the grouping of the concessions of the distribution companies RGE Sul Distribuidora de Energia S.A. ("RGE Sul") and Rio Grande Energia S.A. ("RGE"), considering RGE Sul as the Merging Company and RGE as the Merged Company;

Energy generation (conventional and renewable sources)	Company type	Equity interest	Location (state)	Number of plants / type of energy	Installed power (MW)	
					Total	CPFL share
CPFL Geração de Energia S.A. ("CPFL Geração")	Publicly-held corporation	Direct 100%	São Paulo e Goiás	3 Hydropower (a)	1295	678
CERAN - Companhia Energética Rio das Antas ("CERAN")	Privately-held corporation	Indirect 65%	Rio Grande do Sul	3 Hydropower	360	234
Foz do Chapecó Energia S.A. ("Foz do Chapecó")	Privately-held corporation	Indirect 51% (d)	Santa Catarina e Rio Grande do Sul	1 Hydropower	855	436
Campos Novos Energia S.A. ("ENERCAN")	Privately-held corporation	Indirect 48.72%	Santa Catarina	1 Hydropower	880	429
BAESA - Energética Barra Grande S.A. ("BAESA")	Publicly-held corporation	Indirect 25.01%	Santa Catarina e Rio Grande do Sul	1 Hydropower	690	173
Centrais Elétricas da Paraíba S.A. ("EPASA")	Privately-held corporation	Indirect 53.34%	Paraíba	2 Thermal	342	182
Paulista Lajeado Energia S.A. ("Paulista Lajeado")	Privately-held corporation	Indirect 59.93% (b)	Tocantins	1 Hydropower	903	38
CPFL Energias Renováveis S.A. ("CPFL Renováveis")	Publicly-held corporation	Direct and Indirect 99.94%	See chapter 2.2.2	See chapter 2.2.2	See chapter 2.2.2	See chapter 2.2.2

Transmission	Company Type	Location	Core Activity	Equity Interest
CPFL Transmissão de Energia Piracicaba Ltda ("CPFL Piracicaba")	Sociedade limitada	São Paulo	Prestação de serviço na área de transmissão de energia elétrica	Indireta 100%
CPFL Transmissão de Energia Morro Agudo Ltda ("CPFL Morro Agudo")	Sociedade limitada	São Paulo	Prestação de serviço na área de transmissão de energia elétrica	Indireta 100%
CPFL Transmissão de Energia Maracanaú Ltda ("CPFL Maracanaú")	Sociedade limitada	Ceará	Prestação de serviço na área de transmissão de energia elétrica	Indireta 100%
CPFL Transmissão de Energia Sul I Ltda ("CPFL Sul I")	Sociedade limitada	Santa Catarina	Prestação de serviço na área de transmissão de energia elétrica	Indireta 100%
CPFL Transmissão de Energia Sul II Ltda ("CPFL Sul II")	Sociedade limitada	Rio Grande do Sul	Prestação de serviço na área de transmissão de energia elétrica	Indireta 100%

Notes:

- (b) CPFL Geração holds 51.54% of the assured power and power of the Serra da Mesa HPP, whose concession belongs to Furnas. The Cariobinha HPP and the Carioba TPP projects are deactivated pending the position of the Ministry of Mines and Energy on the anticipated closure of its concession and are not included in the table;
- (c) The joint venture Chapecoense fully consolidates the interim financial statements of its direct subsidiary, Foz de Chapecó;
- (d) Paulista Lajeado has a 7% participation in the installed power of Investco S.A. (5.94% share of its capital).

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

6.13) Reconciliation of Net Debt/EBITDA Pro Forma ratio of CPFL Energia for purposes of financial covenants calculation

(R\$ million)

Net Debt Pro Forma Reconciliation (3Q20)

Net debt - Generation projects

Sep-20	Majority-controlled subsidiaries (fully consolidated)				Investees accounted for under the equity method					Total
	CERAN	CPFL Renováveis	Paulista Lajeado	Subtotal	ENERCAN	BAESA	Chapecoense	EPASA	Subtotal	
Borrowings and Debentures	319	2,274	-	2,593	256	-	950	125	1,331	3,924
(-) Cash and Cash Equivalents	(134)	(892)	(21)	(1,047)	(72)	(21)	(306)	(179)	(577)	(1,624)
Net Debt	185	1,381	(21)	1,545	184	(21)	644	(54)	754	2,299
CPFL Stake (%)	65.00%	100.00%	59.93%	-	48.72%	25.01%	51.00%	53.34%	-	-
Net Debt in Generation Projects	120	1,381	(13)	1,489	90	(5)	329	(29)	384	1,874

Reconciliation

CPFL Energia	
Gross Debt	19,733
(-) Cash and Cash Equivalents	(6,758)
Net Debt (IFRS)	12,974
(-) Fully Consolidated Projects	(1,545)
(+) Proportional Consolidation	1,874
Net Debt (Pro Forma)	13,303

EBITDA Pro Forma Reconciliation (3Q20 - LTM)

EBITDA - Generation Projects

3Q20LTM	Majority-controlled subsidiaries (fully consolidated)				Investees accounted for under the equity method					Total
	CERAN	CPFL Renováveis	Paulista Lajeado	Subtotal	ENERCAN	BAESA	Chapecoense	EPASA	Subtotal	
Net operating revenue	309	1,968	40	2,316	694	223	922	285	2,124	4,440
Operating cost and expense	(88)	(681)	(23)	(791)	(191)	(158)	(200)	(81)	(630)	(1,422)
EBITDA	221	1,287	16.911	1,525	503	65	722	204	1,494	3,019
CPFL stake (%)	65.00%	100.00%	59.93%	-	48.72%	25.01%	51.00%	53.34%	-	-
Proportional EBITDA	144	1,287	10	1,441	245	16	368	109	738	2,179

Reconciliation

CPFL Energia - 3Q20 LTM	
Net income	3,574
Amortization	1,691
Financial Results	(78)
Income Tax /Social Contribution	1,027
EBITDA	6,599
(-) Equity income	(358)
(-) EBITDA - Fully consolidated projects	(1,525)
(+) Proportional EBITDA	2,179
EBITDA Pro Forma	6,895
Net Debt / EBITDA Pro Forma	1.93x

Note: in accordance with financial covenants calculation in cases of assets acquired by the Company.