

# Annual Report 2008









# Messages

- >> Board of Directors
- >> Chief Executive Officer

## **To be contemporary is...**

To be a living organization which interacts with people, institutions, values and local traditions.





**Luiz Anibal de Lima Fernandes**  
Chairman of the Board of  
Directors

# Message from the **Board of Directors**

Since the year 2000, CPFL Energia has been a **success story** in the Brazilian energy market. This has been driven by the Group's ability to foresee changes in the business environment through identifying trends and prospects; clear planning of business objectives; and above all, by its determination and discipline in implementing the strategies laid out in its business plan.

These factors are of fundamental importance for the Company to increase in size and strength amid market fluctuations. They were present in the CPFL Energia Group's activities in 2008.

During the year, the Board of Directors and the Board of Executive Officers focused on defining the **pillars which will guide the Group's actions** in years to come. A highlight of this was the 2009-2013 Corporate Plan, which details the key actions for the coming years. These are **focused on corporate growth** and the **search for new efficiency gains** to assure the creation of value for shareholders and other stakeholders.

It is not by chance that the 2009-2013 Corporate Planning process coincided with the second round of electricity distributor **tariff reviews**. This review process takes place every four or five years as required by the electric sector institutional model and the concession contracts between electricity distributors and the regulator.

It should be remembered that the electricity distribution segment is the most significant within the Group's business portfolio, which is why it exerts considerable influence on medium- and long-term corporate planning. It is important to stress that, despite a few points still awaiting fine-tuning, the methodology used in the current review cycle has been improved from that of the



previous process. Highlights are the establishment of a regulatory asset base for the distribution companies and improvements to the “reference company” mechanism, used by the National Electric Energy Agency (ANEEL) to calculate distribution companies’ operating costs.

On the other hand, the tariff review presents **new challenges** for the Group’s distribution companies, mainly linked to the search for new operating efficiency gains. This topic, as mentioned above, was a constant focus of the 2008 corporate agenda.

Over the year, CPFL Energia also had a busy corporate schedule, particularly with a **review** of its **management model** and practices. These initiatives are of vital importance for the Company to mitigate the effects of the international financial crisis which has been affecting countries and companies across the world since the last quarter of 2008.

It should be noted that despite the effects of the distribution companies’ tariff review and reduced energy consumption by the industrial segment in the last quarter of the year, CPFL Energia recorded **Gross Revenue** of R\$ 14.4 billion, **EBTDA** of R\$ 2.8 billion and **Net Income** of R\$1.3 billion.

These results are largely due to an **increase in energy sales** to the residential and commercial classes in the distribution segment. In the generation segment, a highlight was the start-up of operations at **two new hydroelectric plants** (HPPs): Castro Alves and 14 de Julho, the fourth and fifth of six in construction. The Group retained a dominant position in the commercialization segment with a significant share of the market for free customers. **Sales grew** for added value services business for large clients.



This performance, linked to the Company's sound economic and financial base, stems from a commitment to managing operating costs and debt on an ongoing basis, and to taking investment decisions with care and rigor. It will allow the distribution of R\$ 1.2 billion in dividends to CPFL Energia shareholders, which is equal to 95% of net adjusted income, more than required by our dividend policy. As a result, dividend yield since our IPO in September 2004 has reached 64.3%, an impressive figure in only four years.

These factors, along with the future outlook for our businesses, played a significant role in shielding the Company's share price from the effects of the international crisis. It registered falls inferior to the major indices of the São Paulo and New York stock exchanges.

During fiscal year 2008, CPFL Energia's shares posted a 3.4% decline on the BM&FBovespa against a fall of 41.2% in the Ibovespa. CPFL Energia's securities depreciated -25.6% on the NYSE as compared with -53.7% for the DJBr20 and -33.8% for the Dow Jones Industrial Index.

**Since the IPO, CPFL Energia stock has appreciated by 192.7% on the NYSE and 138.5% on BM&FBovespa.**

Performance on the stock exchanges is a reflection of the **market's confidence in the Group's strategies**, in its capacity to grow consistently and consolidate its results over time through practices that guarantee low risk and business sustainability.

In corporate governance, an area in which CPFL Energia seeks constant improvement, the significant achievement of a **AA+ Corporate Governance Rating** was a first for a Brazilian company.



**“Performance on the stock exchanges reflects the market’s confidence in the Group’s strategies, in its capacity to grow consistently and consolidate its results over time through practices that guarantee low risk and business sustainability.”**

There was **international recognition** for our governance **practices**. Latin Finance magazine deemed CPFL Energia’s corporate governance guidelines the best in Latin America in an evaluation carried out in partnership with the Management & Excellence partnership. The International Finance Corporation (IFC), a World Bank agency, awarded the Company its Client Leadership Award, the first awarded to a Brazilian company, in recognition for the commitment to management excellence, differentiated governance practices and business sustainability. In addition, for the fourth consecutive year, CPFL Energia was included in the BM&FBovespa Corporate Sustainability Index (ISE). The Group is also a component of IBOVESPA, the exchange’s leading stock index, and other stock indices incorporating the capital markets’ outstanding companies.

These recognitions highlight and also strengthen CPFL Energia’s position in the Brazilian market. They also act as inspiration for future activities and initiatives, aligned with a **consistent business plan** and aimed at increasing the Company’s share of the Brazilian electricity market. This policy is likely to be maintained, despite a significant change to the equity ownership of VBC Energia S.A., one of CPFL Energia’s controlling groups.

Above all, this reaffirms the confidence of CPFL Energia shareholders in **Brazil’s enormous potential for growth** and in its ability to provide an attractive and stable environment for the development of business and new investments.

Luiz Anibal de Lima Fernandes

Chairman of the Board of Directors





Wilson Ferreira Jr.  
Chief Executive Officer of CPFL Energia

# Message from the Board of **Executive Officers**

GRI  
1.1

GRI  
1.2

During the course of 2008, CPFL Energia successfully met its main strategic objectives, consolidating its businesses in the Brazilian energy market. **These advances** were achieved despite a global scenario of uncertainty and change resulting from the international financial crisis which began in the final quarter of the year.

With a 13.3% market share in the electricity **distribution** segment, customer numbers reached **6.4 million** including the connection of **169 thousand consumer units** during the year. The size of this figure is impressive: every three minutes, a new customer is connected to the Group's distribution company networks, which are located mainly in economic and industrial hubs in upstate São Paulo and Rio Grande do Sul as well as in some municipalities in the states of Paraná and Minas Gerais.

Electricity sales in the distribution companies' concession areas reached 49,033 GWh, an increase of 5.5% on 2007. Of this total, 37,323 GWh relate to sales in the captive market, up 5.9%, driven by increased sales to the residential (8.2%), commercial (6.5%) and industrial (4.7%) segments. The distribution companies also billed 11,710 GWh via the Tariff for Use of the Distribution System (TUSD), a mechanism for remunerating distribution companies for carrying electricity to free market clients located in their concession areas.

Last year also saw the **2nd Round of Distributor Tariff Reviews**, a process used by the Brazil-



ian National Electric Energy Agency (ANEEL) for adjusting tariff levels to ensure that the financial equilibrium of the distributors' concession contracts is maintained and efficiency gains are shared with the consumer.

We recorded a 2% market share in Brazilian electricity generation, our installed generating capacity reaching 1,704 MW by the end of the year. A highlight in this segment was the unveiling of operations at the **Castro Alves** hydroelectric plant (130 MW) and the first generating unit (50 MW) at the **14 de Julho plant**. These plants are part of the Complexo Energético Rio das Antas (CERAN), in which CPFL Energia has a 65% stake.

We constituted **CPFL Bioenergia** and have already signed a joint venture for investing in an electricity co-generation plant using sugarcane biomass with a total capacity of 45 MW, the surplus from which will be 23.55 MW. CPFL Bioenergia will contribute to the consolidation of the Group's strategic positioning in this area, where it is already the largest purchaser of electricity generated by the sugar-ethanol sector.

In the competitive segment of energy **sales** to free market customers, CPFL Energia maintained its leadership with a 20% market share. In 2008, sales were stable at 8,904 GWh, compared with 8,951 GWh in 2007, despite the fact that this sector is particularly sensitive to the effects of the financial crisis.



A further highlight was growth in our **Added Value Services (SVA)**, one of the Group's key competitive advantages in the strategy of capturing and retaining customers. The portfolio includes the construction of substations and transmission lines, the design and construction of distribution and self-generation systems, as well as electricity asset maintenance and consultancy for heavy duty customers. An example is our portfolio of substation work either concluded or in progress. At the end of 2008, this amounted to 31 units of 88 kV and 138 kV, a total installed capacity of 627 MVA.

CPFL Energia has been able to report a positive economic and financial performance, despite the effects of the tariff reviews and the world economic crisis which dominated the last quarter of 2008. **Gross Revenue** was R\$ 14,372 million, **EBITDA** totaled R\$ 2,808 million and **Net Income** was R\$ 1,276 million. Important drivers of these results were our discipline in executing established strategies and rigorous management of operating costs and company debt.

**Adjusted Net Debt** rose from R\$ 5,090 million in 2007 to R\$ 5,650 million in 2008, the result of the incorporation of financing of 14 de Julho and Foz do Chapecó HPPs. For the same reason, the **Adjusted Net Debt / EBITDA** ratio rose from 1.53 to 2.01. However, if year-end results factor out the effects of the start-up of operations at the 14 de Julho and Foz do Chapecó HPPs, the **Adjusted Net Debt / EBITDA** ratio would be 1.76.

During the year, the Group addressed an extensive corporate agenda based on its commit-



**“With a 13.3% market share in the electricity distribution segment, customer numbers reached 6.4 million including the connection of 169 thousand consumer units during the year. The size of this figure is impressive: every three minutes, a new customer is connected to the Group’s distribution company networks, which are located mainly in economic and industrial hubs in upstate São Paulo and Rio Grande do Sul as well as in some municipalities in the states of Paraná and Minas Gerais.”**

ment to the creation of lasting value, risk prevention, the strengthening of its institutional image and the consolidation of a solid and integral organizational culture. As a result the Group stands prepared to embark on a further round of efficiency initiatives, particularly with the tariff reviews now concluded, and based on business growth projections.

On the first signs of impending international financial turmoil, we added fresh initiatives to our **corporate agenda** to ring fence the Company against potential economic difficulties. Existing structures were reviewed and new management instruments implemented to accelerate the meeting of objectives and goals established under the **2009-2013 Corporate Plan**.

In this context, we revised our organizational structure and **management model** to improve both the efficiency and agility of processes and also internal control mechanisms themselves. As part of this process of change, we created the post of **Chief Administration Officer** - leading to important gains in efficiency, particularly with respect to the rationalization of corporate costs.

In addition, we reviewed the Group’s **Strategic Foundations and Brand Positioning**. These guiding principles of CPFL Energia are of fundamental importance for constructing an organizational culture that is solid, consistent and aligned with the commitment of creating exceptional value for shareholders, customers and other stakeholders. In this respect, we updated the **brand architecture** of the subsidiary companies, consolidating these company brands as a strategic asset and aligned with business objectives.



Along the same lines, we set up the **CPFL Corporate University**, which aims to develop the skills of our professionals through the dissemination of cutting edge know-how that encourages an innovative view of business in an environment of permanent change.

In the last quarter, our newly installed **Austerity Program** was designed to increase the efficiency of internal processes and practices. It led to significant employee engagement and widespread commitment to strengthening a culture of efficiency in the use of Company resources.

Our employees' efforts in creating value for the CPFL Group received public recognition during the year. CPFL Energia was included for the sixth year as a **Model Company** in the **Exame Sustainability Guide** and for the seventh year as one of the best companies to work for in Brazil in the **Você S/A** and **Exame magazines** ranking. **CPFL Paulista** won the **ABRADEE Award for Best National Distributor** for the fourth time. The company also received the **National Quality Award (PNQ®)** for the second time, Brazil's most coveted award in management excellence, CPFL Paulista being the only electric sector entity to have been granted this accolade.

These achievements are testament to the **competitive advantage** we have achieved over the years and are key to meeting our business strategies and leaving us well prepared to seize new opportunities that should emerge in the electric sector in coming years. Successful expansion of our generating assets allows us to play a role in the large-scale hydroelectric projects



**We take a broad-based view of the challenges presented by climate change and the requirements for the rational consumption of natural resources. This understanding is included in every aspect of our business model and strategic plan. We know that there is a long road ahead, but are convinced that we are moving in the right direction.**

which are necessary for Brazil's increasing energy requirements. We have already begun to operate with alternative sources of generation, such as biomass, and wind energy is also under consideration.

We adopt a responsible attitude with respect to the commitments we have made to employees, customers, suppliers, shareholders and government. We also understand that the various components of an advanced and contemporary approach to corporate management are clearly interdependent.

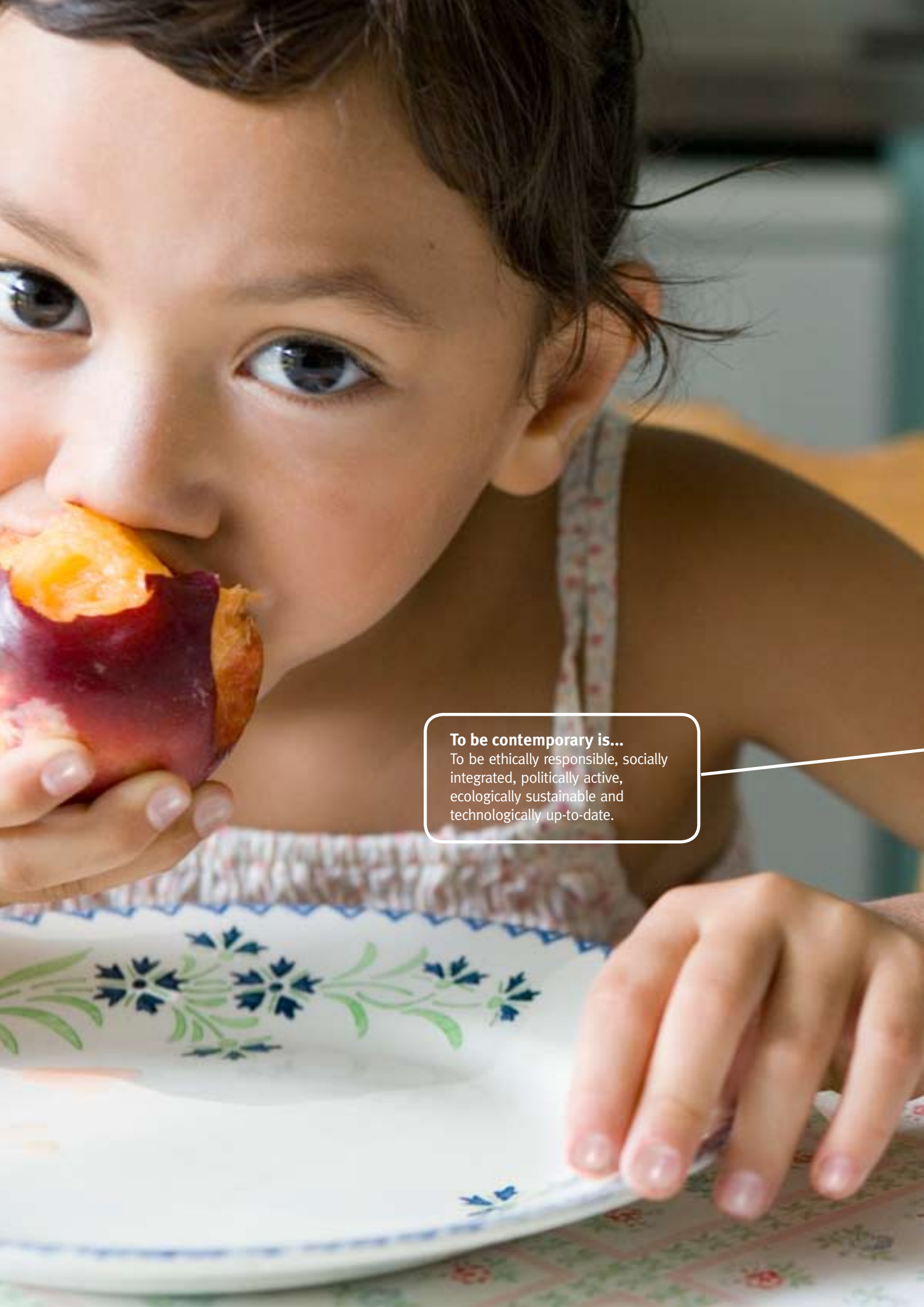
We take a broad-based view of the challenges presented by climate change and the requirements for the rational consumption of natural resources. This understanding is included in every aspect of our business model and strategic plan. We know that there is a long road ahead, but are convinced that we are moving in the right direction.

It is of fundamental importance for us to have the trust of thousands of shareholders, as well as the support of directors, suppliers and employees in our endeavor to create a solid team particularly noted for its ability to create value in a sustainable manner, translating into gains for all.

Wilson Ferreira Jr.

Chief Executive Officer of CPFL Energia





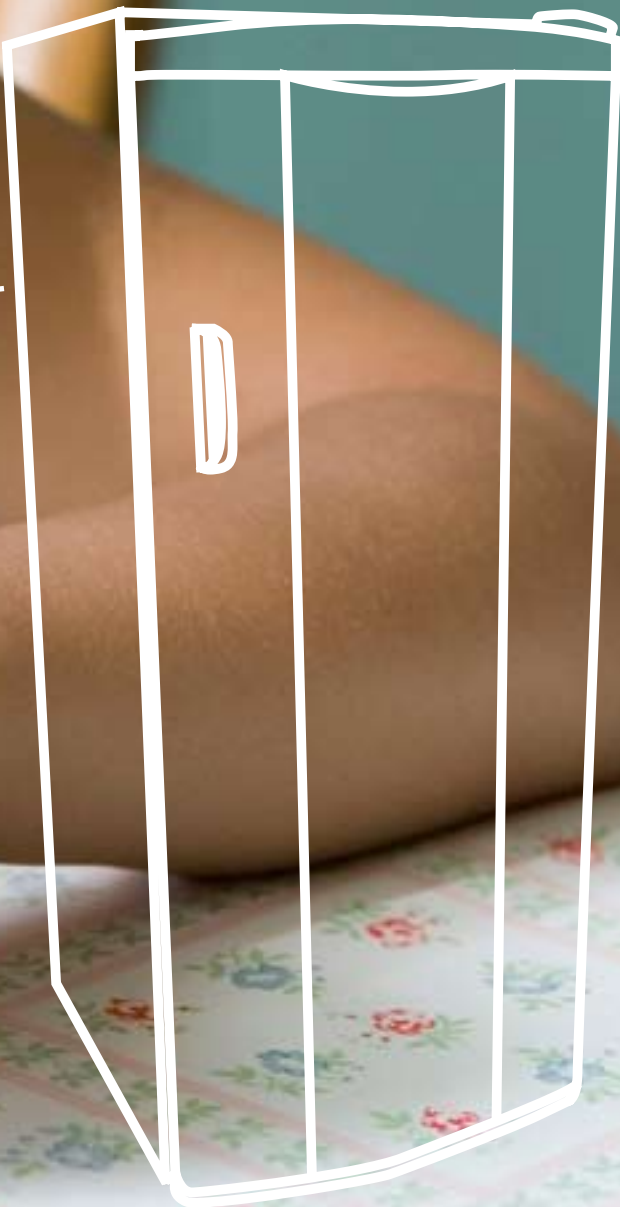
**To be contemporary is...**

To be ethically responsible, socially integrated, politically active, ecologically sustainable and technologically up-to-date.



# Highlights

- >> The challenge of adaptability
- >> 2008 Highlights
- >> Summary of Indicators





# The world has

If we look at **evolution** through the lens of **science**, the importance of adaptability is clear. Ever since the world has existed, life forms have emerged and evolved according to external conditions and their ability to adapt to them.

With the challenges currently faced by the world, adaptability once again plays a decisive role in the **history** of mankind. When the backdrop changes, you must be able to reposition yourself on stage with innovative solutions. Change is, therefore, the **inspiration** that drives evolution.

A crisis demands questioning of outdated structures and values, and what no longer works is overturned.

## Change > Adapt > Co

Furthermore, it generates chain reactions that alter the status quo far beyond its initial reach. It is at this moment that excellence is really tested.

If on the one hand, crises create immense challenges, on the other, they stimulate creativity. It all depends on the way you interact with the facts.

Nowadays, humanity can take the **energy of transformation** and the dynamism of change and use it to

With the challenges currently faced by the world, adaptability is playing a decisive role in the history of mankind once more.



# changed

identify opportunities to evolve and lead, even in the chaos of the moment.

The world is living in the era of **post-globalization**, a period that requires a shift from the culture of abundance and waste to a culture of economic austerity and responsible consumption.

In this sense, the Company needs reinvent itself to bring it in line with the world of which it is a part. The **sustainable business model**, recognizing as it does that everything arises from ecosystems and that everything is inter-connected, is not a threat to

## Confront > Act > Evolve

the future of the earth by bringing together economic development, quality of life and respect for the environment.

This report details what CPFL Energia did in 2008 to grow in tune with the trends of these new times, while contributing to the future of humanity and, as a result, to the ongoing existence of the Company itself.

The world is living in the era of post-globalization, a period that requires a shift from the culture of abundance and waste to a culture of economic austerity and responsible consumption.



# 2008 Highlights

- Increase of 10.4% in the daily average trading volume of CPFL Energia shares in 2008, reaching R\$ 36 million (BM&FBovespa and NYSE)
- CPFL Energia stock has remained a component of the BM&FBovespa Corporate Sustainability Index (ISE); Ibovespa and IBrX-50 (BM&FBovespa); and Morgan Stanley Capital International (MSCI), since 2007
- CPFL Paulista wins the National Quality Award® (PNQ) 2008, from the National Quality Foundation (FNQ) for the second time
- Increase in installed capacity to 1,704 MW
- Conclusion of the Castro Alves HPP and the first generating unit of the 14 de Julho HPP (responsible for 50% of the project's installed capacity)
- 4.6% increase in energy sales in concession areas to reach 46,227 GWh
- Constitution of CPFL Bioenergia and formation of the first partnership for direct investment in an energy co-generation plant, using sugarcane biomass
- Creation of the position of Chief Administration Officer responsible for IT, procurement, infrastructure and logistics
- Creation of the CPFL Corporate University
- Review of the CPFL Energia Group's Positioning, Brand Architecture and Strategic Foundations: Vision, Mission and Principles
- Constitution of CPFL Atende to operate in contact center and call center services
- Assigned an AA+ Corporate Governance rating by Austin Rating agency, the best attributed to a Brazilian company since 2005, when this evaluation began in Brazil
- Named the Best Company for Corporate Governance in Latin America by Latin Finance magazine and by Management & Excellence consultancy in an assessment of 50 non-financial companies with biggest market value
- First Brazilian company to receive the Client Leadership Award from the International Finance Corporation (IFC), a member of the World Bank, in recognition for advanced corporate governance practices and socio-environmental programs



# Summary of economic, financial, environmental and social indicators


Economic Indicators	2008	2007	2008/2007 (%)	2006	2007/2006 (%)
Gross Operating Revenue (R\$ million)	14,372	14,207	1.2	12,227	16.2
Net Operating Revenue (R\$ million)*	9,706	9,410	3.1	7,911	18.9
Gross Operating Income (R\$ million) *	3,213	3,871	-17.0	3,079	25.7
EBITDA (R\$ million)	2,808	3,345	-16.1	2,789	19.9
Operating Income – EBIT (R\$ million)	2,336	2,847	-17.9	2,411	18.1
Financial Income (Expense) (R\$ million)	-414	-375	10.4	-289	29.8
Net Income (R\$ million)	1,276	1,641	-22.2	1,404	16.9
Dividends Distributed (R\$ million)	1,208	1,561	-22.6	1,334	17.0
Financial Indicators					
Total Assets (R\$ million)	16,243	15,598	4.1	14,049	11.0
Shareholders' Equity (R\$ million)	5,019	4,951	1.4	4,866	1.7
Investments (R\$ million)	1,178	1,153	2.2	797	44.7
Net Adjusted Debt (R\$ million)	5,650	5,093	10.9	4,416	15.3
Net Financial Debt/ (Shareholders' Equity + Minority Interests) (%)	112	100	12.0	82	22.0
Shares					
Number of Shares (thousands)	479,911	479,911	0	479,757	0.03
Net Earnings per share (R\$)	266	342	-22.2	293	16.7
Average common share price – ON (R\$)	3471	339	2.4	291	16.5
Dividends Distributed per share (R\$)	252	325	-22.5	278	16.9
Market					
Electricity Sales (GWh)**	46,227	44,196	4.6	41,112	7.5
Number of customers (thousands)	6,425	6,257	2.7	5,914	5.8
Number of free market customers	76	91	-16.5	90	1.1
Installed Generating Capacity (MW)	1,704	1,588	7.3	1,072	48.2
Assured Generating Capacity (average MW)	862	800	7.8	571	40.2
Payroll					
Employees	7,119	7,176	-0.8	5,836	23.0
Numbers hired during the period	927	820	13.0	425	92.9
Environmental Indicators – Ibase					
Environmental Investments (R\$ million)	171	63	171.4	48	31.3
Social Indicators – Ibase					
Internal Social Investments (R\$ million)	263	230	14.3	207	11.1
Total Contributions to Society (R\$ million)	17,3	17	1.8	32	-46.9
<b>Value Added for the Period</b>	<b>7,382</b>	<b>8,002</b>	<b>-7.7</b>	<b>7,066</b>	<b>13.2</b>
Payroll and Payroll taxes (R\$ million)	416	393	5.9	353	11.3
Taxes, Duties & Contributions (R\$ million)	4,756	5,231	-9.1	4,625	13.1
Interest and Rent (R\$ million)	933	735	26.9	684	7.5
Dividends and Interest on S-holders' Equity (R\$ million)	1,208	1,561	-22.6	1,334	17.0
Retained Earnings (R\$ million)	68	79	-13.9	70	12.9

\* Publicly released figures in 2006 differ from actual figures as a result of the reclassification by ANEEL of items Fuel Consumption Account (CCC), Energy Development Account (CCE) and the Research & Development and Energy Efficiency Program, which were transferred from Operating Costs to Operating Revenue Deductions.

\*\* Includes regulated market and free market. Does not include TUSD.

N.B. - Information from 2006 and 2007 has been reclassified in the light of Brazilian accountancy law 11.638/07.





**To be contemporary is...**  
To be committed to the  
collective spirit.





# The holding company

- >> CPFL Energia
- >> Corporate Structure
- >> Areas of operation
- >> Subsidiaries





# CPFL Energia Group

GRI  
3.8

CPFL Energia is a holding company formed of companies in the electricity distribution, generation, commercialization and added value service businesses. CPFL Energia maintains a focus on the current challenges faced by the electric sector, such as increasing energy supply, meeting the expectations of each client, respecting the environment, as well as mastering new technologies and constantly innovating. These are key to continued growth and above all, to ensuring the wellbeing of people and the development of Brazil.

**Good governance, responsibility, efficiency and value creation: an investor's expectations of an energy company are the same as those of society**

Distribution	<ul style="list-style-type: none"><li>■ 8 distribution companies</li><li>■ Leader with 13.3% Brazilian market share</li><li>■ Operations in the states of São Paulo, Rio Grande do Sul, Paraná and Minas Gerais</li><li>■ 6.4 million customers</li><li>■ 568 municipalities served</li><li>■ 37,323 GWh sales in concession areas in 2008 (captive market)</li></ul>
Generation	<ul style="list-style-type: none"><li>■ 7 hydroelectric plants and 33 small hydroelectric plants</li><li>■ 1 plant in construction</li><li>■ 2.0% Brazilian market share</li><li>■ Plants in the states of São Paulo, Rio Grande do Sul, Santa Catarina, Goiás, Tocantins and Minas Gerais</li><li>■ Installed Capacity in 2008: 1,704 MW</li><li>■ Assured Energy in 2008: 862 average MW</li><li>■ Installed Capacity in 2010: 2,202 MW (includes Baldin biomass cogeneration plant)</li><li>■ Assured Energy in 2010: 1,093 average MW (includes Baldin biomass cogeneration plant)</li></ul>
Commercialization and Sale of Added Value Services	<ul style="list-style-type: none"><li>■ Active throughout Brazil</li><li>■ Leader with 20% national share</li><li>■ 76 free market customers in 2008</li><li>■ 8,904 GWh energy sales in 2008 (free market)</li><li>■ Competitive in the sale of added value services.</li></ul> <p>At 2008 year-end, the range of projects concluded and in progress totaled 31 88kV and 138 kV substations, with a total of 627 MVA of transformer capacity and a significant portfolio of clients for consultancy services</p>



Entrance to CPFL Energia head offices in Campinas





# Presence

GRI  
2.1

GRI  
2.2

GRI  
2.3

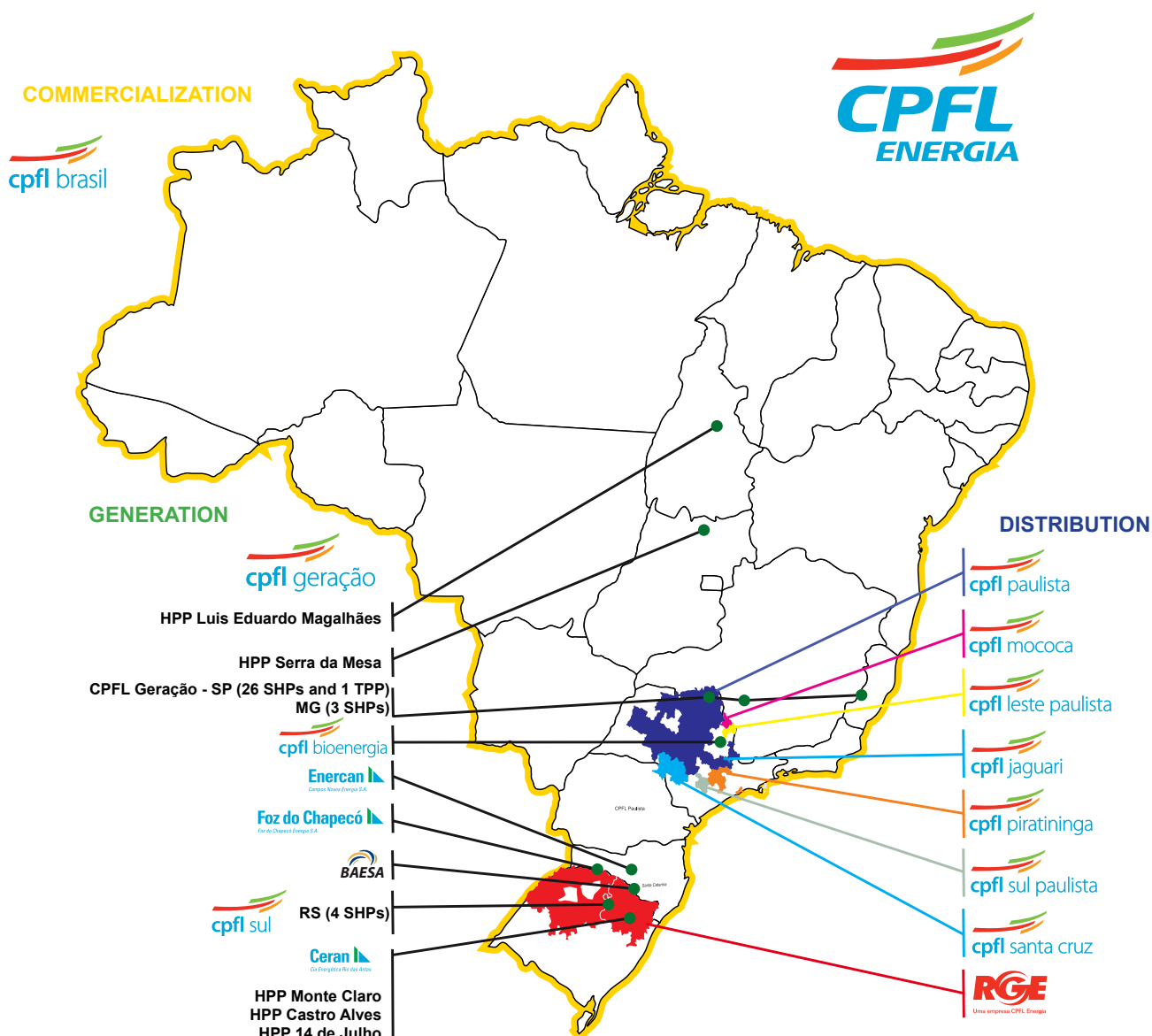
GRI  
2.5

GRI  
2.7

GRI  
2.8

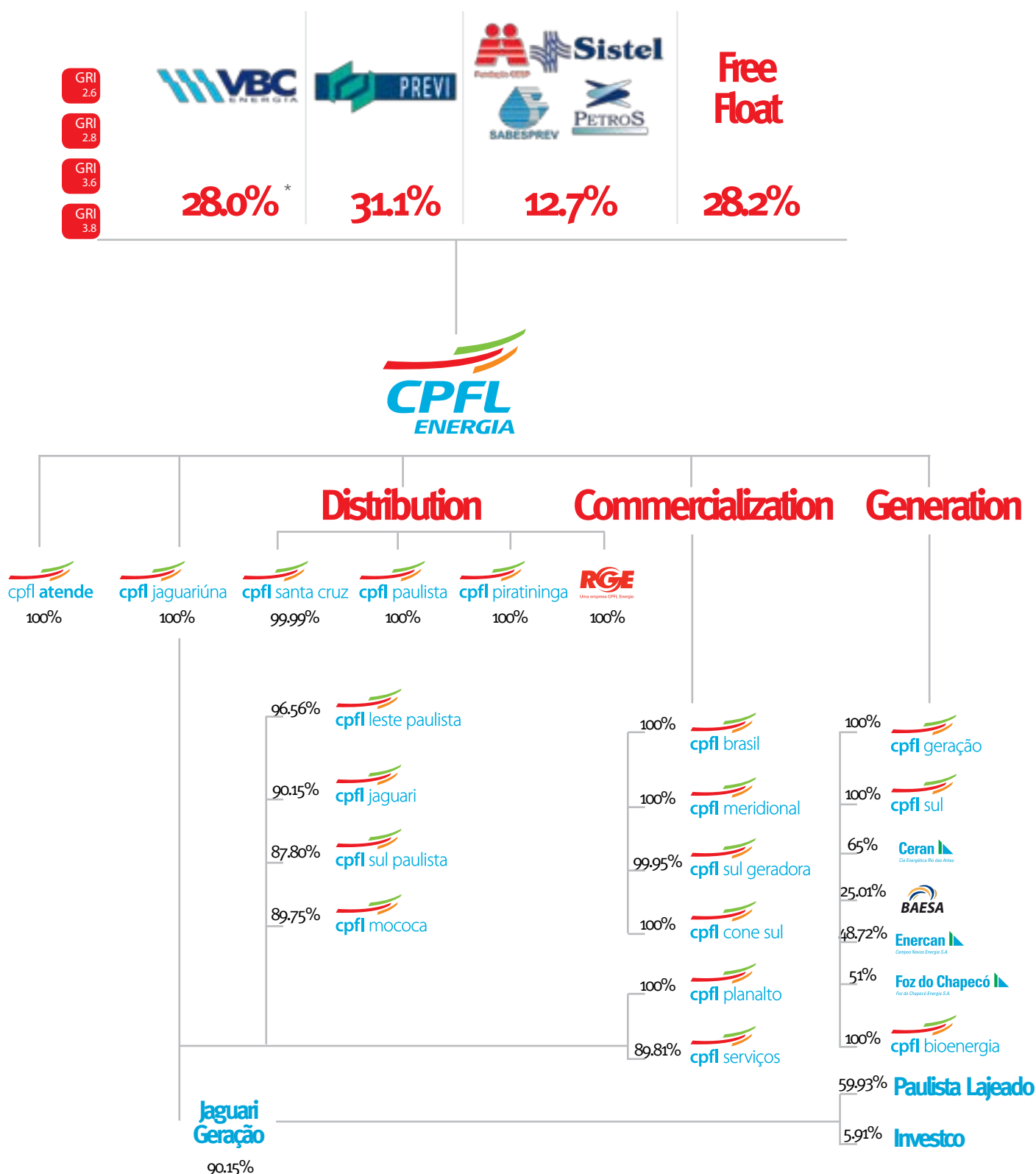
GRI  
3.8

**in the electricity distribution,  
generation, commercialization and  
added value service markets**





# Corporate Structure



Base: December 31 2008 \* Includes 0.2% Others



# Profile

## of the CPFL Energia Group's electricity distribution business

GRI  
2.2

GRI  
2.3

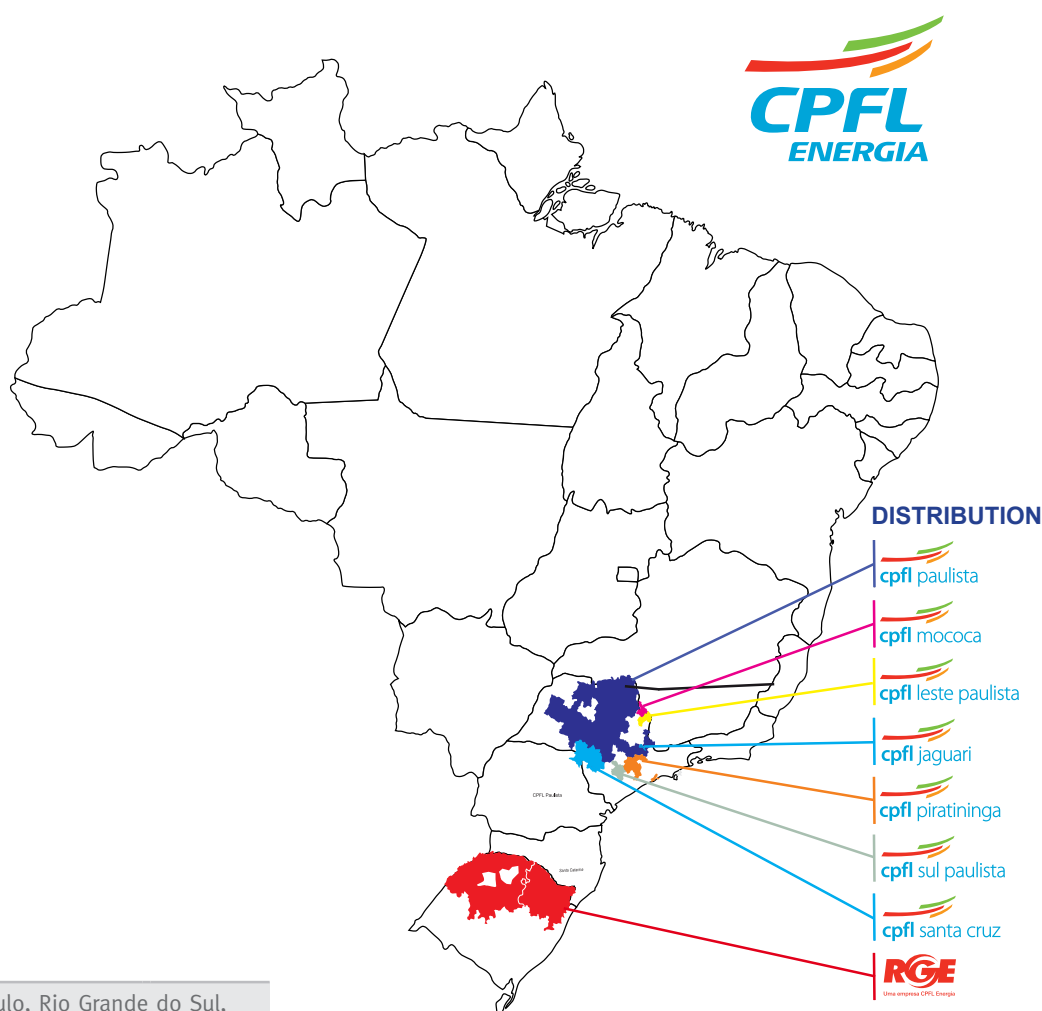
GRI  
2.5

GRI  
2.7

GRI  
2.8

GRI  
EU3

CPFL Energia's electricity distribution business comprises eight distributors located in Brazil's Southeast and South regions, with a total of 568 municipalities served.

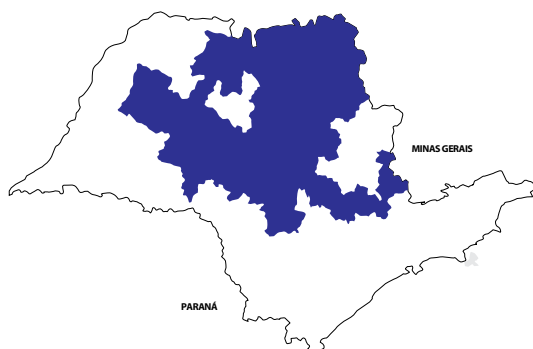


Operations in São Paulo, Rio Grande do Sul, Paraná and Minas Gerais states

Municipalities Served	568
Area of operation (Km2)	208,342
Population Served (millions)*	18.8
Customers (millions)	6.4
Market Share (%)	13.3
Energy Sales (GWh)**	37,323

\*Source: IBGE \*\*Includes the captive market



>> The Holding >> Companies >> **Distribution****CPFL Paulista Business Summary**

	2008	2007	08/07 (%)	2006
Number of Customers (thousands)	3,500	3,415	2.5	3,332
Energy Sales (GWh)	25,288	24,437	3.48	23,065
Captive Market	19,544	18,868	3.58	18,295
TUSD	5,743	5,569	3.13	4,770
Municipalities Served	234	234	-	234
Gross Operating Revenue (R\$ million)	6,677	6,868	-2.8	6,298
EBITDA (R\$ million)	1,010	1,419	-28.8	1,179
Net Income (R\$ million)	590	819	-27.8	765

Note: Figures relating to 2006 and 2007 have been reclassified as a result of Brazilian accountancy law 11.638/07.

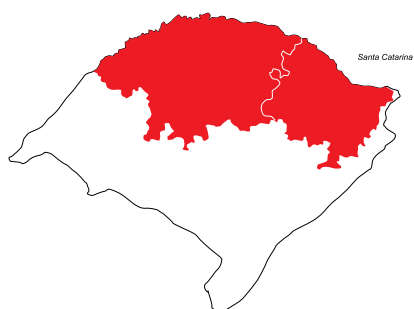
**CPFL Piratininga Business Summary**

	2008	2007	08/07 (%)	2006
Number of Customers (thousands)	1,366	1,330	2.67	1,294
Energy Sales (GWh)	13,322	12,803	4.05	12,171
Captive Market	8,398	8,015	4.8	7,743
TUSD	4,924	4,788	2.84	4,428
Municipalities Served	27	27	-	27
Gross Operating Revenue (R\$ million)	2,907	3,175	-8.4	2,891
EBITDA (R\$ million)	404	563	-28.1	567
Net Income (R\$ million)	222	323	-31.1	307

Note: Figures relating to 2006 and 2007 have been reclassified as a result of Brazilian accountancy law 11.638/07.



Uma empresa CPFL Energia

**RGE Business Summary**

	2008	2007	08/07 (%)	2006
Number of Customers (thousands)	1,199	1,160	3.4	1,123
Energy Sales (GWh)	8,082	7,670	5.4	7,079
Captive Market	7,198	6,886	4.5	6,652
TUSD	884	784	12.8	427
Municipalities Served	262	262	-	262
Gross Operating Revenue (R\$ million)	2,566	2,454	4.6	2,382
EBITDA (R\$ million)	383	416	-7.9	344
Net Income (R\$ million)	164	172	-4.7	121

Note: Figures relating to 2006 and 2007 have been reclassified as a result of Brazilian accountancy law 11.638/07.





#### CPFL Santa Cruz Business Summary

	2008	2007	08/07 (%)	2006
Number of Customers (thousands)	174	170	2.4	165
Energy Sales (GWh)	859	829	3.6	778
Captive Market	838	810	3.5	767
TUSD	21	18	16.7	11
Municipalities Served	27	27	-	27
Gross Operating Revenue (R\$ million)	266	274	-2.9	253
EBITDA (R\$ million)	47	51	-7.8	40
Net Income (R\$ million)	29	38	-23.7	22

Note: Figures relating to 2006 and 2007 have been reclassified as a result of Brazilian accountancy law 11.638/07.



#### CPFL Jaguarí Business Summary

	2008	2007	08/07 (%)	2006
Number of Customers (thousands)	31	30	3.3	29
Energy Sales (GWh)	557	545	2.23	506
Captive Market	489	475	2.90	444
TUSD	68	70	-2.9	63
Municipalities Served	2	2	-	2
Gross Operating Revenue (R\$ million)	112	122	8.2	107
EBITDA (R\$ million)	14	20	-30	14
Net Income (R\$ million)	9	12	-25	8

Note: Figures relating to 2006 and 2007 have been reclassified as a result of Brazilian accountancy law 11.638/07.



#### CPFL Sul Paulista Business Summary

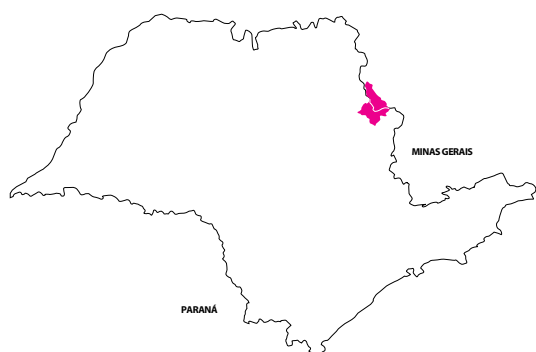
	2008	2007	08/07 (%)	2006
Number of Customers (thousands)	68	66	3.03	65
Energy Sales (GWh)	445	427	4.21	404
Captive Market	376	360	4.4	341
TUSD	69	67	3	63
Municipalities Served	5	5	-	5
Gross Operating Revenue (R\$ million)	117	125	-6.4	113
EBITDA (R\$ million)	19	25	-24	19
Net Income (R\$ million)	11	15	-26.7	14

Note: Figures relating to 2006 and 2007 have been reclassified as a result of Brazilian accountancy law 11.638/07.



>> The Holding >> Companies >> **Distribution**

CPFL Leste Paulista Business Summary				
	2008	2007	08/07 (%)	2006
Number of Customers (thousands)	49	48	2.1	47
Energy Sales (GWh)	286	280	2.1	273
Captive Market	286	280	2.1	273
TUSD	0	0	0	0
Municipalities Served	7	7	0	7
Gross Operating Revenue (R\$ million)	122	94	29.8	89
EBITDA (R\$ million)	22	17	29.4	20
Net Income (R\$ million)	12	9	33.3	14
Note: Figures relating to 2006 and 2007 have been reclassified as a result of Brazilian accountancy law 11.638/07.				



CPFL Mococa Business Summary				
	2008	2007	08/07 (%)	2006
Number of Customers (thousands)	39	38	2.6	37
Energy Sales (GWh)	194	186	4.31	180
Captive Market	194	186	4.31	180
TUSD	0	0	0	0
Municipalities Served	4	4	-	4
Gross Operating Revenue (R\$ million)	65	69	-5.8	59
EBITDA (R\$ million)	11	14	21.4	10
Net Income (R\$ million)	7	9	-15.0	7
Note: Figures relating to 2006 and 2007 have been reclassified as a result of Brazilian accountancy law 11.638/07.				



# Profile

## of the CPFL Energia Group's generation business

GRI  
EU1

GRI  
2.2

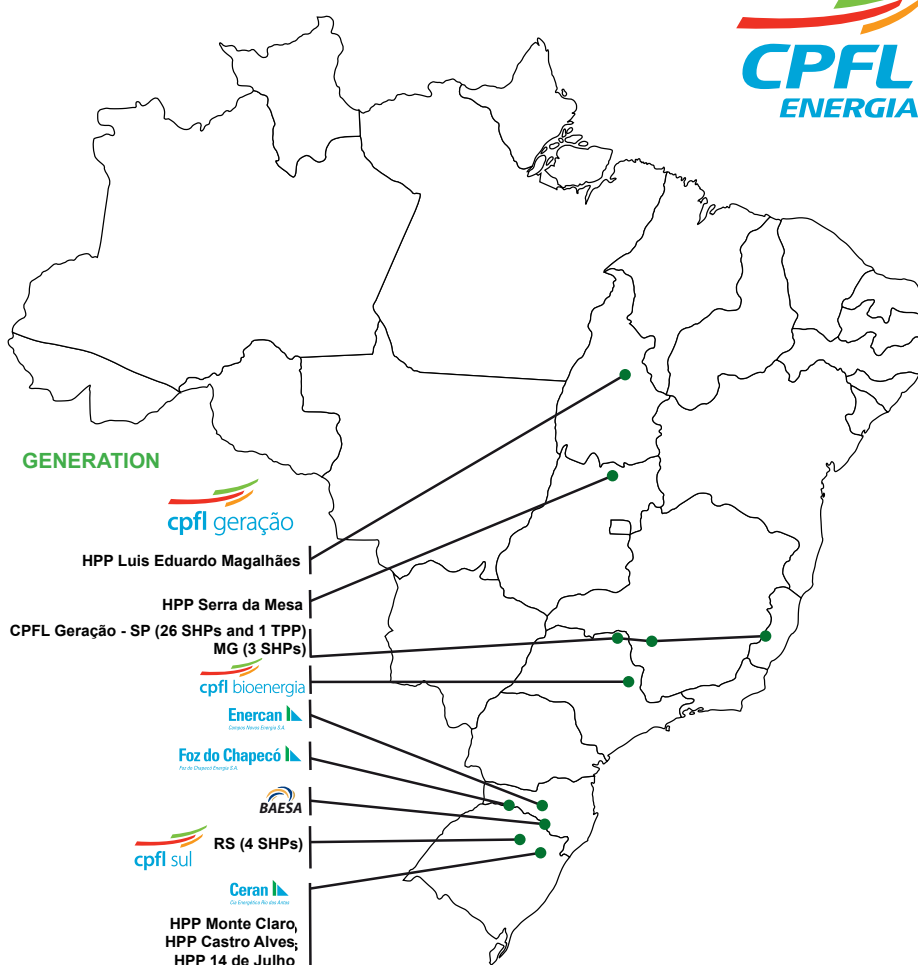
GRI  
2.3

GRI  
2.5

GRI  
2.8

GRI  
EU30

CPFL Energia's electricity generation business comprises seven hydroelectric power plants (HPPs) in operation, one hydro plant in construction and 33 small hydro plants (SHPs), located in Brazil's Southeast, South and Midwest regions, with total installed capacity of 1,704 MW in 2008.





## GRI EU1 General Overview



Paulista Lajeado  
Investco

Plants installed in the states of São Paulo, Rio Grande do Sul, Santa Catarina, Goiás, Tocantins and Minas Gerais

Installed Capacity (MW)	1,704
Assured Energy (average MW)	862
Hydroelectric Plants (HPP)	
HPPs in operation	7
HPP in construction	1
Small Hydro Plants (SHPs)	33
Market Share (%)	2
Note: Includes Jaguari Generation	

## Business Summary

	2008	2007	08/07 (%)	2006
Investments (R\$ million)	502	445	12.8	266
Installed Capacity (MW)	1,617	1,501	7.7	1,072
Gross Operating Revenue (R\$ million)	843	701	20.3	506
EBITDA (R\$ million)	622	541	15.0	437
Net Income (R\$ million)	230	279	-17.6	165
Note: 1. Does not include Jaguari Geração, accounting for 87 MW. 2. Figures relating to 2006 and 2007 have been reclassified as a result of Brazilian Law nº 11.638/07.				

## Hydroelectric Power Plants



### HPP Serra da Mesa

Location	Tocantins River (Goiás state)
Municipality Covered	Minaçu (Goiás state)
Installed Capacity (MW)	1275.0
Assured Energy (average MW)	671.0
CPFL Geração	- Share (%): 51.54 - Installed Capacity (MW): 657.14 - Assured Energy (average MW): 345.83
Operational Start-Up	1998





## HPP Luis Ed. Magalhães

Location	Tocantins River (Tocantins state)
Municipalities Covered	Lajeado and Miracena do Tocantins (Tocantins state)
Installed Capacity (MW)	902.5
Assured Energy (average MW)	526.6
CPFL Geração	- Share (%): 6.93 - Installed Capacity (MW): 62.54 - Assured Energy (Average MW): 36.49
Operational Start-Up	December 2001



## HPP Barra Grande

### Energética Barra Grande S.A.

Location	Pelotas River (Santa Catarina and Rio Grande do Sul states)
Municipalities Covered	Pinhal da Serra (Rio Grande do Sul state) and Anita Garibaldi (Santa Catarina state)
Installed Capacity (MW)	690.0
Assured Energy (average MW)	380.6
CPFL Geração	- CPFL Geração Share (%): 25.01 - Installed Capacity (MW): 172.54 - Assured Energy (Average MW): 95.17
Operational Start-Up	November 2005



## HPP Campos Novos

### Campos Novos Energia S.A. – Enercan

Location	Canoas River (Santa Catarina state)
Municipalities	Covered Campos Novos, Anita Garibaldi, Celso Ramos and Abdon Batista (Santa Catarina state)
Installed Capacity (MW)	880.0
Assured Energy (average MW)	377.9
CPFL Geração	- Share (%): 48.72 - Installed Capacity (MW): 428.76 - Assured Energy (Average MW): 184.12
Operational Start-Up	February 2007



## HPP Foz do Chapecó

Location	Rio Uruguai (Santa Catarina and Rio Grande do Sul states)
Municipalities Covered	Águas de Chapecó (Santa Catarina state) and Alpestre (Rio Grande do Sul state)
Installed Capacity (MW)	855.0
Assured Energy (average MW)	432.0
CPFL Geração	- Share (%): 51.00 - Installed Capacity (MW): 436.05 - Assured Energy (Average MW): 220.32
Operational Start-Up	4Q/10 (Forecast)



>> The Holding >> Companies >> **Generation**

# Cia. Energética Rio das Antas (Ceran)

Location	Rio das Antas (Rio Grande do Sul state) HPP Monte Claro HPP Castro Alves HPP 14 de Julho
Installed Capacity (MW)	360.0
Assured Energy (average MW)	173.0
CPFL Geração	- CPFL Geração Share (%): 65.00 - Installed Capacity (MW): 234.00 - Assured Energy (average MW): 112.5



## HPP Monte Claro

Location	Rio das Antas (Rio Grande do Sul state)
Municipalities Covered	Bento Gonçalves, Veranópolis and Nova Roma do Sul (Rio Grande do Sul state)
Installed Capacity (MW)	84.5
Assured Energy (average MW)	38.35
Operational Start-Up	December 2004



## HPP Castro Alves

Location	Rio das Antas (Rio Grande do Sul state)
Municipalities Covered	Nova Pádua, Flores da Cunha, Nova Roma do Sul and Antônio Prado (Rio Grande do Sul state)
Installed Capacity (MW)	84.5
Assured Energy (average MW)	41.6
Operational Start-Up	March 2008



## HPP 14 de Julho

Location	Rio das Antas (Rio Grande do Sul state)
Municipalities Covered	Bento Gonçalves, Cotiporã and Veranópolis (Rio Grande do Sul state)
Installed Capacity (MW)	32.5*
Assured Energy (average MW)	30.23*
Operational Start-Up	December 2008

\*Refers to operational start-up of first generating unit



## CPFL Bioenergia and Baldin Energia S.A. Partnership

Project	Construction of a biomass cogeneration unit
Total Capacity (MW)	45
Energy Excess (MW)	Equal to 23,55
CPFL Bioenergia Share (%):	50

## CPFL Geração 20 SHPs and 1 Thermoelectric Power Plant (TPP)

Location	São Paulo (19 SHPs and 1 TPP) and Minas Gerais (1 SHP) states
Installed Capacity (MW)	154.79
Assured Energy (average MW)	78.37
CPFL Geração Share (%):	100

## CPFL Sul 4 SHPs

Location	Rio Grande do Sul state
Installed Capacity (MW)	2.65
Assured Energy (average MW)	2.45
CPFL Geração Share (%):	100

## CPFL Jaguariúna 8 SHPs

Location	São Paulo (6) and Minas Gerais (2) states
Installed Capacity (MW)	24.28
Assured Energy (average MW)* -	
CPFL Geração Share (%):	100

\* 8.97 average MW submitted to ANEEL for approval.



Small Hydroelectric Plants in Operation – 2008*			
SHPs	State	Installed Capacity (MW)	Assured Energy (average MW)
CPFL Geração			
Americana	SP	30.00	9.00
Buritis	SP	0.80	0.90
Dourados	SP	10.80	7.76
Eloy Chaves	SP	19.00	12.20
Esmeril	SP	5.04	2.88
Gavião Peixoto	SP	4.80	3.82
Jaguari	SP	11.80	9.00
Lençóis	SP	1.68	1.68
Monjolinho	SP	0.60	0.31
Pinhal	SP	6.80	3.70
Salto Grande	SP	4.55	2.72
Santana	SP	4.32	2.90
São Joaquim	SP	8.05	5.63
Socorro	SP	1.00	0.60
Chibarro	SP	2.60	1.69
Capão Preto	SP	4.3	2.28
Três Saltos	SP	0.64	0.60
Cariobinha	SP	1.30	0.00
Salto do Pinhal	SP	0.58	0.00
Ponte do Silva	MG	0.13	0.00
TPP Carioba	SP	36.00	10.70
CPFL Sul			
Saltinho	RS	0.80	0.73
Pirapó	RS	0.67	0.64
Andorinha	RS	0.512	0.46
Guaporé	RS	0.67	0.62
CPFL Jaguariúna			
Santa Alice	SP	0.62	**
Rio do Peixe (Power Plant I and II)	SP	18.06	
Lavrinha	SP	0.33	
São José	SP	0.79	
Turvinho	SP	0.80	
Macaco Branco	SP	2.36	
São Sebastião	MG	0.68	
Pinheirinho	MG	0.64	
* Includes Carioba Thermoelectric Plant (TPP)			
** 8.97 average MW submitted to ANEEL for approval			



# Profile

## of the CPFL Energia Group's commercialization business

GRI  
2.2

GRI  
2.3

GRI  
2.5

GRI  
2.7

GRI  
2.8

### General Overview

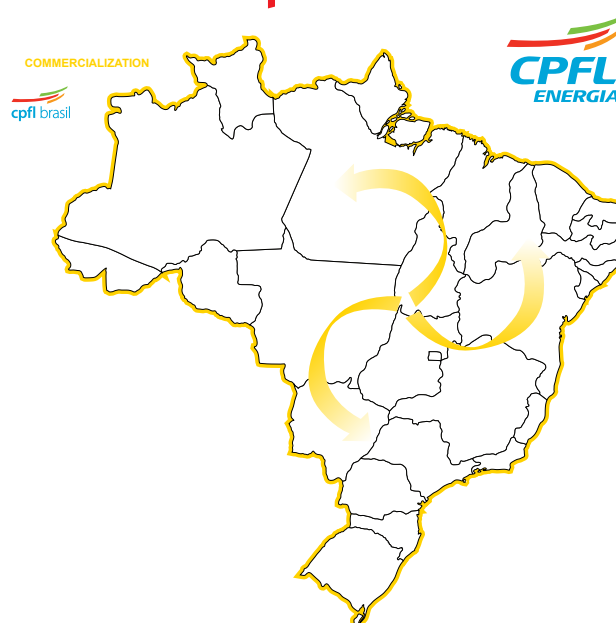


#### Active throughout Brazil

Free market customers (no.)	76
Market share (%)	20
Energy sales on the free market (GWh)*	8,904

\*Includes all commercialization companies in the CPFL Energia Group

### Areas of Operation



### Business Summary

	2008	2007	08/07 (%)	2006
Gross Operating Revenue (R\$ million)	2,090	1,881	11.1	1,831
EBITDA (R\$ million)	305	354	-13.8	275
Net Income (R\$ million)	218	239	-8.8	187

Note: Figures relating to 2007 have been reclassified as a result of Brazilian accountancy law 11.638/07.

### Companies

Energy commercialization operations through the following companies:

- CPFL Brasil
- CPFL Meridional
- CPFL Sul Geradora
- CPFL Cone Sul
- CPFL Planalto
- CPFL Serviços









**To be contemporary is...**

To be always looking ahead to guarantee the continuity of a service that is essential to the development of Brazil.



A romantic couple embracing in a warm, dimly lit setting. The man is in the foreground, looking towards the right, and the woman is behind him, her head resting on his shoulder. The background is blurred with warm, golden light, suggesting an indoor setting like a restaurant or a cozy living room.

# The new brand

- >> Repositioning
- >> Vision
- >> Mission
- >> Principles
- >> New Visual Identity



# Repositioning CPFL for a new era



The world will never be the same again. **Radical changes**, such as those we are witnessing, create a wave which overturns outdated paradigms. We must meet the demands of these times by facing up to them and repositioning, for only the most adaptable and prepared will be able to ride the dynamics of this wave to achieve new **levels of growth**.

Preparing for the future requires a vision that goes beyond the horizon. A long-sighted vision means you can change your position in advance, avoid risk, grow and move forward constantly to remain competitive.

In light of the **challenges** of these new times and following a long process of deliberation and discussion on its role and activity in **contemporary society**, CPFL Energia decided it was necessary to reposition its brand.

An identity expresses the culture that is created in a company. It manifests itself in daily practices, in business, in relationships, in the market and in society. So CPFL Energia's new brand identity needs to portray – faithfully – the leading Brazilian private-sector electricity company's strategy of **sustainable and consistent growth**.

CPFL is a generator of ideas and culture. The Company believes it should contribute to a process of social reinvention of humanity. The Company believes that its own way of being visionary is what will make it a pioneering benchmark in innovation, originality and sustainability in these new times.

## Strategic Foundations

In 2008, CPFL Energia undertook a brand repositioning process, involving the creation of a new visual identity and new strategic foundations:

**Vision**  
**Mission**  
**Principles**

**The brand personifies current values and  
future expectations.  
It evolves with the company and the company  
evolves with the world.**



>> The new brand >> **Vision**

# Vision

## The way we see the future

**Energy is essential for the wellbeing of people<sup>1</sup> and for the development of society<sup>2</sup>. We believe that the sustainable production and use of energy<sup>3</sup> is vital for the future of humanity.**



### **<sup>1</sup> wellbeing of people**

Energy allows the use of technologies which provide people with satisfaction and comfort by meeting the majority of their needs, from the most basic, such as housing, health, nutrition, transportation and security, to the most complex, such as education, entertainment and communication.

### **<sup>2</sup> development of society**

The concept of development of society goes beyond the inherent responsibilities resulting from the Company's businesses in the areas of electricity distribution, generation and commercialization and is not restricted to supporting economic growth combined with respect for the environment. It means understanding this responsibility in a wider sense, and using an integrated, inclusive and interdependent vision to contribute to raising standards of production, education, health, security, quality of life and human development by making use of the opportunities offered by society and sharing the organization's skills and knowledge. In this sense, all company activities should take into account their potential for creating value for society.

### **<sup>3</sup> sustainable production and use of energy**

The existence of our business and the future of humanity increasingly depend on the balance between a search for economic gain and the ability of society and nature to support growth. We believe that the integration of these variables in the production and use of energy contributes to a lifestyle that avoids social inequality, and creates a society that is safe, balanced, healthy and enjoyable to live in.



# Mission

## Turning the vision into reality

**To provide sustainable energy solutions<sup>1</sup> competitively and with excellence<sup>2</sup>, in a manner that is integrated with the community<sup>3</sup>.**

GRI  
4.8

### **<sup>1</sup> sustainable energy solutions**

By providing sustainable energy solutions, we are declaring that we are not just committed to providing electricity generation, distribution, commercialization and services. Our commitments extend to our expertise in integration and innovation which provide our market with greater service customization and speed in meeting its needs and expectations.

### **<sup>2</sup> competitively and with excellence**

‘Competitively and with excellence’ describes the CPFL Energia Group’s way of acting: a search for differentiation and a superior standard of performance in all its activities and initiatives. Our positioning as market leader, recognized for operating efficiency and superior governance practices, is essential to our strategy of growth and to the existence of our businesses in Brazil’s captive and free electricity markets, and to remaining an attractive proposition on the capital markets.

### **<sup>3</sup> integrated with the community**

We recognize that our organization is a living entity which is an integral part of a complex ecosystem. Our success depends on the quality of our relationships and the contribution of all stakeholders with which we interact, and in particular, the communities that we serve.



>> The new brand >> **Principles**

# Principles

## The Ethics of the Brand



### **Corporate Action Principles**

**Professional values which direct all of CPFL's business conduct:**

- Value creation
- Exceeding goals
- Trust and respect
- Commitment
- Sustainability
- Security and quality of life
- Entrepreneurial spirit
- Austerity

### **Ethical Principles**

**Moral values which should guide thoughts and attitudes in any situation where an employee is a representative of CPFL:**

- Honesty and integrity in relationships
- Transparency and truthfulness of information
- Respect and dignity in treatment of people
- Management of the risk of impact of activities
- Commitment to the future of the world: quality of life for future generations
- Commitment to the Brazilian development agenda

### **Organizational Abilities**

**Qualities that CPFL Energia values in its professionals:**

- Focus on results
- Excellence in processes
- Systemic vision
- Passion for the job
- Focus on the customer
- Entrepreneurial spirit
- Ability to create, innovate and transform
- Sustainability
- Strategic vision
- People management and development



# Business Principles



## Value Creation

The CPFL Group creates value in everything that it does. It exists for this reason: to create value for its shareholders and the stakeholders with which it interacts.

### Exceeding goals

To believe that everything can be improved and carried out in an innovative way that transcends market paradigms and exceeds the expectations of all stakeholders; constantly seeking apparently unachievable challenges.

### Trust and Respect

To establish and maintain relationships of trust, based on loyalty, respect and balance between our own interests and those of our stakeholders.

### Commitment

To ensure that our corporate actions and professional conduct mirror, faithfully and transparently, the ongoing quest to fulfill CPFL Energia's Principles and Ethical Guidelines and the contracts, obligations and agreements formed with our stakeholders.

## Sustainability

To be concerned with the future consequences of our actions and decisions, seeking always to control and avoid risks that could threaten the existence of the CPFL Group, as well as effects that have not been negotiated with the communities where we operate and with other stakeholders.

### Security and Quality of Life

To act permanently toward controlling and minimizing the risks associated with our work processes, products and services and to assure the integrity and physical wellbeing of our stakeholders, in environments that encourage co-operation, cohesion, the spread of knowledge and professional and human development.

### Entrepreneurial Spirit

To make each employee an agent of change who constantly seeks:

- To establish competitive advantages in his field of activity;
- To be always aware of future trends before they take place;
- To be pioneering;
- To master new knowledge, processes and technologies;
- To develop a strong sense of ownership of his attributes and responsibilities in the CPFL Group.

## Austerity

CPFL views austerity as a business principle of high ethical value. Consequently, all material and financial resources should be used sparingly, i.e. in a rational and sustainable manner and to the right degree to achieve the objectives of the collective enterprise.

The Company condemns excess and wastage from economic and ethical standpoints and has little tolerance for anything that appears to be imply favoritism, undue advantage or privilege.

CPFL sees austerity as a question of Governance, in other words one of balance in the exercise of power, and a question of ethics, meaning justice in the exercise of power.



CPFL Energia head offices, in Campinas, state of São Paulo





# Ethical Principles

GRI  
4.8

## **Honesty and integrity in relationships**

The relationships which CPFL Group companies have with their different stakeholders are based on honesty and integrity. This means that decisions in CPFL Group companies should always include an ethical assessment. Practices should be compatible with the Company's values. It is this that helps to build long-lasting relationships based on trust.

## **Transparency and truthfulness of information**

In the CPFL Group all business processes should be guided by transparency and a search for veracity of information supplied to partners. Only in this way can the credibility required for the company's business development be obtained.

## **Respect and dignity in treatment of people**

The CPFL Group demands that in all relationships, both internal and external, people be treated with dignity and respect. This is how the company should be seen: as an organization where people always feel respected.

## **Management of the risk of impact of activities**

The CPFL Group has an ongoing concern for the impact of all its actions and decisions on its stakeholders. We undertake permanent management of the risks related to the Group's businesses and always aim to take into account that the future of the companies depends on the decisions that are being taken today.

## **Commitment to the future of the world: quality of life for future generations**

The CPFL Group takes the future of the world very seriously. The fact that we use scarce and finite resources makes us aware that the future of our companies depends on the quality of the environment. CPFL is committed to environmental preservation and to carrying out ongoing and rigorous assessment of the consequences of all its programs and undertakings on quality of life for future generations.

## **Commitment to the Brazilian development agenda**

As it operates in a strategic sector for the development of Brazil, CPFL aims to align its corporate strategy with the Brazilian development agenda so as to contribute to the growth of the country, to the economic and social development of the communities where it operates, and to wellbeing.



# Organizational Abilities



## **Focus on Results**

To overcome challenges to obtain results and guarantee the realization of established goals.

## **Excellence in Processes**

To seek constant improvement through monitoring the indicators of process development.

## **Systemic Vision**

To see the Company as a whole and promote synergy of activities.

## **Passion for the job**

To give the best of ourselves, be fulfilled, take pleasure and pride in the job, engaging and communicating this to people we work with.

## **Focus on the Customer**

To gain and retain internal and external customers through efficient, cordial service and an ethical, transparent approach.

## **Entrepreneurial Spirit**

To explore opportunities and possibilities with the determination and persistence required for them to become reality, while taking on risks in a conscientious manner.

## **Ability to Create, Innovate and Transform**

To maintain an innovative approach that promotes constructive change for the company.

## **Sustainability**

To promote sustainable growth for CPFL through conduct that is ethical, transparent and committed to the existence of business, society and natural resources.

## **Strategic Vision**

To create and set out strategies that take into account the social, political, economic and regulatory scenarios, aimed at creating value and maximizing return on investment.

## **People management and development**

To attract, retain and develop professionals according to our requirements, values and culture. This demands a high sense of respect for people and the creation of an environment favorable to teamwork.



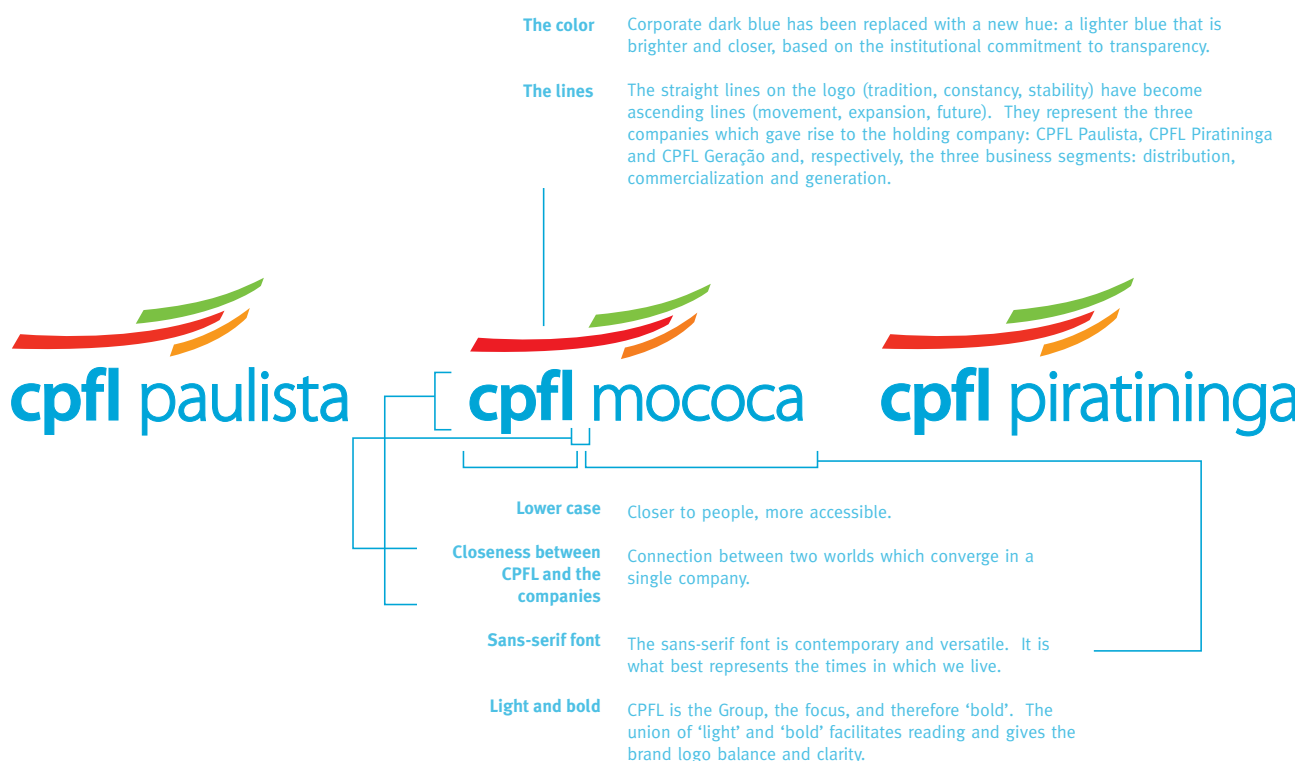
# The brand logo

## New visual identity

The brand logo is our identity. It is an image formed in people's hearts and minds that expresses **OUR ESSENCE**, our beliefs, our way of being: what we are, think and seek. Once they know about the Company's way of thinking, people identify with this and form an attachment through a similar view of the world and of business. Thus, the brand logo creates an expectation based on its meaning.

### Alignment of brands

Each CPFL Energia Group company represents the interface between the holding company and clients, consumers and stakeholders in each particular region. Therefore, the need has arisen to align the companies' brand logos with the Group brand logo.



### An evolving logo

The evolution of the CPFL logo has reflected all the Company's historic moments, personified values and kept abreast with the develop

Beginning of XX century	the 30s	the 40s	the 70s





The CPFL Energia brand logo remains the same, not only by being an established icon in the energy market – and principally among investors - but also for representing the Group's beliefs and aspirations.

## The logos of the Group



## CPFL Cultura

The CPFL Cultura logo is a separate entity, bearing in mind that the contemporary brings with it expansion and never restriction. In response to its sphere of activity, CPFL Cultura continues the trend of the unlimited, and this is reflected by a logo in constant mutation. Light as energy in movement. Light as a current of those who want to know. Lights of interconnected networks. Light as a malleable material.



oment of the contemporary world. Today, its visual identity is more friendly, flexible and closer to its audience.

1977 to 2000	2000 and 2001	2002	2008







**To be contemporary is...**

To be consistent with your own principles, values and commitments.

# Management

- >> Strategic Planning
- >> Quality management
- >> Ethical management
- >> Risk management
- >> Intangible assets
- >> Policies
- >> Commitments



## CPFL Ambition 2013

To consolidate **leadership** of the Brazilian electric sector with the creation of shareholder value (TSR) **superior to the market**

# Actions focused on continual growth

The numerous areas of CPFL Energia have described their key challenges and initiatives for leveraging results from current business and the potential for strategic growth going toward 2013.

### Distribution

Consolidate **leadership in distribution** seeking increased market share;

Maintain leadership in **operating efficiency**;

Invest in **innovation and technology** to leverage results.

### Generation

Increase current **installed capacity** by aiming at leadership in generation from profitable alternative sources – biomass and SHPs;

Participate in the **large hydroelectric plant auctions**, become involved beforehand in project assessments (study phase and/or prior consortium formation);

Be **equipped to operate in wind energy** when energy prices are competitive.

### Commercialization

Explore own base for new **biomass and SHP** projects with sale of energy on the **free market**.

### New Businesses

Expand portfolio of **added value services** and drive client **loyalty**;

Differentiate through supply of Products and Services;

Provide services to Group distributors, maintaining productivity gains;

CPFL Total – retail access channel for payment of bills, sale of products and services, and customer service;

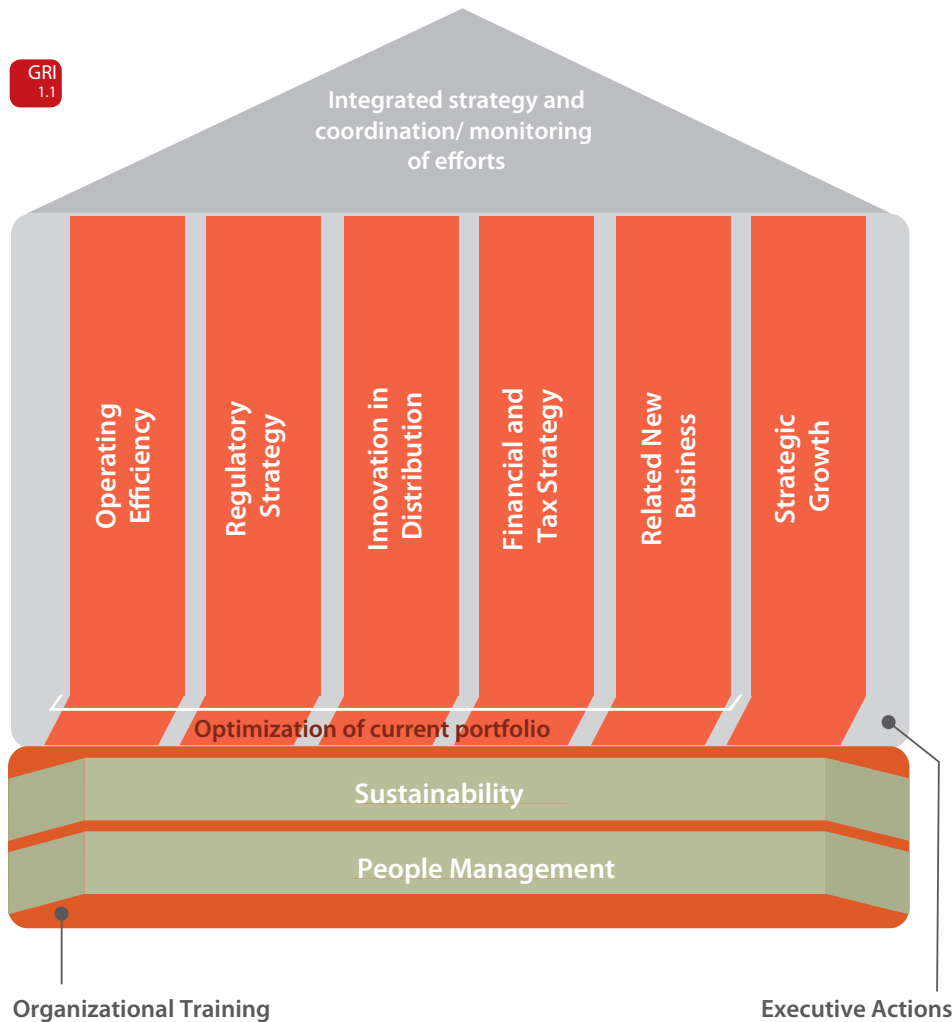
CPFL Atende – Call Center service.



>> Management >> **Strategic Planning**

# Focus on optimization of current portfolio and strategic growth

CPFL Ambition 2013 will be achieved through a range of strategic initiatives involving input from all areas of the Company (underpinned by the integrated management of Sustainability and People spanning the Company's total portfolio) using following value levers:



CPFL Energia's sustainability practices are managed by the Sustainability and Corporate Responsibility Division, the Environment Division and by the Sustainability Committee which combines planning for both areas.



# Excellence is part of CPFL Energia's DNA

**GRI EN14** CPFL Energia upholds excellence in all that it does, with a focus on the **creation of value** for all its stakeholders. The Company uses **benchmarks** linked to **best practices** as a way of setting internal challenges, establishing quality parameters and promoting constant **advancement**.

**GRI EN26**

ACPFL Energia encourages its subsidiary companies to adopt criteria of excellence in their management models so that this DNA spreads through the **business as a whole**.

It was this in mind that the Company developed the **Integrated Management System (IMS)**, which aims to certify the major work processes in four areas:

- Quality (ISO 9001)
- Environment (ISO 14001)
- Occupational Health and Safety (OHSAS 18001)
- Social Responsibility (SA 8000)

There is ongoing monitoring to ensure adherence to the system, including periodic audits conducted by external organizations. The SGI has been implemented at CPFL Paulista, CPFL Piratininga, CPFL Geração and RGE.

## 2008 Quality Highlights

- The **Management Excellence Model® (MEG)** was implemented at CPFL Paulista, CPFL Piratininga and RGE;
- For the second time, CPFL Paulista was winner of the **National Quality Award®**, from the National Quality Foundation (FNQ);
- The **6 Sigma Strategy** was extended in CPFL Paulista, CPFL Piratininga, CPFL Brasil and CPFL Geração and its implementation has begun in RGE, CPFL Santa Cruz and CPFL Jaguari. This methodology allows the identification of opportunities for improvement and reduction of losses in work processes.



**CPFL Paulista is the only  
company in the electric sector to  
win the PNQ® twice**



>> Management >> Quality Management >> **Certifications**

# Excellence

## is the current that flows through management



CPFL Paulista	
Certification	Activity
ISO 9001, OHSAS 18001, SA 8000	Distribution and Commercialization of Electricity
ISO 9001	Electricity Consumer Call Center Service
ISO 9001	Electricity Transmission Systems Operations
ISO 9001	Compiling of Information and Processing and Calculation of Technical and Commercial Indicators of Electricity Supply Quality
ISO 14001	Coexistence between Urban Electricity Distribution Networks and the Environment

CPFL Piratininga	
Certification	Activity
ISO 9001, OHSAS 18001, SA 8000	Distribution and Commercialization of Electricity
ISO 9001	Compiling of Information and Processing and Calculation of Technical and Commercial Indicators of Electricity Supply Quality
ISO 14001	Coexistence between Urban Electricity Distribution Networks and the Environment

CPFL Geração	
Certification	Activity
ISO 9001, OHSAS 18001, SA 8000	Hydraulic Power Generation
ISO 9001	Operation of the Electricity Generation System



<b>RGE</b>	
Certification	Activity
ISO 9001, OHSAS 18001, SA 8000	Distribution and Commercialization of Electricity
ISO 9001	Electricity Consumer Call Center Service
ISO 9001	Electricity Transmission Systems Operations
ISO 9001	Compiling of Information and Processing and Calculation of Technical and Commercial Indicators of Electricity Supply Quality
ISO 14001	Coexistence between Urban Electricity Distribution Networks and the Environment
ISO 14001	Electricity Subtransmission Services

<b>CPFL Santa Cruz</b>	
Certification	Activity
ISO 9001	Data Analysis and Calculation of Technical Indicators of Electricity Distribution Performance

<b>CPFL Leste Paulista</b>	
Certification	Activity
ISO 9001	Distribution and Commercialization of Electricity
ISO 9001	Compiling, Consolidation and Remittance of Technical Indicators of Electricity Supply Quality as established by ANEEL

<b>CPFL Jaguari</b>	
Certification	Activity
ISO 9001	Distribution and Commercialization of Electricity
ISO 9001	Compiling, Consolidation and Remittance of Technical Indicators of Electricity Supply Quality as established by ANEEL

<b>CPFL Sul Paulista</b>	
Certification	Activity
ISO 9001	Distribution and Commercialization of Electricity
ISO 9001	Compiling, Consolidation and Remittance of Technical Indicators of Electricity Supply Quality as established by ANEEL

<b>CPFL Mococa</b>	
Certification	Activity
ISO 9001	Distribution and Commercialization of Electricity
ISO 9001	Compiling, Consolidation and Remittance of Technical Indicators of Electricity Supply Quality as established by ANEEL



# Turning concepts into everyday practices

GRI  
SO1

In 2001, CPFL Energia implemented an Ethics Management and Development System and published the first version of its Code of Ethics and Corporate Conduct.

GRI  
SO2

In 2002 and 2003, philosophers and instructors conducted a range of seminars to disseminate the Code of Ethics, train employees and collect contributions for the second version of the Code, which was issued in 2006.

GRI  
SO3GRI  
HR4

The Management System was restructured in the same year, in line with the changes in the Company's organizational structure and ensure stakeholders remained represented, to include the following:

■ **Access Channels:** linked to the Ombudsman, and for both internal and external stakeholders, they exist to answer queries and for whistle-blowing purposes on infringements of ethical conduct in strict confidentiality being maintained;

■ **Code of Ethics Dissemination and Induction Program (for all CPFL Energia Group companies):** seminars for reflection, for employees, suppliers and partners. These seminars collect inputs for assessment of potential Company vulnerabilities and for identification of opportunities to improve the Code. In addition, all employees on admission sign a Term of Commitment contained in the Code and are encouraged to take part in the round of Induction Seminars;

■ **Ethics Network:** because of its breadth of activity, the Company has created a network of specially trained employees from different departments. They offer support and assistance in fulfilling the Code's commitments;

■ **Ethical Consultancy:** a virtual environment available to employees, it exists to stimulate debate on ethical issues raised by employees, as well as acting as a consultation and advice channel on ethical doubts and conflicts.

GRI  
4.9

■ **Ethics and Corporate Conduct Committee:** the main mechanism of this management system, it promotes the legitimacy of the Code, respect for it, and ongoing improvements. The Committee aims to maintain a culture of ethics within the organization and examines suggestions, complaints and reports on infringements of the Code of Ethics coming from the Company's stakeholders. In dealing with whistle-blowing, the Board of Directors may become involved if the allegation involves one of the statutory Executive Board members. The Committee also arbitrates in any conflict, makes its decisions public, regularly updates senior management on the course of its actions and sends information and recommendations to the Corporate Governance area annually, for the updating of control mechanisms required by the Sarbanes-Oxley Act. In addition, corporate responsibility and sustainability programs are presented quarterly to the Ethics and Corporate Conduct Committee, which monitors and assesses activities and actions.





## >> Management >> **Ethics Management and Development System**

GRI  
SO2

In 2008, the Company continued implementation of the Ethics Management and Development System (SGDE) recording the following activities during the period:

GRI  
SO3

■ Seven meetings of the Ethics and Corporate Conduct Committee, which assessed 19 cases received from through the Ethical Conduct Channel. Among these there were no registered cases of discrimination;

GRI  
HR3

■ Two training seminars for Ethics Committee members; four seminars for training the Ethics Network of CPFL Energia Group employees; drafting and presentation of the Ethical Strengths and Vulnerabilities Report to the Ethics Committee and the Chairman;

GRI  
HR4

■ Assessment of employee perceptions on ethical standards and launch of the Ethics Network Portal ([www.cpfl.com.br/etica](http://www.cpfl.com.br/etica)). This is a virtual and interactive environment which hosts content on ethics and the main functions of the SGDE at CPFL Energia.

In addition, we began to extend the SGDE to companies recently integrated in the Group. As a result, executives and directors of CPFL Santa Cruz and CPFL Jaguarí held planning meetings for the launch of the Code of Ethics in their own companies.

At RGE, training seminars were held for directors, managers and the Ethics Network. There were also seminars for specific groups of employees from areas more likely to be subject to ethical risk, with a total of 247 participants.

### **Ethics Management and Development System at CPFL**

Achievements	Content	Period	Participants
Launch of Code of Ethics	Distribution of the Code to all CPFL Paulista employees	2001	For all company employees
1st round of Seminars	Discussions on ethics for all employees, with the participation of two representatives from the Catholic University of São Paulo.	2002	1,070 employees
2nd round of Seminars	Aimed to give employees an opportunity to air doubts and make suggestions on issues such as hierarchy, diversity, harassment and relations with customers, colleagues and suppliers.	2003	1,224 employees
Ethos Institute for Corporate Social Responsibility Indicators	CPFL Energia suggested that major suppliers carry out self-assessments according to the Ethos Indicators.	2003	300 largest suppliers
Launch of Updated Code of Ethics	New version includes knowledge raised internally and follows the principles of the Sarbanes-Oxley Act and the Securities and Exchange Commission of the New York Stock Exchange, where CPFL Energia ADRs are listed.	2006	New version distributed to all employees and other stakeholders
3rd round of Seminars	This series aimed to promote further discussion on contemporary paradigms and further emphasize the ethical principles and guidelines that should direct employees' everyday activities.	2007	1,732 employees, including CEO, Officers, Managers and Supervisors
1st round of Reflections on Ethics at RGE	Beginning of dissemination of the Code of Ethics and Corporate Conduct at RGE	2007	8 seminars and 472 participants, including employees, suppliers and service providers
CPFL Energia Ethics Network	Creation of the Ethics Network, formed of employees from a range of departments, trained and versed to act as multipliers of ethical values in their organizational units.	2007	50 employees
RGE Ethics Network	Creation of the Ethics Network, formed of employees from a range of departments, trained and versed to act as multipliers of ethical values in their organizational units.	2008	48 employees

A further round of seminars of the Ethics Management and Development System is planned for 2009, covering the CPFL Energia Group's brand repositioning and new strategic foundations as well as an induction process in the Code of Ethics for new companies in the Group.



# Disseminating values to guide corporate conduct



CPFL Energia is aware of the importance of ethics as a condition for the continued existence of its businesses. As such, it disseminates the Ethics Management and Development System to its suppliers, in addition to the Group companies.

All CPFL Energia Group contracts contain **clauses on environment, health, security and social responsibility** for adherence to the Code of Ethics and Corporate Conduct and of the SA 8000 standard for Social Responsibility.

In 2008, a specific group of suppliers was audited for alignment with the concepts of the CPFL Energia Group's Integrated Management System (SGI). At the same time, there are incentives for suppliers to adopt sustainability practices through the Value Network.

CPFL Energia also ensures its suppliers are recognized in a variety of ways. In 2008, CPFL Energia assessed 220 of its suppliers of materials and services in São Paulo state and recognized 14 with the **CPFL Greater Value Award**. The award encourages the adoption of continual process improvement and the ongoing search for excellence.

At RGE, also in 2008, the 5th **RGE Supplier Quality Awards** were held, for encouraging and recognizing partners committed to the search for excellence in service provision to the company. In total 24 supplier companies were awarded in these categories:

- Punctuality
- Quality
- Non-conformity reports
- Safety
- Fulfillment of contractual obligations
- Trained workers
- Timeline for delivery
- After-sales service
- Social and environmental responsibility

Since 2006, a call center has been in place for answering supplier queries about the processes for registration and acquisition of goods and services, through **E-mais**. This system provides assistance, from supplier registration to materials and equipment purchasing, to the contracting of works and services. It allows users to follow process flow. The channel is hosted on the CPFL portal and seeks to create uniformity in the drafting of supplier proposals and CPFL Energia's requirements for sustainability and corporate sustainability.



# Systems for preventing business risk

CPFL Energia Group companies pursue financial and operating policies and strategies to ensure the **safety** of their **assets** and **employees** and to control their business impact on **society**, the **community** and the **environment**.

GRI  
1.2

To this end, there are procedures for overseeing operations and transactions to **prevent, monitor and mitigate** potential risk exposure. Our prevention systems and processes are as follows:

GRI  
4.11

## **Corporate Risk Management**

GRI  
SO2

### **Prevention of Financial Risk**

- Compliance with the requirements of Section 404 of the Sarbanes-Oxley Act
- Instruments Used

### **Exchange Rate and Interest Rate Risks on other Liabilities**

- Currency Risk in Electricity Purchases
- Currency Risk on Financial Liabilities
- Financial Covenants
- Credit

### **Planning for Energy Purchases**

### **Internal Audit**

### **Private Pension Plan**

### **Insurance Management**

### **Prevention of Operating Risk**

- Environment
- Hydrological Risks
- Irregular Consumption

### **Information Technology Security**

### **Regulatory Issues**



# Ensuring certification of internal processes and controls

GRI  
1.2

At the end of 2007, the CPFL Energia Group created the Risk and Internal Control Management Department to promote the **monitoring** and coordination of risk management in corporate areas and business units.

GRI  
4.11

GRI  
SO2

This process seeks to add value to the businesses by consolidating **policies and strategies, in alignment with corporate planning** of the CPFL Energia Group.

The process of structuring the corporate management of company risk is being implemented:

- Drafting and presenting policies and procedures;
- Review and consolidation of General Risk Analysis (AGR) and the Dictionary of Risks (DR);
- Drafting of the Process Classification Model (MCP), grouping business processes as \*Corporate, Business or Support;
- Development of Key Risk Indicators (KRI) in partnership with principal business units;
- Investigation of a systemic solution to support corporate risk management.

---

**The aim is to achieve certification of internal processes and controls in line with domestic and international standards.**

---



# Monitoring processes which affect our financial statements

GRI  
1.2

## **Compliance with the requirements of Section 404 of the Sarbanes-Oxley Act**

The CPFL Energia Group evaluates annually the **effectiveness of its internal control** structure for the principal business processes which significantly impact financial reporting. This occurs through the Compliance Division, which reports to the Risk Management and Internal Controls Department and the CEO's office.

GRI  
4.11

GRI  
502

The objective is to ensure that the principal risks associated with the preparation and dissemination of financial reports is being adequately controlled.

### **Control Assessment Flow**

**1**

Annual definition of scope and approval by the Board of Executive Officers

**2**

Evaluation of design and effectiveness of internal controls by key managers

**3**

Test of control environment effectiveness and evaluation of exceptions  
(where applicable)

**4**

Ascending certification process via the Management of Internal Controls system. All executives involved declare their responsibility for the implementation and regulation of internal controls under their management.

### **Instruments Used**

Financial risk management is centralized at CPFL Energia and uses the instruments most frequently found in financial markets. One of these is the Risk Maps **system**, also **used** by some of the **largest banks in the Brazilian financial market**.

This model is used to manage financial risk through ALM (Asset and Liability Management), VAR (Value at Risk), Stress Test and Duration analyses of the asset and liability portfolios of the companies in the CPFL Energia Group. These techniques establish the level of financial risk in each transaction and introduce **methods for neutralizing or protecting against such risks**.



# Focus on financial protection mechanisms

GRI  
1.2

## Currency Risk in Electric Power Purchases

Companies that are obliged by law to acquire energy from Itaipu have the right to seek financial protection from currency losses through the CVA Parcel A Tracking Account Mechanism (ANEEL Resolution), which **compensates** companies for **currency losses on energy purchases** through the adjustment of electricity tariffs.

GRI  
4.11

GRI  
SO2

## Currency Risk on Financial Liabilities

The CPFL Group protects its earnings and cash against fluctuations in the US dollar exchange rate through **hedge transactions**, which allow financial debt to be always indexed to variations in domestic indices.

## Financial Covenants

CPFL Group companies' loan agreements, financing contracts and debentures include the restrictive financial covenants usual in this type of transaction, typically relating to certain economic financial ratios, cash generation, and others. The CPFL Energia Group **fully complies with such clauses** and they do not represent any kind of limitation on the ability to conduct normal business.

## Credit

The risk of loss through inability to collect from customers is low given the dispersed nature of the customer base as well as the company **policy on collection** and disconnection in the event of non-payment.



# Strategies to reduce risk and add value

GRI  
1.2

GRI  
4.11

GRI  
SO2

CPFL Energia's operating subsidiaries are upgrading their planning models and procedures, to create solutions and strategies to minimize exposure to risks and penalties and to find new ways to add value to their business activities within the context of Brazil's New Electricity Sector Model.

To this end, CPFL Energia Group's distribution companies have constructed **mathematical optimization models** to:

- Limit the risk of over- or under-contracting energy needs, resulting from the intrinsic uncertainties in making five-year market projections;
- Minimize the total cost of energy purchase;
- Develop the best strategies for acquiring energy in regulated energy market auctions based on a **range of projected demand scenarios** constructed in such a way as to incorporate all sectoral and macroeconomic variables affecting electricity demand.



# Active in the main business and operating processes, defined using a risk-based methodology

GRI  
1.2

The CPFL Energia Group Internal Audit, which reports to the Board of Directors, evaluates the following:

GRI  
4.11

GRI  
SO2

- Suitability and efficiency of operations;
- Economic efficiency in the use of resources;
- Integrity and reliability of information, registers and systems;
- Observance of policies, aims, plans and procedures;
- Compliance with applicable laws, norms and regulations.

## Role of the Internal Audit

To develop methods for evaluating business processes and ensure their alignment with corporate guidelines and shareholder and management strategies. In addition the Internal Audit should **stimulate development**, improvement and effectiveness in corporate processes, risk control and the company's results.

**The Internal Audit  
is active in the main operating and business  
processes, defined using a risk-based  
methodology**



# Managing the CESP Foundation investment policy

GRI  
1.2

The CPFL Group uses specific tools to mitigate any deficits in its employee pension plans managed by the CESP Foundation.

GRI  
4.11

GRI  
SO2

In addition to the institution's own team, equipped with the most advanced instruments for risk evaluation, the CPFL Group also supports **the Investments and Pension Management Committees**, which comprise staff from the Financial Department and other areas, as well as pension plan members and beneficiaries.

## Analysis used by the Committees

- Actuarial calculations
- Economic and financial statements
- Security
- Profitability and liquidity (in line with guidelines approved by the Trustee Board of the CESP Foundation)

**Results are analyzed monthly** by the Management Committees and the operations team of the CESP Foundation. Meetings are held quarterly or whenever deemed necessary, to review strategies and limits.

**The responsibility of the Committees is to evaluate and decide on investment policy for the plans' funds.**

The Committees also assess the management of the plans and propose adjustments when necessary.



# Protecting CPFL Energia against risks to profitability

GRI  
1.2

CPFL Energia has established formal **insurance management** guidelines for taking the necessary measures to protect its assets and responsibilities from the risk of accidental losses which might undermine returns.

GRI  
4.11

GRI  
SO2

An experienced insurance specialist is responsible for “Insurance Management Guidelines”, supported by internationally-renowned consultancies.



# Operations based on Brazilian environmental certifications and standards



The Environmental Management System provides a control framework for activities and provides guidance to the operating processes of electric energy distribution and hydraulic energy generation.

These processes adhere to the requirements of the relevant Environmental Certifications in force.

## Environment

Detailed and conservatively-based environmental impact studies are prepared for each of CPFL's new projects and the Company closely monitors the execution of its environmental programs.

This enables it to comply with the numerous and complex stages that precede the granting of an Operating License (LO), and thus avoid difficulties for the commercial operations of these projects.

## Hydrological Risks

In line with Brazilian norms, power generation revenue does not depend on the Installed Capacity of each plant or the volume of power actually generated, but principally on the Assured Energy of each plant.

Assured Energy is a fixed volume of electricity determined by the government regulator and written into each concession contract.

The amount of power actually generated is determined by the ONS (National Electricity System), based on demand and the hydrological situation.

## Irregular Consumption

CPFL Energia makes strenuous efforts to detect irregularities in electricity meter reading via a management system which permits targeting of consumers for inspection by specialized teams.

In cases where the irregularity is fraudulent, the consumer is responsible for payment of the fraudulent consumption. The outstanding amount can be paid in installments in accordance with commercial management standards.

This procedure ensures that CPFL Energia meets its objective of treating all its customers equally. Each is responsible for payment of electricity actually consumed.



# Constantly safeguarding the security of our technological systems and installations

GRI  
1.2

CPFL Energia has permanent procedures in place to safeguard technological resources and systems.

GRI  
4.11

To mitigate the risks resulting from equipment outages, it has built-in redundancy in critical areas.

GRI  
SO2

The company's IT management procedures ensure absolute **client confidentiality**, as well as **confidentiality of financial information** processed by, and stored in, corporate IT systems.

To avoid the risks arising from processing and information assets, all IT processes are documented and governed by established internal controls.

Efficient and safe use of the Internet and its connections is guaranteed by permanently updated virus detection and protection programs.





# Strict and systematic compliance with regulations

**The mitigation of regulatory risk is one of the CPFL Energia Group's strategic guidelines.**

GRI  
1.2

The power distribution and generation concessions are required to adhere to a series of **obligations established** in their concession contracts and by the sector's **regulatory framework** and are subject to inspection by the Brazilian National Electric Energy Agency (ANEEL), and by related agencies run by the individual states in the federation.

GRI  
4.11

GRI  
SO2

Regulatory risks are rigorously and systematically controlled at each of the concessions, through structured procedures at both the business units and head office and by support systems, such as the Regulatory Management System (SISGERE), for monitoring and controlling the entire regulatory process.

The commercialization of electricity occurs mainly in the free market and is not required to follow regulated market rules, except in cases of operations involving related parties, which must have the prior approval of ANEEL, a rule that is rigorously observed.

In view of the corporate structure of CPFL Energia and the regulatory requirements, effective control of this type of risk requires the corporate area to have a full picture of all inter-company relations, especially those of an economic and financial nature, in order to guarantee conformity of operations.



# Adding value to the business

## These are our intangible assets:

- CPFL Energia Brand
- Concession Areas
- Human Resources Knowledge
- Intellectual Property
- Infrastructure
- Integrated Management System (SGI)

Intangible assets are those that add value to the business and allow clear identification, legal existence, intellectual property rights, specification of useful life and transferability.

CPFL Energia implements all the required conditions for the development and protection of intangible assets. The enhancement of intangible assets is supported by the identification and incorporation of new technologies - largely resulting from Research & Development projects - and by professional training systems, technical visits, availability of technical and management publications in the library as well as permanent contact with suppliers.

Intangible assets are maintained for the Company's use and ownership through the establishment of norms and procedures, registers and labor instructions, policies, information systems and care for library assets. The Intellectual Property Rights Policy, published in the HR Portal and the Intranet, is the instrument used to protect intangible assets. It prohibits the commercialization and/or disclosure of these projects or inventions by any employee without the appropriate authority.

Those responsible for the projects, the Special Projects Division (DCVE) and the Legal Department, are accountable for conducting and examining copyrights and patents. The attraction and retention of specialists and talent, which enhance CPFL Energia's intellectual capital, are managed through competitive Human Resources policies and through management of the organizational climate. The Corporate University, established in 2008, is also an important tool for improving human capital assets and is aligned with the policy of continual improvement of the quality of services.

Intangible assets are identified every year during the annual strategic planning cycle, at which time the appropriate department assesses the strengths and weaknesses of each one in relation to the new challenges set by the strategic plan.



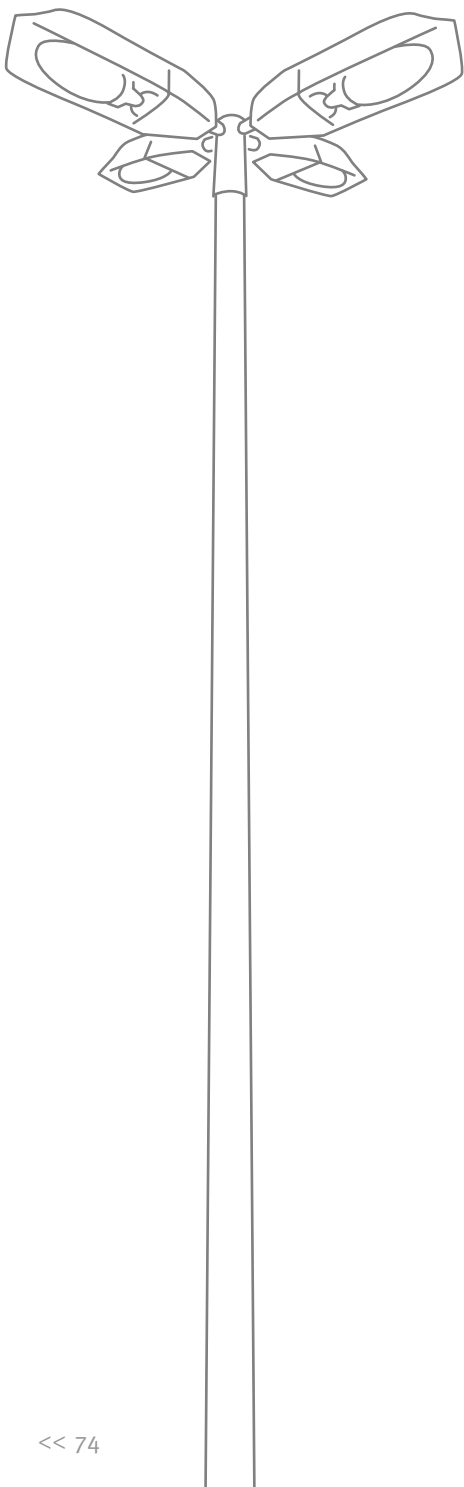
Identification of Intangible Assets		
Assets	Components	Evaluation Methods
CPFL Energia Brand	<ul style="list-style-type: none"> <li>■ Tradition and strength of the CPFL Energia brand</li> <li>■ Business portfolio with participation in three segments of the electricity sector</li> <li>■ Solid customer base and attractive markets</li> </ul>	<ul style="list-style-type: none"> <li>■ Evaluation performed by a specialized consultancy</li> <li>■ Monitoring of media favorability</li> <li>■ Annual image survey</li> <li>■ Monitoring of market and customer base</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>■ Know-how and skills related to strategic abilities</li> <li>■ High levels of productivity and motivation</li> </ul>	<ul style="list-style-type: none"> <li>■ Performance management system – Personal Value</li> <li>■ Company Performance</li> </ul>
Intellectual Property Rights	<ul style="list-style-type: none"> <li>■ Patents</li> </ul>	<ul style="list-style-type: none"> <li>■ Number and value of patents, associated to validity</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>■ Technologies developed for CPFL's specific use</li> <li>■ Customized Information Systems and with CPFL parameters                             <ul style="list-style-type: none"> <li>■ CCS: commercial operations support platform for customer service, billing, collection, charging and management of meter assets</li> <li>■ GISD: Integrated geo-referenced platform with data on electricity assets, to support the planning, engineering, design, operation and distribution maintenance operations</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ The calculation of added value takes into account at least the expenditure of resources for installing information systems and technology</li> </ul>
Location of the concession areas	<ul style="list-style-type: none"> <li>■ Concession rights in the country's fastest growing regions</li> </ul>	<ul style="list-style-type: none"> <li>■ Monitoring of regional and national GDP and Universal Service Coverage</li> </ul>
Integrated Management System (SGI)	<ul style="list-style-type: none"> <li>■ Certifications for quality, and environmental, occupational health and safety and social responsibility management.</li> </ul>	<ul style="list-style-type: none"> <li>■ Transparency and reliability of management indicators.</li> <li>■ SGI avoids costs of non-quality in all business processes by contributing to strict compliance with legislation.</li> </ul>







# Guidance for management excellence



## **Quality Policy**

“To promote the enduring satisfaction of our customers, shareholders, employees and partners through the continual improvement of our products and services.”

## **Environmental Policy**

“To provide energy services to society with total respect for the environment, complying with environmental legislation, avoiding pollution and promoting continual improvement of the environmental performance of our activities.”

## **Health, Safety and Quality of Life Policy**

“To seek the permanent wellbeing of employees, by providing healthy environments and safe conditions for work in line with the applicable safety and medical workplace legislation, identifying, preventing, controlling and mitigating risks that may lead to material or personal incidents and accidents, seeking the continual improvement of all work processes and promoting quality of life.”

## **Corporate Responsibility and Sustainability Policy**

“To include issues of social responsibility and sustainability in the administration of the businesses on a permanent basis, by managing the economic, social and environmental impacts of the Company’s activities in tune with society’s legitimate interests and in compliance with the applicable legislation.”



# CPFL Energia is engaged with the major domestic and overseas agreements for promoting sustainable development



## Global Compact

<http://www.unglobalcompact.org/>



<http://www.pactoglobal.org.br/>



In December 2003, CPFL Energia became a signatory to the United Nations (UN) Global Compact and joined its Brazilian Committee. Since then, it has systematically promoted the adoption of its fundamental, internationally agreed values in its own businesses and those of its partners. These values are expressed through 10 principles relating to human rights, labor relations, environment and combating corruption.



Signing up to the principles of the Global Compact demands **the joint efforts of new companies acquired by the Group**, those in the production chain and companies in the regions where it operates.

In 2006, **RGE** joined the Global Compact through a Letter of Intention in which it committed to applying the principles in its management practices and in relationships with stakeholders. Since then, it has been propagating the Compacts principles to its in-house stakeholders with the implementation of the Code of Ethics and Corporate Conduct, which emphasizes the commitments undertaken, particularly regarding human rights, labor, environment and anti-corruption measures.

**For CPFL Energia, being a signatory to voluntary commitments represents a step forward in the way it manages its businesses**



**In 2008, CPFL Energia adopted a more active role in the Brazilian Committee for the Global Compact. Among other activities, it took over coordination of the Human Rights Commission and promoted the 1st meeting of the Environment Committee with the climatologist Carlos Nobre.**



In addition to involving approximately 500 employees, CPFL Energia held a seminar for 80 suppliers where it presented the Ethics Development and Management System, explained the Ethical Reporting Channel and communicated the function of the Ethics Committee. All examples of Global Compact principles being put into practice.

In April 2008, the Dane, Soren Petersen visited CPFL Energia. Petersen is responsible for 65 networks of Global Compact partners spread across the world. During his visit, Petersen recognized the Company's work in the Sustainability and Corporate Responsibility field, including CPFL Cultura's reflections on global warming. Mr. Petersen recommended the Company sign up to the Caring For Climate commitment, thus allowing the Group to further contribute to the theme through the formation of local networks to combat climate change.

In December 2008, CPFL Energia celebrated **60 years of the Declaration of Human Rights**, with special mention for Principles 1 and 2 of the Global Compact in the CEO's message to all Group employees and communication of the 60<sup>th</sup> anniversary of the declaration on all customers' electricity bills.

### **Caring for Climate**

[http://www.unglobalcompact.org/Issues/Environment/Climate\\_Change/index.html](http://www.unglobalcompact.org/Issues/Environment/Climate_Change/index.html)

In August 2008, CPFL Energia became a signatory to the UN Caring for Climate initiative. It aims to encourage companies worldwide to develop **voluntary initiatives that go beyond the legal requirements** of their countries and that **contribute to the global effort to combat climate change**.

At the event, organizations from across the world presented reports and studies on the current stage of climate change and initiatives to combat this global issue.

In a plenary session, CPFL Energia presented its experiences and projects covering:

- The construction of large hydroelectric plants and the repowering of small hydro plants, developments which were included in **Clean Development Mechanisms** (CDM) criteria and generating carbon credits;
- **Bioenergy** electricity generation projects using sugarcane biomass;
- **Electric vehicle** projects and specific activities relating to **carbon sequestering** as a result of company activities;
- Extensive programs of debates, forums, working groups to discuss prevention strategies, mitigation and adaptation to climate change.

**On joining, CPFL Energia was invited to share its initiatives and practices at the first meeting of signatory companies in October 2008 at UN headquarters in Geneva, Switzerland.**



>> Management >> **Commitments**

### **Corporate Pact for Integrity and Against Corruption**

This is an initiative of the Ethos Institute, Patri Governmental Relations and Public Policies, the UN Development Program (UNDP), the UN Office against Narcotics and Crime, the World Economic Forum and the Brazilian Global Compact Committee, with the support of the Brazilian Agency of Advertising Agencies (Abap) and the Ford Foundation.



It aims to engage companies in combating all forms of corruption and establish guidelines for the relationships between organizations and the public authorities.

CPFL Energia signed the Pact in 2006 and since then has contributed by participating in the working party of the Corporate Pact for Integrity and Against Corruption. This involves monthly discussion meetings, organization of activities and publications. At the Ethos Institute International Conference 2008, CPFL Energia organized the “Integrity and anti-corruption practices for a socially responsible market” workshop. Also in 2008, the working party created and launched the “Corporate social responsibility in the electoral process” primer.

In 2009 there will be a full meeting during the Ethos Conference followed by publication, in partnership with the Office of the Controller General (CGU), of an explanatory primer on the responsibility of companies in promoting an atmosphere of public and private integrity.

The principles of the Pact are communicated to CPFL Energia stakeholders through the Ethics Management and Development System.

<http://www.empresalimpa.org.br>

### **Corporate Friend Of The Child Program**

<http://www.fundabrinq.org.br/>

This is run by the Abrinq Foundation with the aim of encouraging companies to commit to the fundamental rights of children and adolescents through adherence to 10 commitments which are an expression of the key principles of the Child and Adolescent Statute. CPFL Energia communicates this Program to all its customers on their electricity bills, thereby increasing awareness of this initiative.



### **Corporate Pact Against The Sexual Exploitation of Children And Adolescents on Brazilian Highways**

<http://www.namaocerta.org.br/>

An initiative of the WCF (World Childhood Foundation) for companies to commit publicly, as part of their social responsibility programs, to taking measures against the sexual exploitation of children and adolescents on Brazilian highways.



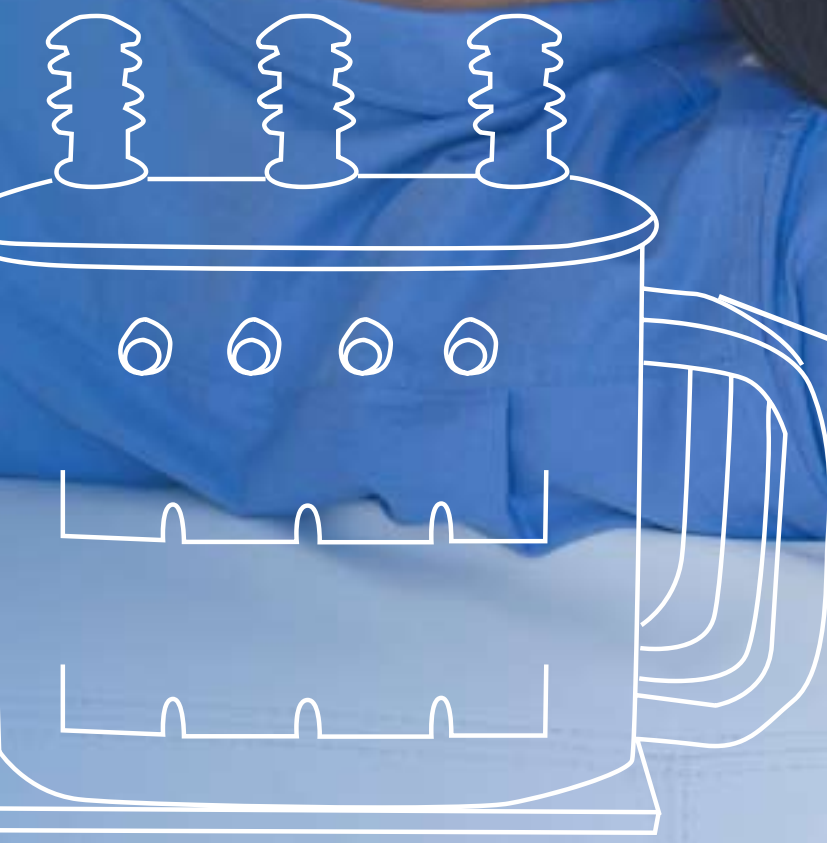
### **Millennium Development Goals**

<http://www.objetivosdomilenio.org.br/>

Following analysis of the major problems affecting the world, the UN established eight development objectives for the construction of a better society. CPFL Energia is part of the National Movement for Citizenship and Solidarity, in the belief that these objectives are a point of reference in dealing with this global challenge.







**To be contemporary is...**

To seek quality in everything you do, using the latest technology, systems and working methods.





# Corporate Governance

- >> Highlights
- >> Overview of the Group
- >> Manual for Participation in Shareholders' Meetings
- >> Focus on Ethics
- >> Corporate Governance Rating
- >> Differentiated Practices



# Transparency and excellence

recognized by the markets in Brazil and abroad

CPFL Energia, recognized as one of the companies with some of the best corporate governance practices in Latin America, is constantly improving the policies, management practices and control systems it uses.

In 2008, CPFL Energia took significant steps forward to guide its process for **decision-making** on the direction the business should take and the Company's sustainability:

- Consolidation of the new model of corporate governance introduced in 2006;
- Improvement of internal control systems;
- Strengthening of the Ethics Management and Development System.

In 2008, the Group made progress with the **Succession Plan**, in line with the Corporate Plan. It aims to ensure an enduring business by identifying and implementing activities for the development and retention of those indicated to **succeed to key positions** within Group companies.

CPFL Energia's management practices, risk control mechanisms and a solid organizational culture founded on the principles of transparency, impartiality, accountability and corporate responsibility led to the company shares being listed for the fourth consecutive year as components of BM&FBovespa's **Corporate Sustainability Index (ISE)**.



CPFL Energia is also a component member of the Companies Circle – a select group of 14 Latin American companies recognized for adopting differentiated corporate governance practices. This initiative is coordinated by the Organization for Economic Cooperation and Development (OECD) and the International Finance Corporation (IFC) with the aim of promoting improved corporate governance practices in Latin America.

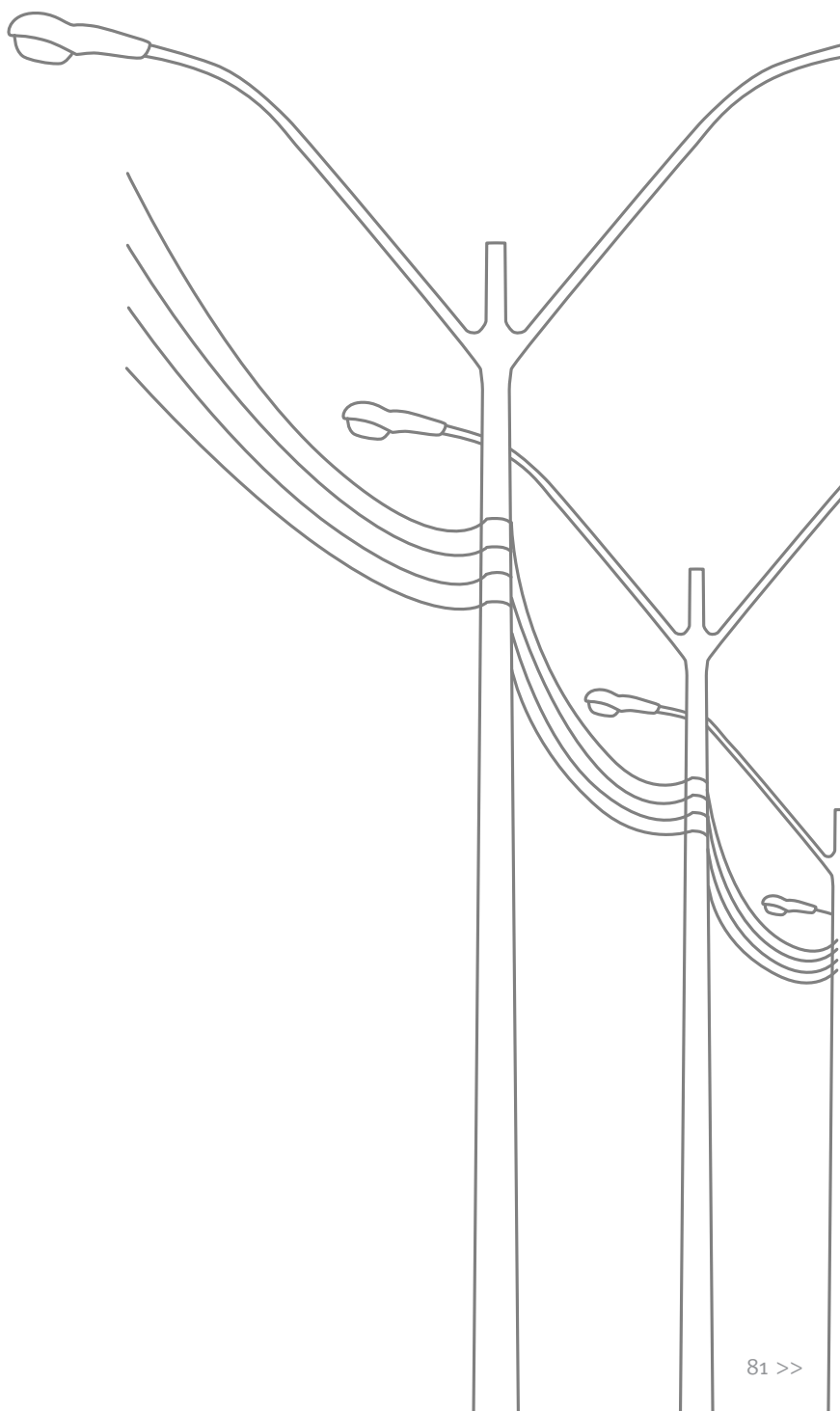
**The company has streamlined the decision-making process, by focusing on value creation for shareholders and other Group stakeholders and improving the relationship between the Board of Directors and the Board of Executive Officers.**



## CPFL Energia shares are listed on BM&FBovespa's Novo Mercado and the Group's Level III ADRs trade on the New York Stock Exchange.

### 2008 Highlights

- Adoption of a manual for participation in shareholders' meetings;
- AA+ corporate governance rating assigned by Austin Rating;
- Named the best company in corporate governance in Latin America by Latin Finance magazine in partnership with Management & Excellence consultancy;
- First Brazilian company to receive the Client Leadership Award from the International Finance Corporation (IFC);
- Given its growth in recent years, CPFL Energia created the role of Administration Officer to oversee the Company's new administrative structure, including all of the Group companies' purchasing activities;
- Corporate risk management was centralized with the creation of the Risk Department, reporting to the CEO.





# Understanding CPFL Energia's structure

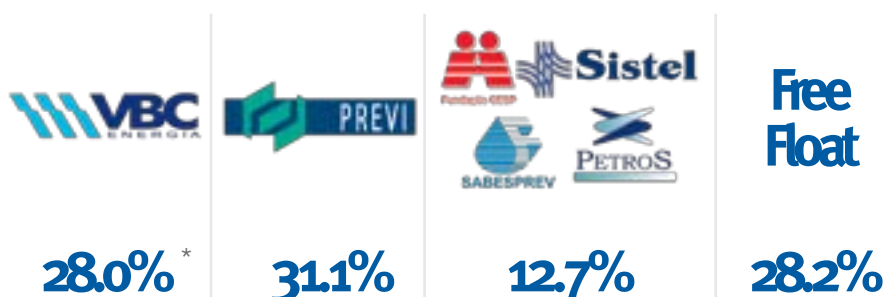
GRI  
4.1

GRI  
4.3

GRI  
4.9

GRI  
4.10

CPFL Energia is a holding company with equity stakes in other companies:



\* Includes 0.02% of others

Control of CPFL Energia is held by a major Brazilian corporate group linked to the country's largest pension funds:

## **VBC Energia S.A.**

A privately held company which was controlled by two large conglomerates – Votorantim Group and Camargo Corrêa Group. In February 2009, the Votorantim Group sold its stake in VBC to the Camargo Corrêa Group.

## **521 Participações S.A.**

A company controlled by the Banco do Brasil pension fund (Previ, the employees' pension fund), Brazil's largest pension fund.

## **Bonaire Participações S.A.**

An investment fund made up of the following Brazilian pension funds: CESP Foundation (Funcesp), Petrobras Social Security Foundation (Petros), Sistel Social Security Foundation and Sabesp Social Security Foundation (Sabesprev).

## **BNDES Participações S.A. (BNDESPAR)**

A subsidiary of BNDES (National Economic and Social Development Bank) responsible for the bank's corporate equity investments.



# Board of Directors and Fiscal Council

GRI  
4.1

## Board of Directors

The main management forum which determines the general direction of business and makes decisions on key issues, in line with its remit as described in the Corporate Bylaws. The Board has the exclusive power to determine the Committees' focus of activity and request further investigation or specific enquiries.

GRI  
4.3GRI  
4.6GRI  
4.9GRI  
4.10

The CPFL Energia Board of Directors currently consists of seven members: three elected by VBC Energia, two by 521 Participações, one by Bonaire Participações and one Independent Board Director, elected in accordance with Bovespa's Novo Mercado listing regulations.

- Luiz Aníbal de Lima Fernandes (Chairman)
- Cecília Mendes Garcez Siqueira (Deputy Chairman)
- Francisco Caprino Neto
- Milton Luciano dos Santos
- Carlos Alberto Cardoso Moreira
- Otávio Carneiro de Rezende<sup>1</sup>
- Ana Dolores Moura Carneiro de Novaes (Independent Director)

<sup>1</sup>Resigned in February 2009.

The Board of Directors meets ordinarily once a month and extraordinarily whenever required.

Members of the Board of Directors have a one-year term of office, with eligibility for re-election.

## Fiscal Council

The Fiscal Council is permanently installed and independent of management. Since 2005, it has also taken on the responsibilities of the Audit Committee as required by the Sarbanes-Oxley Act, aiming to monitor the work of the Internal and External Audits, as well as controlling and assessing business processes. It currently has five members with a one-year term of office, eligibility for re-election being permitted.

The Council has five members with a one-year term of office, with re-election allowed.

- Pedro Carlos de Mello<sup>1</sup>
- Fernando Dias Gomes
- Francisco Djalma de Oliveira
- Martin Roberto Glogowsky
- Paulo Mídina<sup>1, 2</sup>

<sup>1</sup>Members nominated as financial specialists in line with the requirements of Section 407 of the Sarbanes-Oxley Act.

<sup>2</sup>Resigned in March 2009 and substituted by alternate.

The Fiscal Council members meet monthly and have a minimum calendar of activities, which includes periodic meetings with internal and external auditors.

GRI  
4.7

**The names of members of the Board of Directors and their Advisory Committees, the Fiscal Council and the Board of Executive Officers are also available on the Company website: [www.cpfl.com.br/ir](http://www.cpfl.com.br/ir)**



# Board of Executive Officers



Responsible for the conduct of the Company's businesses, its subsidiaries and its associated companies, in line with guidelines determined by the Board of Directors. It is made up of seven members elected by the Board of Directors, with a two-year term of office, eligibility for re-election being permitted:

- Wilson Ferreira Junior (Chief Executive Officer)
- José Antonio de Almeida Filippo (Chief Financial and Investor Relations Officer)
- Paulo Cezar Coelho Tavares (Chief Energy Management Officer)
- Miguel Normando Abdalla Saad (Chief Energy Generation Officer)
- Hélio Viana Pereira (Chief Operations Officer)
- José Marcos Chaves de Melo (Chief Administration Officer)
- Reni Antonio da Silva (Chief Strategy and Regulation Officer)<sup>1</sup>

<sup>1</sup> Resigned in June 2008, with the CEO taking on the functions previously assigned to the Chief Strategy and Regulation Officer as of July 2008. The Board of Directors is due to call an extraordinary meeting to create the role of Chief Business Development Officer.



**The names of members of the Board of Directors and their Advisory Committees, the Fiscal Council and the Board of Executive Officers are also available on the Company website: [www.cpfl.com.br/ri](http://www.cpfl.com.br/ri)**



# Committees

GRI  
4.1

The CPFL Energia corporate governance model is focused on **improving the decision-making process**. As a result, the following committees exist to advise the Board of Directors:

GRI  
4.3

GRI  
4.9

## Personnel Management Committee

Advises the Board of Directors in determining compensation and assessing the performance of the Board of Executive Officers, coordination of the Succession Plan and monitoring human resources policies and practices.

The Committee's members are:

- Cecília Mendes Garcez Siqueira (Coordinator)
- Francisco Caprino Neto
- Carlos Alberto Cardoso Moreira

GRI  
4.1

## Management Processes Committee

Advises the Board of Directors on topics such as proposals to improve business management processes, evaluation of areas of business risk and guidance of the Internal Audit's activities.

GRI  
4.3

GRI  
4.9

- The Committee's members are:
- Otávio Carneiro de Rezende (Coordinator)<sup>1</sup>
  - Martin Roberto Glogowsky
  - Ricardo Giambroni

<sup>1</sup>Resigned in February 2009

GRI  
4.1

## Related Parties Committee

Advises the Board in assessing transactions involving parties related to the shareholder controlling block, such as the selection of suppliers and service providers, the purchase of goods and services and/or the sale of energy.

GRI  
4.3

GRI  
4.9

- The Committee's members are:
- Daniela Corci Cardoso (Coordinator)
  - Arthur Prado Silva
  - Humberto Pires Gault Vianna de Lima

Committee members have a one-year term of office and are eligible for re-election.

GRI  
4.7

The names of members of the Board of Directors and their Advisory Committees, the Fiscal Council and the Board of Executive Officers are also available on the website: [www.cpfl.com.br/ri](http://www.cpfl.com.br/ri)



# Guidelines

## for involving the investor in the CPFL Energia decision-making process

GRI  
4.4

A focus on creating value has led to CPFL Energia developing differentiated Corporate Governance practices in line with best market practices and the expectations of shareholders. With this in mind, in 2008 it launched the Manual for Participation in Shareholders' Meetings which uses clear and detailed language to explain the issues that will be discussed and voted on at the meetings.

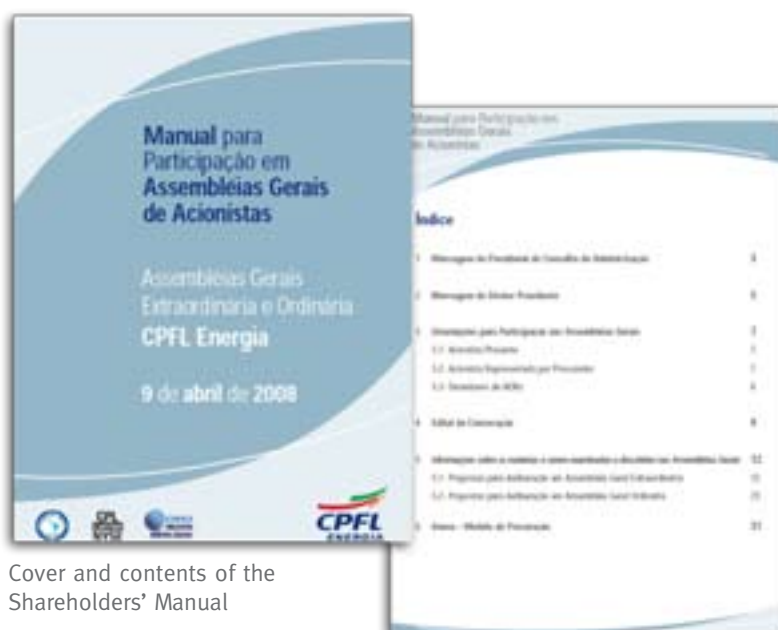
GRI  
4.10

The Manual also includes a Power of Attorney template which can be used by shareholders absent from Meetings to exercise their right to vote (via a proxy voter appointed by CPFL Energia) on issues on the agenda. This is a new corporate governance initiative and is testimony to the Company's commitment to transparency in decisions of significance to the Group's objectives.

The Manual can be accessed on the Investor Relations website ([www.cpfl.com.br/ri](http://www.cpfl.com.br/ri)) in English and Portuguese.

### Objectives of the Manual

- To present in a clear and concise manner, information related to the Company's General Shareholders' Meeting;
- To aid understanding of the proposals discussed;
- To encourage all shareholders (including minority shareholders) to take part in the Company's annual corporate calendar of events.



Cover and contents of the Shareholders' Manual



# Guiding decisions

## and the future of CPFL Energia's business



In recent years, CPFL Energia has carried out a number of initiatives to consolidate ethics in its corporate processes.

### Highlights

#### **Ethics Management and Development System**

A set of management procedures for improving individual and institutional actions through the promotion of ethics in all stakeholder relations.

#### **Program for Disseminating and Instilling the Code**

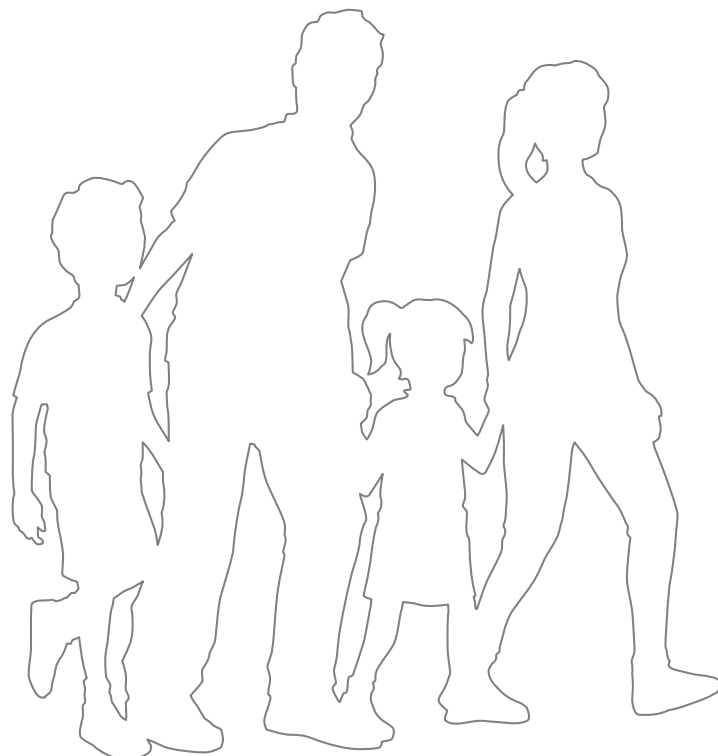
A series of seminars to encourage thought on ethical issues, based on the Code of Ethics and Corporate Conduct.

#### **Ethics and Corporate Conduct Committee**

The Committee is active in the dissemination and monitoring of corporate guiding principles, organizational principles and guidelines for conduct.

#### **Ethics Network**

A group formed of employees of numerous departments who propagate ethical values in their organizational divisions.





# AA+ classification

## makes CPFL Energia a market benchmark

GRI  
4.4

CPFL Energia was assigned a AA+ rating from the **Austin Rating** risk classification agency for its adherence to Corporate Governance **best practices**.

GRI  
4.10

This AA+ rating is the first for a Brazilian company and confirms CPFL Energia as a **bellwether in the market**, with the following highlights:

- Commitment to **creating stakeholder value**;
- Continual improvement of **corporate governance practices**;
- Ongoing **monitoring** of operating **risks**;
- Activities permeated by high **standards of ethics and social responsibility**.

### The Seven Pillars of Governance Evaluated by Austin Rating

**1**

Propriety and Transparency

**2**

Shareholder Rights and their Relationship with the Institution

**3**

Structure and Independence of the Board of Directors

**4**

Management

**5**

Audit and Fiscal Council

**6**

Quality and Transparency of Disclosure Policy

**7**

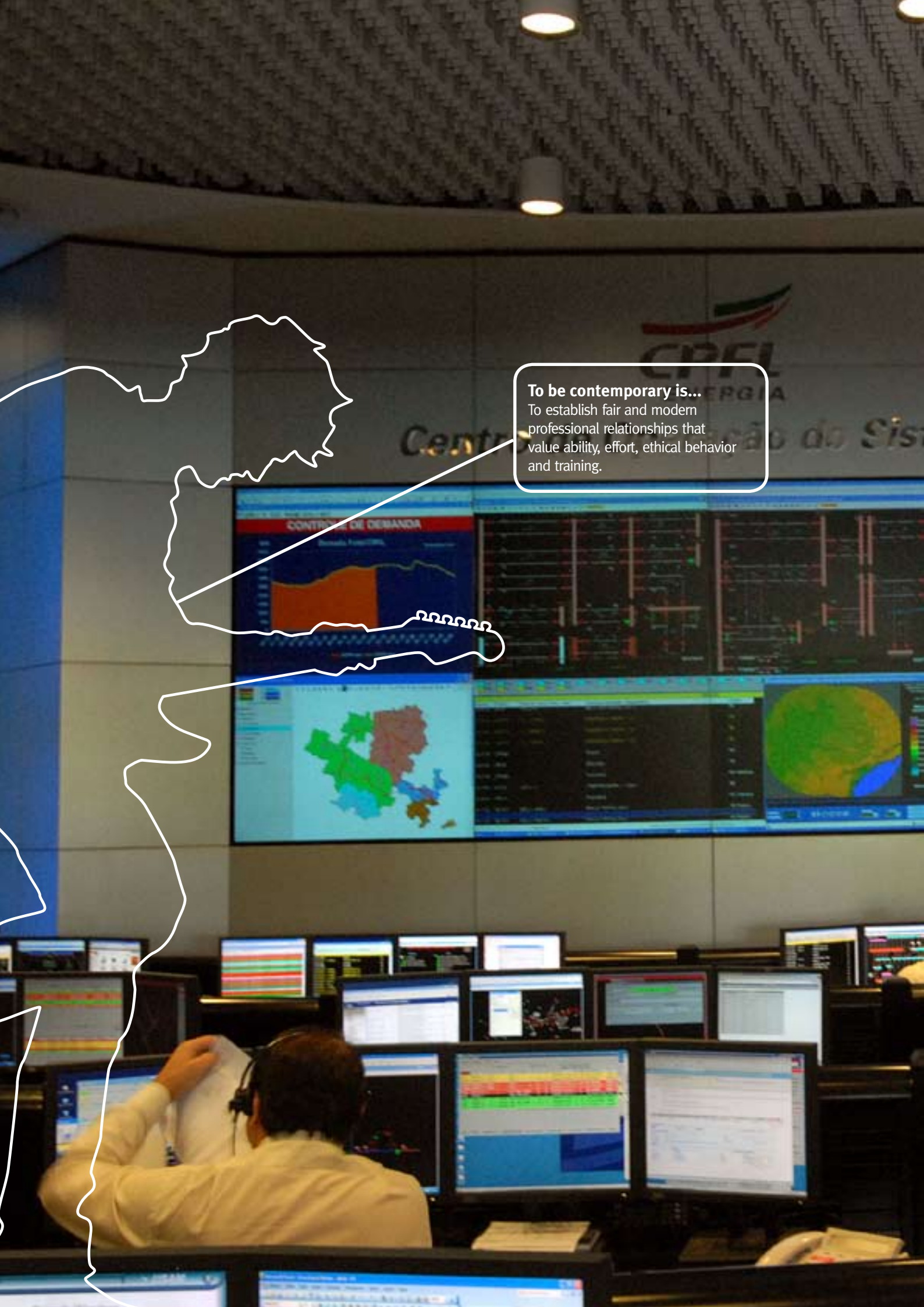
Social Responsibility and Ethics



# CPFL Energia: a benchmark in good market practices

- Capital stock composed exclusively of common shares with guarantee of equal conditions for controlling and minority shareholders in the event of the sale of a controlling interest – 100% tag along rights
- Free float of 28.2%
- Board of Directors formed of seven members, including one Independent Director, with powers and functions defined by internal charter
- Permanently installed Fiscal Council with the functions of an Audit Committee, and powers and functions defined by internal charter
- Three permanent advisory committees to the Board of Directors
- Board of Executive Officers of the holding company includes the management bodies of all the subsidiaries
- Governance guidelines of the holding company and subsidiaries aligned via the Company Bylaws
- Dividend Policy
- Securities Trading Policy
- Code of Ethics and Corporate Conduct adapted to the recommendations of the United States Securities Exchange Commission (SEC)
- Adherence to the arbitration commitment clause of BM&FBovespa's Novo Mercado
- Channels for reporting complaints and/or whistle blowing with respect to financial information or infringement of the Code of Ethics
- Financial statements published in accordance with Brazilian (BRGAAP) and reconciliation with US (USGAAP) accounting principles
- Certification of internal controls by management (CEO and CFO) and independent auditors (Section 404 of the Sarbanes-Oxley Act)
- Preliminary analysis by the Related Parties Committee of transactions involving companies linked to shareholders comprising the controlling block
- Annual self-appraisal program for members of the Board of Directors and Fiscal Council
- Succession plan for the Board of Executive Officers and other executives of the CPFL Group
- Annual Report prepared in line with guidelines of the Global Reporting Initiative (GRI)





**To be contemporary is...**

To establish fair and modern professional relationships that value ability, effort, ethical behavior and training.



# 2008 Performance

- >> Market background
- >> Operating Performance
- >> Economic and Financial Performance
- >> Capital markets



# A year of changes demands adaptability

1. **Until September**, the Brazilian economy (and other **emerging** economies worldwide) was demonstrating **solid growth**, while more the economies of **developed countries** were **decelerating**, a process that began at the end of 2007 when the real estate bubble burst in the USA and some countries in Europe.
2. As the worldwide economic situation worsened from September 2008 onward, **Brazil** was also affected by the **international financial crisis**.
3. Despite this, historic conditions of **solvency** in the Brazilian economy (plus a significant cushion of accumulated foreign reserves) have allowed it to pursue an anti-cyclical economic policy with measures such as:

---

**reduction in interest rates + reduced bank reserve requirements + increased public spending + tax cuts**

---

4. This means that domestic deceleration may be reduced and **reversed** more quickly than in more developed countries.



# Tariff review and consolidation of the regulatory framework

The year was marked by the tariff review process (begun in 2007) for Group distribution companies and by efforts to consolidate the existing regulatory framework through a series of ANEEL normative acts.

In this context, following the conclusion of the Public Hearing ANEEL published its Normative Resolution (second tariff review round for distributors) covering:

**general concepts**  
**methodology**  
**applicable procedures**

The new methodology recognizes the investments required for the incorporation of private networks thus guaranteeing the necessary tariff coverage for regularization of these assets.

For CPFL Energia, this measure will have a positive effect on the future results of the distribution companies, in particular CPFL Paulista.

Another important measure approved was the Normative Resolution for Brazilian Electricity System Distribution Procedures (PRODIST), **regulating the relationship** between electricity distributors and other agents.

In addition to this a Federal Decree was published regulating the contracting an **electricity reserve**. This creates the conditions for ANEEL to establish a methodology for passing these costs on to consumer tariffs.



# A year marked by the periodic tariff review and the annual tariff review

## Distribution

### Second Periodic Tariff Review

#### April 2008

ANEEL **established** the preliminary result of the second periodic tariff review for subsidiary companies CPFL Paulista and RGE, applicable as of April 8 and April 19 respectively, as shown in the table below.

#### October 2008

ANEEL **altered** the preliminary result of CPFL Piratininga's second periodic tariff review (from 2007), with effect as of October 23 2008, as shown in the table below.

#### February 2009

ANEEL **published** the final result of the second periodic tariff review for subsidiary companies CPFL Santa Cruz, CPFL Leste Paulista, CPFL Jaguari, CPFL Sul Paulista and CPFL Mococa, as shown in the table below.

Rates previously released by ANEEL (%)								
	CPFL Piratininga	CPFL Santa Cruz	CPFL Leste Paulista	CPFL Jaguari	CPFL Sul Paulista	CPFL Mococa	CPFL Paulista	RGE
Applicable as of	23.10.2007	03.02.2008	03.02.2008	03.02.2008	03.02.2008	03.02.2008	08.04.2008	19.04.2008
Tariff Adjustment	-10.94	-9.73	-2.69	-0.35	-2.98	-8.40	-13.69	-5.37
Financial Components	0.83	2.60	1.04	-1.23	-0.58	2.75	0.08	10.15
Tariff Adjustment with Financial Components	-10.11	-7.13	-1.65	-1.58	-3.57	-5.65	-13.61	4.77

Rates Altered by ANEEL (%)						
	CPFL Piratininga	CPFL Santa Cruz	CPFL Leste Paulista	CPFL Jaguari	CPFL Sul Paulista	CPFL Mococa
Alteration	23.10.2008	03.02.2009	03.02.2009	03.02.2009	03.02.2009	03.02.2009
Tariff Adjustment	-11.76	-17.05	-3.22	-3.79	-4.73	-10.41



>> 2008 Performance >> Market background >> **Tariffs****Annual Tariff Review****October 2008**

ANEEL's Annual Tariff Review (IRT) **approved** the rate of adjustment for CPFL Piratininga, applicable as of October 23 2008, as shown in the table below.

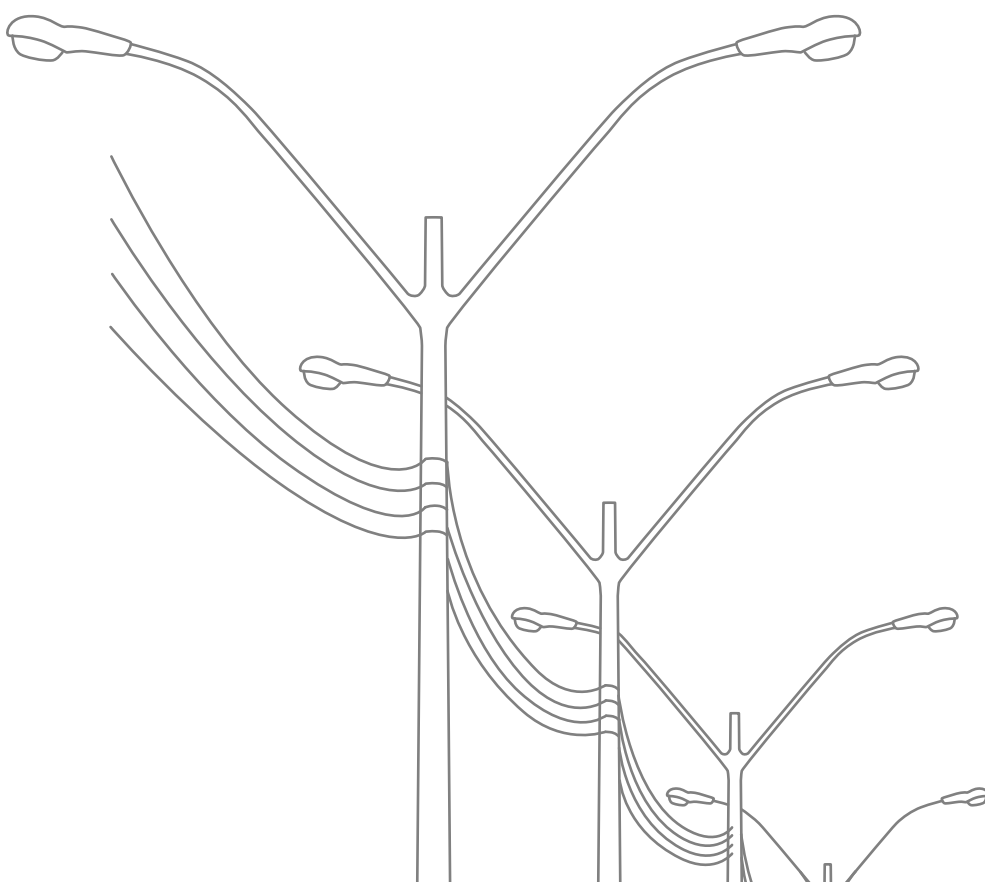
**February 2009**

ANEEL's Annual Tariff Review (IRT) **approved** the rates of adjustment for subsidiary companies CPFL Santa Cruz, CPFL Leste Paulista, CPFL Jaguari, CPFL Sul Paulista and CPFL Mococa, applicable as of February 3 2009, as shown in the table below.

Rates of Tariff Adjustment (IRT) (%)						
	CPFL Piratininga	CPFL Santa Cruz	CPFL Leste Paulista	CPFL Jaguari	CPFL Sul Paulista	CPFL Mococa
Applicable as of	23.10.2008	03.02.2009	03.02.2009	03.02.2009	03.02.2009	03.02.2009
Economic IRT	10.92	10.69	10.58	11.01	11.80	10.52
Financial Components	5.62	13.40	2.36	0.35	-0.16	0.66
Total IRT	16.54	24.09	12.94	11.36	11.64	11.18

**Generation**

Electricity sales contracts for generating companies contain specific clauses on price adjustments, the leading inflation index used being the IGP-M.





# CPFL Energia strengthens its position in the Brazilian electric sector

In 2008, CPFL Energia displayed an entrepreneurial spirit, the Group repositioning to incorporate innovations and other advances with the objective **of developing its competitiveness and leadership.**

**Diversification of the business portfolio**  
**Increase in operating efficiency**  
**Increase in energy sales**  
**Expansion of the consumer market with quality and efficiency**  
**Construction of hydroelectric power stations**

A series of impressive operating results have helped the Group to **achieve significant performance** levels that are testimony to the quality of service provided in its segments of operation. This demonstrates the importance of an approach which:

- Uses management models aligned with Company strategy;
- Supplies quality services;
- Operates with social and environmental responsibility;
- Creates value for all stakeholders.

In addition to the advances made, CPFL Energia forged a new path by combining **optimism with austerity**, in light of the immense changes in the market and the world. Consequently, the Company adapted its management and its commitments in 2008 and took a series of initiatives to align its current actions with future challenges:

- Definition of new strategic drivers (vision, mission and principles), positioning and brand architecture for Group companies;
- Development of a new management model;
- Strategic Planning completed for the 2009 – 2013 period;
- Opening of the Corporate University to support the development of strategic business skills;
- Development of internal control systems.





### **Management of Growth**

Since launching its IPO on BMF&Bovespa and the NYSE in September 2004, CPFL Energia has grown significantly, now having controlling and minority stakes in a range of companies.

In March 2008, in light of this growth, CPFL Energia created the Administration Division (VPA) responsible for Information Technology, procurement, infrastructure and logistics, and to administer organizational management processes and systems.

The aim of this new area is to promote and supply excellence in services for the whole Group. Thanks to its focus, VPA will bring significant benefits as a result of improved efficiency and cost rationalization.

---

**“In its recent history, CPFL has proved its capacity to obtain efficiency gains through innovation. We are now in a new phase of growth, both organic and inorganic, and are prepared to create additional shareholder value.”**

**José Marcos Chaves de Melo,  
Chief Administration Officer of CPFL Energia**

---



# Growth in energy sales in 2008

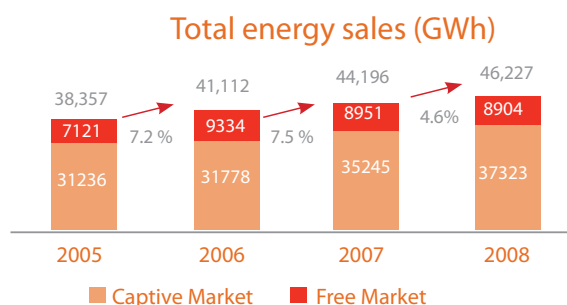
GRI  
EU3

Energy sales to the **captive market** in the CPFL Energia distributors' concession areas totaled 37,323 GWh, with a further 11,710 GWh billed through the Tariff for Use of the Distribution System (TUSD).

GRI  
2.7

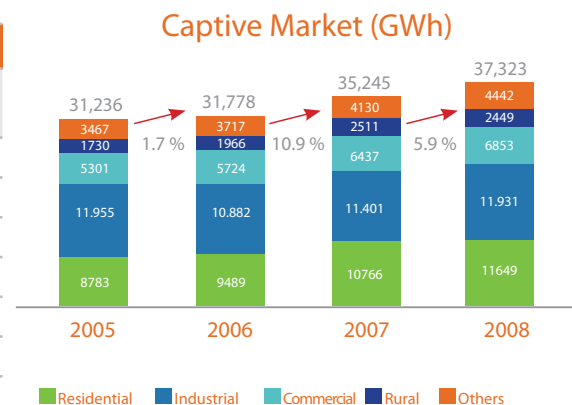
Total energy sold to **free clients** and through **bilateral contracts** was 8,904 GWh for the CPFL Energia Group as a whole.

Total energy sales (GWh)					
	2008	2007	2006	2005	08/07 (in %)
Captive Market	37,323	35,245	31,778	31,236	5.9
Free Market	8,904	8,951	9,334	7,121	-0.5
Total	46,227	44,196	41,112	38,357	4.6



In the captive market, there was an **increase in consumption** in the residential (8.2%), industrial (4.7%) and commercial (6.5%) classes which together accounted for 81.5% of the total energy consumed by the Group distributors' captive market clients.

Total energy sales (GWh)					
	2008	2007	2006	2005	08/07 (in %)
Residential	11,649	10,766	9,489	8,783	8.2
Industrial	11,931	11,401	10,882	11,955	4.7
Commercial	6,852	6,437	5,724	5,301	6.5
Rural	2,449	2,511	1,966	1,730	-2.5
Others	4,442	4,130	3,717	3,467	7.5
Total	37,323	35,245	31,778	31,236	5.9





“CPFL Energia has launched the “Switched On To Customers” pilot project which is part of the Company’s new relationship culture. We want to understand and provide solutions to our customers’ problems at the same time forging a closer relationship where CPFL Energia’s efficiency is recognized.”

**Hélio Viana Pereira - Chief Operations Officer**

## A focus on operating efficiency, quality, technology and customer satisfaction

In the distribution segment, 2008 was marked by Tariff Review rounds. Another highlight was the consolidation of CPFL Energia’s acquisitions.

Over the year, CPFL Energia acted continually to increase operating efficiency and improve the quality of service provided by the Group’s distribution companies, thereby generate value for all stakeholders. For this purpose, it invested in:

- Incorporation of best operating practices;
- Automation and modernization of the electric system;
- Preventative and corrective maintenance programs;
- Operational logistics for meeting customer and network services requests;
- Improvement of operations support infrastructure.

These initiatives impacted positively on the indicators which measure the distributors’ operating efficiency, the quality of service provided and on customer satisfaction measures.



At year-end, the CPFL Energia distribution companies had 6.4 million customers, an increase of 169 thousand customers (+2.7%) on 2007. Of this total, 86.6% are residential customers, followed by 7.7%, commercial, 3.7%, rural and 1.2%, industrial.

### Number of customers - CPFL Energia - 2008 - by segment

Residential	5,564,167
Industrial	77,678
Commercial	494,103
Rural	233,420
Public Authorities	42,172
Public Lighting	6,683
Public Services	6,520
Own Consumption	724



# Investments

## that improve the quality of services provided



Investments in the distribution segment totaled R\$ 665 million in 2008.



Of this total, R\$ 373 million was allocated to expanding and upgrading the electric system, both in terms of energy sales and customer numbers, for the eight distributors.

Work covered the construction of new substations (SSs) and expansion of existing ones, extension of transmission lines (TLs), addition and substitution of equipment and distribution networks, and other improvements to a range of installations.

At CPFL Paulista there were 18 projects at substations, including:

- SS Colômbia 2, in Colômbia;
- SS Morro Azul, in Hortolândia;
- SS Jardim, in Americana;
- SS Colonial, in Itatiba.

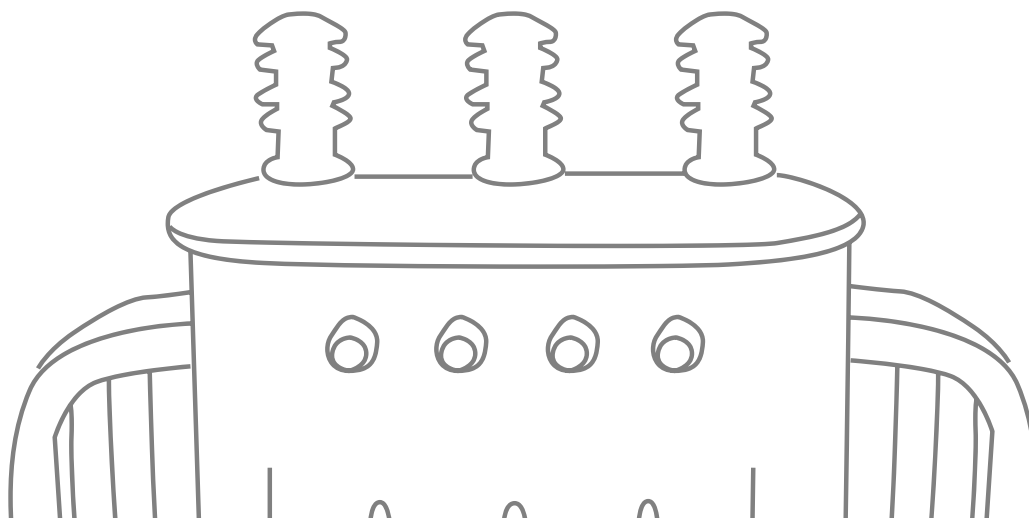
At CPFL Piratininga, projects took place at 7 substations, including:

- SS Salto, in Salto;
- SS Henry Borden, in the Santos seaboard area.

There were 20 projects at RGE with highlights being:

- SS Carlos Barbosa;
- SS Guaporé;
- SS Caxias 4.

A further R\$ 292 million were invested in improvements and maintenance for the electric system, operating infrastructure, modernization of support and operating systems and customer services.







Quilombo Substation

In 2008, the CPFL Leste Paulista, CPFL Sul Paulista, CPFL Jaguari and CPFL Mococa distribution companies concluded the process of automating 100% of their reclosers and CPFL Santa Cruz automated 18 substations, with benefits to around 150 thousand customers.

RGE completed the transfer of its headquarters to Caxias do Sul (state of Rio Grande do Sul), the largest city in its area of operation. This allows the company gain greater proximity to the real needs of its consumers and serve them in an efficient and timely manner.

RGE also inaugurated its new Advanced Stations (Augusto Pestana, Ciríaco, Constantina, Crissiumal, Jaquirana, Pinhal Grande, Porto Lucena, Rolante, Santa Bárbara do Sul and Antônio Prado), further strengthening the organizational units located in its area of operation. These actions are aimed at giving decentralized units greater speed and capability in meeting the demands of their customers and allowing RGE greater integration in the communities it serves.



# In 2008, the distribution network reached 202,636 km



In order to serve the population with quality services, the distribution network of CPFL Energia's distribution companies totaled 202,636 km in 2008.

Extent of the Distribution Network - 2008 (km)				
Company	Primary		Secondary	Total
	15 kV	23 kV		
CPFL Paulista	47,361	-	35,443	82,804
CPFL Piratininga	3,446	6,380	11,311	21,137
RGE	45,573	-	36,654	82,227
CPFL Santa Cruz	6,164	-	2,114	8,278
CPFL Leste Paulista	1,800	-	588	2,388
CPFL Jaguarí	449	-	397	846
CPFL Sul Paulista	2,667	-	795	3,462
CPFL Mococa	1,054	-	440	1,494
Total	108,514	6,380	87,742	202,636

The transmission network totaled, 9,456 km, considering all voltage capacities.

Extent of Subtransmission and Transmission Lines – 2008 (km)									
Company	34,5 kV	44 kV	69 kV	88 kV	88 kV (underground)	138 kV	230 kV	345 kV	Total
CPFL Paulista	384	0	1,945	0	0	3,735	0	0	6,064
CPFL Piratininga	0	0	0	262	19	264	28	4	577
RGE	0	220	1,312	0	0	219	0	0	1,751
CPFL Santa Cruz	99	0	427	4	0	0	0	0	530
CPFL Leste Paulista	141	0	0	0	0	0	0	0	141
CPFL Jaguarí	38	0	0	0	0	12	0	0	50
CPFL Sul Paulista	236	0	0	0	0	8	0	0	244
CPFL Mococa	99	0	0	0	0	0	0	0	99
Total	997	220	3,684	266	19	4,238	28	4	9,456







“Being a CPFL customer means peace of mind, as there are practically no outages and contract manager service is extremely transparent, both in the everyday contact and explanation of alternative tariffs and options for purchasing energy on demand.”

**Evaristo Giacomini – Managing Director of Citygráfica, a CPFL Energia corporate client**

# Switched On To Customers

## Project

### cultural change: from service to relationship



CPFL Energia distribution companies **have efficient and reliable service channels** to facilitate customer access and convenience.

As a result, it maintains a diversified Customer Service structure adapted to the needs of every class of client, comprising Call Centers, Service Agencies, Virtual Agencies and Account Managers.

In 2008, these channels were responsible for a total of **19.8 million customer contacts**.

The CPFL Energia Group implemented new programs to improve service quality and improve customer relationships. One of the highlights was the launch of the **Switched On To Customers** project (implemented at CPFL Paulista and CPFL Piratininga).

Switched On To Customers is subdivided into six subprojects:

- Process quality with a focus on customer value;
- Customer segmentation;
- Employee and partner awareness;
- Customer communication plan;
- Pre- and after-service strategy;
- New relationship practices



## Switched On To Customers actions

Process quality	Customer segmentation	Employee and partner awareness	Customer communication	Pre- and Post- Service Strategy	New relationship practices
13 actions	8 actions	6 actions	12 actions	8 actions	7 actions



### Main initiatives in 2008:

- Scheduled time for new connections: when the call center is contacted to request an electricity connection, CPFL has added the option of setting a time.
- Electrician's card: every time CPFL carries out a service, the customer receives a business card from the electrician responsible. This allows personalized evaluation of the service received.
- Service to low income groups:  
 Installments fixed in line with social group's financial capabilities  
 Change of billing name  
 Registration as low-income customer  
 Regularization of fraudulent situations
- Institutional website: easier access to online services.



# Projects create

## economic, social and environmental gain

**GRI EC8** Projects developed by CPFL Energia companies generate economic, social and environmental benefits by eliminating, reducing and treating waste, saving energy and increasing energy efficiency. One example is the project for a distribution transformer which is cleaner and has greater capacity per kg through use of environmentally friendly insulating vegetable oil.

**GRI EC9**

**GRI EN14**

In 2008, the CPFL Energia Group distribution companies made a series of R&D investments in the areas of:

**GRI EN17**

■ Alternative Energy Sources

**GRI EN18**

■ Environment

**GRI EN26**

■ Electric System Operation

**GRI EU8**

■ Energy Efficiency

Company	Number of Projects	Investment
CPFL Paulista	28	R\$ 7.2 million
CPFL Piratininga	36	R\$ 5.9 million
RGE	17	R\$ 3.8 million
CPFL Leste Paulista	1	R\$ 60 thousand
CPFL Sul Paulista	1	R\$ 76 thousand
CPFL Jaguari	1	R\$ 60 thousand
CPFL Mococa	1	R\$ 39 thousand



# Energy Efficiency

## A commitment to preserving the environment and reducing wastage

GRI  
4.16

GRI  
EN7

GRI  
4.17

GRI  
EN14

GRI  
EC8

GRI  
EN26

GRI  
EC9

GRI  
SO1

GRI  
EN5

GRI  
SO5

GRI  
EN6

GRI  
EU7

CPFL has been encouraging **rational energy consumption** through its Energy Efficiency Program since 1998. The initiative aims to promote sensible and efficient energy use by the community and government organs, contributing to reduced wastage and the preservation of natural resources.

- A reduction in energy consumption and therefore energy costs;
- Use of more modern and efficient illumination of public buildings, hospitals, schools and police stations;
- A reduction in energy consumption and increased productivity in public water supply and sewage treatment services through use of equipment with greater cost-benefit performance;
- Customer education, and the training and raising awareness among teachers, students and the community in their daily activities and behavior.
- Environmental conservation and the search for new technologies to allow intelligent and efficient use of electricity.

The objectives of the energy efficiency program are to: promote the rational use of electricity; combat wastage; reduce commercial losses; contribute to society's increased awareness of the need for more rational use of energy through economic, social and environmental development; reduce bill payment delinquency through educational initiatives on correct consumption habits, efficient electrical equipment, electric circuit maintenance and safety precautions in the way electrical installations are handled.



### Actions

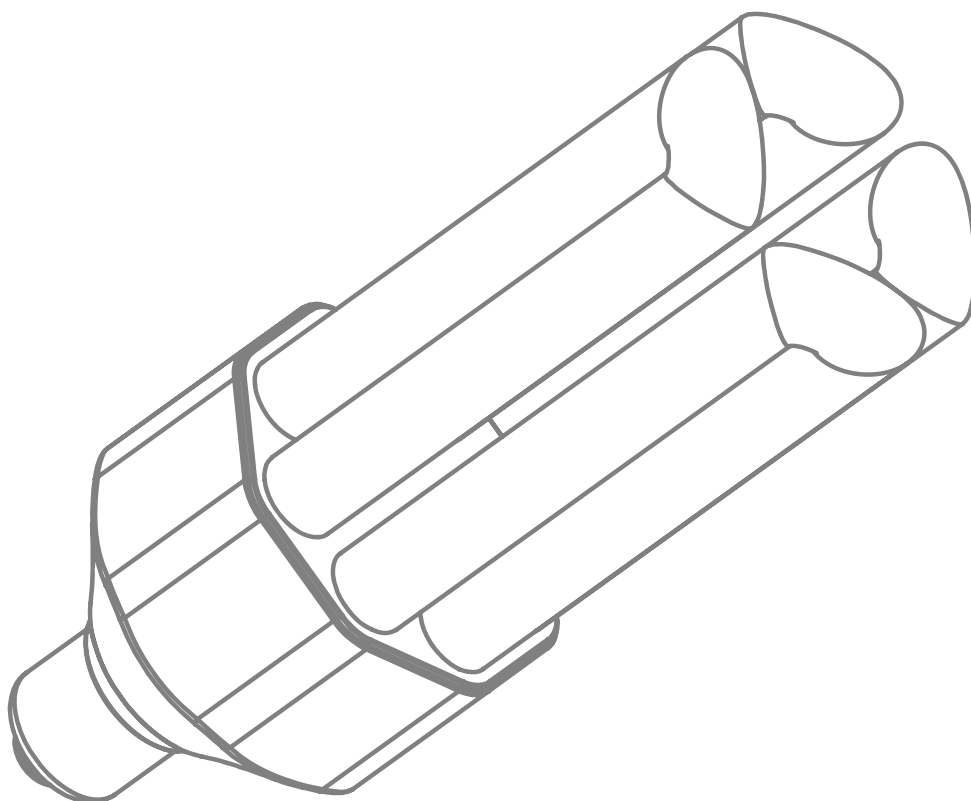
- Regularization of connections
- Substitution of compact fluorescent light bulbs (LFC);
- Substitution of heat exchangers
- Substitution of refrigerators
- Activities in schools
- Refurbishment of internal electrical installations
- Courses on the rational use of electricity

Company	Principal actions
CPFL Paulista	<ul style="list-style-type: none"> <li>- Substitution of 698,546 incandescent light bulbs with LFCs;</li> <li>- Regularization of 506 dangerous connections;</li> <li>- Substitution of 386 electric showerheads with solar-powered water heaters.</li> </ul>
CPFL Piratininga	<ul style="list-style-type: none"> <li>- Substitution of 115,331 incandescent light bulbs with LFCs;</li> <li>- Regularization of 5,537 dangerous connections.</li> </ul>
RGE	<ul style="list-style-type: none"> <li>- Substitution of 100,000 incandescent light bulbs with LFCs;</li> <li>- Regularization of 726 dangerous connections;</li> <li>- Work on energy efficiency installations at 35 schools and 18 hospitals.</li> </ul>
CPFL Santa Cruz	<ul style="list-style-type: none"> <li>- Substitution of 25,000 incandescent light bulbs with LFCs;</li> <li>- Substitution of 110 electric showerheads with solar heaters in low-income communities;</li> <li>- Modernization of the entire water collection, storage and distribution process in the municipality of Manduri;</li> <li>- Showers in seven municipal crèches and seven philanthropic organizations switched to solar heating.</li> </ul>



Company	Principal actions
CPFL Jaguarí	- Substitution of 15,000 incandescent light bulbs with LFCs.
CPFL Leste Paulista	- Substitution of 8,400 incandescent light bulbs with LFCs.
CPFL Sul Paulista	- Substitution of 18,000 incandescent light bulbs with LFCs.
CPFL Mococa	- Substitution of 9,000 incandescent light bulbs with LFCs.

Since 2007, CPFL Energia has operated the Energy Efficiency Portal – <http://www.cpfl.com.br/canaldaenergia> – which contains information on rational consumption and the Group's Energy Efficiency programs, as well as a specific area dedicated to environmental education, with specific activities for use in the classroom. In the same vein, RGE also launched its Energy Efficiency Portal in 2008 – [www.rge-rs.com.br/eficienciarge](http://www.rge-rs.com.br/eficienciarge)





# RGE achieves 100% universal coverage

GRI  
SO5

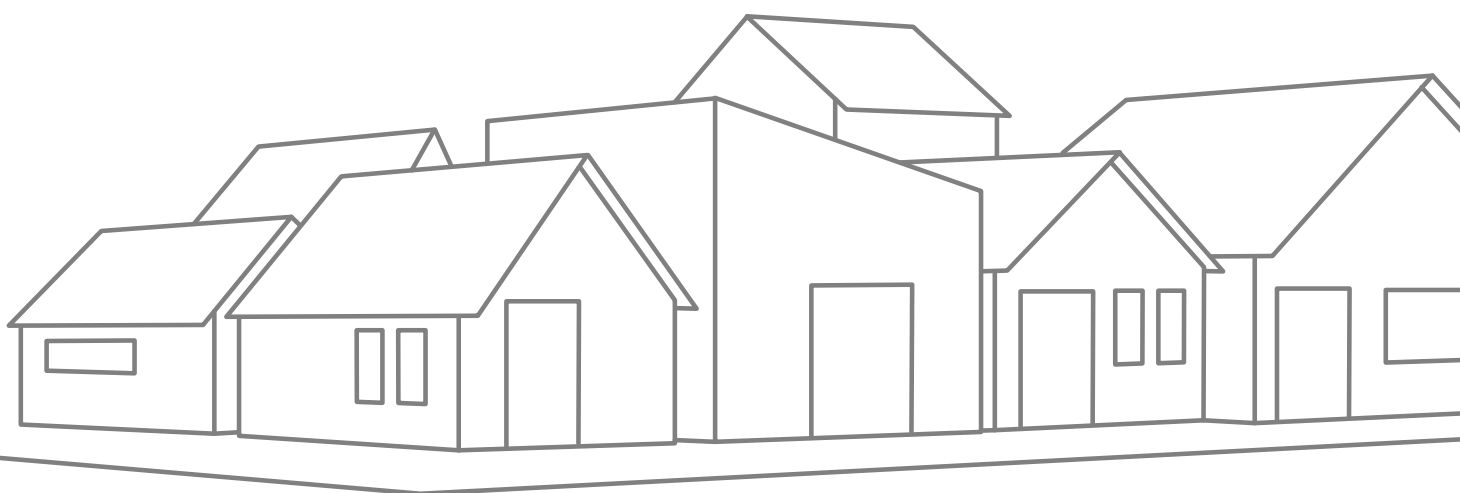
The distribution companies CPFL Paulista, CPFL Piratininga, CPFL Santa Cruz, CPFL Jaguari, CPFL Sul Paulista, CPFL Leste Paulista and CPFL Mococa also provide universal coverage of their markets.

GRI  
EU23

GRI  
EU24

At RGE, 6,154 new customers were connected in 2008 through the Universal Service and Light For All programs. This means that the distributor achieved its goal of 100% coverage of its market of operation.

GRI  
EU26





# Fall of 7%

## in the average rate of payment delinquency

The CPFL Energia Group distributors took initiatives to collect unpaid bills using a varied range of high performance tools.

These included referring the names of delinquent consumers to the credit protection agencies, re-notification of overdue payment on electricity bills, notification of payment overdue via ARU (Audio Response Unit), the use of specialized collection companies and suspension of electricity supply.

In 2008, the average consolidated payment delinquency rate for the eight distribution companies was 1.36% of Gross Revenue, 7% less than the figure for 2007.

Payment Delinquency* (in %)						
Companies	2004	2005	2006	2007	2008	08/07 (change)
CPFL Paulista	1.89	1.44	1.35	1.12	1.14	0.02
CPFL Piratininga	1.76	1.3	1.28	1.10	1.05	-0.05
RGE	4.46	4.23	3.7	3.17	2.42	-0.75
CPFL Santa Cruz	-	-	1.06	0.85	0.83	-0.02
CPFL Jaguari	-	0.26	0.36	0.46	0.48	0.02
CPFL Leste Paulista	-	0.43	0.78	0.91	1.11	0.2
CPFL Sul Paulista	-	0.41	0.99	0.65	0.82	0.2
CPFL Mococa	-	0.49	0.89	1.24	0.63	-0.61
* % of Gross Revenue						



# Recovery

## equivalent to revenue of R\$ 136 million

The Group's eight distribution companies are involved in continuous **efforts to reduce commercial losses** in their concession areas, focusing on:

- Inspection of over 580 thousand consumer units;
- Checking and substitution of over 70 thousand obsolete meters;
- Orientation campaigns.

This systematic activity uses specialist software to locate delinquent customers and to continually update field technicians, resulting in a high rate of success and of energy recoveries.

During the period, particular attention was paid to areas of low-income customers and those areas with high levels of fraudulent connections for promoting regularization, energy saving courses and delivery of more efficient equipment. These actions contribute indirectly to the social inclusion of this market segment.

Actions in 2008 resulted in the recovery of 416 GWh, equivalent to revenue of R\$ 136 million.



# Commitment

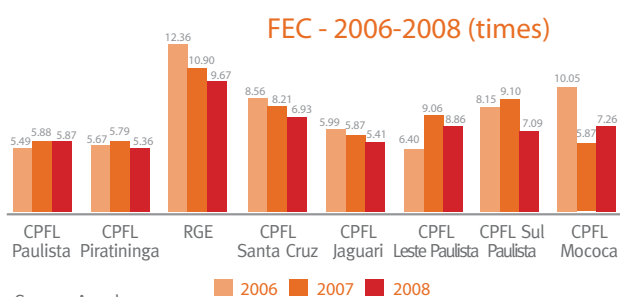
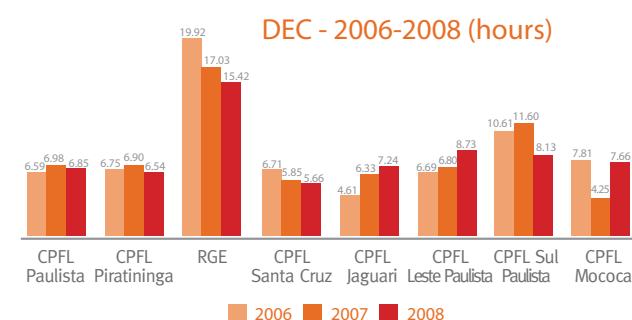
## to improve the quality and reliability of energy supply

GRI  
EU28

The CPFL Energia Group distributors constantly carry out initiatives and activities to **improve the quality of supply** by extending and automating the electric system and increasing the efficiency of network service logistics to ensure speed, reliability and operating flexibility.

GRI  
EU29

The results of these actions are reflected in the 2008 DEC (which measures the duration equivalent of interruption per consumer) and FEC (measuring the frequency equivalent of interruption per consumer) indicators of CPFL Energia Group distributors.



Source: Aneel

### Key Highlights

- CPFL Piratininga and CPFL Paulista retained their privileged position among the distributor majors;
- Impressive results achieved by CPFL Jaguarí and CPFL Santa Cruz, incorporated in the Group in recent years;
- In 2008, Rio Grande Energia (RGE)'s recorded year on year reductions of 9.5% (DEC) and 11.3% (FEC). This result is mainly attributable to investments in the electric system covering modernization, and preventative and predictive maintenance programs.

In 2008, consolidated DEC and FEC rates for the CPFL Energia Group's distributors showed improvement: verified DEC was 6.54 (compared to 6.92 in 2007) while FEC was 8.39 (against 8.84 in 2007).



# Unceasing search for service speed and efficiency

GRI  
4.16

CPFL Energia has an ongoing concern for customer satisfaction. Consequently, the Group distribution companies have specific programs to ensure their **relationships** with customers are **based on trust and credibility**.

GRI  
4.17

GRI  
PR5

The distributors **communicate directly** with customers, informing them of their rights, on the rational and safe use of electricity, service channels and access to the companies. In addition, they take part in public service campaigns by communicating messages on their energy bills.

GRI  
EU19

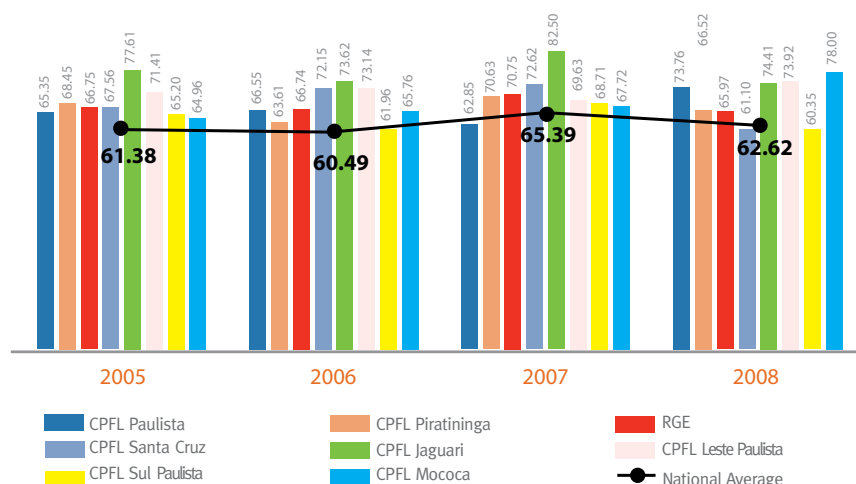
CPFL Energia's distributors also operate Consumer Councils (COCEN) which exist to assess continually the quality of services.

Similarly, CPFL Energia's distribution companies permanently monitor their customers' perceived satisfaction with service, customer support, quality of communication and information provided. To this end, they make use of the results of research by the National Electric Energy Agency (ANEEL); the Brazilian Association of Electricity Distributors (ABRADEE); and customer satisfaction **surveys** on the call center's round-the-clock service.

**Customer needs** are also identified through additional research, participation in committees and local commissions, and other activities.

In 2008, CPFL Paulista won the ANEEL **Customer Satisfaction Award (IASC)** for Brazil's Southeast Region in the "more than 400 thousand consumer units" category. In addition, scores achieved by CPFL Piratininga (66.52%), RGE (65.97%), CPFL Jaguari (74.41%), CPFL Leste Paulista (73.92%) and CPFL Mococa (78.00%) in this survey were above the Brazilian national average of 62.62%.

Customer Satisfaction Index - IASC/ANEEL - 2002-2008



CPFL Energia Group's distributors are placed among the best in Brazil in customer surveys thanks to management quality.



GRI  
PR6

In **ABRADEE's 2008 survey**, the Group distributors' Perceived Quality Satisfaction Index (ISQP) was also rated highly: CPFL Paulista, 85.3%; CPFL Piratininga, 83.1%; RGE, 86.0%; and Santa Cruz, 86.7%. The ISQP is calculated annually on the basis of ABRADEE's survey.

GRI  
PR7

GRI  
PR8

CPFL Energia also focuses on corporate communication through **marketing communication management**, including advertising, promotions and sponsorship, via its Social Responsibility and Corporate Ethics Management Committee, which assesses CPFL Energia's advertising campaigns (and checks they do not violate advertising regulations) and regulates investment donations and sponsorships. In 2008, CPFL Energia registered no complaints relating to violation of privacy or loss of customer data.

The plan for 2009 is to obtain evaluation and feedback on CPFL Energia communication campaigns from two sources: the Language Committee (still being formed) and the Social Responsibility and Corporate Ethics Management Committee.

In 2009 CPFL Energia carried out 10 surveys, polling the opinion of over 6 thousand people.



“CPFL Energia plans to increase installed generating capacity through the large hydroelectric power plant auctions, projects or licenses in small hydro plants, and investments in alternative energy sources.”

**Miguel Normando Abdalla Saad**  
**Chief Energy Generation Officer of CPFL Energia**

# A key segment in our business diversification strategy

GRI  
EU6

In 2008, CPFL Geração's activities were aligned with strategic planning and the value levers.

GRI  
EU10

Among the highlights of the year, the following are worthy of mention:

- Conclusion of two plants and construction of a third which is running to schedule;
- Participation in auctions of large plants;
- Investments in business expansion;
- Investments in repowering to maximize generating capacity;
- Investments in generation from biomass linked to bioenergy commercialization;
- Initial investment in wind energy.

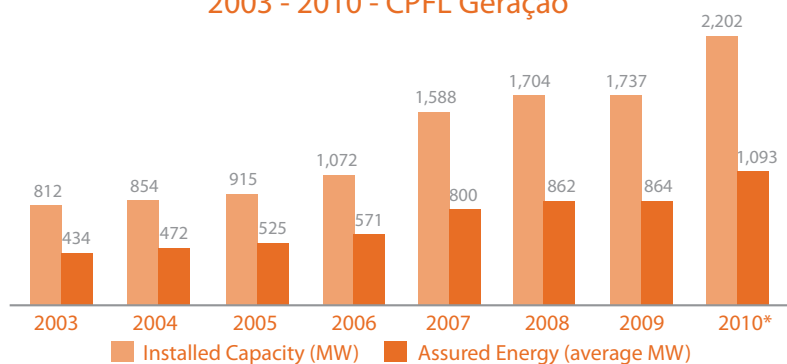
In line with the Company commitment to sustainability, CPFL Geração is attempting to conceive the **energy of the future**, which will consist of a **diversified mix of alternative and renewable energy sources**.

Installed Capacity	1,704 MW
Comparison 2008 v 2007	7.3 %
Assured Energy	862 average MW
Main Performance Factors	<ul style="list-style-type: none"><li>- Conclusion of construction works at the Castro Alves hydroelectric power plant (HPP) - 130 MW;</li><li>- Start-up of operations at the first generating unit at 14 de Julho HPP(responsible for 50% of the project's 100 MW);</li><li>- Conclusion of small hydro plant (SHP) repowering projects at Capão Preto and Chibarro.</li></ul>
Observations	<ul style="list-style-type: none"><li>- In March 2009 the second generating unit at HPP 14 de Julho (100 MW) began commercial operations.</li><li>- Works at Foz do Chapecó HPP (855 MW) continued according to the established timeline. Operational start-up is scheduled for the fourth quarter 2010, when installed generating capacity should reach 2,179 MW. Total capacity, with the addition of CPFL Bioenergia's share in the Baldin biomass cogeneration plant, will reach a total of 2,202 MW with assured energy of 1,093 average MW.</li></ul>



>> 2008 Performance >> Operating Performance >> **Generation**

### Installed Capacity and Assured Energy 2003 - 2010 - CPFL Geração



Note: Includes Jaguari Geração, \* Includes Baldin biomass cogeneration plant

Installed Capacity and Assured Energy - 2008		
CPFL Geração		
	Installed Capacity (MW) *	Assured Energy (average MW)
CPFL Geração (SHPs + TPP) /SP	154.66	78.37
CPFL Sul Centrais Elétricas	2.65	2.45
Ponte do Silva SHP	0.13	0.00
Serra da Mesa HPP	657.14	345.8
Barra Grande HPP	172.54	95.17
Campos Novos HPP	428.76	184.12
Monte Claro HPP	84.50	38.35
Castro Alves HPP	84.50	41.60
14 de Julho <sup>1</sup> HPP	32.50	30.23
TOTAL	1,617.38	816.12
CPFL Jaguariúna		
	Installed Capacity (MW) *	Assured Energy (average MW)
CPFL Jaguariúna		
Santa Alice	0.62	
Rio do Peixe I	3.06	
Rio do Peixe II	15.00	
Lavrinha	0.33	
São José	0.79	8.97**
Turvinho	0.80	
Macaco Branco	2.36	
São Sebastião	0.68	
Pinheirinho	0.64	
Lajeado HPP	62.54	36.49
TOTAL	86.82	45.45
General Total ***	1,704.20	861.57

\* CPFL Geração's share

\*\* Value requested to MME (8.97 avg. MW)

\*\*\* CPFL Geração and CPFL Jaguariúna

<sup>1</sup> Operational start up of first generating unit



Castro Alves HPP, concluded in June 2008





# Investments

## at Ceran and Foz do Chapecó HPP total R\$ 3.8 billion

At the end of 2008, projects under construction were at the following stages:

GRI EU6	Project	Construction details
	Ceran Complex 360 MW	<p>Status: 99.6% completed</p> <ul style="list-style-type: none"> <li>- Project comprises:               <ul style="list-style-type: none"> <li>- Monte Claro HPP (130 MW) In operation since December 2004.</li> <li>- Castro Alves HPP (130 MW) The first generating unit began commercial operations in March 2008;</li> <li>- Works were completed in June 2008 with the start-up of operations of the plant's third (and final) generating unit.</li> </ul> </li> <li>- 14 de Julho HPP (100 MW) The first generating unit began commercial operations in December 2008 with assured energy of 46.5 average MW, equal to 93% of the plant's total assured energy of 50 average MW;</li> <li>- The second (and final) generating unit began operations in March 2009.</li> </ul>

CPFL Geração's allocation of energy from the Ceran Complex's three plants is already committed under **power purchase contracts** approved by ANEEL with CPFL Paulista, CPFL Piratininga and CPFL Brasil.

Total **investment** in this project is **R\$ 1.3 billion**, of which CPFL Geração's share is 65%.

GRI EU6	Project	Construction details
	Usina Hidrelétrica Hydro Plant 855 MW	<p>Status: 60.3% completed, as follows:</p> <ul style="list-style-type: none"> <li>- Civil Construction: 65.1%</li> <li>- Equipment Supply: 52.3%</li> <li>- Electrical and Mechanical Installation: 19.6%</li> <li>- Environmental Engineering Work: 69.8%</li> </ul>

Work at Foz do Chapecó HPP began in December 2006 with start-up of commercial **operations scheduled** for the fourth quarter **2010**. Total **investment** in this project is **R\$ 2.6 billion**.



# CPFL Geração concludes works at Chibarro and Capão Preto



In 2008, repowering works were concluded at two SHPs located in São Paulo state.

## Chibarro SHP

Location	Chibarro River
Installed Capacity after Repowering	2.6 MW
Assured Energy after Repowering	1.69 average MW
Investment	R\$ 8.5 million
Start of Works	October 2006
Operational start-up	February 2008



SHP Chibarro

**At the end of the year, total repowered SHPs reached 40.14 MW installed capacity and 26.78 average MW assured energy.**



>> 2008 Performance >> Operating Performance >> Generation >> **Repowering of SHPs****Capão Preto SHP**

Location	Quilombo and Ribeirão dos Negros rivers
Installed Capacity after Repowering	4.3 MW
Assured Energy after Repowering	2.28 average MW
Investment	R\$ 10.7 million
Start of Works	October 2006
Operational start-up	February 2008



Capão Preto SHP

SHP Repowering Program - 2000-2008					
Reactivation		Before		After	
		Installed Capacity (MW)	Assured Energy (MW médios)	Installed Capacity (MW)	Assured Energy (MW médios)
Dourados	2003	6.4	5.8	10.8	7.76
Esmeril	2003	1.76	1	5.04	2.88
Salto Grande	2003	3.35	3.3	4.55	2.72
São Joaquim	2003	5.52	2.9	8.05	5.63
Gavião Peixoto	2007	4.1	2.2	4.8	3.82
Capão Preto	2008	5.52	1	4.3	2.28
Chibarro	2008	2.28	0.7	2.6	1.69
Total		28.93	16.9	40.14	26.78



# CPFL Bioenergia: Focusing on the potential of alternative and renewable energy



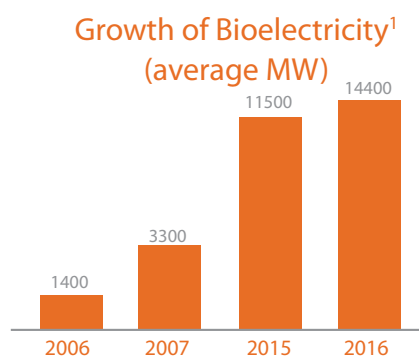
**CPFL Energia constituted CPFL Bioenergia** and, in August 2008, CPFL Bioenergia signed a joint venture **with Baldin Bioenergia** for the construction of a **sugarcane bagasse** cogenerating unit with total generating capacity of 45 MW.



The project involves the construction of a bagasse-fired thermoelectric plant and the purchase of plant assets (generators, boilers and turbines) for the construction of a substation.

CPFL Geração will make excess capacity, equal to 23,55 MW, available for commercialization on the free market from April 2010, split 50/50 between Baldin Bioenergia and CPFL Bioenergia.

Total scheduled **investment** is likely to be **R\$ 97.8 million** up to 2010. The National Economic and Social Development Bank (BNDES) is scheduled to finance approximately 76% of this total.



Forecast growth within the Brazilian energy matrix:  
5 times current potential by 2021



# Excellence reflected in operations



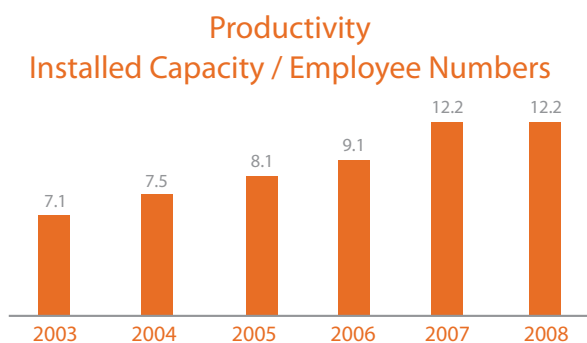
CPFL Geração is recognized for the excellence criteria incorporated in its management processes, with a direct impact on operating efficiency.

In this area, CPFL Geração has been achieving **impressive results** measured against various indicators of operating efficiency, a highlight being the Machinery Uptime Rate at its plants:

CPFL Geração Machinery Uptime (in %)						
HPPs and SHPs	2008	2007	2006	2005	2004	2003
Serra da Mesa HPP	95	92	87	83	83	83
Barra Grande HPP	96	84	85	-	-	-
Campos Novos HPP	95	89	-	-	-	-
Monte Claro HPP	92	89	99	98	-	-
Castro Alves HPP	91	-	-	-	-	-
14 de Julho HPP	100	-	-	-	-	-
Lajeado HPP	95	-	-	-	-	-
CPFL Geração SHPs	96	97	95	96	96	95
Sul Centrais Elétricas SHPs	69	84	97	-	-	-

Also of note is the search for continual improvement through projects focused on the development of models, systems and tools to support operating management and aligned to the demands and the reality of the businesses.

CPFL Geração productivity levels (measured through the ratio of installed capacity and employee numbers) have been maintained at the level achieved in 2007, with a **productivity index** of 12.2:





“CPFL is very well positioned in the market and as a result we are always seeking to increase our participation in this segment. We have a differentiated operating strategy and portfolio of services, which puts us in a privileged position.”

**Paulo Cezar Coelho Tavares**  
Chief Energy Management Officer

# Free market energy sales totaled 8,904 GWh in 2008

In 2008, our commercializing companies maintained their leadership of the free market, despite the economic slowdown. CPFL Brasil's sales through bilateral contracts reached 8,565 GWh, a fall of 4.1%, due to:

**1**

Natural deceleration of the free market in the face of volatility of energy prices

**2**

CPFL Brasil's activities among consumers served at a voltage below 138 kV, these customers in general consuming less power than those supplied at higher voltages.

## Added Value Services and CPFL Total Network

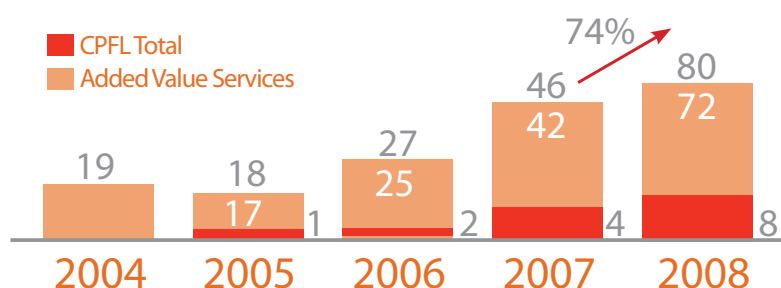
CPFL Brasil has extended its activities in the Added Value Services (SVA) and the CPFL Total Network sectors. In 2008, the two combined sectors increased gross revenue by over 74% compared to the previous fiscal year.

CPFL Brasil's products and services cover:

- Construction of substations and transmission lines;
- Design and construction of distribution and self-generation systems;
- Management of electric assets through maintenance services;
- Energy management consultancy;
- Participation in public electricity energy auctions.

CPFL Total is a network of authorized retail outlets in a range of commercial segments that authorized to receive payment of electricity bills and other utility bills (water, telephone and bank transaction slips) as well as offering services such as electricity reconnection, consultation of debits and issue of copies of electricity billings. In 2008, the number of service points increased from 771 to 947, which led to a 142% increase in turnover.

## Gross Revenue from Added Value Services and CPFL Total (R\$ million)





# Electric vehicles

## **GRI EC8** Electric Car

In the light of increasing environmental concern with the greenhouse gas effect and global warming, CPFL Energia's has taken the initiative to encourage the development of electric vehicles as an **alternative to internal combustion vehicles**.

## **GRI EN14**

The electric car is a pilot project involving the purchase of electric, battery-operated and hybrid vehicles for tests in the CPFL fleet. The aim is to assess the reduction in emissions from the use of these vehicles and to extend their use to the whole fleet in the future. The Company is aiming to identify market niches which could represent new business potential.

## **GRI EN17**

## **GRI EN18**

## **GRI EN26**

The Company is primarily interested in the development of battery-operated vehicles, 100% operated by electricity stored in their batteries and recharged from the electricity network.

Recently, the Administrative Infrastructure Department purchased a prototype electric vehicle assembled in Switzerland (an adapted Fiat Palio with an electric motor). A further three are being acquired. The Palio prototype is the result of a **partnership** between Fiat, KWO, Itaipu Binacional and CPFL Energia.

## **Electric Motor Cycle**

CPFL has purchased four electric motorcycles built at the Bramount assembly plant in the Manaus Free Zone. The motorcycles do not emit greenhouse gases, offering fuel savings of 85% compared with gasoline vehicles. The cost per kilometer is R\$ 0.01 with a 50 km autonomy per battery charge.

## **CPFL Energia and Unicamp Partnership**

In June 2008, CPFL Energia formalized a partnership with Universidade Estadual de Campinas (Unicamp) to perfect the technology behind the electric motorcycle, currently used by the company's meter readers. Total investment in the project will be R\$ 1.5 million.

The technical limitations of the motorcycle still restrict its use, the justification behind the partnership with Unicamp's Interdisciplinary Nucleus of Energy Planning.







Energy Commercialization Dealing Desk,  
in Campinas, state of São Paulo



>> 2008 Performance >> **Economic and Financial Performance**

# Stability and austerity

## mark CPFL Energia's performance in a turbulent year

>>>The comments on economic and financial performance and operating results should be read in conjunction with the Audited Financial Statements and the respective Explanatory Notes. This information is available on CPFL Energia's IR website [www.cpfl.com.br/ir](http://www.cpfl.com.br/ir) and on the website of the Brazilian Securities and Exchange Commission – [www.cvm.gov.br](http://www.cvm.gov.br)

CPFL Energia's economic and financial performance in 2008 was affected by the **Tariff Review** in the electricity distribution market, the Group's primary source of business. This tariff review round (begun in October 2007) **impacted billings** in 2008 by reducing consumer tariffs.

Over the year, Gross Operating Revenue reached R\$ 14,372 million (+1.2% on the previous year). Operating Cash Generation measured by EBITDA ended the year at R\$ 2,808 million (-16.1%). This fall affected net income, which was R\$ 1,276 million (-22.2%).

If on the one hand the effects of the Tariff Review affected CPFL Energia's financial performance for the year, on the other its implementation was seen by the Group as a measure which will improve the regulatory environment, helping to increase transparency of processes and the consequent evolution of the market as a result.

The situation in 2008 also presented new challenges as a result of turbulence in the international financial market. Faced with this economic scenario, CPFL Energia launched an internal **austerity** program in a bid to strengthen its commitment to financial discipline and its ability to **adapt to the new business scenario**.

Despite being faced with global economic deceleration, CPFL Energia found itself in a comfortable financial situation, due essentially to the following:

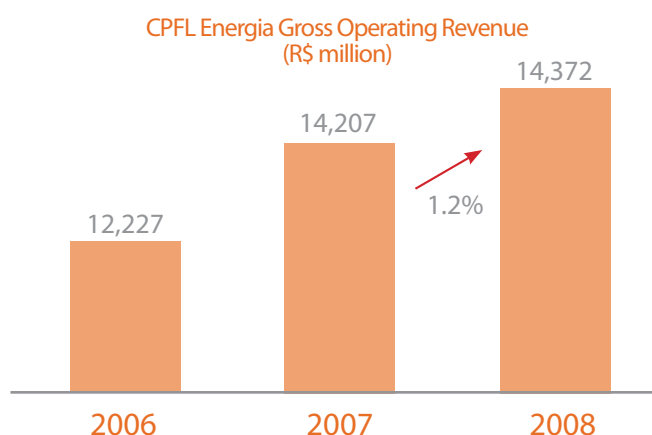
- **CPFL Energia is a robust company, very well positioned in the market, with a long-term vision.**
- **The energy sector is solid by nature given that it is an essential service.**
- **The diversification of CPFL Energia's assets help safeguard it from market oscillations: performance in distribution was compensated to a degree by the activities of other segments in the Group.**

In 2008, the Group achieved **above average growth rates** for Brazil's South and Southeast regions (the markets where it operates) and for the country as a whole - a measure of CPFL Energia's robustness. This same trend was seen in the capital markets, where the Company's performance was superior to the main BMF&Bovespa (IBOVESPA and IEE) and the NYSE (Dow Jones and DJ Br20) indices.



# Growth

## of 1.2% to reach R\$ 14,372 million



Total	R\$ 14,372 million
Comparison 2008 v 2007	+ 1.2%
Main Performance Factors	<ul style="list-style-type: none"> <li>- Growth of 5.5% in electricity sales in the concession areas;</li> <li>- Preliminary index for RGE's second periodic tariff review round, in effect as of April 2008;</li> <li>- Realization of Extraordinary Tariff Rate Recomposition and Free Energy in 2007 of R\$ 295 million which as of January 2008 was recorded under Deductions from Operating Revenue, Cost of Electric Energy and Operating Costs/ Expenses, given that this relates to amortization of Parcel A.</li> <li>- Increase of R\$ 265 million in Wholesale Energy Supply due mainly to performance of the commercialization companies.</li> <li>- Effect of the Tariff Review Round</li> <li>- CPFL Piratininga (-10.11%) as of October 2007;</li> <li>- CPFL Santa Cruz (-7.13%), CPFL Leste Paulista (-1.65%), CPFL Jaguari (-1.58%), CPFL Sul Paulista (-3.57%) and CPFL Mococa (-5.65%) as of February 2008;</li> <li>- CPFL Paulista (-13.61%) as of April 2008;</li> <li>- Reduction in R\$ 189 million of Other Revenue, due mainly to the fall in free energy prices in 2007.</li> </ul>



>> 2008 Performance >> Economic and Financial Performance >> **EBITDA**

# Operating

## Cash Generation totaled R\$ 2,808 million

Total	R\$ 2,808 million
Comparison 2008 v 2007	- 16.1%
Main Performance Factors	<p>Increase of 19.7% in Cost of Energy (R\$ 936 million) which occurred as a result of:</p> <ul style="list-style-type: none"> <li>- Increase of 2.4% in volume of energy purchased;</li> <li>- Generator adjustments;</li> <li>- Adjustment for over-contracting (R\$ 120 million);</li> <li>- Parcel A amortization (R\$ 163 million);</li> <li>- Recognition of value to be paid to the Electric Energy Transmission Company (CTEEP) of R\$ 98 million;</li> <li>- Increase of 3.1% in Net Operating Revenue (R\$ 296 million);</li> <li>- Reduction of 8.2% in Operating Costs and Expenses (R\$ 108 million), from which costs associated with the Private Pension Plan, Depreciation and Amortization are excluded, reflecting the fall in cost of Free Market energy (R\$ 189 million) in 2007, partially offset by the increase of R\$ 75 million in Payroll Costs.</li> </ul>

## EBITDA Margin

EBITDA Margin was 28.9% in 2008 compared with 35.5% in 2007.

	2006*	2007*	2008	2008/2007 (%)
EBITDA (R\$ million)	2789	3345	2808	-16.1
Margin (%)	35.3	35.5	28.9**	-18.6

\* Information for 2006 and 2007 has been reclassified as a result of accountancy law 11.638/07

\*\* Discounting non-recurring effects, EBITDA margin is 30.3%

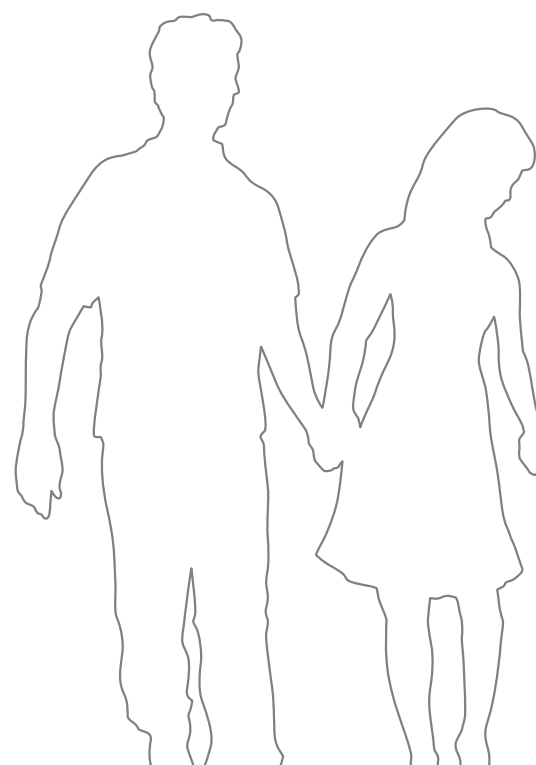


# Financial Result

## Comparatives from 2007 to 2008

<b>Total</b>	<b>- R\$ 414 million</b>
Comparison 2008 v 2007	10.57%
Main Performance Factors	<ul style="list-style-type: none"> <li>- Increase in Financial Income from R\$ 380 million in 2007, to R\$ 463 million in 2008;</li> <li>- Financial Expenses rose from -R\$ 755 million to -R\$ 877 million in 2008.</li> </ul>

Financial Income (Expenses) - CPFL Energia - Consolidated - (R\$ million)				
	2006	2007	2008	2008/2007 (%)
Financial Income	638	380	463	21.72
Financial Expenses	-790	-755	-877	16.18
Net Financial Result	-152	-375	-414	10.57



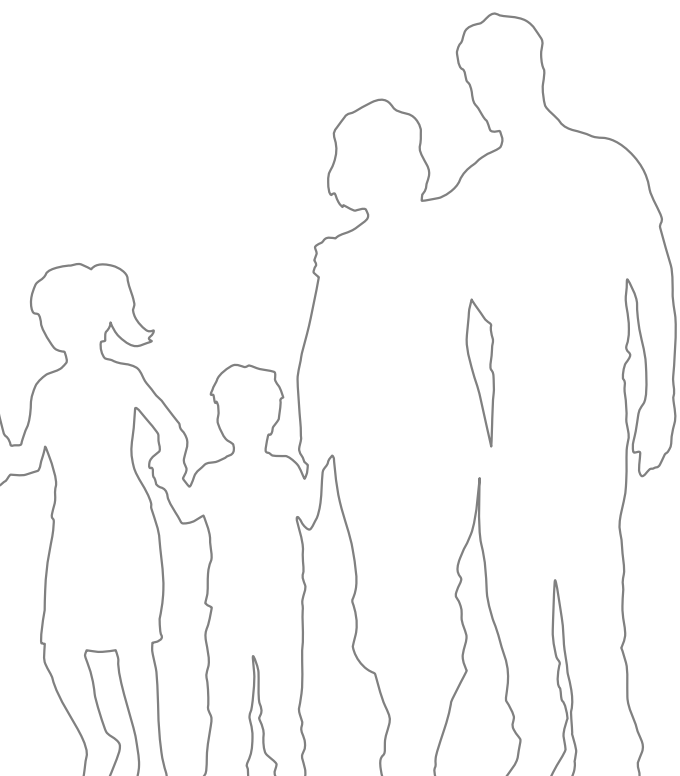


# Net Income

## reached R\$ 1,276 million

<b>Total</b>	<b>R\$ 1,276 million</b>
Comparison 2008 v 2007	- 22.2%
Main Performance Factor	16.1% fall in EBITDA, partially offset by reductions in Income Tax (23%) and Social Contribution (R\$ 190 million)
<b>The Company reported earnings per share of R\$ 2.66.</b>	

Net Income - CPFL Energia - Consolidated - (R\$ million)			
2006	2007	2008	2008/2007 (%)
1,404	1,643	1,276	-22.2
Note: Information for 2006 and 2007 has been reclassified as a result of accountancy law 11.638/07			





# Cash position

## of R\$ 738 million at year-end

Total	R\$ 738 million
Comparison 2008 v 2007	-33.3%

### Increases in cash position:

- Cash generated from operating activities reached R\$ 1,877 million;
- New funding in the form of loans and debentures exceeded amortizations by R\$ 98 million.

### Reductions in cash balance:

- Investments (sum of accounts "Acquisition of Permanent Assets" and "Intangible Additions") totaling R\$ 1,178 million;
- Dividend payouts for second half of 2007 and first half of 2008 of R\$ 1,323 million.

Financial Result - CPFL Energia - Consolidated - (R\$ million)				
	2006	2007	2008	2008/2007
Opening Balance	679	630	1,106	476
Operating Cash Flow	2,298	2,336	1,877	-459
Total Net Capex	-1,250	-1,153	-1,178	-25
Net Financial Flows	-1,186	-379	-1,221	-842
Increase in Cash for the Period	-138	476	-368	-844
Closing Balance	540	1,106	738	-368

Note: Following guidance from the Brazilian Committee on Accountancy Pronouncements (CPC) which through CPC 03 altered the Cash Flow Statement (DFC), information for 2006 is not comparable with 2007 and 2008.



# Debt totaled

## R\$ 6,793 million including financial debt and derivatives

Total	R\$ 6,793 million
Comparison 2008 v 2007	+ 5.7%
	<ul style="list-style-type: none"> <li>- CPFL Geração and Generation Projects: funding net of amortizations (BNDES and other financial institutions) totaled R\$ 189 million, the highlights of which are: <ul style="list-style-type: none"> <li>* Funding net of amortizations of Foz do Chapecó (R\$ 113 million) and Ceran (R\$ 55 million);</li> <li>* Funding net of debt amortizations by CPFL Geração, pursuant to Central Bank of Brazil Resolution 2.770, totaling R\$ 276 million;</li> <li>* Amortization of principal value of the debentures issued by CPFL Geração and Baesa (R\$ 154 million).</li> </ul> </li> <li>* CPFL Energia, CPFL Paulista, CPFL Piratininga and RGE: net of amortizations of financing (BNDES and other financial institutions) totaling R\$ 41 million, of which highlights are: <ul style="list-style-type: none"> <li>* Debenture issues by RGE totaling R\$ 280 million, and by CPFL Piratininga for R\$ 100 million to debt rollover debt;</li> <li>* Funding net of debt amortizations by CPFL Energia, CPFL Paulista, CPFL Piratininga and RGE, pursuant to Central Bank of Brazil Resolution 2.770, totaling R\$ 199 million;</li> <li>* Amortization of working capital credit lines by RGE amounting to R\$ 175 million;</li> <li>* Amortization net of BNDES funding by CPFL Paulista, CPFL Piratininga and RGE, amounting to R\$ 29 million.</li> </ul> </li> <li>- Exchange rate fluctuation on currency denominated debt, net of fluctuations in outstanding derivative balance, amounting to R\$ 45 million.</li> </ul>
Observations	<b>Please note that of total financial debt, R\$ 5,542 million (81.6% of the total) is considered long-term and R\$ 1,251 million (18.4%) short-term.</b>



# Sum

## of financial debt, derivatives and debt with private pension fund was R\$ 7,346 million

Total	R\$ 7,346 million
Comparison 2008 v 2007	+ 2.7%
<p>- Debt rose in nominal terms, average cost rising from 12.1% p.a. (2007) to 13.9% p.a. (2008) as a result of the increase in CDI (Interbank Deposit Rate) from 11.9% to 12.4% and the IGP-M inflation rate from 7.8% to 9.8%, in line with the cumulative rates for the year.</p> <p>- As a result of new funding and amortizations during the year, debt profile changed due to:</p> <p>*Growth in the share of debt indexed to CDI, from 50.9% in 2007 to 55.9% in 2008, and to the TJLP (Long Term Interest Rate), from 29.2% in 4Qo7, to 29.8% in 4Qo8;</p> <p>*Decrease in portion of debt indexed to the IGP-M/ IGP-DI from 15.8% in 2007 to 12.3% in 2008.</p> <p>The portion of currency denominated debt would be 23.3% disregarding bank hedge operations. However, considering US Dollar/Yen - CDI swap operations, currency denominated debt is 2.1%, this exposure being protected by a natural hedge (currency-linked revenue).</p>	



# Net Adjusted Debt

## totaled R\$ 5,650 million

Total*	R\$ 5,650 million
Comparison 2008 v 2007	+ 10.8%
<p>- CPFL Energia ended 2008 with a Net Debt/EBITDA ratio of 2.01 times.</p> <p>- However, the Net Debt/EBITDA ratio is 1.76 times if the following are not considered:</p> <p>*Balance of debt and EBITDA of Ceran (with respect to 14 de Julho HPP) which did not generate significant results during the fiscal year;</p> <p>*Balance of debt of Foz do Chapecó Energia which has not yet generated results for the Group.</p>	
<p>* Allowing for the exclusion of regulatory assets/(liabilities) and cash/cash equivalents, and net of legal deposits held in escrow with respect to an income tax contingency in the name of CPFL Paulista, (R\$ 415 million in 2008 and R\$ 373 million in 2007).</p>	





# CPFL Energia distributed 95% of net income

GRI  
EC1

Total	R\$ 1,208 million
Comparison 2008 v 2007	-22.6
<p>- Dividend payout was equivalent to 95% of net income for the fiscal year (R\$ 2.516469355 per share). As a result, the Company exceeded the minimum payout of 50% of net income required under its dividend policy;</p> <p>- Discounting the sum of R\$ 602 million for the first half-year of 2008, the value to be distributed with respect to the second half of 2008 is R\$ 606 million (R\$ 1,262952547 per share);</p> <p>- Since the IPO (2nd half 2004), CPFL Energia's dividend yield has already reached 64.3%.</p>	

\*Excluding regulatory assets/(liabilities) and cash/cash equivalents.



>> 2008 Performance >> Economic and Financial Performance >> **Dividend Distribution**

Generation and distribution of wealth created to different stakeholders is shown below:

Generation and Distribution of Wealth- CPFL Energia - Consolidated (R\$)				
Generation of Wealth				
	2006(*)	2007	2008	08/07 (%)
<b>A – Revenue</b>	<b>12,192,527</b>	<b>15,346,867</b>	<b>15,365,113</b>	<b>0.12</b>
A1 – Gross Operating Revenue	12,227,052	14,207,384	14,371,913	1.16
A2 – Revenue Relating to Construction of Proprietary Assets	0	1,196,752	1,030,585	-13.88
A3 – Provision for credits of doubtful liquidity	-83,324	-47,534	-36,585	-23.03
A4 – Provision for losses in the realization of regulatory assets	-1,038	-9,735	-800	-91.78
A5 – Non-operating result	-	-	-	0.00
<b>B - Goods and Services acquired from third parties</b>	<b>-5,123,405</b>	<b>-7,185,781</b>	<b>-7,877,711</b>	<b>9.63</b>
<b>C - Gross Added Value (B-A)</b>	<b>7,019,285</b>	<b>8,161,086</b>	<b>7,487,402</b>	<b>-8.25</b>
<b>D - Retentions</b>	<b>-482,479</b>	<b>-563,937</b>	<b>-587,502</b>	<b>4.18</b>
<b>E – Net Added Value(C-D)</b>	<b>6,536,806</b>	<b>7,597,149</b>	<b>6,899,900</b>	<b>-9.18</b>
<b>F - Transfers</b>	<b>528,801</b>	<b>404,384</b>	<b>481,958</b>	<b>19.18</b>
Equity Income Result	0	0	0	0.00
Corporate Participations Result	-173	-5,194	-9,769	88.08
Financial Income	528,974	409,578	491,727	20.06
<b>G – Total Added Value to be Distributed (E+F)</b>	<b>7,065,607</b>	<b>8,001,533</b>	<b>7,381,858</b>	<b>-7.74</b>

Distribution by Stakeholders				
	2006	2007	2008	08/07 (%)
<b>Government</b>	<b>4,624,713</b>	<b>5,231,875</b>	<b>4,756,606</b>	<b>-9.08</b>
Taxes/Duties/Contributions	3,527,965	4,189,888	3,803,116	-9.23
ICMS	2,166,204	2,477,084	2,440,661	-1.47
PIS/PASEP	69,781	159,319	122,093	-23.37
COFINS	548,183	725,107	601,153	-17.09
ISS	662	1,749	2,971	69.87
IRPJ payable for the fiscal year	477,773	594,525	467,281	-21.40
CSLL payable for the fiscal year	265,362	232,104	168,957	-27.21
Social Charges	65,330	75,186	85,572	13.81
Regulatory Charges	944,982	864,312	821,928	-4.90
Others	86,436	102,489	45,990	-55.13
<b>Employees</b>	<b>352,733</b>	<b>393,112</b>	<b>416,226</b>	<b>5.88</b>
<b>Financing Institutions</b>	<b>684,065</b>	<b>735,819</b>	<b>933,334</b>	<b>26.84</b>
<b>Shareholders</b>	<b>1,333,891</b>	<b>1,561,264</b>	<b>1,207,681</b>	<b>-22.65</b>
<b>Retained</b>	<b>70,205</b>	<b>79,463</b>	<b>68,011</b>	<b>-14.41</b>
<b>Total</b>	<b>7,065,607</b>	<b>8,001,533</b>	<b>7,381,858</b>	<b>-7.74</b>

\* 2006 - Item "A" was reclassified for item "B" (1.038-RGE).

Note: 1. Information for 2007 was reclassified as a result of accountancy law 11.638/07.

2. Following guidance from the Brazilian Committee on Accountancy Pronouncements (CPC) which through CPC 09 altered the Added Value Statement (DVA), information for 2006 is not comparable with 2007 and 2008.

3. Additional line A.2 Revenue Relating to Construction of Proprietary Assets for 2008 and 2007

4. Reclassification of Non-operating Result to line for Goods and Services Acquired from Third Parties

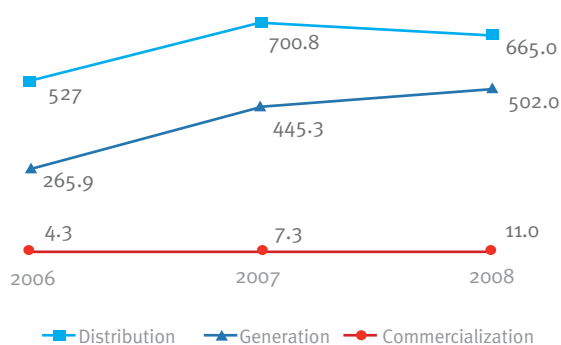


# CPFL Energia

## invested R\$ 1,178 million

Total	R\$ 1,178 million
Focus of Investment	<p>Growth and consolidation of the CPFL Energia Group companies share in the Brazilian electric energy market.</p> <p>Of the total:</p> <ul style="list-style-type: none"> <li>- R\$ 875 million were invested in the expansion of the business, covering: <ul style="list-style-type: none"> <li>*Construction of hydroelectric power plants;</li> <li>*Repowering of small hydroelectric plants;</li> <li>*Expansion and reinforcement of the electric system to meet significant growth in the distributors' market.</li> </ul> </li> <li>- R\$ 292 million were invested in improvements to the following areas: <ul style="list-style-type: none"> <li>*The electricity system;</li> <li>Operational logistics;</li> <li>Systems and infrastructure to support the operations of various business segments;</li> </ul> </li> </ul>
Investments in Distribution	<p>A total of R\$ 665 million, of which:</p> <ul style="list-style-type: none"> <li>R\$ 373 million went towards extension and reinforcement of the electricity system to meet the market's needs, both in energy sales as well as the number of customers registered with the eight distributors;</li> </ul> <p>A further R\$ 292 million were invested in:</p> <ul style="list-style-type: none"> <li>*Electric system improvements and maintenance;</li> <li>*Operations infrastructure;</li> <li>*Modernization of management and operations support systems;</li> <li>*Customer services;</li> <li>*R&amp;D programs among others.</li> </ul>
Investments in Generation	<p>A total of R\$ 502 million, focused on construction projects:</p> <ul style="list-style-type: none"> <li>- Ceran Complex (Castro Alves and 14 de Julho HPPs)</li> <li>- Foz do Chapecó HPP</li> <li>- Capão Preto and Chibarro SHPs repowering projects.</li> </ul>
Investments in Commercialization	<ul style="list-style-type: none"> <li>- Investments of R\$ 11 million were made in the commercialization and added value services segment.</li> </ul>

Investments in expansion of the businesses (R\$ Million)



Note: Following guidance from the Brazilian Committee on Accountancy Pronouncements (CPC) which through CPC 03 altered the Cash Flow Statement (DFC), information for 2006 is not comparable with 2007 and 2008.



# CPFL Energia's shares outperform the markets' main stock indices

"In 2008, CPFL Energia proved to have a very consistent course of line of action. Despite the turbulence of the world economy, the Company achieved growth rates superior to those of the market. This is evidence of the Group's soundness and its ability to protect itself from global fluctuations."

**José Antonio de Almeida Filippo**  
Chief Financial and Investor Relations Officer



**CPFL Energia  
has shown skill  
in fulfilling the  
strategic plan - the  
basis of its IPO in  
September 2004**



## Performance of Shares and ADRs

In 2008, the repercussions of the international financial crisis and the risk averse adopted by investors impacted the performance of CPFL Energia stock, which is traded on the New York Stock Exchange (NYSE) and the BM&Fbovespa Securities, Commodities and Futures Exchange, in highest governance segments, Level III ADRS and Novo Mercado, respectively. However, the Company's stock was affected to a lesser degree than the market due to the characteristics of the electricity sector and the **solidity of CPFL Energia**:

- A large proportion of the Group's revenue is indexed to inflation rates;
- Debt is not exposed to exchange rate risk;
- The impact of the crisis on energy demand is less accentuated, particularly in low voltage classes, given the essential nature of the service.

As a result, the performance registered by CPFL Energia stock was superior to leading stock indices, such as the Dow Jones, Dow Jones Brazil Titans 20 (DJ Br 20), IBOVESPA and the Electric Energy Index (IEE), both since its IPO until 2008, and during fiscal year 2008.

Exchange	Ticker	Type	Asset Appreciation in 2008	Asset Appreciation in 2007	Asset Appreciation since IPO (Sept. 2004 until 2008)
BM&FBovespa	CPFE3	Common Share	-3.4%	23.9%	+138.5%
NYSE	CPL	ADR*	-25.6%	52.6%	+192.7%

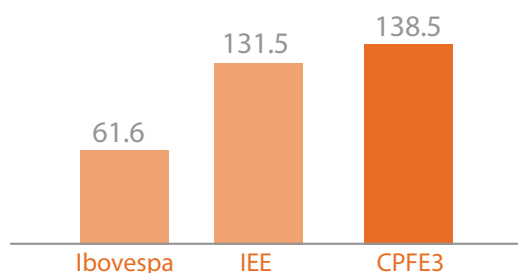
Variations with adjustment for dividends  
 \* Each ADR corresponds to three common shares

## CPFL Energia performance on BMF&Bovespa (IPO of Sept. 2004 until Dec. 2008)

On BMF&Bovespa, CPFL Energia shares appreciated by +138.5% from the date of the IPO until 2008, more than both IBOVESPA (+61.6%) and IEE (+131.5%).

\*On 09/29/2004. Values adjusted for dividends.  
 Note: Quoted prices CPFE3 (12/30/2008) R\$ 30.15 and CPL (12/31/2008) US\$ 39.07.

Performance of IBOVESPA and IEE v CPFL from IPO\* until 2008 (%)

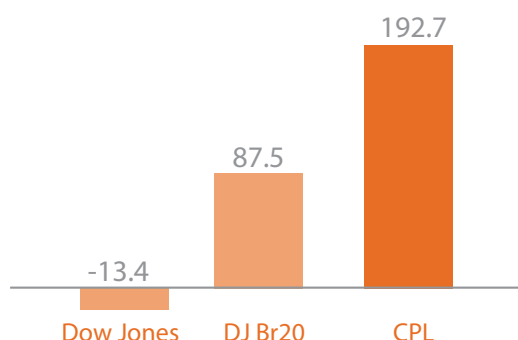




## CPFL Energia performance on NYSE (IPO of Sept. 2004 until Dec. 2008)

CPFL Energia's ADR rose +192.7% on the NYSE from IPO until 2008, significantly above the appreciation registered by the DJ BR 20 (+87.5%) and Dow Jones (-13.4%).

Performance of Dow Jones and DJ Br20 v CPFL from IPO\* until 2008 (%)

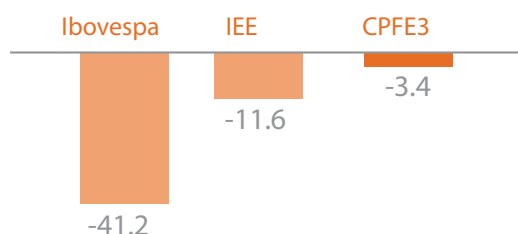


\*On 09/29/2004. Values adjusted for dividends.  
Note: Quoted prices CPFE3 (12/30/2008) R\$ 30.15 and CPL (12/31/2008) US\$ 39.07.

## CPFL Energia performance on BMF&Bovespa (2008)

The same trend was seen in the capital markets in Brazil. Although CPFL Energia's share price ended 2008 down -3.4%, this result was still better than IBOVESPA (-41.2%) and IEE (-11.6%).

CPFL performance on Bovespa in 2008\*  
(IBOVESPA and IEE v CPFE3) (%)

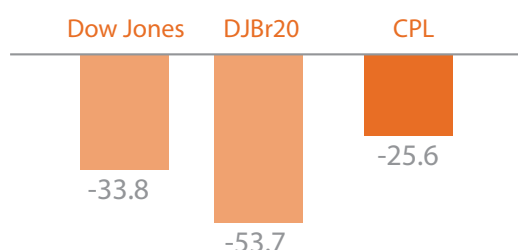


\*With adjustments for profit distribution.

## CPFL Energia performance on NYSE (2008)

Although CPFL Energia's ADR registered a fall of -25.6% at year-end 2008, this performance was still above that recorded by the Dow Jones (-33.8%) and DJ BR 20 (-53.7%) market indices.

CPFL Performance on NYSE in 2008\*  
(Dow Jones and DJ Br20 v CPL) (%)



\*With adjustments for profit distribution.



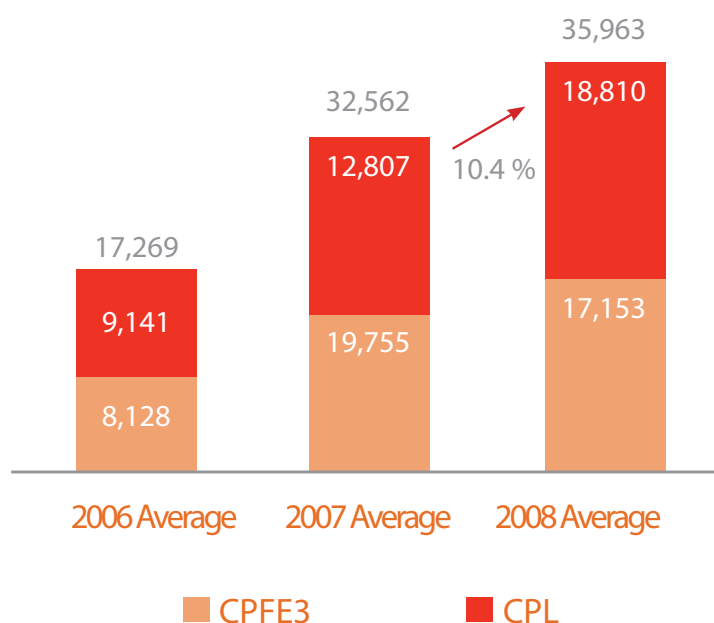
“Being a CPFL shareholder makes you feel you are making an investment in a business that is stable and crises-free, that offers good returns in the short-term and a wide range of opportunities in the medium- and long-term, thanks to the Company’s enormous growth as a result of its acquisitions. CPFL is a robust company with excellent governance, talented people and one which delivers its products and services with great responsibility and social commitment. This is clear whether it is the electrician who makes an emergency service call or CPFL Cultura which brings so much more quality to our lives.”

**Fábio Gilberto da Silveira Bueno - CPFL Energia shareholder**

# Increase of 10.4% in daily trading volume

The **liquidity** of CPFL Energia shares maintained a growth trend in 2008, recording an increase of 10.4% in daily average trading volume at R\$ 35,963 thousand compared to the previous year.

Average Daily Trading Volume - CPFL Energia (R\$ thousand)





# Differentiated dividend payout policy

CPFL Energia has a differentiated dividend payout policy aimed at creating shareholder value. Its policy requires the distribution of at least 50% of net income, on a half-yearly basis.

In 2008, the Company distributed R\$ 1,208 million in dividends, equivalent to 95% of net income for the year.

Since its IPO in September 2004, CPFL Energia's dividend yield has already reached 64.3%.

Dividends and Dividend Yield									
	2S04	1S05	2S05	1S06	2S06	1S07	2S07	1S08	2S08
Declared Dividends (R\$ million)	140	401	498	612	722	842	719	602	606
Average Price for Period (CPFE3)	16.58	18.85	23.33	30.05	28.25	31.74	35.99	36.11	33.38
Dividend Yield for previous 12 months** (%)	3.7	6.5	9.1	8.7	9.6	10.9	9.7	7.6	7.3
* Relates to declared dividends. Payout in the subsequent semester.									
** Considers the average closing price for each semester.									
Note: Closing IPO price: R\$ 17.22/ share									





# Indices

## of liquidity, best corporate governance and sustainability practices

CPFL Energia's shares are components of major stock indices traded in the Brazilian and international capital markets:

- IBOVESPA – Bovespa Stock Index
- IBrX50 – Brazil Index of 50 most liquid shares
- IBrX100 – Brazil Index of 100 most liquid shares
- ISE – Corporate Sustainability Stock Index
- IGC – Special Corporate Governance Stock Index
- ITAG – Special Tag Along Stock Index
- IEE – Electric Power Stock Index

Since August 2007, CPFL Energia shares have been a component of various **Morgan Stanley Capital International** (MSCI) stock indices:

- MSCI ACWI (All Country World Index)
- MSCI Emerging Markets
- MSCI Latin America
- MSCI Brazil (MSCI Global Value Index)

Given its global reach, inclusion in the MSCI stock index gives the CPFL Energia shares greater exposure, enhancing liquidity as well as increasing their visibility among capital market analysts in Brazil and overseas.



**Inclusion in the ISE for the fourth consecutive year demonstrates CPFL Energia's commitment to sustainability and corporate social responsibility.**



# A relationship of transparency

## and proximity with the capital markets, in Brazil and overseas

In 2008, CPFL maintained its commitment to transparency and proximity with the markets:

- 4 chats with banks and brokers
- 4 Expo Money events (Paraná, São Paulo, Rio Grande do Sul and Rio de Janeiro)
- Bimonthly "CPFL Investor" newsletter
- 10 APIMEC (Association of Capital Market Analysts and Investment Professionals) meetings (São Paulo, Rio de Janeiro, Rio Grande do Sul, Minas Gerais, Bahia and the Federal District)
- 3rd meeting with investors, with a visit to Campos Novos HPP
- 5 webcasts/conference calls with simultaneous translation (one on the CPFL Paulista tariff review)
- 10 conferences (5 domestic and 5 international)
- 7 non-deal roadshows (3 domestic and 4 international)
- 23 institutions issuing reports on the Company
- Daily interaction with analysts and investors
- Investor Relations website accessed 27 thousand times monthly
- 201 one-on-one meetings





**To be contemporary is...**

To adopt modern procedures that assure the preservation of the environment and all existing forms of life.





# Responsibility

- >> Sustainable Activity
- >> Stakeholders
- >> Society
- >> Value Chain
- >> Community
- >> Environment
- >> Talent
- >> Involvement with Associations
- >> Programs Overview



# CPFL Energia: seeking sustainability

CPFL Energia believes that sustainability should be the **current that flows** through **its ideas, decisions and actions** in all fields. Consequently its strategic plan, which aligns the guiding principles of all business segments, is based on the principles and indicators of sustainability.

Faced with the challenges posed by current times, the Group is counting on its ability to adapt and open up a sustainable way forward for its businesses, harnessing the energy and dynamism of change to exceed expectations and evolve.

To produce and use energy in a sustainable manner, respecting economic and socio-environmental balance: this is the Company's guiding objective. Aware of the crucial role of the energy sector in the **future of the world**, the CPFL Energia Group uses its **long-term view** to establish directions and solutions, to overcome limitations and consolidate as a model company.

Compensation and neutralization of CO<sub>2</sub> emissions; investment in renewable energies; the development of the Corporate University; promotion of international debates and forums on challenges and opportunities in today's world; improvement of the Diversity Program; dissemination of sustainability management practices through the value chain; activities with the community, and other practices, are all evidence of CPFL Energia's efforts in the continual search for sustainable development.

In 2008, the Company took a series of initiatives and projects reaffirming its certifications and resulting in recognition and awards, both in the Brazilian and overseas markets.

**CPFL Energia recognizes its interdependence with all players in the complex environment in which it operates. As a result, it seeks to act with responsibility and excellence so that development can be maintained over time and the decisions it takes are as good in the future as they are in the present.**

**The Group acts as an opinion former and spokesperson on major contemporary issues, stimulating culture, the spread of knowledge and human development.**



# Initiatives taken in conjunction with society to promote sustainable development

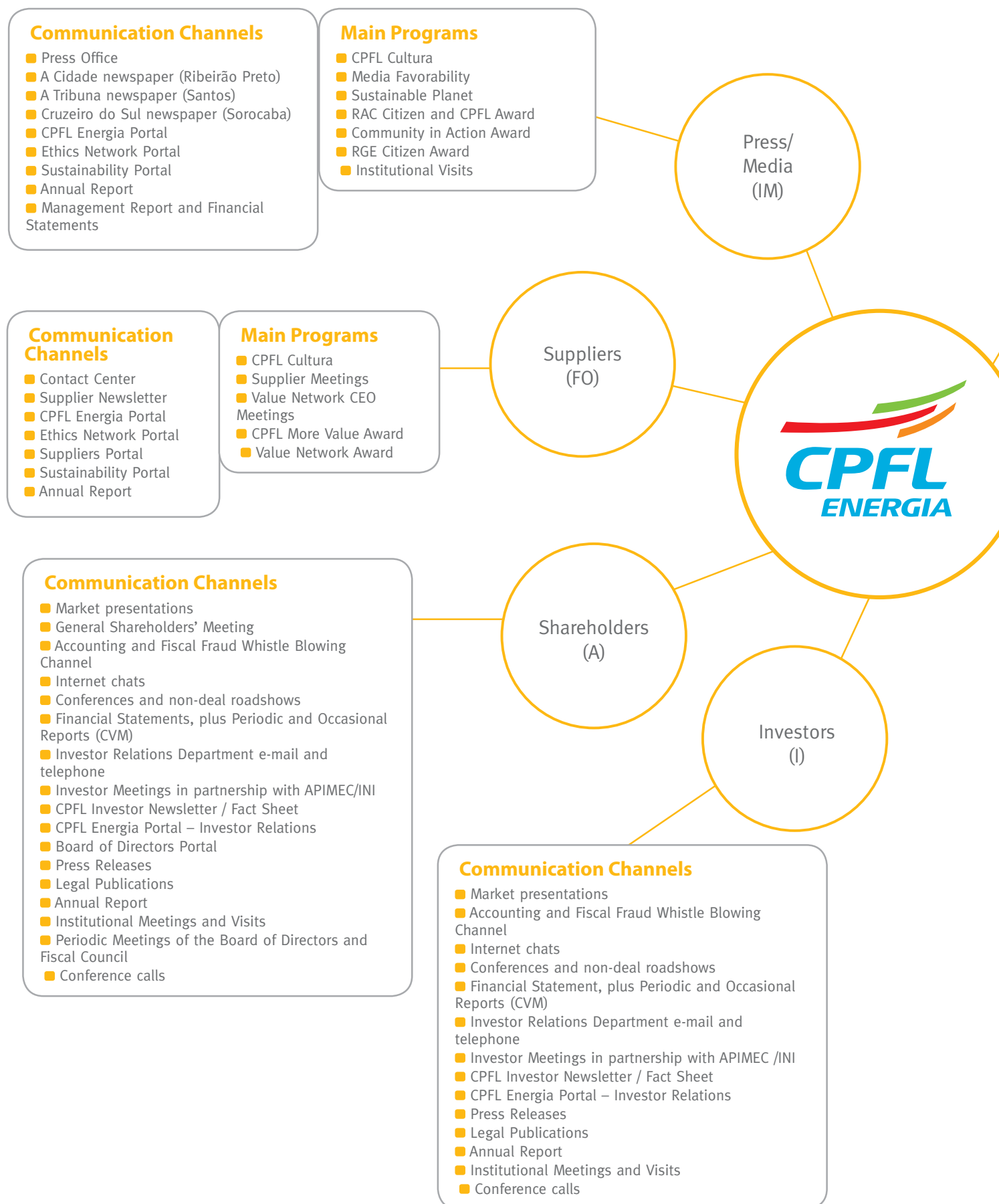
CPFL Energia has an ongoing program for controlling its operational impacts in the communities where it operates through management of the economic, environmental and social risks associated with its businesses.

It aims to create value in a balanced manner with its different stakeholders, through initiatives and programs founded on solid ethical principles which guarantee integrity, transparency, trust and credibility in the Company's relationships with its customers, shareholders, employees, suppliers, civil society organizations and the communities in its areas of operation.

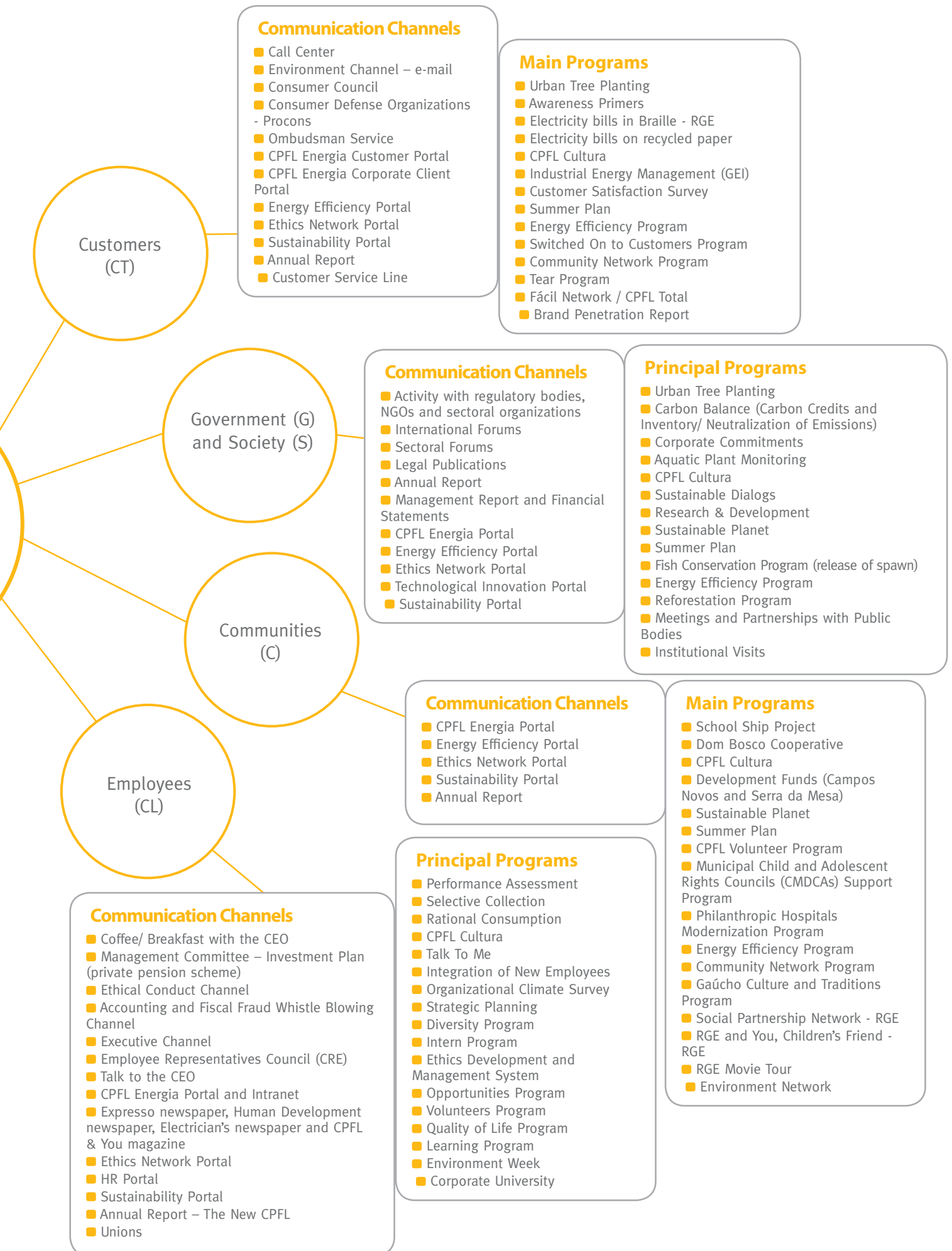
In a bid to improve dialog with its stakeholders and dissemination information on initiatives, 2008 saw the launch of the Corporate Responsibility and Sustainability Portal ([www.cpfl.com.br/sustentabilidade](http://www.cpfl.com.br/sustentabilidade)).













# Disseminating knowledge and culture in the community



GRI  
4.16

In an attempt to increase its links with society and to contribute to development in the communities where it operates, CPFL founded CPFL Cultura in 2003 – a wide-ranging cultural program designed to foster reflection on the challenges and opportunities of the world today.

GRI  
4.17

GRI  
EC8

GRI  
EC9

GRI  
EN26

The program aims to disseminate knowledge and culture through lectures, debates and artistic and cultural expression. In addition, its content is made available throughout Brazil via the internet and through programs broadcast by TV Cultura of São Paulo.

GRI  
EU14

GRI  
EU19

Up until 2007, live activities were held solely at the Company's head offices in Campinas. As of 2008, six new nuclei were installed, with ongoing programs, in the cities of Ribeirão Preto, Bauru, Sorocaba, Santos, São Paulo (São Paulo state) and Caxias do Sul (Rio Grande do Sul state).

In 2008, CPFL Cultura's live activities achieved a total **audience of 45 thousand people** and their programs broadcast by TV Cultura achieved an average of one point of IBOPE – Brazilian TV viewer measurement system; each point is equal to 57,284 households or **171,852 viewers in Greater São Paulo**.

In 2009, CPFL Cultura will strengthen its conceptual and artistic programming in Campinas and continue Coffee With Philosophy in its regional centers. It also plans to step up its Contemporary Classical Music and Coffee With Philosophy programs in São Paulo city. In addition, CPFL Cultura will be making its audiovisual archive available on its website ([www.cpflcultura.com.br](http://www.cpflcultura.com.br)) over the course of the year.

CPFL Cultura's programming is funded largely from tax breaks and all its activities are offered free of charge. Its programs are open to the widest spectrum of thought with no prevalent ideology in order to maximize enjoyment of the present and plan for the future.



Maria Rita Kehl at Coffee With Philosophy, in São Paulo



Moacyr Scliar, in Caxias do Sul



Mayana Zatz, in Campinas



Jorge Forbes and Mônica Waldvogel, in Sorocaba



Renato Janine Ribeiro, in Bauru



Paulo Gaudêncio, in Ribeirão Preto



Marci Tiburi, in Santos



# Contemplation and knowledge

GRI  
SOS

CPFL Energia is engaged with forming policies that seek to improve social, environmental and economic conditions, not only in the areas where it operates, but society as a whole.

By encouraging contemplation, CPFL Energia aims to provoke debate and structure information, thereby transforming it into knowledge which can be applied to the electricity sector and beyond. In addition, it facilitates trend identification and scenario building. In 2008, it held two international forums:

GRI  
4.16GRI  
4.17GRI  
EC8GRI  
EC9GRI  
EN18GRI  
EN26GRI  
SOSGRI  
EU19

Event	Details
The International Financial Crisis and Brazilian Economic Growth	A few weeks before being honored with the Nobel Prize for Economics, Paul Krugman was in Brazil at the invitation of CPFL Energia to discuss the impact of the international economic situation on Brazil.
Paul Krugman, Economist, winner of the Nobel Prize for Economics 2008	The forum took place in Rio de Janeiro, in partnership with BNDES and in São Paulo, in partnership with Valor Econômico newspaper.
	In São Paulo, debate participants included Luiz Gonzaga Belluzzo (Economics Professor, Unicamp and member of the Board of Directors of the BM&FBovespa) and Luiz Carlos Mendonça de Barros (Founding Partner of Quest Investimentos, a former Communications Minister and President of BNDES). Chair: José Antonio de Almeida Filippo (Chief Financial and Investor Relations Officer of CPFL Energia)
	In Rio de Janeiro, debate participants included Luciano Coutinho (President of the National Economic and Social Development Bank - BNDES), Paulo Godoy (CEO of the Brazilian Heavy Industries and Infrastructure Association – ABDIB, and of Grupo Alusa) and Paulo Francini (Director of the Economics Research and Study Department of FIESP and Board Member of the Industrial Development Studies Institute - IEDI). Chair: Cláudia Safatle (Assistant Editor of Valor Econômico)
Key elements of a low carbon economy	A pioneer in the analysis of the economic impact of climate change, the economist Nicholas Stern, who was in Brazil at the invitation of the UK Embassy, took part in a debate promoted by CPFL Energia and CPFL Cultura with the backing of FIESP (the State of São Paulo Industries Federation), in November 2008.
Nicholas Stern, Economist, editor of the Stern Report (an assessment of the impacts of global warming on the world economy)	Nicholas Stern debated the issue with Sérgio Abrantes (O Eco website), Paulo Adário (Greenpeace), José Augusto Fernandes (Brazilian National Confederation of Industry - CNI), Suzana Kahn (the Ministry for the Environment), Nelson Pereira dos Reis (FIESP) and Augusto Rodrigues (CPFL Energia). The debate was chaired by journalist Miriam Leitão.
	The forum was part of CPFL Energia's activities for Caring For Climate, a United Nations (UN) initiative to which the Company is a signatory.



Paul Krugman came to Brazil at the invitation of CPFL



# Social Corporate Investment Benchmarking

GRI  
4.13

In 2008, CPFL Energia was invited by Comunitas to be a founding member of **the Social Corporate Investment Benchmarking Project (BISC)**.

GRI  
4.16

It aims to disseminate the theme among the Brazilian corporate community on three fronts: an annual forum of business leaders; sectoral meetings and workshops for consultancy and information dissemination; and making available a tool for corporate social investment management.

GRI  
4.17

GRI  
EC8

At the 1st Forum of Business Leaders, CPFL Energia CEO, Wilson Ferreira Jr. debated the topic “The Role of the Corporation in Society” with Brazil’s major corporate leaders.

GRI  
EC9

GRI  
EU19

Other forum participants were: Fernando Henrique Cardoso, Alain Belda (Alcoa), Alessandro Carlucci (Natura), Candido Bracher (Itaú BBA), Carlos Bühler (Holcim), Carlos Ermirio de Moraes (Votorantim), Daniel Feffer (Suzano), Denise Aguiar Valente (Bradesco), Fábio Barbosa (Banco Real), Gustavo Marin (Citi), Heinz-Peter Elstrodt (McKinsey), Jorge Gerdau Johannpeter (Gerdau), Joseph Safra (Banco Safra), Lázaro Brandão (Bradesco), Manoel Felix Cintra Neto (BM&F Bovespa), Olga Colpo (Price), Pedro Moreira Salles (Unibanco), Renata de Camargo Nascimento (ICE), Roger Agnelli (Vale), Rubens Ometto Silveira Mello (Cosan), Vitor Hallack (Camargo Corrêa).

The BISC project is a Comunitas initiative inspired by Committee Encouraging Corporate Philanthropy (CECP), a group of CEOs of 165 leading US companies seeking to improve the quality of private social investment.

Comunitas is a non-profit civil association the Director of which was Prof. Dr. Ruth Cardoso (who recently died) until 2008. It exists to promote, support, monitor and evaluate partnership actions and innovative social development programs, including social responsibility in the corporate arena.



>> Responsibility >> Society >> **Sustainable Planet**

## Sustainable Planet

A multi-platform for knowledge



GRI 4.13 GRI EC8

CPFL Energia supports Sustainable Planet, the largest communication multiple platform for **discussing, informing and creating knowledge on sustainability.**

GRI 4.16 GRI EC9

It aims to instigate a pluralist environment in which different points of view contribute to the development of independent and creative thinking, capable of provoking awareness and providing the foundations for action.

GRI 4.17 GRI EN26

GRI EN18 GRI EU19

CPFL Energia has been a project participant since 2007 and communicates its sustainability practices on the project's official website: [www.planetasustentavel.com.br](http://www.planetasustentavel.com.br)

GRI SOS

In addition to CPFL Energia, project participants include Banco Real, Grupo Abril, Sabesp, Petrobras and Bunge.

>> Responsibility >> Society >> **Café Aberje**

## Café ABERJE Campinas Edition

Discussion of best corporate communication practices



GRI 4.13 GRI EC8

Since 2006, ABERJE (Brazilian Corporate Communication Association) and CPFL Energia have organized the activities of the Campinas Edition of Café ABERJE.

GRI 4.16 GRI EC9

GRI 4.17 GRI EU19

Café ABERJE exists to promote thought, share experiences and update on best corporate communication practices through a series of **encounters that bring together specialists, professionals and media students.**

GRI EU14

In 2008, six meetings were held with a total participating audience of approximately 600 people. Each event covered the following themes:

- Internal communications
- Employee communications and relations
- Management of printed media
- Communication during Mergers and Acquisitions
- Branding: inside companies
- Branding: specialized agencies



## ABRADEE Best Practices Seminar (SAMP)

GRI  
4.13

GRI  
EC9

GRI  
4.16

GRI  
EN26

GRI  
4.17

GRI  
EU23

GRI  
EC8

In 2008, CPFL Energia hosted the ABRADEE Best Practices Seminar (SAMP) for socio-environmental responsibility and management quality. The event is designed to foster sharing of experiences among electricity sector professionals on best practices adopted by companies in sustainability and quality.

Seminar participants included energy distributors and organizations such as the FNQ (National Quality Foundation) and the Ethos Institute.

## Benchmark Companies in Sustainability Group

GRI  
4.13

GRI  
EC8

GRI  
4.16

GRI  
EC9

GRI  
4.17

GRI  
EN26

In 2008, CPFL Energia joined the Benchmark Companies in Sustainability Group, an Ethos Institute pilot project of eight companies from different business sectors.

Its aim is to identify the major critical variables for the sustainable development of each business and to share knowledge and learning on goals and sustainability management practices.

For CPFL Energia, the Ethics Management and Development System was the tool chosen for identifying critical variables and sharing and propagating knowledge.

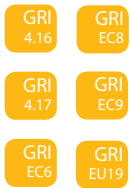
In addition to CPFL Energia, the pilot project also involves Alcoa, Grupo André Maggi, Itaú, Natura, Samarco, Whirlpool and Votorantim Papel e Celulose.





# Suppliers network

## promoting the exchange of know how for sustainable development



The Value Network was created in 2003 to act alongside the value chain. This is a forum of suppliers for the sharing of know-how and preparing a joint and collaborative agenda in favor of sustainable development. AMCE Negócios Sustentáveis provides assistance in running the forum.

In 2008, CPFL Energia held the VII Suppliers Convention, as well as eight local meetings at participating companies. At the IV Network Workshop in Curitiba, the Value Network was launched in Landis+Gyr, a supplier company which is already replicating the network among its own suppliers.



"Landis+Gyr's participation in the Value Network alongside CPFL Energia and its other suppliers opens up new possibilities in the client-supplier relationship model. It leads to constantly increased understanding that we all seek for building the best process management in the quest for sustainable development."

**Marisa Elisabete Amann Ferreira, Human Resources Coordinator, Landis+Gyr, CPFL Energia supplier and Value Network participant**



CPFL Value Network – Key Achievements		
Conventions and Dates	Objectives and Issues	Participant Numbers
1st Convention of CPFL Energia Suppliers, November 2002	To disseminate concepts of social responsibility and corporate sustainability and provoke discussion on the theme	40 companies
2nd Supplier Convention, October 2003	A formal invitation made by CPFL for its suppliers to adopt the performance indicators suggested by the Ethos Institute for Corporate Social Responsibility; and creation of a forum for dialog with monthly meetings (the embryo for the Value Network)	50 companies Five companies immediately agreed to the forum for dialog with monthly meetings. The 6th company joined in 2004
3rd Supplier Convention, June 2004	Focus on the difference between social and philanthropic actions and responsible management conduct	60 companies
4th Supplier Convention, June 2005	Discussion on the credibility of sustainability management in fiercely competitive environments	80 companies
1st Corporate Responsibility and Sustainability Workshop, held over 2 days in November 2005	To disseminate corporate responsibility practices. “Sustainability: what it is and how to address the issue in corporations”	Companies from the metropolitan region of Campinas and Jaguariúna
5th Supplier Convention, two days in August 2006	“How socially responsible actions affect a company’s sustainability”	90 companies
2nd Value Network Workshop, 12 days in June 2006	“Becoming simpler, fragmented and flexible without confronting sustainability issues: at what point does this lead to banality?”	Average 20 to 25 participants
3rd Value Network Workshop, 2 days in November 2006	“Social Networks”	Average 20 to 25 participants
4th Value Network Workshop, 2 days in July 2007	“Sustainable Education”	Average 20 to 25 participants
5th Value Network Workshop, 2 days in November 2007	“Communication and Sustainability”	Average 20 to 25 participants
6th Supplier Convention, October 2007	“The Code of Ethics and Value Network” and the Landis+Gyr case study	100 companies
I Value Network Chairmen’s Meeting, October 2007	Construction of a common agenda of sustainability practices	13 leaders of Value Network companies
6th Value Network Workshop, 2 days in April 2008	“Formation of Relationships” and I Meeting of Landis+Gyr Suppliers	55 participants
7th Supplier Convention, October 2008	“Purchases and Sustainability”	120 companies



# Dissemination of sustainability practices among small and medium-sized client companies

- GRI 4.16** In 2006, CPFL Energia was invited to become the electricity sector anchor company in the Tear Program, a partnership between the Ethos Institute, the InterAmerican Development Bank (BID) and the Multilateral Investment Fund (FUMIN).
- GRI 4.17**
- GRI EC6** The program aims to encourage and disseminate sustainability practices among small and medium-sized companies in the value chain of strategic sectors in the Brazilian economy (alcohol and sugar, construction, energy, mining, petroleum and gas, iron and steel, and retail).
- GRI EC8**
- GRI EC9** In 2008, the program consisted of:
- GRI EU19**
- Eight local meetings with CPFL Energia client companies and Program participants;
  - III Regional Seminar in São Paulo on the theme of corruption;
  - IV Regional Seminar at CPFL Energia head offices. The aim was to recognize the sustainability initiatives of small and medium-sized companies. About 200 people took part.



"Above all, the Tear Program was a source of encouragement for new activities and answered a number of doubts. I learned a lot with this Program and as a result, I have become more ethical, conscientious, responsible and discerning, both as a professional and as a human being, and much more aware of what goes on around me than before. In CPFL I have an excellent example to follow on the issue of sustainability, although I know that CPFL is always seeking more. I was impressed with its team's skills and abilities and, most of all, with the transparency in everything they do."

**Adilson Freires**  
**Participant of CPFL Energia Tear Program and**  
**Environmental Analyst at Agrocereis**



# Management excellence for charity hospitals served by CPFL Energia

- GRI 4.16** CPFL Energia has maintained a close relationship with the philanthropic hospitals in its area of activity for many years. From 1998 to 2004, it provided support to these institutions through several donations such as hospital equipment.
- GRI 4.17**
- GRI EC8** In 2005, CPFL Energia, winner of the National Quality Award, reviewed and altered its stance toward these charitable institutions. It substituted its assistentialist practices for the sharing of information, assistance with network formation and development of these institutions through contributions linked to the Company's strengths. From these principles, the CPFL Philanthropic Hospitals Modernization Program was born.
- GRI EC9**
- GRI SO1**
- GRI SO5**
- GRI EU19**
- The Program aims to improve hospital management techniques using criteria of excellence for quality management, and to improve the level of service offered to the population.



The first stage of the Program, the pilot stage, took place between 2005 and 2007 and was carried out with partners such as CEALAG (Santa Casas Study Center of São Paulo State), FEHOSP (Federation of Philanthropic Hospitals of state of São Paulo), the Health Secretariat of State of São Paulo, CQH (Commitment to Hospital Quality) and UNESP. It was implemented in 6 reference hospitals in the regions of Franca and Piracicaba (state of São Paulo) and benefited a total of 19 hospitals.

Results achieved were most encouraging:

- Assessment conducted from dozens of indicators based on excellence criteria in quality management (profile, strategies and plans, people management, knowledge management, relationship with society, relationship with clients, management by processes and results) showed that all hospitals receiving the Program increased their management standards;
- Audited benchmark hospitals significantly improved their management and were certified by CQH, the majority in the gold category;
- Courses and training offered had more than 9 thousand participants;
- All benchmark hospitals created Modernization and Quality Committees.

**As well as contributing to the implementation of a culture of management excellence, the Program encourages network creation, social mobilization and volunteer work, and installs energy efficiency schemes in participating institutions.**



>> Responsibility >> Community >> **Philanthropic Hospitals Modernization Program**

### **EXPANSION**

The success of the pilot project led to the rollout of the initiative to all philanthropic hospitals served by CPFL Energia in the state of São Paulo. To make the Program's expansion possible, the partners in the scheme - CEALAG, CQH, FEHOSP and CPFL Energia - benefited from the expertise of the National Quality Foundation (FNQ), whose contribution improved assessment and monitoring tools based on its Management Excellence Model (MEG). On the basis of MEG, the old assessment model was reviewed and improved and new process and result indicators were created.

This resulted in the creation of a methodology which will serve these regions from 2008 – 2011 in two phases of two years each:

■ **Phase I:** Araraquara, Araçatuba, Santos coastal area, Bauru, Ribeirão Preto and Sorocaba regions  
90 hospitals located in 75 municipalities  
147 cities benefited

■ **Phase II:** Barretos, Campinas, Marília, São José do Rio Preto and São José do Rio Pardo regions  
78 hospitals located in 52 municipalities  
124 cities benefited

During this period, managers and professionals of participating institutions will receive direct assistance from CEALAG and will be audited by CQH. Benchmark hospitals will act as multipliers of Program content to neighboring hospitals of smaller standing.

### **PROGRAM STRUCTURE**

■ **Areas of activity:**  
Modernization Committees;  
Implementation of methodology supplied by CEALAG consultants in participating hospitals;  
Use of self-assessment software tool provided by FNQ;  
Content dissemination to hospitals of smaller standing.

■ **Social mobilization:**  
Encouraging voluntary work in the hospitals.

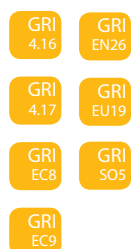
■ **Energy Efficiency:**  
Situation diagnosis and implementation of necessary works in the hospitals to increase process and equipment efficiency and reduce electricity use and institutional costs as a result.

**"The Franca Santa Casa was elected the second best Santa Casa in São Paulo state among general hospitals and high complexity hospitals. If today we are seen as one of the best hospitals in the state, this is principally the result of management work carried out by CPFL Energia's Modernization Program. We feel it has been so significant for our hospital that we have become a Program multiplier for other Santas Casas in our region."**

**José Cândido Chimionato**  
**CEO of the Santa Casa de Franca Hospital Complex -**  
**Hospital Central, Hospital do Coração and Hospital**  
**do Câncer**



## R\$ 2.5 million donated to CMDCA's in CPFL Energia's areas of activity



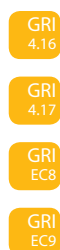
This Program uses revenue from tax breaks – as per Law 8069/1990, the Child and Adolescent Statute (ECA) – to support projects that benefit children and adolescents.

In 2008, the CPFL Energia Group donated about R\$ 2.5 million to social organizations in the service of children and adolescents. This benefited 226 projects in 126 municipalities in the distributors' and power plants' spheres of operation.

A microsite has been developed for this initiative, so as to increase the project's impact and make it easier to enroll and follow the organizations' activities. Go to [www.cpfl.com.br/cmdca](http://www.cpfl.com.br/cmdca)



## CPFL Volunteer Program



This Program was launched in 2004 and aims to encourage employee participation in CPFL Energia's voluntary activities, and maximize the effect of initiatives aimed at society.

The Volunteer Program also runs two large campaigns for donations every year. In all, since 2005 CPFL Energia has collected over 650 thousand winter clothes and 16 thousand toys in its campaigns and has benefited a range of institutions in the communities where the Company conducts its operations.

In 2008, the winter clothing campaign collected over 11 thousand items which were sent to various organizations.

In addition, one of CPFL Energia's corporate responsibility and sustainability planning **strategies is to align voluntary action with company-specific programs.** To this end, we set up a program whereby CPFL employee volunteers work in philanthropic hospitals is a part of the **CPFL Philanthropic Hospitals Modernization Program.**



## Stimulus and Recognition of Voluntary Work

GRI  
4.16

CPFL Energia, in conjunction with important media partners, has promoted a program to encourage and recognize voluntary work in its concession areas since 2000.

GRI  
4.17

An experienced group of judges assesses projects according to the following criteria: social, economic and environmental impacts, capacity for mobilization, commitment, innovation, replicability and alignment with the Millennium Goals.

GRI  
EC8

GRI  
EC9

The first award, the Citizen Award, is the result of a partnership between CPFL Paulista and Rede Anhanguera de Comunicação and recognizes initiatives in the Campinas region.

GRI  
EN26

In 2003, CPFL Piratininga and A Tribuna newspaper created the Community In Action Award for the Santos region (São Paulo state).

GRI  
EU19

The following year, CPFL Piratininga and the Ubaldino do Amaral Foundation (owner of the Cruzeiro do Sul newspaper) launched the Solidarity Town Award in the Sorocaba region (São Paulo state).

In 2007, RGE's partnership with the O Pioneiro newspaper of Caxias do Sul (Rio Grande do Sul state) launched the RGE O Pioneiro Newspaper Award. In 2008, the project was extended to the city of Passo Fundo in partnership with the Diário da Manhã newspaper.

As a result of the success of the Campinas Citizen Award, in 2008 CPFL Paulista and Rede Anhanguera de Comunicação launched the award in Ribeirão Preto.

During 2008, 106 social projects were published in the newspapers promoting the award. Of these, 15 were awarded and 16 received honorary mentions.

### CAMPINAS

23 social projects were published, of which four were awarded and two received honorary mentions.

### SANTOS

25 social projects were published, of which four were awarded.

### SOROCABA

18 social projects were published, of which three were awarded.

### RIBEIRÃO PRETO

18 social projects were published of which four were awarded and two received honorary mentions.

### PASSO FUNDO

10 social projects were selected and all were published.

### CAXIAS DO SUL

12 social projects were selected and all were published and certificates of participation awarded.





## RGE engagement in social projects

GRI  
4.16

Promoted by the Rio Grande do Sul State Justice and Development Secretariat, the Social Partnership Network brings together Rio Grande do Sul's main companies in social welfare projects.

GRI  
4.17

GRI  
EC8

In 2008 RGE was responsible for a portfolio of 22 organizations active in arranging adoption and sponsorship of children and adolescents in social risk situations.

GRI  
EC9

This project is backed by tax breaks under Rio Grande do Sul's Solidarity Law.

GRI  
EU19

## Collecting donations through electricity bills

GRI  
4.16

Electricity bills are used as a way of attracting customer donations for **Unicef campaigns**.

GRI  
4.17

In 2008, donations contributed to programs such as:

GRI  
EC8

■ Universal Rights of the Child

GRI  
EC9

■ Radio Professionals Training on Child and Adolescent Issues

■ Better Early Childhood

■ A Stronger Brazilian Family Kit

GRI  
EU19

## RGE issued 180 bills in Braille in 2008

GRI  
4.16

The electricity bill in Braille service is free and the first of its kind in the state of Rio Grande do Sul state. It offers visually impaired RGE customers the choice of receiving their electricity bill in Braille.

GRI  
4.17

In 2008, 180 electricity bills were issued in Braille.

GRI  
EC8

GRI  
EC9



>> Responsibility >> Community >> **Movie Tour (RodaCine)**

## RGE sponsors a program taking movies to cities without movie theaters



GRI  
4.16

This RGE project involves the transportation of a mobile unit with a projector, screen and sound system to municipalities in Rio Grande do Sul that generally have no movie theaters.

GRI  
4.17

GRI  
EC8

- Programming consists of Brazilian movies

GRI  
EC9

- Free sessions

- Open air sessions or held in gymnasiums, clubs and schools or other locations

- Movies selected according to the profile of each region

GRI  
EU19

Movie Tour is an initiative of the Rio Grande do Sul government through the State Cultural Secretariat and the IECINE (State Film Institute), and implemented by FUNDACINE (Rio Grande do Sul Film Foundation).

RGE began sponsoring the project in 2003 through the Culture Incentives Law (LIC). Since 2001, 360 municipalities have enjoyed the benefits of this program, with an audience of over 372 thousand.

>> Responsibility >> Community >> **Promotion of Gaúcho Culture and Traditions**

## RGE supports cultural projects in municipalities in its concession area

GRI  
4.16

This initiative supports major cultural projects in numerous municipalities in RGE's concession area.

GRI  
4.17

These events have the effect of:

GRI  
EC8

- Stimulating the local economy

GRI  
EC9

- Driving the development of culture and tourism

GRI  
EU19

In 2008, the following events received support: the Grape Festival in Caxias do Sul, Christmas Lights in Gramado and Christmas Dream in Canela.



>> Responsibility >> Community >> **Christmas Lights project**

## CPFL Santa Cruz sponsors Christmas light decorations in Piraju



This CPFL Santa Cruz project involves sponsorship of the Christmas decorations for the main church and the areas surrounding the main square in Piraju.

>> Responsibility >> Community >> **Encouraging local development**

## New employment and income generation opportunities in the CPFL Santa Cruz region

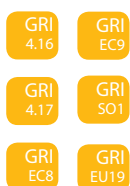


Through this initiative, new companies linked to the CPFL Energia Group are installed in the area of CPFL Santa Cruz's operation. This creates new employment and income creation opportunities in the region.

In 2008, companies installed in the area included the power line poles manufacturer Infor Piraju, the transformer refurbishment company, CPFL Serviços and the call center company, CPFL Atende.

>> Responsibility >> Community >> **CPFL Santa Cruz Volunteers Program**

## CPFL Santa Cruz focus on charitable institutions and low-income families



This CPFL Santa Cruz program encourages the company and its employees to donate items such as winter clothing and blankets.

In addition, the initiative includes participation in social solidarity fund activities in the numerous communities where the company operates.

In 2008, donations went to support organizations and needy families in the communities.



>> Responsibility >> Community >> **Kites Without Danger**

## Awareness campaigns on the dangers of flying kites near electricity installations

GRI  
4.16

GRI  
EC9

GRI  
4.17

GRI  
SO1

GRI  
EC8

GRI  
EU19

GRI  
EU24

CPFL Santa Cruz's campaign is run by Sesi Ourinhos in partnership with police departments and the Juvenile Court. Its objective is to provide guidance to children and adults on the dangers of flying kites near the electricity network and also to raise awareness on the use of kite line cutting substances.

>> Responsibility >> Community >> **Tree Week**

## Creating student awareness of the safe and efficient use of energy

GRI  
4.16

GRI  
EN6

GRI  
4.17

GRI  
EN7

GRI  
EC8

GRI  
SO1

GRI  
EC9

GRI  
EU7

GRI  
EN5

GRI  
EU19

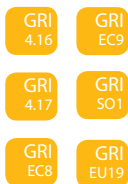
CPFL Santa Cruz promoted talks and a theater performance in partnership with a local Piraju radio station, as well as distributing primers on the environment and the safe and efficient use of electricity among public and private primary school students.

In 2008, these activities involved approximately two thousand children.





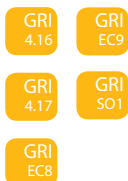
## Children's Theater teaches children about the rational use of electricity



This CPFL Leste Paulista, CPFL Sul Paulista and CPFL Mococa initiative supports public school cultural projects to communicate safe and efficient use of electricity, with a focus on citizenship and the spread of ethical and moral values.

Funding comes from tax breaks for fostering cultural activities under the Rouanet Law.

## Promoting the Fly Your Kite Safely campaign



CPFL Jaguari and CPFL Sul Paulista run the Fly Your Kite Safely campaign that aims to provide information on safe ways for flying kites that avoid accidents involving the electricity distribution network.

The program has led to a reduction in electricity-related accidents with kites.



# Integrated activity plan focused on six action areas

GRI  
4.9

Since 2007, the **Sustainability Committee** has been responsible for integrating CPFL Energia's diverse activities involving the environment, sustainability and corporate responsibility.

GRI  
4.10

GRI  
EC2

Through the Committee, representatives of numerous business areas present projects and their respective benefits in relation to the Company's strategic plan and its sustainability and corporate responsibility policies.

## 1

### Rational Consumption

- Education on rational use of resources
- Definition of goals for reduction in water and energy consumption
- Responsible disposal of waste

## 2

### Carbon Balance

- Diagnosis of greenhouse gas emissions
- Membership of initiatives to neutralize these emissions
- Formulation and implementation of Clean Development Mechanism projects (CDM)

## 3

### Reverse Chain

- Use of the 6 Sigma Program to combine efforts to implement socio-environmental improvements in the Reverse Chain with rational corporate consumption, focused on the socio-environmental profile of the production chain

## 4

### Biodiversity

- Urban Tree Planting Program to ensure appropriate coexistence of electricity networks alongside vegetation for improved environmental quality and the formation of ecological corridors
  - Use of wood of certified origin
- Native fauna and flora conservation programs

## 5

### Power Plant Sustainability

- More direct participation in the socio-environmental activities of the hydroelectric power plants, in Regional Development Funds and in the Acende Brasil Institute's Sustainable Energy Project.

## 6

### Energy for the Future

- Research & Development projects focused on energy generation from alternative sources
- Support for energy efficiency projects



# Commitment

## to sustainable environmental management

GRI  
ECB

The CPFL Energia Group and its subsidiaries conduct all their activities responsibly. The **Integrated Management System** (SGI) is

GRI  
EN14

instrumental in the identification and assessment of the impacts of the Company's activities (including environmental activities). This allows

GRI  
SO1

the Group companies' joint preventative actions to go beyond legal requirements, in line with the guidelines and standards of Environmental, Quality, Health and Safety and Social Responsibility Certifications.

CPFL Energia's environmental impact is managed from the planning stage, through implementation and operation, to final disposal of waste.

Part of SGI, the **Environmental Management System** consists of procedures for identifying and dealing with possible impacts of the Company's activities, covering both company and outsourced teams. These issues and risks are permanently monitored through environmental programs and actions.

Procedures may be updated as a result of new or altered legislation; incidents/accidents; changes to production processes; the incorporation of new equipment, new projects or changes to installations. Nevertheless, the Company's assets and processes are subject to annual evaluation on aspects such as delivery of materials, atmospheric emissions, effluent flow, waste and the social impact of activities.

Any risks detected are assessed for the likelihood and severity of their occurrence, and subsequent **action for prevention and control** defined. Every aspect of environmental impact must be identified, registered and treated.

Aware of the key role of the energy sector in the future of the world, CPFL Energia has invested increasingly in **sustainable innovation** in the areas of renewable sources, energy efficiency, community relations in areas of operation, SHP repowering, environmental impact reduction, among a range of other actions.

In order to grow and guarantee its **future**, the CPFL Energia Group seeks to make maximum use of energy consumed and minimize any socio-environmental impact, contributing to the sustainable development of its businesses and reduction in greenhouse gas emissions.



GRI  
EC8**Renewable Energy****Increasing the sources for constant growth**GRI  
EC9

In 2008, CPFL Energia strengthened its positioning on the **clean energy generation** front and made a number of important advances in the area of energy from renewable sources. All its initiatives share a common theme: to make projects ever more sustainable and identify new ways of fighting global warming.

GRI  
EN14GRI  
EN18GRI  
EN26

As a result, the Group sealed a partnership with Baldin Bioenergia and created **CPFL Bioenergia** as part of its strategy of boosting investment in biomass cogeneration. To this end R\$ 97.8 million were set aside for the construction of a thermoelectric plant fueled by sugarcane bagasse which should come on stream in April 2010. A third of the energy generated will be used for the plant's own processes and the remainder will be traded on the free market by CPFL Geração.

The energy generated by CPFL Energia is essentially hydraulic in origin. The Group's decisions and actions are subject to the needs of the Brazilian National Electricity System and as such energy generation is integrated and proportional to the composition of the Brazilian Energy Matrix.

GRI  
EN3**Brazilian Energy Matrix\***

Type	Plants	kW	%
Hydroelectric	768	77,523,275	69.85
Gas Thermoelectric	119	11,779,830	10.61
Petroleum Thermoelectric	779	4,910,949	4.42
Biomass Thermoelectric	320	4,778,155	4.30
Nuclear	2	2,007,000	1.81
Coal Thermoelectric	8	1,455,104	1.31
Wind Power	26	359,580	0.32
Imported	-	8,170,000	7.36
Total	2022	110,983,893	100.00

Source: ANEEL. \* Data as at January 28 2009.

In addition to biomass, other market niches are the subject of CPFL Energia research and development, such as wind power (with an increased research budget for 2009) and **electric vehicles** (cars and motorcycles).

In 2008, CPFL Energia signed an agreement with Unicamp (Campinas Federal University) to improve its electric vehicle technology. The Group has placed its faith in the increased penetration of this new means of transportation as a **clean alternative that is economical, efficient and non-polluting**.

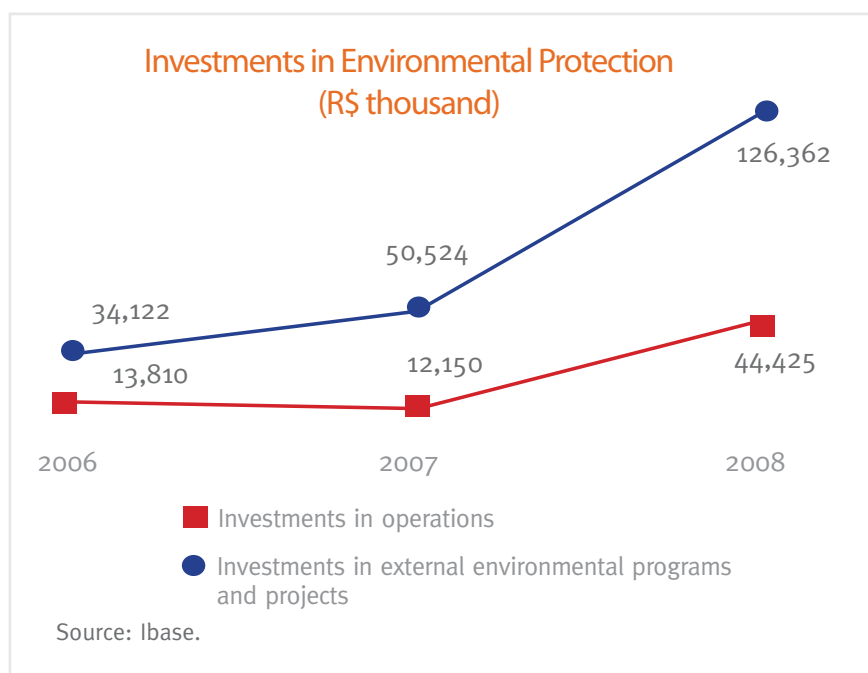


# Environmental investments

## totalled R\$ 171 million in 2008



In 2008, the CPFL Energia Group's investments in the environment totalled R\$ 171 million, of which R\$ 126 million in operations and R\$ 44 million in external environmental programs and projects.





# Constant monitoring of the risks and impact management

GRI  
1.2

The Environmental Management System (SGA) **controls all aspects of Group environmental activities.** It allows activities for eliminating or mitigating environmental impact to be conducted in a manner that is integrated with other management standards and optimizes training and verification processes.

GRI  
4.11GRI  
EU21

The System establishes procedures for identifying environmental issues and risks and dealing with the impacts of installations, processes and services executed by the Company's own teams as well as outsourced companies. Risk situations are identified so they can be assessed for likely environmental damage.

These situations are registered and dealt with in the following way:

- Description of risk situation;
- Sector(s) involved;
- Associated environmental issues;
- Equipment involved in a risk situation;
- Resulting environmental impacts.

Environmental risks are assessed according to likelihood and severity of occurrence, indicative of control actions to be taken:

Classification	Preventative Actions
Trivial	Training
Moderate	Training, Operating Control
Significant	Training, Operating Control, Action Plan for Emergency Situation
Critical	Training, Operating Control, Action Plan for Emergency Situation and Urgent Study for Risk Reduction

## Distribution

The provision of this service is essential to society with interruptions potentially bringing disruptions to the community. There are strict and efficient rules, standards and procedures for effective risk control, in some activities, defining execution on a step-by-step basis.

This control system is governed by the **Integrated Management System** (SGI) which is focused on process certification according to international norms and standards (ISO 9001, ISO 14001, OHSAS 18001 and SA 8000), in addition to CPFL Padrão.

GRI  
EU6GRI  
EU18GRI  
EU23

**CPFL Padrão** standardizes and systematizes all procedures and activities carried out by company electricians. It stresses conditions of safety and physical integrity in all maintenance work, permitting performance in improvements and increased autonomy of teams as all tasks are standardized.

It also allows ongoing dialog between teams in large-scale emergency situations in the electric system, which adds value - **all tasks being executed in the same way in all the Company's areas of activity.**

CPFL Padrão covers all company employees of CPFL Paulista, CPFL Piratininga and RGE Energia whose work directly involves the electricity network. At the distribution companies CPFL Santa Cruz, CPFL Leste Paulista, CPFL Sul Paulista and CPFL Mococa, CPFL Padrão is being implemented among company employees. Additionally, all employees, both company and outsourced, are trained in health and safety via Regulatory Standard 10 (NR10).

## Generation

CPFL Geração maintains **technical procedures for all its hydroelectric projects.** These guidelines include operating procedures for emergency situations involving the safeguarding of assets, protecting third parties downstream from its hydroelectric installations, and reducing the possibility of any environmental side effects both upstream and downstream from a dam.

Part of this process involves CPFL Energia managing impacts through a range of programs and actions aligned to the strategic planning process, from the supply chain materials used in operations to the projects in which it participates.



# Impact analysis

## and compensation initiatives

GRI  
EN11

Electricity distribution essentially uses public highways for the installation of its electrical infrastructure (poles) and does not interfere in biodiversity-rich habitats. Electricity transmission preferentially uses wayleaves, which impose restrictions on the use of land but do not remove it from the administration of its owner, whether private or public.

Among the areas in which the Company operates in São Paulo state, the Serra do Mar State Reserve has been declared an “area rich in biodiversity”. Of a total of 315 thousand hectares, the Cubatão core area accounts for 115 thousand hectares, encompassing fifteen municipalities in the São Paulo metropolitan region as well as part of the Santos coastal belt, the latter being part of CPFL Piratininga’s concession area.

Although some transmission lines cross the reserve – the Pedro Taques line (Cubatão to Praia Grande), the Praia Grande branch and the Baixada Santista to Capuava line – their environmental impact is of modest significance. A 2005 CPFL Piratininga study for the diagnosis of vegetation along the wayleaves of the transmission system showed that the area covered by wayleaves for these lines in the Reserve totals only 23.32 hectares.

There are further lines that cross areas of mangrove swamps in the Serra do Mar region, although outside the State Reserve area and with wayleaves taking up an additional 12.4 hectares.

The principal environmental impact of energy transmission and distribution is the clearance of vegetation. This is especially the case with the installation of new projects that impact areas of native vegetation.

Management and control take place through the Environmental Management System and involve establishing technical procedures which avoid and minimize possible impacts caused by the provision of the Company’s services.

CPFL Energia has identified possible changes to ecosystems resulting from the installation and operation of its assets:

- Removal of vegetation during the building or maintenance of assets, including tree pruning and when necessary, felling. These actions can affect fauna, flora and even soil conservation, depending on their severity;
- Use of forestry products – the main consumption of wood occurs in the purchase of products for the installation of cross arms.

Planning of transmission line routes prioritizes wayleaves that avoid crossing areas of native vegetation to minimize brush clearance.

The impacts of forest product use are minimized as certificates showing the origin of timber are demanded to prove that harvesting was performed in accordance with the Sustainable Forestry Stewardship Plan approved by the Federal Environmental Protection Agency (IBAMA).

GRI  
EN12

GRI  
EN14

GRI  
EN26



# CPFL Energia initiatives

## to manage and reduce environmental impacts

GRI  
EC8

### Urban Tree Planting Program

A series of interlinking activities with the principal goal of **producing seedlings suited to planting in the vicinity of electricity power lines** and other urban infrastructure for donation to all municipalities within the concession areas.

GRI  
EC9GRI  
EN14GRI  
EN26GRI  
EN29GRI  
EU19

### Objectives

- To reduce the need for pruning and interfering with trees;
- To guarantee electric energy distribution quality together with the benefits of good levels of tree coverage;
- Raising awareness and education levels on the importance of this issue.

Seedlings are used to encourage urban tree planting programs in partnership with local government, NGOs and neighborhood associations.

To meet Urban Tree Planting Program objectives for improving the urban environment, CPFL Energia runs two nurseries in the municipalities of Pedreira and São Joaquim da Barra (state of São Paulo) with a production capacity of 135,000 seedlings/year. In 2009, a third nursery will be inaugurated in the municipality of Macatuba with a production capacity of 180,000 seedlings/year.

The environmental management effected by CPFL Energia in its whole concession area through the Urban Tree Planting Program has been certified since 2003 within the scope of Coexistence of the Urban Distribution Network with the Environment. In March 2008, the Company obtained **recertification of the Environmental Management System, now in version 2004 of the ISO 14001 standard.**

In 2008, CPFL Paulista attended the needs of 24% of the municipalities in its operating area through the Urban Tree Planting Program and donated 81.4 thousand seedlings, and CPFL Piratininga, 26%, donating 8.3 thousand seedlings. During the year, the distributors CPFL Sul Paulista and CPFL Jaguari joined the Program and met 11% of the needs of the municipalities in their operating areas and donating over 1,000 seedlings.

### Municipalities Served by the Urban Tree Planting Program (%)

Year	CPFL Paulista	CPFL Piratininga	CPFL Jaguariúna*
2008	24	26	11
2007	18	30	-
2006	14	18	-
2005	18	26	-
2004	9	15	-
2003	20	26	-

\* Includes CPFL Jaguari and CPFL Sul Paulista  
Note RGE does not donate seedlings for urban tree planting but donates rare tree seedlings appropriate for planting in rural areas in its campaigns for rare hardwood tree and Paraná Pine (Araucárias) reforestation.

### Number of Seedlings Donated For Urban Tree Planting\*

Year	CPFL Paulista	CPFL Piratininga	CPFL Jaguariúna*
2008	81,410	8,300	1,070
2007	71,577	9,300	-
2006	75,450	6,240	-
2005	110,574	12,200	-
2004	40,909	5,716	-
2003	63,646	28,660	-

\* Includes CPFL Jaguari and CPFL Sul Paulista  
N.B. RGE does not donate seedlings for urban tree planting but donates rare tree seedlings appropriate for planting in rural areas in its campaigns for rare hardwood trees and Paraná Pine (Araucárias) reforestation. CPFL Jaguariúna also does not donate seedlings for urban tree planting.



GRI  
EC8GRI  
EN14

## Gasifier

GRI  
EC9GRI  
EN26GRI  
EU8

Designed by CPFL Paulista and CPFL Piratininga under an R&D project, the objective is to generate electricity from waste from innumerable forms of biomass.

GRI  
EC8GRI  
EN14

## Green Transformer®

GRI  
EC9GRI  
EN26GRI  
EU8

In 2008, CPFL Piratininga purchased a further 250 units of the Green Transformer® for use in its distribution system. This technology was developed for installing transformers that are environmentally less damaging and have a longer working life.

GRI  
EC8GRI  
EN26

## Environment Week

GRI  
EC9

To commemorate Environment Week, CPFL Energia partners with educators and specialist professionals a program of lectures and children's activities during which significant issues are discussed, such as:

- Global warming
- Rational consumption
- Recycling
- Reuse of materials
- Rational use of natural resources
- Environmental preservation.

In 2008 a lecture entitled "The growth of electricity generation using alternative energy sources and their contribution to sustainability" was presented by specialists from CEPEL, Drs. Hamilton Moss and Antonio Leite de Sá, as well as environmental education workshops for children.

GRI  
EC8GRI  
EN26

## ISO 14.001 Certification

GRI  
EC9

RGE maintained its certification for the electricity distribution system networks and widened its scope for energy subtransmission, now having 16 substations and 14 transmission lines certified.

GRI  
EC8GRI  
EN26

## Program to Adapt Areas for Transformer Storage

GRI  
EC9

The Program's objective is to prevent problems related to oil leakages from company equipment. During refurbishment, impermeable concrete flooring is laid for storing transformers. The floor is coupled to water and oil separation chambers which retain any oil leaks and release rain water. In 2008, refurbishment was carried out at 12 storage locations at a cost of R\$ 300 thousand.

GRI  
EC8GRI  
EN14GRI  
EC9GRI  
EN26

## Wood of certified origin

CPFL Energia endeavors to preserve natural resources and prevent its activities from causing environmental damage by ensuring that all wood used in the construction of energy distribution equipment, such as cross arms, comes from sustainable sources. As a result, the Group demands that all its registered suppliers present the following documentation (within their period of validity and for the entire production chain):

- Authorization for Implementing a Sustainable Forest Stewardship Plan (PMFS) issued by IBAMA (the Federal Government Environmental Agency)
- Wood Purchase Contract
- Enrollment Certificate in Potentially Polluting Activities Register

GRI  
EC8GRI  
EN14GRI  
EC9GRI  
EN26

## Water Body Margins Forest Restoration

In partnership with other organizations, RGE has donated material for constructing isolation fences, project signage and producing seedlings for planting on river banks, for the environmental restoration of 924,000 m2 of degraded areas. This project has been in place since 2006 and a total of 3,214,000 m2 has already been restored. In 2008, 800,300 m2 along river banks was restored.

GRI  
EC8GRI  
EN26GRI  
EC9

## RGE Substation Works Program

Construction of systems consisting of special concrete boxes to hold oil in the event of accidental spillage in substations. In 2008, works were carried out at three substations, at a total investment of R\$ 135 thousand.



# Impact analysis and compensation initiatives

GRI  
EC9

The principal impact on biodiversity from the generation projects in which CPFL Energia is a partner is the damming of water courses and flooding of areas necessary for the formation of reservoirs.

GRI  
EN11GRI  
EN12

These projects may alter a region's physical, biological and socio-economic environment. However, these impacts are duly mitigated and/or compensated in the conditions for the issue of the environmental license.

GRI  
EN14GRI  
EN16

The impacts resulting from the construction and operation of hydroelectric plants are generally in proportion to the scale of the undertaking:

- For Small Hydro Plants (SHPs), flooding is relatively small and the impact on local biodiversity is generally insignificant.
- For large-scale projects, the flooding of forest areas for reservoir formation can lead to the removal of whole habitats, with an impact on the diversity

of the region's fauna and flora. All undertakings however, are, by law, assessed by the relevant environmental agencies.

Generation projects which harness hydraulic power by their nature, are installed in permanent preservation areas (APPs) which, not, however, affecting Conservation Units, be they federal, state or municipal.

The installation and operation of plants which interfere in habitats rich in biodiversity adhere to the applicable legal requirements. Their respective environmental initiatives are designed to mitigate and sufficiently offset any adverse environmental impacts.

These environmental actions, grouped in programs, are consolidated into the Basic Environmental Project for each undertaking. The environmental protection agencies monitor implementation of the Projects during the licensing process.

## Areas of primary or secondary vegetation affected by the flooding of land for reservoirs - 2008

	Barra Grande HPP	Campos Novos HPP	Monte Claro HPP	14 de Julho HPP	Castro Alves HPP	Foz do Chapecó HPP	Serra da Mesa HPP
Total Land Area (ha)	12,577.4	5,051.2	417.3	950.8	1,034.4	8,606.2	175,507.0
Flooded area (ha)	8,138.5	2,556.5	72.4	281.5	311.1	4,660.4	175,476.3
Area with primary vegetation (ha)	2,077.5	-	-	-	-	-	ND
Area with secondary vegetation in medium and advanced stages of regeneration (ha)	4,573.9	989.0	12.7	66.0	216.4	1,457.4	ND
Area of permanent preservation (ha)	4,235.8	2,067.3	258.6	563.1	643.5	3,408.8	ND
Constructed Area (ha)	18.0	15.0	3.6	3.3	3.4	24.8	30.7
Constructed Area/Total Area (%)	0.14	0.30	0.86	0.35	0.33	0.29	0.02
Installed Capacity (MW)	690.0	880.0	130.0	100.0	130.0	855.0	1,275.0
Installed Capacity/ Reservoir Area (MW/km <sup>2</sup> )	8.5	34.4	179.6	35.5	41.8	18.3	0.7

ND – Not Available



**GRI EU20** In situations where projects affect the **population living in the area around work in progress**, impact mitigation and reduction procedures include resettlement. In these cases the objective will always be to provide socio-cultural and economic conditions better than existing ones.

**GRI EU22**

**GRI SO1**

The options for compensating these groups include indemnification, Credit Notes and Collective Rural Resettlement. Credit Notes and Resettlement are also used as instruments with non-owners who can be resettled as lessees, owners of half shares or rural partners.

In compensating groups affected by plants in which CPFL Energia has a share, Enercan indemnified 69 inhabitants per km<sup>2</sup>, with total negotiations covering 362 properties and 759 families. At Baesa, 1,520 families were resettled, of which 959 received cash indemnities and 561 were resettled.

To install the Foz do Chapecó Energia construction site, the Company paid 62 cash indemnities, issued 36 Credit Notes, one case involving relocation to a Collective Rural Resettlement and 3 indemnities paid into court escrow deposits as a result of legal action taken by property owners against the Company. Foz do Chapecó Energia also paid indemnities to 51 landowners involving crops and provided social assistance equal to between 1.5 and 2.5 minimum salaries over six months to families that did not qualify for the benefits offered.

In Monte Claro HPP's concession area, Ceran purchased 75 properties and relocated six families. The construction of Castro Alves HPP involved the purchase of 161 properties with no families requiring relocation. At 14 de Julho HPP, 453 properties were purchased and 32 families relocated.

CPFL Energia conducts various initiatives focused on biodiversity in a effort to reduce the impact of its activities. In particular, it runs programs which monitor and conserve fauna and flora, reforest reservoir banks and invests resources in setting up Conservation Units.

**GRI EN12**

**GRI EN15**

Species Threatened With Extinction*		
Project	Fauna	Flora
UHE Campos Novos	7 mammals (IBAMA list) 12 birds (1 IBAMA*; 11 IUCN**)	2 species (2 families)
UHE Barra Grande	13 mammals (9 families) 1 amphibian (1 family) 2 reptiles (1 family) 15 birds (9 families)	1 species (1 family)
Ceran ***	9 mammals (7 families) 3 birds (3 families)	15 species (8 families)
Foz do Chapecó	There is no data for the reservoir. No threatened species or at risk of extinction were identified at the construction site.	
*Official List of Brazilian Species Threatened with Extinction (IBAMA, 2003).		
** IUCN 2007. 2007 IUCN Red List of Threatened Species. <www.iucnredlist.org>. Downloaded on March 26 2008.		
*** List of species threatened with extinction in the state of Rio Grande do Sul (www.sema.rs.gov.br)		

CPFL Energia contributes technically and financially to the conservation and preservation of Brazilian species of flora and fauna threatened with extinction through:

■ The Ceran seedling nursery, part of the Araucária State Program, where Paraná Pine (*Araucária angustifolia* – a threatened species) seedlings are produced. Studies are also being conducted on the distribution and reproductive pattern of three endemic species of flora: *Callisthene inundata*, *Lafoensia nummularifolia* and *Dickia* sp.

■ Also at Ceran, the Fauna Monitoring Program studies the distribution and natural occurrence of the bird species *Serpophaga nigriceps* (Sooty Tyrannulet).

■ In line with HPP Barra Grande's operating license conditions, the Reophyte (*Dyckia distachya*) Relocation and Monitoring Program is underway in association with EMBRAPA/CENARGEN, with areas selected for the relocation and classification of rescued species.



# CPFL Energia initiatives

## to manage and reduce environmental impacts

GRI  
EC8

### Fish Conservation Program

CPFL Energia's actions for maintaining biodiversity go beyond the legal environmental requirements. This Program aims to protect and preserve the fish population in the hydrographic basins where the small hydro plants (SHPs) are located. The Company takes the following initiatives:

GRI  
EC9GRI  
EN14GRI  
EN26

### Restocking of rivers and reservoirs

Rivers and reservoirs are restocked with native fish spawn from a fish farming station located at the Jaguarí plant in Pedreira municipality (state of São Paulo). The aim is to produce 350,000 spawn per year.

In 2008, the Program released fish spawn into the rivers and reservoirs of the hydrographic basins where the Company operates. A total of 270,000 curimatá fish spawn were released.

### Maintenance of fish migration mechanisms

At some of its plants, CPFL has installed fish-ways in the form of ladders, the objective in these cases being to keep these structures in perfect condition for adequate operation.

These "ladders" are structures that connect the downstream water level with that of the reservoir. The ladders are formed of a succession of interconnected tanks which make the water flow down in a series of small falls. The fish are able to jump these to reach the reservoir and thus overcome the obstacle posed by a dam.

Gavião Peixoto SHP has installed a state of the art fish-way to ensure functionality and harmony with the environment (part of the system has been excavated from the rock to simulate the natural environment).

### Water Body Margin Reforestation

One of the most important functions of water body margin reforestation programs is to provide nutritional support to the fish population of rivers and reservoirs. With this in mind, the objective of this Program is to carry out and maintain

reforestation projects in the land surrounding power plant reservoirs and their tributaries using flora native to the region, and fruit bearing trees in particular.

### Reforestation Programs

In line with environmental legislation, CPFL Energia ensures its activities are duly licensed, covering:

- New generating projects
- Energy transmission and distribution
- SHP repowering
- Reservoir dredging
- Authorizations for brush clearance and creating fire breaks under transmission lines
- Energy distribution in previously installed areas

All authorizations for cutting native flora and for crossing Areas of Permanent Preservation (APPs) are issued regularly by environmental agencies and require a commitment on the part of CPFL Energia to execute environmental restoration work (reforestation).

In addition to environmental compensation for interference with vegetation, reforestation programs are generally directed toward areas that interlink natural forest habitats to encourage gene flow among native flora and fauna.

CPFL Energia has implemented and maintains native species reforestation projects in the municipalities of Jaboticabal, Guará, Campinas, Americana and São Carlos, with a total of almost 110,000 seedlings planted. These reforestation projects reached environmental sustainability in 2005 following the assessment and approval of the State Natural Resources Protection Department (DEPRN). The Company also runs two reforestation projects in the municipalities of Santos and Cubatão, native areas of thick rain forest and coastal woodlands, respectively.

In 2008, reforestation was undertaken in the areas surrounding the Chibarro and Capão Preto plants in compliance with license commitments. Over 6,700 seedlings were also planted in an area of 4 hectares surrounding the Americana HPP reservoir.





## Environmental Education Program



Thousands of students of different ages visit CPFL Geração plants. During these visits, a range of environmental issues are covered, particularly those related to the conservation of water resources and hydraulic power generation. In 2008, 1,902 students from nearby schools visited CPFL Geração units.



At the Americana plant, CPFL Geração sponsors the Voluntary Environmental Agent and Sailing the Waters of Knowledge projects of the School Ship of Nature Association. These projects aim to increase awareness among users of the plant's reservoir on the need for environmental care in the surrounding area.



A further activity seeks to raise public awareness through sponsorship of the School Ship of Nature Association projects and by receiving visits from students at the power plants.

## School Ship Project

CPFL Geração is a partner of the School Ship of Nature Association on two projects: Sailing the Waters of Knowledge for young children, and Environmental Volunteers aimed at raising adult awareness of problems in water resources in the Piracicaba River basin and initiatives for environmental recuperation.

In 2008, over 48,000 people took part in School Ship of Nature Project events sponsored by CPFL Geração, of which 12,197 participated in the Sailing the Waters of Knowledge project and 35,357 in Environmental Volunteers.

Visitors to Environmental Education Programs							
	2008	2007	2006	2005	2004	2003	2002
Installations	1,902	1,386	2,359	3,409	5,248	6,302	6,316
School Ship	48,054	13,204	12,980	14,013	9,714	8,244	5,734
Total	49,956	15,976	15,339	17,422	14,962	14,546	12,050



## Aquatic Plant Monitoring Program



In 2008, CPFL Geração removed 27,860 m<sup>3</sup> of aquatic plants (equivalent to 44.2 ha) from the Americana HPP reservoir. Since 2004, 131,269 m<sup>3</sup> have been removed, equal to 208.3 ha. of aquatic plants in the reservoir.



# Strenuous efforts

## to reduce greenhouse gas emissions



CPFL Energia Group companies develop projects which contribute to reductions in greenhouse gas emissions. These projects generate Carbon Emission Reduction Certificates (CERs) which can be traded under the Kyoto Protocol.

Through the **SHP** Repowering Program, which increases installed generating capacity without increasing flooded area, CPFL Energia was able to run a CDM project and trade CERs. In 2008, **37,583 CERs** were traded relating to the period 2003 – 2007, with associated gross invoiced sales of **507 thousand Euros**. The estimated reduction in emissions for these projects is 120 thousand metric tons of greenhouse gases between 2003 and 2012.

The **Ceran Complex** plants were responsible for the world's first sale of CERs from a run-of-the-river hydroelectric power plant. In the deal, **254 thousand CERs** were sold, the result of generation of electricity from Monte Claro HPP in the period 2005 – 2007, with gross invoiced sales of **3.7 million Euros**.



# Disseminating good practices and knowledge for hydroelectric generation

GRI  
EC8

GRI  
EN26

GRI  
EC9

GRI  
SO5

GRI  
EN14

As part of the environmental management process, **CPFL Geração is a member of the International Hydropower Association NGO**, which was formed in 1995 with the backing of the United Nations Educational, Scientific and Cultural Organization (UNESCO). It aims to promote and disseminate good practices and knowledge for hydroelectric power generation.

The association includes 80 companies, including Brazil's leading electricity generating companies.

**Through association, CPFL Geração widens the scope of its sustainability practices.**



# Indicators are benchmarks for planning future actions



CPFL Energia continually registers and monitors its companies' **consumption of electricity, fuel and water.**



These indicators are analyzed and serve as a basis for planning future actions, such as improvements in the illumination of administrative buildings and the installation of automatic faucets in restrooms.



In 2008, total energy consumption rose 12.5% compared to the previous year to reach 119,001 GJ.

Energy Consumption					
Energy (GJ*)	2004	2005	2006	2007	2008
<b>CPFL Energia</b>	<b>92,465</b>	<b>95,386</b>	<b>97,618</b>	<b>105,806</b>	<b>119,001</b>
CPFL Paulista	66,792	66,927	69,764	72,950	74,151
CPFL Piratininga	13,704	14,380	14,270	13,453	18,736
CPFL Geração	7,018	7,722	6,655	6,841	7,026
RGE	4,951	6,357	6,929	8,003	10,465
CPFL Santa Cruz	ND	6,092	4,142	4,158	3,914
CPFL Jaguariúna**	ND	358	369	401	4,709

\* Energy consumption in KWh has been converted to GJ (109 J) multiplying by 0.0036. ND – Not available.  
 \*\* Includes CPFL Jaguari, CPFL Leste Paulista, CPFL Sul Paulista and CPFL Mococa



CPFL Energia's **water consumption** reflects the requirements of the Group's day-to-day administrative activities being exclusively to supply the basic needs of employees, for cleaning and for air conditioning.



In 2008, total water consumed was 146 thousand m<sup>3</sup>, of which 133 thousand m<sup>3</sup> came from the public utility network and 13 thousand m<sup>3</sup> from wells an overall **reduction of 19,7%** compared to 2007.



**The CPFL Energia Group underlined its respect for the environment by reducing average water consumption by 1,440 m<sup>3</sup> in 2008. This represents a cost saving of R\$ 35 thousand for the year.**



CPFL Energia total water consumption (m3/year) - by source			
Year	Public Utility Supply	Wells	Total
	(m3/year)	(m3/year)	(m3/year)
2008*	133,802	13,195	146,997
2007*	157,895	18,062	175,957
2006**	173,541	0	173,541
2005***	134,025	19,430	153,455
2004****	107,668	40,623	148,291

\* Includes CPFL Brasil, CPFL Geração, CPFL Paulista, CPFL Piratininga, RGE, CPFL Santa Cruz, CPFL Jaguariúna and CPFL Energia. \*\* Consumption for CPFL Paulista, CPFL Piratininga and RGE \*\*\* Consumption for CPFL Paulista, CPFL Piratininga and CPFL Geração \*\*\*\* Consumption for CPFL Paulista and CPFL Piratininga

The reduction was driven by the conclusion of works on a system for capture and use of rainwater at the Group's head office in Campinas in 2008. This allowed **rainwater to be used for all purposes where drinking water is not required**, namely the watering of gardens and the cleaning of yard areas.

The system at CPFL Energia's head office possesses an area of 3,440 m<sup>2</sup> - the roof tops of two buildings and the Systems Operations Center (COS) lake. Water is filtered and stored in a 196,900 liter tank.

GRI  
EN21

There is no significant generation of effluent for disposal. The Company's domestic waste water is delivered for treatment at the sewage systems of the corresponding municipalities. At sites where there is no municipal sewage system, septic tanks are installed for the collection of effluent.

GRI  
EN9

**Fuel consumption** as a result of the CPFL Energia Group companies' activities is also monitored and analyzed. Impacts are assessed continually in an attempt to mitigate the effect on the environment.

GRI  
EN10

Annual Fuel Consumption - CPFL Energia - GJ				
Year	Gasoline	Diesel	Ethanol	Total
2008	86,339.4	139,598.4	15,963.4	241,901.2
2007	82,505.1	112,741.3	11,429.8	206,676.2
2006	81,860.2	105,884.5	8,535.5	196,280.2
2005	54,416.0	105,884.5	5,835.6	166,136.1
2004	55,952.6	85,492.6	6,256.8	147,702.0
2003	52,514.5	80,409.5	8,229.7	141,153.7

Base: 1 cal = 4.1868 J  
Source: Brazilian National Energy Report 2008.

In 2008, consumption of fuel from renewable sources accounted for 10.17% of total consumption.



# Actions are indicative of CPFL Energia's engagement in combating global warming

GRI  
EC8

CPFL undertakes diagnoses of greenhouses gases resulting from its secondary activities at its Campinas headquarters. The goal is to evaluate emission levels from company activities and **seek alternatives in order to minimize and offset these impacts.**

GRI  
EN16GRI  
EN17GRI  
EN18GRI  
EN19GRI  
EN29

Since 2007, the Company has been preparing an inventory of its direct and indirect greenhouse gas emissions from its administrative headquarters, and in its activities of local management and electricity transmission and distribution support services at two Advanced Stations (EAs) of different sizes: EA1 (Campinas Center) and EA2 (Sumaré).

This diagnosis of emissions identified activities that indirectly contribute to the increase in emissions. Examples of these activities are:

- Employee business travel;
- Transportation of products in vehicles not owned by the company;
- Outsourcing of central activities and elimination/ waste management activities outside the scope of the inventory.

Gas emissions which damage the ozone layer - the result of the Company's activities at its Campinas headquarters - totaled 452 kg.

## CPFL Energia tonCO2 Emissions - 2008\*

Head Office - CPFL Energia	2007
Direct Emissions	2,334.34
Total Diesel Consumption for Generators	4.05
Own vehicle fleet	973.09
Third party vehicle fleets	538.93
Cooling gases	782.57
LPG	35.7
Indirect Emissions	6,122.93
Air Travel	610.14
Cultural Center Air Travel	15.77
Air Freight	93.5
Taxi	92.48
Employee Travel (CPFL-Headquarters)	4,374.33
Travel to and from Cultural Center	261.96
Solid Waste	368.33
Refund on kilometers travelled	143.08
Chartered buses	163.34
Indirect Emissions – Energy Consumption	1,155.01
Total Emissions	9,612.28
2. Emissions from E.A. 1 Campinas (tCO2)	2007
Direct Emissions	213.09
Indirect Emissions	55.98
Indirect Emissions - Energy Consumption	5.83
Total Emissions	274.9
3. Emissions from E.A. 2 Sumaré (tCO2)	2007
Direct Emissions	118.79
Indirect Emissions	
Indirect Emissions - Energy Consumption	4.29
Total Emissions	123.08
General Total	10,010.26

\* 2007 inventory conducted during 2008





In its fleet management procedures, CPFL Energia operates a strict **preventive maintenance** plan for all **vehicles and transportation equipment**. It ensures the whole fleet is kept in proper working order and protects the environment.

The process includes a six-monthly control system for particulate emissions (black smoke) for the whole diesel fleet. A ratified testing company is responsible for issuing the reports.

For **outsourced transportation companies**, CPFL Energia has established **environmental guidelines** (Procedure 5656), which require a vehicle maintenance plan covering the following items:

- Measurement of black smoke for diesel-powered vehicles in line with the requirements of existing legislation;
- Checking mufflers for possible leaks and holes which may cause increased noise levels (obligatory for all vehicles);
- Maintenance plan for vehicles equipped with hydraulic equipment, and verification of hydraulic hose pipes.

Emissions generated through the use of fuel - CPFL Energia – ton CO <sub>2</sub>				
Year	Gasoline	Diesel	Ethanol	Total
2008	5,621.70	10,489.30	1,178.20	17,289.2
2007	5,372.0	8,471.3	843.6	14,686.9
2006	5,330.0	7,956.1	630	13,916.1
2005	3,543.1	7,956.1	430.7	11,929.9
2004	3,643.2	6,423.8	461.8	10,528.8
2003	3,419.3	6,041.9	607.4	10,068.6
Basis for calculation (CETESB): 1 liter diesel oil = 2.669 kg CO <sub>2</sub> 1 liter gasoline = 2.098 kg CO <sub>2</sub> 1 liter ethanol = 1.575 kg CO <sub>2</sub>				



# A commitment to sustainable waste handling

GRI  
EN22

## Waste Management Program

CPFL Energia Group companies' waste management is designed to prevent the pollution of ecosystems. Disposal only occurs at units licensed by the relevant environmental protection agencies and subject to the issue of a final disposal certificate.

GRI  
EN26GRI  
EN29

The main types of waste resulting from the Group's different operating processes are identified and classified.

For each type of waste, standards have been established for storage, transportation and the best method for disposal according to the legislation in force.

The main processes analyzed in this program are:

## Storage and disposal of waste contaminated with insulating oil

CPFL has an operating license for its hazardous waste depot, where both waste contaminated with oil and equipment containing PCB are stored and centralized prior to final disposal. This reduces operating costs.

Disposal of Equipment Containing Polychlorinated Biphenyls (PCB)					
Material	2004	2005	2006	2007	2008
Capacitors with PCB oil (t)	-	10.95	-	-	-

Note: At RGE, the last batch of equipment containing PCB was sent for incineration in 2002.

## Selected Waste Collection

A program for separation, storage and disposal of recyclable waste. It operates through an agreement between CPFL Energia, Campinas City Government and the Dom Bosco Cooperative of ex-garbage scavengers, and is organized with the help of the City Government together with the support of companies from the region.

The Program has been instrumental in increasing the incomes of cooperative members. Other company units are gradually implementing selective collection programs.

In 2008, about 80 metric tons of recyclable material was delivered to the Dom Bosco Cooperative.



## Storage and disposal of public illumination bulbs

CPFL Energia's spent sodium-vapor and mercury-vapor public illumination bulbs are collected at each regional head office and sent for decontamination and recycling of component materials (mercury, aluminum and glass) by an IBAMA-licensed company. This process reduces the risk of landfill contamination and avoids the use of additional natural resources (see table on the following page).

Storage and Disposal of Scrap (*)			
CPFL Energia			
Year	Bulbs Disposed	Bulbs Substituted	% Decontaminated / Substituted
2008	100,795	193,401	59.97
2007	120,000	124,208	96.61
2006	158,054	181,428	87.12
2005	150,825	178,801	84.35
2004	147,270	186,897	78.8
2003	108,993	188,319	57.88
CPFL Paulista			
Year	Bulbs Disposed	Bulbs Substituted	% Decontaminated / Substituted
2008	100,795	149,957	77.34
2007	92,307	93,782	98.43
2006	128,548	146,805	87.56
2005	122,513	136,556	89.72
2004	133,600	131,505	101.59
2003	91,857	141,771	64.79
CPFL Piratininga			
Year	Bulbs Disposed	Bulbs Substituted	% Decontaminated / Substituted
2008	0,000	43,444	0*
2007	27,693	30,426	91.02
2006	29,506	34,623	85.22
2005	28,312	42,245	67.02
2004	13,670	55,392	24.68
2003	17,136	46,548	36.81
RGE**			
Year	Bulbs Disposed	Bulbs Substituted	% Decontaminated / Substituted
2008	NA	NA	NA
2007	NA	NA	NA
2006	NA	NA	NA
2005	NA	NA	NA
2004	NA	NA	NA
2003	NA	NA	NA
CPFL Santa Cruz			
Year	Bulbs Disposed	Bulbs Substituted	% Decontaminated / Substituted
2008	11,435	-	-
2007	0	46,933	-
2006	5,300	11,119	48%
2005	14,550	14,385	101%
2004	5,250	22,498	23%
2003	4,099	18,354	22%
CPFL Jaguaruina**			
Year	Bulbs Disposed	Bulbs Substituted	% Decontaminated / Substituted
2008	NA	NA	NA
2007	NA	NA	NA
2006	NA	NA	NA
2005	NA	NA	NA
2004	NA	NA	NA
2003	NA	NA	NA

\* Cadri was approved in February 2009.

\*\* No illumination bulb substitution executed by RGE and CPFL Jaguaruina, this being undertaken by local government.

NA – Not applicable



## Substitution, storage and disposal of equipment containing PCB (Polychlorinated Biphenyls)

GRI  
EN1

Total of equipment containing PCB (Polychlorinated Biphenyls)							
Year	CPFL Paulista			Year	CPFL Piratininga		
	Total equipment	Equipment with PCB	%		Total equipment	Equipment with PCB	%
	(un)	(un)			(un)	(un)	
2008	131,783	710	0.54	2008	39,898	366	0.92
2007	126,504	804	0.64	2007	38,959	658	1.69
2006	118,700	882	0.74	2006	39,224	793	20.2
2005	114,848	915	0.76	2005	38,367	793	2.05
2004	111,186	1,090	0.82	2004	39,224	844	2.22
	Total volume of oil	Volume of PCB	%		Total volume of oil	Volume of PCB	%
	(liters)	(liters)			(liters)	(liters)	
2008	19,840,185	5,368	0.03	2008	6,896,341	2,196	0.032
2007	19,215,286	6,120	0.032	2007	6,802,222	3,948	0.06
2006	18,769,575	6,588	0.4	2006	6,598,493	4,758	0.7
2005	18,428,742	6,588	0.4	2005	6,446,221	4,758	0.7
2004	18,106,311	6,786	0.4	2004	6,346,481	5,064	0.8
Year	CPFL Jaguariúna**			Year	CPFL Santa Cruz		
	Total equipment	Equipment with PCB	%		Total equipment	Equipment with PCB	%
	(un)	(un)			(un)	(un)	
2008	77	13	16.88	2008	0	0	0%
2007	78	13	16.67	2007	8,540	0	0%
2006	ND	ND	ND	2006	8,181	0	0%
2005	ND	ND	ND	2005	6,737	80	1%
2004	ND	ND	ND	2004	6,305	80	1%
	Total volume of oil	Volume of PCB	%		Total volume of oil	Volume of PCB	%
	(liters)	(liters)			(liters)	(liters)	
2008	356,518	23,416	6.57	2008	0	0	0%
2007	350,857	26,996	7.7	2007	1,217,231	0	0%
2006	ND	ND	ND	2006	1,198,913	0	0%
2005	ND	ND	ND	2005	1,111,773	480	0%
2004	ND	ND	ND	2004	1,094,838	480	0%

\*RGE does not operate equipment containing PCB

\*\* Includes the distributors CPFL Jaguari, CPFL Leste Paulista, CPFL Sul Paulista and CPFL Mococa.

ND – Not available.

GRI  
EN2

## Storage and Disposal of Scrap – Reverse Chain

GRI  
EN22GRI  
EN26

This involves the sorting of material removed from the distribution network or transmission lines. The materials are part recycled, which reduces costs and consumption of natural resources. This process includes materials replaced due to wear and tear or because of improvements or expansion work.

The works area at each of the Company's sites is charged with classifying material and disposing of it appropriately. The correct classification of waste material is particularly scrutinized when closing down or decommissioning an installation. The Company's processing system is also able to trace recovered material when necessary.



Examples of material that can be recovered or recycled are: metal fittings (such as pole climbing belts, couplings), insulators, single phase switch gear and distribution transformers. In 2008, 50% of all transformers examined were recovered.

At RGE, the project is responsible for recycling and recovering around 120 metric tons of damaged equipment and materials from the electric system every month.

Unusable materials sold as scrap							
Year	Iron and other metals (t)	Distribution transformers (un)	Lights (un)	Cross arms (un)	Wooden and concrete poles (un)	Iron poles (un)	Ladders (un)
CPFL Paulista							
2008	836	1,025	39,879	30,225	17,724	421	100
2007	1,146	1,033	62,748	22,735	14,563	471	154
2006	345	894	61,213	13,728	9,156	145	175
2005	523	938	25,930	14,800	9,558	43	142
2004	488	1,069	13,357	18,846	10,438	495	160
CPFL Piratininga							
2008	713	2,131	19,365	13,859	7,406	24	31
2007	1,192	569	22,374	7,707	3,821	30	47
2006	370	370	20,769	9,333	3,169	235	24
2005	510	352	5,980	13,723	4,596	112	111
2004	303	363	11,091	7,773	2,862	0	55
RGE*							
2008	711	334	NA	16,155	21,576	NA	-
2007	711	604	NA	18,281	21,627	NA	-
2006	763	402	NA	14,126	21,809	NA	-
2005	663	47	NA	11,774	20,420	NA	-
2004	456	211	NA	7,467	14,983	NA	-
CPFL Santa Cruz							
2008	ND	ND	ND	ND	ND	ND	ND
2007	ND	ND	ND	ND	ND	ND	ND
2006	ND	ND	ND	ND	ND	ND	ND
2005	ND	ND	ND	ND	ND	ND	ND
2004	ND	ND	ND	ND	ND	ND	ND
CPFL Jaguariúna**							
2008	86	38	NA	140	81	0	0
2007	99	12	NA	873	638	16	8
2006	134	8	NA	1,931	354	0	14
2005	ND	ND	NA	ND	ND	ND	ND
2004	ND	ND	NA	ND	ND	ND	ND

\* RGE does not install or maintain public illumination. Local government carries out this activity in the concession areas, including management of purchase and disposal of materials. RGE's Reverse Logistics project is responsible for dispatching about 120

tons/month of damaged equipment and material from its electricity system for recovery or recycling. A highlight is its light bulb decontamination process which processed 128,548 bulbs in 2006. CPFL Jaguariúna does not install or maintain public lighting a responsibility of local government, including the purchase and disposal of materials. Data for 2005 and 2004 is not available in CPFL Jaguariúna systems.

\*\* Includes the distributors CPFL Jaguar, CPFL Leste Paulista, CPFL Sul Paulista and CPFL Mococa.

N.B.: In 2008, CPFL Paulista also sold 37 thousand ferrous and non-ferrous items; and CPFL Piratininga sold a further 287 thousand of these same items.

NA – Not applicable

ND – Not available





## Results of Company Practices

In 2008, no spills were recorded by CPFL Energia companies.



Notice has been served on CPFL Geração in conjunction with Furnas in a legal action requiring them to remedy and mitigate environmental impacts caused by the construction and operation of Serra da Mesa HPP, with an estimated company liability of R\$ 74,166.00.

The risk of this action has been judged by CPFL Geração's legal counsel as possible, no allowance therefore having been made for it. In the event of a ruling against the company, as the action essentially involves the purchase of land and formation of an area of permanent preservation around a reservoir, these costs will be recognized in the company's fixed assets.

In 2008 CPFL Energia and its companies were not fined for any offense receiving only two warnings (non-monetary sanctions) for vegetation cutting and unsuitable storage of oil. Both were deemed to be of low severity.





# Environmental initiatives

## with participation of CPFL Geração

GRI  
EC8

Various programs and initiatives for **conserving the environment and mitigating environmental impacts** have been implemented at the various generation projects in which CPFL Energia has a stake.

GRI  
EC9

These programs represent commitments made at the time environmental licenses were granted:

GRI  
EN13

GRI  
EN14

- **Restoration and preservation of biodiversity** in Permanent Preservation Areas along the margins of plant reservoirs, including initiatives for collecting seeds, production of seedlings and the implementation and maintenance of reforestation projects;

GRI  
EN26

GRI  
SO5

- Implementation of the **Environmental Conservation and Usage Plan for the reservoir margin areas**, with a view to their conservation;

GRI  
EU13

- **Monitoring and conservation of the flora and fauna** in the sphere of influence of the projects to preserve their diversity and genetic variability, through the recovery and conservation of germoplasm in situ and ex situ. The aim is to reproduce and reintroduce rare, endemic or threatened species;

- Investment in the **creation and maintenance of conservation units**, an environmental compensation mechanism for significant impacts caused to the environment and quality of life which cannot be completely remedied.

CPFL Energia does not directly monitor areas are being or have already been restored, but is responsible directly to environmental agencies which testify to the self-sustainability of the restoration of areas which the Company recuperates.



# Socio-environmental programs at Campos Novos Energia (Campos Novos HPP)

GRI  
EC8

GRI  
EC9

GRI  
EN14

GRI  
EN18

GRI  
EN26

GRI  
EU20

In 2008, Enercan continued the activities of its Rural Development Fund, with the financing of agribusiness cooperatives in four municipalities in Campos Novos HPP's sphere of influence. The first installments of projects financed under the Rural Development Fund were received, in turn, allowing the funding of new projects.

## Rural Development Fund

In line with its internal values of social responsibility, CPFL Geração has implemented the Rural Development Fund to serve producers in the municipalities of Campos Novos, Celso Ramos, Abdon Batista and Anita Garibaldi, which are in the Campos Novos HPP's sphere of influence.

Enercan has established a partnership with the Brazilian Micro and Small Companies Support Service (SEBRAE) of Santa Catarina state which provides free guidance to producers on issues such as economic viability studies, market surveys, product commercialization, training for small business management and the formalization of constituted companies out of revenue received.

Financing of agribusiness cooperatives involves a minimum of 10 producers, for whom Enercan encourages a cooperative approach - this in turn stimulating the local economy. Every project is assessed and analyzed for technical and economic feasibility.

The Fund provides financing for up to 80% of project cost; the producers may supply their own labor in return. There are currently 23 projects already installed or being implemented, benefiting about 450 families.

The Fund aims to make it economically viable for producers to remain on the land by adding value to their products (which are native to the Campos Novos HPP's sphere of influence) and to encourage an entrepreneurial approach to local activities, such as milk processing, slaughterhouses, poultry farming and apiaries.

Enercan has restored and enlarged the Campos Novos Municipal Museum; asphalted highway SC 445 linking the Santa Catarina rural community with Abdon Batista; and has built new, or has improved existing, community buildings and infrastructure for surrounding communities not affected by Campos Novos HPP.

Enercan has also signed an agreement with the Ministry of Mines and Energy, the Federal Public Prosecutor's Office, the State of Santa Catarina Environmental Protection Agency (FATMA) and the Movement for People Affected by Dams (MAB) to indemnify families indirectly affected by the installation of the project. Individual payments to families totaled R\$ 5,999.0 thousand.

**>> Find out more**  
About Enercan  
[www.enercan.com.br](http://www.enercan.com.br)



# Socio-environmental programs at Energética Barra Grande (Barra Grande HPP)

GRI  
EC8

GRI  
EC9

GRI  
EN14

GRI  
EN18

GRI  
EN26

GRI  
EU20

Baesa continued adjustment and enhancement works in municipalities in Barra Grande HPP's sphere of influence and completed a range of **community infrastructure improvements**. The company also purchased 1,500 ha. of land in the São Joaquim National Park as part of an environmental **compensation measure**.

## Socio-cultural and environmental responsibility

### Social

- Conclusion of community infrastructure improvements in all seven rural communities set up by the company in the region;
- Rollout of activities of the Regional Development Plan (PDR);
- Reinforcement of income-generating activities, such as milk production, handicrafts, fruit and fish production.

### Culture

- Sponsorship of numerous important events in the region;
- Support for the Permanent Service Center in Anita Garibaldi;
- Conclusion of works and installation of equipment transferred to the Nossa Senhora do Patrocínio Hospital, in Campo Belo do Sul;
- Promotion of a joint community action for tree planting and improving the appearance of rural community centers set up by Baesa, with the planting of 7,600 flower and plant seedlings, 1,800 fruit tree seedlings and 350 ipês native to the region;
- Support for the Guga Küerten Institute (IGK) which took its traveling library (with over 1.6 thousand books for children and adolescents) to schools in Capão Alto and Anita Garibaldi, benefiting around 500 children;
- Conclusion and delivery of community infrastructure improvements in the Santa Catarina and São Francisco de Assis (Esmeralda II) rural communities, thus meeting the stated requirement on this issue (Article 2.3 of the renewal of the Operations License).
- Inauguration of community infrastructure improvements in the Laranjeira Resettlement area (Capão Alto).

### Diversity

Baesa has established a partnership with IGK to support a project for the development and integration of people with special needs.

### Others

Baesa was also active in the construction of the Emater Municipal Office in Pinhal da Serra (Rio Grande do Sul state). The Capão Alto Health Center (state of Santa Catarina) also opened, having been constructed in partnership with Baesa through an agreement worth R\$ 70 thousand.

>> Find out more  
About Baesa at  
[www.baesa.com.br](http://www.baesa.com.br)



# Socio-environmental programs at Companhia Energética Rio das Antas

(Monte Claro HPP, Castro Alves  
HPP and 14 de Julho HPP)

GRI  
EC8

Ceran continued **improvements and adjustments to infrastructure** in municipalities in the spheres of influence of the Monte Claro, Castro Alves and 14 de Julho hydroelectric plants.

GRI  
EC9

GRI  
EN14

In 2008, the world's first sale of CERs from a run-of-the-river hydroelectric power plant was completed. This involved the sale of 254 thousand CERs relating to hydraulic generation at Monte Claro HPP in the period 2005 – 2007 at a gross sale value of 3.7 million Euros.

GRI  
EN18

GRI  
EN26

Ceran also obtained Operating Licenses for Castro Alves and 14 de Julho hydroelectric power plants.

>> **Find out more**

About Ceran  
[www.ceran.com.br](http://www.ceran.com.br)



# Socio-environmental programs at Foz do Chapecó Energia (Foz do Chapecó HPP)

GRI  
EC8

Foz do Chapecó Energia remedies affected communities by investing resources in infrastructure improvements including renovations to community halls and churches and construction of new community buildings for use by residents, such as bowling halls.

GRI  
EC9

GRI  
EN14

In other cases, where community structures are located in areas to be flooded, buildings are reconstructed at new sites suggested by residents themselves and always to a higher standard.

GRI  
EN18

GRI  
EN26

This process is still underway and will be carried out throughout the period of plant construction. By mid-2009, the forecast is to complete renovations and improvements in 42 communities.

## Promotion of culture and local tradition

As part of a larger program designed to increase fishing activities, the Fishermen's Colonies of the region are also benefiting from investments to improve working conditions.

Two colonies have already been the subject of agreements - Iraí and São Carlos. Among other benefits, this has allowed the purchase of a motorboat for the São Carlos colony. In Iraí, the colony bought materials and equipment for a Fish Trading Center.

## Support for fishing

Another activity still underway is the running of training courses for residents of the region surrounding plant works. The objective, in addition to allowing better use of local labor in the project, is to prepare people to act in the municipalities and communities where they live by taking on responsibilities and work which offer improved income.

Courses have already been held in IT, carpentry and bricklaying. Foz do Chapecó has, to date, enhanced the professional training of four groups of residents from Alpestre and São Carlos.

The New Direction project seeks to improve income and employability of families who do not qualify for the company's resettlement programs but who have some link with areas affected by the project.

Around R\$ 5 million will be invested in collective projects in the agricultural and industrial areas and in skills training for residents, thus offering an alternative income-source for families and stimulating the local economy with new business prospects. The goal is to create over 500 jobs in the reservoir's 12 municipalities.

## Alternative sources of income for the population

Donations of computers and educational material have changed the realities of many schools in the project's sphere of influence: 12 schools have already benefited from Foz do Chapecó Energia's support. Priority is given to those in the municipalities directly affected by the works site and an increase in population - Águas de Chapecó, Alpestre and São Carlos - and to schools which serve children from communities surrounding and affected by the reservoir.

In all, Foz do Chapecó has donated 50 computers and resources to be spent exclusively on the purchase of didactic material and school refurbishment, to the benefit of education in the region.

Municipal health services have also been improved following construction of the plant in the region. A highlight is the municipality of São Carlos where the impact on infrastructure has been greatest due to a significant population increase in the municipality from arriving plant workers.

In this municipality, an agreement has allowed refurbishment of the hospital's entire emergency unit and the purchase of medications and materials. In addition, a further agreement led to the purchase of equipment for the municipal health center.



### **Refurbishment of the São Carlos hospital emergency unit**

Águas de Chapecó has also seen significant improvements to its health infrastructure. Revenue has been received for the construction of three medical consultancies, the hiring of medical professionals and the purchase of medication for the municipal health center. Caxambu do Sul, a municipality in the state of Santa Catarina, impacted less, but also serving the region's medical needs, was benefited through an agreement for support and maintenance of the city hospital.

### **Construction of consultancies and support to the health center in Águas de Chapecó**

Also worthy of mention is an agreement reached with the AIDS Prevention Support Group (GAPA). Using resources from Foz do Chapecó Energia, GAPA is active in the municipalities of Águas de Chapecó, São Carlos and Planalto Alegre in disseminating preventive advice, not only concerning sexually transmitted diseases, but also for fighting sexual exploitation, child prostitution and domestic violence.

Through the distribution of printed materials, workshops with a range of different audiences and training of professionals to train others, GAPA and Foz do Chapecó have brought activities of information, clarification and prevention to the region, promoting overall awareness.

The company also made a donation to the social services division of Águas de Chapecó municipality of five thousand condoms for free distribution by local government.

### **Security**

Foz do Chapecó Energia has carried out numerous activities to increase local security and peace of mind for residents.

Resources have been provided for renovation and expansion of the Águas de Chapecó police department's installations, including the purchase of equipment and two vehicles for the unit. The base of the Chapecó's Military Police, which serves the whole region, was also refurbished and additional equipment furnished.

Today, families living in outlying districts in Alpestre municipality have somewhere closer to turn to in the event of an incident requiring a police presence. Foz do Chapecó Energia has also provided funds for the installation of a Military Brigade center in the Dom José community and a local government building (previously a disused school). The military quarters of the Planalto municipality have been renovated, while another unit to benefit was the Nonoai Environmental Police with the purchase of a boat and equipment.

### **Infrastructure works**

Benefits have also come to municipalities in the form of infrastructure improvements. Águas de Chapecó receives funds monthly for the maintenance of the municipal highway that provides access to the works site.

Residents of Rio dos Índios now have a public square for leisure activities and interaction of residents, thanks to an agreement between the company and local government.

### **Water supply for needy communities**

Through a further partnership, 15 communities in the municipality of Alpestre will receive treated water, the result of Foz do Chapecó's investments in a water treatment plant and in water collection and distribution networks. Local government, partnered with the company for this action, has committed itself to extending the distribution network to other communities. As a result, over 500 residents will receive running water in their homes.

São Carlos, a municipality affected by the river's reduced flow, is the subject of numerous agreements to bring new infrastructure and improvements to residents. In the region, Foz do Chapecó Energia in partnership with local government is building a cycle path of roughly 3.5 thousand meters.

Also in São Carlos, Foz do Chapecó is renovating a historic building provided by local government for the installation of a social and health center. The municipal natural baths will also be improved and updated.

In addition to these improvements, Foz do Chapecó finances Urban Master Plans. For the municipalities affected by the plant, this is a key achievement which provides more structure to cities experiencing rapid growth. Urban Master Plans have been concluded and delivered to the respective municipalities.

Tourism will also be encouraged to enhance the region's development. To support the municipalities in the formulation of strategies and projects which value local strengths and encourage the exploration of tourist potential, Foz do Chapecó Energia will be investing R\$ 400 thousand in the development of a Tourism Plan for the region, the result of the plant's Tourism and Ecotourism Support Program.

### **>> Find out more**

About Foz do Chapecó Energia at [www.fozdochapeco.com.br](http://www.fozdochapeco.com.br)



# Development Fund

## for the North Northeast region of Goiás state

GRI  
EC8

GRI  
EN18

GRI  
EC9

GRI  
EN26

GRI  
EN14

GRI  
EU20

HPP Serra da Mesa established the Development Fund for the North-Northeast region of the State of Goiás state jointly with IDB (Inter-American Development Bank), the MME (Ministry of Mines and Energy), Furnas, Tractebel Energia and SEBRAE/GO (Brazilian Small and Medium-Sized Companies Support Service) in the state of Goiás. Another two projects were begun for training in horticulture and fish farming in the municipality of Minaçu.





# Actions to increase transparency and sustainability of the Brazilian electric sector

CPFL Energia takes part in **private sector-funded studies and projects** on the Brazilian electric sector through the intermediary of the Acende Brasil Institute, a studies center which promotes actions and projects to increase the Brazilian electric sector's levels of transparency and sustainability.

Through this initiative, the Group makes information available for different stakeholders to form their own opinions on issues concerning the key parameters of the electric sector.

In 2008, Acende Brasil sponsored the IV Forum "Man and Power Plant: Transparency and Dialog for a Brazil with Energy" and a visit of deputies to Campos Novos HPP to as a means of disseminating energy companies' activities and their contribution to regional socio-economic development.

## Participating Companies

AEI  
AES/SEB  
Brennand Energia  
CPFL Energia  
Duke Energy  
EDF  
Endesa Brasil  
Energias do Brasil  
Energisa  
Equatorial Energia  
MPX  
Iberdrola/Neoenergia  
Rede Energia  
Terna Participações  
Suez/Tractebel Energia





# Guidelines for power plant construction respecting the three dimensions of sustainability

GRI  
EN26

CPFL Energia joined Brazil's largest private-sector electricity generation companies to write a joint Socio-environmental Code of Ethics, a collection of principles and commitments which sets out how power plants for which they are responsible should be constructed and operated, respecting the three dimensions of sustainability: **social, environmental and economic.**

The aim of the Code is to share with Brazilian society the values that guide these companies, the vision that inspires them and their mission to reconcile the generation of sustainable value for their different stakeholders



## >> Find out more

About the Acende Brasil Project at [www.acendebrasil.com.br](http://www.acendebrasil.com.br)

### Principles

- I. Reduction and control of environmental impacts;
- II. Conservation of biodiversity and natural resources;
- III. Respect for communities;
- IV. Education and health as components of social transformation;
- V. Transparency and dialog.

### Commitments

Signatories to this document assume the following commitments in the installation and operation of their projects:

#### I. Reduction and control of environmental impacts

- To increase scientific knowledge on environmental and social issues in the regions of projects;
- To manage waste by reducing consumption and, wherever possible, reusing and recycling before disposal;
- To invest in complementary renewable energy sources;
- To contribute to the continual improvement of environmental quality and act in a preventive manner through the formulation of projects, programs and practices to protect people and the environment.

#### II. Conservation of biodiversity and natural resources

- To encourage the formation of environmental preservation projects;
- To stimulate projects for improved energy efficiency and the rational use of energy;
- To promote the rational use of water and other natural resources;

#### III. Respect for communities

- To support initiatives for the sustainable development of local communities;
- To support and promote the preservation of historical and cultural assets.

#### IV. Education and health as components of social transformation

- To adopt actions that promote the educational and health-related development of populations affected by projects;
- To promote awareness of communities on the principles of environmental balance.

#### V. Transparency and dialog

- To maintain an ongoing dialog with population groups on their rights and duties before and during the construction and operation of projects;
- To inform society on the way in which natural resources are used in the construction and operation of plants;
- To establish an open-door policy of two-way communication, making information channels available to those who are interested;
- To publish an Annual Socio-environmental Responsibility Report.

Brasília, June 5 2007  
(World Environment Day)





Foz do Chapecó HPP: 60.3% of works concluded



# The value of people for the future of the businesses

Periods of economic turbulence place the spotlight on the way in which companies react to unpredictable scenarios. More than ever, this is a time in which the **ability to adapt and lead with excellence** is challenged and tested to the extreme. In this manner, human talent in the form of a strong and competitive team assumes **a decisive role for the future of the businesses.**

In 2008, CPFL Energia maintained its belief in **best personnel management practices** and in **talent development** as a way of contributing to the continued existence of the businesses and creating value for all stakeholders.

Aware of the importance of continual professional development, CPFL Energia undertook a series of initiatives over the year to improve its employees' strategic skills with relation to the Company's business. As a result, the Group unveiled the **Corporate University** in 2008, an historic landmark in the Company's knowledge management process.

It also opened the **Energy Space**, which was specially created to increase interaction among employees at the Group's Head Office. It is a space inspired by the concept of sustainability. The design preserved trees, used low environmental impact technology and promoted accessibility. The Energy Space was constructed in juxtaposition with the administrative buildings, together with library, sports center, fitness center and a restaurant.

Another highlight of the year concerns the management of organizational climate, a factor of extreme importance in the Company's performance. To this end, CPFL Energia invested in training senior management, managers and supervisors and creating a positive perception among employees, as demonstrated by indicators measuring levels of satisfaction and engagement. As evidence of this, **for the seventh year CPFL Energia was included in the Exame/Você S.A Guide to the Best Companies To Work For in Brazil.**



CPFL employees  
meet in the  
Energy Space





# In 2008, CPFL Energia made progress with its Diversity Program

GRI  
LA2

In 2008, **average hours of training per employee** reached 91.80, which is 10.6% above the 2008 Sextante Survey benchmark of 83.00 hours per employee.

GRI  
LA10

## Average hours of training per employee - CPFL Energia

2008	2007	2006	2005	2004	2003
91.8	97.97	111.25	111.19	129.99	109.38

GRI  
LA1

In 2008, CPFL Energia **employees numbered** 7,119, compared to 7,176 in 2007. The employee turnover rate for the year was 13%. The average company length of service is 11 years and average employee age is 38.

GRI  
2.2

**Outsourced workers** numbered 4,730, of which 282 are involved in administration activities and 4,448 in activities related to operations, via outsourced companies providing pruning, maintenance, power disconnection and reconnection, meter reading and billing delivery services.

All workers (company employees and outsourced) have ongoing contracts. Interns, totaling 185 in 2008, have fixed-term contracts with no employment relationship.

## Breakdown of workforce by gender and region (2008)

Company	State	Outsourced 2008	Employees 2008	2007	2006	2005	2004
CPFL Paulista	São Paulo	85	3,127	3,185	3,161	3,080	3,071
CPFL Piratininga	São Paulo	31	1,191	1,214	1,198	1,164	1,070
CPFL Geração*	São Paulo	12	132	140	6	6	9
Baesa	Santa Catarina	ND	25	23	-	-	-
Ceran	Rio Grande do Sul	ND	69	61	-	-	-
Enercan	Santa Catarina	ND	43	33	-	-	-
CPFL Brasil	São Paulo	61	110	125	96	82	51
RGE	Rio Grande do Sul	0	1466	1,490	1,401	1,444	1,407
CPFL Santa Cruz	São Paulo	ND	261	386	-	-	-
CPFL Jaguariúna**	São Paulo	ND	670	753	-	-	-
CPFL Atende	-	92	1	-	-	-	-
CPFL Energia	-	1	6	-	-	-	-
Foz do Chapecó	-	ND	18	-	-	-	-
Total	-	282	7,119	7,410	5,862	5,776	5,608

\* Includes CPFL Geração (125) and CPFL Sul Centrais (7)

\*\* Includes CPFL Leste Paulista, CPFL Jaguari, CPFL Sul Paulista, CPFL Mococa.

N.B. Figures for 2004 - 2007 include employees and outsourced workers.

ND – Not Available



GRI  
LA13

There was a slight improvement to the **gender composition** of the group responsible for management of the Company's activities, the proportion of women rising to 16.6% compared to 16.1% in 2007.

With respect to **age**, employees between 18 and 35 represented 46% of the total, followed by the 36 – 45 and above 45 age groups, each accounting for 27%.

GRI  
LA1

### Breakdown of workforce by gender and region - 2008

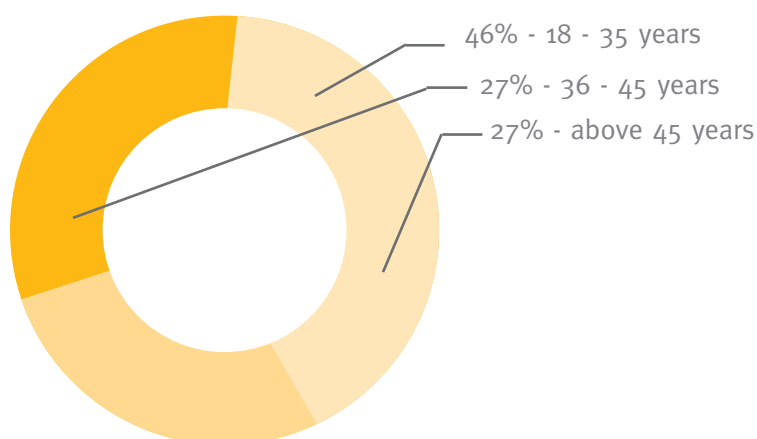
Company	Statutory *		Executives		Managers		Leadership		College Graduates		Operational		Total	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
CPFL Paulista	0	4	1	16	10	66	20	106	145	276	324	2,159	500	2,627
CPFL Piratininga	0	4	0	3	3	17	7	51	77	156	142	731	229	962
CPFL Geração**	0	4	0	2	0	7	0	15	21	31	7	45	28	104
CPFL Brasil	0	3	0	1	2	3	0	5	20	42	18	16	40	70
RGE	0	2	0	2	5	26	12	75	86	115	195	948	298	1,168
CPFL Santa Cruz	0	4	0	0	0	3	0	14	5	19	14	202	19	242
CPFL Jaguariúna	0	0	0	0	1	6	2	27	13	23	27	571	43	627
CPFL Atende	0	0	0	0	0	1	0	0	0	0	0	0	0	1
CPFL Energia	0	6	0	0	0	0	0	0	0	0	0	0	0	6
Total	0	27	1	24	21	129	41	293	367	662	728	4,2672	1,158	5,807

\* Statutory directors: refers to the number of statutory positions in the companies and not to the number of actual directors.

\*\* Does not include Baesa, Ceran, Enercan and Foz do Chapecó.

Consider: Statutory Directors - CEO and Vice Presidents; Executives – Officers; Managers - Department Managers and Division Managers.

### Composition of CPFL Energia workforce – by age group (%)





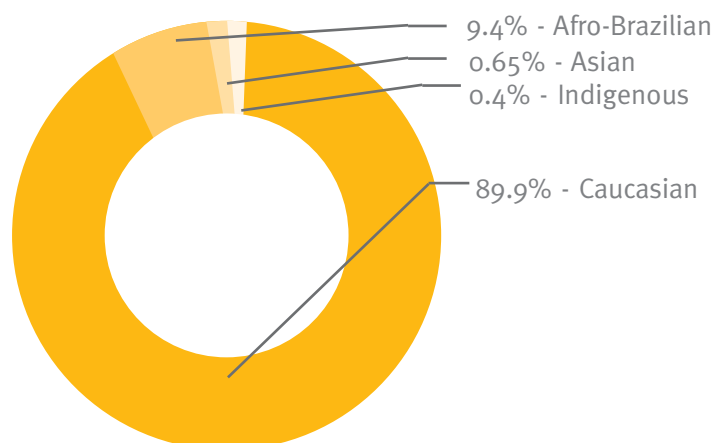
### Distribution of average remuneration between men and women, by functional category - 2008 - (%)

Company	Statutory *		Executives		Managers		Leadership		College Graduates		Operational	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
CPFL Paulista	0.0	100.0	5.9	94.1	13.2	86.8	15.9	84.1	34.4	65.6	13.1	86.9
CPFL Piratininga	0.0	100.0	0.0	100.0	15.0	85.0	12.1	87.9	33.0	67.0	16.3	83.7
CPFL Geração**	0.0	100.0	0.0	100.0	0.0	100.0	0.0	100.0	40.4	59.6	13.5	86.5
CPFL Brasil	0.0	100.0	0.0	100.0	40.0	60.0	0.0	100.0	32.3	67.7	53.7	46.3
RGE	0.0	100.0	0.0	100.0	16.1	83.9	13.8	86.2	42.8	57.2	17.1	82.9
CPFL Santa Cruz	0.0	100.0	0.0	0.0	0.0	100.0	0.0	100.0	20.8	79.2	6.5	93.5
CPFL Jaguariúna	0.0	0.0	0.0	0.0	14.3	85.7	6.9	93.1	36.1	63.9	4.5	95.5
CPFL Atende	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
CPFL Energia	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Consider: Statutory - CEO and Vice Presidents; Executives – Officers; Managers - Department Managers and Division Managers.

### Composition of CPFL Energia workforce – by ethnic group (%)

In employee **breakdown by ethnic origin**, CPFL Energia increased the proportion of Afro-Brazilians in 2008 to 9.4% of the total, compared to 7.8% in 2007. The proportion of Caucasian ethnic origin was 89.9% (91.4% in 2007), Asian remained stable (at 0.65%) and Indigenous went from 0.07% in 2007 to 0.04% in 2008.



These results reflect the efforts of CPFL Energia's **Diversity Program** to promote equality and diversity among the workforce so as to assure plurality and respect for differences.

All CPFL Energia employees have freedom of expression and representation, with participation in the **Employee Representative Council** (CRE) and the right to labor union membership.

Through the CRE, employees participate in the Integrated Management System Committee (SGI) which validates actions relating to Quality, Environment and Health and Safety Policies.



CPFL Energia also recognizes the **labor unions** as legal and legitimate representatives of its employees for making claims. The Group maintains Collective Bargaining Agreements with the labor unions.

### Employees represented by labor unions (%)

Company	2008	2007	2006	2005	2004
CPFL Paulista	71	83	80	80	83
CPFL Piratininga	47	48	48	48	57
CPFL Geração*/**	37	42	0	33	22
CPFL Brasil	10	10	18	20	21
RGE	27	39	33	-	-
CPFL Santa Cruz	65	93	-	-	-
CPFL Jaguariúna	16	23	-	-	-
CPFL Atende	0	-	-	-	-
CPFL Energia	0	-	-	-	-
Total	51	60	60	70	75

\* Between 2003 and 2005 the figures include employees of Ceran, Enercan and Baesa.

\*\* Incorporated CPFL Centrais Elétricas and Semesa S.A. in 2007. N.B. The Collective Bargaining Agreements between the companies and the representative labor unions cover all the CPFL Group's employees.



# A key highlight of the year was the creation of the **Corporate University**

GRI  
4.16

CPFL Energia operates a series of programs aligned to its strategic plan which aim to achieve greater excellence in services, disseminate knowledge on the energy sector, and promote quality of life.

GRI  
4.17

GRI  
EC8

In 2008, CPFL Energia invested in a range of initiatives to increase the value of its team, the wellbeing of professionals and the quality of services provided to them. Of note among other activities are:

GRI  
EC9

GRI  
LA10

## **Corporate University**

In 2008, CPFL Energia began a new era in corporate knowledge management with the opening of the Corporate University. It is an initiative which aligns learning to strategy and business objectives, providing necessary skills and qualifications to the entire employee hierarchy. These are the defining features of the Corporate University:

GRI  
EU14

- Develops skills essential to the success of the business;
- Learning based on business in practice;
- A career development system aligned with management by ability;
- Teaches beliefs and values of the company and the business environment;
- Develops a corporate culture;
- Trains people to be capable of creating success for the Company and its clients;
- Focus on new learning and remote teaching methods.



**Universidade  
Corporativa**  
CPFL Energia



GRI  
4.16

### CPFL Management

A Management Development Program which identifies, trains and prepares current and future leaders to meet the Group's challenges. The Program objectives are as follows:

GRI  
4.17

GRI  
EC8

- To improve the managers' individual skills through transmission of the technical and theoretical knowledge necessary for global management performance;

GRI  
EC9

- To train executive and management teams on succession planning and development;

GRI  
LA10

- To prepare participants for organizational changes resulting from the creation of an entrepreneurial culture.

GRI  
EU14

By November 2008, approximately 7,700 hours of training had been recorded.

GRI  
4.16

### CPFL Opportunities Program

CPFL's commitment to enhancing diversity is evidence of its desire to promote the coexistence of differences and contribute to a better world for all. The Company believes that respect for differences increases the ability to construct sustainable relationships, guided by values that benefit both the corporate world and society.

GRI  
4.17

GRI  
EC8

GRI  
EC9

Since 2005, CPFL Energia has operated its Opportunities Program for the inclusion of people with special needs. This takes the form of educational training for 50 selected participants. They spend four hours a day working at the Company and a further four studying on an educational course that complements their training. This initiative is designed to prepare them for the labor market.

In 2008, the Company commemorated the Day of the Disabled Person. Over the year, 150 people with special needs were employed in all Company regions.

GRI  
4.16

GRI  
EC9

### Learning (Aprender) Project

Created in 2003, the Project's objective is to help adolescents aged from 16 to 18 to gain a foothold in the labor market as apprentices, via a process that encourages their professional, educational and personal development.

GRI  
4.17

GRI  
EU14

GRI  
EC8

GRI  
4.16

### CPFL Diversity Program

The concepts underscoring the CPFL Diversity Program, implemented in 2003, are a respect for differences, the enhancement of diversity and combating all forms of harassment and discrimination. Since its inception, a plan was drafted to encourage the hiring of Afro-Brazilian people, women, and people with special needs, with a focus on people aged over 45 and unemployed for over two years.

GRI  
4.17

GRI  
EC8

GRI  
EC9

GRI  
HR4

In 2008, CPFL Energia celebrated International Women's Day in Campinas alongside journalist and writer Luciene Scomparin Dressano who presented female employees of the Company with her book "Everyone's stories: in the middle of the river" (Histórias de cada um: no meio do rio) which relates experiences in her fight against breast cancer.

GRI  
EU14

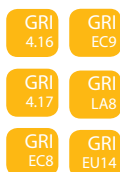
GRI  
EU19

In the West regional headquarters, female employees listened to a talk on femininity in the contemporary world, with the attendance of a hair stylist and a body jump performance made members of a fitness center from Sorocaba.

At RGE, commemorations consisted of a talk, debate and exhibition entitled "Corporate etiquette: visual code in the professional environment". Employees in the Santos coastal belt area met to enjoy some light food in a festive atmosphere.

In 2008, Black Consciousness Day was also celebrated, with a special message from the CEO Wilson Ferreira Jr, who stressed the importance of the day.





## Talk To Me

This Program offers support with personal problems, typically those of a legal, psychological, financial or social nature. It is available to employees of CPFL Paulista, CPFL Piratininga, CPFL Brasil and CPFL Geração and their immediate families.

The Program is confidential and operates 24 hours daily via a toll-free telephone service, which directs the caller to the area for which guidance is requested. Since its creation, issues have been resolved in 98% of situations, 76% of cases were on-site, 65% involved legal issues and 99.6% of program users were stated their satisfaction with the outcome.



## New Time Program



A post-retirement project, this operates through a series of employee events which cover a range of retirement-related issues. It deals with practical aspects and also identifies and explores a wide range of options for continuing a productive life.



Each program course has a total duration of approximately 64 hours, divided into numerous events: lectures, workshops, group activities, as well as individual monitoring by an outside consultant. The aim is to demystify retirement, and open horizons so that this life stage can be lived as a new career.



Program participants receive critical information which helps them form a point of view, jointly with their families, on their post-career perspectives and quality of life, and informs them of whom to turn to if necessary. Employees three years away (or less) from full state social security retirement pension are eligible for the Program.

In 2008, 124 employees (90.5%) concluded the Program.



## Organizational Climate Management



This process is designed to develop and maintain a suitable organizational climate for the execution of the corporate mission, vision and strategies. The climate is the result of collective perception, and it is important to identify any divergence to ensure an efficient management focused on improvements. The objectives of this initiative are:

- To understand the aspects that have helped or hindered the Company in engaging with people with respect to business objectives and strategies;
- To identify cultural differences and similarities between areas of the Company in the search for greater organizational synergy;
- To understand progression and regression since the last survey;
- To compare the Company's scores with market benchmarks (best practices and specific energy market);
- To leverage organizational performance through implementing actions for improvement.

"For me, working in CPFL was always a dream and I have never given up on this dream. Today, I am happy and feel fulfilled being a part of the Company. The environment here is healthy, my colleagues and managers trust my work and I intend to stay here until I retire."

**Maciel Moura da Costa - Distribution Electrician –  
CPFL Piratininga EA1 Jundiaí - West**



GRI  
4.16

### Personal Value

A 360° performance assessment system which allows analysis of the all-round performance of CPFL Energia employees at their different levels of interaction. The system is based on organizational skills and is strongly linked to Group values.

GRI  
4.17

GRI  
EC8

GRI  
EC9

GRI  
LA11

GRI  
LA12

CPFL Energia Group's performance management system is used annually for every employee, irrespective of their level or function in the organization.



GESTÃO DE DESEMPENHO  
*Valor pessoal* CPFL  
2008

GRI  
4.16

### Intern Program

This aims to provide students with exposure to the professional world in a technologically advanced environment and highly competitive labor market. As such, the Program creates a closer relationship between the Company and the academic world, resulting in greater efficiency in gaining theoretical information for the development of new activities through the education of highly qualified professionals.

GRI  
4.17

GRI  
EC8

GRI  
EC9

GRI  
EU14

GRI  
EU19





# Programs to encourage a healthy and safe working environment

GRI  
LA7

CPFL Energia uses its Internal Accident Prevention Commissions (CIPAs) to disseminate workplace safety and quality of life practices. Through training sessions, talks and workshops, the CIPAs raise awareness and engage employees in issues related to environmental and social responsibility.

GRI  
HR8

GRI  
EU14

GRI  
EC3

In 2008 CPFL Energia established 41 CIPAs with 427 acting members in the following Group companies: CPFL Paulista, CPFL Piratininga, RGE, CPFL Santa Cruz, CPFL Brasil, CPFL Geração, CPFL Jaguariúna, Companhia Energética Rio das Antas (Ceran) and Campos Novos Energia S.A. (Enercan).

GRI  
LA3

## Benefits Program

GRI  
EU14

At CPFL Paulista, CPFL Piratininga, CPFL Geração and CPFL Brasil, employees receive fringe benefits in line with best labor market practices, such as:

- Pension plan
- Medical/hospital/dental insurance
- Meal vouchers
- Food vouchers
- Travel vouchers
- Day care
- Profit and results sharing

In addition to this, employees linked to the CESP Foundation receive the following benefits:

- Personal Loans
- Insurance
- Subsidized Medications
- Reimbursements for prosthesis and orthopedic brace purchases
- Special needs program

Employees in Campinas, Bauru, Caxias do Sul and Ribeirão Preto have at their disposal a fitness and sports centers, as well as workplace exercises.

At other units arrangements have been made with third party fitness centers for monthly membership at a subsidized rate. There are also special arrangements in place with universities, language institutions, several schools and commercial establishments.

Temporary employees receive the following benefits:

- Medical and hospital treatment
- Meal Vouchers
- Travel Vouchers





RGE employees receive:

- Pension Plan
- Medical, hospital and dental assistance
- Meal vouchers
- Food vouchers
- Daycare facilities
- Personal loans
- Participation in results
- Life insurance
- Subsidized medication
- Special needs assistance

Study grants are also offered annually for technical, graduate, postgraduate, MBA and Master's degree courses.

CPFL Santa Cruz offers a pension plan, medical, hospital and dental assistance, food and travel vouchers. In addition, employees enjoy the benefits of personal loans, and personal accident insurance also extended to spouses, agreements with pharmacies for the purchase of medications, study grants and travel assistance to and from place of study.

CPFL Jaguariúna offers its employees a pension plan, medical, hospital and dental assistance, meal and food vouchers, assistance with pharmacy purchases, vacation loans, life insurance and workplace exercises. Company employees are also offered the benefit of agreements with universities and language schools.

Temporary employees have the right to medical and hospital treatment, basic basket of goods and travel vouchers through an intermediary company used by CPFL.

At CPFL Paulista, CPFL Geração and CPFL Brasil, the company's contribution to the pension plan is not variable and the corresponding employees' contributions are linked wage levels. In other Group companies, contributions are variable for both the company and also the employee.

Companies in which CPFL Energia has a stake offer employees the following benefits:

#### **Enercan**

- Life insurance
- Medical, hospital and dental assistance
- Food vouchers
- Maternity/ paternity leave

#### **Ceran**

- Life insurance
- Medical and hospital assistance
- Food vouchers
- In-house restaurant



#### **Additional Programs and Campaigns**



Personal guidance is also given to employees during their periodic medical checkups, in addition to raising awareness and instruction on the prevention of sexually transmitted diseases through printed leaflets and lectures on prevention at Internal Accident Prevention Commission (CIPA) meetings.

Employees and their families also have the free and confidential Talk To Me Program at their disposal to help with personal problems.

RGE runs quality of life programs covering: reduction in the consumption of alcohol and other substances (including employees' families), workplace stress, nutritional assessment and guidance, home and workplace ergonomics, and guidance on intoxication in the home. A further highlight is the RGE Expressions Program which sponsors courses in activities such as dancing and singing classes.

At CPFL Santa Cruz, a range of talks and campaigns are held, dealing with issues such as AIDS, hypertension, diabetes, occupational safety, alcoholism, quitting smoking, as well as individual monitoring during employee periodic health checks and flu vaccination campaigns.

Na CPFL Jaguariúna there are talks for all employees on prevention of conditions such as hypertension, diabetes, AIDS, dengue fever and alcoholism.





## Providing the conditions attaining for **physical and emotional stability**

GRI  
EU14

GRI  
EU16

The CPFL Energia Quality of Life Program widens the scope of the Company's activity directed toward its employees' health and safety in a physical, emotional and material sense. For CPFL Energia, quality of life is sustained in multiple ways. For this, the Group sees the inter-relation between all the sustaining pillars of the Program as a way of establishing internal equilibrium and greater quality of life.

### **Pillars**

Physical  
Environmental  
Emotional  
Financial  
Spiritual  
Social  
Health  
Safety



CPFL Energia offers a range of activities aimed at supporting these strategic pillars:

### **Physical Pillar**

Workplace exercise  
Combating sedentary behavior through installation of the company fitness center  
Agreements with third party fitness centers  
Physical and nutritional assessment  
Partnership with Weightwatchers

### **Environmental Pillar**

Improvements to working environments and processes  
Ergosentry – software on use of the desktop computer for the greatest benefit to user health  
Ergonomic assessments and resulting adjustments  
Necessary adaptations  
5S Program  
Adjustments to furniture and installations

### **Emotional Pillar**

Reflection and search for emotional health  
Movie sessions  
Coverage of issues related to emotional health at SIPATs (Internal Accident Prevention Weeks)  
Talk To Me Program

### **Financial Pillar**

Raising awareness and guidance on budget balancing  
Information on preparing a domestic budget  
Suggestion on spreadsheets for organizing a family budget  
Financial advice of Talk To Me Program

### **Spiritual Pillar**

Importance of spiritual development  
Coverage of issues related to spiritual development at SIPATs (Internal Accident Prevention Weeks)  
Distribution of articles covering the human spiritual dimension

### **Social Pillar**

Encouraging coexistence  
Blood donation campaigns  
Participation in the Shake It Up (Agita) program to encourage physical activities  
Participation in the SESI Challenge Day (Dia do Desafio) Industry Games  
Inclusion of people with special needs in the workforce

### **Health Pillar**

Promotion of health  
Periodic and complementary medical examinations  
PCMSO (Occupational Health Medical Monitoring Program)  
Executive check-up  
Flu vaccination  
Tetanus vaccination through partnership with the state public health system  
Medical and dental assistance through the CESP Foundation  
Emergency rescue through partner company operating a mobile intensive care unit  
Periodic information on health risks and their prevention

### **Safety Pillar**

Accident Prevention  
CPFL Padrão  
Green Light for Safety  
CIPA ranking  
Advanced Station (EA) ranking  
Diverse training sessions in occupational safety  
Improvements to electric accident prevention  
DDS (Daily Safety Dialog)  
DSS (Weekly Safety Dialog)  
PPRA (Occupational Risk Prevention Program)  
New tools  
EPI (Individual Protection Equipment)  
EPC (Joint Protection Equipment)



# Focus on safety

GRI  
LA7

As part of its aim to guarantee employee safety, CPFL Energia is constantly monitoring the Frequency Rates (TF) and Degree of Severity (TG) of the Group's companies. The Frequency Rate monitors the number of accidents relative to employee numbers and the Degree of Severity measures the number of work days lost as a result of workplace accidents.

GRI  
PR1

GRI  
EU16

As a result, in 2008 the CPFL Energia Group's consolidated TF fell compared to previous years. Consolidated TG, in turn, rose slightly; this can be explained by the type of accident causing absence from work.

All serious accidents are investigated and analyzed by the Accidents Investigation and Analysis Group (GIAA) which aims to identify as quickly as possible, the immediate causes, the underlying causes, and shortcomings and failures in control which contributed to the accident.

## Frequency Rate and Degree of Severity - Employees

Companies	2008		2007		2006	
	TF	TG	TF	TG	TF	TG
CPFL Energia	1.45	118	1.79	94	1.47	97
CPFL Paulista	1.89	210	1.5	146	1.54	125
CPFL Piratininga	0.41	6	0.43	6	0.91	36
CPFL Geração*/**	0.00	0	0	0	0.00	0
CPFL Brasil	4.63	14	0	0	8.46	59
RGE	1.51	81	3.5	103	1.57	95
CPFL Santa Cruz	1.63	23	1.26	40	-	-
CPFL Jaguariúna**	0.00	0	2.55	22	-	-

## Frequency Rate and Degree of Severity – Outsourced workers

Companies	2008		2007		2006	
	TF	TG	TF	TG	TF	TG
CPFL Paulista	5.54	1.988	6.39	188	7.34	2.726
CPFL Piratininga	1.08	12.44	2.18	3.303	0.64	3.810
CPFL Geração	0	0	19.8	594	14.34	100
CPFL Brasil***	-	-	-	-	-	-
RGE	14.56	2.617	15.99	4.014	25.31	2.160
CPFL Santa Cruz	6.64	199	0	0	10.93	1.612
CPFL Jaguariúna**	2.09	15	0.34	20	-	-

\* 2006 figures include Ceran, Enercan and Baesa.

\*\* Not calculated prior to 2007. Includes CPFL Leste Paulista, CPFL Jaguari, CPFL Sul Paulista and CPFL Mococa.

\*\*\* Figures included in CPFL Paulista.



>> Responsibility >> Talent >> **Accident Prevention**



CPFL Energia Group distributors monitor all accidents involving neighboring communities and have identified electric shock as the principal cause. Ongoing campaigns are employed to remind the public of the risks involved in using electricity and to increase consumer awareness of the precautions necessary for accident prevention.



The incorrect use of electricity can be dangerous and for this reason activities taking place near the electricity network must be rigorously controlled to reduce the risk of accidents.

As electricity sector concessionaires, CPFL Energia Group companies are appropriately trained in the prevention of electricity-related accidents as well as the mitigation of any adverse effects in the event of an occurrence.

The Group's prevention and emergency service procedures have been formulated with the safety of all interested parties in mind: employees, service providers, consumers and the general public.

In 2008, various **campaigns** were run for disseminating the safe use of electricity among customers. These included messages on electricity bills and in major Brazilian newspapers communicating National Electricity Safety Week; folders (Safety Always With You – General Public); talks in communities served; child safety, especially with kite-flying; handling of antennae near wires; agricultural equipment under electricity lines and networks.

A partnership was also agreed with SINDUSCON (São Paulo State Civil Construction Industry Association) for MegaSipat, involving the distribution of folders and talks for construction workers covering the whole state. As a result the Safety Always With You – Civil Construction folder was published.



# Leadership and social influence

GRI  
4.13

CPFL Energia and its subsidiaries are members the following institutions and associations:

## **CPFL Energia**

- ABA – Brazilian Association of Advertisers
- ABDIB – Brazilian Heavy Industries and Infrastructure Association
- ABERJE – Brazilian Corporate Communication Association
- IRES – ADVB Social Responsibility Institute
- FNPQ – National Quality Prize Foundation
- ABRINQ – Abrinq Foundation for Children Association
- Ethos Institute for Corporate Social Responsibility
- Acende Brasil Institute

## **CPFL Geração**

- APINE – Brazilian Association of Independent Electricity Producers
- ABRAGET – Brazilian Association of Thermoelectric Generators
- International Hydropower Association

## **CPFL Brasil**

- ABRACEL – Brazilian Association of Electricity Commercializers

## **CPFL Paulista**

- ABCE – Brazilian Association of Electricity Concessionaires
- ABRADEE – Brazilian Association of Electricity Distributors
- CIESP – São Paulo State Center for Industry
- SIESP – São Paulo State Electricity Industry Union
- CICRE – Brazilian National Electricity Generation and Transmission Committee - Brazil
- Coge Foundation

## **CPFL Piratininga**

- ABRADEE – Brazilian Association of Electricity Distributors
- CIESP – São Paulo State Center for Industry
- SIESP – São Paulo State Electricity Industry Union

## **RGE**

- ABRADEE – Brazilian Association of Electricity Distributors
- ABERJE – Brazilian Corporate Communication Association
- FNPQ – National Quality Prize Foundation
- FEDERASUL – Rio Grande Do Sul State Federation of Commercial and Service Associations
- FIERGS - Rio Grande Do Sul State Industry Federation
- COPERGS - Rio Grande Do Sul State Electricity Planning Committee

## **CPFL Santa Cruz**

- ABCE – Brazilian Association of Electricity Concessionaires
- SIESP – São Paulo State Electricity Industry Union

## **CPFL Leste Paulista**

- ABRADEE – Brazilian Association of Electricity Distributors
- ABCE – Brazilian Association of Electricity Concessionaires
- CIESP – São Paulo State Center for Industry
- SIESP – São Paulo State Electricity Industry Union

## **CPFL Jaguari**

- CIESP – São Paulo State Center for Industry
- SIESP – São Paulo State Electricity Industry Union
- Jaguariúna Commercial and Industrial Association

## **CPFL Sul Paulista**

- CIESP – São Paulo State Center for Industry
- SIESP – São Paulo State Electricity Industry Union

## **CPFL Mococa**

- CIESP – São Paulo State Center for Industry
- SIESP – São Paulo State Electricity Industry Union







Program/ Project	Target Audience*	Global Compact Correlation	Objectives	Situation in 2008	Results in 2008	Partners
CPFL Cultura	CL/ AI/ SC/ CT/ FO/ IM	6   7   8   9	To reflect and discuss the contemporary world through lectures, debates and artistic and cultural expression in an attempt to understand the challenges and opportunities in the world today	In progress	In 2008, 45 thousand people had access to CPFL Cultura programs. Programs broadcast by TV Cultura achieved an average 1 IBOPE rating point (each point is equal to 57,284 households or 171,852 viewers in Greater São Paulo)	
CPFL Philanthropic Hospitals Modernization Program	SC	1   2   6   7   8   9   10	To improve management performance and the quality of health services provided to the population of the concession area	In progress	Among other results, there was an improvement in management indicators, inclusion of energy efficiency activities and debt renegotiation. The program was expanded and currently benefits 90 hospitals in 81 municipalities in the regions of Araraquara, Araçatuba, Piraju, the Santos coastal belt, Bauru, Ribeirão Preto and Sorocaba	Santa Casas Study Center of the State of São Paulo (CEALAG), Federation of Philanthropic Hospitals of the State of São Paulo (FEHOSP), the Health Secretariat of São Paulo state, Commitment to Hospital Quality (CQH) and the National Quality Foundation (FNQ)
CPFL Municipal Child and Adolescent Rights Councils Support Program (CMDCA's)	SC	1   2   5   7   8	To support Municipal Child and Adolescent Rights Councils using revenue from tax breaks – as per Law 8069/1990, the Child and Adolescent Statute (ECA)	In progress	In 2008 about R\$ 2.5 million were donated to social organizations in the service of children and adolescents, benefiting 226 projects in 126 municipalities in the areas of operation	CMDCA's of CPFL Energia's regions of influence
Ethics Management and Development Program	CL/ AI/ SC/ CT/ FO	1   2   3   4   5   6   7   8   9   10	To develop benchmarks for ethical conduct to guide the actions and decisions of CPFL Energia Group employees. A Management System was installed involving an Ethics Committee, access channels and an employee Ethics Network.	In progress	Specific seminars at RGE, training of the Ethics Network at RGE, summary and launch on the Ethics in Network Portal: <a href="http://www.cpfl.com.br/etica">www.cpfl.com.br/etica</a>	Specialist consultancy
Tear Program	CT	1   2   3   4   5   6   7   8   9   10	To disseminate sustainability management practices among small and medium-sized CPFL Energia client companies	Concluded	Eight local meetings with CPFL Energia small and medium-sized (PMEs) client companies; participation in III Tear Program Regional Seminar; IV Regional Seminar at CPFL Energia, with presentation of results from PMEs covering: strategic planning and vision, mission and values based on sustainability principles; implementation of selective collection programs; formulation of a code of ethics; and writing of a socio-environmental report based on Ibase, Ethos and GRI models	Ethos Institute and the InterAmerican Development Bank (BID)
Value Network	FO	1   2   3   4   5   6   7   8   9   10	To share learning and construct a joint and collaborative agenda to promote sustainable development	In progress	Value Network launched in Landis+Gyr at the IV Network Workshop; 7th Supplier Convention with participation of Tear Program companies	AMCE Negócios Sustentáveis
International Forums	SC	7   8   9	To provoke debate and structure information so it becomes applicable knowledge, for all economic sectors, as well as facilitating trend identification and scenario building	In progress	Two international forums were held, involving discussion of key challenges for the economy and for sustainable development: "The International Financial Crisis and Brazilian Economic Growth" with Paul Krugman; and a talk by Nicholas Stern, "Key elements of a low carbon economy"	Paul Krugman Forum: BNDES and Valor Econômico newspaper; Nicholas Stern Forum: CPFL Cultura
Café Aberje - Campinas Edition	SC	3   10	To promote reflection, to exchange and update on best corporate communication practices through a series of encounters that bring together specialists, professionals and media students. Café Aberje Campinas implements activities related to Aberje Chapter Campinas Edition activities	In progress	Six events covering the following themes: Internal communications; Communication during Mergers and Acquisitions; Employee Communications and Relations; Management of printed media; Branding: inside companies; Branding: specialized agencies and Internal Communications and Relations	Brazilian Corporate Communication Association (ABERJE)
Sustainable Planet	CL/ AI/ SC/ CT/ FO/ IM	1   2   3   4   5   6   7   8   9   10	To create a pluralist environment for discussing sustainability using multiplatform communication	In progress	Monthly publication of actions of social responsibility, environment, and other issues. Also available at: <a href="http://www.planetasustentavel.com.br">www.planetasustentavel.com.br</a>	Grupo Abril, Banco Real, Sabesp, Petrobras and Bunge
Sustainability Committee	SC	7   8   9	To align and integrate the Company's diverse activities involving the environment, sustainability and corporate responsibility. Areas of activity are: Rational Consumption, Carbon Balance, Reverse Chain, Biodiversity, Power Plant Sustainability and Energy for the Future	In progress	Analysis of Committee's actions and meeting with Sustainability Committee (alignment with Strategic Planning)	Specialist Consultancy
CPFL Volunteers Program	SC	1   2	To contribute to the social, cultural and environmental development of communities through the creation of opportunities for voluntary activity for employees, outsourced workers and their guests in CPFL Energia programs	Completed	The winter clothing campaign collected over 11 thousand items which were sent to various organizations including the Luz do Amanhecer Children's Home where a CPFL Energia electrician works voluntarily. Development of a new company voluntary work project for CPFL Energia employee volunteers in philanthropic hospitals as part of the CPFL Philanthropic Hospitals Modernization Program	



Program/ Project	Target Audience*	Global Compact Correlation	Objectives	Situation in 2008	Results in 2008	Partners
Citizen Award	SC/ CL/ IM	1   2   7   8   9	To enhance the value of, encourage and communicate voluntary social actions by organizations or individuals in the Campinas region	In progress	In 2008, 23 social projects in the Campinas region were assessed and six were awarded. In Ribeirão Preto, where the Citizen Award was set up in 2008, 18 social projects were assessed, of which six were awarded	Rede Anhanguera de Comunicação
Community Action Award	SC/ CL/ IM	1   2   7   8   9	To value, encourage and communicate voluntary actions carried out by organizations or groups of people in the Santos municipality	In progress	In 2008, 25 social projects were assessed and four were awarded	A Tribuna newspaper
Solidarity City Award	SC/ CL/ IM	1   2   7   8   9	To value, encourage and communicate voluntary actions of organizations or groups of people in the Sorocaba municipality	In progress	In 2008, 18 social projects were assessed and three awarded	Cruzeiro do Sul newspaper
Social Partnership Network – RGE	SC	1   2	To support social welfare projects in the state of Rio Grande do Sul	In progress	In 2008, RGE was responsible for a portfolio of 22 organizations with a focus on adoption and sponsorship of children and adolescents in socially vulnerable situations	Rio Grande do Sul State Justice and Development Secretariat
RGE and You, Children's Friends	SC	1   2   5	To attract customer donations for Unicef campaigns through electricity bills.	In progress	In 2008, donations contributed to programs such as Universal Rights of the Child, Radio Professionals Training on Child and Adolescent Issues, Better Early Childhood, A Stronger Brazilian Family Kit	Unicef
RGE Citizen Project	SC/ IM	1   2   3   4   5   6   7   8   9   10	To encourage citizenship and voluntary work through journalistic pieces covering voluntary actions of social responsibility. Following assessment on social responsibility criteria, at the end of the project, the two best initiatives were recognized through the RGE – O Pioneiro newspaper Citizen Award	In progress	Promotion and visibility for about twenty social projects carried out by volunteers in the municipalities of Caxias do Sul and Passo Fundo	Jornais “O Pioneiro”, de Caxias do Sul, e “Diário da Manhã”, de Passo Fundo
Electricity Bills in Braille – RGE	CT/ SC	1   2	To offer visually impaired customers the choice of receiving their electricity bill in Braille. A free service and the first of its kind in the state of Rio Grande do Sul	In progress	In 2008, 180 bills were issued in Braille	Caxias do Sul Association of Parents and Friends of Visually Impaired People (APADEV)
Movie Tour (RodaCine)	CT/ SC	1   2	To offer movie screenings free of charge to the public, with programming consisting of Brazilian movies, selected according to the profile of each region. Screenings are through a mobile unit with a projector, screen and sound system shown in municipalities in the state of Rio Grande do Sul that generally do not have movie theaters	In progress	Since 2001, 360 municipalities in the state Rio Grande do Sul have benefited from this program, with an audience of over 372 thousand	An initiative of the Rio Grande do Sul state government through the State Cultural Secretariat and IECINE (State Film Institute), carried out by FUNDACINE (Rio Grande do Sul Film Foundation)
Promotion of Gaúcho Culture and Traditions	CT/ SC	1   2	To support major cultural projects in numerous municipalities in RGE's concession area. These events have the effect of promoting the cities, stimulating the local economy and encouraging the development of culture and tourism	In progress	In 2008, the following events received support: the Grape Festival in Caxias do Sul, Christmas Lights in Gramado and Christmas Dream in Canela	Local government and cultural associations
Encouraging local development in CPFL Santa Cruz	SC	1   2	To install three new companies through the CPFL Energia Group in the area of CPFL Santa Cruz's operation, creating new jobs and income generation opportunities in the region	Completed	In Piraju, the electricity pole manufacturer Infor Piraju and the transformer refurbishment company, CPFL Serviços are already operational. In Ourinhos, the call center company CPFL Atende is also up and running	Infor Piraju, CPFL Serviços and CPFL Atende
CPFL Santa Cruz Volunteers Program	SC	1   2	To donate winter clothing and blankets; in addition, to participate in social solidarity fund activities in the numerous communities where the company operates	Completed	Donations sent to welfare organizations and low-income families in the communities	Employees, social solidarity funds and local companies
Tree Week at CPFL Santa Cruz	SC	7   8	To carry out talks and a theater performance, and distribute primers on the environment and the safe and efficient use of electricity among public and private primary school students	Completed	Engagement of educators and students in issues of conservation of electricity and natural resources. Involvement of approximately two thousand children	Piratininga de Piraju radio station, Estúdio Mágico de Campinas group, Municipal Education Secretariat and Piraju local government
Kites Without Danger at CPFL Santa Cruz	SC	1   2   8	To provide guidance to children and adults on the dangers of flying kites near the electric network and also raise awareness on the use of glass coated kite lines	Completed	Greater awareness of accident prevention	Sesi Ourinhos, regional press, Civil, Military and Highway Police and Minor's Court



Program/ Project	Target Audience*	Global Compact Correlation	Objectives	Situation in 2008	Results in 2008	Partners
Christmas Lights Project at CPFL Santa Cruz	SC	1   2	To sponsor the Christmas decorations of the main church and the areas surrounding the main square in Piraju	In progress	Boost to local commerce and tourism	Mega Instalações company, Matriz de Piraju church, Municipal Culture Department and Piraju local government
Christmas Toys	CL	1   2	To give presents to employees' children	In progress	In 2008, delivery took place in 33 towns for the first time, covering all employees of the Group	
School Materials	CL/SC	1   2	To assist the education of the children of employees, guards and apprentices	In progress	School material kits and backpacks benefited 3,800 children in pre-school and primary school aged from 4 to 15 years	
Paying Tribute to Employees	CL	1   2	To recognize employees who have worked at the Company for a significant amount of time (10,15, 20, 25, 30 and 35 years)	In progress	In 2008, 252 employees were recognized	
CPFL Management	CL	1   2   6	To improve managers' individual skills through the transmission of the technical and theoretical knowledge necessary for global management performance; to train executive and management teams on succession planning and development; to prepare participants for organizational changes resulting from the creation of an entrepreneurial culture	In progress	By November 2008, approximately 7,700 hours of training had been recorded	FGV / Trend School / ICI / Eugênio Mussak / Clemente da Nóbrega / Robert Wong / others
Personal Value	CL	1   2   3   4   5   6   7   8   9   10	To consolidate the CPFL Energia Group's strategies through planning and orienting the performance of each employee	In progress	100% of employees assessed	Datasul
Intern Program	CL	1   2   6	To provide the company with a young workforce with a high level of academic training; to improve work processes in different areas through the presence of young professionals with new professional paradigms; to create professionals ready to work in the Company or in the labor market	In progress	Hiring of interns	SLRH
Organizational Climate	CL	1   2   6	To understand the aspects that have helped or hindered the Company in engaging with people on business objectives and strategies; to identify cultural differences and similarities between areas of the Company in the search for greater organizational synergy; to understand progression and regression since the last survey (2006); to compare the Company's scores with market benchmarks (best practices and specific energy market); to leverage organizational performance through implementing actions for improvement	In progress	Results serve as input for the implementation of improvements	Hay Group
CPFL Opportunities Program	SC	1   2   6	Include and develop people with special needs in the Company	Concluded	Fulfillment of legal quotas and skills training of people with special needs. Event held to commemorate the Day of the Disabled Person plus photo exhibition. 150 people with special needs were hired in all of the Company's regions	Grupo Foco/ CPQD
Learning (Aprender) Program	SC	1   2   6   7   8	To train young apprentices and increase their employability	In progress	Fulfillment of established goals; compliance of Minor Apprentice Law and implementation of professional training courses; thematic visits; Sexuality Project and Rational Consumption Project	São Francisco University / CAMPC
CPFL Diversity Program	CL/ SC	1   2   6	To raise employee awareness on the issue, especially concerning Afro-Brazilians and women	In progress	Commemoration of International Women's Day and Black Consciousness Day	
CPFL Corporate University	CL	1   2   6	To train employees for their functions in alignment with the Company's strategy and business objectives	In progress	Design and implementation of the project	
New Time Program	CL	1   2	To assist and support employees in retirement-related decision-making, for employees three years away or less from full state social security retirement age	In progress	124 employees completed the Program (equal to 90.5%)	Consultants Aguinaldo Neri, Ana Fraiman, Elaine Toledo, José Floro and SEBRAE
Talk To Me Program	CL	1   2	To offer support with personal problems, typically those of a legal, psychological, financial or social nature. Available to employees of CPFL Paulista, CPFL Piratininga, CPFL Brasil and CPFL Geração and their immediate families	In progress	Issues were resolved in 98% of situations, 76% of cases were on-site, 65% involved legal issues and 99.6% of program users were satisfied with the results of the Program	Mind Performance LTDA
CPFL More Value Award	FO	1   2   3   4   5   6   7   8   9   10	To recognize and award outstanding suppliers of goods and services in 2007	In progress	In 2008, the second edition of the CPFL More Value Award was held, to encourage the continued search for improvements and reduced inspection costs	



Program/ Project	Target Audience*	Global Compact Correlation	Objectives	Situation in 2008	Results in 2008	Partners
Energy Efficiency Program – CPFL Paulista	CT/ SC	1   2   7   8   9   10	To encourage the rational use of electricity and combating wastage, to persuade society to reflect more on this issue, and to be active in the economic, social and environmental development of the areas in which the company is present	In progress	Energy Saving (MWh/year) = 68,263 and Reduction in Peak Demand (kW) = 21,612	
Energy Efficiency Program- CPFL Piratininga	CT/ SC	1   2   7   8   9   10	To encourage the rational use of electricity and combating wastage, to persuade society to reflect more on this issue, and to be active in the economic, social and environmental development of the areas in which the company is present	In progress	Energy Saving (MWh/year) = 14,089 and Reduction in Peak Demand (kW) = 4,027	
Energy Efficiency Program – RGE	CT/ SC	1   2   7   8   9   10	To encourage the rational use of electricity and combating wastage, to persuade society to reflect more on this issue, and to be active in the economic, social and environmental development of the areas in which the company is present	In progress	Energy Saving (MWh/year) = 6,592 and Reduction in Peak Demand (kW) = 2,503	
Energy Efficiency Program – CPFL Santa Cruz	CT/ SC	1   2   7   8   9   10	To encourage the rational use of electricity and combating wastage, to persuade society to reflect more on this issue, and to be active in the economic, social and environmental development of the areas in which the company is present	In progress	Energy Saving (MWh/year) = 1,279.4 and Reduction in Peak Demand (kW) = 589.6	
Energy Efficiency Program – CPFL Jaguarí	CT/ SC	1   2   7   8   9   10	To encourage the rational use of electricity and combating wastage, to persuade society to reflect more on this issue, and to be active in the economic, social and environmental development of the areas in which the company is present	In progress	Energy Saving (MWh/year) = 1,121.6 and Reduction in Peak Demand (kW) = 681.0	
Energy Efficiency Program – CPFL Leste Paulista	CT/ SC	1   2   7   8   9   10	To encourage the rational use of electricity and combating wastage, to persuade society to reflect more on this issue, and to be active in the economic, social and environmental development of the areas in which the company is present	In progress	Energy Saving (MWh/year) = 618.9 and Reduction in Peak Demand (kW) = 380.3	
Energy Efficiency Program – CPFL Sul Paulista	CT/ SC	1   2   7   8   9   10	To encourage the rational use of electricity and combating wastage, to persuade society to reflect more on this issue, and to be active in the economic, social and environmental development of the areas in which the company is present	In progress	Energy Saving (MWh/year) = 1,333.4 and Reduction in Peak Demand (kW) = 815.8	
Energy Efficiency Program – CPFL Mococa	CT/ SC	1   2   7   8   9   10	To encourage the rational use of electricity and combating wastage, to persuade society to reflect more on this issue, and to be active in the economic, social and environmental development of the areas in which the company is present	In progress	Energy Saving (MWh/year) = 667.7 and Reduction in Peak Demand (kW) = 408.0	
Environmental Management System	SC/CL/CT	1   2   3   4   5   6   7   8   9   10	To control all activity variables to eliminate or mitigate environmental impacts. Activities are carried out in an integrated way with other management standards, which optimizes training and verification processes	In progress	Ongoing monitoring of the Company's activities in all the segments in which it operates	
Construction of impermeable floors for transformer storage, coupled with water and oil separation chambers	AI/ CT/ SC	1   2   7   8   9	To control accident oil leakages from transformers in storage areas and thus avoid environmental impact and the risk of fines	In progress	Construction of impermeable floors at 12 RGE advanced stations at a cost of R\$ 300 thousand	
Construction of concrete boxes beneath substation transformers	AI/ CT/ SC	7   8   9	To control accidental oil spills from transformers in storage areas and thus avoid environmental impact and the risk of fines	In progress	Construction of spill boxes and reservoirs at 3 substations	
Restoration of waterside forest cover	SC	8	To donate material for recovery activities, such as wire, clips and wood for constructing isolation fences and project signage, and tree seedlings. The aim is to compensate for the impact on vegetation as a result of RGE's works to expand the electric system	In progress	Assistance for the recovery of 800,300 m² of areas situated along riverbanks	State Public Prosecutor's Office and rural landowners
Environment Week	CL / SC	7   8   9	To celebrate and discuss issues relating to Environment Week with educators and specialist professionals through talks and children's activities	Annual activities	Lecture entitled "The growth of electricity generation using alternative energy sources and their contribution to sustainability" with specialists from CEPEL, Drs. Hamilton Moss and Antonio Leite de Sá, as well as environmental education workshops for children.	Alma Environmental Group; Elo Ambiental; Proativa Consultancy; Brinque Lobinho
Trading of Carbon Credits – Repowered SHPs	AI	7   8   9	To qualify company projects as Clean Development Mechanisms to obtain and trade carbon credits	Sale concluded of credits obtained in 2007	In 2008, 37,583 CERs were traded for the period 2003 to 2007, with gross sales of 507 thousand Euros	



Program/ Project	Target Audience*	Global Compact Correlation	Objectives	Situation in 2008	Results in 2008	Partners
Trading of Carbon Credits – HPPs	AI	7   8   9	To qualify company projects as Clean Development Mechanisms to obtain and trade carbon credits	Sale concluded of credits obtained from Monte Claro HPP up to 2007	Sale concluded of 254 thousand CERS relating to hydroelectric generation at Monte Claro HPP for the period 2005 to 2007, with gross sales of 3.7 million Euros; projects Castro Alves and 14 de Julho hydro plant projects are at the registration phase	
Environmental Programs at CPFL Geração's SHPs: Fish Conservation and Waterside Forest Restoration	SC	8	To mitigate and compensate for the socio-environmental impacts of projects	Reforestation concluded; fish spawn released: ongoing program	Release of 270,000 fish spawn	
Environmental Programs at CPFL Geração's SHPs: Reforestation	SC	8	To mitigate and compensate for the socio-environmental impacts of projects. Compliance with the terms of the Commitment and Restoration Agreement (TCRA)	In progress	Reforestation of the banks of Chibarro and Capão Preto plants (reforestation the terms of the TCRA)	
Environmental Programs at Salto Grande Reservoir	SC	8	To improve quality of life for society and for fauna, through voluntary reforestation for restoration of part of the area along the reservoir banks	In progress	Continued reforestation of the reservoir banks of Americana SHP (voluntary initiative)	
Urban Tree Planting	CL / SC	8	To donate seedlings suited to planting in the vicinity of the electricity distribution network	In progress	Donation of 90 thousand tree seedlings	
Aquatic Plant Monitoring	SC	7   8   9	To control the proliferation of aquatic plants in the Americana reservoir	In progress	Removal of 27,860 m2 of aquatic plants in 2008, equal to 44.2 ha of infestation	
Environmental Programs at Salto Grande Reservoir: Environmental Education "School Ship of Nature Association"	SC	7   8   9	To promote community environmental education	In progress	Over 48 thousand people took part in the "School Ship of Nature Association" Project over the year	School Ship of Nature Association
Environmental Education: SHP Visits	SC	7   8   9	To promote community environmental education	In progress	CPFL Geração plants were visited by 1,902 students	School Ship of Nature Association
Dom Bosco Cooperative	SC	1   2   7   8   9	To create suitable installations for the cooperative members to improve their conditions and increase their opportunities for work and income generation. Also includes environmental restoration and landscaping of the site	In progress	Received status as Benchmark Center Cooperative Movement (CRCA) for the Cooperative's architectural design, approved by the Campinas City Government Planning Department; continuation of works of clearing, earthmoving and fencing off the area. The next stage is construction of the covered area	CRCA and Campinas City Government Planning Department
Environmental Programs – Foz do Chapecó	SC	7   8   9	To mitigate and compensate for the socio-environmental impacts caused by the project (environmental programs required by the Basic Environmental Project and the requirements in the environmental licenses)	In progress	Installation of nine Reference Centers to serve affected population, where families have access to information on the project and they can register complaints and doubts relating to their particular situation	
Environmental Programs – Enercan	SC	7   8   9	To mitigate and compensate for the socio-environmental impacts caused by the project (environmental programs required by the Basic Environmental Project and the requirements in the environmental licenses)	In progress	In 2008, the activities of the Rural Development Fund continued, with the use of resources to fund cooperative agribusinesses in four municipalities in Campos Novos HPP's sphere of influence. The first installments of projects financed by the Rural Development Fund were received, which allowed financing of new projects	
Environmental Programs – Ceran	SC	7   8   9	To mitigate and compensate for the socio-environmental impacts caused by the project (environmental programs required by the Basic Environmental Project and the requirements in the environmental licenses)	In progress	Execution of environmental programs which allowed environmental licensing of Castro Alves and 14 de Julho hydroelectric plants	
Environmental Programs - Serra da Mesa HPP	SC	7   8   9	To mitigate and compensate for the socio-environmental impacts caused by the project (environmental programs required by the Basic Environmental Project and the requirements in the environmental licenses)	In progress	The Development Fund of the North-Northeast region of Goiás state began activities with the establishment of its Deliberative Council and notification to the municipalities of the objectives and stages in the project execution, with the aim of implementing income-generating projects for low-income families living in municipalities affected by the Serra da Mesa and Cana Brava projects	Furnas Centrais Elétricas S.A., InterAmerican Development Bank (IDB), Ministry of Mines and Energy, Tractebel Energia and the Brazilian Micro and Small Companies Support Service (SEBRAE) of Goiás state



Program/ Project	Target Audience*	Global Compact Correlation	Objectives	Situation in 2008	Results in 2008	Partners
Environmental Programs - Baesa	SC	7   8   9	To mitigate and compensate for the socio-environmental impacts caused by the project (environmental programs required by the Basic Environmental Project and the requirements in the environmental licenses)	In progress	Continuation of works to improve infrastructure in municipalities in Barra Grande HPP's sphere of influence, with the unveiling of improvements in the community.	-
Sustainable Energy Project	SC	6   7   8   9	To make information available for members of society to form their own opinions on issues concerning the Brazilian electric sector	In progress	IV Forum "Man and the Power Plant: Transparency and Dialog for a Brazil with Energy" and a visit by deputies to Campos Novos HPP for dissemination of the energy companies' activities and their contribution to regional socio-economic development	Acende Brasil Institute
Greenhouse Gas Emissions Inventory	SC	7   8   9	To evaluate emission levels resulting from company activities and to seek alternatives in order to minimize and compensate for these impacts	In progress	Inventory concluded of direct and indirect greenhouse gas emissions resulting from activities at head office and at two Advanced Stations	-
International Hydropower Association	SC	7   8   9	To promote and disseminate good practices and knowledge on hydroelectric power	In progress	Participation in workshop to develop a Sustainability Protocol with a certifying system, which will facilitate raising finance	Unesco, Duke Energy, Furnas, EDP, Suez, Brascan, Cemig, Copel, Itaipu, Eletrobrás, EDF

\* Shareholders/Investors (AI), Clients (CT), Employees (CL), Suppliers (FO), Press (IM), Society/Community (SC).



Entrance to head office in Campinas, state of São Paulo state







# Awards

**To be contemporary is...**  
To provoke debate on behavior  
and lifestyles in today's world.





# CPFL Energia: an awarded company



The CPFL Energia Group received a range of significant awards in 2008, in recognition of its management excellence and commitment to sustainability. They are evidence of the effort and commitment that CPFL Energia puts into its search for operating efficiency and the continual improvement in the quality of the service provided.

## National Quality Award® (PNQ) 2008

One of the major highlights was the National Quality Award® (PNQ) 2008, granted by the National Quality Foundation (FNQ). Created 17 years ago, the Award recognizes excellence in corporate management and aims to encourage the constant improvement of all organizations operating in Brazil. This is the second time in the last four years that CPFL Paulista has received the PNQ. It is worth mentioning that CPFL Paulista is the only electricity sector company to have been granted this award.

Seen as one of the four most significant **management quality** awards in the world, the National Quality Award® (PNQ) 2008 is granted by the National Quality Foundation (FNQ). Its status is similar to international awards such as:

- Baldrige National Quality Program (USA)
- European Quality Award (Europe)
- Deming Prize (Japan)



CPFL executives at the PNQ award ceremony

### Objective of the Award

To provide companies with a benchmark model for their **continual improvement**, publicly recognize the management **quality excellence** of world class organizations and disseminate successful management practices.



## IFC Client Leadership Award



Wilson Ferreira Jr., Lars Thunell and Jose Filippo at the IFC award ceremony

CPFL Energia was the first Brazilian company to gain the IFC's (International Finance Corporation) Client Leadership Award for its operating excellence and commitment to sustainable development in the social and environmental fields.

### The Award

The Client Leadership Award recognizes innovation, operating excellence and a commitment to sustainable development in the social and environmental fields

### IFC

The IFC is a member World Bank Group and fosters **sustainable growth in the private sector in emerging economies**. It mobilizes capital and provides advisory and risk assessment services to businesses and governments.

Every year for the purposes of the award, it conducts an assessment of hundreds of companies around the world, examining:

- Ability and discipline in fulfilling defined strategies;
- Results achieved;
- Effectiveness of sustainability guidelines.

### CPFL Energia: evolution recognized

- Adoption of corporate governance and sustainability practices;
- Maintenance of employee diversity programs;
- Dissemination of corporate social responsibility among small and medium-sized companies;
- Reduction in energy losses;
- Commitment to reducing the rate of climate change.

### When and How This Happened

The award was presented in October 2008 at the annual meeting of the World Bank and the International Monetary Fund (IMF) in Washington D.C., USA.

---

**"CPFL is a model IFC client, it has an excellent reputation as a well run, transparent and socially responsible company with high standards of governance."**

**Lars Thunell - Executive Vice President of IFC**

---





CPFL Paulista commemorates at the ABRADEE Awards

## ABRADEE Awards

For the fourth time, CPFL Paulista won the ABRADEE Award for the Best Electricity Distributor in Brazil. The company beat all records with the historic achievement of awards in four other categories.

In addition to the National Award, CPFL Paulista won awards for:

- Management Quality
- Operating Management
- Social Responsibility
- Economic and Financial Management

## Management Excellence Award

CPFL Energia was placed in the **top ranking in Latin America** on winning the Management Excellence Award 2008. It came first in a ranking of companies that adopt the best corporate governance practices in the region, as recognized by Latin Finance magazine in partnership with the Management & Excellence consultancy.

Evidence of investors' trust in CPFL Energia was provided by the Management Excellence Award 2008 presented by Latin Finance magazine in partnership with the Management & Excellence consultancy.

## Top 5 for Corporate Governance, awarded by MZ Consult

For the second consecutive time, CPFL Energia was positioned in the Top 5 for Corporate Governance by MZ Consult with the support of KPMG, NYSE, Euronext, The Bank of New York, Mellon, Arnold & Porter, Bloomberg, Demarest & Almeida and PR Newswire.

MZ Consult's methodology is detailed, transparent and accessible to all participants, consisting of extensive surveys carried out by their own teams among publicly listed companies and investors, with specialist support from independent audit and legal teams.



# The other awards

## CPFL Energia

- **Client Leadership Award 2008** – International Finance Corporation (IFC) - Innovation, Social Commitment and Operating Excellence
- **Best Company in Latin America for Corporate Governance** – from Latin Finance magazine and Management & Excellence consultancy
- **Top 5 for Corporate Governance** – survey by MZ Consult, KPMG, NYSE, Euronext, The Bank of New York, Mellon, Arnold & Porter, Bloomberg, Demarest & Almeida and PR Newswire
- **Carta Capital 2008/TNS InterScience** – Most Admired Energy Distributor in Brazil
- **Exame magazine Sustainability Guide** – Model Company for the sixth year
- **Exame/Você S.A. Guide** – Best Companies To Work For – Best in Strategy and Management category for the seventh year
- **Balanço Anual Award 2008** – Gazeta Mercantil newspaper – Best Energy Company
- **Expo Money Awards 2008** – Respect for the Individual Investor; Special Circuit Mention
- **Gestão & RH Publisher** – Psychologically Healthy Companies
- **Brazil Intangible Assets Award** – Presença Internacional do Brasil magazine - GDP 2008 – Corporate Governance Assets Award
- **XIII National Quality of Life Award (PNQV)** –Brazilian Quality of Life Award (ABQV) - Innovation Category - Quality of Life Portal

## Distribuidoras

### CPFL Paulista

- **National Quality Award® (PNQ) 2008** – from the National Quality Foundation (FNQ)
- **ABRADEE (Brazilian Electricity Distributors Association) Awards 2008:**
  - Best Electricity Distributor in Brazil
  - Management Quality – National
  - Economic and Financial Management – National
  - Operating Management – National
  - Social Responsibility - National
- **IASC Award 2008 from the National Electric Energy Agency (ANEEL)**
- **Best Electricity Distributor** – Southeast Region – over 400 thousand consumer units
- **“Medalha Eloy Chaves” Award** – Occupational Health and Safety – Silver Trophy - predominantly distribution company with over 2,000 employees category – assessed by the Brazilian Electricity Concessionaires Association (ABCE)
- **XVIII FGV Corporate Excellence Award** – Best return on shareholders’ equity in 2007
- **Eletricidade 2008 Awards –Eletricidade Moderna magazine:**
  - Best Electricity Distributor – National – state companies
  - Best State Coverage
  - Best Operating Performance – National
  - Best Electricity Distributor – Southeast region



## >> Prêmios >> **Relação de Prêmios 2008**

### **RGE**

- **Gaúcho Quality and Productivity Program Award 2008** - Gaúcho Quality and Productivity Program (PGQP) – Gold Trophy
- **Expressão Ecology Award** – Expressão magazine – restoration of degraded areas category and Pollution Control Award – private sector
- **Eletricidade 2008 Awards** – Eletricidade Moderna magazine:
  - Best Commercial Performance – National
  - Best Improvement – South region

### **CPFL Santa Cruz**

- **“Medalha Eloy Chaves” Award** - Occupational Health and Safety – Gold Trophy - predominantly distribution company with 501 – 2,000 employees category – assessed by ABCE
- **Brazilian Safety Agency (ABS) Award** – Occupational Health and Safety and Top Management Award, Bronze category

### **CPFL Jaguari**

- **“Medalha Eloy Chaves” Award** - Occupational Health and Safety – Bronze Trophy - predominantly distribution company up to 500 employees category – assessed by ABCE
- **Brazilian Safety Agency (ABS) Award** – Occupational Health and Safety
- **Eletricidade 2008 Awards** – Eletricidade Moderna magazine:
  - Best Electricity Distributor - National – smaller companies - under 40 thousand customers

### **CPFL Leste Paulista**

- **Brazilian Safety Agency (ABS) Award** – Occupational Health and Safety
- **Eletricidade 2008 Awards** – Eletricidade Moderna magazine:
  - Best Engineering Performance – medium-sized companies - over 40 thousand customers

### **CPFL Mococa**

- **Brazilian Safety Agency (ABS) Award** – Occupational Health and Safety
- **Eletricidade 2008 Awards** – Eletricidade Moderna magazine:
  - Best Engineering Performance – National – smaller companies - under 40 thousand customers





## Generation Companies

### CPFL Geração

- Brazilian Safety Agency (ABS) Award – Occupational Health and Safety - Top Management Award, Silver category
- Cogef Foundation Award – Environmental Actions Category – Environmental Stewardship in the Americana

### Baesa (Energética Barra Grande)

- Corporate Friend of the Child Award 2008 – Cultural Development category (ADVB/SC – Sales and Marketing Directors Association of the State of Santa Catarina)
- Excellence in Sustainable Management 2008 – Sustainable Tourism and Agriculture
- Fritz Müller Award 2008 – FATMA
- Baesa Sustainability Program
- Corporate Citizen Award (Santa Catarina) for the second consecutive year
- Sesi Workplace Quality 2008 - Corporate Management and Social Responsibility
- José Paschoal Baggio Entrepreneurs Award 2008 - Correio Lageana de SC newspaper
- Social Responsibility Certificate 2008 – Legislative Assembly - State of Rio Grande do Sul

## Commercialization Companies

### CPFL Brasil

- Master Cana Brasil Award 2008 - Grupo Procana – Master Brands Revelation 2008 Category Management and Commercialization – Services
- XVIII FGV Corporate Excellence Award – Best Return On Assets In 2007 - CPFL Serviços

### CPFL Serviços

- Excellent Performing Company during the 2008 Shutdown – Paulista de Papel e Celulose Consortium (CONPACEL) – Best service provision

## Other Highlights

- Executivo de Valor Award 2008 – Valor Econômico newspaper
- IBEF Award 2008
- ‘The 10 Most Admired HRs in Brazil 2008’ Award
- 11th HR Top of Mind Awards 2008





# Information of a Social and Environmental Nature

## Brazilian Accounting Standards (NBCT 15) - Federal Accounting Council of Brazil

DAV	2008	2007
Total Value Added to be distributed (R\$ thousand):	7,381,858	8,001,533
Distribution of Added Value (DAV):	64.44% government 5.64% employees 16.36% shareholders 12.64% 3rd parties 0.92% retained	64.44% government 5.64% employees 16.36% shareholders 12.64% 3rd parties 0.92% retained
Human Resources	2008 value (R\$ thousand)	2007 value (R\$ thousand)
Gross remuneration segregated by:		
Employees	429,674	371,949
Management	12,374	18,162
Outsourced labor	2,282	2,032
Self-employed	116	103
Relationship between the highest and the lowest remuneration of the company, considering the employees and management	80.09	80.67
Mandatory social charges	117,929	104,345
Nutrition	35,371	30,228
Transportation	1,445	1,575
Private Pension Plan	25,159	21,640
Healthcare	29,593	25,284
Occupational safety and medicine	2,964	3,025
Education (excluding environmental education)	2,157	2,523
Culture	0	0
Training and professional development	9,333	7,712
Daycare and daycare assistance	958	778
Participation in profits and results	34,091	28,073
Workforce indicators	2008	2007
Total employee numbers at the end of the fiscal year	7,119	7,176
Total hirings	944	820
Total number of discharges	909	444
Total number of trainees at the end of the fiscal year	185	158
Total number of employees with special needs at the end of the fiscal year	298	196
Total number of outsourced service providers	4,730	5,414
Total number of employees by gender:	2008	2007
Men	5,911	6,007
Women	1,208	1,169
Total number of employees by academic level, separated by:	2008	2007
Less than 18	1	2
From 18 to 35	3,247	3,329
From 36 to 60	3,857	3,827
More than 60	14	18
Total number of employees by academic level, separated by:	2008	2007
Illiterate	0	0
Primary school education	707	585
High school education	2,957	3,867
Technical education	1,294	570
College education	1,733	1,666
Postgraduate education	428	488
Percentage of management positions held by gender:	2008	2007
Men	89.86%	91.33%
Women	10.14%	8.67%
Information with respect to labor lawsuits filed by employees against the company	2008	2007
Number of lawsuits filed against the company	306	593
Number of lawsuits upheld	295	164
Number of lawsuits not upheld	217	227
Total value of indemnities and fines paid by court order	11,892	8,399

Note: Lawsuits ruled partially favorably or concluded by agreement should be considered as upheld.



Interaction of the Company with the External Environment	2008 value (R\$ thousand)	2007 value (R\$ thousand)
Education (except of an environmental nature)	1,870	12
Culture	10,847	13,949
Health and sanitation	982	686
Sport and leisure, (not considering sponsorships for advertising purposes)		10
Housing	0	0
Nutrition	0	0
Information relative to interaction with customers	2008	2007
Number of complaints received directly by the entity	857,013	783,288
Number of complaints received through consumer protection agencies	1,888	1,838
Number of complaints received through the law courts	2,127	2,459
Number of complaints attended in each listed instance	0	0
Amount in fines and indemnities, ordered by consumer protection agencies or the law courts	0	0
Actions taken to resolve or minimize the causes of complaints	Ombudsman	Ombudsman
In the selection of suppliers, the same standards of ethics and social and environmental responsibility adopted by the company:	( ) are not considered ( ) are suggested (X) are required	( ) are not considered ( ) are suggested (X) are required
Interaction with the Environment	2008 value (R\$ thousand)	2007 value (R\$ thousand)
Investments and expenses with maintenance in operating processes for environmental improvement	126,362	50,524
Investments and expenses with preservation and/or recovery of degraded areas	0	0
Investments and expenses with environmental education for employees, outsourced labor, self-employed labor and management of the company	0	0
Investments and expenses with environmental education for the community	0	0
Investments and expenses with other environmental projects	44,425	12,150
Number of environmental, civil and legal actions filed against the company	0	0
Value of fines and indemnities with respect to environmental matters, ordered administratively and/or judicially	0	0
Environmental liabilities and contingencies	0	0

#### FINAL PROVISIONS

##### Consolidated Information

In the case of financial information the percentages of corporate stakes are used. Overall figures are used for other information such as the number of employees and lawsuits. The Company has made adjustments to DAV for 2007 in line with the requirements of Brazilian Law nº 11.638/07 (Revenue Relating to Construction of Own Assets).

Responsible for figures: Antônio Carlos Bassalo, telephone +55 (19) 3756 8018, bassalo@cpfl.com.br

(\*) Information not reviewed by the independent auditors



# Social Report 2008

**Brazilian Institute of Social and Economic Analysis (Ibase)**  
[www.ibase.org.br](http://www.ibase.org.br)

1 - Basis for Calculation	2008 Value (R\$ thousands)			2007 Value (R\$ thousands)		
Net Revenues (NR)	9,705,808			9,409,535		
Operating Result (OR)	1,921,699			2,472,409		
Gross Payroll (GP)	444,446			392,246		
2 - Internal Social Indicators	Value (R\$ thousand)	% of GP	% of NR	Value (R\$ thousand)	% of GP	% of NR
Food	35,371	7.96%	0.36%	30,228	7.70%	0.31%
Mandatory payroll taxes	117,929	26.53%	1.22%	104,345	26.60%	1.11%
Private Pension plan	25,159	5.66%	0.26%	21,640	5.52%	0.23%
Health	29,593	6.66%	0.30%	25,284	6.45%	0.27%
Occupational health and safety	2,964	0.67%	0.03%	3,025	0.77%	0.03%
Education	2,157	0.49%	0.02%	2,523	0.64%	0.03%
Culture	0	0%	0%	0	0%	0%
Training and professional development	9,333	2.10%	0.10%	7,712	1.97%	0.08%
Day-care/ allowance	958	0.22%	0.01%	778	0.20%	0.01%
Profit/ results sharing	34,091	7.67%	0.35%	28,073	7.16%	0.30%
Others	6,020	1.35%	0.06%	6,288	1.60%	0.07%
Total - Internal social indicators	263,574	59.30%	2.72%	229,896	58.61%	2.44%
3 - External Social Indicators	Value (R\$ thousand)	% of GP	% of NR	Value (R\$ thousand)	% of GP	% of NR
Education	1,870	0.10%	0.02%	12	0%	0%
Culture	10,847	0.56%	0.11%	13,949	0.56%	0.15%
Health and Sanitation	982	0.05%	0.01%	686	0.03%	0.01%
Sport	1,213	0.06%	0.01%	10	0%	0%
Combating hunger and malnutrition	0	0%	0%	0	0%	0%
Others	2,420	0.13%	0.02%	2,293	0.09%	0.02%
Total Contributions to Society	17,332	0.90%	0.18%	16,950	0.69%	0.18%
Taxes (excluding payroll taxes)	4,598,530	239.30%	47.38%	5,009,472	202.62%	53.24%
Total - External social Indicators	4,615,862	240.20%	47.56%	5,026,422	203.30%	53.42%
4 - Environmental Indicators	Value (R\$ thousand)	% of GP	% of NR	Value (R\$ thousand)	% of GP	% of NR
Investments related to Company production/ operation	126,362	6.58%	1.30%	50,524	2.04%	0.54%
Investments in external projects/ programs	44,425	2.31%	0.46%	12,150	0.49%	0.13%
Total Environment Investment	170,787	8.89%	1.76%	62,674	2.53%	0.67%
Regarding annual targets for reducing waste, consumption in general in production/ operation and increasing efficiency in the use of natural resources, the Company:	( ) has no targets ( ) fulfilled 51 to 75% ( ) fulfilled 0 to 50% (X) fulfilled 76 to 100%			( ) has no targets ( ) fulfilled 51 to 75% ( ) fulfilled 0 to 50% (X) fulfilled 76 to 100%		



5 - Staff Indicators	2008	2007
Employees at end of period	7,119	7,176
Employees hired during period	944	820
Outsourced employees	4,730	5,414
Interns	185	158
Employees over 45	1,661	1,838
Women working at the company	1,208	1,172
% management positions occupied by woman	10.14%	8.67%
Afro-Brazilian employees working at the company	678	554
% management positions occupied by Afro-Brazilian employees	0.61%	1.02%
Employees with disabilities or special needs	298	196
6 - Information on Business Responsibility	2008	2007
Ratio of highest to lowest compensation in the Company	80.09	80.67
Total number of work-related accidents	94	90
Company-sponsored social and environmental projects were decided upon by:	( ) executive officers (X) executive officers and managers ( ) all employees	( ) executive officers (X) executive officers and managers ( ) all employees
Health and safety standards in the workplace were set by:	( ) executive officers and managers ( ) all employees	( ) executive officers and managers ( ) all employees (X) all + Cipa
With respect to labor union freedom, the right to collective bargaining and the internal employee representation, the Company:	( ) does not become involved ( ) adheres to ILO standards (X) encourages and adheres to ILO standards	( ) does not become involved ( ) adheres to ILO standards (X) encourages and adheres to ILO standards
Company pension plan covers:	( ) executive officers ( ) executive officers and managers ( ) all employees	( ) executive officers ( ) executive officers and managers (X) all employees
Profit/ results sharing program covers:	( ) executive officers ( ) executive officers and managers ( ) all employees	( ) executive officers ( ) executive officers and managers (X) all employees
In the selection of suppliers, the same ethical and social/environmental responsibility standards adopted by the Company are:	( ) not considered ( ) suggested (X) required	( ) not considered ( ) suggested (X) required
In relation to volunteer work by employees, the Company:	( ) does not get involved ( ) supports it (X) organizes and encourages it	( ) does not get involved ( ) supports it (X) organizes and encourages it
Total number of customer complaints/criticisms:	to the Company 857,013 to Procon 1,888 to the law courts 2,127	to the Company 783,288 to Procon 1,838 to the law courts 2,459
% of complaints and criticisms attended or solved	to the Company 100% to Procon 100% to the law courts 56.93 %	to the Company 100% to Procon 100% to the law courts 45.42%
Total Value added to be distributed (in R\$ thousand):	In 2008: 7,381,858	In 2007: 8,001,533
Distribution of Value Added (DVA):	64.44% government 5.64% employees 16.36% shareholders 12.64% third parties 0.92% retained	65.39% government 4.91% employees 19.51% shareholders 9.20% third parties 0.99% retained

## 7 - Other Information

### 6 - Information on Business Responsibility

The Company has adjusted DVA for 2007 in line with the requirements of Brazilian Law nº 11.638/07 (Revenue Relating to Construction of Own Assets). Consolidated Information

In the financial items, percentages of corporate stakes have been used. In such cases as the number of employees and legal suits, overall figures have been used.

Responsible for figures: Antônio Carlos Bassalo, telephone +55 (19) 3756-8018, bassalo@cpfl.com.br

(\*) Information not reviewed by the independent auditors



# Principles – United Nations (UN) Global Compact

## Human Rights

---



Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights



Principle 2: They should make sure that they are not complicit in human rights abuses

## Labor Standards

---



Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining



Principle 4: The elimination of all forms of forced and compulsory labor





Principle 5: The effective abolition of child labor



Principle 6: The elimination of discrimination in respect of employment and occupation

## Environment



Principle 7: Businesses should support a precautionary approach to environmental challenges



Principle 8: Undertake initiatives to promote greater environmental responsibility

## Anti-Corruption



Principle 9: Encourage the development and diffusion of environmentally friendly technologies



Principle 10: Businesses should work against corruption in all its forms







# About the Report

## To be contemporary is...

The CPFL Cultural Center  
A center for thought and dialog on the contemporary world

## To be contemporary is...

To become involved in the cutting edge of art but in harmony with your own cultural identity

- >> This report
- >> GRI indicators
- >> Corporate information
- >> Board of Executive Officers
- >> Credits
- >> Team responsible for preparing the GRI indicators



# This Report

**GRI 3.1** CPFL Energia's Annual Report aims to detail, in a transparent, balanced and objective manner, the activities carried out and results obtained for 2008, including the intended objectives, for all the Group companies.

**GRI 3.3** Written in accordance with the latest Global Reporting Initiative (GRI) guidelines (G3 version), it is structured to allow comparability in line with internationally standardized and accepted criteria. Using this format, CPFL Energia aims to be accountable for its initiatives in the economic, social and environmental fields to all its stakeholders: shareholders, investors, market analysts, clients, consumers, suppliers, employees, regulatory bodies, governments and communities in its areas of operation.

**GRI 3.5** To establish the content of the Report, the GRI indicators were put to a materiality test to identify which of the Company's indicators were of greatest relevance for each audience involved and which should therefore be included in the Report.

**GRI 3.6** The materiality tests were carried out among shareholders, investors, market analysts, consumers, suppliers, employees and executives. This involved explaining CPFL Energia's Sustainability and Corporate Responsibility guidelines, GRI objectives, and the significance of adopting sustainability reporting based on the GRI-G3 model aligned with the Company's strategic planning.

**GRI 3.7** Shareholders, investors and market analysts were consulted during the 3rd Encounter with CPFL Energia Investors in November 2008, in partnership with the Association of Capital Market Analysts and Investment Professionals (APIMEC-SP). The opinions of clients and consumers were gained at the 100th Ordinary Meeting of the Consumer Council (COCEN) of CPFL Paulista and at the 56th Meeting of the Consumer Council (COCEN) of CPFL Piratininga in December 2008, and during meetings of the Tear Program, which aims to disseminate sustainability management practices among small and medium-sized companies that are CPFL Energia clients.

Suppliers were consulted at meetings of the Value Network, a forum for sharing knowledge and constructing a common and collaborative agenda for promoting sustainable development throughout CPFL Energia's supply chain. Employee opinions were gained in December 2008 and executives were interviewed individually during the course of writing the Report.

With the exception of the executives, all audiences consulted assessed and classified the GRI indicators based on their perceived importance. The result for each audience was considered in relation to the combined result for all audiences. The final result can be checked via the indicators portrayed over the Report. Also considered were suggestions and criticisms received through Evaluation Questionnaires placed in the 2007 Annual Report and received during 2008.

The Annual Report 2008 also includes the Electricity Industry Sectoral Supplement. These indicators were also verified in the Materiality Test. This present Report also includes Social Indicators in accordance with the Brazilian Institute for Social and Economic Analysis (Ibase) model and the Information of a Social and Environmental Nature in line with the Brazilian Accounting Standards (NBCT 15) of the Federal Accounting Council of Brazil. It also makes a correlation between the 10 principles of the Global Compact and the Group's initiatives. This Report is self-declared level "A" by CPFL Energia in accordance with GRI guidelines.

The economic and financial indicators have been audited by KPMG and the social and environmental indicators forming the GRI section of this Report have been externally verified by KPMG.



## ***Independent Auditors' Limited Assurance Report***

To  
The Board of Directors, Shareholders and Other Stakeholders of  
CPFL Energia S.A.  
Campinas - SP

### **Introduction**

We have been engaged for the purpose of applying Limited Assurance Procedures on CPFL's Annual Report 2008, related to the calendar year ended December 31<sup>st</sup>, 2008, which was prepared under the responsibility of CPFL Energia S.A. Our responsibility is to issue a Limited Assurance Report on this Annual Report.

### **Procedures of Limited Assurance**

The limited assurance procedures were performed in accordance with Rule NPO 1, issued by the Brazilian Institute of Accountants (IBRACON) and with the International Standard on Assurance Engagements (ISAE 3000), issued by the International Auditing and Assurance Standards Board, both related to Assurance Engagements other than Audits or Reviews of Historical Financial Information. The procedures comprised: (a) the planning of the work, considering the importance, coherence, volume of quantitative and qualitative information and operational and internal control systems that served as a basis for the preparation of CPFL's Annual Report 2008; (b) the understanding of the calculation methodology and the consolidation of the performance indicators through interviews with the personnel responsible for the preparation of information; (c) the comparison, on a sample basis, of the quantitative and qualitative information with the performance indicators disclosed in CPFL's Annual Report 2008; and (d) the comparison of the financial indicators with the financial statements and/or accounting records.

### **Reporting criteria**

The information of CPFL's Annual Report 2008 from CPFL Energia S.A. was prepared according to the Global Reporting Initiative guidelines (GRI-G3).

### **Scope and limitations**

The objective of our work was to issue a Limited Assurance Report on information related to Management's Approach and Sustainability Performance Indicators of CPFL Energia S.A. It does not include any evaluation of their policies, practices and sustainability performance. The applied procedures do not represent an examination in accordance with the audit rules for financial statements. In addition, our report does not provide limited assurance on the achievability of future information (such as targets, expectations and ambitions) nor on qualitative information that is under subjective evaluation.

### **GRI – G3 Application Level**

According to the GRI-G3 guidelines, CPFL Energia S.A. declares an Application Level A+ to CPFL's Annual Report 2008, related to the calendar year ended December 31<sup>st</sup>, 2008.

CPFL's Annual Report 2008 addresses all required information related to its structure, to all core performance indicators and to all indicators of the final version of the Electric Utility Sector Supplement. As a result, the procedures applied were considered sufficient to agree that the application level declared by CPFL Energia S.A. complies with the Global Reporting Initiative guidelines (GRI-G3).

### **Conclusion**

Based on our review we have not identified any relevant modification that should be performed on CPFL's Annual Report 2008, related to the calendar year ended December 31<sup>st</sup>, 2008, to agree with the GRI-G3 guidelines and with the records and files prepared by CPFL Energia S.A. and that were made available for our analysis.

June 30<sup>th</sup>, 2009



KPMG Auditores Independentes  
CRC 2SP014428/O-6

Jarib Brisola Duarte Fogaça  
CRC 1SP125991/O-0  
Partner

Alexandre Heinemann  
CRC 1SP228175/O-0-SRJ  
Partner



# Global Reporting Initiative (GRI) Indicators



## Profile

### Strategy and Analysis

**1.1** Statement from the most senior decision maker of the organization (e.g., CEO, Chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy

**Message from the Board of Executive Officers**  
**Management – Strategic Planning**

**1.2** Description of key impacts, risks, and opportunities

**Message from the Board of Executive Officers**

**Management - Risk Management – Corporate Risk Management**

**Management - Risk Management – Prevention of Financial Risk**

**Management - Risk Management – Exchange Rate and Interest Rate Risks on other Liabilities**

**Management - Risk Management – Planning for Energy Purchases**

**Management - Risk Management – Internal Audit**

**Management - Risk Management – Private Pension Plan**

**Management - Risk Management – Insurance Management**

**Management - Risk Management – Prevention of Operating Risk**

**Management - Risk Management – Information Technology Security**

**Management - Risk Management – Regulatory Issues**

**Responsibility – Environment – Environmental Management System**

### Organizational Profile

**2.1** Name of the organization

**The holding company - Areas of Operation**

**About the Report - Corporate Information**

**2.2** Primary brands, products, and/or services

**The holding company - Areas of Operation**

**The holding company – Subsidiaries – Distribution**

**The holding company – Subsidiaries – Generation**

**The holding company – Subsidiaries – Commercialization**

**Responsibility – Talent – Employee Profile**

**About the Report - Corporate Information**

**2.3** Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures

**The holding company - Areas of Operation**

**The holding company – Subsidiaries – Distribution**

**The holding company – Subsidiaries – Generation**

**The holding company – Subsidiaries – Commercialization**

**2.4** Location of organization's headquarters.

**CPFL Energia's management headquarters are in Campinas, São Paulo state, Brazil.**

**About the Report - Corporate Information**

**2.5** Number and names of countries where the organization operates

**The holding company - Areas of Operation**

**The holding company – Subsidiaries – Distribution**

**The holding company – Subsidiaries – Generation**

**The holding company – Subsidiaries – Commercialization**

**2.6** Nature of ownership and legal form

**The holding company – Corporate Structure**

**About the Report - Corporate Information**



**2.7 Markets served**

**The holding company - Areas of Operation**

**The holding company – Subsidiaries – Distribution**

**The holding company – Subsidiaries – Commercialization**

**2008 Performance – Operating Performance - Distribution**

**2.8 Scale of the reporting organization**

**The holding company - Areas of Operation**

**The holding company – Corporate Structure**

**The holding company – Subsidiaries – Distribution**

**The holding company – Subsidiaries – Generation**

**The holding company – Subsidiaries – Commercialization**

**2.9 Significant changes during the reporting period regarding size, structure, or equity ownership**

**There were no changes regarding equity ownership in the period**

**2.10 Awards received in the reporting period**

**Awards**

**Report Profile**

**3.1 Reporting period**

**About the Report – This Report**

**The present report encompasses the results and actions of the CPFL Energia Group over the period January to December 2008.**

**3.2 Date of most recent previous report**

**The Annual Report based on GRI-G3 guidelines preceding this one was based on figures and results achieved in 2007.**

**3.3 Reporting cycle**

**About the Report – This Report**

**Annual**

**3.4 Contact point for questions regarding the report or its contents.**

**About the Report – Team responsible for GRI Indicators**

**Comments, criticisms and suggestions on this Annual Report 2008 can be sent to [relatorioanual@cpfl.com.br](mailto:relatorioanual@cpfl.com.br)**

**3.5 Process for defining report content**

**About the Report – This Report**

**3.6 Boundary of the report**

**The holding company – Corporate Structure**

**About the Report – This Report**

**3.7 Statement on any specific limitations on the scope or boundary of the report**

**About the Report – This Report**

**3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations**

**The holding company – CPFL Energia**

**The holding company – Corporate Structure**

**The holding company – Areas of Operation**

**The Annual Report 2008 also covers outsourced services, which include services for pruning, meter reading and delivery of bills, power disconnections and reconnections, and maintenance. These operations are carried out by contracted companies. They account for 4,448 employees which are declared in Ibase reporting, along with 282 outsourced workers in the administration division.**

**3.9 Data measurement techniques and the bases of calculations,**

**The Key Indicators were used as the basis for calculation and figures were measured according to Brazilian and regulatory accepted standards for the sector (for rare exceptions, footnotes explain the methodology).**



**In 2008, accounting information for 2006 and 2007 was reclassified as a result of Brazilian Law nº 11.638/07.**

**3.10** Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement

**Where necessary, explanatory notes explain re-statements**

**3.11** Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

**Where necessary, explanatory notes explain re-statements**

**3.12** Table identifying the location of the Standard Disclosures in the report.

**This Reporting Index**

**3.13** Policy and current practice with regard to seeking external assurance for the report.

**About the Report – This Report**

## **Governance**

**4.1** Governance structure of the organization, including committees

**Corporate Governance – General Overview of the Group**

**Corporate Governance – General Overview of the Group – Board of Directors and Fiscal Council**

**Corporate Governance – General Overview of the Group – Board of Executive Officers**

**Corporate Governance – General Overview of the Group – Committees**

**4.2** Indicate whether the Chair of the highest governance body is also an executive officer

**The Chairman of the Board of Directors is not the Chief Executive Officer of CPFL Energia**

**4.3** For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.

**Corporate Governance – General Overview of the Group**

**Corporate Governance – General Overview of the Group – Board of Directors and Fiscal Council**

**Corporate Governance – General Overview of the Group – Committees**

**CPFL Energia has an Independent Board Member among the seven members of the Board of Directors**

**4.4** Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

**Corporate Governance – Corporate Events – Manual for Participating in Shareholders' Meetings**

**Corporate Governance – Corporate Governance Rating**

**4.5** Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)

**The Board of Directors establishes the compensation and goals of those responsible for Corporate Governance (CEO and Executive Officers) and assesses the performance of executives annually. In 2009, this has been linked to strategic planning.**

**4.6** Processes in place for the highest governance body to ensure conflicts of interest are avoided

**Corporate Governance – General Overview of the Group – Board of Directors and Fiscal Council**  
**The Related Parties Committee is an advisory committee to the Board of Directors. It is responsible for assessing transactions with related parties, which are submitted to the Board to ensure they adhere to usual market conditions and thus avoid conflicts of interest.**

**4.7** Process for determining the qualifications and expertise of the members of the highest governance body

**Corporate Governance – General Overview of the Group – Board of Directors and Fiscal Council**

**Corporate Governance – General Overview of the Group – Board of Executive Officers**

**Corporate Governance – General Overview of the Group – Committees**



**4.8** Internally developed statements of mission or values, codes of conduct, and principles relevant to

economic, environmental, and social performance and the status of their implementation

**The New Brand – CPFL Identity**

**The New Brand – Vision**

**The New Brand – Mission**

**The New Brand – Principles**

**The New Brand – Principles – Business Principles**

**The New Brand – Principles – Organizational Abilities**

**4.9** Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.

**Corporate Governance – General Overview of the Group**

**Corporate Governance – General Overview of the Group – Board of Directors and Fiscal Council**

**Corporate Governance – General Overview of the Group – Committees**

**Corporate Governance – Focus on Ethics**

**Management - Ethics Management and Development System**

**4.10** Processes for evaluating the highest governance body's own performance

**Corporate Governance – General Overview of the Group**

**Corporate Governance – General Overview of the Group – Board of Directors and Fiscal Council**

**Corporate Governance – Corporate Events – Manual for Participating in Shareholders' Meetings**

**Corporate Governance – Corporate Governance Rating**

**Responsibility – Environment – Sustainability Committee**

**The self-evaluation process for members responsible for Corporate Governance is managed by the Board of Directors with the support of the Personnel Management Committee. The Board is responsible for determining compensation, assessing the performance of the Board of Executive Officers and overseeing the Succession Plan.**

## **Commitments to External Initiatives**

**4.11** Explanation of whether and how the precautionary approach or principle is addressed by the organization.

**Management - Risk Management**

**Management - Risk Management – Corporate Risk Management**

**Management - Risk Management – Prevention of Financial Risk**

**Management - Risk Management – Exchange Rate and Interest Rate Risks on other Liabilities**

**Management - Risk Management – Planning for Energy Purchases**

**Management - Risk Management – Internal Audit**

**Management - Risk Management – Private Pension Plan**

**Management - Risk Management – Insurance Management**

**Management - Risk Management – Prevention of Operating Risk**

**Management - Risk Management – Information Technology Security**

**Management - Risk Management – Regulatory Issues**

**Responsibility – Environment – Environmental Management System**

**4.12** Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

**Management – Commitments**

**4.13** Memberships in associations

**Responsibility – Engagement in Associations**

## **Stakeholder Engagement**

**4.14** List of stakeholder groups engaged by the organization

**Responsibility – Map of Stakeholders**

**About the Report – About This Report**

**4.15** Basis for identification and selection of stakeholders with whom to engage.

**Responsibility – Map of Stakeholders**



**4.16** Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group

**Performance 2008 – Operating Performance– Distribution – Energy Efficiency  
Performance 2008 – Operating Performance– Distribution – Customer**

**Satisfaction**

**Responsibility – Map of Stakeholders**

**Responsibility – Society – CPFL Cultura**

**Responsibility – Society – Forums**

**Responsibility – Society – Project BISC**

**Responsibility – Society – Sustainable Planet**

**Responsibility – Society – Aberje Café**

**Responsibility – Society – SAMP**

**Responsibility – Society – GRES**

**Responsibility – Value Chain – Value Network**

**Responsibility – Value Chain – Tear Program**

**Responsibility – Community – Philanthropic Hospitals Modernization**

**Responsibility – Community – Municipal Child and Adolescent Rights Councils**

**Support Program**

**Responsibility – Community – CPFL Volunteer Program**

**Responsibility – Community – Encouragement and Recognition of Voluntary**

**Work**

**Responsibility – Community – Social Partnership Network**

**Responsibility – Community – RGE and You, Friends of the Child**

**Responsibility – Community – Electricity Bills in Braille**

**Responsibility – Community – Movie Tour (RodaCine)**

**Responsibility – Community – Promotion of Gaúcho Culture and Traditions**

**Responsibility – Community – Christmas Lights Project**

**Responsibility – Community – Encouraging Local Development**

**Responsibility – Community – CPFL Santa Cruz Volunteer Program**

**Responsibility – Community – Kites Without Danger**

**Responsibility – Community – Tree Week**

**Responsibility – Community – Traveling Theater**

**Responsibility – Community – Educational Campaigns**

**Responsibility – Human Resources Management**

**4.17** Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

**Performance 2008 – Operating Performance – Distribution – Energy Efficiency  
Performance 2008 – Operating Performance – Distribution – Customer**

**Satisfaction**

**Responsibility – Society – CPFL Cultura**

**Responsibility – Society – Forums**

**Responsibility – Society – Project BISC**

**Responsibility – Society – Sustainable Planet**

**Responsibility – Society – Aberje Café**

**Responsibility – Society – SAMP**

**Responsibility – Society – GRES**

**Responsibility – Value Chain – Value Network**

**Responsibility – Value Chain – Tear Program**

**Responsibility – Community – Philanthropic Hospitals Modernization**

**Responsibility – Community – Municipal Child and Adolescent Rights Councils**

**Support Program**

**Responsibility – Community – CPFL Volunteer Program**

**Responsibility – Community – Encouragement and Recognition of Voluntary**

**Work**

**Responsibility – Community – Social Partnership Network**

**Responsibility – Community – RGE and You, Friends of the Child**

**Responsibility – Community – Electricity Bills in Braille**

**Responsibility – Community – Movie Tour (RodaCine)**

**Responsibility – Community – Promotion of Gaúcho Culture and Traditions**

**Responsibility – Community – Christmas Lights Project**

**Responsibility – Community – Encouraging Local Development**

**Responsibility – Community – CPFL Santa Cruz Volunteer Program**

**Responsibility – Community – Kites Without Danger**

**Responsibility – Community – Tree Week**

**Responsibility – Community – Traveling Theater**



**Responsibility – Community – Educational Campaigns**  
**Responsibility – Human Resources Management**

## **Economic Performance Indicators**

### **Economic Performance**

**EC1** Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

**Performance 2008 – Economic and Financial Performance – Dividend Distribution**

**EC2** Financial implications and other risks and opportunities for the organization's activities due to climate change.

**Responsibility – Environment – Clean Development Mechanism**  
**Responsibility – Environment – Sustainability Committee**

**EC3** Coverage of the organization's defined benefit plan obligations.

**Responsibility – Talent – Health and Safety**

**CPFL Energia offers differentiated benefits in the market, to the extent that for the seventh consecutive year it has been recognized as one of the Best Companies To Work For by the Exame/Você SA Guide and in 2008 it came top in the Strategy and Management category.**

**EC4** Significant financial assistance received from government.

**Financial assistance received from the government relates to subsidies for the Low Income Program. In 2008, these funds totaled R\$ 62,943 thousand; in 2007, R\$ 13,394 thousand; and in 2006, R\$ 23,835 thousand.**

### **Market Presence**

**EC5** Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.

**Non-material – Information available in the Social Report – Ibase.**

**EC6** Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

**Performance 2008 – Operating Performance – Commercialization and Services**

**Responsibility – Value Chain – Value Network**

**Responsibility – Value Chain – Tear Program**

**Responsibility – Environment – Overview**

**Responsibility – Environment – Management of Impacts in Distribution and Transmission - Programs**

**CPFL Energia does not have a policy of concentrating its expenditure on locally-based suppliers given the characteristics of the electric sector and the extent of the concession areas of its subsidiaries.**

**EC7** Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

**Professional ability to perform the function is taken into account in employee assessment and hiring at CPFL Energia Group companies. In addition, hiring procedures reflect the characteristics of the electric sector and the area covered by the subsidiaries' concessions.**

### **Indirect Economic Impacts**

**EC8** Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.

**Performance 2008 – Operating Performance – Distribution – Research & Development**

**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**

**Responsibility – Society – CPFL Cultura**

**Responsibility – Society – Forums**

**Responsibility – Society – Project BISC**

**Responsibility – Society – Sustainable Planet**

**Responsibility – Society – Aberje Café**

**Responsibility – Society – SAMP**



Responsibility – Society – GRES  
 Responsibility – Value Chain – Value Network  
 Responsibility – Value Chain – Tear Program  
 Responsibility – Community – Philanthropic Hospitals Modernization  
 Responsibility – Community – Municipal Child and Adolescent Rights Councils Support Program  
 Responsibility – Community – CPFL Volunteer Program  
 Responsibility – Community – Encouragement and Recognition of Voluntary Work  
 Responsibility – Community – Social Partnership Network  
 Responsibility – Community – RGE and You, Friends of the Child  
 Responsibility – Community – Electricity Bills in Braille  
 Responsibility – Community – Movie Tour (RodaCine)  
 Responsibility – Community – Promotion of Gaúcho Culture and Traditions  
 Responsibility – Community – Christmas Lights Project  
 Responsibility – Community – Encouraging Local Development  
 Responsibility – Community – CPFL Santa Cruz Volunteer Program  
 Responsibility – Community – Kites Without Danger  
 Responsibility – Community – Tree Week  
 Responsibility – Community – Traveling Theater  
 Responsibility – Community – Educational Campaigns  
 Responsibility – Environment – Overview  
 Responsibility – Environment – Management of Impacts in Distribution and Transmission - Programs  
 Responsibility – Environment – Management of Impacts in Generation – Programs  
 Responsibility – Environment – Clean Development Mechanism  
 Responsibility – Environment – International Hydropower Association  
 Responsibility – Environment – Neutralization of Greenhouse Gas Emissions  
 Responsibility – Environment – Power Plant Environmental Actions  
 Responsibility – Environment – Power Plant Environmental Actions – Enercan  
 Responsibility – Environment – Power Plant Environmental Actions – Baesa  
 Responsibility – Environment – Power Plant Environmental Actions – Ceran  
 Responsibility – Environment – Power Plant Environmental Actions – Foz do Chapecó Energia  
 Responsibility – Environment – Power Plant Environmental Actions – UHE Serra da Mesa  
 Responsibility – Human Resources Management  
 Extras - Ibase

**EC9** Understanding and describing significant indirect economic impacts, including the extent of impacts.

**Performance 2008 – Operating Performance – Distribution – Research & Development**  
**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**  
**Performance 2008 – Operating Performance – Commercialization and Services**  
 Responsibility – Map of Stakeholders  
 Responsibility – Society – CPFL Cultura  
 Responsibility – Society – Forums  
 Responsibility – Society – Project BISC  
 Responsibility – Society – Sustainable Planet  
 Responsibility – Society – Aberje Café  
 Responsibility – Society – SAMP  
 Responsibility – Society – GRES  
 Responsibility – Value Chain – Value Network  
 Responsibility – Value Chain – Tear Program  
 Responsibility – Community – Philanthropic Hospitals Modernization  
 Responsibility – Community – Municipal Child and Adolescent Rights Councils Support Program  
 Responsibility – Community – CPFL Volunteer Program  
 Responsibility – Community – Encouragement and Recognition of Voluntary Work  
 Responsibility – Community – Social Partnership Network  
 Responsibility – Community – RGE and You, Friends of the Child  
 Responsibility – Community – Electricity Bills in Braille  
 Responsibility – Community – Movie Tour (RodaCine)  
 Responsibility – Community – Promotion of Gaúcho Culture and Traditions  
 Responsibility – Community – Christmas Lights Project  
 Responsibility – Community – Encouraging Local Development



**Responsibility – Community – CPFL Santa Cruz Volunteer Program**  
**Responsibility – Community – Kites Without Danger**  
**Responsibility – Community – Tree Week**  
**Responsibility – Community – Traveling Theater**  
**Responsibility – Community – Educational Campaigns**  
**Responsibility – Environment – Overview**  
**Responsibility – Environment – Management of Impacts in Distribution and Transmission – Programs**  
**Responsibility – Environment – Management of Impacts in Generation**  
**Responsibility – Environment – Management of Impacts in Generation – Programs**  
**Responsibility – Environment – Clean Development Mechanism**  
**Responsibility – Environment – International Hydropower Association**  
**Responsibility – Environment – Power Plant Environmental Actions**  
**Responsibility – Environment – Power Plant Environmental Actions – Enercan**  
**Responsibility – Environment – Power Plant Environmental Actions – Baesa**  
**Responsibility – Environment – Power Plant Environmental Actions – Ceran**  
**Responsibility – Environment – Power Plant Environmental Actions – Foz do Chapecó Energia**  
**Responsibility – Environment – Power Plant Environmental Actions – UHE Serra da Mesa**  
**Responsibility – Human Resources Management**

## **Environmental Performance Indicators**

### **Materials**

**EN1** Materials used by weight or volume

**Responsibility – Environment – Reuse and Recycling**

**EN2** Percentage of materials used that are recycled input materials

**The use of recycled input materials is not relevant to CPFL Energia's operations.**

### **Energy**

**EN3** Direct energy consumption by primary energy source.

**Responsibility – Environment – Overview**

**Responsibility – Environment – Internal Management of Environmental Impacts**

**EN4** Indirect energy consumption by primary source

**The energy generated, commercialized and consumed by CPFL Energia is predominantly of hydraulic origin. However, since 1987 CPFL Energia has run a cogeneration program using sugarcane biomass. In 2008, CPFL Bioenergia was created to provide a greater focus on the use of sugarcane bagasse as an alternative source of energy.**

**EN5** Energy saved due to conservation and efficiency improvements

**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**

**Responsibility – Community – Tree Week**

**EN6** Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives

**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**

**Responsibility – Community – Tree Week**

**EN7** Initiatives to reduce indirect energy consumption and reductions achieved

**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**

**Responsibility – Community – Tree Week**

### **Water**

**EN8** Total water withdrawal by source

**Responsibility – Environment – Internal Management of Environmental Impacts**

**EN9** Water sources significantly affected by withdrawal of water

**Responsibility – Environment – Internal Management of Environmental Impacts**

**EN10** P Percentage and total volume of water recycled and reused



**Responsibility – Environment – Internal Management of Environmental Impacts**

**Biodiversity**

**EN11** Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

**Responsibility – Environment – Management of Impacts in Distribution and Transmission**

**Responsibility – Environment – Management of Impacts in Generation**

**EN12** Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

**Responsibility – Environment – Management of Impacts in Distribution and Transmission**

**Responsibility – Environment – Management of Impacts in Generation**

**EN13** Habitats protected or restored

**Responsibility – Environment – Power Plant Environmental Actions**

**EN14** Strategies, current actions, and future plans for managing impacts on biodiversity

**Management - Quality Management**

**Performance 2008 – Operating Performance – Distribution – Research & Development**

**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**

**Performance 2008 – Operating Performance – Commercialization and Services**

**Responsibility – Environment – Overview**

**Responsibility – Environment – Management of Impacts in Distribution and Transmission**

**Responsibility – Environment – Management of Impacts in Distribution and Transmission – Programs**

**Responsibility – Environment – Management of Impacts in Generation – Programs**

**Responsibility – Environment – Clean Development Mechanism**

**Responsibility – Environment – International Hydropower Association**

**Responsibility – Environment – Internal Management of Environmental Impacts**

**Responsibility – Environment – Power Plant Environmental Actions**

**Responsibility – Environment – Power Plant Environmental Actions – Enercan**

**Responsibility – Environment – Power Plant Environmental Actions – Baesa**

**Responsibility – Environment – Power Plant Environmental Actions – Ceran**

**Responsibility – Environment – Power Plant Environmental Actions – Foz do Chapecó Energia**

**Responsibility – Environment – Power Plant Environmental Actions – UHE Serra da Mesa**

**EN15** Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

**CPFL Energia acts through its Programs to manage and mitigate any impacts it creates, and follows environmental legislation**

**Emissions, Effluents, and Waste**

**EN16** Total direct and indirect greenhouse gas emissions by weight

**Responsibility – Environment – Management of Impacts in Generation**

**Responsibility – Environment – Management of Impacts in Generation – Programs**

**Responsibility – Environment – Neutralization of Greenhouse Gas Emissions**

The CPFL Energia Inventory does not include calculation of emissions from flooded areas given there is no single and universal comparative methodology in the market to measure this indicator. Although there are alternative market methodologies, CPFL Energia has chosen to wait until a single methodology is available. Consequently, it has contributed to research in this area through participation in a R&D project called: Monitoring Greenhouse Gas Emissions in Hydroelectric Power Plant (HPP) Reservoirs.



**EN17** Other relevant indirect greenhouse gas emissions by weight

**Performance 2008 – Operating Performance – Distribution – Research & Development**

**Performance 2008 – Operating Performance – Commercialization and Services  
Responsibility – Environment – Clean Development Mechanism  
Responsibility – Environment – Neutralization of Greenhouse Gas Emissions**

**EN18** Initiatives to reduce greenhouse gas emissions and reductions achieved

**Performance 2008 – Operating Performance – Distribution – Research & Development**

**Performance 2008 – Operating Performance – Commercialization and Services  
Responsibility – Society – Forums**

**Responsibility – Society – Sustainable Planet**

**Responsibility – Environment – Overview**

**Responsibility – Environment – Clean Development Mechanism**

**Responsibility – Environment – Neutralization of Greenhouse Gas Emissions**

**Responsibility – Environment – Power Plant Environmental Actions – Enercan**

**Responsibility – Environment – Power Plant Environmental Actions – Baesa**

**Responsibility – Environment – Power Plant Environmental Actions – Ceran**

**Responsibility – Environment – Power Plant Environmental Actions – Foz do**

**Chapecó Energia**

**Responsibility – Environment – Power Plant Environmental Actions – UHE Serra da Mesa**

**EN19** Emissions of ozone-depleting substances by weight

**Responsibility – Environment – Neutralization of Greenhouse Gas Emissions**

**EN20** NO, SO, and other significant air emissions by type and weight

**Given the activities carried out and their characteristics, there were no significant emissions of gases of this nature.**

**EN21** Total water discharge by quality and destination

**Responsibility – Environment – Internal Management of Environmental Impacts**

**There is no significant generation of effluent.**

The Company's domestic waste water is delivered for treatment in the sewage systems of the corresponding municipalities. At sites where there is no municipal sewage system, septic tanks are installed for the collection of effluent.

**EN22** Total weight of waste by type and disposal method

**Responsibility – Environment – Reuse and Recycling**

**CPFL Energia does not monitor the use of batteries; it links the purchase of batteries to the disposal of old ones, in line with legislation on the issue.**

**EN23** Total number and volume of significant spills

**Responsibility – Environment – Reuse and Recycling**

**EN24** Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally

**Not applicable**

**EN25** Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

**Not applicable**

## **Products and Services**

**EN 26** Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

**Management - Quality Management**

**Performance 2008 – Operating Performance – Distribution – Research & Development**

**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**

**Performance 2008 – Operating Performance – Commercialization and Services**

**Responsibility – Society – CPFL Cultura**

**Responsibility – Society – Forums**

**Responsibility – Society – Sustainable Planet**

**Responsibility – Society – SAMP**



**Responsibility – Society – GRES**  
**Responsibility – Community – Municipal Child and Adolescent Rights Councils Support Program**  
**Responsibility – Community – Encouragement and Recognition of Voluntary Work**  
**Responsibility – Environment – Overview**  
**Responsibility – Environment – Management of Impacts in Distribution and Transmission**  
**Responsibility – Environment – Management of Impacts in Distribution and Transmission – Programs**  
**Responsibility – Environment – Management of Impacts in Generation – Programs**  
**Responsibility – Environment – Clean Development Mechanism**  
**Responsibility – Environment – International Hydropower Association**  
**Responsibility – Environment – Internal Management of Environmental Impacts**  
**Responsibility – Environment – Reuse and Recycling**  
**Responsibility – Environment – Power Plant Environmental Actions**  
**Responsibility – Environment – Power Plant Environmental Actions – Enercan**  
**Responsibility – Environment – Power Plant Environmental Actions – Baesa**  
**Responsibility – Environment – Power Plant Environmental Actions – Ceran**  
**Responsibility – Environment – Power Plant Environmental Actions – Foz do Chapecó Energia**  
**Responsibility – Environment – Power Plant Environmental Actions – UHE Serra da Mesa**  
**Responsibility – Environment – Code of Socio-environmental Ethics**  
**CPFL Energia manages the mitigation initiatives in areas where there are possible environmental risks, including ground waters. Currently, the Company is decommissioning the Carioba TPP.**

**EN 27** Percentage of products sold and their packaging materials that are reclaimed by category.  
**Not applicable due to the characteristics of the electric sector and the services it provides.**

### Conformity

**EN 28** Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.

**Responsibility – Environment – Reuse and Recycling**

### Transportation

**EN 29** Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

**Responsibility – Environment – Management of Impacts in Distribution and Transmission – Programs**

**Responsibility – Environment – Neutralization of Greenhouse Gas Emissions**

**Responsibility – Environment – Reuse and Recycling**

### Overall

**EN 30** Total environmental protection expenditures and investments by type

**Responsibility – Environment – Investments**

### Labor Practices and Decent Work Performance Indicators

#### Employment

**LA1** Total workforce by employment type, employment contract, and region

**Responsibility – Talent – Employee Profile**

**LA2** Total number and rate of employee turnover by age group, gender, and region.

**Responsibility – Talent – Employee Profile**

**As a result of a change to the management system in April 2008, indicators separated by age group, gender and region are not available. The system is forecasted to be in a position to measure these indicators in 2009.**



**LA3** Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

**Responsibility – Talent – Health and Safety**

### Labor/Management Relations

**LA4** Percentage of employees covered by collective bargaining agreements

**CPFL Energia companies follow and respect labor law regarding collective agreements. All employees are covered by collective bargaining agreements.**

**LA5** Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements

**CPFL Energia companies respect and comply with the labor legislation on transfers. The notice period is not specified in the Collective Bargaining Agreement. However, CPFL Energia guarantees the transferees payment of 2 basic monthly wages according to the legislation and the Collective Bargaining Agreement together with reimbursement of transportation costs, accommodation and meals for a period of 60 days, moving costs, reimbursement of enrollment fees (for the employee and dependents) for normal formation courses, and acts guarantor for real estate rental purposes. In the case of transfers resulting from Internal Recruitment, the guarantees - also covered by the Collective Bargaining Agreement - include reimbursement of costs for travel, accommodation and meals for a period of 30 days, payment of moving costs and guarantees for real estate rental purposes.**

### Occupational Health and Safety

**LA6** Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

**Non-material – CPFL Energia has Committees and Programs with employee representation**

**LA7** Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.

**Responsibility – Talent – Health and Safety**

**Responsibility – Talent – Accident Prevention**

**As a result of a change to the management system in April 2008, indicators for lost days, absenteeism and number of work-related fatalities by region are not available. The system is forecasted to be in a position to measure these indicators in 2009. References and actions relating to these indicators are based on OHSAS 18001.**

**LA8** Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases

**Responsibility – Human Resources Management**

**Responsibility – Talent – Health and Safety**

**No specific diseases have been identified as a result of electricity generation, distribution and commercialization activities.**

**LA9** Health and safety topics covered in formal agreements with trade unions

**Non-material – CPFL Energia respects the legislation and collective agreements**

### Training and Education

**LA10** Average hours of training per year per employee by employee category

**Responsibility – Talent – Employee Profile**

**This indicator is not available for employee category due to a change in the management system in April 2008. The system is expected to permit measurement of these indicators in 2009.**

**LA11** Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

**Responsibility – Human Resources Management**

**LA12** Percentage of employees receiving regular performance and career development reviews

**Responsibility – Human Resources Management**



## Diversity and Equality of Opportunity

**LA13** Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity

**Responsibility – Talent – Employee Profile**

**The composition of the group responsible for Corporate Governance is male, Caucasian and over 45.**

**LA14** Ratio of basic salary of men to women by employee category

**The management system does not report the proportional distribution of wages by employee category. The system is forecasted to have the capacity to measure this indicator in 2009.**

## Human Rights Performance Indicators

### Investment and Procurement Practices

**HR1** Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening

**In 2008 there were no significant investment contracts that underwent human rights screening.**

**HR2** Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

**All CPFL Energia supplier companies are committed by contract to not employing child labor, forced labor or breaching human rights in their activities. In 2008, no contracted company or supplier had their contract revoked or refused as a result of non-compliance with these clauses.**

**HR3** Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

**Management – Ethics Development and Management System**

**Management – Commitments**

### Non-discrimination

**HR4** Total number of incidents of discrimination and actions taken.

**Management – Ethics Development and Management System**

**Responsibility – Human Resources Management**

### Freedom of Association and Collective Bargaining

**HR5** Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights

**Responsibility - Talent - Employee Profile**

**CPFL Energia supports all forms of collective bargaining and union representation and guarantees services and electricity supply to its customers in the event of strikes or stoppages in line with legislation covering the supply of essential services.**

### Child Labor

**HR6** Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor

**All CPFL Energia Group company contracts include clauses which forbid child and forced labor. In 2008, no operations were identified which were indicative of risks of child labor.**

### Forced and Compulsory Labor

**HR7** Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.

**All CPFL Energia Group company contracts include clauses which forbid forced or compulsory labor. In 2008, no operations were identified which suggested any indication of forced or compulsory labor.**

### Security Practices



**HR8** Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

**Responsibility – Talent – Health and Safety**

## Indigenous Rights

**HR9** Total number of incidents of violations involving rights of indigenous people and actions taken

**Non-material – CPFL Energia does not violate the rights of indigenous people**

## Society Performance Indicators

### Community

**S01** Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.

**Management – Ethics Development and Management System**

**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**

**Responsibility – Community – Encouraging Local Development**

**Responsibility – Community – CPFL Santa Cruz Volunteer Program**

**Responsibility – Community – Kites Without Danger**

**Responsibility – Community – Tree Week**

**Responsibility – Community – Traveling Theater**

**Responsibility – Community – Educational Campaigns**

**Responsibility – Environment – Overview**

**Responsibility – Environment – Management of Generation Impacts**

**Responsibility – Talent – Accident Prevention**

**Overview of Programs**

**Responsibility – Community – Modernization of Philanthropic Hospitals**

**Responsibility – Overview of Programs**

### Corruption

**S02** Percentage and total number of business units analyzed for risks related to corruption

**Management – Ethics Development and Management System**

**Management – Risk Management**

**Management – Risk Management – Corporate Risk Management**

**Management – Risk Management – Prevention of Financial Risk**

**Management – Risk Management – Exchange Rate and Interest Rate Risks on other Liabilities**

**Management – Risk Management – Planning for Energy Purchases**

**Management – Risk Management – Internal Audit**

**Management – Risk Management – Private Pension Plan**

**Management – Risk Management – Insurance Management**

**Management – Risk Management – Prevention of Operating Risk**

**Management – Risk Management – Information Technology Security**

**Management – Risk Management – Regulatory Issues**

**Management – Commitments**

**S03** Percentage of employees trained in organization's anti-corruption policies and procedures.

**Management – Commitments**

**Management – Ethics Development and Management System**

**S04** Actions taken in response to incidents of corruption.

**In 2008, 2 incidents of corruption were registered. They were assessed by the Ethics and Corporate Conduct Committee and dismissed as unfounded. The denunciations were anonymous and from an external source.**

**S05** Public policy positions and participation in public policy development and lobbying

**Management – Commitments**

**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**

**Performance 2008 – Operating Performance – Distribution – Universal Service Coverage**

**Responsibility – Society – Forums**

**Responsibility – Society – Sustainable Planet**

**Responsibility – Community – Philanthropic Hospitals Modernization**



**Responsibility – Community – Municipal Child and Adolescent Rights Councils Support Program**  
**Responsibility – Environment – International Hydropower Association**  
**Responsibility – Environment – Power Plant Environmental Actions**  
**Responsibility – Environment – Code of Socio-environmental Ethics**

**S06** Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

**CPFL Energia Group companies do not make party political contributions. For more on the issue, refer to the Code of Ethics, available at [www.cpfl.com.br/etica](http://www.cpfl.com.br/etica).**

### Anti-Competitive Behavior

**S07** Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes

**Non-material – CPFL Energia and their subsidiaries rigorously follow the legislation and the rules established in their respective concession contracts established joint with the granting authority.**

### Compliance

**S08** Monetary value of significant fines and total number of non-monetary sanctions for noncompliance

with laws and regulations.

**No significant fines were registered for the period.**

### Product Responsibility Performance Indicators

#### Customer Health and Safety

**PR1** Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

**Operating Performance – Distribution**

**Performance 2008 – Operating Performance – Distribution – Investments**

**Responsibility – Talent – Accident Prevention**

**Electricity generation and distribution services are subject to the standards and resolutions of the Brazilian National Electric Energy Agency (ANEEL), which regulates the whole electric sector and its relationship with the communities in distribution companies' concession areas. All services provided are subject to regulation, including the quality and regularity of services, moderateness of tariffs, safety of electricity supply and the dissemination of information related to its usage, the clarity and transparency of information provided, company access channels, and so on. In this way, the distribution companies comply with their respective concession contracts by always investing in the continual improvement of services, through Research & Development (R&D) and Energy Efficiency, for example. Additionally, the distribution companies invest in communication, forums, and cultural, social and environmental activities. The objective of all these programs is the constant improvement of services provided and the safety of communities and employees.**

**PR2** Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

**No incidents of non-compliance were registered during the period.**

### Product and Service Labeling

**PR3** Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

**CPFL Energia distributors comply fully with the requirements of their respective concession contracts for electricity distribution services with respect to the information that must appear on electricity bills pursuant to Aneel Resolution 456.**

**PR4** Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

**Not applicable**



**PR5** Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

**Performance 2008 – Operating Performance – Distribution – Customer Satisfaction**

### Marketing Communications

**PR6** Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

**Performance 2008 – Operating Performance – Distribution – Customer Satisfaction**

**One of the Social Responsibility Management Committee's principal functions is to assess CPFL Energia advertising campaigns.**

**PR7** Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.

**Performance 2008 – Operating Performance – Distribution – Customer Satisfaction**

**CPFL Energia does not violate advertising regulations.**

### Customer Privacy

**PR8** Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

**Performance 2008 – Operating Performance – Distribution – Customer Satisfaction**

**In 2008, CPFL Energia registered no complaints concerning breaches of privacy or loss of customer data.**

### Compliance

**PR9** Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.

**There were no significant fines in the period.**

## SECTORAL INDICATORS – ELECTRIC ENERGY

**EU1** Installed capacity, broken down by primary energy source and by regulatory regime

**The holding company – Subsidiaries – Generation**

**Performance 2008 – Operating Performance – Generation**

**EU2** Net energy output broken down by primary energy source and by regulatory regime

**In 2008 the energy output/billed by CPFL Energia was predominantly of hydraulic origin and totaled 41,118 GWh, excluding proprietary consumption.**

**EU3** Number of residential, industrial, institutional and commercial customer accounts

**The holding company – Subsidiaries – Distribution**

**Performance 2008 – Operating Performance – Distribution**

**2008 Performance – Operating Performance – Generation – Value Generation**

**EU4** Length of above and underground transmission and distribution lines by voltage

**Performance 2008 – Operating Performance – Distribution – Structure**

**EU5** Allocation of CO2 emissions allowances or equivalent, broken down by carbon trading framework

**Responsibility – Environment – Clean Development Mechanism**

**EU6** Management approach to ensure short and long-term electricity availability and reliability.

**Performance 2008 – Operating Performance – Generation**

**Performance 2008 – Operating Performance – Generation – Stages of Construction Works**

**Performance 2008 – Operating Performance – Generation – CPFL Bioenergia Responsibility – Environment – Environmental Management System**

**EU7** Demand-side management programs



**Performance 2008 – Operating Performance – Distribution – Research & Development**  
**Performance 2008 – Operating Performance – Distribution – Energy Efficiency**  
**Responsibility – Community – Tree Week**

**EU8** Research and development activity

**Performance 2008 – Operating Performance – Distribution – Research & Development**  
**Responsibility – Environment – Management of Impacts in Distribution and Transmission – Programs**

**EU9** Provisions for decommissioning of nuclear power sites

**Not applicable. CPFL Energia does not possess nuclear generating capabilities.**

**EU10** Planned capacity against projected electricity demand over the long term

**Performance 2008 – Operating Performance – Generation**  
**As this is a strategic indicator for CPFL Energia, forecasted demand information is not divulged.**

**EU11** Average generation efficiency in thermoelectric plants

**CPFL Energia's only thermoelectric plant was not operational in 2008.**

**EU12** Transmission and distribution losses as a percentage of total energy

**As this is strategic information, the Company has chosen not to report it**

**EU13** Biodiversity of offset habitats compared to the biodiversity of the affected areas

**Responsibility – Environment – Power Plant Environmental Actions**

**EU14** Programs and processes to ensure the availability of a skilled workforce.

**Responsibility – Society – CPFL Cultura**  
**Responsibility – Society –Aberje Café**  
**Responsibility – Community – Encouraging Local Development**  
**Responsibility – Human Resources Management**  
**Responsibility – Talent – Health and Safety**  
**Responsibility – Talent – Quality of Life**

**EU15** Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region.

**Responsibility – Talent – Employee Profile**

**EU16** Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors.

**Responsibility – Talent – Quality of Life**  
**Responsibility – Talent – Accident Prevention**

**EU17** Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities.

**Due to a change in the management system in April 2008, these indicators are not available. It is expected that in 2009 the system will allow measurement of these indicators.**

**EU18** Percentage of contractor and subcontractor employees that have undergone relevant health and safety training

**Responsibility – Environment – Environmental Management System**

**EU19** Process for stakeholder participation in forming and making decisions and planning of energy supply and infrastructure.

**Performance 2008 – Operating Performance – Distribution – Customer Satisfaction**  
**Responsibility – Map of Stakeholders**  
**Responsibility – Society – CPFL Cultura**  
**Responsibility – Society – Forums**  
**Responsibility – Society –BISC Project**  
**Responsibility – Society – Sustainable Planet**  
**Responsibility – Society –Aberje Café**  
**Responsibility – Value Chain – Value Network**  
**Responsibility – Value Chain – Tear Program**  
**Responsibility – Community – Philanthropic Hospitals Modernization**



**Responsibility – Community – Municipal Child and Adolescent Rights Councils Support Program**

**Responsibility – Community – Encouragement and Recognition of Voluntary Work**

**Responsibility – Community – Social Partnership Network**

**Responsibility – Community – RGE and You, Friends of the Child**

**Responsibility – Community – Movie Tour (RodaCine)**

**Responsibility – Community – Promotion of Gaúcho Culture and Traditions**

**Responsibility – Community – Encouraging Local Development**

**Responsibility – Community – CPFL Santa Cruz Volunteer Program**

**Responsibility – Community – Kites Without Danger**

**Responsibility – Community – Tree Week**

**Responsibility – Community – Traveling Theater**

**Responsibility – Environment – Management of Impacts in Distribution and Transmission – Programs**

**Responsibility – Environment – Management of Impacts in Generation – Programs**

**Responsibility – Human Resources Management**

**EU20** Approach to managing the impacts of displacement

**Responsibility – Environment – Management of Impacts in Generation**

**Responsibility – Environment – Power Plant Environmental Actions – Enercan**

**Responsibility – Environment – Power Plant Environmental Actions – Baesa**

**Responsibility – Environment – Power Plant Environmental Actions – Foz do Chapecó Energia**

**Responsibility – Environment – Power Plant Environmental Actions – UHE Serra da Mesa**

**EU21** Contingency planning measures for disaster/emergency

**Responsibility – Environment – Environmental Management System**

**EU22** Number of people displaced, broken down by type of project.

**Responsibility – Environment – Management of Impacts in Generation**

**EU23** Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services

**Performance 2008 – Operating Performance – Distribution – Investments**

**Performance 2008 – Operating Performance – Distribution – Customer Service**

**Performance 2008 – Operating Performance – Distribution – Universal Service Coverage**

**Responsibility – Society – SAMP**

**EU24** Practices to overcome barriers to accessing and safely using services

**Performance 2008 – Operating Performance – Distribution – Universal Service Coverage**

**Responsibility – Talent – Accident Prevention**

**EU25** Number of injuries and fatalities to the public involving company assets

**As this is strategic information, the Company has chosen not to report it.**

**EU26** Percentage of population unserved in licensed distribution or service areas

**Performance 2008 – Operating Performance – Distribution – Universal Service Coverage**

**EU27** Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime

**As this is strategic information, the Company has chosen not to report it.**

**EU28** Power outage frequency

**Performance 2008 – Operating Performance – Distribution – Supply Quality**

**EU29** Average power outage duration

**Performance 2008 – Operating Performance – Distribution – Supply Quality**

**EU30** Average plant availability factor

**Performance 2008 – Operating Performance – Generation – Operating Efficiency**



# Corporate Information on Subsidiaries or Companies in which CPFL Energia has a stake

## HOLDING COMPANY

### CPFL Energia – CPFL Energia S.A.

Address: Rua Gomes de Carvalho, 1.510 | 14º andar | conjunto 02 | Vila Olímpia | São Paulo | SP | CEP: 04547-005  
CNPJ: 02.429.144/0001-93  
IE: not applicable  
Telephone: (11) 3841-8507 | Fax: (11) 3841-8516 / 8515  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

### CPFL Jaguariúna – CPFL Jaguariúna S.A.

Address: Rua Vigato, 1.620 | 1º andar | sala 8 | Jaguariúna | São Paulo | SP | CEP: 13820-000  
CNPJ: 02.150.569/0001-69  
IE: not applicable  
Telephone: (19) 3847-5910 | Fax: (19) 3837-4567  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## ELECTRICITY DISTRIBUTION

### CPFL Paulista – Companhia Paulista de Força e Luz

Address: Rodovia Campinas-Mogi Mirim, Km 2,5 | Jardim Santana | Campinas | SP | CEP: 13088-900  
CNPJ: 33.050.196/0001-88  
IE: 244.163.955.115  
Telephone: (19) 3756-8844 | Fax: (19) 3756-8040  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

### CPFL Piratininga – Companhia Piratininga de Força e Luz

Address: Rodovia Campinas-Mogi Mirim, Km 2,5 | parte | Jardim Santana | Campinas | SP  
CEP: 13088-900  
CNPJ: 04.172.213/0001-51  
IE: 244.946.329.113  
Telephone: (19) 3756-8844 | Fax: (19) 3756-8040  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

### RGE – Rio Grande Energia S.A.

Address: Rua Mário de Boni, 1902 | Loteamento Sanvitto | Bairro Floresta | Caxias do Sul | RS | CEP: 95012-580  
CNPJ: 02.016.439/0001-38  
IE: 029/0487447  
Telephone: (54) 3206-3102 | Fax: (54) 3206-3161  
Website: [www.rge-rs.com.br](http://www.rge-rs.com.br)

### CPFL Santa Cruz – Companhia Luz e Força Santa Cruz

Address: Rua Gomes de Carvalho, 1.510 | 14º andar | conjunto 02 | Vila Olímpia | São Paulo | SP  
CEP: 04547-005  
CNPJ: 61.116.265/0001-44  
IE: 148.526.500119  
Telephone: (11) 3841-8507 | Fax: (11) 3841-8516 / 8515  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

### CPFL Leste Paulista – Companhia Paulista de Energia Elétrica

Address: Rua Vigato, 1.620 | 1º andar | sala 1 | Jaguariúna | São Paulo | SP | CEP: 13820-000  
CNPJ: 61.015.582/0001-74  
IE: 395.088.358.112  
Telephone: (19) 3847-5945 | Fax: (19) 3837-4570  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

### CPFL Jaguar – Companhia Jaguar de Energia

Address: Endereço: Rua Vigato, 1.620 | térreo | Jaguariúna | São Paulo | SP | CEP: 13820-000  
CNPJ: 53.859.112/0001-69  
IE: 395.088.376.114  
Telephone: (19) 3847-5945 | Fax: (19) 3837-4570  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

### CPFL Sul Paulista – Companhia Sul Paulista de Energia

Address: Rua Vigato, 1.620 | 1º andar | sala 2 | Jaguariúna | São Paulo | SP | CEP: 13820-000  
CNPJ: 60.855.608/0001-20  
IE: 395.088.367.113  
Telephone: (19) 3847-5945 | Fax: (19) 3837-4570  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

### CPFL Mococa – Companhia Luz e Força Mococa

Address: Rua Vigato, 1.620 | 1º andar | sala 3 | Jaguariúna | São Paulo | SP | CEP: 13820-000  
CNPJ: 52.503.802/0001-18  
IE: 395.088.631.114  
Telephone: (19) 3847-5945 | Fax: (19) 3837-4570  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## ELECTRICITY GENERATION

### CPFL Geração – CPFL Geração de Energia S.A.

Address: Rodovia Campinas-Mogi Mirim, Km 2,5 | Jardim Santana | Campinas | SP  
CEP: 13088-900  
CNPJ: 03.953.509/0001-47  
IE: 244.858.020.116  
Telephone: (19) 3756-8844 | Fax: (19) 3756-8040  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

### CPFL Bioenergia – CPFL Bioenergia S.A.

Address: Rua Gomes de Carvalho, 1.510 | 14º andar | conjunto 02 | Vila Olímpia | São Paulo | SP | CEP: 04547-005  
CNPJ: 07.693.890/0001-03  
IE: 148.317.992.111  
Telephone: (11) 3841-8507 | Fax: (11) 3841-8516 / 8515



## **CPFL Sul Centrais – CPFL Sul Centrais Elétricas S.A.**

Rodovia Campinas-Mogi Mirim, Km 2,5 | Jardim Santana | Campinas | SP  
CEP: 13088-900  
CNPJ: 05.441.551/0001-04  
IE: not applicable  
Telephone: (19) 3756-8844 | Fax: (19) 3756-8040  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## **Ceran – Companhia Energética Rio das Antas S.A.**

Address: Av. Carlos Gomes, 300 | 8º andar | Bairro Boa Vista | Porto Alegre | RS | CEP: 90480-000  
CNPJ: 04.237.975/0001-99  
IE: 096/2854360  
Telephone: (51) 3025-6700 | Fax: (51) 3025-6701  
Website: [www.ceran.com.br](http://www.ceran.com.br)

## **Baesa – Energética Barra Grande S.A.**

Address: Rua Mariante, 284 | conjunto 502 | Porto Alegre – RS | CEP: 90430 - 180  
CNPJ: 04.781.143/0001-39  
IE: not applicable  
Telephone: (48) 3331-0003 | Fax: (48) 3331-0031  
Website: [www.baesa.com.br](http://www.baesa.com.br)

## **Enercan – Campos Novos Energia S.A.**

Address: Rua Tenente Silveira, 225 | 10º andar | Edifício Hércules | Centro | Florianópolis | SC  
CEP: 88010-300  
CNPJ: 03.356.967/0001-07  
IE: 253.966.078  
Telephone: (48) 3331-0003 | Fax: (48) 3331-0031  
Website: [www.enercan.com.br](http://www.enercan.com.br)

## **Foz do Chapecó – Foz do Chapecó Energia S.A.**

Address: Rua Tenente Silveira, 225 | 10º andar | Florianópolis | SC | CEP: 88010-300  
CNPJ: 04.591.168/0001-70  
IE: not applicable  
Telephone: (48) 3029-5076 | Fax: (48) 3029-5060  
Website: [www.fozdochapeco.com.br](http://www.fozdochapeco.com.br)

## **Jaguari de Geração – Companhia Jaguari de Geração de Energia**

Address: Rua Vigato, 1.620 | térreo | sala 2 | Jaguariúna | São Paulo | SP | CEP 13820-000  
CNPJ: 07.137.154/0001-79  
IE: 395.093.565.112  
Telephone: (19) 3847-5910 | Fax: (19) 3837-4567  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## **Paulista Lajeado (PLE) – Paulista Lajeado Energia S.A.**

Address: Rua Vigato, 1.620 | 1º andar | sala 4 | Jaguariúna | São Paulo | SP | CEP 13820-000  
CNPJ: 03.491.603/0001-21  
IE: 395.101.735.110  
Telephone: (19) 3847-5910 | Fax: (19) 3837-4567  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## **ELECTRICITY COMMERCIALIZATION CPFL Brasil – CPFL Comercialização Brasil S.A.**

Address: Rodovia Campinas-Mogi Mirim, Km 2,5 | parte | Jardim Santana | Campinas | SP  
CEP: 13088-900  
CNPJ: 04.973.790/0001-42  
IE: 244.925.224.119  
Telephone: (19) 3756-8844 | Fax: (19) 3756-8040  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## **CPFL Meridional – Clion Assessoria e Comercialização de Energia Elétrica Ltda.**

Address: Rua Luciana de Abreu, 471 | conjunto 403 | Bairro Moinhos de Vento | Porto Alegre | RS  
CEP: 90570-060  
CNPJ: 04.785.914/0001-66  
IE: 096/2949191  
Telephone: (19) 3756 8844 | Fax: (19) 3756 8040  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## **CPFL Sul Geradora – Sul Geradora Participações S.A.**

Address: Rua Gomes de Carvalho, 1.510 | 14º andar | conjunto 1.402 | Vila Olímpia | São Paulo | SP  
CEP 04547-005  
CNPJ: 02.689.862/0001-07  
IE: not applicable  
Telephone: (11) 3841-8507 | Fax: (11) 3841-8516 / 8515  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## **CPFL Cone Sul – CPFL Comercialização Cone Sul S.A.**

Address: Rua Gomes de Carvalho, 1.510 | 14º andar | conjunto 1402 | sala 3 | Vila Olímpia | São Paulo | SP | CEP 04547-005  
CNPJ: 02.190.883/0001-75  
IE: 116.828.547.116  
Telephone: (11) 3841-8507 | Fax: (11) 3841-8516 / 8515  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## **CPFL Planalto – CPFL Planalto Ltda.**

Address: Rua Vigato, 1.620 | 1º andar | sala 7 | Jaguariúna | São Paulo | SP | CEP 13820-000  
CNPJ: 02.150.562/0001-47  
IE: 395.090.478.113  
Telephone: (19) 3847-5910 | Fax: (19) 3837 4567  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## **CPFL Serviços – CPFL Serviços, Equipamentos, Indústria e Comércio S.A.**

Address: Avenida dos Bragheta, 364 | São José do Rio Pardo | SP | CEP 13720-000  
CNPJ: 58.635.517/0001-37  
IE: 646.020.134.111  
Telephone: (19) 3687 8200 | Fax: (19) 3687 8200  
Website: [www.cpfl.com.br](http://www.cpfl.com.br)

## **OTHER BUSINESS**

### **CPFL Atende – CPFL Atende Centro de Contatos e Atendimento Ltda.**

Address: Rodovia Campinas-Mogi Mirim, Km 2,5 | Jardim Santana | Campinas | SP | CEP: 13088-900  
CNPJ: 58.635.517/0001-37  
IE: not applicable  
Telephone: (19) 3756-8844 | Fax: (19) 3756-8040



# Board of Executive Officers

**Wilson Ferreira Jr.**  
**Chief Executive Officer**

**José Antonio de Almeida Filippo**  
**Chief Financial and Investor Relations Officer**

**Paulo Cezar Coelho Tavares**  
**Chief Energy Management Officer**

**Hélio Viana Pereira**  
**Chief Operations Officer**

**Miguel Normando Abdalla Saad**  
**Chief Energy Generation Officer**

**José Marcos Chaves de Melo**  
**Chief Administration Officer**

**Reni Antonio da Silva\***  
**Chief Strategy and Regulation Officer**

\* Resigned in June 2008, with the CEO taking on the functions previously assigned to the Chief Strategy and Regulation Officer as of July 2008



# Team Responsible for Preparing the Global Reporting Initiative (GRI) Indicators



## Coordination

Carlos Henrique M. Ramos carloshenrique@cpfl.com.br (19) 3756.6094

## Calculation and Systemization of Indicators

Fábio Alexandre dos Santos fsantos@cpfl.com.br (19) 3756.6021  
Luís Mecatti de Carvalho mecatti@cpfl.com.br (19) 3756.6037

## Economic

Nilson Reche nreche@cpfl.com.br (19) 3756.8958  
Sérgio Luiz Felice slfelice@cpfl.com.br (19) 3756.8832  
Gilberto Costa Souza gilbertosouza@cpfl.com.br (19) 3756.8771  
Delcídes Sanches Gómez sanches@cpfl.com.br (19) 3756.8975  
Lídia Tachibana Hiraide hiraide@cpfl.com.br (19) 3756.8158  
Alexandra M. M. A. Munhoz munhoz@cpfl.com.br (19) 3756.8057  
Juliene Corrêa Rodrigues juliene@cpfl.com.br (19) 3756.6416  
Raphael Pisani Dias raphaeldias@cpfl.com.br (19) 3756.6082  
Celso José Pezzuol celsopezzuol@cpfl.com.br (19) 3756.8201  
Carlos Alberto Cuccati cuccati@cpfl.com.br (19) 3756.8803  
Cibeles Sanches cibelesanches@cpfl.com.br (19) 3756.8991  
Dalmo Moretti dalmo@cpfl.com.br (19) 3756.5155  
Luciana Hogata lucianahs@cpfl.com.br (19) 3756.6074  
Rogério de Almeida almeida@cpfl.com.br (19) 3756.8424

## Environmental

Rodolfo Nardez Sirol msirol@cpfl.com.br (19) 3756.8318  
Robson Hitoshi Tanaka robsontanaka@cpfl.com.br (19) 3756.8230  
Fernanda Furlan Gouveia fgouveia@cpfl.com.br (19) 3756.5167  
Melina Casado de Oliveira melinac@cpfl.com.br (19) 3756.8616

## Social

Antonio Cesar Ariede cesariede@cpfl.com.br (19) 3756.8413  
Edney Antonio B. Pin pin@cpfl.com.br (19) 3756.8314  
Henrique Lian hlian@cpfl.com.br (19) 3756.8000  
Lucia Helena M. da Silva luciahelena@cpfl.com.br (19) 3756.8014  
Márcia Régis marciaregis@cpfl.com.br (19) 3756.5162  
Gisélia da Silva gselia@cpfl.com.br (11) 3841.8503  
Ciro Ribeiro Coutinho cirocoutinho@cpfl.com.br (19) 3756.5134  
Antonio Cezar Monho monho@cpfl.com.br (19) 3756.8782  
Roseli Cordeiro Silveira roseli@cpfl.com.br (19) 3756.8115  
Mariana Rinaldi marianar@cpfl.com.br (19) 3756.8316  
Lícia Rosa licia@cpfl.com.br (19) 3756.8115  
Natália Tadokoro natiali@cpfl.com.br (19) 3756.8316  
Marcelo Henrique Bianchini mbianchini@cpfl.com.br (19) 3756.5142  
Cleber do Amaral cleberamaral@cpfl.com.br (19) 3756.5196

## Operational

Rita de Cássia P. R. D'Ávila ritadavila@cpfl.com.br (19) 3756.8482  
Evaldo Serra da Silva evaldoserra@cpfl.com.br (19) 3756.5133  
Carlos Augusto caugusto@cpfl.com.br (19) 3756.8931  
Debora Leão S. Tortelly debora@cpfl.com.br (19) 3756.8927  
Fabio Rogério Zanelice fabio@cpfl.com.br (19) 3756.8875  
Iara N. Bastos Hoffmann iara@cpfl.com.br (19) 3756.8264  
Carlos Alberto B. Teixeira belarmino@cpfl.com.br (19) 3756.6056  
Jabes Carvalho Junqueira jabes@cpfl.com.br (19) 3756.8884  
Luís Henrique F. Pinto luishenriquefpinto@cpfl.com.br (19) 3756.8403  
Milton Biral Filho biral@cpfl.com.br (19) 3756.8974  
Alexandre Mazzali mazzali@cpfl.com.br (19) 3756.8542  
Ronaldo Borges Franco rbfranco@cpfl.com.br (19) 3756.8932  
Julio César Ferreira Sales juliocesar@cpfl.com.br (19) 3756.8588  
José Carlos Finoto Bueno josefinoto@cpfl.com.br (19) 3756.5238  
Artur J. Seron Rios artur@cpfl.com.br (19) 3756.8379  
Fabiana C. L. Avellar fabianaavellar@cpfl.com.br (19) 3756.8278  
Márcia Angela da S. Franco marciafr@cpfl.com.br (19) 3756.8364  
Marco Antonio Nucci nucci@cpfl.com.br (19) 3756.8444  
Sendilene Garcez sendilene@cpfl.com.br (19) 3756.8058  
Mário S. Tadokoro mariotadokoro@cpfl.com.br (19) 3756.8346  
Mauro de Oliveira Sobrinho msobrinho@cpfl.com.br (19) 3756.8028  
Bruno Cesar Pires Oliveira bpoliveira@cpfl.com.br (19) 3756.8944  
Fabrizio Bopp Panichi fpanichi@rge-rs.com.br (54) 3206.3903  
Kelson José Godoy kelson@cpflsantacruz.com.br (14) 3305.9149  
Tiago Bertaco Magro tiago@cpflsantacruz.com.br (14) 3305.9131  
Fátima Abarca fabarca@cpfljaguariuna.com.br (19) 3847.5913  
Marcelo Saturo Miyaji mmiyaji@cpfl.com.br (19) 3756.8817

Comments, criticisms and suggestions on this Annual Report 2008 can be sent to [relatorioanual@cpfl.com.br](mailto:relatorioanual@cpfl.com.br)



# Credits

## Overall Coordination

Augusto Rodrigues  
Director of Corporate Communications of the CPFL Energia Group

## Content Guidance

Gustavo Estrella  
Investor Market Relations Director

## Editorial Coordination

Carlos Henrique Matos Ramos  
Journalism Manager

## Editorial Consultants

Antonio Cesar Ariede  
Henrique Lian

## Content and Editorial Support

Fábio Alexandre dos Santos  
Lícia Rosa

## Editorial Staff

Aleksandra Zakartchouk

## Graphic Design

GAD' Branding & Design

## Layout

Leonardo Castagna

## Illustrations

Fescher – Neoilustração

## Online version

MediaGroup

## Photography

Carlos Bassan  
Giancarlo Giannelli  
Juan Carabetta  
Rodrigo Cancela  
Damião Francisco  
Izilda França  
João Rozan  
Bruno Cecim  
Paulo Freitas  
Renato Lopes  
Júlio Soares  
Rogério Lorenzoni  
Mathias Kramer  
Somafoto  
RGE Image Bank  
PM Archives







