Citibank—The Group entities maintain restricted deposit accounts for collections made from the sale of generated electricity as collateral for related borrowings with the Brazilian National Development Bank (*Banco Nacional de Desenvolvimento Econômico Social—BNDES*). Funds in these accounts are invested in low risk, highly-liquid, shorter-term investments that earn interest rates ranging from 94% to 98% of the CDI rate. Funds from these accounts are restricted for the payment of installments on the related borrowings and for other obligations related to the operation and maintenance of the wind generating facilities.

Banco do Nordeste—Espra maintains a restricted deposit account at Banco do Nordeste do Brasil S.A. ("BNB"), whose purpose is to guarantee the repayment of borrowings obtained for the construction of small hydroelectric generating plants. Funds in this account are invested in low risk, highly-liquid, shorter-term investments that earn interest at 97% of the CDI rate. Funds are restricted until the full repayment of the related borrowings, expected to occur in 2026.

10. Income and social contribution taxes

Reconciliation of Effective Tax Rate—The Group's effective tax rate differs from the amount that would arise using the combined statutory tax rate of 34% applicable for Brazilian entities as follows:

	2014	2013
Income before income tax and social contribution	36,646	53,827
Combined income tax and social contribution rate	34%	34%
Income tax and social contribution at statutory rate	(12,460)	(18,301)
Effect of subsidiaries taxed under the deemed profit regime	3,752	11,884
Allocation of expense from Parent	(3,947)	(3,888)
Utilization of unrecognized tax loss carryforwards	103	277
Other permanent differences	135	60
Income and social contribution tax expense	(12,417)	(9,968)
Current	(12,520)	(10,245)
Deferred	103	277
Income and social contribution tax expense	(12,417)	(9,968)

Given the deemed profit election at the Group's operating project companies, no related tax impacts, current or deferred, have been recorded for the allocation of expenses from Parent in the combined financial statements.

Changes in tax law: Law nº 12.973—On May 13, 2014, Provisional Measure MP 627 was converted into Law nº 12.973, with alterations to some of the original provisions of MP 627, more specifically to those related to the treatment of dividends, interest on own capital and evaluation of investments at net equity value. The Group elected to early adopt such rules beginning calendar year 2014. The effect of these changes had no effect on the combined financial statements of the Group, as dividends and/or interest on capital were not greater than those recorded in accordance with prior tax accounting methods and criteria effective as at December 31, 2007.