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operating and corporate overhead functions for the Group. These functions include, but are not limited to, executive oversight, legal, finance, human resources, internal audit, financial reporting, tax planning, and investor relations. The costs of such services have been allocated to the Group based on the most relevant allocation method for the service provided, primarily based on relative percentage of revenue, installed capacity or headcount. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Group been operating as a separate entity apart from Renova. Total corporate expenses that were allocated to the Group and recorded in general and administrative expenses in the combined income statements were R\$11,608 and R\$11,437 for 2014 and 2013, respectively.

*Intercompany loans and balances*—Periodically the Group and Renova enter into intercompany loans based on the Group's working capital needs and available cash positions. These intercompany loans generally bear interest at TJLP plus a credit spread. Outstanding intercompany loans payable and receivable, including accrued interest are reflected as part of Parent's net investment. At December 31, 2014, the outstanding balances of loans payable by the Group to Renova were R\$1,683. During the year ended 2014, R\$40,402 of outstanding loans made by Renova to the Group in 2013 were capitalized by the Group companies.

*Dividends*—The Group companies are all incorporated as Brazilian corporations (*sociedades anônimas—S.A.*) in accordance with Brazilian corporate law. Based on the law and their articles of incorporation, the Group companies are required to pay mandatory dividends based on net income, if any, after allocations to legal reserves on profits and compensation of accumulated losses, if any. Additional distributions may be made, but are restricted under the terms of the project company borrowing agreements. Any such additional dividends must be approved by the applicable financial institution. During the years ended December 31, 2014 and 2013, the Group paid dividends to Renova in the amounts of R\$52,050 and R\$12,000, respectively.

*Guarantees*—Renova has issued nonconvertible debentures which are collateralized by the pledge of its shares in Enerbras and a collateral assignment of assets and certain rights to dividends distributed by Espra, Bahia and Salvador, which are deposited in a restricted accounts.

Transactions with other related parties included the following:

*Director's and key management remuneration expense*—Remuneration expense of directors and other key management personnel of Renova of R\$1,769 and R\$ 783, were allocated to the Group in 2014 and 2013, respectively.

**15. Net revenue**

	2014	2013
<u>Power generation</u>		
Electric power supply—Eletrobras	23,442	42,094
Electric power supply—CCEE	206,353	193,434
Gross revenue	<u>229,795</u>	<u>235,528</u>
Less: Federal sales taxes		
COFINS	(6,838)	(6,994)
PIS	(1,483)	(1,515)
Total deductions	<u>(8,321)</u>	<u>(8,509)</u>
Net revenue	221,794	227,019

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