

[Table of Contents](#)

16. Costs and expenses by nature

	2014		2013	
	Cost of services provided	Expenses	Cost of services provided	Expenses
Distribution system fee	(11,715)	—	(11,307)	—
Inspection fee	(1,258)	—	(124)	—
	(12,973)	—	(11,431)	—
Depreciation and amortization(*)	(68,068)	(797)	(66,912)	(895)
Third-party services	(25,424)	(10,567)	(5,527)	(8,896)
Personnel expenses	—	(6,652)	—	(4,545)
Rentals	(1,921)	(413)	(1,742)	(732)
Insurance	(1,721)	(56)	(3,538)	(53)
Other (expenses) income, net	(248)	21	(244)	(761)
	(97,382)	(18,464)	(77,963)	(15,882)
Total	(110,355)	(18,464)	(89,394)	(15,882)

(*) Includes R\$792 and R\$888 for 2014 and 2013, respectively, as allocated from Parent (note 14).

17. Finance income (expenses)

	2014	2013
Finance income		
Income from short-term investments and restricted deposits	19,963	12,103
Other	—	41
	19,963	12,144
Finance expenses		
Interest on borrowings	(69,725)	(73,552)
Financing and guarantee fees, expenses, taxes and others	(6,247)	(6,507)
	(75,972)	(80,059)
Finance expense—net	(56,009)	(67,915)

18. Financial instruments and risk management

The Group conducts transactions with financial instruments. These financial instruments are managed through operating strategies that aim at liquidity, profitability and security.

The risks associated with these operations are managed according to the practices defined by management of the Group and Renova, including the monitoring of the levels of exposure of each market risk and estimated future cash flows. These practices also determine that the information is updated in the Group's operating systems, as well as the information and operation of the transactions with counterparties.

F-296