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CESP

**Companhia
Energética de
São Paulo**

SUPPL



FINANCIAL STATEMENTS

AS OF MARCH 31, 2002

TOGETHER WITH REPORT

OF INDEPENDENT PUBLIC ACCOUNTANTS

PROCESSED

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Report of Independent Public Accountants

(Translation of the report originally issued in Portuguese.
See Note 20 to the financial statements.)

To the Management and Shareholders of

CESP - Companhia Energética de São Paulo:

(1) We have performed a special review of the quarterly information of CESP - COMPANHIA ENERGÉTICA DE SÃO PAULO (a Brazilian corporation) which includes the balance sheet as of March 31, 2002, the statement of income for the quarter then ended, the performance report, and relevant information, prepared in accordance with accounting practices emanating from Brazilian corporate law and under the responsibility of the Company's management.

(2) Our review was conducted in accordance with specific standards established by IBRACON - Brazilian Institute of Independent Auditors, together with the Federal Accounting Council, and consisted principally of: (a) inquiries of and discussions with management personnel responsible for the accounting, financial and operating areas as to the principal criteria adopted in the preparation of the quarterly information, and (b) review of the information and subsequent events that had or may have had significant effects on the financial position and operations of the Company.

(3) As described in Note 3, the Company did not record the effects related to the purchase and sale of electricity in the Wholesale Energy Market - MAE for the first quarter of 2002.

(4) Based on our special review, except for the adjustments, if any, arising from the matter mentioned in paragraph (3), we are not aware of any significant change that should be made to the quarterly information referred to above for it to be in conformity with accounting practices emanating from Brazilian corporate law, applied on a basis consistent with standards established by the Brazilian Securities Commission (CVM), specifically applicable to the preparation of such mandatory quarterly information.

(5) We had previously audited the balance sheet as of December 31, 2001, presented for comparative purposes, and issued an unqualified report thereon, dated March 25, 2002. The statement of income for the quarter ended March 31, 2001, presented for comparative purposes, was subject to a special review in accordance with specific standards established by IBRACON, and our report thereon, dated May 11, 2001, did not contain qualifications.

(6) As commented in Note 2, the Company recorded in its financial statements as of December 31, 2001 assets and liabilities related to the sale and purchase of energy in the spot market, based on preliminary data provided by the Wholesale Energy Market (MAE). In addition, it recorded receivables related to tariff recovery for the energy rationing period, as well as prepaid expenses related to cost variations of Portion "A" (CVA) arising from the application of Law No. 10,438/02, Resolution No. 90 of the National Electric Energy Agency (ANEEL) and Resolution No. 91 of the Energy Crisis Management Committee (GCE). These amounts will be realized by means of extraordinary tariff increases already approved by specific resolutions of ANEEL, as well as through inclusion of the CVA in the annual analysis of tariff adjustments, both of which are pending ANEEL's review and approval.

São Paulo, May 14, 2002

ARTHUR ANDERSEN S/C



Maurício Pires de Andrade Resende
Engagement Partner

Report of Independent Public Accountants

(Translation of the report originally issued in Portuguese.
See Note 20 to the financial statements.)

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São Paulo, May 14, 2002

ARTHUR ANDERSEN S/C

Mauricio Pires de Andrade Resende
Engagement Partner

BALANCE SHEETS--MARCH 31, 2002 AND DECEMBER 31, 2001

(In thousands of Brazilian reais)

(Translation of the original in Portuguese)

A S S E T S

	March 31, 2002	December 31, 2001
	(Unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	22,851	7,630
Accounts receivable - consumers	30,241	26,812
Accounts receivable - electric utilities	360,690	357,735
Receivables - electricity	303,374	298,676
Receivables from related parties	29,811	20,661
Other receivables	26,399	27,668
Allowance for doubtful accounts	(44,915)	(42,700)
Recoverable taxes	9,702	35,603
Retained deposits and guarantees	21,833	24,043
Materials and supplies	8,760	8,862
Prepaid expenses	9,268	6,104
	-----	-----
	778,014	771,094
	-----	-----
NONCURRENT ASSETS:		
Receivables - electricity	303,419	291,243
Receivables from related parties	487,468	497,300
Deferred tax credits	776,367	776,420
Recoverable taxes	8,679	8,702
Other receivables	69,858	67,775
Prepaid expenses	9,148	7,603
	-----	-----
	1,654,939	1,649,043
	-----	-----
PERMANENT ASSETS:		
Investments	48,647	50,220
	-----	-----
Property, plant and equipment-		
In service	16,428,493	16,215,892
Construction in progress	1,464,711	1,695,318
	-----	-----
	17,893,204	17,911,210
	-----	-----
	17,941,851	17,961,430
	-----	-----
Total assets	20,374,804	20,381,567
	=====	=====

The accompanying notes are an integral part of these balance sheets.

BALANCE SHEETS--MARCH 31, 2002 AND DECEMBER 31, 2001

(In thousands of Brazilian reais)

(Translation of the original in Portuguese)

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2002	December 31, 2001
	(Unaudited)	
CURRENT LIABILITIES:		
Suppliers	81,170	79,532
Electricity purchased	45,829	37,017
Payroll	784	868
Taxes payable	40,300	50,989
Taxes payable - REFIS (Tax Recovery Program)	19,552	18,057
Accrued charges on debt	111,896	99,875
Loans and financing	961,589	955,939
Accounts payable - electricity	767,998	749,606
Accounts payable to related parties	24,026	52,688
Pension plan - Fundação CESP	89,392	-
Accrued liabilities - payroll	9,950	11,590
Reserve for contingencies	312,510	297,243
Regulatory charges payable	55,429	49,811
Dividends	1,758	1,759
Other	44,456	38,661
	----- 2,566,639	----- 2,443,635
LONG-TERM LIABILITIES:		
Loans and financing	6,937,270	7,183,252
Accounts payable - electricity	14,908	14,908
Accounts payable to related parties	129,150	557,060
Pension plan - Fundação CESP	535,539	-
Taxes payable	11,318	11,318
Taxes payable - REFIS	255,933	258,183
Regulatory charges payable	-	1,357
	----- 7,884,118	----- 8,026,078
Special liabilities	15,481	15,481
	----- 7,899,599	----- 8,041,559
SHAREHOLDERS' EQUITY:		
Capital	2,655,433	2,655,433
Capital reserves	5,542,119	5,542,119
Income reserves	1,520,985	1,537,007
Retained earnings	190,029	161,814
	----- 9,908,566	----- 9,896,373
Total liabilities and shareholders' equity	----- 20,374,804	----- 20,381,567
	=====	=====

The accompanying notes are an integral
part of these balance sheets.

STATEMENTS OF INCOME

FOR THE QUARTERS ENDED MARCH 31, 2002 AND 2001

(In thousands of Brazilian reais)

(Translation of the original in Portuguese)

(Unaudited)

	2002	2001
OPERATING REVENUES:		
Electricity sales to final consumers	30,823	25,916
Electricity sales to distributors	396,711	359,611
Other revenues	55	75
	-----	-----
	427,589	385,602
	-----	-----
TAXES AND REGULATORY CHARGES:		
Global reserve for reversion quota (RGR quota)	(10,644)	(10,643)
Value-added tax on sales to final consumers	(5,535)	(4,665)
COFINS (tax on operating revenues)	(12,846)	(11,568)
PIS (tax on operating revenues)	(2,783)	(2,506)
	-----	-----
	(31,808)	(29,382)
	-----	-----
NET OPERATING REVENUES	395,781	356,220
	-----	-----
OPERATING EXPENSES:		
Personnel	(19,374)	(18,481)
Materials and supplies	(2,220)	(994)
Outside services	(9,009)	(9,825)
Compensation for use of water resources	(16,436)	(16,375)
Fuel usage quota (CCC quota)	(3,907)	(3,755)
Electricity purchased for resale	(8,534)	(17,294)
Electricity network usage charges	(8,076)	(7,350)
Depreciation	(108,289)	(98,923)
Pension plan expenses - Fundação CESP	(25,474)	-
Other expenses	(8,185)	(3,845)
	-----	-----
	(209,504)	(176,842)
	-----	-----
INCOME FROM ELECTRIC UTILITY OPERATIONS	186,277	179,378
	-----	-----

	2002	2001
FINANCIAL INCOME (EXPENSES):		
Income	32,792	42,962
	-----	-----
Expenses-		
Financial charges	(117,236)	(143,397)
Other	(54,069)	(25,560)
Net monetary and exchange variations	(27,715)	(578,732)
	-----	-----
	(199,020)	(747,689)
	-----	-----
	(166,228)	(704,727)
	-----	-----
INCOME (LOSS) FROM OPERATIONS	20,049	(525,349)
NONOPERATING EXPENSE	(6,006)	(4,923)
	-----	-----
INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	14,043	(530,272)
Deferred social contribution tax	(1,357)	42,365
Deferred income tax	(493)	135,548
	-----	-----
NET INCOME (LOSS)	12,193	(352,359)
	=====	=====
EARNINGS (LOSS) PER THOUSAND SHARES - R\$	0.13	(3.76)
	===	===

The accompanying notes are an integral
 part of these statements.

NOTES TO THE QUARTERLY INFORMATION

AS OF MARCH 31, 2002

(Amounts in thousands of Brazilian reais, unless otherwise indicated)

(Translation of the original in Portuguese)

1. OPERATIONS

CESP - Companhia Energética de São Paulo ("CESP" or the "Company") is a publicly-traded mixed capital company, controlled by the São Paulo State Government. The Company's principal activities are the planning, construction and operation of electric energy generation and distribution systems.

After the partial spin-off on March 31, 1999, CESP retained the Ilha Solteira, Três Irmãos, Jupia, Engenheiro Sérgio Motta (Porto Primavera), Jaguari and Paraibuna power plants which represent installed generating capacity of 7,236 MW, equivalent to approximately 57% of the installed capacity in the State of São Paulo.

As a concessionaire of electric energy service, CESP's activities are regulated and inspected by the National Electric Energy Agency (ANEEL), part of the Ministry of Mines and Energy, and operates its power plants on an integrated basis with the National Electric System Operators (ONS).

2. PRESENTATION OF QUARTERLY INFORMATION

This information should be analyzed together with the Company's financial statements for the year ended December 31, 2001, prepared in accordance with accounting practices emanating from Brazilian corporate law, standards established by ANEEL, and instructions of the Brazilian Securities Commission (CVM).

The accounting practices adopted in the preparation of this interim information are consistent with those applied in the preparation of the financial statements as of December 31, 2001.

3. WHOLESALE ENERGY MARKET (MAE)

This quarterly information is being presented without considering the electric energy transactions arising from processing in the Wholesale Energy Market (MAE), since MAE has not formally disclosed its statements which should include, for the quarter, two months under the energy rationing period enacted in June 2001, maintained to February 28, 2002.

Under the terms of ANEEL Circular No. 343 of May 9, 2002, MAE is still encountering difficulties to determine transactions which occurred within the context of MAE, due to certain inaccuracies in the calculation of figures, as well as to the lack of certain definitions significantly impacting the calculation of such figures, the solutions of which have been practically reached.

Since figures produced internally by CESP's technical areas differ from the preliminary data made available by MAE, and ANEEL's Circular Letter expressly points out the level of inaccuracies which MAE's data may present, considering the uncertainties regarding solutions for existing pending issues, CESP's management decided not to include any figures in the statements for this quarter, but to include them when finalized, thus avoiding the presentation of misleading information which might be reversed in the short term.

4. OVERALL AGREEMENT FOR THE ELECTRIC ENERGY SECTOR

At the end of 2001, the generating utilities, distributors and the Federal Government reached an Overall Agreement for the Electric Energy Sector, with BNDES (National Bank for Economic and Social Development) acting as the financing agent. The Agreement was put into effect by ANEEL which established, through resolutions, the accounting procedures required to reflect the terms of the Agreement and several other Federal Government decisions made by the Energy Crisis Management Committee.

As required by ANEEL, the Company recorded the results of the electric energy transaction processing in the country to December 31, 2001, disclosed by the MAE on March 13, 2002, which was included in the financial statements for 2001.

We emphasize that, according to MAE, the data disclosed are preliminary and contain the best figures available to prepare the accounting records and financial statements, and are only applicable for this purpose.

The table below sets forth the amounts recorded in December 2001, with the corresponding changes for the quarter:

	December 31,	1 st quarter/2002			March 31,
	2001	Additions	Amortization	Restatement	2002
					(Unaudited)
Assets:					
Current-					
Electricity from independent suppliers	133,448	-	-	5,538	138,986
Reimbursement agreement	7,454	-	-	-	7,454
Tariff recovery	4,719	549	(1,900)	511	3,879
Spot market energy - MAE closing for 2001	153,055	-	-	-	153,055
	-----	-----	-----	-----	-----
Receivables - electricity	298,676	549	(1,900)	6,049	303,374
	-----	-----	-----	-----	-----
Noncurrent-					
Electricity from independent suppliers	266,897	-	-	11,076	277,973
Reimbursement agreement	14,908	-	-	-	14,908
Tariff recovery	9,438	1,100	-	-	10,538
	-----	-----	-----	-----	-----
Receivables - electricity	291,243	1,100	-	11,076	303,419
	-----	-----	-----	-----	-----
	589,919	1,649	(1,900)	17,125	606,793
	=====	=====	=====	=====	=====

	December 31,	1 st quarter/2002			March 31,
	2001	Additions	Amortization	Restatement	2002
					(Unaudited)
Liabilities:					
Current-					
Electricity from independent suppliers	443,186	-	-	18,392	461,578
Reimbursement agreement	7,454	-	-	-	7,454
Spot market energy - MAE closing for 2001	145,170	-	-	-	145,170
Spot market energy MAE/ABRAGE portion for 2001	153,796	-	-	-	153,796
	-----	----	----	-----	-----
Accounts payable - electricity	749,606	-	-	18,392	767,998
	-----	----	----	-----	-----
Long term-					
Reimbursement agreement (accounts payable - electricity)	14,908	-	-	-	14,908
	-----	----	----	-----	-----
	764,514	-	-	18,392	782,906
	=====	==	==	=====	=====

4.1. Spot Market Energy

Represents the monthly variations for the year 2001, resulting from the amounts processed within the MAE environment, between the commitments assumed by the Company for its market and the other MAE agents, against the actual performance of each member of the system.

The Company's positive variations are treated as revenue and amounted to R\$153,055.

The negative variations (exposures) are treated as expense and amounted to R\$298,966. Part of the negative variations, in CESP's case the portion of R\$153,796, "MAE/ABRAGE portion - 2001" was formally challenged as a group represented by the Brazilian Association of Large Electric Energy Generators (ABRAGE), in a meeting on March 20, 2002, with representatives from BNDES, ANEEL and the Energy Wholesale Market Council (COMAE), which form the Energy Sector Revitalization Committee. At the meeting, it was decided that the dispute will be resolved between the parties, based on a detailed analysis of the treatment to which that portion was or should be submitted; the final decision will be made by the Energy Crisis Management Committee.

CESP is also requesting the recognition of credits arising from production gains at the generating units of the Porto Primavera hydroelectric power plant, in accordance with ANEEL's Official Circular No. 28, which, from July to December 2001, based on Company calculations, is estimated at R\$70 million in its favor.

5. RECEIVABLES FROM RELATED PARTIES

Debtor	Description	March 31, 2002 (Unaudited)			December 31,
		Current	Noncurrent	Total	2001
Finance Department of the State of São Paulo	Consolidated credits	18,005	482,549	500,554	498,667
	Financial contract	11,806	4,919	16,725	19,294
		-----	-----	-----	-----
		29,811	487,468	517,279	517,961
		=====	=====	=====	=====

5.1. Consolidated Credits

Includes R\$489,322 from the contract entered into on November 17, 2000, receivable in 120 monthly installments, and R\$11,232 from the contract entered into on December 1, 2000, receivable in 48 monthly installments. The amounts under both contracts are restated based on the IGP-M (General Market Price Index), and earn 6% interest per year.

5.2. Financial Contract

Amounts under the contract entered into on August 6, 1999, repassed monthly to Fundação CESP. This contract is being amortized in 48 monthly installments, restated based on the IGP-M, and subject to 6% interest per year (Note 11.2.).

6. RETAINED DEPOSITS AND GUARANTEES -
 CURRENT ASSETS

	March 31, 2002 (Unaudited)	December 31, 2001
Civil lawsuits	13,287	15,512
Labor lawsuits	8,546	8,531
	-----	-----
	21,833	24,043
	=====	=====

7. DEFERRED TAX CREDITS

The Company, based on analyses related to multi-year operating projections, considering the electric energy wholesale market, the start-up of new energy generating units, and the recovery of the construction cost incurred and to be incurred for the Engenheiro Sérgio Motta power plant, recognized tax credits related to tax loss carryforwards, as well as on temporary differences, based on CVM Resolution No. 273/98.

Permanent exclusions:

Amortization of inflationary charges - Ordinance No. 250/85	1,550	1,550	-	-
Interest on construction in progress	1,574	1,528	-	-
Other	8	90	2	3
	-----	-----	-----	-----
	3,132	3,168	2	3
	-----	-----	-----	-----
Tax credits (charges) in income	(493)	135,548	(1,357)	42,365
	=====	=====	=====	=====

8. PROPERTY, PLANT AND EQUIPMENT

Composed as follows:

	March 31, 2002 (Unaudited)			December 31, 2001
	Restated cost	Accumulated depreciation	Net	Net
In service:				
Generation	19,445,479	(3,125,090)	16,320,389	16,106,847
Administration	187,267	(79,163)	108,104	109,045
	-----	-----	-----	-----
	19,632,746	(3,204,253)	16,428,493	16,215,892
	-----	-----	-----	-----
In progress:				
Generation	1,448,329	-	1,448,329	1,679,975
Administration	16,382	-	16,382	15,343
	-----	-----	-----	-----
	1,464,711	-	1,464,711	1,695,318
	-----	-----	-----	-----
	21,097,457	(3,204,253)	17,893,204	17,911,210
	=====	=====	=====	=====

	March 31, 2002 (Unaudited)			December 31, 2001	
	Restated cost	Interest and financial charges during construction	Accumulated depreciation	Net	Net
In service:					
Intangibles	130	7	(67)	70	70
Land	586,598	81,552	-	668,150	667,109
Reservoirs, dams and watermains	7,487,087	5,579,186	(1,828,783)	11,237,490	11,225,544
Buildings, civil construction and improvements	1,625,221	813,680	(738,215)	1,700,686	1,554,951
Machinery and equipment	2,338,120	1,098,913	(622,656)	2,814,377	2,760,890
Vehicles	11,038	-	(10,027)	1,011	1,364
Furniture and fixtures	11,215	-	(4,506)	6,709	5,964
	-----	-----	-----	-----	-----
	12,059,409	7,573,338	(3,204,254)	16,428,493	16,215,892
In progress	1,212,572	252,139	-	1,464,711	1,695,318
	-----	-----	-----	-----	-----
	13,271,981	7,825,477	(3,204,254)	17,893,204	17,911,210
	=====	=====	=====	=====	=====

8.1. Construction in Progress

CESP is constructing the Engenheiro Sérgio Motta power plant in the Paraná river basin, with the following characteristics:

Total estimated capacity - MW	1,814
Number of generating units	18
Beginning of construction	1980
First unit in operation	1999
Units in operation - March 31, 2002	12
Amount transferred to "In service" through March 31, 2002	R\$12,659,369

9. TAXES PAYABLE - REFIS (TAX RECOVERY PROGRAM)

The Company opted for the program on April 28, 2000, and declared its total tax debts to the Federal Revenue Service and the National Social Security Institute on June 30, 2000. More favorable conditions for debt amortization, such as extending payment terms and changing the index used (from SELIC, Central Bank overnight rate, to the long-term interest rate - TJLP), were key factors leading to the Company's option for REFIS.

Tax debts included in the program are as follows:

	Principal	Interest and fines	Tax credits	Total	Restatement TJLP	Amortization	Balance as of March 31, 2002 (Unaudited)	Balance as of December 31, 2001
Social contribution tax	32,811	95,979	(65,639)	63,151	11,141	(9,069)	65,223	65,402
FINSOCIAL	1,629	6,440	(4,404)	3,665	647	(526)	3,786	3,796
Corporate income tax contingency - 1998	5,389	4,099	(2,803)	6,685	1,179	(960)	6,904	6,923
Social contribution tax contingency - 1998	2,464	1,874	(1,281)	3,057	539	(439)	3,157	3,166
PIS contingency	17,858	7,417	(5,072)	20,203	3,564	(2,901)	20,866	20,923
INSS assessment	93,528	124,597	(85,210)	132,915	23,448	(19,088)	137,275	137,651
Income tax on indemnities	27,203	31,175	(21,320)	37,058	6,538	(5,322)	38,274	38,379
	180,882	271,581	(185,729)	266,734	47,056	(38,305)	275,485	276,240
	=====	=====	=====	=====	=====	=====	=====	=====

Of the total balance as of March 31, 2002, R\$255,933 is classified in long-term liabilities.

The Company used its own tax loss carryforwards amounting to R\$180,550, and social contribution tax loss carryforward credits from third parties amounting to R\$5,179 to amortize interest and fines.

For the aforementioned debts included in the program, the Company pledged real estate (not linked to the generation of electric energy) in guarantee.

In view of the fixed nature of the financial charges on monthly installments due, as of March 31, 2002, the present value of these tax debts amounts to R\$205,456, calculated based on revenue projections, considering, among other factors, the beginning of operations of new generating units at the Engenheiro Sérgio Motta power plant, tariff adjustments and the electric energy wholesale market. A restatement of the total debt based on the long-term interest rate (estimated at 10.0% per year) was also considered. As a result, the total debt is expected to be repaid over approximately 14 years. In compliance with CVM Instruction No. 346 of September 29, 2000, the Company opted not to record the adjustment to present value.

For the period from April 2000 to March 2002, the Company paid R\$38,305 for REFIS obligations, at 1.2% of its monthly revenues.

The essential condition for maintaining the REFIS program is the prompt payment of the obligations.

10. LOANS AND FINANCING

10.1. Composition

	March 31, 2002 (Unaudited)			December 31, 2001		
	Accrued interest and charges	Principal		Accrued interest and charges	Principal	
		Current portion	Long term		Current portion	Long term
Foreign currency:						
Financial institutions	84,930	194,095	2,856,124	43,145	212,477	2,853,427
Medium-term notes (1)	21,437	-	1,799,366	52,604	-	1,804,966
Banco do Brasil S.A.	1,425	165,282	1,156,972	653	165,054	1,155,379
Eletrobrás	1,207	4,108	19,127	657	4,103	19,101
CPFL	525	23,791	166,539	592	23,758	178,188
Other institutions	360	558	12,351	205	557	12,333
	109,884	387,834	6,010,479	97,856	405,949	6,023,394
Local currency:						
Financial institutions (2)	2,012	24,919	304,325	2,019	24,494	275,555
Eletrobrás	-	154	3,343	-	206	3,356
Fundação CESP (3)	-	-	-	-	41,527	117,549
Debentures	-	-	276,786	-	-	264,160
Electric energy term certificates	-	548,682	342,337	-	483,763	499,238
	2,012	573,755	926,791	2,019	549,990	1,159,858
	111,896	961,589	6,937,270	99,875	955,939	7,183,252

(1) These notes are subject to certain restrictive clauses, which among others include limitation of the placement of liens on the whole or any portion of the Company's property to secure any of its indebtedness, or indebtedness of any other person, enter into sale and leaseback transactions, and compliance with certain financial ratios. In the event CESP does not meet those ratios for three consecutive quarters, it must redeem the notes within a 30-day period. These ratios have been complied with. The final maturity of these notes will be in June 2007; however, holders of these notes are entitled to advance redemption in June 2002.

Notes related to the second funding, carried out in February 2001, have the same restrictive clauses as those of the previous funding, with final maturity in February and March 2004; they also entitle their holders to advance redemption in 2003.

(2) Includes, in addition to a loan with the National Bank for Economic and Social Development (BNDES), the funding carried out in March 2002, with Banco ABC Brasil S.A., subject to monthly interest of 0.4% and maturity in April 2003, in the amount of R\$30,217.

(3) Amounts related to the pension plan managed by Fundação CESP, reclassified to a specific caption in the Company's balance sheet (Note 13).

10.2. Composition of Foreign Currency Loans - Principal Amount (All Amounts in Thousands)

Currency	March 31, 2002 (Unaudited)			December 31, 2001		
	R\$	US\$ (equivalent)	%	R\$	US\$ (equivalent)	%
US\$	5,697,692	2,452,097	89.05	5,701,724	2,457,216	88.68
SwFr	28,203	12,138	0.44	25,877	11,152	0.41
Euro	672,418	289,386	10.51	701,742	302,423	10.91
	6,398,313	2,753,621	100.00	6,429,343	2,770,791	100.00

10.3. Maturities of the Principal of Long-term Loans
and Financing as of March 31, 2002
(All Amounts in Thousands)

	Foreign currency		Local currency	Total
	US\$ (equivalent)	R\$	R\$	R\$
2003	147,830	343,497	376,410	719,907
2004	679,246	1,578,296	255,387	1,833,683
2005	197,803	459,616	86,630	546,246
2006	185,770	431,656	25,122	456,778
2007	457,467	1,062,970	25,122	1,088,092
After 2007	918,594	2,134,444	158,120	2,292,564
	-----	-----	-----	-----
	2,586,710	6,010,479	926,791	6,937,270
	=====	=====	=====	=====

10.4. Increase in Principal Currencies and Indexes
(In Relation to the Brazilian Real) (%)

	For the quarters ended		For the year ended
	March 31, 2002	March 31, 2001	December 31, 2001
US\$	0.14	10.55	18.67
SwFr	(0.84)	2.52	14.88
Euro	(1.82)	3.25	12.05
TR	0.55	0.35	2.29
IGP-M	0.51	1.42	10.38

11. PAYABLES TO RELATED PARTIES

Creditor	Description	March 31, 2002 (Unaudited)			December 31, 2001
		Current	Long term	Total	Total
Eletrobrás	Energy supplied by Itaipu, transmission charges and self-generated energy	12,220	124,231	136,451	134,357
		-----	-----	-----	-----
Fundação CESP	Supplementary proportional settled benefit:				
	CESP employees (1)	-	-	-	454,523
	Fundação CESP employees (1)	-	-	-	1,574
	Financing contract	11,806	4,919	16,725	19,294
		-----	-----	-----	-----
		11,806	4,919	16,725	475,391
		-----	-----	-----	-----
		24,026	129,150	153,176	609,748
		=====	=====	=====	=====

(1) Amounts related to the pension plan managed by Fundação CESP, reclassified to a specific caption in the Company's balance sheet (Note 13).

11.1. Eletrobrás

Refers to the remaining balance (after the spin-off) of the contract for the financing of purchases of energy, payable in 168 monthly installments beginning June 15, 1999. The balance due is monetarily restated based on the IGP-M index and is subject to annual interest of 10%, payable monthly.

11.2. Fundação CESP

Refers to the balance of the financing contract, entered into on August 6, 1999, referring to payments of benefits defined by Law No. 4,819/58, payable in 48 monthly installments, monetarily restated based on the IGP-M index, plus annual interest of 6% (Note 5.2.).

12. RESERVES FOR CONTINGENCIES

The Company is party to certain lawsuits in various courts involving tax, civil and labor matters. Management, based on the opinion of its legal counsel, recognized a reserve for the lawsuits the unfavorable outcome of which is considered probable.

Composition of reserves is as follows:

	March 31, 2002 (Unaudited)	December 31, 2001
Labor:		
Various	13,216	13,391
Hazard exposure	11,296	11,296
	-----	-----
	24,512	24,687
	-----	-----
Civil:		
Consumers (DNAEE Ordinances No. 38/86 and No. 45/86)	13,239	13,239
Various	14,365	14,365
	-----	-----
	27,604	27,604
	-----	-----
Expropriation and indemnities:		
Various	154,172	156,371
	-----	-----
Tax:		
COFINS (1)	106,222	88,581
	-----	-----
	312,510	297,243
	=====	=====

(1) In July 1999, CESP began to pay COFINS on billings, at the rate in force of 3%, but continues challenging in court the constitutionality of the inclusion of financial and nonoperating income in the calculation basis. The Company obtained an injunction from the 16th São Paulo District Federal Court, with a favorable sentence for the payment as defined by Supplementary Law No. 70/91, that is, only on billing. The Company has accrued the unpaid amounts plus applicable interest.

Company's management, based on the opinion of legal counsel, believes that there are no significant future risks not covered by reserves in sufficient amounts in its financial statements or risks which may significantly impact its cash flows.

**13. PENSION PLAN - FUNDAÇÃO CESP -
 CVM RESOLUTION NO. 371/2000**

		March 31, 2002 (Unaudited)		
		Current	Long term	Total
Fundação CESP	Supplementary proportional settled benefit:			
	CESP employees	31,378	424,804	456,182
	Fundação CESP employees	797	597	1,394
	Debt agreement	44,743	110,138	154,881
	Adjustment - CVM Resolution No. 371/2000	12,474	-	12,474
		-----	-----	-----
		89,392	535,539	624,931
		=====	=====	=====

13.1. Supplementary Proportional Settled Benefit

Refers to the remaining balance (after the spin-off) of the contract with Fundação CESP relating to the actuarial deficit of its pension plan through October 31, 1997, to cover the settlement of supplementary proportional fixed benefits, payable in 240 monthly installments, the first payment being made on December 30, 1997. The total amount of the debt is indexed based on the IGP-DI index determined by Fundação Getúlio Vargas, plus annual interest at 6%, or the increase in actuarial cost, whichever is higher. The Company made the actuarial cost variation adjustments at the end of the year.

13.2. Debt Agreement

Refers to the remaining part of a contract (after the spin-off) effective December 30, 1997, to be amortized in 96 monthly installments restated by the actuarial cost increase or reference rate (TR) whichever is higher, plus interest of 8% per year.

13.3. Adjustment - CVM Resolution No. 371/2000

Refers to the adjustment for proportionally recording the annual actuarial cost of the pension plan sponsored by the Company, based on estimates prepared by an independent actuary, for purposes of implementing the cost recognition methodology related to the pension plan, established by CVM Resolution No. 371/2000.

15. INCOME FROM ELECTRIC UTILITY OPERATIONS

	Quarters ended March 31, (Unaudited)	
	2002	2001
Operating revenues:		
Electricity sales to final consumers	30,823	25,916
Electricity sales to distributors	396,711	359,611
Other revenues	55	75
	-----	-----
	427,589	385,602
	-----	-----
Taxes and regulatory charges:		
Global reserve for reversion quota (RGR quota)	(10,644)	(10,643)
Value-added tax on sales to final consumers	(5,535)	(4,665)
COFINS (tax on operating revenues)	(12,846)	(11,568)
PIS (tax on operating revenues)	(2,783)	(2,506)
	-----	-----
	(31,808)	(29,382)
	-----	-----
Net operating revenues	395,781	356,220
	-----	-----
Operating expenses:		
Personnel	(19,374)	(18,481)
Materials and supplies	(2,220)	(994)
Outside services	(9,009)	(9,825)
Compensation for use of water resources	(16,436)	(16,375)
Fuel usage quota (CCC quota)	(3,907)	(3,755)
Electricity purchased for resale	(8,534)	(17,294)
Electricity network usage charges	(8,076)	(7,350)
Depreciation	(108,289)	(98,923)
Pension plan expenses - Fundação CESP	(25,474)	-
Other expenses	(8,185)	(3,845)
	-----	-----
	(209,504)	(176,842)
	-----	-----
Income from electric utility operations	186,277	179,378
	=====	=====

**16. OPERATING REVENUES, ELECTRICITY PURCHASED
 AND USE OF ELECTRIC ENERGY NETWORK**

**16.1. Tariff Adjustments for Supply and
 Sale of Electric Energy**

CESP, together with electric energy distribution concessionaires (Eletropaulo, Bandeirante, CPFL and ELEKTRO) and ANEEL, conducted negotiations to agree on specific dates for tariff adjustments. This process started in May 2000 and resulted in changing the tariff adjustment dates for CESP's supply of electric energy.

In 2000 and 2001, CESP's tariff adjustments, resulting from this rescheduling, were made on the following dates:

<u>Distributors supplied</u>	<u>Adjustment date</u>	<u>ANEEL Resolution No.</u>	<u>Adjustment - %</u>
Eletropaulo (rescheduling)	04.07.00	250 of 07.03.00	14.93
ELEKTRO, CPFL and Bandeirante	11.08.00	295 of 08.10.00	16.06
Bandeirante (rescheduling)	11.10.00	392 of 10.10.00	3.27
CPFL (rescheduling)	08.04.01	119 of 04.05.01	8.88
Eletropaulo	04.07.01	252 of 07.02.01	13.35
ELEKTRO (rescheduling)	07.08.01	315 of 08.06.01	13.57
Bandeirante	11.10.01	417 of 10.09.01	11.58

Supply tariffs were adjusted at the rate of 22.95%, effective December 15, 2001, based on ANEEL Resolution No. 544 of December 12, 2001.

16.2. Energy Sales for the Quarters Ended March 31

	<u>Quantities MWh (*)</u>		<u>Amounts</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
			(Unaudited)	
Sales to final consumers:				
Industrial	458,622	516,367	31,144	25,916
Tariff recovery - adjustment	-	-	(321)	-
	-----	-----	-----	-----
	458,622	516,367	30,823	25,916
	-----	-----	-----	-----
Sales to distributors:				
Own generation/other-				
Eletropaulo	2,693,487	2,797,624	147,974	135,073
Bandeirante	730,800	1,471,025	41,005	73,955
CPFL	1,617,281	1,642,585	83,938	78,330
ELEKTRO	1,413,804	1,457,234	66,261	60,056
Piratininga	705,537	-	39,629	-
Other	333,804	332,414	17,904	16,232
Spot market estimate	-	-	-	1,053
Reversal of estimate - 2000 (part)	-	-	-	(5,088)
	-----	-----	-----	-----
Total sales to distributors	7,494,713	7,700,882	396,711	359,611
	-----	-----	-----	-----
Total sales	7,953,335	8,217,249	427,534	385,527
	=====	=====	=====	=====

16.3. Energy Purchased and Use of Electric Energy Network
for the Quarters Ended March 31

	Quantities MWh (*)		Amounts	
	2002	2001	2002	2001
			(Unaudited)	
Resale:				
Itaipu-				
Contracts	97,072	97,789	8,067	7,072
Transmission charges	-	-	330	298
Surplus energy	4,987	16,497	7	20
	-----	-----	-----	-----
	102,059	114,286	8,404	7,390
	-----	-----	-----	-----
Spot market-				
Bilateral contracts	-	164,500	-	17,544
Spot market estimates - 2000	-	-	-	4,288
Reversal of estimate - 2000 (part)	-	-	-	(11,928)
Other	-	-	130	-
	-----	-----	-----	-----
	-	164,500	130	9,904
	-----	-----	-----	-----
	102,059	278,786	8,534	17,294
	-----	-----	-----	-----
Use of electric energy network:				
Connection	-	-	3,917	3,516
Basic network	-	-	4,159	3,834
	-----	-----	-----	-----
	-	-	8,076	7,350
	=====	=====	=====	=====

(*) Not reviewed by independent public accountants.

The amounts of energy sold and purchased are linked to:

(1) Itaipu:

- a. Contracts and transmission charges: energy from Itaipu equivalent to 57 MW, to meet the needs of small distributors.
- b. Surplus energy: determined based on quantities effectively measured and prorated as a function of established quotas.

(2) Spot market:

- a. Bilateral contracts: negotiated between CESP and others in the sector to reduce negative exposure.

(3) Use of electric energy network:

- a. Charges for connection and basic network based on amounts established by ANEEL Resolutions No. 244/01 and No. 247/01.

17. FINANCIAL INCOME (EXPENSE) AND NET
MONETARY AND EXCHANGE VARIATIONS

	Quarters ended March 31, (Unaudited)	
	2002	2001
Financial income:		
Income from temporary cash investments	19	15,973
Restatement - receivables	10,822	15,146
Restatement - cash (retained deposits and guarantees)	-	3,051
Restatement and additions to electricity bills	3,662	1,653
Restatement - spot market energy (Note 4)	16,614	-
Interest on capital/dividends	32	282
Other	1,643	6,857
	-----	-----
	32,792	42,962
	-----	-----
Financial expense:		
Debt charges-		
In foreign currency	(105,849)	(134,726)
In local currency	(11,387)	(8,671)
	-----	-----
	(117,236)	(143,397)
	-----	-----
Other:		
Charges on past-due taxes	(19,433)	(6,936)
Eletrobrás agreement (Note 11.1)	(3,193)	(2,930)
Fundação CESP agreement	(14)	(6,416)
Restatement - spot market energy (Note 4)	(18,392)	-
CPMF (tax on bank transactions)	(1,687)	(5,671)
COFINS on financial income	(8,632)	(1,414)
PIS on financial income	(1,870)	(306)
Tax on financial transactions	(665)	(1,169)
Other	(183)	(718)
	-----	-----
	(54,069)	(25,560)
	-----	-----
	(171,305)	(168,957)
	-----	-----
	(138,513)	(125,995)
	=====	=====
Net monetary and exchange variations:		
In foreign currency	2,491	(556,957)
In local currency	(30,206)	(21,775)
	-----	-----
	(27,715)	(578,732)
	=====	=====

18. FINANCIAL INSTRUMENTS

In compliance with the provisions of CVM Instruction No. 235/95, the Company has evaluated the book values of its assets and liabilities in relation to market values, based on available information and appropriate valuation methodologies. However, the interpretation of market information, as well as the selection of methodologies, requires considerable judgment and reasonable estimates in order to produce adequate realizable values. As a result, the estimates referred to do not necessarily indicate the amounts which might be realized in the current market. The use of different market approaches and/or methodologies for the estimates may have a significant effect on the estimated realizable values.

18.1. Valuation of Financial Instruments

As of March 31, 2002, the Company's principal financial instruments, as well as the criteria adopted for their valuation, are as follows:

(a) Cash and Cash Equivalents--Comprise cash, banks, and temporary cash investments. The market value of these assets does not differ from the recorded amounts.

(b) Receivables and Accounts Payable - Electricity--These receivables and payables arise basically from transactions made within the context of the Electric Energy Wholesale Market (MAE), and were recorded and valued based on information available, considering the prices prevailing in the MAE for 2001. There were no transactions in connection with such receivables or payables which might affect their classification and valuation at the end of the quarter.

(c) Investments--Investments related to shares of publicly-traded companies are stated at cost; in the event cost is higher than the market value of these shares on stock exchanges, an allowance for reduction to market value was recognized. The market value of other investments approximates book values.

(d) Debentures--The Company has liquidated seven out of the eight debenture series issued. These securities are traded on the over-the-counter market, and are valued in accordance with the criteria established upon their issuance, based on the characteristics set forth in Note 16.1.(8) of the annual financial statements for 2001.

(e) Electric Energy Term Certificates (CTEE)--Securities issued by CESP, equivalent on the issue date, to a unit amount of one megawatt/hour at the energy rate B-3 for an electric energy distributor. The energy rate B-3 is applicable to captive consumers and is regulated by ANEEL for each electric energy distribution utility which are subject to control and inspection by ANEEL.

CTEE's are traded over-the-counter and offer two options for monetary redemption, at the higher between: (a) remuneration based on defined financial indexes (Note 16.1.(9) of the annual financial statements for 2001), or (b) B-3 tariff increase. These securities can also be redeemed in payment of electric energy bills to the distributor which in turn utilizes them to pay its bills to CESP.

The Company has liquidated four out of the seven tranches issued; redemption by cash payment has not yet occurred.

The Company did not have transactions involving derivatives on the date of this quarterly information.

19. SUBSEQUENT EVENTS

19.1. Funding in the International Market

On May 9, 2002, the Company completed a placement of securities in the international market, in connection with the Euro-Medium Term Note program, after approval by the Central Bank of Brazil, and raised US\$150 million, without guarantee, subject to annual interest of 9% in the first year, and 11.5% in the following years, with final maturity in May 2005.

20. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

The accompanying financial statements are presented on the basis of accounting practices emanating from corporate law in Brazil. Certain accounting practices applied by the Company that conform with those accounting practices in Brazil may not conform with generally accepted accounting principles in the countries where these financial statements may be used.

MANAGEMENT'S COMMENTS ON THE COMPANY'S PERFORMANCE FOR THE QUARTER

ANALYSIS OF RESULTS FOR THE QUARTER

The change in average tariffs, not considering the effects of surplus energy and spot-market trading, was as follows:

	Quarters ended March 31		
	Average price - R\$/MWh		
	2002	2001	Increase (%)
Sales:			
Supply - own generation/other	52.93	47.22	12.09

Revenues from the sale of electric energy to final consumers and distributors reached R\$427,534 in the first quarter of 2002, surpassing by 10.9% the same quarter of 2001, due to the effect of the tariff adjustments approved by ANEEL (Note 16.1.).

As a result, income from electric utility operations was R\$186,277, higher than the same quarter of the previous year.

For this quarter, internal funds generated were R\$320,040 (income from electric utility operations, excluding depreciation and pension plan expenses - Note 15), 15.0% higher than the same quarter of 2001.

Net financial expense of R\$166,228 was mainly impacted by debt charges (Note 17.1.) in the amount of R\$171,305.

Income from operations (after financial expense) was R\$20,049, principally due to income from electric utility operations (in relation to 2001) and to lower debt charges and monetary variations this quarter.

As a result of its operations and the foregoing factors, the Company ended the quarter with net income of R\$12,193.

ECONOMIC AND FINANCIAL RATIOS

	<u>March 31,</u> 2002	<u>December 31,</u> 2001
Asset indebtedness:		
<u>Total liabilities (-) liabilities linked to concession</u> Total assets	0.51	0.51
Current ratio:		
<u>Current assets</u> Current liabilities	0.30	0.32
Book value per thousand shares	105.75	105.62
		<u>Quarters ended</u> <u>March 31,</u>
		<u>2002</u> <u>2001</u>
Overall average price - R\$ per MWh (*):		
<u>Sales and supply revenue</u> Energy sold (MWh)	53.76	47.41
Operating margin (%):		
<u>Income from operations</u> Net operating revenue	47.07	50.36
Property, plant and equipment return rate (%):		
<u>Income from operations</u> Property, plant and equipment in service, net	1.13	1.18
(*) Not including surplus energy and spot-market trading.		