

(A free translation of the original in Portuguese)

ISA Capital do Brasil S.A.
Report of Independent Accountants on Limited
Reviews of Quarterly Information (ITR)
September 30 and June 30, 2007

(A free translation of the original in Portuguese)

Report of Independent Accountants on the Limited Reviews

To the Board of Directors and Shareholders
ISA Capital do Brasil S.A.

- 1 We have carried out limited reviews of the accounting information included in the Quarterly Information (ITR) of ISA Capital do Brasil and its subsidiary for the quarter and periods ended September 30 and June 30, 2007. This information is the responsibility of the Company's management.
- 2 Our reviews were carried out in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council (CFC), and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the quarterly information and (b) a review of the significant information and of the subsequent events which have, or could have, significant effects on the Company's financial position and operations.
- 3 Based on our limited reviews, we are not aware of any material modifications that should be made to the quarterly information referred to above in order that such information be stated in accordance with the accounting practices adopted in Brazil applicable to the preparation of quarterly information, consistent with the Brazilian Securities Commission (CVM) regulations.

- 4 As described in Note 29 to the quarterly information, pursuant to the decision of the 49th Labor Court of São Paulo, as from September 2005, Fundação CESP started to process the payroll of the participants in the supplementary pension plan regulated by Law No. 4819/58, through funds transferred by the subsidiary Companhia de Transmissão de Energia Elétrica Paulista - CTEEP, as carried out up to December 2003. In January 2006, the Attorneys' General Office of the State of São Paulo understood that the responsibility of the State Government is restricted to the limits set forth by the State Constitution in respect of the payment of pension benefits. Since then the State Government started to disallow a portion of the resources transferred to the subsidiary Companhia de Transmissão de Energia Elétrica Paulista - CTEEP. Management of the Company and its subsidiary, supported by their legal advisors, understands that the payment of the benefits related to the supplementary pension plan is the full responsibility of the State Government. Accordingly, the subsidiary Companhia de Transmissão de Energia Elétrica Paulista - CTEEP does not record any obligations relating to this plan in its quarterly information.
- 5 The Quarterly Information mentioned in paragraph one also includes comparative accounting information relating to the statement of operations for the quarter and period ended September 30, 2006. The limited review of the Quarterly Information for this quarter and period was conducted by other independent accountants, who issued a report thereon dated December 6, 2006, containing matter of emphasis paragraphs relating to the decision of the 49th Labor Court of São Paulo on the processing of the payroll of the supplementary pension plan regulated by Law No. 4819/58 (Note 30 to the Quarterly Information).

São Paulo, November 8, 2007

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Sérgio Eduardo Zamora
Contador CRC 1SP168728/O-4

REGISTRATION WITH THE CVM DOES NOT IMPLY ANY ANALYSIS OF THE COMPANY. COMPANY MANAGEMENT IS RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED.

01.01 - IDENTIFICATION

1 - CVM CODE 02042-7	2 - COMPANY NAME ISA CAPITAL DO BRASIL S.A.	3 - Federal Corporate Taxpayers' Registration Number - CNPJ 08.075.006/0001-30
4 - State Registration Number - NIRE 35.220.674.671		

01.02 - HEAD OFFICE

1 - ADDRESS Rua Casa do Ator, 1155 8º andar			2 - SUBURB OR DISTRICT Vila Olímpia		
3 - POSTAL CODE 04546-004		4 - MUNICIPALITY São Paulo		5 - STATE SP	
6 - AREA CODE 11	7 - TELEPHONE 3138-7673	8 - TELEPHONE -	9 - TELEPHONE -	10 - TELEX	
11 - AREA CODE 11	12 - FAX 3138-7047	13 - FAX -	14 - FAX -		
15 - E-MAIL					

01.03 - INVESTOR RELATIONS OFFICER (Company Mail Address)

1 - NAME Cristian Restrepo Hernandez					
2 - ADDRESS Rua Casa do Ator, 1155 - 8º andar			3 - SUBURB OR DISTRICT Vila Olímpia		
4 - POSTAL CODE 04546-004		5 - MUNICIPALITY São Paulo		6 - STATE SP	
7 - AREA CODE 11	8 - TELEPHONE 3138-7673	9 - TELEPHONE -	10 - TELEPHONE -	11 - TELEX	
12 - AREA CODE 11	13 - FAX 3138-7047	14 - FAX -	15 - FAX -		
16 - E-MAIL crestrepo@isacapital.com.br					

01.04 - GENERAL INFORMATION/INDEPENDENT ACCOUNTANT

CURRENT YEAR		CURRENT QUARTER			PRIOR QUARTER		
1 - BEGINNING	2 - END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
1/1/2007	12/31/2007	3	7/1/2007	9/30/2007	2	4/1/2007	6/30/2007
9 - INDEPENDENT ACCOUNTANT PricewaterhouseCoopers Auditores Independentes						10 - CVM CODE 00287-9	
11 - PARTNER RESPONSIBLE Sérgio Eduardo Zamora					12 - INDIVIDUAL TAXPAYERS' REGISTRATION NUMBER OF THE PARTNER RESPONSIBLE 107.092.038-02		

(A free translation of the original in Portuguese)

Unaudited

Corporate Legislation
September 30, 2007

**FEDERAL GOVERNMENT SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
QUARTERLY INFORMATION (ITR)
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES**

01.01- IDENTIFICATION

1 - CVM CODE 02042-7	2 - COMPANY NAME ISA CAPITAL DO BRASIL S.A.	3 - Federal Corporate Taxpayers' Registration Number - CNPJ 08.075.006/0001-30
--------------------------------	---	--

01.05- CAPITAL COMPOSITION

Number of shares (Units)	Current Quarter 9/30/2007	Prior quarter 6/30/2007	Same quarter in prior year 9/30/2006
PAID-UP CAPITAL			
1 - Common	828,267,200	828,267,200	506,201,000
2 - Preferred	0	0	0
3 - Total	828,267,200	828,267,200	506,201,000
TREASURY STOCK			
4 - Common	0	0	0
5 - Preferred	0	0	0
6 - Total	0	0	0

01.06- CHARACTERISTICS OF THE COMPANY

1 - TYPE OF COMPANY Commercial, Industrial and Other
2 - SITUATION Operating
3 - NATURE OF OWNERSHIP Foreign
4 -ACTIVITY CODE 3990 - Investment management company - Without a Main Segment
5 - MAIN ACTIVITY Investments in the capital of other companies.
6 - TYPE OF CONSOLIDATION Total
7 - TYPE OF REPORT OF THE INDEPENDENT ACCOUNTANT Without exceptions

01.07- COMPANIES EXCLUDED FROM THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ	3 - NAME
-----------------	-----------------	-----------------

01.08- DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - DATE APPROVED	4 - AMOUNT	5 - DATE OF PAYMENT	6 - TYPE OF SHARE	7 - AMOUNT PER SHARE
-----------------	------------------	--------------------------	-------------------	----------------------------	--------------------------	-----------------------------

(A free translation of the original in Portuguese)

**FEDERAL GOVERNMENT SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
QUARTERLY INFORMATION (ITR)
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES**

Unaudited

Corporate Legislation
September 30, 2007

01.01 - IDENTIFICATION

1 - CVM CODE 02042-7	2 - COMPANY NAME ISA CAPITAL DO BRASIL S.A.	3 - Federal Corporate Taxpayers' Registration Number - CNPJ 08.075.006/0001-30
--------------------------------	---	--

01.09 - CAPITAL SUBSCRIBED AND ALTERATIONS IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF ALTERATION	3 - CAPITAL (IN THOUSANDS OF REAIS)	4 - AMOUNT OF THE ALTERATION (IN THOUSANDS OF REAIS)	5 - NATURE OF ALTERATION	7 - NUMBER OF SHARES ISSUED (Units)	8 - SHARE PRICE ON ISSUE DATE (IN REAIS)
01	09/26/2006	506,201	50	CHANGE OF QUOTAS TO SHARES	50,000	1.0000000000
02	01/10/2007	824,065	317,864	Private subscription in cash	317,864,200	1.0000000000
03	03/19/2007	828,267	4,202	Private subscription in cash	4,202,000	1.0000000000

01.10 - INVESTOR RELATIONS OFFICER

1 - DATE 11/14/2007	2 - SIGNATURE
-------------------------------	----------------------

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

02.01 - Balance Sheet - Assets (R\$ thousand)

Code	Description	9/30/2007	6/30/2007
1	Total assets	2,301,794	2,387,840
1.01	Current assets	4,575	49,519
1.01.01	Cash and cash equivalents	139	14
1.01.01.01	Available cash	139	14
1.01.01.02	Financial investments	0	0
1.01.02	Receivables	0	0
1.01.02.01	Trade accounts receivable	0	0
1.01.02.02	Sundry receivables	0	0
1.01.03	Inventories	0	0
1.01.04	Other	4,436	49,505
1.01.04.01	Taxes and contributions to be offset	774	775
1.01.04.02	Pledges and restricted deposits	723	45,851
1.01.04.03	Prepaid expenses	2,820	2,819
1.01.04.04	Other	119	60
1.02	Non-current assets	2,297,219	2,338,321
1.02.01	Long-term receivables	62,583	64,529
1.02.01.01	Sundry receivables	0	0
1.02.01.02	Related parties	0	0
1.02.01.02.01	Associated and similar companies	0	0
1.02.01.02.02	Subsidiaries	0	0
1.02.01.02.03	Other related parties	0	0
1.02.01.03	Other	62,583	64,529
1.02.01.03.01	Loan receivable - ISA's parent company	46,534	47,783
1.02.01.03.02	Prepaid expenses	16,049	16,746
1.02.02	Permanent assets	2,234,636	2,273,792
1.02.02.01	Investments	2,234,606	2,273,760
1.02.02.01.01	In associated and similar companies	0	0
1.02.02.01.02	In associated and similar companies - goodwill	0	0
1.02.02.01.03	In subsidiaries	1,522,444	1,538,869
1.02.02.01.04	In subsidiaries - goodwill	712,162	734,891
1.02.02.01.05	Other investments	0	0
1.02.02.02	Property, plant and equipment	28	30
1.02.02.03	Intangible assets	0	0
1.02.02.04	Deferred charges	2	2

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

02.02 - Balance Sheet - Liabilities and Shareholders' Equity (R\$ thousand)

Code	Description	9/30/2007	6/30/2007
2	Total liabilities and shareholders' equity	2,301,794	2,387,840
2.01	Current liabilities	53,066	136,665
2.01.01	Loans and financing	41,335	127,040
2.01.02	Debentures	0	0
2.01.03	Suppliers	99	141
2.01.04	Taxes, charges and contributions	2,082	47
2.01.04.01	Taxes payable	2,082	47
2.01.05	Dividends payable	0	0
2.01.06	Provisions	0	0
2.01.07	Payables to related parties	0	0
2.01.08	Other	9,550	9,437
2.01.08.01	Salaries and social contributions	32	0
2.01.08.02	Amounts payable - Law 4819/58 - São Paulo State Finance Department	5,838	5,800
2.01.08.03	Amounts payable - Law 4819/58 - Public share offering	3,680	3,637
2.02	Non-current liabilities	1,522,242	1,489,829
2.02.01	Long-term liabilities	1,522,242	1,489,829
2.02.01.01	Loans and financing	1,211,279	1,180,853
2.02.01.02	Debentures	0	0
2.02.01.03	Provisions	0	0
2.02.01.04	Payables to related parties	0	0
2.02.01.05	Advance for future capital increase	0	0
2.02.01.06	Other	310,963	308,976
2.02.01.06.01	Amounts payable - Law 4819/58 - São Paulo State Finance Department	191,137	189,904
2.02.01.06.02	Amounts payable - Law 4819/58 - Public share offering	119,826	119,072
2.02.02	Deferred income	0	0
2.04	Shareholders' equity	726,486	761,346
2.04.01	Paid-up capital	828,267	828,267
2.04.02	Capital reserves	0	0
2.04.03	Revaluation reserves	0	0
2.04.03.01	Own assets	0	0
2.04.03.02	Subsidiary, associated and similar companies	0	0
2.04.04	Revenue reserves	0	0
2.04.04.01	Legal	0	0
2.04.04.02	Statutory	0	0
2.04.04.03	Contingencies	0	0
2.04.04.04	Unrealized profits	0	0
2.04.04.05	Retention of profits	0	0
2.04.04.06	Special for undistributed dividends	0	0
2.04.04.07	Other revenue reserves	0	0
2.04.05	Retained earnings/accumulated deficit	(101,781)	(66,921)
2.04.06	Advance for future capital increase	0	0

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

03.01 - Statement of Operations (R\$ thousand)

1 - Code	2 - Description	3 - 7/1/2007 to 9/30/2007	4 - 1/1/2007 to 9/30/2007	5 - 7/1/2006 to 9/30/2006	6 - 1/1/2006 to 9/30/2006
3.01	Gross sales and/or service revenues	0	0	0	0
3.02	Deductions from gross revenue	0	0	0	0
3.03	Net sales and/or service revenues	0	0	0	0
3.04	Cost of sales and/or services	0	0	0	0
3.05	Gross profit	0	0	0	0
3.06	Operating expenses/ income	(34,859)	(38,509)	18,945	18,945
3.06.01	Selling	0	0	0	0
3.06.02	General and administrative	(1,370)	(4,824)	(541)	(541)
3.06.03	Financial	(107,064)	(243,006)	(16,101)	(16,101)
3.06.03.01	Financial income	100,543	252,911	8,329	8,329
3.06.03.02	Financial expenses	(207,607)	(495,917)	(24,430)	(24,430)
3.06.03.02.01	Expenses	(118,621)	(276,455)	0	0
3.06.03.02.02	Gain (loss) on swap transactions (hedge)	(88,986)	(219,462)	0	0
3.06.04	Other operating income	0	0	0	0
3.06.05	Other operating expenses	0	0	0	0
3.06.06	Equity in the results of subsidiary	73,575	209,321	35,587	35,587
3.07	Operating results	(34,859)	(38,509)	18,945	18,945
3.08	Non-operating results	0	0	0	0
3.08.01	Income	0	0	0	0
3.08.02	Expenses	0	0	0	0
3.09	Results before taxation/ profit sharing	(34,859)	(38,509)	18,945	18,945
3.10	Provision for income tax and social contribution	0	0	0	0
3.11	Deferred income tax (IR)	0	0	0	0
3.12	Statutory profit sharing and contributions	0	0	0	0
3.12.01	Profit sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of interest on shareholders' equity	0	0	0	0
3.15	Net income (loss) for the period	(34,859)	(38,509)	18,945	18,945
	NUMBER OF SHARES, EXCLUDING TREASURY STOCK (Units)	828,267,200	828,267,200	506,201,000	506,201,000
	NET INCOME PER SHARE (Reais)			0.03743	0.03743
	LOSS PER SHARE (Reais)	(0.04649)	(0.04649)		

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

1. OPERATIONS

The Company is engaged in holding equity interests in other companies or ventures, as a partner or shareholder, joint-venture partner or consortium member, or any other type of business cooperation.

In a privatization auction held on June 28, 2006, on the São Paulo Stock Exchange (BOVESPA), pursuant to Notice SF/001/2006, the State Government of São Paulo, which was up to then the majority shareholder of Companhia de Transmissão de Energia Elétrica Paulista ("CTEEP"), sold 31,341,890,064 of its common shares, which account for 50.10% of the total common shares issued by CTEEP.

The winner of the auction was Interconexión Eléctrica S.A. E.S.P., with a bid of R\$38.09 per thousand shares, representing a premium of 58% on the minimum amount established in the Notice, of R\$24.11.

Interconexión Eléctrica S.A. E.S.P. is a company headquartered in Colombia, controlled by the Federal Government of that country, which holds 59% of its total capital. In addition to holding investments in electric power transmission in Colombia, the company also invests in Venezuela, Ecuador, Peru and Bolivia.

The financial settlement of the transaction took place on July 26, 2006, with the subsequent transfer of the ownership of the aforementioned shares to ISA Capital do Brasil S.A., a Brazilian company controlled by Interconexión Eléctrica S.A. E.S.P., which was established to operate in Brazil, thus becoming CTEEP's parent company. This transaction was approved by the National Electric Power Agency (ANEEL) on July 25, 2006, pursuant to Authorizing Resolution No. 642, published in the Official Gazette on July 26, 2006.

On September 12, 2006, the Company purchased another 10,021,687 common shares issued by CTEEP, held by the State Government of São Paulo, and became the holder of 31,351,911,751 common shares.

On January 9, 2007, ISA Capital do Brasil S.A. purchased, through a public offering auction for acquisition of shares held on BOVESPA, 24,572,554,070 common shares issued by CTEEP,

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

which account for 39.28% of the total of this type of shares, pursuant to the public offering notice published on December 4, 2006.

As a result of this acquisition, ISA Capital do Brasil S.A. started to hold 89.40% of the voting capital and 37.46% of the total capital of CTEEP. Accordingly, of a total of 62,558,662,803 common shares issued by CTEEP, 55,924,465,821 are held by ISA Capital do Brasil S.A. After the reverse stock split carried out by CTEEP in August 2007, the number of common shares owned by the Company changed to 55,924,465.

CTEEP is a publicly-traded company authorized to operate as an electric power public service concessionaire, the main activities of which are the planning, construction and operation of electric power transmission systems, as well as research and development programs related to energy transportation and activities related to available technology. Its activities are regulated and inspected by ANEEL.

2. PRESENTATION OF THE QUARTERLY INFORMATION (ITR)

The Quarterly Information (ITR) was prepared in accordance with accounting practices adopted in Brazil, taking the following into consideration:

- Law No. 6404/76, amended by Law No. 9457/97 and Law No. 10303/01.
- The standards and regulations of the Brazilian Securities Commission ("CVM").
- The accounting practices issued by the Institute of Independent Auditors of Brazil ("IBRACON").
- The standards of specific legislation established by the National Electric Power Agency (ANEEL) applicable to electric power public service concessionaires, including SFF/ANEEL Official Letters No. 2396, of December 28, 2006, 059, of January 11, 2007, 190, of February 1, 2005 and 302 of February 25, 2005.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

This Quarterly Information (ITR) is in conformity with the principles, methods and criteria adopted by the Company as of the closing of the 2006 fiscal year.

2.1 Consolidated financial statements

The consolidated financial statements include the financial statements of the Company and those of its subsidiary CTEEP, in which the Company holds a 37.46% equity interest.

The consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil and the standards of the Brazilian Securities Commission (CVM), as follows:

- The rights and obligations, revenues, costs and expenses arising from transactions carried out between the companies included in the consolidated financial statements have been eliminated.
- The investment in the parent company was eliminated against the net equity of the subsidiary.
- Minority interest in the subsidiary's net equity and net results for the period is shown separately in the balance sheet and statement of income, respectively.

3. SIGNIFICANT ACCOUNTING PRACTICES

The main accounting practices adopted in the preparation of the Quarterly Information (individual and consolidated) may be summarized as follows:

a. Financial investments

Financial investments are stated at cost plus accrued income up to the balance sheet date.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

b. Trade accounts receivable

Includes the amounts billed relating to the use of the basic network systems and other transmission facilities (DIT) by the electric power public service concessionaires and companies connected to these systems.

c. Allowance for doubtful accounts

Comprises amounts whose realization is considered improbable at the balance sheet date.

d. Inventories

The materials in inventory are appraised and recorded at average cost of purchase, which does not exceed replacement value. The materials destined for property, plant and equipment are recorded in property, plant and equipment in progress.

e. Investments

The investment in subsidiary is evaluated on the equity method of accounting, based on the Quarterly Information of the subsidiary, which was prepared on the same date as the Quarterly Information of the parent company. The goodwill recorded on the acquisition of the subsidiary is amortized over the contractual term for operating the concessions.

f. Property, plant and equipment

Property, plant and equipment items are recorded at cost of acquisition and/or construction, including price-level restatements up to December 31, 1995, plus the Complementary Monetary Adjustment (CMC), introduced by Law No. 8200, of June 28, 1991, interest on shareholders' equity up to December 31, 1998, financial charges, monetary and foreign exchange variations on loans and financing linked to property, plant and equipment in progress; net of the accumulated depreciation and amortization.

Depreciation is computed on the straight-line basis, at annual rates that range from 2% to 8.3% for the assets of the transmission system, 10% for furniture and fixtures and 20% for

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

vehicles, under the terms of ANEEL's Resolution No. 002, of December 24, 1997, amended by ANEEL's Resolution No. 44, of March 17, 1999. As from 2007, depreciation will be computed pursuant to ANEEL's Normative Resolution No. 240, of December 5, 2006.

g. Income tax and social contribution

These are calculated in compliance with the provisions of applicable legislation, based on net income, adjusted by the inclusion of non-deductible expenses and the exclusion of non-taxable revenues and the inclusion and/or exclusion of temporary differences.

h. Provision for contingencies

This provision is recorded based on an evaluation of the probability of loss of the ongoing lawsuits, supported by reports prepared by the legal counsel engaged by CTEEP and the Company.

i. Deferred income

Refers to the negative goodwill recorded on the purchase of 49% of the common shares of Empresa Paulista de Transmissão de Energia Elétrica S.A. (EPTE). These shares were held by the São Paulo State Finance Department and Companhia Paulista de Administração de Ativos (CPA) and were purchased on March 26, 1999 by Companhia Energética de São Paulo (CESP). Upon the partial spin-off of CESP, these shares and the negative goodwill were transferred to CTEEP. EPTE was merged into CTEEP on November 10, 2001.

This negative goodwill is being amortized monthly, on the straight-line basis, over the concession period of EPTE, and its maturity is July 2015.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

j. Pension benefit plans

CTEEP sponsors pension and health care plans for its employees, which are managed by Fundação CESP. The actuarial liabilities were calculated on the projected unit credit method, as set forth by CVM's Resolution No. 371, of December 13, 2000.

k. Assets and liabilities subject to monetary and foreign exchange variations

In the event these are subject to any type of restatement, they are monetarily adjusted based on the indices established by legislation or in the contract, up to the balance sheet date.

Based on the provisions of Accounting Instruction 6.3.10, item 4, of the Accounting Manual for the Electric Energy Public Service, the interest and other financial charges, as well as monetary/foreign exchange variations, relating to financing obtained from third parties, effectively applied to property, plant and equipment in progress, comprise the costs recorded in this subgroup.

l. Estimates

The preparation of the Quarterly Information in accordance with accounting practices adopted in Brazil requires management to use estimates to account for certain transactions affecting the assets and liabilities, revenues and expenses of the Company and its subsidiary, as well as the disclosure of information on the amounts in its accounting statements. The final results of these transactions and information, upon their actual realization in subsequent periods, may differ from the estimates. The principal estimates used in the preparation of the Quarterly Information relate to the allowance for doubtful accounts, the provision for contingencies and the Voluntary Termination Program (PDV).

m. Net income (loss) per thousand shares

Determined taking into consideration the number of shares that comprise the Company's paid-up capital at the balance sheet date.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

4. PAYABLES FOR THE ACQUISITION OF THE SUBSIDIARY CTEEP

Pursuant to the Share Purchase and Sale Agreement, subject matter of the privatization auction described in Note 1, the Company agrees to supplement the payment of the CTEEP share purchase price should CTEEP be released from the encumbrances related to the supplementary payments to the pension plan set forth by Law No. 4819/58, currently challenged in courts, as described in Note 29.

At September 30, 2007, the supplementary purchase price comprises two different transactions, as detailed below:

- (a) The amount of R\$196,975, resulting from the acquisition of the first equity investment, at the privatization auction held on June 28, 2006, recorded under "Amounts payable - Law No. 4819/58 - São Paulo State Finance Department", R\$5,838 of which in current liabilities and R\$191,137 in non-current liabilities, with a counter entry in the amount of R\$188,895 to the caption "Investments - goodwill on acquisition of subsidiary" (Note 13). The difference of R\$8,080 is due to the monetary adjustment of the obligation based on the Amplified Consumer Price Index (IPC-A), as from December 31, 2005.
- (b) The amount of R\$123,506, resulting from the acquisition of the third equity investment, at the public offering auction held on January 9, 2007, recorded under "Amounts payable - Law No. 4819/59 - Public Share Offering", R\$3,680 of which in current liabilities and R\$119,826 in non-current liabilities, with a counter entry in the amount of R\$120,306 to the caption "Investments - goodwill on acquisition of subsidiary" (Note 13). The difference of R\$ 3,200 is due to the monetary adjustment of the obligation based on the Amplified Consumer Price Index (IPC-A), as from December 31, 2005.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

5. AVAILABLE FUNDS

	9/30/2007		6/30/2007	
	<u>Parent Company</u>	<u>Consolidated</u>	<u>Parent Company</u>	<u>Consolidated</u>
Cash and banks	139	36,455	14	48,827
Financial investments	-	63,262	-	201,138
Total	139	99,717	14	249,965

Financial investments refer to Bank Deposit Certificates and Debentures, whose profitability is linked to the variation of the Interbank Deposit Certificate (CDI) and have daily liquidity.

6. TRADE ACCOUNTS RECEIVABLE

	9/30/2007		6/30/2007	
	<u>Consolidated</u>		<u>Consolidated</u>	
	<u>Current</u>	<u>Long-term</u>	<u>Total</u>	<u>Total</u>
Basic network	203,956	39,213	243,169	164,051
Other transmission facilities - DIT	20,707	6,963	27,670	9,766
Total	224,663	46,176	270,839	173,817

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

7. AMOUNTS RECEIVABLE - SÃO PAULO STATE FINANCE DEPARTMENT

	9/30/2007			6/30/2007		
	Consolidated			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Agreement for the Acknowledgement and Consolidation of Liabilities (i)	12,633	48,426	61,059	12,138	49,565	61,703
Processing of the payroll - Law No. 4819/58 (ii)	-	161,789	161,789	-	138,808	138,808
Sale of property(iii)	2,626	10,066	12,692	2,523	10,302	12,825
Labor proceedings - Law No. 4819/58(iv)	-	61,996	61,996	-	57,956	57,956
Family allowance - Law No. 4819/58(v)	-	2,218	2,218	-	2,218	2,218
Allowance for doubtful accounts	-	(2,218)	(2,218)	-	(2,218)	(2,218)
Total	15,259	282,277	297,536	14,661	256,631	271,292

i. Agreement for the Acknowledgment and Consolidation of Liabilities

On May 2, 2002, an Agreement for Acknowledgement and Consolidation of Liabilities was entered into with the State Finance Department, in which the State acknowledges a debt to CTEEP corresponding to the disbursements originally made by CESP, from 1990 to 1999, for payment of pension benefits under State Law No. 4819. The acknowledged amount has been adjusted up to January 2002 based on the variation of the Fiscal Unit of the São Paulo State Government (UFESP), and, as from February 2002, by the monthly variation of the General Market Price Index (IGP-M), plus 6% per annum. The reimbursement will be made in 120 monthly installments, as from August 1, 2002, and with final settlement on July 1, 2012.

ii. Processing of the payroll - Law No. 4819/58

The amount of R\$ 161,789 refers to the remaining balance of the processing of the payroll of the supplemental pension plan regulated by State Law No. 4819/58, R\$ 1,426 of which through individual injunctions from January to August 2005 and R\$ 160,363 from September 2005 to September 2007 as a result of a court decision by the 49th Labor Court of São Paulo, whose payments are made by Fundação CESP, using resources received from the State Government and passed on by CTEEP (Note 29.3). This balance will not be monetarily

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

adjusted and neither will be subject to any type of earnings until the State Government approves its actual payment to CTEEP.

iii. Sale of a property

On July 31, 2002, a Private Transaction Agreement was signed, providing for the sale of a property, the recognition of liabilities and payment commitment, with the State Finance Department, in which the State Government acknowledges and admits that it owes to CTEEP an amount corresponding to the market value of the total area of the property occupied by the State Government which is being partially used for the construction of prison units.

Therefore, the State Government committed to reimburse CTEEP of said amount in 120 monthly installments, the first of which on August 1, 2002 and final settlement on July 1, 2012, adjusted by the monthly variation of the General Market Price Index (IGP-M) plus interest of 6% per annum.

iv. Labor proceedings - Law No. 4819/58

These refer to certain labor proceedings settled by CTEEP relating to employees who retired supported by State Law No. 4819/58, which are the responsibility of the State Government. This balance is not monetarily adjusted and will not be subject to any type of earnings until it is approved by the State Government for payment to CTEEP.

v. Family allowance - Law No. 4819/58

CESP - Companhia Energética de São Paulo made advances for the payment of monthly expenses related to family allowances arising from the benefits of State Law No. 4819/58, which were transferred to CTEEP upon the partial spin-off of CESP.

Considering the expectation of loss, management recorded an allowance for doubtful accounts, in non-current assets, in the amount of R\$ 2,218.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

8. TAXES AND CONTRIBUTIONS TO BE OFFSET

	9/30/2007		6/30/2007	
	<u>Parent Company</u>	<u>Consolidated</u>	<u>Parent Company</u>	<u>Consolidated</u>
Income tax	774	1,548	775	14,711
Social contribution	-	469	-	8,501
Social Contribution on Revenues (COFINS)	-	1,083	-	494
Social Integration Program (PIS)	-	235	-	5,504
Other	-	797	-	784
Total	<u>774</u>	<u>4,207</u>	<u>775</u>	<u>29,994</u>

9. PLEDGES AND RESTRICTED DEPOSITS - PARENT COMPANY

In January 2007, the Company raised US\$554 million with the issuance of bonds, which had a demand for US\$4.6 billion.

The issuance, which had JP Morgan and ABN AMRO Bank as agents, was divided into two tranches: the first one, in the amount of US\$200 million, with a five-year term and call option in 2010 and 2011; the second one, in the amount of US\$ 354 million, with a ten-year term (Note 15).

As provided for in the agreement, the Company made two deposits with Bank of New York, of US\$ 7,875 and US\$ 15,576, as collateral for the interest payable on a semiannual basis in respect of the two funding transactions described above, respectively. At June 30, 2007, these deposits, which were recorded in current assets, amounted to R\$45,851. As provided for in the contract, these funds were used to make the first payment of interest, which fell due on July 2007. Accordingly, the balance that remains in the account at September 30 is R\$ 723.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

In compliance with the legal term set forth by the agreement, in October 2007, the Company made new deposits to restore the balance of the accounts corresponding to the interest amounts, of US\$7,875 and US\$15,576, respectively.

10. PREPAID EXPENSES - PARENT COMPANY

During the bond issuance process concluded in January 2007 (Notes 9 and 15), the Company incurred expenses and fees. These expenses were fully deferred and are being amortized over the term of the original agreements, as shown in the table below:

	<u>9/30/2007</u> Parent Company	<u>6/30/2007</u> Parent Company
Expenses related to the bond agreement (tranche 1) falling due in 5 years and amounting to US\$200 million	7,575	7,572
Expenses related to the bond agreement (tranche 2) falling due in 10 years and amounting to US\$354 million	<u>13,409</u>	<u>13,402</u>
Subtotal	<u>20,984</u>	<u>20,974</u>
Accumulated amortization	<u>(2,115)</u>	<u>(1,409)</u>
Total	<u>18,869</u>	<u>19,565</u>
Current portion	2,820	2,819
Non-current portion	<u>16,049</u>	<u>16,746</u>
Total	<u>18,869</u>	<u>19,565</u>

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

11. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION - SUBSIDIARY

These refer to tax credits on the temporary differences in the determination of taxable income, mainly the provision for contingencies and the Voluntary Termination Program (PDV).

These credits, both current and long-term, will be realized as the contingencies and other related events are resolved.

12. TRADE ACCOUNTS RECEIVABLE - PARENT COMPANY

	<u>9/30/2007</u>	<u>6/30/2007</u>
	Parent Company	Parent Company
<u>Loan in foreign currency</u>	<u>Non-current</u>	<u>Non-current</u>
Principal	51,146	51,146
Interest	2,989	2,014
Foreign exchange variation	<u>(7,601)</u>	<u>(5,377)</u>
Total	<u>46,534</u>	<u>47,783</u>

This loan refers to the onlending of the total loan obtained from ABN AMRO BANK, denominated in U.S. dollars, in the amount of US\$ 23,800 thousand, payable in a lump sum on July 19, 2007 and bearing interest calculated based on the LIBOR rate plus 3% per annum. The Company maintained the same adjustment assumptions for this transaction. However, its maturity was agreed for an eight-year period, in a lump sum.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

13. INVESTMENT IN SUBSIDIARY

	<u>9/30/2007</u>	<u>6/30/2007</u>
	<u>Parent</u>	<u>Parent</u>
	<u>Company</u>	<u>Company</u>
Cost		
Shareholders' equity of the investee	4,064,022	4,107,869
Percentage holding (a)	37.4615%	37.4615%
Investment - cost evaluated on the equity method	<u>1,522,444</u>	<u>1,538,869</u>
Goodwill		
Goodwill on acquisition of shares up to December 31, 2006 (b)	380,484	380,484
Goodwill on acquisition of shares up to January 9, 2007 - Public share Offering (c)	115,143	115,143
Goodwill - Law No. 4819/58 - Public Share Offering - supplement (d)	120,306	120,306
Goodwill - Law No. 4819/58 - State Finance Department - supplement (e)	188,895	188,895
Goodwill - other costs	1,882	1,882
Subtotal	<u>806,710</u>	<u>806,710</u>
Accumulated amortization	(94,548)	(71,819)
Goodwill balance - net (f)	<u>712,162</u>	<u>734,891</u>
Total investment	<u>2,234,606</u>	<u>2,273,760</u>
Changes in investment and goodwill in the subsidiary		
Investment		
Opening balance of the investment	1,538,869	1,488,334
Equity in the results for the period	73,575	50,535
Dividends received in the period	(90,000)	-
Closing balance of the investment	<u>1,522,444</u>	<u>1,538,869</u>
Goodwill		
Opening balance of the goodwill	734,891	757,678
Goodwill amortized in the period	(22,729)	(22,731)
Closing balance of the goodwill (f)	<u>712,162</u>	<u>734,891</u>

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

- (a) As a result of this acquisition, the Company started to hold 89.40% of the voting capital and 37.46% of the total capital of CTEEP. Accordingly, of a total of 62,558,662,803 common shares issued by CTEEP, 55,924,465,821 are held by the Company.

After the reverse stock split carried out by CTEEP in August 2007, the number of common shares held by the Company was 55,924,465.

- (b) On June 28, 2006, Interconexión Eléctrica S.A. E.S.P. (a company headquartered in Colombia) made the winning bid at the auction for the sale of CTEEP's shares, held on the São Paulo Stock Exchange pursuant to Notice SF/001/2006, and purchased 31,341,890,064 common shares issued by CTEEP which were directly or indirectly held by the State Government of São Paulo, corresponding to 50.10% of the total common shares auctioned. The agreement for the purchase of CTEEP's shares was signed by the Company, as it is controlled by Interconexión Eléctrica S.A. E.S.P.

On July 25, 2006, ANEEL approved this acquisition and, on July 26, 2006, the Company performed the financial settlement of the auction and, with its shareholders as guarantors of the obligations assumed by the Company, signed the corresponding Share Purchase and Sale Agreement with the State Government of São Paulo in the total amount of R\$1,213,170, corresponding to the sum of the auction's final price, R\$1,193,813, and the amount of R\$19,357 paid by the Company to the State Government of São Paulo as an additional price for the shares acquired at the auction, registering the acquisition of said shares and the transfer of ownership control of CTEEP to the Company.

On September 12, 2006, the Company acquired an additional 10,021,687 common shares issued by CTEEP, held by the State Government of São Paulo, for the total price of R\$229, and became the holder of 31,351,911,751 common shares issued by CTEEP, which account for 50.1% of its voting capital.

- (c) On January 9, 2007, ISA Capital do Brasil S.A. acquired, through a public offering auction for the acquisition of shares held on BOVESPA, 24,572,554,070 common shares issued by CTEEP, corresponding to 39.28% of the total of this type of shares, pursuant to the public share offering notice published on December 4, 2006.
- (d) Note 4.b.
- (e) Note 4.a.
- (f) The balance of unamortized goodwill is classified as intangible assets in the consolidated balance sheet.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

14. PROPERTY, PLANT AND EQUIPMENT

	9/30/2007		6/30/2007	
	Consolidated		Consolidated	
Subsidiary	Adjusted cost	Accumulated depreciation	Net balance	Net balance
In use				
Land (a)	44,538	-	44,538	44,681
Buildings, civil construction and improvements	584,567	(366,810)	217,757	219,274
Machinery and equipment	5,290,559	(2,404,967)	2,885,592	2,804,508
Vehicles	19,534	(18,092)	1,442	1,797
Furniture and fixtures	24,650	(14,248)	10,402	9,184
Subtotal	5,963,848	(2,804,117)	3,159,731	3,079,444
In progress	890,522	-	890,522	911,029
Special liabilities (b)				
Donations received	(16,068)	-	(16,068)	(16,068)
Total - Subsidiary	6,838,302	(2,804,117)	4,034,185	3,974,405
Total - Parent Company	32	(4)	28	30
Consolidated	6,838,334	(2,804,121)	4,034,213	3,974,435

In accordance with articles 63 and 64 of Decree No. 41,019, of February 26, 1957, assets and facilities used in the transmission of electric power are linked to these services and cannot be retired, sold or pledged as mortgage guarantees without the prior and express authorization of the regulatory agency. ANEEL Resolution No. 20, of February 3, 1999, regulates the electric power utility concession assets, giving prior authorization for releasing assets no longer serviceable to the concession, when intended for sale, and determining that the proceeds from the sale be deposited in a restricted bank account and invested in the concession.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

- (a) Land owned by CTEEP in São José dos Campos, the book value of which is R\$114. The land has been pledged as collateral for a Municipal Real Estate Tax (IPTU) tax collection proceeding (Note 17.b.).
- (b) Special liabilities refer to assets received from electricity concessionaires and customers to make investments in the concessions.

15. LOANS AND FINANCING

	9/30/2007				6/30/2007			
	Parent Company		Consolidated		Parent Company		Consolidated	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Foreign currency								
Bond issuance (a)	26,863	1,211,279	26,863	1,211,279	55,133	1,180,853	55,133	1,180,853
Local currency								
ABN Amro Bank (b)	14,472	-	14,472	-	71,907	-	71,907	-
Eletrobrás (c)	-	-	56	548	-	-	56	561
Banco Safra (d)	-	-	50,408	-	-	-	50,000	-
Banco Alfa (e)	-	-	50,000	-	-	-	-	-
Banco do Brasil (f)	-	-	10,000	-	-	-	-	-
Total	41,335	1,211,279	151,799	1,211,827	127,040	1,180,853	177,096	1,181,414

- (a) Bond issuance in the amount of US\$554 million. The issuance, which had JP Morgan and ABN Amro Bank as agents, was divided into two tranches: the first one, in the amount of US\$200 million, with a five-year term, interest rate of 7.875% per annum, and call option in 2010 and 2011; the second one, in the amount of US\$354 million, with a ten-year term and interest rate of 8.800% per year. Of the total bonds issued, 60% were placed in the United States, 36% in Europe, 2% in Latin America, and 2% in Asia.

The Company's management entered into agreements to hedge against the foreign exchange risks associated with the abovementioned bond issuance transaction. This transaction is divided into 2 stages, as follows:

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

- Hedge of principal - Contracts with ABN Amro Bank and JP Morgan relating to the hedge of the two tranches. The tranche, in the amount of US\$200 million and with a five-year term, was subject to an exchange rate of R\$2.1170 and commitment to pay IGP-M plus 2.12% per annum. The second tranche, in the amount of US\$ 354 million and with a ten-year term, was also subject to an exchange rate of R\$2.1170 and commitment to pay IGP-M plus 1.68% per year.
- Hedge of interest - Currency forward contract without Physical Delivery with JP Morgan related to the hedge of semiannual interest, payable in July 2007 and January 2008, referring to the two tranches. This hedge was contracted at an exchange rate of R\$2.1190 for payment in July 2007 and at an exchange rate of R\$2.1765 for payment in January 2008.

At September 30, 2007, the Company obtained the following results from this transaction:

	<u>9/30/2007</u>
Current liabilities	
Bond issuance - interest	14,375
Result of hedge transaction - interest exchange risk	6,958
Result of hedge transaction - principal exchange risk	<u>5,530</u>
Total	<u>26,863</u>
Non-current liabilities	
Bond issuance - principal	1,018,751
Result of hedge transaction - principal exchange risk	<u>192,528</u>
Total	<u>1,211,279</u>

- (b) Bank credit note - overdraft account with ABN Amro Bank, whose funding limit is US\$55 million, with revolving maturity every six months and interest calculated based on 100% of the Interbank Deposit Certificate (CDI) rate, plus 1.75% per year.
- (c) Refers to two agreements originally signed with Eletropaulo - Eletricidade de São Paulo S.A., which, on account of its partial spin-off, were transferred to EPTE - Empresa Paulista de Transmissão de Energia Elétrica S.A., which was merged into CTEEP, scheduled to expire in 2021, and whose principal is repaid in the amount of R\$50 per annum.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

- (d) Refers to a loan agreement with Banco Safra, entered into on June 21, 2007, in the amount of R\$ 50,000, effective up to October 19, 2007. This loan bears monthly charges at the rate of 101.9% of the daily average of the Interbank Deposit Certificate (CDI) and falls due on the first business day of each month.
- (e) Refers to a loan agreement with Banco Alfa, entered into on July 20, 2007, in the amount of R\$ 50,000, effective up to May 26, 2008. This loan bears monthly charges at the rate of 103.85% of the daily average of the CDI and falls due on the last business day of each month.
- (f) Refers to a loan agreement with Banco do Brasil, entered into on September 28, 2007, in the amount of R\$ 10,000, effective up to September 8, 2008. This loan bears monthly charges at the rate of 103.0% of the daily average of the CDI and falls due on the last business day of each month.

The balances described in items (d), (e) and (f) above may be partially or fully repaid at any time throughout the terms of the agreements.

On September 17, 2007, the Company signed a loan agreement with the National Bank for Economic and Social Development (BNDES), in the amount of R\$ 764.2 million. This amount accounts for 70% of the total investment, which includes construction aimed at system improvements, reinforcements, modernization of the current transmission system and new projects, and is part of the 2006/2008 Pluriannual Investment Plan. On October 25, 2007, R\$ 400.0 million was released. The remaining R\$ 364.2 million should be released by October 2008.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

16. TAXES PAYABLE

	9/30/2007		06/30/2007	
	Parent Company	Consolidated	Parent Company	Consolidated
Income tax	-	24,957	-	6,375
Social contribution	-	11,249	-	2,419
COFINS	-	5,440	-	4,682
PIS	-	1,180	-	1,015
Inspection fee - ANEEL	-	543	-	548
Other	2,082	3,024	47	1,192
Total	2,082	46,393	47	16,591

17. PROVISIONS - CONSOLIDATED

	9/30/2007			6/30/2007		
	Consolidated			Consolidated		
	current	Non-current	Total	Current	Non-current	Total
Vacation pay, 13 th -month salary and payroll charges	14,822	-	14,822	18,230	-	18,230
Profit sharing - PLR	5,111	-	5,111	-	-	-
Voluntary Termination Program - PDV (a)	36,976	19,522	56,498	88,162	22,404	110,567
Contingencies(b)	-	205,912	205,912	-	267,256	267,256
Total	56,909	225,434	282,343	106,392	289,660	396,053

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

(a) Voluntary Termination Program - PDV

CTEEP, which had 2,737 employees as of October 31, 2006, approved a Voluntary Termination Program, with an adhesion period from November 21 to November 30, 2006 obtaining 1,534 adhesions.

Due to this fact, there were 1,444 employee terminations, 1,121 of which in 2007 (167 in the third quarter) and 323 in 2006, which represented expenses of R\$ 328,291 and R\$ 78,979, respectively. The expenses with the PDV include financial incentives, Government Severance Indemnity Fund for Employees (FGTS) fine, prior notice and health care assistance, among others.

(b) Provision for contingencies

On a quarterly basis, the contingencies are assessed and classified as regards the probability of an unfavorable outcome, as follows:

Type	9/30/2007			06/30/2007		
	Provision	Escrow deposits	Net liability	Provision	Escrow deposits	Net liability
Labor (i)	125,797	15,659	110,138	150,740	15,127	135,613
Civil	5,143	-	5,143	1,023	-	1,023
Tax - IPTU (ii)	67,343	-	67,343	70,144	-	70,144
Tax - COFINS (iii)	-	18,907	(18,907)	38,524	38,524	-
Social security - INSS (iv)	7,629	7,629	-	6,825	6,825	-
Total	205,912	42,195	163,717	267,256	60,476	206,780

Escrow deposits are recorded in current and non-current assets under "Pledges and restricted deposits".

CTEEP is a party to tax, labor and civil lawsuits, whose unfavorable outcomes are regarded as possible by management, based on the assessment of its legal counsel, in the estimated amount of R\$ 18,754 (6.30.07 - R\$ 24,736), mainly labor lawsuits, for which no provisions have been recorded.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

i. Labor

CTEEP assumed responsibility for certain lawsuits at different courts, mainly arising from CESP's partial spin-off and the merger of EPTE - Empresa Paulista de Transmissão de Energia Elétrica S.A.

ii. Tax - Municipal Real Estate Tax (IPTU)

CTEEP recognizes a provision to cover debts with the municipal governments of São Paulo and São José dos Campos, in the amounts of R\$ 7,081, and R\$ 60,262, respectively, totaling R\$ 67,343.

The provision for the São Paulo municipal government refers to the process of rectification of areas, due to discrepancies in CTEEP's registration data, whereas the provision for the São José dos Campos municipal government involves land undergoing expropriation.

iii. Social Contribution on Revenues (COFINS)

CTEEP is challenging in court the constitutionality of the increase in the COFINS rate and calculation basis, in the amounts of R\$ 27,392 and R\$ 11,132, respectively.

CTEEP obtained a favorable outcome as regards the increase in the calculation basis and an unfavorable outcome in relation to the increase in the rate. Accordingly, in the third quarter of 2007, CTEEP reversed the portion of the provision related to the increase in the calculation basis against results and that referring to the increase in the COFINS rate against the related escrow deposit. CTEEP has started a process to release the escrow deposit which, as adjusted, corresponds to R\$ 18,907.

iv. National Institute of Social Security (INSS)

On August 10, 2001, CTEEP received from the National Institute of Social Security (INSS) a delinquency notice for nonpayment of social security contribution on compensation paid to its employees in the form of meal tickets, morning snack and basket of food staples for the period from April 1999 to July 2001. Accordingly, management decided to establish a

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

reserve and make an escrow deposit in the amount of R\$ 7,629, recorded in non-current assets, under "Pledges and restricted deposits".

18. AMOUNTS PAYABLE - PRIVATE PENSION - FUNDAÇÃO CESP

The amounts recorded in current and non-current liabilities refer to the balances of two debt acknowledgement agreements for Financing of Actuarial Deficit with Fundação CESP, totaling R\$232,170 (R\$231,491 at June 30, 2007), related to BPS (Settled Proportional Pension Plans), with monthly payments and final maturities scheduled for September and November 2017, adjusted based on the greater of actuarial cost variation (General Price Index - Internal Availability [IGP-DI] plus interest of 6% per year) or the TR (a managed prime rate) plus interest of 8% per year.

As defined in the respective agreements, at the end of the fiscal year, the balances are adjusted for determining contributions for the subsequent year, according to actuarial deficits or surpluses, calculated in accordance with the actuarial methodology of Fundação CESP.

At December 31, 2006, the calculation of liabilities with the private pension entity as required by CVM Resolution No. 371/00 did not result in any need to recognize additional liabilities.

19. SPECIAL LIABILITIES - REVERSAL/AMORTIZATION - CONSOLIDATED

These refer to funds derived from the reversal and amortization reserve and a portion of the monthly quotas of the Global Reversal Reserve (RGR), related to investments in electricity service expansion and repayment of loans obtained for the same purpose, up to December 31, 1971. The Concession Authority has not defined how these liabilities will be settled.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

20. SHAREHOLDERS' EQUITY

The Company was established on April 28, 2006, as a limited liability partnership, according to its articles of association filed with the Board of Trade of the State of São Paulo. On September 19, 2006, the Company was transformed into a corporation and its subscribed and fully paid-up capital is R\$ 828,267.

As of September 30 and June 30, 2007, the Company's capital comprises 828,267.200 common shares, with no par value, held as follows:

<u>Shareholder</u>	<u>Number of shares</u>	
	<u>9/30/2007</u>	<u>06/30/2007</u>
Interconexión Eléctrica S.A. E.S.P	828,267.196	828,267.196
Luís Fernando Alarcón Mantilla	1	1
Fernando Augusto Rojas Pinto	1	1
Guido Alberto Nule Amin	1	1
Carlos Alberto Rodríguez Lopez	1	1
Total	<u>828,267.200</u>	<u>828,267.200</u>

Shareholders are entitled to annual dividends calculated at 25% of net income, after deduction of 5% for recognition of the legal reserve until it reaches 20% of capital, as required by Brazilian Corporate Law.

21. REVENUES FROM ELECTRICITY NETWORK USAGE - CONSOLIDATED

Revenues from electricity network usage, accumulated in the nine months of 2007, amounted to R\$ 1,154,512. These revenues are comprised as follows:

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

	9/30/2007		9/30/2006	
	Consolidated		Consolidated	
	Quarter 7/01 to 9/30	Accumulated 1/01 to 9/30	Quarter 7/01 to 9/30	Accumulated 4/29 to 9/30
Basic network				
Existing assets	265,408	797,368	263,779	263,779
New investments	70,376	163,759	32,198	32,198
Surplus	5,273	8,201	8,620	8,620
Adjustment	18,185	11,916	(3,096)	(3,096)
Subtotal	359,242	981,244	301,501	301,501
Other transmission facilities - DIT				
Existing assets	19,250	52,722	17,161	17,161
New investments	6,667	15,555	11,756	11,756
Adjustment portion	9,428	9,428	-	-
Subtotal	35,345	77,705	28,917	28,917
Charges:				
Fuel Consumption Account - CCC	14,148	52,261	17,065	17,065
Energy Development Account - CDE	12,346	35,328	10,613	10,613
Alternative Source Incentive Program - PROINFA	2,748	7,974	1,530	1,530
Subtotal	29,242	95,563	29,208	29,208
Total	423,829	1,154,512	359,626	359,626

21.1 Allowed Annual Revenue (RAP) of the Miguel Reale Substation

In December 2002, ANEEL authorized CTEEP to implement the Miguel Reale Substation expansion project, whose investment value used to calculate the RAP was R\$ 323,236.

In September 2004, ANEEL performed an inspection in order to validate the investments made in said project and concluded that the investment amounts should be reduced, for purposes of setting a new amount of the RAP, retroactively to July 2004, by R\$232,164.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

Due to the reduction in the investments in said project, the related annual amount of the RAP of July 2005 was reduced by R\$32,251. CTEEP considers this reduction invalid and filed Official Circular No. OF/F/2,828, of July 8, 2005, with ANEEL requesting its restoration.

On March 2, 2006, through Official Letter No. 321/2006, the Financial and Economic Oversight Board (SFF) of ANEEL submitted an Inspection Follow-up Report (RAF) that analyzed CTEEP's request and upheld the SFF's initial position.

On March 23, 2006, through Official Letter OF/F No. 1372/06, CTEEP filed an Administrative Appeal with ANEEL, requesting a review of SFF's position.

21.2 Periodic Review of Allowed Annual Revenue (RAP)

In accordance with Concession Agreement No. 59, signed with the Federal Government on June 20, 2001, through the intermediation of ANEEL, every four years as from the date on which this agreement was signed, ANEEL will make a periodic review of the Allowed Annual Revenue (RAP) of electric energy transmission related to the facilities of authorized projects whose business operations commenced after December 31, 1999, for the purpose of promoting efficiency and low rates, in accordance with the methodology approved by Normative Resolution No. 257, of March 6, 2007.

Through Resolution No. 488, of June 26, 2007, the result of the first periodic rate review of Companhia de Transmissão de Energia Elétrica Paulista - CTEEP was approved, reducing the Allowed Annual Revenue (RAP) by 26.15%, to be applied to the Basic Network - New Facilities (RBNI) and Other Facilities - New Investments (RCDM) portions effective on July 1, 2005.

The effects of this rate adjustment will be backdated to July 1, 2005. The difference in the amounts charged from July 2005 to June 30, 2007, amounting to R\$ 66,688, will be offset in 24 (twenty-four) months by means of the contractual mechanism for an adjustment portion. The effects referring to the period from July 1, 2007 to June 30, 2008 were considered in Authorizing Resolution No. 496.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

21.3 Annual Revenue Adjustment

On June 29, 2007, Authorizing Resolution No. 496 was issued, establishing CTEEP's annual allowed revenues for making available the transmission facilities that comprise the Basic Network and Other Transmission Facilities, for a twelve-month cycle from July 1, 2007 to June 30, 2008.

According to the mentioned Resolution, the Allowed Annual Revenue (RAP) of CTEEP, which was R\$ 1,314,400 on July 1, 2006, increased to R\$ 1,478,456 on July 1, 2007, representing an increment of R\$ 164,056 or 12.5%.

The analysis of the revenue effective from July 1, 2007 to June 30, 2008 is as follows:

Basic network	
Existing assets	940,542
New investments	<u>174,618</u>
	<u>1,115,160</u>
Other transmission facilities - DIT	
Existing assets	270,584
New investments	<u>20,060</u>
	<u>290,644</u>
LT Chavantes Botucatu	12,047
Adjustment portion	<u>60,605</u>
	<u><u>1,478,456</u></u>

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

22. DISPOSAL OF ASSETS AND RIGHTS - CONSOLIDATED

Technical Center for Equipment Maintenance - CETEMEQ

On April 13, 1998, a Private Agreement for Assignment and Transfer of Rights and Obligations was signed by and between EPTE - Empresa Paulista de Transmissão de Energia Elétrica S.A., merged into CTEEP on November 10, 2001, and Eletropaulo Metropolitana Eletricidade de São Paulo S.A. ("Eletropaulo") relating to the real property located at Rua Lavapés, 463, Cambuci, São Paulo, whose market price is R\$ 70,496, payable in 21 equal and successive monthly installments, with maturity on the first business day of each month, beginning May 1998. In view of the contestation by Eletropaulo of the aforementioned amount and the fact that the installments had not been received, EPTE filed collection lawsuits on February 11, 1999 and October 18, 2000, with the 1st and 36th Civil District Courts of the Central Jurisdiction of São Paulo, respectively.

In December 2000, the net book value of this asset, in the amount of R\$ 4,904, was written off from property, plant and equipment, and the related sale, deferred taxes on the gain resulting from the sale, allowance for doubtful accounts and tax credits were recorded.

On February 27, 2007, through a Private Transaction Agreement entered into by and between Eletropaulo and CTEEP, the parties amicably agreed to the following:

- a) The real property subject to the collection lawsuits was appraised at R\$ 125,265, and, accordingly, the Company recorded financial income due to monetary adjustment of R\$ 54,769.
- b) From the agreed-upon amount mentioned in the prior item, R\$ 35,562 was deducted as Municipal Real Estate Tax (IPTU) levied on real properties that, upon the partial spin-off of Eletropaulo, were transferred to EPTE, which was in turn merged into CTEEP. This amount was originally due by CTEEP to the São Paulo Municipal Government, and settled by Eletropaulo at the time it joined REFIS (Tax Debt Refinancing Program) of the Municipality of São Paulo, resulting in Eletropaulo's receivable from CTEEP.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

- c) Accordingly, on March 6, 2007, Eletropaulo made a deposit in the amount of R\$ 89,703 in an account at Banco ABN AMRO REAL S.A., whose release to CTEEP was linked to the publication of the ratification decision by one of the courts involved in this settlement, which occurred on March 19, 2007.
- d) On March 27, 2007, through letter CT/P/918/2007, CTEEP requested from Banco ABN AMRO REAL S.A. the transfer of the total amount to its investment account, thus terminating the disposal process of CETEMEQ.
- e) Eletropaulo assumes the commitment to provide for the regularization of the ownership status of the real properties transferred by it to EPTE/CTEEP, subject of the agreement in question, as well as any others that may be in its possession but belonging to CTEEP, as a result of the Memorandum for the Partial Spin-off of Eletropaulo, dated December 22, 1997.

23. COST OF SERVICES RENDERED AND GENERAL AND ADMINISTRATIVE EXPENSES

	Consolidated			
	9.30.2007		9.30.2006	
	Quarter	Accumulated	Quarter	Accumulated
Personnel	48,429	166,696	76,131	76,131
Services	11,421	45,493	24,344	24,344
Depreciation	43,689	129,051	42,563	42,563
Other	5,459	86,222	44,144	44,144
Total	108,998	427,462	187,182	187,182

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

24 FINANCIAL INCOME

	9/30/2007		9/30/2007	
	Parent Company		Consolidated	
	Quarter	Accumulated	Quarter	Accumulated
Income				
Income from financial investments	-	4,017	2,141	23,291
Interest receivable	975	2,965	16,219	21,096
Adjustment - CETEMEQ	-	-	-	54,769
Adjustment of tax credits - PIS/COFINS	-	-	-	1,822
Amortization of negative goodwill	-	-	4,247	12,739
Monetary and foreign exchange variations	99,244	244,884	101,105	247,856
Other	324	1,045	1,853	2,919
Subtotal	100,543	252,911	125,565	364,492
Expenses				
Debt charges	(22,330)	(83,631)	(26,918)	(90,848)
Charges on the Global Reversal Reserve (RGR)	-	-	(279)	(837)
Tax on Bank Account Outflows (CPMF)	(591)	(7,385)	(2,058)	(13,730)
Withholding Income Tax (IRRF) on remittance of interest	(8,321)	(8,321)	(8,321)	(8,321)
Amortization of goodwill	(22,729)	(68,360)	(22,729)	(68,360)
Monetary and foreign exchange variations	(64,561)	(107,915)	(65,083)	(109,170)
Other	(89)	(843)	(563)	(2,081)
Subtotal	(118,621)	(276,455)	(125,951)	(293,347)
Financial instruments				
Gain (loss) on hedge transactions	(88,986)	(219,462)	(88,986)	(219,462)
Total	(107,064)	(243,006)	(89,372)	(148,317)

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

	9/30/2006		9/30/2006	
	Parent Company		Consolidated	
	Quarter 7/01 to 9/30	Accumulated 4/29 to 9/30	Quarter 7/01 to 9/30	Accumulated 4/29 to 9/30
Income				
Income from financial investments	102	102	17,250	17,250
Interest receivable	-	-	1,178	1,178
Adjustment of tax credits - PIS/COFINS	-	-	33,856	33,856
Amortization of negative goodwill	-	-	4,246	4,246
Monetary and foreign exchange variations	8,227	8,227	8,940	8,940
Other	-	-	511	511
Subtotal	8,329	8,329	65,981	65,981
Expenses				
Debt charges	(13,770)	(13,770)	(15,707)	(15,707)
Charges on Global Reversal Reserve (RGR)	-	-	(279)	(279)
Tax on Bank Account Outflows (CPMF)	(22)	(22)	(1,438)	(1,438)
Amortization of goodwill	(10,460)	(10,460)	(10,460)	(10,460)
Monetary and foreign exchange variations	(133)	(133)	(755)	(755)
Other	(45)	(45)	(419)	(419)
Subtotal	(24,430)	(24,430)	(29,058)	(29,058)
Total	(16,101)	(16,101)	36,923	36,923

25 INCOME TAX AND SOCIAL CONTRIBUTION ON NET INCOME

The subsidiary CTEEP records monthly provisions for income tax and social contribution on net income (CSLL) on the accrual basis, based on monthly trial balances (for tax suspension and reduction purposes).

25.1 Statement of the Calculation of Income Tax and Social Contribution

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

	9/30/2007	
	Accumulated	
	Consolidated	
	Income	Social
	tax	contribution
Income before taxation	573,484	573,484
Provision for labor contingencies	9,916	9,916
Provision for tax contingencies - IPTU	7,584	7,584
Provision for civil contingencies	4,120	-
Negative goodwill on investment acquisition	(12,739)	(12,739)
Reversal of provisions	(528,390)	(498,973)
Regulatory asset - constitution	(4,191)	(4,191)
Regulatory asset - realization	833	833
Regulatory asset - reversal	6,605	6,605
Tax incentive - Rouanet Law	180	-
Amortization of goodwill	68,360	68,360
Net foreign exchange variation	(154,440)	(154,440)
Loss on hedge transactions	205,017	205,017
Other	644	20
Adjusted profit	176,983	201,476
Tax loss of the parent company	128,873	128,873
Adjusted calculation basis	305,856	330,349
15% rate	(45,878)	-
10% rate	(30,568)	-
9% rate	-	(29,732)
Tax incentives	229	-
Total - current expense	(76,217)	(29,732)
Result - deferred expense	(119,635)	(37,209)
Total income tax and social contribution expense	(195,852)	(66,941)

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

	9/30/2006	
	Consolidated	
	Accumulated	
	4/29 to 9/30/2006	
	Income tax	Social contribution
Income before taxation	237,793	237,793
Provision for tax contingencies - IPTU	1,265	1,265
Negative goodwill on investment acquisition	7,602	5,168
Reversal of provisions	(9,690)	(9,690)
Regulatory asset - constitution	(3,943)	(3,943)
Regulatory asset - realization	3,038	3,038
Regulatory asset - reversal	88,696	88,696
Tax incentive - Rouanet Law	490	490
Amortization of goodwill	10,460	10,460
Net foreign exchange variation	(8,094)	(8,094)
Other	43	34
Adjusted profit	327,660	325,217
Tax loss of the Parent Company	14,272	14,272
Adjusted calculation basis	341,932	339,489
15% rate	(51,289)	-
10% rate	(34,187)	-
9% rate	-	(30,554)
Tax incentives	540	-
Total - current expense	(84,936)	(30,554)
Result - deferred benefit	22,288	8,015
Total income tax and social contribution expense	(62,648)	(22,539)

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

25.2 Determination of Tax Losses - Parent Company

At September 30, 2007, the Company's balance of unrecorded tax credits is R\$ 43,817, which can only be offset with the generation of future taxable income at the rate of 30% per year.

26 CONCESSIONS - SUBSIDIARY

Through Administrative Rule No. 185, of June 6, 2001, issued by the Ministry of Mines and Energy (MME), the concession held by CTEEP for the electric power transmission service related to the basic network and other transmission facilities was extended for 20 years, as from July 8, 1995.

Accordingly, on June 20, 2001, the Concession Agreement for the Electric Power Transmission Service No. 59 was entered into by and between CTEEP and the concession authority, through ANEEL.

This Concession Agreement was amended on December 14, 2001, in view of the merger of EPTE into CTEEP. The initially agreed conditions were maintained, except for the Allowed Annual Revenue (RAP), which was reduced by 0.58% in July 2002 and 3.56% in July 2003, equivalent to 50% of the efficiency gains expected from the merger, whose effects were recognized in ANEEL Authorizing Resolutions in those months.

Due to the acquisition of the shareholder control of CTEEP by ISA Capital do Brasil S.A., on June 28, 2006, the Second Amendment to Concession Agreement 059/2001 - ANEEL of CTEEP was signed on January 29, 2007, in order to reflect this reality of the new controlling shareholder. In this amendment, the initially agreed-upon conditions were maintained and a clause was added defining that the goodwill paid in the auction, as well as the special obligations and amounts arising from State Law No. 4819/58 provided for in Sale Notice SF/001/2006, will not be considered by ANEEL for purposes of evaluation of the economic and financial balance of the concession. Also as a result of this amendment, ISA Capital do Brasil S.A. and Interconexión Eléctrica S.A. E.S.P. (Colombia) assume the commitment to make capital contributions to CTEEP.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

27 FINANCIAL INSTRUMENTS

CTEEP's main source of revenues is the use of its electric power transmission system by other concessionaires and agents. Its annual revenue related to basic network and other transmission facilities is defined by ANEEL, pursuant to prevailing legislation.

The Company entered into certain financial instrument transactions to meet its operating needs of reducing the exposure to exchange risks. These risks are managed through the establishment of strategies, implementation of control systems, and determination of exposure limits. No financial instrument transactions for speculative purposes are carried out.

The main risk factors inherent to the operations of the Company and CTEEP may be identified as follows:

27.1 Credit risk

CTEEP has agreements with the National Electric System Operator (ONS), concessionaires and other agents for regulating the provision of services related to the basic network for 215 users, with a bank guarantee clause. Likewise, CTEEP has agreements regulating the provision of services in other transmission facilities with 32 concessionaires and other agents, with a bank guarantee clause.

27.2 Price risk

Pursuant to the Concession Agreement, CTEEP's revenues are annually adjusted by ANEEL based on the variation of the IGP-M and a portion of the revenues is subject to periodic review every four years (Note 21).

27.3 Liquidity risk

CTEEP centralizes its financial investments in Banco Nossa Caixa S.A.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

27.4 Interest rate risk - Parent Company and Consolidated

The Company has a bank credit note - overdraft account with ABN Amro Bank, whose funding limit is US\$25 million (US\$55 million up to July), with revolving maturity every six months and interest calculated based on 100% of the Interbank Deposit Certificate (CDI) rate, plus 1.75% per year (Note 15). No financial instruments were contracted to swap the variable interest rate on this transaction for a fixed interest rate.

Additionally, the subsidiary CTEEP has debt agreements with Fundação CESP subject to interest based on the higher of the variation of the IGP-DI plus 6% per year, or the TR plus 8% per year (Note 18). CTEEP also has loan agreements with the banks Safra, Alfa and Banco do Brasil (Note 15).

27.5 Foreign exchange risk - Parent Company and Consolidated

The Company has transactions involving financial instruments to hedge against the effects of exchange variations on its liabilities (bonds) with net exposure in U.S. dollars. Non-cash hedge transactions are used to swap the foreign exchange variations on liabilities for the General Market Price Index (IGP-M) plus spread from 1.68% to 2.12% p.a. for the principal amount of the bond issuance transaction and also to hedge the interest of two half years, the first of which fell due in July 2007 and the other in January 2008. The loss on these transactions for the nine-month period ended September 30, 2007, in the amount of R\$219,462, was fully recognized in the statement of operations under "Gains (losses) on hedge transactions", and recorded as an increase in the corresponding loans and financing (bond). The details of the transactions are as follows:

- Hedge of principal - Contracts with ABN AMRO Bank and JP Morgan related to the hedge of the two tranches. The first tranche, in the amount of US\$200 million and with a five-year term, was subject to an exchange rate of R\$2.1170 and commitment to pay IGP-M plus 2.12% per annum. The second tranche, in the amount of US\$ 354 million and with a ten-year term, was also subject to an exchange rate of R\$2.1170, and commitment to pay IGP-M plus 1.68% per annum.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

- Hedge of interest - Currency forward contract without physical delivery with JP Morgan related to hedge of the interest of two half years, the first of which fell due in July 2007, and was paid on July 25, 2007, and the other will fall due in January 2008, corresponding to the two tranches. This hedge was contracted at an exchange rate of R\$2.1190 for payment in July 2007 and an exchange rate of R\$2.1765 for payment in January 2008.

The gains (losses) on these transactions are described in Note 15.

27.6 Fair value

As of September 30, 2007, the fair values of financial investments approximate the carrying amounts recorded in the Quarterly Information due to their short-term nature. The fair values of loans and financing approximate their carrying amounts recorded in the Quarterly Information, since these financial instruments have variable interest rates.

The carrying amounts and fair values of the transactions involving financial instruments are as follows:

	9/30/2007	
	Carrying amount (*)	Fair value
Loans and financing (bond issuance)		
Swap transaction (Note 15 (a)) - principal	1,216,809	1,217,587
Forward transaction (Note 15 (a)) - interest	21,333	21,632
Total	1,238,142	1,239,219

(*) The Company's Quarterly Information was prepared in accordance with Brazilian accounting practices, mainly the financial instruments, which were recorded on the accrual basis, based on the related contractual clauses effective at the balance sheet date.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

28 LAWSUIT FILED BY ELETROBRÁS AGAINST ELETROPAULO AND EPTE

In 1989, Centrais Elétricas Brasileiras S.A. - ELETROBRÁS filed a collection lawsuit against Eletropaulo - Eletricidade de São Paulo S.A. (currently Eletropaulo Metropolitana Eletricidade de São Paulo S.A. - "Eletropaulo") referring to the balance of a certain financing agreement. Eletropaulo did not agree with the criteria for monetarily adjusting said financing agreement and made escrow deposits for the amounts it understood to be due to ELETROBRÁS. In 1999, a judgment was issued on the aforementioned lawsuit, ordering Eletropaulo to pay the balance determined by ELETROBRÁS.

Under the partial spin-off protocol of Eletropaulo, made on December 31, 1997 and which resulted in the establishment of EPTE - Empresa Paulista de Transmissão de Energia Elétrica S.A. and other companies, Eletropaulo is solely liable for obligations of any kind referring to acts up to the spin-off date, except for contingent liabilities whose provisions had been allocated to the merging companies. In the case in question, at the time of the spin-off, there was no allocation to EPTE of any provision for such purpose, leaving it clear that Eletropaulo was exclusively liable for said contingency. At the time of the spin-off there was only the transfer to EPTE assets of an escrow deposit in the historical amount of R\$4.00, made in 1988 by Eletropaulo, referring to the amount that it understood to be owed to ELETROBRÁS regarding the balance of the aforementioned financing agreement, and allocation to EPTE's liabilities of the same amount referring to this debt.

Therefore, under the partial spin-off protocol of Eletropaulo, EPTE would be liable for known and ascertained debts in the exact adjusted amount available in the aforementioned escrow deposit made in 1988, and Eletropaulo would be liable for the contingent liabilities referring to the difference between the amount demanded in court by ELETROBRÁS and the adjusted amount of the aforementioned escrow deposit. In October 2001, ELETROBRÁS executed the sentence referring to the aforementioned financing agreement, charging R\$429,000 from Eletropaulo and R\$49,000 from EPTE, understanding that EPTE would pay its part with the adjusted amounts of the aforementioned escrow deposit. EPTE was merged into CTEEP on November 10, 2001, succeeding it in its obligations.

On September 26, 2003, a decision of the Court of Justice of the State of Rio de Janeiro was published, excluding Eletropaulo from the execution of the aforementioned sentence. Due to

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

these facts, ELETROBRÁS filed, on December 16, 2003, a Special Appeal in the Superior Court of Justice and an Extraordinary Appeal in the Federal Supreme Court to maintain the aforementioned collection regarding Eletropaulo. Appeals similar to those of ELETROBRÁS were filed by CTEEP, and the Company's Special Appeal is already registered with the Superior Court of Justice under No. 809,672.

On June 29, 2006, the Superior Court of Justice accepted the special appeal filed by CTEEP, with respect to reversing the decision of the Court of Justice of the State of Rio de Janeiro that excluded Eletropaulo from the execution action filed by ELETROBRÁS. As a result, the execution action filed by ELETROBRÁS against Eletropaulo and EPTE will proceed, as per the lower court decision, ensuring CTEEP's right of defense as EPTE's successor.

Due to said acceptance by the Superior Court of Justice, on December 4, 2006 Eletropaulo filed a special appeal, which was rejected, according to the decision published on April 16, 2007. In light of the Superior Court of Justice's decision, understanding that the preexecution exception offered by Eletropaulo is not suitable, unless the execution of the decision is amended or suspended, which is not probable, the Company believes that ELETROBRÁS will insist on execution of the decision, as described above.

With respect to that debt and in view of the formal documents of the partial spin-off of Eletropaulo, CTEEP, according to the understanding of its Management and legal counsel, is only liable for the payment equivalent to the adjusted amount of the escrow deposits made in 1988 for this purpose and which is currently part of its assets, and intends to proceed in the defense of such right. On the other hand, the Company has not recognized a reserve for the remaining contingency, which the Company understands as being the liability of Eletropaulo, from which the debt is being charged by ELETROBRÁS. The total contingency is currently estimated at approximately R\$924,583.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

29 SUPPLEMENTARY PENSION PLAN REGULATED BY LAW N° 4819/58

29.1. Significant Events

• **July 19, 2005**

"In compliance with CVM Instruction No. 358/02, CTEEP - Companhia de Transmissão de Energia Elétrica Paulista clarifies aspects related to the supplementary pension plan regulated by State Law No. 4819/58. This plan applies to employees hired up to May 13, 1974, as mentioned in Note 22.1. to the financial statements of the Company as of December 31, 2004. The necessary funds to cover the charges of the plan are the responsibility of the responsible agencies of the Government of the State of São Paulo; this was implemented according to an agreement made on December 10, 1999 between the São Paulo State Finance Department and the Company, effective until December 31, 2003. Such procedure was regularly performed until December 2003 by Fundação CESP, with funds from the State Finance Department, transferred by CTEEP. In January 2004, the Finance Department began to directly process those payments, without the participation of CTEEP and Fundação CESP.

The decision of the 49th Labor Court of São Paulo was communicated to CTEEP on July 11, 2005 (lawsuit No. 1339/2005-1), authorizing Fundação CESP to resume processing the payment of benefits established by State Law No. 4819/58, according to the respective regulation, in the same manner that had been made until December 2003, with funds transferred by CTEEP. On July 13, 2005, the 49th Labor Court of São Paulo gave 60 days for the fulfillment of this decision. There is also on the website of the Regional Labor Court of São Paulo a summary of a similar decision (lawsuit SDC No. 20058200400002000) of June 30, 2005, determining that Fundação CESP, using the funds transferred by CTEEP, may process again the beneficiaries' retirement and pension payments established by State Law No. 4819/58; such decision has not yet been published, nor has the Company been notified thereof.

To comply with said judicial decisions, CTEEP must require on a monthly basis the necessary funds from the São Paulo State Finance Department, to be transferred to Fundação CESP, which must process the payments to the beneficiaries. Said decisions apply to about 6,500 beneficiaries, with a monthly expense in the amount of R\$23 million,

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

which, in the understanding of CTEEP, is the responsibility of the State of São Paulo, as it was through December 2003. Consequently, CTEEP will contest said judicial decisions since it understands that the responsibility for the payment of the above-mentioned benefits is, under applicable legislation, of the State of São Paulo."

• **January 27, 2006**

"CTEEP - Companhia de Transmissão de Energia Elétrica Paulista, in accordance with CVM Instruction No. 358/02, announces a change in procedure by the State Finance Department, due to a recent understanding of the State Attorney General regarding the transfer of funds to CTEEP for compliance with the decision of the 49th Labor Court of São Paulo, which authorized Fundação CESP to once again process the pension plan benefit payments established by State Law No. 4819/58 using funds received from the State of São Paulo and transferred by CTEEP. This matter has been previously addressed in Note 21 of the interim financial statements of CTEEP as of September 30, 2005.

The State Finance Department transferred to CTEEP, on January 27, 2006, an amount lower than necessary to comply with the decision of the 49th Labor Court. The effective expenditure of CTEEP this month for purposes of said court decision was R\$19,725, transferred to Fundação CESP, having received R\$14,976 from the State Finance Department for this purpose. The State Finance Department informed that this month it disallowed certain expenses due to the recent understanding by the State Attorney General regarding the State's responsibility in this case. The decision of the 49th Labor Court currently applies to 5,528 beneficiaries. The State Finance Department continues directly paying 794 benefits established by State Law No. 4819/58.

CTEEP is still endeavoring to change the decision of the 49th Labor Court so as to return the responsibility for the pension plan benefit payments established by State Law No. 4819/58 to the State Finance Department. CTEEP confirms its legal department's understanding that expenses derived from State Law No. 4819/58 and respective regulation are the full responsibility of the State Finance Department, and is analyzing the applicable actions to safeguard the Company's interests."

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

• **February 24, 2006**

"CTEEP - Companhia de Transmissão de Energia Elétrica Paulista, in accordance with CVM Instruction No. 358/02, announces, supplementing the information included in the Significant Event Notice of January 27, 2006, that the State Finance Department transferred to CTEEP in February 2006 the amount of R\$12,802 to comply with the decision of the 49th Labor Court of São Paulo, which ruled that Fundação CESP must process the pension plan benefit payments established by State Law No. 4819/58 using the funds received from the State of São Paulo and transferred by CTEEP. In February, CTEEP's total expenditure to comply with said court decision was R\$19,652.

CTEEP continues its efforts to change the decision of the 49th Labor Court so as to return the responsibility for the pension plan benefit payments established by State Law No. 4819/58 to the State Finance Department, and to adopt other actions to safeguard the Company's interests."

29.2. Decision of the 49th Labor Court

On April 27, 2006, the 49th Labor Court of São Paulo rendered a decision on the above-mentioned lawsuit, considering valid, in part, the claim at issue and maintaining the effects of the early relief previously granted (Significant Event Notice of July 19, 2005), in addition to ordering the payment of amounts falling due. On May 8, 2006, CTEEP filed appeals requesting clarification of the decision and amendment of certain aspects thereof.

The decision of the Superior Court of Justice issued on June 19, 2006, declaring that the State Court System has authority to judge the labor claims filed with the Labor Court directly seeking the amounts established by State Law No. 4819/58, annulled the decision of the 49th Labor Court of São Paulo and ordered that the case be submitted to an administrative court of the State Finance Department. As a result of the decision of the Superior Court of Justice, the amounts established by State Law No. 4819/58 will once again be paid directly by the São Paulo State Finance Department and no longer by Fundação CESP through transfer from CTEEP as occurred in accordance with the decision of the 49th Labor Court of São Paulo, now annulled.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

On June 28, 2006, the Superior Court of Justice granted an injunction to suspend the effects of the decision rendered by the same court on the conflict of jurisdiction on June 19, 2006. According to the notification received by CTEEP on June 30, 2006, the decision of the 49th Labor Court of São Paulo, which ordered the payment of pension plan benefits as per State Law No. 4819/58 by Fundação CESP, using cash resources from the State of São Paulo transferred by CTEEP, shall prevail.

29.3. Current status

As a result of the aforementioned facts and by force of said decision of the 49th Labor Court of São Paulo, as well as the decision of the Superior Court of Justice, CTEEP passed on to Fundação CESP, in the period from September 2005 to March 2007, the amount of R\$ 555,364 for payment of benefits under State Law No. 4819/58, having received from the State Finance Department the amount of R\$395,001 for that purpose. The difference between the amount passed on to Fundação CESP and that reimbursed by the State Finance Department, of R\$160,363, is being claimed by the Company at the administrative level (Note 7 (ii)).

On October 20, 2005, CTEEP received from the State Attorney General a copy of that agency's statement, dated October 6, 2005, regarding the consultation by the State Finance Department on the scope of said court decisions. In this statement, the State Attorney General concludes that the decision of the 49th Labor Court of São Paulo applies subjectively to the State Finance Department, which is the defendant in the claim. Accordingly, the State Attorney General concluded that "in the current scenario, the State Finance Department is liable for the full reimbursement of the amounts disbursed by CTEEP for compliance with the court decision regarding labor claim No. 1145/2005-6, in progress at the 49th Labor Court of São Paulo". On the other hand, in the same statement, the State Attorney General concludes that the decision issued by the Regional Labor Court, whose effects are suspended by the injunction obtained as a result of the Claim for Correction, does not fully apply to the State Finance Department, which was removed from the lawsuit at the plaintiff Union's request. In this case, the State Finance Department should, according to the State Attorney General, reimburse CTEEP, observing the strict limits of State Law No. 4819/58, excluding possible benefits, established by the related regulation, that surpass or are in conflict with the specific legislation.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

In view of the Significant Event Notices above, the State Attorney General, by Official Letter No. 01, dated February 10, 2006, and respective Technical Note No. 01/2006, changed its prior understanding, which was in effect through December 2005 for purposes of transfer of funds to CTEEP to comply with the decision of the 49th Labor Court of São Paulo. According to the current understanding of the State Attorney General, the State Finance Department must disallow certain transfers to CTEEP for purposes of transfer to Fundação CESP to comply with said court decision.

According to the Significant Event Notices mentioned above, CTEEP continues its efforts to change the decision of the 49th Labor Court of São Paulo so as to return the responsibility for the pension plan benefit payment established by State Law No. 4819/58 to the State Finance Department. CTEEP also confirms its legal department's understanding that the expenses arising from State Law No. 4819/58 and respective regulation are the full responsibility of the State Finance Department and is analyzing additional actions to protect the Company's interests. The Company records these disallowances as "Amounts receivable - São Paulo State Finance Department".

30 CORPORATE RESTRUCTURING

On July 23, 2007, the Company and CTEEP published the following significant event notice:

"The managements of ISA Capital do Brasil S.A. ("ISA Brasil"), ISA Participações do Brasil Ltda. ("ISA Participações") and CTEEP - Companhia de Transmissão de Energia Elétrica Paulista, in compliance with the provisions of CVM Instruction No. 358, of January 3, 2002, as amended by CVM Instruction No. 449, of March 15, 2007, publicly inform that they will submit to the appreciation, deliberation and approval, as applicable, of the National Electric Energy Agency ("ANEEL") and, subsequently, of their shareholders and quotaholders the following corporate restructuring process:

- (i) *ISA Brasil is the current controlling stockholder of CTEEP and the holder of the goodwill paid in the process for the acquisition of the share control in the mentioned company ("Goodwill"). ISA Brasil is also the controlling stockholder of ISA Participações.*

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

- (ii) *The restructuring process comprises the transfer, by ISA Brasil, of the shares held in the capital of CTEEP to the capital of ISA Participações. Subsequently, ISA Participações will be merged into CTEEP and, as a result of this transaction, the Goodwill will be transferred to CTEEP.*
- (iii) *There will be no transfer of the share control in CTEEP as a result of the intended restructuring.*
- (iv) *The managements of the companies involved understand that the current corporate restructuring will allow for better capitalization and cash flow conditions in CTEEP, as a result of the tax saving generated by the amortization of the Goodwill.*
- (v) *The transaction will be implemented in a manner not to cause the transfer of any debts or liabilities and to avoid any adverse impacts on future flows of dividends to the stockholders of CTEEP. The tax benefit portion will be capitalized in favor of ISA Brasil, under the terms of Article 7 of CVM Instruction No. 319, of December 3, 1999.*

It is intended that the transaction be concluded in the second six-month period of 2007. The proposed transaction is subject to the previous approval of ANEEL. As soon as the required approval is granted, the other legal steps will be taken and the significant event notice of CVM Resolution No. 319 will be issued.

31 SUBSEQUENT EVENTS

31.1. Payment of dividends - parent company and subsidiary

At an extraordinary meeting held on October 1, 2007, the Board of Directors of CTEEP approved the payment of dividends to shareholders in the amount of R\$ 1.162283 per share. The payment will commence as of October 17, 2007.

As a result of this decision, on October 17, 2007, the Company received the amount of R\$60,000 from CTEEP and the remaining amount receivable is R\$5,000.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

31.2. Payment of interest on shareholders' equity - parent company and subsidiary

At an extraordinary meeting held on October 31, 2007, the Board of Directors of CTEEP approved the payment of interest on shareholders' equity to the shareholders in the amount of R\$ 1.337140 per share. The payment will commence as of November 19, 2007.

As a result of this decision, on October 31, 2007, the Company recognized Interest on Shareholders' Equity receivable from CTEEP of R\$ 74,779.

31.3 Transmission line auction

With a bid of R\$ 28.9 million, the Company purchased lot A of auction No. 004/2007 held by ANEEL. This lot comprises the 500-KV transmission lines Colinas - Ribeiro Gonçalves C2 and Ribeiro Gonçalves - São João do Piauí C2, with a total extension of 720 km.

* * *

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

05.01 - Comments on Company Performance During the Quarter (In thousands of reais unless otherwise indicated)

The Company is engaged in holding equity interests in other companies or ventures, as a partner or shareholder, joint-venture partner or consortium member, or any other type of business cooperation.

On January 4, 2007, the Brazilian Securities Commission (CVM) granted ISA its registration as a Publicly-Traded Company.

On January 9, 2007, ISA Capital do Brasil S.A. purchased, through a public offering auction for the acquisition of shares held on BOVESPA, 24,572,559,070 common shares issued by CTEEP, accounting for 39.28% of the total of this type of shares, pursuant to the public offering notice published on December 4, 2006.

As a result of this acquisition, ISA Capital do Brasil S.A. became the holder of 89.40% of the voting capital and 37.46% of the total capital of CTEEP. Thus, of a total of 62,558,662,803 common shares issued by CTEEP, 55,924,470,821 are owned by ISA Capital do Brasil S.A. After the reverse stock split carried out in August 2007, this number changed to 55,924,465.

On January 29, 2007, the Company concluded a successful transaction in the international capital market, with issuance of bonds in the amount of US\$554 million. The issuance, which had J.P.Morgan and ABN Amro Bank as agents, was divided into two tranches (senior notes), the first one, in the amount of US\$200 million, with a 5-year term, interest rate of 7.875% per year, call option in 2010 and 2011 and maturing in 2012, and the second one, in the amount of US\$354 million, with a ten-year term, interest rate of 8.80% per year, maturing in 2017 (Notes). Of the total bonds issued, 60% was placed in the United States, 36% in Europe, 2% in Latin America, and 2% in Asia. The bonds are listed on the Luxembourg Stock Exchange and may be traded on the NASDAQ Stock Exchange Portal Market.

This issuance was successful due to the investors' confidence in the financial structure of the transaction, ISA Group's support to its investments in Brazil, positive projection of CTEEP - Companhia de Transmissão de Energia Elétrica Paulista in the Brazilian electric power sector, and the international-level credit risk ratings by Standard & Poor's (BB - positive outlook) and Fitch Ratings (BB stable outlook). These ratings are similar to the Federative Republic of Brazil ratings and reflect the low risk of the electric power transmission business and the outlook for expansion in this sector.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

**05.01 - Comments on Company Performance During the Quarter
(In thousands of reais unless otherwise indicated)**

The funds obtained from the issuance of notes were used to settle loans the Company obtained from J.P. Morgan and ABN Amro Bank. In March 2007, the Company settled the loan of US\$23.8 million, and in April the loan of US\$204 million.

As a result of the issuance of bonds, the Company entered into agreements to hedge against foreign exchange risks. This transaction is divided into 2 stages, as follows:

- Hedge of principal - Contracts with ABN Amro Bank and JP Morgan relating to the hedge of the two tranches. The first tranche, in the amount of US\$200 million and a five-year term, was subject to an exchange rate of R\$2,1170 and commitment to pay IGP-M plus 2.12% per annum. The second tranche, in the amount of US\$ 354 million and with a ten-year term, was also subject to an exchange rate of R\$2,1170, and commitment to pay IGP-M plus 1.68% per year.
- Hedge of interest - Currency forward contract without Physical Delivery with JP Morgan related to the hedge of semiannual interest, payable in July 2007 and January 2008, referring to the two tranches. This hedge was contracted at an exchange rate of R\$2.1190 for payment in July 2007 and at an exchange rate of R\$2.1765 for payment in January 2008.

In the third quarter of 2007, the Company recorded Operating Expenses of R\$ 1,370 and in the accumulated for the nine-month period of R\$ 4,824.

In the same quarter, the Company reported Equity in the Results of Subsidiary of R\$ 73,575 arising from the 37.46% interest in the total capital of the subsidiary CTEEP. In the accumulated for the nine-month period, the Company recorded Equity in the Results of Subsidiary of R\$ 209,321.

Financial Result was negative, totaling R\$ 107,064 in the third quarter of 2007 and R\$ 243,006 up to September 30, 2007.

Accordingly, the Operating Result achieved for the third quarter of 2007 was negative and totaled R\$ 34,859. As there were no non-operating transactions and the Company did not

(A free translation of the original in Portuguese)
FEDERAL GOVERNMENT SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
QUARTERLY INFORMATION (ITR)
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Unaudited
Corporate Legislation
September 30, 2007

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

05.01 - Comments on Company Performance During the Quarter
(In thousands of reais unless otherwise indicated)

have income tax and social contribution payable, the first quarter ended with a Loss of R\$ 34,859 and the accumulated for the nine-month period of 2007 with a Loss of R\$ 38,509.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

06.01 - Consolidated Balance Sheet - Assets (R\$ thousand)

Code	Description	9/30/2007	6/30/2007
1	Total assets	5,749,574	5,854,377
1.01	Current assets	414,525	600,260
1.01.01	Available funds	99,717	249,965
1.01.01.01	Available cash	0	48,827
1.01.01.02	Financial investments	0	201,138
1.01.02	Receivables	224,663	173,817
1.01.02.01	Trade accounts receivable	224,663	173,817
1.01.02.02	Sundry receivables	0	0
1.01.03	Inventories	33,683	32,500
1.01.03.01	Material warehouse	33,683	32,500
1.01.04	Other	56,462	143,978
1.01.04.01	Amounts receivable - São Paulo State Finance Department	15,259	14,661
1.01.04.02	Allowance for doubtful accounts	0	(1,079)
1.01.04.03	Deferred income tax and social contribution	12,572	30,041
1.01.04.04	Taxes and contributions to be offset	4,207	29,994
1.01.04.05	Pledges and restricted deposits	4,354	49,430
1.01.04.06	Prepaid expenses	3,222	4,228
1.01.04.07	Other	16,848	16,703
1.02	Non-current assets	5,335,049	5,254,117
1.02.01	Long-term receivables	527,858	487,189
1.02.01.01	Sundry receivables	0	0
1.02.01.02	Related parties	0	0
1.02.01.02.01	Associated and similar companies	0	0
1.02.01.02.02	Subsidiaries	0	0
1.02.01.02.03	Other related parties	0	0
1.02.01.03	Other	527,858	487,189
1.02.01.03.01	Trade accounts receivable	46,176	0
1.02.01.03.02	Loan receivable - ISA's parent company	46,534	47,783
1.02.01.03.03	Amounts receivable - São Paulo State Finance Department	282,277	256,631
1.02.01.03.04	Deferred income tax and social contribution	75,011	84,103
1.02.01.03.05	Pledges and restricted deposits	48,710	66,983
1.02.01.03.06	Prepaid expenses	20,892	28,195
1.02.01.03.07	Other	8,258	3,494
1.02.02	Permanent assets	4,807,191	4,766,928
1.02.02.01	Investments	0	0
1.02.02.01.01	In associated and similar companies	0	0
1.02.02.01.02	In associated and similar companies - goodwill	0	0
1.02.02.01.03	In subsidiaries	0	0
1.02.02.01.04	In subsidiaries - goodwill	0	0
1.02.02.01.05	Other investments	0	0
1.02.02.02	Property, plant and equipment	4,034,213	3,974,435
1.02.02.03	Intangible assets	769,762	792,491
1.02.02.04	Deferred charges	3,216	2

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

06.02 - Consolidated Balance Sheet - Liabilities and Shareholders' Equity (R\$ thousand)

Code	Description	9/30/2007	6/30/2007
2	Total liabilities and shareholders' equity	5,749,574	5,854,377
2.01	Current liabilities	367,195	399,074
2.01.01	Loans and financing	151,799	177,096
2.01.02	Debentures	0	0
2.01.03	Suppliers	21,144	46,185
2.01.04	Taxes, charges and contributions	79,457	45,020
2.01.04.01	Taxes payable	46,393	16,591
2.01.04.02	Salaries and social charges	8,324	9,255
2.01.04.03	Regulatory charges payable	24,740	19,174
2.01.05	Dividends payable	2,448	1,667
2.01.05.01	Interest on shareholders' equity	1,581	877
2.01.05.02	Dividends	867	790
2.01.06	Provisions	56,909	106,392
2.01.07	Payables to related parties	0	0
2.01.08	Other	55,438	22,714
2.01.08.01	Amounts payable - Law 4819/58 - São Paulo State Finance Department	5,838	5,800
2.01.08.02	Amounts payable - Law 4819/58 - Public share offering	3,680	3,637
2.01.08.03	Amounts payable - Private pension - Fundação Cesp	7,521	7,273
2.01.08.04	Other	38,399	6,004
2.02	Non-current liabilities	2,114,316	2,124,957
2.02.01	Long-term liabilities	2,026,560	2,032,954
2.02.01.01	Loans and financing	1,211,827	1,181,414
2.02.01.02	Debentures	0	0
2.02.01.03	Provisions	225,434	289,660
2.02.01.04	Payables to related parties	0	0
2.02.01.05	Advance for future capital increase	0	0
2.02.01.06	Other	589,299	561,880
2.02.01.06.01	Amounts payable - Law 4819/58 - São Paulo State Finance Department	191,137	189,904
2.02.01.06.02	Amounts payable - Law 4819/58 - Public share offering	119,826	119,072
2.02.01.06.03	Amounts payable - Private pension - Fundação Cesp	224,649	224,218
2.02.01.06.04	Special liabilities - reversal/ amortization	24,053	24,053
2.02.01.06.05	Other	29,634	4,633
2.02.02	Deferred income	87,756	92,003
2.02.02.01	Negative goodwill - EPTE	87,756	92,003
2.03	Minority interest	2,541,577	2,569,000
2.04	Shareholders' equity	726,486	761,346
2.04.01	Paid-up capital	828,267	828,267
2.04.02	Capital reserves	0	0
2.04.03	Revaluation reserves	0	0
2.04.03.01	Own assets	0	0
2.04.03.02	Subsidiary, associated and similar companies	0	0
2.04.04	Revenue reserves	0	0
2.04.04.01	Legal	0	0
2.04.04.02	Statutory	0	0

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

06.02 - Consolidated Balance Sheet - Liabilities and Shareholders' Equity (R\$ thousand)

Code	Description	9/30/2007	6/30/2007
2.04.04.03	Contingencies	0	0
2.04.04.04	Unrealized profits	0	0
2.04.04.05	Retention of profits	0	0
2.04.04.06	Special for undistributed dividends	0	0
2.04.04.07	Other revenue reserves	0	0
2.04.05	Retained earnings/accumulated deficit	(101,781)	(66,921)
2.04.06	Advance for future capital increase	0	0

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075.006/0001-30

07.01 – Consolidated Statement of Operations (R\$ thousand)

Code	Description	07/01/2007 to 9/30/2007	01/01/2007 to 9/30/2007	07/01/2006 to 09/30/2006	01/01/2006 to 09/30/2006
3.01	Gross sales and/or service revenues	427,715	1,165,743	363,197	363,197
3.01.01	Revenues from electricity network usage	423,829	1,154,512	359,626	359,626
3.01.02	Other revenues	3,886	11,231	3,571	3,571
3.02	Deductions from gross revenues	(48,254)	(105,720)	25,015	25,015
3.03	Net sales and/or service revenues	379,461	1,060,023	388,212	388,212
3.04	Cost of sales and/or services	(78,492)	(280,727)	(48,277)	(48,277)
3.05	Gross profit	300,969	779,296	339,935	339,935
3.06	Operating income/ expenses	(119,878)	(295,052)	(101,982)	(101,982)
3.06.01	Selling	0	0	0	0
3.06.02	General and administrative	(30,506)	(146,735)	(138,905)	(138,905)
3.06.03	Financial	(89,372)	(148,317)	36,923	36,923
3.06.03.01	Financial income	125,565	364,492	65,981	65,981
3.06.03.02	Financial expenses	(214,937)	(512,809)	(29,058)	(29,058)
3.06.03.02.02	Expenses	(125,951)	(293,347)	0	0
3.06.03.02.03	Gains (losses) on swap transactions (Hedge)	(88,986)	(219,462)	0	0
3.06.04	Other operating income	0	0	0	0
3.06.05	Other operating expenses	0	0	0	0
3.06.06	Equity in the results of subsidiary	0	0	0	0
3.07	Operating results	181,091	484,244	237,953	237,953
3.08	Non-operating results	8,094	89,240	(160)	(160)
3.08.01	Income	0	0	0	0
3.08.02	Expenses	0	0	0	0
3.09	Result before taxation/ profit sharing	189,185	573,484	237,793	237,793
3.10	Provision for income tax and social contribution	(76,904)	(105,949)	(115,490)	(115,490)
3.10.01	Current income tax	(54,847)	(76,217)	(84,936)	(84,936)
3.10.02	Current social contribution	(22,057)	(29,732)	(30,554)	(30,554)
3.11	Deferred income tax	(24,315)	(156,844)	30,303	30,303
3.11.01	Deferred income tax	(17,830)	(119,635)	22,288	22,288
3.11.02	Deferred social contribution	(6,485)	(37,209)	8,015	8,015
3.12	Statutory profit sharing/ contributions	0	0	0	0
3.12.01	Profit sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of interest on shareholders' equity	0	0	0	0
3.14	Minority interest	(122,825)	(349,200)	(133,661)	(133,661)
3.15	Net income (loss) for the period	(34,859)	(38,509)	18,945	18,945
	NUMBER OF SHARES, EXCLUDING TREASURY STOCK (Units)	828,267,200	828,267,200	506,201,000	506,201,000
	NET INCOME PER SHARE (Reais)			0.03743	0.03743
	LOSS PER SHARE (Reais)	(0.04649)	(0.04649)		

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

08.01 - Comments on Consolidated Performance During the Quarter
(In thousands of reais unless otherwise indicated)

CTEEP's main source of revenues is the use of its transmission system by the electric power public service concessionaires and agents of the sector, whose annual tariffs were adjusted through Authorizing Resolution RH/ANEEL 496/07, effective up to June 30, 2008, and linked to the facilities of the Basic Network and Other Transmission Facilities.

In the third quarter of 2007, the Gross Operating Revenue totaled R\$ 427,715, which, after the deductions of direct taxes and charges, resulted in a Net Operating Revenue of R\$ 379,461. In the accumulated for the nine-month period, the Net Operating Revenue was R\$ 1,060,023.

The Gross Profit for the third quarter was R\$ 270,463, or 71.3% of Net Operating Revenue. In the accumulated for the nine-month period of 2007, the Gross Profit amounted to R\$ 632,561, accounting for 59.7% of Net Operating Revenue.

The EBITDA, comprised of the previous caption plus Depreciation, reached R\$ 314,152, a margin of 82.8% on Net Operating Revenue. In the same period of the previous year, the EBITDA accounted for 62.7% of the Net Operating Revenue.

The Financial Result was negative by R\$ 89,372 in the quarter and by R\$ 148,317 in the accumulated for the nine-month period.

Accordingly, the Operating Result for the third quarter of 2007 was R\$ 181,091. In the accumulated for the nine-month period, this Result reached R\$ 484,244.

Taking into consideration the Non-Operating Result, Income Tax and Social Contribution, and before minority interest, CTEEP recorded a Profit of R\$ 189,185 for the third quarter of 2007 and of R\$ 573,484 for the accumulated for the nine-month period.

After the deduction of minority interest, which accounts for 62.54% of the total capital of the subsidiary CTEEP, the Loss was R\$ 34,859 for the quarter and R\$ 38,509 for the accumulated nine-month period.

Observation: The comparison with the result accumulated for 2006 is impaired as it does not cover the same consolidation period. This occurs due to the fact that ISA Capital purchased the share control of CTEEP on July 26, 2006, upon the financial settlement of the auction held on June 28, 2006.

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

09.01 - Investments in Subsidiary and/or Associated Companies

1 - ITEM	2 - NAME OF THE SUBSIDIARY/ASSOCIATED COMPANY	3 - National Corporate Taxpayers' Registry (CNPJ)	4 - CLASSIFICATION	5 - % HOLDING IN THE CAPITAL OF THE INVESTEE	6 - % HOLDING IN THE CAPITAL OF THE INVESTOR
7 - TYPE OF COMPANY		8 - NUMBER OF SHARES HELD IN THE CURRENT QUARTER (Units)	9 - NUMBER OF SHARES HELD IN THE PREVIOUS QUARTER (Units)		
02	CTEEP - CIA. TRANS. E ELÉTRICA PAULISTA	02.998.611/0001-04	LISTED CORPORATION	37.46	292.10
COMMERCIAL, INDUSTRIAL AND OTHER			55,924,465		55,924,465

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

16.01 - Other Information the Company Considers Relevant

1. Stockholdings, by type and class, of all those who hold, directly or indirectly, more than 5% of each type and class of the Company's shares, down to the level of individuals:

	9.30.2007					
	Number of Shares - In Units					
	Common	%	Preferred	%	Total	%
ISA Capital do Brasil S.A.						
ISA Interconexión Eléctrica S.A. E.S.P	828,267,196	100.00	-	-	828,267,196	100.00
Luiz Fernando Alarcón Mantilla	1	-	-	-	1	-
Guido Alberto Nule Amin	1	-	-	-	1	-
Fernando Augusto Rojas Pinto	1	-	-	-	1	-
Carlos Alberto Rodríguez Lopez	1	-	-	-	1	-
	<u>828,267,200</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>828,267,200</u>	<u>100.00</u>
ISA Interconexión Eléctrica S.A. ESP						
Ministério de Hacienda Y Crédito Público	569,472,561	55.87	-	-	569,472,561	55.87
Empresa Pública de Medellín	102,582,317	10.06	-	-	102,582,317	10.06
Empresa Colombiana de Petróleos - ECOPETROL	58,925,480	5.78	-	-	58,925,480	5.78
Fondo de Pensiones de Bogotá Obligorias Protección	50,396,714	4.94	-	-	50,396,714	4.94
Other	237,890,091	23.35	-	-	237,890,091	23.34
	<u>1,019,267,163</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>1,019,267,163</u>	<u>99.99</u>
Empresa Pública de Medellín						
Municipality of Medellín	4,223,308	99.99	-	-	4,223,308	99.99
Other	4	0.01	-	-	4	0.01
	<u>4,223,312</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>4,223,312</u>	<u>100.00</u>
Empresa Colombiana de Petróleos - ECOPETROL						
Ministério de Hacienda Y Crédito Público	3,008,720	99.99	-	-	3,008,720	99.99
Other	8	0.01	-	-	8	0.01
	<u>3,008,728</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>3,008,728</u>	<u>100.00</u>

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

17.01 - Report on the Special Review - Without Exceptions

To the Board of Directors and Shareholders
ISA Capital do Brasil S.A.

- 1 We have carried out limited reviews of the accounting information included in the Quarterly Information (ITR) of ISA Capital do Brasil and its subsidiary for the quarter and periods ended September 30 and June 30, 2007. This information is the responsibility of the Company's management.
- 2 Our reviews were carried out in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council (CFC), and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the quarterly information and (b) a review of the significant information and of the subsequent events which have, or could have, significant effects on the Company's financial position and operations.
- 3 Based on our limited reviews, we are not aware of any material modifications that should be made to the quarterly information referred to above in order that such information be stated in accordance with the accounting practices adopted in Brazil applicable to the preparation of quarterly information, consistent with the Brazilian Securities Commission (CVM) regulations.
- 4 As described in Note 29 to the quarterly information, pursuant to the decision of the 49th Labor Court of São Paulo, as from September 2005, Fundação CESP started to process the payroll of the participants in the supplementary pension plan regulated by Law No. 4819/58, through funds transferred by the subsidiary Companhia de Transmissão de Energia Elétrica Paulista - CTEEP, as carried out up to December 2003. In January 2006, the Attorneys' General Office of the State of São Paulo understood that the responsibility of the State Government is restricted to the limits set forth by the State Constitution in respect of the payment of pension benefits. Since then the State Government started to disallow a portion of the resources transferred to the subsidiary Companhia de Transmissão de Energia Elétrica

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02042-7	ISA CAPITAL DO BRASIL S.A.	08.075006/0001-30

17.01 - Report on the Special Review - Without Exceptions

Paulista - CTEEP. Management of the Company and its subsidiary, supported by their legal advisors, understands that the payment of the benefits related to the supplementary pension plan is the full responsibility of the State Government. Accordingly, the subsidiary Companhia de Transmissão de Energia Elétrica Paulista - CTEEP does not record any obligations relating to this plan in its quarterly information.

- 5 The Quarterly Information mentioned in paragraph one also includes comparative accounting information relating to the statement of operations for the quarter and period ended September 30, 2006. The limited review of the Quarterly Information for this quarter and period was conducted by other independent accountants, who issued a report thereon dated December 6, 2006, containing matter of emphasis paragraphs relating to the decision of the 49th Labor Court of São Paulo on the processing of the payroll of the supplementary pension plan regulated by Law No. 4819/58 (Note 30 to the Quarterly Information).

São Paulo, November 8, 2007

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Sérgio Eduardo Zamora
Contador CRC 1SP168728/O-4

Índice

GROUP	TABLE	DESCRIPTION	PAGE
01	01	Identification	4
01	02	Head Office	4
01	03	Investor Relations Officer (Company Mail Address)	4
01	04	General Information/Independent Accountant	4
01	05	Capital Composition	5
01	06	Characteristics of the Company	5
01	07	Companies Excluded from the Consolidated Financial Statements	5
01	08	Dividends Approved and/or Paid During and After the Quarter	5
01	09	Subscribed Capital and Alterations in the Current Year	6
01	10	Investor Relations Officer	6
02	01	Balance Sheet - Assets	7
02	02	Balance Sheet - Liabilities and Shareholders' Equity	8
03	01	Statement of Operations	9
04	01	Notes to the Quarterly Information	10
05	01	Comments on Company Performance During the Quarter	55
06	01	Consolidated Balance Sheet - Assets	58
06	02	Consolidated Balance Sheet - Liabilities and Shareholders' Equity	59
07	01	Consolidated Statement of Income	61
08	01	Comments on Consolidated Performance During the Quarter	62
09	01	Investments in Subsidiary and/or Associated Companies	63
16	01	Other Information the Company Considers Relevant	64
17	01	Report on the Special Review - Without Exceptions	65