CPFL Energy INC Form 6-K October 12, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of October, 2012

Commission File Number 32297

CPFL Energy Incorporated

(Translation of Registrant's name into English)

Rua Gomes de Carvalho, 1510, 14º andar, cj 1402 CEP 04547-005 - Vila Olímpia, São Paulo – SP Federative Republic of Brazil (Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F Form 40-F
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule $101(b)(1)$: []
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule $101(b)(7)$: []
Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereb furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes NoX
If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

CPFL ENERGIA S.A.

A Publicly-Held Company

Corporate Taxpayers' ID (CNPJ/MF) nº 02.429.144/0001-93

Corporate Registry ID (NIRE) 35.300.186.133

MATERIAL FACT

Execution of MOU - Grupo Rede

In compliance with the provisions of Law 6,404/76 (and subsequent amendments) and the Brazilian Securities and Exchange Commission ("CVM") Instruction no. 358/02, CPFL Energia S.A. ("CPFL Energia") announces to its shareholders and the market in general the following:

CPFL Energia on this date executed a Memorandum of Understandings ("MOU") with Equatorial Energia S.A. ("Equatorial") and Jorge Queiroz de Moraes Junior ("Controlling Shareholder"), with the scope of granting an exclusivity right to CPFL and Equatorial to proceed with a full evaluation of all entities controlled by Rede Energia S.A. ("Grupo Rede"), for the purpose of establishing, jointly with the Controlling Shareholder, the terms and conditions required for the financial and operational restrutucting of Grupo Rede and its power distribution's concessionaires, except Centrais Elétricas do Pará S.A. - CELPA. The successful conclusion of the abovementioned evaluation could result in the acquisition of Grupo Rede's share control.

The closing of the potential acquisition described herein is subject to the satisfaction of various conditions precedent, including, but not limited to: (i) all applicable approvals from public authorities, creditors and investors are obtained accordingly to the applicable legislation and existing agreements of Grupo Rede's entities (ii) results of the due diligence of Grupo Rede's entities (iii) National Brazilian Electricity Agency's ("ANEEL") approval in respect to the restructuring operational plan to be presented to ANEEL by each of the power distribution concessionaires that are currently under intervention by ANEEL (iv) Grupo Rede's creditors' agreement in respect to the financial restructuring proposal to be further presented.

CPFL Energia will maintain its shareholders and the market informed in respect to the further developments of the potential transaction described in this material fact.

São Paulo, October 11, 2012.

CPFL ENERGIA S.A.

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LORIVAL NOGUEIRA LUZ JUNIOR

Chief Financial and Investor Relations Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 12, 2012

CPFL ENERGIA S.A.

By: /s/ LORIVAL NOGUEIRA LUZ JUNIOR

Name: Lorival Nogueira Luz Junior

Title: Chief Financial Officer and Head of Investor Relations

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.