

ENERGY CO OF MINAS GERAIS

Form 6-K

May 19, 2009

[Table of Contents](#)

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2009

Commission File Number 1-15224

Energy Company of Minas Gerais

(Translation of Registrant's Name Into English)

Avenida Barbacena, 1200

30190-131 Belo Horizonte, Minas Gerais, Brazil

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Form 20-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 by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If ☒ Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

Table of Contents

Index

Item	Description of Item
<u>1.</u>	<u>Earnings Release 1st Quarter 2009, Companhia Energética de Minas Gerais CEMIG</u>
<u>2.</u>	<u>Quarterly Financial Information for the quarter ended March 31, 2009, Companhia Energética de Minas Gerais CEMIG</u>
<u>3.</u>	<u>Quarterly Financial Information for the quarter ended March 31, 2009, Cemig Distribuição S.A.</u>
<u>4.</u>	<u>Quarterly Financial Information for the quarter ended March 31, 2009, Cemig Geração e Transmissão S.A.</u>
<u>5.</u>	<u>Minutes of the Ordinary and Extraordinary General Meetings of Stockholders, Companhia Energética de Minas Gerais CEMIG, April 29, 2009</u>
<u>6.</u>	<u>Market Announcement regarding Voluntary Dismissal Program, Companhia Energética de Minas Gerais CEMIG, May 8, 2009</u>

Table of Contents

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.

COMPANHIA ENERGETICA DE MINAS GERAIS CEMIG

By:	/s/ Luiz Fernando Rolla	
Name:		Luiz Fernando Rolla
Title:		Chief Financial Officer, Investor Relations Officer and Control of Holdings Officer

Date: May 19, 2009

Table of Contents

1. Earnings Release 1st Quarter 2009, Companhia Energética de Minas Gerais CEMIG

Table of Contents

Brazil's Best Electricity

EARNINGS RELEASE

1Q09

Companhia Energética de Minas Gerais

Cemig H

(Holding Company)

Table of Contents

Cemig's CEO, Djalma Bastos de Moraes, says:

Our exceptional result in the first three months of 2009 reflects the success of our Long-term Strategic Plan and the strategy specified in it, which by focusing on the long-term gives Cemig an unparalleled position at this moment in the Brazilian economy, rewarding its stockholders with solid and consistent results.

We have successfully concluded two major acquisitions, which as well as adding value to the Company's business, position Cemig as the leader in the Brazilian electricity sector.

In spite of the recent deterioration in world economic conditions we have maintained our economic and financial planning, including capital expenditure, amortizations of debt and payment of dividends.

This comfortable situation is the result of a group of strategies which range from the maintenance of a balanced portfolio of business to our financial discipline, including our electricity sales strategy, which succeeded in mitigating the lower revenue of our distribution Company arising from the revision of its tariff levels. We continued to do our homework, growing in all sectors in a balanced fashion, with a focus on operational excellence and reduction of expenses, mitigating risks and taking advantage of all the synergies that a Company with integrated businesses and of Cemig's scale offers.

Finally, the results presented here show that we are on the right path, and that the decisions taken in recent years are constantly adding value to our business, making Cemig an increasingly strong, solid Company with efficient corporate management.

Table of Contents

Cemig's CFO, Luiz Fernando Rolla, comments as follows:

In the first quarter of 2009 our Company continues to report consistent, robust cash flow, as a result of our effort, in our operations, incessantly and continually to add value to our businesses.

Our adjusted Ebitda was R\$ 974 million, with Ebitda margin of 38%, boosted by our policy of maintaining high levels of operational efficiency, and a level of excellence evidenced by our net Income, which when adjusted for non-recurring effects was R\$ 463 million in this first quarter of 2009.

This new level of cash flow is in line with the figures estimated in our financial projections and in the Long-term Strategic Plan, reflecting the correctness of our strategy of growth via acquisitions and new projects, within the process of consolidation of the sector.

Cemig Distribution's Tariff Review, and its non-recurring effects, are recorded in this quarter, but their impact on our result is mitigated by our portfolio of businesses since the Cemig Group is made up of 49 companies and 10 consortia, with synergy between their operations, and is increasingly profitable, with a position of lower risk and greater stability of long-term results.

Our solid cash position of R\$ 2.7 billion enables the execution of our Strategic Plan, our dividend policy and our management of debt, along with execution of planned capital expenditure, including investments associated with acquisition opportunities.

The excellent results which we now present show that we continue to add value, continuously and sustainably, to all our stockholders and stakeholders. The highlights of this quarter are on the next page.

Table of Contents

• **CEMIG HIGHLIGHTS of 1Q09**

(Thousands of Reais except where otherwise indicated)

- Adjusted Ebitda: **R\$ 974 million**
- Adjusted net Income: **R\$ 463 million**
- Net sales revenue: **R\$ 2.6 billion**
- Cash position: **R\$ 2.7 billion**
- Volume sold in 1Q09: **14,552 GWh**
- Our stock prices: changes in the last twelve months:

	Close of 1Q09	Close of 1Q08	Change %
CMIG 4	R\$ 26.10	R\$ 22.21	+17.51
CMIG 3	R\$ 19.36	R\$ 18.99	+1.94
CIG	US\$ 14.17	US\$ 16.16	-12.31
CIG.C	US\$ 11.00	US\$ 15.71	-29.98
XCMIG	11.15	11.27	-1.06

Table of Contents

• **Economic summary**

		1Q09	1Q08	Change (%)
Energy sold*	GWh	14,552	14,018	4%
Gross revenue	R\$ mn	3,727	4,203	-11%
Adjusted net revenue	R\$ mn	2,580	2,693	-4%
Adjusted Ebitda	R\$ mn	974	1,023	-5%
Adjusted net Income	R\$ mn	463	452	2%

* Includes figures for Light S.A.

• **Non-recurring effects in 1Q09**

Tariff Review final figures

In March 2009, Aneel homologated the final result of the Tariff review of Cemig Distribuição, with effects backdated to April 2008.

The final figures result in an average reduction of 19.62% in the tariffs of Cemig Distribuição, compared to an average reduction, applied provisionally in April 2008, of 18.09%.

As a result of the homologation of the final Tariff Review, Aneel recalculated the amounts which, in its judgment, should have been those actually recognized in the Company's tariff adjustment as from April 2008.

The effects in the results are related principally to reduction in the value of the Reference Company, used as the basis for reimbursement of the Company's manageable costs, and also of the review by Aneel of the criterion for calculation of the reimbursement, in the tariff, of the financial regulatory assets. This resulted in discounting of the amounts which, in the

Table of Contents

Regulator's view, were included in excess in recording of the Company's Tariff Adjustment in 2008

This table shows the summary of the non-recurring effects, and the adjusted results:

Net Income and Ebitda Adjusted - CEMIG Consolidated

Summary of the non-recurring effects

Valores R\$ milhões	1T09	1T08	Δ%
Lucro Líquido	336	490	-31%
(a) Revisão tarifária - receita líquida	141	(41)	
(b) Revisão tarifária - despesa operacional	(14)	3	
Lucro Líquido ajustado	463	452	2,5%
LAJIDA	781	1.081	-28%
(a) Revisão tarifária - receita líquida	214	(62)	
(b) Revisão tarifária - despesa operacional	(21)	4	
LAJIDA ajustado	974	1.023	-5%

From this point onward in the analysis below, unless otherwise indicated all references to Net revenue, Ebitda and Net Income refer to the reported figure, not the adjusted figure.

Table of Contents

- Our consolidated electricity market

Our consolidated sales in 1Q09 totaled 14,552 GWh, 4% more than in 1Q08.

This market can be separated into three segments: sales to final consumers, sales to other concession holders, and sales on the wholesale Electricity Trading Chamber (CCEE).

Sales to final consumers

Our market in sales to final consumers was 1.6% smaller in 1Q09 than in 1Q08, mainly because consumption by the industrial category of consumers was 8.3% lower while strong growth continued in the residential and commercial consumer categories.

The lower figure directly reflects lower economic activity throughout Brazil and specifically in the State of Minas Gerais, which because it has a strong industrial base, principally in commodities and steel, showed a considerable reduction in its rate of economic growth.

Table of Contents

This table shows the breakdown of our sales to final consumers and YoY changes from 1Q08 to 1Q09:

	MWh		
Electricity volume sold	1Q09	1Q08	Δ%
Residential	2,446,236	2,236,580	9.4%
Industrial	5,593,627	6,101,503	-8.3%
Commercial	1,566,568	1,477,530	6.0%
Rural	455,518	456,423	-0.2%
Other	896,961	868,874	3.3%
Electricity sold to final consumers (MWh)	10,958,930	11,140,910	-1.6%
Own consumption	12,815	13,106	-2.2%
Supply to other concession holders	2,748,037	2,712,266	1.3%
Transactions in electricity on the CCEE	832,304	152,163	447%
TOTAL	14,552,086	14,018,445	3.8%

This chart shows electricity sales by category of consumer:

Sales to final consumers (%)

Table of Contents

Supply to other concession holders

Due to the lower demand from industrial consumers, at the end of 2008 Cemig began to give priority to sales in the regulated market where sales to other electricity distributors are made.

This is reflected by the 1.3% increase in wholesale supply to other concession holders, with a total value of 2,748 GWh in 1Q09. This selling strategy, allied to good selling prices, enabled the Cemig Group to mitigate part of the adverse effects produced by the reduction in demand from industry.

Sales on the CCEE (Electricity Trading Chamber)

In view of the reduction in the demand for electricity from its free consumers, sending reallocated the electricity in the short-term market, through sales on the CCEE, that increased to, due to the higher assured energy in the quarter according the criteria of the interconnected operation of the Hydro Power Plants.

In the first quarter of 2009 these sales totaled 832,304 MWh, 447% more than in 1Q08.

Table of Contents

• **Electricity market: Distribution**

Cemig D

The electricity market of Cemig Distribution (**Cemig D**) showed a substantial increase, of 4.68%, in 1Q09, due to a strong increase in consumption by the residential and commercial consumer categories.

Towards the end of 2008 consumption by industry began to fall significantly, and it was nearly 21% lower in 1Q09 than in 4Q08 though only 3.43% lower in 1Q09 than in 1Q08.

The table shows Cemig D's sales by consumer category:

Electricity sales	CemigD	MWh		
		1Q09	1Q08	Δ%
Residential		1,905	1,730	10.12
Industrial		1,183	1,225	-3.43
Commercial		1,160	1,085	6.91
Rural		452	453	-0.22
Other		707	673	5.05
TOTAL		5,408	5,166	4.68

Table of Contents

Cemig D Breakdown of sales by consumer type (%)

RME LIGHT

The table below shows the sales of Light SESA, a distribution Company operating in Rio de Janeiro State and controlled by Rio Minas Energia (RME), in which Cemig holds a 25% interest.

Light's sales (of which Cemig consolidates 25%, representing its holding in RME), at 1,251 GWh, were 4% higher in 1Q09 than 1Q08. The fall in consumption by industry was offset by growth in the residential and commercial categories.

The main reason for the higher volume sold was climatic – higher average temperature, increasing the demand by the residential sector, in spite of interruption of billing of Energia Plus, which is a package offered to large clients with their own generation capacity during peak consumption hours.

Table of Contents

Electricity sales	Light	MWh		
		1Q09	1Q08	Δ%
Residential		541	507	7%
Industrial		108	113	-4%
Commercial		396	383	3%
Other		206	202	2%
TOTAL		1,251	1,205	4%

For more details on Light's sales see:

http://www.mzweb.com.br/light/web/arquivos/Light_Press_Release_1T09_eng.pdf

- **The electricity market: Generation**

Cemig GT

Cemig sold 7,923 GWh in 1Q09, 4.1% more than in 1Q08 (7,610 GWh).

The increase in the sales volume figure reflects reallocation of sales from the free market to the regulated market and on the CCEE. This strategy enabled the Company to mitigate the effects of the decrease in the rate of growth of the economy of Brazil, and of the State of Minas Gerais.

With this successful strategy Cemig GT achieved net revenue 7% higher in 1209 than in 1Q08. It is important to note that the Company seeks at all times to minimize the risk related to the sale of energy, seeking contracts for the long term and with low flexibility (high Take or Pay) this creates greater predictability and less dependence by the Company on the performance of the market in the short-term.

This table gives the breakdown of Cemig GT's sales by volume:

Table of Contents

	MWh		
Sales of Cemig GT	1Q09	1Q08	Δ%
Free consumers	4,137	4,493	-7.92
Wholesale supply	3,013	2,980	+1,11
TOTAL	7,923	7,610	+3,7

Independent power producers

Cemig is a partner in eight Independent Power Producers, whose sales in 1Q09 were 13% lower year-on-year, reflecting the reduction in sales to the commercial consumer category. This reduction was partly attenuated by the start up of the Cachoeirão plant, which added 8 GWh in independent generation sales.

	GWh		
Independent Generation sales	1Q09	1Q08	Δ%
Horizontes	16	22	-27
Ipatinga	44	84	-48
Sá Carvalho	110	118	-7
Barreiro	23	25	-8
Cemig PCH S.A	29	32	-9
Rosal	55	55	0
Capim Branco	122	131	-7
Cachoeirão	8		
Sales on the CCEE	26	6	+333
TOTAL	433	473	-8%

Table of Contents

- Consolidated operational revenue**

R\$ million	1Q09	1Q08	Δ%
Sales to final consumers	3,041	3,257	-7
TUSD	274	309	-11
Effect of the Definitive Tariff Adjustment	(265)		
Subtotal	3,050	3,566	-14
Wholesale sales, and transactions on CEEE	360	319	13
Revenue for use of the transmission grid	179	172	4
Retail supply of gas	72	92	-22
Others	66	54	22
Subtotal	3,727	4,203	-11
Deductions	(1,361)	(1,448)	-6
Net sales revenue	2,366	2,755	-14

Gross revenue from supply of electricity**Final consumers**

Gross revenue from supply of electricity in 1Q09 was R\$ 3,136,503, 12.27% less than the revenue of R\$ 3,575,243 in 1Q08.

This increase was basically due to the following factors:

- Tariff readjustment of Cemig Distribution (Cemig D), with an average reduction of 12.24% in consumer tariffs, starting from April 8, 2008.
- Volume of energy invoiced to final consumers 1.6% lower (this excludes Cemig's own internal consumption).
- Regulatory liabilities arising from the Company's Tariff Review, backdated to 2009, representing reduction of R\$ 213,803 in gross revenue.

Table of Contents

- Contractual increases in average tariff charged by Cemig GT due to contractual increases (mainly indexed to IGP-M inflation index).

Supply to other concession holders

Revenues from energy sold to other concession holders, bilateral contracts, and sales in the wholesale energy market (CCEE) totaled R\$ 359,504 in 1Q09, 12.82% more than in 1Q08 (R\$ 318,649). This is basically due to sales, in these markets, of part of the electricity previously sold to industrial consumers reflecting the reduction in these consumers demand as a result of the impact of the recession on industry.

Revenue from use of the network

Revenue from use of the network was 6.13%, or R\$ 29,500, lower year-on-year in 1Q09, at R\$ 452,092, compared to R\$ 481,592 in 1Q08. This revenue comes mainly from charges to free consumers on electricity sold by other agents of the electricity sector, and was lower due to lower volume of transport of electricity to these free consumers, reflecting the effect of the recession on Brazilian manufacturing output.

A breakdown of the balance is in Explanatory Note 25 to the Consolidated Quarterly Information.

Table of Contents

- **Ebitda**

Adjusted Ebitda in the first 3 months of 2009 was R\$ 974 million, 4.79% less than in 1Q08 (R\$ 1,023 million).

Cemig's recorded Ebitda in 1Q09 was R\$ 780,684, 27.81% lower than in 1Q08, which posted Ebitda of R\$ 1,081,448.

As part of the tariff review of Cemig D, Aneel included in the tariff to be applied as from April 8, 2009 certain financial items relating to previous business years which resulted in the recognition of regulatory assets and liabilities which will be received and/or discounted in the tariff to be applied in the period April 8, 2009 to April 7, 2010.

The financial items mentioned relate principally to reduction of the costs of the Reference Company used by Aneel in calculating reimbursement to the Company of its controllable costs, with effect backdated to April 2008. Recognition of this non-recurring item results in a *negative* contribution of R\$ 192,816 to Ebitda.

In the previous period the company also made non-recurring adjustments relating to the tariff review, but they had positive effect in the income statement.

Table of Contents

This table shows these non-recurring adjustments:

	1Q09	1Q08	Change, % %
Net Income	336,242	490,280	(31.42)
+ Provision for current and deferred income tax and Social Contribution	187,999	276,097	(31.91)
+ Employees and managers shares in results	27,424	22,058	24.33
+ Financial revenues (expenses)	37,757	79,112	(52.27)
+ Depreciation and amortization	171,042	201,481	(15.11)
+ Minority interests	20,220	12,420	62.80
EBITDA	780,684	1,081,448	(27.81)
Non-recurring items:			
- Tariff review Net revenue	213,803	(62,464)	
+ Tariff review Operational expense	(20,987)	4,330	
= ADJUSTED EBITDA	973,500	1,023,314	(4.87)

(Method of calculation not reviewed by our external auditors.)

• Net Income

Adjusted net Income in 1Q08 was R\$ 463 million, 2.5% higher than in 1Q08 (R\$ 452 million).

Cemig reported a recorded 1Q09 net Income of R\$ 336,242, which is 31.42% lower than its 1Q08 net Income of R\$ 490,280.

This lower Income reflects, mainly, extraordinary adjustments in the first quarter of 2009 as a result of the definitive value decided by Aneel for the Company's Tariff Review, which had a negative impact of R\$ 127 million on the result. An extraordinary positive adjustment, of R\$ 38 million, was made to the income statement of 1Q08, also related to the tariff review.

Table of Contents

- **Deductions from operational revenues**

Deductions from operational revenues in 1Q08 totaled R\$ 1,360,541, 6.07% less than in 1Q08 (R\$ 1,448,478).

Main year-on-year variations in the deductions from revenue:

Fuel Consumption Account CCC

The deduction from revenue for the CCC was R\$ 122.62 million in 1Q09, compared to R\$ 77.23 million in 1Q08, i. e. 58.78% higher. This refers to the operational costs of thermal plants in the Brazilian grid and isolated systems, split pro-rata between electricity concession holders by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity distribution services corresponds to the amount actually passed through to the tariff. For the amount posted in relation to electricity transmission services the Company merely passes through the charge, since the CCC is charged to Free Consumers on the invoice for the use of the basic grid, and passed on to Eletrobrás.

Energy Development Account CDE

The deduction from revenue for the CDE was R\$ 93,462 in 1Q09, 4.03% lower than in 1Q08 (R\$ 97,387). The payments are specified by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity distribution services corresponds to the amount actually passed through to the tariff. For the amount posted in relation to electricity transmission services the Company merely passes through the charge since the CCC is charged to free consumer on the invoice for the use of the grid and passed on to Eletrobrás.

Table of Contents

The other deductions from revenue are for taxes calculated as a percentage of billing, and their variations thus substantially arise from the changes in revenue. It should be noted that the taxes applicable to the extraordinary adjustments mentioned above, and deducted from revenue in 2009, have not been calculated.

- **Non-controllable costs**

Differences between the non-controllable costs assumed in calculating tariff adjustments, and disbursements actually made, are recorded in an account known as the CVA (cost variation account), and their total is offset in subsequent tariff adjustments. CVA amounts are registered in Current and Non-current assets. Complying with the Aneel Chart of Accounts, some items are allocated as Deductions from operational revenue. Further information is given in Explanatory note No. 8 to the Quarterly Information.

As from March 2008 the Company began to receive, in the tariff, the amounts posted in assets under Portion A . The portion of the non-controllable costs which were actually received in the tariff is transferred to Operational expenses.

- **Operational costs and expenses**

(excluding Financial revenue/expenses)

Operational costs and expenses (excluding net financial revenue (expenses)) totaled R\$ 1,756,680 in 1Q09, 6.30% less than in 1Q08 (R\$ 1,874,692). This result basically reflects lower costs of purchase of electricity, post-employment benefits and depreciation. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

The main year-on-year variations in expenses are:

Table of Contents

Personnel expenses

Personnel expenses totaled R\$ 298.02 million in 1Q09, 4.80% higher than in 1Q08 (R\$ 284.36 million). The total reflects these factors:

- Salary adjustment of 7.26% given to the employees of the holding Company, of Cemig D and Cemig GT in November 2008.
- Provision for the Voluntary Dismissal Program (PPD), in the amount of R\$ 6.11 million, in 1Q08, compared to a reversal of provision, of R\$ 2.22 million, in 1Q09.
- Higher transfer of costs from personnel expenses to works in progress (R\$ 25.86 million in 1Q09, vs. R\$ 19.19 million in 1Q08) due to the higher capital expenditure program in 2009.

Further information on the composition of personnel expenses is given in Explanatory Note 28 to the Quarterly Information.

Electricity bought for resale

Expenses on electricity purchased for resale totaled R\$ 671.84 million in 1Q09, 7.38% less than in 1Q07 (R\$ 725,366). This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

Charges for use of the transmission grid

The expense on charges for use of the transmission network in 1Q09 was R\$ 204.19 million in 1Q09, 18.49% more than in 1Q08 (R\$ 172.32 million).

These charges are payable by distribution and generation agents for use of the facilities and components of the national grid, and are set by Aneel resolution. This is a non-controllable cost, with the deduction from revenue recorded corresponding to the value effectively passed through to the tariff.

Table of Contents

Depreciation and amortization

Expense on depreciation and amortization was 15.11% lower, at R\$ 171,042, in 1Q09, than in 1Q08 (R\$ 201,481). This result is substantially due to the depreciation applied to the Special Obligations as from April 2008, the start of the second Tariff Review Cycle.

Post-employment obligations

Expenses on post-employment obligations were 44.89% lower, at R\$ 33.987 million, in 1Q09, than in 1Q08 (R\$ 61.668 million). These expenses basically represent interest on the actuarial liabilities of the Company, net of the expected return on pension plan assets, as estimated by an external actuary. The reduction in this expense reflects the reduction in the updated value of the obligations recorded, as a result of the increase in the interest rate used to discount these obligations to present value.

Operational provisions

Operational provisions in 1Q09 totaled R\$ 53,487, 44.49% less than in 1Q08 (R\$ 96,353). The difference reflects a lower provision for doubtful receivables and litigation contingencies in 2009. See more information in Expansion in its 22 and 28 of the Consolidated Quarterly Information.

Table of Contents

Gas purchased for resale

The cost of gas purchased for resale was R\$ 39.314 million in 1Q09, 26.41% lower than in 1Q08 (R\$ 53.420 million). This reflects lower purchases of gas in 2009, in turn reflecting the effect of the recession on industry.

Outsourced services

Expenses on outsourced services in 1Q09 were R\$ 160.66 million, 10.99% higher than in 1Q08 (R\$ 144.75 million). The difference mainly reflects higher expenditure on maintenance and conservation of electricity facilities and increases in service provision contracts.

• **Financial revenues (expenses)**

The Company posted net financial *expenses* of R\$ 37.76 million for 1Q09, which compares with net financial *expenses* of R\$ 79.11 million in 1Q08. The main factors affecting net financial revenues (expenses) were:

- Revenue from cash investments was 23.24% higher in 1Q09, due to a higher volume of cash invested. In 1Q09 this revenue was R\$ 66.38 million, compared to R\$ 53.86 million in 1Q08.
- Revenue from penalty payments on electricity invoices in arrears in 1Q09, at R\$ 27.51 million, was R\$ 23.20 million less than in 1Q08 (R\$ 50.708 million). This difference is mainly due to higher revenue in Cemig D in 1Q08, on settlement of accounts of large industrial consumers for previous years, in which the value of the principal was considerably less than the amount added in payments for arrears.
- Revenue from monetary updating on the General Agreement for the Electricity Sector 65.83% lower, at R\$ 15,446 in 1Q09, compared to R\$ 45,206 in 1Q08 reflecting the lower value of the regulatory

Table of Contents

assets in 2009, due to the values of the principal regulatory assets previously constituted having been amortized.

- Revenue from monetary updating and interest on the Deferred Tariff Adjustment 93.14% lower, at R\$ 1.78 million, in 1Q09, than in 1Q08 (R\$ 25.90 million), due to the reduction of the asset by receipt of amounts receivable, in electricity invoices. For more information please see Explanatory Note 11 to the Consolidated Quarterly Information (ITR).
- Lower Monetary adjustment on loans and financings, at R\$ 3.82 million in 1Q09 compared with R\$ 24.02 million in 1Q08 reflecting higher variation in inflation indices in 1Q09 than in 1Q08.
- Reversal of a provision of R\$ 8.72 million for losses on free energy, which compares with a provision of R\$ 15.99 million made in 1Q08 this results from an adjustment in the estimate for receipt of amounts from distributors.

For a breakdown of financial revenues and expenses, see Explanatory Note 29 to the Consolidated Quarterly Information.

Income tax and Social Contribution tax

Cemig's expenses on income tax and the Social Contribution tax in 1Q09 totaled R\$ 187,999, on Income of R\$ 571,885, before tax effects, a percentage of 32.87%. In 1Q08, the Company posted expenses on income tax and Social Contribution of R\$ 276,097 million, 34.48% of the pre-tax Income of R\$ 800,855. These effective rates are compared with the nominal rates in Note 10 to the Consolidated Quarterly Information.

Table of Contents

- **Disclaimer**

Some statements and assumptions in this document are projections based on the viewpoint and assumptions of management, and involve risks and uncertainties both known and unknown. Future outcomes may differ materially from those expressed or implicit in such statements.

- **CONTACT:**

Investor Relations
Tel. +55-31-3506-5024

ri@cemig.com.br

Fax +55-31-3506-5025

Table of Contents
CEMIG GT Tables I to III
Chart I
Operating Revenues (consolidated) - CEMIG GT

Values in million of Reais

	1st Q. 2009	1st Q. 2008	2008
Sales to end consumers	412	429	1,934
Supply	357	292	1,220
Revenues from Trans. Network + Transactions in the CCEE	151	150	617
Others	6	7	30
Subtotal	926	878	3,801
Deductions	(194)	(195)	(853)
Net Revenues	732	683	2,948

Chart II
Operating Expenses (consolidated) - CEMIG GT

Values in millions of reais

	1st Q. 2009	1st Q. 2008	2008
Personnel/Administrators/Councillors	69	64	260
Depreciation and Amortization	56	56	224
Charges for Use of Basic Transmission Network	72	64	272
Contracted Services	24	17	114
Forluz Post-Retirement Employee Benefits	7	12	48
Materials	3	3	17
Royalties	35	31	127
Operating Provisions			1
Other Expenses	14	25	102
Purchased Energy	27	(9)	83
Raw material for production		22	83
Total	307	285	1,331

Chart III

Statement of Results (Consolidated) - CEMIG GT

Values in millions of *reais*

	1st Q. 2009	1st Q. 2008	2008
Net Revenue	732	683	2,948
Operating Expenses	(307)	(285)	(1,248)
EBIT	425	398	1,700
EBITDA	481	454	1,924
Financial Result	(50)	(80)	(245)
Provision for Income Taxes, Social Cont & Deferred Income Tax	(137)	(107)	(383)
Employee Participation	(6)	(5)	(86)
Net Income	232	206	986

Table of Contents
CEMIG D - Tables I to IV
Chart I
CEMIG D Market

Quarter	Captive Consumers	(GWh) TUSD ENERGY(1)	T.E.D(2)	GW TUSD PICK(3)
1Q06	4,856	4,053	8,909	17.4
2Q06	4,986	4,207	9,193	17.8
3Q06	5,069	4,286	9,355	18.1
4Q06	5,059	4,194	9,253	18.2
1Q07	4,912	4,128	9,040	18.5
2Q07	5,267	4,438	9,705	19.1
3Q07	5,165	4,516	9,681	19.8
4Q07	5,350	4,457	9,807	20.0
1Q08	5,175	4,082	9,257	20.5
2Q08	5,494	4,364	9,858	20.5
3Q08	5,766	4,597	10,363	21.2
4Q08	5,823	4,368	10,191	21.4
1Q09	5,408	3,269	8,677	20.6

-
1. Refers to the quantity of electricity for calculation of the regulatory charges charged to free consumer clients (Portion A).
 2. Total electricity distributed
 3. Sum of the demand on which the TUSD is invoiced, according to demand contracted (Portion B).

Chart II
Operating Revenues (consolidated) - CEMIG D

Values in million of Reais

	1st Q. 2009	1st Q. 2008	2008
Sales to end consumers	1,803	2,338	8,547
TUSD	262	315	1,397
Subtotal	2,065	2,653	9,944

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Others	32	23	80
Subtotal	2,097	2,676	10,024
Deductions	(911)	(1,028)	(3,877)
Net Revenues	1,186	1,648	6,147

Chart III

Operating Expenses (consolidated) - CEMIG D
Values in millions of reais

	1st Q. 2009	1st Q. 2008	2008
Purchased Energy	506	578	2,417
Personnel/Administrators/Councillors	201	195	748
Depreciation and Amortization	81	110	354
Charges for Use of Basic Transmission Network	120	120	459
Contracted Services	105	100	426
Forluz - Post-Retirement Employee Benefits	23	36	149
Materials	21	22	80
Operating Provisions	16	37	88
Other Expenses	28	32	173
Total	1,101	1,230	4,894

Table of Contents

Chart IV

Statement of Results (Consolidated) - CEMIG D

Values in millions of reais

	1st Q. 2009	1st Q. 2008	2008
Net Revenue	1,186	1,648	6,147
Operating Expenses	(1,101)	(1,230)	(4,894)
EBIT	85	418	1,253
EBITDA	166	528	1,606
Financial Result	(8)	11	(7)
Provision for Income Taxes, Social Cont & Deferred Income Tax	(18)	(142)	(274)
Employee Participation	(19)	(16)	(263)
Net Income	40	271	709

Table of Contents
Cemig consolidated - Tables I to XII
Chart I
Energy Sales (Consolidated)

	Ner. of consumers 1st Quarter		MWh 1st Quarter		R\$ thousand 1st Quarter	
	2009	2008	2009	2008	2009	2008
Residential	9,108,642	8,815,400	2,446,236	2,236,580	1,072,401	1,149,276
Industrial	86,506	86,349	5,593,627	6,101,503	869,588	891,848
Commercial	852,082	832,761	1,566,568	1,477,530	636,899	667,921
Rural	535,560	569,093	455,518	456,423	96,987	137,545
Others	77,338	73,496	896,981	868,874	261,082	269,672
Electricity sold to final consumers	10,660,128	10,377,099	10,958,930	11,140,910	2,936,957	3,116,262
Own Consumption	1,168	1,151	12,815	13,106		
Low-Income Consumers Subsidy					144,203	41,142
Unbilled Supply, Net					(39,536)	99,190
Supply	82	82	2,748,037	2,712,266	270,055	294,355
Transactions on the CCEE			832,304	152,163	89,449	24,294
Final result of CEMIG D second tariff review					(264,625)	
TOTAL	10,661,378	10,378,332	14,552,086	14,018,445	3,136,503	3,575,243

Chart II
Sales per Company
Cemig Distribution

1st Quarter 2009 Sales	GWh
Industrial	1,905
Residencial	1,183
Rural	1,160
Commercial	452
Others	707
Sub total	5,408
Wholesale supply	
Total	5,408

Independent Generation

1st Quarter 2009 Sales	GWh
Horizontes	16
Ipatinga	44
Sá Carvalho	110
Barreiro	23
CEMIG PCH S.A	29
Rosal	55
Capim Branco	8
Total	433

Cemig Consolidated by Company

1st Quarter 2009 Sales	GWh	Participação
Cemig Distribution	5,408	37%
Cemig GT	7,923	54%
Wholesale Cemig Group	1,564	11%
Wholesale Light Group	433	3%
Independent Generation	(665)	-5%
RME	(82)	-1%
Total	14,581	100%

Cemig GT

1st Quarter 2009 Sales	GWh
Free Consumers	4,137
Wholesale supply	3,013
Regulated Market (CCEAR)	2,354
Regulated Market (CCEAR) - Cemig Group	303
Sales to Trading Companies	356
CCEE (Spot)	773
Total	7,923

RME (25%)

1st Quarter 2009 Sales	GWh
Industrial	108
Residential	541
Commercial	396
Rural	3
Others	203
Wholesale supply	281
CCEE (Spot)	32
Total	1,564

Table of Contents**Chart III**

Operating Revenues (consolidated)
Values in million of Reais

	1st Q. 2009	1st Q. 2008	2008
Sales to end consumers	3,041	3,257	12,526
TUSD	274	309	1,432
	(265)		
Subtotal	3,050	3,566	13,958
Supply + Transactions in the CCEE	360	319	1,159
Revenues from Trans. Network	179	172	719
Gas Supply	72	92	385
Others	66	54	267
Subtotal	3,727	4,203	16,488
Deductions	(1,361)	(1,448)	(5,598)
Net Revenues	2,366	2,755	10,890

Chart IV

Operating Expenses (consolidated)
Values in R\$ million

	1st Q. 2009	1st Q. 2008	2008
Purchased Energy	672	725	2,960
Personnel/Administrators/Councillors	298	284	1,105
Depreciation and Amortization	171	201	715
Charges for Use of Basic Transmission Network	204	173	724
Contracted Services	161	145	676
Forluz Post-Retirement Employee Benefits	34	62	264
Materials	26	48	105
Royalties	36	34	131
Gas Purchased for Resale	39	54	229
Operating Provisions	54	96	206
Raw material for production			70
Other Expenses	62	1,875	321
Total	1,757	986	7,506

Table of Contents**Chart V****Financial Result Breakdown**Values in millions of *reais*

	1st Q. 2009	1st Q. 2008	2008
Financial Revenues	209	248	1,094
Income from Investments	66	54	293
Fines on Energy Accounts	28	51	169
CRC Contract/State (interest + monetary variation)	40	39	154
Monetary variation of Extraordinary Tariff Recomposition and RTD	28	78	231
Exchange Rate Variations	21	3	13
PASEP/COFINS	(1)	(4)	(45)
Financial Compensation RME			83
Adjustment to Present Value	1		18
Derivatives	1	7	31
Others	25	20	147
Financial Expenses	(247)	(327)	(1,188)
Charges on Loans and Financing	(200)	(195)	(852)
Monetary variation of Extraordinary Tariff Recomposition	(3)	(17)	(37)
Exchange Rate Variations	2	(10)	(135)
Monetary Variarion Liabilities - Loans and Financing	(4)	(24)	(92)
CPMF		(5)	(4)
Provision for Losses from Tariff Recomposition	9	(16)	(25)
Reversal of provision for PIS and Cofins taxes	(2)		108
Losses from Derivatives	(21)	(12)	
Other	(28)	(48)	(151)
Financial Result	(38)	(79)	(94)

Chart VI**Statement of Results (Consolidated)**Values in millions of *reais*

	1st Q. 2009	1st Q. 2008	2008
Net Revenue	2,366	2,755	10,890
Operating Expenses	(1,757)	(1,875)	(7,506)
EBIT	609	880	3,384
EBITDA	780	1,081	4,099
Financial Result	(38)	(79)	(94)
Provision for Income Taxes, Social Cont & Deferred Income Tax	(188)	(276)	(914)
Employee Participation	(27)	(22)	(370)
Minority Shareholders	(20)	(13)	(119)

Net Income	336	490	1,887
------------	-----	-----	-------

Table of Contents**Chart VII****Statement of Results (Consolidated) - per Company**Values in millions of *reais*

	Cemig H		Cemig D		Cemig GT	
	1st Q. 2009	1st Q. 2008	1st Q. 2009	1st Q. 2008	1st Q. 2009	1st Q. 2008
Net Revenue	2,366	2,755	1,186	1,648	732	683
Operating Expenses	(1,757)	(1,875)	(1,101)	(1,230)	(307)	(285)
EBIT	609	880	85	418	425	398
EBITDA	780	1,081	166	528	481	454
Financial Result	(38)	(79)	(8)	11	(50)	(80)
Provision for Income Taxes, Social						
Cont & Deferred Income Tax	(188)	(276)	(18)	(142)	(137)	(107)
Employee Participation	(27)	(22)	(19)	(16)		
Minority Shareholders	(20)	(13)			232	206
Net Income	336	490	40	271	232	206

Chart VIII**Related party transactions**Values in millions of *reais*

	State of Minas Gerais Government	
	1st Q. 2009	2008
ASSETS		
Current Assets		
Customers and distributors	2	2
Tax Recoverable -		
State VAT recoverable	172	165
Noncurrent assets		
Accounts receivable from Minas Gerais State Government	1,701	1,801
Tax Recoverable -	80	79
VAT recoverable		
Customers and distributors	10	17
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities		
Taxes, fees and charges		
VAT - ICMS payable	287	281
Interest on capital and Dividends		
Debentures	34	33
Credit Receivables Fund (FDIC)	951	990
Financing	10	20

Table of Contents**Chart IX****Share Ownership****Number of shares as of march 31, 2009**

Shareholders	Common	%	Preferred	%	Total	%
State of Minas Gerais	110,540,576	51			110,540,576	22
Southern Electric Brasil Part. Ltda.	71,506,613	33			71,506,613	14
Other:						
Local	22,339,967	10	81,593,702	29	103,933,669	21
Foreigners	12,536,238	6	197,784,417	71	210,320,655	42
Total	216,923,394	100	279,378,119	100	496,301,513	100

* Southern Electric Brasil Participações Ltda

Chart X**BALANCE SHEETS (CONSOLIDATED)
ASSETS****Values in millions of reais**

	1st Q. 2009	2008
CURRENT ASSETS	7,995	7,677
Cash and Cash Equivalents	2,706	2,284
Consumers and Distributors	2,155	2,042
Consumers Rate Adjustment	303	329
Dealership - Energy Transportation	414	463
Dealers - Transactions on the MAE	16	15
Tax Recoverable	980	844
Materials and Supplies	37	36
Prepaid Expenses - CVA	579	779
Tax Credits	297	189
Regulatory Assets		46
Deferred Tariff Adjustment	15	133
Other	493	517
NONCURRENT ASSETS	4,298	3,956
Account Receivable from Minas Gerais State Government	1,771	1,801
Consumers Rate Adjustment	165	219

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Prepaid Expenses - CVA	666	297
Tax Credits	702	748
Dealers - Transactions on the MAE	11	4
Recoverable Taxes	285	272
Escrow Account re: Lawsuits	439	382
Consumers and Distributors	85	90
Other Receivables; Regulatory Assets; Deferred Tariff Adjustment	174	143
	12,834	12,708
Investments	1,144	1,150
Property, Plant and Equipment	11,083	10,954
Intangible	607	604
TOTAL ASSETS	25,127	24,341

Table of Contents**Chart XI**

BALANCE SHEETS (CONSOLIDATED)
LIABILITIES AND SHAREHOLDERS' EQUITY
 Values in millions of reais

	1st Q. 2009	2008
CURRENT LIABILITIES	5,692	5,808
Suppliers	824	892
Taxes payable	810	627
Loan, Financing and Debentures	1,348	1,280
Payroll, related charges and employee participation	253	411
Interest on capital and dividends	960	960
Employee post-retirement benefits	101	83
Regulatory charges	425	488
Other Obligations - Provision for losses on financial instruments	559	578
Regulatory Liabilities - CVA	412	489
NON CURRENT LIABILITIES	9,384	8,839
Loan, Financing and Debentures	6,230	6,064
Employee post-retirement benefits	1,363	1,397
Taxes and social charges	445	372
Reserve for contingencies	691	662
Other	195	187
Prepaid expenses - CVA	460	157
PARTICIPATION IN ASSOCIATE COMPANIES	363	342
SHAREHOLDERS' EQUITY	9,688	9,352
Registered Capital	2,482	2,482
Capital reserves	3,983	3,983
Income reserves	2,860	2,860
Accumulated Income	336	
Funds for capital increase	27	27
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	25,127	24,341

Chart XII

Cash Flow Statement (consolidated)
 Values in million of Reais

	1st Q. 2009	1st Q. 2008
Cash at start of period	2,284	2,066
Cash from operations	638	633
Net income	336	490
Depreciation and amortization	171	201
Suppliers	67	188
Deferred Tariff Adjustment	119	100

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Other adjustments	(55)	(346)
Financing activity	76	(94)
Financing obtained	192	21
Payment of loans and financing	(116)	(115)
Investment activity	(292)	(146)
Investments outside the concession area	22	(12)
Investments in the concession area	(337)	(107)
Special obligations - consumer contributions	23	(27)
Cash at the end of period	2,706	2,459

Table of Contents

2.	Quarterly Financial Information for the quarter ended March 31, 2009, Companhia Energética de Minas Gerais	CEMIG
----	--	-------

Table of Contents

CONTENTS

<u>BALANCE SHEETS</u>	40
<u>INCOME STATEMENTS</u>	42
<u>STATEMENTS OF CASH FLOWS</u>	43
<u>EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)</u>	44
1) <u>OPERATIONAL CONTEXT</u>	44
2) <u>PRESENTATION OF THE QUARTERLY INFORMATION</u>	47
3) <u>CASH AND CASH EQUIVALENTS</u>	49
4) <u>CONSUMERS AND RESELLERS</u>	49
5) <u>REGULATORY ASSETS AND LIABILITIES</u>	50
6) <u>THE EXTRAORDINARY TARIFF RECOMPOSITION, AND PORTION A</u>	50
7) <u>TRADERS TRANSACTIONS IN FREE ENERGY</u>	52
8) <u>ANTICIPATED EXPENSES AND REGULATORY LIABILITIES CVA</u>	53
9) <u>TAXES SUBJECT TO OFFSETTING</u>	53
10) <u>TAX CREDITS</u>	54
11) <u>DEFERRED TARIFF ADJUSTMENT</u>	56
12) <u>CREDIT RECEIVABLES DUE FROM THE MINAS GERAIS STATE GOVERNMENT</u>	56
13) <u>REGULATORY ASSET PIS/PASEP AND COFINS</u>	58
14) <u>INVESTMENTS</u>	59
15) <u>FIXED ASSETS</u>	64
16) <u>INTANGIBLE</u>	65
17) <u>SUPPLIERS</u>	65
18) <u>TAXES, CHARGES AND CONTRIBUTIONS</u>	66
19) <u>LOANS, FINANCINGS AND DEBENTURES</u>	67
20) <u>REGULATORY CHARGES</u>	69
21) <u>POST-EMPLOYMENT OBLIGATIONS</u>	69
22) <u>CONTINGENCIES FOR LEGAL PROCEEDINGS</u>	72
23) <u>STOCKHOLDER S EQUITY AND REMUNERATION TO STOCKHOLDERS</u>	78
24) <u>GROSS SUPPLY OF ELECTRICITY</u>	78
25) <u>REVENUE FOR USE OF THE NETWORK FREE CONSUMERS</u>	79
26) <u>OTHER OPERATIONAL REVENUES</u>	79
27) <u>DEDUCTIONS FROM OPERATIONAL REVENUE</u>	79
28) <u>OPERATIONAL COSTS AND EXPENSES</u>	80
29) <u>NET FINANCIAL REVENUE (EXPENSES)</u>	82
30) <u>RELATED PARTY TRANSACTIONS</u>	83
31) <u>FINANCIAL INSTRUMENTS</u>	84
32) <u>FINAL RESULT OF THE SECOND TARIFF REVIEW OF CEMIG D AND LIGHT SESA</u>	88
33) <u>SUBSEQUENT EVENTS</u>	89
34) <u>INCOME STATEMENTS SEPARATED BY COMPANY</u>	90
<u>CONSOLIDATED ECONOMIC FINANCIAL PERFORMANCE</u>	91

Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008****ASSETS****R\$ 000**

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
CURRENT				
Cash and cash equivalents (Note 3)	2,705,591	2,283,937	214,415	256,906
Consumers and traders (Note 4)	2,155,330	2,042,157		
Extraordinary Tariff Recomposition, and Portion A (Note 6)	302,636	329,350		
Concession holders transport of energy	414,102	463,165		
Taxes subject to offsetting (Note 9)	980,422	843,849	5,191	11,573
Anticipated expenses CVA (Note 8)	579,414	778,545		
Traders Transactions in Free Energy (Note 7)	16,115	15,076		
Tax credits (Note 10)	297,298	188,792	41,899	18,381
Dividends receivable			1,436,468	1,436,822
Regulatory asset PIS, Pasep, Cofins (Note 13)		46,240		
Deferred Tariff Adjustment (Note 11)	14,644	133,423		
Inventories	36,817	35,830	17	17
Other credits	492,655	517,158	19,804	21,582
TOTAL, CURRENT	7,995,024	7,677,522	1,717,794	1,745,281
NONCURRENT				
Noncurrent assets				
Accounts receivable from Minas Gerais State govt. (Note 12)	1,770,926	1,800,873		
Regulatory asset PIS, Pasep, Cofins (Note 13)	46,240			
Credit Receivables Fund (Note 12)			820,008	810,593
Extraordinary Tariff Recomposition, and Portion A (Note 6)	165,296	218,688		
ANTICIPATED EXPENSES CVA (Note 8)	666,496	296,762		
Tax credits (Note 10)	701,843	748,014	128,706	145,976
Traders Transactions in Free Energy (Note 7)	10,640	4,107		
Taxes subject to offsetting (Note 9)	284,935	272,052	189,477	174,109
Deposits linked to legal actions	438,834	382,176	88,946	87,831
Consumers and traders (Note 4)	84,781	90,529		
Other credits	128,412	142,795	72,593	64,866
	4,298,403	3,955,996	1,299,730	1,283,375
Investments (Note 14)	1,147,818	1,149,986	8,210,890	7,861,251
Property, plant and equipment (Note 15)	11,082,829	10,953,527	2,007	2,034
Intangible (Note 16)	602,813	604,437	2,247	2,543
TOTAL, NONCURRENT	17,085,863	16,663,946	9,514,874	9,149,203
TOTAL ASSETS	25,126,887	24,341,468	11,232,668	10,894,484

The Explanatory Notes are an integral part of the financial statements.

Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008****LIABILITIES****R\$ 000**

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
CURRENT				
Suppliers (Note 17)	824,407	891,821	3,212	7,134
Regulatory charges (Note 20)	425,344	488,835		
Profit shares	39,472	116,955	1,490	4,502
Taxes, charges and contributions (Note 18)	810,128	627,333	20,731	31,990
Interest on Equity and dividends payable	960,129	960,129	960,129	960,129
Loans and financings (Note 19)	912,515	881,880	9,417	6,740
Debentures (Note 19)	434,864	398,268		
Salaries and mandatory charges on payroll	214,508	293,894	11,980	16,117
Regulatory liabilities CVA (Note 8)	146,776	488,284		
Regulatory liabilities Tariff Review	264,626			
Post-employment obligations (Note 21)	100,514	83,097	4,016	3,907
Provision for losses on financial instruments (Note 31)	120,048	98,628		
Debt to related parties (Note 30)			10,406	10,003
Other obligations	438,896	478,947	18,903	20,623
TOTAL, CURRENT	5,692,227	5,808,071	1,040,284	1,061,145
NONCURRENT				
Regulatory Liabilities CVA (Note 8)	459,537	156,883		
Loans and financings (Note 19)	4,991,326	4,824,307	73,587	73,587
Debentures (Note 19)	1,238,430	1,240,283		
Taxes, charges and contributions (Note 18)	444,684	371,385		
Contingency provisions (Note 22)	690,570	661,935	378,886	355,153
Post-employment obligations (Note 21)	1,364,171	1,396,704	52,005	52,935
Other obligations	195,192	187,450	30	30
TOTAL, NONCURRENT	9,383,910	8,838,947	504,508	481,705
INTEREST OF NON-CONTROLLING STOCKHOLDERS	362,874	342,816		
STOCKHOLDERS EQUITY (Note 23)				
Registered capital	2,481,508	2,481,508	2,481,508	2,481,508
Capital reserves	3,983,021	3,983,021	3,983,021	3,983,021
Capital reserves	2,859,920	2,859,920	2,859,920	2,859,920
Accumulated Conversion Adjustment	61	61	61	61
Retained earnings	336,242		336,242	
Funds allocated to increase of capital	27,124	27,124	27,124	27,124
TOTAL STOCKHOLDERS EQUITY	9,687,876	9,351,634	9,687,876	9,351,634

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

TOTAL LIABILITIES	25,126,887	24,341,468	11,232,668	10,894,484
-------------------	------------	------------	------------	------------

The Explanatory Notes are an integral part of the financial statements.

Table of Contents**INCOME STATEMENTS****FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008****(In R\$ 000, except profit per share)**

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
OPERATIONAL REVENUE				
Gross supply of electricity (Note 24)	3,136,503	3,575,243		
Revenue for use of the network Free Consumers (Note 25)	452,092	481,592		
Other operational revenues (Note 26)	138,268	146,302	84	97
	3,726,863	4,203,137	84	97
DEDUCTIONS FROM OPERATIONAL REVENUE (Note 27)				
	(1,360,541)	(1,448,478)		
NET OPERATIONAL REVENUE	2,366,322	2,754,659	84	97
OPERATIONAL COSTS				
COST OF ELECTRICITY AND GAS (Note 28)				
Energy purchased for resale	(671,842)	(725,366)		
Charges for the use of the basic transmission grid	(204,191)	(172,324)		
Gas purchased for resale	(39,314)	(53,420)		
	(915,347)	(951,110)		
COST OF OPERATION (Note 28)				
Personnel and managers	(259,691)	(245,204)		
Private Pension Plan entity	(28,778)	(53,499)		
Materials	(26,117)	(25,214)		
Raw materials and inputs for production		(21,785)		
Outsourced services	(134,732)	(117,655)		
Depreciation and amortization	(165,959)	(178,427)		
Operational provisions	(1,735)	(8,116)		
Financial compensation for use of water resources	(36,218)	(33,786)		
Other	(22,605)	(22,020)		
	(675,835)	(705,706)		
TOTAL COST	(1,591,182)	(1,656,816)		
GROSS PROFIT	775,140	1,097,843	84	97
OPERATIONAL COST (Note 28)				
Selling expenses	(41,661)	(54,672)		
General and administrative expenses	(106,276)	(126,159)	(37,467)	(48,730)
Other operational expenses	(17,561)	(37,045)	(2,972)	(1,514)
	(165,498)	(217,876)	(40,439)	(50,244)
Operational profit before equity gains and financial revenues (exp.)				
	609,642	879,967	(40,355)	(50,147)
Equity gain (loss) from subsidiaries			359,737	539,864
Net financial revenue (expenses) (Note 29)	(37,757)	(79,112)	11,839	(4,596)

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Profit before taxes and stockholdings	571,885	800,855	331,221	485,121
Income tax and Social Contribution tax (Note 10)	(270,497)	(331,130)	(1,541)	(8,549)
Income tax and Social Contribution deferred (Note 10)	82,498	55,033	7,464	14,479
Employees and managers shares in results	(27,424)	(22,058)	(902)	(771)
Minority interests	(20,220)	(12,420)		
NET PROFIT FOR THE PERIOD	336,242	490,280	336,242	490,280
NET PROFIT PER SHARE R\$			0.68	1.01

The Explanatory Notes are an integral part of the financial statements.

Table of Contents

STATEMENTS OF CASH FLOWS

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

R\$ 000

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
FROM OPERATIONS				
Net profit for the year	336,242	490,280	336,242	490,280
Expenses (revenues) not affecting Cash and equivalents				
Depreciation and amortization	171,042	201,481	46	74
Net write-offs of fixed assets	5,119	4,925		8
Equity gain from subsidiaries			(359,737)	(539,864)
Interest and monetary variations Noncurrent	(32,213)	17,034	(9,415)	(15,602)
Deferred federal taxes	(82,536)	(55,033)	(7,464)	(14,479)
Provisions for operational losses	65,772	118,844	31,197	64,802
Provision for losses on financial instruments	20,723	5,001		
Provisions for losses in recovery of Extraordinary Tariff				
Recomposition amounts		15,987		4,357
Post-employment obligations	33,987	61,668	1,417	2,796
Minority interests	20,220	12,420		
Other	(8,700)	3,897		
	529,656	876,504	(7,714)	(7,628)
(Increase) reduction of assets				
Consumers and traders	(144,062)	(93,981)		
Extraordinary Tariff Recomposition short term	62,460	95,251		
Amortization of accounts receivable from Minas Gerais State Govt.	69,953	63,151		
Traders transactions on CCEE	2,107	13,521		
Deferred tax credits	85,325	(25,245)	(6,248)	(15,570)
Taxes subject to offsetting	(149,456)	(104,858)	(8,986)	5,603
Transport of energy	49,063	(49,331)		
Other current assets	23,516	(32,032)	1,778	186
Deferred tariff adjustment	118,779	100,416		
Anticipated expenses CVA	(147,632)	(101,941)		
Other noncurrent assets	917	(10,892)	(7,727)	1,270
Payments into Court	(47,082)	5,189	(1,115)	
Dividends received from subsidiaries			(2,642)	70,805
	(76,112)	(140,752)	(24,940)	62,294
Increase (reduction) of liabilities				
Suppliers	(67,414)	(187,969)	(3,922)	(2,668)
Taxes and Social Contribution	197,792	191,108	(11,259)	4,470
Salaries and mandatory charges on payroll	(79,386)	(25,130)	(4,137)	1,283
Regulatory charges	(63,761)	15,386		
Loans and financings	133,657	128,501	2,677	2,391
Post-employment obligations	(27,947)	(62,162)	(2,238)	(2,834)
Anticipated expenses CVA	(38,831)	(7,447)		
Losses on financial instruments	697	3,516		
Other	128,979	(158,480)	(4,329)	(87,764)
	183,786	(102,677)	(23,208)	(85,122)
CASH GENERATED BY OPERATIONS	637,330	633,075		(30,456)
FINANCING ACTIVITIES				

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Financings obtained	192,367	21,213		
Receipt of units in the FIDC				899
Payments of loans and financings	(116,352)	(114,957)		
	76,015	(93,744)		899
TOTAL INFLOW OF FUNDS	713,345	539,331	(55,862)	(29,557)
CAPITAL EXPENDITURE				
On investments	22,350	(12,385)	13,094	70,684
In fixed assets	(336,903)	(106,941)	277	(158)
Special Obligations consumer contributions	22,862	(27,449)		
	(291,691)	(146,775)	13,371	70,526
NET CHANGE IN CASH POSITION	421,654	392,556	(42,491)	40,969
STATEMENT OF CHANGES IN CASH POSITION				
Beginning of period	2,283,937	2,066,219	256,906	21,953
End of period	2,705,591	2,458,775	214,415	62,922
	421,654	392,556	(42,491)	40,969

The Explanatory Notes are an integral part of the financial statements.

Table of Contents

EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)

FOR THE YEAR ENDED DECEMBER 31, 2008

AND QUARTERS ENDED MARCH 31, 2009 AND 2008

In R\$ 000, except where otherwise stated

1) OPERATIONAL CONTEXT

Companhia Energética de Minas Gerais (Cemig or the Holding company), a listed corporation registered in the Brazilian Registry of Corporate Taxpayers (CPNJ) under number 17.155.730/0001-64, operates exclusively as a holding company with stockholdings in companies controlled individually and jointly, the principal objectives of which are the construction and operation of systems for production, transformation, transmission, distribution and sale of electricity, and also activities in the various fields of energy, for commercial operation of those activities.

On March 31, 2009 Cemig had stockholdings in the following **companies in operation** (information on markets served, and installed capacity, has not been reviewed by our external auditors):

- **Cemig Geração e Transmissão S. A. (Cemig GT or Cemig Generation and Transmission)** (subsidiary, 100% stake): Registered with the CVM (Brazilian Securities Commission). Generation and transmission of electricity, through 46 power plants, 43 being hydroelectric, one a wind power plant and two thermal plants, and their transmission lines, most of them part of the Brazilian national generation and transmission grid system. Cemig GT has stockholdings in the following subsidiaries:
- **Hidrelétrica Cachoeirão S. A.** (jointly controlled, 49.00% stake): Production and sale of electricity as an independent power producer, through the Cachoeirão hydroelectric power plant located at Pocrane, in the State of Minas Gerais with installed capacity of 27 MW (information not reviewed by the external auditors). The plant began operating in 2009.

Subsidiaries at pre-operational stage:

Guanhães Energia S. A. (jointly controlled 49.00% stake): Production and sale of electricity through building and commercial operation of the following Small Hydro Plants: *Dores de Guanhões*; *Senhora do Porto*; and *Jacaré*, located in the municipality of Dores de Guanhões; and *Fortuna II*, located in the municipality of Virgíópolis, both in Minas Gerais State. The plants are at construction phase, with operational startup scheduled for 2009, and have totaled installed capacity of 44 MW.

Central Baguari Energia S. A (subsidiary 100% stake): Production and sale of electricity as an independent producer in future projects.

Madeira Energia S. A. (jointly controlled 10.00% stake): Implementation, construction, operation and commercial operation of the *Santo Antônio Hydroelectric Plant* in the Madeira River Basin, in the State of Rondônia, with generation capacity of 3,150 MW (information not audited) and commercial startup scheduled for 2012.

Hidrelétrica Pipoca S. A. (jointly controlled, 49.00% stake): Independent production of electricity, through construction and commercial operation of the *Pipoca Small Hydro Plant*, with 20,000 kW of installed capacity, located on the Manhuaçu River, in the Municipalities of Caratinga and Ipanema, in the State of Minas Gerais. Operational startup is scheduled for April 2010.

Table of Contents

Baguari Energia S. A. (jointly controlled, 69.39% stake): Construction, operation, maintenance and commercial operation of the *Baguari Hydroelectric Plant*, through its participation in the **UHE Baguari Consortium** (Baguari Energia 49.00%, **Neoenergia** 51.00%), with 140 MW of installed capacity, located on the Doce River in Governador Valadares, Minas Gerais State. Operational startup is planned for October 2009 (1st unit), December 2009 (2 nd unit), and February 2010 (3rd unit).

Empresa Brasileira de Transmissão de Energia S. A. (**EBTE**) (jointly-controlled 49.00% stake): Holder of public service concession for electricity transmission, through transmission lines in the State of Mato Grosso. Operational startup is scheduled for June 2010.

- **Cemig Distribuição S. A. (Cemig D or Cemig Distribution)** (subsidiary 100% stake): registered with the CVM (Brazilian Securities Commission). Distribution of electricity through distribution networks and lines in approximately 97.00% of the Brazilian State of Minas Gerais.

- **Rio Minas Energia Participações (RME)** (jointly-controlled 25.00% stake): RME holds 52.13% of the registered capital of **Light S. A. (Light)**, a holding company owning 100% of the distribution concession holder **Light Serviços de Eletricidade S. A. (Light SESA)**, with 3.9 million consumers in 31 municipalities of the State of Rio de Janeiro, and of the generating company **Light Energia S. A.**, with generating capacity of 855 MW.

- **Sá Carvalho S. A.** (subsidiary 100% stake): Production and sale of electricity, as a holder of a concession for public electricity service, through the *Sá Carvalho Hydroelectric Power Plant*.

- **Usina Térmica Ipatinga S. A.** (subsidiary 100% stake): Production and sale, under the independent production regime, of thermally produced electricity, through the *Ipatinga Thermal Plant*, located on the premises of **Usiminas** (Usinas Siderúrgicas de Minas Gerais S. A.).

- **Companhia de Gás de Minas Gerais Gasmig (Gasmig)** (jointly controlled 55.19% stake): Acquisition, transport and distribution of combustible gas or sub-products and derivatives, through concession for distribution of gas in the State of Minas Gerais.

- **Empresa de Infovias S. A. (Infovias)** (subsidiary 100% stake): Provision and commercial exploration of a specialized service in the area of telecommunications, by means of an integrated system consisting of fiber optic cables, coaxial cables, electronic and associated equipment (multi-service network).

- **Efficientia S. A.** (subsidiary 100% stake): Provides electricity efficiency and optimization services and energy solutions through studies and execution of projects, as well as providing services of operation and maintenance in energy supply facilities.
- **Horizontes Energia S. A.** (subsidiary 100% stake): Production and sale of electricity, in the independent product mode, through the *Machado Mineiro* and *Salto do Paraopeba Hydroelectric Plants*, in the State of Minas Gerais, and the *Salto do Voltão* e *Salto do Passo Velho Hydroelectric Plants*, in the State of Santa Catarina.
- **Central Termelétrica de Cogeração** (subsidiary 100% stake): Production and sale of thermally generated electricity as an independent power producer in future projects.
- **Rosal Energia S. A.** (subsidiary 100% stake): Production and sale of electricity, as a public electricity service concession holder, through the *Rosal Hydroelectric Plant* located on the border between the States of Rio de Janeiro and Espírito Santo.

Table of Contents

- **Central Hidrelétrica Pai Joaquim S. A.** (subsidiary 100% stake): Production and sale of electricity as an independent producer in future projects.
- **Cemig PCH S. A.** (subsidiary 100% stake): Production and sale of electricity as an independent power producer, through the *Pai Joaquim Hydroelectric Plant*.
- **Cemig Capim Branco Energia S. A.** (subsidiary 100% stake): Production and sale of electricity as an independent producer, through the *Capim Branco I and II Hydroelectric Plants*, built through a consortium with private-sector partners.
- **UTE Barreiro S. A** (subsidiary 100% stake): Production and sale of thermally generated electricity, as an independent producer, through the construction and operation of the *UTE Barreiro Thermal Generation Plant*, located on the premises of **Vallourec & Mannesmann Tubes**, in the State of Minas Gerais.
- **Companhia Transleste de Transmissão** (jointly controlled 25.00% stake): Operation of a 345 kV transmission line connecting the substation located in Montes Claros to the substation of the *Irapé Hydroelectric Plant*.
- **Cemig Trading S. A.** (subsidiary 100% stake): Sale and intermediation of business transactions related to energy.
- **Companhia Transudeste de Transmissão** (jointly controlled 24.00% stake): Construction, implementation, operation and maintenance of the electricity transmission facilities of the national grid the 345 kV *Itutinga Juiz de Fora transmission line*.
- **Companhia Transirapé de Transmissão** (jointly controlled 24.50% stake): Construction, implementation, operation and maintenance of the electricity transmission facilities of the national grid the 230 kV *Irapé Araçuaí transmission line*.
- **Empresa Paraense de Transmissão de Energia S. A. (EPTE)** (jointly controlled 19.26% stake): Holder of a public service electricity transmission concession for the 500 kV transmission line in the State of Pará.

- Empresa Norte de Transmissão de Energia Empresa Norte de Transmissão de Energia S. A. (**ENTE**) (jointly controlled 18.35% stake): Holder of a public service electricity transmission concession for two 500 kV transmission lines in the State of Pará and in the State of Maranhão.
- Empresa Regional de Transmissão de Energia Empresa Regional de Transmissão de Energia S. A. (**ERTE**) (jointly controlled 18.35% holding): Holder of a public service electricity transmission concession, for the 230 kV transmission line in the State of Pará.
- Empresa Amazonense de Transmissão de Energia S. A. (**EATE**) (jointly controlled 17.17% stake): Holder of the public service electricity transmission concession, for the 500 kV transmission lines between the sectionalizing substations of Tucuruí, Marabá, Imperatriz, Presidente Dutra and Açailândia.
- Empresa Catarinense de Transmissão de Energia S. A. (**ECTE**) (jointly controlled, with 7.50% stake): holder of the public service electricity transmission service concession, through 525 kV transmission lines in the State of Santa Catarina.
- **Axxiom Soluções Tecnológicas S. A. (Axxiom)** (jointly controlled 49.00% stake): Formed in August 2007 to provide systems implementation and management services to electricity sector companies.

Table of Contents

Pre-operational companies: Cemig also has stockholdings in the companies listed below, which on March 31, 2009 were at **pre-operational** stage:

- **Companhia de Transmissão Centroeste de Minas** (jointly controlled 51.00% stake): Construction, implementation, operation and maintenance of electricity transmission facilities of the basic network of the national grid the 345 kV *Furnas Pimenta transmission line*.
- **Transchile Charrúa Transmisión S. A.** (**Transchile**) (jointly controlled 49.00% stake): Implementation, operation and maintenance of the *Charrúa Nueva Temuco 220 kV transmission line* and two sections of transmission line at the Charrúa and Nueva Temuco substations, in the central region of Chile. The head office of Transchile is in Santiago, Chile.

Where **Cemig** exercises joint control it does so through stockholders' agreements with the other stockholders of the investee company.

2) PRESENTATION OF THE QUARTERLY INFORMATION

The quarterly financial statements were prepared according to accounting principles adopted in Brazil, namely: the Brazilian Corporate Law; the Statements, Orientations and Interpretations issued by the Accounting Statements Committee; rules of the Brazilian Securities Commission (CVM - *Comissão de Valores Mobiliários*); and rules of the specific legislation applicable to holders of electricity concessions, issued by the National Electricity Agency, Aneel.

The quarterly information has been prepared according to accounting principles, methods and criteria that are uniform in relation to those adopted in the previous business year. In accordance with that, the quarterly information must be read with the financial information of the previous year.

Additionally, to maximize information provided to the market, the company is presenting, in Explanatory Note 33, income statements separated by company. All the information presented was obtained from the accounting records of the Company and its subsidiaries.

Law 11.638/07 alters and repeals provisions, and creates new provisions, in the Brazilian Corporate Law, in the chapter relating to disclosure and preparation of financial statements. Among other aspects, this changes the criterion for recognition and valuation of certain assets and liabilities. The aim of these changes is to increase the transparency of financial statements of Brazilian companies and eliminate some regulatory barriers that were an obstacle to the process of convergence of these financial statements with International Financial Reporting Standards (IFRS):

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Law 11.638/07 and Provisional Measure 449/08 alters the Law 6.404/76 the aspects related to the Financial Statements.

In the Financial Statement of 2008, the Company has adopted for the first time the changes in the Brazilian Corporate Law made by Law 11.638 approved on December 28, 2007, with the respective changes made by the Provisional Measure 449 on December 3, 2008.

Table of Contents

The effects in the quarterly statement because of the changes in the Corporate Law were basically, (i) the present value and (ii) financial instruments, and the impact in the net profit of the quarterly ended on March 31, 2008 were in the amount of R\$6,632 and R\$13,775, respectively, and those were not adjusted in the quarterly information for comparative because the amounts were imaterial.

Criterion for consolidation of the Quarterly Information

The financial statements of the subsidiaries and jointly controlled companies mentioned in Explanatory Note 1 were consolidated. The data of the controlled subsidiaries as a whole was consolidated based on the method of proportional consolidation, applicable to each component of the financial statements of the investees. All the subsidiaries, including those that are jointly controlled, follow accounting practices that are consistent with those of the holding company.

In the consolidation, the holding company's interests in the Stockholders' equity of investee companies, and the significant balances of assets, liabilities, revenues and expenses arising from transactions between the companies, have been eliminated.

The portion relating to the minority holdings in Stockholders' equity of the subsidiaries is shown separately in Liabilities.

The financial statements of **Transchile**, for the purpose of consolidation, are converted from Chilean accounting principles to Brazilian accounting principles, with Chilean pesos being converted to Reais based on the final exchange rate of the quarter, since the functional currency of Cemig is the Real.

The dates of the financial statements of the investee companies used for calculation of equity income and consolidation coincide with those of the holding company.

Table of Contents**3) CASH AND CASH EQUIVALENTS**

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Bank accounts	91,316	330,772	4,283	17,361
Cash investments				
Bank deposit certificates	2,514,592	1,871,418	209,892	239,317
Treasury Financial Notes (LFTs)	42,448	46,463	127	118
National Treasury Notes (LTNs)	232	585	1	1
Other	57,023	34,699	112	109
	2,614,275	1,953,165	210,132	239,545
	2,705,591	2,283,937	214,415	256,906

Cash investments are transactions carried out with Brazilian financial institutions, contracted on normal market terms and conditions. They are highly liquid, promptly convertible into a known amount of cash, and are subject to an insignificant risk of change in value.

The financial investments are, substantially, bank certificates of deposit and fixed income funds, remunerated, substantially, by indexation to the rate paid on CDIs (interbank certificates of deposit), at returns varying from 101.00% to 103.00% of the CDI rate.

4) CONSUMERS AND RESELLERS**Current assets**

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Retail supply invoiced	1,832,537	1,765,874	51,114	52,366
Retail supply not invoiced	649,313	676,463		
Wholesale supply to other concession holders	62,215	18,312		
(-) Provision for doubtful receivables	(388,735)	(418,492)	(51,114)	(52,366)
	2,155,330	2,042,157		

Receivables in the amount of R\$ 10,416 are recorded in Noncurrent assets at March 31, 2009 (R\$ 17,380 at December 31, 2008), in relation to the renegotiation of receivables owed by Copasa (Minas Gerais Water Company) and other consumers, to be paid by September 2012.

Credits receivable from an industrial consumer in the amount of R\$ 92,880 on March 31, 2009 refer to credits from an industrial consumer of Cemig D and Cemig GT, and not paid due to an injunction that allowed this payment not to be made until final judgment of a legal action challenging the tariff increase effected by Ministerial Order 045/86 during the Cruzado Economic Plan, are recorded in the accounts. The

Company expects these amounts to be received in full.

In compliance with rules laid down by Aneel, the criteria for constitution of provisions are as follows: (i) for consumers with significant debts payable, an individual analysis is made of the balance, taking into account the history of default, negotiations in progress and the existence of real guarantees; (ii) for other consumers, the debts receivable and unpaid for more than 90 days from residential consumers, more than 180 days from commercial consumers and more than 360 days for the other consumer categories, are provisioned in full.

The provision for doubtful credits made is considered to be sufficient to cover any losses in the realization of these assets.

Table of Contents**5) REGULATORY ASSETS AND LIABILITIES**

The General Agreement for the Electricity Sector, signed in 2001, and the new regulations governing the electricity sector, result in the constitution of several regulatory assets and liabilities, and also in deferral of federal taxes applicable to these assets and liabilities (which are settled as and when the assets and liabilities are received and/or paid), as shown here:

	Consolidated	
	03/31/2009	12/31/2008
Assets		
Portion A Note 6	467,932	548,038
Traders transactions in free energy during the rationing program Note 7	26,755	19,183
Deferred tariff adjustment Note 11	14,644	133,423
PIS, Cofins, Pasep taxes Note 13	46,240	46,240
Pre-paid expenses CVA Note 8	1,245,909	1,075,307
Review of Tariff for use of the Distribution System (TUSD)	3,089	3,089
Discounts on the TUSD		25,095
Recovery of discounts on the TUSD	13,712	19,295
TUSD discounts Source with incentive		27,203
TUSD discounts Self-Producers and Independent Producers		19,514
Low-income subsidy	129,454	92,191
<i>Light for Everyone (Luz para Todos) Program.</i>	981	13,626
Other regulatory assets	18,199	3,082
	1,966,915	2,025,286
Liabilities		
Purchase of electricity during the rationing period Note 17	(17,476)	(23,749)
Revision of transmission revenue	(3,691)	(7,662)
Amounts to be restituted in the tariff CVA Note 8	(606,313)	(645,167)
Review of Tariff for use of the Distribution System (TUSD)	(14,444)	(17,519)
CCEAR contract exposure between Sub-markets	(22,285)	
Adjust in the reference company (pro rata)	(104,459)	
Financial adjustment for the 2008 Tariff Review	(160,167)	
Other regulatory liabilities	(8,494)	(6,630)
	(937,329)	(700,727)
Taxes, charges and contributions deferred obligations - Note 18	(37,399)	(89,281)
	(974,728)	(790,008)
Total	992,187	1,235,278

6) THE EXTRAORDINARY TARIFF RECOMPOSITION, AND PORTION A

The Brazilian federal government, through the Electricity Emergency Chamber (GCE), signed an accord with the electricity distributors and generators in 2001, named The General Agreement for the Electricity Sector, which defines criteria to ensure economic-financial equilibrium of the concession contracts and re-composition of the revenues and extraordinary losses relating to the period of the Brazilian Rationing Program, through a system known as the *Extraordinary Tariff Recomposition* (RTE), granted to compensate the variation of Portion A non-manageable costs taking place in the period January 1 to October 25, 2001

a) The Extraordinary Tariff Recomposition (RTE)

The RTE came into effect on December 27, 2001, through the following tariff adjustments:

- Adjustment of 2.90% for consumers in the residential classes (excluding low-rental consumers), and the rural, public-illumination and industrial high-voltage consumer classes for whom the cost of electricity represents 18.00% or more of the average cost of production and who or which meet certain requirements related to load factor and electricity demand, specified in the Resolution.
- Increase of 7.90% for other consumers.

Table of Contents

The RTE is being used to compensate the following items:

- Losses of invoiced sales revenue in the period from June 1, 2001 to February 28, 2002, corresponding to the difference between estimated revenue if the rationing program had not been put in place and the actual revenue while the program was in place, according to a formula published by Aneel. Calculation of this value did not take into account any losses from default by consumers.
- Passthrough to be made to the generators who bought energy for more than R\$ 49.26/MWh (free energy) from June 1, 2001 to February 28, 2002 in the Wholesale Electricity Market (MAE) (which was succeeded in 2004 by the Electricity Sale Chamber CCEE).

The period of validity of the RTE of Cemig D and of Light Serviços de Eletricidade S. A. (Light SESA), of 74 months, expired in February 2008.

b) Portion A

The items of Portion A are defined as being the sum of the differences, positive or negative, in the period January 1 to October 25, 2001, between the amounts of the non-manageable costs presented as the basis of the calculation for determination of the last annual tariff adjustment and the disbursements which effectively took place in the period.

The recovery of Portion A began in March 2008, shortly after the end of the period of validity of the RTE, using the same recovery mechanisms, that is to say, the adjustment applied to tariffs for compensation of the amounts of the RTE will continue in effect for compensation of the items of Portion A .

The Portion A credits are updated by the variation in the Selic rate up to the month in which they are actually offset.

As and when amounts of Portion A are received through the tariff, Cemig transfers those amounts from Assets to the Income statement, as follows: The amounts transferred by Cemig D in 2009 are as follows:

Amounts transferred to expenses	03/31/2009
Energy bought for resale	45,408
CCC	20,107
RGR Global Reversion Reserve	2,009

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Tariff for transport of electricity from Itaipu	775
Tariff for use of national grid transmission facilities	5,193
Financial compensation for use of water resources	1,784
Connection Realization of Portion A	110
Electricity service inspection charge	188
	75,574

Table of Contents**c) Composition of the balances of Portion A**

The amounts to be received in relation to the RTE and Portion A, recorded in Assets, are:

	03/31/2009	Consolidated 12/31/2008
Cemig Distribuição S. A.		
Compensation for items of Portion A	796,762	782,525
Amounts raised	(343,039)	(267,465)
Total of Portion A	453,723	515,060
RME Light Energia		
Portion A	14,209	32,978
	14,209	32,978
Total of Portion A	467,932	548,038
Current assets	302,636	329,350
Noncurrent assets	165,296	218,688

7) TRADERS TRANSACTIONS IN FREE ENERGY

The entitlements of the subsidiary **Cemig Geração e Transmissão (Cemig GT)** in relation to the transactions in free energy in the Electricity Trading Chamber (CCEE, formerly MAE) during the Rationing Program are as follows:

	03/31/2009	Consolidated 12/31/2008
ASSETS		
Amounts to be received from distributors	44,152	45,302
Provision for losses in realization	(17,397)	(26,119)
	26,755	19,183
Current	16,115	15,076
Noncurrent	10,640	4,107

The amounts to be received refer to the difference between the prices paid by Cemig GT in the transactions in energy on the CCEE/MAE, during the period when the Rationing Program was in force, and R\$ 49.26/MWh, and are to be reimbursed through the amounts raised by means of the RTE, as defined in the General Accord for the Electricity Sector.

Under Aneel Resolution 36 of January 29, 2003, since March 2003 the electricity distributors raise and passthrough the amounts obtained monthly by means of the RTE to the generators and distributors who have amounts to be received, which include Cemig GT.

The entitlements of the subsidiary Cemig GT are updated by the variation in the Selic rate plus 1.00% interest per year.

The conclusion of some court proceedings in progress, brought by market agents, in relation to the interpretation of the rules in force at the time of the realization of the transactions in the ambit of the CCEE/MAE, may result in changes in the amounts recorded.

Provision for losses in realization

The provision constituted at present, in the amount of R\$ 17,397, represents the losses expected as a result of the period of receipt of the RTE from the distributors who are still passing funds through to the company not being sufficient, in the company's estimation, for passthrough of the total of the amounts owed.

Table of Contents**8) ANTICIPATED EXPENSES AND REGULATORY LIABILITIES CVA**

The balance on the Account to Compensate for Variation of Portion A items (the CVA account) refers to the positive and negative variations between the estimate of Cemig's non-manageable costs, used for deciding the tariff adjustment, and the payments actually made. The variations ascertained are compensated in the subsequent tariff adjustments.

The balance on the CVA is shown below:

	03/31/2009	Consolidated 12/31/2008
Cemig Distribuição S. A. (Cemig D)	573,042	379,728
RME Light	66,555	50,412
	639,597	430,140
Current assets	579,414	778,545
Noncurrent assets	666,496	296,762
Current assets	(146,776)	(488,284)
Noncurrent liabilities	(459,537)	(156,883)
Net amounts	639,597	430,140

9) TAXES SUBJECT TO OFFSETTING

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Current				
ICMS tax recoverable	203,280	196,261	3,806	3,806
Income tax	520,380	399,104		
Social Contribution tax	175,704	126,188		
Pasep tax	8,130	14,471		1,132
Cofins tax	57,254	93,130		5,250
Other	15,674	14,695	1,385	1,385
	980,422	843,849	5,191	11,573
Noncurrent				
ICMS tax recoverable	95,884	97,372	426	426
Income tax	178,121	163,276	178,121	163,276
Social Contribution tax	10,930	10,407	10,930	10,407
Pasep and Cofins taxes		997		
	284,935	272,052	189,477	174,109
	1,265,357	1,115,901	194,668	185,682

The Pasep and Cofins credits arise from payments made in excess by the company as a result of adoption of the non-cumulative regime for revenues from the transmission companies whose supply contracts were made before October 31, 2003, and which, under regulations

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

subsequently made by the Brazilian Federal Revenue authority, were allowed to be revised and to qualify under the cumulative regime. As a consequence of this revision, the restitution of tax amounts paid in excess in previous business periods was permitted.

The balances of income tax and Social Contribution refer to tax credits in corporate income tax returns of previous years, and payments made in 2009, which will be offset against federal taxes payable for the year 2009, recorded in Taxes, charges and contribution .

The credits of ICMS recoverable, posted in Noncurrent assets, arise from acquisitions of fixed assets and are offset in 48 months.

Table of Contents**10) TAX CREDITS****Deferred income tax and Social Contribution tax**

Cemig and its subsidiaries have deferred income tax credits posted in Current assets and Noncurrent assets, constituted at the rate of 25.00%, and deferred Social Contribution tax credits, at the rate of 9.00%, as follows:

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Tax credits on temporary differences:				
Tax loss/negative base	262,014	234,346	41,534	41,676
Contingency provisions	206,969	197,415	107,884	100,296
Provisions for losses on realization of amounts receivable under the Extraordinary Tariff				
Recomposition and free energy	11,857	46,540		
Provision for the Tariff Adjustment Index	87,143			
Post-employment obligations	93,852	95,686	3,280	3,439
Provision for doubtful receivables	152,748	163,509	17,379	17,805
Provision for Pasep and Cofins Extraordinary				
Tariff Recomposition	1,577	5,349		
Provision for non-recovery of tax credits Light	(29,616)	(29,616)		
Financial Instruments	65,045	57,136		
FX variation	110,740	109,385		
Other	36,812	57,056	528	1,141
	999,141	936,806	170,605	164,357
Current assets	297,298	188,792	41,899	18,381
Noncurrent assets	701,843	748,014	128,706	145,976

At its meeting on February 12, 2009, the Board of Directors approved the technical study prepared by the Office of the Chief Officer for Finance, Investor Relations and Control of Holdings on the forecasts for future profitability adjusted to present value, which show capacity for realization of the deferred tax asset in a maximum period of 10 years, as defined in CVM Instruction 371. This study included Cemig and its subsidiaries Cemig GT and Cemig D, and was submitted for examination by the Audit Board of Cemig on February 05, 2009,

In accordance with the individual estimates of Cemig and its subsidiaries, future taxable profits enable the deferred tax asset existing on March 31, 2009 to be realized according to the following estimate:

	Consolidated	Holding company
2009	250.982	31.541
2010	269.003	41.432
2011	134.998	29.038

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

2012	115.630	29.038
2013	124.026	32.133
2014 to 2016	62.947	6.766
2017 and 2018	71.171	657
() Provision for non-recovery of tax credits RME/Light	(29.616)	
	999.141	170.605

As well as the provision for non-recovery of tax credits of Light, on March 31, 2009 the holding company had tax credits not recognized in its financial statements, in the amount of R\$409,375 (R\$ 445,386 on December 31, 2008).

The credits not recognized refer basically to the effective loss arising from the assignment of the credits of accounts receivable from the state government to the Credit Receivables Fund in the first quarter of 2006 (as per Explanatory Note 14). As a result of this assignment the provision for losses on recovery of the amounts constituted in previous years became deductible for the purposes of income tax and Social Contribution. The portion not recognized in relation to this issue is R\$ 437,509.

Table of Contents

Considering that the Brazilian tax legislation allows companies to benefit from payment of Interest on Equity and to deduct such payments from their taxable profit, Cemig adopted the tax option of paying Interest on Equity to its stockholders. In accordance with its tax planning, after the offsetting in the coming years of the offsetable taxes recorded, Cemig will pay Interest on Equity in an amount that will reduce its taxable profit to an amount close to or equal to zero. As a consequence, this alternative will eliminate the payment of income tax and the Social Contribution tax by the Holding Company, and the tax loss carryforwards not recognized will not be recovered.

b) Reconciliation of the expense on income tax and Social Contribution:

The reconciliation of the nominal expense on income tax (rate 25%) and Social Contribution (rate 9%) with the actual expense shown in the Income Statement is as follows:

	Consolidated		Holding company	
	1Q09	1Q08	1Q09	1Q08
Profit before income tax and Social Contribution tax	571,885	800,855	331,221	485,121
Income tax and Social Contribution nominal expense	(194,339)	(272,291)	(112,615)	(164,941)
Tax effects applicable to:				
Equity gain (loss) from subsidiaries			122,311	183,554
Reversal relating to Social Contribution tax on complementary monetary adjustment		(8,549)		(8,549)
Employees profit shares	9,386	7,500	307	262
Non-deductible contributions and donations	(735)	(1,065)	(82)	(51)
Tax incentives	2,778		7	
Tax credits not recognized	709	(3,329)	29	(3,329)
Amortization of goodwill	(1,387)	(1,387)	(1,387)	(1,387)
Adjustment to income tax and Social Contribution previous business year	(12,369)			
Other	8,058	3,024	(2,647)	371
Income tax and Social Contribution effective expense	(187,999)	(276,097)	5,923	5,930

c) The transition tax regime

Provisional Measure 449/2008, of December 3, 2008, instituted the Transition Taxation Regime (RTT), which aims to neutralize the impacts of the new accounting methods and criteria introduced by Law 11.638/07, in calculation of the taxable amounts for federal taxes.

Application of the RTT is optional for the years 2008 and 2009, and applies to corporate entities subject to Corporate Income Tax (IRPJ), in accordance with the two tax reporting methods: *real profit* or *presumed profit*. The taxpayer must state a choice in relation adoption of the RTT in the Corporate Income Tax Return (DIPJ) for 2009, this regime being optional for 2008 and 2009. Starting in 2010, adoption of the RTT becomes obligatory, until the law that regulates the tax effects of the new accounting methods and criteria comes into effect.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

For the companies that adopt the RTT, the changes introduced by Law 11638/07, as amended by MP 449/08, which change the criteria for recognition of revenues, costs and expenses computed in calculation of the net profit for the period, do not apply to calculation of the *real profit* of legal entities, the accounting methods and criteria in effect on December 31, 2007 being used for tax purposes.

Based on an initial assessment, the Company has reflected in its accounting statements the effects of the adoption of the RTT, and additional studies will be carried out before the delivery of the DIPJ for 2009.

Table of Contents

11) DEFERRED TARIFF ADJUSTMENT

Aneel, through Homologating Resolution 71, published with effect backdated to April 4, 2004, defined the results of the Periodic Tariff Review of **Cemig D**.

The average adjustment applied to Cemig's tariffs on April 8, 2003, on a provisional basis, was 31.53%. However Resolution 71 laid down that the final tariff repositioning for Cemig was an increase of 44.41%, and that the percentage difference of 12.88% was to be compensated in tariffs. The last portion for receipt of the difference between the tariff adjustments was included in the tariff adjustment that took place on April 8, 2008.

The difference between the tariff level to which Cemig Distribuição has the right and the tariff actually charged to consumers is recognized as a Regulatory Asset.

The amounts relating to the Deferred Tariff Adjustment are updated in monetary terms by the IGPM inflation index plus interest of 11.26% per year.

	1Q09	Consolidated 12/31/2008
Deferred Tariff Adjustment since April 8, 2003	949.612	949.612
Interest (defined by Aneel 11.26% p. a.)	475.502	447.881
Monetary updating IGP-M Inflation Index	226.844	201.967
() Amounts raised through tariffs	(1.637.314)	(1.466.037)
	14.644	133.423

12) CREDIT RECEIVABLES DUE FROM THE MINAS GERAIS STATE GOVERNMENT

The outstanding credit balance receivable on the CRC (Results Compensation) Account was passed to the State of Minas Gerais in 1995, under an agreement to assign that account (the CRC Contract), in accordance with Law 8724/93, for monthly amortization over 17 years starting on June 1, 1998, with annual interest of 6% plus inflation correction by the Ufir index.

On January 24, 2001 the First Amendment was signed, replacing the inflation indexation unit in the contract, which was the Ufir, with the IGP-DI, backdated to November 2000, due to the abolition of the Ufir in October 2000.

In October 2002 the Second and Third Amendments to the CRC Contract were signed, establishing new conditions for the amortization of the credits receivable from the Minas Gerais State Government. The main clauses were: (i) a monetary updating by the IGP-DI inflation index;

(ii) amortization of the two amendments by May 2015; (iii) interest rates of 6.00% and 12.00% for the first and second amendments, respectively; and (iv) guarantee of 100% retention of the dividends owed to the State Government for settlement of the third amendment.

a) The Fourth Amendment to the CRC contract

As a result of default in the receipt of the credits referred to in the Second and Third Amendments, the Fourth Amendment was signed with the aim of making possible the full receipt of the CRC through retention of dividends as and when the government of the state becomes entitled to them. This agreement was approved by the Extraordinary General Meeting of Stockholders completed on January 12, 2006.

The Fourth Amendment to the CRC contract had backdated effect on the outstanding balance existing on December 31, 2004, and consolidated the amounts receivable under the Second and Third Amendments, corresponding to R\$ 4,151,030 on March 31, 2009.

Table of Contents

This amendment commits the government of the state to amortize the debit in 61 consecutive half-yearly installments, becoming due by June 30 and December 31 of each year, over the period from June 2005 to June 2035 inclusive. The amounts of the portions for amortization of the principal, updated by the IGP-DI index, increase over the period, from R\$ 28,828 for the first, to R\$ 92,117 for the sixty-first (in currency of March 31, 2009).

The debt will primarily be amortized by means of retention of 65.00% of the minimum obligatory dividends payable to the state government. If the amount is not sufficient to amortize the portion becoming due the retention may be of up to 65% of all and any amount of extraordinary dividends or Interest on Equity. These dividends retained are used to amortize the contract in the following order: (i) settlement of past due installments; (ii) settlement of an installment for the current half- year; (iii) anticipated settlement of up to 2 installments; and, (iv) amortization of the debtor balance.

On March 31, 2009, the installments due on June 30 and December 31, 2009, had already been amortized in advance.

The signature of the Fourth Amendment to the contract provides that, to ensure complete receipt of the credits, the provisions of the Bylaws must be obeyed they define certain targets to be met annually in conformity with the Strategic Plan, which must be complied with, the principal provisions being the following:

Target	Index required
Debt/Ebitda	Less than 2 (1)
Debt/(Debt plus Stockholders equity)	Less than or equal to 40.00% (2)
Capital expenditure and acquisition of assets	Less than or equal to 40.00% of Ebitda

EBITDA = Earnings before interest, taxes on profit, depreciation and amortization.

- (1) Less than 2.5 in certain situations specified in the Bylaws.
- (2) Less than equal to 50% in certain situations specified in the Bylaws.

b) Transfer of the CRC credits to a Receivables Investment Fund (FIDC)

On January 27, 2006 Cemig transferred the CRC credits into a Receivables Investment Fund (FIDC). The amount of the FIDC was established by the administrator based on long-term financial projections for Cemig, estimating the dividends that will be retained for amortization of the outstanding debtor balance on the CRC contract. Based on these projections the FIDC was valued at a total of R\$ 1,659,125, of which R\$ 900,000 in senior units and R\$ 759,125 in subordinated units.

The senior units were subscribed and acquired by financial institutions and will be amortized in 20 half-yearly installments, from June 2006, updated by the variation of the CDI + 1.7% of interest per year, guaranteed by Cemig.

The subordinated units were subscribed by Cemig and correspond to the difference between the total value of the FIDC and the value of the senior units.

Table of Contents

The updating of the subordinated units corresponds to the difference between the valuation of the FIDC using a rate of 10.00% per year, and the increase in value of the senior units by the variation of the CDI plus interest of 1.70% per year.

The movement on the FIDC in the first quarter of 2009 is as follows:

	Consolidated and Holding company
Balance at December 31, 2008	1,800,873
Monetary updating on the senior units	30,592
Monetary updating on the subordinated units	9,414
Investments in the subordinated units	
Amortization of the senior units	(69,953)
Amortization of the subordinated units	
Balance at 31 March 2009	1,770,926
Composition of the FIDC on March 31, 2009	
- Senior units held by third parties	950,918
- Subordinated units held by Cemig	817,468
- Dividends retained by the Fund	2,539
	820,008
TOTAL	1,770,926

The dividends and Interest on Equity proposed by the Executive Board to the Board of Directors, to be distributed to stockholders for the business year 2008, are posted in Current Liabilities. Of the dividends to be distributed, R\$ 210,149 is payable to the Minas Gerais State Government, of which R\$ 138,451 will be retained for repayment of part of the due receivables on the CRC.

c) Consolidation criterion of the FIDC

Due to the guarantee offered by Cemig of settlement of the senior units in the event that the dividends due to the state government are not sufficient for amortization of the installments, the Consolidated financial statements present the balance of the FIDC registered in full in Cemig and the senior units are presented as a debt under loans and financings in current and noncurrent liabilities. Similarly, in the consolidation, the monetary updating of the FIDC was recognized in full as a financial expense, and in counterpart the amount of the monetary updating of the senior units was registered as a cost of debt.

13) REGULATORY ASSET PIS/PASEP AND COFINS

Federal Laws 10637 and 10833 changed the bases of application, and increased the rate, of the PIS/Pasep and Cofins taxes. As a result of these alterations there was an increase in PIS/Pasep expenses from December 2002 to March 2005 and in expenses on the Cofins tax from

February 2004 to June 2005.

In view of the fact that this increase in the expense should be repaid to the company through tariffs, the credits were registered, in accordance with a criterion defined by Aneel, as a regulatory asset and there was a counterpart reduction in the expense on PIS/Pasep and Cofins taxes.

The company expects reimbursement of these assets in the forthcoming tariff adjustments with funds received from ANEEL.

Table of Contents
14) INVESTMENTS

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
In subsidiaries and jointly controlled companies				
Cemig Geração e Transmissão			3,713,552	3,481,139
Cemig Distribuição			2,516,345	2,476,011
Rio Minas Energia Participações			311,151	290,006
Infovias			270,218	264,978
Gasmig			328,382	319,103
Rosal Energia			95,662	91,287
Sá Carvalho			101,901	95,380
Horizontes Energia			68,507	66,734
Usina Térmica Ipatinga			68,831	66,319
Cemig PCH			55,633	52,262
Cemig Capim Branco Energia			62,878	54,931
Companhia Transleste de Transmissão			14,629	14,342
UTE Barreiro			997	1,943
Companhia Transudeste de Transmissão			8,501	8,283
Usina Hidrelétrica Pai Joaquim			477	484
Companhia Transirapé de Transmissão			6,298	6,033
Transchile			34,141	34,141
Efficientia			7,822	6,266
Central Termelétrica de Cogeração			155,697	153,578
Companhia de Transmissão Centroeste de Minas			6,799	6,779
Cemig Trading			2,766	192
Empresa Paraense de Transmissão de Energia-ETEP			17,939	16,143
Empresa Norte de Transmissão de Energia-ENTE			32,893	29,493
Empresa Regional de Transmissão de Energia-ERTE			6,408	5,839
Empresa Amazonense de Transmissão de Energia-EATE			62,599	56,046
Empresa Catarinense de Transmissão de Energia-ECTE			5,142	4,736
Axxiom Soluções Tecnológicas			2,428	2,710
			7,958,596	7,605,158
In consortia	1,120,791	1,113,297		
Goodwill on acquisition of the stake in Rosal Energia			31,772	33,154
Goodwill on acquisition of the stake in ETEP			24,893	25,174
Goodwill on acquisition of the stake in ENTE			37,029	37,420
Goodwill on acquisition of the stake in ERTE			8,479	8,569
Goodwill on acquisition of the stake in EATE			139,853	141,430
Goodwill on acquisition of the stake in ECTE			6,762	6,840
In other investments	27,027	36,689	3,506	3,506
	1.147.818	1,149,986	252,294	256,093
	1.147.818	1,149,986	8,210,890	7,861,251

Table of Contents
a) The main information on the investees is as follows:

Subsidiaries	Number of shares	Cemig stake (%)	At March 31, 2009	Stockholders equity	1st quarter 2009	
			Registered capital		Dividends	Profit (loss)
Cemig Geração e Transmissão	2,896,785,358	100.00	2,896,785	3,713,552		232,413
Cemig Distribuição	2,261,997,787	100.00	2,261,998	2,516,345		40,334
Rio Minas Energia	709,309,572	25.00	709,309	1,244,604		92,142
Infovias	381,023,385	100.00	225,082	270,218		6,385
Rosal Energia	86,944,467	100.00	86,944	95,662		4,407
Sá Carvalho	860,000,000	100.00	86,833	101,901		6,488
GASMIG	409,255,000	55.19	474,497	595,003		18,399
Horizontes Energia	64,257,563	100.00	64,258	68,507		1,769
Usina Térmica Ipatinga	64,174,281	100.00	64,174	68,831		2,554
Cemig PCH	50,952,000	100.00	50,952	55,633		3,371
Cemig Capim Branco Energia	45,528,000	100.00	45,528	62,878		7,947
Companhia Transleste de Transmissão	49,569,000	25.00	49,569	58,516		2,636
UTE Barreiro	11,918,000	100.00	11,918	997		275
Companhia Transudeste de Transmissão	30,000,000	24.00	30,000	35,416		1,420
Central Hidrelétrica Pai Joaquim	486,000	100.00	486	477		(9)
Companhia Transirapé de Transmissão	22,340,490	24.50	22,340	25,710		1,098
Transchile	27,840,000	49.00	61,563	69,675		
Efficientia	6,051,994	100.00	6,052	7,822		1,509
Central Termelétrica de Cogeração	150,000,000	100.00	150,001	155,697		5,573
Companhia de Transmissão Centroeste de Minas	51,000	51.00	51	13,331		
Cemig Trading	160,297	100.00	160	2,766		2,574
Empresa Paraense de Transmissão de Energia ETEP	45,000,010	19.26	69,569	93,117		6,430
Empresa Norte de Transmissão de Energia - ENTE	100,840,000	18.35	120,128	179,258	547	11,728
Empresa Regional de Transmissão de Energia - ERTE	23,400,000	18.35	23,400	34,919		3,100
Empresa Amazonense de Transmissão de Energia - EATE	180,000,010	17.17	273,469	364,609		27,516
Empresa Catarinense de Transmissão de Energia - ECTE	42,095,000	7.50	42,095	68,560		5,792
Axxiom Soluções Tecnológicas	4,200,000	49.00	4,200	4,955		(486)

Table of Contents

Subsidiaries	Number of shares	Cemig stake (%)	At December 31, 2008		1st quarter 2008	
			Registered capital	Stockholders equity	Dividends	Profit (loss)
Cemig Geração e Transmissão	2,896,785,358	100.00	2,896,785	3,481,139		205.728
Cemig Distribuição	2,261,997,787	100.00	2,261,998	2,476,011		270.659
Rio Minas Energia	709,309,572	25.00	709,310	1,160,019		58.795
Infovias	381,023,385	100.00	225,082	264,978	259	4.619
Rosal Energia	86,944,467	100.00	86,944	91,287		3.333
Sá Carvalho	860,000,000	100.00	86,833	95,380		6.549
Gasmig	409,255,000	55.19	263,852	578,190	5.977	20.240
Horizontes Energia	64,257,563	100.00	64,258	66,734		2.272
Usina Térmica Ipatinga	64,174,281	100.00	64,174	66,319		1.930
Cemig PCH	50,952,000	100.00	50,952	52,262		1.806
Cemig Capim Branco Energia	45,528,000	100.00	45,528	54,931		8.380
Companhia Transleste de Transmissão	49,569,000	25.00	49,569	57,370		1.919
UTE Barreiro	11,918,000	100.00	11,918	1,943		(519)
Companhia Transudeste de Transmissão	30,000,000	24.00	30,000	34,509		807
Central Hidrelétrica Pai Joaquim	486,000	100.00	486	484		25
Companhia Transirapé de Transmissão	22,340,490	24.50	22,340	24,630		501
Transchile	27,840,000	49.00	62,407	69,676		
Efficientia	6,051,994	100.00	6,052	6,266		1.259
Central Termelétrica de Cogeração	150,000,000	100.00	150,001	153,578		11
Companhia de Transmissão Centroeste de Minas	51,000	51.00	51	13,293		
Cemig Trading	160,297	100.00	160	192		(18)
Empresa Paraense de Transmissão de Energia ETEP	45,000,010	19.25	69,063	83,860	4.542	5.244
Empresa Norte de Transmissão de Energia ENTE	100,840,000	18.35	120,128	160,727	29.047	9.846
Empresa Regional de Transmissão de Energia - ERTE	23,400,000	18.35	23,400	31,819	6.949	2.466
Empresa Amazonense de Transmissão de Energia - EATE	180,000,010	17.17	273,469	326,431	18.794	21.651
Empresa Catarinense de Transmissão de Energia - ECTE	42,095,000	7.50	42,095	63,149	13.020	5.050
Axxiom Soluções Tecnológicas	4,200,000	49.00	4,200	5,531		

Table of Contents

The movement on investment in subsidiaries is as follows:

	31.12.2008	Equity gain	Capital injections	Dividends proposed	Other	31.03.2009
Cemig Geração e Transmissão	3,481,139	232,413				3,713,552
Cemig Distribuição	2,476,011	40,334				2,516,345
Rio Minas Energia	290,006	23,038			(1,893)	311,151
Infovias	264,978	6,385			(1,145)	270,218
Rosal Energia	91,287	4,407		622	(654)	95,662
Sá Carvalho	95,380	6,488		33		101,901
Gasmig	319,103	10,155			(876)	328,382
Horizontes Energia	66,734	1,769		292	(288)	68,507
Usina Térmica Ipatinga	66,319	2,554		798	(840)	68,831
Cemig PCH	52,262	3,371				55,633
Cemig Capim Branco Energia	54,931	7,947				62,878
Companhia Transleste de Transmissão	14,342	647		(431)	71	14,629
UTE Barreiro	1,943	275			(1,221)	997
Companhia Transudeste de Transmissão	8,283	339		(116)	(5)	8,501
Central Hidrelétrica Pai Joaquim	484	(9)		(4)	6	477
Companhia Transirapé de Transmissão	6,033	269			(4)	6,298
Transchile	34,141					34,141
Efficientia	6,266	1,509		1,513	(1,466)	7,822
Central Termelétrica de Cogeração	153,578	5,573		(2,241)	(1,213)	155,697
Companhia de Transmissão Centroeste de Minas	6,779		20			6,799
Cemig Trading	192	2,574		2,562	(2,562)	2,766
Empresa Paraense de Transmissão de Energia - ETEP	16,143	1,241	105		450	17,939
Empresa Norte de Transmissão de Energia - ENTE	29,493	3,050			350	32,893
Empresa Regional de Transmissão de Energia - ERTE	5,839	568			1	6,408
Empresa Amazonense de Transmissão de Energia - EATE	56,046	4,644	547		1,362	62,599
Empresa Catarinense de Transmissão de Energia - ECTE	4,736	434		(32)	4	5,142
Axxiom Soluções Tecnológicas	2,710	(238)			(44)	2,428
	7,605,158	359,737	672	2,996	(9,967)	7,958,596

b) Goodwill in the acquisition of interest of Light

A discount was ascertained on the acquisition, corresponding to the difference between the amount paid by **RME** and the book value of the stake in the stockholders' equity of **Light**, in the amount of R\$ 364,961 (**Cemig**'s portion is 25.00%). This discount arises from the estimate of the results of future years as a function of the commercial operation of the electricity distribution and generation concessions and thus is being amortized from October 2006 to May 2026, the date of the termination of the distribution concession on a linear basis. The remaining value of the discount (R\$ 80,524) is presented in the consolidation as a noncurrent asset, in the account line *Other obligations*.

c) **Goodwill in the Acquisition of interest in electricity transmission companies**

Premium/goodwill on acquisition of electricity companies: The goodwill on the acquisition of the companies Empresa Amazonense de Transmissão de Energia S.A. **EATE**, Empresa Paraense de Transmissão de Energia S.A. **ETEP**, Empresa Norte de Transmissão de Energia S.A. **ENTE**, Empresa Regional de Transmissão de Energia S.A. **ERTE** and Empresa Catarinense de Transmissão de Energia S.A. **ECTE**., corresponding to the difficult between the amount paid and the book value of the stake in the stockholders' equity of the jointly controlled subsidiaries, arises from expectation of future earnings on the basis of the commercial operation of the transmission concessions. The amortization of the goodwill will take place over the remaining period of validity of the concessions (from August 2006 to 2030/2032). In the quarterly consolidated accounting statements the value of the goodwill was incorporated into Intangible assets, on the basis of the value attributed to the use of the concession.

Table of Contents**d) In consortia**

Cemig participates in consortia for electricity generation concessions, for which companies with an independent legal existence were not constituted to administer the object of the concession, the controls being maintained in the books of account of Cemig, of the specific portion equivalent to the investments made, as follows:

	Stake in the energy generated %	Average annual depreciation rate %	Consolidated 03/31/2009	Consolidated 12/31/2008
In service				
Porto Estrela Plant	33.33	2.48	38,625	38,625
Igarapava Plant	14.50	2.58	55,554	55,554
Funil Plant	49.00	2.40	181,402	181,402
Queimado Plant	82.50	2.45	193,599	193,599
Aimorés Plant	49.00	2.50	543,684	543,684
Amador Aguiar I and II Plants	21.05	2.51	55,179	54,843
Accumulated depreciation			(121,423)	(114,506)
Total in operation			946,620	953,201
In progress				
Queimado Plant	82.50		13,125	13,125
Funil Plant	49.00		819	755
Aimorés Plant	49.00		5,853	5,853
Baguari Plant	34.00		154,374	140,363
Total under construction			174,171	160,096
Total, consortia			1,120,791	1,113,297

The depreciation of the assets contained in the property, plant and equipment of the consortia is calculated by the linear method, based on rates established by Aneel.

f) New acquisitionsAcquisition of stake in electricity transmission companies

On September 24, 2008, Brookfield exercised its option to sell its shares representing the following percentages of the voting capital of the following companies to Companhia Energética de Minas Gerais - CEMIG and Alupar Investimento S.A. in the proportion of 95% and 5% respectively: 24.99% in Empresa Amazonense de Transmissão de Energia S.A. EATE; 24.99% in Empresa Paraense de Transmissão de Energia S.A. ETEP; 18.35% in Empresa Norte de Transmissão de Energia S.A. ENTE; 18.35% in Empresa Regional de Transmissão de Energia S.A. ERTE; and 7.49% in Empresa Catarinense de Transmissão de Energia S.A. ECTE.

Conclusion of the transaction and actual acquisition is subject to approval by the Brazilian Development Bank (BNDES) and by other financing bodies.

The amount to be paid by Cemig for its 95% portion of the share positions bought from Brookfield will be R\$ 330.6 million, value of August 16, 2008, adjusted up to the date of final closing, expected in the first semester in 2009.

Table of Contents

Constitution of the UHE Itaocara, PCH Paracambi and PCH Lajes Consortia

On July 3, 2008 the Board of Directors authorized Cemig GT to take stakes of 49% in three hydroelectric projects: the Itaocara, Paracambi and Lajes Small Hydro Plants (PCHs) in partnership with Light, to enter into the following contracts between Cemig Geração e Transmissão S.A. and subsidiaries of Light for the constitution of: The UHE Itaocara Consortium, in partnership with Itaocara Energia Ltda.; the PCH Paracambi Consortium, in partnership with Lightger Ltda.; and the PCH Lajes Consortium, in partnership with Light Energia S.A. the objects of all three being: analysis of the technical and economic feasibility, preparation of the plans, construction, operation, maintenance and commercial operation of the respective projects. All individuals above instruments are pending approval or authorizations required by regulatory bodies concerned, including ANEEL.

15) FIXED ASSETS

		Consolidated		
		03/31/2009		12/31/2008
	Historic cost	Accumulated depreciation	Net value	Net value
In service	21,168,103	(9,414,948)	11,753,155	11,693,314
Distribution	11,349,553	(5,131,494)	6,218,059	6,219,533
Generation	7,277,689	(3,093,611)	4,184,078	4,111,327
Transmission	1,690,575	(721,852)	968,723	972,041
Management	402,925	(270,581)	132,344	137,713
Telecoms	349,954	(168,051)	181,903	183,549
Gas	97,407	(29,359)	68,048	69,151
In progress	1,872,036		1,872,036	1,809,521
Distribution	1,129,198		1,129,198	1,100,645
Generation	287,072		287,072	313,967
Transmission	166,625		166,625	138,446
Management	131,243		131,243	131,095
Telecoms	30,050		30,050	27,747
Gas	127,848		127,848	97,621
Total fixed assets	23,040,139	(9,414,948)	13,625,191	13,502,835
Special Obligations linked to concessions	(2,657,579)	115,217	(2,542,362)	(2,549,308)
Net fixed assets	20,382,560	(9,299,731)	11,082,829	10,953,527

Special Obligations refer basically to the contributions by consumers for execution of the undertakings necessary to comply with requests for retail supply of electricity.

Under Aneel Resolution 234 of October 2006, and Aneel Official Circular 1314/2007, of June 27, 2007, the balance of the Special Obligations linked to assets began to be amortized starting with the second cycle of tariff review of Cemig Distribution and of Light, in 2008, at a percentage corresponding to the average rate of depreciation of the assets.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Some land sites and buildings of the subsidiaries which were given in guarantee in lawsuits involving tax, labor-law, civil and other disputes are recorded in Fixed assets Administration. These were posted at the amount of R\$ 7,804 on March 31, 2009 (R\$ 8.369, on December 31, 2008), net of depreciation.

Table of Contents**16) INTANGIBLE**

	Historic cost	Consolidated		12/31/2008
		03/31/2009 Accumulated amortization	Net value	
In service	615.760	(235.419)	380.341	383,310
Distribution	61,882	(39,900)	21,982	36,353
Generation	88,459	(52,406)	36,053	70,694
Transmission	265,418	(6,001)	259,417	227,916
Management	197,782	(136,701)	61,081	46,599
Telecoms	712	(411)	301	339
Gas	1,507		1,507	1,410
In progress	222,472		222,472	221,127
Distribution	52,177		52,177	51,306
Generation	33,014		33,014	30,570
Transmission	2,467		2,467	1,554
Management	134,814		134,814	137,697
Intangible, net	838.232	(235.419)	602.813	604,437

17) SUPPLIERS

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Current				
Wholesale supply and transport of electricity - Eletrobrás energy from Itaipu	211,683	197,130		
Furnas	52,014	68,366		
CCEE	54,533	108,038		
Other	273,587	212,364		
	591,837	585,898		
Materials and services	232,570	305,923	3,212	7,134
	824,407	891,821	3,212	7,134
Noncurrent				
Wholesale electricity supply - Purchase of free energy during the period of rationing	77	77		
	77	77		

Of the amounts owed to CCEE, a substantial part will be paid by September 2009, with inflation adjustment of the Selic plus 1.00% in interest per year. The conclusion of some court proceedings in progress, brought by market agents, in relation to the interpretation of the rules in force at the time of the realization of the transactions for purchase of free energy during the period of rationing, may result in changes in the amounts recorded. See further information in Explanatory Note 22.

Table of Contents**18) TAXES, CHARGES AND CONTRIBUTIONS**

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Current				
Income tax	255,404	91,111		
Social Contribution	91,432	22,924		
ICMS tax	295,562	284,939	18,091	18,092
Cofins tax	76,008	78,050		9,377
Pasep	13,281	14,079		2,036
Social security system	16,415	18,159	1,382	1,434
Other	22,120	24,483	1,258	1,051
	720,222	533,745	20,731	31,990
Deferred obligations				
Income tax	25,890	57,308		
Social Contribution	9,330	20,498		
Cofins tax	3,850	12,969		
Pasep	836	2,813		
	39,906	93,588		
	810,128	627,333	20,731	31,990
Noncurrent				
Deferred obligations				
Income tax	217,525	202,114		
Social Contribution	51,546	46,541		
Cofins tax	139,061	83,965		
Pasep	29,759	31,527		
Others	6,793	7,238		
	444,684	371,385		

The net deferred obligations refer to the regulatory assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory matters, and are owed as and when these assets and liabilities are realized.

The noncurrent Pasep and Cofins obligations refer to the legal action challenging the constitutionality of the inclusion of the ICMS in the taxable amount for these taxes, with application for compensation of the amounts paid in the last 10 years. The Company has obtained an interim relief from the judiciary enabling it not to make the payment and authorizing payment into Court starting in 2008.

The noncurrent deferred obligations for income tax and the Social Contribution tax refer to recognition of financial instruments (FX variation and hedging transactions) by the cash method – these are due as and when realized, by payment or redemption.

Table of Contents**19) LOANS, FINANCINGS AND DEBENTURES**

					Consolidated		
		Principal maturity	Annual cost (%)	Currency	Current	03/31/2009 Noncurrent	12/31/2008 Total
FINANCING SOURCES							
FOREIGN CURRENCY							
ABN Amro Bank	N. (3)	2013	6.00	US\$	1,910	115,760	117,025
ABN Amro Real S.A. (4)		2009	6.35	US\$	17,709		17,391
Banco do Brasil		Various					
bonds (1)		2024	Various	US\$	16,853	78,492	93,868
Banco do Brasil S.A. (5)		2009	3.90	JPY	91,516		100,160
Banco Paribas		2012	5.89	EURO	3,485	6,857	12,919
Banco Paribas		2010	Libor+ 1.875	US\$	28,078	13,443	41,235
KFW		2016	4.50	EURO	2,213	14,213	17,087
Unibanco (6)		2009	6.50	US\$	11,116		11,044
Unibanco (7)		2009	5.50	US\$	4,817		4,796
Unibanco (8)		2009	5.00	US\$	20,201		20,141
Brazilian Treasury (10)		2024	Libor+ Spread	US\$	6,340	29,299	39,909
Santander (13)		2009	7.00	US\$	6,196		6,118
Banco do Brasil (13)		2009	8.66	US\$	3,221		3,217
Banco InterAmericano del Desarrollo (13)		2026	4.20	US\$	670	42,933	43,018
Other		2025	Various	Various	11,949	6,424	18,946
Debt in foreign currency					226,274	307,421	533,695
546,874							
BRAZILIAN CURRENCY							
Banco Credit Suisse First Boston S.A.		2010	106.00% of CDI	R\$	200	75,000	75,241
Banco do Brasil		2009	111.00% of CDI	R\$	124,938		121,038
Banco do Brasil		2013	CDI+ 1.70	R\$	8,839	109,277	114,321
Banco do Brasil		2013	107.60% of CDI	R\$	15,892	126,000	137,596
Banco do Brasil		2014	104.10% of CDI	R\$	66,832	1,200,000	1,229,705
Banco Itaú BBA		2014	CDI+ 1.70	R\$	26,002	304,338	320,181
Banco Votorantim S.A.		2010	113.50% of CDI	R\$	1,879	54,372	54,456
Banco Votorantim S.A.		2013	CDI+ 1.70	R\$	2,317	101,315	103,000
BNDES		2026	TJLP+2.34	R\$	95	107,089	107,184
Bradesco		2014	CDI+ 1.70	R\$	34,991	379,073	401,021
Debentures (12)		2009	CDI+ 1.20	R\$	368,897		357,472
Debentures (12)		2011	104.00% of CDI	R\$	12,492	238,816	243,950
Debentures Minas Gerais							
State Govt.		2031	IGP M	R\$		33,921	32,936
Debentures (12)		2014	IGP M+ 10.50	R\$	26,557	303,073	324,641
Debentures (12)		2017	IPCA+ 7.96	R\$	9,566	432,393	427,784
Eletrobrás		2013	FINEL+ 7.50	R\$	12,343	45,258	60,799
Eletrobrás		2023	UFIR, RGR+ 6.0 8.0	R\$	42,453	314,593	369,632
Santander		2013	CDI+ 1.70	R\$	1,840	79,673	81,119
Unibanco		2009	CDI+ 2.98	R\$	110,997		107,081
Unibanco		2013	CDI+ 1.70	R\$	24,105	309,285	322,636
Banco do Nordeste do Brasil		2010	TR+ 7.30	R\$	74,368	15,009	104,950
Unibanco (2)		2013	CDI+ 1.70	R\$	9,418	73,587	80,328
Itaú and Bradesco (9)		2015	CDI+ 1.70	R\$	68,109	882,809	990,280
Banco de Desenvolv. de Minas Gerais		2025	10.00	R\$	695	9,517	10,372
Banco do Brasil S.A. (14)		2020	TJLP+ 2.55	R\$	1,745	27,677	28,794
Unibanco S.A. (14)		2021	TJLP+ 2.55	R\$	254	3,930	4,062
BNDES Finem (10)		2014	TLJP+ 4.30	R\$	21,099	92,886	108,266
Debentures I and IV (10)		2010/2015	TJLP+ 4.00	R\$	3,915	26	6,047
Debentures V (10)		2014	CDI+ 1.50	R\$	13,437	230,201	245,722

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

CCB Bradesco (10)	2017	CDI+ 0.85	R\$	6,706	112,500	119,206	116,004
ABN Amro (10)	2010	CDI+ 0.95	R\$	232	20,000	20,232	20,980
Bc. Regional Desenv. do Extremo Sul (16)	2022	TJLP+ 4.55	R\$	257	3,101	3,358	3,253
Unibanco (16)	2021	TJLP+ 4.55	R\$	87	1,051	1,138	1,323
Banco Itaú (16)	2022	TJLP+ 4.55	R\$	261	3,154	3,415	3,454
Unibanco S.A. (16)	2022	IGPM+ 9.85	R\$	226	1,980	2,206	2,239
BNDES (17)	2033	TJLP+ 2.4	R\$		79,685	79,685	
BNDES A/B/C/D Principal							
Subcredits	2014/2016	Various	R\$	22,242	128,339	150,581	155,484
Other	2007/2017	Various	R\$	6,819	23,407	30,226	31,697
Debt in Brazilian currency				1,121,105	5,922,335	7,043,440	6,797,864
Total, consolidated				1,347,379	6,229,756	7,577,135	7,344,738

(1) Interest rates vary: 2.00 to 8.00% per year.

Six-month Libor plus spread of 0.81 to 0.88% per year.

(2) Loans of the holding company.

(3) to (8) Swaps for exchange of rates were contracted.

The following are the rates for the loans and financings taking the swaps into account:

(3) CDI + 1.50% p.a.; (4) CDI + 2.12% p.a.; (5) 111.00% of CDI; (6) CDI + 2.98% p.a.; (7) and (8) CDI + 3.01% p.a.

(9) Refers to the senior units of the Credit Rights funds. See Explanatory Note 14.

(10) Loans, financings and debentures of RME (Light S.A.).

(11) Consolidated loans and financings of the transmission companies acquired in August 2006.

(12) Nominal, book-entry unsecured debentures not convertible into shares, without guarantee.

(13) Financing of Transchile.

(14) Financing of Cachoeirão.

(15) Contracts adjusted to present value, as per changes to the Corporate Law made by Law 11638/07.

(16) Consolidated loans and financings of Lumitrans, subsidiary of EATE.

(17) Loan taken on by the holding company jointly with Madeira Energia.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Table of Contents

The consolidated composition of loans, by currency and indexor, with the respective amortization is as follows:

	2009	2010	2011	2012	2013	2014	2015	2016	2017 and after	Total
Currency										
US dollar	128,057	60,703	46,837	42,869	38,899	6,345	2,801	2,801	81,202	410,514
Euro	3,984	5,458	5,458	3,745	2,030	2,030	2,031	2,032		26,768
Yen	91,516									91,516
UMBNDDES (**)	657	582	422	422	422	422	422	422	1,126	4,897
	224,214	66,743	52,717	47,036	41,351	8,797	5,254	5,255	82,328	533,695
Indexors										
IPCA (Expanded Consumer Price Index)	9,566						144,131	144,131	144,131	441,959
Ufir (Fiscal Reference Unit)	33,280	45,862	47,126	43,646	38,082	37,141	35,952	30,622	47,520	359,231
Interbank CD rate										
CDI	893,925	634,374	726,372	941,464	1,087,379	642,486	231,087	18,750	18,750	5,194,587
Eletrobrás Finel index	9,257	12,343	12,343	12,343	11,315					57,601
URTJ (*)	35,524	48,967	51,054	51,054	51,054	49,854	25,414	20,461	158,001	491,383
IGP-M Inflation Index	27,918	1,659	1,640	1,640	1,640	304,691	1,072	1,012	41,631	382,903
UMBNDDES (**)	2,351	3,513	3,641	3,641	3,641	3,641	633			21,061
TR Reference Interest Rate	55,797	33,580								89,377
Others (IGP-DI, INPC) (***)	2,800	125	250	592	592	715	264			5,338
	1,070,418	780,423	842,426	1,054,380	1,193,703	1,038,528	438,553	214,976	410,033	7,043,440
	1,294,632	847,166	895,143	1,101,416	1,235,054	1,047,325	443,807	220,231	492,361	7,577,135

(*) URTJ = Interest Rate Reference Unit.

(**) UMBNDDES = BNDES Monetary Unit.

(***) IGP-DI General Price Index (domestic availability).

INPC National Consumer Price Index.

The principal currencies and indexors used for monetary updating of the loans, financings and debentures varied as follows:

Currency	Change in quarter ended 03/31/2009	Indexors	Change in quarter ended 03/31/2009
	%		%
US dollar	(0.93)	IGP-M	(0.92)
Euro	(4.94)	Finel	(0.18)
Yen	(9.51)	CDI	2.85
		Selic	2.90
		UMBNDDES	(0.79)

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The movement on loans, financings and debentures is as follows:

	Consolidated	Holding
Balance at end of year 2008	7,344,738	80.328
Loans and financings	192,367	
Monetary and FX variation	10,820	
Financial charges provisioned	175,582	2.677
Financial charges paid	(33,832)	
Charges capitalized	1,987	
Adjustment to present value	1,825	
Amortization of financings	(116,352)	
Balance at March 31, 2009	7,577,135	83,005

Table of Contents**20) REGULATORY CHARGES**

	Consolidated	
	03/31/2009	12/31/2008
Global Reversion Reserve RGR	35,135	34,385
CCC Fuel Consumption Account	21,189	47,884
Energy Development Account CDE	37,596	33,927
Eletrobrás Compulsory loan	1,207	1,207
Aneel inspection charge	3,619	3,495
Energy efficiency	182,131	171,760
Research and development	156,326	145,898
Energy system expansion research	2,213	20,696
National Scientific and Technological Development Fund	4,210	41,182
Alternative Energy Program Proinfa	2,024	8,922
	445,650	509,356
Current assets	425,344	488,835
Noncurrent liabilities	20,306	20,521

21) POST-EMPLOYMENT OBLIGATIONS**a) The Forluz Pension Fund**

Cemig is sponsor of **Forluz** the *Forluminas Social Security Foundation*, a non-profit legal entity whose object is to provide its associates and participants and their dependents and beneficiaries with a financial income supplementing retirement and pension, in accordance with the private pension plan to which they are linked.

The actuarial obligations and assets of the plan on December 31, 2004 were segregated between Cemig, Cemig GT and Cemig D on the basis of the allocation of the employees to each of these companies.

Cemig, Cemig GT and Cemig D also maintain, independently of the plans made available by Forluz, payments of part of the life insurance premium for the retirees and contribute to a health plan and a dental plan for the employees, retirees and dependents, administered by Forluz.

Forluz makes the following supplementary pension benefit plans available to its participants:

Mixed Social Security Benefits Plan (Plan B): A defined-contribution plan in the phase of accumulation of funds, for retirement benefits for normal time of service and defined-benefit coverage for disability or death of the active participant, and also on receipt of benefits for time of contribution. The contributions of the Sponsor are equal to the

basic monthly contributions of the participants, and this is the only plan open for joining by new participants.

The contribution of the Sponsors to this plan is 27.52% for the portion with defined benefit characteristics, relating to the coverage for invalidity or death for the active participant, and this is used for amortization of the defined obligation through an actuarial calculation. The remaining 72.48%, relating to the portion of the plan with defined-contribution characteristics, goes to the nominal accounts of the participants and is recognized in the income statement for the year by the cash method, under Personnel expenses.

Hence the obligations for payment of supplementary pension benefits under the Mixed Plan, with characteristics of defined contribution, and their respective assets, in the same amount of R\$ 2,385,225, as ascertained on March 31, 2009 are not presented in this Explanatory Note.

Table of Contents

Pension Benefits Balances Plan (Plan A): This includes all the active and assisted participants who opted to migrate from the previous Defined Benefit Plan, and are entitled to a proportional benefit by balances. In the case of the assets, this benefit was deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, through which the average real salary of the last three years of activity of the employee in the Sponsor companies is complemented in relation to the amount of the Official Social Security benefit. After the process of migration that was carried out in June 2007, approved by the Private Pension Plans Authority (SPC), in which more than 80% of the participants migrated to Plans A and B, 51 participants remained in the Defined Benefit Plan.

Cemig, Cemig GT and Cemig D also maintain, independently of the plans made available by Forluz, payments of part of the life insurance premium for the retirees and contribute to a health plan and a dental plan for the employees, retirees and dependents, administered by Forluz.

Separation of the Health Plan

On August 28, 2008, the Executive Board of Forluz, complying with orders issued by the Private Pension Plans Authority (SPC), decided to transfer management of the Cemig Integrated Health Plan (PSI) to a separate entity to be created for that purpose. The reason for the decision was the SPC's belief that it would be impossible to maintain those participants in the Health Plan who were not simultaneously inscribed in the pension and retirement plans. To protect the interests of its participants, and also to comply with the SPC's ruling, Forluz opted to separate the activities, keeping the present dental and pension plans within itself. The period planned for conclusion of the process of separation of the health plan is 12 months, during which time all the existing coverage and benefits will be maintained.

Amortization of actuarial obligations

Part of the consolidated actuarial obligation with post-employment benefits in the amount of R\$ 935,727 of March 31, 2009 (R\$ 941,912 on December 31, 2008) was recognized as an obligation payable by Cemig and its subsidiaries mentioned and is being amortized by June 2024, through monthly installments calculated by the system of constant installments (the so-called Price table). After the third Amendment to the Contract of Forluz, the amounts began to be adjusted only by the Expanded National Consumer Price Index (IPCA) published by the Brazilian Geography and Statistics Institute (IBGE), plus 6% p.a.

The liabilities and the expenses recognized by Light in connection with the Supplementary Retirement Plan, Health Plan, Dental Plan and Life Insurance are adjusted in accordance with the terms of Decision CVM 371 and the Opinion prepared by independent actuaries. Thus, the financial updating of the obligation in the debt agreed with Forluz, mentioned in the previous paragraph, did not produce accounting affects in Cemig's income statement. The last actuarial valuation was effected in relation to the base date December 31, 2008.

The Braslight Pension Fund

Light, a subsidiary of **RME**, is the sponsor institution of **Braslight** (*Fundação de Seguridade Social Braslight*), a non-profit private pension plan entity whose purpose is to guarantee revenue to the employees of the company linked to the Foundation and to provide pension to their dependents.

Braslight was instituted in April 1974, and has three plans A, B and C put in place in 1975, 1984 and 1998 respectively. About 96% of the active participants of the other plans have migrated to plan C.

Table of Contents

In plans A and B the benefits are of the defined benefit type. In plan C, which is of the mixed type, the programmable benefits (retirement not arising from invalidity and the respective reversion to pension) during the capitalization phase are of the defined contribution type, without any link to the INSS, and the risk benefits (illness assistance, retirement for invalidity and pension for death of an active participant, invalid and receiving illness assistance), as well as those of continued income, once granted, are of the defined benefit type.

On October 2, 2001, the Private Pension Plans Authority approved a contract for solution to the technical deficit and the refinancing of the reserve to be amortized relating to the pension plans of Braslight, which were recorded in full. This is being paid in 300 monthly installments, starting from July 2001, updated by the variation of the IGP-DI inflation index and interest of 6.00% per year, totaling R\$ 1,018,000 at March 31, 2009 (R\$1,032,161 on December 31, 2008). The effect on the company's consolidated results is of the portion corresponding to 25% of this amount, as per proportional consolidation.

The movement in the net liabilities has been as follows:

	Pension plans and supplementary retirement plans		Health Plan	Dental Plan	Life Insurance	Total
Consolidated	Forluz	Braslight				
Net liabilities on December 31, 2008	433,770	258,040	337,230	15,608	435,153	1,479,801
Expenses recognized in the result	2,389	2,298	17,839	1,105	10,356	33,987
Contributions paid	(32,251)	(5,838)	(2,306)	(186)	(8,522)	(49,103)
Net liabilities on March 31, 2009	403,908	254,500	352,763	16,527	436,987	1,464,685
Current liabilities	77,069	23,445				100,514
Noncurrent liabilities	326,839	231,055	352,763	16,527	436,987	1,364,171

	Pension plans and supplementary retirement plans		Health Plan	Dental Plan	Life Insurance	Total
Holding company	Forluz					
Net liabilities on December 31, 2008		21,387	16,541	771	18,143	56,842
Expenses recognized in the result		50	756	50	561	1,417
Contributions paid		(1,646)	(431)	(10)	(151)	(2,238)
Net liabilities on March 31, 2009		19,791	16,866	811	18,553	56,021
Current liabilities		4,016				4,016
Noncurrent liabilities		15,775	16,866	811	18,553	52,005

The amounts registered in current liabilities refer to the contributions to be made by Cemig in the next 12 months for amortization of the actuarial liabilities.

Table of Contents**22) CONTINGENCIES FOR LEGAL PROCEEDINGS**

Cemig and its subsidiaries are parties in court and administrative proceedings before various courts and government bodies, arising from the normal cause of business, involving tax, labor-law, civil and other issues.

Actions in which the company is creditor with chance of success rated probablePasep and Cofins widening of the calculation base

The holding company has legal proceedings challenging the increase of the calculation base for the Pasep and Cofins taxes on financial revenue and other non-operational revenues, in the period from 1999 to January 2004, through Law 9718 of November 27, 1998, and has a judgment in favor at the first instance. In the event that this action is won in the final instance (subject to no further appeal) the Federal Supreme Court has ruled in favor of the taxpayer on several similar cases the gain to be registered in the results will be R\$ 172,346, net of income tax and Social Contribution tax.

Actions in which the company is debtor

For those contingencies in which the chances of a negative outcome are rated probable, the company and its subsidiaries have constituted provisions for losses.

Cemig's management believes that any disbursements in excess of the amounts provisioned, when the respective proceedings are completed, will if any not significantly affect the result of operations or the financial position of the holding company nor the consolidated result.

	Net balance in 2008 (*)	Additions (reversals)	Consolidated Write-offs	Balance	Payments into court	Balance on 03/31/2009
Labor-law contingencies						
Various	122,856	5,430	(1,530)	126,756	(18,534)	108,222
Civil						
Personal damages	35,436	232	(29)	35,639	(17,990)	17,649
Tariff increases	104,480	16,914	(342)	121,052		121,052
Other	167,805	2,020	(581)	169,244	(8,965)	160,279
Tax						
Finsocial	21,238	90		21,328	(1,615)	19,713
PIS and Cofins	57,987	759		58,746		58,746

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

ICMS Tax	19,153	2,857		22,010		22,010
Taxes and contributions						
demandabilities suspended	76,781	1,412		78,193		78,193
Social Contribution	6,769	61		6,830		6,830
Social Security System	33,672	603		34,275		34,275
Other	19,709	400		20,109	(7,559)	12,550
Regulatory						
Aneel administrative proceedings	55,843	1,280		57,123	(6,072)	51,051
Total	721,729	32,058	(2,482)	751,305	(60,735)	690,570

(*) Balance of Contingencies excluding amounts paid into Court.

Table of Contents

	Net balance in 2008 (*)	Additions (reversals)	Holding company Write-offs	Balance	Payments into court	Balance on 03/31/2009
Labor-law contingencies						
Various	75,450	4,309		79,759	(8,336)	71,423
Civil						
Personal damages	27,635		(29)	27,606	(17,990)	9,616
Tariff increases	76,609	16,210		92,819		92,819
Other	93,686	1,146		94,832	(3,154)	91,678
Tax						
Finsocial	21,238	90		21,328	(1,615)	19,713
ICMS Tax						
Taxes and contributions						
demandabilities suspended	76,781	1,412		78,193		78,193
Social Security System	1,064	26		1,090		1,090
Other	12,770	304		13,074	(5,130)	7,944
Regulatory						
Aneel administrative	12,129	353		12,482	(6,072)	6,410
Total	397,362	23,850	(29)	421,183	(42,297)	378,886

(*) Balance of Contingencies excluding amounts paid into Court.

Some details on the provisions constituted are as follows:

(a) Labor-law contingencies

The complaints under the labor laws refer basically to disputes on overtime and additional payments for dangerous working conditions, as well as property damage and moral damages (damages for pain and suffering).

(b) Civil disputes tariff increase

Several industrial consumers filed actions against **Cemig** seeking reimbursement for the amounts paid as a result of the tariff increase during the federal government's economic stabilization plan known as the Cruzado Plan in 1986, alleging that the said increase violated the control of prices instituted by that plan. Cemig makes its estimates of the amounts to be provisioned based on the disputed amounts billed, and based on recent judicial decisions. The total value of the exposure of Cemig and its subsidiaries in this matter, 100% provisioned, is R\$ 121,052.

One of the industrial consumers that is Plaintiff in a legal action against the company as a result of the issue mentioned above had been granted a Court injunction preventing interruption of supply of electricity to its facilities. On February 19, 2009, the Higher Appeal Court accepted

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Cemig's application for the effects of the injunction to be suspended, on the view that it is not possible to impose on Cemig continuity of distribution of electricity without its receiving money for the service.

(c) PIS and Cofins taxes

Light, controlled by **RME**, has challenged the changes made by Law 9718/98 in the system of calculation of the PIS and Cofins taxes, in relation to the expansion of the basis of calculation of those taxes and increase of the rate of Cofins from 2% to 3%.

Table of Contents

On March 31, 2009 the amount of R\$ 54,289 (R\$ 53,559 on December 31, 2008) remains provisioned in relation to the increase of the Cofins tax rate from 2% to 3%.

The amounts given above correspond to 25% of the total, in accordance with the proportional consolidation as recorded.

ICMS tax

Since 1999, **Light** has undergone various inspections by the tax authority of Rio de Janeiro State in relation to the ICMS (value added tax charge by states). The infringement notices received so far and not paid are the subject of contestation in the administrative and legal spheres. Management, based on the opinion of its counsel and calculation of the amounts involved in the infringement notices, believes that only a part of these amounts represents probable risk of loss, and the amount of R\$ 22,010 (R\$ 19,153 on December 31, 2008) is provisioned.

(e) Taxes and contributions demandabilities suspended

The provision constituted of R\$ 78,193 (R\$ 76,781 on December 31, 2008) refers to the deduction in the calculation base for corporate income tax of the expense on the Social Contribution tax paid since 1998. **Cemig** has been awarded an injunction by the 8th Court of the Federal Judiciary, on April 17, 1998, allowing it not to pay this tax.

Social Security System

In December 1999 the National Social Security Institute (INSS) issued infringement notices against **Light** for alleged subsidiary responsibility to withhold payments at source on services of contractors and the incidents of the social security contribution on employees' profit shares.

Light challenged the legality of Law 7787/89 which increased the Social Security contribution percentage applying to payrolls, believing that it also changed the basis of calculations of Social Security contributions during the period July to September 1989. As a result of the provisional remedy given by the Court, the Company has offset the amounts payable for social security contribution.

The chance of loss in the actions mentioned is rated probable, and the amounts provisioned for the actions brought by the INSS total R\$ 33,184 (R\$ 32,608 on December 31, 2008).

(g) Aneel administrative proceedings

On January 9, 2007, Aneel notified **Cemig D** that it considered certain criteria adopted by the company in calculation of the revenue from the subsidy support for low-income consumers to be incorrect, questioning the criteria for identification of the consumers who should receive the benefit and also the calculation of the difference to be reimbursed by Eletrobrás, in the estimated amount of R\$ 143,000. The Company has made a provision corresponding to the loss that it considers probable in this dispute, in the amount of R\$ 44,641.

Cemig GT was served an infringement notice by the Minas Gerais State Forests Institute (IEF), alleging that it omitted to take measures to protect the fish population, causing fish deaths, as a result of the flow and operation of the machinery of the Três Marias Hydroelectric Plant. The company presented a defense and rates the chance of loss in this action, in the amount of R\$ 6,749, as probable .

Table of Contents

(h) Others

This refers to various claims by people alleging damages, mainly due to accidents allegedly occurring as a result of the Company's business, and damages as a result of power outages. The provision at March 31, 2009 represents the potential loss on these claims.

(i) Actions in which the chance of loss is rates possible or remote

Cemig and its subsidiaries are disputing other actions in the courts for which it rates the chance of a loss in the action to be possible or remote. The following are some details of the most significant actions:

(i) Income tax and Social Contribution on post-employment benefits

The Federal Tax Authority, on October 11, 2001, issued a Notice of Infringement, in the updated amount of R\$ 323,199, as a result of the use of tax credits which resulted in the rectification, reducing taxes payable, of the income tax declarations for 1997, 1998 and 1999. The income tax returns were rectified as a result of the change in the method of accounting of the post-employment benefit liabilities. The additional post-employment benefits which resulted from the changes in the method of accounting were recognized in the tax years rectified, resulting in a tax loss and a negative basis for calculation of the Social Contribution.

Cemig presented an administrative appeal in the Finance Ministry Taxpayers' Council, obtaining a favorable decision for the years of 1997 and 1998 and an adverse decision in relation to the year 1999. This adverse decision would result in a reduction of the tax loss carryforward, registered as tax credits, in the historic amount of R\$ 29,115. The tax credits were not reduced, and a provision for contingencies for any losses as a result of this decision was not made, since Cemig believes that it has solid legal argument and grounds for the procedures adopted for recovery of the said tax credits in the Courts. Thus, it rates the chance of loss in this action remote.

The tax credits constituted, mentioned in the previous paragraph, were used by Cemig to offset federal taxes and contributions paid in the business years of 2002 and 2003. Due to this fact, Cemig had the offsetting proceedings refused by the federal tax authority and would be exposed to an additional penalty, updated to March 31, 2009 of R\$ 289,620. With the decision of the Taxpayers' Council, mentioned above, Cemig considers that the refusal of this process of offsetting becomes null. Thus, no contingency provision was constituted to meet any losses, since Cemig believes that it has solid legal grounds for the procedures adopted and rates the chance of loss in this action remote.

(ii) Tax on Inheritance and Donations (ITCMD)

The State of Minas Gerais sued the Company for non-payment of the tax on inheritance and donation (ITCMD) in relation to the contributions of consumers the amount of which on March 31, 2009 was R\$ 142,535. No provision was constituted for this dispute, since the Company

believes it has arguments on the merit for defense against this claim. The expectation of loss attributed to this action is remote .

(iii) Acts of the Regulatory Agency and the Federal Audit Board

Aneel filed an administrative action against **Cemig** stating that the company owes R\$ 1,066,419 to the federal government as a result of an alleged error in the calculation of credits under the CRC (Results Compensation) Account (credits in favor of Cemig from the federal government). On October 31, 2002 ANEEL issued a final administrative decision against Cemig. On January 9, 2004 the National Treasury issued a claim against the Company for collection of the debit. Cemig did not make the payment because it believes that it has arguments on the merit for defense in the Courts and, thus, has not constituted a provision for this action. The chance of loss in this action is rated possible .

Table of Contents

(iv) Social Security and tax obligations indemnity for the *Anuênio* and profit shares.

In 2006 **Cemig and its subsidiaries Cemig GT and Cemig D** paid an indemnity to the employees in the amount of R\$ 177,685, in exchange for the rights to future payments known as the *Anuênio* which would be incorporated into future salaries. The company and its subsidiaries did not make the payments of income tax and social security contribution on this amount because it considered that these obligations are not applicable to amounts paid as an indemnity. However, to avoid the risk of a future fine arising from a different interpretation by the Federal Tax Authority and the National Social Security Institution, the company and its subsidiaries decided to file for orders of *mandamus* to allow payment into Court of the amount of any obligations, in the amount of R\$ 158,748. This has been posted in Payments into Court. No provision was made for possible losses in this matter since the company and its subsidiaries rate the chance of loss in this action as possible .

In September 2006 **Cemig** was notified by the INSS as a result of the non-payment of the Social Security contribution on the amounts paid as profit shares in the period 2000 to 2004, representing the amount of R\$ 115,101. Cemig has appealed, in administrative proceedings, against the decision. No provision has been constituted for possible losses and Cemig believes it has arguments on the merit for defense, and the expectation of loss in this action is considered to be possible .

(V) ICMS

Since 2002 the Company has received a subsidy contribution from **Eletrobrás** in relation to the discounts given to low-income consumers. The Minas Gerais **State Tax Authority** served an infringement notice on **Cemig**, relating to the period from 2002 to 2005, on the argument that the subsidy contribution should be subject to the ICMS tax. The potential for loss in this action is R\$ 134.515, not including any ICMS tax that might be demanded by the Authority relating to period subsequent to the infringement notice. No provision was constituted for the result of this dispute, since Cemig believes the legal obligation is non-existent and that it has arguments on the merit for defense against this demand. The chance of loss in this action is rated possible .

Cemig was served an infringement notice, as co-defendant, in which the Minas Gerais **State Tax Authority** demanded payment of in R\$ 44.976 in ICMS tax on sales of excess electricity by industrial consumers during the period of electricity rationing. If the Company does have to pay the ICMS on these transactions, it can charge consumers the same amount to recover the amount of the tax plus any possible penalty charge. The chance of loss in this action is rated possible .

(vi) Tax on services (ISS)

Cemig is involved in litigation with the **Prefecture of Belo Horizonte** on criteria for applicability of the ISS tax on services performed by the company. The amount involved in the action is R\$ 33.614. No provision has been constituted for possible losses. Cemig believes it has arguments on the merit for defense, and the chance of loss in this action is rated possible .

Table of Contents

(vii) Regulatory contingency CCEE

In an action dating from August 2002, **AES Sul Distribuidora** has challenged in the courts the criteria for accounting of electricity sale transactions in the wholesale electricity market during the period of rationing. It obtained a judgment in its favor in February 2006, which orders **Anel** and the **CCEE** to comply with the claim by AES Sul and recalculate the transactions during the rationing period leaving out of account its Dispatch No. 288/2002. This was to be put into effect in the CCEE in November 2008, resulting in an additional disbursement for **Cemig**, referring to the expense on purchase of energy in the short-term market, in the CCEE, in the amount of approximately R\$ 84,940. On November 9, 2008 the company obtained an injunction from the Regional Federal Court suspending the obligation to deposit the amount claimed as a result of the Special Financial Settlement effected by the CCEE. No provision was constituted for this dispute, since the Company believes it has arguments on the merit for defense against this claim. The chance of loss in this action is rated possible .

(viii) Environmental complaints

An environment association, through a public civil action, claimed indemnity for supposed collective environmental damages as a result of the construction and operation of *the Nova Ponte Plant*. The amount involved in the action is R\$ 977,163. The company believes it has arguments on the merit for a legal defense and thus has not made a provision for these actions. The chance of loss in this action is rated possible .

(ix) Civil claims consumers

Several consumers and the Public Attorney of the **State of Minas Gerais** have brought civil actions against **Cemig** contesting tariff increases applied in previous years, including: the tariff subsidies granted to low-income consumers; the Extraordinary Tariff Recomposition; and the inflation index used to increase the tariff for electricity in April 2003; requesting 200% reimbursement on the amounts considered to be charged in error by the company. The company believes it has arguments on the merit for a legal defense and thus has not made a provision for these actions.

Cemig is defendant in legal proceedings challenging the criteria for measurement of amounts to be charged in relation to the contribution for public illumination, in the total amount of R\$ 837,580. The Company believes it has arguments on the merit for defense in this dispute and as a result has not constituted provision for this action. The likelihood of loss in this action is considered possible .

A public action challenging the Conduct Adjustment Undertaking between **Cemig** and the **Public Attorneys Office** demands return to the public funds of the amounts paid to the contractors providing services to the company that carried out the *Light for Everyone* Program. The amount involved in the action is R\$ 1,497,813. The Company believes that it has arguments on the merit for defense in this dispute and as a result has not constituted provision for this action. The chance of loss in this action is rated possible .

In addition to the issues described above, **Cemig and its subsidiaries** are involved, as plaintiff or defendant, in other cases, of less importance, related to the normal course of their operations. The management believes that it has adequate defense for this litigation, and does not expect any significant losses, relating to these issues, that might have an adverse effect on the company's financial position or on the consolidated result of

its operations.

Table of Contents**23) STOCKHOLDERS EQUITY AND REMUNERATION TO STOCKHOLDERS**

Balance at December 31, 2008	9.351.634
Interest on Equity	336.242
Balance on 31 March 2009	9.687.876

Stockholders Agreement

In 1997 the **Government of the State of Minas Gerais** sold approximately 33% of the Company's common shares to a group of investors led by **Southern Electric Brasil Participações Ltda. (Southern)**. As part of this transaction the **State of Minas Gerais** and **Southern** signed a **Stockholders Agreement** which among other provisions contained the requirement for a qualified quorum in decisions on significant corporate actions, certain changes to Cemig's bylaws, issuance of debentures and convertible securities, distribution of dividends other than those specified in the bylaws, and changes in the stockholding structure.

In September 1999 the government of the **State of Minas Gerais** brought an action for annulment, of the stockholders agreement signed in 1997, with petition for anticipatory remedy. The Minas Gerais State Appeal Court annulled that Stockholders Agreement in 2003. Appeals brought by Southern are before the Brazilian federal courts.

Capital increase at General Meeting of Stockholders held in April 2009

The General Meeting of Stockholders held on April 29, 2009 approved an increase in the registered capital of CEMIG from R\$ 2,481,508 to R\$ 3,101,884, with issuance of new shares upon capitalization of R\$ 606,454 of the balance of the Retained Earnings Reserve, and R\$ 13,922 from the Capital Reserve, distributing to stockholders as a consequence a 25% stock bonus, in new shares of the same type as those held, with a nominal unit value of R\$ 5.00.

24) GROSS SUPPLY OF ELECTRICITY

These figures give total supply of electricity by type of consumer:

	(Not reviewed by independent auditors)					
	Number of consumers (*)		MWh (*)		R\$	
	03/31/2009	03/31/2008	1Q09	1Q08	1Q09	1Q08
Residential	9.108.642	8.815.400	2.446.236	2.236.580	1.072.401	1.149.276
Industrial	86.506	86.349	5.593.627	6.101.503	869.588	891.848
Commercial, services and others	852.082	832.761	1.566.568	1.477.530	636.899	667.921

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Rural	535.560	569.093	455.518	456.423	96.987	137.545
Public authorities	64.356	61.495	258.624	236.587	104.450	95.904
Public illumination	3.286	2.790	311.294	301.901	71.455	81.887
Public service	9.696	9.211	327.063	330.386	85.177	91.881
Sub-total	10.660.128	10.377.099	10.958.930	11.140.910	2.936.957	3.116.262
Own consumption	1.168	1.151	12.815	13.106		
Subsidy for low-income consumers					144.203	41.142
Retail supply not invoiced, net					(39.536)	99.190
	10.661.296	10.378.250	10.971.745	11.154.016	3.041.624	3.256.594
Supply to other concession holders (**)	82	82	2.748.037	2.712.266	270.055	294.355
Transactions in energy on the CCEE			832.304	152.163	89.449	24.294
Effect of the Definitive Tariff Adjustment (***)					(264.625)	
Total	10.661.378	10.378.332	14.552.086	14.018.445	3.136.503	3.575.243

(*) The *consumers* column Includes 100% of the consumers of Light, subsidiary of RME.

The *MWh* column includes 25.00% of the total MWh sold by Light.

(**) Includes Sale Contracts in the Regulated Market (CCEARs) and bilateral contracts with other agents.

(***) See Note 32.

Table of Contents**25) REVENUE FOR USE OF THE NETWORK FREE CONSUMERS**

The TUSD revenue is primarily from charges of a tariff to free consumers, which have bought electricity, for the use of the distribution network.

	Consolidated	
	03/31/2009	03/31/2008
Tariff for use of the Electricity Distribution Systems (TUSD)	274.055	309.353
Revenue from use of the basic network	149.500	155.616
Revenue from connection to the system	28.537	16.623
	452.092	481.592

Under some of the concession contracts established with Aneel, the revenues to be earned in the final 15 years of the said contracts are 50.00% lower than those in the first 15 years of the concession. The company recognizes the revenues from these concessions in accordance with those contracts.

26) OTHER OPERATIONAL REVENUES

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
Retail supply of gas	72,039	92,039		
Charged service	3,663	3,093		
Telecommunications services	28,990	22,957		
Services provided	13,837	14,874		
Rental and leasing	16,475	10,994	84	97
Other	3,264	2,345		
	138,268	146,302	84	97

27) DEDUCTIONS FROM OPERATIONAL REVENUE

	Consolidated	
	03/31/2009	03/31/2008
<i>Taxes on revenue</i>		
ICMS tax	740,065	785,265
Cofins tax	281,339	344,314
PIS and Pasep taxes	54,131	73,133
Other	1,021	571
	1,076,556	1,203,283
<i>Charges passed through to the consumer</i>		
Global Reversion Reserve RGR	43,730	42,855
Energy Efficiency Program PEE	8,196	10,141
Energy Development Account CDE	93,462	97,387
Fuel Consumption Charge CCC	122,620	77,225

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Research and Development R&D	6,355	6,933
National Scientific and Technological Development Fund FNDCT	6,385	7,174
Energy System Expansion Research (EPE / Energy Ministry)	3,237	3,480
	283,985	245,195
	1,360,541	1,448,478

Cemig pays ICMS applicable to Portion A and to the Deferred Tariff Adjustment in conformity with the invoicing of amounts on the consumer's electricity invoice.

Table of Contents**28) OPERATIONAL COSTS AND EXPENSES**

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
OPERATIONAL COSTS AND EXPENSES				
Personnel expenses (a)	298,021	284,363	5,776	3,880
Post-employment obligations	33,987	61,668	1,417	2,796
Materials	25,976	48,271	40	34
Outsourced services	160,659	144,752	2,428	1,352
Energy purchased for resale (b)	671,842	725,366		
Depreciation and amortization	171,042	201,481	46	74
Financial compensation for use of water resources	36,118	33,786		
Operational provisions (c)	53,487	96,353	20,981	40,822
Charges for the use of the basic transmission grid	204,191	172,324		
Gas purchased for resale	39,314	53,420		
Other operational expenses, net (d)	62,043	52,908	9,751	1,286
	1,756,680	1,874,692	40,439	50,244

(a) PERSONNEL EXPENSES

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
Remuneration and salary-related charges and expenses	277,477	250,297	4,384	2,318
Supplementary pension contributions defined contribution plan	17,694	17,198	744	685
Assistance benefits	30,931	29,950	656	724
	326,102	297,445	5,784	3,727
Permanent Voluntary Dismissal Program (PPD)	(2,219)	6,112	(8)	153
() Personnel costs transferred to works in progress	(25,862)	(19,194)		
	(28,081)	(13,082)	(8)	153
	298,021	284,363	5,776	3,880

Program for employee resignations*The Voluntary Dismissal Program (PPD)*

The company has a Voluntary Dismissal Program (PPD), which is permanent, and applicable to spontaneous rescissions of employment contracts by employees. Among the principal financial incentives of the program are payment of 3 times the gross amount of monthly remuneration, and 6 months' contributions to the Health Plan after leaving the company, deposit of the 40% penalty payment due on the balance of the FGTS upon termination of an employment contract, and payment of up to 24 months' contributions to the Pension Fund and the National Social Security System after termination of the contract, in accordance with certain criteria established in the regulations of the program.

Since this program was put in place in March 2008, 679 employees have subscribed to it (143 of **Cemig GT**, 523 of **Cemig D**, and 13 of **Cemig**, the holding company). An expense has been recognized for the financial incentives under the program, recognized in full in the 2008 income statement.

Table of Contents

	Consolidated	
	03/31/2009	03/31/2008
(b) ELECTRICITY PURCHASED FOR RESALE		
From Itaipu Binacional	225,307	230,439
Short-term energy	15,564	87,085
Proinfa	27,969	17,846
Initial contracts	1,892	
Bilateral Contracts	120,272	96,020
Energy acquired in auctions in the Regulated Market	235,430	251,386
Portion A	45,408	42,590
	671,842	725,366

The Portion A amounts refer to the transfer to the income statement of the respective amounts received in the tariff. See further information in Explanatory Note 6.

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
(c) OPERATIONAL PROVISIONS				
Pension plan premiums	(1,481)	161		7
Provision (reversal) for credit of doubtful debts	29,097	42,923	(1,252)	(1,298)
Provision (Reversal) for labor-law contingencies	5,423	(627)	4,308	(2,865)
Reversal of Aneel administrative proceedings	1,279	642	353	(1,568)
Provision for legal contingencies civil actions	13,495	30,316	13,495	26,851
Provision for civil actions on tariff increases	3,718	10,463	3,718	9,413
Other provisions	1,956	12,475	359	10,282
	53,487	96,353	20,981	40,822

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
(d) OTHER OPERATIONAL EXPENSES, NET				
Leasing and rentals	9,558	7,797	141	89
Advertising	3,584	8,968	655	48
Own consumption of electricity	3,426	4,645		
Subsidies and donations	3,684	3,638	240	150
Aneel inspection charge	10,679	10,433		
Payments for concessions	2,318	4,326		
Taxes and charges (IPTU, IPVA and others)	6,146	6,170	14	22
Insurance	583	1,940	35	32
Contribution to the MAE	1,221	974	1	1
Other expenses (Recovery of expenses)	20,844	4,017	8,665	944
	62,043	52,908	9,751	1,286

Table of Contents**29) NET FINANCIAL REVENUE (EXPENSES)**

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
FINANCIAL REVENUES				
Revenue from cash investments	66,383	53,863	6,588	555
Arrears penalty payments on electricity bills	27,513	50,708		
Interest and monetary variation on accounts receivable from the Minas Gerais state government	40,006	39,278		
Monetary variation of CVA	11,508	7,467		
Monetary variation General Agreement for the Electricity Sector	15,446	45,206		4,357
Monetary variation Deferred Tariff Adjustment	1,777	25,897		
FX variations	20,875	2,676	1	32
Pasep and Cofins taxes on financial revenues	(424)	(3,708)		
Gains on financial instruments	547	6,792		
Adjustment to present value	614			
Gains on FIDC			9,415	11,435
Other	24,950	19,802	5,721	5,347
	209,195	247,981	21,725	21,726
FINANCIAL EXPENSES				
Charges on loans and financings	(199,809)	(194,718)	(2,677)	(2,392)
Monetary variation General Agreement for the Electricity Sector	(1,273)	(11,852)		
Monetary variation of CVA	(1,835)	(4,806)		
FX variations	2,584	(10,496)	(3)	(3)
Monetary variation loans and financings	(3,816)	(24,019)		
CPMF tax. reversal		(5,774)		(1,612)
Provision (reversal) for losses on recovery of Extraordinary Tariff				
Recomposition and free energy amounts updating	8,722	(15,987)		(4,357)
Losses on financial instruments	(21,270)	(11,793)		
Reversal of provision for PIS and Cofins taxes on Revenue	(2,107)			
Other	(28,148)	(47,648)	(7,206)	(17,958)
	(246,952)	(327,093)	(9,886)	(26,322)
NET FINANCIAL REVENUE (EXPENSES)	(37,757)	(79,112)	11,839	(4,596)

The Pasep and Cofins expenses apply to financial revenues on regulatory assets and Interest on Equity.

Table of Contents**30) RELATED PARTY TRANSACTIONS**

The principal balances and transactions with related parties of Cemig and its subsidiaries are:

COMPANIES	ASSETS		Holding company and Consolidated LIABILITIES		REVENUES		EXPENSES	
	31/03/ 2009	31/12/ 2008	31/03/ 2009	31/12/ 2008	31/03/ 2009	31/12/ 2008	31/03/ 2009	31/12/ 2008
<i>Cemig Distribuição S.A.</i>								
Interest on Equity and dividends	682.227	682.227						
Affiliated or subsidiary companies, or parent company	13.369	12.117	10.372	9.967				
<i>Cemig Geração e Transmissão S.A.</i>								
Interest on Equity and dividends	539.042	539.042						
Affiliated or subsidiary companies, or parent company	394	394	34	36				
<i>Light S.A.</i>								
Interest on Equity and dividends	65.112	61.922						
<i>Minas Gerais state government</i>								
Consumers and Traders (1)	2.269	1.616			19.051	17.878		
Taxes offsettable - ICMS - current (2)	172.342	165.307	286.540	281.134	598.178	659.384		
Accounts receivable from Minas Gerais state govt. - CRC (3)	1.770.926	1.800.873			30.592	27.843		
Taxes offsettable - ICMS - noncurrent (2)	80.191	79.170						
Consumers and resellers (4)	10.416	17.200						
Interest on Equity and dividends								
Debentures (5)			33.921	32.936			(841)	(1.411)
Receivables fund - FIDC (6)			950.918	990.280				
Financings - BDMG (7)			10.212	19.957				
<i>Forluz</i>								
Post-employment obligations - current (8)			77.069	74.969			(31.689)	(51.969)
Post-employment obligations - noncurrent (8)			1.133.116	1.146.791				
Other			33.087	73.133				
Personnel (9)							(17.588)	(17.198)
Current administration expense (10)							(4.250)	(4.138)
<i>Others</i>								
Interest on Equity and dividends	150.087	153.631						
Affiliated and subsidiary companies, or parent companies	10.463	5.356						

Main material comments on the above transactions:

- (1) Sale of electricity to the Government of the State of Minas Gerais. Transactions were carried out on terms equivalent to those which prevail in the transactions with independent parties, considering that the price of the energy is that defined by Aneel through a resolution referring to the company's annual tariff adjustment. The balance of R\$ 10,416 on March 31, 2009 in the short and long term, includes amounts receivable from **Copasa**, which were renegotiated for payment in 96 months.
- (2) The transactions with ICMS tax posted in the financial statements refer to transactions for sale of electricity and are carried out in conformity with the specific legislation of the State of Minas Gerais.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

- (3) Input of the CRC credits into a Receivables Investment Fund in senior and subordinated units. See further information in Explanatory Note 14.
- (4) A substantial portion of the amount refers to the renegotiation of the debt arising from the sale of electricity to **Copasa**, with payment scheduled up to September 2012 and financial updating by the IGP-M index + 0.5% p. a.
- (5) Private issue of debentures not convertible into shares in the amount of R\$ 120.000, updated by the IGP-M Inflation Index, for conclusion of the *Irapé hydroelectric plant*, with redemption after 25 days from date of issue. The amount at December 31, 2008 was adjusted to present value, as per Explanatory Note 21.
- (6) Senior units held by third parties, in the amount of R\$ 900.000, amortized in 20 six-monthly installments, from June 2006, with updating by the CDI rate plus 1.7% interest per year. See further information in Explanatory Note 12.
- (7) Financings of the subsidiaries **Transudeste** and **Transirapé** with maturity in 2019 (TJLP long-term interest rate + 4.5% p. a. and UMBNDES 4.54% p. a.), and of **Transleste**, in 2017 and 2025 (rate 5% p. a. and 10% p. a.).
- (8) Part of the contracts of *Forluz* are adjusted by the IPCA (Amplified Consumer Price) Inflation Index of the IBGE (Brazilian Geography and Statistics Institute), and part are adjusted based on the Salary Adjustment Index of the employees of Cemig GT and Cemig D, excluding productivity factors, plus 6% p. a., with amortization up to 2024. See further information in Explanatory Note 23.
- (9) Cemig's contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 23), calculated on the monthly remunerations in accordance with the regulations of the Fund.
- (10) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's total payroll.

See further information on the principal transactions in Explanatory Notes 4, 9, 12, 19, 20, 22, 23, 24 and 28.

Table of Contents

31) FINANCIAL INSTRUMENTS

Financial instruments used by Cemig are restricted to cash and cash equivalents, consumers and traders, amounts receivable from the Minas Gerais state government, loans and financings, debentures, and currency swaps. The gains and losses obtained on the transactions are registered in full by the accrual method.

The Company's financial instruments were recognized initially at fair value and are classified as follows:

- *Held for trading:* In this category are cash investments and derivative investments (mentioned in item b). They are valued at fair value and the gains or losses are recognized directly in the income statement.
- *Receivable:* In this category are credits receivable from consumers and traders, and credits receivable from the government of Minas Gerais State. They are recognized at their nominal realization value, similar to the fair values.
- *Loans and financings, and Obligations under debentures:* These are measured at the amortized cost using the effective interest rates method. Gains or losses are recognized in the income statement as and when they take place.
- *Derivative financial instruments:* These are measured at fair value and the effects are recorded directly in the income statement.

a) Management of risks

The management of corporate risks is a management tool that is part of the practices of corporate governance and aligned with the process of planning, which sets the strategic objectives of the Company's business.

The Company has a Financial Risks Management Committee, with the aim of implementing guidelines and monitoring the financial risk of transactions which might negatively affect the Company's liquidity and profitability, recommending strategies for protection (hedge) in relation to foreign exchange, interest rate and inflation. These are effectively in line with the Company's strategy.

Cemig's principal exposure risks are discussed below:

Exchange rate risk

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Cemig and its subsidiaries are exposed to the risk of increase in exchange rates, especially of the US dollar against the Real, with significant impact on indebtedness, profit and cash flow. To reduce the Company's exposure to increases in exchange rates, on March 31, 2009 CEMIG had hedge transactions contracted which are described in more detail in item b.

The net exposure to exchange rates is as follows:

EXPOSURE TO EXCHANGE RATES	Consolidated and Holding company	
	03/31/2009	12/31/2008
US Dollar (Note 19)		
Loans and financings	410,514	411,479
(-) Hedge and swap transactions (*)	(61,909)	(63,198)
	348,605	348,281
Yen (Note 20)		
Loans and financings	91,516	100,160
(-) Hedge transactions	(90,543)	(100,037)
	973	123
Other foreign currencies (Note 19)		
Loans and financings		
Euro	26,768	30,006
Other	4,897	5,229
	31,665	35,235
Net liability exposure	381,243	383,639

(*) Includes the contracted transaction for R\$ 75,000

Table of Contents

The Company estimates that, in a probable scenario, the appreciation of the exchange rates of the foreign currencies against the Real at the end of 2009 will be 1.50%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, respectively scenarios which we assess as possible and remote, respectively.

Risk	FX exposure	Base Scenario	Probable scenario	Possible Scenario: FX Depreciation 25.00%	Remote Scenario: FX Depreciation 50.00%
US dollar					
	Loans and financings	410,514	416,684	521,299	625,913
	() Hedge and swap transactions	(61,909)	(62,840)	(78,616)	(94,393)
		348,605	353,845	442,683	531,520
Yen					
	Loans and financings	91,516	92,892	116,213	139,535
	() Hedge transactions	(90,543)	(91,904)	(114,978)	(138,051)
		973	988	1,236	1,484
Euro					
	Loans and financings				
	Others	26,768	27,170	33,675	40,433
		4,897	4,971	6,161	7,397
Net liability exposure		381,243	382,003	477,593	573,436
Net effect of FX depreciation			(5,731)	(102,510)	(199,590)

Interest rate risk

Cemig and its subsidiaries were exposed to the risk of increase in international interest rates, affecting loans and financings in foreign currency with floating interest rates (principally Libor), in the amount of R\$ 96,364 at March 31, 2009 (R\$ 109,272 on December 31, 2008).

In relation to the risk of increase of domestic interest rates, the Company's exposure arises from its liabilities indexed to interest rates, which are as follows:

EXPOSURE TO BRAZILIAN INTEREST RATES	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Assets				
Cash investments (Note 3)	2,614,275	1,953,165	210,132	239,545
Regulatory assets (Note 5)	1,740,596	1,642,528		
	4,354,871	3,595,693	210,132	239,545
Liabilities				
Loans, financings and debentures (Note 19)	(5,194,587)	(5,122,700)	(83,005)	(80,328)
Regulatory liabilities (Note 5)	(623,789)	(668,916)		
Hedge and swap transactions (Note 31)	(152,452)	(162,235)		
	(5,970,828)	(5,953,851)	(83,005)	(80,328)
Net liability exposure	(1,615,957)	(2,358,158)	127,127	159,217

In relation to the most significant interest rate risk of an increase of SELIC, the Company estimates that, in a probable scenario, the SELIC rate at the end of 2009 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the SELIC rate of 25% and 50%, respectively scenarios which we assess as possible and remote, respectively.

Table of Contents

Risco - Alta nas Taxas de juros nacionais	Base scenario: Selic 11.16%	Probable scenario: Selic 9.00%	Possible scenario: Selic 11.25%	Remote scenario: Selic 13.50%
Assets				
Cash investments	2,614,275	2,572,039	2,616,027	2,660,022
Regulatory assets	1,740,596	1,712,475	1,741,762	1,771,055
	4,354,871	4,284,514	4,357,789	4,431,077
Liabilities				
Loans, financings and debentures	(5,194,587)	(5,110,663)	(5,198,067)	(5,285,487)
Regulatory liabilities	(623,789)	(613,711)	(624,207)	(634,705)
Contracted hedge/swap	(152,452)	(149,989)	(152,554)	(155,120)
	(5,970,828)	(5,874,363)	(5,974,828)	(6,075,312)
Net liability exposure	(1,615,957)	(1,589,850)	(1,617,040)	(1,644,235)
Net effect of variation in the Selic rate		26,107	(1,083)	(28,278)

Credit risk

This risk arising from the possibility of Cemig or its subsidiaries incurring losses as a result of difficulty in receiving amounts billed to their clients is considered to be low. The Company carries out monitoring for the purpose of reducing default, on an individual basis, with its consumers. Negotiations are also established to make possible receipt of any receivables in arrears.

Energy scarcity risk

The electricity sold is generated, basically, by hydroelectric power plants. A prolonged period of shortage of rainfall could result in the reduction of the volume of water in the Company's reservoirs, adversely affecting the recovery of their volume and resulting in losses as a result of increased costs of acquisition of electricity, or reduction of revenues in the event of adoption of a renewed rationing program, like the one put in place by the federal government in 2001.

Risk of early maturity of debt

The Company and its subsidiaries have contracts for loans, financings and debentures, with the restrictive covenant clauses normally applicable to these types of operation, related to compliance with economic and financial indices, cash flow and other indicators. Non-compliance with these clauses could result in early maturity of debt. The restrictive clauses were complied with in full on March 31, 2009.

Risk of non-renewal of concessions

The Company has concessions for commercial operation of generation, transmission and distribution services, and its management expects that they will be renewed by Aneel and/or the Mining and Energy Ministry. If regulatory bodies do not grant the applications for renewals of these

concessions, or if it decides to renew them upon imposition of additional costs for the company (concessions for consideration), or establishment of a ceiling price, the present levels of activity and profitability could be altered.

b) Financial instruments derivatives

The derivative instruments contracted by **Cemig and its subsidiaries** have the purpose of protecting their operations against the risks arising from foreign exchange variation and are not used for speculative purposes.

The principal amounts of the transactions and derivatives are not posted in the balance sheet, since they refer to transactions which do not require payments of cash in full, but only of the gains or losses that actually occur. The net results of these transactions represented losses in the first quarter of 2009 and 2008 in the amount of R\$ 20,723 and R\$ 5,001, respectively. These were posted in Financial revenue (expenses).

Table of Contents

Methodology of calculation of the fair value of positions

The fair value of financial investments is calculated, when applicable, taking into consideration the market prices of the security, or market information that makes such calculation possible, and future rates for similar securities. The market value of the security corresponds to its maturity value brought to present value by the discount factor obtained from the market yield curve in Reais.

This table shows the derivative instruments contracted by the subsidiaries Cemig GT and Cemig D on March 31, 2009.

Receivable by	Payable by	Maturity period	Market Trading	Principal amount				Lost not realized		Accumulated Effect	
				contract		Book Value		Fair Value		Receivable	Payable
				3/31/2009	12/31/2008	3/31/2009	12/31/2008	3/31/2009	12/31/2008	Amount 3/31/2009	Amount 12/31/2008
CEMIG	CEMIG										
US\$ exchange rate + interest (5.58% p.a. to 7.48% p.a.)	R\$ 100% of CDI + interest (2.98% p.a to 3.01% p.a.)	From 04/2009 to 06/2013	Over the counter (OTC)	US\$59,135	US\$59,135	(89,227)	(87,672)	(94,993)	(97,301)		
¥ (Japanese Yen) exchange rate + interest (3.90% p.a.)	R\$ Brazilian interest rate - CDI (111% of CDI)	12/2009	Over the counter (OTC)	¥3,878,825	¥3,878,825	(1,812)	2,963	(1,812)	2,837		
R\$ 106% of CDI	R\$ or US\$ 48% of CDI or exchange rate (the highest)	04/2010	Over the counter (OTC)	R\$75,000	R\$75,000	(17,998)	132	(18,441)	132	697	(356)
						(109,037)	(84,577)	(115,246)	(94,332)	697	(356)

Additionally, the jointly controlled subsidiary **Light** uses swap transactions to reduce risks arising from FX variations. The non-realized net value of these transactions on March 31, 2009, was R\$ 2, 623 positive (negative in R\$ 2,846 on March 31, 2008).

c) Sensitivity analysis

The two first derivative instruments shown in the table above indicate that the Company is exposed to the variation in the CDI rate. The Company estimates that the CDI rate at the end of 2009 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the CDI rate of 25% and 50%, respectively, in relation to March 31, 2009 scenarios which we assess as possible and remote, respectively. In the possible and remote scenarios, the CDI rate at March 31, 2009 is 11.25%, and 13.50% respectively.

The last derivative instrument shown in the table above indicates that the Company is exposed to a monthly variation in the exchange rate of the US dollar against the Real (if it is greater than 48.00% of the CDI). The Company estimates that the exchange rate of the US dollar against the Real at the end of 2009 will be R\$ 2.35. The Company has made a sensitivity analysis of the effects on the results of the Company arising from uniform increases of 25% and 50% in the Real/dollar exchange rate in 2009 – these are scenarios of which we rate the chances as possible and remote, respectively.

In these possible and remote scenarios, the US dollar exchange rate at December 31, 2009 is R\$ 2.94, and R\$ 3.53, respectively.

Table of Contents

	Base Scenario	Probable Scenario	Possible Scenario	Remote Scenario
Risk - Increase in domestic interest rates				
Contracts in US\$ and Yen	(227,452)	(223,777)	(227,604)	(231,432)
Net effect of variation of the Selic rate		3,674	(152)	(3,980)
Risk increase in US\$				
Contracts updated at 106.00% of CDI	75,000	76,127	95,240	114,353
Net effect of the variation in the US\$		(1,127)	(20,240)	(39,353)

32) FINAL RESULT OF THE SECOND TARIFF REVIEW OF CEMIG D AND LIGHT SESA

a) Cemig Distribuição S. A.

In March 2009 Aneel homologated the final result of the tariff review of Cemig Distribuição, the effects of which take place from April 2008.

The final result of the Company's second tariff review was an average reduction of 19.62%, which compares with the average reduction of 18.09% applied on a provisional basis in April 2008.

As a result of the homologation of the final tariff review, Aneel recalculated the amounts which, in its judgment, should have been those effectively recognized in the Company's tariff adjustment as from April 2008.

The adjustments in the net profit, which relate principally to (i) the reduction in the value of the Reference Company used as a basis for reimbursement of the Company's manageable costs and also from ANEEL (ii) the new calculation criterion for reimbursement of financial regulatory assets via tariffs, with a consequence of discounts in the amounts that in the opinion of the regulatory agency, were included higher in the Company's tariff rate as the table below shows:

The adjustments affected the following income statements on March 31, 2009:

	03/31/2009
Operacional liquid income of PASEP-COFINS	(213,803)
Operational cost and expenses	20,987
	(192,906)
Income tax and contribution	65,588
Gross profit of the net	(127,318)

b) Light SESA

On November 4, 2008 ANEEL established a provisional structural tariff repositioning for Light with an increase of 1.96%, from November 7, 2008. Considering the financial adicional of 2.30%, increase in the tariff was 4.27%. As a result of the withdrawal from the tariff base of a financial component of 0.41%, which had been added in the annual adjustment of 2007, the average effect on the tariff perceived by consumers was 4.70%

In relation to the additional financial items: ANEEL approved an administrative appeal filed by Light at the time of Light's tariff adjustment of 2007. In this appeal Light requested recalculation of the Energy CVA component for the period 2005-6. The impact of this decision on Light was R\$ 76.8 million, representing an addition of 1.48% to the tariff, for 12 months.

The Tariff Review process principally establishes the following: The repositioning of the tariff level, which establishes tariffs compatible with coverage of efficient operational costs and remuneration on prudent investments; and the X Factor, which establishes productivity targets for the subsequent tariff period.

Table of Contents

For the calculation of the tariff repositioning, ANEEL establishes the following: (i) efficient operational costs, using the Reference Company method; (ii) the amount of prudent investments, using the Regulatory Basis for Remuneration; (iii) the level of regulatory losses to be passed through to consumers; and (iv) the non-manageable costs, also known as Portion A.

33) SUBSEQUENT EVENTS

Acquisition of 65.86% of Terna Participações S. A.

On April 23, 2009 Cemig GT acquired 65.86% of Terna Participações S. A, a holding company that operates in electricity transmission, with a presence in 11 Brazilian States, for R\$ 2.33 billion. The holding company controls a total of six companies which operate a total of more than 3,750 km of transmission lines.

The conclusion of the transaction and the actual acquisition should take place by September 30, depending on approvals from regulators and creditors. Additionally, Cemig also intends, on a date to be announced, to make a public offering to acquire the shares of Terna Participações held by the minority stockholders, for prices corresponding to 100% of the price paid to Terna S. p. A.

Temporary Voluntary dismissal program (PDV)

In April 2009, Cemig put in place its temporary voluntary dismissal program (PDV), available to employees between April 22 and June 5, 2009.

Employees who subscribe to the PDV receive a financial incentive varying between 3 and 16 times their monthly remuneration, according to criteria established in the program's regulations, of which the principal one is the time of contribution remaining for full retirement entitlement under the national social security system (INSS). The incentive includes payment of the contributions to the pension fund and the INSS up to the date when the employee would have complied with the requirements for applying for retirement benefit under the INSS (limited to five years), and deposit of the obligatory penalty payment (applicable to dismissals) of 40% on the balance of the employee's accumulated funds under the FGTS system.

Additionally, Cemig guarantees full payment of the costs of the group life insurance plan, for 6 months, and of the health plan, for 12 months, from the date of leaving the company.

The provision for the expenses under this program will be made in the second quarter of 2009, depending on how many employees subscribe to the program.

Rates readjustment

The rates of Cemig Distribuição S. A. were increased by an average of 6.21% from April 8, 2009. The adjustment was applied in different percentages by category of consumption. As an example, residential consumers had an increase of 4.87% in their electricity bills, while high-voltage consumers had an increase of 9.42%.

Table of Contents**34) INCOME STATEMENTS SEPARATED BY COMPANY**

DESCRIÇÃO	HOLDING	CEMIG - GT	CEMIG - D	RME Light	ETEP, ENTE, ERTE, EATE, ECTE	GASMIG	INFOVIAS	SÁ CARVALHO	ROSAL	OUTRAS	ELIMINAÇ
ATIVO	11.232.668	8.228.394	9.823.165	2.366.480	320.921	508.521	288.648	156.539	127.586	766.886	(8.692)
Disponibilidade	214.415	1.257.870	483.827	184.542	18.782	108.561	28.083	56.382	41.943	311.186	
Contas a Receber	2.256.476	435.904	1.745.748	435.139	10.663	157.461		5.593	10.401	35.290	(666)
Consumidores e Revendedores		385.330	1.384.982	348.253		157.461		5.593	10.401	33.926	(170)
Consumidores e Revendedores			10.416	74.365							
Concessionários - Transporte de Energia		50.574	350.350	12.521	10.663					1.364	(11)
Contas a Receber do Governo do Estado	820.008										950
CREDITOS A RECEBER DE CONTROLADAS	1.436.468										(1.435)
Ativo Regulatório		26.755	1.669.902	104.824							
Despesas Antecipadas - CVA			542.899	36.515							
Despesas Antecipadas - CVA			612.396	54.100							
Consumidores - Recomposição Tarifária			288.427	14.209							
Consumidores - Recomposição Tarifária			165.296								
Revendedores - Transações no MAE		10.640									
ATIVO REGULAT. - PIS/PASEP/COFINS			46.240								
ATIVO REGULAT. - PIS/PASEP/COFINS											
RTD			14.644								
RTD											
Revendedores - Transações Energia Livre		16.115									
Outros Ativos	546.633	614.242	1.536.415	543.824	11.960	44.901	48.311	23.563	2.988	55.168	(68)
Tributos Compensáveis	5.191	331.938	425.269	115.390	1.684	27.782	3.138	22.640	2.948	44.442	
Almoxarifado	17	3.656	23.812	4.944	2.671	1.717					
Créditos Tributários	41.899	24.899	168.846	61.334			1.522	70			
Fundos Vinculados	47	1.184	183.531								
Outros Créditos	19.757	68.036	163.048	55.810	789	3.979	11.830	265	39	5.607	(22)
Créditos Tributários	128.706	77.039	202.211	254.324		9.882	28.409				
Racionamento - Bônus e Custo											
Tributos Compensáveis	189.477	18.158	57.351	15.693		857	3.399				
Depósitos Vinculados a Litígio	88.946	57.714	258.799	30.709	1.110	677		588	1	290	
Coligadas e Controladas	24.264	10.843	25.883							3.005	(63)
Outros	48.329	20.775	27.665	5.620	5.706	7	13			1.824	18

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Investimentos/Imobilizado	8.215.144	5.893.623	4.387.273	1.098.151	279.516	197.598	212.254	71.001	72.254	365.242	(7.958)
Investimentos	8.210.890	1.074.537	5.552	4.660		194				59.369	(8.211)
Imobilizado	2.007	4.801.846	4.157.570	1.024.295	275.313	195.897	211.953	71.001	72.005	270.942	
Intangível	2.247	17.240	224.151	69.196	4.203	1.507	301		249	34.931	252
Diferido											
PASSIVO	11.232.668	8.228.394	9.823.165	2.366.480	320.921	508.521	288.648	156.539	127.586	766.886	(8.692)
Fornecedores e suprimentos	3.212	155.393	545.397	137.501	1.212	25.083	8.248	6.850	6.086	16.122	(80)
Fornecedores	3.212	155.316	545.397	137.501	1.212	25.083	8.248	6.850	6.086	16.122	(80)
Fornecedores - Suprimento		77									
Empréstimo, Financiamento e Debentures	83.004	2.988.383	2.751.160	541.618	163.037					99.015	950
Empréstimos e Financiamentos	9.417	418.079	332.840	38.007	23.492					22.571	68
Debentures		381.389	36.123	17.352							
Empréstimos e Financiamentos	73.587	1.916.179	1.646.730	256.032	139.545					76.444	882
Debentures		272.736	735.467	230.227							
Juros sobre Capital Próprio e Dividendos	960.129	539.042	682.227	65.112	9.584	12.289		19.765	18.877	88.299	(1.435)
Obrigações Pós-Emprego	56.021	275.811	878.353	254.500							
Obrigações Pós-Emprego	4.016	18.473	54.580	23.445							
Obrigações Pós-Emprego	52.005	257.338	823.773	231.055							
Outros Passivos	442.426	556.213	2.449.683	699.708	16.123	142.767	10.182	28.023	6.961	67.046	(169)
Salários e Contribuições Sociais	16.117	44.129	134.990	16.371	441	403	1.527	95	288	147	
Tributos e Contribuição Social	20.731	186.905	453.337	36.372	2.902	26.755	7.323	25.548	4.538	45.717	
Encargos Regulatórios		75.706	286.887	58.434	2.031			1.232	620	434	
Participação nos lucros	1.490	8.951	28.594			289		148			
Dívidas com Pessoas Ligadas	10.406	5.544	23.376			1.316				4.880	(45)
PASSIVOS											
REGULATÓRIOS CVA			123.051	23.725							
PASSIVO											
REGULATÓRIO REV											
RECEITA			264.626								
Provisão P/Perdas em Instrumentos Financeiros											
Provisão P/Perdas em Instrumentos Financeiros		34.861	80.386							4.801	
Outras Obrigações	14.766	45.053	244.114	113.151	2.554	136.049	753	308	301	5.753	(123)
Encargos Regulatórios		4.352	15.550					189	48	167	
Tributos e Contribuição Social		106.443	254.321	81.961				502	1.165	292	
Provisões para Contingências	378.886	7.591	69.973	234.120							
PASSIVOS											
REGULATÓRIOS CVA			459.201	336							
Outros	30	36.678	11.277	135.238	8.195	(22.045)	579	1	1	4.855	
Resultado de Exercícios Futuros											
Participações minoritárias				356.890	5.984						
Patrimônio Líquido	9.687.876	3.713.552	2.516.345	311.151	124.981	328.382	270.218	101.901	95.662	496.404	(7.958)
RESULTADO											
Receita Operacional Líquida	84	732.279	1.185.835	362.076	22.088	55.629	24.510	10.856	7.327	39.317	(73)

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

CUSTOS E DESPESA

OPERACIONAL

Pessoal	(5.776)	(68.795)	(200.966)	(15.525)	(623)	(2.770)	(2.018)	(239)	(297)	(1.012)	
Pessoal - Administradores e Conselheiros											
Obrigações Pós-Emprego	(1.417)	(7.333)	(22.939)	(2.298)							
Materiais	(40)	(2.949)	(20.815)	(1.118)	(253)	(174)	(319)	(179)	(24)	(105)	
Materia Prima											
Serviços de Terceiros	(2.428)	(24.537)	(105.051)	(14.710)	(1.356)	(1.080)	(4.778)	(1.084)	(599)	(5.036)	
Comp. Financ Utilização											
Recursos Hídricos		(34.767)						(444)	(253)	(654)	
Energia Elétrica											
Comprada para Revenda		(27.190)	(505.711)	(193.174)					(154)	(1.268)	55
Encargos de Uso da Rede											
Básica de Transmissão		(72.294)	(119.565)	(24.823)					(1.133)	(4.400)	18
Depreciação e Amortização	(46)	(56.026)	(81.162)	(19.143)	(2.207)	(951)	(7.115)	(557)	(543)	(3.292)	
Provisões Operacionais	(20.981)	252	(15.694)	(16.388)			(3)			(673)	
Gás Comprado para Revenda						(39.314)					
Outras Despesas Líquidas	(9.751)	(13.672)	(28.623)	(6.479)	(313)	(1.172)	(1.406)	(79)	(101)	(449)	
	(40.439)	(307.311)	(1.100.526)	(293.658)	(4.752)	(45.461)	(15.639)	(2.582)	(3.104)	(16.887)	73
Lucro Operacional antes do Resultado de Equivalência Patrim. e Receitas (despesas)											
Financeiras	(40.355)	424.968	85.309	68.418	17.336	10.168	8.871	8.274	4.223	22.430	
Resultado Financeiro	11.839	(50.190)	(7.773)	(3.876)	(3.770)	4.704	781	1.610	1.206	7.712	
Lucro (prejuízo) Operacional	(28.516)	374.778	77.536	64.542	13.566	14.872	9.652	9.884	5.429	30.142	
Resultado Não Operacional											
Lucro (Prejuízo) antes do Imposto de Renda, contribuição social e participação dos empregados	(28.516)	374.778	77.536	64.542	13.566	14.872	9.652	9.884	5.429	30.142	
Imposto de Renda e Contribuição Social	5.923	(136.642)	(18.477)	(19.561)	(3.550)	(4.717)	(3.267)	(3.333)	(994)	(3.381)	
Participações Minoritária				(20.141)	(79)						
Participações dos Empregados	(902)	(5.723)	(18.725)	(1.802)				(63)	(28)	(181)	
Lucro Líquido do Exercício	(23.495)	232.413	40.334	23.038	9.937	10.155	6.385	6.488	4.407	26.580	

Table of Contents

CONSOLIDATED ECONOMIC FINANCIAL PERFORMANCE

Amounts are in thousands of Reais unless otherwise stated.

Profit in the period

Cemig reported in first quarter of 2009 consolidated net profit of R\$ 336,242, compared to consolidated net profit of R\$ 490,280 million in 1Q08, a reduction of 31.42%.

This lower profit was due in part to the extraordinary adjustments posted in the first quarter of 2009, arising from the final values advised by Aneel for the Company's Tariff Review, with a negative impact of R\$ 127 million in the result. In counterpart, an extraordinary creditor item with a positive impact of R\$ 38 million, also related to the Tariff Review, was posted in the income statement for the first quarter of 2008.

Ebitda (method of calculation not reviewed by external auditors)

Cemig's Ebitda in first quarter of 2009 was R\$ 780,684, vs. R\$ 1,081,448 in first quarter of 2008, a reduction of 27.81%. It should be noted that, adjusted for non-recurring items, Ebitda was 4.87% lower year-on-year.

As part of the tariff review of Cemig Distribuição, Aneel included in the tariff to be applied as from April 8, 2009 certain financial items relating to previous business years which resulted in the recognition of regulatory assets and liabilities which will be received and/or discounted in the tariff to be received from consumers in the period April 8, 2009 to April 7, 2010.

The financial items mentioned refer principally to the reduction in the cost of the Reference Company used by Aneel to reimburse the Company for its manageable costs, with effect backdated to 2008. The impact on Ebitda of this non-recurring recognition of financial items was R\$ 192,816.

In the previous period the company also made non-recurring adjustments relating to the Tariff Review, but those adjustments had a positive effect on the income statement.

These non-recurring adjustments are shown in the table below:

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

EBITDA - R\$ 000	03/31/2009	03/31/2008	Change %
Net profit	336,242	490,280	(31.42)
+ Provision for current and deferred income tax and Social Contribution	187,999	276,097	(31.91)
+ Employees and managers shares in results	27,424	22,058	24.33
+ Financial revenues (expenses)	37,757	79,112	(52.27)
+ Amortization and depreciation	171,042	201,481	(15.11)
+ Minority interests	20,220	12,420	62.80
EBITDA	780,684	1,081,448	(27.81)
Non-recurring items:			
- Tariff review Net revenue	213,803	(62,464)	
+ Tariff review Operational expense	(20,987)	4,330	
= ADJUSTED EBITDA	973,500	1,023,314	(4.87)

Table of Contents

The reduction in Ebitda shown in the table above affected Ebitda margin, which was 32.99% in the first quarter of 2009, compared to 39.26% in the first quarter of 2008.

Revenue from supply of electricity

Gross revenue from supply of electricity in the first quarter of 2009 was R\$ 3,136,503, 12.27% less than the revenue of R\$ 3,575,243 in 1Q08.

This increase was basically due to the following factors:

- Tariff readjustment of Cemig Distribution, with average impact on consumers' tariffs of a reduction of 12.24%, from April 8, 2008.
- Reduction of the volume of energy invoiced to final consumers 1.60% higher (this excludes Cemig's own internal consumption).
- Posting of regulatory liabilities calculated as a result of the adjustment in the Company's Tariff Review, backdated to 2009, representing a reduction in gross revenue in the amount of R\$ 213,803.
- Increase in the average tariff for sale of electricity by Cemig GT as a result of the increase in values under contracts (principally indexed by IGP-M inflation).

Electricity sold to final consumers (MWh)
(Data not audited by independent auditors)

Consumption by consumer category	03/31/2009	MWh 03/31/2008	Change %
Residential	2,446,236	2,236,580	9.4
Industrial	5,593,627	6,101,503	(8.3)
Commercial, services and others	1,566,568	1,477,530	6.0
Rural	455,518	456,423	(0.2)
Public authorities	258,624	236,587	9.3
Public illumination	311,294	301,901	3.3

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Public service	327,063	330,386	(1.0)
Total	10,958,930	11,140,910	(1.6)

Table of Contents

Revenue from wholesale electricity sales

Revenues from energy sold to other concession holders and bilateral contracts and sales in the wholesale energy market (CCEE) totaled R\$ 359,504 in first quarter of 2009, compared to R\$ 318,649 in first quarter of 2008 – an increase of 12.82%. This result is basically due to electricity previously directed to industrial consumers being sold in these markets, because there was a reduction in demand from those consumers due to the economic recession and its impacts on industrial production.

Revenue from use of the network – Free Consumers

Revenue from use of the grid was 6.13%, or R\$ 29.5 million, lower in first quarter of 2009, at R\$ 452.09 million, than in first quarter of 2008 (R\$ 481.59 million). This revenue comes mainly from amounts charged to free consumers on energy sold by other agents of the electricity sector, and was lower due to lower transport of energy to free consumers, as a result of lower industrial production resulting from the recession. Explanatory Note 25 to the consolidated Quarterly Information gives a breakdown of the balance.

Non-controllable costs

Differences between the non-controllable costs assumed in calculating tariff adjustments, and disbursements actually made, are recorded in an account known as the CVA (cost variation account), and their total is offset in subsequent tariff adjustments. CVA amounts are registered in Current and Noncurrent assets. Complying with the Aneel Chart of Accounts, some items are allocated as Deductions from operational revenue. Please refer to further information in Explanatory Note 8 to the Consolidated Quarterly Information.

As from March 2008 the company began to receive, in the tariff, the amounts posted in assets under – Portion A –. Hence the portion of the non-controllable costs which were actually received in the tariff is transferred to Operational expenses.

Deductions from operational revenues

Deductions from operational revenues in first quarter of 2009 totaled R\$ 1.361 billion, 6.07% less than in first quarter of 2008 (R\$ 1.448 billion). The principal changes in these expenses are as follows:

Fuel Consumption Account – CCC

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The deduction from revenue relating to the CCC was R\$ 122.62 million in the first quarter of 2009, compared to R\$ 77.225 million in the first quarter of 2008, representing an increase of 58.78%. This relates to the operational costs of thermal plants in the Brazilian interconnected and isolated systems, split pro-rata between electricity concession holders by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity distribution services corresponds to the amount actually passed through to the tariff. For the amount posted in relation to electricity transmission services the company merely passes through the charge, since the CCC is charged to Free Consumers on the invoice for the use of the basic grid, and passed onto Eletrobrás.

Energy Development Account CDE

The deduction from revenue for the CDE was R\$ 93.462 million in the first quarter of 2009, 4.03% lower than in the first quarter of 2008 (R\$ 97.387 million). The payments are specified by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity distribution services is the amount actually passed through to the tariff. For the amount posted in relation to electricity transmission services the company merely passes through the charge since the CCC is charged to Free Consumers, on the invoice for the use of the grid, and passed on to Eletrobrás.

Table of Contents

The other deductions from revenue are for charges calculated as a percentage of billing, and their variations thus, substantially, arise from the changes in revenue. Note that taxes applicable to the extraordinary adjustments mentioned above, and deducted from revenue in 2009, have not been calculated.

Operational costs and expenses (excluding financial revenue/expenses)

Operational costs and expenses (excluding net financial revenue (expenses)) totaled R\$ 1.757 billion in 1Q09, 6.30% less than in 1Q08 (R\$ 1,874,692). This lower amount basically reflects lower costs for purchase of electricity, post-employment benefits and depreciation. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

The principal changes in expenses are:

Energy purchased for resale

Expenses on electricity purchased for resale totaled R\$ 671.84 million in 1Q09, 7.38% lower than in 1Q08 (R\$ 725.37 million). This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

Personnel expenses

Personnel expenses totaled R\$ 298.02 million in 1Q09, 4.80% higher than in 1Q08 (R\$ 284.36 million). This principally reflects:

- Salary adjustment of 7.26% given to the employees of the holding company, of Cemig D and of Cemig GT in November 2008.
- A provision for the permanent Voluntary Dismissal Program (PPD), in the amount of R\$ 6.11 million, in the first quarter of 2008, compared to a reversal of provision of R\$ 2.22 million in 2009.
- Higher transfer of costs from personnel expenses to works in progress (R\$ 25.86 million in 1Q09, vs. R\$ 19.19 million in 1Q08) due to higher capital expenditure activity in 2009.

Further information on the composition of personnel expenses is given in Explanatory Note 28 to the Quarterly Information.

Depreciation and amortization

Depreciation and amortization expense was 15.11% lower, at R\$ 171.04 million in the first quarter of 2009 (R\$ 201.48 million in the first quarter of 2008). This result arises from the depreciation of Special Obligations, from April 2008, the date of the second-cycle tariff review.

Post-employment obligations

Expenses on post-employment obligations totaled R\$ 33.987 million in 1Q09, compared to R\$ 61.668 million in 1Q08, 44.89% lower. These expenses basically represent interest on the actuarial liabilities of the Company, net of the expected return on pension plan assets, as estimated by an external actuary. The lower expense in 2009 reflects the reduction in the present value of the obligations recorded, which is a consequence of the increase in interest rates used for discount of those obligations to present value.

Operational provisions

Operational provisions in 1Q09 totaled R\$ 53.49 million, a reduction of 44.49% in relation to their total of R\$ 96.35 million in 1Q08. The lower amount comes from a lower provision for doubtful accounts and contingencies for legal actions in 2009. For more information please see Explanatory Notes 22 and 28 of the Consolidated Quarterly Information.

Table of Contents

Charges for Use of the Basic Transmission Grid

Charges for use of the transmission network were R\$ 204.19 million in 1Q09, 18.49% more than in 1Q08 (R\$ 172.32 million).

These charges are payable by distribution and generation agents for use of the facilities and components of the basic grid, and are set by Aneel resolution. This is a non-controllable cost: the deduction from revenue recorded is the value effectively passed through to the tariff.

Gas purchased for resale

The cost of gas purchased for resale was R\$ 39.31 million in 1Q09, compared to R\$ 53.42 million in 1Q08, a reduction of 26.41%. This lower figure basically reflects the lower sale of gas in 2009 as a result of the effects of the recession on economic activity.

Outsourced services

Expenses on outsourced services in 1Q09 were R\$ 160.66 million, 10.99% higher than in 1Q08 (R\$ 144.75 million). The higher expense in 1Q09 mainly reflects higher expenses on maintenance and conservation of electricity facilities and adjustments in values of contracts for provision of services.

Financial revenues (expenses)

In 1Q09 the company reported net financial expenses of R\$ 37.76 million, compared to net financial expenses of R\$ 79.11 million in 1Q08. The main factors in this financial result are:

- Revenue from cash investments 23.24% higher in 2009, when a higher volume of cash was invested: in 1Q09 this revenue was R\$ 66.38 million, compared to R\$ 53.86 million in 1Q08.
- Revenue from penalty payments applied to arrears on settlement of electricity bills R\$ 23.20 million lower in 1Q09, at R\$ 27.51 million, compared to R\$ 50.71 million in 1Q08. This variation mainly reflects Cemig D's higher revenue in 1Q08, relating to accounts received from major industrial consumers for consumption in prior years – the principal amounts of which were considerably less than the amounts added as penalty payments for delay in settlement.

- Revenue from monetary updating on the General Agreement for the Electricity Sector 65.83% lower, at R\$ 15.45 million in 1Q09, compared to R\$ 45.21 million in 1Q08 reflecting the lower value of the regulatory assets in 2009, due to the amortization of the principal regulatory assets constituted.
- With monetary variation and interest applicable to the Deferred Tariff Adjustment 93.14% lower, at R\$ 1.77 million in 1Q 2009 vs. R\$ 25.90 million in 1Q08. This mainly reflects the reduction of the size of the asset due to receipt of some of the values receivable into electricity accounts paid by clients. For further details please see Explanatory Note 11 to the Consolidated Quarterly Information.
- Lower monetary variation on loans and financings, of R\$ 3.82 million in 1Q09, compared to R\$ 24.02 million in 1Q08. This result is basically due to the higher variation in inflation indices in 1Q09 than in 1Q08.
- Reversal of provision for losses on the free energy assets, of R\$ 8.72 million in 2Q09, compared to a provision of an expense of R\$ 15.99 million in 2008. This variation is due to the estimate of the receivables of the distributors.

Table of Contents

For a breakdown of financial revenues and expenses, see Explanatory Note 29 to the Consolidated Quarterly Information.

Income tax and Social Contribution; effective tax rate

In 1Q09, Cemig posted expenses on income tax and Social Contribution of R\$ 188.999 million, representing 32.87% of the pre-tax profit of R\$ 571.885 million. In 1Q08, the company posted expenses on income tax and Social Contribution of R\$ 276.097 million, representing 34.48% of the pre-tax profit of R\$ 800.855 million. These effective rates are compared with the nominal rates in Note 10 to the Consolidated Quarterly Information for March 31, 2007.

Table of Contents

3.	Quarterly Financial Information for the quarter ended March 31, 2009,
Cemig Distribuição S.A.	

Table of Contents

TRANSLATION NOT REVISED BY THE EXTERNAL AUDITORS

CONTENTS

<u>BALANCE SHEETS</u>	99
<u>INCOME STATEMENTS</u>	101
<u>STATEMENTS OF CASH FLOWS</u>	102
<u>EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)</u>	104
<u>1) OPERATIONAL CONTEXT</u>	104
<u>2) PRESENTATION OF THE QUARTERLY INFORMATION</u>	104
<u>3) CASH AND CASH EQUIVALENTS</u>	105
<u>4) CONSUMERS AND TRADERS</u>	105
<u>5) REGULATORY ASSETS AND LIABILITIES</u>	106
<u>6) THE EXTRAORDINARY TARIFF RECOMPOSITION, AND PORTION A</u>	106
<u>7) ANTICIPATED EXPENSES AND REGULATORY LIABILITIES CVA</u>	108
<u>8) TAXES SUBJECT TO OFFSETTING</u>	108
<u>9) TAX CREDITS</u>	109
<u>10) DEFERRED TARIFF ADJUSTMENT</u>	110
<u>11) REGULATORY ASSET PIS/PASEP AND COFINS</u>	111
<u>12) FIXED ASSETS</u>	111
<u>13) INTANGIBLE</u>	112
<u>14) SUPPLIERS</u>	112
<u>15) TAXES, CHARGES AND CONTRIBUTIONS</u>	112
<u>16) LOANS, FINANCINGS AND DEBENTURES</u>	113
<u>17) REGULATORY CHARGES</u>	115
<u>18) POST-EMPLOYMENT OBLIGATIONS</u>	115
<u>19) CONTINGENCY PROVISIONS</u>	116
<u>20) STOCKHOLDERS EQUITY</u>	118
<u>21) - GROSS REVENUE FROM RETAIL SUPPLY OF ELECTRICITY, AND REVENUE FOR USE OF THE NETWORK CAPTIVE CONSUMERS</u>	118
<u>22) REVENUE FROM USE OF THE NETWORK FREE CONSUMERS</u>	119
<u>23) OTHER OPERATIONAL REVENUES</u>	119
<u>24) DEDUCTIONS FROM OPERATIONAL REVENUE</u>	119
<u>25) OPERATIONAL COSTS AND EXPENSES</u>	120
<u>26) NET FINANCIAL REVENUES (EXPENSES)</u>	122
<u>27) RELATED PARTY TRANSACTIONS</u>	123
<u>28) FINANCIAL INSTRUMENTS</u>	124
<u>29) FINAL RESULT OF THE SECOND TARIFF REVIEW OF CEMIG D</u>	127
<u>ECONOMIC FINANCIAL PERFORMANCE</u>	129

Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008****ASSETS****R\$ 000**

	03/31/2009	12/31/2008
CURRENT		
Cash and cash equivalents (Note 3)	483,827	442,421
Consumers and traders (Note 4)	1,384,982	1,348,174
Extraordinary Tariff Recomposition, and Portion A (Note 6)	288,427	296,372
Concession holders transport of energy	350,350	388,914
Taxes subject to offsetting (Note 8)	425,269	342,830
Anticipated expenses CVA (Note 7)	542,899	722,984
Tax credits (Note 9)	167,574	78,342
Regulatory asset PIS, Pasep and Cofins (Note 11)		46,240
Deferred Tariff Adjustment (Note 10)	14,644	133,423
Deposits linked to legal actions	183,531	203,477
Inventories	23,812	23,410
Others	163,048	162,462
TOTAL, CURRENT	4,028,363	4,189,049
NON-CURRENT		
Non-current financial assets		
Extraordinary Tariff Recomposition, and Portion A (Note 6)	165,296	218,688
Anticipated expenses CVA (Note 7)	612,396	265,494
Tax credits (Note 9)	203,483	222,051
Regulatory asset PIS, Pasep and Cofins (Note 11)	46,240	
Taxes subject to offsetting (Note 8)	57,351	57,351
Deposits linked to legal actions	258,799	212,832
Consumers and traders (Note 4)	10,416	17,380
Receivable from related parties (Note 27)	25,883	23,860
Other credits	27,665	37,009
	1,407,529	1,054,665
Investments	5,552	5,554
Property, plant and equipment (Note 12)	4,157,570	4,135,195
Intangible (Note 13)	224,151	225,919
TOTAL NON-CURRENT ASSETS	5,794,802	5,421,333
TOTAL ASSETS	9,823,165	9,610,382

The Explanatory Notes are an integral part of the financial statements.

Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008****LIABILITIES****R\$ 000**

	03/31/2009	12/31/2008
CURRENT		
Loans and financings (Note 16)	332,840	295,236
Debentures (Note 16)	36,123	20,281
Suppliers (Note 14)	545,397	608,261
Taxes, charges and contributions (Note 15)	453,337	359,651
Interest on Equity and dividends	682,227	682,227
Salaries and mandatory charges on payroll	134,990	195,878
Regulatory charges (Note 17)	286,887	327,073
Profit shares	28,594	85,274
Post-employment obligations (Note 18)	54,580	53,092
Regulatory liabilities CVA (Note 7)	123,051	452,297
Regulatory liabilities Tariff Review (Note 21 and 29)	264,626	
Provision for losses on financial instruments (Note 28)	80,386	79,633
Others	267,490	278,930
TOTAL, CURRENT	3,290,528	3,437,833
NON-CURRENT		
Loans and financings (Note 16)	1,646,730	1,675,007
Debentures (Note 16)	735,467	732,144
Contingency provisions (Note 19)	69,973	67,430
Suppliers (Note 14)	906	693
Post-employment obligations (Note 18)	823,773	833,238
Taxes, charges and contributions (Note 15)	254,321	205,950
Regulatory liabilities CVA (Note 7)	459,201	156,453
Regulatory charges (Note 17)	15,550	15,495
Other	10,371	10,128
TOTAL NON-CURRENT	4,016,292	3,696,538
STOCKHOLDERS EQUITY (Note 20)		
Registered capital	2,261,998	2,261,998
Profit reserves	214,013	214,013
Accumulated losses	40,334	
STOCKHOLDERS EQUITY	2,516,345	2,476,011
TOTAL LIABILITIES	9,823,165	9,610,382

The Explanatory Notes are an integral part of the financial statements.

Table of Contents**INCOME STATEMENTS****FOR THE 3-MONTH PERIODS ENDED MARCH 31, 2009 AND 2008****(In R\$ 000, except net profit per thousand shares)**

	03/31/2009	03/31/2008
OPERATIONAL REVENUE		
Gross supply of electricity (Note 21)	503,565	843,605
Revenue for use of the network Captive Consumers (Note 21)	1,311,655	1,499,742
Revenue for use of the network Free Consumers (Note 22)	261,850	315,032
Other operational revenues (Note 23)	19,249	17,555
	2,096,319	2,675,934
DEDUCTIONS FROM OPERATIONAL REVENUE (Note 24)	(910,484)	(1,028,152)
NET OPERATIONAL REVENUE	1,185,835	1,647,782
COST OF ELECTRICITY SERVICE		
COST OF ELECTRICITY		
Energy purchased for resale (Note 25)	(505,711)	(577,738)
Charges for the use of the basic transmission grid (Note 25)	(119,565)	(119,994)
	(625,276)	(697,732)
COST OF OPERATION (Note 25)		
Personnel and managers	(188,234)	(177,085)
Post-employment obligations	(21,370)	(33,813)
Materials	(21,291)	(21,715)
Outsourced services	(94,754)	(89,717)
Depreciation and amortization	(78,544)	(108,169)
Operational provisions	(1,062)	(8,272)
Other	(12,279)	(17,331)
	(417,534)	(456,102)
TOTAL COST	(1,042,810)	(1,153,834)
GROSS PROFIT	143,025	493,948
OPERATIONAL COST (Note 25)		
Selling expenses	(22,164)	(34,679)
General and administrative expenses	(23,852)	(34,216)
Other operational expenses	(11,700)	(7,749)
	(57,716)	(76,644)
PROFIT FROM THE SERVICE (Operational profit before Financial revenues and expenses)	85,309	417,304
NET FINANCIAL REVENUES (EXPENSES) (nota 26)	(7,773)	10,541
PROFIT BEFORE TAXATION AND PROFIT SHARES	77,536	427,845
Income tax and Social Contribution (Note 9b)	(117,766)	(174,518)
Income tax and Social Contribution deferred (Note 9b)	99,289	33,487
Employees and managers profit shares	(18,725)	(16,155)
NET PROFIT FOR THE PERIOD	40,334	270,659
NET PROFIT PER THOUSAND SHARES, R\$	17,83	119,65

The Explanatory Notes are an integral part of the financial statements.

Table of Contents

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE PERIOD ENDED MARCH 31, 2009

(In Thousand of Reais, except for dividends and Interest on Equity per thousand shares)

	Registered capital	Profit reserves	Accumulated losses	Total
BALANCE AT DECEMBER 31, 2008	2,261,998	214,013		2,476,011
Net profit for the period			40,334	40,334
BALANCE AT MARCH 31, 2009	2,261,998	214,013	40,334	2,516,345

The Explanatory Notes are an integral part of the financial statements

Table of Contents

STATEMENTS OF CASH FLOWS

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

R\$ 000

	03/31/2009	03/31/2008
FROM OPERATIONS		
Net profit for the period	40.334	270.659
Expenses (Revenues) not affecting Cash and cash equivalents		
Depreciation and amortization	81.162	110.515
Write-offs of fixed assets, net	3.000	3.839
Interest and monetary variations Non-current	(4.485)	(2.597)
Deferred income tax and Social Contribution	(99.289)	(33.487)
Provisions for operational losses	19.586	7.859
Provision for losses on financial instruments	723	1.470
Post-employment obligations	22.939	37.169
	63.970	395.427
(Increase) reduction of assets		
Consumers and traders	(51.440)	12.214
The Extraordinary Tariff Recomposition	66.523	80.346
Taxes subject to offsetting	(82.439)	(86.825)
Transport of energy	38.564	(16.429)
Deferred tariff adjustment	118.779	100.416
PIS and Cofins taxes		54.903
Other current assets	18.958	(81.197)
Payments into court	(45.967)	
Anticipated expenses CVA	(166.678)	(105.665)
Tax credits	76.996	8.363
Other	14.795	5.721
	(11.909)	(28.153)
Increase (reduction) of liabilities		
Suppliers	(62.864)	(54.219)
Taxes and Social Contribution	93.686	157.188
Salaries and mandatory charges on payroll	(63.639)	(23.224)
Charges passed through to consumer	(40.186)	8.849
Loans and financings	58.284	55.063
Post-employment obligations	(30.916)	(41.400)
Regulatory liabilities CVA	(26.569)	(1.499)
Regulatory liabilities Tariff Review	264.626	
Other	(67.750)	(70.488)
	124.672	30.270
CASH GENERATED BY OPERATIONS	176.733	397.544
FINANCING ACTIVITIES		
Financings obtained		
Short-term loans		2.675
Payments of loans and financings	(30.560)	(11.144)
Interest on Equity and dividends		(27.741)
	(30.560)	(36.210)
TOTAL INFLOW OF FUNDS	146.173	361.334

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

CAPITAL EXPENDITURE		
On investments	(127.629)	(41.930)
In fixed assets	22.862	(27.494)
Special Obligations consumer contributions	(104.767)	(69.424)
NET CHANGE IN CASH POSITION	41.406	291.910
STATEMENT OF CHANGES IN CASH POSITION		
At start of the year	442.421	636.286
At end of year	483.827	928.196
	41.406	291.910

The Explanatory Notes are an integral part of the financial statements.

Table of Contents

EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)

MARCH 31, 2009

In R\$ \$ 000, except where otherwise stated.

1) OPERATIONAL CONTEXT

Cemig Distribuição S. A. (**Cemig D** , or **Cemig Distribution** , the Company or Cemig Distribuição) is a Brazilian corporation registered for listing with the Brazilian Securities Commission (CVM), and a wholly-owned subsidiary of Companhia Energética de Minas Gerais - Cemig (**Cemig**), created on September 8, 2004 and which started operating on January 1, 2005, as a result of the segregation of Cemig's business activities. Its shares are not traded on any exchange.

Cemig Distribution has a concession area of 567,478 Km², approximately 97% of the Brazilian State of Minas Gerais, serving 6,715,193 consumers as of March 31, 2009. (Information not reviewed by our external auditors).

2) PRESENTATION OF THE QUARTERLY INFORMATION

2.1) Presentation of the Quarterly Information

The quarterly financial statements were prepared according to accounting principles adopted in Brazil, namely: the Brazilian Corporate Law; the Statements, Orientations and Interpretations issued by the Accounting Statements Committee; the rules of the Brazilian Securities Commission (CVM - *Comissão de Valores Mobiliários*); and rules of the specific legislation applicable to holders of electricity concessions, issued by the National Electricity Agency, Aneel.

The quarterly information has been prepared according to accounting principles, methods and criteria that are uniform in relation to those adopted in the previous business year. In accordance with that, the quarterly information must be read with the financial information of the previous year.

2.2) Change in the Brazilian Corporate Law

Law 11.638/07 alters and repeals provisions, and creates new provisions, in the Brazilian Corporate Law, in the chapter relating to disclosure and preparation of financial statements. Among other aspects, this changes the criterion for recognition and valuation of certain assets and liabilities. The aim of these changes is to increase the transparency of financial statements of Brazilian companies and eliminate some regulatory barriers that were an obstacle to the process of convergence of these financial statements with International Financial Reporting Standards (IFRS).

Law 11.638/07 and Provisional Measure 449/08 alters the Law 6.404/76 the aspects related to the Financial Statements.

In the Financial Statement of 2008, the Company has adopted for the first time the changes in the Brazilian Corporate Law made by Law 11.638 approved on December 28, 2007, with the respective changes made by the Provisional Measure 449 on December 3, 2008.

The effects in the quarterly statement because of the changes in the Corporate Law were basically the financial instruments, and the impact in the net profit of the quarterly ended on March 31, 2008 were in the amount of R\$5,565, and those were not adjusted in the quarterly information for comparative because the amounts were immaterial.

Table of Contents**3) CASH AND CASH EQUIVALENTS**

	03/31/2009	12/31/2008
Bank accounts	62,530	90,539
Cash investments		
Bank deposit certificates	413,035	343,714
Treasury Financial Notes (LFTs)	3,834	4,090
National Treasury Notes (LTNs)	68	65
Other	4,360	4,013
	421,297	351,882
	483,827	442,421

Cash investments consist of transactions carried out with Brazilian financial institutions, contracted on normal market conditions and under normal market rates. They have high liquidity and are promptly convertible into known amounts of cash, not being subject to a significant risk of change in value.

These financial investments are, principally, bank certificates of deposit and fixed income funds, remunerated, substantially, by percentages indexed to variation in the CDI (Interbank Certificate of Deposit) rate, varying between 101% and 103% of that rate.

4) CONSUMERS AND TRADERS

Consumer type	Balances not yet due	Up to 90 days past due	More than 90 days past due	03/31/2009	Total 12/31/2008
Residential	363,773	122,710	121,076	607,559	541,084
Industrial	110,109	31,208	258,047	399,364	394,659
Commercial, services and others	191,028	36,744	68,561	296,333	289,906
Rural	52,019	12,978	16,736	81,733	99,657
Public authorities	38,178	3,908	39,738	81,824	76,358
Public illumination	39,153	2,434	9,060	50,647	67,973
Public service	50,095	1,081	1,555	52,731	58,837
Subtotal Consumers	844,355	211,063	514,773	1,570,191	1,528,474
Wholesale supply to other concession holders	988			988	989
Provision for doubtful receivables			(186,197)	(186,197)	(181,289)
	845,343	211,063	328,576	1,384,982	1,348,174

Credits receivable from an industrial consumer in the amount of R\$ 46,692, not paid due to an injunction that allowed this payment not to be made until final judgment of a legal action challenging the tariff increase during the Cruzado Economic Plan, by Ministerial Order 045/86, are recorded in the accounts. The Company expects these amounts to be received in full.

The provision made for doubtful credits is considered to be sufficient to cover any losses in the realization of these assets.

Receivables in the amount of R\$ 10,416 are recorded in non-current assets (long-term receivables) at March 31, 2009 (R\$ 17,380 at December 31, 2008), in relation to the renegotiation of receivables owed by Copasa (Minas Gerais Water Company) and other consumers.

Table of Contents**5) REGULATORY ASSETS AND LIABILITIES**

The General Agreement for the Electricity Sector, signed in 2001, and the new regulations governing the electricity sector, result in the constitution of several regulatory assets and liabilities, and also in deferral of federal taxes applicable to these assets and liabilities (which are settled as and when the assets and liabilities are received and/or paid), as shown here:

	03/31/2009	12/31/2008
Assets		
Extraordinary Tariff Recomposition, and Portion A Note 6	453,723	515,060
Deferred tariff adjustment Note 10	14,644	133,423
PIS, Pasep and Cofins taxes Note 11	46,240	46,240
Pre-paid expenses CVA Note 7	1,155,295	988,478
Review of the tariff for use of the distribution network (TUSD)	3,089	3,089
Recovery of discounts on the TUSD	585	8,101
Low-income subsidy (1)	129,454	92,191
Light for Everyone (<i>Luz para Todos</i>) Program (1)	981	13,589
TUSD discounts Source with incentive		19,295
TUSD discounts Self-producers and Independent Producers		20,445
Discounts for irrigation enterprises		19,514
Other regulatory assets	13,687	3,010
	1,817,698	1,862,435
Liabilities		
Regulatory liabilities CVA (Note 7)	(582,252)	(608,750)
Review of the tariff for use of the distribution network (TUSD)	(14,444)	(17,519)
Exposure in CCEAR contracts between Sub-markets	(22,285)	
Financial bubble effect corrected by the IGP-M inflation index (pro rata)	(104,458)	
Financial adjustment relating to 2008 Tariff Review	(160,167)	
	(5,736)	(2,452)
	(889,342)	(628,721)
Taxes, charges and contributions Deferred liabilities (Note 15)	(22,055)	(73,428)
	(911,397)	(702,149)
	906,301	1,160,286

(1) These items refer to government social programs.

6) THE EXTRAORDINARY TARIFF RECOMPOSITION, AND PORTION A**a) The Extraordinary Tariff Recomposition**

Resolution 91 of the Emergency Electricity Council (GCE), of December 21, 2001 and Law 10438 of April 26, 2002, established the procedures for implementation of the Extraordinary Tariff Recomposition (RTE), coming into force on December 27, 2001. The tariff adjustments were set by Resolution 130 of the GCE, on April 30, 2002, as follows:

- Adjustment of 2.90% for consumers in the residential classes (excluding low-rental consumers), and the rural, public-illumination and industrial high-voltage consumer classes for whom the cost of electricity represents 18.00% or more of the average cost of production and which meet certain requirements related to load factor and electricity demand, specified in the Resolution.
- Increase of 7.90% for other consumers.

Table of Contents

The RTE described above is being used to compensate the following items:

- Losses of invoiced sales revenue in the period from June 1, 2001 to February 8, 2002, corresponding to the difference between estimated revenue if the rationing program had not been put in place and the actual revenue while the program was in place, according to a formula published by Aneel. Calculation of this value did not take into account any losses from default by consumers.
- Passthrough to the generators who bought energy in the MAE which was succeeded in 2004 by the Electricity Sale Chamber (the CCEE/MAE) in the period from June 1, 2001 to February 28, 2002, with price in excess of R\$ 49.26/MWh (free energy).

The period of validity of the RTE, of 74 months, expired in February 2008, and the Company made a write-off as a loss, of R\$ 93,935 as a result of this period not having been sufficient for receipt of all the assets relating to the losses suffered in the rationing period.

b) Portion A

The items of Portion A are defined as being the sum of the differences, positive or negative, in the period January 1 to October 25, 2001, between the amounts of the non-manageable costs presented on the basis of the calculation for determination of the last annual tariff adjustment and the disbursements which effectively took place in the period.

The recovery of Portion A was begun in March 2008, shortly after the end of the period of validity of the RTE, using the same mechanisms of recovery, that is to say, the adjustment applied in the tariffs for compensation of the amounts of the RTE continued in force, for compensation of the Portion A items.

The Portion A credits are updated by the variation in the Selic rate up to the month in which they are actually offset.

As and when amounts of Portion A are received through the tariff, Cemig D transfers those amounts from Assets to the Income statement. The amounts transferred in the first quarter of 2009 are as follows:

Amounts transferred to expenses	03/31/2009
Energy bought for resale	45,408
CCC	20,107
RGR Global Reversion Reserve	2,009

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Tariff for transport of electricity from Itaipu	775
Tariff for use of national grid transmission facilities	5,193
Financial compensation for use of water resources	1,784
Connection Realization of Portion A	110
Electricity service inspection charge	188
	75,574

c) Composition of the balances of Portion A

		03/31/2009 Updated by		12/31/2008
	Principal	Selic	Total	Total
Compensation for items of Portion A (3)	245,299	551,462	796,762	782,525
Amounts raised		(343,039)	(343,039)	(267,465)
Total of Portion A	245,299	208,423	453,723	515,060
Current assets			288,427	296,372
Non-current assets			165,296	218,688

Table of Contents**7) ANTICIPATED EXPENSES AND REGULATORY LIABILITIES CVA**

The balance on the Account to Compensate for Variation of Portion A items (CVA) refers to the positive and negative variations between the estimate of Cemig's non-manageable costs, used for deciding the tariff adjustment, and the payments actually made. The variations ascertained are compensated in the subsequent tariff adjustments.

	Balance on 12/31/2008	Amounts deferred (1)	Amortization (2)	Monetary updating (3)	Balance on 03/31/2009
Energy bought for resale	110,555	121,050	24,302	2,705	258,612
CCC	60,576	(10,605)	4,312	1,509	55,792
Charge for System Service (ESS)	157,807	3,173	2,645	3,743	167,368
Tariff for transport of electricity from Itaipu	5,372	1,702	801	95	7,970
Tariff for use of national grid transmission facilities	28,157	6,068	7,822	162	42,209
Financial compensation for use of water resources	2,587				2,587
Energy Development Account (CDE)	9,886	8,739	(294)	5	18,336
Alternative Energy Program Proinfa	4,788	17,112	(1,877)	146	20,169
	379,728	147,239	37,711	8,365	573,043

	03/31/2009	12/31/2008
Current assets	542,899	722,984
Non-current assets	612,396	265,494
Current assets	(123,051)	(452,297)
Non-current liabilities	(459,201)	(156,453)
	573,043	379,728

-
- (1) This refers to the portion of the non-controllable costs that comprise the CVA and which were not included in revenue, and therefore excluded from the income statement.
- (2) This refers to the non-controllable costs included in the CVA which were transferred to the income statement since they are included in the company's revenues.
- (3) This refers to the updating by the variation in the Selic rate between the date of payment of the expense and its actual offsetting in the tariff adjustment.

8) TAXES SUBJECT TO OFFSETTING

	03/31/2009	12/31/2008
Current		
ICMS rebates	122,646	115,275
Income tax	206,139	152,270
Social Contribution	89,008	69,441
Cofins tax	5,776	4,459
Pasep tax	1,251	968
Other	449	417
	425,269	342,830
NON-CURRENT		
ICMS rebates	57,351	57,351
	482,620	400,181

The balances of income tax and Social Contribution refer to tax credits in corporate income tax returns of previous years, and payments made in 2009, which will be offset in the Income Tax and Social Contribution payable in 2009, recorded in the line Taxes and contributions.

The credits of ICMS recoverable arise from acquisitions of fixed assets and are offset in 48 months.

Table of Contents**9) TAX CREDITS****Deferred income tax and Social Contribution**

The company has tax credits posted in current and non-current assets of income tax, constituted at the rate of 25.00%, and Social Contribution, at the rate of 9.00%, as follows:

	03/31/2009	12/31/2008
Tax credits on temporary differences:		
Post-employment obligations	69,191	70,474
Provision for doubtful receivables	71,168	69,499
Contingency provisions	23,745	22,880
Provision for Pasep/Cofins Extraordinary Tariff Recomposition	461	4,196
Financial instruments	37,585	37,329
Regulatory liabilities Tariff Review	87,143	
FX variation	75,398	74,043
Other	6,366	21,972
	371,057	300,393
Current assets	167,574	78,342
Non-current assets	203,483	222,051

At its meeting on February 12, 2009, the Board of Directors approved the technical study prepared by the CFO's department on the forecasts for future profitability adjusted to present value, which show capacity for realization of the deferred tax asset in a maximum period of 10 years, as defined in CVM Instruction 371. This study was also submitted to examination by Cemig's Audit Board on February 05, 2009.

As a result of regulatory liabilities from the final outcome of the second tariff revision, the Company recognized a tax credit in the amount of \$ 87,143, as mentioned above. Further explanation, see note 29.

In accordance with Cemig's estimates, future taxable profits enable the deferred tax asset existing on March 31, 2009 to be realized according to the following estimate:

	03/31/2009
2009	141,174
2010	110,690
2011	27,280
2012	27,280
2013	27,281
2014 to 2016	23,515
2017 and 2018	13,837
	371,057

b) Reconciliation of the expense on income tax and Social Contribution:

The reconciliation of the nominal expense on income tax (rate 25%) and Social Contribution (rate 9%) with the actual expense shown in the Income Statement is as follows:

	03/31/2009	03/31/2008
Profit before income tax and Social Contribution	77,536	427,845
Income tax and Social Contribution nominal expense	(26,362)	(145,467)
Tax effects applicable to:		
Employees profit shares	6,367	5,492
Tax incentive amounts	2,147	
Non-deductible contributions and donations	(619)	(1,014)
Other	(10)	(42)
Income tax and Social Contribution effective expense	(18,477)	(141,031)

Table of Contents

c) Transition Taxation Regime:

Provisional Measure 449/2008, of December 3, 2008, instituted the Transition Taxation Regime (RTT), which aims to neutralize the impacts of the new accounting methods and criteria introduced by Law 11.638/07, in calculation of the taxable amounts for federal taxes.

Application of the RTT is optional for the year 2009, and applies to corporate entities subject to Corporate Income Tax (IRPJ), in accordance with the two tax reporting methods: real profit or presumed profit. The taxpayer must choose an option to adopt the RTT in the Corporate Tax Return (DIPJ) for 2009, this regime being optional for 2009. Starting in 2010, adoption of the RTT becomes obligatory, until the law that disciplines the tax effects of the new accounting methods and criteria comes into effect.

For the companies that adopt the RTT, it has been established that the changes introduced by Law 11638/07, as amended by MP 449/08, which change the criteria for recognition of revenues, costs and expenses computed in calculation of the net profit for the period, do not have effect for the purposes of calculating the real profit of the legal entity, but the accounting methods and criteria in effect on December 31, 2007 are used for tax purposes.

Based on an initial assessment, the Company has reflected in its accounting statements the effects of the adoption of the RTT, and additional studies will be carried out before the delivery of the DIPJ for 2009.

10) DEFERRED TARIFF ADJUSTMENT

Aneel, through Homologating Resolution 71, published with backdated effect on April 4, 2004, decided the results of the periodic tariff revision of the company.

The average adjustment applied to the company's tariffs on April 8, 2003, on a provisional basis, was 31.53%. However, as described in the Resolution mentioned, the final tariff repositioning for Cemig should be 44.41%. The percentage difference of 12.88% is being compensated in the tariffs. The final portion for receipt of the difference between the tariff adjustments was included in the tariff adjustment which took place on April 8, 2008.

The difference between the tariff repositioning to which Cemig D is entitled and the tariff actually charged to consumers was recognized as a regulatory asset.

The amounts relating to the deferred tariff adjustment are updated in monetary terms by the IGP-M Index plus interest of 11.26% per year.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

	03/31/2009	12/31/2008
Deferred tariff adjustment since April 8, 2003	949,612	949,612
Interest (defined by Aneel 11.26% p.a.)	475,502	447,881
Monetary updating IGP-M Inflation Index	226,844	201,967
(-) Amounts raised	(1,637,314)	(1,466,037)
	14,644	133,423
Current assets	14,644	133,423

Table of Contents**11) REGULATORY ASSET PIS/PASEP AND COFINS**

Federal Laws 10637 and 10833 changed the bases of application, and increased the rate, of the PIS, Pasep and Cofins taxes. As a result of these alterations there was an increase in PIS/Pasep expenses from December 2002 to March 2005 and in expenses on the Cofins tax from February 2004 to June 2005.

In view of the fact that this increase in the expense should be repaid to the company, the credits were registered, in accordance with a criterion defined by Aneel, as a regulatory asset and there was a counterpart reduction in the expense on PIS/Pasep and Cofins taxes.

The Company expects this asset to be recovered in the next forthcoming tariff adjustments.

12) FIXED ASSETS**a) Total fixed assets**

	Historic cost	Accumulated depreciation and amortization	Net value 03/31/2009	Net value 31/12/2009
In service	10.097.428	(4.578.716)	5.518.712	5.516.197
- Distribution	9.831.106	(4.393.101)	5.438.005	5.433.580
Lands	17.866		17.866	17.865
Buildings, works and improvements	243.097	(128.459)	114.638	116.873
Machines and equipment	9.499.502	(4.217.093)	5.282.409	5.273.573
Vehicles	60.107	(37.278)	22.829	24.990
Furniture and utensils	10.534	(10.271)	263	279
- Management	266.322	(185.615)	80.707	82.617
Lands	950		950	950
Buildings, works and improvements	43.515	(26.299)	17.216	17.574
Machines and equipment	173.222	(115.855)	57.367	58.505
Vehicles	28.634	(24.869)	3.765	4.122
Furniture and utensils	20.001	(18.592)	1.409	1.466
In progress	1.133.750		1.133.750	1.121.057
- Distribution	1.031.622		1.031.622	1.018.043
- Management	102.128		102.128	103.014
Total fixed assets	11.231.178	(4.578.716)	6.652.462	6.637.254
Special Obligations linked to the concession	(2.610.109)	115.217	(2.494.892)	(2.502.059)
Net fixed assets	8.621.069	(4.463.499)	4.157.570	4.135.195

Special Obligations refers to the contributions by consumers for execution of the undertakings necessary to comply with requests for retail supply of electricity, and any settlement of these obligations depends on the will of Aneel, at the termination of Distribution concessions, upon

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

reduction of the residual value of the Fixed Asset for the purposes of determining the value that the Concession-granting Power will pay to the concession holder.

Under Aneel Resolution 234 of October 2006, and Aneel Circular 1314/2007 of June 27, 2007, the balances of the Special Obligations linked to assets will now be amortized as from the second cycle of tariff reviews, which in the case of Cemig is from April 8, 2008, at a rate yet to be set by Aneel, corresponding to the average rate of the assets in service.

Some land sites and buildings owned by Cemig D which were given in guarantee in lawsuits involving tax, labor-law, civil and other disputes are recorded in Fixed assets Administration. These were posted at the amount of R\$ 6,841 on March 31, 2009, net of depreciation (R\$ 7,393 on December 31, 2008).

Table of Contents**13) INTANGIBLE**

	Historic cost	Accumulated amortization	Net value, 03/31/2009	Net value 12/31/2008
In service	130.706	(80.780)	49.926	51.279
- Distribution	11.407	(529)	10.878	10.880
- Management	119.299	(80.251)	39.048	40.399
In progress	174.225		174.225	174.640
- Distribution	48.775		48.775	47.927
- Management	125.450		125.450	126.713
Intangible, net	304.931	(80.780)	224.151	225.919

14) SUPPLIERS

	03/31/2009	12/31/2008
Current		
Wholesale supply and transport of electricity -		
Eletrobrás energy from Itaipu	182.139	169.196
Furnas	52.014	68.366
CCEE	11.677	67.829
Cemig Geração e Transmissão S.A.	46.686	20.881
CHESF Cia. Hidroelétrica do São Francisco	25.437	26.226
CESP Cia. Energética de São Paulo	17.584	16.502
CEEE Cia. Estadual de Energia Elétrica	13.403	13.501
Other generators and distributors	102.834	60.467
	451.774	442.968
Materials and services	93.623	165.293
	545.397	608.261

15) TAXES, CHARGES AND CONTRIBUTIONS

	03/31/2009	12/31/2008
CURRENT		
Income tax	92.995	
Social Contribution	34.066	
ICMS tax	233.911	221.127
Cofins tax	40.301	33.298
Pasep tax	8.744	7.223
Social security system	11.152	11.980
Other	10.112	12.595
	431.281	286.223
Deferred obligations		
Income tax	15.221	44.916
Social Contribution	5.480	16.170
Cofins tax	1.113	10.140
Pasep tax	242	2.202
	22.056	73.428

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

	453.337	359.651
NON-CURRENT		
Cofins tax	115.771	78.053
Pasep tax	25.134	16.946
	140.905	94.999
Deferred obligations		
Income tax	83.394	81.581
Social Contribution	30.022	29.370
	113.416	110.951
	254.321	205.950

The current deferred obligations are the regulatory assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory matters, and are owed as and when these assets and liabilities are realized.

Table of Contents

The non-current obligations for Pasep and Cofins taxes refer to the legal action challenging the constitutionality of the inclusion of ICMS tax in the taxable amount for these taxes, and applying for offsetting of the amounts paid in the last 10 years. The Company has obtained an injunction from the judiciary enabling it not to make the payment and authorizing payment into Court starting from 2008.

The non-current deferred obligations for income tax and Social Contribution refer, substantially, to the recognition of financial instruments (FX variation, and hedge transactions) by the cash method, which are payable as and when realized, by payment or redemption, and to the marking to market of financial instruments, and adjustment to present value, implemented by the change in the Corporate Law, to be reversed as and when realized.

16) LOANS, FINANCINGS AND DEBENTURES

03/31/2009						12/31/2008	
FINANCING SOURCES	Principal maturity	Annual cost (%)	Currency	Current	Non-current	Total	Total
FOREIGN CURRENCY							
ABN AMRO Bank - N. (2)	2013	6.00	US\$	1,910	115,760	117,670	117,025
ABN AMRO Real S.A. (3)	2009	6.35	US\$	3,842		3,842	3,772
ABN AMRO Real S.A. (3)	2009	6.35	US\$	10,487		10,487	10,299
ABN AMRO Real S.A. (3)	2009	6.35	US\$	3,380		3,380	3,320
Banco do Brasil S.A.							
Various bonds (1)	2024	Various	US\$	16,853	78,492	95,345	93,868
B.N.P. Paribas	2010	Libor+ 1.875	US\$	11,862	5,673	17,535	17,410
KFW	2016	4.50	EURO	2,213	14,213	16,426	17,087
UNIBANCO S.A (4)	2009	6.50	US\$	4,817		4,817	4,796
UNIBANCO S.A (4)	2009	5.00	US\$	11,962		11,962	11,927
Debt in foreign currency				67,326	214,138	281,464	279,504
BRAZILIAN CURRENCY							
Banco do Brasil S.A	2009	111.00% of CDI	R\$	59,099		59,099	57,254
Banco do Brasil S.A	2013	CDI+ 1.70	R\$	2,145	20,001	22,146	21,434
Banco do Brasil S.A	2013	107.60% of CDI	R\$	12,108	96,000	108,108	104,835
Banco do Brasil S.A	2014	104.1% of CDI	R\$	16,708	300,000	316,708	307,426
Banco Itaú BBA	2013	CDI+ 1.70	R\$	13,469	132,434	145,903	141,197
Banco Itaú BBA	2014	CDI+ 1.70	R\$	114	3,473	3,587	3,968
Banco Votorantim S.A.	2010	113.50% of CDI	R\$	1,000	29,248	30,248	29,283
Banco Votorantim S.A.	2013	CDI+ 1.70	R\$	2,306	98,214	100,520	99,771
Bradesco S.A.	2013	CDI+ 1.70	R\$	26,268	240,869	267,137	258,554
Debentures (5)	2014	IGP M+ 10.50	R\$	26,557	303,073	329,630	324,641
Debentures (5)	2017	IPCA+ 7.96	R\$	9,566	432,393	441,959	427,784
UFIR+ 6.00 to							
Eletrobrás	2023	8.00	R\$	42,453	314,593	357,046	369,632
Large consumers	2011	Various	R\$	2,800	2,538	5,338	5,301
Santander do Brasil S.A.	2013	CDI+ 1.70	R\$	1,568	49,958	51,526	50,291
UNIBANCO S.A.	2013	CDI+ 1.70	R\$	10,977	130,224	141,201	136,647
Banco do Nordeste do Brasil	2010	TR+ 7.30	R\$	74,368	15,009	89,377	104,950
Other	2010	Various	R\$	131	32	163	196
Debt in Brazilian currency				301,637	2,168,059	2,469,696	2,443,164
Overall total				368,963	2,382,197	2,751,160	2,722,668

- (1) Interest rates vary: 2.00 to 8.00% p.a.; six-month Libor plus spread of 0.81 to 0.88% p.a.
(2) to (4) Swaps for exchange of rates were contracted. The following are the rates for the loans and financings taking the swaps into account: (2) CDI + 2.00% p.a.; (3) CDI + 2.12% p.a.; and (4) CDI + 3.01% p.a.
(5) Nominal, unsecured, book-entry debentures not converted into shares, without preference.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Table of Contents

The composition of loans, by currency and indexor, with the respective amortization is as follows:

	2009	2010	2011	2012	2013	2014	2015	2016 em diante	Total
Currency									
US dollar	65,113	45,579	39,906	37,010	34,113	2,586		40,731	265,038
Euro	2,213	2,030	2,030	2,030	2,030	2,030	2,031	2,032	16,426
	67,326	47,609	41,936	39,040	36,143	4,616	2,031	42,763	281,464
Indexors									
IPCA (Expanded Consumer Price Index)	9,566						144,131	288,262	441,959
IGP-M inflation index	26,557					303,073			329,630
Ufir (Fiscal Reference Unit)	31,875	45,580	47,007	43,526	37,966	37,079	35,923	78,090	357,046
Interbank CD rate - CDI	145,762	197,172	168,793	268,793	364,793	100,870			1,246,183
TR	55,797	33,580							89,377
Outher	2,898	190	250	592	592	715	264		5,501
	272,455	276,522	216,050	312,911	403,351	441,737	180,318	366,352	2,469,696
	339,781	324,131	257,986	351,951	439,494	446,353	182,349	409,115	2,751,160

The principal currencies and indexors used for monetary updating of the loans, financings and debenture had the following variations:

	Change in quarter ended 03/31/2009 %	Accumulated change in 2008 %		Change in quarter ended 03/31/2009 %	Accumulated change in 2008 %
Currency			Indexors		
US dollar	(0.93)	31.94	IGP-M	(0.92)	9.81
Euro	(4.94)	24.13	FINEL	(0.18)	1.90
Yen	(9.51)	62.89	SELIC	2.90	12.48
			CDI	2.85	12.32

The movement on loans, financings and debentures is as follows:

BALANCES AT DECEMBER 31, 2008	2,722,668
Monetary and FX variation	473
Financial charges provisioned	65,881
Capitalization	1,987
Financial charges paid	(9,289)
Amortization of financings	(30,560)
Balance on 31 March 2009	2,751,160

Restrictive covenant clauses

Cemig D has loans and financings with restrictive covenant clauses, which were fully complied with on March 31, 2009.

Table of Contents**17) REGULATORY CHARGES**

	03/31/2009	12/31/2008
Global Reversion Reserve RGR	20,985	20,931
CCC Fuel Consumption Account	14,703	36,613
Energy Development Account CDE	28,658	24,288
Eletrobrás Compulsory loan	1,207	1,207
Aneel inspection charge	2,026	2,026
National Scientific and Technological Development Fund	1,461	19,605
Energy efficiency	150,172	142,074
Research and development	82,494	78,692
Energy system expansion research	731	9,802
Proinfa Alternative Energy Program		7,330
	302,437	342,568
Current assets	286,887	327,073
Non-current liabilities	15,550	15,495

18) POST-EMPLOYMENT OBLIGATIONS

The company became one of the sponsors of the Forluz pension fund (Fundação Forluminas de Seguridade Social), a non-profit institution, with a contributing percentage of 72.45%, the figure being decided based on the allocation of employees in the company in December 2004, with the aim of providing to its associates and participants and their dependents a complementary retirement pension, in accordance with the private pension plan to which they are linked.

Forluz makes the following supplementary pension benefit plans available to its participants:

Mixed Social Security Benefits Plan (Plan B): A defined-contribution plan in the phase of accumulation of funds, for retirement benefits for normal time of service and defined-benefit coverage for disability or death of the active participant, and also on receipt of benefits for time of contribution. The contributions of the Sponsor are equal to the basic monthly contributions of the participants, and this is the only plan open for joining by new participants.

The contribution of the Sponsors to this plan is 27.52% for the portion with defined benefit characteristics, relating to the coverage for invalidity or death for the active participant, and this is used for amortization of the defined obligation through an actuarial calculation. The remaining 72.48%, relating to the portion of the plan with defined-contribution characteristics, goes to the nominal accounts of the participants and is recognized in the income statement for the year by the cash method, under Personnel expenses.

Hence the obligations for payment of supplementary pension benefits under the Mixed Plan, with characteristics of defined contribution, and their respective assets, in the amount of R\$ 1,723,087, are not presented in this Explanatory Note.

Pension Benefits Balances Plan (Plan A): This includes all the active and assisted participants who opted to migrate from the previous Defined Benefit Plan, and are entitled to a proportional benefit by balances. In the case of the assets, this benefit was deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, through which the average real salary of the last three years of activity of the employee in the Sponsor companies is complemented in relation to the amount of the Official Social Security benefit. On December 31, 2008, 6 active employees and 45 retirees or pension holders were inscribed in this plan.

Cemig Distribution also maintains, independently of the plans made available by Forluz, payments of part of the life insurance premium for the retirees, and contributes to a health plan for the employees, retirees and dependents, administrated by Forluz.

Table of Contents**Amortization of actuarial obligations**

Part of the actuarial obligation for post-employment benefits, in the amount of R\$ 676,052 on 31 March 2009 (R\$ 680,258 on December 31, 2008), was recognized as an obligation payable by the Company and is being amortized by June 2024, through monthly installments calculated by the system of constant installments (the so-called Price table). On June 2, 2008, the Third Amendment to the Contract with Forluz was signed, to transfer the debtor balance of the contract relating to the Defined Benefit plan to the A plan. The amounts then began to be adjusted only by the IPCA Inflation Index (Amplified National Consumer Price Index) published by the Brazilian Geography and Statistics Institute (IBGE) plus 6% per year.

The liabilities and expenses recognized by Light in connection with the Supplementary Retirement Plan, Health Plan and Life Insurance Plan are adjusted in accordance with the terms of CVM Decision CVM 371 and an Opinion prepared by independent actuaries. Thus, the financial updating, and the use of a surplus for amortization of the debt obligation agreed with Forluz, mentioned in the previous paragraphs, did not produce accounting effects in the income statement of Cemig Distribution. The last actuarial valuation was effected in relation to the base date December 31, 2008.

The movement in the net liabilities has been as follows:

	Pension plans and supplementary retirement plans	Health Plan	Dental Plan	Life Insurance	Total
Net liabilities on December 31, 2008	312,900	244,989	11,313	317,128	886,330
Expense (revenue) recognized in the income statement	1,791	13,125	812	7,211	22,939
Contributions paid	(23,034)	(10)	(132)	(7,740)	(30,916)
Net liabilities on March 31, 2009	291,657	258,104	11,993	316,599	878,353
Current liabilities	54,580				54,580
Non-current liabilities	237,077	258,104	11,993	316,599	823,773

19) CONTINGENCY PROVISIONS

The company makes contingency provisions for legal actions in which the chance of loss is rated probable .

	Balance on 12/31/2008	Additions	Write-offs	Balance on 03/31/2009
Labor-law contingencies				
Various	6,195	1,116		7,311
Civil				
Personal damages	7,801	232		8,033

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Tariff increases	1,410		(342)	1,068
Other	8,310	610		8,920
Regulatory				
Aneel administrative proceedings	43,714	927		44,641
Total	67,430	2,885	(342)	69,973

Table of Contents

Aneel administrative proceedings

On January 9, 2007, Aneel notified Cemig Distribuição S.A. that it considered certain criteria adopted by the company in calculation of the revenue from the subsidy for low-income consumers to be incorrect, questioning the criteria for identification of the consumers who should receive the benefit and also the calculation of the difference to be reimbursed by Eletrobrás, in the estimated amount of R\$ 143,000. The Company has made a provision corresponding to the loss that it considers probable in this dispute, in the amount of R\$ 44,641.

Tariff increases

Several industrial consumers filed actions against Cemig, the parent company of Cemig Distribution, seeking reimbursement for the amounts paid as a result of the tariff increase during the federal government's economic stabilization plan known as the Cruzado Plan in 1986, alleging that the said increase violated the control of prices instituted by that plan. The Company estimates the amounts to be provisioned based on the disputed billed amounts and based on recent court decisions. The total value of the exposure of Cemig and its subsidiaries in this matter, 100% provisioned, is R\$ 95,095.

Legal actions with risk of loss classified as possible

Additionally, there are legal actions of a regulatory, civil or tax nature in progress, the chances of loss in which have been estimated as possible. These are periodically reassessed, and do not require the constitution of a provision in the income statement. They are as follows:

ICMS tax Low-income consumers

The company receives a subvention from Eletrobrás in relation to the discounts given to low-income consumers. The Minas Gerais State office of the Federal Tax Authority served an infringement notice on Cemig, on the argument that the subsidy should be subject to the ICMS tax (a value added tax charged by states on invoices for services). The potential for loss in this action is R\$ 134,515, not including the ICMS tax that might be claimed by the tax authority relating to the period subsequent to the infringement notice. No provision was constituted for the result of this dispute, since the company believes the legal obligation is non-existent and that it has arguments on the merit for defense against this demand. The chance of loss in this action is rated possible.

Social Security and tax obligations on the indemnity paid for the Anuênio

In 2006 Cemig Distribution paid an indemnity to the employees in the amount of R\$ 127,058, in exchange for the rights to future payments known as the Anuênio which would be incorporated into salaries. The company did not withhold (for payment to the government) income tax and social security contribution on these payments because it considered that these obligations are not applicable to amounts paid as indemnity.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

However, to avoid the risk of a future fine arising from a different interpretation by the federal tax authority and the National Social Security Institution, the company decided to file for orders of mandamus to allow payment into Court of the amount of any obligations, in the amount of R\$ 87,268,. These are posted in Deposits connected to legal actions (Payments into Court). No provision was made for possible losses and the company classifies its expectation of loss in this action as possible .

Contingencies of the Holding Company

Cemig, the controlling company of Cemig Distribution, is fighting court actions for which it rates the chance of loss as possible or remote . A negative ruling on these lawsuits could impact the businesses of Cemig Distribution. The main actions that have this characteristic are described below:

Table of Contents

- Several consumers and the Public Prosecutor of the State of Minas Gerais have brought civil actions against Cemig contesting tariff adjustments applied in previous years, including the Extraordinary Tariff Recomposition, and the inflation index used to increase the electricity tariff in April 2003. Reimbursement was claimed for twice such amounts as come to be considered as erroneously charged by the Company. The company believes it has arguments on the merit for a legal defense and thus has not made a provision for these actions.

- Cemig is defendant in legal proceedings challenging the criteria for measurement of amounts to be charged in relation to the contribution for public illumination, in the total amount of R\$ 525,579. The Company believes that it has arguments on the merit for defense in this dispute and as a result has not constituted provision for this action. Expectation of loss in this action is classified as possible .

20) STOCKHOLDERS EQUITY

At March 31, 2009, Cemig Distribuição has registered capital of R\$ 2,261,998, represented by 2,261,997,787 nominal common shares, without par value, wholly owned by Cemig.

21) - GROSS REVENUE FROM RETAIL SUPPLY OF ELECTRICITY, AND REVENUE FOR USE OF THE NETWORK CAPTIVE CONSUMERS

The breakdown for retail supply of electricity, by type of consumer, is as follows:

	(Not reviewed by independent auditors)				R\$	
	Number of consumers		MWh			
	03/31/2009	03/31/2008	03/31/2009	03/31/2008	03/31/2009	03/31/2008
Residential	5,467,018	5,219,135	1,905,496	1,729,761	825,609	931,006
Industrial	74,279	73,664	1,182,634	1,224,837	363,977	402,609
Commercial, services and others	582,886	562,645	1,160,226	1,084,482	464,601	508,427
Rural	524,620	558,176	452,303	453,242	96,113	136,705
Public authorities	54,292	51,994	168,534	152,436	66,039	70,525
Public illumination	2,858	2,597	269,358	259,068	62,728	73,332
Public service	8,404	7,912	260,706	262,152	67,030	74,443
Sub-total	6,714,357	6,476,123	5,399,257	5,165,978	1,946,097	2,197,047
Own consumption	836	827	8,543	8,915		
Subsidy for low-income consumers					144,203	41,142
Retail supply not invoiced, net					(22,986)	100,085
Effect of the definitive tariff review					(264,625)	
	6,715,193	6,476,950	5,407,800	5,174,893	1,802,689	2,338,274
Transactions in energy on the CCEE					12,531	5,073
Total	6.715,193	6.476,950	5.407,800	5.174,893	1.815,220	2.343,347

Table of Contents**22) REVENUE FROM USE OF THE NETWORK – FREE CONSUMERS**

Starting in January 2005, a significant proportion of large industrial consumers became free consumers, with energy being sold to these consumers via Cemig Geração e Transmissão (Cemig GT). As a result the charges related to the use of the distribution network (TUSD) of these free consumers started to be charged separately by Cemig Distribution, being recorded in the account line Revenue for use of the network .

23) OTHER OPERATIONAL REVENUES

	03/31/2009	03/31/2008
Charged service	3,498	3,093
Other provisions of services	2,677	4,750
Rental and leasing	12,886	9,709
Other	188	3
	19,249	17,555

24) DEDUCTIONS FROM OPERATIONAL REVENUE

	03/31/2009	03/31/2008
ICMS tax	496,288	557,276
Cofins tax	178,784	242,383
Global Reversion Reserve – RGR	17,517	15,420
PIS and Pasep taxes	38,815	58,130
Energy Efficiency Program – PEE	6,496	8,602
Energy Development Account - CDE	77,529	75,073
Fuel Consumption Account – CCC	88,487	62,594
Research and Development – R&D	2,598	3,441
National Scientific and Technological Development Fund (FNDCT)	2,598	3,441
Energy system expansion research	1,299	1,721
ISS value added tax on services	73	71
	910,484	1,028,152

Cemig Distribution pays ICMS applicable to the Portion A amounts and the Deferred Tariff Adjustment in conformity with the invoicing of amounts on the customer's electricity bill.

Table of Contents**25) OPERATIONAL COSTS AND EXPENSES**

	03/31/2009	03/31/2008
Personnel expenses	200,966	194,660
Post-employment obligations (Note 18)	22,939	37,169
Materials	20,815	22,024
Outsourced services	105,051	99,953
Energy purchased for resale	505,711	577,738
Depreciation and amortization	81,162	110,515
Operational provisions	15,694	36,652
Charges for the use of the basic transmission grid	119,565	119,994
Other net expenses	28,623	31,773
	1,100,526	1,230,478

	03/31/2009	03/31/2008
a) PERSONNEL EXPENSES		
Remuneration and salary-related charges and expenses	189,244	171,826
Supplementary pension contributions Defined Contribution Plan	12,590	12,356
Assistance benefits	23,568	22,866
	225,402	207,048
() Personnel costs transferred to works in progress	(22,547)	(16,269)
PPD Voluntary Dismissal Program	(1,889)	3,881
	200,966	194,660

The Voluntary Dismissal Program (PPD)

The company has a Voluntary Dismissal Program (PPD), which is permanent, and applicable to spontaneous rescissions of employment contracts by employees. Among the principal financial incentives of the program are payment of 3 times the gross amount of monthly remuneration, and 6 months' contributions to the Health Plan after leaving the company, deposit of the 40% penalty payment due on the balance of the FGTS upon termination of an employment contract, and payment of up to 24 months' contributions to the Pension Fund and the National Social Security System after termination of the contract, in accordance with certain criteria established in the regulations of the program.

Since this program was put in place in March 2008, 523 employees have subscribed to it. An expense has been recognized for the financial incentives under the program, was recognized in full in the 2008 income statement.

	03/31/2009	03/31/2008
b) OUTSOURCED SERVICES		
Collection/meter reading/bill delivery agents	27,837	25,137
Communication	6,702	10,775
Maintenance and conservation of electricity facilities and equipment	25,547	19,089
Building conservation and cleaning	5,177	4,328
Contracted labor	4,759	7,111
Freight and airfares	916	722
Accommodation and meals	2,774	2,825

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Security services	1,743	693
Consultancy	1,187	1,647
Maintenance and conservation of furniture and utensils	4,974	5,907
Maintenance and conservation of vehicles	4,211	3,408
Disconnection and reconnection	5,353	6,036
Other	13,871	12,275
	105,051	99,953

Table of Contents

	03/31/2009	03/31/2008
c) ELECTRICITY BOUGHT FOR RESALE		
From Itaipu Binacional	179,722	198,544
Short-term energy	9,169	52,664
Bilateral Contracts	27,056	45,354
Reimbursement of CVA		157
Energy acquired at auction	221,176	217,153
Proinfa supply	23,350	17,846
Proinfa Energy program	(169)	31,274
Amounts received in Portion A (Note 7)	45,407	14,746
	505,711	577,738
	03/31/2009	03/31/2008
d) OPERATIONAL PROVISIONS		
Pension plan premiums	(1,481)	21
Provision for doubtful receivables	14,632	28,380
Labor-law contingencies	1,115	2,065
Reversal of Aneel administrative proceedings	926	2,210
Provision (reversal) for civil actions on tariff increases	(342)	3,465
Other	844	511
	15,694	36,652
	03/31/2009	03/31/2008
e) OTHER OPERATIONAL EXPENSES, NET		
	5,682	5,262
Leasing and rentals	2,835	8,801
Advertising	3,424	4,645
Own consumption of electricity	3,287	3,428
Subventions and donations	6,266	6,285
Aneel inspection charge	4,603	4,641
Taxes and charges (IPTU, IPVA and others)	1,783	1,048
Financial compensation for use of water resources	515	419
Contribution to the MAE	(615)	608
Insurance	843	(3,362)
	28,623	31,773

Table of Contents**26) NET FINANCIAL REVENUES (EXPENSES)**

	03/31/2009	03/31/2008
FINANCIAL REVENUES		
Revenue from cash investments	10,180	18,040
Arrears penalty payments on electricity bills	22,578	43,048
Monetary variation of CVA	10,201	5,221
Monetary variation General Agreement for the Electricity Sector	14,235	27,337
Monetary variation Deferred Tariff Adjustment	1,777	25,897
FX variations	10,053	1,182
Pasep and Cofins taxes on financial revenues	(164)	(2,594)
Other	9,798	7,816
	78,658	125,947
FINANCIAL EXPENSES		
Charges on loans and financings	(67,327)	(64,368)
Monetary variation General Agreement for the Electricity Sector		(6,814)
Monetary variation of CVA	(1,835)	(4,806)
FX variations	(2,639)	(2,533)
Monetary variation loans and financings	(3,737)	(19,190)
CPMF tax		(3,024)
Losses on financial instruments (Note 29)	(753)	(7,291)
Provision for losses in the recovery of RTE amounts Updating		(1,470)
Other	(10,140)	(5,910)
	(86,431)	(115,406)
NET FINANCIAL REVENUES (EXPENSES)	(7,773)	10,541

The Pasep and Cofins tax expenses are applicable to the financial revenues on the regulatory assets, which are realized through invoicing of electricity.

Table of Contents**27) RELATED PARTY TRANSACTIONS**

As mentioned in Explanatory Note 1, the Company is a wholly-owned subsidiary of Companhia Energética de Minas Gerais - Cemig, of which the controlling stockholder is the Government of the State of Minas Gerais. Cemig Geração e Transmissão (Cemig GT) and Light are also subsidiaries of Cemig.

The principal balances and transactions with related parties of Cemig Distribution are:

COMPANIES	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008	03/31/2009	03/31/2008	03/31/2009	03/31/2008
CEMIG								
Affiliated companies and holding co.	10.268	9.870	13.419	12.524				
Interest on Equity and dividends			682.227	682.227				
Cemig Geração e Transmissão S.A.								
Affiliated companies and holding co.	15.046	13.433	9.957	10.705				
Energy purchased for resale (Note 1)		5.570	46.686	20.881		960	(54.486)	(23.348)
Light								
Energy bought for resale (1)			2.535	2.454			(5.267)	(5.079)
Minas Gerais state government								
Consumers and traders (4)	2.269	1.616			19.051	17.878		
Taxes, charges and contributions (5)	122.646	115.275	57.351	57.351	(496.288)	(557.276)		
Taxes subject to offsetting (5)	57.351	57.351						
Consumers and traders (2)	11.968	17.200						
FORLUZ								
Post-employment obligations current (3)			54.580	53.092			(22.939)	(37.169)
Post-employment obligations noncurrent (3)			823.773	833.238				
Other			25.677	53.912				
Personnel expenses (6)							(12.590)	(12.356)
Current administration expense (7)							(3.062)	(2.996)
OTHER								
Affiliated and subsidiary companies, or parent	569	557						

Main material comments on the above transactions:

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

(1) The Company has contracts for purchase of electricity from Cemig Geração e Transmissão S.A. and Light S.A., arising from the public electricity auction which took place in 2005, with period of validity of 8 years from the start of supply and annual adjustment by the IGP-M inflation index. These transactions were carried out on terms equivalent to those that prevail in transactions with independent parties, in view of the fact that the purchase of energy was made through an auction organized by the federal government, which subsequently decided what contracts should be signed between distributors and generators.

(2) A substantial portion of the amount refers to the renegotiation of the debit originating from the sale of energy to Copasa, with provision for payment up to September 2012, and financial updating (IGP-M inflation index + 0.5% per month).

(3) The contracts of FORLUZ are updated by the Expanded Consumer Price Index (IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) (See Explanatory Note 18) and will be amortized up to the business year of 2024.

(4) Refers to sale of energy to the government of the State of Minas Gerais. The transactions were carried out on terms equivalent to those which prevail in the transactions with independent parties, considering that the price of the energy is that defined by Aneel through a resolution referring to the company's annual tariff adjustment.

(5) The transactions with ICMS tax posted in the financial statements refer to transactions for sale of energy and are carried out in conformity with the specific legislation of the State of Minas Gerais.

(6) Cemig's contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 18) and calculated on the monthly remunerations in accordance with the regulations of the Fund.

(7) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's total payroll.

For more information on the main transactions, see Explanatory Notes 5, 9, 15, 18, 20, 24, 25 and 27.

Table of Contents

28) FINANCIAL INSTRUMENTS

Cemig Distribution uses financial instruments restricted to cash and cash equivalents, consumers and traders, loans and financings, debentures, and currency swaps. The gains and losses obtained on the transactions are registered in full by the accrual method.

The Company's financial instruments were recognized initially at fair value and are classified as follows:

- **Held for trading:** In this category are cash investments and derivative investments (mentioned in item b). They are valued at fair value and the gains or losses are recognized directly in the income statement.
- **Receivables:** Credits from consumers and traders are in this category. They are recognized at their nominal realization value, similar to the fair values.
- **Loans and financings, and obligations under debentures:** These are measured at the amortized cost using the effective interest rates method. Gains or losses are recognized in the income statement as and when they take place.
- **Derivative financial instruments:** These are measured at fair value and the gains and losses are recognized directly in the income statement.

a) Management of risks

The management of corporate risks is a management tool that is part of the practices of Corporate Governance and aligned with the process of planning, which sets the strategic objectives of the Company's business.

The Company has a Financial Risks Management Committee, which aims to implement guidelines and monitor the financial risk of transactions which might negatively affect the Company's liquidity and profitability, recommending protection strategies in relation to foreign exchange, interest rate and inflation risks. These are effectively in line with the Company's strategy.

Cemig D's principal exposure risks are listed below:

Exchange rate risk

Cemig D is exposed to the risk of increase in exchange rates, especially of the US dollar against the Real, with significant impact on indebtedness, profit and cash flow. For the purpose of reducing the Company's exposure to increases in exchange rates, Cemig Distribuição had, on March 31, 2009, hedge transactions contracted, which are described in more detail in item b.

The net exposure to exchange rates is as follows:

	03/31/2009	12/31/2008
EXPOSURE TO EXCHANGE RATES		
US dollar		
Loans and financings	265,038	262,417
Contracted hedge/swap	(121,923)	(123,071)
	143,115	139,346
Euro		
Loans and financings	16,426	17,087
Net liability exposure	159,541	156,433

Table of Contents

The Company estimates that, in a probable scenario, the appreciation of the exchange rates of foreign currencies against the Real at the end of 2009 will be 1.50%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, respectively scenarios which we assess as possible and remote, respectively.

Risk - Increase in exchange rate	Base 2008	Probable scenario	Possible scenario Exchange variation of 25%	Remote scenario Exchange variation of 50%
US dollar				
Loans and financings	265,038	269,022	336,563	404,105
(-) Contracted hedge/swap	(121,923)	(123,756)	(154,826)	(185,897)
	143,115	145,266	181,737	218,208
Euro	16,426	16,673	20,664	24,811
Net liability exposure	159,541	161,939	202,401	243,019
Net effect variation of exchange rate		(2,398)	(42,861)	(83,479)

Interest rate risk

Cemig Distribution is exposed to the risk of increase in international interest rates, with an impact on loans and financings in foreign currency with floating rates (Libor) in the amount of R\$ 17,535, at March 31, 2009.

In relation to the risk of increase of domestic interest rates, the Company's exposure arises from its liabilities indexed to interest rates, which are as follows:

EXPOSURE OF CEMIG D TO BRAZILIAN INTEREST RATES	03/31/2009	12/31/2008
Assets		
Cash investments	421,297	351,882
Regulatory assets	1,609,016	1,503,538
	2,030,313	1,855,420
Liabilities		
Loans and financings	(1,246,183)	(1,210,660)
Regulatory liabilities	(587,987)	(611,202)
Contracted hedge/swap	(121,923)	(123,071)
	(1,956,093)	(1,944,933)
Net liability exposure	74,220	(89,513)

Credit risk

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

This risk arising from the possibility of Cemig incurring losses as a result of difficulty in receiving amounts billed to its clients is considered to be low. The Company carries out monitoring for the purpose of reducing default, on an individual basis, with its consumers. Negotiations are also established for receipt of receivables in arrears.

Table of Contents

Electricity scarcity risk

The electricity sold is generated, basically, by hydroelectric power plants. A prolonged period of shortage of rainfall could result in reduction of volume of water in the reservoirs of the Company's plants, adversely affecting the recovery of their volume and resulting in losses as a result of increased costs of acquisition of electricity, or reduction of revenues in the event of adoption of a renewed rationing program, like the one put in place by the federal government in 2001.

Early debt maturity risk

The Company has contracts for loans and financings with the restrictive covenant clauses normally applicable to these types of operation, related to compliance with limits on economic and financial indices, cash flow and other indicators. Non-compliance with these clauses could result in early maturity of debt. The restrictive covenant clauses were fully complied with on March 31, 2009.

Risk of non-renewal of concessions

The Company has concessions for commercial operation of distribution services. Management expects that these concessions will be renewed by Aneel and/or the Mining and Energy Ministry. If the Mining and Energy Ministry does not grant the applications for renewals of these concessions, or if it decides to renew them upon imposition of additional costs for the company (concessions for consideration), the present levels of activity and profitability could be altered.

b) Financial instruments – derivatives

The derivative instruments contracted by the company have the purpose of protecting the company's operations against the risks arising from foreign exchange variation, and are not used for speculative purposes.

The principal amounts of the transactions and derivatives are not posted in the balance sheet, since they refer to transactions which do not require cash payments, but only the gains or losses that actually occur. The net results of these transactions represented a loss on March 31, 2009, of R\$ 753 (vs. loss of R\$ 7,291 on March 31, 2008), recorded in Financial revenue (expenses).

Methodology of calculation of the fair value of positions

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The fair value of financial investments is calculated, when applicable, taking into consideration the market prices of the security, or market information that makes such calculation possible, and future rates for similar securities. The market value of the security corresponds to its maturity value brought to present value by the discount factor obtained from the market yield curve in Reais.

This table shows the derivative instruments contracted by Cemig D on March 31, 2009.

Receivable by						Lost not realized				Accumulated
Cemig	Payable by			Principal amount		Book Value		Fair Value		Effect
Geração e	Cemig	Maturity	Market	contract*						Payable
Transmissão	Transmissão	period	Trading	03/31/2009	03/31/2008	03/31/2009	12/31/2008	03/31/2009	12/31/2008	Amount
US\$ exchange	R\$ 100% of	From	Over the							03/31/2009
rate + interest	CDI + interest	04/2009 to	counter							
(5.58% p.a. to	(2.98% p.a. to	06/2013	(OTC)	US\$52,662	US\$52,662	(76,726)	(70,801)	(80,385)	(79,633)	
7.48% p.a.)	3.01% p.a.)									

Table of Contents

c) Sensitivity analysis

The derivative instrument described above shows that the Company is exposed to the variation in the CDI rate. The Company estimates that the CDI rate at the end of 2009 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, respectively, in relation to December 31, 2008 scenarios which we assess as possible and remote, respectively. In these possible and remote scenarios, the CDI rate at December 31, 2009, would be: 11.25% and 13.50%, respectively.

	Base	Probable scenario	Possible scenario	Remote scenario
<u>Risk -Exposure Brazilian Interest Rates</u>				
Contract in US\$	(121,923)	(119,953)	(122,005)	(124,057)
Net effect variation of SELIC		1,969	(82)	(2,134)

29) FINAL RESULT OF THE SECOND TARIFF REVIEW OF CEMIG D

In March 2009 Aneel homologated the final result of the tariff review of Cemig Distribution, the effects of which take place from April 2008.

The final result of the Company's second tariff review was an average reduction of 19.62%, which compares with the average reduction of 18.09% applied on a provisional basis in April 2008.

For the homologation of the final Tariff Review, Aneel also recalculated the amounts which, in its judgment, should have been those effectively recognized in the Company's Tariff Adjustment as from April 2008.

The effects on the income statement relate primarily to the reduction in the value of the Reference Company used as a basis for reimbursement of the Company's manageable costs; and also to a review by Aneel of the criterion for calculation of the reimbursements, in the tariff, of the financial regulatory assets, which resulted in discounting of amounts which, in the regulator's view, were included in excess in the Company's tariff in 2008. A summary of the adjustments is shown below.

	31/03/2009
Adjustment arising from the Company's Tariff Review	(104,458)
Revision of the calculation of reimbursement of the financial items included in the 2008 tariff adjustment	(160,167)
Other regulatory items	71,719
	(192,906)

The adjustments referred to affected the following lines of the March 31, 2009 income statement:

	31/03/2009
Operational revenue net of Pasep and Cofins taxes	(213,803)
Operational costs and expenses	20,987
	(192,906)
Income tax and Social Contribution tax	65,588
Net effect on income statement	(127,318)

30) SUBSEQUENTS EVENTS

Temporary Voluntary dismissal program (PDV)

In April 2009, Cemig put in place its temporary voluntary dismissal program (PDV), available to employees between April 22 and June 5, 2009.

Employees who subscribe to the PDV receive a financial incentive varying between 3 and 16 times their monthly remuneration, according to criteria established in the program's regulations, of which the

Table of Contents

principal one is the time of contribution remaining for full retirement entitlement under the national social security system (INSS). The incentive includes payment of the contributions to the pension fund and the INSS up to the date when the employee would have complied with the requirements for applying for retirement benefit under the INSS (limited to five years), and deposit of the obligatory penalty payment (applicable to dismissals) of 40% on the balance of the employee's accumulated funds under the FGTS system.

Additionally, Cemig guarantees full payment of the costs of the group life insurance plan, for 6 months, and of the health plan, for 12 months, from the date of leaving the company.

The provision for the expenses under this program will be made in the second quarter of 2009, depending on how many employees subscribe to the program.

The April 2009 tariff adjustment

The *adjustment* to Cemig's tariffs resulted in an average increase of 6.21% in consumers' electricity invoices, from April 8, 2009. The adjustment applied differently to different consumer categories: electricity bills of residential consumers were increased by 4.87%; invoices for high-voltage consumers were increased by an average of 9.42%.

Table of Contents

ECONOMIC FINANCIAL PERFORMANCE

Amounts are in thousands of Reais unless otherwise stated.

Profit in the period

In the first quarter of 2009 (1Q09), Cemig D reported net profit of R\$ 40.334 million, 85.10% lower than the net profit of R\$ 270.659 million reported for the first quarter of 2008 (1Q08).

This lower profit was due in part to the extraordinary adjustments posted in the first quarter of 2009, arising from the final values advised by Aneel for the Company's tariff review, with a negative impact of R\$ 127 million in the result. In counterpart, an extraordinary creditor item with a positive impact of R\$ 38 million was posted in the income statement for the first quarter of 2008.

Additionally, there was a reduction in net revenue as a result of the tariff review of Cemig Distribution made in 2008, which applied an average reduction in tariffs of 12.24% as from April 8 of that year.

Ebitda (method of calculation not reviewed by external auditors)

Cemig D reported Ebitda in the first three months of 2009 (3M09) 68.46% lower than in 3M08. Adjusted for non-recurring items, Ebitda was 23.50% lower.

As part of the tariff review of Cemig Distribuição, Aneel included in the tariff to be applied as from April 8, 2009 certain financial items relating to previous business years which resulted in the recognition of regulatory assets and liabilities which will be received and/or discounted in the tariff to be received from consumers in the period April 8, 2009 to April 7, 2010.

Table of Contents

The financial items mentioned refer principally to the reduction in the cost of the Reference Company used by Aneel to reimburse the Company for its manageable costs, with effect backdated to 2008. The impact on Ebitda of this non-recurring recognition of financial items was R\$ 192,816, as follows:

EBITDA - R\$ 000	03/31/2009	03/31/2008	Change %
Net profit	40,334	270,659	(85.10)
+ Income tax and Social Contribution	18,477	141,031	(86.90)
+ Employees and managers shares in results	18,725	16,155	15.91
- Financial revenue (expenses)	7,773	(10,541)	
+ Amortization and depreciation	81,162	110,515	(26.56)
= Ebitda	166,471	527,819	(68.46)
Non-recurring items:			
- Tariff review Net revenue	213,803	(62,464)	
+ Tariff review Operational expense	(20,987)	4,330	
= ADJUSTED EBITDA	359,287	469,685	(23.50)

The lower Ebitda in the first quarter of 2009 than in 1Q08 (excluding the effects of expenses on depreciation and amortization) principally reflects the negative impacts of the final tariff review. The operational performance in 2009 was reflected in Ebitda margin, which rose from 32.03% in 1Q08 to 14.04% in 1Q09.

GROSS REVENUE FROM RETAIL SUPPLY OF ELECTRICITY, AND REVENUE FOR USE OF THE NETWORK CAPTIVE CONSUMERS

This revenue was R\$ 1,815,220 in the first quarter of 2009, 22.54% lower than in 1Q08, when it was R\$ 2,343,347.

The main impacts on 2008 revenues arose from the following factors:

- Tariff readjustment averaging 12.24% on consumer tariffs, starting from April 8, 2008 (full effect in 2009).
- Volume of energy invoiced to final consumers 4.52% higher (this excludes Cemig D's own internal consumption).

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

- Recording of regulatory liability resulting from the adjustment in the Company's Tariff Review, backdated to 2008, representing a reduction of R\$ 213,803 in gross revenue.

Table of Contents**Electricity sold to final consumers (MWh)**

(Data not audited by independent auditors)

Consumption by consumer category	03/31/2009	MWh 03/31/2008	Change %
Residential	1,905,496	1,729,761	10,16
Industrial	1,182,634	1,224,837	(3,45)
Commercial, services and others	1,160,226	1,084,482	6,98
Rural	452,303	453,242	(0,21)
Public authorities	168,534	152,436	10,56
Public illumination	269,358	259,068	3,97
Public service	260,706	262,152	(0,55)
Total	5,399,257	5,165,978	4,52

Revenue from use of the network Free Consumers

This revenue refers to the TUSD Tariff for Use of the Distribution System charged to free consumers on the energy sold, principally by Cemig Generation and Transmission. In the first quarter of 2009 this revenue was R\$ 261,850, compared to R\$ 315,032 in 1Q08, that is to say 16.88% lower, due to a lower volume of transport of energy for free consumers, consequence of the international economic situation, which had repercussions on Brazilian industrial production.

Non-controllable costs

Differences between the non-controllable costs assumed in calculating tariff adjustments, and disbursements actually made, are recorded in an account known as the CVA (cost variation account), and their total is offset in subsequent tariff adjustments. CVA amounts are registered in Current and Non-current assets. Complying with the Aneel Chart of Accounts, some items are allocated as Deductions from operational revenue. Please refer to further information in Explanatory Note 5 and Note 6 to the Quarterly Information.

As from March 2008 the company began to receive, in the tariff, the amounts posted in assets under Portion A. Hence the portion of the non-controllable costs which were actually received in the tariff is transferred to Operational expenses, as shown in Explanatory Note 6, Item b.

Deductions from operational revenues

Deductions from operational revenues in 1Q09 totaled R\$ 910,484, 11.44% lower than in 1Q08 (R\$ 1,028,152). The principal changes in these expenses are as follows:

Fuel Consumption Account CCC

The deduction from revenue for the CCC was R\$ 88,487 in 1Q09, compared to R\$ 62,594 in 1Q08, an increase of 41.37%. This relates to the operational costs of thermal plants in the Brazilian interconnected and isolated systems, split pro-rata among electricity concession holders by the Aneel Resolution. This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

Table of Contents

Energy Development Account CDE

The deduction from revenue for the CDE was R\$ 77,529 in 1Q09, 3.27% higher than in 1Q08 (R\$ 75,073). The payments are specified by an Aneel Resolution. This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

RGR Global Reversion Reserve

The deduction from revenue for the CDE was R\$ 17,517 in 1Q09, 13.60% higher than in 1Q08 (R\$ 15,420). This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

The other deductions from revenue are for charges calculated as a percentage of billing, and their variations thus, substantially, arise from the changes in revenue.

Operational costs and expenses (excluding financial revenue/expenses)

Operational costs and expenses (excluding Net financial revenue (expenses)) amounted to R\$ 1.100 billion in 1Q09, 10.56% lower than in 1Q08 (R\$ 1,230 billion), a reduction of 10.56%. This mainly reflects changes in energy bought for resale, post-employment obligations and depreciation and amortization. For further information on the composition of operational costs and expenses, see Explanatory Note 25 to the Quarterly Information.

The principal changes in expenses are:

Personnel expenses

Personnel expenses totaled R\$ 200,966 in 1Q09, 3.24% higher than in 1Q08 (R\$ 194,660). This principally reflects:

- Salary increase of 7.26% given to employees in November 2008.
- Greater transfer of costs from personnel expenses to works in progress (R\$ 22,547 in 1Q09, vs. R\$ 16,269 in 1Q08) due to greater capital expenditure activity.

Further information on the composition of personnel expenses is given in explanatory note No. 25 of the Quarterly Information.

Energy purchased for resale

Expense on electricity purchased for resale was R\$ 505,711 in 1Q09, compared to R\$ 577,738 in 1Q08, representing a reduction of 12.47%. This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs. Further information is given in Explanatory note No. 25 to the Quarterly Information.

Depreciation and amortization

The expense on depreciation and amortization was R\$ 81,162 in first quarter 2009, compared to R\$ 110,515 in 1Q08, that is to say 26.56% lower. This result arises from the depreciation of Special Obligations , from April 2008, the date of the second-cycle tariff review.

Table of Contents

Post-employment obligations

Expenses on post-employment obligations totaled R\$ 22,939 in 1Q09, compared to R\$ 37,169 in 1Q08, 38.28% lower. These expenses basically represent interest on the actuarial liabilities of Cemig Distribution, net of the expected return on the plans' assets, as estimated by an external actuary. The reduction in this expense in 2009 is mainly due to the downward adjustment made in December 2008 to actuarial assumptions for interest rates, resulting in a reduction in the Company's net obligations.

Charges for Use of the Basic Transmission Grid

Charges for use of the transmission network totaled R\$ 119,565 in 1Q09, compared to R\$ 119,994 in 1Q08, 0.36% lower. These charges are payable by distribution and generation agents for use of the facilities and components of the basic grid, and are set by Aneel resolution. This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

Outsourced services

The expense on outsourced services in 1Q09 was R\$ 105,051, compared to R\$ 99,953 in 1Q08, 5.10% higher, the main variations being in expenditure on maintenance and conservation of electricity facilities, and outsourced invoice collectors, account reading and delivery. Expenses under this heading are given in detail in Explanatory Note 25 to the Quarterly Information.

Financial revenues (expenses)

In 1Q09 the company reported net financial expenses of R\$ 7,773, compared to net financial expenses of R\$ 10,541 in 1Q08. The main factors in this financial result are:

- Lower revenue from cash investments, at R\$ 10,180 in 1Q09, vs. R\$ 18,040 in 1Q08, 43.57% higher, due to a lower volume of cash invested in this quarter.
- Revenue from penalty payments applied to arrears on settlement of electricity bills R\$ 20,470 lower in 1Q09, at R\$ 22,578, compared to R\$ 43,048 in 1Q08. This variation also reflects an item of revenue posted in 1Q08, in the amount of R\$ 10,516, relative to accounts received from major industrial consumers for consumption in prior years – the principal amounts of which were considerably less than the amounts added as penalty payments for delay in settlement.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

- Lower revenue from monetary updating on the General Agreement for the Electricity Sector. The revenue was R\$ 14,235 in 1Q09, compared to R\$ 27,337 in 1Q08 reflecting the lower value of the regulatory assets in 2009, since part of them had been amortized.
- Reduction of 93.14% in the revenue from monetary updating and interest on the Deferred Tariff Adjustment. This revenue was R\$ 1,777 in 1Q09, compared to R\$ 25,897 in 1Q08. This mainly reflects the reduction of the size of the asset, due to receipt of some of the amounts receivable in electricity bills paid by clients. See Explanatory Note 10 to the Quarterly Information.
- Lower Monetary Variation on Loans and Financings: R\$ 3,737 in 1Q09, vs. R\$ 19,190 in 1Q08. This result is basically due to the higher variation in inflation indices in 2008.

Table of Contents

For a breakdown of financial revenues and expenses, see Explanatory Note n° 25 of the quarterly information.

Income tax and Social Contribution

In 1Q08 Cemig D posted expenses on income tax and Social Contribution of R\$ 18,477, representing 23.83% of the pre-tax profit of R\$ 77,536. In 1Q08, the company posted expenses on income tax and Social Contribution of R\$ 141,031 million, representing 32.96% of the pre-tax profit of R\$ 427,845. These effective rates are reconciled with the nominal rates in Explanatory Note 9 to the quarterly information.

Table of Contents

4. Quarterly Financial Information for the quarter ended March 31, 2009, Cemig Geração e Transmissão S.A.

Table of Contents

Contents

<u>BALANCE SHEET</u>	137
<u>INCOME STATEMENT</u>	139
<u>STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY</u>	140
<u>STATEMENTS OF CASH FLOWS</u>	141
 <u>EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS</u>	 143
<u>1) OPERATIONAL CONTEXT</u>	143
<u>2) PRESENTATION OF THE FINANCIAL STATEMENTS</u>	144
<u>3) CASH AND CASH EQUIVALENTS</u>	145
<u>4) CONSUMERS AND RESELLERS</u>	146
<u>5) TRADERS' TRANSACTIONS IN FREE ENERGY</u>	146
<u>6) TAXES SUBJECT TO OFFSETTING</u>	147
<u>7) TAX CREDITS</u>	148
<u>8) INVESTMENTS</u>	150
<u>9) FIXED ASSETS</u>	152
<u>10) INTANGIBLE</u>	153
<u>11) SUPPLIERS</u>	153
<u>12) TAXES, CHARGES AND CONTRIBUTIONS</u>	154
<u>13) LOANS, FINANCINGS AND DEBENTURES</u>	155
<u>14) REGULATORY CHARGES</u>	157
<u>15) POST-EMPLOYMENT OBLIGATIONS</u>	157
<u>16) CONTINGENCY PROVISIONS</u>	159
<u>17) STOCKHOLDERS' EQUITY</u>	160
<u>18) SUPPLY OF ELECTRICITY</u>	160
<u>19) REVENUE FOR USE OF THE NETWORK</u>	160
<u>20) DEDUCTIONS FROM OPERATIONAL REVENUE</u>	160
<u>21) OPERATIONAL COSTS AND EXPENSES</u>	161
<u>22) NET FINANCIAL EXPENSES</u>	162
<u>23) RELATED PARTY TRANSACTIONS</u>	162
<u>24) FINANCIAL INSTRUMENTS</u>	164
<u>25) SUBSEQUENT EVENTS</u>	168
 <u>ECONOMIC AND FINANCIAL PERFORMANCE</u>	 169
<u>AUDITORS' REPORT ON SPECIAL REVIEW</u>	173

Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008****ASSETS****(R\$ 000)**

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
CURRENT				
Cash and cash equivalents (Note 3)	1,257,870	862,098	1,239,447	852,213
Consumers and traders (Note 4)	385,330	357,733	384,266	356,959
Concession holders transport of energy	50,574	50,186	50,574	50,186
Taxes subject to offsetting (Note 6)	331,938	274,113	330,976	273,184
Traders Transactions in Free Energy (note 6)	16,115	15,076	16,115	15,076
Tax credits (Note 7)	24,899	21,118	24,899	21,118
Inventories	3,656	4,024	3,656	4,024
Other credits	69,220	63,268	61,530	58,814
TOTAL, CURRENT	2,139,602	1,647,616	2,111,463	1,631,574
NONCURRENT				
Long term assets				
Tax credits (Note 7)	77,039	83,347	77,039	83,347
Traders Transactions in Free Energy (Note 5)	10,640	4,107	10,640	4,107
Taxes subject to offsetting (Note 6)	18,158	18,158	18,158	18,158
Deposits linked to legal actions	57,714	49,532	57,714	49,532
Receivable from related parties (Note 23)	10,843	9,853	10,843	9,853
Other credits	20,775	14,999	10,908	11,995
Total long term assets	195,169	179,996	185,302	176,992
Investments (Note 8)	1,074,537	1,074,778	1,132,220	1,112,306
Fixed assets (Note 9)	4,801,846	4,756,861	4,621,827	4,663,169
Intangible (Note 10)	17,240	13,808	14,453	13,696
TOTAL, NONCURRENT	6,088,792	6,025,443	5,953,802	5,966,163
TOTAL ASSETS	8,228,394	7,673,059	8,065,265	7,597,737

The Explanatory Notes are an integral part of the financial statements.

Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008**
LIABILITIES**(R\$ 000)**

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
CURRENT				
Charges on loans and financings (Note 13)	418,079	372,693	416,080	370,492
Debentures (Note 13)	381,389	362,606	381,389	362,606
Suppliers (Note 11)	155,316	146,652	111,895	125,486
Taxes, charges and contributions (Note 12)	186,905	78,698	185,512	78,339
Interest on Equity, and dividends, payable	539,042	539,042	539,042	539,042
Salaries and mandatory charges on payroll	44,129	64,500	43,859	64,433
Regulatory charges (Note 14)	75,706	94,363	75,706	94,363
Profit shares	8,951	26,737	8,951	26,737
Debt to related parties (Note 23)	5,544	3,908	5,544	3,908
Post-employment obligations (Note 15)	18,473	17,970	18,473	17,970
Provision for losses on financial instruments (Note 24)	34,861	14,699	34,861	14,699
Other obligations	45,053	69,036	42,609	55,144
TOTAL, CURRENT	1,913,448	1,790,904	1,863,921	1,753,219
NONCURRENT				
Loans and financings (Note 13)	1,916,179	1,733,860	1,804,887	1,703,205
Debentures (Note 13)	272,736	271,752	272,736	271,752
Contingency provisions (Note 16)	7,591	7,322	7,591	7,322
Post-employment obligations (Note 15)	257,338	260,618	257,338	260,618
Taxes, charges and contributions (Note 12)	106,443	82,510	106,443	82,510
Regulatory charges (Note 14)	4,352	4,352	4,352	4,352
Other obligations	36,755	40,602	34,445	33,620
TOTAL, NONCURRENT	2,601,394	2,401,016	2,487,792	2,363,379
STOCKHOLDERS EQUITY (Note 17)				
Registered capital	2,896,785	2,896,785	2,896,785	2,896,785
Capital reserves	584,354	584,354	584,354	584,354
Retained earnings	232,413		232,413	
TOTAL STOCKHOLDERS EQUITY	3,713,552	3,481,139	3,713,552	3,481,139
TOTAL LIABILITIES	8,228,394	7,673,059	8,065,265	7,597,737

The Explanatory Notes are an integral part of the financial statements.

[Table of Contents](#)**INCOME STATEMENT****FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008****(R\$ 000, except net profit per thousand shares)**

	Consolidated 03/31/2009	Holding company 03/31/2009	Consolidated and Holding company 03/31/2008
OPERATIONAL REVENUE			
Gross supply of electricity (Note 18)	769,147	766,106	721,201
Revenue from use of the grid (Note 19)	151,030	151,030	150,434
Other operational revenues	5,653	5,653	6,427
	925,830	922,789	878,062
DEDUCTIONS FROM OPERATIONAL REVENUE (Note 20)	(193,551)	(192,887)	(195,289)
NET OPERATIONAL REVENUE	732,279	729,902	682,773
COST OF ELECTRICITY SERVICE			
COST OF ELECTRICITY (Note 21)			
Charges for use of the basic transmission grid	(72,294)	(72,294)	(64,437)
Electricity bought for resale	(27,190)	(26,712)	8,982
	(99,484)	(99,006)	(55,455)
COST OF OPERATION (Note 21)			
Personnel and managers	(58,975)	(58,934)	(53,302)
Post-employment obligations	(6,206)	(6,206)	(9,987)
Materials	(2,884)	(2,867)	(2,508)
Raw materials and inputs for generation			(21,785)
Outsourced services	(20,246)	(20,127)	(15,086)
Depreciation and amortization	(55,979)	(55,858)	(56,345)
Reversal of provisions	252	252	932
Royalties for use of water resources	(34,767)	(34,767)	(31,201)
Other costs of operation	(6,365)	(6,314)	(4,026)
	(185,170)	(184,821)	(193,308)
TOTAL COST	(284,654)	(283,827)	(248,763)
GROSS PROFIT	447,625	446,075	434,010
OPERATIONAL EXPENSES (Note 21)			
General and administrative expenses	(16,932)	(16,932)	(15,972)
Other operational expenses	(5,725)	(5,725)	(20,752)
	(22,657)	(22,657)	(36,724)
PROFIT FROM THE SERVICE (OPERATIONAL PROFIT BEFORE EQUITY GAINS AND FINANCIAL REVENUES (EXPENSES))	424,968	423,418	397,286
Equity gain (loss) from subsidiaries		1,494	
Net financial expenses (Note 22)	(50,190)	(50,244)	(79,686)
PROFIT BEFORE TAXATION AND PROFIT SHARES	374,778	374,668	317,600
Income tax and Social Contribution (Note 7b)	(126,711)	(126,639)	(111,984)

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Deferred income tax and Social Contribution (Note 7 b)	(9,931)	(9,893)	5,031
Employees and managers profit shares (Note 24)	(5,723)	(5,723)	(4,919)
NET PROFIT FOR THE PERIOD	232,413	232,413	205,728
NET PROFIT PER THOUSAND SHARES, R\$	80.23	80.23	71.02

The Explanatory Notes are an integral part of the financial statements.

Table of Contents

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE QUARTELY ENDED ON MARCH 31, 2009

(In Thousand of Reais, except for dividends and Interest on Equity per thousand shares)

	Registered capital	Capital reserves	Retained earnings	Total
BALANCES AT DECEMBER 31, 2008	2,896,785	584,354		3,481,139
Net profit for the year			232,413	232,413
BALANCES AT MARCH 31, 2009	2,896,785	584,354	232,413	3,713,552

Table of Contents

STATEMENTS OF CASH FLOWS

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

R\$ 000

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
FROM OPERATIONS				
Net profit for the year	232,413	205,728	232,413	205,728
Expenses (revenues) not affecting cash				
Depreciation and amortization	56,026	56,345	55,905	56,345
Net write-offs of fixed assets	2,119	1,078	2,119	1,078
Equity gains (losses)			(1,494)	
Interest and monetary updating Noncurrent	(16,994)	8,037	(18,019)	8,037
Deferred federal taxes	9,931	(5,031)	9,893	(5,031)
Provisions (reversals) for operational losses	269	(932)	269	(932)
Provisions for losses on Free Energy transactions	8,722	10,160	8,722	10,160
Provision for losses on financial instruments	19,697	(2,656)	19,697	(2,656)
Post-employment obligations	7,333	12,004	7,333	12,004
Other	1,087	2,590	1,087	2,590
	320,603	287,323	317,925	287,323
Increase (reduction) in assets				
Consumers and traders	(27,597)	(20,460)	(27,307)	(20,460)
Traders transactions in Free Energy	2,107	13,522	2,107	13,522
Taxes subject to offsetting	(57,825)	(112,367)	(57,792)	(112,392)
Transport of energy	(388)	(9,539)	(388)	(9,539)
Other current assets	2,527		2,527	
Payments into Court	(15,046)	(705)	(8,182)	(705)
Others	(4,761)	11,981	(1,523)	11,981
	(100,983)	(117,568)	(90,558)	(117,593)
Increase (reduction) in liabilities				
Suppliers	8,664	(162,391)	(13,591)	(160,540)
Taxes and Social Contribution	122,247	96,323	121,213	96,213
Salaries and mandatory charges on payroll	(20,371)	(4,361)	(20,574)	(4,274)
Regulatory charges	(18,657)	3,067	(18,657)	3,067
Loans and financings	64,125	73,009	64,327	73,009
Post-employment obligations	(10,110)	(12,918)	(10,110)	(12,918)
Losses on financial instruments	465	(3,775)	465	(3,775)
Other	(45,834)	(35,968)	(29,676)	(36,878)
	100,529	(47,014)	93,397	(46,096)
CASH GENERATED BY OPERATIONS	320,149	122,741	320,764	123,634
FINANCING ACTIVITIES				
Financings obtained	186,698	8,498	107,086	
Payments of loans and financings	(4,758)	(31,121)	(4,758)	(31,121)
Interest on Equity, and dividends		(6,120)		(6,120)
CASH GENERATED BY FINANCING ACTIVITIES	181,940	(28,743)	102,328	(37,241)

Table of Contents

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
INVESTMENTS ACTIVITIES				
On investments	6,968	(14,746)	(25,018)	(14,746)
In fixed assets	(113,285)	(19,222)	(10,840)	(11,018)
Special Obligations consumer contributions		8		8
CASH USED AT INVESTMENTS ACTIVITIES	(106,317)	(33,960)	(35,858)	(25,756)
NET CHANGE IN CASH POSITION	395,772	60,038	387,234	60,637
STATEMENT OF CHANGE IN CASH POSITION				
At start of the year	862,098	916,288	852,213	907,116
At end of year	1,257,870	976,326	1,239,447	967,753
	395,772	60,038	387,234	60,637

Table of Contents

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2008
AND THE QUARTERS ENDED MARCH 31, 2009 AND 2008**

In R\$ 000, except where otherwise stated

1) OPERATIONAL CONTEXT

Cemig Geração e Transmissão S.A. (Cemig GT , Cemig Generation and Transmission , or the Company) is a Brazilian corporation registered with the Brazilian Securities Commission (CVM) for listing, and a wholly-owned subsidiary of Companhia Energética de Minas Gerais Cemig (Cemig). It was created on September 8, 2004, and started operating on January 1, 2005, following of the unbundling of Cemig s businesses. Its shares are not traded on any securities exchange.

The objects of Cemig GT are: a) to study, plan, project, build and commercially operate systems of generation, transmission and sale of electricity and related services for which concessions are granted, under any form of law, to it or to companies of which it maintains stockholding control; b) to operate in the various fields of energy, from whatever source, with a view to economic and commercial operation; c) to provide consultancy services within its field of operation to companies in and outside Brazil; and d) to carry out activities directly or indirectly related to its objects.

The National Electricity Agency (Aneel), the regulator of the Brazilian electricity sector, approved the transfer of the generation concessions from Cemig to Cemig GT by Authorizing Resolution 1338/20004.

Cemig GT operates 46 power plants; of which 43 are hydroelectric, one is a wind power plant and two are thermal plants; and their transmission lines, most of them part of the Brazilian national generation and transmission grid system.

Cemig GT has stockholdings in the following subsidiaries:

- Hidrelétrica Cachoeirão S.A. (jointly controlled, 49.00% stake): Production and sale of electricity as an independent power producer, through the Cachoeirão hydroelectric power plant, at Pocrane, in the State of Minas Gerais, with installed capacity of 27MW (information not reviewed by the external auditors). The plant began operating in 2009.

Subsidiaries at pre-operational stage.

- Guanhães Energia S.A. (jointly controlled, 49.00% stake): Production and sale of electricity through building and commercial operation of the following Small Hydro Plants in Minas Gerais state: *Dores de Guanhães*, *Senhora do Porto* and *Jacaré*, in the municipality of *Dores de Guanhães*; and *Fortuna II*, in the municipality of *Virginópolis*. The plants are at construction phase, with operational start up scheduled for 2009, and have totaled installed capacity of 44MW (information not reviewed by the external auditors).
- Cemig Baguari Energia S.A. (subsidiary, 100.00% stake) Production and sale of electricity as an independent producer in future projects.
- Madeira Energia S.A. (jointly controlled, 10.00% stake): Implementation, construction, operation and commercial operation of the *Santo Antônio Hydroelectric Plant* in the Madeira river basin, in the State of Rondônia, with power of 3,150 MW (information not audited) and commercial startup scheduled for 2012).

Table of Contents

- Hidrelétrica Pipoca S.A. (jointly controlled, 49.00% stake): Independent production of electricity, through construction and commercial operation of the *Pipoca Small Hydro Plant*, with installed capacity of 20MW (information not audited), located on the Manhuaçu River, in the municipalities of Caratinga and Ipanema, in the State of Minas Gerais. Operational startup is scheduled for April 2010.
- Baguari *Energia* S.A. (jointly controlled, 69.39% stake): Construction, operation, maintenance and commercial operation of the *Baguari Hydroelectric Plant*, through its participation in the UHE Baguari Consortium (Baguari Energia 49.00%, Neoenergia 51.00%), with installed capacity of 140MW (information not audited), on the Doce River in Governador Valadares, Minas Gerais State. Operational start up is planned for October 2009 (1st unit), December 2009 (2nd unit), and February 2010 (3rd unit).
- Empresa Brasileira de Transmissão de Energia (EBTE) (jointly-controlled subsidiary, 49.00% stake): Holder of public electricity transmission concession, for transmission lines in the state of Mato Grosso. Operational startup is scheduled for June 2010.

2) PRESENTATION OF THE FINANCIAL STATEMENTS

2.1) Presentation of the Quarterly Information

The quarterly financial statements were prepared according to accounting principles adopted in Brazil, namely: the Brazilian Corporate Law; the Statements, Orientations and Interpretations issued by the Accounting Statements Committee; the rules of the Brazilian Securities Commission (CVM *Comissão de Valores Mobiliários*); and rules of the specific legislation applicable to holders of electricity concessions, issued by the National Electricity Agency, Aneel.

The quarterly information has been prepared according to accounting principles, methods and criteria that are uniform in relation to those adopted in the previous business year. In accordance with that, the quarterly information must be read with the financial information of the previous year.

2.2) Change in the Brazilian Corporate Law

Law 11.638/07 alters and repeals provisions, and creates new provisions, in the Brazilian Corporate Law, in the chapter relating to disclosure and preparation of financial statements. Among other aspects, this changes the criterion for recognition and valuation of certain assets and liabilities. The aim of these changes is to increase the transparency of financial statements of Brazilian companies and eliminate some regulatory barriers that were an obstacle to the process of convergence of these financial statements with International Financial Reporting Standards (IFRS):

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Law 11.638/07 and Provisional Measure 449/08 alters the Law 6.404/76 the aspects related to the Financial Statements.

In the Financial Statement of 2008, the Company has adopted for the first time the changes in the Brazilian Corporate Law made by Law 11.638 approved on December 28, 2007, with the respective changes made by the Provisional Measure 449 on December 3, 2008.

Table of Contents

The effects in the quarterly statement because of the changes in the Corporate Law were basically, (i) the present value and (ii) financial instruments, and the impact in the net profit of the quarterly ended on March 31, 2008 were in the amount of R\$6,632 and R\$8,210, respectively, and those were not adjusted in the quarterly information for comparative because the amounts were imaterial.

2.3) The consolidated Quarterly Information (ITR)

The consolidated information at March 31, 2009 includes the financial statements of the Company and of the subsidiaries mentioned in Explanatory Note 1.

The accounting practices were applied in a uniform manner in all the companies consolidated and consistent with those used in the previous business year.

The companies in which control is shared were consolidated proportionately to the percentage holding. Each line in the quarterly information was, thus, consolidated after application of this holding percentage. Consequently, there is no separate line for minority interests.

In the consolidation the following have been eliminated: (i) holdings in the Stockholders' equity of the subsidiaries; (ii) equity income; (iii) balances of assets and liabilities between the companies consolidated; and (iv) the balances of revenues and expenses arising from transactions between the companies consolidated.

The dates of the financial statements of the investee companies used for calculation of equity income and consolidation coincide with those of the holding company.

3) CASH AND CASH EQUIVALENTS

	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Bank accounts	17,958	150	10,475	
Cash investments				
Bank deposit certificates	1,193,142	818,150	1,182,202	808,415
Treasury Financial Notes (LFTs)	26,951	24,193	26,951	24,193
National Treasury Notes (LTNs)	163	151	163	151
Other	19,656	19,454	19,656	19,454
	1,239,912	861,948	1,228,972	852,213
	1,257,870	862,098	1,239,447	852,213

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Cash investments consist of transactions carried out with Brazilian financial institutions. These transactions are contracted on normal market conditions and at normal market rates. They have high liquidity, are promptly convertible into a known amount of cash, and are subject to an insignificant risk of change in value.

These financial investments are, principally, bank certificates of deposit and fixed income funds, remunerated, substantially, by percentages indexed to variation in the CDI (Interbank Certificate of Deposit) rate, varying between 101% and 103% of that rate.

Table of Contents**4) CONSUMERS AND RESELLERS**

Consumer type	Balances not yet due	Up to 90 days past due	More than 90 days past due	03/31/2009	Total 12/31/2008
Holding company					
Industrial	140,378	10,670	40,162	191,210	217,224
Wholesale supply to other concession holders	189,201		4,635	193,836	140,515
Provision for doubtful receivables			(780)	(780)	(780)
	329,579	10,670	44,017	384,266	356,959
Subsidiaries					
Industrial	1,057			1,057	774
Wholesale supply to other concession holders	7			7	
	1,064			1,064	774
Total, consolidated	330,643	10,670	44,017	385,330	357,733

The Company makes provisions for doubtful receivables through individual analysis of clients' outstanding balances, taking into account the history of default, negotiations in progress and the existence of any real guarantees.

The provision made for doubtful credits is considered to be sufficient to cover any losses in the realization of these assets.

Credits receivable from an industrial consumer in the amount of R\$ 46,188, not paid due to an injunction that allowed this payment not to be made until final judgment of a legal action challenging the tariff increase during the Cruzado Economic Plan made by Ministerial Order 045/86, are recorded in the accounts. The Company expects that the amounts mentioned will be received in full.

5) TRADERS' TRANSACTIONS IN FREE ENERGY

The rights of Cemig GT in relation to the transactions in free energy in the Electricity Trading Chamber (CCEE, formerly MAE) during the Rationing Program are as follows:

	Consolidated and Holding company	
	03/31/2009	12/31/2008
CURRENT		
Amounts to be received from distributors	44,152	45,302
Provision for losses in realization	(17,397)	(26,119)
	26,755	19,183
Current	16,115	15,076
Noncurrent	10,640	4,107

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The amounts to be received refer to the difference between the prices paid by the Company in the transactions in energy on the CCEE/MAE during the period when the Rationing Program was in force, and the amount of R\$ 49.26/MWh. In the General Agreement for the Electricity Sector it was established that this difference was to be reimbursed through the amounts raised by means of the RTE.

Table of Contents

In accordance with Aneel Resolution 36 of January 29, 2003, Since March 2003 electricity distributors have obtained RTE amounts monthly by means of tariffs and passed them through to the generators and distributors who have amounts to be received, including the Company, since March 2003.

The amounts receivable by Cemig GT are updated by the variation in the Selic rate plus 1.00% interest per year.

The conclusion of some court proceedings in progress, brought by market agents, in relation to the interpretation of the rules in force at the time of the realization of the transactions in the ambit of the CCEE/MAE, may result in changes in the amounts recorded.

Provision for losses in realization

The provision now constituted, in the amount of R\$ 17,397, represents the losses that are expected as a result of the period of receipt of the RTE from the other distributors that are still passing through funds to the Company not being sufficient for full payment of the amounts owed.

6) TAXES SUBJECT TO OFFSETTING

	Consolidated		Holding Company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Current				
ICMS tax recoverable	39,361	38,616	38,466	37,730
Income tax	192,337	127,969	192,270	127,926
Social Contribution	62,101	39,212	62,101	39,212
Pasep tax	6,401	11,827	6,401	11,827
Cofins tax	30,087	54,954	30,087	54,954
Other	1,651	1,535	1,651	1,535
	331,938	274,113	330,976	273,184
Noncurrent				
ICMS recoverable	18,158	18,158	18,158	18,158
	350,096	292,271	349,134	291,342

The balances of income tax and Social Contribution tax refer to tax credits in corporate income tax returns of previous years, and payments made in 2009, which will be offset with federal taxes payable, to be calculated for the year 2009, reported in Taxes, charges and contributions.

The credits of ICMS recoverable arise from acquisitions of fixed assets and are offset in 48 months.

Table of Contents

7) TAX CREDITS

a) Deferred income tax and Social Contribution:

The company has the following deferred credits of income tax, constituted at the rate of 25.00%, and Social Contribution, at the rate of 9.00%, posted in Current and Noncurrent assets:

	Consolidated and Holding company	
	03/31/2009	12/31/2008
Tax credits on temporary differences:		
Provision for losses in realization of free energy amounts receivable	5,915	8,880
Post-employment obligations	21,381	21,773
Provision for Pasep/Cofins taxes Extraordinary Tariff Recomposition	1,116	1,153
Provision for doubtful receivables	255	255
Transactions in free energy	5,942	8,075
Financial Instruments	27,460	19,807
FX variation	35,342	35,342
Contingencies	2,581	2,489
Other	1,946	6,691
	101,938	104,465
Current assets	24,899	21,118
Noncurrent assets	77,039	83,347

At its meeting on February 12, 2009, the Board of Directors approved the technical study prepared by the CFO's department on the forecasts for future profitability adjusted to present value, which show capacity for realization of the deferred tax asset in a maximum period of 10 years, as defined in CVM Instruction 371. This study was also submitted to examination by Cemig's Audit Board on February 5, 2009.

In accordance with the estimates of Cemig GT, future taxable profits enable the deferred tax asset existing on March 31, 2009 to be realized according to the following estimate:

	Consolidated and Holding company
	2008
2009	13,610
2010	45,156
2011	10,511
2012	10,511
2013	10,511
2014 to 2016	7,674
2017 to 2018	3,965
	101,938

Table of Contents**b) Reconciliation of the expense on income tax and Social Contribution:**

The reconciliation of the nominal expense on income tax (rate 25%) and Social Contribution (rate 9%) with the actual expense shown in the Income Statement is as follows:

	Consolidated 03/31/2009	Holding company 03/31/2009	03/31/2008
Profit before income tax and Social Contribution tax	374,778	374,668	317,600
Income tax and Social Contribution nominal expense	(127,424)	(127,387)	(107,984)
Tax effects applicable to:			
Interest on Equity			
Employees profit shares	1,946	1,946	1,672
Tax incentive amounts	624	624	122
Equity income from subsidiaries		506	
Non-deductible contributions and donations	(34)	(34)	(12)
Adjustment to income tax and Social Contribution previous business year			
	(12,369)	(12,369)	
Tax credits not recognized	177	177	
Other	438	5	(751)
Income tax and Social Contribution	(136,642)	(136,532)	(106,953)

c) Transition Taxation Regime

Provisional Measure 449/2008, of December 3, 2008, instituted the Transition Taxation Regime (RTT), which aims to neutralize the impacts of the new accounting methods and criteria introduced by Law 11.638/07, in calculation of the taxable amounts for federal taxes.

Application of the RTT is optional for the year 2008 and 2009, and applies to corporate entities subject to Corporate Income Tax (IRPJ), in accordance with the two tax reporting methods: real profit or presumed profit. The taxpayer must choose an option whether to adopt the RTT in the Corporate Tax Return (DIPJ) for 2009. Starting in 2010, adoption of the RTT becomes obligatory, until the law that governs the tax effects of the new accounting methods and criteria comes into effect.

For companies that adopt the RTT, the changes introduced by Law 11638/07, as amended by MP 449/08, which change the criteria for recognition of revenues, costs and expenses computed in calculation of the net profit for the period, do not apply for calculating the real profit of the legal entity: the accounting methods and criteria in effect on December 31, 2007 are used for tax purposes.

Based on an initial assessment, the Company has reflected in its accounting statements the effects of the adoption of the RTT, and additional studies will be carried out before the delivery of the DIPJ for 2009.

Table of Contents**8) INVESTMENTS**

	Consolidated		Holding Company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
In subsidiaries and jointly-controlled subsidiaries				
Hidrelétrica Cachoeirão S. A.			18,768	17,276
Guanhães Energia S. A.			9,608	9,608
Hidrelétrica Pipoca S. A.			12,925	3,632
Cemig Baguari Energia S. A.			10	12
Madeira Energia S. A.			10	10
Baguari Energia S. A.			153,692	140,370
EBTE			16,355	6,985
In consortia	1,068,091	1,061,302	914,406	920,939
Other	6,446	13,476	6,446	13,474
	1,074,537	1,074,778	1,132,220	1,112,306

Investments in consortia

The Company participates in consortia for electricity generation concessions, for which companies with an independent legal existence have not been constituted to administer the object of the concession, the controls being maintained in the books of account of Cemig GT, of the specific portion equivalent to the investments made, as follows:

	Stake in the energy generated	Average annual depreciation rate, %	03/31/2009	12/31/2008
In service				
Porto Estrela Plant	33.33%	2.48	38,625	38,625
Igarapava Plant	14.50%	2.58	55,554	55,554
Funil Plant	49.00%	2.40	181,402	181,402
Queimado Plant	82.50%	2.45	193,599	193,599
Aimorés Plant	49.00%	2.50	543,684	543,684
Accumulated depreciation			(118,255)	(111,658)
Total in operation			894,609	901,206
In progress				
Queimado Plant	82.50%		13,125	13,125
Funil Plant	49.00%		819	755
Aimorés Plant	49.00%		5,853	5,853
Total under construction			19,797	19,733
Total of Consortia - Holding Company			914,406	920,939
Baguari plant under construction	34.00%		153,685	140,363
Total of Consortia - Consolidated			1,068,091	1,061,302

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The depreciation of the goods contained in the property, plant and equipment of the consortia is calculated by the linear method, based on rates established by Aneel.

Table of Contents

The main information on the investees is as follows:

Jointly-controlled subsidiary	Number of shares	Stake (%)	March 31, 2009	Stockholders equity
			Paid-up registered capital	
Hidrelétrica Cachoeirão S. A.	35,000,000	49.00	35,000	38,303
Guanhães Energia S. A.	52,000,000	49.00	19,608	19,608
Hidrelétrica Pipoca S. A	7,413,296	49.00	7,413	26,378
Madeira Energia S. A.	100,000	10.00	100	100
Cemig Baguari Energia S. A.	1,000	100.00	1	10
Baguari Energia S. A.	1,000,000	69.39	10	221,498
Empresa Brasileira de Transmissão de Energia S. A.	29,267,465	49.00	33,378	33,378

New acquisitions

Acquisition of stake in electricity transmission companies

On September 24, 2008, Brookfield exercised its option to sell its shares representing the following percentages of the voting capital of the following companies to Companhia Energética de Minas Gerais – CEMIG and Alupar Investimento S. A. in the proportion of 95% and 5% respectively: 24.99% in Empresa Amazonense de Transmissão de Energia S. A. – EATE; 24.99% in Empresa Paraense de Transmissão de Energia S. A. – ETEP; 18.35% in Empresa Norte de Transmissão de Energia S. A. – ENTE; 18.35% in Empresa Regional de Transmissão de Energia S. A. – ERTE; and 7.49% in Empresa Catarinense de Transmissão de Energia S. A. – ECTE.

Conclusion of the transaction and actual acquisition is subject to approval by the Brazilian Development Bank (BNDES) and by other financing bodies.

The amount to be paid by Cemig for its 95% portion of the share positions bought from Brookfield will be R\$ 330.6 million, value of August 16, 2008, adjusted up to the date of final closing, expected in the first semester in 2009.

Constitution of the UHE Itaocara, PCH Paracambi and PCH Lajes Consortia

On July 3, 2008 the Board of Directors authorized Cemig GT to take stakes of 49% in three hydroelectric projects: the Itaocara, Paracambi and Lajes Small Hydro Plants (PCHs) in partnership with Light, to enter into the following contracts between Cemig Geração e Transmissão S. A. and subsidiaries of Light for the constitution of: The UHE Itaocara Consortium, in partnership with Itaocara Energia Ltda.; the PCH Paracambi Consortium, in partnership with Lightger Ltda.; and the PCH Lajes Consortium, in partnership with Light Energia S. A. – the objects of all three being: analysis of the technical and economic feasibility, preparation of the plans, construction, operation, maintenance and commercial

operation of the respective projects. All individuals above instruments are pending approval or authorizations required by regulatory bodies concerned, including ANEEL.

Table of Contents9) **FIXED ASSETS**

		03/31/2009		12/31/2008
	Historic cost	Accumulated depreciation	Net value	Net value
In service	8,085,061	(3,633,712)	4,451,349	4,400,081
- Generation	6,725,202	(2,931,875)	3,793,327	3,735,398
Lands	195,673		195,673	195,727
Reservoirs, dams and watercourses	3,641,518	(1,386,141)	2,255,377	2,274,272
Buildings, works and improvements	842,903	(355,068)	487,835	502,194
Machines and equipment	2,040,510	(1,186,452)	854,058	762,777
Vehicles	2,042	(1,784)	258	297
Furniture and utensils	2,556	(2,430)	126	131
- Transmission	1,298,353	(664,329)	634,024	637,188
Lands	2,138		2,138	2,138
Buildings, works and improvements	106,549	(58,046)	48,503	49,428
Machines and equipment	1,188,514	(605,342)	583,172	585,434
Vehicles	175	(126)	49	53
Furniture and utensils	977	(815)	162	135
- Management	61,506	(37,508)	23,998	27,495
Lands	621		621	621
Buildings, works and improvements	14,160	(7,507)	6,653	6,782
Machines and equipment	32,768	(21,207)	11,561	15,031
Vehicles	11,054	(5,960)	5,094	4,975
Furniture and utensils	2,903	(2,834)	69	86
In progress	178,402		178,402	271,012
- Generation	104,460		104,460	196,759
- Transmission	59,217		59,217	59,243
- Management	14,725		14,725	15,010
Total fixed assets	8,263,463	(3,633,712)	4,629,751	4,671,093
Special Obligations linked to the concession	(7,924)		(7,924)	(7,924)
Net fixed assets Holding company	8,255,539	(3,633,712)	4,621,827	4,663,169
In service subsidiaries	18,582	(107)	18,475	
- Generation	18,569	(107)	18,462	
- Management	13		13	
In progress - subsidiaries	161,544		161,544	93,692
- Generation	156,836		156,836	93,042
- Transmission	3,925		3,925	441
- Management	783		783	209
Net fixed assets holding company	8,435,665	(3,633,819)	4,801,846	4,756,861

Special Obligations linked to the Concession refers basically to contributions by consumers for carrying out of works necessary to meet requests for supply of electricity.

Table of Contents

Certain land sites and buildings of the subsidiaries which were given in guarantee in lawsuits involving tax, labor-law, civil and other disputes are recorded in Fixed assets - Administration. These were posted at the amount of R\$ 963 on March 31, 2009, net of depreciation (R\$ 976 on December 31, 2008).

10) INTANGIBLE

	Historic cost	03/31/2009 Accumulated depreciation	Net value	12/31/2008 Net value
In service	30,451	(20,071)	10,380	9,567
- Generation	2,381	(724)	1,657	1,675
- Transmission	9,656	(2,467)	7,189	7,203
- Management	18,414	(16,880)	1,534	689
In progress	4,073		4,073	4,129
- Generation	1,090		1,090	1,043
- Transmission	1,301		1,301	1,396
- Management	1,682		1,682	1,690
Net fixed assets - holding company	34,524	(20,071)	14,453	13,696
In service	28		28	
- Generation	28		28	
In progress	2,759		2,759	112
- Generation	2,759		2,759	112
Net intangible assets - consolidated	37,311	(20,071)	17,240	13,808

11) SUPPLIERS

	Consolidated 03/31/2009	Consolidated 03/31/2008	Holding company 03/31/2009	Holding company 03/31/2008
Current				
Wholesale supply and transport of electricity - Purchase of free energy during the period of rationing	17,476	24,215	17,476	23,750
Wholesale market - CCEE	3	11,600	3	11,600
Cemig Distribuição	6,729	6,193	6,729	6,193
CHESF - Cia. Hidroelétrica do São Francisco	3,070	3,034	3,070	3,034
CTEEP - Cia. Trans. Energia Elétrica Paulista	3,325	3,291	3,325	3,291
Eletronorte - Centrais Elétricas do Norte do Brasil	2,207	2,208	2,207	2,208

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Eletrosul Centrais Elétricas	2,038	2,014	2,038	2,014
Other Generators and Distributors	39,126	22,769	39,126	22,769
	73,974	75,324	73,974	74,859
Materials and services	81,342	71,328	37,921	50,627
	155,316	146,652	111,895	125,486
Noncurrent				
Wholesale electricity supply				
Purchase of free energy during the rationing period (*)	77	77	77	77
Total, suppliers	155,393	146,729	111,972	125,563

(*) In the Balance Sheet is showed under the Other obligations

Table of Contents

Of the amounts in relation to purchase of free energy, a substantial part will be paid by September 2009, with inflation adjustment at the Selic rate plus 1.00% in interest per year. The conclusion of certain court proceedings in progress, brought by market agents, in relation to the interpretation of the rules in force at the time of the realization of the transactions for purchase of free energy during the period of rationing, may result in changes in the amounts recorded. See further comments in Explanatory Note 16.

12) TAXES, CHARGES AND CONTRIBUTIONS

	Consolidated		Holding company	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
Current				
Income tax	87,576	29	86,572	
Social Contribution	31,430	46	31,392	
ICMS tax	26,114	33,263	25,862	33,128
Cofins tax	17,426	18,481	17,393	18,415
Pasep tax	3,782	4,026	3,775	3,998
Social Security system	3,189	3,918	3,179	3,898
Other	2,045	3,081	1,996	3,046
	171,562	62,844	170,169	62,485
Deferred obligations				
Income tax	8,869	9,164	8,869	9,164
Social Contribution	3,193	3,299	3,193	3,299
Cofins tax	2,696	2,786	2,696	2,786
Pasep tax	585	605	585	605
	15,343	15,854	15,343	15,854
	186,905	78,698	185,512	78,339
Noncurrent				
Cofins tax	20,648	3,146	20,648	3,146
Pasep	4,483	14,493	4,483	14,493
	25,131	17,639	25,131	17,639
Deferred obligations				
Income tax	59,788	47,700	59,788	47,700
Social Contribution	21,524	17,171	21,524	17,171
	81,312	64,871	81,312	64,871
	106,443	82,510	106,443	82,510

The net Deferred obligations refer to the regulatory assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory matters, and are owed as and when these assets and liabilities are realized.

The noncurrent Pasep and Cofins liabilities refer to the legal action challenging the constitutionality of inclusion of the ICMS tax in the taxable amount for these taxes, and application for permission to offset the amounts paid in the last 10 years. The Company has obtained an interim relief from the judiciary enabling it not to make the payment and authorizing payment into Court starting in 2008.

Deferred obligations in noncurrent, above, relate, substantially, to recognition of financial instruments (FX variation, and hedging), by the cash method, which are payable as and when they are realized, by payment or redemption.

Table of Contents

13) LOANS, FINANCINGS AND DEBENTURES

FINANCING SOURCES	Principal maturity	Consolidated 03/31/2009				03/31/2008	
		Annual financing cost (%)	Currency	Currency	Non Currency	Total	Total
FOREIGN CURRENCY							
Banco do Brasil (1)	2009	3.90	JPY	91,516		91,516	100,160
B.N.P. Paribas	2010	Libor+ 1.875	US\$	16,216	7,770	23,986	23,825
BNP Paribas	2012	5.89	EURO	3,485	6,857	10,342	12,919
Unibanco (2)	2009	6.50	US\$	11,116		11,116	11,044
Unibanco (3)	2009	5.00	US\$	8,239		8,239	8,214
Debt in foreign currency				130,572	14,627	145,199	156,162
BRAZILIAN CURRENCY							
Banco Credit Suisse First Boston S.A.	2010	106.00% of CDI	R\$	200	75,000	75,200	75,241
Banco do Brasil	2009	111.00% of CDI	R\$	65,839		65,839	63,784
Banco do Brasil	2013	CDI+ 1.70	R\$	6,694	89,276	95,970	92,887
Banco do Brasil	2013	107.60% of CDI	R\$	3,784	30,000	33,784	32,761
Banco do Brasil	2014	104.10% of CDI	R\$	50,124	900,000	950,124	922,279
Banco Itaú BBA	2013	CDI+ 1.70	R\$	12,419	168,431	180,850	175,017
Banco Votorantim S.A.	2010	113.50% of CDI	R\$	879	25,124	26,003	25,173
BNDES	2026	URTJ+ 2.34	R\$	95	107,089	107,184	
Bradesco	2013	CDI+ 1.70	R\$	8,327	133,374	141,701	137,148
Bradesco	2014	CDI+ 1.70	R\$	396	4,830	5,226	5,319
Debentures (4)	2009	CDI+ 1.20	R\$	368,897		368,897	357,472
Debentures (4)	2011	104.00% of CDI	R\$	12,492	238,816	251,308	243,950
Debentures Minas Gerais state government (4) (6)	2031	IGP-M	R\$		33,921	33,921	32,936
Eletrobrás (6)	2013	FINEL+ 7.50 to 8.50	R\$	12,343	45,258	57,601	60,799
Santander do Brasil S.A.	2013	CDI+ 1.70	R\$	272	29,715	29,987	30,828
Unibanco	2009	CDI+ 2.98	R\$	110,997		110,997	107,081
Unibanco	2013	CDI+ 1.70	R\$	13,128	179,061	192,189	185,989
Banco Votorantim	2013	CDI+ 1.70	R\$	11	3,101	3,112	3,229
Unibanco S.A (5)	2020	TJLP+ 2.55	R\$	253	3,930	4,183	4,062
Banco do Brasil (5)	2020	TJLP+ 2.55	R\$	1,746	27,677	29,423	28,794
BNDES (7)	2033	TJLP+ 2.40	R\$		79,685	79,685	
Debt in Brazilian currency				668,895	2,174,288	2,843,184	2,584,749

Overall total	799,468	2,188,915	2,988,383	2,740,911
----------------------	----------------	------------------	------------------	------------------

(1) to (3) Swap transactions for exchange of rates were contracted. The following are the rates for the loans and financings taking the swaps into account: (1) 111.00% of the CDI rate. (2) CDI rate + 2.98% p. a. (3) CDI + 3.01% p. a.

(4) Unsecured, nominal, non-convertible, book-entry debentures, without preference.

(5) Loan contracted by the jointly-controlled subsidiary Hidrelétrica Cachoeirão S.A.

(6) Contracts adjusted to present value, as per changes to the Corporate Law by Law 11638/07.

(7) Loan contracted by the holding company jointly with Madeira Energia S.A.

Table of Contents

The consolidated breakdown of loans, by currency and indexor, with the respective amortization, is as follows:

	2009	2010	2011	2012	2013	2014	2015	2016 and later	Total
Currencies									
US dollar	35,571	7,770							43,341
Euro	1,771	3,428	3,428	1,715					10,342
Yen	91,516								91,516
	128,858	11,198	3,428	1,715					145,199
Indexors									
IGP-M inflation index								33,921	33,921
Eletrobrás Finel internal index	9,257	12,343	12,343	12,343	11,315				57,601
Interbank CD rate CDI	654,459	252,071	390,308	451,947	481,947	300,455			2,531,187
Other	1,574	5,660	9,828	9,828	9,828	13,880	13,808	156,069	220,475
	665,290	270,074	412,479	474,118	503,090	314,335	13,808	189,990	2,843,184
	794,148	281,272	415,907	475,833	503,090	314,335	13,808	189,990	2,988,383

The principal currencies and indexors used for monetary updating of loans and financings had the following variations:

Currencies	Change in quarter ended 31/03/2009 %	Accumulated change in 2008 %	Indexors	Change in quarter ended 31/03/2009 %	Accumulated change in 2008 %
US dollar	(0.93)	31.94	IGP-M	(0.92)	9.81
Euro	(4.94)	24.13	Finel	(0.18)	1.90
Yen	(9.51)	62.89	Selic	2.90	12.48
			CDI	2.85	12.32

The movement on loans and financings is as follows:

Balance at December 31, 2008	2,740,911
Loans and financings	186,698
Monetary and FX variation	(10,778)
Financial charges provisioned	80,919
Adjustment to present value	1,825
Financial charges paid	(6,434)
Amortization of financings	(4,758)
Balance at March 31, 2009	2,988,383

Restrictive covenant clauses

Cemig GT has loans and financings with restrictive covenant clauses. These were fully complied with on March 31, 2009.

Table of Contents**14) REGULATORY CHARGES**

	Consolidated and Holding company	
	03/31/2009	03/31/2008
RGR Global Reversion Reserve	11,467	10,586
CCC Fuel Consumption Account	4,283	5,047
CDE Energy Development Account	4,645	5,479
Aneel inspection charge	1,386	1,291
Alternative Energy Program Proinfra	2,024	1,592
National Scientific and Technological Development Fund	2,166	17,044
Research and development	53,004	49,154
Energy system expansion research	1,083	8,522
	80,058	98,715
Current liabilities	75,706	94,363
Noncurrent liabilities	4,352	4,352

15) POST-EMPLOYMENT OBLIGATIONS

Cemig GT is sponsor of the Forluminas Social Security Foundation Forluz, a non-profit legal entity whose object is to provide its associates and participants and their dependents and beneficiaries with a financial income supplementing retirement and pension, in accordance with the private pension plan to which they are linked.

Forluz makes the following supplementary pension benefit plans available to its participants:

The Mixed Benefits Plan (Plan B): A defined-contribution plan in the phase of accumulation of funds, for retirement benefits for normal time of service, and defined-benefit coverage for disability or death of the active participant or receipt of benefits for time of contribution. The contributions of the Sponsors are equal to the basic monthly contributions of the participants, and this is the only plan open for joining by new participants.

The contribution of the Sponsors to this plan is 27.52% for the portion with defined-benefit characteristics, relating to the coverage for invalidity or death for the active participant, and this is used for amortization of the defined obligation through an actuarial calculation. The remaining 72.48%, relating to the portion of the plan with defined-contribution characteristics, goes to the nominal accounts of the participants and is recognized in the income statement for the year by the cash method, under Personnel expenses.

Hence the obligations for payment of supplementary retirement benefits under the Mixed Plan, with defined-contribution characteristics, and their respective assets, in the same amount of R\$ 537,391, are not presented in this Explanatory Note.

The Balances Plan (Plan A): This includes all the active and assisted participants who opted to migrate from the previous Defined-benefit Plan, and are entitled to a benefit proportional to their balances. In the case of the assets, this benefit was deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, through which the average real salary of the last three years of activity of the employee in the Sponsor companies is complemented in relation to the amount of the official government Social Security benefit. At present 6 active employees and 45 pension holders or retirees are inscribed in this plan.

Independently from the plans made available by Forluz, Cemig GT also maintains payments for part of a life insurance premium for retirees, and contributes to a Health Plan and a Dental Health Plan for the employees, retirees and dependents, administered by Forluz.

Table of Contents**Separation of the Health Plan**

On August 28, 2008, the Executive Board of Forluz, complying with orders issued by the Private Pension Plans Authority (SPC), decided to transfer management of the Cemig Integrated Health Plan (PSI) to a separate entity to be created for that purpose. The reason for the decision was SPC's belief that it would be impossible to maintain those participants in the Health Plan who were not simultaneously inscribed in the pension and retirement plans. To protect the interests of its participants, and also to comply with the SPC's ruling, Forluz opted to separate the activities, keeping the present dental and pension plans within itself. The period planned for conclusion of the process of separation of the health plan is 12 months, during which time all the existing coverage and benefits will be maintained.

Amortization of actuarial obligations

Part of the actuarial obligation for post-employment benefits, in the amount of R\$ 213.302 on 31 March 2009 (R\$ 214,927 on December 31, 2008), was recognized as an obligation payable by Cemig GT and is being amortized by June 2024, through monthly installments calculated by the system of constant installments (the so-called Price table). On June 2, 2008, the Third Amendment to the Contract with Forluz was signed, to transfer the debtor balance of the contract relating to the Defined Benefit plan to the A plan. The amounts then began to be adjusted only by the IPCA Inflation Index (Amplified National Consumer Price Index) published by the Brazilian Geography and Statistics Institute (IBGE) plus 6% per year.

The liabilities and the expenses recognized by the Company in connection with the Supplementary Retirement Plan, the Health Plan and the Life Insurance Plan are adjusted in accordance with the terms of CVM Decision 371 and the Opinion prepared by independent actuaries. As a result the financial updating and use of the surplus to amortize the debt obligation agreed with Forluz, mentioned in the previous paragraphs, do not produce accounting effects in the Income statement of Cemig GT. The last actuarial made was on December 31, 2008.

The movement in the net liabilities has been as follows:

	Pension plans and supplementary retirement plans	Consolidated and Holding company		
		Health Plan	Dental Plan	Life insurance
Net liabilities on December 31, 2008	99,483	75,700	3,524	99,881
Expense (revenue) recognized in the Income statement	548	3,958	243	2,584
Contributions paid	(7,571)	(1,865)	(43)	(631)
Net liabilities on March 31, 2009	92,460	77,793	3,724	101,834
Current liabilities	18,473			
Noncurrent liabilities	73,987	77,793	3,724	101,834

Table of Contents**16) CONTINGENCY PROVISIONS**

The company makes contingency provisions for lawsuits in which the chance of loss is rated probable .

	Balance on 12/31/2008	Additions	Balance on 03/31/2009
Labor-law contingencies			
Various	179	5	184
Civil			
Environmental	6,503	246	6,749
Other	640	18	658
Total	7,322	269	7,591

Environmental administrative proceedings

Cemig GT was served an infringement notice by the Minas Gerais State Forests Institute (IEF), alleging that it omitted to take measures to protect the fish population, causing fish deaths, as a result of the flow and operation of the machinery of the Três Marias Hydroelectric Plant. The company presented a defense, and assesses the chance of loss in this action as probable in the amount of R\$ 6,749, which is duly provisioned.

Cases with chance of loss assessed as possible

Additionally there are labor-law, civil and tax cases in progress in which the chance of loss is assessed as possible . These are periodically reviewed, and assessed as not requiring provisions in the financial statements. They are as follows:

Social Security and tax obligations indemnity for the Anuênio

In 2006 Cemig GT paid an indemnity to its employees, in the amount of R\$ 41,660, in exchange for the rights to future payments known as the Anuênio which would otherwise be incorporated into salaries in the future. The company did not make payments of income tax and social security contribution on these payments because it considered that these tax obligations are not applicable to amounts paid as indemnity. However, to avoid the risk of a future fine arising from a different interpretation by the federal tax authority and the National Social Security Institution, the company decided to file for orders of *mandamus* to allow payment into Court of the amount of any obligations, in the amount of R\$ 28,716, posted in Payments into Court. No provision was made for any losses in these cases. The Company assesses the chance of loss in this action as possible .

Regulatory contingency CCEE

In an action dating from August 2002, AES Sul Distribuidora has challenged in the courts the criteria for accounting of electricity sale transactions in the wholesale electricity market during the period of rationing. It obtained a judgment in its favor in February 2006, which ordered Aneel and the CCEE to comply with the claim by the Distributor and recalculate the transactions during the rationing period leaving out of account its Dispatch No. 288/2002. This was to be put into effect in the CCEE in November 2008, resulting in an additional disbursement for Cemig, referring to the expense on purchase of energy in the short-term market, in the CCEE, in the amount of approximately R\$ 76,076. On November 9, 2008 the Company obtained an injunction in the Regional Federal Court suspending the obligatory nature of the requirement to pay into court the amount owed arising from the Special Financial Settlement carried out by the CCEE. No provision was constituted for this dispute, since the Company believes it has arguments on the merit for defense against this claim.

Table of Contents
17) STOCKHOLDERS EQUITY

On March 31, 2009 Cemig Geração e Transmissão S. A. has registered capital of R\$ 2,896,785, represented by 2,896,785,358 nominal common shares, without par value, wholly owned by CEMIG.

18) SUPPLY OF ELECTRICITY

This supply, by type of consumer consolidated, is as follows:

	N° of Consumers		Consolidated (Not reviewed by external auditors) MWh		R\$	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008	03/31/2009	03/31/2008
Industrial	134	132	4,137,469	4,492,919	435,448	428,192
Retail supply not invoiced, net					(23,731)	1,166
	134	132	4,137,469	4,492,919	411,717	429,358
Supply to other concession holders (*)	39	40	3,012,082	2,979,831	283,150	240,825
Transactions in energy on the CCEE			773,360	136,852	74,280	51,018
Total	173	172	7,922,911	7,609,602	769,147	721,201

(*) Includes Contracts for Sale of Energy in the Regulated Market (CCEARs), and bilateral contracts with other agents.

19) REVENUE FOR USE OF THE NETWORK

This revenue is from the tariff charged to agents in the electricity sector, including Free Consumers connected to the high voltage network, for use of the basic transmission grid owned by the Company, associated with the Brazilian grid. Amounts receivable are recorded in Assets, under Concession holders Transport of electricity .

20) DEDUCTIONS FROM OPERATIONAL REVENUE

	Consolidated 03/31/2009	Holding Company 03/31/2009	03/31/2008
Taxes on revenue			
ICMS tax	81,483	80,987	80,470

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Cofins tax	60,744	60,653	58,560
PIS and Pasep taxes	13,185	13,165	12,711
ISS (value-added tax on services)	113	113	95
	155,525	154,918	151,836
Charges passed through to the consumer			
RGR Global Reversion Reserve	19,769	19,769	21,499
CDE Energy Development Account	5,796	5,796	8,177
CCC (Fuel Consumption) account	5,349	5,349	7,127
Research and Development R&D	2,822	2,822	2,660
National Scientific and Technological Development Fund (FNDCT)	2,822	2,822	2,660
Energy system expansion research	1,468	1,411	1,330
	38,026	37,969	43,453
	193,551	192,887	195,289

Table of Contents**21) OPERATIONAL COSTS AND EXPENSES**

	Consolidated	Holding Company	
	03/31/2009	03/31/2009	03/31/2008
Personnel expenses	68,795	68,754	64,219
Post-employment obligations (note 18)	7,333	7,333	12,004
Materials	2,949	2,932	2,863
Raw materials and inputs for production of electricity			21,785
Outsourced services	24,537	24,418	16,945
Depreciation and amortization	56,026	55,905	56,345
Royalties for use of water resources	34,767	34,767	31,201
Operational provisions	(252)	(252)	(932)
Charges for the use of the basic transmission grid	72,294	72,294	64,437
Electricity purchased for resale	27,190	26,712	(8,982)
Other net expenses	13,672	13,621	25,602
	307,311	306,484	285,487

	Consolidated	Holding Company	
	03/31/2009	03/31/2009	03/31/2008
a) PERSONNEL EXPENSES			
Remuneration and salary-related charges and expenses	62,322	62,281	54,549
Supplementary pension contributions Defined contribution plan	4,254	4,254	4,157
Assistance benefits	6,477	6,477	6,360
	73,053	73,012	65,066
() Personnel costs transferred to works in progress	(3,936)	(3,936)	(2,925)
	69,117	69,076	62,141
Voluntary Dismissal Program (PPD)	(322)	(322)	2,078
	68,795	68,754	64,219

The Voluntary Dismissal Program (PPD)

On March 11, 2008, the Executive Board approved the permanent Voluntary Dismissal Program (PPD), which applies to any free and spontaneous terminations of employment contracts as from that date. The program's main financial incentives include payment of 3 times the gross amount of monthly remuneration, 6 months' contributions to the Health Plan after leaving the company, deposit of the 40% penalty payment due on the balance of the FGTS on termination of an employment contract, and payment of up to 24 months' contributions to the Pension Fund and the National Social Security System after termination of the contract, in accordance with certain criteria established in the regulations of the program.

This Program, since it began in March, 2008 o em março de 2008, 143 employees had joined, and a provision for the financial incentives in the amount of R\$ 13,900 was made.

Table of Contents

	Consolidated 03/31/2009	Holding company 03/31/2009	03/31/2008
b) OUTSOURCED SERVICES			
Communication	1,072	1,068	648
Maintenance and conservation of electricity facilities and equipment	2,065	2,065	1,960
Building conservation and cleaning	4,052	4,052	3,217
Contracted labor	2,254	2,253	277
Freight and airfares	594	594	552
Accommodation and meals	835	835	881
Security services	1,972	1,972	1,818
Consultancy	989	973	417
Maintenance and conservation of furniture and utensils	429	429	300
Maintenance and conservation of vehicles	743	743	770
Electricity	1,150	1,150	1,125
Environment	2,857	2,857	1,312
Other	5,525	5,427	3,668
	24,537	24,418	16,945

22) NET FINANCIAL EXPENSES

	Consolidated 03/31/2009	Holding Company 03/31/2009	03/31/2008
FINANCIAL REVENUES			
Revenue from cash investments	28,908	28,853	22,121
Arrears penalty payments on electricity bills	708	708	3,138
Monetary variation General Agreement for the Electricity Sector	1,211	1,211	11,160
FX variations	10,580	10,580	1,111
Pasep and Cofins taxes on financial revenues	(112)	(112)	(1,035)
Gains on financial instruments (Note 24)	820	820	6,394
Adjustment to present value	614	614	
Other	5,925	5,924	2,709
	48,654	48,598	45,598
FINANCIAL EXPENSES			
Charges on loans and financings	(80,848)	(80,848)	(80,736)
Monetary variation loans and financings			(4,747)
FX variations	(2)	(2)	(7,815)
Monetary variation CCEE	(2,532)	(2,532)	(2,280)
Losses on financial instruments (Note 24)	(20,517)	(20,517)	(3,738)
Provision (reversal) for losses on transactions in free energy	8,722	8,722	(10,160)
Adjustment to present value	(2,107)	(2,107)	
Other	(1,560)	(1,558)	(15,808)
	(98,844)	(98,842)	(125,284)
NET FINANCIAL EXPENSES	(50,190)	(50,244)	(79,686)

23) RELATED PARTY TRANSACTIONS

As mentioned in Explanatory Note 1, the Company is a wholly-owned subsidiary of Companhia Energética de Minas Gerais - Cemig (Cemig), the controlling stockholder of which is the Government of the State of Minas Gerais.

Cemig Distribuição S. A. (Cemig D) and Light S. A. are also subsidiaries of Cemig.

Table of Contents

The principal balances and transactions with related parties of Cemig GT are:

COMPANIES	CURRENT		LIABILITIES		REVENUES		EXPENSES	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008	03/31/2009	12/31/2008	03/31/2009	12/31/2008
CEMIG								
Interest on Equity and dividends			539,042	539,042				
Affiliated companies and holding company	660	661	667	625				
Cemig Distribuição S.A.								
Affiliated companies and holding company	8,176	7,186	4,877	3,243				
Gross supply of electricity (1)	10,055	9,995	6,109	5,570	54,486	23,348	(19,658)	(960)
Charges for use of the electricity grid wholesale supply.		10,886		15,568				
Light S.A.								
Gross supply of electricity (1)	398	398	400	405	7,155	5,088	(1,445)	(1,383)
Minas Gerais state government								
Taxes, charges and contributions (4)	39,361	38,616	26,114	33,128	(81,483)	(80,470)		
Taxes offsettable ICMS (4)	18,158	18,158						
Debentures (2)			33,921	32,936			(841)	(3,449)
FORLUZ								
Post-employment obligations current (3)			18,473	17,970			(7,333)	(12,004)
Post-employment obligations noncurrent (3)			257,338	260,618				
Other			8,160	18,281				
Personnel expenses (5)							(4,254)	(4,157)
Current administration expense (6)							(1,571)	(988)
OTHERS								
Affiliated and subsidiary companies, or parent companies	12	12						

Main material comments on the above transactions:

(1) The Company has electricity purchase contracts with *Cemig Distribuição* and *Light Energia*, made at public auctions of existing energy in 2005, which are for 8 years from start of supply and are adjusted annually by the IGP-M

inflation index.

- (2) Private issue of non-convertible debentures in the amount of R\$ 120 million, updated by the IGP-M inflation index, for completion of the *Irapé Power Plant*, with redemption at 25 years from issue. The amount at November 31, 2008 was adjusted to present value, in accordance with Law 11638/07.
- (3) Part of the contracts of Forluz are adjusted by the Expanded Consumer Price Index (IPCA) published by the IBGE (Brazilian Geography and Statistics Institute) (See Explanatory Note 15), and will be amortized up to the business year 2024.
- (4) The transactions with ICMS tax posted in the financial statements refer to transactions for sale of energy and are carried out in conformity with the specific legislation of the State of Minas Gerais.
- (5) Cemig's contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 15), calculated on the monthly remunerations in accordance with the regulations of the Fund.
- (6) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's total payroll.

For more information on the main transactions, see Explanatory Notes 6, 12, 13, 15, 18, 21 and 22.

Table of Contents

24) FINANCIAL INSTRUMENTS

The financial instruments used by the company are: Cash and cash equivalents, Consumers and traders, Loans and financings, Obligations under debentures and Currency swap transactions. The gains and losses on these transactions are posted in full by the accrual method.

The Company's financial instruments were recognized at fair value and are classified as follows:

- *Held for trading:* In this category are the cash investments and the derivative investments (mentioned in item b). They are valued at fair value and the gains or losses are recognized directly in the income statement.
- *Receivables:* In this category are credits receivable from consumers and traders. They are recognized at their nominal realization value, similar to the fair values.
- *Loans and financings, and Obligations under debentures:* These are measured at amortized cost using the effective interest rates method adjusted to fair value. Gains or losses are recognized in the income statement as and when they take place.
- *Derivative financial instruments:* These are measured at fair value and the gains and losses are recognized directly in the income statement.

a) Management of risks;

Corporate risk management is a management tool that is an integral part of our corporate governance practices and aligned with the Company's Process of Strategic Planning.

The Company has a Financial Risks Management Committee, with the aim of implementing guidelines and monitoring the financial risk of transactions which might negatively affect the Company's liquidity and profitability, recommending strategies for protection (hedge) in relation to foreign exchange, interest rate and inflation risks. These are effectively in line with the Company's strategy.

Cemig GT's principal exposure risks are listed below:

Exchange rate risk

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Cemig GT is exposed to the risk of increase in exchange rates, with significant impact on indebtedness, profit and cash flow.

The net exposure to exchange rates is as follows:

	Consolidated and Holding company	
	03/31/2009	12/31/2008
EXPOSURE TO EXCHANGE RATES		
US dollar		
Loans and financings	43,341	43,083
(-) Contracted hedge/swap (*)	60,014	59,873
	103,355	102,956
Yen		
Loans and financings	91,516	100,160
(-) Hedge transactions contracted	(90,543)	(100,073)
	973	87
Euro		
Loans and financings	10,342	12,919
Net liability exposure	114,670	115,998

(*) Includes the contracted transaction of R\$ 75,000

Table of Contents

The Company estimates that, in a probable scenario, the appreciation of the foreign currencies against the Real at the end of 2009 will be 1.50%. The Company has made a sensitivity analysis on the effects on its results of depreciation in these exchange rates of 25% and 50% in relation to the probable scenario. We rate the chance of these two scenarios as possible and remote, respectively.

	Base Scenario	Probable Scenario	Possible scenario: FX depreciation 25.00%	Remote scenario: FX depreciation 50.00%
Risk - FX exposure				
US dollar				
Loans and financings	43,341	43,992	55,037	66,082
(-) Hedge and swap transactions	60,014	60,916	76,210	91,503
	103,355	104,908	131,247	157,586
Yen				
Loans and financings	91,516	92,892	116,213	139,535
(-) Hedge transactions	(90,543)	(91,904)	(114,978)	(138,051)
	973	988	1,236	1,484
Euro				
Loans and financings	10,342	10,497	13,010	15,621
Net liability exposure	114,670	116,393	145,493	174,691
Net effect of FX depreciation		(1,724)	(30,823)	(60,021)

Interest rate risk

Cemig GT is exposed to the risk of increase in international interest rates, affecting loans and financings in foreign currency with floating interest rates (principally Libor), in the amount of R\$ 23,986 at March 31, 2009.

In relation to the risk of increase of domestic interest rates, the Company's exposure arises from its liabilities indexed to interest rates, which are as follows:

EXPOSURE OF CEMIG GT TO BRAZILIAN INTEREST RATES	Consolidated		Holding company	
	03/31/2009	12/31/2008	03/31/2009	12/31/2008
Assets				
Cash investments (Note 3)	1,239,912	861,948	1,228,972	852,213
Regulatory assets (Note 5)	26,755	19,183	26,755	19,183
	1,266,667	881,131	1,255,727	871,396
Liabilities				
Loans and financings (Note 13)	(2,531,187)	(2,458,158)	(2,531,187)	(2,458,158)
Regulatory liabilities (Note 11)	(17,476)	(24,215)	(17,476)	(23,750)
Hedge and swap transactions	(30,529)	(40,164)	(30,529)	(40,164)
	(2,579,192)	(2,522,537)	(2,579,192)	(2,522,072)
Net liability exposure	(1,312,525)	(1,641,406)	(1,323,465)	(1,650,676)

Table of Contents

In relation to the most significant interest rate risk, that of an increase in the Selic rate, the Company estimates that, in a probable scenario, the Selic rate at the end of 2009 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, respectively scenarios which we assess as possible and remote, respectively.

Risk	Increase in domestic interest rates	Base scenario: Selic 11.16%	Probable scenario: Selic 9.00%	Possible scenario: Selic 11.25%	Remote scenario: Selic 13.50%
Assets					
Cash investments		1,239,912	1,219,880	1,240,743	1,261,609
Regulatory assets		26,755	26,323	26,773	27,223
		1,266,667	1,246,203	1,267,516	1,288,832
Liabilities					
Loans, financings and debentures		(2,531,187)	(2,490,293)	(2,532,883)	(2,575,480)
Regulatory liabilities		(17,476)	(17,194)	(17,488)	(17,782)
Contracted hedge/swap		(30,529)	(30,036)	(30,549)	(31,063)
		(2,579,192)	(2,537,523)	(2,580,920)	(2,624,325)
Net liability exposure		(1,312,525)	(1,291,320)	(1,313,404)	(1,335,493)
Net effect of variation in the Selic rate					
			21,205	(879)	(22,968)

Credit risk

This risk arises from the possibility of Cemig incurring losses as a result of difficulty in receiving amounts billed to their clients. The Company carries out monitoring for the purpose of reducing default, on an individual basis, with its consumers. Negotiations are also established to make possible receipt of any receivables in arrears.

Energy scarcity risk

The electricity sold is basically generated by hydroelectric plants. A prolonged period of shortage of rainfall could result in the reduction of the volume of water in the Company's reservoirs, adversely affecting the recovery of their volume and resulting in losses as a result of increased costs of acquisition of electricity, or reduction of revenues in the event of adoption of a renewed rationing program, like the one put in place by the federal government in 2001.

Risk of early maturity of debt

The Company has contracts for loans, financings and debentures, with the restrictive covenant clauses normally applicable to these types of operation, related to the meeting of economic and financial indices, cash flow and other indicators. Non-compliance with these clauses could result in early maturity of debt. The restrictive clauses were complied with in full on March 31, 2009.

Risk of non-renewal of concessions

The Company has concessions for commercial operation of generation, transmission and distribution services, and its Management expects that they will be renewed by Aneel and/or the Mining and Energy Ministry. If the Mining and Energy Ministry does not grant the applications for renewals of these concessions, or if it decides to renew them upon imposition of additional costs for the company (concessions for consideration) or establishment of a ceiling price, the present levels of activity and profitability could be altered.

Table of Contents

b) Financial instruments derivatives

The derivative instruments contracted by the company have the purpose of protecting the company's operations against the risks arising from foreign exchange variation and are not used for speculative purposes.

The principal amounts of the transactions and derivatives are not posted in the balance sheet, since they refer to transactions which do not require cash payments, but only the gains or losses that actually occur, recorded at fair value.

The net results of these transactions were losses in 1Q09, and gains in 1Q08, in the amounts, respectively, of R\$ 19,697 million and R\$ 2,656 million, posted in Financial revenue (expenses).

Method of calculation of the fair value of positions

The fair value of financial investments was calculated taking into consideration the market prices of the security, or market information that makes such calculation possible, and future rates for similar securities. The market value of the security corresponds to its maturity value brought to present value by the discount factor obtained from the market yield curve in Reais.

This table shows the derivative instruments contracted by Cemig GT on March 31, 2009.

Receivable by Cemig Geração e Transmissão	Payable by Cemig Geração e Transmissão	Maturity period	Market Trading	Principal amount contract*				Lost not realized		Accumulated Effect	
				Book Value		Fair Value		Receivable Amount	Payable Amount	03/31/2009	12/31/2008
				03/31/2009	12/31/2008	03/31/2009	12/31/2008				
US\$ exchange rate + interest (5.58% p.a. to 7.48% p.a.)	R\$ 100% of CDI + interest (2.98% p.a. to 3.01% p.a.)	From 04/2009 to 11/2009	Over the counter (OTC)	US\$6,473	US\$6,473	(12.501)	(16.871)	(14.608)	(17.668)		
¥ (Japanese Yen) exchange rate + interest (3.90% p.a.)	R\$ Brazilian interest rate - CDI (111% of CDI)	12/2009	Over the counter (OTC)	¥3,878,825	¥3,878,825	(1.812)	2.963	(1.812)	2.837		

R\$ 106% of CDI	R\$or US\$ 48% of CDI or exchange rate (the highest)	04/2010	Over the counter (OTC)	R\$75,000	R\$75,000	(17.998)	132	(18.441)	132	697	(356)
						(32.311)	(13.776)	(34.861)	(14.699)	697	(356)

c) Sensitivity analysis

The first two derivative instruments described above show that the Company is exposed to the variation in the CDI rate. The Company estimates that the CDI rate at the end of 2009 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the CDI rate of 25% and 50%, respectively, in relation to March 31, 2009 scenarios which we assess as possible and remote , respectively

In these possible and remote scenarios, the CDI rate on March 31, 2009 would be 11.25%, and 13.50%, respectively.

Table of Contents

The last derivative instrument shown in the table above indicates that the Company is exposed to the variation in the exchange rate of the US dollar against the Real (if it is greater than 48.00% of the CDI). The Company estimates that the exchange rate of the US dollar against the Real at the end of 2009 will be R\$ 2.35. The Company has made a sensitivity analysis of the effects on its results arising from uniform increases of 25% and 50% in the Real/dollar exchange rate in 2009 – these are scenarios of which we rate the chances as possible and remote, respectively: In these possible and remote scenarios, the Real/dollar exchange rate on December 31, 2009 would be R\$ 2.94 and R\$ 3.53, respectively.

	Base Scenario	Probable Scenario	Possible Scenario	Remote Scenario
<u>Risk - Increase in domestic interest rates</u>				
Contracts in US\$ and Yen	(105.529)	(103.250)	(105.624)	(107.945)
Net effect of variation of the Selic rate		2.279	(95)	(2.416)
<u>Risk - increase in US\$</u>				
Contracts updated at 106.00% of CDI	75.000	76.127	95.240	114.353
Net effect of the variation in the US\$		(1.127)	(20.240)	(39.353)

25) SUBSEQUENT EVENTS

Acquisition of 65.86% of Terna Participações S.A.

On April 23, 2009 Cemig GT acquired 65.86% of Terna Participações S. A, a holding company that operates in electricity transmission, with a presence in 11 Brazilian States, for R\$ 2.33 billion. The holding company controls a total of six companies which operate a total of more than 3,750 km of transmission lines.

The conclusion of the transaction and the actual acquisition should take place by September 30, depending on approvals from regulators and creditors. Additionally, Cemig also intends, on a date to be announced, to make a public offering to acquire the shares of Terna Participações held by the minority stockholders, for prices corresponding to 100% of the price paid to Terna S.p.A.

Temporary Voluntary dismissal program (PDV)

In April 2009, Cemig put in place its temporary voluntary dismissal program (PDV), available to employees between April 22 and June 5, 2009.

Employees who subscribe to the PDV receive a financial incentive varying between 3 and 16 times their monthly remuneration, according to criteria established in the program's regulations, of which the principal one is the time of contribution remaining for full retirement entitlement under the national social security system (INSS). The incentive includes payment of the contributions to the pension fund and the INSS up to the date when the employee would have complied with the requirements for applying for retirement benefit under the INSS (limited to five years), and deposit of the obligatory penalty payment (applicable to dismissals) of 40% on the balance of the employee's accumulated funds under the

FGTS system.

Additionally, Cemig guarantees full payment of the costs of the group life insurance plan, for 6 months, and of the health plan, for 12 months, from the date of leaving the company.

The provision for the expenses under this program will be made in the second quarter of 2009, depending on how many employees subscribe to the program.

Table of Contents

ECONOMIC FINANCIAL PERFORMANCE

Amounts are in thousands of Reais unless otherwise stated.

Profit in the period

Cemig Geração e Transmissão (Cemig GT) reported net profit of R\$ 232.413 million in the first quarter of 2009 (1Q09), 12.97% more than the net profit of R\$ 205.728 million reported for the first quarter of 2008 (1Q08). This result is mainly due to lower net financial expenses in 1Q09 than in 1Q08.

Ebitda (method of calculation not reviewed by external auditors)

The Ebitda of Cemig GT was significantly higher in 1Q09 than in 1Q08:

EBITDA - R\$ 000	1Q09	1Q08	Change %
Net profit	232,413	205,728	12.97
+ Current and deferred income tax and Social Contribution tax	136,642	106,953	27.76
+ Employees and managers shares in results	5,723	4,919	16.34
+ Financial revenues (expenses)	50,190	79,686	(37.02)
+ Amortization and depreciation	56,026	56,345	(0.57)
= EBITDA	480,994	453,631	6.03

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The higher Ebitda in 1Q09 than in 1Q08 is due mainly to net revenue 7.25% higher, partially offset by operational costs and expenses (excluding the effects of depreciation and amortization expenses) 9.66% higher. The better performance in 2009 is reflected in Ebitda margin, of 66.44% in 2008, vs. 65.68% in 2009.

Table of Contents

Revenue from supply of electricity

Gross revenue from supply of electricity in 1Q09 was R\$ 769,147, compared to R\$ 721,201 million in 1Q08, representing an increase of 6.65%.

In counterpart, the volume of electricity sold was 4.33% lower, as a result of the effect of the recession on demand for electricity in 2009. The reduction in sale of electricity was most significant in sales to industrial consumers, totaling 4,137,469 MWh in 1Q09, compared to 4,492,919 MWh in 1Q08 – a reduction of 7.91%. Part of this reduction was compensated by the increase of 1.08% in the sale of electricity for wholesale supply to other concession holders, and bilateral contracts .

In spite of the reduction in the volume of sale of electricity, revenue was higher due to the characteristic of the contracts with free consumers, where a minimum level of payments is established, even if there is a lower volume of electricity supplied. The increase in revenue arises from the adjustment of these contracts in relation to the previous year, most of them being indexed by the IGP-M inflation index.

Revenue from use of the grid

This revenue is primarily for use of the facilities that make up the basic transmission network of Cemig by generating companies and distributing companies that are participants in the Brazilian grid, according to amounts set by Aneel resolution, and was 0.40% higher in 1Q09 than in 1Q08.

Deductions from operational revenues

Deductions from operational revenues in 1Q09 totaled R\$ 193.55 million, 0.89% lower than in 1Q08 (R\$ 195.29 million). The principal changes in these expenses are as follows:

Fuel Consumption Account – CCC

The deduction from revenue for the CCC was R\$ 5.35 million in 1Q09, compared to R\$ 7.13 million in 1Q08, a reduction of 24.95%. This relates to the operational costs of thermal plants in the Brazilian interconnected and isolated systems, split pro-rata among electricity concession holders by Aneel Resolution. This amount is charged to Free Consumers, on their invoice for use of the basic grid, and passed on to Eletrobrás, hence Cemig GT acts only as an agent to pass on this cost.

Energy Development Account – CDE

The deduction from revenue for the CDE was R\$ 5,796 in 1Q09, 29.12% lower than in 1Q08 (R\$ 8,177). The payments are specified by an Aneel Resolution. This amount is charged to Free Consumers, on their invoice for use of the basic grid, and passed on to Eletrobrás, hence Cemig GT acts only as an agent to pass on this cost.

Table of Contents

Global Reversion Reserve - RGR

The deduction from revenue for the RGR was R\$ 19.77 million in 1Q09, 8.05% lower than in 1Q08 (R\$ 21.50 million). This is a non-manageable cost, and the reduction is due to adjustments made in 2008 in relation to previous years in the amount of R\$ 2.43 million.

The other deductions from revenue are for charges calculated as a percentage of billing, and their variations thus, substantially, arise from the changes in revenue.

Operational costs and expenses (excluding financial revenue/expenses)

Operational costs and expenses (excluding Financial revenue (expenses)) totaled R\$ 307.31 million in 1Q09, 7.64% higher than the R\$ 285.49 million reported for 1Q08. For further information on the composition of operational costs and expenses, see Explanatory Note 21 to the Quarterly Information.

The principal changes in expenses are:

Personnel expenses

Personnel expenses in 1Q09 were R\$ 68.80 million, vs. R\$ 64.22 million in 1Q08, an increase of 7.13%. This result is mainly due to the salary increase of 7.26% given to the employees in November 2008.

Post-employment obligations

Expenses on post-employment obligations totaled R\$ 7.33 million in 1Q09, compared to R\$ 12.00 million in 1Q08, 38.91% lower. These expenses basically represent interest on the actuarial liabilities of Cemig GT, net of the expected return on the plans' assets, as estimated by an external actuary. The lower expense in 2009 is due to adjustment in the actuarial assumptions, in December 2008, with a reduction in assumed interest rates.

Charges for Use of the Basic Transmission Grid

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Expenses on charges for the use of the transmission grid were R\$ 72.30 million in 1Q09, vs. R\$ 64.44 million in 1Q08, i. e. 12.19% higher. These charges are payable by distribution and generation agents for use of the facilities and components of the basic grid, and are set by Aneel resolution. The increase in these expenses primarily due to the average adjustment of 11.5% in the TUST charge in June 2008.

Raw materials and inputs for production

This expense was R\$ 21.79 million in the first quarter of 2008 due to purchase of fuel for the *Igarapé plant*, which came into operation due to low reservoir levels resulting from low rainfall.

Table of Contents

Outsourced services

Expenses on outsourced services in 1Q09 were R\$ 24,537, 44.80% higher than in 1Q08 (R\$ 16,945). Details of the expenses on outsourced services are given in Explanatory Note 21 to the Quarterly Information.

Other operational expenses

Operational provisions in 1Q09 totaled R\$ 13.67 million, a reduction of 17.74% in relation to their total of R\$ 16.62 million in 1Q08.

Financial revenues (expenses)

The company posted net financial expenses of R\$ 50.19 million in 1Q08, 37.02% less than the net financial expenses reported for 1Q08, of R\$ 79.69 million. The main factors in this financial result are:

- Revenues from effects variation in the first half of 2009, totaling R\$ 10.58 million, compared to a net loss of R\$ 6.70 million in 1Q08, basically resulting from the higher variation, in 2009, in the currencies that index the contracts for loans and financings in foreign currency, especially the US dollar and the Yen.
- Reversal of a provision for losses on free energy purchases, of R\$ 8.72 million, in 2009, which compares to provision, in 1Q08, for an expense of R\$ 10.16 million.
- Revenue from cash investments R\$ 6.79 million higher due to the higher volume of cash invested in 2009.

For a breakdown of financial revenues and expenses, see Explanatory Note 22 to the Quarterly Information.

Income tax and Social Contribution; effective tax rate

In 1Q09, Cemig Geração e Transmissão posted expenses for income tax and Social Contribution of R\$ 136.642 million, representing 36.46% of the pre-tax profit of R\$ 374.778 million. In 1Q08, the company posted expenses on income tax and Social Contribution of R\$ 106.953 million, representing 33.68% of the pre-tax profit of R\$ 317.600. These effective rates are reconciled with the nominal rates in Explanatory Note 7 to the quarterly information.

Table of Contents

AUDITORS REPORT ON SPECIAL REVIEW

To

To the stockholders and the Board of Directors of
Cemig Geração e Transmissão S.A.
Belo Horizonte, Minas Gerais

CRC-2 SP 011.609/O-8 S/MG
CRC NO.: SP014428/O-6-F-MG

Marco Túlio Fernandes Ferreira
Accountant CRCMG058176

Table of Contents

5.	Minutes of the Ordinary and Extraordinary General Meetings of Stockholders, Companhia Energética de Minas Gerais CEMIG, April 29, 2009
----	---

Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CNPJ 17.155.730/0001-64 NIRE 31300040127

**MINUTES
OF THE
ORDINARY AND EXTRAORDINARY
GENERAL MEETINGS OF STOCKHOLDERS
HELD CONCURRENTLY ON APRIL 29, 2009**

At 11 a.m. on April 29, 2009, **stockholders representing more than two-thirds of the voting stock** of Companhia Energética de Minas Gerais Cemig met in Ordinary and Extraordinary General Meetings at its head office, on first convocation, at Av. Barbacena 1200, 18th Floor, Belo Horizonte, Minas Gerais, Brazil, as verified in the Stockholders Attendance Book, where all those present signed and made the required statements.

The stockholder **The State of Minas Gerais** was represented by Mr. Marco Antonio Rebelo Romanelli, Deputy General Attorney of the State of Minas Gerais, in accordance with the legislation. Also present were the Audit Board member Aliomar Silva Lima; **KPMG** Auditores Independentes, represented by Mr. Marco Túlio Fernandes Ferreira, CRC-MG 058176/O-0, and by Mr. Gustavo Fernandes Guimarães, CRC-MG 068539/O-1; and the Cemig Chief Officer Luiz Fernando Rolla.

Initially, Ms. Anamaria Pugedo Frade Barros, Superintendent of Cemig's Corporate Executive Secretariat, informed those present that there was a quorum for holding of the Ordinary and Extraordinary General Meetings of Stockholders; and that the stockholders present should choose the Chairman of these Meetings, in accordance with Clause 10 of the Company's Bylaws.

Asking for the floor, the representative of the Stockholder The State of Minas Gerais put forward the name of the stockholder **Luiz Fernando Rolla to chair the Meeting**. The proposal of the representative of the Stockholder The State of Minas Gerais was put to debate, and to the vote, and unanimously **approved**.

The Chairman then **declared the Meeting open** and invited me, Anamaria Pugedo Frade Barros, a stockholder, to be Secretary of the Meeting, requesting me to proceed to reading of the convocation notice, published in the newspapers *Minas Gerais*, official publication of the Powers of the State, on March 20, 21 and 24, *O Tempo*, on March 20, 21 and 22, and in *Gazeta Mercantil* on March 20, 23 and 24 of this year, the content of which is as follows:

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG
LISTED COMPANY
CNPJ 17.155.730/0001-64 NIRE 31300040127

ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS
CONVOCATION

Stockholders are hereby called to an Ordinary and an Extraordinary General Meeting of Stockholders, to be held concurrently, on April 29, 2009 at 11 a.m. at the company's head office, Av. Barbacena 1200, 18th floor, in the city of Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- 1 Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and also the respective complementary documents.
- 2 Allocation of the net profit for the year 2008, in the amount of R\$ 1,887,035,000 Reais, and the balance in the Retained Earnings account, in the amount of R\$ 17,877,000 Reais, in accordance with Article 192 of Law 6404, of December 15, 1976 as amended.
- 3 Decision on the form and date of payment of the obligatory dividend, in the amount of R\$ 943,518,000 Reais.
- 4 Authorization, verification and approval of the increase in the Registered Capital from R\$ 2,481,507,565.00 to R\$ 3,101,884,460.00 with issuance of new shares, upon capitalization of R\$ 620,376,895.00, of which R\$ 606,454,665.00 shall come from part of the Retained Earnings Reserve and R\$ 13,922,230.00 from incorporation of portions paid as principal, updated until December 1995, under the Contract for Assignment of the Outstanding Balance on the Results

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

Table of Contents

Compensation (ERC) Account, a stock dividend being distributed, consequently, to stockholders, of 25.000000151%, in new shares, of the same type as those held and with a nominal value of R\$ 5.00.

5 Authorization for the Executive Board to take the following measures in relation to the stock dividend:

- to issue a stock dividend of 25.000000151%, in new shares, of the same type as those held and with nominal value of R\$ 5.00, to holders of the shares making up the capital of R\$ 2,481,507,565.00, whose names are in the company's Nominal Share Registry on the date of these General Meetings of Stockholders;
- to sell on a securities exchange the whole numbers of nominal shares resulting from the sum of the remaining fractions, arising from the said stock dividend, and to divide the net proceeds of the sale, proportionately, to the stockholders;
- to establish that all the shares resulting from the said stock dividend shall have the same rights as those shares from which they originate; and
- to pay to the stockholders, proportionately, the result of the sum of the fractions remaining together with the first installment of the dividends for the year 2008.

6 Consequent redrafting of the Head paragraph of Article 4 of the Bylaws, as a result of the above mentioned increase in the Registered Capital.

7 Election of the sitting and substitute members of the Audit Board and setting of their remuneration.

8 Election of the sitting and substitute members of the Board of Directors, due to the ending of their period of office.

9 Setting of the remuneration of the Company's Managers.

10 Authorization for the representative of the Company in the Ordinary and Extraordinary General Meetings of stockholders of Cemig Distribuição S.A., also to be held, concurrently, on April 29, 2009, to vote in favor of the following matters:

- a Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents.
- b Allocation of the net profit for the year 2008, in the amount of R\$ 709,358,000, in accordance with Article 192 of Law 6404, of December 15, 1976, as amended.
- c Decision on the form and date of payment of the Interest on Equity and the complementary dividends, in the amount of R\$ 666,296,000 Reais.
- d Election of the sitting and substitute members of the Audit Board.
- e Change in the composition of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.

f Alteration of Articles 20, 22 and 23 of the Bylaws, to enable the raising of six-monthly or interim balance sheets or balance sheets for shorter periods, and payment of interim dividends or multiple interim dividends, and provision for payment of Interest on Equity in substitution of the dividend.

11 Authorization for the representative of the Company in the Ordinary and Extraordinary General Meetings of stockholders of Cemig Geração e Transmissão S.A., also to be held, concurrently, on April 29, 2009, to vote in favor of the following matters:

a Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents.

b Allocation of the net profit for the year 2008, in the amount of R\$ 985,7531,000 Reais, and the balance in the Retained Earnings account, in the amount of R\$ 24,830,000 Reais, in accordance with Article 192 of Law 6404, of December 15, 1975, as amended.

c Decision on the form and date of payment of the Interest on Equity and the complementary dividends, in the amount of R\$ 492,877,000 Reais.

d Election of the sitting and substitute members of the Audit Board.

e Change in the composition of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.

f Alteration of Articles 20, 22 and 23 of the Bylaws, to enable the raising of six-monthly or interim balance sheets or for shorter periods, and payment of interim dividends or multiple interim dividends and provision for payment of Interest on Equity in substitution of the dividend.

Under Article 3 of CVM Instruction 165 of December 11, 1991, adoption of the multiple voting system for election of members of the company's Board requires the vote of stockholders representing a minimum percentage of 5% (five per cent) of the voting stock.

Table of Contents

Any stockholder who wishes to be represented by proxy in the said General Meeting of Stockholders should obey the terms of Article 126 of Law 6406/76, as amended, and of the sole paragraph of Clause 9 of the Company's Bylaws, depositing, preferably by April 24, 2009, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with special powers, at Cemig's Corporate Executive Secretariat Office at Av. Barbacena, 19th floor, B1 Wing, Belo Horizonte, Minas Gerais, or showing them at the time of the meeting.

Belo Horizonte, March 18, 2009,

Sérgio Alair Barroso

Chairman of the Board of Directors.

Before the items on the agenda of this meeting were put to debate and to the vote, the representative of the stockholder **Southern Electric Brasil Participações Ltda. stated** that the changes in the Bylaws made by the Extraordinary General Meeting of Stockholders of October 25, 1999, and also the subsequent alterations, were approved only by virtue of the suspension of the Stockholders' Agreement, by decision of the Courts, and were thus provisional and precarious.

He stated that hence the acts and operations practiced or submitted to approval by the management bodies of Cemig, supported by the said changes in the Bylaws made under the protection of the Court decision in force today, may, at any moment, be reviewed and withdrawn from the world of legal existence.

On this question, the representative of the stockholder **The State of Minas Gerais reminded** the meeting that the decision which annulled the Stockholders' Agreement signed between the State of Minas Gerais and Southern Electric Brasil Participações Ltda. no longer has an interim or provisional character. It is, he said, a decision on the merit and it is thus a case not of suspension but of annulment. He added that there is already in existence a decision on the merit that annuls the Stockholders' Agreement, confirmed by the Appeal Court of the State of Minas Gerais.

He further stated that the decisions of these Meetings can take into account only what exists at the present moment, and that it would be irresponsible not to vote on matters, in expectation of Court decisions, since, in reality, the said Stockholders' Agreement, by force of Court judgment, cannot produce any effects, and the decisions taken are being taken within strict compliance with the Court decision.

Finally, he noted that the Extraordinary and Special Appeals brought by Southern were not admitted by the Vice-chairman of the Minas Gerais Appeal Court, and that the Higher Appeal Court refused the interlocutory and special appeals brought by Southern, thus underlining and reinforcing the legal situation already stated by the Minas Gerais Appeal Court, that is to say, the inefficacy of the Stockholders' Agreement subject of the action.

Once again taking the floor, the representative of **Southern Electric Brasil Participações Ltda. stated** that the Interlocutory Appeal brought against the dispatch denying the Extraordinary Appeal is awaiting judgment in proceedings in the Federal Supreme Court.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

In accordance with Item 1 of the agenda the Chairman then placed in debate the **Report of Management and the Financial Statements** for the year ended December 31, 2008, and the respective complementary documents, explaining that they have been widely disclosed in the press, since they were placed at the disposal of stockholders by a notice published in the newspapers *Minas Gerais*, the official publication of the Powers of the State, on March 20, 21 and 24; in *O Tempo* on March 20, 21 and 22, and in *Gazeta Mercantil*, on March 20, 23 and 24 this year, and published in the same newspapers on April 16 of this year.

Finally the Chairman put to the vote the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents, and they were **approved**, with the persons legally impeded abstaining.

Continuing the proceedings, the Chairman requested the Secretary to read the **Proposal by the Board of Directors**, which deals with items 2 to 6, 10 and 11 of the convocation, and also the Opinion of the Audit Board thereon, the contents of which documents are as follows:

Table of Contents

**PROPOSAL BY THE BOARD OF DIRECTORS TO THE
ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS
TO BE HELD, CONCURRENTLY, ON APRIL 29, 2009.**

Dear Stockholders:

The Board of Directors of Companhia Energética de Minas Gerais – Cemig, in view of:

- Article 192 of Law 6404, of December 15, 1976 as amended, taken with Clauses 27 to 31 of the Bylaws, and the financial statements for 2008, which report net profit of R\$ 1,887,035,000 and balance of Retained Earnings of R\$ 17,877,000 relating to adjustments for prior years due to the adoption of accounting under Law 11638/2007;
- Article 199 of Law 11638/2007, which requires that Retained Earnings may not exceed the Registered Capital and that when it does reach that limit, a General Meeting of Stockholders must decide on the application of the excess as an increase in capital or in distribution of dividends;
- the fact that, on December 31, 2008, the amount of Cemig's Profit Reserve totaled R\$ 2,872,712,000, after deduction of the amounts allocated to pay the obligatory dividends and extraordinary dividends for 2008, resulting in an excess balance of R\$ 391,204,000 in relation to the Registered Capital of R\$ 2,481,508,000; and
- that, to comply with the said Law, an increase in the Company's Registered Capital should be made, using the balance on the Retained Earnings Reserve account;
- that Clause 5 – *Incorporation to the Registered Capital* – of the Contract for Assignment of the Outstanding Balance Receivable on the Results Compensation (CRC) Account, signed on May 31, 1995, between the State of Minas Gerais and Companhia Energética de Minas Gerais – Cemig, determines that the amounts paid by the State of Minas Gerais as principal shall be incorporated into the Company's Registered Capital as Donations and Subventions for Investments ; and that
- the payments made in 2008 by the State of Minas Gerais in relation to installments numbers 9 and 10 of amortization of the Principal, adjusted in accordance with the Fifth Amendment to the Contract for Assignment of the Remaining Balance Receivable on the Results Compensation (CRC) Account, total R\$ 13,922,000;

now proposes to you:

- I) that the net profit for 2008 and the balance of Retained Earnings, in the amounts mentioned above, should be allocated as follows:**

- 1) R\$ 94,352,000, being 5% of the net profit, should be allocated to the Legal Reserve, in accordance with sub-clause a of the Sole sub-paragraph of Clause 28 of the Bylaws.
- 2) R\$ 110,256,000 should be allocated to the Retained Earnings Reserve, for use in investments and payment of expenses, taxes and service of debt, according to the Cash Budget approved at the meeting of the Board of Directors held on December 16, 2008.
- 3) R\$ 943,518,000 should be allocated for payment as obligatory dividends to the Company's stockholders, in accordance with sub-clause b of the Sole sub-paragraph of Clause 28 of the Bylaws and the applicable legislation.
- 4) R\$ 82,785,000 should be allocated to injection of capital into Companhia de Gás de Minas Gerais **Gasmig**, as per Board Spending Decision (CRCA) 033/2008, of May 14, 2008.
- 5) R\$ 6,000,000 should be allocated to injection of capital into **Axxiom Soluções Tecnológicas S. A.**, as per CRCA 058/2007, of July 27, 2007.
- 6) R\$ 20,626,000 should be allocated to injection of capital into **Companhia de Transmissão Centroeste de Minas**.
- 7) R\$ 647,375,000 should be held in Stockholders' equity in the account Reserve under the Bylaws provided for by sub-clause c of the sole sub-paragraph of Clause 28 and by Clause 30 of the Bylaws.

Table of Contents

the payments of dividends to be made in two installments, by June 30 and December 30, 2009, and these dates may be brought forward, in accordance with the availability of cash and by decision of the Executive Board.

Appendix 1 gives a summary of Cemig's Cash Budget for 2009, approved by the Board of Directors, characterizing the inflow of funds and disbursements for compliance with the allocations of the profit for the year.

Appendix 2 summarizes the calculation of the dividends proposed by the Management, in accordance with the Bylaws.

II) authorization, verification and approval of the **increase of the Registered Capital** from R\$ 2,481,507,565.00 (two billion, four hundred and eighty one million, five hundred and seven thousand five hundred and sixty five Reais) to R\$ 3,101,884,460.00 (three billion, one hundred and one million, eight hundred and eighty four thousand, four hundred and sixty Reais), with issuance of 620,376,892 (six hundred and twenty million, three hundred and seventy six thousand eight hundred and ninety two) new shares, of which 271,154,243 (two hundred and seventy one million, one hundred and fifty four thousand two hundred and forty three) are to be nominal common shares each with par value of R\$ 5.00 (five Reais) and 349,222,649 (three hundred and forty nine million, two hundred and twenty two thousand six hundred and forty nine) are to be nominal preferred shares each with par value of R\$ 5.00 (five Reais), upon capitalization of R\$ 620,376,895.00 (six hundred and twenty million, three hundred and seventy six thousand eight hundred and ninety five Reais), of which the amount of R\$ 606,454,665.00 (six hundred and six million, four hundred and fifty four thousand six hundred and sixty five Reais) is to come from part of the Retained Earnings Reserve, and the amount of R\$ 13,922,230.00 (thirteen million, nine hundred and twenty two thousand two hundred and thirty Reais) is to come from incorporation of the portions paid as principal, adjusted up to December 31, 2005, under Clause 5 of the Contract for Assignment of the Outstanding Balance Receivable on the Results Compensation (CRC) Account, a **stock dividend** being distributed to the stockholders, as a consequence, of 25.000000151%, in new shares of the same type as those held and with nominal value of R\$ 5.00.

The difference between the amount capitalized and the amount corresponding to the payments made by the State of Minas Gerais in relation to installments Numbers 9 and 10 of amortization of the principal of the said Contract for Assignment of Credit, that is to say, R\$ 2.80 (two Reais and eighty centavos) will be held in the Balance for Future Incorporation, since the minimum value for incorporation is the nominal value of one share.

III) consequent redrafting of the Head paragraph of Clause 4 of the Bylaws, to the following:

Clause 4 The Company's Registered Capital is R\$ 3,101,884,460.00 (three billion, one hundred and one million, eight hundred and eighty four thousand four hundred and sixty Reais), represented by:

a) 271,154,243 (two hundred and seventy one million, one hundred and fifty four thousand two hundred and forty three) nominal common shares each with par value of R\$ 5.00;

b) 349,222,649 (three hundred and forty nine million, two hundred and twenty two thousand six hundred and forty nine) nominal preferred shares each with par value of R\$ 5.00.

IV) authorization for the Executive Board to take the following measures in relation to the stock dividend:

1) to issue a stock dividend of 25.000000151%, in new shares, of the same type as those held and with nominal value of R\$ 5.00, to holders of the shares making up the capital of R\$ 2,481,507,565.00 (two billion four hundred and eighty one million five hundred and seven thousand five hundred and sixty five Reais), whose names are in the company's Nominal Share Registry on the date of the General Meetings of Stockholders that decide on this present proposal;

2) to sell on a securities exchange the whole numbers of nominal shares resulting from the sum of the remaining fractions, arising from the said stock dividend, and to divide the net proceeds of the sale, proportionately, to the stockholders;

Table of Contents

3) to establish that all the shares resulting from the said stock dividend shall have the same rights as those shares from which they originate;

4) to pay to the stockholders, proportionately, the result of the sum of the fractions remaining together with the first installment of the dividends for the year 2008.

V) that the representative of Cemig in the Ordinary and Extraordinary General Meetings of stockholders of Cemig Distribuição S. A. and Cemig Geração e Transmissão S. A., also to be held, concurrently, on April 29, 2009, should vote in favor of the matters on the agenda, that is to say the following:

1) Cemig D:

a Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents.

b Allocation of the net profit for the year 2008, in the amount of R\$ 709,358,000, in accordance with Article 192 of Law 6404, of December 15, 1976, as amended.

c Decision on the form and date of payment of Interest on Equity and complementary dividends, in the amount of R\$ 666,296,000 Reais.

d Election of the sitting and substitute members of the Audit Board.

e Change in the composition of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.

f Alteration of Clauses 20, 22 and 23 of the Bylaws, to enable the raising of financial statements for periods of six months or shorter periods, and payment of interim dividends or current-year interim dividends, and provision for payment of Interest on Equity in substitution of dividends.

2) Cemig GT:

a Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents.

b Allocation of the net profit for the year 2008, in the amount of R\$ 985,7531,000, and the balance in the Retained Earnings account, in the amount of R\$ 24,830,000, in accordance with Article 192 of Law 6404, of December 15, 1975, as amended.

c Decision on the form and date of payment of Interest on Equity and complementary dividends, in the amount of R\$ 492,877,000.

- d Election of the sitting and substitute members of the Audit Board.
- e Change in the composition of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.
- f Alteration of Clauses 20, 22 and 23 of the Bylaws, to enable the raising of financial statements for periods of six months or shorter periods, and payment of interim dividends or current-year interim dividends, and provision for payment of Interest on Equity in substitution of dividends.

As can be seen, the objective of this proposal is to meet the legitimate interests of the stockholders and of the Company, for which reason it is the hope of the Board of Directors that you, the stockholders, will approve it.

Belo Horizonte, March 18, 2009.

Sergio Alair Barroso Chairman
Djalma Bastos de Moraes Vice-Chairman
Alexandre Heringer Lisboa Member
André Araújo Filho Member
Antônio Adriano Silva Member
Eduardo Lery Vieira Member

Evandro Veiga Negrão de Lima Member
Francelino Pereira dos Santos Member
João Camilo Penna Member
José Castelo Branco da Cruz Member
Maria Estela Kubitschek Lopes Member
Roberto Pinto Ferreira Mameri Abdenur Member
Wilton de Medeiros Daher Member.

Table of Contents

APPENDIX I

TO THE PROPOSAL FOR ALLOCATION OF THE PROFIT FOR THE BUSINESS YEAR 2008

MADE BY THE BOARD OF DIRECTORS TO THE
ORDINARY GENERAL MEETING OF STOCKHOLDERS TO BE HELD BY APRIL 30, 2009

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG: CASH BUDGET FOR 2007

Amounts in current R\$ 000

Description	Total 2009 (*)	AV %
<u>A INITIAL BALANCE</u>	233,319	
<u>B FUNDS</u>	1,448,246	100.0
<u>Gross revenue</u>		
Capital resources	1,448,246	100.0
<u>C DISBURSEMENTS</u>	1,149,530	100.0
Capital expenditure program	95,756	8.3
Expenses budget	43,736	3.8
Taxes	48,920	4.3
Debt servicing	17,600	1.5
Dividends	943,518	82.1
Extraordinary dividends		
<u>D FINAL BALANCE (A+B-C)</u>	532,035	

(*) Approval as per Board meeting of December 16, 2008, with the following adjustments:

- Adjustment in the item Capital Resources using the dividends specified in the proposals for allocation of the profit of Cemig D and Cemig GT.
- The Initial cash balance to be replaced by the actual cash balance at December 31, 2008.
- Adjustments to the dividends to be paid, using the dividends specified in the proposal for allocation of profit.

APPENDIX II

TO THE PROPOSAL FOR ALLOCATION OF THE PROFIT FOR THE BUSINESS YEAR 2008

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

MADE BY THE BOARD OF DIRECTORS TO THE
ORDINARY GENERAL MEETING OF STOCKHOLDERS TO BE HELD BY APRIL 30, 2009

COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG:
CALCULATION OF PROPOSED DIVIDENDS

Calculation of the minimum dividends for the preferred shares under the Bylaws

	December 31, 2008 R\$ 000
Nominal value of the preferred shares	1,396,891
Percentage applicable to the above	10.00%
Value of dividends by the first payment criterion	139,689
Stockholders' equity	9,351,634
Percentage of Stockholders' equity represented by the preferred shares (net of shares held in Treasury)	56,27%
Portion of Stockholders' equity represented by the preferred shares	5,262,164
Percentage applicable to the above	3.00%
Value of dividends under the second payment criterion	157,865
Minimum dividend for the preferred shares under the Bylaws	157,865

Obligatory dividend	
Net profit for the year	1,887,037
Obligatory dividend - 50.00% of net profit	943,518
Net dividends proposed:	943,518
Total dividend for the preferred shares	531,301
Total dividend for the common shares	412,217
Dividend per share - R\$	
Minimum dividend for the preferred shares under the Bylaws	0.57
Obligatory dividend	1.90
Dividend proposed	1.90

Table of Contents

OPINION OF THE AUDIT BOARD

The members of the Audit Board of Companhia Energética de Minas Gerais - Cemig, undersigned, in performance of their functions under the law and under the Bylaws, have examined the proposals made by the Board of Directors to the Ordinary and Extraordinary General Meetings of Stockholders to be held concurrently on April 29, 2009, as follows:

I) Allocation of the net profit for the year 2008, in the amount of R\$ 1,887,035,000, and the balance in the Retained Earnings account, in the amount of R\$ 17,877,000, as follows:

1) R\$ 94,352,000, being 5% of the net profit, to be allocated to the Legal Reserve, in accordance with sub-clause a of the Sole sub-paragraph of Clause 28 of the Bylaws;

2) R\$ 110,256,000 to be allocated to Retained Earnings, for use in payment of expenses, taxes and service of debt, according to the Cash Budget approved at the meeting of the Board of Directors held on December 16, 2008;

3) R\$ 943,518,000 to be allocated as obligatory dividends to the Company's stockholders, in accordance with sub-clause b of the Sole sub-paragraph of Clause 28 of the Bylaws and the applicable legislation;

4) R\$ 82,785,000 to be allocated for injection of capital into Companhia de Gás de Minas Gerais - Gasmig, as per Board Spending Decision (CRCA) 033/2008, of May 14, 2008;

5) R\$ 6,000,000 to be allocated for injection of capital into Axxiom Soluções Tecnológicas S.A, in accordance with CRCA 058/2007, of June 27, 2007;

6) R\$ 20,626,000 to be allocated to injection of capital into Companhia de Transmissão Centroeste de Minas;

R\$ 647,375,000 to be held in Stockholders' equity in the Reserve under the Bylaws account provided for by Sub-clause c of the sole sub-paragraph of Clause 28 and by Clause 30 of the Bylaws.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

the payments of dividends to be made in two installments, by June 30 and December 30, 2009, and these dates may be brought forward, in accordance with the availability of cash and by decision of the Executive Board.

II) Authorization, verification and approval of the increase of the Registered Capital from R\$ 2,481,507,565.00 (two billion, four hundred and eighty one million, five hundred and seven thousand five hundred and sixty five Reais) to R\$ 3,101,884,460.00 (three billion, one hundred and one million, eight hundred and eighty four thousand, four hundred and sixty Reais), with issuance of 124,075,379 (one hundred and twenty four million, seventy five thousand three hundred and seventy nine) new shares, of which 54,230,849 (fifty four million two hundred and thirty thousand eight hundred and forty nine) are to be nominal common shares each with par value of R\$ 5.00 (five Reais) and 69,844,530 (sixty nine million eight hundred and forty four thousand five hundred and thirty) are to be nominal preferred shares each with par value of R\$ 5.00 (five Reais), upon capitalization of R\$ 620,376,895.00 (six hundred and twenty million three hundred and seventy six thousand eight hundred and ninety five Reais) of which the amount of R\$ 606,454,665.00 (six hundred and six million, four hundred and fifty four thousand six hundred and sixty five Reais) is to come from part of the Retained Earnings Reserve, and the amount of R\$ 13,922,230.00 (thirteen million, nine hundred and twenty two thousand two hundred and thirty Reais) is to come from incorporation of the portions paid as principal, adjusted up to December 31, 2005, under Clause 5 of the Contract for Assignment of the Outstanding Balance Receivable on the Results Compensation (CRC) Account, a stock dividend being distributed to the stockholders, as a consequence, of 25.000000151%, in new shares of the same type as those held and with nominal value of R\$ 5.00;

the difference between the amount capitalized and the amount corresponding to the payments made by the State of Minas Gerais in relation to installments Numbers 9 and 10 of amortization of the principal of the said Contract for Assignment of Credit, that is to say, R\$ 2.80 (two Reais and eighty centavos) to be held in the balance for future incorporations, since the minimum value of incorporation is the nominal value of one share.

2 Consequent redrafting of the Head paragraph of Clause 4 of the Bylaws, to the following:

Clause 4 The company's capital is R\$ 3,101,884,460.00 (three billion, one hundred and one million, eight hundred and eighty four thousand, four hundred and sixty Reais), represented by:

a) 271,154,243 (two hundred and seventy one million, one hundred and fifty four thousand, two hundred and forty three) nominal common shares each with par value of R\$ 5.00;

b) 349,222,649 (three hundred and forty nine million two hundred and twenty two thousand six hundred and forty nine) nominal preferred shares each with par value of R\$ 5.00;

III Authorization for the Executive Board to take the following measures in relation to the stock dividend:

to issue a stock dividend of 25.000000151%, in new shares, of the same type as those held and with par value of R\$ 5.00, to holders of the shares making up the capital of R\$ 2,481,507,565.00 (two billion four hundred and eighty one million five hundred and seven thousand five hundred and sixty five Reais), whose names are on the company's Nominal Share Registry on the date of the General Meetings of Stockholders that decide on this present proposal; to sell on a securities exchange the whole numbers of nominal shares resulting from the sum of the remaining fractions, arising from the said stock dividend, and to share the net proceeds of the sale, proportionately, among the stockholders;

to establish that all the shares resulting from the said stock dividend shall have the same rights as those shares from which they originate; and

to pay to the stockholders, proportionately, the result of the sum of the remaining fractions together with the first installment of the dividends for the year 2008.

After carefully analyzing the proposals referred to, and considering, further, that the legal rules applicable to the matters have been complied with, the opinion of the members of the Audit Board is in favor of their approval by those Meetings.

Belo Horizonte, March 18, 2009,

(Signed by:) Aristóteles Luiz Menezes Vasconcellos Drummond, Luiz Guaritá Neto, Benedito José Ferreira, Luiz Otávio Nunes West, Aliomar Silva Lima.

Table of Contents

The Chairman then put to debate the proposal of the Board of Directors relating to items 2, 6, 10 and 11 of the agenda, and then submitted the said proposal to the vote, it being approved by majority.

Continuing with the agenda, the Chairman informed the meeting that the period of office of the members of the **Board of Directors** ended on today's date, and that a **new election** should thus be held for the said Board, with a period of office of 3 (three) years, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2012.

He stated that adoption of the **Multiple Vote** had been requested by the stockholder Southern Electric Brasil Participações Ltda., in accordance with a letter in the Company's possession, and that 13,445,618 (thirteen million four hundred and forty four thousand six hundred and eighteen) votes would be necessary for the election of each member of the Board of Directors.

Finally, he explained that it will be necessary firstly and in view of Clause 12 of the Bylaws, to seek the election of the sitting member and his respective replacement put forward by representatives of the holders of the preferred shares, and only then to apply the instrument of Multiple Vote to fill the remaining vacancies on the Board of Directors.

Asking for the floor, as owners of preferred shares, the representatives of the stockholders **Previ (Banco do Brasil Pension Fund)** and **Fundação Forluminas de Seguridade Social (Forluz)** proposed the following stockholders to be members of the **Board of Directors**:

Sitting Member:

Guy Maria Villela Paschoal

- Brazilian, married, engineer, resident and domiciled at Belo Horizonte-MG, at Rua Jornalista Djalma Andrade 210, Belvedere, CEP 30320-540, bearer of Identity Card M-616, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000798806-06;

and as his substitute member:

Cezar Manoel de Medeiros

- Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais at Alameda Ipê Branco 279, Pampulha, CEP 31275-080, bearer of Identity Card M-3627440, issued by the Public Safety Department of the State of Minas Gerais, and CPF 006688346-68.

The Chairman then submitted the above-mentioned nominations to debate, and, subsequently to votes separately, with only holders of preferred shares participating, and they were **approved** by majority vote.

The Chairman explained that, to complete the **Board of Directors**, the representative of the stockholder Southern Electric Brasil Participações Ltda. should put forward 5 members and their respective substitute members, and the representative of the Stockholder The State of Minas Gerais should put forward 8 members and their respective substitute members.

Asking for the floor, the representative of Stockholder **Southern Electric Brasil Participações Ltda.** put forward the following stockholders as members of the **Board of Directors**:

Sitting members:

Britaldo Pedrosa Soares	- Brazilian, married, engineer, resident and domiciled at São Paulo, São Paulo State, at Rua João Cachoeira 292/143, Vila Nova Conceição, CEP 04535-000, bearer of Identity Card MG-228266, issued by the Public Safety Department of the State of Minas Gerais, and CPF 360634796-00;
Evandro Veiga Negrão de Lima	- Brazilian, married, entrepreneur, resident and domiciled in Belo Horizonte, Minas Gerais, at Av. Otacílio Negrão de Lima 5219, Pampulha, CEP 31365-450, bearer of Identity Card M-1342795, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000761126-91;
Roberto Pinto Ferreira	- Brazilian, married, company consultant, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua Prudente de Moraes 1179/1302, Ipanema, CEP 22420-043, bearer of Identity Card nº MRE-1863, issued by the Foreign Relations Ministry, and CPF nº075072914-72;
Mameri Abdenur	
André Araújo Filho	- Brazilian, married, lawyer, resident and domiciled in São Paulo, São Paulo State, at Rua Macau 287, Ibirapuera, CEP 04032-020, bearer of Identity Card 22529, issued by the Brazilian Bar Association, São Paulo Section, and CPF 044637908-59; and
Thomas Anthony Tribone	- citizen of the USA, married, engineer, resident and domiciled at 3657 North Rockingham Street, Arlington, Virginia 22213, USA, bearer of US Passport N°. 017246918, issued by the US government, and CPF 748807561-72;

Table of Contents

and as their substitute members, respectively:

Jeffery Atwood Safford

- American citizen, divorced, accountant, resident and domiciled in São Paulo, São Paulo State, at Rua José Maria Lisboa 1096/11, Jardim Paulista, CEP 01423-001, bearer of Identity Card V365071-H, issued by the Public Safety Department of the State of São Paulo, and CPF 229902218-08;

Maria Amália Delfim de Melo Coutrim

- Brazilian, married, economist, resident and domiciled at Rio de Janeiro, Rio de Janeiro State, at Av. Rui Barbosa 582, 12th floor, Flamengo, CEP 22250-020, Bearer of Identity Card 12944, issued by Corecon of Rio de Janeiro State, and CPF 654298507-72;

Clarice Silva Assis

- Brazilian, married, economist, resident and domiciled in São Paulo, São Paulo State, at Rua Jacques Felix 226/111, Vila Nova Conceição, CEP 04509-000, bearer of Identity Card n° 09306216-4, issued by Detran of Rio de Janeiro State, and CPF n° 006682947-01;

Andréa Leandro Silva

- Brazilian, single, lawyer, resident and domiciled in São Paulo, São Paulo State, at Rua Ibiaporã 139, Água Funda, CEP 04157-090, Bearer of Identity Card 24481467-3, issued by the Public Safety Department of the state of São Paulo, and CPF 165779628-04; and

José Castelo Branco da Cruz

- Brazilian, married, lawyer, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua Paulo Areal 182, Tijuca, CEP 22793-245, bearer of Identity Card 46664, issued by the Brazilian Bar Association, Rio de Janeiro Section, and CPF 198674503-10.

The representative of the stockholder **The State of Minas Gerais** then asked for the floor and **proposed** the following stockholders as members of the **Board of Directors**:

Sitting members:

Sérgio Alair Barroso

- Brazilian, married, economist, resident and domiciled at Belo Horizonte, Minas Gerais at Rua Bernardo Guimarães 1581/1005, Lourdes, CEP 30140-082, bearer of Identity Card n° 8100986-0, issued by the Public Safety Dept of São Paulo State, and CPF n° 609555898-00;

Djalma Bastos de Moraes

- Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais at Av. Bandeirantes 665/401, Sion, CEP 30315-000, bearer of Identity Card 019112140-9, issued by the Army Ministry, and CPF 006633526-49;

Alexandre Heringer Lisboa

- Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais at Rua Doutor Lucídio Avelar 100/602, Estoril, CEP 30455-790, bearer of Identity Card M-510577, issued by the Public Safety Department of the State of Minas Gerais;

Antônio Adriano Silva

- Brazilian, married, company manager, resident and domiciled at Brasília, Federal District at SHS, Quadra 01, Bloco A, Apt. 523, Asa Sul, CEP 70322-900, bearer of Identity Card MG-1411903, issued by the Public Safety Department of the State of Minas Gerais, and CPF 056346956-00;

Eduardo Lery Vieira

- Brazilian, legally separated, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Aripuanã 80/302, Estoril, CEP 30455-830, bearer of Identity Card M-975155, issued by the Public Safety Department of the State of Minas Gerais, and CPF 079802996-04.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Francelino Pereira dos Santos - Brazilian, married, lawyer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Professor Antônio Aleixo 222/902, Lourdes, CEP 30180-150, bearer of Identity Card M-2063564, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000115841-49;

Maria Estela Kubitschek Lopes - Brazilian, married, architect, resident and domiciled at Rio de Janeiro-RJ, at Rua Alberto de Campos 237/101, Ipanema, CEP 22411-030, Bearer of Identity Card 45280-D, issued by CREA-RJ, and CPF 092504987-56; and

João Camilo Penna - Brazilian, married, engineer, resident and domiciled at Belo Horizonte-MG, at Rua La Plata 90, Sion, CEP 30315-460, bearer of Identity Card MG-246968, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000976836-04;

and as their respective substitute members respectively:

Paulo Sérgio Machado Ribeiro - Brazilian, married, engineer, resident and domiciled at Belo Horizonte-MG, at Rua Piauí 1848/503, Funcionários, CEP 30150-321, bearer of Identity Card 34133/D, issued by CREA/MG, and CPF 428576006-15;

Lauro Sérgio Vasconcelos David - Brazilian, married, company manager, resident and domiciled at Belo Horizonte-MG, at Rua Cruz Alta 107/302, João Pinheiro, CEP 30530-150, bearer of Identity Card M-3373627, issued by the Public Safety Department of the State of Minas Gerais, and CPF 603695316-04;

Franklin Moreira Gonçalves - Brazilian, married, data processing technologist, resident and domiciled at Belo Horizonte-MG, at Rua João Gualberto Filho 551/302, Sagrada Família, CEP 31030-410, bearer of Identity Card MG-5540831, issued by the Public Safety Department of the State of Minas Gerais, and CPF 754988556-72;

Marco Antonio Rodrigues da Cunha - Brazilian, married, engineer, resident and domiciled at Belo Horizonte-MG, at Rua Miguel Abras 33/501, Serra, CEP 30220-160, bearer of Identity Card M-281574, issued by the Public Safety Department of the State of Minas Gerais, and CPF 292581976-15;

Kleber Antonio de Campos - Brazilian, married, economist, resident and domiciled in Belo Horizonte, mg at Rua Califórnia 1000/1201, Sion, CEP 30315-500, bearer of Identity Card M-369246, issued by the Public Safety Department of the State of Minas Gerais, and CPF 137244286-34;

Table of Contents

Luiz Antônio Athayde	- Brazilian, legally separated, economist, resident and domiciled in Belo Horizonte, Minas
Vasconcelos	Gerais, at Rua Professor Moraes 476/1003, Funcionários, CEP 30150-370, bearer of Identity Card M-4355, issued by the Public Safety Department of the State of Minas Gerais, and CPF 194921896-15;
Fernando Henrique Schüffner Neto	- Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Martim de Carvalho 395, Apto. 700, Santo Agostinho, CEP 30190-090, bearer of Identity Card M-1311632, issued by the Public Safety Department of the State of Minas Gerais, and CPF 320008396-49; and
Guilherme Horta Gonçalves Júnior	- Brazilian, legally separated, economist, resident and domiciled at Belo Horizonte, Minas Gerais, at Av. Olegário Maciel 1748/2202, Santo Agostinho, CEP 30180-112, bearer of Identity Card 1622046, issued by the Public Safety Department of the Federal District, and CPF 266078757-34.

The nominations by the stockholder Southern Electric Brasil Participações Ltda. and the representative of the stockholder The State of Minas Gerais were put to the vote and **approved** by majority of votes. The representative of the stockholder Southern Electric Brasil Participações Ltda. voted for the board members that he had proposed, and the representative of the stockholder State of Minas Gerais voted for those members that he had proposed.

The Board Members elected declared in advance that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

Continuing with the agenda, the Chairman stated that the period of office of the members of the **Audit Board** ended on today's date, and that a **new election** should thus be held for the said Board, with a period of office of 1 (one) year, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2012.

The Chairman said that this election would be carried out with **separate voting**, in the case of candidates indicated by holders of preferred shares and by minority stockholders.

The Chairman thus put to debate the election of the sitting and substitute members of the Audit Board.

Asking for the floor, as holders of preferred shares, the **stockholders represented by Mrs. Thaís Athayde de Moraes put forward** the following candidates for election to the **Audit Board**:

Sitting Member:

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

**Ana Lucia de Paiva Lorena
Freitas**

- Brazilian, married, engineer, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Avenida Epi  cio Pessoa 4446/1101, Block 1, Lagoa, CEP 22471-003, bearer of identity Card 06713819-8, issued by the Felix Pacheco Institute, and CPF n   051490757-60;

and as her substitute member:

Rodrigo Magela Pereira

- Brazilian, legally separated, economist, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Avenida Lineu de Paula Machado 1000/301, Block 1, Lagoa, CEP 22470-040, bearer of Identity Card 10052944-5, issued by the Felix Pacheco Institute, and CPF 027954677-71.

Asking for the floor, as holders of preferred shares, the representatives of the stockholders **Previ** (Banco do Brasil Pension Fund) and Funda  o Forluminas de Seguridade Social (**Forluz**) **proposed** the following stockholders to be members of the **Audit Board**:

sitting Member:

**Vicente de Paulo Barros
Pegoraro**

- Brazilian, married, retired, resident and domiciled in Bras  lia, Federal District, at SHIS QI 15, Conjunto 12, Casa 6, Lago Sul, CEP 71635-320, bearer of Identity Card 449419, issued by the Public Safety Department of the Federal District, and CPF 004826419-91;

and as his substitute member:

Newton de Moura

- Brazilian, married, bank employee of the Federal Savings Bank, resident and domiciled in Divin  polis, Minas Gerais, at Avenida Sete de Setembro 1064/701, Centro, CEP 35500-011, Bearer of Identity Card M-358258, issued by the Public Safety Department of Minas Gerais State, and CPF 010559846-15.

The Chairman then submitted the above-mentioned nominations to debate, and, subsequently to votes separately, with only holders of preferred shares participating. The nominations by the stockholders Previ and Forluz were **approved** by majority vote.

Table of Contents

Asking for the floor, the representative of the stockholder **Southern Electric Brasil Participações Ltda.**, for the **minority of holders of shares carrying voting rights**, proposed as member of the Audit Board:

Luiz Otávio Nunes West - Brazilian, married, accountant, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua General Ivan Raposo 148/202, Barra da Tijuca, CEP 22621-040, bearer of Identity Card 010926/0-8, issued by the Regional Accounting Council of Bahia, and CPF nº 146745485-00; and

and as his substitute member,

Leonardo Guimarães Pinto - Brazilian, single, accountant, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua Haddock Lobo 300/1206, Tijuca, CEP 20260-142, bearer of Identity Card RJ-091640/O-8, issued by CRC/RJ, and CPF nº 082887307-01.

The above nominations were put to debate and then to the vote separately and were **approved** by majority.

Asking for the floor, the representative of the stockholder **The State of Minas Gerais, as majority stockholder**, put forward the following nominations for members of the **Audit Board**:

Sitting members:

Aristóteles Luiz Menezes Vasconcellos Drummond - Brazilian, married, journalist, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Av. Rui Barbosa 460/801, Flamengo, CEP 22250-020, bearer of Identity Card 1842888, issued by the Félix Pacheco Institute, and CPF nº 026939257-20;

Luiz Guaritá Neto - Brazilian, married, engineer and entrepreneur, resident and domiciled in Uberaba, MG State, at Rua dos Andradas 705/1501, Nossa Senhora da Abadia, CEP 38025-200, bearer of Identity Card M-324134, issued by the Public Safety Department of Minas Gerais State, and CPF nº 289118816-00;

Thales de Souza Ramos Filho - Brazilian, married, doctor, resident and domiciled in Juiz de Fora, Minas Gerais, at Rua Severino Meireles 67, Passos, CEP 36025-040, bearer of Identity Card M-290728, issued by the Public Safety Department of Minas Gerais State, and CPF nº 003734436-68;

and as their respective substitute members:

Marcus Eolo de Lamounier Bicalho - Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Adolfo Radice 114, Mangabeiras, CEP 30315-050, bearer of identity card M-1033867, issued by the Public Safety Department of Minas Gerais State, and CPF nº 001909696-87;

Ari Barcelos da Silva - Brazilian, married, company manager, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua Professor Hermes Lima 735/302, Recreio dos Bandeirantes, CEP 22795-065, bearer of Identity Card 2027107-7, issued by CRA-RJ, and CPF nº 006124137-72; and

Aliomar Silva Lima

- Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Aimorés 2441/902, Lourdes, CEP 30140-072, bearer of Identity Card MG-449262, issued by the Public Safety Department of Minas Gerais State, and CPF nº 131654456-72.

The nominations of the representative of the stockholder The State of Minas Gerais was put to debate, and to the vote, and **approved** by majority.

The Members of the Audit Board elected declared in advance that they are not subject to any prohibition on exercise of commercial activity, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

Continuing with the agenda, the Chairman put to debate the **remuneration of the Managers** of the Company and the Members of the Company's Audit Board. Asking for the floor, the representative of the Stockholder The State of Minas Gerais asked the Chairman to put the following **proposal** before the stockholders for consideration:

1 To allocate, considering that the company now has nine Chief Officers Departments, the Annual Global Allocation for Remuneration of the Management and the Members of the Audit Board, consisting of the Board of Directors, the Executive Board and the Audit Board, in the amount of up to R\$ 7,000,000 (seven million Reais), including health insurance for the Chief Officers, to be contracted at the same level of the Health Plan in force for the employees of the Company, the present amounts earned by the Managers in monthly remuneration, paid leave, bonuses and other benefits of any type remaining unchanged.

2 To establish that the monthly remuneration of each one of the members of the Board of Directors excluding those sitting and substitute Members who exercise the position of Chief Officers, and subject

Table of Contents

to the condition relating to the payment of *jeton* mentioned in Item 3 below should be equivalent to 20% (twenty per cent) of that earned, on average, by a Chief Officer of the Company.

3 To establish that the sitting members of the Board of Directors should receive 50% (fifty per cent) of the monthly remuneration stipulated, the rest being divided into *jetons* paid to the sitting Member or to the substitute member who replaces that Member during meetings. In the event of there being more than one meeting in the month, the *jeton* will be divided proportionately over the number of meetings held, and received by the sitting Member or by the substitute Member who replaces that Member; in the event of there not being a meeting in the month, the sitting Member shall receive the total amount of the monthly remuneration; in the event of there being a meeting in the month and neither the sitting Member nor his or her substitute Member attending, the portion relating to the *jeton* shall not be payable, and the sitting Member shall receive the fixed portion.

4 To establish that sitting and substitute Members of the Board of Directors or the Audit Board who are resident in other municipalities than that of the head office of the Company shall be reimbursed expenses of travel and accommodation necessary for their attendance at the meetings or carrying out their functions, and that they shall also receive, as cost support, the equivalent of, approximately, 10% (ten per cent) of the total monthly remuneration of the Member, for each meeting they attend.

5 To establish that the compensation of the Executive Board shall be paid on the same dates as the remuneration of the Company's employees.

6 To establish that the monthly remuneration of each sitting member of the Audit Board shall be equivalent to 10% (ten per cent) of that earned, on average, by a Chief Officer of the Company, excluding the benefits in accordance with the law.

7 To establish remuneration equivalent to that referred to in Item 2 above, for the substitute Members of the Board of Directors who sit on the Board of Directors Support Committee excluding those Members who exercise the position of Chief Officers and obeying the criteria mentioned in Item 3 above.

The proposal by the representative of the stockholder The State of Minas Gerais was put to the vote and **approved**. The representative of **Previ** (the Banco do Brasil Pension Fund), **and the stockholders represented by Mrs. Thaís Athayde de Moraes, abstained** from voting, as a result of the Company not making available the necessary data for prior examination of the matter.

The Chairman then stated that the *publications* by Cemig specified in Law 6404 of December 15, 1976, as amended, and CVM Instruction 232 of February 10, 1995, will be made not only in the publication *Minas Gerais*, the official publication of the Powers of the State, but also in the newspapers *O Tempo* and *Valor Econômico*, without prejudice to possible publication in other newspapers; and that, since the selection of the newspapers *O Tempo* and *Valor Econômico* arises from the result of Electronic Auction 500-H90565, legal appeals may be presented to the Company within a period of five business days, which could alter the said result of the tender process. In this event, Cemig will publish a Notice to Stockholders stating the new newspapers for the publication specified in the above-mentioned Law.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The meeting being opened to the floor, the representative of the stockholder The **State of Minas Gerais** took the floor and **congratulated the Management and the employees of the Company** for their efficiency in carrying out the work of the Company and its performance in the results of the last business year, pointing out that, even in this period of world economic and financial crisis, Cemig had obtained an exemplary result.

The meeting remaining open to the floor, and since no-one else wished to speak, the Chairman ordered the session suspended for the time necessary for the writing of the minutes. The session being reopened, the Chairman, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, **declared the meeting closed**.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.

Table of Contents

6. Market Announcement regarding Voluntary Dismissal Program, Companhia Energética de Minas Gerais CEMIG, May 8, 2009

Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

MARKET ANNOUNCEMENT

Cemig (*Companhia Energética de Minas Gerais*), a listed company with share securities traded on the stock exchanges of New York, Madrid and São Paulo, in accordance with its commitment to implement best corporate governance practices, hereby informs the public that a specific, non-permanent Voluntary Dismissal Program (PDV), proposed in April of this year, has been approved by the Board of Directors and offered to the group s employees.

This new program aims to increase the number of employees eligible for voluntary resignation, in comparison to the permanent Voluntary Resignation Program (PPD) which is already in place and remains in operation.

Cemig expects this initiative to result in increasing levels of annual savings, rising to more than R\$ 100 million/year after 2010, representing an internal rate of return of more than 20%.

This non-permanent Voluntary Dismissal Program is part of Cemig s Operational Efficiency Project, which seeks to optimize the company s processes, adding value for shareholders through reduction of costs and increased indices of productivity.

Belo Horizonte, May 8, 2009

Marco Antonio Rodrigues da Cunha

Acting Chief Officer for Finance, Investor Relations and Control of Holdings

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025