

ENERGY CO OF MINAS GERAIS

Form 6-K

November 18, 2009

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## **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 November 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.

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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

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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: November 18, 2009

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|  | <b>Consolidated</b> |                   | <b>Holding company</b> |                   |
|--|---------------------|-------------------|------------------------|-------------------|
|  | <b>09/30/2009</b>   | <b>06/30/2009</b> | <b>09/30/2009</b>      | <b>06/30/2009</b> |
| <b>CURRENT</b>   |                     |                   |                        |                   |
| Cash and cash equivalents (Note 3)                         | 2,769,169           | 2,250,277         | 117,945                | 121,322           |
| Consumers and traders (Note 4)                             | 2,210,256           | 2,233,496         |                        |                   |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | 307,991             | 317,042           |                        |                   |
| Concession holders transport of energy                     | 388,542             | 405,067           |                        |                   |
| Taxes subject to offsetting (Note 10)                      | 1,350,494           | 1,235,175         | 5,191                  | 5,192             |
| Anticipated expenses CVA (Note 9)                          | 629,237             | 632,644           |                        |                   |
| Traders Transactions in Free Energy (Note 8)               | 10,120              | 17,573            |                        |                   |
| Tax credits (Note 11)                                      | 361,338             | 327,355           | 38,299                 | 40,896            |
| Dividends receivable                                       |                     |                   | 956,239                | 847,242           |
| Transmission Tariff Review (Note 7)                        | 82,321              | 85,732            |                        |                   |
| Inventories  | 35,407              | 36,452            | 17                     | 17                |
| Other credits  | 435,787             | 345,439           | 8,810                  | 7,840             |
| <b>TOTAL, CURRENT</b>                                      | <b>8,580,662</b>    | <b>7,886,252</b>  | <b>1,126,501</b>       | <b>1,022,509</b>  |
| <b>NON-CURRENT</b>   |                     |                   |                        |                   |
| <b>Long term assets</b>                                    |                     |                   |                        |                   |
| Accounts receivable from Minas Gerais State Gvt. (Note 12) | 1,781,117           | 1,813,461         |                        |                   |
| Credit Receivables Investment Fund (Note 12)               |                     |                   | 853,486                | 835,932           |
| Regulatory asset PIS, Pasep and Cofins taxes (Note 13)     | 46,240              | 46,240            |                        |                   |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) |                     | 66,444            |                        |                   |
| Anticipated expenses CVA (Note 9)                          | 410,288             | 545,039           |                        |                   |
| Tax credits (Note 11)                                      | 604,776             | 655,163           | 89,479                 | 99,512            |
| Traders Transactions in Free Energy (Note 8)               | 10,857              | 4,746             |                        |                   |
| Taxes subject to offsetting (Note 10)                      | 268,594             | 289,130           | 194,860                | 196,103           |
| Deposits linked to legal actions                           | 557,825             | 508,732           | 95,462                 | 95,461            |
| Consumers and traders (Note 4)                             | 112,763             | 85,726            |                        |                   |
| Transmission Tariff Review (Note 7)                        | 54,067              | 72,358            |                        |                   |
| Other credits  | 110,593             | 123,672           | 77,753                 | 72,733            |
|  | 3,957,120           | 4,210,711         | 1,311,040              | 1,299,741         |
| <b>Investments (Note 14)</b>                               | <b>1,155,346</b>    | <b>1,147,309</b>  | <b>9,407,655</b>       | <b>8,968,923</b>  |
| <b>Fixed assets (Note 15)</b>                              | <b>12,167,849</b>   | <b>11,557,749</b> | <b>1,945</b>           | <b>1,977</b>      |

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|                             |             |            |            |            |
|-----------------------------|-------------|------------|------------|------------|
| <b>Intangible (Note 16)</b> | 1,058,500   | 945,557    | 1,747      | 1,951      |
| <b>TOTAL, NON-CURRENT</b>   | 18,338, 815 | 17,861,326 | 10,722,387 | 10,272,592 |
| <b>TOTAL ASSETS</b>         | 26,919,477  | 25,747,578 | 11,848,888 | 11,295,101 |

The Explanatory Notes are an integral part of the Quarterly Information.

Table of Contents**BALANCE SHEETS****AT SEPTEMBER 30 AND JUNE 30, 2009****LIABILITIES****R\$ 000**

|   | <b>Consolidated</b> |                   | <b>Holding company</b> |                   |
|---|---------------------|-------------------|------------------------|-------------------|
|   | <b>09/30/2009</b>   | <b>06/30/2009</b> | <b>09/30/2009</b>      | <b>06/30/2009</b> |
| <b>CURRENT</b>  |                     |                   |                        |                   |
| Suppliers (Note 17)                                     | 748,207             | 766,850           | 5,687                  | 5,762             |
| Regulatory charges (Note 20)                            | 480,991             | 459,348           |                        |                   |
| Profit shares   | 76,733              | 51,408            | 2,876                  | 1,974             |
| Taxes, charges and contributions (Note 18)              | 1,276,448           | 998,950           | 86,176                 | 76,517            |
| Interest on Equity and dividends payable                | 489,397             | 490,820           | 489,397                | 490,820           |
| Loans and financings (Note 19)                          | 1,235,605           | 1,139,800         | 21,420                 | 19,461            |
| Debentures (Note 19)                                    | 473,327             | 437,676           |                        |                   |
| Salaries and mandatory charges on payroll               | 372,196             | 401,686           | 16,573                 | 18,016            |
| Regulatory liabilities CVA (Note 9)                     | 361,392             | 224,826           |                        |                   |
| Regulatory liabilities Tariff Review                    | 137,458             | 203,615           |                        |                   |
| Post-employment obligations (Note 21)                   | 103,726             | 102,094           | 4,078                  | 4,055             |
| Provision for losses on financial instruments (Note 31) | 162,399             | 163,306           |                        |                   |
| Debt to related parties (Note 30)                       |                     |                   | 8,554                  | 10,434            |
| Other obligations                                       | 358,012             | 354,546           | 19,693                 | 19,264            |
| <b>TOTAL, CURRENT</b>                                   | <b>6,275,891</b>    | <b>5,794,925</b>  | <b>654,454</b>         | <b>646,303</b>    |
| <b>NON-CURRENT</b>                                      |                     |                   |                        |                   |
| Regulatory liabilities CVA (Note 9)                     | 318,021             | 410,953           |                        |                   |
| Loans and financings (Note 19)                          | 4,891,196           | 4,817,167         | 55,190                 | 55,190            |
| Debentures (Note 19)                                    | 1,468,572           | 1,393,370         |                        |                   |
| Taxes, charges and contributions (Note 18)              | 609,173             | 538,945           |                        |                   |
| Contingency provisions (Note 22)                        | 634,642             | 647,945           | 320,630                | 331,561           |
| Post-employment obligations (Note 21)                   | 1,334,223           | 1,348,690         | 50,302                 | 51,178            |
| Other obligations                                       | 217,541             | 192,596           | 32                     | 31                |
| <b>TOTAL, NON-CURRENT</b>                               | <b>9,473,368</b>    | <b>9,349,666</b>  | <b>426,154</b>         | <b>437,960</b>    |
| <b>MINORITY INTERESTS</b>                               | <b>401,938</b>      | <b>392,149</b>    |                        |                   |
| <b>STOCKHOLDERS EQUITY (Note 23)</b>                    |                     |                   |                        |                   |
| Registered capital                                      | 3,101,884           | 3,101,884         | 3,101,884              | 3,101,884         |
| Capital reserves  | 3,969,099           | 3,969,099         | 3,969,099              | 3,969,099         |
| Profit reserves   | 2,253,466           | 2,253,466         | 2,253,466              | 2,253,466         |
| Accumulated Conversion Adjustment                       | (3,448)             | (771)             | (3,448)                | (771)             |
| Retained earnings                                       | 1,420,155           | 860,036           | 1,420,155              | 860,036           |

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|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Funds allocated to increase of capital | 27,124     | 27,124     | 27,124     | 27,124     |
| <b>TOTAL STOCKHOLDERS EQUITY</b>       | 10,768,280 | 10,210,838 | 10,768,280 | 10,210,838 |
| <b>TOTAL LIABILITIES</b>               | 26,919,477 | 25,747,578 | 11,848,888 | 11,295,101 |

The Explanatory Notes are an integral part of the Quarterly Information.

Table of Contents**INCOME STATEMENTS****FOR THE NINE-MONTH PERIODS ENDING SEPTEMBER 30, 2009 AND 2008****(R\$ 000, expect net profit per thousand shares)**

|  | <b>Consolidated</b> |                   | <b>Holding company</b> |                   |
|--|---------------------|-------------------|------------------------|-------------------|
|  | <b>09/30/2009</b>   | <b>09/30/2008</b> | <b>09/30/2009</b>      | <b>09/30/2008</b> |
| <b>OPERATIONAL REVENUE</b>   |                     |                   |                        |                   |
| Revenue from supply of electricity (Note 24)   | 10,525,222          | 10,316,243        |                        |                   |
| Revenue for use of the network - Free Consumers (Note 25)                                | 1,600,922           | 1,557,916         |                        |                   |
| Other operational revenues (Note 26)   | 438,720             | 493,407           | 267                    | 392               |
|  | 12,564,864          | 12,367,566        | 267                    | 392               |
| <b>Deductions from operational revenue</b> (Note 27)                                     | (4,230,362)         | (4,232,129)       | (2)                    |                   |
| <b>NET OPERATIONAL REVENUE</b>   | 8,334,502           | 8,135,437         | 265                    | 392               |
| <b>OPERATIONAL COSTS</b>   |                     |                   |                        |                   |
| <b>COST OF ELECTRICITY AND GAS</b> (Note 28)   |                     |                   |                        |                   |
| Electricity bought for resale  | (2,529,469)         | (2,177,689)       |                        |                   |
| Charges for the use of the basic transmission grid                                       | (612,627)           | (530,621)         |                        |                   |
| Gas purchased for resale   | (128,610)           | (167,841)         |                        |                   |
|  | (3,270,706)         | (2,876,151)       |                        |                   |
| <b>COST OF OPERATION</b> (Note 28)   |                     |                   |                        |                   |
| Personnel and managers   | (690,293)           | (717,134)         |                        |                   |
| Private Pension Plan entity  | (70,487)            | (153,454)         |                        |                   |
| Materials  | (76,816)            | (69,591)          |                        |                   |
| Raw materials and inputs for generation  | (4,070)             | (65,185)          |                        |                   |
| Outsourced services  | (447,979)           | (392,033)         |                        |                   |
| Depreciation and amortization  | (501,699)           | (531,712)         |                        |                   |
| Operational provisions   | (39,814)            | (15,779)          |                        |                   |
| Royalties for use of water resources   | (109,336)           | (98,542)          |                        |                   |
| Other  | (103,478)           | (117,338)         |                        |                   |
|  | (2,043,972)         | (2,160,768)       |                        |                   |
| <b>TOTAL COST</b>  | (5,314,678)         | (5,036,919)       |                        |                   |
| <b>GROSS PROFIT</b>  | 3,019,824           | 3,098,518         | 265                    | 392               |
| <b>OPERATIONAL EXPENSE</b> (Note 28)   |                     |                   |                        |                   |
| Selling expenses   | (119,741)           | (133,078)         |                        |                   |
| General and administrative expenses  | (479,353)           | (304,761)         | (10,963)               | (80,145)          |
| Other operational expenses   | (49,521)            | (51,743)          | (15,986)               | (6,674)           |
|  | (648,615)           | (489,582)         | (26,949)               | (86,819)          |
| <b>Operational profit before Equity gains (losses) and Financial revenues (expenses)</b> | 2,371,209           | 2,608,936         | (26,684)               | (86,427)          |
| <b>Equity gain (loss) from subsidiaries</b>  |                     |                   | 1,543,364              | 1,752,183         |

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|   |           |           |           |           |
|---|-----------|-----------|-----------|-----------|
| <b>Net financial revenue (expenses)</b> (Note 29)         | (81,308)  | 36,148    | 9,817     | 69,118    |
| Profit before taxes and profit shares                     | 2,289,901 | 2,645,084 | 1,526,497 | 1,734,874 |
| Income tax and Social Contribution tax (Note 11)          | (759,874) | (923,325) | (83,599)  | (97,399)  |
| Deferred income tax and Social Contribution tax (Note 11) | 39,217    | 70,296    | (13,118)  | 6,228     |
| Employees and managers profit shares                      | (99,163)  | (65,683)  | (2,706)   | (2,314)   |
| Minority interests  | (43,007)  | (84,983)  |           |           |
| <b>NET PROFIT FOR THE PERIOD</b>                          | 1,427,074 | 1,641,389 | 1,427,074 | 1,641,389 |
| <b>NET PROFIT PER SHARE R\$</b>                           |           |           | 2.30033   | 3.30866   |

The Explanatory Notes are an integral part of the Quarterly Information.

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## STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THIRD QUARTER AND THE NINE-MONTH PERIOD ENDING SEPTEMBER 30, 2009 ( 9M09 )

R\$ 000

|  | Registered capital | Capital reserves | Profit reserves | Retained earnings | Conversion adjustment reserve | Funds allocated for capital increase | Total      |
|--|--------------------|------------------|-----------------|-------------------|-------------------------------|--------------------------------------|------------|
| <b>BALANCES AT DECEMBER 31, 2008</b>           | 2,481,508          | 3,983,021        | 2,859,920       |                   | 61                            | 27,124                               | 9,351,634  |
| Profit for the period ended September 30, 2009 |                    |                  |                 | 1,427,074         |                               |                                      | 1,427,074  |
| Increase in registered capital                 | 620,376            | (13,922)         | (606,454)       |                   |                               |                                      |            |
| Prior-year adjustment in a subsidiary          |                    |                  |                 | (6,919)           |                               |                                      | (6,919)    |
| Accumulated Conversion Adjustment              |                    |                  |                 |                   | (3,509)                       |                                      | (3,509)    |
| <b>BALANCES ON SEPTEMBER 30, 2009</b>          | 3,101,884          | 3,969,099        | 2,253,466       | 1,420,155         | (3,448)                       | 27,124                               | 10,768,280 |
|  | Registered capital | Profit reserves  | Profit reserves | Retained earnings | Conversion adjustment reserve | Funds allocated for capital increase | Total      |
| <b>BALANCES ON JUNE 30, 2009</b>               | 3,101,884          | 3,969,099        | 2,253,466       | 860,036           | (771)                         | 27,124                               | 10,210,838 |
| Net profit in the quarter                      |                    |                  |                 | 567,038           |                               |                                      | 567,038    |
| Prior-year adjustment in a subsidiary          |                    |                  |                 | (6,919)           |                               |                                      | (6,919)    |
| Accumulated Conversion Adjustment              |                    |                  |                 |                   | (2,677)                       |                                      | (2,677)    |
| <b>BALANCES ON SEPTEMBER 30, 2009</b>          | 3,101,884          | 3,969,099        | 2,253,466       | 1,420,155         | (3,448)                       | 27,124                               | 10,768,280 |

The Explanatory Notes are an integral part of the Quarterly Information.





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## STATEMENTS OF CASH FLOWS

## FOR THE NINE-MONTH PERIODS ENDING SEPTEMBER 30, 2009 AND 2008

R\$ 000

|  | Consolidated |            | Holding company |             |
|--|--------------|------------|-----------------|-------------|
|  | 09/30/2009   | 09/30/2008 | 09/30/2009      | 09/30/2008  |
| <b>FROM OPERATIONS</b>   |              |            |                 |             |
| Net profit for the period  | 1,427,074    | 1,641,389  | 1,427,074       | 1,641,389   |
| <b>Expenses (Revenues) not affecting Cash and cash equivalents</b>         |              |            |                 |             |
| Depreciation and amortization  | 517,204      | 542,234    | 140             | 175         |
| Net write-offs of fixed assets   | 16,938       | 18,355     |                 | 9           |
| Amortization of the goodwill in acquisitions                               | 16,352       |            | 16,352          |             |
| Equity gain (loss) from subsidiaries                                       |              |            | (1,543,364)     | (1,752,183) |
| Interest and monetary variations Non-current                               | (43,755)     | (6,290)    | (35,966)        | (84,235)    |
| Regulatory asset Review of Transmission Revenue                            | (136,657)    |            |                 |             |
| Deferred federal taxes   | (39,217)     | (70,296)   | 13,118          | (6,228)     |
| Provisions for operational losses  | 88,765       | 90,557     | (30,557)        | 87,977      |
| Provision for losses on financial instruments                              | 80,136       | 19,681     |                 |             |
| Provisions for losses in recovery of Extraordinary Tariff                  |              |            |                 |             |
| Recomposition amounts  | (7,915)      | 24,173     |                 | 4,357       |
| Post-employment obligations  | 105,760      | 187,157    | 4,252           | 8,388       |
| Minority interests   | 43,007       | 84,983     |                 |             |
| Others   | 7,616        | (37,275)   |                 |             |
|  | 2,075,308    | 2,494,668  | (148,951)       | (100,351)   |
| (Increase) reduction of assets   |              |            |                 |             |
| Consumers and traders  | (298,788)    | (14,143)   |                 |             |
| Extraordinary Tariff Recomposition   | 240,047      | 274,911    |                 |             |
| Amortization of accounts receivable from the Minas Gerais State Government | 143,647      | 128,756    |                 |             |
| Traders transactions on CCEE   | 3,317        | 11,878     |                 |             |
| Deferred tax credits   | 9,909        | 361,770    | 23,462          | 97,905      |
| Taxes offsetable   | (503,031)    | (670,059)  | (14,370)        | 5,600       |
| Transport of electricity   | 74,623       | 9,594      |                 |             |
| Deferred Tariff Adjustment   | 133,423      | 284,896    |                 |             |
| Anticipated expenses CVA   | 35,782       | (157,729)  |                 |             |
| Other assets   | 173,430      | (64,036)   | (7,041)         | (18,279)    |
| Payments into Court  | (175,649)    | (34,060)   | (7,631)         | 5,052       |
| Dividends received from subsidiaries                                       |              |            | 820,171         | 563,667     |
|  | (163,290)    | 131,778    | 814,591         | 653,945     |
| Increase (reduction) of liabilities  |              |            |                 |             |
| Suppliers  | (159,782)    | (197,673)  | (1,447)         | (3,896)     |
| Taxes and Social Contribution tax  | 892,623      | 404,188    | 54,186          | (21,386)    |
| Salaries and mandatory charges on payroll                                  | 83,305       | (8,484)    | 457             | 2,502       |
| Regulatory charges   | 11,142       | 61,919     |                 |             |
| Loans and financings   | 64,805       | 186,940    | (3,716)         | (1,908)     |
| Post-employment obligations  | (147,612)    | (155,637)  | (6,714)         | (6,843)     |
| Anticipated expenses CVA   | 34,245       | (88,715)   |                 |             |
| Losses on financial instruments  | (16,365)     | (21,189)   |                 |             |
| Others   | (3,314)      | (104,835)  | (7,972)         | (87,257)    |
|  | 759,047      | 76,514     | 34,794          | (118,788)   |

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|  |                  |                  |                  |               |
|--|------------------|------------------|------------------|---------------|
| CASH GENERATED BY OPERATIONS                 | 2,671,065        | 2,702,960        | 700,434          | 434,806       |
| <b>FINANCING ACTIVITIES</b>                  |                  |                  |                  |               |
| Financings obtained                          | 592,380          | 237,218          |                  |               |
| Receipt of units in the FIDC                 |                  |                  |                  | 899           |
| Capital reduction                            |                  |                  | 185,000          |               |
| Payments of loans and financings             | (214,211)        | (700,605)        |                  |               |
| Interest on Equity, and dividends            | (481,160)        | (432,593)        | (481,159)        | (432,593)     |
|  | (102,991)        | (895,980)        | (296,159)        | (431,694)     |
| <b>TOTAL INFLOW OF FUNDS</b>                 | <b>2,568,074</b> | <b>1,806,980</b> | <b>404,275</b>   | <b>3,112</b>  |
| <b>CAPITAL EXPENDITURE</b>                   |                  |                  |                  |               |
| In investments                               | (216,492)        | (63,227)         | (543,981)        | 53,762        |
| Intangible                                   | (339,468)        |                  | 796              |               |
| In fixed assets                              | (1,526,882)      | (797,966)        | (51)             | (205)         |
|  | (2,082,842)      | (861,193)        | (543,236)        | 53,557        |
| <b>NET CHANGE IN CASH POSITION</b>           | <b>485,232</b>   | <b>945,787</b>   | <b>(138,961)</b> | <b>56,669</b> |
| <b>STATEMENT OF CHANGES IN CASH POSITION</b> |                  |                  |                  |               |
| Beginning of period                          | 2,283,937        | 2,066,219        | 256,906          | 21,953        |
| End of period                                | 2,769,169        | 3,012,006        | 117,945          | 78,622        |
|  | <b>485,232</b>   | <b>945,787</b>   | <b>(138,961)</b> | <b>56,669</b> |

The Explanatory Notes are an integral part of the Quarterly Information.

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**EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)**

**FOR SEPTEMBER 30, 2009**

**(R\$ 000, except where otherwise stated)**

**1) OPERATIONAL CONTEXT**

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

On September 30, 2009 **Cemig** had stockholdings in the following companies in operation (the information on markets served, and installed capacity, has not been reviewed by our external auditors):

- **Cemig Geração e Transmissão S.A.** ( **Cemig GT** ) (subsidiary, 100.00% 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 transmission lines, most of which are part of the Brazilian national generation and transmission grid system. **Cemig GT** has stockholdings in the following subsidiaries:
- **Hidrelétrica Cachoeirão S.A.** (jointly controlled stake 49.00%): 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 27MW (not reviewed by external auditors). The plant began operating in 2009.
- **Central Eólica Praias de Parajuru S.A.** (jointly controlled stake 49.00%): Production and sale of electricity at the *Parajuru* Wind Farm in the municipality of Beberibe in the state of Ceará, Northern Brazil, with installed capacity of 28.8MW. The plant began operating in August 2009.
- **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 reviewed by external auditors), on the Doce River in Governador Valadares, Minas Gerais State. The plant's first unit began operating in September 2009. The second unit is planned to start operating in December 2009 (2nd unit), and February 2010 (3rd unit).

Subsidiaries of **Cemig GT** 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 startup scheduled for 2009, and will have totaled installed capacity of 44MW (information not reviewed by external auditors)

- **Cemig Baguari Energia S.A.** (subsidiary, 100.00% stake): Production and sale of electricity as an independent producer in future projects.

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- **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 reviewed by external auditors) 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 installed capacity of 20MW (information not reviewed by external auditors), 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.
- **Empresa Brasileira de Transmissão de Energia ( EBTE )** (jointly-controlled subsidiary, 49.00% stake): Holder of a public electricity transmission concession for transmission lines in the state of Mato Grosso. Operational startup is scheduled for June 2010.
- **Central Eólica Volta do Rio S.A.** (jointly controlled stake 49.00%): Production and sale of electricity at the *Volta do Rio* Wind Power Plant in the municipality of Aracaju in the state of Ceará, Northern Brazil, with installed capacity of 42MW. The plant is planned to start operating by the end of 2009.
- **Central Eólica Praia do Morgado S.A.** (jointly controlled stake 49.00%): Production and sale of electricity at the *Praia do Morgado* Wind Farm in the municipality of Aracaju in the state of Ceará, Northern Brazil, with installed capacity of 79.2MW. The plant is planned to start operating by the end of 2009.
- **Cemig Distribuição S.A.** ( **Cemig D** or Cemig Distribution ) (subsidiary 100% stake) registered with the CVM (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): Holds 79.39% of the registered capital of **Light S.A.** ( **Light** ), the holding company that has 100% control of the distribution concession holder **Light Serviços de Eletricidade S.A.**, with 3.9 million consumers in 31 municipalities of the state of Rio de Janeiro, and the generating company **Light Energia S.A.**, which has installed generating capacity of 855 MW.
- **Sá Carvalho S.A.** (subsidiary 100.00% stake): Production and sale of electricity, as a public electricity service concession holder, through the *Sá Carvalho* hydroelectric power plant.
- **Usina Térmica Ipatinga S.A.** (subsidiary 100% stake): Production and sale, as an Independent Power Producer, of thermally generated electricity, through the *Ipatinga* thermal plant, located on the premises of **Usiminas** (Usinas Siderúrgicas de Minas Gerais S.A.).

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- **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 100.00% stake) registered for listing with the CVM (Securities Commission): Commercially operates specialized services in telecommunications, through an integrated system consisting of fiber optic cables, coaxial cables, electronic and associated equipment (multi-service network).
- **Efficientia S.A.** (subsidiary 100.00% 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.

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- **Horizontes Energia S.A.** (subsidiary 100.00% stake): Production and sale of electricity, as an independent power producer, through the *Machado Mineiro* and *Salto do Paraopeba* hydroelectric power plants, in the State of Minas Gerais, and the *Salto do Voltão* and *Salto do Passo Velho* power plants in the State of Santa Catarina.
- **Central Termelétrica de Cogeração S.A.** (subsidiary, 100.00% stake): Production and sale of electricity produced by thermal generation as an independent producer in future projects.
- **Rosal Energia S.A.** (subsidiary 100.00% stake): Production and sale of electricity, as a public electricity service concession holder, through the *Rosal* hydroelectric power plant located on the border between the States of Rio de Janeiro and Espírito Santo, Brazil.
- **Central Hidrelétrica Pai Joaquim S.A.** (subsidiary 100.00% stake): Production and sale of electricity as an independent producer in future projects.
- **Cemig PCH S.A.** (subsidiary 100.00% stake): Production and sale of electricity as an independent power producer, through the *Pai Joaquim* hydroelectric power plant.
- **Cemig Capim Branco Energia S.A.** (subsidiary 100.00% stake): Production and sale of electricity as an independent power producer, through the *Capim Branco I* and *II* hydroelectric power plants, built through a consortium with private-sector partners.
- **UTE Barreiro S.A.** (subsidiary 100.00% stake): Production and sale of thermally generated electricity, as an independent power producer, through construction and operation of the *UTE Barreiro* thermal generation plant, located on the premises of **V&M do Brasil S.A.**, in the state of Minas Gerais.
- **Companhia Transleste de Transmissão** (jointly controlled 25.00% stake): Operation of the 345kV transmission line connecting the substation located in *Montes Claros* to the substation of the *Irapé* hydroelectric power plant.
- **Cemig Trading S.A.** (subsidiary: 100.00% stake): Sale and intermediation of business transactions related to energy.
- **Companhia Transudeste de Transmissão** (jointly controlled 24.00% stake): Construction, operation and maintenance of national grid transmission lines and facilities the 345kV *Itutinga Juiz de Fora* transmission line.

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- Companhia **Transirapé de Transmissão** (jointly controlled 24.50% stake): Construction, operation and maintenance of the 230kV *Irapé Araçuaí* transmission line also part of the national grid.
- **ETEP** (Empresa Paraense de Transmissão de Energia S.A.) (jointly controlled stake of 39.33%): Holder of a public service electricity transmission concession, for a 500kV transmission line in the State of Pará.
- **ENTE** (Empresa Norte de Transmissão de Energia S.A.) (jointly controlled 36.69% stake): Holder of a public service electricity transmission concession, for two 500kV transmission lines in the States of Pará and Maranhão.
- **ERTE** (Empresa Regional de Transmissão de Energia S.A.) (jointly controlled 36.69% stake): Holder of a public service electricity transmission concession, for a 230kV transmission line in the State of Pará.
- **EATE** (Empresa Amazonense de Transmissão de Energia S.A.) (jointly controlled 35.34% stake): Holder of a public service electricity transmission concession, for the 500kV transmission lines between the sectionalizing Substations of *Tucuruí, Marabá, Imperatriz, Presidente Dutra* and *Açailândia*.



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- **ECTE** (Empresa Catarinense de Transmissão de Energia S.A.) (jointly controlled, 13.37% stake): Holder of a public electricity transmission service concession operating a 525kV transmission line in the State of Santa Catarina.
- **Axxiom Soluções Tecnológicas S.A. ( Axxiom )** (jointly controlled 49.00% stake): Formed in August 2007 to provide complete services of implementation and management of systems for electricity sector companies.

**Cemig** also has stockholdings in the companies listed below which were at pre-operational stage on September 30, 2009:

- **Companhia de Transmissão Centroeste de Minas** (jointly controlled 51.00% stake): Construction, operation and maintenance of the 345kV *Furnas Pimenta* transmission line part of the national grid.
- **Transchile Charrúa Transmisión S.A. ( Transchile )** (jointly controlled 49.00% stake): Implementation, operation and maintenance of the *Charrúa Nueva Temuco* 220kV 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 Information (ITR), both for the holding company, and the consolidated information, was prepared according to Brazilian accounting practices, comprising: the Brazilian Corporate Law; the statements, orientations and interpretations issued by the Brazilian Accounting Statements Committee; rules of the Brazilian Securities Commission (CVM *Comissão de Valores Mobiliários*); and rules of the specific legislation applicable to holders of Brazilian electricity concessions, issued by the Brazilian National Electricity Agency, Aneel.

This Quarterly Information (ITR) has been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the annual financial statements at December 31, 2008. Hence this Quarterly Information should be read in conjunction with those annual accounting statements.

Additionally, to optimize the information provided to the market, the Company is presenting, in Explanatory Note 35, income statements separated by company. All the information presented was obtained from the accounting records of the Company and its subsidiaries.

**Change in the Brazilian Corporate Law**

Law 11638/07 changed, repealed and created new provisions in the Brazilian Corporate Law, in the chapter relating to disclosure and preparation of Accounting Statements. Among other aspects, these changed the criterion for recognition and valuation of assets and liabilities. These changes, in effect from January 1, 2008, aim to increase the transparency of the accounting statements of Brazilian companies and eliminate some regulatory barriers that were an obstacle to convergence with international financial reporting standards (IFRS).

Law 11638/07, and Provisional Measure 449/08 (which was converted into Law 11941 of May 27, 2009), changed Law 6404/76 in aspects related to the preparation and disclosure of accounting statements.

**Cemig** first adopted the changes to the Corporate Law introduced by Law 11638, approved on December 28, 2007, as amended by Provisional Measure 449 of December 3, 2008, in the preparation of its accounting statements for 2008.

Table of Contents**Criterion for consolidation of the Quarterly Information**

The Quarterly Information (ITR) of the subsidiaries and jointly-controlled companies mentioned in Explanatory Note 1 has been consolidated. The jointly-controlled subsidiaries were consolidated based on the method of proportional consolidation, applicable to each component of their accounting statements. 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 holdings of the holding company in the Stockholders' equity of the controlled companies, and the significant balances of assets, liabilities, revenues and expenses arising from transactions effected between the companies, have been eliminated.

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

The accounting 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 at the exchange rate of the last day of the quarter, since the functional currency of **Cemig** is the Real.

The dates of the accounting statements of the subsidiaries and jointly-controlled subsidiaries used for calculation of equity gains (losses) and consolidation coincide with those of the holding company.

**3) CASH AND CASH EQUIVALENTS**

|                                 | Consolidated     |  |                  | Holding company |  |                |
|---------------------------------|------------------|--|------------------|-----------------|--|----------------|
|                                 | 09/30/2009       |  | 06/30/2009       | 09/30/2009      |  | 06/30/2009     |
| Bank accounts                   | 99,587           |  | 139,371          | 9,033           |  | 33,694         |
| Cash investments                |                  |  |                  |                 |  |                |
| Bank certificates of deposit    | 2,584,619        |  | 2,025,418        | 108,498         |  | 87,068         |
| Treasury Financial Notes (LFTs) | 41,983           |  | 28,517           | 196             |  | 179            |
| National Treasury Notes (LTNs)  | 8,507            |  | 14,802           | 176             |  | 330            |
| Others                          | 34,473           |  | 42,169           | 42              |  | 51             |
|                                 | 2,669,582        |  | 2,110,906        | 108,912         |  | 87,628         |
|                                 |                  |  |                  |                 |  |                |
|                                 | <b>2,769,169</b> |  | <b>2,250,277</b> | <b>117,945</b>  |  | <b>121,322</b> |

Cash investments consist of transactions carried out with Brazilian financial institutions. These transactions are contracted at normal market rates and conditions. 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, substantially, bank certificates of deposit and fixed income funds, remunerated, substantially, by the variation on CDIs (interbank certificates of deposit), at returns varying from 101.00% to 103.00% of the CDI rate.

Table of Contents**4) CONSUMERS AND TRADERS****Current assets**

|  | Consolidated     |                  | Holding company |  |            |
|--|------------------|------------------|-----------------|--|------------|
|  | 09/30/2009       | 06/30/2009       | 09/30/2009      |  | 06/30/2009 |
| Retail supply invoiced                       | 1,995,272        | 1,803,031        | 50,000          |  | 50,997     |
| Retail supply not invoiced                   | 598,024          | 733,918          |                 |  |            |
| Wholesale supply to other concession holders | 54,926           | 80,372           |                 |  |            |
| (-) Provision for doubtful receivables       | (437,966)        | (383,825)        | (50,000)        |  | (50,997)   |
|  | <b>2,210,256</b> | <b>2,233,496</b> |                 |  |            |

Credits receivable in Non-current assets (Long-term receivables) from an industrial consumer of **Cemig D** and **Cemig GT**, in the amount of R\$ 99,352 at September 30, 2009, 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 45 of 1986), are recorded in the accounts. The Company expects that the amounts mentioned will be received in full.

Under 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 following are provisioned in full: 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.

The Provision for doubtful receivables is considered to be sufficient to cover any losses in the realization of these assets.

**5) REGULATORY ASSETS AND LIABILITIES**

The General Agreement for the Electricity Sector, signed in 2001, and the new regulations governing the electricity sector, resulted 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 follows:

|                  | Consolidated |            |
|------------------|--------------|------------|
|                  | 09/30/2009   | 06/30/2009 |
| <b>Assets</b>    |              |            |
| Portion A Note 6 | 307,991      | 383,486    |

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|  |                              |                |                |
|--|------------------------------|----------------|----------------|
| Traders transactions in Free Energy during the rationing program | Note 8                       | 20,977         | 22,319         |
| PIS, Cofins and Pasesp taxes                                     | Note 13                      | 46,240         | 46,240         |
| Pre-paid expenses  | CVA Note 9                   | 1,039,525      | 1,177,683      |
| Review of Tariff for Use of the Distribution System (TUSD)       |                              |                | 3,089          |
| Recovery of discounts on the TUSD                                |                              | 3,290          | 9,161          |
| Low-income subsidy   |                              | 51,344         | 35,904         |
| Transmission Tariff Review - Adjustment Portion                  | Note 7                       | 136,388        | 158,090        |
| Other regulatory assets  |                              | 10,207         | 12,334         |
|  |                              | 1,615,962      | 1,848,306      |
| <b>Liabilities</b>   |                              |                |                |
| Purchase of electricity during the rationing period              |                              | (122)          | (12,148)       |
| Amounts to be restituted in the tariff                           | CVA Note 9                   | (679,413)      | (635,779)      |
| Review of Tariff for Use of the Distribution System (TUSD)       |                              | (6,382)        | (10,760)       |
| CCEAR contract exposure between sub-markets                      |                              | (11,576)       | (17,147)       |
| Adjustment to the Reference Company                              |                              | (54,260)       | (80,375)       |
| Financial adjustment for the 2008 Tariff Review                  |                              | (83,198)       | (123,240)      |
| Other regulatory liabilities                                     |                              | (8,868)        | (9,780)        |
|  |                              | (843,819)      | (889,229)      |
|  |                              |                |                |
| Taxes, charges and contributions                                 | Deferred liabilities Note 18 | (51,950)       | (69,193)       |
|  |                              | (895,769)      | (958,422)      |
|  |                              |                |                |
| <b>Total</b>   |                              | <b>720,193</b> | <b>889,884</b> |

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**6) THE EXTRAORDINARY TARIFF RECOMPOSITION, AND PORTION A**

The Brazilian federal government, through the Electricity Emergency Chamber (GCE), signed an agreement with the electricity distributors and generators in 2001, named "The General Agreement for the Electricity Sector", which set criteria for ensuring the economic and financial equilibrium of concession contracts and for recomposition of the extraordinary revenues and losses which occurred during the Rationing Program, through an Extraordinary Tariff Recomposition (RTE), given to compensate for the variation in non-manageable costs of Portion A that took place in the period from January 1 to October 25, 2001.

**a) The Extraordinary Tariff Recomposition**

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 consumers in the rural, public-illumination and high-voltage industrial categories 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.

The RTE was 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 **Cemig's** 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.
- Pass-through to be made to the generators who bought energy in the MAE which was succeeded in 2004 by the Electricity Trading Chamber (the CCEE), in the period from June 1, 2001 to February 28, 2002, for more than R\$ 49.26/MWh (referred to as "Free Energy").

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**

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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 actually 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 that was 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, and there is no time limit for their realization.

As and when amounts of Portion A are received through the tariff, Cemig transfers those amounts from Assets to the Income statement. In the case of **Cemig D** (Cemig Distribuição S.A.), the amounts transferred in 2009 are as follows:



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| Amounts transferred to expenses                         | 09/30/2009     | 06/30/2009     |
|---|----------------|----------------|
| Energy bought for resale                                | 143,829        | 93,758         |
| Fuel Consumption Account CCC                            | 63,688         | 41,516         |
| Global Reversion Reserve RGR                            | 6,364          | 4,149          |
| Tariff for transport of electricity from Itaipu         | 2,456          | 1,601          |
| Tariff for use of national grid transmission facilities | 16,449         | 10,723         |
| Royalties for use of water resources                    | 5,649          | 3,682          |
| Connection Realization of Portion A                     | 347            | 226            |
| Delivery service inspection charge                      | 596            | 388            |
|   | <b>239,378</b> | <b>156,043</b> |

Composition of the balances of Portion A

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

|  | 09/30/2009     | Consolidated<br>06/30/2009 |
|--|----------------|----------------------------|
| <b>Cemig D</b>                         |                |                            |
| Compensation of the items of Portion A | 814,833        | 806,994                    |
| Amounts received                       | (506,842)      | (423,508)                  |
| Total of Portion A                     | <b>307,991</b> | <b>383,486</b>             |
| Current assets                         | 307,991        | 317,042                    |
| Non-current assets                     |                | 66,444                     |

**7) THE REVIEW OF THE TRANSMISSION TARIFF**

**Cemig GT**'s first Tariff Review was approved by the Council of Aneel on June 17, 2009. In it Aneel set the percentage for repositioning of the Company's Permitted Annual Revenue (RAP) at 5.35%, backdated to 2005.

Aneel established a financial component of R\$ 158,090 to be paid to the Company through the Adjustment Portion (PA) in 24 months. This is the backdated effect of the tariff repositioning over the period from July 1, 2005 to June 30, 2009. The first installment, of R\$ 85,732, was incorporated into the adjustment for the 2009-10 cycle, and the second portion, of R\$ 72,358, will be compensated in the 2010-11 adjustment.

As and when amounts of the Adjustment Portion are received through the tariff, the Company transfers the corresponding amount records in Assets to the Income statement. The record of accounting of the Adjustment Portion is as follows:

**Components of the Adjustment Portion**

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|                                       | Balance on<br>06/30/2009 | Monetary<br>updating | Amortization    | Balance on<br>09/30/2009 |
|---------------------------------------|--------------------------|----------------------|-----------------|--------------------------|
| National grid                         | 128,823                  | (226)                | (17,037)        | 111,560                  |
| Frontier areas                        | 13,899                   | (13)                 | (2,633)         | 11,253                   |
| Other Transmission Facilities ( DIT ) | 15,368                   | (30)                 | (1,763)         | 13,575                   |
|                                       | <b>158,090</b>           | <b>(269)</b>         | <b>(21,433)</b> | <b>136,388</b>           |
| <b>Current</b>                        |                          |                      |                 | <b>82,321</b>            |
| <b>Non-current</b>                    |                          |                      |                 | <b>54,067</b>            |

As specified in the Company's concession contract, the calculations of the revision were made on the basis of the whole of the Company's transmission assets, and not only on the assets relating to the new facilities.

Table of Contents**8) TRADERS TRANSACTIONS IN FREE ENERGY**

The receivables of the subsidiary **Cemig GT** for transactions in Free Energy in the Electricity Trading Chamber (CCEE) during the period of the Rationing Program are as follows:

|  | Consolidated  |               |
|--|---------------|---------------|
|  | 09/30/2009    | 06/30/2009    |
| <b>ASSETS</b>                            |               |               |
| Amounts to be received from distributors | 39,180        | 40,132        |
| Provision for losses in realization      | (18,203)      | (17,813)      |
|  | <b>20,977</b> | <b>22,319</b> |
| Current                                  | 10,120        | 17,573        |
| Non-current                              | 10,857        | 4,746         |

The amounts receivable in Assets are the difference between the prices paid by **Cemig GT** in the transactions in energy on the CCEE, during the period when the Rationing Program was in effect, and R\$ 49.26/MWh. This difference is to be reimbursed by the distributors through the amounts raised by means of the RTE, as defined in the General Agreement for the Electricity Sector.

In accordance with Aneel Resolution 36 of January 29, 2003, the electricity distributors have, since March 2003, been collecting the amounts obtained monthly by means of the RTE and passing them through to the generators and distributors that have amounts to be received, among which **Cemig GT** is included.

The amounts receivable by **Cemig GT** are updated by the variation in the Selic rate plus 1.00% interest per year.

The conclusion of certain court proceedings in progress, brought by market agents, in relation to interpretation of the rules in force at the time of the transactions on the CCEE, could result in changes in the amounts recorded.

Provision for losses in realization

The provision currently constituted, of R\$ 18,203, represents the losses that are expected as a result of the period of receipt of the RTE from the distributors that are still passing through funds to the Company not being sufficient for complete settlement of the amounts owed.

**9) ANTICIPATED EXPENSES AND REGULATORY LIABILITIES CVA**

The balance on the Account to Compensate for Variation of Portion A items (known as the CVA account) is made up of the positive and negative differences between the estimate of non-manageable costs used for deciding the tariff adjustment, and the payments actually made. The variations resulting from the calculation are compensated in the subsequent tariff adjustments.

The balance on the CVA account is shown below:

|                         | 09/30/2009     | Consolidated | 06/30/2009     |
|-------------------------|----------------|--------------|----------------|
| Cemig D                 | 292,518        |              | 478,236        |
| RME Light               | 67,594         |              | 63,668         |
|                         | <b>360,112</b> |              | <b>541,904</b> |
| Current assets          | 629,237        |              | 632,644        |
| Non-current assets      | 410,288        |              | 545,039        |
| Current liabilities     | (361,392)      |              | (224,826)      |
| Non-current liabilities | (318,021)      |              | (410,953)      |
|                         | <b>360,112</b> |              | <b>541,904</b> |

Table of Contents**10) TAXES SUBJECT TO OFFSETTING**

|                         | Consolidated     |  |                  | Holding company |  |                |
|-------------------------|------------------|--|------------------|-----------------|--|----------------|
|                         | 09/30/2009       |  | 06/30/2009       | 09/30/2009      |  | 06/30/2009     |
| <b>Current</b>          |                  |  |                  |                 |  |                |
| ICMS tax recoverable    | 229,516          |  | 206,492          | 3,806           |  | 3,805          |
| Income tax              | 785,656          |  | 702,031          |                 |  |                |
| Social Contribution tax | 287,660          |  | 270,499          |                 |  |                |
| Pasep tax               | 4,783            |  | 10,767           |                 |  | 1              |
| Cofins tax              | 28,261           |  | 26,891           |                 |  | 1              |
| Others                  | 14,618           |  | 18,495           | 1,385           |  | 1,385          |
|                         | 1,350,494        |  | 1,235,175        | 5,191           |  | 5,192          |
| <b>Non-current</b>      |                  |  |                  |                 |  |                |
| ICMS tax recoverable    | 70,252           |  | 93,184           | 426             |  | 426            |
| Income tax              | 170,213          |  | 178,397          | 166,305         |  | 178,128        |
| Social Contribution tax | 28,129           |  | 17,549           | 28,129          |  | 17,549         |
|                         | 268,594          |  | 289,130          | 194,860         |  | 196,103        |
|                         |                  |  |                  |                 |  |                |
|                         | <b>1,619,088</b> |  | <b>1,524,305</b> | <b>200,051</b>  |  | <b>201,295</b> |

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

The credits of ICMS tax recoverable, posted in Long term assets, arise from acquisitions of fixed assets, and can be offset in 48 months.

The Company has filed a consultation with the Minas Gerais State Tax Department for clarification of questions related to the use of part of the ICMS credits recorded in current and non-current assets. The reply is awaited in the fourth quarter of 2009. The transfer to Current assets was made in accordance with the amounts that were already to have been realized in the CIAP (Permanent Assets ICMS Credits Account) and those yet to be realized up to September 2010.

**11) TAX CREDITS****a) Deferred income tax and Social Contribution tax:**

**Cemig** and its subsidiaries have deferred income tax credits, constituted at the rate of 25.00%, and deferred Social Contribution tax credits, at the rate of 9.00%, as follows:

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|   | Consolidated   |                | Holding company |                |
|---|----------------|----------------|-----------------|----------------|
|   | 09/30/2009     | 06/30/2009     | 09/30/2009      | 06/30/2009     |
| Tax credits on temporary differences  |                |                |                 |                |
| Tax loss carryforwards / Negative taxable balances  | 222,024        | 238,366        | 15,831          | 24,369         |
| Contingency provisions  | 191,900        | 195,739        | 90,785          | 94,740         |
| Provisions for losses on realization of amounts receivable for the Extraordinary Tariff Recomposition and Free Energy | 6,189          | 10,186         |                 |                |
| Regulatory liabilities Tariff review  | 45,266         | 67,052         |                 |                |
| Post-employment obligations   | 92,932         | 92,947         | 3,106           | 3,168          |
| Provision for doubtful receivables  | 170,062        | 153,062        | 17,000          | 17,339         |
| Provision for Pasesp and Cofins taxes Extraordinary Tariff Recomposition  | 5,249          | 5,960          |                 |                |
| Financial instruments   | 66,756         | 65,961         |                 |                |
| FX variation  | 118,030        | 114,083        |                 |                |
| Others  | 47,580         | 39,162         | 1,056           | 792            |
|   | <b>966,114</b> | <b>982,518</b> | <b>127,778</b>  | <b>140,408</b> |
| Current assets  | 361,338        | 327,355        | 38,299          | 40,896         |
| Non-current assets  | 604,776        | 655,163        | 89,479          | 99,512         |

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At its meeting on February 12, 2009, the Board of Directors approved a technical study prepared by the CFO's department of forecast 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 includes **Cemig** and its subsidiaries **Cemig GT** and **Cemig D** and was also submitted to Cemig's Audit Board, on February 5, 2009.

In accordance with the individual estimates of **Cemig** and its subsidiaries, future taxable profits enable the deferred tax asset existing on September 30, 2009 to be realized as follows:

|              | Consolidated | Holding company |
|--------------|--------------|-----------------|
| 2009         | 215,158      | 20,335          |
| 2010         | 273,422      | 23,953          |
| 2011         | 130,337      | 25,699          |
| 2012         | 114,957      | 25,699          |
| 2013         | 113,241      | 28,912          |
| 2014 to 2016 | 71,890       | 2,562           |
| 2017 to 2019 | 47,109       | 618             |
|              | 966,114      | 127,778         |

On September 30, 2009 the holding company had tax credits in the amount of R\$ 409,330 not recognized in its Quarterly Information.

The credits not recognized consists basically of the actual loss arising from the assignment of the credits of Accounts receivable from the Minas Gerais State Government to the Credit Receivables Fund in the first quarter of 2006 (as per Explanatory Note 12). As a result of this assignment, the Provision made in previous years for losses on recovery of the amounts became deductible for the purposes of income tax and Social Contribution. The portion not recognized in relation to this issue is R\$ 408,320.

Due to the provision of Brazilian tax legislation that allows companies to deduct payments of Interest on Equity from taxable profit, **Cemig** has 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, the Company 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:**

This table shows the reconciliation of the nominal expense on income tax (rate 25%) and Social Contribution tax (rate 9%) with the expense shown in the Income statement:

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|   | Consolidated     |                  | Holding company |                 |
|---|------------------|------------------|-----------------|-----------------|
|   | 09/30/2009       | 09/30/2008       | 09/30/2009      | 09/30/2008      |
| Profit before income tax and Social Contribution tax            | 2,289,901        | 2,645,084        | 1,526,497       | 1,734,874       |
| Income tax and Social Contribution nominal expense              | (778,566)        | (899,328)        | (519,009)       | (589,857)       |
| Tax effects applicable to:                                      |                  |                  |                 |                 |
| Equity gain (loss) from subsidiaries                            |                  |                  | 426,412         | 511,136         |
| Employees profit shares   | 33,717           | 22,332           | 920             | 787             |
| Non-deductible contributions and donations                      | (4,986)          | (5,529)          | (245)           | (204)           |
| Tax credits not recognized                                      | 1,709            | 335              | 81              | 9               |
| Adjustment to present value                                     |                  | (12,102)         |                 |                 |
| Amortization of goodwill  | (5,560)          | (4,160)          | (5,560)         | (4,160)         |
| Tax incentives  | 16,062           | 12,608           | 148             | 35              |
| Adjustment in income tax and Social Contribution tax prior year | (11,423)         | (7,746)          |                 | (8,488)         |
| Others  | 28,390           | 15,981           | 536             | (429)           |
| <b>Income tax and Social Contribution tax effective expense</b> | <b>(720,657)</b> | <b>(853,029)</b> | <b>(96,717)</b> | <b>(91,171)</b> |



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**c) Transition taxation regime:**

Provisional Measure 449/2008, of December 3, 2008, which was converted into Law 11941 of 2009, instituted the Transition Tax Regime (RTT), which aims to neutralize the impacts of the new accounting methods and criteria introduced by Law 11638/07, in calculation of the taxable amounts for federal taxes.

Application of the RTT is optional for the years 2008 and 2009, and obligatory starting in 2010, for corporate entities subject to Corporate Income Tax, in accordance with the systems of the two tax reporting methods: the Real Profit and the Presumed Profit methods.

The Company opted for adoption of the RTT in the 2009 corporate tax return for calendar year 2008 and additionally will have until November 30, 2009 to prepare the Transition Accounting Tax Monitoring ( FCONT ) created by Normative Instruction 949/2009 of the Brazilian federal tax authority.

**12) ACCOUNTS RECEIVABLE FROM THE GOVERNMENT OF THE STATE OF MINAS GERAIS IN THE FORM OF RIGHTS TO RECEIVABLES**

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

The First Amendment to the CRC Agreement, signed on January 24, 2001, replaced the monetary updating unit in the agreement, which had been the Ufir, with the IGP-DI inflation index, backdated to November 2000, due to the abolition of the Ufir in October 2000.

Second and Third Amendments to the CRC Agreement were signed in October 2002, setting new conditions for amortization of the credits receivable from the Minas Gerais state government. The main clauses were:

(i) 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 Second and Third Amendments, respectively; and (iv) guarantee of retention, in full, of dividends owed to Minas Gerais state, for settlement of the Third Amendment.

**a) Fourth Amendment to the CRC Agreement**

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As a result of default in receipt of the credits specified in the Second and Third Amendments, the Fourth Amendment was signed, with the aim of making possible full receipt of the CRC balance through retention of dividends becoming payable to State Government. 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 a total of R\$ 4,231,937 on September 30, 2009.

The state government is amortizing this debt in 61 consecutive half-yearly installments, becoming due by June 30 and December 31 of each year, from June 2005 to June 2035. The amounts of the portions for amortization of the principal, updated by the IGP-DI inflation index, increase over the period, from R\$ 28,828 for the first installment, to R\$ 90,068 for the sixty-first (in currency of September 31, 2009).

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The debt is being amortized, as priority, by retention of 65% of the minimum obligatory dividends payable to the State Government. If the amount is not enough to amortize the portion becoming due, the retention may be of up to 65% of all and any amount of extraordinary dividends or extraordinary Interest on Equity. The dividends retained are to be used for amortization of the agreement 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 September 30, 2009, R\$ 76,905 had been amortized in advance, namely the installments of the Agreement to become due on December 31, 2009 and June 30, 2010.

The Fourth Amendment provides that, so as 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, as follows:

| Target  | Index required          |
|---|-------------------------|
| Debt / Ebitda                                 | Less than 2 (1)         |
| (Debt) / (Debt plus Stockholders equity)      | 40% or less (2)         |
| Capital expenditure and acquisition of assets | 40%, or less, 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) 50% or less, in certain situations also 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**, with estimation of the dividends that will be retained for amortization of the outstanding debtor balance on the CRC Agreement. 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 plus interest of 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.

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.

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Movement in the FIDC in 3Q09 was as follows:

|  | Consolidated and Holding company |
|--|----------------------------------|
| <b>Balance at June 30, 2009</b>                      | 1,813,461                        |
| Monetary updating on the senior units                | 23,795                           |
| Monetary updating on the subordinated units          | 17,554                           |
| Amortization of the senior units                     | (73,693)                         |
| <b>Balance on September 30, 2009</b>                 | <b>1,781,117</b>                 |
| <b>Composition of the FIDC on September 30, 2009</b> |                                  |
| - Senior units held by third parties                 | 927,631                          |
| - Subordinated units owned by Cemig                  | 849,970                          |
| Dividends retained by the Fund                       | 3,516                            |
|  | <b>853,486</b>                   |
| <b>Total</b>   | <b>1,781,117</b>                 |

A portion of the dividends proposed by the Executive Board and the Board of Directors, to be distributed to stockholders arising from the profit for 2008, are posted in Current liabilities. Of the dividends to be distributed, R\$ 105,119 is payable to the Minas Gerais State Government, of which R\$ 68,327 will be retained for settlement of part of the receivables on the CRC becoming due.

### c) Criterion of consolidation for 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 Quarterly Information presents 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 Non-current liabilities. Similarly, in the consolidation, the monetary updating of the FIDC has been recognized in full as a financial revenue, and in counterpart, the amount of the monetary updating of the senior units is recorded as a cost of debt.

### 13) REGULATORY ASSET PIS, PASEP AND COFINS TAXES

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.

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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 laid down by Aneel, as a Regulatory asset, and in counterpart, the expense on PIS, Pasep and Cofins taxes was reduced.

The Company expects reimbursement of this asset in the forthcoming tariff adjustments, in accordance with an administrative appeal filed with Aneel.

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## 14) INVESTMENTS

|   | Consolidated     |                  | Holding company  |                  |
|---|------------------|------------------|------------------|------------------|
|   | 09/30/2009       | 06/30/2009       | 09/30/2009       | 06/30/2009       |
| In subsidiaries and jointly controlled companies  |                  |                  |                  |                  |
| Cemig GT  |                  |                  | 4,324,787        | 4,058,641        |
| Cemig D   |                  |                  | 2,641,436        | 2,488,194        |
| Rio Minas Energia Participações                   |                  |                  | 340,600          | 329,384          |
| Infovias  |                  |                  | 277,528          | 271,380          |
| Gasmig  |                  |                  | 348,169          | 337,459          |
| Rosal Energia                                     |                  |                  | 67,999           | 100,637          |
| Sá Carvalho                                       |                  |                  | 66,598           | 109,582          |
| Horizontes Energia                                |                  |                  | 72,515           | 70,140           |
| Usina Térmica Ipatinga                            |                  |                  | 38,147           | 36,415           |
| Cemig PCH:  |                  |                  | 43,947           | 40,142           |
| Cemig Capim Branco Energia                        |                  |                  | 39,479           | 30,411           |
| Companhia Transleste de Transmissão               |                  |                  | 14,979           | 14,182           |
| UTE Barreiro                                      |                  |                  | 3,258            | 1,289            |
| Companhia Transudeste de Transmissão              |                  |                  | 9,493            | 9,082            |
| Central Hidrelétrica Pai Joaquim                  |                  |                  | 477              | 482              |
| Companhia Transirapé de Transmissão               |                  |                  | 7,197            | 6,822            |
| Transchile  |                  |                  | 27,029           | 33,309           |
| Efficientia                                       |                  |                  | 10,855           | 8,698            |
| Central Termelétrica de Cogeração                 |                  |                  | 157,524          | 156,116          |
| Companhia de Transmissão Centroeste de Minas      |                  |                  | 11,954           | 7,165            |
| Cemig Trading                                     |                  |                  | 3,656            | 3,009            |
| Empresa Paraense de Transmissão de Energia EPTE   |                  |                  | 42,321           | 38,002           |
| Empresa Norte de Transmissão de Energia ENTE      |                  |                  | 71,817           | 63,565           |
| Empresa Regional de Transmissão de Energia ERTE   |                  |                  | 13,251           | 11,615           |
| Empresa Amazonense de Transmissão de Energia EATE |                  |                  | 156,201          | 138,509          |
|   |                  |                  | 8,871            | 7,839            |
| Axxiom Soluções Tecnológicas                      |                  |                  | 2,760            | 2,377            |
|   |                  |                  | 8,802,848        | 8,374,446        |
| In consortia                                      | 1,132,256        | 1,123,354        |                  |                  |
| Goodwill on acquisition of stake in Rosal Energia |                  |                  | 29,010           | 30,391           |
| Goodwill on acquisition of stake in EPTE          |                  |                  | 63,993           | 62,726           |
| Goodwill on acquisition of stake in ENTE          |                  |                  | 95,573           | 93,622           |
| Goodwill on acquisition of stake in ERTE          |                  |                  | 23,150           | 22,655           |
| Goodwill on acquisition of stake in EATE          |                  |                  | 374,606          | 366,836          |
| Goodwill on acquisition of stake in ECTE          |                  |                  | 14,970           | 14,739           |
| In other investments                              | 23,090           | 23,955           | 3,505            | 3,508            |
|   | 1,155,346        | 1,147,309        | 604,807          | 594,477          |
|   | <b>1,155,346</b> | <b>1,147,309</b> | <b>9,407,655</b> | <b>8,968,923</b> |





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## a) The main information on the investees is as follows:

| Subsidiaries                                       | On September 30, 2009 |               |                    |                     |           |               |
|--|-----------------------|---------------|--------------------|---------------------|-----------|---------------|
|  | No. of shares         | Cemig stake % | Registered capital | Stockholders equity | Dividends | Profit (Loss) |
| Cemig GT   | 2,896,785,358         | 100.00        | 2,896,785          | 4,324,787           | 159,790   | 1,003,849     |
| Cemig D  | 2,261,997,787         | 100.00        | 2,261,998          | 2,641,436           | 113,653   | 279,078       |
| Rio Minas Energia                                  | 709,309,572           | 25.00         | 709,309            | 1,362,400           |           | 199,391       |
| Infovias   | 381,023,385           | 100.00        | 225,082            | 277,528             | 8,150     | 21,845        |
| Rosal Energia                                      | 46,944,467            | 100.00        | 46,944             | 67,999              |           | 16,744        |
| Sá Carvalho  | 361,200,000           | 100.00        | 36,833             | 66,598              |           | 21,185        |
| Gasmig   | 409,255,000           | 55.19         | 493,780            | 630,826             |           | 53,873        |
| Horizontes Energia                                 | 64,257,563            | 100.00        | 64,258             | 72,515              |           | 5,777         |
| Usina Térmica Ipatinga                             | 29,174,281            | 100.00        | 29,174             | 38,147              |           | 6,870         |
| Cemig PCH:   | 30,952,000            | 100.00        | 30,952             | 43,947              |           | 11,685        |
| Cemig Capim Branco Energia                         | 5,528,000             | 100.00        | 5,528              | 39,479              |           | 24,547        |
| Companhia Transleste de Transmissão                | 49,569,000            | 25.00         | 49,569             | 59,917              | 6,896     | 9,173         |
| UTE Barreiro                                       | 11,918,000            | 100.00        | 11,918             | 3,258               |           | 2,535         |
| Companhia Transudeste de Transmissão               | 30,000,000            | 24.00         | 30,000             | 39,555              | 483       | 5,557         |
| Central Hidrelétrica Pai Joaquim                   | 486,000               | 100.00        | 486                | 477                 |           | (10)          |
| Companhia Transirapé de Transmissão                | 22,340,490            | 24.50         | 22,340             | 29,375              |           | 4,763         |
| Transchile   | 27,840,000            | 49.00         | 48,340             | 47,894              |           | (18,384)      |
| Efficientia  | 6,051,994             | 100.00        | 6,052              | 10,855              |           | 4,541         |
| Central Termelétrica de Cogeração                  | 150,000,000           | 100.00        | 150,001            | 157,524             |           | 7,399         |
| Companhia de Transmissão Centroeste de Minas       | 51,000                | 51.00         | 51                 | 23,439              |           |               |
| Cemig Trading                                      | 160,297               | 100.00        | 160                | 3,656               |           | 3,463         |
| Empresa Paraense de Transmissão de Energia EPTE    | 45,000,010            | 39.33         | 69,569             | 107,616             | 2,348     | 25,623        |
| Empresa Norte de Transmissão de Energia ENTE       | 100,840,000           | 36.69         | 120,128            | 195,746             | 19,902    | 54,280        |
| Empresa Regional de Transmissão de Energia ERTE    | 23,400,000            | 36.69         | 23,400             | 36,120              | 6,480     | 10,780        |
| Empresa Amazonense de Transmissão de Energia EATE  | 180,000,010           | 35.34         | 273,469            | 441,988             | 3,687     | 117,082       |
| Empresa Catarinense de Transmissão de Energia ECTE | 42,095,000            | 13.37         | 42,095             | 66,368              | 14,747    | 18,398        |
| Axxiom Soluções Tecnológicas                       | 7,200,000             | 49.00         | 7,200              | 5,632               |           | (810)         |

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| Subsidiaries                                       | Number of shares | Cemig stake % | At June 30, 2009   | Stockholders equity | January to September 2008 |               |
|--|------------------|---------------|--------------------|---------------------|---------------------------|---------------|
|  |                  |               | Registered capital |                     | Dividends                 | Profit (Loss) |
| Cemig GT   | 2,896,785,358    | 100.00        | 2,896,785          | 4,058,641           | 139,007                   | 776,977       |
| Cemig D  | 2,261,997,787    | 100.00        | 2,261,998          | 2,488,194           | 113,529                   | 666,037       |
| Rio Minas Energia                                  | 709,309,572      | 25.00         | 709,309            | 1,317,534           |                           | 385,208       |
| Infovias   | 381,023,385      | 100.00        | 225,082            | 271,380             |                           | 13,829        |
| Rosal Energia                                      | 86,944,467       | 100.00        | 86,944             | 100,637             |                           | 15,841        |
| Sá Carvalho  | 860,000,000      | 100.00        | 86,833             | 109,582             |                           | 19,306        |
| GASMIG   | 409,255,000      | 55.19         | 474,497            | 611,421             |                           | 62,204        |
| Horizontes Energia                                 | 64,257,563       | 100.00        | 64,258             | 70,140              |                           | 6,540         |
| Usina Térmica Ipatinga                             | 64,174,281       | 100.00        | 64,174             | 36,415              |                           | 7,511         |
| Cemig PCH  | 50,952,000       | 100.00        | 50,952             | 40,142              |                           | 7,804         |
| Cemig Capim Branco Energia                         | 45,528,000       | 100.00        | 45,528             | 30,411              | 5,392                     | 26,256        |
| Companhia Transleste de Transmissão                | 49,569,000       | 25.00         | 49,569             | 56,729              |                           | 6,284         |
| UTE Barreiro                                       | 11,918,000       | 100.00        | 11,918             | 1,289               |                           | (2,063)       |
| Companhia Transudeste de Transmissão               | 30,000,000       | 24.00         | 30,000             | 37,847              |                           | 2,527         |
| Central Hidrelétrica Pai Joaquim                   | 486,000          | 100.00        | 486                | 482                 |                           | 2             |
| Companhia Transirapé de Transmissão                | 22,340,490       | 24.50         | 22,340             | 27,846              |                           | 1,659         |
| Transchile   | 27,840,000       | 49.00         | 61,563             | 67,976              |                           |               |
| Efficientia  | 6,051,994        | 100.00        | 6,052              | 8,698               |                           | 3,721         |
| Central Termelétrica de Cogeração                  | 150,000,000      | 100.00        | 150,001            | 156,116             |                           | 141           |
| Companhia de Transmissão Centroeste de Minas       | 51,000           | 51.00         | 51                 | 14,051              |                           |               |
| Cemig Trading                                      | 160,297          | 100.00        | 160                | 3,009               |                           | 23,171        |
| Empresa Paraense de Transmissão de Energia EPTE    | 45,000,010       | 38.35         | 69,569             | 99,077              | 10,414                    | 16,608        |
| Empresa Norte de Transmissão de Energia ENTE       | 100,840,000      | 35.78         | 120,128            | 177,641             |                           | 30,483        |
| Empresa Regional de Transmissão de Energia ERTE    | 23,400,000       | 35.78         | 23,400             | 32,463              |                           | 7,259         |
| Empresa Amazonense de Transmissão de Energia EATE  | 180,000,010      | 34.47         | 273,469            | 401,849             | 42,459                    | 65,630        |
| Empresa Catarinense de Transmissão de Energia ECTE | 42,095,000       | 13.08         | 42,095             | 59,924              |                           | 15,699        |
| Axxiom Soluções Tecnológicas                       | 4,200,000        | 49.00         | 4,200              | 4,851               |                           | (338)         |

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The movement in investment in subsidiaries is as follows:

|   | 30.06.2009       | Equity gain<br>(loss) | Injection<br>(reduction)<br>of capital | Dividends<br>proposed | Others         | 30.09.2009       |
|---|------------------|-----------------------|--|-----------------------|----------------|------------------|
| Cemig GT  | 4,058,641        | 319,211               |  | (52,654)              | (411)          | 4,324,787        |
| Cemig D   | 2,488,194        | 190,693               |  | (37,451)              |                | 2,641,436        |
| Rio Minas Energia                                     | 329,384          | 11,216                |  |                       |                | 340,600          |
| Infovias  | 271,380          | 6,148                 |  |                       |                | 277,528          |
| Rosal Energia   | 100,637          | 7,362                 | (40,000)                               |                       |                | 67,999           |
| Sá Carvalho   | 109,582          | 7,016                 | (50,000)                               |                       |                | 66,598           |
| Gasmig  | 337,459          | 10,623                |  |                       | 87             | 348,169          |
| Horizontes Energia                                    | 70,140           | 2,375                 |  |                       |                | 72,515           |
| Usina Térmica Ipatinga                                | 36,415           | 1,732                 |  |                       |                | 38,147           |
| Cemig PCH:  | 40,142           | 3,805                 |  |                       |                | 43,947           |
| Cemig Capim Branco Energia                            | 30,411           | 9,068                 |  |                       |                | 39,479           |
| Companhia Transleste de Transmissão                   | 14,182           | 797                   |  |                       |                | 14,979           |
| UTE Barreiro  | 1,289            | 1,968                 |  |                       | 1              | 3,258            |
| Companhia Transudeste de<br>Transmissão               | 9,082            | 410                   |  |                       | 1              | 9,493            |
| Central Hidrelétrica Pai Joaquim                      | 482              | (5)                   |  |                       |                | 477              |
| Companhia Transirapé de Transmissão                   | 6,822            | 375                   |  |                       |                | 7,197            |
| Transchile  | 33,309           | (9,008)               | 5,405                                  |                       | (2,677)        | 27,029           |
| Efficientia   | 8,698            | 2,156                 |  |                       | 1              | 10,855           |
| Central Termelétrica de Cogeração                     | 156,116          | 1,407                 |  |                       | 1              | 157,524          |
| Companhia de Transmissão Centroeste<br>de Minas       | 7,165            | 4,789                 |  |                       |                | 11,954           |
| Cemig Trading   | 3,009            | 646                   |  |                       | 1              | 3,656            |
| Empresa Paraense de Transmissão de<br>Energia EPTE    | 38,002           | 3,165                 | 1,153                                  |                       | 1              | 42,321           |
| Empresa Norte de Transmissão de<br>Energia ENTE       | 63,565           | 6,642                 | 1,610                                  |                       |                | 71,817           |
| Empresa Regional de Transmissão de<br>Energia ERTE    | 11,615           | 1,342                 | 294                                    |                       |                | 13,251           |
| Empresa Amazonense de Transmissão<br>de Energia EATE  | 138,509          | 13,070                | 4,553                                  |                       | 69             | 156,201          |
| Empresa Catarinense de Transmissão<br>de Energia ECTE | 7,839            | 861                   | 170                                    |                       | 1              | 8,871            |
| Axxiom Soluções Tecnológicas                          | 2,377            | (109)                 | 490                                    |                       | 2              | 2,760            |
|   | <b>8,374,446</b> | <b>597,755</b>        | <b>(76,325)</b>                        | <b>(90,105)</b>       | <b>(2,923)</b> | <b>8,802,848</b> |

**b) Goodwill on the acquisition 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 is being amortized from October 2006 to May 2026, the date of the termination of the distribution concession, on a straight-line basis. The remaining value of the discount (R\$ 77,322) is presented in the consolidation as a non-current asset, in the account line Other obligations.

c) **Goodwill on acquisition of stake in electricity transmission companies in 2006**

The goodwill on the acquisition of the electricity companies:

Empresa Amazonense de Transmissão de Energia S.A. EATE,

Empresa Paraense de Transmissão de Energia S.A. EPTE,

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 difference between the amount paid and the book value of the stake in the stockholders' equity of the jointly-controlled subsidiaries, arises from the expectation of future earnings on the basis of the commercial operation of the transmission concessions. The goodwill will be amortized over the remaining period of the concessions (from August 2006 to 2030/2032).

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In the consolidated Quarterly Information the value of the goodwill has been incorporated into Intangible assets, on the basis of the value attributed to the use of the concession.

**d) Goodwill on the acquisition of stakes in wind farms in 2009**

The goodwill on the acquisition of the electricity companies: **Central Eólica Praias de Parajuru S.A.**, **Central Eólica Praias de Morgado S.A.** and **Central Eólica Volta do Rio S.A.**, corresponding to the difference between the amount paid and the accounting value of the stake in the stockholders' equity of the jointly-controlled subsidiaries arises from added value of the concession as a function of its commercial operation in the period specified by the regulator. The goodwill will be amortized over the remaining period of validity of the concessions.

The net consolidated assets acquired of the Wind power companies at August 14, 2009 are as follows:

|   | Morgado       | Parajuru      | Volta do Rio   | Total          |
|---|---------------|---------------|----------------|----------------|
| <b>ASSETS</b>                                 |               |               |                |                |
| Currant assets                                | 7,128         | 7,257         | 86,527         | 100,912        |
| Property, plant and equipment                 | 81,067        | 88,254        | 71,033         | 240,354        |
| Other assets                                  | 1,503         | 177           |                | 1,680          |
| <b>TOTAL ASSETS</b>                           | <b>89,698</b> | <b>95,688</b> | <b>157,560</b> | <b>342,946</b> |
| <b>LIABILITIES</b>                            |               |               |                |                |
| Current liabilities                           | 1,449         | 6,024         | 12,606         | 20,079         |
| Long-term financing                           | 62,007        | 55,281        | 86,167         | 203,455        |
| Other long-term liabilities                   | 343           |               | 1,500          | 1,843          |
| <b>TOTAL LIABILITIES</b>                      | <b>63,799</b> | <b>61,305</b> | <b>100,273</b> | <b>225,377</b> |
| <b>NET CONSOLIDATED ASSETS</b>                | <b>25,899</b> | <b>34,383</b> | <b>57,287</b>  | <b>117,569</b> |
| Total purchase price with goodwill            | 25,899        | 34,383        | 57,287         | 117,569        |
| Goodwill in the acquisition                   | 43,843        | 31,163        | 30,808         | 105,814        |
| Total purchase price                          | <b>69,742</b> | <b>65,546</b> | <b>88,095</b>  | <b>223,383</b> |
| Cash and Cash equivalentes                    | (4,781)       | (4,007)       | (13,216)       | (22,004)       |
| Cash flow less cash acquisition of subsidiary | 64,961        | 61,540        | 74,879         | 201,380        |

Table of Contentse) **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<br>electricity<br>generated<br>% | Average<br>annual<br>depreciation<br>rate<br>% | Consolidated<br>09/30/2009 | Consolidated<br>06/30/2009 |
|-----------------------------|---|--|----------------------------|----------------------------|
| <b>In service</b>           |   |  |                            |                            |
| 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   | 181,595                    | 181,595                    |
| Queimado Plant              | 82.50   | 2.45   | 206,724                    | 193,599                    |
| Aimorés Plant               | 49.00   | 2.50   | 549,538                    | 549,538                    |
| Amador Aguiar I e II Plants | 21.05   | 2.51   | 55,588                     | 54,466                     |
| Accumulated depreciation    |   |  | (131,476)                  | (128,345)                  |
| Total, in service           |   |  | 956,148                    | 945,032                    |
| <b>In progress</b>          |   |  |                            |                            |
| Queimado Plant              | 82.50   |  |                            | 13,125                     |
| Funil Plant                 | 49.00   |  | 1,008                      | 872                        |
| Aimorés Plant               | 49.00   |  | 1,058                      |                            |
| Baguari Plant               | 34.00   |  | 174,042                    | 164,325                    |
| Total, under progress       |   |  | 176,108                    | 178,322                    |
| <b>Total, consortia</b>     |   |  | <b>1,132,256</b>           | <b>1,123,354</b>           |

The depreciation of the goods contained in the property, plant and equipment of the consortia is calculated by the straight-line method, based on rates established by Aneel.

f) **New acquisitions**Acquisition of 65.85% of Terna Participações S.A.

On April 23, 2009 **Cemig GT** acquired, from **Terna S.p.A.**, 65.85% of **Terna Participações S.A.**, a holding company operating in electricity transmission, with a presence in 11 of Brazil's States, for R\$ 2.15 billion. The holding company controls a total of six companies which, in aggregate, operate a total of more than 3,750 km of transmission lines.

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On August 5, 2009 **Cemig**'s Board of Directors approved, as an alternative to acquisition of all of the shares of **Terna Participações S.A.** (**Terna**) held by **Terna Rete Elettrica Nazionale S.p.A** (**Terna S.p.A**), as specified as optional under the Share Purchase Agreement signed on that date between **Cemig GT** and **Terna S.p.A.**, the possibility of reduction of the final stockholding interest to be held by **Cemig GT** in **Terna**, in that acquisition, to a minimum level of 50% less 1 (one) of the common shares in **Terna**, and, as to the preferred shares, to a minimum representing the percentage realized by the Public Offer to purchase the shares of the minority stockholders in that company, through a partnership to be constituted with **Fundo de Investimentos em Participação Coliseu** (**FIP Coliseu**).

On October 19, 2009 **Cemig GT** published its announcement of completion of the public distribution of units of the First Issue by **FIP Coliseu**, structured by **Banco Modal S.A.**, in the total amount of R\$ 1,330,000. The amount was sufficient for that fund to acquire 51% of the common shares of **Terna Participações S.A.** (**Terna**). A meeting of the Board of Directors has been scheduled to decide on the contractual instruments that will regulate the Company's partnership with **FIP Coliseu** in the acquisition of 100% of the shares of **Terna** held by **Terna Rete Elettrica Nazionale S.p.A** (**Terna S.p.A**), subject of the Share Purchase Agreement signed on April 23, 2009 between **Cemig GT** and **Terna S.p.A.** as announced on that date.

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On November 3, 2009 that Share Purchase Agreement signed with **Terna S.p.A.** was settled, with payment and transfer of the shares owned by **Terna** to **Transmissora do Atlântico de Energia Elétrica S.A. Taesa**, in which **Cemig GT** holds 49% of the registered capital.

The purchase was of 173,527,113 common shares, representing approximately 65.85% of the total capital of Terna.

The stockholders of **Taesa** are **Cemig GT** and **Fundo de Investimentos em Participações Coliseu**. On a date to be announced, **Taesa** will make a public offer for acquisition of the shares of **Terna** in circulation, to ensure that the other stockholders of **Terna** receive the same treatment given to **Terna S.p.A.**

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 projects in partnership with **Light**: the *Itaocara* Hydro Project, and the *Paracambi* and *Lajes* Small Hydro Plants (PCHs); and to enter into the following contracts between **Cemig GT** and subsidiaries of **Light**, for constitution of consortia: 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 object in all cases being analysis of technical and economic feasibility, preparation of the plans, construction, operation, maintenance and commercial operation of the respective projects. All these private contracts are pending authorizations or consents from the competent regulatory bodies, including Aneel.

15) FIXED ASSETS

|  | Consolidated      |                          |                   |                   |
|--|-------------------|--------------------------|-------------------|-------------------|
|  |                   | 09/30/2009               |                   | 06/30/2009        |
|  | Historic cost     | Accumulated depreciation | Net value         | Net value         |
| <b>In service</b>                            | <b>22,033,660</b> | <b>(9,773,894)</b>       | <b>12,259,766</b> | <b>11,943,841</b> |
| Distribution                                 | 11,770,890        | (5,334,639)              | 6,436,251         | 6,140,358         |
| Generation                                   | 7,388,091         | (3,178,940)              | 4,209,151         | 4,176,177         |
| Transmission                                 | 1,989,246         | (762,863)                | 1,226,383         | 1,234,181         |
| Management                                   | 407,684           | (282,885)                | 124,799           | 131,362           |
| Telecoms                                     | 364,344           | (182,520)                | 181,824           | 179,033           |
| Gas  | 113,405           | (32,047)                 | 81,358            | 82,730            |
| <b>In progress</b>                           | <b>2,436,560</b>  |                          | <b>2,436,560</b>  | <b>2,150,329</b>  |
| Distribution                                 | 1,110,287         |                          | 1,110,287         | 1,289,038         |
| Generation                                   | 570,719           |                          | 570,719           | 347,712           |
| Transmission                                 | 250,133           |                          | 250,133           | 177,063           |
| Management                                   | 247,354           |                          | 247,354           | 148,068           |
| Telecoms                                     | 35,010            |                          | 35,010            | 33,830            |
| Gas  | 223,057           |                          | 223,057           | 154,618           |
| <b>Total fixed assets</b>                    | <b>24,470,220</b> | <b>(9,773,894)</b>       | <b>14,696,326</b> | <b>14,094,170</b> |
| Special Obligations linked to the concession | (2,704,967)       | 176,490                  | (2,528,477)       | (2,536,421)       |



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|                  |            |             |            |            |
|------------------|------------|-------------|------------|------------|
| Net fixed assets | 21,765,253 | (9,597,404) | 12,167,849 | 11,557,749 |
|------------------|------------|-------------|------------|------------|

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.

Under Aneel Resolution 234 of October 2006, amended by Resolution 338 of November 25, 2008 and Aneel Circular 1314 of June 27, 2007, the balances of the Special Obligations linked to assets will now be amortized as from the second Tariff Review cycle of **Cemig D** and **Light** (in 2008), at a percentage corresponding to the average rate of depreciation of the assets.

Some land sites and buildings of the subsidiaries, registered in Fixed assets Administration, have been given in guarantee for lawsuits involving tax, labor-law, civil disputes and other contingencies in the net amount, net of depreciation, of R\$ 7,519 on September 30, 2009 (R\$ 7,661 on June 30, 2009).

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## 16) INTANGIBLE

|                        | Historic cost    | Consolidated     |                          | 06/30/2009     |
|------------------------|------------------|------------------|--------------------------|----------------|
|                        |                  | 09/30/2009       | Accumulated amortization |                |
| <b>In service</b>      | <b>1,224,861</b> | <b>(311,885)</b> | <b>912,976</b>           | <b>720,645</b> |
| Distribution           | 57,301           | (40,344)         | 16,957                   | 17,129         |
| Generation             | 179,575          | (81,989)         | 97,586                   | 34,443         |
| Transmission           | 626,536          | (38,868)         | 587,668                  | 606,417        |
| Management             | 359,067          | (150,684)        | 208,383                  | 60,831         |
| Telecoms               | 712              |                  | 712                      | 265            |
| Gas                    | 1,670            |                  | 1,670                    | 1,560          |
| <b>In progress</b>     | <b>145,524</b>   |                  | <b>145,524</b>           | <b>224,912</b> |
| Distribution           | 10,305           |                  | 10,305                   | 51,820         |
| Generation             | 106,851          |                  | 106,851                  | 32,917         |
| Transmission           | 2,196            |                  | 2,196                    | 1,585          |
| Management             | 26,172           |                  | 26,172                   | 138,590        |
| <b>Intangible, net</b> | <b>1,370,385</b> | <b>(311,885)</b> | <b>1,058,500</b>         | <b>945,557</b> |

## 17) SUPPLIERS

|   | Consolidated |            | Holding company |            |
|---|--------------|------------|-----------------|------------|
|   | 09/30/2009   | 06/30/2009 | 09/30/2009      | 06/30/2009 |
| <b>Current</b>                                      |              |            |                 |            |
| Wholesale supply and transport of electricity -     |              |            |                 |            |
| Eletróbrás energy from Itaipu                       | 162,707      | 177,538    |                 |            |
| Furnas  | 56,337       | 52,924     |                 |            |
| CCEE  | 32,257       | 63,313     |                 |            |
| Others  | 269,915      | 211,594    |                 |            |
|   | 521,216      | 505,369    |                 |            |
| Materials and services                              | 226,991      | 261,481    | 5,687           | 5,762      |
|   | 748,207      | 766,850    | 5,687           | 5,762      |
| <b>Non-current (*)</b>                              |              |            |                 |            |
| Wholesale electricity supply -                      |              |            |                 |            |
| Purchase of Free Energy during the rationing period | 122          | 78         |                 |            |
| Other generators and distributors                   | 1,277        | 1,095      |                 |            |
| Materials and services                              | 1,745        | 1,655      |                 |            |
|   | 3,144        | 2,828      |                 |            |

(\*) Presented in the line Other obligations

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

|                             | Consolidated |  |            | Holding company |  |            |
|-----------------------------|--------------|--|------------|-----------------|--|------------|
|                             | 09/30/2009   |  | 06/30/2009 | 09/30/2009      |  | 06/30/2009 |
| <b>Current</b>              |              |  |            |                 |  |            |
| Income tax                  | 571,448      |  | 376,501    | 42,061          |  | 27,809     |
| Social Contribution tax     | 199,462      |  | 132,580    | 15,384          |  | 10,616     |
| ICMS tax                    | 299,697      |  | 287,537    | 18,091          |  | 18,095     |
| Cofins tax                  | 76,763       |  | 74,197     | 6,835           |  | 14,546     |
| Pasep tax                   | 19,632       |  | 18,962     | 1,483           |  | 3,158      |
| Social security system      | 18,677       |  | 19,182     | 1,417           |  | 1,393      |
| Others                      | 31,919       |  | 20,798     | 905             |  | 900        |
|                             | 1,217,776    |  | 929,757    | 86,176          |  | 76,517     |
| <b>Deferred obligations</b> |              |  |            |                 |  |            |
| Income tax                  | 38,361       |  | 42,905     |                 |  |            |
| Social Contribution tax     | 12,589       |  | 15,451     |                 |  |            |
| Cofins tax                  | 6,491        |  | 8,904      |                 |  |            |
| Pasep tax                   | 1,409        |  | 1,933      |                 |  |            |
|                             | 58,850       |  | 69,193     |                 |  |            |
|                             | 1,276,448    |  | 998,950    | 86,176          |  | 76,517     |
| <b>Non-current</b>          |              |  |            |                 |  |            |
| <b>Deferred obligations</b> |              |  |            |                 |  |            |
| Income tax                  | 251,311      |  | 242,167    |                 |  |            |
| Social Contribution tax     | 63,132       |  | 59,913     |                 |  |            |
| Cofins tax                  | 236,598      |  | 189,694    |                 |  |            |
| Pasep tax                   | 51,097       |  | 40,833     |                 |  |            |
| Others                      | 7,035        |  | 6,338      |                 |  |            |
|                             | 609,173      |  | 538,945    |                 |  |            |

The deferred obligations under *Current* refer basically to the assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory issues, and become due as and when these assets and liabilities are realized.

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 obtained a Court injunction enabling it not to make the payment, and authorizing payment into Court starting in 2008, in the amount of R\$ 204,745.

The non-current deferred obligations for income tax and Social Contribution tax refer 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 and adjustment to present value of financial instruments, implemented by the change in the Corporate Law, to be reversed as and when realized.



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

| FINANCING SOURCES                                    | Principal<br>maturity | Annual financial cost<br>(%)                         | Currency | Current        | Consolidated              |                | 06/30/2009<br>Total |
|--|-----------------------|--|----------|----------------|---------------------------|----------------|---------------------|
|  |                       |  |          |                | 09/30/2009<br>Non-current | Total          |                     |
| <b>FOREIGN CURRENCY</b>                              |                       |  |          |                |                           |                |                     |
| ABN Amro Bank N.A. (3)                               | 2013                  | 6.00   | US\$     | 23,708         | 66,679                    | 90,387         | 97,710              |
| ABN Amro Real S.A.(4)                                | 2009                  | 6.35   | US\$     | 7,058          |                           | 7,058          | 7,392               |
| Banco do Brasil Various bonds<br>(1)                 | 2024                  | Various  | US\$     | 11,070         | 62,994                    | 74,064         | 72,107              |
| Banco do Brasil (5)                                  | 2009                  | 3.90   | JPY      | 79,182         |                           | 79,182         | 80,214              |
| Banco Paribas  | 2012                  | 5.89   | Euro     | 2,942          | 4,345                     | 7,287          | 9,361               |
| Banco Paribas  | 2010                  | Libor + 1.875  | US\$     | 21,053         |                           | 21,053         | 22,860              |
| KFW  | 2016                  | 4.50   | Euro     | 1,861          | 11,152                    | 13,013         | 13,553              |
| Unibanco (6)   | 2009                  | 6.50   | US\$     | 8,539          |                           | 8,539          | 9,221               |
| Unibanco (7)   | 2009                  | 6.50   | US\$     | 3,700          |                           | 3,700          | 4,005               |
| Unibanco (8)   | 2009                  | 5.00   | US\$     | 15,517         |                           | 15,517         | 16,817              |
| Brazilian National Treasury (10)                     | 2024                  | Libor + Spread                                       | US\$     | 4,375          | 23,479                    | 27,854         | 27,071              |
| Santander (13)                                       | 2009                  | 7.00   | US\$     | 9,550          |                           | 9,550          | 5,328               |
| Banco do Brasil                                      | 2009                  | 8.66   | US\$     | 2,433          |                           | 2,433          | 2,707               |
| Banco InterAmericano del<br>Desarrollo (13)          | 2026                  | 4.20   | US\$     | 374            | 32,368                    | 32,742         | 40,944              |
| Others   | 2025                  | Various  | Various  | 8,581          | 4,479                     | 13,060         | 14,610              |
| <b>Debt in foreign currency</b>                      |                       |  |          | <b>199,943</b> | <b>205,496</b>            | <b>405,439</b> | <b>423,900</b>      |
| <b>BRAZILIAN CURRENCY</b>                            |                       |  |          |                |                           |                |                     |
| Banco Credit Suisse First Boston<br>S.A.             | 2010                  | 106.00 of CDI  | R\$      | 75,157         |                           | 75,157         | 75,164              |
| Banco do Brasil                                      | 2009                  | 111.00 of CDI  | R\$      | 131,356        |                           | 131,356        | 128,244             |
| Banco do Brasil                                      | 2013                  | CDI + 1.70%  | R\$      | 20,646         | 96,625                    | 117,271        | 116,241             |
| Banco do Brasil                                      | 2013                  | 107.60 of CDI  | R\$      | 5,031          | 126,000                   | 131,031        | 128,020             |
| Banco do Brasil                                      | 2014                  | 104.10 of CDI  | R\$      | 48,992         | 1,200,000                 | 1,248,992      | 1,221,213           |
| Banco Itaú BBA                                       | 2014                  | CDI + 1.70%  | R\$      | 63,736         | 258,311                   | 322,047        | 325,034             |
| Banco Votorantim                                     | 2010                  | 113.50 of CDI  | R\$      | 1,391          | 54,371                    | 55,762         | 54,412              |
| Banco Votorantim                                     | 2013                  | CDI + 1.70%  | R\$      | 26,820         | 76,302                    | 103,122        | 102,574             |
| Brazilian Development Bank<br>(BNDES)                | 2026                  | TJLP +2.34   | R\$      | 3,231          | 116,097                   | 119,328        | 108,980             |
| Bradesco   | 2014                  | CDI + 1.70%  | R\$      | 80,712         | 322,617                   | 403,329        | 395,086             |
| Debentures (12)                                      | 2009                  | CDI + 1.20%  | R\$      | 388,234        |                           | 388,234        | 378,768             |
| Debentures (12)                                      | 2011                  | 104.00 of CDI  | R\$      | 24,567         | 238,816                   | 263,383        | 257,531             |
| Debentures Minas Gerais state<br>government(12) (15) | 2031                  | IGP-M  | R\$      |                | 35,978                    | 35,978         | 34,934              |
| Debentures (12)                                      | 2014                  | IGP-M + 10.50%                                       | R\$      | 10,302         | 300,784                   | 311,086        | 304,406             |
| Debentures (12)                                      | 2017                  | IPCA + 7.96  | R\$      | 27,276         | 439,751                   | 467,027        | 455,185             |
| Eletrobrás   | 2013                  | Finel + 7.50 to 8.50<br>Ufir, RGR + 6.00 to<br>8.00% | R\$      | 12,326         | 39,031                    | 51,357         | 54,480              |
| Eletrobrás   | 2023                  |  | R\$      | 42,470         | 320,317                   | 362,787        | 346,874             |
| Santander  | 2013                  | CDI + 1.70%  | R\$      | 21,365         | 59,755                    | 81,120         | 80,748              |
| Unibanco   | 2009                  | CDI + 2.98%  | R\$      | 109,513        |                           | 109,513        | 106,371             |
| Unibanco   | 2013                  | CDI + 1.70%  | R\$      | 61,507         | 270,342                   | 331,849        | 334,339             |
| Banco do Nordeste do Brasil                          | 2010                  | TR + 7.30  | R\$      | 55,727         |                           | 55,727         | 72,897              |
| Unibanco (2)   | 2013                  | CDI + 1.70%  | R\$      | 21,420         | 55,190                    | 76,610         | 74,651              |
| Itaú and Bradesco (9)                                | 2015                  | CDI + 1.70%  | R\$      | 139,657        | 787,974                   | 927,631        | 977,529             |
| Minas Gerais Development<br>Bank                     | 2025                  | 10.00  | R\$      | 690            | 9,197                     | 9,887          | 10,049              |
| Banco do Brasil(14)                                  | 2020                  | TJLP + 2.55  | R\$      | 683            | 28,223                    | 28,906         | 29,588              |
| Unibanco(14)   | 2021                  | TJLP + 2.55  | R\$      | 172            | 7,018                     | 7,190          | 7,364               |
| BNDES Finem (10)                                     | 2014                  | TR + 4.30  | R\$      | 21,076         | 82,615                    | 103,691        | 108,876             |
| Debentures I and IV (10)                             | 2010/2015             | TJLP + 4.00  | R\$      | 1,965          | 24                        | 1,989          | 4,046               |

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|   |           |               |     |                  |                  |                  |                  |
|---|-----------|---------------|-----|------------------|------------------|------------------|------------------|
| Debentures V (10)                                   | 2014      | CDI + 1.50%   | R\$ | 18,482           | 221,675          | 240,157          | 241,673          |
| Debentures VI (10)                                  | 2011      | 115 of CDI    | R\$ | 2,501            | 73,841           | 76,342           |                  |
| CCB Bradesco (10)                                   | 2017      | CDI + 0.85%   | R\$ | 12,746           | 112,500          | 125,246          | 122,304          |
| ABN Amro (10)                                       | 2010      | CDI + 0.95%   | R\$ | 20,180           |                  | 20,180           | 20,761           |
| Itaú (10)   | 2010      | 125 of CDI    | R\$ |                  |                  | 0                | 25,382           |
| Regional Development Bank of the Extreme South (16) |           |               |     |                  |                  |                  |                  |
| Unibanco (16)                                       | 2022      | TJLP + 4.55   | R\$ | 548              | 6,099            | 6,647            | 6,591            |
| Unibanco (16)                                       | 2021      | TJLP + 4.55   | R\$ | 186              | 2,055            | 2,241            | 2,452            |
| Banco Itaú (16)                                     | 2022      | TJLP + 4.55   | R\$ | 559              | 6,155            | 6,714            | 6,650            |
| Unibanco(16)  | 2022      | IGP-M + 9.85% | R\$ | 647              | 4,195            | 4,842            | 4,481            |
| BNDES (17)  | 2033      | TJLP + 2.4    | R\$ |                  | 171,408          | 171,408          | 162,354          |
| Debentures (17)                                     | 2013      | IPCA + 6.5    | R\$ |                  | 157,703          | 157,703          | 154,503          |
| BNDES Principal Subcredit A/B/C/D (11)              |           |               |     |                  |                  |                  |                  |
| A/B/C/D (11)  | 2014/2016 | Various       | R\$ | 43,648           | 236,346          | 279,994          | 282,037          |
| CCB Banco Bradesco (18)                             | 2009      | CDI + 0.84%   | R\$ | 7,350            |                  | 7,350            | 2,028            |
| Caixa Ec. Fed. (Federal Savings Bank) (19)          |           |               |     |                  |                  |                  |                  |
| Caixa Ec. Fed. (Federal Savings Bank) (20)          | 2022      | TJLP + 3.5    | R\$ |                  | 62,462           | 62,462           |                  |
| Caixa Ec. Fed. (Federal Savings Bank) (21)          | 2021      | TJLP + 3.5    | R\$ |                  | 55,863           | 55,863           |                  |
| Caixa Ec. Fed. (Federal Savings Bank) (21)          | 2022      | TJLP + 3.5    | R\$ |                  | 86,730           | 86,730           |                  |
| Others  | 2017      | Various       | R\$ | 6,120            | 31,902           | 38,021           | 39,293           |
| <b>Debt in Brazilian currency</b>                   |           |               |     | <b>1,508,989</b> | <b>6,154,272</b> | <b>7,663,261</b> | <b>7,364,113</b> |
| <b>Overall total, consolidated</b>                  |           |               |     | <b>1,708,932</b> | <b>6,359,768</b> | <b>8,068,700</b> | <b>7,788,013</b> |

- (1) Interest rates vary: 2.00 to 8.00 % p.a.;  
Six-month Libor plus spread of 0.81 to 0.88% per year;
- (2) Loan 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 12;
- (10) Loans, financings and debentures of RME (Light).

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- (11) Consolidated loans and financings of the transmission companies acquired in August 2006.  
 (12) Nominal, unsecured, book-entry debentures not convertible into shares, without preference.  
 (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 contracted for the jointly-controlled subsidiary Madeira Energia.  
 (18) Loan contracted for the jointly-controlled subsidiary Hidrelétrica Pipoca S.A.  
 (19) Loan contracted for the jointly-controlled subsidiary Praia de Morgado S.A. .  
 (20) Loan contracted for the jointly-controlled subsidiary Praia de Parajuru S.A. .  
 (21) Loan contracted for the jointly-controlled subsidiary Praia de Volta do Rio S.A.

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<br>and<br>subsequent<br>years | Total            |
|--------------------------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|----------------|------------------------------------|------------------|
| <b>Currency</b>                      |                  |                |                  |                  |                  |                  |                |                |                                    |                  |
| US dollar                            | 71,324           | 51,122         | 35,877           | 32,947           | 29,898           | 4,897            | 2,176          | 2,176          | 72,072                             | 302,489          |
| Euro                                 | 1,048            | 4,613          | 4,613            | 3,164            | 1,716            | 1,716            | 1,716          | 1,714          |                                    | 20,300           |
| Yen                                  | 79,182           |                |                  |                  |                  |                  |                |                |                                    | 79,182           |
| UMBNDDES ( ** )                      | 181              | 445            | 332              | 332              | 332              | 332              | 332            | 332            | 850                                | 3,468            |
|                                      | <b>151,735</b>   | <b>56,180</b>  | <b>40,822</b>    | <b>36,443</b>    | <b>31,946</b>    | <b>6,945</b>     | <b>4,224</b>   | <b>4,222</b>   | <b>72,922</b>                      | <b>405,439</b>   |
| <b>Indexor</b>                       |                  |                |                  |                  |                  |                  |                |                |                                    |                  |
| IPCA (Expanded Consumer Price Index) | 27,276           | 613            | 1,225            | 103,121          | 55,197           |                  | 146,584        | 146,584        | 146,583                            | 627,183          |
| Ufir (Fiscal Reference Unit)         | 10,442           | 45,576         | 53,334           | 49,853           | 44,203           | 42,836           | 38,290         | 30,877         | 48,458                             | 363,869          |
| Interbank CD - CDI                   | 815,877          | 646,464        | 807,724          | 947,051          | 1,095,475        | 649,492          | 241,523        | 19,373         | 22,073                             | 5,245,052        |
| Eletrobrás Finel internal index      | 3,082            | 12,325         | 12,326           | 12,326           | 11,298           |                  |                |                |                                    | 51,357           |
| URTJ ( * )                           | 20,342           | 81,092         | 91,005           | 91,167           | 91,167           | 94,227           | 57,835         | 41,772         | 339,702                            | 908,309          |
| IGP-M inflation index                | 11,556           | 2,299          | 2,397            | 2,388            | 2,386            | 303,132          | 1,312          | 1,283          | 44,635                             | 371,388          |
| UMBNDDES ( ** )                      | 1,520            | 5,824          | 6,637            | 6,637            | 6,637            | 6,637            | 1,145          |                |                                    | 35,037           |
| TR reference interest rate           | 18,605           | 37,122         |                  |                  |                  |                  |                |                |                                    | 55,727           |
| Others (IGP-DI, INPC) ( *** )        | 2,823            |                |                  | 370              | 403              | 777              | 419            | 183            | 364                                | 5,339            |
|                                      | <b>911,523</b>   | <b>831,315</b> | <b>974,648</b>   | <b>1,212,913</b> | <b>1,306,766</b> | <b>1,097,101</b> | <b>487,108</b> | <b>240,072</b> | <b>601,815</b>                     | <b>7,663,261</b> |
|                                      | <b>1,063,258</b> | <b>887,495</b> | <b>1,015,470</b> | <b>1,249,356</b> | <b>1,338,712</b> | <b>1,104,046</b> | <b>491,332</b> | <b>244,294</b> | <b>674,737</b>                     | <b>8,068,700</b> |

( \* )URTJ = Interest Rate Reference Unit.

( \*\* )UMBNDDES = BNDES Monetary Unit.

( \*\*\* ) IGP-DI inflation index (General Price Index - Domestic Availability).

INPC - National Consumer Price Index.

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

| <b>Currencies</b> | <b>Change in<br/>quarter ended<br/>09/30/2009<br/>%</b> | <b>Change YTD in<br/>2009<br/>%</b> | <b>Indexors</b> | <b>Change in<br/>quarter ended<br/>09/30/2009<br/>%</b> | <b>Change YTD in<br/>2009<br/>%</b> |
|-------------------|---|-------------------------------------|-----------------|---|-------------------------------------|
| US dollar         | (8.89)  | (23.92)                             | IGP-M index     | (0.38)  | (1.61)                              |
| Euro              | (5.06)  | (19.67)                             | Finel           | (0.08)  | (0.32)                              |
| Yen               | (2.24)  | (23.21)                             | Selic rate      | 2.19  | 7.67                                |
|                   |   |                                     | CDI rate        | 2.15  | 7.59                                |
|                   |   |                                     | UMBNDDES        | (7.70)  | (23.37)                             |



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

|                                      | Consolidated     | Holding company |
|--------------------------------------|------------------|-----------------|
| <b>Balance at June 30, 2009</b>      | <b>7,788,013</b> | <b>74,651</b>   |
| Acquisition of subsidiaries          | 208,201          |                 |
| Loans and financings obtained        | 124,971          |                 |
| Amortized cost of financings         | (164)            |                 |
| Cost of financings to be amortized   | (1,159)          |                 |
| Monetary and FX variation            | 1,269            |                 |
| Financial charges provisioned        | 161,013          | 1,960           |
| Financial charges paid               | (63,792)         |                 |
| Charges capitalized                  | 1,497            |                 |
| Adjustment to present value          | 2,206            |                 |
| Amortization of financings           | (153,355)        |                 |
| <b>Balance on September 30, 2009</b> | <b>8,068,700</b> | <b>76,611</b>   |

**Restrictive covenant clauses**

**Cemig** has loans and financings with restrictive covenant clauses. These were fully complied with on September 30, 2009.

**20) REGULATORY CHARGES**

|  | Consolidated   |                |
|--|----------------|----------------|
|  | 09/30/2009     | 06/30/2009     |
| Global Reversion Reserve RGR                           | 37,046         | 35,493         |
| Fuel Consumption Account CCC                           | 39,720         | 25,204         |
| Energy Development Account CDE                         | 38,406         | 37,491         |
| Eletrobrás Compulsory loan                             | 1,207          | 1,207          |
| Aneel inspection charge                                | 3,622          | 3,591          |
| Energy efficiency                                      | 195,748        | 194,196        |
| Research and development                               | 174,132        | 165,522        |
| Energy system expansion research                       | 2,590          | 3,193          |
| National Scientific and Technological Development Fund | 4,931          | 6,045          |
| Alternative Energy Program Proinfa                     | 2,574          | 2,199          |
|  | <b>499,976</b> | <b>474,141</b> |
| Current liabilities                                    | 480,991        | 459,348        |
| Non-current liabilities                                | 18,985         | 14,793         |

**21) POST-EMPLOYMENT OBLIGATIONS**

**The Forluz Pension Fund**

**Cemig** is a sponsor of **Forluz** 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 to complement retirement and pension, in accordance with the Forluz pension plan they are subscribed in.

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.

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

The Mixed Benefits Plan ( Plan B ): A defined-contribution plan at the stage of accumulation of funds, for retirement benefits for normal time of service, and defined-benefit coverage for disability or death of participants still in active employment, and also 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 pension benefits under the Mixed Plan, with defined contribution characteristics, and their respective assets, in the same amount of R\$ 2,385,225, 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. For participants who are still working, this benefit has been deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, which complements the average real salary of the employee's last three working years in the Company 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 Secretariat (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 26, 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 also 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 for post-employment benefits in the amount of R\$ 914,943 at September 30, 2009 (R\$ 927,461 at June 30, 2005) has been recognized as an obligation payable by **Cemig** and its subsidiaries, 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 Forluz Agreement, the amounts 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.

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The liabilities and expenses recognized by the Companies in connection with the Supplementary Retirement Plan, Health Plan, Dental Plan and Life insurance are adjusted in accordance with the terms of CVM Decision 371 and an Opinion prepared by independent actuaries. Hence the financial updating of the obligation in the debt agreed with Forluz mentioned in the previous paragraph does not produce accounting effects in **Cemig**'s Income statement. The most recent actuarial valuation was made for base-date December 31, 2008.

**The Braslight Pension Fund**

**Light**, a subsidiary of **RME**, is a sponsor of Fundação de Seguridade Social **Braslight**, a non-profit private pension plan entity whose purpose is to guarantee retirement revenue to Company employees subscribed with the Foundation, and pension revenue 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.

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 reversal in 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 a participant who is still working, becomes invalid or receives 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 Secretariat approved a contract for solution to the technical deficit and the refinancing of the reserves to be amortized that it has been paid in 300 monthly installments, starting from July 2001. Until May, 2009, the installments were updated by the variation of the IGP-DI inflation index (with one month lag) and interest of 6.00% per year, totaling R\$ 1,005,025 at September 30, 2009 (R\$ 1,006,120 at June 30, 2009). From June, 2009 the index correction has become the IPCA (with one month lag) replacing the IGP-DI. The effect on the Company's consolidated portion is equal to 25% of this amount.

The movement in net liabilities has been as follows:

| Consolidated                                | Pension plans and retirement supplement plans |                | Health plan    | Dental plan   | Life insurance | Total            |
|---|---|----------------|----------------|---------------|----------------|------------------|
|   | Forluz  | Braslight      |                |               |                |                  |
| Net liabilities on June 30, 2009            | 373,654                                       | 251,530        | 368,288        | 17,450        | 439,862        | 1,450,784        |
| Expenses recognized in the Income statement | 2,388   | 5,569          | 17,838         | 1,107         | 10,356         | 37,258           |
| Contributions paid                          | (32,981)                                      | (5,843)        | (2,339)        | (182)         | (8,748)        | (50,093)         |
| Net liabilities on September 30, 2009       | <b>343,061</b>                                | <b>251,256</b> | <b>383,787</b> | <b>18,375</b> | <b>441,470</b> | <b>1,437,949</b> |
| Current liabilities                         | 80,104  | 23,622         |                |               |                | 103,726          |

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|                         |         |         |         |        |         |           |
|-------------------------|---------|---------|---------|--------|---------|-----------|
| Non-current liabilities | 262,957 | 227,634 | 383,787 | 18,375 | 441,470 | 1,334,223 |
|-------------------------|---------|---------|---------|--------|---------|-----------|

| Holding company                            | Pension plans and retirement supplement plans |               |             |                | Total         |
|--|---|---------------|-------------|----------------|---------------|
|  | Forluz  | Health plan   | Dental plan | Life insurance |               |
| Net liabilities on June 30, 2009           | 18,175  | 17,191        | 851         | 19,017         | 55,234        |
| Expense recognized in the Income statement | 50  | 756           | 50          | 561            | 1,417         |
| Contributions paid                         | (1,683)                                       | (441)         | (10)        | (137)          | (2,271)       |
| Net liabilities on September 30, 2009      | <b>16,542</b>                                 | <b>17,506</b> | <b>891</b>  | <b>19,441</b>  | <b>54,380</b> |
| Current liabilities                        | 4,078   |               |             |                | 4,078         |
| Non-current liabilities                    | 12,464  | 17,506        | 891         | 19,441         | 50,302        |

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The amounts recorded as Current refer to the contributions to be made by **Cemig** in the next 12 months for amortization of the actuarial liabilities.

**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 course of business, involving tax, labor-law, civil and other issues.

**Actions in which the company is creditor with success considered probable**

Pasep and Cofins Widening of the calculation base

The holding company has legal proceedings challenging the enlargement of the taxable basis for calculation of the Pasep and Cofins taxes, on financial revenue and on other non-operational revenues, in the period from 1999 to January 2004, by Law 9718 of November 27, 1998; and has a judgment in its favor at first instance. In the event that this action is won in the final instance (i.e. when subject to no further appeal) and we note that the Federal Supreme Court has ruled on similar proceedings in favor of the taxpayer the gain to be registered in the Income statement will be R\$ 176,423, net of income tax and Social Contribution Tax.

**Actions in which the company is debtor**

For those contingencies where negative outcomes are considered 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 processes are completed, will not significantly affect the result of operations or the financial position of the holding company nor the consolidated result.

|                        | Consolidated             |           |             | Balance on<br>09/30/2009 | Deposits<br>paid into<br>court | Balance on<br>09/30/2009 |
|------------------------|--------------------------|-----------|-------------|--------------------------|--------------------------------|--------------------------|
|                        | Balance on<br>06/30/2009 | Additions | Written off |                          |                                |                          |
| <b>Labor-law cases</b> |                          |           |             |                          |                                |                          |
| Various                | 120,326                  | 1,828     | (4,388)     | 117,766                  | (19,512)                       | 98,254                   |

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**Civil cases**

|                  |         |       |          |         |          |         |
|------------------|---------|-------|----------|---------|----------|---------|
| Personal damages | 29,233  | 1,831 | (495)    | 30,569  |          | 30,569  |
| Tariff increases | 95,969  | 633   | (6,141)  | 90,461  | (21,509) | 68,952  |
| Other            | 168,448 | 4,197 | (11,880) | 160,765 | (19,285) | 141,480 |

**Tax**

|  |        |       |  |        |         |        |
|--|--------|-------|--|--------|---------|--------|
| Finsocial  | 21,405 | 67    |  | 21,472 | (1,615) | 19,857 |
| PIS and Cofins taxes                                 | 59,968 | 721   |  | 60,689 | (2,429) | 58,260 |
| ICMS tax   | 22,010 |       |  | 22,010 |         | 22,010 |
| Taxes and contributions<br>demandabilities suspended | 81,258 | 1,916 |  | 83,174 |         | 83,174 |
| Social Contribution tax                              | 6,879  | 46    |  | 6,925  |         | 6,925  |
| Social security system                               | 34,787 | 445   |  | 35,232 |         | 35,232 |
| Other  | 20,838 | 1,965 |  | 22,803 | (5,820) | 16,983 |

**Regulatory**

|                                     |                |               |                 |                |                 |                |
|-------------------------------------|----------------|---------------|-----------------|----------------|-----------------|----------------|
| Aneel administrative<br>proceedings | 58,490         | 528           |                 | 59,018         | (6,072)         | 52,946         |
| <b>Total</b>                        | <b>719,611</b> | <b>14,177</b> | <b>(22,904)</b> | <b>710,884</b> | <b>(76,242)</b> | <b>634,642</b> |

(\*) Balance of contingencies without inclusion of Court deposits.



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|  | Holding company          |              |                 |                | Deposits<br>paid into<br>court | Balance on<br>09/30/2009 |
|--|--------------------------|--------------|-----------------|----------------|--------------------------------|--------------------------|
|  | Balance on<br>06/30/2009 | Additions    | Written off     | Balance        |                                |                          |
| <b>Labor-law cases</b>                               |                          |              |                 |                |                                |                          |
| Various  | 73,745                   |              | (3,190)         | 70,555         | (8,996)                        | 61,559                   |
| <b>Civil cases</b>                                   |                          |              |                 |                |                                |                          |
| Personal damages                                     | 22,083                   | 1,831        |                 | 23,914         |                                | 23,914                   |
| Tariff increases                                     | 66,044                   |              | (6,141)         | 59,903         | (17,990)                       | 41,913                   |
| Other  | 93,462                   |              | (6,282)         | 87,180         | (14,894)                       | 72,286                   |
| <b>Tax</b>   |                          |              |                 |                |                                |                          |
| Finsocial  | 21,405                   | 67           |                 | 21,472         | (1,615)                        | 19,857                   |
| Taxes and contributions<br>demandabilities suspended | 81,258                   | 1,916        |                 | 83,174         |                                | 83,174                   |
| Social security system                               | 1,112                    | 19           |                 | 1,131          |                                | 1,131                    |
| Other  | 13,683                   | 1,894        |                 | 15,577         | (5,820)                        | 9,757                    |
| <b>Regulatory</b>                                    |                          |              |                 |                |                                |                          |
| Aneel administrative<br>proceedings                  | 12,874                   | 237          |                 | 13,111         | (6,072)                        | 7,039                    |
| <b>Total</b>   | <b>385,666</b>           | <b>5,964</b> | <b>(15,613)</b> | <b>376,017</b> | <b>(55,387)</b>                | <b>320,630</b>           |

( \* ) Balance of contingencies without inclusion of Court deposits.

The details on the provisions constituted are as follows:

(a) Labor-law cases

The complaints under the labor laws are basically disputes on overtime, additional amounts for dangerous work, property damages and 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** estimates 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\$ 90,461.

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One of the industrial consumers that are plaintiffs 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 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**, a subsidiary of **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%.

In relation to the increase in the rate of Cofins tax from 2% to 3%, the amount provisioned was R\$ 55,454 on September 30, 2009 (R\$ 54,913 on June 30, 2009).

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

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(d) ICMS tax

Since 1999, **Light** has been inspected on various occasions by the tax authority of Rio de Janeiro State in relation to the ICMS value added tax, charged by states. The infringement notices received so far and not paid are the subject of contestation in the administrative and legal spheres. Based on the opinion of its counsel and calculation of the amounts involved in the infringement notices, management believes that only a part of these amounts represents probable risk of loss, and the amount of R\$ 22,010 is provisioned.

(e) Taxes and contributions - demandabilities suspended

The provision constituted, of R\$ 83,174 on September 30, 2009 (R\$ 81,258 on June 30, 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** was awarded an injunction by the 8th Court of the Federal Judiciary, on April 17, 1998, allowing it not to pay this tax.

(f) Social Security System

In December 1999 the National Social Security Institute (INSS) issued infringement notices against **Light** for alleged joint liability to withhold payments at source on amount paid for services provided by contractors, and the applicability of the Social Security contribution to 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 company assesses the chance of loss in the actions mentioned as probable, and the provisions for the actions brought by the INSS represent the amount of R\$ 34,101 (R\$ 33,675 on June 30, 2009).

(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 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\$ 52,946.

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**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 chances of loss in this action probable, in the amount of R\$ 7,230.

(h) Others

Other civil actions are primarily claims for personal damages by individuals, 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 June 30, 2009 represents the potential loss on these claims.

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(i) Actions with chances of loss assessed as possible or remote

**Cemig** and its subsidiaries are disputing other actions in the courts for which it considers the chances of loss to be possible or remote. The following are the details of the most important of these:

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

The federal tax authority, on October 11, 2001, issued a Notice of Infringement, in the updated amount of R\$ 328,106, as a result of the use of tax credits which resulted in the rectification, for the reduction of 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 to 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 no provision was made for contingencies for any losses as a result of this decision, since **Cemig** believes it has solid legal grounds for the procedures adopted for recovery of the said tax credits in the Courts. **Cemig** assesses the chance of loss in this action as possible.

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 September 30, 2009 of R\$ 295,663. 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 has been 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 as remote.

(ii) Tax on Inheritance and Donations (ITCMD)

The State of Minas Gerais is challenging the Company in the courts due to non-payment of the tax on donations (ITCMD) in relation to contributions of consumers, the amount of which on September 30, 2009 was R\$ 194,676. No provision has been made for this dispute, since the Company believes it has arguments on the merit for defense against this claim. The Company assesses the chance of loss in this action as remote.

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

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Aneel filed an administrative action against **Cemig** stating that the company owes R\$ 1,104,608 to the federal government as a result of an alleged error in the calculation of credits under the CRC (Results Compensation) Account, which were previously utilized to reduce the amounts owed to the federal government. On October 31, 2002 Aneel issued a final administrative decision against Cemig. On January 9, 2004 the National Treasury issued an Official Collection Notice for the amount 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 Company assesses the chances of loss in this action as possible .

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(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 indemnities to their employees, totaling R\$ 177,685, in exchange for the rights to future payments known as the Anuênio which would otherwise be incorporated in the future, into salaries. The Company and its subsidiaries did not make payments of income tax and social security contribution in relation to this amount because they considered that these 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 and its subsidiaries filed for orders of *Mandamus* to allow payment into Court of the amounts of potential obligations, in the amount of R\$ 158,748. This is posted in Deposits connected to legal actions. No provision has been made for possible losses in this matter since the Company and its subsidiaries assess the chances of loss in this action as possible .

In September 2006 **Cemig** was notified by the INSS (National Social Security System) 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 a total of R\$ 73,325. **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; the Company assesses the chances of loss in this action as possible .

(V) ICMS tax

Since 2002 the company has received a subvention 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 received should be the subject of ICMS tax. The potential for loss in this action is R\$ 140,673, not including the ICMS tax which could be questioned by the tax authority relating to period subsequent to the infringement notice. No provision has been made for this dispute, since the Company believes the legal obligation is non-existent and that it has arguments on the merit for defense against this claim. The Company assesses the chances of losses from this action as possible .

**Cemig** was served an infringement notice, as co-defendant, in which the Minas Gerais State Tax Authority demanded payment of R\$ 47,780 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 chances of loss in this action are assessed as possible .

(vi) Tax on services (ISS)

**Cemig** is involved in litigation with the Municipality of Belo Horizonte on the criteria for applicability of the ISS tax on services performed by the company. The amount involved in the action is R\$ 41,024. No provision has been made for possible losses and **Cemig** believes it has arguments on the merit for defense; it assesses the chances of loss in this action as possible .





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(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 Aneel and the CCEE to comply with the claim by the Distributor and recalculate the settlement of 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\$ 91,504. 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. Due to the above, no provision is constituted for this dispute, since the Company believes it has arguments on the merit for defense against this claim. It rates the chances of loss in this matter as possible .

(viii) Environmental claims

An environmental 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\$ 1,047,537. The company believes it has arguments on the merit for a legal defense and thus has not made a provision for these actions. The chances of loss in this action are assessed as 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 charged in error by the company. The Company believes it has arguments of merit for 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\$ 871,757. The Company believes that it has arguments on the merit for legal defense and as a result has not constituted provision for this action. The chances of loss in this action are assessed as possible .

A public class 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 implemented the *Light for Everyone* Program. The amount involved in the action is R\$ 1,602,651. The Company believes it has arguments on the merit for a legal defense and thus has not made a provision for these actions. The chances of loss in this action are assessed as possible .

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

operations.

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(x) Annulment of collection considered abusive and monetary updating factor changed

The Public Defense Office of the State of Minas Gerais filed a Civil Public Action against **Cemig D**, claiming annulment of invoices calculated based on an allegedly abusive criterion of higher consumption in the last 12 months, under Article 7, IV, subclause B, of Aneel Resolution 456/2000 and of the Debt Acknowledgement Undertakings (TARDs). The action also claimed prohibition of the use of the kWh as a monetary updating factor, that its use should be limited to collection in the event of fraud, that the interregnum period should not be more than 150 days, and that the maximum penalty payment applied should be 2%, and that Cemig should desist from suspending consumers' supply of electricity in the event of non-payment of irregular consumption. The Federal Judiciary declined competency. The amount involved in the case, at September 30, 2009, is R\$ 8,813 million and the Company assesses the chances of loss as possible.

(xi) Indemnity for pain and suffering, loss of profits and indemnity for death

**Cemig D** is defendant in an action brought on March 19, 2009, in which the plaintiffs claim indemnity for pain and suffering, loss of profits and food pension for the death of a father and son, victims of an artificial electrical discharge. The case is at the judgment stage. The amount involved in the case, at September 30, 2009, is R\$ 6,292 million and the Company assesses the chances of loss as possible.

(xii) Irregularity in the measurement of consumption

The company received a notice from the Public Attorneys' Office, through the Procon (Consumer Defense Department), claiming annulment of various receipts arising from supposed irregularity in the measurement of electricity consumption of certain consumers. The amount involved in the administrative proceedings, at September 30, 2009, is R\$ 5.959 million. The Company assesses the chances of loss in the administrative sphere as probable.

In spite of the rating of probable in the administrative proceedings, when the issue is taken to the Courts, the Company believes that the chances of loss will be possible, in view of the greater opportunity for full proof, and also the absence of case law on the subject.

**23) STOCKHOLDERS EQUITY AND REMUNERATION TO STOCKHOLDERS**

|  |                   |
|--|-------------------|
| Balance at June 30, 2009   | 10,210,838        |
| Net profit in the quarter  | 567,038           |
| Prior-year adjustment in a subsidiary                              | (6,919)           |
| Conversion Adjustment in the Accounting Statements of a subsidiary | (2,677)           |
| Balance on September 30, 2009                                      | <b>10,768,280</b> |

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 made 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, with a request for anticipatory remedy, against the stockholders' agreement signed with **Southern** in 1997. The Minas Gerais State Appeal Court annulled that Stockholders' Agreement in 2003. Appeals brought by **Southern** are before the Brazilian federal courts.

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**24) REVENUE FROM SUPPLY OF ELECTRICITY**

This table shows supply of electricity, by type of consumer, in 3Q09 and 3Q08:

|   | (Not reviewed by external auditors) |                   | MWh (*)           |                   | R\$               |                   |
|---|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | Number of consumers                 |                   |                   |                   |                   |                   |
|   | 09/30/2009<br>(*)                   | 09/30/2008<br>(*) | 09/30/2009        | 09/30/2008        | 09/30/2009        | 09/30/2008        |
| Residential                                       | 9,267,800                           | 9,004,712         | 7,258,610         | 6,732,489         | 3,317,864         | 3,235,000         |
| Industrial  | 87,086                              | 87,459            | 16,751,048        | 19,647,290        | 2,747,429         | 2,875,868         |
| Commercial, services and others                   | 867,675                             | 845,320           | 4,553,494         | 4,347,312         | 1,956,268         | 1,899,420         |
| Rural   | 465,213                             | 497,312           | 1,654,615         | 1,679,417         | 399,673           | 428,796           |
| Public authorities                                | 65,971                              | 63,354            | 781,589           | 762,292           | 331,022           | 309,815           |
| Public illumination                               | 3,323                               | 3,173             | 920,208           | 914,760           | 223,464           | 228,614           |
| Public service                                    | 9,752                               | 9,742             | 995,127           | 1,001,258         | 282,088           | 278,079           |
| Sub-total   | 10,766,820                          | 10,511,072        | 32,914,691        | 35,084,818        | 9,257,808         | 9,255,592         |
| Own consumption                                   | 1,164                               | 1,174             | 38,291            | 38,959            |                   |                   |
| Subsidy for low-income consumers                  |                                     |                   |                   |                   | 240,350           | 56,460            |
| Retail supply not invoiced, net                   |                                     |                   |                   |                   | (62,741)          | 9,320             |
|   | 10,767,984                          | 10,512,246        | 32,952,982        | 35,123,777        | 9,435,417         | 9,321,372         |
| Wholesale supply to other concession holders (**) | 86                                  | 83                | 9,737,282         | 8,419,530         | 1,106,047         | 876,412           |
| Transactions in energy on the CCEE                |                                     |                   | 2,009,456         | 1,003,007         | 121,216           | 118,459           |
| Effects of the Final Tariff Review                |                                     |                   |                   |                   | (137,458)         |                   |
| <b>Total</b>                                      | <b>10,768,070</b>                   | <b>10,512,329</b> | <b>44,699,720</b> | <b>44,546,314</b> | <b>10,525,222</b> | <b>10,316,243</b> |

(\*)The Number of 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 Contracts for Sale of Energy in the Regulated Environment (CCEARs) and bilateral contracts with other agents.

**25) REVENUE FOR USE OF THE NETWORK FREE CONSUMERS**

The revenue from the Tariff for Use of the Distribution system (TUSD) refers basically to the sale of electricity to Free Consumers, with charging of a tariff for the use of the distribution network.

|   | Consolidated |            |
|---|--------------|------------|
|   | 09/30/2009   | 09/30/2008 |
| Tariff for Use of the Electricity Distribution Systems (TUSD) | 845,477      | 1,027,543  |
| Revenue from use of the basic network                         | 521,393      | 436,502    |
| System connection revenue                                     | 97,395       | 93,871     |
| Revenue from Adjustment Portion Transmission Tariff Review    | 136,657      |            |

1,600,922

1,557,916

Under some concession contracts signed with Aneel, the revenues to be earned in the final 15 years of those 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 the said contracts.

## 26) OTHER OPERATIONAL REVENUES

|                    | Consolidated   |                | Holding company |            |
|--------------------|----------------|----------------|-----------------|------------|
|                    | 09/30/2009     | 09/30/2008     | 09/30/2009      | 09/30/2008 |
| Supply of gas      | 234,063        | 289,541        |                 |            |
| Charged service    | 12,887         | 13,944         |                 |            |
| Telecoms service   | 90,076         | 69,319         |                 |            |
| Services provided  | 41,178         | 75,402         |                 |            |
| Rental and leasing | 50,035         | 40,929         | 267             | 392        |
| Other              | 10,481         | 4,272          |                 |            |
|                    | <b>438,720</b> | <b>493,407</b> | <b>267</b>      | <b>392</b> |

Table of Contents**27) DEDUCTIONS FROM OPERATIONAL REVENUE**

|  | Consolidated     |                  | Holding company |            |
|--|------------------|------------------|-----------------|------------|
|  | 09/30/2009       | 09/30/2008       | 09/30/2009      | 09/30/2008 |
| <b><i>Taxes on revenue</i></b>                               |                  |                  |                 |            |
| ICMS tax   | 2,226,919        | 2,302,550        |                 |            |
| Cofins tax   | 911,516          | 936,883          |                 |            |
| PIS and Pasep taxes  | 185,907          | 190,455          |                 |            |
| Others   | 2,705            | 2,800            | 2               |            |
|  | 3,327,047        | 3,432,688        | 2               |            |
| <b><i>Charges to the consumer</i></b>                        |                  |                  |                 |            |
| Global Reversion Reserve RGR                                 | 141,911          | 132,869          |                 |            |
| Energy Efficiency Program P.E.E.                             | 28,854           | 29,164           |                 |            |
| Energy Development Account CDE                               | 300,445          | 293,883          |                 |            |
| Fuel Consumption Account CCC                                 | 376,108          | 293,518          |                 |            |
| Research and Development R&D                                 | 22,443           | 20,834           |                 |            |
| National Scientific and Technological Development Fund FNDCT | 22,404           | 20,484           |                 |            |
| Energy System Expansion Research (EPE / Energy Ministry)     | 11,150           | 8,689            |                 |            |
|  | 903,315          | 799,441          |                 |            |
|  | <b>4,230,362</b> | <b>4,232,129</b> | <b>2</b>        |            |

**Cemig** collects and pays the ICMS tax applicable to Portion A and the Deferred Tariff Adjustment as and when the amounts are invoiced on the consumer's electricity bill.

**28) OPERATIONAL COSTS AND EXPENSES****OPERATIONAL COSTS AND EXPENSES**

|  | Consolidated |            | Holding company |            |
|--|--------------|------------|-----------------|------------|
|  | 09/30/2009   | 09/30/2008 | 09/30/2009      | 09/30/2008 |
| Personnel (a)                          | 1,024,354    | 822,972    | 25,560          | 18,106     |
| Post-employment obligations            | 105,760      | 187,157    | 4,252           | 8,389      |
| Materials                              | 79,232       | 72,657     | 230             | 140        |
| Raw materials                          | 4,070        | 65,185     |                 |            |
| Outsourced services                    | 531,908      | 474,204    | 9,676           | 8,146      |
| Energy bought for resale (b)           | 2,529,469    | 2,177,689  |                 |            |
| Depreciation and amortization          | 517,204      | 542,234    | 140             | 175        |
| Royalties for use of water resources   | 114,984      | 98,542     |                 |            |
| Operational provisions (reversals) (c) | 88,765       | 175,570    | (30,557)        | 46,840     |

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|  |                  |                  |               |               |
|--|------------------|------------------|---------------|---------------|
| Charges for the use of the basic transmission grid | 612,627          | 530,621          |               |               |
| Gas purchased for resale                           | 128,610          | 167,841          |               |               |
| Other operational expenses, net (d)                | 226,310          | 211,829          | 17,648        | 5,023         |
|  | <b>5,963,293</b> | <b>5,526,501</b> | <b>26,949</b> | <b>86,819</b> |

(a) PERSONNEL EXPENSES

|   | Consolidated     |                | Holding company |               |
|---|------------------|----------------|-----------------|---------------|
|   | 09/30/2009       | 09/30/2008     | 09/30/2009      | 09/30/2008    |
| Remuneration and salary-related charges and expenses            | 787,985          | 754,541        | 15,453          | 13,381        |
| Supplementary pension contributions - Defined contribution plan | 45,963           | 45,303         | 2,155           | 1,939         |
| Assistance benefits   | 87,926           | 86,655         | 2,038           | 1,971         |
|   | <b>921,874</b>   | <b>886,499</b> | <b>19,646</b>   | <b>17,291</b> |
| The PPD Voluntary Retirement Program                            | (486)            | 39,753         | (8)             | 815           |
| The PDV Temporary Voluntary Retirement Program                  | 201,389          |                | 5,922           |               |
| ( - ) Personnel costs transferred to Works in progress          | (98,423)         | (103,280)      |                 |               |
|   | 102,480          | (63,527)       | 5,914           | 815           |
|   | <b>1,024,354</b> | <b>822,972</b> | <b>25,560</b>   | <b>18,106</b> |



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Employee special retirement programs

*The PPD Permanent Voluntary Retirement Program*

The Company has a permanent Voluntary Retirement Program (named PPD), which applies to any free and spontaneous termination by employees of their employment contracts. Its main financial incentives include payment of 3 gross amounts of the employee's monthly remuneration and 6 months' contributions to the Health Plan after leaving the company, deposit of the extra payment of 40% of the balance of the employee's FGTS fund, as would be applicable if termination were by the employer, 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 begun in March 2008, 679 employees have joined it (143 of **Cemig GT**, 523 of **Cemig D** and 13 of **Cemig**, the holding company). A provision of R\$ 49,888, for the expense of the financial incentives, was recognized in the Income statement for 2008.

*The PDV Temporary Voluntary Retirement Program*

In April 2009 **Cemig** put in place a temporary Voluntary Retirement Program named the PDV which employees were able to join between April 22 and June 5, 2009.

The financial incentive for employees who subscribed is an indemnity that varies between 3 and 16 times the value of the employee's monthly remuneration, according to specific criteria established in the Program's regulations, among which the main factor is the time of contribution remaining for qualification for full retirement benefits under the National Social Security program. Another of the incentives is payment of the contribution to the pension fund and the National Social Security System up to the date when the employee would meet the requirements for retirement benefits under the National System (limited to 5 years), and deposit of the extra payment of 40% on the balance of the FGTS fund (the payment that would be obligatory if the contract were being rescinded by the employer).

Additionally, **Cemig** guarantees full payment of the costs of the group life insurance and health plans for 6 and 12 months, respectively, from the date of the employee's leaving the company, which will take place in the period between June 2009 and September 2010.

A total of 1,043 employees have joined this program 207 from **Cemig GT**, 805 from **Cemig D**, and 31 from **Cemig**, the holding company. An expense of R\$ 201,839 for the expense of the financial incentives has been recognized in the Income statement in 2009.

**(b) ENERGY BOUGHT FOR RESALE**

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|   | 09/30/2009       | Consolidated | 09/30/2008       |
|---|------------------|--------------|------------------|
| From Itaipu Binacional                            | 819,116          |              | 724,295          |
| Short-term electricity                            | 212,737          |              | 251,869          |
| Proinfa (Alternative Energy Sources Program)      | 122,879          |              | 105,757          |
| Initial contracts                                 |                  |              | 11,761           |
| Bilateral Contracts                               | 439,239          |              | 330,798          |
| Electricity acquired in Regulated Market auctions | 985,923          |              | 785,753          |
| Portion A   | 143,829          |              | 119,746          |
| Credits of Pasesp and Cofins taxes                | (194,254)        |              | (152,290)        |
|   | <b>2,529,469</b> |              | <b>2,177,689</b> |

The Portion A amounts refer to transfer to the Income statement of the respective amounts received in the tariff. For more information please see Explanatory Note 6.

Table of Contents**c) OPERATIONAL PROVISIONS**

|  | Consolidated  |                | Holding company |               |
|--|---------------|----------------|-----------------|---------------|
|  | 09/30/2009    | 09/30/2008     | 09/30/2009      | 09/30/2008    |
| Pension plan premiums                                      | (5,003)       | (2,229)        | (217)           | (26)          |
| Provision (reversal) for doubtful receivables              | 108,632       | 85,324         | (2,367)         | (11,390)      |
| Provision for labor-law contingencies                      | (3,544)       | 5,838          | (4,895)         | (4,995)       |
| Provision for Aneel administrative proceedings             | 3,175         | 5,989          | 982             | (865)         |
| Provision for legal contingencies civil actions            | 9,923         | 49,162         | 9,923           | 42,407        |
| Provision (reversal) for civil actions on tariff increases | (29,227)      | 18,700         | (29,227)        | 16,736        |
| Inflationary profit  | 249           | (4,382)        | 249             | (4,382)       |
| Other provisions   | 4,560         | 17,168         | (5,005)         | 9,355         |
|  | <b>88,765</b> | <b>175,570</b> | <b>(30,557)</b> | <b>46,840</b> |

**(d) OTHER OPERATIONAL EXPENSES, NET**

|  | Consolidated   |                | Holding company |              |
|--|----------------|----------------|-----------------|--------------|
|  | 09/30/2009     | 09/30/2008     | 09/30/2009      | 09/30/2008   |
| Leasings and rentals                                 | 27,694         | 28,511         | 571             | 326          |
| Advertising  | 16,310         | 22,511         | 227             | 627          |
| Own consumption of electricity                       | 11,022         | 11,517         |                 |              |
| Subsidies and donations                              | 23,376         | 24,218         | 720             | 600          |
| Aneel inspection charge                              | 31,542         | 31,314         |                 |              |
| Licensing charge TFDR (*)                            | 27,304         | 24,102         |                 |              |
| Payments for concessions                             | 8,121          | 14,351         |                 |              |
| Taxes and charges (IPTU, IPVA and others)            | 13,064         | 15,476         | 89              | 109          |
| Insurance  | 4,764          | 4,693          | 116             | 98           |
| Contribution to CCEE                                 | 3,480          | 2,920          |                 | 3            |
| Payments for concessions Adjustment to present value | (1,338)        | (8,542)        |                 |              |
| Other expenses (Recovery of expenses)                | 60,971         | 40,758         | 15,925          | 3,260        |
|  | <b>226,310</b> | <b>211,829</b> | <b>17,648</b>   | <b>5,023</b> |

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(\*) License Charge for Occupation of Highway Lands.

**29) NET FINANCIAL REVENUE (EXPENSES)**

|   | Consolidated |            | Holding company |            |
|---|--------------|------------|-----------------|------------|
|   | 09/30/2009   | 09/30/2008 | 09/30/2009      | 09/30/2008 |
| <b>FINANCIAL REVENUES -</b>                   |              |            |                 |            |
| Revenue from cash investments                 | 183,144      | 201,192    | 14,560          | 4,409      |
| Arrears penalty payments on electricity bills | 139,464      | 127,098    |                 |            |

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|   |                 |               |              |               |
|---|-----------------|---------------|--------------|---------------|
| Interest and monetary updating on accounts receivable from the Minas Gerais state government              | 116,963         | 119,029       |              |               |
| Monetary updating of CVA  | 28,822          | 28,727        |              |               |
| Monetary updating on the General Agreement for the Electricity Sector                                     | 35,261          | 93,944        |              | 4,356         |
| Monetary updating on Deferred Tariff Adjustment   | 1,802           | 68,576        |              |               |
| FX variations   | 118,586         | 22,375        | 21           | 49            |
| Pasep and Cofins taxes on financial revenues  | (27,450)        | (33,158)      | (26,047)     | (23,359)      |
| Gains on financial instruments  | 306             | 4,144         |              |               |
| Financial compensation RME  |                 | 82,702        |              | 82,702        |
| Adjustment to present value   | 1,486           | 74,422        |              |               |
| FIDC revenues   |                 |               | 35,966       | 27,225        |
| Other   | 86,340          | 106,054       | 14,114       | 18,174        |
|   | 684,724         | 895,105       | 38,614       | 113,556       |
| <b>FINANCIAL EXPENSES -</b>   |                 |               |              |               |
| Charges on loans and financings   | (549,177)       | (619,517)     | (6,823)      | (7,571)       |
| Monetary updating on the General Agreement for the Electricity Sector                                     | (2,663)         | (7,631)       |              |               |
| Monetary updating of CVA  | 306             | (23,245)      |              |               |
| FX variations   | (16,669)        | (55,774)      | (11)         | (11)          |
| Monetary updating on loans and financings   | (5,539)         | (73,587)      |              |               |
| CPMF tax  |                 | (6,581)       |              | (2,375)       |
| Provision (reversal) for losses on recovery of Extraordinary Tariff Recomposition and Free Energy amounts |                 | (24,173)      |              | (4,357)       |
| Adjustment to present value   | (7,400)         | (23,138)      |              |               |
| Losses on financial instruments   | (80,442)        | (23,825)      |              |               |
| Reversal of provision for PIS and Cofins tax on Revenue   | 7,915           | 108,090       |              |               |
| Other   | (112,363)       | (109,576)     | (21,963)     | (30,124)      |
|   | (766,032)       | (858,957)     | (28,797)     | (44,438)      |
| <b>NET FINANCIAL REVENUE (EXPENSES)</b>   | <b>(81,308)</b> | <b>36,148</b> | <b>9,817</b> | <b>69,118</b> |

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

The financial charges arising on loans and financings linked to works, until September 2009, in the amount of R\$ 1,656, were transferred to Fixed assets. No monetary updating or FX variation was capitalized in the period (in 3Q08, R\$ 2,733 in financial charges was capitalized, and there were no monetary or FX variations).

A financial revenue item of R\$ 108,090 was recorded in 2008 from the final court decision in favor of **Light** in an action challenging the application of the PIS and Cofins taxes to financial revenue.

The Company recognized a financial gain of R\$ 82.702 in 2008, for a financial compensation to be paid by the stockholders of **RME** for **Cemig**'s waiver of exercise of an option to buy the rights of the partners of **RME** over the generation assets on **Light** for a previously agreed amount. One of the stockholders of **RME** made the payment in full in July 2008, and the others will make the payment in a maximum period of 9 years, with monetary updating by the Selic rate plus 1% per year, using 10.00% of the dividends to be paid by **Light** to the stockholders of **RME** in this period.

**30) RELATED PARTY TRANSACTIONS**

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

| COMPANIES                                    | ASSETS     |            | LIABILITIES |            | REVENUES    |             | EXPENSES   |            |
|--|------------|------------|-------------|------------|-------------|-------------|------------|------------|
|  | 09/30/2009 | 06/30/2009 | 09/30/2009  | 06/30/2009 | 09/30/2009  | 09/30/2008  | 09/30/2009 | 09/30/2008 |
| <b>Cemig D</b>                               |            |            |             |            |             |             |            |            |
| Interest on Equity, and dividends            | 544,596    | 521,484    |             |            |             |             |            |            |
| Affiliates and subsidiaries / parent company | 12,209     | 13,487     | 7,899       | 10,400     |             |             |            |            |
| <b>Cemig GT</b>                              |            |            |             |            |             |             |            |            |
| Interest on Equity, and dividends            | 198,058    | 153,302    |             |            |             |             |            |            |
| Affiliates and subsidiaries / parent company | 391        | 394        | 655         | 34         |             |             |            |            |
| <b>Light S.A.</b>                            |            |            |             |            |             |             |            |            |
| Interest on Equity, and dividends            | 11,959     | 11,959     |             |            |             |             |            |            |
| <b>Minas Gerais state government</b>         |            |            |             |            |             |             |            |            |
| Consumers and traders (1)                    | 3,381      | 2,592      |             |            | 38,863      | 52,704      |            |            |
| Taxes offsetable ICMS current (2)            | 200,097    | 169,699    | 298,957     | 285,095    | (1,844,119) | (1,940,098) |            |            |
|  | 1,781,117  | 1,813,461  |             |            | 116,963     | 119,029     |            |            |

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|   |         |           |           |           |
|---|---------|-----------|-----------|-----------|
| Accounts receivable from Minas Gerais state govt. CRC (3) |         |           |           |           |
| Taxes offsetable ICMS                                     |         |           |           |           |
| Non-current (2)   | 59,519  | 79,789    |           |           |
| Consumers and traders (4)                                 | 57,395  | 12,668    |           |           |
| Interest on Equity, and dividends                         |         |           |           |           |
| Debentures (5)  |         | 105,119   | 105,119   |           |
| Receivables fund (6)                                      |         | 35,978    | 34,934    | (3,193)   |
| Financings Minas Gerais Development Bank (7)              |         | 927,631   | 977,529   | (928)     |
|   |         | 9,887     | 10,049    |           |
| <b>Forluz</b>   |         |           |           |           |
| Post-employment obligations                               |         |           |           |           |
| Current (8)   |         | 80,104    | 78,727    |           |
| Non-current (8)   |         | 1,106,589 | 1,120,529 | (95,069)  |
| Others  |         | 15,901    | 16,040    | (155,909) |
| Personnel (9)   |         |           |           | (45,963)  |
| Current administration expense (10)                       |         |           |           | (45,303)  |
|   |         |           |           | (9,072)   |
|   |         |           |           | (8,647)   |
| <b>Others</b>   |         |           |           |           |
| Interest on Equity, and dividends                         | 201,626 | 153,729   |           |           |
| Affiliates and subsidiaries / parent company              | 14,594  | 9,368     |           |           |

Main material comments on the above transactions:

- 
- (1) Refers to sale of electricity 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 electricity is that defined by Aneel through a resolution referring to the company's annual tariff adjustment.
- (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 legislation of the State of Minas Gerais.
- (3) Injection of the credits of the CRC into a Receivables Fund in senior and subordinated units. For more information please see Explanatory Note 12.
- (4) A substantial portion of the amount refers to the renegotiation of a debit originating from the sale of energy to **Copasa**, with provision for payment up to September 2012, and financial updating (by the IGP-M inflation index + 0.5% per month).

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- (5) Private issue of R\$ 120,000 in non-convertible debentures, updated by the IGP M inflation index, for completion of the *Irapé* hydroelectric plant, with redemption 25 years from the issue date. The amount was adjusted to present value, as per Explanatory Note 19.
- (6) Senior units owned by third parties, in the amount of R\$ 900,000, amortized in 20 half-yearly installments, from June 2006, with monetary updating by the CDI rate plus interest of 1.7% p.a. For more information please see 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 (rates 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**, **Cemig GT** and **Cemig D**, excluding productivity factors, plus 6% p.a., with amortization up to 2024. See further information in Explanatory Note 21.
- (9) **Cemig**'s contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 21), 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.

For more information on the main transactions, see Explanatory Notes 4, 10, 12, 19, 21, 22, 24 and 28.

### 31) FINANCIAL INSTRUMENTS

The Company's financial instruments 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 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: 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, and adjusted to fair value. Gains or losses are recognized in the Income statement as and when they are incurred.
- Derivative financial instruments: These are valued at fair value and the gains or losses are recognized directly in the income statement.

**a) Management of risks**

Corporate risk management is a management tool that is part of the practices of Corporate Governance, 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 that might negatively affect the Company's liquidity and profitability, recommending hedge/protection strategies in relation to foreign exchange, interest rate and inflation risks. These have effects that are in line with the Company's strategy.

**Cemig's** principal exposure risks are listed below:

*Exchange rate risk*

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. For the purpose of reducing the Company's exposure to increases in exchange rates, on September 30, 2009 **Cemig** had hedge transactions contracted, which are described in more detail in item **b**.



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The net exposure to exchange rates is as follows:

**EXPOSURE TO EXCHANGE RATES**

|  | <b>Consolidated and Holding company</b> |                   |
|--|---|-------------------|
|  | <b>09/30/2009</b>                       | <b>06/30/2009</b> |
| <b>US dollar (Note 19)</b>               |   |                   |
| Loans and financings                     | 302,489                                 | 316,827           |
| ( ) Contracted hedges / swaps (*)        | (33,352)                                | (31,339)          |
|  | 269,137                                 | 285,488           |
| <b>Yen (Note 19)</b>                     |   |                   |
| Loans and financings                     | 79,182                                  | 80,214            |
| ( ) Contracted hedge transactions        | (76,843)                                | (78,604)          |
|  | 2,339                                   | 1,610             |
| <b>Other foreign currencies (Note19)</b> |   |                   |
| Loans and financings                     |   |                   |
| Euro                                     | 20,300                                  | 22,914            |
| Others                                   | 3,468                                   | 3,945             |
|  | 23,768                                  | 26,859            |
| <b>Net liability exposure</b>            | <b>295,244</b>                          | <b>313,957</b>    |

The Company estimates that, in a probable scenario, the appreciation of the exchange rates of foreign currencies against the Real at the end of the next 12 months will be 1.23%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the exchange rate of 25% and 50%, in relation to the scenario that it rates as probable considering these alternative scenarios as possible and remote, respectively.

| <b>Risk</b>                                     | <b>FX exposures</b>               | <b>Base scenario</b> | <b>Probable scenario</b> | <b>Possible scenario: depreciation of 25%</b> | <b>Remote scenario depreciation of 50%</b> |
|---|-----------------------------------|----------------------|--------------------------|---|--|
| <b>US dollar</b>                                |                                   |                      |                          |   |  |
|   | Loans and financings              | 302,489              | 306,210                  | 382,762                                       | 459,315                                    |
|   | ( ) Contracted hedges and swaps   | (33,352)             | (33,763)                 | (42,204)                                      | (50,645)                                   |
|   |                                   | 269,137              | 272,447                  | 340,558                                       | 408,670                                    |
| <b>Yen</b>                                      |                                   |                      |                          |   |  |
|   | Loans and financings              | 79,182               | 80,157                   | 100,197                                       | 120,236                                    |
|   | ( ) Contracted hedge transactions | (76,843)             | (77,789)                 | (97,237)                                      | (116,684)                                  |
|   |                                   | 2,339                | 2,368                    | 2,960   | 3,552                                      |
| <b>Other foreign currencies</b>                 |                                   |                      |                          |   |  |
|   | Loans and financings              |                      |                          |   |  |
|   | Euro                              | 20,300               | 20,550                   | 25,688  | 30,825                                     |
|   | Other                             | 3,468                | 3,511                    | 4,388   | 5,266                                      |
|   | <b>Net liability exposure</b>     | <b>295,244</b>       | <b>298,875</b>           | <b>373,594</b>                                | <b>448,313</b>                             |
| <b>Net effect of exchange rate depreciation</b> |                                   |                      | <b>(3,632)</b>           | <b>(78,350)</b>                               | <b>(153,069)</b>                           |

*Interest rate risk*

**Cemig** and its subsidiaries are 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\$ 79,463 at September 30, 2009 (R\$ 71,123 at June 30, 2009).

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

Table of Contents**EXPOSURE TO BRAZILIAN INTEREST RATES**

|  | Consolidated       |                    | Holding company |               |
|--|--------------------|--------------------|-----------------|---------------|
|  | 09/30/2009         | 06/30/2009         | 09/30/2009      | 06/30/2009    |
| <b>Assets</b>                              |                    |                    |                 |               |
| Cash investments (Note 3)                  | 2,669,582          | 2,110,906          | 108,912         | 87,628        |
| Regulatory assets (Note 5)                 | 1,504,881          | 1,583,488          |                 |               |
|  | 4,174,463          | 3,694,394          | 108,912         | 87,628        |
| <b>Liabilities</b>                         |                    |                    |                 |               |
| Loans, financings and debentures (Note 19) | (5,245,052)        | (5,169,459)        | (76,610)        | (74,651)      |
| Regulatory assets (Note 5)                 | (685,795)          | (646,539)          |                 |               |
| Contracted hedges / swaps (Note 31)        | (110,195)          | (109,943)          |                 |               |
|  | (6,041,042)        | (5,925,941)        | (76,610)        | (74,651)      |
| <b>Net liability exposure</b>              | <b>(1,866,579)</b> | <b>(2,231,547)</b> | <b>32,302</b>   | <b>12,977</b> |

In relation to the risk of increase in the Selic interest rate, considered to be the most significant interest rate risk, the Company estimates that, in a probable scenario, the Selic rate on September 30, 2010 will be 9.50%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, in relation to the scenario that it considers as probable considering these alternative scenarios as possible and remote, respectively.

|  | Base scenario:<br>Selic 8.75% | Probable<br>scenario: Selic<br>9.50% | Possible<br>scenario: Selic<br>11.88% | Remote<br>scenario: Selic<br>14.25% |
|--|-------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|
| <b>Risk: Increase in domestic interest rates</b>     |                               |                                      |                                       |                                     |
| <b>Assets</b>  |                               |                                      |                                       |                                     |
| Cash investments                                     | 2,669,582                     | 2,689,604                            | 2,753,140                             | 2,816,409                           |
| Regulatory assets                                    | 1,504,881                     | 1,516,168                            | 1,551,984                             | 1,587,649                           |
|  | 4,174,463                     | 4,205,772                            | 4,305,124                             | 4,404,058                           |
| <b>Liabilities</b>                                   |                               |                                      |                                       |                                     |
| Loans, financings and debentures                     | (5,245,052)                   | (5,284,390)                          | (5,409,222)                           | (5,533,530)                         |
| Regulatory liabilities                               | (685,795)                     | (690,938)                            | (707,260)                             | (723,514)                           |
| Contracted hedge / swap transactions                 | (110,195)                     | (111,022)                            | (113,645)                             | (116,256)                           |
|  | (6,041,042)                   | (6,086,350)                          | (6,230,127)                           | (6,373,300)                         |
| <b>Net liability exposure</b>                        | <b>(1,866,579)</b>            | <b>(1,880,579)</b>                   | <b>(1,925,003)</b>                    | <b>(1,957,144)</b>                  |
| <b>Net effect of the variation in the Selic rate</b> |                               | <b>(13,999)</b>                      | <b>(58,424)</b>                       | <b>(102,662)</b>                    |

*Credit risk*

The risk arising from the possibility of **Cemig** and its subsidiaries 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 entered into to make possible receipt of any receivables in arrears.

*Energy scarcity risk*

The electricity sold is generated, almost entirely, by hydroelectric power plants. A prolonged period of scarcity 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 certain economic and financial indices, and cash flow and other indicators. Non-compliance with these covenants could result in early maturity of debt. Some of the restrictive covenants were not complied with on September 30, 2009. The Company obtained formal waivers from the creditors (see Explanatory Note 19) that they will not exercise their rights to demand immediate payment nor early maturity of the debtor balance.

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*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 regulatory bodies do not grant the applications for renewals of these concessions, or if they decide to renew them upon imposition of additional costs for the Company ( concessions for consideration ) or setting of a price ceiling, 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 cash payments: only the gains or losses that actually occur are recorded. The net results of these transactions in 2009 and 2008 were losses of R\$ 80,136 and R\$ 19,681, respectively, posted in Financial revenue (expenses).

*Method of calculation of the fair value of positions*

The fair value of financial investments is 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.

The table below shows the derivative instruments contracted by its subsidiaries on September 30, 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     |          |
|  |  |                         |                        | 09/30/2009                 | 06/30/2009        | 09/30/2009 | 06/30/2009 | 09/30/2009        | 09/30/2009         |          |
| US\$ exchange rate + interest (5.58% p.a. to 7.48% p.a.) | R\$ 100% of CDI + interes (2.98% p.a. to 3.01% p.a.) | From 10/2009 to 11/2009 | Over the counter (OTC) | US\$ 9,937                 | US\$ 4,488        | (144.585)  | (115.680)  | (133.678)         | (118.080)          | (12.020) |
| ¥(Japanese Yen) exchange rate + interest (3.90% p.a.)    | R\$ Brazilian interest rate - CDI (111% of CDI)      | 12/2009                 | Over the counter (OTC) | ¥878,825                   | ¥878,825          | (29.034)   | (25.561)   | (30.179)          | (40.812)           |          |

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|                 | R\$ or US\$ 48% of<br>CDI or exchange<br>rate (the highest) | 04/2010 | Over the<br>counter<br>(OTC) | R\$75,000 | R\$75,000 | 86        | 89        | 86        | 89        | 2.395 | (355)    |
|-----------------|---|---------|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-------|----------|
| R\$ 106% of CDI |   |         |                              |           |           |           |           |           |           |       |          |
|                 |   |         |                              |           |           | (173.533) | (141.152) | (163.771) | (158.803) | 2.395 | (12.375) |

Table of Contents**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 on September 30, 2010 will be 9.50%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the CDI rate of 25% and 50%, in relation to June 30, 2009 scenarios which it assesses as possible and remote, respectively. In these possible and remote scenarios, the CDI rate at September 30, 2010, would be: 11.88% and 14.25%, respectively.

The last derivative instrument shown in the previous table indicates that the Company is exposed to the monthly variation in the exchange rate for the US dollar against the Real if it is higher than 48% of the variation in the CDI rate. The Company estimates that the exchange rate of the US dollar against the Real on September 30, 2010 will be R\$ 1.080. The Company has made a sensitivity analysis on the effects on the Company's results arising from uniform increases, in the US dollar exchange rate, of 25% and 50%, respectively, in the next 12 months scenarios of which we rate the chances as possible and remote, respectively. In these possible and remote scenarios, the US\$ exchange rate at September 30, 2010, would be, respectively, R\$ 2.25 and R\$ 2.70.

|   | Base      | Probable scenario | Possible scenario | Remote scenario |
|---|-----------|-------------------|-------------------|-----------------|
| <b><u>Risk: Increase in domestic interest rates</u></b> |           |                   |                   |                 |
| Contracts in US\$ and Yen                               | (185,195) | (186,584)         | (190,992)         | (195,381)       |
| <b>Net effect of the variation in the Selic rate</b>    |           | <b>(1,389)</b>    | <b>(5,797)</b>    | <b>(10,186)</b> |
| <b><u>Risk: Increase in US\$ exchange rate</u></b>      |           |                   |                   |                 |
| Contracts updated at 106.00% of CDI                     | 75,000    | 75,924            | 94,905            | 113,886         |
| <b>Net effect of variation of US\$</b>                  |           | <b>(924)</b>      | <b>(19,905)</b>   | <b>(38,886)</b> |

**32) FINAL RESULT OF THE SECOND TARIFF REVIEW OF CEMIG D AND LIGHT SESA****a) Cemig D**Tariff Review - final levels decided

In March 2009 Aneel homologated the final result of the Tariff Review of **Cemig D**, 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.

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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 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.

These amounts, totaling R\$ 137,458 (vs. R\$ 203,615 in June 2009), recorded in Current liabilities, under Regulatory liabilities - Tariff Review, were transferred monthly to the income statement, on a linear basis, in the period from April 8, 2009 to April 7, 2009.



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**b) Light SESA**

Result of the second periodic Tariff Review of Light SESA

At a public meeting held on October 13, 2009, Aneel provisionally set the structural Tariff Repositioning for Light Serviços de Eletricidade S.A. at 2.06%, taking effect on November 7, 2008 ( November, 2008 to November, 2013) to all customer classes (residential, industrial, commercial and other). Its effects will come when the approval of the annual tariff adjustment of 2009.

The main changes introduced by ANEEL, compared to what had been provisionally established in November 2008, are: (i) the reference company is from R\$ 575,000 to R\$ 583,000, or R\$ 8,000 above the 2008 interim result (ii ) a reduction in annual investment from R\$ 39,000 to R\$ 364,000 and (iii) establishing a downward trend in loss of 38.98% to 31.82% of the low voltage in the last year of the cycle.

Other relevant variables in the composition of the tariff, such as default rate (0.90%), Factor Xe (0.0%) and Growth Factor Market Xe (1.5%), remained unchanged from ANEEL in Nov/08, just as the foundations of Regulatory Gross Remuneration (R\$ 8,077) and net (R\$ 4,674) were not changed. Finally, the outcome of the final review can be considered as neutral in relation to the Preliminary Review that, in turn, represented an important advance in the recognition of the specificities of the concession area of the Light.

**33) TARIFF ADJUSTMENT OF CEMIG D**

On April 7, 2009 Aneel published the result of the Tariff Adjustment of Cemig D. The adjustment applied differently to different consumer categories. Electricity bills of residential consumers were increased by an average of 4.87%, while invoices for high-voltage captive consumers were increased by an average of 9.42%. The overall average impact on the electricity bills of captive consumers was an increase of 6.21%.

Considering the total market of the Company s consumers captive and free consumers the average percentage increase was 4.87% for low-voltage consumers, and 4.43% for high-voltage consumers. The resulting overall average impact on the electricity bills of free and captive consumers was an increase of 4.69%.

**34) SUBSEQUENT EVENT**

Cemig GT

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On November 3, 2009 that Share Purchase Agreement signed with **Terna S.p.A.** was settled with payment and transfer of the shares owned by **Terna** to **Transmissora do Atlântico de Energia Elétrica S.A. - Taesa**, in which **Cemig GT** holds 49% of the registered capital. The purchase was of 173,527,113 common shares, representing approximately 65.85% of the total capital of **Terna** (see more information on note 14f).

On October 30, 2009 **Cemig GT** issued 270 commercial promissory notes of its third issue, all nominal and in physical form, in a single series, with nominal unit value of R\$ 10,000,000.00, comprising a total value of R\$ 2,000,700,000.00. The promissory notes have the guarantee of **Cemig** and its maturity will be on April 28, 2010, when it will be converted to debentures.

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Light

Tariff adjustment

In a public meeting held on November 4, 2009, Aneel approved the report authorizing an average increase in the tariffs of Light of 5.65% for the period starting November 7, 2009, including all the consumption categories (residential, industrial, commercial, rural and others).

Subscription to the New Refis payment system

On November 6, 2009, the Board of Directors of Light S.A. approved the company's subscription to the New Refis system, as instituted by Law 11941/2009, enabling payments of tax debits to be made in up to 180 installments.

Payment of dividends

On November 6, 2009 the Board of Directors of Light approved declaration of an additional dividend in the amount of R\$ 94,730, relating to the Profit Reserves account, comprising a total of R\$ 576,294 of the profit of the year 2008.

Table of Contents**35) SUMMARY FINANCIAL STATEMENTS BY COMPANY**

| DESCRIPTION                                       | HOLDING    | CEMIG - GT | CEMIG - D   | RME Light | ETEP, ENTE,<br>ERTE, EATE,<br>ECTE | GASMIG   | INFOVIAS | SÁ<br>CARVALHO | ROSAL   | OTHERS   | ELIMINAT |
|---|------------|------------|-------------|-----------|------------------------------------|----------|----------|----------------|---------|----------|----------|
| <b>ASSETS</b>                                     | 11,848,888 | 9,380,759  | 9,942,753   | 2,354,710 | 659,084                            | 571,391  | 307,381  | 181,183        | 100,857 | 705,723  | (9,133)  |
| Cash and cash equivalents                         | 117,945    | 1,414,903  | 513,227     | 226,252   | 30,036                             | 67,076   | 40,836   | 79,872         | 18,096  | 260,925  |          |
| Accounts receivables                              | 1,836,919  | 473,948    | 1,836,078   | 390,386   | 36,803                             | 166,615  |          | 5,213          | 7,796   | 43,192   | (304)    |
| Regulatory Assets                                 |            | 157,365    | 1,333,484   | 70,164    |                                    |          |          |                |         |          |          |
| Other Assets                                      | 482,677    | 927,784    | 1,601,441   | 540,081   | 20,216                             | 31,422   | 48,999   | 25,916         | 3,604   | 62,486   | (29)     |
| Investments/Fixed assets                          | 9,411,348  | 6,406,757  | 4,658,522   | 1,127,827 | 572,028                            | 306,278  | 217,546  | 70,183         | 71,362  | 339,120  | (8,799)  |
| <b>LIABILITIES</b>                                | 11,848,888 | 9,380,759  | 9,942,753   | 2,354,710 | 659,084                            | 571,391  | 307,381  | 181,183        | 100,857 | 705,723  | (9,133)  |
| Suppliers and Supplies                            | 5,687      | 116,948    | 515,036     | 113,397   | 4,330                              | 34,289   | 8,723    | 7,820          | 6,327   | 19,087   | (80)     |
| Loans, financings and debentures                  | 76,611     | 3,465,560  | 2,613,175   | 599,709   | 300,439                            |          |          |                |         | 85,576   | 927      |
| Interest on equity and dividends                  | 489,397    | 198,058    | 544,596     | 11,959    | 7,671                              | 12,289   | 8,150    | 69,765         | 18,877  | 84,804   | (956)    |
| Post-employment obligations                       | 54,380     | 270,213    | 862,100     | 251,256   |                                    |          |          |                |         |          |          |
| Other liabilities                                 | 454,532    | 1,005,191  | 2,766,410   | 644,895   | 45,139                             | 176,644  | 12,979   | 37,000         | 7,654   | 76,560   | (225)    |
| Minorities Stockholders equity                    | 10,768,280 | 4,324,789  | 2,641,436   | 340,600   | 292,462                            | 348,169  | 277,528  | 66,598         | 67,999  | 439,696  | (8,799)  |
| <b>RESULTS</b>                                    |            |            |             |           |                                    |          |          |                |         |          |          |
| Net operational revenue                           | 265        | 2,624,172  | 4,537,006   | 989,788   | 90,607                             | 184,086  | 73,224   | 35,553         | 24,821  | 119,388  | (344)    |
| <b>OPERATIONAL COSTS AND EXPENSES</b>             |            |            |             |           |                                    |          |          |                |         |          |          |
| Personnel   | (25,560)   | (234,764)  | (693,521)   | (45,632)  | (2,800)                            | (10,990) | (5,916)  | (746)          | (864)   | (3,562)  |          |
| Post-employment obligations                       | (4,252)    | (21,999)   | (68,818)    | (10,691)  |                                    |          |          |                |         |          |          |
| Materials   | (230)      | (10,303)   | (62,100)    | (3,886)   | (334)                              | (1,065)  | (464)    | (448)          | (121)   | (280)    |          |
| Raw materials                                     |            | (4,070)    |             |           |                                    |          |          |                |         |          |          |
| Outsourced services                               | (9,676)    | (88,241)   | (363,543)   | (47,039)  | (5,176)                            | (4,116)  | (14,431) | (3,027)        | (2,451) | (15,183) | 20       |
| Royalties for use of water resources              |            | (105,163)  | (5,649)     |           |                                    |          |          | (1,351)        | (890)   | (1,932)  |          |
| Electricity bought for resale                     |            | (116,716)  | (2,127,926) | (526,090) |                                    |          |          | (505)          | (495)   | (2,887)  | 245      |
| Charges for use of the basic transmission network |            | (208,356)  | (393,262)   | (75,542)  |                                    |          |          |                | (2,501) | (11,249) | 78       |
| Depreciation and amortization                     | (140)      | (169,904)  | (242,909)   | (57,352)  | (9,017)                            | (3,160)  | (21,607) | (1,672)        | (1,630) | (9,815)  |          |

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|   |                  |                  |                |               |               |               |               |               |               |               |     |
|---|------------------|------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----|
| Operational provisions  | 30,557           | (911)            | (61,441)       | (54,403)      |               |               | (410)         |               |               | (2,156)       |     |
| Gas purchased for resale  |                  |                  |                |               |               |               | (128,610)     |               |               |               |     |
| Other expenses, net   | (17,648)         | (48,156)         | (129,155)      | (19,631)      | (1,724)       | (3,742)       | (3,868)       | (369)         | (253)         | (1,765)       |     |
|   | (26,949)         | (1,008,584)      | (4,148,322)    | (840,264)     | (19,052)      | (151,683)     | (46,696)      | (8,117)       | (9,204)       | (48,829)      | 344 |
| Operational profit (loss) before Equity gains in subsidiaries and financial revenues (expenses) | (26,684)         | 1,615,589        | 388,684        | 149,524       | 71,555        | 32,403        | 26,528        | 27,435        | 15,617        | 70,559        |     |
| Financial revenues (expenses)   | 9,817            | (147,933)        | 35,699         | (11,326)      | (9,676)       | 11,106        | 2,200         | 4,807         | 3,662         | 20,337        |     |
| Profit (loss) before Income Tax, Social Contribution and employees profit shares                | (16,867)         | 1,467,655        | 424,383        | 138,198       | 61,879        | 43,508        | 28,728        | 32,242        | 19,279        | 90,896        |     |
| Income tax and Social Contribution  | (96,717)         | (441,857)        | (75,456)       | (41,381)      | (9,651)       | (13,774)      | (6,883)       | (10,885)      | (2,455)       | (21,597)      |     |
| Minorities  |                  |                  |                | (42,741)      | (266)         |               |               |               |               |               |     |
| Employees profit shares   | (2,706)          | (21,947)         | (69,849)       | (4,228)       |               |               |               | (171)         | (80)          | (181)         |     |
| <b>Net profit for the period</b>  | <b>(116,290)</b> | <b>1,003,851</b> | <b>279,078</b> | <b>49,848</b> | <b>51,961</b> | <b>29,734</b> | <b>21,845</b> | <b>21,185</b> | <b>16,744</b> | <b>69,118</b> |     |

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**CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE**

**A. YEAR-ON-YEAR COMPARISONS FOR THE 9 MONTHS**

*Net profit for the period*

**In January through September 2009 (9M09)**, Cemig reported consolidated net profit of R\$ 1,427,074, 13.06% less than the consolidated net profit of R\$ 1,641,389 reported for January through September 2008. This result is mainly due to : expenses arising from the Final Tariff Review of **Cemig D**, recorded in 2009, and the provision for the Voluntary Retirement Program, in the amounts of R\$ 213,803 and R\$ 201,389, respectively, partially offset by the extraordinary revenue recorded in 2009 for the Tariff Review of **Cemig GT**, in the amount of R\$ 158,090.

*Ebitda (method of calculation not reviewed by external auditors)*

**Cemig** s Ebitda in 9M09 was R \$2,888,413, which is 8.34% lower than the Ebitda of 3Q08, R \$3,151,170. Adjusted for non-recurring items, Ebitda was 0.27% lower year-on-year.

The main non-recurring effects are:

On publication of the Transmission Tariff Review for **Cemig GT**, Aneel set the repositioning of that Company s Annual Permitted Transmission Revenue (RAP) at an increase of 5.35%, backdated to 2005, resulting in recognition of extraordinary revenue of R\$ 158,090.

With the announcement of the final 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, with resulted in recognition of regulatory assets and liabilities which will be received and/or discounted in the tariff to be received from consumers applied in the period from April 8, 2009 through April 7, 2010.

These financial items 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. The effect on Ebitda of this non-recurring recognition of the financial items was R\$ 192,816 to Ebitda, as shown in the table below.

There was also an impact on Ebitda, in 9M09, of R\$ 201,389, from the expenses of the PDV Voluntary Retirement Program which 1,043 employees joined.

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| EBITDA - R\$ 000  | 09/30/2009       | 09/30/2008       | Change, %     |
|---|------------------|------------------|---------------|
| Net profit  | 1,427,074        | 1,605,794        | (13.06)       |
| + Provision for current and deferred income tax and Social Contribution tax | 720,657          | 853,029          | (13.66)       |
| + Financial revenues (expenses)   | 81,308           | (36,148)         |               |
| + Depreciation and amortization   | 517,204          | 542,234          | (4.62)        |
| + Profit shares   | 99,163           | 65,683           | 50.97         |
| + Minority interests  | 43,007           | 84,983           | (49.39)       |
| <b>= EBITDA</b>   | <b>2,888,413</b> | <b>3,151,170</b> | <b>(8.34)</b> |
| Non-recurring items:  |                  |                  |               |
| Review of Transmission Revenue Technical Note 214/2009                      | (158,090)        |                  |               |
| + Tariff review Net revenue   | 213,803          | (62,863)         | (440.11)      |
| + Tariff review Operational expense   | (20,987)         | 4,330            | (584.69)      |
| + The PPD and PDV Voluntary Retirement Programs                             | 200,903          | 30,949           | 549.14        |
| <b>= ADJUSTED EBITDA</b>  | <b>3,124,042</b> | <b>3,132,586</b> | <b>(0.27)</b> |

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The lower Ebitda in 9M09 than in 9M08 mainly reflects operational costs and expenses (excluding effects of depreciation and amortization) 3.58% higher.

Ebitda margin was lower year-on-year, at 34.65% in 9M09, compared to 66.84% in 34.65% in 9M08.

*Revenue from supply of electricity*

Revenue from electricity sales in 9M09 totaled R\$ 10,525,222, 2.03% lower than in 9M08 (R\$ 10,316,243).

*Final consumers*

Revenue from electricity sold to final consumers was R\$ 9,257,808 in 9M09, compared to R\$ 9,255,592 in 9M08. The main items affecting this result are:

- The tariff increase for **Cemig D**, with average effect on consumer tariffs of 4.69%, starting from April 8, 2009.
- Reduction in **Cemig D** s tariff, with average impact across all consumer tariffs of a reduction of 12.08%, from April 8, 2008 (full effect in 2009).
- Posting of regulatory liabilities arising from the adjustment in the Company s Tariff Review, with effect backdated to 2008, representing a reduction in gross revenue of R\$ 213,803, in 2009.
- Volume of energy invoiced to final consumers 6.19% lower (this excludes Cemig s own internal consumption).



**Electricity sold to final consumers (MWh)**

(Data not audited by external auditors)

| <b>Consumption by consumer category</b> | <b>30/09/09</b>   | <b>MWh<br/>30/09/08</b> | <b>Change, %</b> |
|---|-------------------|-------------------------|------------------|
| Residential                             | 7,258,610         | 6,732,489               | 7.81             |
| Industrial                              | 16,751,048        | 19,647,290              | (14.74)          |
| Commercial, services and others         | 4,553,494         | 4,347,312               | 4.74             |
| Rural                                   | 1,654,615         | 1,679,417               | (1.48)           |
| Public authorities                      | 781,589           | 762,292                 | 2.53             |
| Public illumination                     | 920,208           | 914,760                 | 0.60             |
| Public service                          | 995,127           | 1,001,258               | (0.61)           |
| <b>Total</b>                            | <b>32,914,691</b> | <b>35,084,818</b>       | <b>(6.19)</b>    |

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***Revenue from wholesale electricity sales***

The company's revenue from electricity sold to other concession holders was R\$ 560,076 in 9M09 was R\$ 1,227,263, an increase of 23.36% over the sales of R\$ 994,871 in 9M08.

This mainly reflects volume of electricity sold to other concession holders and under bilateral contracts contracted at auctions of electricity to the distributors 28.87% higher year-on-year, for tariffs between R\$ 125.00 and R\$ 145.77. Part of the electricity previously sold to industrial consumers was sold in this market, reflecting the reduction in these consumers' demand as a result of the international recession and its effects on Brazilian industrial output. Volume of electricity sold to other concession holders and under bilateral contracts in 9M09 totaled 17,802,377 MWh, compared to 13,921,798 in 9M08.

***Revenue from use of the network - Free Consumers***

Revenue from use of the grid was 2.76%, or R\$ 43,006, higher in 9M09, at R\$ 1,600,922, compared to R\$ 1,557,916 in 9M08).

Revenue from the Tariff for Use of the Distribution Systems (TUSD) of **Cemig D** and **Light** was 17.72% lower, at R\$ 845,477, in 9M09, than in 9M08 (R\$ 1,027,543). This revenue comes from charges to Free Consumers on the 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 international economic crisis on Brazilian manufacturing output, and also **Cemig D**'s average tariff being approximately 3% lower in 2009.

Also included in the balance on this line are revenues from use of the basic grid and the connection system, which were R\$ 618,788 in 2009, compared to R\$ 530,373 in 2008. This variation is principally due to the accounting in June 2009 of the Permitted Annual Revenue (RTP) for previous periods, totaling R\$ 136,657, due to the effect of the Transmission Tariff Review being backdated to include the period from July 1, 2005 to June 30, 2009.

***Non-controllable costs***

Differences between the sum of non-controllable costs (known as CVA), used as a reference in calculating the tariff adjustment, and disbursements actually made, are offset in subsequent tariff adjustments. They are recorded in Assets and Liabilities. Complying with the Aneel Chart of Accounts, some items are allocated as Deductions from operational revenue. Further information is in Explanatory note No. 9 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 non-controllable costs which were actually received in the tariff is transferred to Operational expenses.

*Deductions from operational revenues*

Deductions from operational revenues were a total of R\$ 4,230,362 in 9M09, 0.04% less than in 9M08 (R\$ 4,232,129). Main year-on-year variations in the deductions from revenue:

The Fuel Consumption Account CCC

The deduction from revenue for the CCC account in 9M09 was R\$ 376,108, 28.14% more than in 9M08 (R\$ 293,518). This refers to the costs of operation of the thermal plants in the Brazilian national grid and isolated systems, divided up between electricity concession holders by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity distribution *services* is the amount passed through to the tariff, and 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**.

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Energy Development Account - CDE

The deduction from revenue for the CDE in 9M08 was R\$ 300,445, 2.23% more than in 3Q08 (R\$ 293,883). 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 passed through to the tariff. For the amount posted in relation to electricity transmission services the company merely passes through the charge, since the CDE is charged to Free Consumers on the invoice for the use of the grid, and passed onto **Eletrobrás**.

Global Reversion Reserve - RGR

The deduction from revenue for the RGR in 9M09 was R\$ 141,911, compared to R\$ 132,869 in 9M08. This is a non-controllable cost: the expense recognized in the income statement is the amount passed through to the tariff.

The other deductions from revenue are for taxes that are calculated as a percentage of invoiced revenue. Hence their variations are substantially the same in percentage terms as the changes in revenue. Note that the 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) in 9M09 totaled R\$ 5,963,294, an increase of 7.90% compared to the expenses of R\$ 5,526,501 in 9M08. This result mainly reflects the increases in personnel costs, electricity bought for resale, charges for use of the basic transmission grid, and outsourced services, partially offset by lower cost of post-employment obligations and operational provisions. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

The main year-on-year variations in these expenses were:

Personnel expenses

Personnel expenses in 9M09 totaled R\$ 1,024,354, 24.47% more than their total of R\$ 822,972 in 9M08. This primarily reflects:

- The salary increase of 7.26% given to employees in November 2008.

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- Provision for the PDV Voluntary Retirement Program, in the amount of R\$ 201,389, in 2009.

On the other hand, the reduction in the number of employees from 10,442 in September 2008 to 9,837 in September 2009 contributed to lower personnel expenses.

### Electricity bought for resale

The expense on electricity purchased for resale in 9M09 was R\$ 2,529,469, 16.15% more than in 9M08 (R\$2,177,689). The difference is due to higher purchases of electricity, related to sales activity. This is a non-controllable cost: the expense recognized in the income statement is the amount passed through to the tariff. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

### Depreciation and amortization

The expense on depreciation and amortization was 4.62% lower, at R\$ 517,204 in 9M09, compared with R\$ 542,234 in 9M08. This variation arises from depreciation in the Special Obligations, from April 8, 2008, the start date of the second Tariff Review cycle.

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Post-employment obligations

The expense on post-employment obligations in 9M09 was R\$ 105.760, 43.49% less than the expense of R\$ 187,157 posted in 9M08. These expenses basically represent the interest applicable to Cemig's actuarial obligations, net of the investment yield expected from the assets of the pension plans, estimated by an external actuary. The reduction in this expense reflects the reduction in the present value of the obligations recorded, as a result of the increase in the interest rate used to discount these obligations to present value.

Outsourced services

The expense on outsourced services in 9M09 was R\$ 531,908, 12.17% more than in 9M08 (R\$ 474,204) – the highest variations being in expenditure on communication, maintenance and conservation of facilities and electrical equipment, collection agents and consultancy, as follows:

- The expense on communication services in 9M09 was R\$ 48,239, 11.83% more than in 9M08 (R\$ 43,135). This variation arises mainly from expenses of **Cemig D** on an increased number of telephone calls resulting from the longer rainy season in 2009; a significant increase in the number of calls by mobile phone, which are much more expensive; and the migration of other services previously provided through other channels, such as customer service branches, to the communications center.
- The expense on services of maintenance and conservation of facilities and electrical equipment in 9M09 was R\$ 90,628, 13.73% more than in 9M08 (R\$ 79,689). The increase arises mainly in expenditure by **Cemig D**, due to the prolongation of the rainy season, with greater demand for corrective maintenance of the system, and also the higher volume of preventive maintenance activities, aiming to reduce accidental outages in the next rainy season.
- The expense on collection agents, meter reading and delivery of electricity bills in 9M09 was R\$ 88,408, 10.59% more than in 9M08 (R\$ 79,944). The increase in this line is the result of upward adjustments by **Cemig D** in its contracts for meter reading and also from the growth in the number of consumers over the period.
- Other expenses, net, were R\$ 21,983 in 9M09, 92.61% more than in 9M08 (R\$ 11,413). The increase is due to the larger number of contracts with consultants for evaluation of projects for acquisition of new business by **Cemig GT**.

Operational provisions

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Operational provisions in 9M09 totaled R\$ 88,765, 49.44% higher than in 9M08 (R\$ 175,570). The lower provision mainly reflects the elimination, in 2009, of provision for a civil court claim relating to a tariff increase, in the amount of R\$ 29,277, on finalization of the court proceedings, and to lower expense on contingencies for litigation in civil actions in 2009 than 2008. For more information please see Explanatory Notes 22 and 28 to the Consolidated Quarterly Information.

### Charges for use of the transmission grid

The expense on charges for use of the transmission network in 9M09 was R\$ 612,627, compared to R\$ 530,621 in 9M08, an increase of 15.45%.

These charges, set by an Aneel Resolution, are payable by electricity distribution and generation agents for use of the facilities that are components of the national grid. This is a non-controllable cost: the deduction from revenue recognized in the Income statement corresponds to the value actually passed through to the tariff.

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Gas purchased for resale

The expense on gas purchased for resale in 9M09 was R\$ 128,510, 23.37% less than the expense of R\$ 168,841 posted in 9M08. This mainly reflects a lower quantity of gas being bought, due to less operation of thermal plants clients of **Gasmig** in 2009.

*Financial revenues (expenses)*

49M09 Cemig posted net financial expenses of R\$ 81,308, which compares with net financial revenues of R\$ 36,148 in 9M08. The main factors in this result are:

- Revenue from penalty payments applied to arrears on settlement of electricity bills 9.73% higher in 9M09, at R\$ 139,464, compared to R\$ 127,0980 in 9M08. This variation mainly reflects **Cemig D**'s higher revenue in 2008, in penalty payments from large industrial consumers recognized in September 2009 the principal amounts of which were considerably less than the amounts added as penalty payments for delay in settlement.
- Revenue from monetary updating on amounts receivable under the General Agreement for the Electricity Sector 63.62% lower. The revenue in 9M09 was R\$ 35,261, compared to R\$ 93,944 in 9M08 basically reflecting the lower value of the regulatory assets in 2009, since a significant part of them had been amortized (received).
- Revenue from monetary variation and interest applying to the Deferred Tariff Adjustment 97.37% lower, at R\$ 1,802 in 9M09, compared to R\$ 68,576 in 9M08. This primarily reflects reduction of the asset between the two periods, as a result of its partial settlement through receipt of amounts in consumers electricity accounts. For further details please see Explanatory Note 11 to the Consolidated Quarterly Information.
- Costs of loans and financings in Brazil were 24.45% lower year-on-year, due to amortizations in the period, and a lower variation in the CDI rate (the main index of contracts).
- Lower monetary updating on loans and financings: R\$ 5,539 in 9M09, compared to R\$ 73,587 in 9M08. This is basically due to lower inflation in 9M09 than in 9M08.
- Revenue reported in 2008 of R\$ 108,090 from the final court decision in favor of **Light** in an action challenging the application of the PIS and Cofins taxes to financial revenue.



- In the second quarter of 2009 **Cemig** recognized a financial gain of R\$ 82,702, for the financial compensation to be paid by the stockholders of **RME** for **Cemig**'s waiver of exercise of an option to buy the generation assets of **Light** for a previously agreed amount.
- Net gains on FX variations in 2009, in the amount of R\$ 21,782, net of the compensatory effects relating to financial instruments, compared to a net loss of R\$ 53,080 in 2008, arising basically from loans and financings in foreign currency indexed to the US dollar and the yen. This result arises principally from the appreciation of the Real against the dollar and the yen in 2009, compared to depreciation in 2008. The dollar and the yen depreciated against the Real, in 9M09, by 23.92% and 23.21%, respectively while in 9M08 they appreciated, respectively, by 8.07% and 13.55%, against the Real.

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

Table of Contents*Income tax and Social Contribution tax*

In 9M09 Cemig's expense on income tax and the Social Contribution was R\$ 720,657, on profit of R\$ 2,289,900 before tax effects, a percentage of 31.47%. In 9M08 Cemig's expense on income tax and the Social Contribution was R\$ 853,029, on profit of R\$ 2,645,084, before tax effects, a percentage of 32.25%. These effective rates are compared with the nominal rates in Note 10 to the Consolidated Quarterly Information.

**B. YEAR-ON-YEAR COMPARISONS FOR THE QUARTER****INCOME STATEMENTS FOR THE THIRD QUARTERS OF 2009 AND 2009**

|  | Third<br>quarter 2009 | Third<br>quarter 2008 | Change, %     |
|--|-----------------------|-----------------------|---------------|
| <b>OPERATIONAL REVENUE</b>   |                       |                       |               |
| Revenue from supply of electricity                                   | 3,718,029             | 3,415,253             | 8.87          |
| Revenue from use of the network                                      | 524,635               | 544,058               | (3.57)        |
| Other operational revenues   | 158,191               | 164,496               | (3.83)        |
| <b>Gross operational revenue</b>                                     | <b>4,400,855</b>      | <b>4,123,807</b>      | <b>6.72</b>   |
| Deductions from operational revenue                                  | (1,408,143)           | (1,368,973)           | 2.86          |
| <b>Net operational revenue</b>                                       | <b>2,992,712</b>      | <b>2,754,834</b>      | <b>8.63</b>   |
| <b>OPERATIONAL COSTS AND EXPENSES</b>                                |                       |                       |               |
| Personnel, managers and board members                                | (278,102)             | (245,110)             | 13.46         |
| Post-employment obligations  | (37,258)              | (61,645)              | (39.56)       |
| Materials  | (27,064)              | (22,075)              | 22.60         |
| Raw materials  |                       | (23,478)              |               |
| Outsourced services  | (170,287)             | (172,553)             | (1.31)        |
| Electricity bought for resale  | (1,019,362)           | (733,593)             | 38.95         |
| Depreciation and amortization  | (173,675)             | (170,378)             | 1.94          |
| Royalties for use of water resources                                 | (42,100)              | (33,561)              | 25.44         |
| Operational provisions   | (39,195)              | (51,873)              | (24.44)       |
| Charges for the use of the basic transmission grid                   | (197,980)             | (174,946)             | 13.17         |
| Gas purchased for resale   | (43,735)              | (57,339)              | (23.73)       |
| Other operational expenses, net                                      | (65,124)              | (88,687)              | (26.57)       |
|  | (2,093,882)           | (1,835,238)           | 14.09         |
| <b>Operational profit (loss) before Financial revenue (expenses)</b> | <b>898,830</b>        | <b>919,596</b>        | <b>(2.26)</b> |
| NET FINANCIAL REVENUE (EXPENSES)                                     | (10,344)              | (122,947)             | (91.59)       |
| <b>Profit before income tax and Social Contribution tax</b>          | <b>888,486</b>        | <b>796,649</b>        | <b>11.53</b>  |
| Income tax and Social Contribution tax                               | (289,742)             | (300,144)             | (3.47)        |
| Deferred income tax and Social Contribution tax                      | 2,577                 | 66,252                | (96.11)       |
| Profit shares  | (26,094)              | (21,716)              | 20.16         |
| Minority interests   | (8,189)               | (24,804)              | (66.99)       |
| <b>Net profit for the period</b>                                     | <b>567,038</b>        | <b>516,237</b>        | <b>9.84</b>   |



Table of Contents*Profit for the quarter*

**In the third quarter of 2009 (3Q09), Cemig reported net profit** of R\$ 567,038, 9.84% higher than the net profit of R\$ 516,237 reported for the third quarter of 2008 (3Q08). This was basically due to lower Net financial revenue, with effect partially offset by operational costs and expenses 14.05% higher. **Cemig** posted net financial expenses of R\$ 10,344 in 3Q09, compared with net financial expenses of R\$ 122,947 in 3Q08.

The higher operational costs and expenses in 3Q09 reflect the cost of energy purchased for resale 38.95% higher, and personnel expenses 13.45% higher, partially offset by the reduction in post-employment expenses. There is further comment on the variation in operational expenses on subsequent pages.

*Ebitda (method of calculation not reviewed by external auditors)*

**Cemig** s Ebitda in the 3Q09 was a 1.60% lower than in 3Q08. Adjusted for non-recurring items, this percentage reduction was 1.91%

| <b>EBITDA - R\$ 000</b>                          | <b>3Q09</b>      | <b>3Q08</b>      | <b>Change, %</b> |
|--|------------------|------------------|------------------|
| Net profit                                       | 567,038          | 516,237          | 9.84             |
| + Income tax and Social Contribution tax         | 287,165          | 233,892          | 22.78            |
| + Profit shares                                  | 26,094           | 21,716           | 20.16            |
| Financial revenues (expenses)                    | 10,344           | 122,947          | (91.59)          |
| + Depreciation and amortization                  | 173,675          | 170,378          | 1.94             |
| + Minority interests                             | 8,189            | 24,804           | (66.99)          |
| <b>EBITDA</b>                                    | <b>1,072,505</b> | <b>1,089,974</b> | <b>(1.60)</b>    |
| Non-recurring items:                             |                  |                  |                  |
| + The PDV Temporary Voluntary Retirement Program | 10,205           | 13,797           | (26.03)          |
| <b>= ADJUSTED EBITDA</b>                         | <b>1,082,710</b> | <b>1,103,771</b> | <b>(1.91)</b>    |

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In spite of operational costs and expenses (excluding depreciation and amortization) being 15.34% higher, Ebitda was only 1.64% lower in 3Q09 than in 3Q08 reflecting Net operational revenue 13.31% higher year-on-year.

The resulting Ebitda margin was lower, year-on-year, in 3Q09, at 35.83%, compared to 39.56% in 3Q08.

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## Revenue from supply of electricity

|   | MWh (*)           |                   |                | R\$              |                  |              |
|---|-------------------|-------------------|----------------|------------------|------------------|--------------|
|   | 3Q09              | 3Q08              | Change,<br>%   | 3Q09             | 3Q08             | Change,<br>% |
| Residential                                     | 2,390,877         | 2,234,575         | 6.99           | 1,129,283        | 978,993          | 15.35        |
| Industrial                                      | 5,618,583         | 7,155,562         | (21.48)        | 961,093          | 1,024,790        | (6.22)       |
| Commercial, services and<br>others              | 1,456,060         | 1,406,091         | 3.55           | 646,458          | 581,374          | 11.19        |
| Rural   | 678,046           | 718,582           | (5.64)         | 167,466          | 159,262          | 5.15         |
| Public authorities                              | 255,566           | 251,697           | 1.54           | 111,364          | 103,337          | 7.77         |
| Public illumination                             | 304,818           | 303,372           | 0.48           | 76,688           | 69,847           | 9.79         |
| Public service                                  | 335,729           | 316,634           | 6.03           | 100,328          | 88,985           | 12.75        |
| <b>Sub-total</b>                                | <b>11,039,679</b> | <b>12,386,513</b> | <b>(10.87)</b> | <b>3,192,678</b> | <b>3,006,588</b> | <b>6.19</b>  |
| Own consumption                                 | 12,635            | 12,444            | 1.53           |                  |                  |              |
| Subsidy for low-income<br>consumers             |                   |                   |                | 50,518           | (6,493)          | 2.823.64     |
| Uninvoiced supply                               |                   |                   |                |                  |                  |              |
| Regulatory asset                                |                   |                   |                |                  | (38,807)         |              |
| Uninvoiced supply , net                         |                   |                   |                | 5,292            | 78,567           | (93.26)      |
|   | <b>11,052,314</b> | <b>12,398,957</b> | <b>(10.86)</b> | <b>3,248,488</b> | <b>3,039,855</b> | <b>6.86</b>  |
| Wholesale supply to other<br>concession holders | 3,463,773         | 2,856,010         | 21.28          | 379,312          | 325,105          | 16.67        |
| Transactions in electricity<br>on the CCEE      | 726,311           | 297,127           | 144.44         | 24,070           | 50,293           | (52.14)      |
| Effects of the Final Tariff<br>Review           |                   |                   |                | 66,157           |                  |              |
| <b>Total</b>                                    | <b>15,242,398</b> | <b>15,552,094</b> | <b>(1.99)</b>  | <b>3,718,027</b> | <b>3,415,253</b> | <b>8.87</b>  |

(\*) Information in MWh not reviewed by external auditors.

Revenue from supply of electricity in 3Q09 was R\$ 3,718,028, higher than in 3Q08 (R\$ 3,415,253) by 8.87%.

Main factors affecting revenue in 3Q09:

- Tariff adjustment with average impact on consumer tariffs of 4.69%, starting from April 8, 2009. (For the captive market impact was 6.21%);
- Volume of energy invoiced to final consumers 6.19% higher (this excludes Cemig's own internal consumption).

Revenues from energy sold to other concession holders totaled R\$ 379,312 in 3Q09, 16.67% more than in 3Q08 (R\$ 325,105). This is mainly due to the volume of energy sold to other concession holders under bilateral contracts made at auctions of electricity to distributors being

Ebitda (method of calculation not reviewed by external auditors)

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21.28% higher, 3,463,773 MWh in the third quarter of 2009 compared to 2.856.010MWh in the third quarter of 2008.

### *Revenue from use of the network*

This revenue is the TUSD (Tariff for Use of the Distribution System), charged to Free Consumers, on electricity sold, and also revenue for use of **Cemig GT**'s own basic transmission grid. It was 3.57% lower in 3Q09, at R\$ 524,635, than in 3Q08 (R\$ 544,058).

Table of Contents*Non-controllable costs*

Differences between the sum of non-controllable costs (known as CVA), used as a reference in calculating the tariff adjustment, and disbursements actually made, are offset in subsequent tariff adjustments. They are recorded in Assets and Liabilities. Due to a change in Aneel's plan of accounts, some items were transferred to the item Deductions from operational revenue. For more information, please see Explanatory Notes 2 and 7 to the Quarterly Information.

## Deductions from operational revenues

|  | 3Q09             | 3Q08             | Change, %   |
|--|------------------|------------------|-------------|
| ICMS tax   | 743,222          | 742,988          | 0.03        |
| Cofins tax   | 314,678          | 291,219          | 8.06        |
| PIS and Pasep taxes  | 63,315           | 56,780           | 11.51       |
| ISS value added tax on services                                | 734              | 1,154            | (36.40)     |
|  | <b>1,121,949</b> | <b>1,092,141</b> | <b>2.73</b> |
| Global Reversion Reserve - RGR                                 | 49,554           | 46,807           | 5.87        |
| Energy Efficiency Program - P.E.E.                             | 10,770           | 9,217            | 16.85       |
| Energy Development Account - CDE                               | 105,024          | 97,182           | 8.07        |
| Fuel Consumption Account - CCC                                 | 101,439          | 106,035          | (4.33)      |
| Research and Development - R&D                                 | 7,930            | 7,022            | 12.93       |
| National Scientific and Technological Development Fund - FNDCT | 7,666            | 7,057            | 8.63        |
| Energy System Expansion Research (EPE / Energy Ministry)       | 3,814            | 3,522            | 8.29        |
| Emergency Capacity Charge                                      | (3)              | (10)             | (70.00)     |
|  | <b>286,194</b>   | <b>276,832</b>   | <b>3.38</b> |
|  | <b>1,408,143</b> | <b>1,368,973</b> | <b>2.86</b> |

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

The Fuel Consumption Account - CCC

The deduction from revenue for the CCC in 3Q09 was R\$ 101,439, 4.33% less than in 3Q08 (R\$ 106,035). This refers to the costs of operation of the thermal plants in the Brazilian national grid and isolated systems, divided up between electricity concession holders by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity *distribution* services is passed through in full to the tariff. For the amount posted in relation to electricity *transmission* services the company merely passes through the charge - it is charged to Free Consumers on the invoice for the use of the basic grid, and passed on to **Eletrobrás**.

Energy Development Account - CDE



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The deduction from revenue for the CDE was R\$ 105,024 in 3Q09, 8.07% higher than in 3Q08 (R\$ 97,182). This is a non-controllable cost. The amount posted for electricity *distribution* services is passed through in full to the tariff. For the amount posted in relation to electricity *transmission* services the company merely passes through the charge this part is charged to Free Consumers on the invoice for the use of the grid, and passed onto **Eletrobrás**.

The other deductions from revenue are of taxes calculated as a percentage of billing, so their variations are directly proportional to the changes in revenue.

### *Operational costs and expenses (excluding Financial revenue/expenses)*

Operational costs and expenses (excluding Financial revenue/expenses) totaled R\$ 2,093,882 in 3Q09, 14.09% higher than in 3Q08 (R\$ 1,835,238). This is mainly due to higher Personnel costs and cost of Electricity bought for resale, partially offset by lower expenses on Operational provisions, Raw materials and Post-employment obligations.

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The main year-on-year variations in these expenses were:

Personnel expenses

Personnel expenses in 3Q09, at R\$ 278,102, were 13.46% higher than in 3Q08 (R\$ 245,110). This reflects the salary adjustment of 7.26% negotiated in November 2008, and a lower volume of funds transferred to Works in progress in 2009.

Electricity bought for resale

The expense on this account in 3Q09 was R\$ 1.019.362, 38.95% higher than the figure of R\$ 733,593 for the third quarter of 3Q08. This reflects an average tariff paid of energy bought for resale 23.86% higher in the 2009-10 tariff cycle. This is a non-controllable cost: the expense recognized in the income statement is the amount passed through to the tariff. Further information is given in Explanatory Note 28, item b, to the Consolidated Quarterly Information.

Post-employment obligations

Expenses on post-employment obligations totaled R\$ 38,258 in 3Q08, 39.56% less than in 3Q09 (R\$ 61,645). These expenses basically represent the interest applicable to Cemig's actuarial obligations, net of the investment yield expected from the pension plans' assets, estimated by an external actuary. The lower expense in 2009 basically reflects the adjustment made to the actuarial assumptions in December 2008, which resulted in a reduction of the Company's net obligations.

Operational provisions

Expenses on operational provisions in 3Q09 totaled R\$ 39,195, 24.44% less than in 3Q08 (R\$ 51,873). The lower figure reflects reduction in some items, especially provisions for civil litigation, partially offset by an increase in the provision for doubtful debtors. The lower provision for civil lawsuits reflects a reversal of R\$ 6,141, in 3Q09, due to finalization of lawsuits relating to tariff increases.

Table of Contents*Financial revenues (expenses)*

|  | 3Q09            | 3Q08             | Change,<br>%   |
|--|-----------------|------------------|----------------|
| <b>FINANCIAL REVENUES</b>  |                 |                  |                |
| Revenue from cash investments  | 51,104          | 79,137           | (35.42)        |
| Arrears penalty payments on electricity bills  | 78,449          | 28,578           | 174.51         |
| Interest and monetary updating on accounts receivable from the Minas Gerais state government | 67,959          | 70,830           | (4.05)         |
| Monetary updating of CVA   | 7,548           | 11,571           | (34.77)        |
| Monetary updating on the General Agreement for the Electricity Sector                        | 8,573           | 21,080           | (59.33)        |
| Monetary updating and interest Deferred Tariff Adjustment                                    |                 | 14,372           |                |
| FX variations  | 28,710          | (13,749)         | (308.82)       |
| Pasep and Cofins taxes on financial revenues   | (8,614)         | (10,392)         | (17.11)        |
| Gains on financial instruments   | 306             | (4,812)          | (106.36)       |
| FIDC revenues  |                 |                  |                |
| Adjustment to present value  | 555             | 12,419           | (95.53)        |
| Other  | 35,758          | 36,736           | (2.66)         |
|  | 270,348         | 245,770          | 10.00          |
| <b>FINANCIAL EXPENSES</b>  |                 |                  |                |
| Charges on loans and financings  | (199,156)       | (245,599)        | (18.91)        |
| Monetary updating on the General Agreement for the Electricity Sector                        | (880)           | 5,997            | (114.67)       |
| Monetary updating CCBE   | 4,013           |                  |                |
| Monetary updating of CVA   | 339             | (7,900)          | (104.29)       |
| FX variations  | (11,971)        | (55,482)         | (78.42)        |
| Monetary updating on loans and financings  | 510             | (21,660)         | (102.35)       |
| CPMF tax   |                 | 627              |                |
| Provision for losses on recovery of Extraordinary Tariff                                     |                 |                  |                |
| Recomposition and Free Energy amounts updating   | (8,306)         | (789)            | 952.72         |
| Adjustment to present value  | (2,829)         | (18,233)         | (84.48)        |
| Losses on financial instruments  | (3,596)         | 19,204           | (118.73)       |
| Other  | (58,816)        | (44,882)         | 31.05          |
|  | (280,692)       | (368,717)        | (23.87)        |
|  | <b>(10,344)</b> | <b>(122,947)</b> | <b>(91.59)</b> |

The Financial revenue (expenses) line was significantly different between the two periods. The main factors are:

- Revenue from penalty payments on electricity invoices in arrears in 3Q09, at R\$ 78.449, 174.51% higher than in 3Q08 (R\$ 28,578). This is basically made up of arrears charges on Accounts Receivable from large consumers, in the amount of R\$ 48,565, recognized in September 2009.
- Revenue from adjustment to present value in 2008, totaling R\$ 12,419, applied to the balance of some financings, debentures and obligations payable for concessions for consideration, in compliance with Law 11,638/07.

- Revenue from monetary variation on the General Agreement for the Electricity Sector 59.33% lower at R\$ 8,573 in 2009, vs. R\$ 21,080 in 2008 reflecting the lower value of the regulatory assets in 2009, due to the principal regulatory assets previously constituted (RTE and Deferred Tariff Adjustment) having been partially amortized.
- Costs of loans and financings 51.95% lower, due to amortizations of debt in 2008 and the lower variation in the CDI rate (the main index of contracts) in 2009.
- Net gains on FX variations in 2009, in the amount of R\$ 13,449, net of the compensatory effects relating to financial instruments, compared to a net loss of R\$ 54,839 in 2008, arising basically from loans and financings in foreign currency indexed to the US dollar and the yen. This principally reflects the appreciation of the Real against the dollar and the yen in 3Q09, compared to depreciation in 3Q08.

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*Income tax and Social Contribution tax*

**In 3Q09**, Cemig's expenses on income tax and the Social Contribution totaled R\$ 287,165, on profit of R\$ 888,486, before tax effects, a percentage of 32.32%. **In 3Q08** the expense on income tax and the Social Contribution tax was R\$ 233,892, on profit of R\$ 796,649, before tax effects a percentage of 29.35%.

**OTHER INFORMATION THAT THE COMPANY BELIEVES TO BE MATERIAL**

Information not reviewed by our external auditors.

**Investor Relations**

In the 9 months of 2009, through strategic activities aiming to enable investors and stockholders to make a correct valuation of our businesses and our prospects for growth and addition of value, we increased Cemig's exposure to the Brazilian and global capital markets as a leading company in its sector.

We keep up a constant and proactive flow of communication with Cemig's investor market, strengthening our credibility, seeking to increase interest in our securities and ensure that investors are satisfied with them.

Our results are published in presentations given by video webcasts and conference calls, with simultaneous translation into English, at which members of the Executive Board are always present developing an increasingly transparent relationship, in line with the best corporate governance practices.

To serve our stockholders, who are spread over 40 countries, and facilitate optimum coverage of investors, Cemig was present in Brazil and worldwide at innumerable seminars, conferences, investor meetings, congresses, and roadshows; and also held video and telephone conference calls with analysts, investors and other parties interested in the capital markets.

In May, for the 14th year running, we held our now traditional Cemig Meeting with the Capital Markets and Investors, jointly with Apimec the Brazilian Capital Markets and Analysts Association in Uberlândia, Minas Gerais, where these professionals once again had the opportunity to interact with the company's directors and principal executives.

**Corporate governance**

Ebitda (method of calculation not reviewed by external auditors)

Our corporate governance model is based on principles of transparency, equity and accountability, focusing on clear definition of the roles and responsibilities of the Board of Directors and the Executive Board in the formulation, approval and execution of policies and guidelines for managing the company's business.

We seek sustainable development of the Company through balance between the economic, financial, environmental and social aspects of our enterprises, aiming to improve the relationship with our stockholders, clients, and employees, the public at large and other stakeholders.

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**Cemig's preferred and common shares** have been listed under Corporate Governance Level 1 on the São Paulo Stock Exchange since 2001 (with tickers **CMIG3** and **CMIG4** respectively). This classification represents a guarantee to our stockholders of optimum reporting of information, and also that stockholdings are relatively widely dispersed. Because **Cemig** has ADRs (American Depositary Receipts) listed on the New York Stock Exchange, representing preferred shares (with ticker CIG) and common shares (ticker CIG.C), it is also subject to the regulations of the US Securities and Exchange Commission (SEC) and the New York Stock Exchange Listed Companies Manual. Our preferred shares have been listed on the Latibex of the Madrid stock exchange (with ticker XCMIG) since 2002.

Since the end of 2006 our material procedures related to preparation of the Consolidated Financial Statements have been compliant with the requirements of Section 404 of the Sarbanes-Oxley law of the US.

As well as our dividend policy, our bylaws include the targets of the Strategic Plan, as follows :

- to keep consolidated indebtedness equal to or less than 2 times Ebitda.
- to keep the consolidated ratio (Net debt) / (Net debt + Stockholders' equity) equal to or less than 40%.
- to limit consolidated funds in Current assets to 5% of Ebitda.
- consolidated funds allocated to capital expenditure in each business year to be limited to 40% of Ebitda (exceptionally, 65% in 2006 and 55% in 2007).
- to invest only in distribution, generation and transmission projects which offer real minimum internal rates of return equal to or greater than those specified in the company's Long-Term Strategic Plan, subject to the legal obligations.
- to limit the expenses of the subsidiary Cemig Distribuição (**Cemig D**), and of any subsidiary which operates in distribution of electricity, to amounts not greater than the amounts recognized in the tariff adjustments and reviews.

The Board of Directors may authorize numbers in excess of these standards, in response to temporary needs, up to the following limits:

- consolidated debt: maximum of 2.5 times Ebitda.
- consolidated ratio (Net debt) / (Net debt + Stockholders' equity): maximum of 50%.
- consolidated funds in Current assets: maximum of 10% of Ebitda.

The stockholders' agreement signed between the **Government of Minas Gerais State** and **Southern Electric Brasil Participações Ltda.** (SEB) in 1997, has been suspended by the Brazilian courts. Appeals filed by SEB are before the federal courts.

**The Board of Directors**

*Meetings*

Our Board of Directors met 17 times from January to September in 2009, to discuss strategic planning, expansion projects, acquisition of new assets, and various other investments, among other subjects.

*Membership, election and period of office*

The present Board of Directors was elected on April 29, 2009, by the cumulative voting method, as specified by Article 141 of Law 6404 of December 15, 1976, as amended. Our Board of Directors is made up of 14 members, of whom eight are elected by the Government of the State of Minas Gerais, five by the stockholder Southern Electric Brasil Participações Ltda. SEB, and one by the minority holders of preferred shares.

The periods of office of the present members of the Board of Directors expire at the Annual General Meeting of Stockholders to be held in 2010.



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***Principal responsibilities and attributions:***

The Board of Directors has the following responsibilities and attributions, as well as those conferred on it by law:

- Decision, before signing, on any contract signed between Cemig and any of its stockholders or their parent companies.
- Decision on any sale of assets, loans or financings, charge on the company's property, plant or equipment, guarantees to third parties, or other legal acts or transactions, with value of R\$ 5 million or more.
- Authorization for issuance of securities in the domestic or external market to raise funds.
- Approval of the Long-term Strategic Plan, and revisions of it, and of the Multi-year Strategic Implementation Plan and revisions of it, and the Annual Budget.

Since 2006 Cemig has had committees, made up of members of the Board of Directors, to carry out prior discussion and analysis on matters to be decided by the Board, as follows:

1. Board of Directors Support Committee;
2. Corporate Governance Committee;
3. Human Resources Committee;
4. Strategy Committee;
5. Finance Committee; and,
6. Audit and Risks Committee.

***Qualification and remuneration***

The members of the Board of Directors have training and experience in a wide range of areas (business administration, engineering, law, diplomacy, etc.), and very broad experience in business management. Their remuneration is 20% of the average paid to our Directors, and does not include any share purchase options.

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A list with the names of the members of the Board of Directors and their résumés is on our website at: <http://ri.cemig.com.br>

### *Audit Committee*

As well as the Brazilian Corporate Law, in relation to the requirements of the Sarbanes-Oxley law, to which we are subject due to our shares being registered with the US Securities and Exchange Commission (SEC), the capital markets regulator of the United States, we opted for the exemption allowed by the Exchange Act, rule 10-3A, and regulated by SEC release 82-1234, which accepts the activity of the Audit Board as an alternative to the Audit Committee specified by the Sarbanes-Oxley law.

### *The Executive Board*

The Executive Board is made up of nine members whose individual functions are set by the company's Bylaws. They are elected by the Board of Directors for periods of office of three years. They may be reelected; they may also be dismissed at any time by the Board of Directors.

Members are allowed also to hold simultaneous non-remunerated positions in the management of wholly-owned subsidiaries, subsidiaries or affiliates of Cemig, on decision by the Boards of Directors of those companies. They are also, obligatorily, members, with the same positions, of the Boards of Directors of **Cemig GT** (Generation and Transmission) and **Cemig D** (Distribution).

The periods of office of the present Chief Officers expire at the first meeting of the Board of Directors held after the Ordinary General Meeting of Stockholders of 2012.

The members of the Executive Board and brief résumés are on our website: <http://ri.cemig.com.br>.

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The Chief Officers have individual responsibilities established by the Board of Directors and the Bylaws, including:

- Current management of the company's business, complying with the bylaws, the Long-term Strategic Plan, the Multi-Year Strategic Implementation Plan, and the Annual Budget.
- Decision on any disposal of goods, loans or financings, charges of any of the company's property, plant or equipment, guarantees to third parties, or other legal acts or transactions in amounts less than R\$ 14 million.

The Executive Board normally meets weekly. Until September, 2009 it held 43 meetings in 2009.

A list of the names and summary resumes of its members is available on our website: [www.ri.cemig.com](http://www.ri.cemig.com) under >> Institutional >> Boards.

***The Audit Board***

***Meetings***

The Audit Board held 8 meetings in 2009.

***Membership, election and period of office***

We have a permanent Audit Board, made up of five sitting members and their respective substitute members. They are elected by the Annual General Meeting of Stockholders, for periods of office of one year, and may be reelected. They are:

- one member elected by the holders of the preferred shares;
- one member elected by the holders of the common shares not belonging to the controlling stockholder group, representing at least 10% of the registered capital; and
- three members appointed by the majority stockholder.

The members of the Audit Board are listed on our website: [www.ri.cemig.com](http://www.ri.cemig.com)

***Principal responsibilities and attributions:***

As well as the attributions specified by Law 6404 of December 15, 1976, as amended, in relation to the Sarbanes-Oxley law to which we are subject due to our shares being registered with the Securities and Exchange Commission (SEC), the capital markets regulator of the United states we opted to exercise the exemption allowed by Rule 10-3A of the Exchange Act, regulated by SEC Release 82-1234, which accepts the activity of the Audit Board as an alternative to the Audit Committee as defined by the Sarbanes-Oxley law.

***Qualification and remuneration***

The Audit Board is a multi-disciplinary body, made up of members with various competencies (accounting, economics, business administration, and others). Their remuneration is 10% of the average paid to the Chief Officers.

Résumé information on its members is on our website: [www.ri.cemig.com](http://www.ri.cemig.com)

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*The Sarbanes-Oxley Law*

**Cemig** has obtained certification of its internal controls for mitigation of risks involved in the preparation and disclosure of the financial statements, issued in accordance with Section 404 of the Sarbanes-Oxley Law and the rules of the Public Company Accounting Oversight Board (PCAOB), which is a part of the annual 20-F report relating to the business year ending December 31, 2006, filed with the US Securities and Exchange Commission (SEC) on July 23, 2007.

A link was established between the potentially significant controls and accounting records in the financial statements for 2008. The design of the processes and key controls for ensuring mitigation of the risks associated with the preparation and disclosure of the financial statements for the year ended December 31, 2008.

*Management of corporate risks*

Corporate risk management is a management tool that is an integral part of our corporate governance practices. For it to have maximum efficacy, and for it to be more easily included in the organization's culture, we aim to align it with the company's process of Strategic Planning which defines the strategic objectives of the company's business. Other instances of management that relate to corporate risk management include: The Corporate Governance Committee, Compliance with the Sarbanes-Oxley Law, the Budget Prioritization Committee, Internal Auditing, the Energy Risks Management Committee, the Insurable Risks Committee, and the Control and Management Committee.

**Cemig**'s corporate risks management structure was put in place in 2003. The risks matrix was revised for the first time in 2004, and a second time in 2005-6, aiming to identify changes in relation to the level of performance expected for each process. The result has been an improvement in the effectiveness of the strategic controls, a commitment to implementation of the mitigating action plans proposed and, consequently, reduction of the financial impact and the probability of occurrence of innumerable risks.

The method for measurement of risks that **Cemig** has chosen is the ORCA method, which was put in place with the assistance of external consultants, based on four dimensions: objectives; risks; internal controls; and alignment.

To ensure safety, confidentiality of information, and speed in the process of periodic revision and review of the matrix of corporate risks, we use the SGIR (Integrated Risk Management System) application, which embodies the methodology referred to above. **Cemig** also has a site giving employees access to information on the subject, which enables the risks identified by managers to be continuously and dynamically monitored.

*Functional structure*

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The main determining factor for the option adopted for functional structure is decentralized management by Risk Managers. This expresses the corporative and matricial nature of the function, with monitoring centralized by the Corporate Risk Management Unit, which generates relevant information with a systemic view and meets the demands of the Corporate Risk Management Committee. The Committee analyzes and prioritizes the actions established by the Board of Directors and the Executive Board.

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***Challenges***

The main challenges to be faced by corporate risk management in **Cemig** are:

- Improvement of the methodology of calculation of financial exposure risks, to provide the maximum possible objectivity for the assessment made by managers, offering senior management maximum security in the process of taking decisions. The results expected are: improvement in the quality of the information related to the matrix, and guarantee of compliance with the directive guidelines that arise from the Corporate Risk Management Policy.
- Creation of standard reports, to meet the needs of various decision levels in the company.

***Statement of Ethical Principles and Code of Professional Conduct***

The approval by **Cemig**'s Board of Directors in May 2004 of the Declaration of Ethical Principles and Code of Professional Conduct ([www.ri.cemig.com.br](http://www.ri.cemig.com.br)), confirms an important step in improving our internal system of corporate governance, and increasing our corporate transparency. The Declaration is divided into 11 Principles that reflect ethical conduct and values that are incorporated into our culture.

**Cemig**'s Ethics Committee was created on August 12, 2004, to coordinate all actions relating to management of the Declaration of Ethical Principles and Code of Professional Conduct. This includes assessment and decision on any possible non-compliances with the document.

In December 2006 we created the Information Channel, to be used only by **Cemig** employees and workers. It enabled the Ethics Committee to receive anonymous reports, via an open channel on our intranet – the Anonymous Information Channel. Items reported here should include irregular practices contrary to the Company's interests, including: financial fraud, including adulteration, falsification or suppression of financial, tax or accounting documents; misappropriation of goods or funds; receipt of undue advantages by managers or employees; irregular contracting; and other practices considered to be illegal.

***The Ethics Committee***

This was created on August 12, 2004, with three sitting members and three substitute members, and is responsible for management (interpretation, publicizing, application and updating) of the Code of Professional Conduct.

It can receive and investigate any reports of violations of the ethical principles and rules of conduct, provided they are presented in a written document signed by the interested party, and sent to the address: Cemig, Av. Barbacena 1200, SA/17°/B2, accompanied by indication of the means of proof (witnesses, documents or other sufficient and appropriate means). They can also be sent by email or telephone – the address and

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phone number are well known to all the company's employees.

In December 2006 we put in place our Anonymous Information Channel, available on the corporate intranet, the purpose of which is to receive, submit and process accusations of irregular practices, such as financial fraud, undue appropriation of assets, receipt of irregular advantages or illegal contracting. This channel is one more step for the company in the direction of improving transparency, correct behavior and the concept of corporate governance within **Cemig**. This new instrument of corporate governance improves the management of our employees and of our business, and reaffirms our ethical principles.

The Statement of Ethical Principles and Code of Professional Conduct of Cemig is based on 11 Principles, which express the ethical conduct and values incorporated into its culture. It is available on our website at <http://ri.cemig.com.br>.



Table of Contents**POSITION OF STOCKHOLDERS WITH MORE THAN 5% OF THE VOTING STOCK ON JUNE 30, 2009**

| STOCKHOLDER                                     | COMMON<br>SHARES |       | PREFERRED<br>SHARES |      | TOTAL<br>SHARES |       |
|---|------------------|-------|---------------------|------|-----------------|-------|
|   | (thousands)      | %     | (thousands)         | %    | (thousands)     | %     |
| State of Minas Gerais                           | 138,175,720      | 50.96 | 0.00                | 0.00 | 138,175,720     | 22.27 |
| Other entities of Minas Gerais State            | 36,544           | 0.01  | 6,415,884           | 1.84 | 6,452,428       | 1.00  |
| Total, controlling stockholder                  | 138,212,264      | 50.97 | 6,415,884           | 1.84 | 144,628,148     | 23.27 |
| Southern Electric Brasil Participações<br>Ltda. | 89,383,266       | 32.96 |                     | 0.00 | 89,383,266      | 14.41 |

**STOCKHOLDERS OF SOUTHERN ELECTRIC BRASIL PARTICIPAÇÕES LTDA. ON SEPTEMBER 30, 2009**

| Item | Name                   | Number of shares (Units) | %     |
|------|------------------------|--------------------------|-------|
| 1    | Cayman Energy Traders  | 321,480,876              | 91.75 |
| 2    | 524 Participações S.A. | 28,913,419               | 8.25  |

1 Non-Brazilian company.

2 Listed company; Opportunity Alfa FIA Fund holds 99.99% of its registered capital.

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|                                       | 30.09.2009  |           | 30.09.2008  |           |
|---------------------------------------|-------------|-----------|-------------|-----------|
|                                       | ON SHARES   | PN SHARES | ON SHARES   | PN SHARES |
| CONTROLLING STOCKHOLDER               | 138,212,264 | 6,415,884 | 110,569,812 | 4,974,466 |
| BOARD OF DIRECTORS                    | 7,902       | 438       | 6,319       | 500       |
| Alexandre Heringer Lisboa             | 1           |           | 1           |           |
| André Araújo Filho                    | 1           |           |             |           |
| Andréa Leandro Silva                  | 7           |           | 6           |           |
| Antônio Adriano Silva                 | 1           |           | 1           |           |
| Britaldo Pedrosa Soares               | 1           |           |             |           |
| Cezar Manoel de Medeiros              | 1           |           |             |           |
| Clarice Silva Assis                   | 1           |           |             |           |
| Djalma Bastos de Moraes               |             | 50        |             | 40        |
| Eduardo Lery Vieira                   | 1           |           | 1           |           |
| Evandro Veiga Negrão de Lima          | 7,649       |           | 6,120       |           |
| Fernando Henrique Schüffner Neto      |             | 386       |             | 309       |
| Francelino Pereira dos Santos         | 1           |           | 1           |           |
| Franklin Moreira Gonçalves            | 1           |           | 1           |           |
| Guilherme Horta Gonçalves Junior      | 1           |           | 1           |           |
| Guy Maria Villela Paschoal            | 10          |           | 8           |           |
| Jeffery Atwood Safford                | 1           |           |             |           |
| João Camilo Penna                     | 1           | 1         | 1           | 150       |
| José Castelo Branco da Cruz           | 1           |           |             |           |
| Kleber Antônio de Campos              | 1           |           |             |           |
| Lauro Sergio Vasconcelos David        | 1           |           | 1           |           |
| Luiz Antônio Athayde Vasconcelos      | 1           |           | 1           |           |
| Marco Antônio Rodrigues da Cunha      | 1           |           | 1           |           |
| Maria Amália Delfim de Melo Coutrim   | 1           |           | 1           |           |
| Maria Estela Kubitschek Lopes         | 1           |           | 1           |           |
| Paulo Sérgio Machado Ribeiro          | 88          | 1         | 71          | 1         |
| Roberto Pinto Ferreira Mameri Abdenur | 127         |           | 102         |           |
| Sérgio Alair Barroso                  | 1           |           |             |           |
| Thomas Anthony Tribone                | 1           |           |             |           |

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| NAME                                  | STOCK POSITION |            | PN SHARES |
|---------------------------------------|----------------|------------|-----------|
|                                       | 30.09.2009     | 30.09.2008 |           |
|                                       | ON SHARES      | PN SHARES  | ON SHARES |
| <b>EXECUTIVE BOARD</b>                | 9              | 436        | 6         |
| Djalma Bastos de Moraes               |                | 50         |           |
| Arlindo Porto Neto                    | 1              |            |           |
| Bernardo Afonso Salomão de Alvarenga  | 1              |            | 1         |
| Fernando Henrique Schüffner Neto      |                | 386        |           |
| José Carlos de Mattos                 |                |            |           |
| Luiz Fernando Rolla                   | 6              |            | 4         |
| Luiz Henrique de Castro Carvalho      |                |            |           |
| Marco Antônio Rodrigues da Cunha      | 1              |            | 1         |
| Márcio Augusto Vasconcelos Nunes      |                |            |           |
| <b>AUDIT BOARD</b>                    |                |            |           |
| Aliomar Silva Lima                    |                |            |           |
| Ari Barcelos da Silva                 |                |            |           |
| Aristóteles Luiz Menezes Vasconcellos |                |            |           |
| Drummond                              |                |            |           |
| Leonardo Guimarães Pinto              |                |            |           |
| Luiz Guarita Neto                     |                |            |           |
| Luiz Otávio Nunes West                |                |            |           |
| Marcus Eolo de Lamounier Bicalho      |                |            |           |
| Newton de Moura                       |                |            |           |
| Thales de Souza Ramos Filho           |                |            |           |
| Vicente de Paulo Barros Pegoraro      |                |            |           |

**SHARES IN CIRCULATION****(OTHER THAN SHARES OWNED BY THE STATE OF MINAS GERAIS) (\*)**

| DATE       | COMMON      |       | PREFERRED SHARES |       | TOTAL       |       |
|------------|-------------|-------|------------------|-------|-------------|-------|
|            | SHARES      | %     | SHARES           | %     | SHARES      | %     |
| 30.09.2009 | 132,934,068 | 49.03 | 342,541,418      | 98.09 | 475,475,486 | 76.64 |
| 30.09.2008 | 106,376,485 | 49.03 | 276,165,731      | 99.92 | 385,542,216 | 77.68 |

(\*) Changes in numbers of shares arise from corporate action and/or events during 2009.

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**INDEPENDENT AUDITORS' REVIEW REPORT**

To

The Board of Directors

Companhia Energéticas de Minas Gerais - CEMIG

Belo Horizonte - MG

1. We have reviewed the Quarterly Financial Information - ITR of Companhia Energéticas de Minas Gerais - CEMIG (the Company) and the consolidated Quarterly Financial Information of the Company and its subsidiaries for the quarter ended September 30, 2009, comprising the balance sheets, the statements of income, changes in shareholders' equity and of cash flows, the explanatory notes and management report, which are the responsibility of its management.

2. Our review was conducted in accordance with the specific rules set forth by the IBRACON - The Brazilian Institute of Independent Auditors, in conjunction with the Federal Accounting Council - CFC, and consisted mainly of the following: (a) inquiries and discussions with the persons responsible for the Accounting, Finance and Operational areas of the company and its subsidiaries as to the main criteria adopted in the preparation of the Quarterly Financial Information - ITR; and (b) reviewing information and subsequent events that have or may have relevant effects on the financial position and operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modification that should be made in accounting information included in the Quarterly Financial Information - ITR described above, for it to be in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Financial Information - ITR, including the Instruction CVM N° 469/08.

4. As mentioned in Note 2 to the financial information, the accounting practices adopted in Brazil have been changed in 2008 and the effects of the first time adoption were recognized of the Company and its subsidiaries on the fourth quarter of 2008 and disclosure in the financial statements for the year ended December 31, 2008. The statement of income, changes in shareholders' equity and cash flow for the quarter ended September 30, 2008, presented in connection with the Quarterly Financial Information - ITR, did not change for comparison purposes, as permitted by Direct Release/CVM/SNC/SEP n° 02/2009 (Ofício Circular).

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5. As described in Notes 8, 17 and 22 to the financial information, Companhia Energética de Minas Gerais – CEMIG and its subsidiaries have assets and liabilities recorded in relation to transactions for the sale and purchase of energy and other transactions on the Electricity Trading Chamber (CCEE) (previously called MAE ). These amounts were recorded on the basis of calculations prepared and published by the CCEE for transactions carried out to September 30, 2009, and may be changed as a result of decisions in current Court Proceedings brought by companies in the sector, in relation to the interpretation of the rules of the wholesale energy market in effect at the moment in which referred transactions are realized.

6. The financial statements of Fundação de Seguridade Social Braslight, the pension fund sponsored by the indirect controlled Light S.A., related to four-period ended April 30, 2009, were audited by other independent auditors, who issued an opinion thereon, dated June 2, 2009, including a paragraph commenting on a balance of R\$133.5 million related to tax credits arising from the Entity's tax immunity proceeding, already considered a final and unappealed decision, which, according to the Management's estimates, can be offset by taxes payable in the following years. The future realization of the asset is subject to the continuance of the offset process in the Internal Revenue Service, which was suspended in September 2005. If this suspension is maintained, the Entity may eventually record a provision for the asset. This asset, which guarantees the Entity's actuarial reserves, was deducted from calculation of the subsidiaries' actuarial deficit, as required by CVM Resolution 371/00. Consequently, in case this amount is provisioned, the proportionally effect in the result will be R\$17.4 million.

November 12, 2009

Original report in Portuguese signed by

KPMG Auditores Independentes

CRC SP014428/O-6-F-MG

Marco Túlio Fernandes Ferreira

Accountant CRCMG058176/O-0

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2. Third Quarter 2009 Earnings Release, Companhia Energética de Minas Gerais CEMIG

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**Brazil's Best Electricity**

**EARNINGS RELEASE**

**3Q09**

**Cemig H**

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CEO, Djalma Bastos de Moraes, makes the following comments on Cemig's 3Q09 results:

*Our exceptional results for the third quarter reflect, again, the success of our Long-Term Strategic Plan and the strategy developed from it which, by focusing on adding value for stockholders in the long term through our portfolio of businesses, provides Cemig with the ability to grow sustainably, with robust financial results and strong governance.*

*In spite of a world economic context which was challenging, Cemig has shown solidity in its fundamentals, going through this macroeconomic crisis in a differentiated situation, creating new opportunities for growth.*

*We are finalizing the acquisition of Terna, within the expectations that we previously announced, and have recently increased our stake in the TBE transmission companies: both add stability and predictability to our results, securing for Cemig a solid position as uncontested leader of the Brazilian electricity sector, through its simultaneous activity in all three segments of the industry – generation, transmission and distribution.*

*This strong situation is the result of a group of strategies, from keeping a balanced portfolio of businesses to our financial discipline, by way of successful strategies in sale of electricity – which have succeeded in mitigating the effect of the cooling of the economy on our overall results.*

*As well as seeking growth through acquisition opportunities that arise, we have continued our expansion through new projects: we recently inaugurated the Baguari hydroelectric complex, with 140MW of installed capacity, and started operation*



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*of the Parajuru Wind Farm, with installed capacity for 29 MW. Both further increase the percentage of sources considered to be environmentally clean in our generation portfolio. This is a factor of primordial importance in facing the challenges of this century, but also a routine for Cemig which has been part of the Dow Jones Sustainability Index for the last 10 years.*

*We continue to do our homework, growing in all sectors in a balanced fashion, with our continuing focus on operational excellence, and rationalization of processes.*

*Finally, the results are evidence that our Long-Term Strategic Plan positions us on the right growth path, resulting in increasing profits, and consequently distribution of higher dividends.*

*All these things are the fruit of the decisions taken in recent years, that are constantly adding value to our businesses and continually making Cemig a stronger and more solid company, and one with an efficient and differentiated corporate management within the Brazilian electricity sector.*

CFO Luiz Fernando Rolla adds the following comments:

*In this third quarter our company has continued to provide consistent, robust cash flow, as a result of our portfolio of businesses, which maximizes long-term returns, with low risk. Our Ebitda has reached the R\$ 1.07 billion level, with an Ebitda margin of 36%, benefiting from our policy of maintaining high levels of management of our assets and operational efficiency the evidence of this excellence is in our net income, of R\$ 567 million in this third quarter, 10% higher than in the third quarter of last year.*

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*This new level of results is a consequence of the execution of the strategy in our Strategic Plan, reflecting the rightness of our choice to grow through both acquisitions and new projects, in the process of consolidation of the sector. This year has emerged as a landmark for our company, for the enormous challenges that have been overcome with technical, financial and management excellence.*

*We have now been through the final phase of our tariff reviews which reduced the tariffs of our distribution company, thus sharing with consumers the efficiency gains that we achieved in the previous cycle in the midst of a situation of economic slowdown, and stress in the international capital markets, which considerably affected the electricity consumption of our industrial clients. With the stability of revenue of our generation company guaranteed by contracts with a minimum take-or-pay component of 90%, we have helped our corporate clients by placing the electricity that they were not going to need in 2009, and we did this speedily and creatively, leveraging our results with sales in short-term contracts for R\$ 145 per MWh.*

*We continue our quest for ever-greater operational efficiency, which has included investment in a voluntary retirement program that will begin to reduce our personnel costs significantly in the last quarter of 2010.*

*With the results foreseen by our Strategic Plan materializing, we go forward in the process of consolidation of Brazil's electricity sector, successfully concluding the acquisition of Terna Participações S.A., for a total amount of approximately R\$ 5 billion, including debt, through an innovative structure: the partnership with an Equity Investment Fund, FIP Coliseu created*

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*with an asset already in the process of acquisition. Due to the needs of this acquisition, and so as to keep Cemig well-positioned in relation to the opportunities that we can see ahead, we raised approximately R\$ 2.7 billion, and in this transaction we saw strong demand from the market, illustrating the potential that we still have for further growth though without omitting to preserve our equity structure, which has just received one of the best credit ratings in the sector, from S&P.*

*Summing up: With the execution of our Long-Term Strategic Plan, preserving the solidity of our balance sheet, our dividend policy, our financial discipline and our technical excellence, Cemig now operates in 20 of Brazil's States, growing in a balanced and sustainable manner, always with the addition of value for our stockholders as a primary aim.*

*The rest of this release highlights the details of our third quarter:*

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(All figures in thousands of Reais, unless otherwise stated)

**Headlines of 3Q09**

- Ebitda: *R\$ 1.07 billion*
- Net income: *R\$ 567 million*
- Net revenue: *R\$ 2.99 billion*
- Cash position: *R\$ 2.76 billion*
- Volume sold in 3Q09: *15,242 GWh*

Table of Contents**Economic summary**

|                        | 3Q09   | 3Q08   | R\$ million<br>Change (%) |
|------------------------|--------|--------|---------------------------|
| Electricity sold, GWh* | 15,242 | 15,552 | (1.99)                    |
| Gross revenue          | 4,401  | 4,123  | 7.62                      |
| Net sales revenue      | 2,993  | 2,754  | 8.06                      |
| Ebitda                 | 1,073  | 1,090  | (1.65)                    |
| Net income             | 567    | 516    | 9.88                      |

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\* Includes figures for Light S.A.

**Capital markets performance****BOVESPA**

|          | Dec. 2007 | Dec. 2008 | Δ%      | Dec.<br>2008 | Sep<br>2009 | Δ%    |
|----------|-----------|-----------|---------|--------------|-------------|-------|
| CMIG3    | 23.33     | 18.68     | (19.93) | 18.68        | 21.85       | 16.97 |
| CMIG4    | 22.92     | 24.05     | 4.93    | 24.05        | 27          | 12.27 |
| IBOVESPA | 63,886    | 37,550    | (41.22) | 37,550       | 61,517      | 63.83 |
| IEE      | 17,305    | 15,291    | (11.64) | 15,291       | 22,330      | 46.03 |

**NYSE**

|           | Dec. 2007 | Dec. 2008 | Δ%      | Dec.<br>2008 | Sep<br>2009 | Δ%    |
|-----------|-----------|-----------|---------|--------------|-------------|-------|
| CIG.C     | 18.5      | 10.25     | (44.59) | 10.25        | 12.73       | 24.20 |
| CIG       | 16.52     | 13.16     | (20.34) | 13.16        | 15.20       | 15.5  |
| DOW JONES | 13,265    | 8,776     | (33.84) | 8,776        | 9,712       | 10.67 |



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**Our electricity market**

**Total sales**

Our total consolidated sales continued to grow in 2009, to 15,242 GWh in 3Q09. This was only 1.99% less than our sales in third quarter 2008, but represents a return to our pre-crisis sales volume levels.

Through a successful commercial strategy, the Cemig Group succeeded in re-placing the quantities of energy by Free Clients in the regulated market and this effort succeeded in increasing our sales to other concession holders, by 21.25% to 3,463 GWh.

Cemig's main sales in the wholesale markets took place in Adjustment Auctions, in which this excess supply was negotiated for an average price of R\$ 145/MWh.

The table below shows the breakdown of our sales to final consumers and the areas of growth:

Table of Contents**Electricity volume sold**

|   | GWh           |               |                |
|---|---------------|---------------|----------------|
|   | 3Q09          | 3Q08          | Δ%             |
| Residential                                 | 2,391         | 2,235         | 6.99           |
| Industrial                                  | 5,619         | 7,156         | (21.48)        |
| Commercial                                  | 1,456         | 1,406         | 3.55           |
| Rural                                       | 678           | 719           | (5.64)         |
| Others                                      | 897           | 872           | 2.90           |
| <b>Sold to final consumers</b>              | <b>11,041</b> | <b>12,387</b> | <b>(10.87)</b> |
| Own consumption                             | 13            | 12            | 1.53           |
| Wholesale sales to other concession holders | 3,463         | 2,856         | 21.28          |
| Transactions in electricity on the CCEE     | 726           | 297           | 144.44         |
| <b>TOTAL</b>                                | <b>15,242</b> | <b>15,552</b> | <b>(1.99)</b>  |

**The distribution market****Cemig D**

Cemig sold 1.72% less volume of energy, totaling 5,666 GWh, in 3Q09 than in 3Q08.

The main reason was an 18.4% lower consumption by industry comparing with the 3Q08 reflecting the fall in economic activity in Cemig's concession area, especially in the mining and metal industries.

The reduction was, however, almost entirely offset by growth in the residential and commercial consumer categories, whose consumption was respectively 8% and 4.5% higher year-on-year.



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Due to the better outlook for growth in the economy of Minas Gerais State in the fourth quarter of this year we expect to see a trend of growth in Cemig D's sales volume.

This chart breaks down Cemig D's sales volume by consumer type:

CEMIG D electricity sales volume

|              | 3Q09         | GWh | 3Q08         | Δ%            |
|--------------|--------------|-----|--------------|---------------|
| Residential  | 1,951        |     | 1,806        | 8.0           |
| Industrial   | 1,220        |     | 1,496        | (18.4)        |
| Commercial   | 1,102        |     | 1,055        | 4.5           |
| Rural        | 675          |     | 715          | (5.6)         |
| Others       | 718          |     | 693          | (3.48)        |
| <b>TOTAL</b> | <b>5,666</b> |     | <b>5,765</b> | <b>(1.72)</b> |

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This table shows sources and uses of Cemig D's electricity in 3Q09:

**Cemig D 3Q09 sources and uses of electricity**

| GWh   |             | 3Q09   | 3Q08   | Change,<br>% | 9M09   | 9M08   | Change,<br>% |
|---|-------------|--------|--------|--------------|--------|--------|--------------|
| <b>Total energy carried</b>                       | (a + b + c) | 10,990 | 11,909 | -7.7%        | 31,197 | 33,738 | -7.5%        |
| Average volume transported for concession holders | (a)         | 71     | 71     | 0.0%         | 177    | 201    | -11.9%       |
| Average volume transported for Free Consumers     | (b)         | 3,845  | 4,560  | -15.7%       | 10,600 | 12,933 | -18.0%       |
| Own load  | c = (d + e) | 7,074  | 7,278  | -2.8%        | 20,420 | 20,604 | -0.9%        |
| Captive consumer market                           | (d)         | 5,665  | 5,766  | -1.8%        | 16,592 | 16,435 | 1.0%         |
| Losses in our distribution network                | (e)         | 1,409  | 1,512  | -6.8%        | 3,828  | 4,169  | -8.2%        |

**Generation market****Cemig GT**

Cemig GT was able to offset the fall in sales to final consumers by selling energy in the wholesale to concession holders, in a volume approximately 39% higher than in 3Q08

With Cemig GT's successful placement of this available excess, and the success of the commercial strategy, the company was able to report sales volume 1.16% higher in 3Q09 than 3Q08

This table shows the changes:

| Cemig GT sales           | 3Q09         | GWh | 3Q08         | Δ%          |
|--------------------------|--------------|-----|--------------|-------------|
| Final consumers          | 4,019        |     | 5,255        | (23.52)     |
| Wholesale sales          | 4,165        |     | 3,000        | 38.83       |
| Transactions on the CCEE | 549          |     | 378          | 45.24       |
| <b>TOTAL</b>             | <b>8,733</b> |     | <b>8,633</b> | <b>1.16</b> |



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**Net income**

In the third quarter of 2009 (**3Q09**), Cemig reported net income of R\$ 567,038, 9.84% higher than the net income of R\$ 516,237 reported for the third quarter of 2008 (**3Q08**). This was basically due to lower net financial expenses, partially offset by the effect of operational costs and expenses 14.05% higher. Cemig posted net financial expenses of R\$ 10,216 in 3Q09, compared with net financial expenses of R\$ 122,947 in 3Q08.

The higher operational costs and expenses in 3Q09 reflect cost of energy purchased for resale 38.95% higher, and personnel expenses 13.45% higher, partially offset by the reduction in post-employment expenses. More details on the variations in operational expenses can be seen later in this document.

This chart shows the breakdown of net income by company:

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**EBITDA**

Cemig's Ebitda in 3Q09 was 1.64% lower than in 3Q08. Adjusted for non-recurring items, the percentage reduction was 1.94%.

In spite of operational costs and expenses (excluding depreciation and amortization) being 15.34% higher, Ebitda was only 1.64% lower in 3Q09 than in 3Q08 reflecting Net operational revenue 8.63% higher year-on-year. The resulting Ebitda margin, at 35.83% in 3Q09, was lower than in 3Q08 (39.56%).

This chart shows the breakdown of Ebitda by company:

The chart below shows the breakdown of Ebitda by contribution from the different types of operation, in 3Q09.

As can be seen, the Cemig Group has a balance in the contribution of each business to the company's cash flow, providing better predictability and stability in its results.

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**Ebitda, by business, 3Q09**

**Revenue from supply of electricity**

Revenue from supply of electricity in 3Q09 was R\$ 3,718,029, 8.87% higher than in 3Q08 (R\$ 3,415,253).

The main factors affecting revenue in 3Q09 were:

- The tariff increase, with average effect on consumer tariffs of 4.69%, starting from April 8, 2009 (for the captive market, the increase was 6.21%).
- Downward adjustment of Cemig D's distribution tariff, with average impact across all its consumer tariffs of a reduction of 12.08%, from April 8, 2008.
- Volume of energy invoiced to final consumers 6.19% higher than in 3Q08 (this excludes Cemig's own internal consumption).

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**Revenue from wholesale electricity sales**

Revenue from wholesale sales in 3Q09 was R\$ 379,312, 16.67% higher than in 3Q08 (R\$ 325,105). This is principally due to the volume of electricity sold to other concession holders being 21.28% higher year-on-year, at 3,463,773 MWh in 3Q9, compared to 2,856,010 MWh in 3Q08.

**Revenue from use of the network – Free Consumers**

This refers to the TUSD, the Tariff for Use of the Distribution System, charged to Free Consumers on energy sold; and also the revenue for use of Cemig GT's own transmission grid. It was 3.57% lower in 3Q09, at R\$ 524,635, than in 3Q08 (R\$ 544,058).

**Non-controllable costs**

Differences between the sum of non-controllable costs (known as the CVA Account), used as a reference in calculating the tariff adjustment, and disbursements actually made, are offset in subsequent tariff adjustments. They are recorded in Assets and Liabilities. Due to a change in Anel's plan of accounts, some items were transferred to *Deductions from operational revenue*. For more information, please see Explanatory Notes 2 and 7 to the Quarterly Information.

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**Deductions from operational revenues**

Deductions from operational revenues were a total of R\$ 1,408,143 in 3Q08, 2.86% more than in 3Q08 (R\$ 1,368,973).

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

**The Fuel Consumption Account CCC**

The deduction from revenue for the CCC in 3Q09 was R\$ 101,439, 4.33% less than in 3Q08 (R\$ 106,035). This contribution is for the costs of operation of the thermal plants in the Brazilian national grid and isolated systems, shared between electricity concession holders by an Aneel Resolution. This is a non-controllable cost the amount posted for electricity *distribution* services is passed through in full to the tariff. For the amount in relation to electricity *transmission* services the company merely passes through the charge it is charged to Free Consumers on the invoice for the use of the grid, and passed on to Eletrobrás.

**Energy Development Account CDE**

The deduction from revenue for the CDE was R\$ 105,024 in 3Q09, 8.07% higher than in 3Q08 (R\$ 97,182). This too is a non-controllable cost: the amount for electricity *distribution* is passed through in full to the tariff. For the amount related to *transmission* the



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Company merely passes through the charge this part is charged to Free Consumers on the invoice for the use of the grid, and paid on to Eletrobrás.

The other deductions from revenue are of taxes calculated as a percentage of billing, so their variations are directly proportional to the changes in revenue.

**Operational costs and expenses (excluding Financial revenue/expenses)**

Operational costs and expenses (excluding Financial revenue/expenses) totaled R\$ 2,093,882 in 3Q09, 14.09% more than in 3Q08 (R\$ 1,835,238). This is mainly due to higher personnel expenses and the cost of electricity bought for resale, partially offset by lower expenses on Operational provisions, Raw materials and Post-employment obligations.

The main year-on-year variations in these expenses were:

**Personnel expenses**

Personnel expenses in 3Q09, at R\$ 278,102, were 13.46% higher than in 3Q08 (R\$ 245,110). This reflects the salary adjustment of 7.26% given to employees in November 2008, and a lower amount of Personnel expenses transferred to Works in progress in 2009.

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**Electricity bought for resale**

The expense on this account in 3Q09 was R\$ 1.019.362, 38.95% more than in 3Q08 (R\$ 733,593). Most of the difference reflects a 23.86% higher average tariff paid for energy bought for resale in the 2009-10 tariff cycle. This is a non-controllable cost: the expense recognized in the Income statement is the amount passed through to the tariff. There is more information on this in Explanatory Note 28 to the Consolidated Quarterly Information.

**Post-employment obligations**

Expenses on post-employment obligations totaled R\$ 37,258 in 3Q09, 39.56% less than in 3Q08 (R\$ 61,645). These expenses basically represent the interest applicable to Cemig's actuarial obligations, net of the investment yield expected from the pension plans' assets, estimated by an external actuary. The lower expense in 2009 basically reflects the adjustment made in the actuarial assumptions in December 2008, which resulted in a reduction of the Company's net obligations.

**Operational provisions**

Expenses on operational provisions in 3Q09 totaled R\$ 39,195, 24.44% less than in 3Q08 (R\$ 51,873). The lower figure reflects reduction in some items, especially provisions for civil litigation, partially offset by a higher provision for doubtful debtors. The lower provision for civil lawsuits reflects a reversal of R\$ 6,141, in 3Q09, due to finalization of lawsuits relating to tariff increases.

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**Financial revenues (expenses)**

The Financial revenue (expenses) line was significantly different between the two periods. The main factors are:

- Revenue from arrears penalty payments on electricity invoices in 3Q09, at R\$ 78.449, 174.51% higher than in 3Q08 (R\$ 28,578). This is basically made up of arrears charges on accounts receivable from large consumers, in the amount of R\$ 48,565, recognized in September 2009.
- Revenue from monetary variation on amounts receivable under the General Agreement for the Electricity Sector 59.33% lower at R\$ 8,573 in 2009, vs. R\$ 21,080 in 2008 reflecting the lower value of the regulatory assets in 2009, since part period of the regulatory assets previously constituted (RTE and Deferred Tariff Adjustment) have been amortized.
- Costs of loans and financings 18.91% lower, due to amortizations of debt in 2008 and the lower variation in the CDI rate (the main index of contracts) in 2009.
- Net gains on FX variations in 2009, in the amount of R\$ 13,449, net of the compensatory effects created by financial instruments, compared to a net loss of R\$ 54,839 in 2008, arising basically from loans and financings in foreign currency indexed to the US dollar and the yen. This principally reflects the appreciation of the Real

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against the dollar and the yen in 3Q09, compared to depreciation in 3Q08.

**Income tax and Social Contribution tax**

In 3Q09, Cemig's expenses on income tax and the Social Contribution totaled R\$ 287,165, on income of R\$ 888,486, before tax effects, a percentage of 32.32%. In 3Q08 the expense on income tax and the Social Contribution tax was R\$ 233,892, on income of R\$ 796,649, before tax effects a percentage of 29.35%.

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**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.

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## CEMIG GT Tables I to III

## TABLE I

## Operating Revenues (consolidated) - CEMIG GT

Values in million of Reais

|  | 3rd Q. 2009  | 2nd Q. 2009  | Chge%       | 3rd Q. 2008  | Chge%    | 9M09         | 9M08         | Chge%     |
|--|--------------|--------------|-------------|--------------|----------|--------------|--------------|-----------|
| Sales to end consumers                                     | 455          | 431          | 6           | 523          | (13)     | 1,298        | 1,407        | (8)       |
| Supply   | 437          | 540          | (19)        | 339          | 29       | 1,333        | 925          | 44        |
| Revenues from Trans. Network<br>+ Transactions in the CCEE | 171          | 315          | (46)        | 158          | 8        | 636          | 462          | 38        |
| Others   | 6            | 5            | 20          | 9            | (33)     | 18           | 23           | (22)      |
| <b>Subtotal</b>  | <b>1,069</b> | <b>1,291</b> | <b>(17)</b> | <b>1,029</b> | <b>4</b> | <b>3,285</b> | <b>2,817</b> | <b>17</b> |
| Deductions   | (222)        | (245)        | (9)         | (222)        |          | (661)        | (627)        | 5         |
| <b>Net Revenues</b>  | <b>847</b>   | <b>1,046</b> | <b>(19)</b> | <b>807</b>   | <b>5</b> | <b>2,624</b> | <b>2,190</b> | <b>20</b> |

## TABLE II

## Operating Expenses (consolidated) - CEMIG GT

Values in millions of reais

|  | 3rd Q. 2009 | 2nd Q. 2009 | Chge%       | 3rd Q. 2008 | Chge%    | 9M09         | 9M08       | Chge%     |
|--|-------------|-------------|-------------|-------------|----------|--------------|------------|-----------|
| Personnel/Administrators/Councillors             | 65          | 105         | (38)        | 57          | 14       | 235          | 191        | 23        |
| Depreciation and Amortization                    | 57          | 57          |             | 56          | 2        | 170          | 167        | 2         |
| Charges for Use of Basic<br>Transmission Network | 66          | 70          | (6)         | 72          | (8)      | 208          | 201        | 3         |
| Contracted Services                              | 36          | 28          | 29          | 26          | 38       | 88           | 69         | 28        |
| Forluz Post-Retirement Employee<br>Benefits      | 7           | 7           |             | 12          | (42)     | 22           | 36         | (39)      |
| Materials  | 4           | 4           |             | 4           |          | 10           | 11         | (9)       |
| Royalties  | 35          | 35          |             | 33          | 6        | 105          | 95         | 11        |
| Operating Provisions                             |             | 1           |             |             |          | 1            | (1)        |           |
| Other Expenses                                   | 18          | 17          | 6           | 26          | (31)     | 48           | 59         | (19)      |
| Purchased Energy                                 | 46          | 44          | 5           |             |          | 117          |            |           |
| Raw material for production                      |             | 4           |             | 23          | (100)    | 4            | 65         | (94)      |
| <b>Total</b>                                     | <b>334</b>  | <b>372</b>  | <b>(10)</b> | <b>309</b>  | <b>8</b> | <b>1,008</b> | <b>893</b> | <b>13</b> |

## TABLE III

Ebitda (method of calculation not reviewed by external auditors)

## Statement of Results (Consolidated) - CEMIG GT

Values in millions of reais

|   | 3rd Q.<br>2009 | 2nd Q. 2009 | Chge%       | 3rd Q.<br>2008 | Chge%     | 9M09         | 9M08         | Chge%      |
|---|----------------|-------------|-------------|----------------|-----------|--------------|--------------|------------|
| Net Revenue   | 847            | 1,045       | (19)        | 807            | 5         | 2,624        | 2,190        | 20         |
| Operating Expenses                                    | (334)          | (372)       | (10)        | (309)          | 8         | (1,009)      | (893)        | 13         |
| <b>EBIT</b>   | <b>513</b>     | <b>673</b>  | <b>(24)</b> | <b>498</b>     | <b>3</b>  | <b>1,615</b> | <b>1,297</b> | <b>25</b>  |
| <b>EBITDA</b>   | <b>570</b>     | <b>730</b>  | <b>(22)</b> | <b>555</b>     | <b>3</b>  | <b>1,785</b> | <b>1,464</b> | <b>22</b>  |
| Financial Result                                      | (55)           | (43)        | 28          | (76)           | (28)      | (147)        | (180)        | (18)       |
| Provision for Income Taxes,<br>Social Cont & Deferred |                |             |             |                |           |              |              |            |
| Income Tax  | (133)          | (172)       | (23)        | (124)          | 7         | (442)        | (325)        | 36         |
| Employee Participation                                | (6)            | (5)         | 20          | (5)            | 20        | (22)         | (15)         | 47         |
| <b>Net Income</b>                                     | <b>319</b>     | <b>453</b>  | <b>-30%</b> | <b>293</b>     | <b>9%</b> | <b>1,004</b> | <b>777</b>   | <b>29%</b> |

Table of Contents**CEMIG D Tables I to IV****TABLE I****CEMIG D Market**

| Quarter | Captive Consumers | (GWh)     | T.E.D(2) | GW      |
|---------|-------------------|-----------|----------|---------|
|         |                   | TUSD      |          | TUSD    |
|         |                   | ENERGY(1) |          | 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    |
| 2Q09    | 5,478             | 3,593     | 9,071    | 20.5    |
| 3Q09    | 5,666             | 3,915     | 9,581    | 21.9    |

(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 ).

**TABLE II****Operating Revenues (consolidated) - CEMIG D**

Values in million of Reais

|                        | 3rd Q. 2009 | 2nd Q. 2009 | Chge% | 3rd Q. 2008 | Chge% | 9M09  | 9M08  | Chge% |
|------------------------|-------------|-------------|-------|-------------|-------|-------|-------|-------|
| Sales to end consumers | 2,394       | 2,290       | 5     | 2,072       | 16    | 6,487 | 6,500 | (0)   |
| TUSD                   | 307         | 276         | 11    | 360         | (15)  | 845   | 1,015 | (17)  |



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|                     |              |              |           |              |           |              |              |            |
|---------------------|--------------|--------------|-----------|--------------|-----------|--------------|--------------|------------|
| Subtotal            | 2,701        | 2,566        | 5         | 2,432        | 11        | 7,332        | 7,515        | (2)        |
| Others              | 28           | 5            | 460       | 19           | 47        | 65           | 57           | 14         |
| <b>Subtotal</b>     | <b>2,729</b> | <b>2,571</b> | <b>6</b>  | <b>2,451</b> | <b>11</b> | <b>7,397</b> | <b>7,572</b> | <b>(2)</b> |
| Deductions          | (968)        | (982)        | (1)       | (934)        | 4         | (2,860)      | (2,943)      | (3)        |
| <b>Net Revenues</b> | <b>1,761</b> | <b>1,589</b> | <b>11</b> | <b>1,517</b> | <b>16</b> | <b>4,537</b> | <b>4,629</b> | <b>(2)</b> |

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Table of Contents**TABLE III**

## Operating Expenses (consolidated) - CEMIG D

Values in millions of reais

|                                      | 3rd Q. 2009  | 2nd Q. 2009  | Chge%      | 3rd Q. 2008  | Chge%        | 9M09         | 9M08         | Chge%     |
|--------------------------------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|-----------|
| Purchased Energy                     | 884          | 738          | 20         | 605          | 46           | 2,128        | 1,785        | 19        |
| Personnel/Administrators/Councillors | 180          | 326          | (45)       | 162          | 11           | 693          | 552          | 26        |
| Depreciation and Amortization        | 80           | 82           | (2)        | 79           | 1            | 242          | 271          | (11)      |
| Charges for Use of Basic             |              |              |            |              |              |              |              |           |
| Transmission Network                 | 138          | 135          | 2          | 112          | 23           | 393          | 346          | 14        |
| Contracted Services                  | 115          | 143          | (20)       | 110          | 5            | 364          | 312          | 17        |
| Forluz Post-Retirement Employee      |              |              |            |              |              |              |              |           |
| Benefits                             | 23           | 23           |            | 37           | (38)         | 69           | 112          | (38)      |
| Materials                            | 22           | 20           | 10         | 17           | 29           | 62           | 57           | 9         |
| Operating Provisions                 | 37           | 9            | 311        | 30           | 23           | 61           | 62           | (2)       |
| Other Expenses                       | 41           | 65           | (37)       | 63           | (35)         | 136          | 123          | 11        |
| <b>Total</b>                         | <b>1,520</b> | <b>1,541</b> | <b>(1)</b> | <b>1,215</b> | <b>25.10</b> | <b>4,148</b> | <b>3,620</b> | <b>15</b> |

**TABLE IV**

## Statement of Results (Consolidated) - CEMIG D

Values in millions of reais

|                                    | 3rd Q. 2009 | 2nd Q. 2009 | Chge%      | 3rd Q. 2008 | Chge%       | 9M09       | 9M08         | Chge%       |
|------------------------------------|-------------|-------------|------------|-------------|-------------|------------|--------------|-------------|
| Net Revenue                        | 1,761       | 1,589       | 11         | 1,517       | 16          | 4,537      | 4,628        | (2)         |
| Operating Expenses                 | (1,521)     | (1,540)     | (1)        | (1,215)     | 25          | (4,148)    | (3,621)      | 15          |
| <b>EBIT</b>                        | <b>240</b>  | <b>49</b>   | <b>390</b> | <b>302</b>  | <b>(21)</b> | <b>389</b> | <b>1,007</b> | <b>(61)</b> |
| <b>EBITDA</b>                      | <b>320</b>  | <b>49</b>   | <b>553</b> | <b>384</b>  | <b>(17)</b> | <b>631</b> | <b>1,278</b> | <b>(51)</b> |
| Financial Result                   | 43          | 1           | 4,200      | (36)        | (219)       | 35         | (13)         | (369)       |
| Provision for Income Taxes, Social |             |             |            |             |             |            |              |             |
| Cont & Deferred Income Tax         | (74)        | 17          | (535)      | (71)        | 4           | (75)       | (280)        | (73)        |
| Employee Participation             | (19)        | (19)        |            | (16)        | 19          | (70)       | (48)         | 46          |
| <b>Net Income</b>                  | <b>190</b>  | <b>48</b>   | <b>296</b> | <b>179</b>  | <b>6</b>    | <b>279</b> | <b>666</b>   | <b>(58)</b> |

Table of Contents

## CEMIG Consolidated Tables I to XII

## TABLE I

## Energy Sales (Consolidated)

|                                     | 3rd Q. 2009   | 2nd Q. 2009   | Chge%    | 3rd Q. 2008   | Chge%      | 9M09          | 9M08          | Chge%      |
|-------------------------------------|---------------|---------------|----------|---------------|------------|---------------|---------------|------------|
| Residential                         | 2,391         | 2,421         | (1)      | 2,235         | 7          | 7,259         | 6,732         | 8          |
| Industrial                          | 5,619         | 5,539         | 1        | 7,156         | (21)       | 16,751        | 19,647        | (15)       |
| Commercial                          | 1,456         | 1,531         | (5)      | 1,406         | 4          | 4,553         | 4,347         | 5          |
| Rural                               | 678           | 521           | 30       | 719           | (6)        | 1,655         | 1,679         | (1)        |
| Others                              | 897           | 904           | (1)      | 872           | 3          | 2,697         | 2,678         | 1          |
| Electricity sold to final consumers | 11,041        | 10,916        | 1        | 12,387        | (11)       | 32,915        | 35,085        | (6)        |
| Own Consumption                     | 13            | 13            | (2)      | 12            | 2          | 38            | 39            | (2)        |
| Supply                              | 3,463         | 3,525         | (2)      | 2,856         | 21         | 9,737         | 8,419         | 16         |
| Transactions on the CCCE            | 726           | 451           | 61       | 297           | 144        | 2,009         | 1,003         | 100        |
| <b>TOTAL</b>                        | <b>15,242</b> | <b>14,905</b> | <b>2</b> | <b>15,552</b> | <b>(2)</b> | <b>44,700</b> | <b>44,546</b> | <b>0.3</b> |

Table of Contents**TABLE II****Sales per Company****Cemig Distribution**

| <b>3rd Quarter 2009 Sales</b> | <b>GWh</b>   |
|-------------------------------|--------------|
| Industrial                    | 1,220        |
| Residencial                   | 1,951        |
| Rural                         | 675          |
| Commercial                    | 1,102        |
| Others                        | 718          |
| Sub total                     | 5,666        |
| Wholesale supply              |              |
| <b>Total</b>                  | <b>5,666</b> |

**Independent Generation**

| <b>3rd Quarter 2009 Sales</b> | <b>GWh</b> |
|-------------------------------|------------|
| Horizontes                    | 22         |
| Ipatinga                      | 68         |
| Sá Carvalho                   | 126        |
| Barreiro                      | 25         |
| CEMIG PCH S.A                 | 30         |
| Rosal                         | 73         |
| Capim Branco                  | 18         |
| <b>Total</b>                  | <b>503</b> |

**Cemig Consolidated by Company**

| <b>3rd Quarter 2009 Sales</b> | <b>GWh</b>    | <b>Participação</b> |
|-------------------------------|---------------|---------------------|
| Cemig Distribution            | 5,666         | 37%                 |
| Cemig GT                      | 8,733         | 57%                 |
| Wholesale Cemig Group         | 1,423         | 9%                  |
| Wholesale Light Group         | 503           | 3%                  |
| Independent Generation        | (997)         | -7%                 |
| RME                           | (86)          | -1%                 |
| <b>Total</b>                  | <b>15,242</b> | <b>100%</b>         |

**Cemig GT**

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| 3rd Quarter 2009 Sales               | GWh          |
|--------------------------------------|--------------|
| Free Consumers                       | 4,021        |
| Wholesale supply                     | 4,164        |
| Wholesale supply bilateral contracts | 795          |
| Wholesale supply Cemig Group         | 976          |
| Sales Free Market                    | 2,393        |
| Transactions in the CCEE (PLD)       | 548          |
| <b>Total</b>                         | <b>8,733</b> |

RME (25%)

| 3rd Quarter 2009 Sales         | GWh          |
|--------------------------------|--------------|
| Industrial                     | 114          |
| Residencial                    | 440          |
| Commercial                     | 347          |
| Rural                          | 3            |
| Others                         | 192          |
| Wholesale supply               | 288          |
| Transactions in the CCEE (PLD) | 39           |
| <b>Total</b>                   | <b>1,423</b> |

TABLE III

Operating Revenues (consolidated)

Values in million of Reais

|                                   | 3rd Q. 2009  | 2nd Q. 2009  | Chge%      | 2nd Q. 2008  | Chge%    | 9M09          | 9M08          | Chge%    |
|-----------------------------------|--------------|--------------|------------|--------------|----------|---------------|---------------|----------|
| Sales to end consumers            | 3,193        | 3,146        | 1          | 3,007        | 5        | 9,258         | 9,256         | 0        |
| TUSD                              | 524          | 325          | 61         | 361          | (10)     | 845           | 1,028         | (18)     |
|                                   | 66           | 61           | 8          |              |          | (137)         |               |          |
| Subtotal                          | 3,783        | 3,532        | 7          | 3,368        | 5        | 9,966         | 10,284        | (3)      |
| Supply + Transactions in the CCEE | 403          | 464          | (13)       | 375          | 24       | 1,227         | 995           | 23       |
| Revenues from Trans. Network      | 141          | 298          | (53)       | 183          | 63       | 755           | 530           | 42       |
| Gas Supply                        | 83           | 79           | 5          | 84           | (6)      | 234           | 290           | (19)     |
| Others                            | (9)          | 64           | (114)      | 113          | (43)     | 383           | 268           | 43       |
| <b>Subtotal</b>                   | <b>4,401</b> | <b>4,437</b> | <b>(1)</b> | <b>4,123</b> | <b>8</b> | <b>12,565</b> | <b>12,367</b> | <b>2</b> |
| Deductions                        | (1,408)      | (1,461)      | (4)        | (1,369)      | 7        | (4,230)       | (4,232)       | (0)      |
| <b>Net Revenues</b>               | <b>2,993</b> | <b>2,976</b> | <b>1</b>   | <b>2,754</b> | <b>8</b> | <b>8,335</b>  | <b>8,135</b>  | <b>2</b> |

Table of Contents**TABLE IV**

## Operating Expenses (consolidated)

Values in R\$ million

|                                      | 3rd Q. 2009  | 2nd Q. 2009  | Chge%      | 2nd Q. 2008  | Chge%     | 9M09         | 9M08         | Chge%    |
|--------------------------------------|--------------|--------------|------------|--------------|-----------|--------------|--------------|----------|
| Purchased Energy                     | 1,019        | 838          | 22         | 734          | 39        | 2,529        | 2,185        | 16       |
| Personnel/Administrators/Councillors | 278          | 449          | (38)       | 245          | 13        | 1,024        | 823          | 24       |
| Depreciation and Amortization        | 173          | 173          |            | 170          | 2         | 517          | 542          | (5)      |
| Charges for Use of Basic             |              |              |            |              |           |              |              |          |
| Transmission Network                 | 198          | 211          | (6)        | 174          | 14        | 613          | 531          | 15       |
| Contracted Services                  | 170          | 201          | (15)       | 173          | (2)       | 532          | 474          | 12       |
| Forluz Post-Retirement Employee      |              |              |            |              |           |              |              |          |
| Benefits                             | 37           | 34           | 9          | 62           | (40)      | 106          | 187          | (43)     |
| Materials                            | 27           | 26           | 4          | 22           | 23        | 79           | 73           | 8        |
| Royalties                            | 42           | 37           | 14         | 34           | 24        | 115          | 98           | 17       |
| Gas Purchased for Resale             | 44           | 46           | (4)        | 57           | (23)      | 129          | 168          | (23)     |
| Operating Provisions                 | 39           | (8)          | (588)      | 52           | (25)      | 89           | 176          | (49)     |
| Raw material for production          |              | 4            |            | 23           | (100)     | 4            | 65           | (94)     |
| Other Expenses                       | 66           | 102          | (35)       | 89           | (26)      | 226          | 204          | 11       |
| <b>Total</b>                         | <b>2,093</b> | <b>2,113</b> | <b>(1)</b> | <b>1,835</b> | <b>14</b> | <b>5,963</b> | <b>5,526</b> | <b>8</b> |

Table of Contents**TABLE V**

## Financial Result Breakdown

Values in millions of *reais*

|  | 3rd Q. 2009 | 2nd Q. 2009 | Chge%      | 3rd Q. 2008 | Chge%      | 9M09        | 9M08        | Chge%       |
|--|-------------|-------------|------------|-------------|------------|-------------|-------------|-------------|
| <b>Financial Revenues</b>                            | <b>190</b>  | <b>205</b>  | <b>-7</b>  | <b>246</b>  | <b>-23</b> | <b>685</b>  | <b>895</b>  | <b>-23</b>  |
| Income from Investments                              | 51          | 66          | -23        | 79          | -35        | 183         | 201         | -9          |
| Fines on Energy Accounts                             | 78          | 33          | 136        | 29          | 169        | 139         | 127         | 9           |
| CRC Contract/State (interest + monetary variation)   | -13         | 9           | -244       | 71          | -118       | 119         | 119         | 0           |
| Monetary variation of Extraordinary Tariff           |             |             |            |             |            |             |             |             |
| Recomposition and RTD                                | 0           | 22          | -100       | 47          | -100       | 2           | 69          | -97         |
| Exchange Rate Variations                             | 29          | 69          | -58        | -14         | -307       | 118         | 22          | 436         |
| PASEP/COFINS   | -9          | -18         | -50        | -10         | -10        | -27         | -33         | -18         |
| Financial Compensation RME                           | 0           | 0           | 0          | 0           | 0          | 0           | 83          | -100        |
| Adjustment to Present Value                          | 1           | 0           | 0          | 12          | -92        | 1           | 74          | -99         |
| Derivatives  | 0           | -1          | -100       | -5          | -100       | 0           | 4           | -100        |
| Others   | 53          | 25          | 112        | 37          | 43         | 150         | 229         | -34         |
| <b>Financial Expenses</b>                            | <b>-200</b> | <b>-233</b> | <b>-14</b> | <b>-369</b> | <b>-46</b> | <b>-766</b> | <b>-859</b> | <b>-11</b>  |
| Charges on Loans and Financing                       | -118        | -150        | -21        | -246        | -52        | -549        | -620        | -11         |
| Monetary variation of Extraordinary Tariff           |             |             |            |             |            |             |             |             |
| Recomposition  | 0           | -7          | -100       | -2          | -100       | -3          | 0           |             |
| Exchange Rate Variations                             | -12         | -2          | 500        | -55         | -78        | -17         | -56         | 0           |
| Monetary Variarion Liabilities - Loans and Financing | 1           | -2          | -150       | -22         | -105       | -6          | -74         | -92         |
| CPMF   | 0           | 0           | 0          | 1           | -100       | 0           | -7          | -100        |
| Provision for Losses from Tariff Recomposition       | -8          | -1          | 700        | -1          | 700        | 0           | -24         | -100        |
| Adjustment to Present Value                          | -3          | 0           | 0          | -18         | -83        | -7          | -23         | -70         |
| Reversal of provision for PIS and Cofins taxes       | 0           | 2           | -100       | 0           | 0          | 8           | 108         | -93         |
| Losses from Derivatives                              | -4          | -56         | -93        | 19          | -121       | -80         | -23         | 248         |
| Other  | -56         | -17         | 229        | -45         | 24         | -112        | -140        | -20         |
| <b>Financial Result</b>                              | <b>-10</b>  | <b>-28</b>  | <b>-64</b> | <b>-123</b> | <b>-92</b> | <b>-81</b>  | <b>36</b>   | <b>-325</b> |

Table of Contents

TABLE VI

## Statement of Results (Consolidated)

Values in millions of reais

|  | 3rd Q.<br>2009 | 2nd Q.<br>2009 | Chge%    | 3rd Q.<br>2008 | Chge%      | 9M09         | 9M08         | Chge%       |
|--|----------------|----------------|----------|----------------|------------|--------------|--------------|-------------|
| Net Revenue  | 2,993          | 2,976          | 1        | 2,755          | 9          | 8,335        | 8,136        | 2           |
| Operating Expenses   | (2,094)        | (2,114)        | (1)      | (1,835)        | 14         | (5,963)      | (5,526)      | 8           |
| <b>EBIT</b>  | <b>899</b>     | <b>862</b>     | <b>4</b> | <b>920</b>     | <b>(2)</b> | <b>2,372</b> | <b>2,610</b> | <b>(9)</b>  |
| <b>EBITDA</b>  | <b>1,072</b>   | <b>1,035</b>   | <b>4</b> | <b>1,090</b>   | <b>(2)</b> | <b>2,889</b> | <b>3,152</b> | <b>(8)</b>  |
| Financial Result   | (10)           | (28)           | (64)     | (123)          | (92)       | (81)         | 36           | (325)       |
| Provision for Income Taxes, Social Cont &<br>Deferred Income Tax | (288)          | (245)          | 18       | (233)          | 24         | (722)        | (854)        | (15)        |
| Employee Participation   | (26)           | (45)           | (42)     | (22)           | 18         | (99)         | (66)         | 50          |
| Minority Shareholders  | (8)            | (15)           | (47)     | (26)           | (69)       | (43)         | (85)         | (49)        |
| <b>Net Income</b>  | <b>567</b>     | <b>524</b>     | <b>8</b> | <b>516</b>     | <b>10</b>  | <b>1,427</b> | <b>1,641</b> | <b>(13)</b> |

TABLE VII

## Statement of Results (Consolidated) - per Company

Values in millions of reais

|  | Cemig H      |              | Cemig D    |              | Cemig GT     |              | Up to<br>3Q08 |
|--|--------------|--------------|------------|--------------|--------------|--------------|---------------|
|  | Up to 3Q09   | Up to 3Q08   | Up to 3Q09 | Up to 3Q08   | Up to 3Q09   | Up to 3Q08   | Up to<br>3Q08 |
| Net Revenue  | 8,335        | 8,136        | 4,537      | 4,629        | 2,624        | 1,952        | 1,952         |
| Operating Expenses   | (5,963)      | (5,526)      | (4,148)    | (3,622)      | (1,009)      | (840)        | (840)         |
| <b>EBIT</b>  | <b>2,372</b> | <b>2,610</b> | <b>389</b> | <b>1,007</b> | <b>1,615</b> | <b>1,112</b> | <b>1,112</b>  |
| <b>EBITDA</b>  | <b>2,889</b> | <b>3,171</b> | <b>631</b> | <b>1,283</b> | <b>1,785</b> | <b>1,279</b> | <b>1,279</b>  |
| Financial Result   | (81)         | 36           | 35         | (13)         | (147)        | (227)        | (227)         |
| Provision for Income Taxes, Social Cont &<br>Deferred Income Tax | (722)        | (854)        | (75)       | (280)        | (442)        | (248)        | (248)         |
| Employee Participation   | (99)         | (66)         | (70)       | (48)         |              |              |               |
| Minority Shareholders  | (43)         | (85)         | 279        |              | 1,004        | 626          | 626           |
| <b>Net Income</b>  | <b>1,427</b> | <b>1,641</b> | <b>279</b> | <b>666</b>   | <b>1,004</b> | <b>626</b>   | <b>626</b>    |



Table of Contents**TABLE VIII****Related party transactions**

Values in millions of reais

|  | 3rd Q. 2009  | 2nd Q. 2009  | AH%        | 2008         |
|--|--------------|--------------|------------|--------------|
| <b>ASSETS</b>  | <b>2.100</b> | <b>2.079</b> | <b>1</b>   | <b>2.064</b> |
| Current Assets   |              |              |            |              |
| Customers and distributors                             | 3            | 3            |            | 2            |
| Tax Recoverable -                                      |              |              |            |              |
| State VAT recoverable                                  | 200          | 170          | 18         | 165          |
| Noncurrent assets                                      |              |              |            |              |
| Accounts receivable from Minas Gerais State Government | 1.781        | 1.813        | (2)        | 1.801        |
| Tax Recoverable -                                      |              |              |            |              |
| VAT recoverable  | 59           | 80           | (26)       | 79           |
| Customers and distributors                             | 57           | 13           | 338        | 17           |
| <b>LIABILITIES AND SHAREHOLDERS EQUITY</b>             | <b>1.378</b> | <b>1.413</b> | <b>(2)</b> | <b>1.421</b> |
| Current Liabilities                                    |              |              |            |              |
| Taxes, fees and charges                                |              |              |            |              |
| VAT - ICMS payable                                     | 299          | 285          | 5          | 281          |
| Interest on capital and Dividends                      | 105          | 105          |            | 97           |
| Debentures   | 36           | 35           | 3          | 33           |
| Credit Receivables Fund (FDIC)                         | 928          | 978          | (5)        | 990          |
| Financing BDMG   | 10           | 10           |            | 20           |

**TABLE IX****Share Ownership**

Number of shares as of June 30, 2009

| Shareholders                         | Common             | %          | Preferred          | %          | Total              | %          |
|--------------------------------------|--------------------|------------|--------------------|------------|--------------------|------------|
| State of Minas Gerais                | 138.175.720        | 51         |                    |            | 138.175.720        | 22         |
| Southern Electric Brasil Part. Ltda. | 89.383.266         | 33         |                    |            | 89.383.266         | 14         |
| Other:                               |                    |            |                    |            |                    |            |
| Local                                | 30.480.523         | 11         | 96.684.158         | 28         | 126.988.917        | 21         |
| Foreigners                           | 13.114.734         | 5          | 252.538.491        | 72         | 265.653.225        | 43         |
| <b>Total</b>                         | <b>271.154.243</b> | <b>100</b> | <b>349.222.649</b> | <b>100</b> | <b>620.201.128</b> | <b>100</b> |

\* Southern Electric Brasil Participações Ltda



Table of Contents**TABLE X****BALANCE SHEETS (CONSOLIDATED)****ASSETS**

Values in millions of reais

|  | 3rd Q. 2009   | 2nd Q. 2009   | Chge%    | 2008          |
|--|---------------|---------------|----------|---------------|
| <b>CURRENT ASSETS</b>  | <b>8,580</b>  | <b>7,886</b>  | <b>9</b> | <b>7,677</b>  |
| Cash and Cash Equivalents  | 2,769         | 2,250         | 23       | 2,284         |
| Consumers and Distributors                                       | 2,210         | 2,233         | (1)      | 2,042         |
| Consumers Rate Adjustment  | 308           | 317           | (3)      | 329           |
| Dealership - Energy Transportation                               | 389           | 405           | (4)      | 463           |
| Dealers - Transactions on the MAE                                | 10            | 18            | (44)     | 15            |
| Tax Recoverable  | 1,351         | 1,235         | 9        | 844           |
| Materials and Supplies   | 36            | 37            | (3)      | 36            |
| Prepaid Expenses - CVA   | 629           | 633           | (1)      | 779           |
| Tax Credits  | 361           | 327           | 10       | 189           |
| Regulatory Assets  |               |               |          | 46            |
| Deferred Tariff Adjustment                                       |               |               |          | 133           |
| Regulatory Assets - Transmission Rate Adjustment                 | 82            | 85            | (4)      |               |
| Other  | 435           | 346           | 26       | 517           |
| <b>NONCURRENT ASSETS</b>   | <b>18,339</b> | <b>17,861</b> | <b>3</b> | <b>16,664</b> |
| Account Receivable from Minas Gerais State Government            | 1,781         | 1,813         | (2)      | 1,801         |
| Consumers Rate Adjustment  |               | 66            | (100)    | 219           |
| Prepaid Expenses - CVA   | 410           | 545           | (25)     | 297           |
| Tax Credits  | 605           | 655           | (8)      | 748           |
| Dealers - Transactions on the MAE                                | 11            | 5             | 120      | 4             |
| Recoverable Taxes  | 269           | 289           | (7)      | 272           |
| Escrow Account re: Lawsuits                                      | 558           | 509           | 10       | 382           |
| Regulatory Assets - Transmission Rate Adjustment                 | 113           | 86            | 31       | 90            |
| Consumers and Distributors                                       | 54            | 72            | (25)     |               |
| Other Receivables; Regulatory Assets; Deferred Tariff Adjustment | 156           | 171           | (9)      | 143           |
| Investments  | 1,155         | 1,147         | 1        | 1,150         |
| Property, Plant and Equipment                                    | 12,168        | 11,558        | 5        | 10,954        |
| Intangible   | 1,059         | 945           | 12       | 604           |
| <b>TOTAL ASSETS</b>  | <b>26,919</b> | <b>25,747</b> | <b>5</b> | <b>24,341</b> |

Table of Contents**TABLE XI****BALANCE SHEETS (CONSOLIDATED)****LIABILITIES AND SHAREHOLDERS EQUITY**

Values in millions of reais

|   | 3rd Q. 2009   | 2nd Q. 2009   | Chge%      | 2008          |
|---|---------------|---------------|------------|---------------|
| <b>CURRENT LIABILITIES</b>  | <b>6,276</b>  | <b>5,794</b>  | <b>2</b>   | <b>5,808</b>  |
| Suppliers   | 748           | 767           | (7)        | 892           |
| Taxes payable   | 1,278         | 998           | 23         | 627           |
| Loan, Financing and Debentures                                    | 1,709         | 1,578         | 17         | 1,280         |
| Payroll,related charges and employee participation                | 449           | 453           | 79         | 411           |
| Interest on capital and dividends                                 | 489           | 491           | (49)       | 960           |
| Employee post-retirement benefits                                 | 104           | 102           | 1          | 83            |
| Regulatory charges  | 481           | 459           | 8          | 488           |
| Other Obligations - Provision for losses on financial instruments | 517           | 518           | (7)        | 578           |
| Regulatory Liabilities - CVA                                      | 501           | 428           | 4          | 489           |
| <b>NON CURRENT LIABILITIES</b>                                    | <b>9,473</b>  | <b>9,350</b>  | <b>(0)</b> | <b>8,839</b>  |
| Loan, Financing and Debentures                                    | 6,360         | 6,210         | (0)        | 6,064         |
| Employee post-retirement benefits                                 | 1,334         | 1,349         | (1)        | 1,397         |
| Taxes and social charges  | 613           | 539           | 21         | 372           |
| Reserve for contingencies   | 632           | 648           | (6)        | 662           |
| Other   | 216           | 193           | (1)        | 187           |
| Prepaid expenses - CVA  | 318           | 411           | (11)       | 157           |
| <b>PARTICIPATION IN ASSOCIATE COMPANIES</b>                       | <b>402</b>    | <b>392</b>    | <b>10</b>  | <b>342</b>    |
| <b>SHAREHOLDERS EQUITY</b>  | <b>10,768</b> | <b>10,211</b> | <b>5</b>   | <b>9,352</b>  |
| Registered Capital  | 3,102         | 3,102         | 25         | 2,482         |
| Capital reserves  | 3,969         | 3,969         | (0)        | 3,983         |
| Income reserves   | 2,253         | 2,253         | (21)       | 2,860         |
| Accumulated Income  | 1,420         | 860           | 156        |               |
| Funds for capital increase  | 27            | 27            |            | 27            |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>                  | <b>26,919</b> | <b>25,747</b> | <b>2</b>   | <b>24,341</b> |

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## TABLE XII

## Cash Flow Statement (consolidated)

Values in million of Reais

|   | 3rd Q. 2009  | 3rd Q. 2008  | Chge%      | 9M09           | 9M08         | Chge%       |
|---|--------------|--------------|------------|----------------|--------------|-------------|
| <b>Cash at start of period</b>                | 2,251        | 2,002        | 12         | 2,284          | 2,066        | 11          |
| <b>Cash from operations</b>                   | <b>1,363</b> | <b>1,331</b> | <b>2</b>   | <b>2,671</b>   | <b>2,703</b> | <b>(1)</b>  |
| Net income                                    | 567          | 516          | 10         | 1,427          | 1,641        | (13)        |
| Depreciation and amortization                 | 173          | 170          | 2          | 517            | 542          | (5)         |
| Suppliers                                     | 36           | 85           | (58)       | (159)          | (198)        | (20)        |
| Deferred Tariff Adjustment                    |              | 99           | (100)      | 133            | 285          | (53)        |
| Regulatory Asset - Transmission Tariff Review | 21           |              |            | 136            |              |             |
| Other adjustments                             | 566          | 461          | 23         | 617            | 433          | 42          |
| <b>Financing activity</b>                     | <b>100</b>   | <b>29</b>    | <b>245</b> | <b>(103)</b>   | <b>(896)</b> | <b>(89)</b> |
| Financing obtained and capital increases      | 121          | 69           | 75         | 592            | 237          | 150         |
| Payment of loans and financing                | (9)          | (40)         | (78)       | (214)          | (701)        | (69)        |
| Interest on Own Capital and Dividends         | (12)         |              |            | (481)          | (432)        | 11          |
| <b>Investment activity</b>                    | <b>(945)</b> | <b>(350)</b> | <b>170</b> | <b>(2,083)</b> | <b>(861)</b> | <b>142</b>  |
| Investments                                   | (50)         | (377)        | (87)       | (556)          | (911)        | (39)        |
| Property, Plant and Equipment /Intangible     | (895)        | 27           | (3,415)    | (1,527)        | 50           | (3,154)     |
| <b>Cash at the end of period</b>              | <b>2,769</b> | <b>3,012</b> | <b>(8)</b> | <b>2,769</b>   | <b>3,012</b> | <b>(8)</b>  |

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| Distribuição S.A. |   |

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Table of Contents**BALANCE SHEETS****ON SEPTEMBER 30 AND JUNE 30, 2009****ASSETS****R\$ 000**

|  | <b>09/30/2009</b> | <b>06/30/2009</b> |
|--|-------------------|-------------------|
| <b>CURRENT</b>   |                   |                   |
| Cash and cash equivalents (Note 3)                         | 513,227           | 262,031           |
| Consumers and traders (Note 4)                             | 1,408,427         | 1,466,741         |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | 307,991           | 317,042           |
| Concession holders transport of energy                     | 302,784           | 335,571           |
| Taxes subject to offsetting (Note 8)                       | 554,787           | 543,416           |
| Anticipated expenses CVA (Note 7)                          | 626,483           | 613,760           |
| Tax credits (Note 9)                                       | 206,060           | 184,465           |
| Linked funds   | 54,393            | 33,790            |
| Inventories  | 20,129            | 20,321            |
| Others   | 176,329           | 178,658           |
| <b>TOTAL, CURRENT</b>                                      | <b>4,170,610</b>  | <b>3,955,795</b>  |
| <b>NON-CURRENT</b>   |                   |                   |
| <b>Long term assets</b>                                    |                   |                   |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) |                   | 66,444            |
| Anticipated expenses CVA (Note 7)                          | 342,878           | 487,623           |
| Tax credits (Note 9)                                       | 166,319           | 182,230           |
| Regulatory asset PIS / Pasep and Cofins (Note 10)          | 46,240            | 46,240            |
| Taxes subject to offsetting (Note 8)                       | 46,141            | 57,351            |
| Deposits linked to legal actions                           | 358,537           | 307,992           |
| Consumers and traders (Note 4)                             | 90,174            | 9,202             |
| Receivable from related parties (Note 26)                  | 34,692            | 26,003            |
| Other credits  | 28,640            | 28,252            |
|  | <b>1,113,621</b>  | <b>1,211,337</b>  |
| Investments  | 5,728             | 5,550             |
| PP&E (Note 11)   | 4,433,710         | 4,243,917         |
| Intangible assets (Note 12)                                | 219,084           | 223,282           |
| <b>TOTAL, NON-CURRENT</b>                                  | <b>5,772,143</b>  | <b>5,684,086</b>  |
| <b>TOTAL ASSETS</b>  | <b>9,942,753</b>  | <b>9,639,881</b>  |

The Explanatory Notes are an integral part of the Quarterly Information.





Table of Contents**BALANCE SHEETS****ON SEPTEMBER 30 AND JUNE 30, 2009****LIABILITIES****R\$ 000**

|   | <b>09/30/2009</b> | <b>06/30/2009</b> |
|---|-------------------|-------------------|
| <b>CURRENT</b>  |                   |                   |
| Loans and financings (Note 15)                          | 414,886           | 383,315           |
| Debentures (Note 15)                                    | 37,578            | 20,436            |
| Suppliers (Note 13)                                     | 513,759           | 557,805           |
| Taxes, charges and contributions (Note 14)              | 494,331           | 394,360           |
| Interest on Equity and dividends payable (Note 26)      | 544,596           | 521,484           |
| Salaries and mandatory charges on payroll               | 259,631           | 285,407           |
| Regulatory charges (Note 16)                            | 325,096           | 310,735           |
| Profit shares   | 56,218            | 37,492            |
| Post-employment obligations (Note 17)                   | 57,269            | 56,020            |
| Regulatory liabilities CVA (Note 7)                     | 359,350           | 212,438           |
| Regulatory liabilities Tariff Review (Note 28)          | 137,458           | 203,615           |
| Provision for losses on financial instruments (Note 27) | 108,330           | 96,445            |
| Other   | 241,533           | 251,318           |
| <b>TOTAL, CURRENT</b>                                   | <b>3,550,035</b>  | <b>3,330,870</b>  |
| <b>NON-CURRENT</b>                                      |                   |                   |
| Loans and financings (Note 15)                          | 1,420,176         | 1,447,042         |
| Debentures (Note 15)                                    | 740,535           | 739,155           |
| Contingency provisions (Note 18)                        | 70,161            | 71,144            |
| Suppliers (Note 13)                                     | 1,277             | 1,095             |
| Post-employment obligations (Note 17)                   | 804,831           | 814,826           |
| Taxes, charges and contributions (Note 14)              | 374,022           | 317,215           |
| Regulatory liabilities CVA (Note 7)                     | 317,493           | 410,709           |
| Regulatory charges (Note 16)                            | 8,646             | 7,679             |
| Other   | 14,141            | 11,952            |
| <b>TOTAL, NON-CURRENT</b>                               | <b>3,751,282</b>  | <b>3,820,817</b>  |
| <b>STOCKHOLDERS EQUITY (Note 19)</b>                    |                   |                   |
| Registered capital                                      | 2,261,998         | 2,261,998         |
| Profit reserves   | 214,013           | 214,013           |
| Retained earnings                                       | 165,425           | 12,183            |
| <b>TOTAL STOCKHOLDERS EQUITY</b>                        | <b>2,641,436</b>  | <b>2,488,194</b>  |
| <b>TOTAL LIABILITIES</b>                                | <b>9,942,753</b>  | <b>9,639,881</b>  |

The Explanatory Notes are an integral part of the Quarterly Information.



Table of Contents**INCOME STATEMENT****FOR THE PERIODS OF NINE MONTHS ENDING JUNE 30, 2009 AND 2008****(R\$ 000, except net profit per thousand shares)**

|   | <b>09/30/2009</b>  | <b>09/30/200809/<br/>30/2008</b> |
|---|--------------------|----------------------------------|
| <b>OPERATIONAL REVENUE</b>  |                    |                                  |
| Gross revenue from supply of electricity (Note 20)  | 3,139,091          | 3,379,657                        |
| Revenue for use of the network Captive consumers (Note 20)                                      | 3,348,150          | 3,119,684                        |
| Revenue for use of the network Free Consumers (Note 21)   | 845,477            | 1,015,395                        |
| Other operational revenues (Note 22)  | 64,769             | 57,082                           |
|   | 7,397,487          | 7,571,818                        |
| <b>DEDUCTIONS FROM OPERATIONAL REVENUE (Note 23)</b>  | <b>(2,860,481)</b> | <b>(2,942,835)</b>               |
| <b>NET OPERATIONAL REVENUE</b>  | <b>4,537,006</b>   | <b>4,628,983</b>                 |
| <b>COST OF ELECTRICITY SERVICE</b>  |                    |                                  |
| <b>COST OF ELECTRICITY</b>  |                    |                                  |
| Electricity bought for resale (Note 24)   | (2,127,926)        | (1,785,448)                      |
| Charges for the use of the basic transmission grid (Note 24)                                    | (393,262)          | (345,748)                        |
|   | (2,521,188)        | (2,131,196)                      |
| <b>COST OF OPERATION (Note 24)</b>  |                    |                                  |
| Personnel and managers  | (488,318)          | (511,179)                        |
| Post-employment obligations   | (48,656)           | (103,231)                        |
| Materials   | (61,639)           | (55,628)                         |
| Outsourced services   | (322,043)          | (276,801)                        |
| Depreciation and amortization   | (236,152)          | (268,413)                        |
| Operational provisions  | (38,880)           | (14,658)                         |
| Other   | (66,658)           | (78,749)                         |
|   | (1,262,346)        | (1,308,659)                      |
| <b>TOTAL COST</b>   | <b>(3,783,534)</b> | <b>(3,439,855)</b>               |
| <b>GROSS PROFIT</b>   | <b>753,472</b>     | <b>1,189,128</b>                 |
| <b>OPERATIONAL EXPENSE (Note 24)</b>  |                    |                                  |
| Selling expenses  | (55,703)           | (69,397)                         |
| General and administrative expenses   | (272,120)          | (92,143)                         |
| Other operational expenses  | (36,965)           | (18,988)                         |
|   | (364,788)          | (180,528)                        |
| <b>NET PROFIT FROM THE SERVICE (OPERATIONAL PROFIT/LOSS BEFORE FINANCIAL REVENUES/EXPENSES)</b> | <b>388,684</b>     | <b>1,008,600</b>                 |
| Net financial revenue (expenses) (Note 25)  | 35,699             | (12,608)                         |
| <b>PROFIT BEFORE TAXATION AND PROFIT SHARES</b>   | <b>424,383</b>     | <b>995,992</b>                   |
| Income tax and Social Contribution tax (Note 9b)  | (162,425)          | (365,737)                        |
| Deferred income tax and Social Contribution tax (Note 9b)                                       | 86,969             | 85,698                           |
| Employees and managers profit shares  | (69,849)           | (49,916)                         |

Ebitda (method of calculation not reviewed by external auditors)

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|  |         |         |
|--|---------|---------|
| <b>NET PROFIT FOR THE PERIOD</b>           | 279,078 | 666,037 |
| <b>NET PROFIT PER THOUSAND SHARES, R\$</b> | 123.38  | 294.45  |

The Explanatory Notes are an integral part of the Quarterly Information.

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## STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR

THE THIRD QUARTER OF 2009 ( 3Q09 )

AND

THE First NINE MONTHS OF 2009 ( 9M09 )

(R\$ 000, except net profit per thousand shares)

|                                       | Registered<br>capital | Profit<br>reserves | Retained<br>earnings | Total            |
|---------------------------------------|-----------------------|--------------------|----------------------|------------------|
| <b>BALANCES AT DECEMBER 31, 2008</b>  | <b>2,261,998</b>      | <b>214,013</b>     |                      | <b>2,476,011</b> |
| Net profit for the period             |                       |                    | 279,078              | 279,078          |
| Allocation of profit:                 |                       |                    |                      |                  |
| Interest on Equity (Note 19)          |                       |                    | (113,653)            | (113,653)        |
| <b>BALANCES ON SEPTEMBER 30, 2009</b> | <b>2,261,998</b>      | <b>214,013</b>     | <b>165,425</b>       | <b>2,641,436</b> |
|                                       |                       |                    |                      |                  |
|                                       | Registered<br>capital | Profit<br>reserves | Retained<br>earnings | Total            |
| <b>BALANCES ON JUNE 30, 2009</b>      | <b>2,261,998</b>      | <b>214,013</b>     | <b>12,183</b>        | <b>2,488,194</b> |
| Net profit for the period             |                       |                    | 190,693              | 190,693          |
| Allocation of profit:                 |                       |                    |                      |                  |
| Interest on Equity (Note 19)          |                       |                    | (37,451)             | (37,451)         |
| <b>BALANCES ON SEPTEMBER 30, 2009</b> | <b>2,261,998</b>      | <b>214,013</b>     | <b>165,425</b>       | <b>2,641,436</b> |

The Explanatory Notes are an integral part of the Quarterly Information.

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## STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDING SEPTEMBER 30, 2009 AND 2008

R\$ 000

|   | 09/30/2009     | 09/30/2008       |
|---|----------------|------------------|
| <b>FROM OPERATIONS</b>                                      |                |                  |
| Net profit for the period                                   | 279,078        | 666,037          |
| Expenses (revenues) not affecting Cash and cash equivalents |                |                  |
| Depreciation and amortization                               | 242,909        | 271,228          |
| Write-off of fixed assets, net                              | 14,397         | 15,729           |
| Interest and monetary variations Non-current                | (59,506)       | 29,850           |
| Deferred income tax and Social Contribution tax             | (86,969)       | (85,698)         |
| Provisions for operational losses                           | 61,441         | 15,955           |
| Provision for losses on financial instruments               | 40,139         | 5,141            |
| Post-employment obligations                                 | 68,818         | 111,506          |
|   | 560,307        | 1,029,748        |
| (Increase) reduction of assets                              |                |                  |
| Consumers and traders                                       | (160,918)      | 70,235           |
| Extraordinary Tariff Recomposition, and Portion A           | 207,068        | 228,974          |
| Taxes offsetable  | (200,747)      | (330,900)        |
| Transport of electricity                                    | 86,130         | 19,713           |
| Deferred tariff adjustment                                  | 133,423        | 284,896          |
| PIS and Cofins taxes  | 46,240         | 69,887           |
| Other current assets  | 86,515         | (78,579)         |
| Payments into Court   | (145,704)      | (39,112)         |
| Anticipated expenses CVA                                    | 15,598         | (169,206)        |
| Tax credits   | 14,983         | 110,876          |
| Others  | 3,282          | (4,243)          |
|   | 85,870         | 162,541          |
| Increase (reduction) of liabilities                         |                |                  |
| Suppliers   | (93,919)       | (22,321)         |
| Taxes and Social Contribution tax                           | 303,152        | 243,853          |
| Salaries and mandatory charges on payroll                   | 63,354         | (10,243)         |
| Consumer charges collected for payment                      | (8,826)        | 41,895           |
| Loans and financings  | 70             | 32,279           |
| Post-employment obligations                                 | (93,048)       | (105,903)        |
| Regulatory liabilities CVA                                  | 69,918         | (69,543)         |
| Regulatory liabilities Tariff Review                        | 137,458        | (12,344)         |
| Others  | (70,226)       | (15,691)         |
|   | 307,933        | 81,982           |
| <b>CASH GENERATED BY OPERATIONS</b>                         | <b>954,110</b> | <b>1,274,271</b> |
| <b>FINANCING ACTIVITIES</b>                                 |                |                  |
| Financings obtained   | 27,965         | 118,485          |
| Payments of loans and financings                            | (110,825)      | (277,390)        |
| Interest on Equity, and dividends                           | (251,285)      | (295,710)        |

Ebitda (method of calculation not reviewed by external auditors)

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|  |                  |                  |
|--|------------------|------------------|
| CASH USED IN FINANCING ACTIVITIES            | (334,145)        | (454,615)        |
| <b>TOTAL INFLOW OF FUNDS</b>                 | <b>619,965</b>   | <b>819,656</b>   |
| <b>INVESTMENT ACTIVITIES</b>                 |                  |                  |
| In investments                               | (174)            | (1,295)          |
| In fixed assets                              | (610,107)        | (497,475)        |
| Special Obligations consumer contributions   | 67,336           | 49,662           |
| Intangible                                   | (6,214)          | (46,592)         |
| <b>CASH USED IN INVESTMENT ACTIVITIES</b>    | <b>(549,159)</b> | <b>(495,700)</b> |
| <b>NET CHANGE IN CASH POSITION</b>           | <b>70,806</b>    | <b>323,956</b>   |
| <b>STATEMENT OF CHANGES IN CASH POSITION</b> |                  |                  |
| At start of period                           | 442,421          | 636,286          |
| At end of period                             | 513,227          | 960,242          |
|  | <b>70,806</b>    | <b>323,956</b>   |

The Explanatory Notes are an integral part of the Quarterly Information.



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**EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)**

**ON SEPTEMBER 30, 2009**

**(R\$ 000, except where otherwise stated)**

**1) OPERATIONAL CONTEXT**

**Cemig Distribuição S.A.** ( Cemig Distribution , **Cemig D** , 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, as a result of the segregation ( unbundling ) of Cemig 's activities, and started operations on January 1, 2005. Its shares are not traded on any exchange.

**Cemig D** has a concession area of 567,478 km<sup>2</sup>, approximately 97.00% of Minas Gerais state, serving 6,757,223 consumers as of September 30, 2009. (Information not reviewed by our external auditors).

**2) PRESENTATION OF THE QUARTERLY INFORMATION**

**2.1) Presentation of the Quarterly Information**

The Quarterly Information (*ITR*) has been prepared according to Brazilian accounting practices, comprising: the Brazilian Corporate Law; the statements, orientations and interpretations issued by the Brazilian Accounting Statements Committee; rules of the Brazilian Securities Commission (*CVM Comissão de Valores Mobiliários*); and rules of the specific legislation applicable to holders of Brazilian electricity concessions, issued by the Brazilian National Electricity Agency, *Aneel*.

This Quarterly Information has been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the annual accounting statements at December 31, 2008. Hence this Quarterly Information should be read in conjunction with those annual accounting statements.

**2.2) Change in the Brazilian Corporate Law**

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Law 11638/07 altered, repealed and created new provisions in the Brazilian Corporate Law, in the chapter relating to disclosure and preparation of Accounting Statements. Among other aspects, these changed the criterion for recognition and valuation of assets and liabilities. These changes, in effect from January 1, 2008, aim to increase the transparency of the accounting statements of Brazilian companies and eliminate some regulatory barriers that were an obstacle to convergence with international financial reporting standards (IFRS).

Law 11638/07, and Provisional Measure 449/08 (which was converted into Law 11941 of May 27, 2009), changed Law 6404/76 in aspects related to the preparation and disclosure of accounting statements.

It was in the preparation of its accounting statements for 2008 that **Cemig D** first adopted the changes to the Corporate Law introduced by Law 11638/28, approved on December 28, 2007, as amended by Provisional Measure 449 of December 3, 2008.

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

|                                 | <b>09/30/2009</b> | <b>06/30/2009</b> |
|---------------------------------|-------------------|-------------------|
| Bank accounts                   | 35,925            | 38,270            |
| Cash investments                |                   |                   |
| Bank certificates of deposit    | 475,190           | 217,509           |
| Treasury Financial Notes (LFTs) | 1,414             | 1,996             |
| National Treasury Notes (LTNs)  | 554               | 3,767             |
| Other                           | 144               | 489               |
|                                 | <b>477,302</b>    | <b>223,761</b>    |
|                                 | <b>513,227</b>    | <b>262,031</b>    |

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

These financial investments are, substantially, bank certificates of deposit and fixed income funds, remunerated, substantially, by the variation on CDIs (interbank certificates of deposit), at returns varying from 101% to 103% of the CDI rate.

**4) CONSUMERS AND TRADERS**

| Consumer type                                | Balances not yet | Up to 90       | Over 90        | Total            |                  |
|--|------------------|----------------|----------------|------------------|------------------|
|  | due              | days past      | days past      | 09/30/2009       | 06/30/2009       |
| Residential                                  | 389,515          | 155,969        | 57,044         | 602,528          | 605,637          |
| Industrial                                   | 99,570           | 32,521         | 355,426        | 487,517          | 443,299          |
| Commercial, services and others              | 195,500          | 45,135         | 56,077         | 296,712          | 309,918          |
| Rural  | 63,125           | 17,514         | 13,163         | 93,802           | 93,734           |
| Public authorities                           | 54,831           | 8,029          | 29,045         | 91,905           | 86,046           |
| Public illumination                          | 41,380           | 5,365          | 13,723         | 60,468           | 63,557           |
| Public service                               | 43,066           | 2,301          | 47,957         | 93,324           | 62,402           |
| <b>Subtotal Consumers</b>                    | <b>886,987</b>   | <b>266,834</b> | <b>572,435</b> | <b>1,726,256</b> | <b>1,664,593</b> |
| Wholesale supply to other concession holders |                  |                | 917            | 917              | 917              |
| Provision for doubtful receivables           |                  |                | (228,572)      | (228,572)        | (189,567)        |
|  | <b>886,987</b>   | <b>266,834</b> | <b>344,780</b> | <b>1,498,601</b> | <b>1,475,943</b> |
| Current                                      |                  |                |                | 1,408,427        | 1,466,741        |
| Non Current                                  |                  |                |                | 90,174           | 9,202            |

Credits receivable from an industrial consumer in the amount of R\$ 53,164, recorded in Non-current assets, not paid due to an injunction, that allowed payment of this amount not to be made until final judgment of a legal action challenging the tariff increase effected during the Cruzado Economic Plan, put in place by Ministerial Order 045 of 1986, are recorded in the accounts. The Company expects these amounts to be received in full.

The Provision for doubtful receivables 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, resulted in the constitution of several regulatory assets and liabilities, and also in deferral of federal taxes applicable to part of these assets and liabilities (which are settled as and when the assets and liabilities are received and/or paid), as follows:

|   | 09/30/2009     | 06/30/2009     |
|---|----------------|----------------|
| <b>Assets</b>   |                |                |
| Portion A Note 6  | 307,991        | 383,486        |
| Deferred Tariff Adjustment                                      |                |                |
| PIS, Pasep and Cofins taxes Note 10                             | 46,240         | 46,240         |
| Anticipated expenses CVA (Note 7)                               | 969,361        | 1,101,383      |
| Low-income subsidy  | 51,344         | 35,904         |
| Other regulatory assets   | 9,891          | 13,165         |
|   | 1,384,827      | 1,580,178      |
| <b>Liabilities</b>  |                |                |
| Regulatory liabilities CVA (Note 7)                             | (676,844)      | (623,147)      |
| Review of the Tariff for Use of the Distribution Network (TUSD) | (6,382)        | (10,760)       |
| CCEAR contract exposure between sub-markets                     | (11,576)       | (17,147)       |
| Adjustment to the Reference Company                             | (54,260)       | (80,375)       |
| Financial adjustment for the 2008 Tariff Review                 | (83,198)       | (123,240)      |
| Other regulatory liabilities                                    | (2,888)        | (4,278)        |
|   | (835,148)      | (858,947)      |
| Taxes, charges and contributions Deferred obligations Note 14   | (15,722)       | (15,722)       |
|   | (850,870)      | (874,669)      |
|   | <b>533,957</b> | <b>705,509</b> |

**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 determined 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 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.

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- Increase of 7.90% for other consumers.

The RTE was 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.
- Pass-through to be made to the generators who bought energy in the MAE which was succeeded in 2004 by the Electricity Trading Chamber ( the CCEE ), in the period from June 1, 2001 to February 28, 2002, for more than R\$ 49.26/MWh (referred to as Free Energy ).

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The period of validity of the RTE, of 74 months, expired in February 2008, and Cemig D 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 actually 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, and there is no time limit for their realization.

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

|   | Periods ending: |                |
|---|-----------------|----------------|
|   | 09/30/2009      | 06/30/2009     |
| <b><u>Amounts transferred to expenses</u></b>           |                 |                |
| Energy bought for resale                                | 143,829         | 93,758         |
| Fuel Consumption Account - CCC                          | 63,688          | 41,516         |
| Global Reversion Reserve - RGR                          | 6,364           | 4,149          |
| Tariff for transport of electricity from Itaipu         | 2,456           | 1,601          |
| Tariff for use of national grid transmission facilities | 16,449          | 10,723         |
| Royalties for use of water resources                    | 5,649           | 3,682          |
| Connection - Realization of Portion A                   | 347             | 226            |
| Delivery service inspection charge                      | 596             | 388            |
|   | <b>239,378</b>  | <b>156,043</b> |

### Composition of the balances of Portion A

|  | 09/30/2009 |                              | 06/30/2009 |         |
|--|------------|------------------------------|------------|---------|
|  | Principal  | Updating<br>by Selic<br>rate | Total      | Total   |
| Compensation of the items of Portion A | 245,299    | 569,534                      | 814,833    | 806,994 |

Ebitda (method of calculation not reviewed by external auditors)

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|                           |                |                |                |                |
|---------------------------|----------------|----------------|----------------|----------------|
| Amounts received          | (95,789)       | (411,053)      | (506,842)      | (423,508)      |
| <b>Total of Portion A</b> |                | <b>158,481</b> | <b>307,991</b> | <b>383,486</b> |
|                           | <b>149,510</b> |                |                |                |
| Current assets            |                |                | 307,991        | 317,042        |
| Non-current assets        |                |                |                | 66,444         |



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

The balance on the Account to Compensate for Variation of Portion A items ( the CVA account , or CVA ) refers to the positive and negative variations between the estimate of the Company 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.

|   | <b>Balance on<br/>06/30/2009</b> | <b>Amounts<br/>deferred (1)</b> | <b>Amortization<br/>(2)</b> | <b>Monetary<br/>updating (3)</b> | <b>Balance on<br/>09/30/2009</b> |
|---|----------------------------------|---------------------------------|-----------------------------|----------------------------------|----------------------------------|
| Energy bought for resale                                | 220,382                          | (105,048)                       | (44,639)                    | 3,782                            | 74,477                           |
| Fuel Consumption Account CCC                            | 10,099                           | 44,460                          | (15,508)                    | 711                              | 39,762                           |
| System Service Charge (ESS)                             | 160,074                          | (50,540)                        | (33,867)                    | 2,204                            | 77,871                           |
| Tariff for transport of electricity from Itaipu         | 7,490                            | 641                             | (1,177)                     | 106                              | 7,060                            |
| Tariff for use of national grid transmission facilities | 41,175                           | 21,686                          | (5,493)                     | 525                              | 57,893                           |
| Royalties for use of water resources                    | 2,587                            |                                 |                             |                                  | 2,587                            |
| Energy Development Account CDE                          | 19,386                           |                                 | (178)                       | 247                              | 19,455                           |
| Alternative Energy Program Proinfra                     | 17,043                           |                                 | (3,941)                     | 311                              | 13,413                           |
|   | <b>478,236</b>                   | <b>(88,801)</b>                 | <b>(104,803)</b>            | <b>7,886</b>                     | <b>292,518</b>                   |

|                         | <b>09/30/2009</b> | <b>06/30/2009</b> |
|-------------------------|-------------------|-------------------|
| Current assets          | 626,483           | 613,760           |
| Non-current assets      | 342,878           | 487,623           |
| Current liabilities     | (359,350)         | (212,438)         |
| Non-current liabilities | (317,493)         | (410,709)         |
|                         | <b>292,518</b>    | <b>478,236</b>    |

(1) This refers to the portion of the non-controllable costs that comprise the CVA and which were not included in revenue, and were thus excluded from the income statement.

(2) Refers to the non-controllable costs included in the CVA and which were transferred to the income statement due to their inclusion in the Company s revenue.

(3) This refers to the updating by the variation in the Selic rate from the date of payment of the expense to its actual offsetting in the tariff adjustment.

**8) TAXES SUBJECT TO OFFSETTING**

|                         | <b>09/30/2009</b> | <b>06/30/2009</b> |
|-------------------------|-------------------|-------------------|
| <b>Current</b>          |                   |                   |
| ICMS tax recoverable    | 148,557           | 129,049           |
| Income tax              | 257,724           | 262,877           |
| Social Contribution tax | 137,393           | 141,270           |
| Cofins tax              | 8,661             | 7,977             |
| Pasep tax               | 1,877             | 1,728             |
| Others                  | 575               | 515               |

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|                      |                |                |
|----------------------|----------------|----------------|
|                      | 554,787        | 543,416        |
| <b>Non-current</b>   |                |                |
| ICMS tax recoverable | 46,141         | 57,351         |
|                      | <b>600,928</b> | <b>600,767</b> |

The balances of income tax and Social Contribution tax refer to tax credits in corporate income tax returns of previous years, and advance payments made in 2009, which will be offset by federal taxes payable to be calculated for the year 2009, posted in Taxes and contributions.

The credits of ICMS recoverable arise from acquisitions of fixed assets, which can offset in 48 months.

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The Company has filed a consultation with the Minas Gerais State Tax Department for clarification of questions related to the use of part of the ICMS credits recorded, and the response is awaited in the fourth quarter of 2009, after which their offsetting will be commenced.

**9) TAX CREDITS****a) Deferred income tax and Social Contribution tax:**

The company has deferred income tax credits, constituted at the rate of 25.00%, and Social Contribution tax credits, at the rate of 9.00%, as follows:

|  | 09/30/2009     | 06/30/2009     |
|--|----------------|----------------|
| Tax credits on temporary differences   |                |                |
| Post-employment obligations            | 68,583         | 68,577         |
| Provision for doubtful receivables     | 85,575         | 72,313         |
| Contingency provisions                 | 23,809         | 23,963         |
| Financial instruments                  | 47,358         | 43,317         |
| Regulatory liabilities – Tariff review | 45,266         | 67,052         |
| FX variation                           | 82,688         | 78,740         |
| Others                                 | 19,100         | 12,733         |
|  | <b>372,379</b> | <b>366,695</b> |
| Current assets                         | 206,060        | 184,465        |
| Non-current assets                     | 166,319        | 182,230        |

At its meeting on February 12, 2009, the Board of Directors approved the technical study prepared by the CFO's department on 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 specified in CVM Instruction 371. This study was also submitted to the Audit Board, on February 5, 2009.

In accordance with **Cemig D**'s estimates, future taxable profits enable the deferred tax asset existing on September 30, 2009 to be realized according to the following estimate:

|                            | 09/30/2009     |
|----------------------------|----------------|
| September to December 2009 | 112,586        |
| 2010                       | 124,632        |
| 2011                       | 31,668         |
| 2012                       | 31,668         |
| 2013                       | 31,669         |
| 2014 to 2016               | 26,440         |
| 2017 to September 2019     | 13,716         |
|                            | <b>372,379</b> |



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 tax (rate 9%) with the actual expense shown in the Income statement is as follows:

|  | 09/30/2009    | 09/30/2008     |
|--|---------------|----------------|
| Profit before income tax, Social Contribution tax and employee profit shares | 424,383       | 994,543        |
| Income tax and Social Contribution nominal expense                           | (144,290)     | (338,145)      |
| Tax effects applicable to:   |               |                |
| Employees profit shares  | 23,749        | 16,479         |
| Tax incentive amounts  | 7,011         | 8,098          |
| Interest on Equity   | 38,642        | 38,600         |
| Non-deductible contributions and donations                                   | (2,945)       | (5,325)        |
| Adjustment in income tax and Social Contribution previous business year      | 2,530         | 742            |
| Tax credits not recognized   | 1,244         | 326            |
| Others   | (1,397)       | (814)          |
| <b>Income tax and Social Contribution tax effective expense</b>              | <b>75,456</b> | <b>280,039</b> |

**c) Transition taxation regime:**

Provisional Measure 449/2008, of December 3, 2008, converted into Law 11941 of 2009, instituted the Transition Taxation Regime (RTT), which aims to neutralize the impacts of the new accounting methods and criteria introduced by Law 11638/07, in calculation of the taxable amounts for federal taxes.

Application of the RTT is optional for the years 2008 and 2009, and obligatory starting in 2010, for corporate entities subject to Corporate Income Tax, in accordance with the systems of both tax reporting methods: the Real Profit and the Presumed Profit reporting methods.

The Company opted for adoption of the RTT in the 2009 corporate tax return for calendar year 2008 and additionally will have until November 30, 2009 to prepare the (Transition Accounting Tax Monitoring ( FCONT ) created by Normative Instruction 949/2009 of the Brazilian Federal tax authority (*Receita Federal*)).

**10) REGULATORY ASSET PIS/PASEP AND COFINS TAXES**

Federal Laws 10637/02 and 10833/03 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.

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In view of this, in accordance with a criterion laid down by Aneel, the Company registered the credits as a regulatory asset and made 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.

Table of Contents**11) FIXED ASSETS****Fixed assets**

|  | Historic cost     | Accumulated depreciation and amortization | Net value, 09/30/2009 | Net value 06/30/2009 |
|--|-------------------|---|-----------------------|----------------------|
| <b>In service</b>                            | <b>10,493,966</b> | <b>(4,764,560)</b>                        | <b>5,729,406</b>      | <b>5,439,867</b>     |
| - Distribution                               | 10,224,826        | (4,568,601)                               | 5,656,225             | 5,361,310            |
| Lands  | 19,936            |   | 19,936                | 17,865               |
| Buildings, works and improvements            | 248,805           | (132,996)                                 | 115,809               | 115,679              |
| Machines and equipment                       | 9,885,989         | (4,384,299)                               | 5,501,690             | 5,206,827            |
| Vehicles                                     | 59,694            | (41,172)                                  | 18,522                | 20,681               |
| Furniture and utensils                       | 10,402            | (10,134)                                  | 268                   | 258                  |
| - Administration                             | 269,140           | (195,959)                                 | 73,181                | 78,557               |
| Lands  | 1,028             |   | 1,028                 | 1,028                |
| Buildings, works and improvements            | 43,560            | (27,016)                                  | 16,544                | 16,878               |
| Machines and equipment                       | 176,258           | (125,050)                                 | 51,208                | 55,837               |
| Vehicles                                     | 28,192            | (25,110)                                  | 3,082                 | 3,437                |
| Furniture and utensils                       | 20,102            | (18,783)                                  | 1,319                 | 1,377                |
| <b>In progress</b>                           | <b>1,182,396</b>  |   | <b>1,182,396</b>      | <b>1,292,669</b>     |
| - Distribution                               | 986,461           |   | 986,461               | 1,182,378            |
| - Administration                             | 195,935           |   | 195,935               | 110,291              |
| <b>Total fixed assets</b>                    | <b>11,676,362</b> | <b>(4,764,560)</b>                        | <b>6,911,802</b>      | <b>6,732,536</b>     |
| Special Obligations linked to the concession | (2,654,582)       | 176,490                                   | (2,478,092)           | (2,488,619)          |
| <b>Net fixed assets</b>                      | <b>9,021,780</b>  | <b>(4,588,070)</b>                        | <b>4,433,710</b>      | <b>4,243,917</b>     |

Special Obligations linked to the concession are basically contributions made by consumers for execution of the undertakings necessary to comply with requests for retail supply of electricity. Any settlement of these obligations depends on the will of Aneel, at the termination of the Distribution concessions, through 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, amended by Resolution 338 of November 25, 2008 and Aneel Circular 1314/2007 of June 27, 2007, the balances of the Special Obligations linked to assets is now being amortized as from the second Tariff Review cycle, which in the case of Cemig is April 8, 2008 at a percentage corresponding to the average rate of depreciation of the assets.

Some of the Company's land sites and buildings, registered in Fixed assets Administration, were given in guarantee for lawsuits involving tax, labor-law, and civil issues and other contingencies, in the net amount of R\$ 6,583 on September 30, 2009 (R\$ 6,712 on June 30, 2009), net of depreciation.

**12) INTANGIBLE**

|                        | Historic cost  | Accumulated amortization | Net value, 09/30/2009 | Net value 06/30/2009 |
|------------------------|----------------|--------------------------|-----------------------|----------------------|
| <b>In service</b>      | <b>289,096</b> | <b>(90,368)</b>          | <b>198,728</b>        | <b>46,441</b>        |
| - Distribution         | 11,448         | (531)                    | 10,917                | 10,877               |
| - Administration       | 277,648        | (89,837)                 | 187,811               | 35,564               |
| <b>In progress</b>     | <b>20,356</b>  |                          | <b>20,356</b>         | <b>176,841</b>       |
| - Distribution         | 7,085          |                          | 7,085                 | 48,911               |
| - Administration       | 13,271         |                          | 13,271                | 127,930              |
| <b>Intangible, net</b> | <b>309,452</b> | <b>(90,368)</b>          | <b>219,084</b>        | <b>223,282</b>       |



Table of Contents**13) SUPPLIERS**

|   | 09/30/2009     | 06/30/2009     |
|---|----------------|----------------|
| <b>Current</b>                                  |                |                |
| Wholesale supply and transport of electricity - |                |                |
| Eletrobrás energy from Itaipu                   | 139,470        | 152,306        |
| Furnas  | 56,337         | 52,924         |
| CCEE  | 716            | 25,850         |
| Cemig GT  | 34,501         | 51,272         |
| CHESF Cia. Hidroelétrica do São Francisco       | 11,287         | 25,967         |
| CESP Cia. Energética de São Paulo               | 17,829         | 17,481         |
| CEEE Cia. Estadual de Energia Elétrica          | 11,866         | 13,451         |
| Other generators and distributors               | 133,522        | 101,303        |
|   | 405,528        | 440,554        |
| Materials and services                          | 108,231        | 117,251        |
|   | <b>513,759</b> | <b>557,805</b> |
| <b>Non-current</b>                              |                |                |
| Wholesale supply and transport of electricity - |                |                |
| Other generators and distributors               | 1,277          | 1,095          |
|   | <b>515,036</b> | <b>558,900</b> |

**14) TAXES, CHARGES AND CONTRIBUTIONS**

|                         | 09/30/2009     | 06/30/2009     |
|-------------------------|----------------|----------------|
| <b>Current</b>          |                |                |
| Income tax              | 123,411        | 70,935         |
| Social Contribution tax | 46,139         | 26,350         |
| ICMS tax                | 243,562        | 228,994        |
| Cofins tax              | 32,238         | 25,373         |
| Pasep tax               | 6,993          | 5,503          |
| Social security system  | 10,797         | 11,267         |
| Others                  | 15,469         | 10,216         |
|                         | 478,609        | 378,638        |
| Deferred obligations    |                |                |
| Income tax              | 11,560         | 11,560         |
| Social Contribution tax | 4,162          | 4,162          |
|                         | 15,722         | 15,722         |
|                         | <b>494,331</b> | <b>394,360</b> |
| <b>Non-current</b>      |                |                |
| Cofins tax              | 194,959        | 154,726        |
| Pasep tax               | 42,327         | 33,592         |
|                         | 237,286        | 188,318        |
| Deferred obligations    |                |                |
| Income tax              | 100,542        | 94,777         |
| Social Contribution tax | 36,194         | 34,120         |
|                         | 136,736        | 128,897        |
|                         | <b>374,022</b> | <b>317,215</b> |

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The deferred obligations under *Current* refer basically to the assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory issues, and become due as and when these assets and liabilities are realized.

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 obtained a Court injunction enabling it not to make the payment and authorizing payment into Court starting in 2008.

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The non-current deferred obligations for income tax and Social Contribution tax 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 and adjustment to present value of financial instruments, implemented by the change in the Corporate Law, to be reversed as and when realized.

The other income tax and Social Contribution liabilities payable recorded in Current liabilities will be offset by prepaid expenses posted in Assets, under Taxes subject to offsetting.

**15) LOANS, FINANCINGS AND DEBENTURES**

| FINANCING SOURCES                 | Principal maturity | Annual financial cost (%) | Currency | 09/30/2009     |                  |                  | 06/30/2009       |
|-----------------------------------|--------------------|---------------------------|----------|----------------|------------------|------------------|------------------|
|                                   |                    |                           |          | Current        | Non-current      | Total            | Total            |
| <b>FOREIGN CURRENCY</b>           |                    |                           |          |                |                  |                  |                  |
| ABN Amro Bank N.A. (2)            | 2013               | 6.00                      | US\$     | 23,708         | 66,679           | 90,387           | 97,710           |
| ABN Amro Real S.A.(3)             | 2009               | 6.35                      | US\$     | 7,058          |                  | 7,058            | 7,392            |
| Banco do Brasil various bonds (1) | 2024               | Various                   | US\$     | 11,070         | 62,994           | 74,064           | 72,107           |
| BNP Paribas                       | 2010               | Libor + 1.875             | US\$     | 8,888          |                  | 8,888            | 9,648            |
| KFW                               | 2016               | 4.50                      | Euro     | 1,861          | 11,152           | 13,013           | 13,553           |
| Unibanco (4)                      | 2009               | 5.50                      | US\$     | 3,700          |                  | 3,700            | 4,005            |
| Unibanco (4)                      | 2009               | 5.00                      | US\$     | 9,188          |                  | 9,188            | 9,958            |
| <b>Debt in foreign currency</b>   |                    |                           |          | <b>65,473</b>  | <b>140,825</b>   | <b>206,298</b>   | <b>214,373</b>   |
| <b>BRAZILIAN CURRENCY</b>         |                    |                           |          |                |                  |                  |                  |
| Banco do Brasil                   | 2009               | 111.00 of CDI             | R\$      | 62,134         |                  | 62,134           | 60,662           |
| Banco do Brasil                   | 2013               | CDI + 1.70                | R\$      | 5,476          | 15,001           | 20,477           | 20,960           |
| Banco do Brasil                   | 2013               | 107.60 of CDI             | R\$      | 3,833          | 96,000           | 99,833           | 97,539           |
| Banco do Brasil                   | 2014               | 104.1 of CDI              | R\$      | 12,248         | 300,000          | 312,248          | 305,303          |
| Banco Itaú BBA                    | 2013               | CDI + 1.70                | R\$      | 33,823         | 103,092          | 136,915          | 138,238          |
| Banco Itaú BBA                    | 2014               | CDI + 1.70                | R\$      | 311            | 3,473            | 3,784            | 3,688            |
| Banco Votorantim                  | 2010               | 113.50 of CDI             | R\$      | 740            | 29,248           | 29,988           | 29,261           |
| Banco Votorantim                  | 2013               | CDI + 1.70                | R\$      | 26,036         | 73,976           | 100,012          | 99,375           |
| Bradesco                          | 2013               | CDI + 1.70                | R\$      | 62,043         | 189,013          | 251,056          | 246,714          |
| Debentures (5)                    | 2014               | IGP-M + 10.50             | R\$      | 10,302         | 300,784          | 311,086          | 304,406          |
| Debentures (5)                    | 2017               | IPCA + 7.96               | R\$      | 27,276         | 439,751          | 467,027          | 455,185          |
| Eletrobrás                        | 2023               | Ufir + 6.00 8.00          | R\$      | 42,470         | 320,317          | 362,787          | 346,875          |
| Large consumers                   | 2011               | Various                   | R\$      | 2,823          | 2,516            | 5,339            | 5,319            |
| Santander do Brasil               | 2013               | CDI + 1.70                | R\$      | 13,710         | 37,469           | 51,179           | 50,193           |
| Unibanco                          | 2013               | CDI + 1.70                | R\$      | 27,940         | 109,246          | 137,186          | 138,830          |
| Banco do Nordeste do Brasil       | 2010               | TR + 7.30                 | R\$      | 55,727         |                  | 55,727           | 72,897           |
| Finep                             | 2010               | URTJ + 4.00               | R\$      | 99             |                  | 99               | 130              |
| <b>Debt in Brazilian currency</b> |                    |                           |          | <b>386,991</b> | <b>2,019,886</b> | <b>2,406,877</b> | <b>2,375,575</b> |
| <b>Overall total</b>              |                    |                           |          | <b>452,464</b> | <b>2,160,711</b> | <b>2,613,175</b> | <b>2,589,948</b> |

- 
- (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 convertible into shares, without preference.

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

|                                      | 2009           | 2010           | 2011           | 2012           | 2013           | 2014           | 2015           | 2016           | 2017 and subsequent years | Total            |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|------------------|
| <b>Currency</b>                      |                |                |                |                |                |                |                |                |                           |                  |
| US dollar                            | 32,818         | 35,005         | 30,649         | 28,424         | 26,199         | 1,986          |                |                | 38,204                    | 193,285          |
| Euro                                 | 1,003          | 1,716          | 1,716          | 1,716          | 1,716          | 1,716          | 1,716          | 1,714          |                           | 13,013           |
|                                      | <b>33,821</b>  | <b>36,721</b>  | <b>32,365</b>  | <b>30,140</b>  | <b>27,915</b>  | <b>3,702</b>   | <b>1,716</b>   | <b>1,714</b>   | <b>38,204</b>             | <b>206,298</b>   |
| <b>Indexors</b>                      |                |                |                |                |                |                |                |                |                           |                  |
| IPCA (Expanded Consumer Price Index) | 27,276         |                |                |                |                |                | 146,584        | 146,584        | 146,583                   | 467,027          |
| IGP-M inflation index                | 10,302         |                |                |                |                | 300,784        |                |                |                           | 311,086          |
| Ufir (Fiscal Reference Unit)         | 10,148         | 45,312         | 53,216         | 49,735         | 44,089         | 42,766         | 38,251         | 30,838         | 48,432                    | 362,787          |
| Interbank CD rate CDI                | 104,391        | 197,172        | 168,793        | 267,594        | 365,992        | 100,870        |                |                |                           | 1,204,812        |
| TR reference rate                    | 18,605         | 37,122         |                |                |                |                |                |                |                           | 55,727           |
| Others                               | 2,856          | 66             |                | 370            | 403            | 777            | 419            | 183            | 364                       | 5,438            |
|                                      |                |                |                |                |                |                |                |                |                           |                  |
|                                      | <b>173,578</b> | <b>279,672</b> | <b>222,009</b> | <b>317,699</b> | <b>410,484</b> | <b>445,197</b> | <b>185,254</b> | <b>177,605</b> | <b>195,379</b>            | <b>2,406,877</b> |
|                                      | <b>207,399</b> | <b>316,393</b> | <b>254,374</b> | <b>347,839</b> | <b>438,399</b> | <b>448,899</b> | <b>186,970</b> | <b>179,319</b> | <b>233,583</b>            | <b>2,613,175</b> |

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

| Currency  | Change in quarter ended 09/30/2009 % | Accumulated change in 2009 % | Indexors | Change in quarter ended 09/30/2009 % | Accumulated change in 2009 % |
|-----------|--------------------------------------|------------------------------|----------|--------------------------------------|------------------------------|
| US dollar | (8.89)                               | (23.92)                      | IGP-M    | (0.38)                               | (1.61)                       |
| Euro      | (5.06)                               | (19.67)                      | Finel    | (0.08)                               | (0.32)                       |
|           |                                      |                              | Selic    | 2.19                                 | 7.67                         |
|           |                                      |                              | CDI      | 2.15                                 | 7.59                         |

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

|                                 |           |
|---------------------------------|-----------|
| <b>Balance at June 30, 2009</b> | 2,589,948 |
| Loans and financings obtained   | 25,656    |
| Monetary and FX variation       | (10,008)  |
| Financial charges provisioned   | 56,154    |
| Capitalization                  | 1,497     |
| Financial charges paid          | (21,562)  |
| Amortization of financings      | (28,510)  |

**Balance on September 30, 2009**

**2,613,175**

**Restrictive covenant clauses**

Cemig D has loans and financings with restrictive covenant clauses. These were fully complied with on September 30, 2009.

Table of Contents**16) REGULATORY CHARGES**

|  | 09/30/2009     | 06/30/2009     |
|--|----------------|----------------|
| Global Reversion Reserve RGR                                 | 18,234         | 19,235         |
| Fuel Consumption Account CCC                                 | 30,429         | 18,279         |
| Energy Development Account CDE                               | 28,658         | 28,658         |
| Eletrobrás Compulsory loan                                   | 1,207          | 1,207          |
| Aneel inspection charge                                      | 1,874          | 1,874          |
| National Scientific and Technological Development Fund FNDCT | 2,457          | 2,468          |
| Energy efficiency  | 159,917        | 159,439        |
| Research and development                                     | 89,738         | 86,020         |
| Energy system expansion research                             | 1,228          | 1,234          |
|  | <b>333,742</b> | <b>318,414</b> |
| Current liabilities  | 325,096        | 310,735        |
| Non-current liabilities                                      | 8,646          | 7,679          |

**17) POST-EMPLOYMENT OBLIGATIONS**

**Cemig D** is one of the sponsors of **Forluz** – the **Forluminas Social Security Foundation**, a non-profit legal entity, in the proportion of 72.45%, a percentage defined by the allocation of employees between companies of the group in December 2004. The object of Forluz is to provide its associates and participants and their dependents with financial income complementing 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 at the stage of accumulation of funds, for retirement benefits for normal time of service and defined-benefit coverage for disability or death of participants still in active employment, and also receipt of benefits for time of contribution. The contributions of the Sponsors is equal to the basic monthly contributions of the participants, and this is the only plan open for joining by new participants.

**Cemig D**'s contribution to this plan is 27.52% for the portion with defined benefit characteristics, relating to the coverage for invalidity or death of an active participant, and this is used for amortization of the defined obligations 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 in accordance with the payments made by the Company, under Personnel expenses.

Hence, the obligations for payment of supplementary pension benefits under the Mixed Plan, with defined contribution characteristics, 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. For participants who are still working, this benefit has been deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, and is no longer accepting new participants. Its benefit complements the average real salary of the employee s last three years of activity in the Company, in relation to the amount of the Official Social Security benefit. Inscribed in this plan are 6 active employees, one person with deferred proportional benefit (BPD), and 45 retirees or pension holders.

**Cemig D** 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.



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**Amortization of actuarial obligations**

Part of the actuarial obligation for post-employment benefits in the amount of R\$ 661,588 on 30 September 2009 (R\$ 670,352 on June 30, 2009), was recognized as an obligation payable by Cemig D and is being amortized by June 2024, through monthly installments calculated by the system of constant installments (the so-called Price table). The amounts are updated 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 the Company 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. The result is that 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 **Cemig D**'s income statement. The most recent actuarial valuation was made for base-date December 31, 2008.

The movement in the net liabilities has been as follows:

|  | Pension plans and retirement supplement plans | Health plan    | Dental plan   | Life insurance | Total          |
|--|---|----------------|---------------|----------------|----------------|
| Net liabilities on June 30, 2009                     | 270,135                                       | 271,219        | 12,675        | 316,817        | 870,846        |
| Expense (revenue) recognized in the Income statement | 1,791   | 13,125         | 812           | 7,211          | 22,939         |
| Contributions paid                                   | (23,556)                                      | (9)            | (130)         | (7,990)        | (31,685)       |
| Net liabilities on September 30, 2009                | <b>248,370</b>                                | <b>284,335</b> | <b>13,357</b> | <b>316,038</b> | <b>862,100</b> |
| Current liabilities                                  | 57,269  |                |               |                | 57,269         |
| Non-current liabilities                              | 191,101                                       | 284,335        | 13,357        | 316,038        | 804,831        |

**18) CONTINGENCY PROVISIONS**

The Company makes contingency provisions for lawsuits in which the expectation of loss is considered probable, as follows:

|                        | Balance on 06/30/2009 | Additions | Written off | Balance on 09/30/2009 |
|------------------------|-----------------------|-----------|-------------|-----------------------|
| <b>Labor-law cases</b> |                       |           |             |                       |
| Various                | 7,637                 |           | (217)       | 7,420                 |
| <b>Civil cases</b>     |                       |           |             |                       |
| Personal damages       | 7,150                 |           | (495)       | 6,655                 |
| Tariff increases       | 2,016                 | 46        |             | 2,062                 |

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|                                  |               |            |                |               |
|----------------------------------|---------------|------------|----------------|---------------|
| Other                            | 8,725         |            | (608)          | 8,117         |
| <b>Regulatory</b>                |               |            |                |               |
| Aneel administrative proceedings | 45,616        | 291        |                | 45,907        |
| <b>Total</b>                     | <b>71,144</b> | <b>337</b> | <b>(1,320)</b> | <b>70,161</b> |

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 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\$ 45,907.

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Tariff increases

Several industrial consumers filed actions against Cemig, the parent company of Cemig D, seeking reimbursement for the amounts paid as a result of the tariff increase made 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 estimates of the amounts to be provisioned based on the disputed amounts billed and based on recent judicial decisions. The approximate total of the exposure in this matter, in management's view, is R\$ 100,429, of which the greater part is provisioned in the holding company.

**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 for the discounts given in electricity rates for low-income consumers. The Minas Gerais State Tax Authority served execution proceedings on **Cemig D**, alleging that the amount of these subsidies should be subject to ICMS tax. The potential for loss in this action is R\$ 140,673, not including any ICMS tax which might be claimed by the Tax Authority for the periods 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 claim. The Company assesses the chances of losses from this action as possible.

Social Security and tax obligations - indemnity for the Anuênio

In 2006 **Cemig D** paid an indemnity to its employees, in the amount of R\$ 127,058, in exchange for the rights to future payments known as the Anuênio which would otherwise be incorporated into salaries. The company did not pay income tax nor Social Security in relation to these amounts 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 decided to file for orders of Mandamus to allow payment into Court of the potential obligations relating to this amount, in a total of R\$ 87,268. This amount is posted in Deposits connected to legal actions. The Company believes it has arguments of merit for defense, and thus has made no provision of any losses on this case.

Annulment of collection considered abusive and monetary updating factor changed

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The Public Defense Office of the State of Minas Gerais filed a Civil Public Action against Cemig D, claiming annulment of invoices calculated based on an allegedly abusive criterion of higher consumption in the last 12 months, under Article 7, IV, subclause B, of Aneel Resolution 456/2000 and of the Debt Acknowledgement Undertakings (TARDs). The action also claimed prohibition of the use of the kWh as a monetary updating factor, that its use should be limited to collection in the event of fraud, that the interregnum period should not be more than 150 days, and that the maximum penalty payment applied should be 2%, and that Cemig should desist from suspending consumers' supply of electricity in the event of non-payment of irregular consumption. The Federal Judiciary declined competency. The amount involved in the case, at September 30, 2009, is R\$ 8.813 million and the Company assesses the chances of loss as possible.

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Indemnity for pain and suffering, loss of profits and indemnity for death

Cemig D is defendant in an action brought on March 19, 2009, in which the plaintiffs claim indemnity for pain and suffering, loss of profits and food pension for the death of a father and son, victims of an artificial electrical discharge. The case is at the judgment stage. The amount involved in the case, at September 30, 2009, is R\$ 6.292 million and the Company assesses the chances of loss as possible .

Irregularity in the measurement of consumption

The company received a notice from the Public Attorneys Office, through the Procon (Consumer Defense Department), claiming annulment of various receipts arising from supposed irregularity in the measurement of electricity consumption of certain consumers. The amount involved in the administrative proceedings, at September 30, 2009, is R\$ 5.959 million. The Company assesses the chances of loss in the administrative sphere as probable .

In spite of the rating of probable in the administrative proceedings, when the issue is taken to the Courts, the Company believes that the chances of loss will be possible , in view of the greater opportunity for full proof, and also the absence of case law on the subject.

**Contingencies of the Holding Company**

Cemig, the controlling company of **Cemig D**, is fighting court actions in which it assesses the chances of loss as possible or remote . A negative ruling in one or more of these lawsuits could impact the business of **Cemig D**. The most significant actions that have this characteristic are described below:

- 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, and requesting 200% reimbursement of any amounts that may come to be considered as having been wrongly charged. The Company believes it has arguments of merit for 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\$ 871,757. The Company believes that it has arguments of merit for legal defense, and as a result has not constituted provision for this action. The chances of loss in this action are rated as possible .

**19) STOCKHOLDERS EQUITY**

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On September 30, 2009 the registered capital of **Cemig D** was R\$ 2,261,998, represented by 2,261,997,787 nominal common shares, without par value, wholly owned by Companhia Energética de Minas Gerais.

In a meeting held on June 25, 2009, the Board of Directors of Companhia Energética de Minas Gerais approved payment of Interest on Equity, imputed against the minimum obligatory dividend of the year 2009, in the amount of R\$ 76,202; on September 29, 2009 the Board approved a further amount of Interest on Equity, of R\$ 37,451, both to be paid in 2010. The tax benefits arising from payment of Interest on Equity were, respectively, R\$ 25,909 and R\$ 12,733. These were recognized in the period ending September 30, 2009.

Table of Contents**20) GROSS REVENUE FROM SUPPLY OF ELECTRICITY AND USE OF THE NETWORK CAPTIVE CONSUMERS**

Retail supply of electricity, by type of consumer, in 3Q09 and 3Q08, was as follows:

|                                       | (Not reviewed by external auditors) |                  |                   |                   |                  |                  |
|---------------------------------------|-------------------------------------|------------------|-------------------|-------------------|------------------|------------------|
|                                       | Number of consumers                 |                  | MWh               |                   | R\$              |                  |
|                                       | 09/30/2009                          | 09/30/2008       | 09/30/2009        | 09/30/2008        | 09/30/2009       | 09/30/2008       |
| Residential                           | 5,565,156                           | 5,381,275        | 5,812,247         | 5,341,749         | 2,670,244        | 2,619,448        |
| Industrial                            | 74,939                              | 74,962           | 3,580,302         | 4,058,446         | 1,237,826        | 1,313,371        |
| Commercial, services and others       | 595,037                             | 575,356          | 3,415,304         | 3,233,321         | 1,470,700        | 1,436,369        |
| Rural                                 | 454,051                             | 486,369          | 1,645,426         | 1,670,216         | 397,287          | 426,390          |
| Public authorities                    | 55,892                              | 53,572           | 524,352           | 518,465           | 221,295          | 222,968          |
| Public illumination                   | 2,892                               | 2,820            | 793,599           | 786,381           | 197,581          | 202,770          |
| Public service                        | 8,423                               | 8,311            | 795,343           | 800,192           | 227,554          | 223,279          |
| Sub-total                             | 6,756,390                           | 6,582,665        | 16,566,573        | 16,408,770        | 6,422,487        | 6,444,595        |
| Own consumption                       | 833                                 | 845              | 25,720            | 26,092            |                  |                  |
| Subsidy for low-income consumers      |                                     |                  |                   |                   |                  |                  |
| (1)                                   |                                     |                  |                   |                   | 240,350          | 56,640           |
| Uninvoiced supply Regulatory asset    |                                     |                  |                   |                   |                  | 26,198           |
| Retail supply not invoiced, net       |                                     |                  |                   |                   | (38,613)         | (32,316)         |
| Effect of the Final Tariff Review (2) |                                     |                  |                   |                   | (137,458)        |                  |
|                                       | 6,757,223                           | 6,583,510        | 16,592,293        | 16,434,862        | 6,486,766        | 6,495,117        |
| Transactions in energy on the CCEE    |                                     |                  |                   |                   | 475              | 4,224            |
| <b>Total</b>                          | <b>6,757,223</b>                    | <b>6,583,510</b> | <b>16,592,293</b> | <b>16,434,862</b> | <b>6,487,241</b> | <b>6,499,341</b> |

(1) Revenue of the subvention from Eletrobrás, for the discount given by Cemig D on the tariffs charged to low-income consumers.

(2) Represents homologation of the final result of the Second Tariff Review, in March 2009. For further information please see Explanatory Note 28.

**21) REVENUE FOR USE OF THE NETWORK FREE CONSUMERS**

Starting in January 2005, a significant part of the large industrial consumers became free consumers, with energy being sold to these consumers, mostly 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 (Cemig D), being registered in the account line Revenue from use of the network .

**22) OTHER OPERATIONAL REVENUES**

Ebitda (method of calculation not reviewed by external auditors)

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|                         | 09/30/2009    | 09/30/2008    |
|-------------------------|---------------|---------------|
| Charged service         | 12,366        | 9,708         |
| Other services provided | 9,175         | 14,002        |
| Rental and leasing      | 42,239        | 33,152        |
| Other                   | 989           | 220           |
|                         | <b>64,769</b> | <b>57,082</b> |



Table of Contents**23) DEDUCTIONS FROM OPERATIONAL REVENUE**

|  | 09/30/2009       | 09/30/2008       |
|--|------------------|------------------|
| <b><u>Taxes on revenue</u></b>                               |                  |                  |
| ICMS tax   | 1,538,254        | 1,612,793        |
| Cofins tax   | 569,197          | 623,517          |
| PIS and Pasep taxes  | 123,576          | 142,379          |
| ISS value added tax on services                              | 267              | 291              |
|  | <b>2,231,294</b> | <b>2,378,980</b> |
| <b><u>Charges to the consumer</u></b>                        |                  |                  |
| Global Reversion Reserve RGR                                 | 53,901           | 53,431           |
| Energy Efficiency Program P.E.E.                             | 24,244           | 24,543           |
| Energy Development Account CDE                               | 248,842          | 222,698          |
| Fuel Consumption Account CCC                                 | 277,969          | 240,229          |
| Research and Development                                     | 9,696            | 9,817            |
| National Scientific and Technological Development Fund FNDCT | 9,690            | 9,353            |
| Energy system expansion research EPE                         | 4,845            | 3,784            |
|  | <b>629,187</b>   | <b>563,855</b>   |
|  | <b>2,860,481</b> | <b>2,942,835</b> |

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

**24) OPERATIONAL COSTS AND EXPENSES**

|  | 09/30/2009       | 09/30/2008       |
|--|------------------|------------------|
| Personnel expenses                                 | 693,521          | 552,151          |
| Post-employment obligations (Note 17)              | 68,818           | 111,506          |
| Materials  | 62,100           | 57,438           |
| Outsourced services                                | 363,543          | 311,874          |
| Electricity bought for resale                      | 2,127,926        | 1,785,449        |
| Depreciation and amortization                      | 242,909          | 271,228          |
| Operational provisions                             | 61,441           | 62,077           |
| Charges for the use of the basic transmission grid | 393,262          | 345,748          |
| Other expenses, net                                | 134,802          | 122,913          |
|  | <b>4,148,322</b> | <b>3,620,384</b> |

**a) PERSONNEL EXPENSES**

|   | 09/30/2009     | 09/30/2008     |
|---|----------------|----------------|
| Remuneration and salary-related charges and expenses          | 522,623        | 521,701        |
| Supplementary pension contributions defined contribution plan | 32,400         | 31,951         |
| Assistance benefits   | 67,425         | 65,871         |
|   | <b>622,448</b> | <b>619,473</b> |

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|  |                |                |
|--|----------------|----------------|
| (-) Personnel costs transferred to Works in progress | (82,817)       | (93,147)       |
| The PPD Voluntary Retirement Program (a)             | (478)          | 25,775         |
| The PDV Temporary Voluntary Retirement Program (b)   | 154,368        |                |
|  | <b>693,521</b> | <b>552,151</b> |

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Employee special retirement programs

a) *The PPD Permanent Voluntary Retirement Program*

The Company has a permanent Voluntary Retirement Program (named PPD), which applies to any free and spontaneous terminations of employment contracts. Its main financial incentives include payment of 3 gross amounts of the employee's monthly remuneration and 6 months contributions to the Health Plan after leaving the company, deposit of the extra payment of 40% of the balance of the employee's FGTS fund, as would be applicable if termination were by the employer, 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 begun, in March 2008, 523 employees have joined the program. The provision for the financial incentives was substantially recognized in the income statement for 2008.

b) *The PDV Temporary Voluntary Retirement Program*

In April 2009 Cemig put in place a temporary Voluntary Retirement Program named the PDV which employees were able to join between April 22 and June 5, 2009.

The financial incentive for employees who subscribed to the PDV program is an indemnity that varies between 3 and 16 times the employee's monthly remuneration, according to criteria set in the Program's regulations, among which the main factor is the time of contribution remaining for qualification for full retirement benefits under the National Social Security program. Another of the incentives is payment of the contribution to the pension fund and the National Social Security System up to the date when the employee would meet the requirements for retirement benefits under the National System (limited to 5 years), and deposit of the extra payment of 40% on the balance of the FGTS fund (which would be obligatory if the contract were being rescinded by the employer).

Additionally, Cemig guarantees full payment of the costs of the group life insurance plan (for 6 months) and the health plan (for 12 months), from the date of the employee leaving the Company, which must be between June 2009 and September 2010.

A total of 805 employees of **Cemig D** subscribed to the program. An expense relating to the financial incentives, in the amount of R\$ 154,368, was recognized.

**b) OUTSOURCED SERVICES**

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|  | 09/30/2009     | 09/30/2008     |
|--|----------------|----------------|
| Collection / meter reading / bill delivery agents                    | 88,365         | 79,914         |
| Communication  | 43,683         | 35,267         |
| Maintenance and conservation of electricity facilities and equipment | 71,894         | 52,277         |
| Building conservation and cleaning                                   | 16,125         | 14,351         |
| Contracted labor   | 20,834         | 23,000         |
| Freight and airfares   | 4,435          | 3,473          |
| Accommodation and meals  | 9,950          | 9,924          |
| Security services  | 4,929          | 3,678          |
| Consultancy  | 4,177          | 6,197          |
| Maintenance and conservation of furniture and utensils               | 20,028         | 18,731         |
| Maintenance and conservation of vehicles                             | 13,582         | 12,120         |
| Disconnection and reconnection                                       | 19,558         | 15,798         |
| Others   | 45,983         | 37,144         |
|  | <b>363,543</b> | <b>311,874</b> |

Table of Contents**c) ELECTRICITY BOUGHT FOR RESALE**

|   | <b>09/30/2009</b> | <b>09/30/2008</b> |
|---|-------------------|-------------------|
| From Itaipu Binacional                        | 696,346           | 639,009           |
| Short-term market                             | 196,426           | 201,630           |
| Bilateral Contracts                           | 178,468           | 171,423           |
| Reimbursement of CVA – Initial Contracts      |                   | 219               |
| Energy bought in auctions                     | 996,037           | 714,693           |
| Proinfra (Alternative Energy Sources Program) | 100,777           | 67,186            |
| Proinfra Energy                               | 10,236            | 31,660            |
| Amounts received in – Portion A – (Note 6b)   | 143,829           | 111,919           |
| Credits PASEP/COFINS                          | (194,193)         | (152,290)         |
|   | <b>2,127,926</b>  | <b>1,785,449</b>  |

**d) OPERATIONAL PROVISIONS**

|  | <b>09/30/2009</b> | <b>09/30/2008</b> |
|--|-------------------|-------------------|
| Pension plan premiums                          | (3,657)           | (1,689)           |
| Provision for doubtful receivables             | 62,368            | 47,419            |
| Labor-law contingencies                        | 1,225             | 2,961             |
| Provision for Aneel administrative proceedings | 2,193             | 6,854             |
| Other  | (688)             | 6,532             |
|  | <b>61,441</b>     | <b>62,077</b>     |

**e) OTHER OPERATIONAL EXPENSES, NET**

|   | <b>09/30/2009</b> | <b>09/30/2008</b> |
|---|-------------------|-------------------|
| Leasings and rentals                      | 19,774            | 19,229            |
| Advertising                               | 15,307            | 20,246            |
| Own consumption of electricity            | 11,022            | 11,512            |
| Subsidies and donations                   | 13,879            | 19,165            |
| Aneel inspection charge                   | 17,919            | 18,838            |
| Taxes and charges (IPTU, IPVA and others) | 9,546             | 8,614             |
| Licensing charge – TFDR (*)               | 27,304            | 24,101            |
| Royalties for use of water resources      | 5,649             | 4,929             |
| Contribution to the MAE                   | 1,547             | 1,266             |
| Insurance                                 | 1,575             | 1,471             |
| Other expenses (Recovery of expenses)     | 11,280            | (6,458)           |
|   | <b>134,802</b>    | <b>122,913</b>    |

Table of Contents**25) NET FINANCIAL REVENUE (EXPENSES)**

|   | 09/30/2009       | 09/30/2008       |
|---|------------------|------------------|
| <b>FINANCIAL REVENUES</b>   |                  |                  |
| Revenue from cash investments                                     | 25,032           | 62,070           |
| Arrears penalty payments on electricity bills                     | 122,646          | 101,122          |
| Monetary updating of CVA  | 27,321           | 22,244           |
| Monetary updating on General Agreement for the Electricity Sector | 32,309           | 65,582           |
| Monetary updating Deferred Tariff Adjustment                      | 1,802            | 68,576           |
| FX variations   | 82,615           | 20,422           |
| Adjustment to present value                                       |                  | 5,341            |
| Pasep and Cofins taxes on financial revenues                      | (167)            | (6,760)          |
| Other   | 35,616           | 28,567           |
|   | <b>327,174</b>   | <b>367,164</b>   |
| <b>FINANCIAL EXPENSES</b>   |                  |                  |
| Charges on loans and financings                                   | (183,784)        | (206,385)        |
| Monetary updating on General Agreement for the Electricity Sector |                  | (2,460)          |
| Monetary updating of CVA  | 306              | (23,245)         |
| FX variations   | (27,255)         | (39,915)         |
| Monetary updating on loans and financings                         | (10,342)         | (55,604)         |
| CPMF tax  |                  | (3,011)          |
| Losses on financial instruments (Note 27)                         | (40,139)         | (5,141)          |
| Provision for losses in the recovery of RTE amounts Updating      |                  | (1,470)          |
| Adjustment to present value                                       |                  | (18,141)         |
| Other   | (30,261)         | (24,400)         |
|   | <b>(291,475)</b> | <b>(379,772)</b> |
| <b>FINANCIAL REVENUE (EXPENSES)</b>                               | <b>35,699</b>    | <b>(12,608)</b>  |

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

**26) 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 S.A. ( **Cemig GT** ) and **Light** are also subsidiaries of Cemig.

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**Cemig D** s principal balances and transactions with related parties are:

| COMPANIES                                       | ASSETS     |            | LIABILITIES |            | REVENUES    |             | EXPENSES   |            |
|---|------------|------------|-------------|------------|-------------|-------------|------------|------------|
|   | 09/30/2009 | 06/30/2009 | 09/30/2009  | 06/30/2009 | 09/30/2009  | 09/30/2008  | 09/30/2009 | 09/30/2008 |
| <b>CEMIG</b>                                    |            |            |             |            |             |             |            |            |
| Affiliates and holding company                  | 7,822      | 10,289     | 14,532      | 13,531     |             |             |            |            |
| Interest on Equity, and dividends               |            |            | 544,596     | 521,484    |             |             |            |            |
|   |            |            |             |            |             |             |            |            |
| <b>Cemig GT</b>                                 |            |            |             |            |             |             |            |            |
| Affiliates and holding company                  | 26,428     | 15,111     | 11,678      | 11,678     |             |             |            |            |
| Electricity bought for resale (1)               | 4,503      | 958        | 34,501      | 51,272     | 21,635      | 17,282      | (89,380)   | (63,510)   |
| Others  | 4          | 7          | 1           | 12         |             |             |            |            |
|   |            |            |             |            |             |             |            |            |
| <b>Light</b>                                    |            |            |             |            |             |             |            |            |
| Electricity bought for resale (1)               | 166        |            | 166         | 2,623      |             |             | (1,464)    | (378)      |
|   |            |            |             |            |             |             |            |            |
| <b>Minas Gerais state government</b>            |            |            |             |            |             |             |            |            |
| Consumers and traders (4)                       | 3,381      | 2,592      |             |            | 58,929      |             |            |            |
| Taxes, charges and contributions ICMS tax (5)   | 148,557    | 129,049    | 243,562     | 228,995    | (1,538,254) | (1,612,793) |            |            |
| Taxes offsetable ICMS tax (5)                   | 46,141     | 57,351     |             |            |             |             |            |            |
| Consumers and traders (2)                       | 66,384     | 12,668     |             |            |             |             |            |            |
|   |            |            |             |            |             |             |            |            |
| <b>FORLUZ</b>                                   |            |            |             |            |             |             |            |            |
| Post-employment obligations current (3)         |            |            | 57,269      | 56,020     |             |             | (68,818)   | (111,506)  |
| Post-employment obligations non-current (3)     |            |            | 804,831     | 814,826    |             |             |            |            |
| Others  |            |            | 12,885      | 13,001     |             |             |            |            |
| Personnel expenses (6)                          |            |            |             |            |             |             | 32,400     | (31,951)   |
| Current administration expense (7)              |            |            |             |            |             |             | 6,523      | (6,842)    |
|   |            |            |             |            |             |             |            |            |
| <b>OTHER</b>                                    |            |            |             |            |             |             |            |            |
| Affiliates and subsidiaries or Parent companies | 443        | 593        |             |            |             |             |            |            |

Main material comments on the above transactions:

(1) The Company has contracts for purchase of electricity from **Cemig GT**, and from **Light S.A.**, arising from the public electricity auction of 2005, with period 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 a debit originating from the sale of energy to *Copasa*, with provision for payment up to September 2012, and financial updating (by the IGP-M inflation index + 0.5% per month).

(3) The contracts of Forluz are updated by the Amplified Consumer Price Index (IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) (See Explanatory Note 17) 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 transactions made 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 Quarterly Information refer to sales of electricity and are made in conformity with the specific legislation of the State of Minas Gerais.



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(6) **Cemig**'s contributions to the Pension Fund related to the employees participating in the Mixed Plan (Explanatory Note 17) 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, 14, 17, 19, 23 and 24.

## 27) FINANCIAL INSTRUMENTS

The financial instruments used by **Cemig D** are restricted to Cash and cash equivalents, Consumers and traders, Amounts receivable from the Minas Gerais state government, Loans and financings, and Debentures, and the gains and losses obtained on the transactions are registered 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 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 owed by 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, and adjusted to fair value. Gains or losses are recognized in the income statement as and when they take place.
- **Derivative financial instruments:** These are valued at fair value and the gains or losses are recognized directly in the income statement.

### a) Management of risks

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

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The Company has a Financial Risks Management Committee, which aims to implement guidelines and monitor the financial risk of transactions that might negatively affect the Company's liquidity and profitability, recommending protection strategies in relation to foreign exchange, interest rate and inflation risks. These have effects that are 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, principally of the US dollar against the Real, with impact on indebtedness, profit and cash flow. For the purpose of reducing the Company's exposure to increases in exchange rates, on September 30, 2009 **Cemig D** had hedge transactions contracted, which are described in more detail in item b .

The net exposure to exchange rates is as follows:

| <b>EXPOSURE TO EXCHANGE RATES</b>    | <b>09/30/2009</b> | <b>06/30/2009</b> |
|--------------------------------------|-------------------|-------------------|
| <b>US dollar</b>                     |                   |                   |
| Loans and financings                 | 193,285           | 200,820           |
| Contracted hedge / swap transactions | (85,704)          | (94,067)          |
|                                      | 107,581           | 106,753           |
| <b>Euro</b>                          |                   |                   |
| Loans and financings                 | 13,013            | 13,553            |
| <b>Net liability exposure</b>        | <b>120,594</b>    | <b>120,306</b>    |

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The Company estimates that, in a probable scenario, the appreciation of the exchange rates of foreign currencies against the Real at the end of the next 12 months will be 1.23%. 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 the scenario that it rates as probable considering these alternative scenarios respectively as possible and remote.

| Risk - Increase in exchange rate             | Base<br>09/30/2009 | Probable<br>scenario | Possible<br>scenario<br>Exchange<br>variation of 25% | Remote<br>scenario<br>Exchange<br>variation of 50% |
|--|--------------------|----------------------|--|--|
| <b>US dollar</b>                             |                    |                      |  |  |
| Loans and financings                         | 193,285            | 195,666              | 244,582  | 293,498  |
| (-) Contracted hedge/swap                    | (85,704)           | (86,760)             | (108,450)  | (130,140)  |
|  | 107,581            | 108,906              | 136,132  | 163,358  |
| <b>Euro</b>                                  |                    |                      |  |  |
| Loans and financings                         | 13,013             | 13,173               | 16,467   | 19,760   |
| <b>Net liability exposure</b>                | <b>120,594</b>     | <b>122,079</b>       | <b>152,599</b>                                       | <b>183,118</b>                                     |
| <b>Net effect variation of exchange rate</b> |                    | <b>(1,485)</b>       | <b>(32,005)</b>                                      | <b>(62,525)</b>                                    |

*Interest rate risk*

**Cemig D** is exposed to the risk of increase in international interest rates, affecting loans and financings in foreign currency with floating interest rates (Libor), in the amount of R\$ 8,888 at September 30, 2009.

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

| EXPOSURE OF CEMIG TO BRAZILIAN INTEREST RATES | 09/30/2009       | 06/30/2009       |
|---|------------------|------------------|
| <b>Assets</b>                                 |                  |                  |
| Cash investments                              | 477,302          | 223,761          |
| Regulatory assets                             | 1,277,352        | 1,484,869        |
|   | 1,754,654        | 1,708,630        |
| <b>Liabilities</b>                            |                  |                  |
| Loans and financings                          | (1,204,812)      | (1,190,763)      |
| Regulatory liabilities                        | (679,732)        | (627,425)        |
| Contracted hedge / swap transactions          | (85,704)         | (94,067)         |
|   | (1,970,248)      | (1,912,255)      |
| <b>Net liability exposure</b>                 | <b>(215,594)</b> | <b>(203,625)</b> |

In relation to the risk of increase in the Selic interest rate, considered to be the most significant interest rate risk, the Company estimates that, in a probable scenario, the Selic rate on September 30, 2010 will be 9.50%. The Company has made a sensitivity analysis of the effects on its

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results arising from increases in the Selic rate of 25% and 50%, in relation to the scenario that it considers as probable considering these alternative scenarios as possible and remote, respectively.

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| <b>Risk -Exposure Brazilian Interest Rates</b> | <b>Scenario Base<br/>SELIC 8,75%</b> | <b>Probable<br/>scenario<br/>SELIC 9.50%</b> | <b>Possible<br/>scenario SELIC<br/>11,88%</b> | <b>Remote<br/>scenario<br/>SELIC 14,25%</b> |
|--|--------------------------------------|--|---|---|
| <b>Assets</b>                                  |                                      |  |   |   |
| Cash investments                               | 477.302                              | 480.882                                      | 492.242                                       | 503.554                                     |
| Regulatory assets                              | 1.277.352                            | 1.286.932                                    | 1.317.333                                     | 1.347.606                                   |
|  | 1.754.654                            | 1.767.814                                    | 1.809.575                                     | 1.851.160                                   |
| <b>Liabilities</b>                             |                                      |  |   |   |
| Loans, financings and debentures               | (1.204.812)                          | (1.213.848)                                  | (1.242.523)                                   | (1.271.077)                                 |
| Regulatory liabilities                         | (679.732)                            | (684.830)                                    | (701.008)                                     | (717.117)                                   |
| Contracted Hedge/Swap                          | (85.704)                             | (86.347)                                     | (88.387)                                      | (90.418)                                    |
|  | (1.970.248)                          | (1.985.025)                                  | (2.031.917)                                   | (2.078.612)                                 |
| <b>Net liability exposure</b>                  | <b>(215.594)</b>                     | <b>(217.211)</b>                             | <b>(222.342)</b>                              | <b>(227.452)</b>                            |
| <b>Net effect variation of SELIC</b>           |                                      | <b>(1.617)</b>                               | <b>(6.748)</b>                                | <b>(11.858)</b>                             |

*Credit risk*

The risk arising from the possibility of the Company 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 to make possible receipt of any receivables in arrears.

*Energy scarcity risk*

The electricity sold is generated, almost entirely, by hydroelectric power plants. A prolonged period of scarcity 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 economic and financial indices, cash flow and other indicators meeting certain levels. Non-compliance with these covenants could result in early maturity of debt. On September 30, 2009 the covenants were fully complied with.

*Risk of non-renewal of concessions*

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The Company has concessions for commercial operation of electricity distribution, and management expects that they will be renewed by Aneel and/or the Mining and Energy Ministry. If the regulatory bodies do not grant the applications for renewals of these concessions, or if they 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 its operations against the risks arising from foreign exchange variation, and are not used for speculative purposes.

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The principal amounts of derivatives transactions are not posted in the balance sheet, since they refer to transactions which do not require payments in full, but only payments of the gains or losses that actually occur. On September 30, 2009 the net results of these transactions represented a loss of R\$ 40,139 (vs. loss of R\$ 5,141 on September 30, 2008), recorded in Financial revenue (expenses).

*Method of calculation of the fair value of positions*

The fair value of financial investments is 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 D** on September 30, 2009.

| Receivable by<br>Cemig<br>Geração<br>e Transmissão                 | Payable by<br>Cemig<br>Geração e<br>Transmissão                    | Maturity<br>period            | Market<br>Trading            | Principal amount<br>contract* |            | Book Value |            | Fair Value |            | Accumulated<br>Effect           |
|--|--|-------------------------------|------------------------------|-------------------------------|------------|------------|------------|------------|------------|---------------------------------|
|  |  |                               |                              | 09/30/2009                    | 06/30/2009 | 09/30/2009 | 06/30/2009 | 09/30/2009 | 06/30/2009 | Payable<br>Amount<br>09/30/2009 |
| US\$<br>exchange rate +<br>interest<br>(5.58%p.a. to<br>7.14%p.a.) | R\$<br>100% of CDI +<br>interest (1.50%<br>p.a.. to 3.01%<br>p.a.) | From<br>04/2009 to<br>06/2013 | Over the<br>counter<br>(OTC) | US\$ 48,200                   | US\$48,200 | (108,014)  | (94,160)   | (108,330)  | (96,444)   | (11.442)                        |

**c) Sensitivity analysis**

The derivative instrument described above shows that the Company is exposed to variation in the CDI rate. The Company estimates that the Brazilian domestic CDI rate on September 30, 2010 will be 9,50%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate, of 25% and 50%, in relation to September 30, 2009 scenarios which it assesses, respectively, as possible and remote. In these possible and remote scenarios, the Brazilian domestic CDI rate at September 30, 2010, would be: 11.88% and 14.25%, respectively.

|  | Base     | Probable<br>scenario | Possible<br>scenario | Remote<br>scenario |
|--|----------|----------------------|----------------------|--------------------|
| <b>Risk -Exposure Brazilian Interest Rates</b> |          |                      |                      |                    |
| Contract in US\$                               | (85.704) | (86.347)             | (88.387)             | (90.418)           |
| <b>Net effect variation of SELIC</b>           |          | <b>(643)</b>         | <b>(2.683)</b>       | <b>(4.714)</b>     |

**28) FINAL RESULT OF CEMIG D S SECOND TARIFF REVIEW, AND TARIFF ADJUSTMENT**

Ebitda (method of calculation not reviewed by external auditors)

Tariff Review final levels decided

In March 2009 Aneel homologated the final result of the Tariff Review of **Cemig D**, 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.



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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.

These amounts, totaling R\$ 137,458 (vs. R\$ 203,615 in June 2009), recorded in Current liabilities, under Regulatory liabilities - Tariff Review, are being transferred monthly to the income statement, on a linear basis, in the period from April 8, 2009 to April 7, 2009.

**29) THE TARIFF ADJUSTMENT**

On April 7, 2009 Aneel published the result of the Tariff Adjustment of **Cemig D**. The adjustment applied differently to different consumer categories. Electricity bills of residential consumers were increased by an average of 4.87%, while invoices for high-voltage captive consumers were increased by an average of 9.42%. The overall average impact on the electricity bills of captive consumers was an increase of 6.21%.

Considering the total market of the Company's consumers - captive and free consumers - the average percentage increase was 4.87% for low-voltage consumers, and 4.43% for high-voltage consumers. The resulting overall average impact on the electricity bills of free and captive consumers was an increase of 4.69%.

**ECONOMIC AND FINANCIAL PERFORMANCE**

(Amounts are in thousands of Reais unless otherwise indicated.)

**Comments on RESULTS in the FIRST NINE MONTHS of 2009**

*Net profit for the period*

In January through September 2009 Cemig Distribuição ( Cemig Distribution or Cemig D ) posted net profit of R\$ 279,078, 58.10% lower than the net profit of R\$ 666,037 in January through September 2008. The significantly lower net profit is mainly due to non-recurring events in 2009, including the effects of the Final Tariff Review, and the provision for the PDV voluntary retirement program (Explanatory Notes 24 and 28).

*Ebitda (method of calculation not reviewed by external auditors)*

Ebitda (method of calculation not reviewed by external auditors)

**Cemig D**'s Ebitda in the second quarter of 2009 was a significant 50.65% lower than its Ebitda for the second quarter of 2008. Adjusted for the non-recurring items, this percentage reduction is diminished to 21.55%

As part of the final disclosure 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 recognition of regulatory assets and liabilities which will be received and/or discounted in the tariff to be received from consumers in the period from April 8, 2009 to April 7, 2010.

These financial items 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. The effect on Ebitda of this non-recurring recognition of the financial items was R\$ 192,816 to Ebitda, as shown in the table below.

There was also an impact on Ebitda, in the first nine months of 2009, of R\$ 153,890, from the expenses of the PDV Voluntary Retirement Program and PPD Voluntary Dismissal Program.

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| <b>EBITDA - R\$ 000</b>                                 | <b>09/30/2009</b> | <b>09/30/2008</b> | <b>Change, %</b> |
|---|-------------------|-------------------|------------------|
| Net profit  | 279,078           | 666,037           | (58.10)          |
| + Income tax and Social Contribution tax                | 75,456            | 280,039           | (73.06)          |
| + Profit shares   | 69,849            | 49,916            | 39.93            |
| + Financial revenues (expenses)                         | (35,699)          | 12,608            |                  |
| + Depreciation and amortization                         | 242,909           | 271,228           | (10.44)          |
| <b>= EBITDA</b>   | <b>631,593</b>    | <b>1,279,828</b>  | <b>(50.65)</b>   |
| Non-recurring items:                                    |                   |                   |                  |
| + Tariff review Net revenue                             | 213,803           | (62,863)          |                  |
| + Tariff review Operational expense                     | (20,987)          | 4,330             |                  |
| - + The PPD/ PPD Permanent Voluntary Retirement Program | 153,890           | 25,775            | 497,05           |
| <b>= ADJUSTED EBITDA</b>                                | <b>978,299</b>    | <b>1,247,070</b>  | <b>(21.55)</b>   |

The lower Ebitda in 9M09 than in 9M08 mainly reflects operational costs and expenses (excluding effects of depreciation and amortization) 16.61% higher. The weaker performance in 2009 was reflected in Ebitda margin, which was 27.56% in 3Q08, and 13.92% in 3Q09.

***Revenue from retail supply of electricity***

Gross revenue from retail electricity sales was R\$ 6,487,241 in 9M09, compared to R\$ 6,499,341 in 9M08.

The main impacts on revenue in relation to sales to final consumers in 2009 arose from:

- Tariff adjustment with average impact on consumer tariffs of 4.64%, starting from April 8, 2009. (For the captive market the impact was 6.21%.)
- Reduction in the tariff with average impact across all consumer tariffs of a reduction of 12.08%, from April 8, 2008 (full effect in 2009).

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- Posting of regulatory liabilities arising from the adjustment in the Company's Tariff Review, with effect backdated to 2008, representing a reduction in gross revenue of R\$ 213,803, in 2009.

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

(Data not audited by external auditors)

| Consumption by consumer category | 09/30/2009        | MWh | 09/30/2008        | Change, %   |
|----------------------------------|-------------------|-----|-------------------|-------------|
| Residential                      | 5,812,247         |     | 5,341,749         | 8.81        |
| Industrial                       | 3,580,302         |     | 4,058,446         | (11.78)     |
| Commercial, services and others  | 3,415,304         |     | 3,233,321         | 5.63        |
| Rural                            | 1,645,426         |     | 1,670,216         | (1.48)      |
| Public authorities               | 524,352           |     | 518,465           | 1.14        |
| Public illumination              | 793,599           |     | 786,381           | 0.92        |
| Public service                   | 795,343           |     | 800,192           | (0.61)      |
| <b>Total</b>                     | <b>16,566,573</b> |     | <b>16,408,770</b> | <b>0.96</b> |

Increases in the largest categories, residential and commercial, were respectively 8.81% and 5.63%. while sales volume to the industrial category of consumers was 11.78% lower. The increases in the residential and commercial categories of consumer mainly reflect the increases in the number of consumers both groups grew by 3.42% year-on-year. The lower consumption in the industrial category is mainly due to the effects of the global economic crisis which severely affected Brazil's manufacturing sector. In the commercial category, as well as the increase in the number of consumers, the better performance of the retail, accommodation and food sectors, communications services, health and wholesale traders, contributed to the year-on-year increase in revenue in 9M09.

*Revenue from use of the network*

This revenue is from the TUSD (Tariff for Use of the Distribution System) charged to Free Consumers on electricity sold to them. In 9M09 this revenue was R\$ 845,477, 16.73% lower than in 9M08 (R\$ 1,015,395). The lower revenue arises from an average tariff approximately 3% lower in 2009, the higher quantity of energy purchased by incentive sources and less transport of energy to free consumers, due to the slowdown in the world economy, which affected the Brazilian manufacturing sector.

*Non-controllable costs*

Differences between the sum of non-controllable costs (known as CVA), used as a reference in calculating the tariff adjustment, and disbursements actually made, are offset in subsequent tariff adjustments. They are recorded in Assets and Liabilities. Complying with the Aneel Chart of Accounts, some items are allocated as Deductions from operational revenue. Further information is in Explanatory Note 7 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 that was 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 were a total of R\$ 2,860,481 in 9M09, 2.80% less than in 9M08. Main year-on-year variations in the deductions from revenue:

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The Fuel Consumption Account CCC

The deduction from revenue for the CCC account in 9M09 was R\$ 277,969, 15.71% more than in 9M08 (R\$ 240,229). This refers to the costs of operation of the thermal plants in the Brazilian national grid and isolated systems, divided up between electricity concession holders by an Aneel Resolution. This is a non-controllable cost: the expense that is deducted from revenue is the amount passed through to the tariff.

Energy Development Account CDE

The deduction from revenue for the CDE in 9M08 was R\$ 248,842, 11.74% more than in 3Q08 (R\$ 222,698). The payments are specified by an Aneel Resolution. This is a non-controllable cost: the expense recognized in the income statement is the amount passed through to the tariff.

The Global Reversion Reserve RGR

The deduction from revenue for the RGR in 9M08 was R\$ 53,901, compared to R\$ 53,431 in 9M08. This is a non-controllable cost: the expense recognized in the income statement is the amount passed through to the tariff.

The other deductions from revenue are for taxes that are calculated as a percentage of billing. Hence their variations arise substantially from the changes in revenue.

*Operational costs and expenses (excluding Financial revenue/expenses)*

Operational costs and expenses (excluding Net financial revenue/expenses) in 9M09 totaled R\$ 4,148,322, 14.58% more than in 9M08 (R\$ 3,620,384). This is mainly due to the increases in personnel costs, electricity bought for resale and outsourced services, partially offset by the reduction in costs of post-employment obligations. For further information on the composition of operational costs and expenses, see Explanatory Note 24 to the Quarterly Information.

The main year-on-year variations in these expenses were:

Personnel expenses

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Personnel expenses in 9M09 totaled R\$ 693,521, 25.60% more than their total of R\$ 552,151 in 9M08. This primarily reflects the following factors:

- Salary increase of 7.26% given to employees in November 2008.
- Provision for the PDV Voluntary Retirement Program, in the amount of R\$154,368 in 1H09.

On the other hand, the reduction in the number of employees from 8,041 in September 2008 to 7,551 in September 2009 contributed to lower personnel expenses.

### Electricity bought for resale

The expense on electricity purchased for resale in 9M09 was R\$ 2,127,925, 19.18% more than in 9M08 (R\$ 1,785,449). The difference arises principally from the average tariff for electricity bought in the 2009-10 tariff cycle being 23.86% higher. This is a non-controllable cost: the expense recognized in the income statement is the amount passed through to the tariff. Further information is in Explanatory Note No. 24 to the Quarterly Information.

### Post-employment obligations

The expense on post-employment obligations in 9M09 was R\$ 68.818, 32.28% less than the expense of R\$ 111,506 posted in 9M08. These expenses basically represent interest on the actuarial liabilities of **Cemig D**, net of the expected return on the pension plans assets, as estimated by an external



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actuary. The lower expense in 2009 basically reflects the adjustment made in December 2008 to the actuarial assumptions, resulting in a reduction of the Company's net obligations.

Depreciation and amortization

The expense on post-employment obligations in 9M09 was R\$ 242,909, 10.44% less than the expense of R\$ 271,228 posted in 9M08. This is largely due to the depreciation of the item Special Obligations, as from April 2008, the date of the second Tariff Review cycle.

Operational provisions

Operational provisions in 9M09 totaled R\$ 61,441, 1.02% higher than in 9M08 (R\$ 62,077). Please refer to further information in Explanatory Notes 18 and Note 24 to the Quarterly Information.

Charges for use of the transmission grid

The expense on charges for use of the transmission network in January 9M09 was R\$ 393,262, 13.74% higher than in 9M08 (R\$ 345,748). This expense is for the charges payable by electricity distribution and generation agents for use of the facilities that are components of the national grid, as set by an Aneel Resolution. This is a non-controllable cost: the expense recognized in the income statement is the amount passed through to the tariff.

Outsourced services

The expense on outsourced services in 9M09 was R\$ 363,543, 16.57% more than in 9M08 (R\$ 311,874) the highest variations being in expenditure on communication, maintenance and conservation of facilities, electrical equipment, and tree pruning, as follows:

- The expense on communication services in 9M09 was R\$ 43,683, 23.86% more than in 9M08 (R\$ 35,267). This variation arises mainly from the increase in the number of calls as a consequence of the longer rainy season in 2009; a significant increase in the number of calls by mobile phone, which are much more expensive; and the migration of other services previously provided through other channels, such as customer service branches, to the communications centre.
- The expense on services of maintenance and conservation of facilities and electrical equipment in 9M09 was R\$ 71,894, 37.53% more than in 9M08 (R\$ 52,277). This variation arises principally from the prolongation of the rainy season, with greater demand for corrective

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maintenance of the system, and also the higher volume of preventive maintenance activities, aiming to reduce accidental outages in the next rainy season.

- The expense of tree pruning in 9M09, recorded in the accounts under Outsourced services Other , was R\$ 9,458, 138.54% more than in 9M08 (R\$ 3,965). The increase in this expense arises from the Company's preventive actions to reduce accidental outages caused by trees close to the electricity networks, principally in rainy periods.
- The expense on collection agents, meter reading and delivery of electricity bills in 9M09 was R\$ 88,365, 10.58% more than in 9M08 (R\$ 79,914). The increase in this line is the result of upward adjustments in the contracts for meter reading, based on the IGP-M inflation index, and also from the growth in the number of consumers over the period.

Details of the expenses under this line are given in Explanatory Note 24 to the Quarterly Information.

### Other expenses, net

Other expenses, net, were R\$ 134,802 in 9M09, 9.67% more than in 9M08 (R\$ 122,913). This mainly reflected the loss on disposal and de-activation of assets, of R\$ 11,970 in 9M09, compared with R\$ 1,331 in 9M08.

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*Financial revenues (expenses)*

Net financial expenses were R\$ 35,699 in 9M09, vs. R\$ 12,608 in 2009. The main factors in this result are:

- Revenue from cash investments 59.67% lower, due to the lower volume of cash invested in 2009.

Revenue from consumer penalty payments for arrears on electricity bills was 221.29% higher in 9M09, at R\$ 122,646, vs. R\$ 101,122 in 9M08. This variation is mainly due to recognition of arrears charges of large industrial consumers recognized in September 2009, where the value of the principal amounts of their accounts was lower than the amount added for the arrears penalty payments themselves.

- Lower revenue from monetary updating on the regulatory assets arising from the General Agreement for the Electricity Sector. This revenue in 9M09 was R\$ 32,309, compared to R\$ 65,582 in 9M08 basically reflecting the lower value of the regulatory assets in 2009, since a significant part of the regulatory assets previously constituted had been amortized.

- Revenue from monetary variation and interest applying to the Deferred Tariff Adjustment 97.37% lower, at R\$ 1,802 in 9M09, compared to R\$ 68,576 in 9M08. This primarily reflects reduction of the asset between the two periods, as a result of its partial settlement through receipt of amounts in energy accounts.

- Net *gain* on FX variations in 2009, in the amount of R\$ 15,221, net of the compensatory effects relating to financial instruments, which compares to a net *loss* of R\$ 24,634 in 2008, arising basically from loans and financings in foreign currency indexed to the US dollar. This result arises principally from the appreciation of the Real against the dollar in 2009, which compares with depreciation in 2008. The Brazilian currency, the Real, appreciated by 23.92% against the US dollar over the period of January through September 2009, which compares with an appreciation of 8.07% in the same period of 2008.

For a breakdown of financial revenues and expenses, please see Explanatory Note 25 to the Quarterly Information.

*Income tax and Social Contribution tax*

In 9M09 **Cemig D** posted income tax and Social Contribution expenses totaling R\$ 75,456, on profit of R\$ 424,383, before tax effects, a percentage of 17.78%. In 9M08 the company posted expenses on income tax and Social Contribution of R\$ 280,039, on profit of R\$ 995,992, before tax effects, a percentage of 28.12%. The lower expense on income tax and Social Contribution in 9M09 is mainly due to allocation of Interest on Equity in the amount of R\$ 113,653 in 2009. The effective rates are reconciled with the nominal rates in Explanatory Note 9 to the Quarterly Information.



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## INCOME STATEMENTS FOR THE THIRD QUARTERS OF 2009 AND 2008

|  | Third<br>quarter 2009 | Third<br>quarter 2008 | Change,<br>%   |
|--|-----------------------|-----------------------|----------------|
| <b>OPERATIONAL REVENUE</b>   |                       |                       |                |
| Revenue from retail supply of electricity                            | 2,394,816             | 2,072,062             | 15.58          |
| Revenue from use of the network                                      | 307,290               | 359,570               | (14.54)        |
| Other operational revenues   | 27,540                | 19,902                | 38.38          |
| <b>Gross operational revenue</b>                                     | <b>2,729,646</b>      | <b>2,451,534</b>      | <b>11.34</b>   |
| Deductions from operational revenue                                  | (967,965)             | (934,463)             | 3.59           |
| <b>Net operational revenue</b>                                       | <b>1,761,681</b>      | <b>1,517,071</b>      | <b>16.12</b>   |
| <b>OPERATIONAL COSTS AND EXPENSES</b>                                |                       |                       |                |
| Personnel expenses   | (180,367)             | (162,335)             | 11.11          |
| Forluz post-employment obligations                                   | (22,939)              | (37,169)              | (38.28)        |
| Materials  | (21,457)              | (16,835)              | 27.45          |
| Outsourced services  | (115,584)             | (110,338)             | 4.75           |
| Electricity bought for resale  | (884,355)             | (604,773)             | 46.23          |
| Depreciation and amortization  | (79,971)              | (79,427)              | 0.68           |
| Operational provisions   | (37,008)              | (29,702)              | 24.60          |
| Charges for the use of the basic transmission grid                   | (138,320)             | (112,448)             | 23.01          |
| Other expenses, net  | (40,779)              | (62,314)              | (34.56)        |
|  | (1,520,780)           | (1,215,341)           | 25.13          |
| <b>Operational profit (loss) before financial revenue (expenses)</b> | <b>240,901</b>        | <b>301,730</b>        | <b>(20.16)</b> |
| NET FINANCIAL REVENUE (EXPENSES)                                     | 42,960                | (35,901)              | (219.66)       |
| <b>Profit before income tax and Social Contribution tax</b>          | <b>283,861</b>        | <b>265,829</b>        | <b>6.78</b>    |
| Income tax and Social Contribution tax                               | (74,421)              | (70,900)              | 4.97           |
| Profit shares  | (18,747)              | (16,168)              | 15.95          |
| <b>Net profit for the period</b>                                     | <b>190,693</b>        | <b>178,761</b>        | <b>6.67</b>    |

**Profit for the quarter**

In the **third quarter** of 2009 (3Q09), Cemig D reported net profit of R\$ 190,693, 6.67% higher than the net profit of R\$ 178,761 reported for the third quarter of 2008 (3Q08). The main factor in the variation was financial *revenue* of R\$ 42,960 in 3Q09, compared to financial *expenses* of R\$ 35,901 in 3Q08. There is further comment on the variation in operational expenses on subsequent pages.

*Ebitda (method of calculation not reviewed by external auditors)*

**Cemig D**'s Ebitda in the third quarter of 2009 was a significant 15.82% lower than its Ebitda for the third quarter of 2008. Adjusted for the non-recurring items, this percentage reduction was 17.16%

Ebitda (method of calculation not reviewed by external auditors)



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| <b>EBITDA - R\$ 000</b>                         | <b>3Q09</b>    | <b>3Q08</b>    | <b>Change, %</b> |
|---|----------------|----------------|------------------|
| Net profit                                      | 190,693        | 178,761        | 6.67             |
| + Income tax and Social Contribution tax        | 74,421         | 70,900         | 4.97             |
| + Profit shares                                 | 18,747         | 16,168         | 15.95            |
| Financial revenues (expenses)                   | (42,960)       | 35,901         |                  |
| + Depreciation and amortization                 | 79,971         | 79,427         | 0.68             |
| <b>= EBITDA</b>                                 | <b>320,872</b> | <b>381,157</b> | <b>(15.82)</b>   |
| Non-recurring items:                            |                |                |                  |
| + The PPD and PDV Voluntary Retirement Programs | 6,309          | 13,794         | (54.26)          |
| <b>= ADJUSTED EBITDA</b>                        | <b>327,181</b> | <b>394,951</b> | <b>(17.16)</b>   |

The lower Ebitda in 3Q09 than in 3Q08 mainly reflects operational costs and expenses (excluding effects of depreciation and amortization) 26.84% higher, the effect being partially offset by net operational revenues to 16.12% higher. The lower operational performance in 3Q09 than in 3Q08 is reflected in Ebitda margin, which was 18.21% in 3Q09, vs. 25.12% in 3Q08.

**Revenue from retail supply of electricity**

|                                    | <b>MWh (*)</b>   |                  |                  | <b>R\$</b>       |                  |                  |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                    | <b>3Q09</b>      | <b>3Q08</b>      | <b>Change, %</b> | <b>3Q09</b>      | <b>3Q08</b>      | <b>Change, %</b> |
| Residential                        | 1,950,636        | 1,805,999        | 8.01             | 936,914          | 790,887          | 18.46            |
| Industrial                         | 1,220,376        | 1,495,189        | (18.38)          | 453,402          | 469,207          | (3.37)           |
| Commercial, services and others    | 1,101,849        | 1,055,230        | 4.42             | 500,374          | 436,444          | 14.65            |
| Rural                              | 675,052          | 715,490          | (5.65)           | 166,728          | 158,458          | 5.22             |
| Public authorities                 | 176,293          | 174,645          | 0.94             | 78,088           | 70,643           | 10.54            |
| Public illumination                | 262,849          | 260,607          | 0.86             | 68,318           | 61,222           | 11.59            |
| Public service                     | 270,005          | 250,398          | 7.83             | 82,872           | 70,199           | 18.05            |
| <b>Sub-total</b>                   | <b>5,657,060</b> | <b>5,757,558</b> | <b>(1.75)</b>    | <b>2,286,696</b> | <b>2,057,060</b> | <b>11.16</b>     |
| Own consumption                    | 8,621            | 8,202            | 5.11             |                  |                  |                  |
| Subsidy for low-income consumers   |                  |                  |                  | 50,518           | (6,313)          |                  |
| Uninvoiced supply Regulatory asset |                  |                  |                  |                  | (12,609)         |                  |
| Retail supply not invoiced, net    |                  |                  |                  | (8,555)          | 29,700           |                  |

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|                                     |           |           |        |           |           |       |
|-------------------------------------|-----------|-----------|--------|-----------|-----------|-------|
| Effect of the Final Tariff Review   |           |           |        | 66,157    |           |       |
|                                     | 5,665,681 | 5,765,760 | (1.74) | 2,394,816 | 2,067,838 | 15.81 |
| Transactions in electricity on CCEE |           |           |        |           | 4,224     |       |
| <b>Total</b>                        | 5,665,681 | 5,765,760 | (1.74) | 2,394,816 | 2,072,062 | 15.58 |

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(\*) Information in MWh not reviewed by external auditors.

Gross revenue from wholesale supply in 3Q09 was R\$ 2,394,816, 15.58% more than in 3Q08 (R\$ 2,072,062).

Main factors affecting revenue in 2Q09:

- Tariff adjustment on April 8, 2009, with average impact on consumer tariffs of 4.69%.
- Reduction in the tariff of Cemig D, with average impact across all consumer tariffs of a reduction of 12.08%, from April 8, 2008 (full effect in 2009).
- Volume of energy invoiced to final consumers 1.75% lower (this excludes Cemig's own internal consumption). It can be seen that the principal component of the reduction was in the industrial consumer category in which consumption was 18.38% lower year-on-year. On the other hand, as can be seen, the quantity of energy sold to residential consumers was 8.01% higher.

An item contributing to the higher revenue from retail electricity sales was recognition of revenue from the subsidy received from Eletrobrás, in the amount of R\$ 50,518, for the discount given on the tariffs charged to low-income consumers.

*Revenue from use of the network*

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 ( Cemig GT ). In 3Q09 this revenue was 14.54% lower, at R\$ 307,290, than in 3Q08 (R\$ 359,570), due to the average tariff approximately 3% lower in 2009 and the lower quantity of transport of energy to Free Consumers, a consequence of the effect on Brazilian industrial production of the slowdown in the world economy.

*Non-controllable costs*

Differences between the sum of non-controllable costs (known as CVA ), used as a reference in calculating the tariff adjustment, and disbursements actually made, are offset in subsequent tariff adjustments. They are recorded in Assets and Liabilities. Complying with an alteration in the Aneel Chart of Accounts, some items are allocated as Deductions from operational revenue. For more information, please see Explanatory Notes 2 and 7 to the Quarterly Information.

**Deductions from operational revenues**

Ebitda (method of calculation not reviewed by external auditors)

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|  | 3Q09           | 3Q08           | Change, %     |
|--|----------------|----------------|---------------|
| ICMS tax   | 529,400        | 510,829        | 3.64          |
| Cofins tax   | 200,148        | 184,816        | 8.30          |
| PIS and Pasep taxes  | 43,454         | 40,125         | 8.30          |
| ISS value added tax on services                                | 102            | 119            | (14.29)       |
|  | <b>773,104</b> | <b>735,889</b> | <b>5.06</b>   |
| Global Reversion Reserve RGR                                   | 18,827         | 20,767         | (9.34)        |
| Energy Efficiency Program P.E.E.                               | 9,352          | 7,672          | 21.90         |
| Energy Development Account CDE                                 | 86,151         | 73,175         | 17.73         |
| Fuel Consumption Account CCC                                   | 71,180         | 89,289         | (20.28)       |
| Research and Development R&D                                   | 3,741          | 3,068          | 21.94         |
| National Scientific and Technological Development Fund (FNDCT) | 3,740          | 3,069          | 21.86         |
| Energy System Expansion Research EPE                           | 1,870          | 1,534          | 21.90         |
|  | <b>194,861</b> | <b>198,574</b> | <b>(1.87)</b> |
|  | <b>967,965</b> | <b>934,463</b> | <b>3.59</b>   |

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

The Fuel Consumption Account - CCC

The deduction from revenue for the CCC in 3Q09 was R\$ 71,180, 20.28% less than in 3Q08 (R\$ 89,289). This refers to the costs of operation of the thermal plants in the Brazilian national grid and isolated systems, divided up between electricity concession holders by an Aneel Resolution. This is a non-controllable cost: the expense that is deducted from revenue is the amount passed through to the tariff.

Energy Development Account - CDE

The deduction from revenue for the CDE was R\$ 86,151 in 3Q09, 17.73% higher than in 3Q08 (R\$ 73.175). The payments are specified by an Aneel Resolution. This is a non-controllable cost: the expense recognized in the income statement is the amount passed through to the tariff.

*Operational costs and expenses (excluding Financial revenue/expenses)*

Operational costs and expenses (excluding Financial revenue/expenses) in 3Q09 totaled R\$ 1,520,780, 25.13% higher than in 3Q08 (R\$ 1,215,341). This mainly reflected an expense on energy purchased for resale 46.23% higher than in 3Q08.

The main year-on-year variations in these expenses were:

Personnel expenses

Personnel expenses in 3Q09, at R\$ 180,367, were 11.11% higher than in 3Q08 (R\$ 162,335). This is due to the salary increase of 7.26% given to employees in November 2008, and the provision, of R\$ 6,309, made in 3Q09 for the PDV Temporary Voluntary Retirement Program. The increase is partially mitigated by the lower number of employees: 7,551 at the end of September 2009, vs. 8,041 at the end of September 2008.

Electricity bought for resale

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The expense on this account in the third quarter of 2009 was R\$ 884,355, 46.23% higher than the figure of R\$ 604,773 for the third quarter of 2008. The difference arises principally from the average tariff for electricity bought in the 2009-10 tariff cycle being 23.86% higher, the Proinfa charges being R\$ 17,065 (71.20%) higher than in 3Q08, and the increase in the realization of the CVA account. Realization of the CVA in 3Q9 was R\$ 110,332, compared to addition of R\$ 3,372 in 3Q08. Energy purchased for resale is a non-controllable cost: the expense recognized in the Income statement corresponds to the actual amount passed through to the tariff.

### Post-employment obligations

Expenses on post-employment obligations totaled R\$ 22,939 in 3Q08, 38.28% less than in 3Q08 (R\$ 37,169). These expenses basically represent interest on the actuarial liabilities of Cemig D, net of the expected return on the pension plans assets, as estimated by an external actuary. The lower expense in 2009 basically reflects the adjustment made to the actuarial assumptions in December 2008, which resulted in a reduction of the Company's net obligations.

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Operational provisions

Expenses on operational provisions in 3Q09 totaled R\$ 37,008, 24.60% higher than in 3Q08 (R\$ 29,702). This principally reflects a higher provision for doubtful receivables, resulting from the Company's estimate of a higher probability of losses. The expense recorded on provisions for doubtful receivables in 3Q09 was R\$ 39,807, compared to R\$ 24,827 in 3Q08.

Outsourced services

The expense on outsourced services in 3Q09 was R\$ 115.584, 4.75% higher than in 3Q08 (R\$ 110.338), mainly due to higher expenditure on maintenance and conservation of electricity facilities, and meter reading / bill delivery / collection agents, as follows:

- The expense on services of maintenance and conservation of electrical facilities and equipment in 3Q09 was R\$ 16,673, 31.46% higher than in 3Q08 (R\$ 16,673). This variation arises principally from the prolongation of the rainy season in 2009, with greater demand for corrective maintenance of the system, and also the higher volume of preventive maintenance activities, aiming to reduce accidental outages in the next rainy season.
- The expense on collection agents, meter reading and delivery of electricity bills in 9M09 was R\$ 30,420, 10.15% more than in 9M08 (R\$ 27,618). The increase in this line is the result of upward adjustments in the contracts for meter reading, based on the IGP-M inflation index, and also from the growth in the number of consumers over the period.

Other expenses, net

This expense line in 3Q09 was 34.56% lower year-on-year in 3Q09 at R\$ 40,779, vs. R\$ 62,314 in 3Q08. The lower total in 3Q09 is mainly due to the fact that the payment for the TFDR for the year 2009, in the amount of R\$ 27,248, was made in April. In 2008 this payment was recognized in the month of July, in the amount of R\$ 24,082.

Table of Contents*Financial revenues (expenses)*

|   | Third<br>quarter<br>2009 | 3Q08             | Change, %       |
|---|--------------------------|------------------|-----------------|
| <b>FINANCIAL REVENUES</b>   |                          |                  |                 |
| Revenue from cash investments                                     | 6,209                    | 21,892           | (71.64)         |
| Arrears penalty payments on electricity bills                     | 74,132                   | 22,718           | 226.31          |
| Monetary updating of CVA  | 7,548                    | 9,384            | (19.57)         |
| Monetary updating on General Agreement for the Electricity Sector | 7,840                    | 19,705           | (60.21)         |
| Monetary updating - Deferred Tariff Adjustment                    |                          | 14,373           |                 |
| Adjustment to present value - Debt                                |                          | 5,341            |                 |
| FX variations   | 23,449                   | (27,707)         | (184.63)        |
| Other   | 15,334                   | 5,681            | 169.92          |
|   | <b>134,512</b>           | <b>71,387</b>    | <b>88.43</b>    |
| <b>FINANCIAL EXPENSES</b>   |                          |                  |                 |
| Charges on loans and financings                                   | (57,102)                 | (71,448)         | (20.08)         |
| Monetary updating of CVA  | 338                      | (7,900)          |                 |
| Adjustment to present value - Debt                                |                          | (13,118)         |                 |
| FX variations   | (11,863)                 | (12,246)         | (3.13)          |
| Monetary updating on loans and financings                         | (1,439)                  | (10,964)         | (86.88)         |
| Losses on financial instruments (Note 26)                         | (11,885)                 | 17,788           | (166.81)        |
| Other   | (9,601)                  | (9,400)          | 2.14            |
|   | <b>(91,552)</b>          | <b>(107,288)</b> | <b>(14.67)</b>  |
|   | <b>42,960</b>            | <b>(35,901)</b>  | <b>(219.66)</b> |

The main variations in Financial revenues (expenses) between 3Q08 and 3Q09 are:

- Revenue from cash investments 71.64% lower, due to the lower volume of cash invested in 2009.
- Revenue from penalty payments for arrears on electricity accounts R\$ 51,414 higher, mainly on accounts receivable from large consumers, in the amounts of R\$ 48,565, recognized in September 2009.
- Revenue from monetary updating on amounts receivable under the General Agreement for the Electricity Sector 60.21% lower. This is basically due to the lower value of regulatory assets in 2009, due to a part of the principal regulatory assets previously constituted having been partially amortized.
- Lower monetary variation on the Deferred Tariff Adjustment, due to reduction of the underlying asset by receipt of amounts due through clients - electricity bills.

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- Monetary variation on loans and financings in Brazilian currency, at R\$ 1,439, lower than in 3Q08 (R\$ 10,964). , mainly due to the lower variation in the IGP-M inflation index in 3Q09 than in 3Q08.
- Costs of loans and financings 20.08% lower, due to amortizations of debt in 2008 and the lower variation in the CDI rate (the main index of contracts) in 2009.

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*Income tax and Social Contribution tax*

**Cemig D** s expenses on income tax and the Social Contribution tax in 3Q09 totaled R\$ 74,421, on profit of R\$ 283,861, before tax effects, a percentage of 26.22%. In 3Q08 the Company s expenses on income tax and the Social Contribution tax were R\$ 70,900, on profit of R\$ 265,829, before tax effects a percentage of 26.67%. The tax benefits arising in the two quarters arising from payment of dividends in the form of Interest on Equity totaled R\$ 12,733 in 3Q09 and R\$ 13,062 in 3Q08.

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**REPORT OF REVIEW BY INDEPENDENT AUDITORS**

To

The Board of Directors

Cemig Distribuição S.A.

Belo Horizonte - MG

1. We have reviewed the Quarterly Financial Information ITR of Cemig Distribuição S.A. (the Company) for the quarter ended September 30, 2009, comprising the balance sheets, the statements of income, changes in shareholders' equity and of cash flows, the explanatory notes and management report, which are the responsibility of its management.

2. Our review was conducted in accordance with the specific rules set forth by the IBRACON - The Brazilian Institute of Independent Auditors, in conjunction with the Federal Accounting Council - CFC, and consisted mainly of the following: (a) inquiries and discussions with the persons responsible for the Accounting, Finance and Operational areas of the company as to the main criteria adopted in the preparation of the Quarterly Financial Information ITR; and (b) reviewing information and subsequent events that have or may have relevant effects on the financial position and operations of the Company.

3. Based on our review, we are not aware of any material modification that should be made in accounting information included in the Quarterly Financial Information ITR described above, for it to be in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Financial Information ITR, including the Instruction CVM N° 469/08.

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4. As mentioned in Note 2 to the financial information, the accounting practices adopted in Brazil have been changed in 2008 and the effects of the first time adoption were recognized of the Company on the fourth quarter of 2008 and disclosure in the financial statements for the year ended December 31, 2008. The statement of income, changes in shareholders' equity and cash flow for the quarter ended September 30, 2008, presented in connection with the Quarterly Financial Information (ITR), did not change for comparison purposes, as permitted by Direct Release/CVM/SNC/SEP n° 02/2009 (Ofício Circular).

November 12, 2009

Original report in Portuguese signed by

KPMG Auditores Independentes

CRC SP014428/O-6-F-MG

Marco Túlio Fernandes Ferreira

Accountant CRCMG058176/O-0

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Table of Contents**BALANCE SHEETS****AT SEPTEMBER 30 AND JUNE 30, 2009****ASSETS****R\$ 000**

|  | <b>Consolidated</b> |                   | <b>Holding company</b> |                   |
|--|---------------------|-------------------|------------------------|-------------------|
|  | <b>09/30/2009</b>   | <b>06/30/2009</b> | <b>09/30/2009</b>      | <b>06/30/2009</b> |
| <b>CURRENT</b>                               |                     |                   |                        |                   |
| Cash and cash equivalents (Note 3)           | 1,414,904           | 1,220,408         | 1,299,205              | 1,072,486         |
| Consumers and traders (Note 4)               | 344,708             | 423,003           | 342,249                | 421,848           |
| Concession holders transport of energy       | 69,022              | 50,127            | 69,022                 | 50,127            |
| Taxes subject to offsetting (Note 7)         | 579,136             | 471,706           | 577,901                | 470,780           |
| Traders Transactions in Free Energy (Note 5) | 10,120              | 17,573            | 10,120                 | 17,573            |
| Tax credits (Note 8)                         | 53,631              | 38,673            | 53,631                 | 38,673            |
| Inventories                                  | 3,779               | 4,013             | 3,739                  | 3,769             |
| Regulatory assets Tariff Review (Note 6)     | 82,321              | 85,732            | 82,321                 | 85,732            |
| Other credits                                | 148,678             | 73,514            | 66,349                 | 65,059            |
| <b>TOTAL, CURRENT</b>                        | <b>2,706,299</b>    | <b>2,384,749</b>  | <b>2,504,537</b>       | <b>2,226,047</b>  |
| <b>Non-current</b>                           |                     |                   |                        |                   |
| <b>Long term assets</b>                      |                     |                   |                        |                   |
| Tax credits (Note 8)                         | 43,066              | 63,716            | 43,066                 | 63,716            |
| Consumers and traders (Note 4)               | 46,188              |                   | 46,188                 |                   |
| Traders Transactions in Free Energy (Note 5) | 10,857              | 4,746             | 10,857                 | 4,746             |
| Taxes subject to offsetting (Note 7)         | 9,275               | 18,427            | 8,531                  | 18,158            |
| Deposits linked to legal actions             | 72,375              | 65,092            | 72,375                 | 65,092            |
| Receivable from related parties (Note 24)    | 14,030              | 12,699            | 12,688                 | 12,699            |
| Regulatory assets Tariff Review (Note 6)     | 54,067              | 72,358            | 54,067                 | 72,358            |
| Other credits                                | 17,845              | 19,898            | 8,069                  | 9,770             |
|  | 267,703             | 256,936           | 255,841                | 246,539           |
| Investments (Note 9)                         | 1,079,952           | 1,074,017         | 1,406,082              | 1,147,372         |
| Fixed assets (Note 10)                       | 5,200,763           | 4,876,435         | 4,584,333              | 4,595,379         |
| Intangible (Note 11)                         | 126,042             | 17,492            | 14,682                 | 14,699            |
| <b>TOTAL, NON-CURRENT</b>                    | <b>6,674,460</b>    | <b>6,224,880</b>  | <b>6,260,938</b>       | <b>6,003,989</b>  |
| <b>TOTAL ASSETS</b>                          | <b>9,380,759</b>    | <b>8,609,629</b>  | <b>8,765,475</b>       | <b>8,230,036</b>  |

The Explanatory Notes are an integral part of the Quarterly Information.



Table of Contents**BALANCE SHEETS****ON SEPTEMBER 30 AND JUNE 30, 2009****LIABILITIES****R\$ 000**

|   | Consolidated     |                  | Holding company  |                  |
|---|------------------|------------------|------------------|------------------|
|   | 09/30/2009       | 06/30/2009       | 09/30/2009       | 06/30/2009       |
| <b>CURRENT</b>  |                  |                  |                  |                  |
| Loans and financings (Note 14)                          | 531,182          | 464,402          | 522,977          | 460,870          |
| Debentures (Note 14)                                    | 412,801          | 397,483          | 412,801          | 397,483          |
| Suppliers (Note 12)                                     | 115,094          | 96,295           | 83,387           | 78,543           |
| Taxes, charges and contributions (Note 13)              | 492,522          | 360,349          | 490,725          | 359,178          |
| Interest on Equity, and dividends, payable              | 198,058          | 153,302          | 198,058          | 153,302          |
| Salaries and mandatory charges on payroll               | 78,224           | 82,322           | 77,733           | 81,949           |
| Regulatory charges (Note 15)                            | 83,585           | 80,643           | 83,585           | 80,643           |
| Profit shares   | 17,187           | 11,463           | 17,187           | 11,463           |
| Debt to related parties (Note 24)                       | 30,741           | 15,723           | 34,603           | 15,723           |
| Post-employment obligations (Note 16)                   | 18,757           | 18,652           | 18,757           | 18,652           |
| Provision for losses on financial instruments (Note 25) | 54,069           | 62,359           | 54,069           | 62,359           |
| Other obligations                                       | 39,768           | 31,246           | 37,833           | 30,263           |
| <b>TOTAL, CURRENT</b>                                   | <b>2,071,988</b> | <b>1,774,239</b> | <b>2,031,715</b> | <b>1,750,428</b> |
| <b>NON-CURRENT</b>                                      |                  |                  |                  |                  |
| Loans and financings (Note 14)                          | 2,089,081        | 1,902,855        | 1,677,377        | 1,705,053        |
| Debentures (Note 14)                                    | 432,497          | 428,253          | 274,794          | 273,750          |
| Contingency provisions (Note 17)                        | 9,310            | 8,495            | 9,310            | 8,495            |
| Post-employment obligations (Note 16)                   | 251,456          | 254,524          | 251,456          | 254,524          |
| Taxes, charges and contributions (Note 13)              | 149,346          | 136,828          | 149,346          | 136,828          |
| Regulatory charges (Note 15)                            | 9,786            | 6,652            | 9,786            | 6,652            |
| Other obligations                                       | 42,508           | 39,142           | 36,904           | 35,665           |
| <b>TOTAL, NON-CURRENT</b>                               | <b>2,983,984</b> | <b>2,776,749</b> | <b>2,408,973</b> | <b>2,420,967</b> |
| <b>STOCKHOLDERS EQUITY (Note 18)</b>                    |                  |                  |                  |                  |
| Registered capital                                      | 2,896,785        | 2,896,785        | 2,896,785        | 2,896,785        |
| Profit reserves   | 584,354          | 584,354          | 584,354          | 584,354          |
| Retained earnings                                       | 843,648          | 577,502          | 843,648          | 577,502          |
| <b>TOTAL STOCKHOLDERS EQUITY</b>                        | <b>4,324,787</b> | <b>4,058,641</b> | <b>4,324,787</b> | <b>4,058,641</b> |
| <b>TOTAL LIABILITIES</b>                                | <b>9,380,759</b> | <b>8,609,629</b> | <b>8,765,475</b> | <b>8,230,036</b> |

The Explanatory Notes are an integral part of the Quarterly Information.





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## INCOME STATEMENT

FOR THE PERIODS OF NINE MONTHS ENDING SETEMBER 30, 2009 AND 2008

(R\$ 000, expect net profit per thousand shares)

|  | Consolidated<br>09/30/2009 | Holding<br>company<br>09/30/2009 | Consolidated<br>and Holding<br>company<br>09/30/2008 |
|--|----------------------------|----------------------------------|--|
| <b>OPERATIONAL REVENUE</b>   |                            |                                  |  |
| Gross revenue from supply of electricity (Note 19)   | 2,631,903                  | 2,621,283                        | 2,331,881  |
| Revenue from use of the grid (Note 20)   | 636,403                    | 636,403                          | 461,784  |
| Other operational revenues   | 16,951                     | 16,951                           | 23,405   |
|  | 3,285,257                  | 3,274,637                        | 2,817,070  |
| <b>DEDUCTIONS FROM OPERATIONAL REVENUE (Note 21)</b>   | (661,085)                  | (659,250)                        | (627,188)  |
| <b>NET OPERATIONAL REVENUE</b>   | 2,624,172                  | 2,615,387                        | 2,189,882  |
| <b>COST OF ELECTRICITY SERVICE</b>   |                            |                                  |  |
| <b>COST OF ELECTRICITY (Note 22)</b>   |                            |                                  |  |
| Charges for the use of the basic transmission grid   | (208,356)                  | (208,356)                        | (200,945)  |
| Electricity bought for resale  | (116,716)                  | (116,227)                        | 399  |
|  | (325,072)                  | (324,583)                        | (200,546)  |
| <b>COST OF OPERATION (Note 22)</b>   |                            |                                  |  |
| Personnel and managers   | (160,975)                  | (160,942)                        | (162,159)  |
| Post-employment obligations  | (15,092)                   | (15,092)                         | (30,536)   |
| Materials  | (9,620)                    | (9,582)                          | (9,944)  |
| Raw materials and inputs for generation  | (4,070)                    | (4,070)                          | (65,185)   |
| Outsourced services  | (65,325)                   | (65,003)                         | (58,780)   |
| Depreciation and amortization  | (169,369)                  | (168,612)                        | (167,047)  |
| Provisions (reversals) for operational losses  | (860)                      | (860)                            | 1,013  |
| Royalties for use of water resources   | (105,163)                  | (105,163)                        | (94,888)   |
| Other costs of operation   | (23,786)                   | (23,506)                         | (29,837)   |
|  | (554,260)                  | (552,830)                        | (617,363)  |
| <b>TOTAL COST</b>  | (879,332)                  | (877,413)                        | (817,909)  |
| <b>GROSS PROFIT</b>  | 1,744,840                  | 1,737,974                        | 1,371,973  |
| <b>OPERATIONAL EXPENSES (Note 22)</b>  |                            |                                  |  |
| General and administrative expenses  | (114,286)                  | (112,855)                        | (53,511)   |
| Selling expenses   | (289)                      | (52)                             |  |
| Other operational expenses   | (14,677)                   | (14,573)                         | (21,898)   |
|  | (129,252)                  | (127,480)                        | (75,409)   |
| <b>PROFIT FROM THE SERVICE (OPERATIONAL PROFIT BEFORE EQUITY GAINS/LOSSES AND FINANCIAL REVENUES/EXPENSES)</b> | 1,615,588                  | 1,610,494                        | 1,296,564  |
| Equity gain (loss) from subsidiaries   |                            | (263)                            |  |
| Net financial expenses (Note 23)   | (147,934)                  | (142,979)                        | (179,749)  |
| <b>PROFIT BEFORE TAXATION AND PROFIT SHARES</b>  | 1,467,654                  | 1,467,252                        | 1,116,815  |

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|  |                  |                  |                |
|--|------------------|------------------|----------------|
| Income tax and Social Contribution tax (Note 8 b)          | (393,773)        | (393,371)        | (343,764)      |
| Deferred income tax and Social Contribution tax (Note 8 b) | (48,085)         | (48,085)         | 18,686         |
| Employees and managers profit shares                       | (21,947)         | (21,947)         | (14,760)       |
| <b>Net profit for the period</b>                           | <b>1,003,849</b> | <b>1,003,849</b> | <b>776,977</b> |
| <b>NET PROFIT PER THOUSAND SHARES, R\$</b>                 |                  | 346.54           | 268.22         |

The Explanatory Notes are an integral part of the Quarterly Information.

Table of Contents**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY****FOR THIRD QUARTER OF 2009 AND FIRST NINE MONTHS OF 2009 ( 9M09 )****(In R\$ 000, except for dividends and Interest on Equity per thousand shares)**

|   | <b>Registered<br/>capital</b> | <b>Profit<br/>reserves</b> | <b>Retained<br/>earnings</b> | <b>Total</b> |
|---|-------------------------------|----------------------------|------------------------------|--------------|
| <b>BALANCES AT DECEMBER 31, 2008</b>              | 2,896,785                     | 584,354                    |                              | 3,481,139    |
| Net profit for the period                         |                               |                            | 1,003,849                    | 1,003,849    |
| Prior years adjustment                            |                               |                            | (411)                        | (411)        |
| Allocation of profit Interest on Equity (Note 18) |                               |                            | (159,790)                    | (159,790)    |
| <b>BALANCES ON SEPTEMBER 30, 2009</b>             | 2,896,785                     | 584,354                    | 843,648                      | 4,324,787    |
|   | <b>Registered<br/>capital</b> | <b>Profit<br/>reserves</b> | <b>Retained<br/>earnings</b> | <b>Total</b> |
| <b>BALANCES ON JUNE 30, 2009</b>                  | 2,896,785                     | 584,354                    | 577,502                      | 4,058,641    |
| Net profit for the period                         |                               |                            | 319,211                      | 319,211      |
| Prior years adjustment                            |                               |                            | (411)                        | (411)        |
| Allocation of profit Interest on Equity (Note 18) |                               |                            | (52,654)                     | (52,654)     |
| <b>BALANCES ON SEPTEMBER 30, 2009</b>             | 2,896,785                     | 584,354                    | 843,648                      | 4,324,787    |

The Explanatory Notes are an integral part of the Quarterly Information.

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## STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDING SEPTEMBER 30, 2009 AND 2008

R\$ 000

|   | CONSOLIDATED     |                  | HOLDING COMPANY  |                  |
|---|------------------|------------------|------------------|------------------|
|   | 09/30/2009       | 09/30/2008       | 09/30/2009       | 09/30/2008       |
| <b>FROM OPERATIONS</b>                                      |                  |                  |                  |                  |
| Net profit for the period                                   | 1,003,849        | 776,977          | 1,003,849        | 776,977          |
| Expenses (Revenues) not affecting Cash and cash equivalents |                  |                  |                  |                  |
| Depreciation and amortization                               | 169,904          | 167,245          | 168,838          | 167,245          |
| Net write-offs of fixed assets                              | 2,541            | 2,617            | 2,541            | 2,617            |
| Equity gains (losses) in subsidiaries                       |                  |                  | 263              |                  |
| Interest and Monetary updating Non-current                  | 10,877           | 36,775           | 4,086            | 35,949           |
| Regulatory asset Transmission tariff review                 | (136,657)        |                  | (136,657)        |                  |
| Deferred federal taxes                                      | 48,085           | (18,686)         | 48,085           | (18,686)         |
| Provisions (reversals) for operational losses               | 911              | (498)            | 911              | (498)            |
| Provisions for losses on Free Energy transactions           | (7,915)          | 18,345           | (7,915)          | 18,346           |
| Provision for losses on financial instruments               | 37,486           | 16,128           | 37,486           | 16,128           |
| Post-employment obligations                                 | 21,999           | 36,013           | 21,999           | 36,013           |
| Others  | (21)             | (66)             | (412)            | (66)             |
|   | 1,151,059        | 1,034,850        | 1,143,074        | 1,034,025        |
| <b>(Increase) reduction of assets</b>                       |                  |                  |                  |                  |
| Consumers and traders                                       | (33,037)         | (31,772)         | (31,530)         | (31,772)         |
| Traders Transactions in Free Energy                         | 3,317            | 11,879           | 3,317            | 11,879           |
| Taxes offsetable  | (295,983)        | (360,758)        | (295,089)        | (360,060)        |
| Transport of electricity                                    | (18,836)         | (6,228)          | (18,836)         | (6,228)          |
| Tax credits on  | (40,318)         | 136,118          | (40,318)         | 136,118          |
| Payments into Court   | (22,842)         | (15,229)         | (22,842)         | (8,258)          |
| Others  | (11,460)         | (51,917)         | (5,688)          | (56,799)         |
|   | (419,159)        | (317,907)        | (410,986)        | (315,120)        |
| <b>Increase (reduction) of liabilities</b>                  |                  |                  |                  |                  |
| Suppliers   | (49,004)         | (152,197)        | (42,055)         | (153,159)        |
| Taxes and Social Contribution tax                           | 480,107          | 229,187          | 479,222          | 229,016          |
| Salaries and mandatory charges on payroll                   | 13,739           | (1,458)          | 13,301           | (1,412)          |
| Regulatory charges  | (5,343)          | 7,995            | (5,343)          | 7,995            |
| Loans and financings  | 85,313           | 145,193          | 70,878           | 145,193          |
| Post-employment obligations                                 | (30,374)         | (30,996)         | (30,374)         | (30,996)         |
| Losses on financial instruments                             | 1,884            | (10,433)         | 1,884            | (10,433)         |
| Others  | (12,887)         | (8,859)          | 8,204            | (18,943)         |
|   | 483,435          | 178,432          | 495,717          | 167,261          |
| <b>CASH GENERATED BY OPERATIONS</b>                         | <b>1,215,335</b> | <b>895,375</b>   | <b>1,227,805</b> | <b>886,166</b>   |
| <b>FINANCING ACTIVITIES</b>                                 |                  |                  |                  |                  |
| Financings obtained   | 449,105          | 26,418           | 127,605          |                  |
| Payments of loans and financings                            | (21,500)         | (245,825)        | (20,074)         | (245,825)        |
| Interest on Equity, and dividends                           | (500,775)        | (118,519)        | (500,775)        | (118,519)        |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                | <b>73,170</b>    | <b>(337,926)</b> | <b>(393,244)</b> | <b>(364,344)</b> |

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INVESTMENT ACTIVITIES

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| In investments                             | (5,175)   | (65,947)  | (294,038) | (69,589)  |
| In fixed assets                            | (378,412) | (84,875)  | (91,397)  | (47,901)  |
| Aquisição das Eólicas                      | (201,380) |           |           |           |
| No Intangível                              | (4,392)   |           | (2,133)   |           |
| Special Obligations Consumer contributions |           | 41        |           | 41        |
| CASH USED IN INVESTMENT ACTIVITIES         | (589,359) | (150,781) | (387,568) | (117,449) |

**NET CHANGE IN CASH POSITION 552,806 406,668 446,992 404,373**

STATEMENT OF CHANGES IN CASH POSITION

|                    |                |                |                |                |
|--------------------|----------------|----------------|----------------|----------------|
| At start of period | 862,097        | 916,288        | 852,213        | 907,116        |
| At end of period   | 1,414,904      | 1,322,956      | 1,299,205      | 1,311,489      |
|                    | <b>552,806</b> | <b>406,668</b> | <b>446,992</b> | <b>404,373</b> |

The Explanatory Notes are an integral part of the Quarterly Information.

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**EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)**

**ON SEPTEMBER 30, 2009**

**(R\$ 000, except where otherwise stated)**

**1) OPERATIONAL CONTEXT**

**Cemig Geração e Transmissão S.A.** ( **Cemig GT** , 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, which started operations on January 1, 2005, as a result of the process of segregation ( unbundling ) of Cemig 's activities. Its shares are not traded on any exchange.

**Cemig GT** 's objects 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;
- d) to carry out activities directly or indirectly related to its objects.

**Cemig GT** has 46 power plants, of which 43 are hydroelectric, one is a wind power plant and two are thermal plants; and transmission lines, most of which are part of the Brazilian national generation and transmission grid system.

The company has stockholdings in the following subsidiaries:

- **Hidrelétrica Cachoeirão S.A.** (jointly controlled stake 49.00%): 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 27MW (not reviewed by external auditors). The plant began operating in 2009.

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- **Central Eólica Praias de Parajuru S.A.** (jointly controlled stake 49.00%): Production and sale of electricity at the *Praias de Parajuru* Wind Farm in the municipality of Beberibe in the state of Ceará, Northern Brazil, with installed capacity of 28.8MW (information not reviewed by external auditors). The plant began operating in August 2009.
- **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 reviewed by external auditors), on the Doce River in Governador Valadares, Minas Gerais State. The plant's first unit began operating in September 2009. The second unit is planned to start operating in December 2009 and the third in February 2010.

### 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 scheduled to start operating in August, 2011, and will have total installed capacity of 44MW (information not reviewed by external auditors).

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- **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 reviewed by external auditors) 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 installed capacity of 20MW (information not reviewed by external auditors), 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.
- **Empresa Brasileira de Transmissão de Energia ( EBTE )** (jointly-controlled, 49.00% stake): Holder of a public electricity transmission concession for transmission lines in the state of Mato Grosso. Operational startup is scheduled for June 2010.
- **Central Eólica Volta do Rio S.A.** (jointly controlled, stake 49.00%): Production and sale of electricity at the *Volta do Rio* Wind Farm in the municipality of Aracaju in the state of Ceará, Northern Brazil, with installed capacity of 42MW (information not reviewed by external auditors). Operational startup is planned for the end of 2009.
- **Central Eólica Praia do Morgado S.A.** (jointly controlled stake 49.00%): Production and sale of electricity at the *Praia do Morgado* Wind Farm in the municipality of Aracaju in the state of Ceará, Northern Brazil, with installed capacity of 79.2MW (information not reviewed by external auditors). The plant is planned to startup operating by the end of 2009.

## 2) PRESENTATION OF THE QUARTERLY INFORMATION

### 2.1) Presentation of the Quarterly Information

The Quarterly Information (ITR), both for the holding company, and the consolidated information, was prepared according to Brazilian accounting practices, comprising: the Brazilian Corporate Law; the statements, orientations and interpretations issued by the Brazilian Accounting Statements Committee; rules of the Brazilian Securities Commission (*CVM Comissão de Valores Mobiliários*); and rules of the specific legislation applicable to holders of Brazilian electricity concessions, issued by the Brazilian National Electricity Agency, Aneel.



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This Quarterly Information (ITR) has been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the annual financial statements at December 31, 2008. Hence this Quarterly Information should be read in conjunction with those annual financial statements.

### 2.2) Change in the Brazilian Corporate Law

Law 11638/07 altered, repealed and created new provisions in the Brazilian Corporate Law, in the chapter relating to disclosure and preparation of Accounting Statements. Among other aspects, these changed the criterion for recognition and valuation of assets and liabilities. These changes, in effect from January 1, 2008, aim to increase the transparency of the accounting statements of Brazilian companies and eliminate some regulatory barriers that were an obstacle to convergence with international financial reporting standards (IFRS).

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Law 11638/07, and Provisional Measure 449/08 (which was converted into Law 11941 of May 27, 2009) changed Law 6404/76 in aspects related to the preparation and disclosure of financial statements.

It was in the preparation of its financial statements for 2008 that the Company first adopted the changes to the Corporate Law introduced by Law 11638/28, approved on December 28, 2007, as amended by Provisional Measure 449 of December 3, 2008.

**2.3) Consolidated Quarterly Information**

The consolidated quarterly information at September 30, 2009 includes the information of Cemig GT and of the subsidiaries mentioned in Explanatory Note 1.

The accounting policies were applied uniformly in all the companies consolidated, and consistently with those used in the previous period.

The companies with shared control were consolidated proportionately in accordance with the percentage interest held. Thus, each line of the Quarterly Information was consolidated after the application of the percentage interest held. Consequently, there is no line separate line for minority interests.

In the process of consolidation the following were eliminated: (i) the holding company's interests in the Stockholders' equity of the controlled companies; (ii) equity gains arising from subsidiaries; (iii) balances of assets and liabilities between the consolidated companies; and (iv) balances of revenues and expenses arising from transactions between the companies.

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

**3) CASH AND CASH EQUIVALENTS**

|                                 | Consolidated |  |            | Holding company |  |            |
|---------------------------------|--------------|--|------------|-----------------|--|------------|
|                                 | 09/30/2009   |  | 06/30/2009 | 09/30/2009      |  | 06/30/2009 |
| Bank accounts                   | 9,621        |  | 56,245     | 6,387           |  | 11,869     |
| Cash investments                |              |  |            |                 |  |            |
| Bank certificates of deposit    | 1,363,261    |  | 1,121,616  | 1,250,873       |  | 1,018,786  |
| Treasury Financial Notes (LFTs) | 32,517       |  | 26,341     | 32,517          |  | 26,341     |

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|                                |                  |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
| National Treasury Notes (LTNs) | 6,394            | 10,705           | 6,394            | 10,705           |
| Others                         | 3,111            | 5,501            | 3,034            | 4,785            |
|                                | 1,405,283        | 1,164,163        | 1,292,818        | 1,060,617        |
|                                | <b>1,414,904</b> | <b>1,220,408</b> | <b>1,299,205</b> | <b>1,072,486</b> |

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

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## 4) CONSUMERS AND TRADERS

| Consumer type                                | Balances not yet due | Up to 90 days past due | Over 90 days past due | 09/30/2009     | Total | 06/30/2009     |
|--|----------------------|------------------------|-----------------------|----------------|-------|----------------|
| <b>Holding company</b>                       |                      |                        |                       |                |       |                |
| Industrial                                   | 132,211              | 12,232                 | 55,639                | 200,082        |       | 200,120        |
| Wholesale supply to other concession holders | 175,292              | 106                    | 13,788                | 189,186        |       | 222,559        |
| Provision for doubtful receivables           |                      |                        | (831)                 | (831)          |       | (831)          |
|  | <b>307,503</b>       | <b>12,338</b>          | <b>68,596</b>         | <b>388,437</b> |       | <b>421,848</b> |
| <b>Subsidiaries</b>                          |                      |                        |                       |                |       |                |
| Industrial                                   | 1,134                |                        |                       | 1,134          |       | 1,135          |
| Wholesale supply to other concession holders | 1,325                |                        |                       | 1,325          |       | 20             |
|  | <b>2,459</b>         |                        |                       | <b>2,459</b>   |       | <b>1,155</b>   |
| <b>Total, consolidated</b>                   | <b>309,962</b>       | <b>12,338</b>          | <b>68,596</b>         | <b>390,896</b> |       | <b>423,003</b> |
| <b>Current</b>                               |                      |                        |                       | 344,708        |       | 423,003        |
| <b>Non-current</b>                           |                      |                        |                       | 46,188         |       |                |

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 for doubtful receivables 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 (put in place by Ministerial Order 045 of 1986), are recorded in the accounts. The Company expects that the amounts mentioned will be received in full.

## 5) TRADERS TRANSACTIONS IN FREE ENERGY

**Cemig GT**'s obligations and rights in relation to the transactions in free energy in the Electricity Trading Chamber (now CCEE, formerly MAE) during the Rationing Program are as follows:

|  | Consolidated and Holding company |               |
|--|----------------------------------|---------------|
|  | 09/30/2009                       | 06/30/2009    |
| <b>ASSETS</b>                            |                                  |               |
| Amounts to be received from distributors | 39,180                           | 40,132        |
| Provision for losses in realization      | (18,203)                         | (17,813)      |
|  | <b>20,977</b>                    | <b>22,319</b> |

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|                    |  |        |        |
|--------------------|--|--------|--------|
|                    |  |        |        |
| <b>Current</b>     |  | 10,120 | 17,573 |
| <b>Non-current</b> |  | 10,857 | 4,746  |

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The amounts to be received in Assets refer to the difference between the prices paid by the Company in the transactions in energy on the CCEE (formerly the MAE), during the period when the Rationing Program was in force, and the amount of R\$ 49.26/MWh. This difference is to be reimbursed through the amounts raised by means of the RTE, as defined in the General Agreement for the Electricity Sector.

In accordance with Aneel Resolution 36 of January 29, 2003, the electricity distributors have since March 2003 raised the amounts obtained monthly by means of the RTE and passed them through to the generators and distributors who have amounts to be received, among which the Company is included.

The rights of **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 on the CCEE/MAE, may result in changes in the amounts recorded.

Provision for losses in realization

The provision currently constituted, of R\$ 18,203, represents the losses that are expected as a result of the period of receipt of the RTE from the distributors that are still passing through funds to the Company not being sufficient for full pass-through of the amounts owed.

**6) THE REVIEW OF THE TRANSMISSION TARIFF**

**Cemig GT** s first Tariff Review was approved by the Council of Aneel on June 17, 2009. In it Aneel set the percentage for repositioning of the Company s Permitted Annual Revenue (RAP) at 5.35%, backdated to 2005.

The Council also established a financial component of R\$ 158,090 to be paid to the Company through the Adjustment Portion ( PA ) in 24 months. This amount arises from the backdated effects of the tariff repositioning over the period from July 1, 2005 to June 30, 2009. The first installment, of R\$ 85,732, was incorporated into the adjustment for the 2009 10 cycle, and the second portion, of R\$ 72,358, will be compensated in the 2010 11 adjustment.

As and when amounts of the Adjustment Portion are received through the tariff, the Company transfers the corresponding amount records in Assets to the Income statement. The record of accounting of the Adjustment Portion is as follows:

**Full breakdown of the Adjustment Portion**

|                                       | Balance on<br>06/30/2009 | Monetary<br>updating | Amortization | Balance on<br>09/30/2009 |
|---------------------------------------|--------------------------|----------------------|--------------|--------------------------|
| Basic grid                            | 128,823                  | (226)                | (17,037)     | 111,560                  |
| Frontier                              | 13,899                   | (13)                 | (2,633)      | 11,253                   |
| Other Transmission Facilities ( DIT ) | 15,368                   | (30)                 | (1,763)      | 13,575                   |
|                                       | <b>158,090</b>           | (269)                | (21,433)     | <b>136,388</b>           |
| <b>Current</b>                        |                          |                      |              | <b>82,321</b>            |
| <b>Non-current</b>                    |                          |                      |              | <b>54,067</b>            |

As specified in the Company's concession contract, the calculation of the revision was made on the base of the whole of the Company's transmission assets, and not only on the assets relating to the new facilities.

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## 7) TAXES SUBJECT TO OFFSETTING

|                         | Consolidated   |                | Holding company |                |
|-------------------------|----------------|----------------|-----------------|----------------|
|                         | 09/30/2009     | 06/30/2009     | 09/30/2009      | 06/30/2009     |
| <b>Current</b>          |                |                |                 |                |
| ICMS tax recoverable    | 41,379         | 31,320         | 40,528          | 30,471         |
| Income tax              | 398,596        | 319,376        | 398,321         | 319,300        |
| Social Contribution tax | 125,216        | 107,051        | 125,216         | 107,050        |
| Pasep tax               | 2,241          | 2,183          | 2,241           | 2,183          |
| Cofins tax              | 10,243         | 9,975          | 10,243          | 9,975          |
| Others                  | 1,461          | 1,801          | 1,352           | 1,801          |
|                         | <b>579,136</b> | <b>471,706</b> | <b>577,901</b>  | <b>470,780</b> |
| <b>Non-current</b>      |                |                |                 |                |
| ICMS tax recoverable    | 8,531          | 18,158         | 8,531           | 18,158         |
| Income tax              | 744            | 269            |                 |                |
|                         | <b>9,275</b>   | <b>18,427</b>  | <b>8,531</b>    | <b>18,158</b>  |
|                         | <b>588,411</b> | <b>490,133</b> | <b>586,432</b>  | <b>488,938</b> |

The balances of income tax and Social Contribution tax refer to tax credits in corporate income tax returns of previous years, and advance payments made in 2009, which will be offset by federal taxes payable to be calculated for the year 2009, posted in Taxes and contributions.

The credits of ICMS recoverable arise from acquisitions of fixed assets, and can be used for offsetting over 48 months.

The Company has filed a consultation with the Minas Gerais State Tax Department for clarification of questions related to the use of part of the ICMS credits recorded in current and non-current assets. The response is awaited in the fourth quarter of 2009, when their offsetting will be commenced. Transfer to current liabilities was made according to values that should already be made in the CIAP and to be performed until September 2010.



Table of Contents**8) TAX CREDITS****a) Deferred income tax and Social Contribution tax:**

The company has recorded credits of income tax, constituted at the rate of 25.00%, and Social Contribution tax, at the rate of 9.00%, as follows:

|  | <b>Consolidated and Holding<br/>company</b> |                   |
|--|---|-------------------|
|  | <b>09/30/2009</b>                           | <b>06/30/2009</b> |
| <b>Tax credits on temporary differences:</b>                             |   |                   |
| Provision for losses in realization of Free Energy amounts receivable    | 6,189                                       | 6,056             |
| Post-employment obligations  | 21,243                                      | 21,202            |
| Provision for Pasesp and Cofins taxes Extraordinary Tariff Recomposition | 5,249                                       | 5,960             |
| Provision for doubtful receivables                                       | 273   | 273               |
| Transactions in Free Energy  |   | 4,130             |
| Financial instruments  | 19,398                                      | 22,644            |
| FX variation   | 35,343                                      | 35,343            |
| Contingencies  | 3,165                                       | 2,889             |
| Others   | 5,837                                       | 3,892             |
|  | <b>96,697</b>                               | <b>102,389</b>    |
| <b>Current assets</b>  | <b>53,631</b>                               | <b>38,673</b>     |
| <b>Non-current assets</b>  | <b>43,066</b>                               | <b>63,716</b>     |

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 Company's estimates, future taxable profits enable the deferred tax asset existing on September 30, 2009 to be realized as follows:

|              | <b>Consolidated<br/>and Holding<br/>company</b> |
|--------------|---|
| 2009         | 19,535  |
| 2010         | 45,462  |
| 2011         | 6,529   |
| 2012         | 10,158  |
| 2013         | 3,964   |
| 2014 to 2016 | 7,225   |
| 2017 to 2018 | 3,824   |
|              | <b>96,697</b>                                   |



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 tax (rate 9%) with the actual expense shown in the Income statement is as follows:

|   | <b>Consolidated</b> | <b>Holding company</b> |                   |
|---|---------------------|------------------------|-------------------|
|   | <b>09/30/2009</b>   | <b>09/30/2009</b>      | <b>09/30/2008</b> |
| Profit before income tax and Social Contribution tax                    | 1,467,654           | 1,467,252              | 1,116,815         |
| Income tax and Social Contribution nominal expense                      | (499,003)           | (498,866)              | (379,717)         |
| Tax effects applicable to:  |                     |                        |                   |
| Interest on Equity  | 54,329              | 54,329                 | 47,262            |
| Employees profit shares   | 7,462               | 7,462                  | 5,018             |
| Tax incentive amounts   | 8,903               | 8,903                  | 4,285             |
| Equity gain (loss) from subsidiaries                                    | (89)                | (89)                   |                   |
| Non-deductible contributions and donations                              | (1,796)             | (1,796)                |                   |
| Adjustment in income tax and Social Contribution previous business year | (11,423)            | (11,423)               |                   |
| Tax credits not recognized  | 384                 | 384                    |                   |
| Others  | (625)               | (360)                  | (1,926)           |
| <b>Income tax and Social Contribution tax</b>                           | <b>(441,858)</b>    | <b>(441,456)</b>       | <b>(325,078)</b>  |

**c) Transition taxation regime**

Provisional Measure 449/2008, of December 3, 2008, converted into Law 11941 of 2009, instituted the Transition Tax Regime (RTT), which aims to neutralize the impacts of the new accounting methods and criteria introduced by Law 11638/07, in calculation of the taxable amounts for federal taxes.

Application of the RTT is optional for the years 2008 and 2009, and obligatory starting in 2010, for corporate entities subject to Corporate Income Tax, in accordance with the systems of both tax reporting methods: the Real Profit and the Presumed Profit reporting methods.

The Company opted for adoption of the RTT in the 2009 corporate tax return for calendar year 2008 and additionally will have until November 30, 2009 to prepare the Transition Accounting Tax Monitoring ( *FCONT* ) created by Normative Instruction 949/2009 of the Brazilian Federal tax authority (*Receita Federal*).

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## 9) INVESTMENTS

|  | Consolidated     |                  | Holding company  |                  |
|--|------------------|------------------|------------------|------------------|
|  | 09/30/2009       | 06/30/2009       | 09/30/2009       | 06/30/2009       |
| In subsidiary and jointly controlled companies             |                  |                  |                  |                  |
| Hidrelétrica Cachoeirão S.A.                               |                  |                  | 21,577           | 20,337           |
| Guanhães Energia S.A.                                      |                  |                  | 9,608            | 9,608            |
| Hidrelétrica Pipoca S.A.                                   |                  |                  | 18,411           | 19,086           |
| Cemig Baguari Energia S.A.                                 |                  |                  | 21               | 1                |
| Madeira Energia S.A.                                       |                  |                  |                  | 10               |
| Baguari Energia S.A.                                       |                  |                  | 174,049          | 164,242          |
| EBTE   |                  |                  | 53,900           | 24,306           |
| Central Eólica Praias de Parajuru S.A.                     |                  |                  | 34,166           |                  |
| Central Eólica Volta do Rio S.A.                           |                  |                  | 57,173           |                  |
| Central Eólica Praias de Morgado S.A.                      |                  |                  | 25,844           |                  |
| In consortia   | 1,076,668        | 1,072,284        | 902,626          | 908,049          |
| Goodwill on acquisition of the stake in Praias de Parajuru |                  |                  | 31,051           |                  |
| Goodwill on acquisition of the stake in Volta do Rio       |                  |                  | 30,692           |                  |
| Goodwill on acquisition of the stake in Praias de Morgado  |                  |                  | 43,680           |                  |
| Others   | 3,284            | 1,733            | 3,284            | 1,733            |
|  | <b>1,079,952</b> | <b>1,074,017</b> | <b>1,406,082</b> | <b>1,147,372</b> |

a) **Goodwill on the acquisition of stakes in wind farms in 2009**

The goodwill on the acquisition of the electricity companies: **Central Eólica Praias de Parajuru S.A.**, **Central Eólica Praias de Morgado S.A.** and **Central Eólica Volta do Rio S.A.**, corresponding to the difference between the amount paid and the accounting value of the stake in the stockholders' equity of the jointly-controlled subsidiaries arises from added value of the concession as a function of its commercial operation in the period specified by the regulator. The goodwill will be amortized over the remaining period of validity of the concessions.

The net consolidated assets acquired of the Wind power companies at August 14, 2009 are as follows:

|                               | Morgado       | Parajuru      | Volta do Rio   | Total          |
|-------------------------------|---------------|---------------|----------------|----------------|
| <b>ASSETS</b>                 |               |               |                |                |
| Currant assets                | 7,128         | 7,257         | 86,527         | 100,912        |
| Property, plant and equipment | 81,067        | 88,254        | 71,033         | 240,354        |
| Other assets                  | 1,503         | 177           |                | 1,680          |
| <b>TOTAL ASSETS</b>           | <b>89,698</b> | <b>95,688</b> | <b>157,560</b> | <b>342,946</b> |
| <b>LIABILITIES</b>            |               |               |                |                |
| Current liabilities           | 1,449         | 6,024         | 12,606         | 20,079         |
| Long-term financing           | 62,007        | 55,281        | 86,167         | 203,455        |
| Other long-term liabilities   | 343           |               | 1,500          | 1,843          |

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|   |               |               |                |                |
|---|---------------|---------------|----------------|----------------|
| TOTAL LIABILITIES                             | <b>63,799</b> | <b>61,305</b> | <b>100,273</b> | <b>225,377</b> |
| NET CONSOLIDATED ASSETS                       | <b>25,899</b> | <b>34,383</b> | <b>57,287</b>  | <b>117,569</b> |
| Total purchase price with goodwill            | 25,899        | 34,383        | 57,287         | 117,569        |
| Goodwill in the acquisition                   | 43,843        | 31,163        | 30,808         | 105,814        |
| Total purchase price                          | <b>69,742</b> | <b>65,546</b> | <b>88,095</b>  | <b>223,383</b> |
| Cash and Cash equivalents                     | (4,781)       | (4,007)       | (13,216)       | (22,004)       |
| Cash flow less cash acquisition of subsidiary | 64,961        | 61,540        | 74,879         | 201,380        |

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**Consortia**

The Company participates in consortia to operate 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 GT**, of the specific portion equivalent to the investments made, as follows:

|   | Stake in the energy generated | Average annual depreciation rate % | 09/30/2009       | 06/30/2009       |
|---|-------------------------------|------------------------------------|------------------|------------------|
| <b>In service</b>                       |                               |                                    |                  |                  |
| Porto Estrela Plant                     | 33.33%                        | 2.48                               | 38,625           | 38,625           |
| Igarapava Plant                         | 14.50%                        | 2.58                               | 55,554           | 55,554           |
| FuniI Plant                             | 49.00%                        | 2.40                               | 181,595          | 181,595          |
| Queimado Plant                          | 82.50%                        | 2.45                               | 206,724          | 193,599          |
| Aimorés Plant                           | 49.00%                        | 2.50                               | 549,538          | 549,538          |
| Accumulated depreciation                |                               |                                    | (131,476)        | (124,859)        |
| <b>Total, in operation</b>              |                               |                                    | <b>900,560</b>   | <b>894,052</b>   |
| <b>In progress</b>                      |                               |                                    |                  |                  |
| Queimado Plant                          | 82.50%                        |                                    |                  | 13,125           |
| FuniI Plant                             | 49.00%                        |                                    | 1,008            | 872              |
| Aimorés Plant                           | 49.00%                        |                                    | 1,058            |                  |
| <b>Total, in progress</b>               |                               |                                    | <b>2,066</b>     | <b>13,997</b>    |
| <b>Total, consortia Holding company</b> |                               |                                    | <b>902,626</b>   | <b>908,049</b>   |
| Usina de Baguari under construction     | 34.00%                        |                                    | 174,042          | 164,235          |
| <b>Total, consortia Consolidated</b>    |                               |                                    | <b>1,076,668</b> | <b>1,072,284</b> |

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.

**The main information on the investees is as follows:**

| Jointly-controlled subsidiaries | Number of shares | Stake % | On September 30, 2009 |                     |
|---------------------------------|------------------|---------|-----------------------|---------------------|
|                                 |                  |         | Paid-up capital       | Stockholders equity |
| Hidrelétrica Cachoeirão S.A.    | 35,000,000       | 49.00   | 35,000                | 44,036              |
| Guanhães Energia S.A.           | 52,000,000       | 49.00   | 19,608                | 20,687              |
| Hidrelétrica Pipoca S.A.        | 35,382,415       | 49.00   | 39,055                | 38,214              |
| Madeira Energia S.A.            | 100,000          | 10.00   | 100                   | 100                 |
| Cemig Baguari Energia S.A.      | 1,000            | 100.00  | 1                     | 21                  |
| Baguari Energia S.A.            | 1,000,000        | 69.39   | 10                    | 250,835             |

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|  |             |       |         |         |
|--|-------------|-------|---------|---------|
| Empresa Brasileira de Transmissão de Energia S. A. | 49,604,465  | 49.00 | 109,999 | 109,999 |
| Central Eólica Praias de Parajuru S.A.             | 70,560,000  | 49.00 | 70,560  | 70,560  |
| Central Eólica Volta do Rio S.A.                   | 117,230,000 | 49.00 | 117,230 | 117,242 |
| Central Eólica Praias de Morgado S.A.              | 52,960,000  | 49.00 | 52,960  | 52,960  |

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**New acquisitions**

Acquisition of 65.85% of Terna Participações S.A.

On April 23, 2009 **Cemig GT** acquired, from **Terna S.p.A.**, 65.85% of **Terna Participações S.A.**, a holding company operating in electricity transmission, with a presence in 11 of Brazil's States, for R\$ 2.15 billion. The holding company controls a total of six companies, which operate a total of more than 3,750 km of transmission lines.

On August 5, 2009 Cemig's Board of Directors approved, as an alternative to acquisition of all of the shares of Terna Participações S.A. ( **Terna** ) held by Terna Rete Elettrica Nazionale S.p.A ( **Terna S.p.A** ), as specified as optional under the Share Purchase Agreement signed on that date between **Cemig GT** and **Terna S.p.A.**, the possibility of reduction of the final stockholding interest to be held by Cemig GT in Terna, in that acquisition, to a minimum level of 50% less 1 (one) of the common shares in Terna, and, as to the preferred shares, to a minimum representing the percentage realized by the Public Offer to purchase the shares of the minority stockholders in that company, through a partnership to be constituted with **Fundo de Investimentos em Participação Coliseu** (FIP Coliseu), if it becomes possible for all the units of this FIP (Equity Investment Fund), necessary for the said acquisition, to be subscribed.

On October 19, 2009 **Cemig GT** published its announcement of completion of the public distribution of units of the First Issue by **FIP Coliseu**, structured by **Banco Modal S.A.**, in the total amount of R\$ 1,330,000. This amount was sufficient for this fund to acquire 51% of the common shares of **Terna Participações S.A.** ( **Terna** ). A meeting of the Board of Directors has been scheduled to decide on the contractual instruments that will regulate the Company's partnership with **FIP Coliseu** in the acquisition of 100% of the shares of **Terna** held by Terna Rete Elettrica Nazionale S.p.A ( **Terna S.p.A** ), Subject of the Share Purchase Agreement signed on April 23, 2009 between **Cemig GT** and **Terna S.p.A.** as announced on that date.

On November 3, 2009 that Share Purchase Agreement signed with **Terna S.p.A.** was settled with payment and transfer of the shares owned by **Terna** to **Transmissora do Atlântico de Energia Elétrica S.A. - Taesa**, in which **Cemig GT** holds 49% of the registered capital. The purchase was of 173,527,113 common shares, representing approximately 65.85% of the total capital of **Terna**.

The stockholders of **Taesa** are **Cemig GT** and **Fundo de Investimentos em Participações Coliseu**. On a date to be announced, **Taesa** will make a public offer for acquisition of the shares of **Terna** in circulation, to ensure that the other stockholders of **Terna** receive the same treatment given to **Terna S.p.A.**



Table of Contents**10) FIXED ASSETS**

|  |                      | <b>09/30/2009</b>               |                  | <b>06/30/2009</b> |
|--|----------------------|---------------------------------|------------------|-------------------|
|  | <b>Historic cost</b> | <b>Accumulated depreciation</b> | <b>Net value</b> | <b>Net value</b>  |
| <b>In service</b>                            | <b>8,090,965</b>     | <b>(3,731,613)</b>              | <b>4,359,352</b> | <b>4,405,048</b>  |
| - Generation                                 | 6,728,932            | (3,009,361)                     | 3,719,571        | 3,757,199         |
| Land   | 195,715              |                                 | 195,715          | 195,552           |
| Reservoirs, dams and water courses           | 3,672,137            | (1,424,455)                     | 2,247,682        | 2,266,813         |
| Buildings, works and improvements            | 781,019              | (364,833)                       | 416,186          | 421,034           |
| Machinery and equipment                      | 2,075,359            | (1,215,798)                     | 859,561          | 873,418           |
| Vehicles                                     | 2,164                | (1,873)                         | 291              | 259               |
| Furniture and utensils                       | 2,538                | (2,402)                         | 136              | 123               |
| - Transmission                               | 1,299,025            | (682,703)                       | 616,322          | 624,429           |
| Land   | 2,138                |                                 | 2,138            | 2,138             |
| Buildings, works and improvements            | 106,549              | (59,897)                        | 46,652           | 47,577            |
| Machinery and equipment                      | 1,189,166            | (621,849)                       | 567,317          | 574,515           |
| Vehicles                                     | 175                  | (134)                           | 41               | 45                |
| Furniture and utensils                       | 997                  | (823)                           | 174              | 154               |
| - Administration                             | 63,008               | (39,549)                        | 23,459           | 23,420            |
| Land   | 458                  |                                 | 458              | 621               |
| Buildings, works and improvements            | 13,760               | (7,457)                         | 6,303            | 6,524             |
| Machinery and equipment                      | 34,991               | (22,479)                        | 12,512           | 11,612            |
| Vehicles                                     | 10,829               | (6,739)                         | 4,090            | 4,585             |
| Furniture and utensils                       | 2,970                | (2,874)                         | 96               | 78                |
| <b>In progress</b>                           | <b>232,905</b>       |                                 | <b>232,905</b>   | <b>198,255</b>    |
| - Generation                                 | 117,795              |                                 | 117,795          | 109,226           |
| - Transmission                               | 85,608               |                                 | 85,608           | 69,309            |
| - Administration                             | 29,502               |                                 | 29,502           | 19,720            |
| <b>Total fixed assets</b>                    | <b>8,323,870</b>     | <b>(3,731,613)</b>              | <b>4,592,257</b> | <b>4,603,303</b>  |
| Special Obligations linked to the concession | (7,924)              |                                 | (7,924)          | (7,924)           |
| <b>Net fixed assets Holding company</b>      | <b>8,315,946</b>     | <b>(3,731,613)</b>              | <b>4,584,333</b> | <b>4,595,379</b>  |
| <b>In service Subsidiaries</b>               | <b>144,794</b>       | <b>(1,283)</b>                  | <b>143,511</b>   | <b>48,831</b>     |
| - Generation                                 | 144,768              | (1,282)                         | 143,486          | 48,813            |
| - Administration                             | 26                   | (1)                             | 25               | 18                |
| <b>In progress Subsidiaries</b>              | <b>472,919</b>       |                                 | <b>472,919</b>   | <b>232,225</b>    |
| - Generation                                 | 422,813              |                                 | 422,813          | 211,076           |
| - Transmission                               | 48,083               |                                 | 48,083           | 19,688            |
| - Administration                             | 2,023                |                                 | 2,023            | 1,461             |
| <b>Net fixed assets Consolidated</b>         | <b>8,933,659</b>     | <b>(3,732,896)</b>              | <b>5,200,763</b> | <b>4,876,435</b>  |

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.



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## 11) INTANGIBLE

|   |                | 09/30/2009               |                | 06/30/2009    |
|---|----------------|--------------------------|----------------|---------------|
|   | Historic cost  | Accumulated depreciation | Net value      | Net value     |
| <b>In service</b>                         | <b>30,456</b>  | <b>(20,849)</b>          | <b>9,607</b>   | <b>9,984</b>  |
| - Generation                              | 2,381          | (955)                    | 1,426          | 1,542         |
| - Transmission                            | 9,661          | (2,681)                  | 6,980          | 7,081         |
| - Administration                          | 18,414         | (17,213)                 | 1,201          | 1,361         |
| <b>In progress</b>                        | <b>5,075</b>   |                          | <b>5,075</b>   | <b>4,715</b>  |
| - Generation                              | 1,188          |                          | 1,188          | 1,089         |
| - Transmission                            | 1,469          |                          | 1,469          | 1,373         |
| - Administration                          | 2,418          |                          | 2,418          | 2,253         |
| <b>intangible, net Holding company</b>    | <b>35,531</b>  | <b>(20,849)</b>          | <b>14,682</b>  | <b>14,699</b> |
| <b>In service</b>                         | <b>34,779</b>  | <b>(118)</b>             | <b>34,661</b>  | <b>37</b>     |
| - Generation                              | 34,769         | (117)                    | 34,652         | 28            |
| - Administration                          | 10             | (1)                      | 9              | 9             |
| <b>In progress</b>                        | <b>76,699</b>  |                          | <b>76,699</b>  | <b>2,756</b>  |
| - Generation                              | 76,699         |                          | 76,699         | 2,756         |
| <b>Net intangible assets Consolidated</b> | <b>147,009</b> | <b>(20,967)</b>          | <b>126,042</b> | <b>17,492</b> |

## 12) SUPPLIERS

|   | Consolidated   |               | Holding company |               |
|---|----------------|---------------|-----------------|---------------|
|   | 09/30/2009     | 06/30/2009    | 09/30/2009      | 06/30/2009    |
| <b>Current</b>                                      |                |               |                 |               |
| Wholesale supply and transport of electricity -     |                |               |                 |               |
| Purchase of Free Energy during the rationing period |                | 12,148        |                 | 12,148        |
| União Com. de Energia Elétrica                      | 7,101          | 7,101         | 7,101           | 7,101         |
| Cemig D   | 4,925          | 6,727         | 4,925           | 6,727         |
| CHESF Cia. Hidroelétrica do São Francisco           | 2,879          | 2,934         | 2,879           | 2,934         |
| CTEEP Cia. Trans. Energia Elétrica Paulista         | 3,143          | 3,278         | 3,143           | 3,278         |
| Eletronorte Centrais Elétricas do Norte do Brasil   | 2,049          | 2,149         | 2,049           | 2,149         |
| Eletrosul Centrais Elétricas do Sul                 | 1,993          | 2,209         | 1,993           | 2,209         |
| Other generators and distributors                   | 29,871         | 25,864        | 28,978          | 25,864        |
|   | 51,961         | 62,410        | 51,068          | 62,410        |
| Materials and services                              | 63,133         | 33,885        | 32,319          | 16,133        |
|   | <b>115,094</b> | <b>96,295</b> | <b>83,387</b>   | <b>78,543</b> |
| <b>Non-current (*)</b>                              |                |               |                 |               |
| Wholesale electricity supply                        |                |               |                 |               |
| Purchase of Free Energy during the rationing period | 122            | 78            | 122             | 78            |
| Materials and services                              | 1,732          | 1,649         |                 |               |
|   | <b>1,854</b>   | <b>1,727</b>  | <b>122</b>      | <b>78</b>     |
| <b>Total, Suppliers</b>                             | <b>116,948</b> | <b>98,022</b> | <b>83,509</b>   | <b>78,621</b> |

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(\*) Presented in the line Other obligations

Table of Contents**13) TAXES, CHARGES AND CONTRIBUTIONS**

|                             | Consolidated |  |            | Holding company |  |            |
|-----------------------------|--------------|--|------------|-----------------|--|------------|
|                             | 09/30/2009   |  | 06/30/2009 | 09/30/2009      |  | 06/30/2009 |
| <b>Current</b>              |              |  |            |                 |  |            |
| Income tax                  | 279,058      |  | 181,067    | 278,785         |  | 180,974    |
| Social Contribution tax     | 103,085      |  | 66,543     | 102,932         |  | 66,492     |
| ICMS tax                    | 28,170       |  | 27,767     | 27,380          |  | 27,143     |
| Cofins tax                  | 22,686       |  | 19,574     | 22,576          |  | 19,520     |
| Pasep tax                   | 10,143       |  | 9,467      | 10,118          |  | 9,454      |
| Social security system      | 3,434        |  | 3,391      | 3,279           |  | 3,189      |
| Others                      | 9,718        |  | 1,869      | 9,427           |  | 1,735      |
|                             | 456,294      |  | 309,678    | 454,497         |  | 308,507    |
| <b>Deferred obligations</b> |              |  |            |                 |  |            |
| Income tax                  | 20,941       |  | 29,290     | 20,941          |  | 29,290     |
| Social Contribution tax     | 7,539        |  | 10,544     | 7,539           |  | 10,544     |
| Cofins tax                  | 6,366        |  | 8,904      | 6,366           |  | 8,904      |
| Pasep tax                   | 1,382        |  | 1,933      | 1,382           |  | 1,933      |
|                             | 36,228       |  | 50,671     | 36,228          |  | 50,671     |
|                             | 492,522      |  | 360,349    | 490,725         |  | 359,178    |
| <b>Non-current</b>          |              |  |            |                 |  |            |
| Cofins tax                  | 32,771       |  | 26,863     | 32,771          |  | 26,863     |
| Pasep tax                   | 7,115        |  | 5,832      | 7,115           |  | 5,832      |
|                             | 39,886       |  | 32,695     | 39,886          |  | 32,695     |
| <b>Deferred obligations</b> |              |  |            |                 |  |            |
| Income tax                  | 74,832       |  | 71,647     | 74,832          |  | 71,647     |
| Social Contribution tax     | 26,938       |  | 25,793     | 26,938          |  | 25,793     |
| Cofins tax                  | 6,318        |  | 5,499      | 6,318           |  | 5,499      |
| Pasep tax                   | 1,372        |  | 1,194      | 1,372           |  | 1,194      |
|                             | 109,460      |  | 104,133    | 109,460         |  | 104,133    |
|                             | 149,346      |  | 136,828    | 149,346         |  | 136,828    |

The deferred obligations in *Current* refer basically to the assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory issues, and become due as and when these assets and liabilities are realized.

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 obtained a Court injunction enabling it not to make the payment and authorizing payment into Court starting from 2008.

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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 assets and liabilities linked to regulatory issues, which become payable as and when the latter are realized.

The non-current Pasep and Cofins liabilities refer substantially to assets and liabilities linked to regulatory issues, which become payable as and when they are realized.

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## 14) LOANS, FINANCINGS AND DEBENTURES

| Consolidated                                    |                    |                           |          |                |              |                |       |                |       |       |                |  |
|---|--------------------|---------------------------|----------|----------------|--------------|----------------|-------|----------------|-------|-------|----------------|--|
| 09/30/2009                                      |                    |                           |          |                |              |                |       |                |       |       | 06/30/2009     |  |
| FINANCING SOURCES                               | Principal maturity | Annual financial cost (%) | Currency | Current        | Non-current  | Total          | Total | Total          | Total | Total | Total          |  |
| <b>FOREIGN CURRENCY</b>                         |                    |                           |          |                |              |                |       |                |       |       |                |  |
| Banco do Brasil (1)                             | 2009               | 3.90                      | JPY      | 79,182         |              | 79,182         |       | 79,182         |       |       | 80,214         |  |
| BNP Paribas                                     | 2010               | Libor + 1.875             | US\$     | 12,165         |              | 12,165         |       | 12,165         |       |       | 13,212         |  |
| BNP Paribas                                     | 2012               | 5.89                      | Euro     | 2,942          | 4,345        | 7,287          |       | 7,287          |       |       | 9,361          |  |
| Unibanco (2)                                    | 2009               | 6.50                      | US\$     | 8,539          |              | 8,539          |       | 8,539          |       |       | 9,221          |  |
| Unibanco (3)                                    | 2009               | 5.00                      | US\$     | 6,329          |              | 6,329          |       | 6,329          |       |       | 6,859          |  |
| <b>Debt in foreign currency</b>                 |                    |                           |          | <b>109,157</b> | <b>4,345</b> | <b>113,502</b> |       | <b>113,502</b> |       |       | <b>118,867</b> |  |
| <b>BRAZILIAN CURRENCY</b>                       |                    |                           |          |                |              |                |       |                |       |       |                |  |
| Banco Credit Suisse First Boston S.A.           | 2010               | 106.00 of CDI             | R\$      | 75,157         |              | 75,157         |       | 75,157         |       |       | 75,164         |  |
| Banco do Brasil                                 | 2009               | 111.00 of CDI             | R\$      | 69,221         |              | 69,221         |       | 69,221         |       |       | 67,582         |  |
| Banco do Brasil                                 | 2013               | CDI + 1.70                | R\$      | 15,170         | 81,623       | 96,793         |       | 96,793         |       |       | 95,281         |  |
| Banco do Brasil                                 | 2013               | 107.60 of CDI             | R\$      | 1,198          | 30,000       | 31,198         |       | 31,198         |       |       | 30,481         |  |
| Banco do Brasil                                 | 2014               | 104.10 of CDI             | R\$      | 36,744         | 900,000      | 936,744        |       | 936,744        |       |       | 915,910        |  |
| Banco Itaú BBA                                  | 2013               | CDI + 1.70                | R\$      | 29,601         | 151,748      | 181,349        |       | 181,349        |       |       | 183,108        |  |
| Banco Votorantim                                | 2010               | 113.50 of CDI             | R\$      | 650            | 25,125       | 25,775         |       | 25,775         |       |       | 25,150         |  |
| Brazilian Development Bank (BNDES)              | 2026               | URTJ+2.34                 | R\$      | 3,231          | 116,097      | 119,328        |       | 119,328        |       |       | 108,980        |  |
| Bradesco  | 2013               | CDI + 1.70                | R\$      | 18,507         | 131,783      | 150,290        |       | 150,290        |       |       | 146,440        |  |
| Bradesco  | 2014               | CDI + 1.70                | R\$      | 163            | 1,820        | 1,983          |       | 1,983          |       |       | 1,932          |  |
| Debentures (4)                                  | 2009               | CDI + 1.20                | R\$      | 388,234        |              | 388,234        |       | 388,234        |       |       | 378,768        |  |
| Debentures (4)                                  | 2011               | 104.00 of CDI             | R\$      | 24,567         | 238,816      | 263,383        |       | 263,383        |       |       | 257,531        |  |
| Debentures Minas Gerais state government (4)(6) | 2031               | IGP-M                     | R\$      |                | 35,978       | 35,978         |       | 35,978         |       |       | 34,934         |  |
| Eletrobrás (6)                                  | 2013               | Finel+ 7.50 to 8.50       | R\$      | 12,326         | 39,031       | 51,357         |       | 51,357         |       |       | 54,480         |  |
| Santander do Brasil                             | 2013               | CDI + 1.70                | R\$      | 7,655          | 22,286       | 29,941         |       | 29,941         |       |       | 30,554         |  |
| Unibanco  | 2009               | CDI + 2.98                | R\$      | 109,513        |              | 109,513        |       | 109,513        |       |       | 106,371        |  |
| Unibanco  | 2013               | CDI + 1.70                | R\$      | 33,567         | 161,096      | 194,663        |       | 194,663        |       |       | 195,509        |  |
| Banco Votorantim                                | 2013               | CDI + 1.70                | R\$      | 784            | 2,326        | 3,110          |       | 3,110          |       |       | 3,200          |  |
| Energ Power (9)                                 | 2012               | IPCA                      | R\$      | 109            | 764          | 873            |       | 873            |       |       | 873            |  |
| Finep (9)                                       | 2015               | URTJ + 5.00               | R\$      | 27             | 7,950        | 7,977          |       | 7,977          |       |       | 4,462          |  |
| Orteng Equipamentos e Sistemas (9)              | 2012               | IPCA                      | R\$      | 47             | 330          | 377            |       | 377            |       |       | 377            |  |
| Construtora Quebec (9)                          | 2012               | IPCA                      | R\$      | 150            | 1,052        | 1,202          |       | 1,202          |       |       | 1,202          |  |
| Unibanco(5)                                     | 2020               | TJLP + 2.55               | R\$      | 172            | 7,018        | 7,190          |       | 7,190          |       |       | 7,363          |  |
| Banco do Brasil (5)                             | 2020               | TJLP + 2.55               | R\$      | 683            | 28,223       | 28,906         |       | 28,906         |       |       | 29,589         |  |
| BNDES (7)                                       | 2033               | TJLP + 2.40               | R\$      |                | 171,408      | 171,408        |       | 171,408        |       |       | 162,354        |  |
| Debentures (7)                                  | 2013               | IPCA                      | R\$      |                | 157,703      | 157,703        |       | 157,703        |       |       | 154,503        |  |
| CCB Banco Bradesco (8)                          | 2009               | CDI + 0.84                | R\$      | 7,350          |              | 7,350          |       | 7,350          |       |       | 2,028          |  |
| Caixa Ec. Fed. (Federal Savings Bank) (10)      | 2022               | TJLP + 3.50               | R\$      |                | 62,462       | 62,462         |       | 62,462         |       |       |                |  |

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|                                   |      |             |     |                |                  |                  |                  |
|-----------------------------------|------|-------------|-----|----------------|------------------|------------------|------------------|
| Caixa Ec. Fed. (11)               | 2022 | TJLP + 3.50 | R\$ | 55,864         | 55,864           |                  |                  |
| Caixa Ec. Fed. (12)               | 2022 | TJLP + 3.50 | R\$ | 86,730         | 86,730           |                  |                  |
| <b>Debt in Brazilian currency</b> |      |             |     | <b>834,826</b> | <b>2,517,233</b> | <b>3,352,059</b> | <b>3,074,126</b> |
| <b>Overall total</b>              |      |             |     | <b>943,983</b> | <b>2,521,578</b> | <b>3,465,561</b> | <b>3,192,993</b> |

(1) to (3) Swaps 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 CDI rate;      (2) CDI + 2.98% p.a.;      (3) CDI + 3.01% p.a.
- (4) Nominal, unsecured, book-entry debentures not convertible into shares, without preference.
- (5) Loan borrowed by the jointly-controlled subsidiary Hidrelétrica Cachoeirão S.A.
- (6) Contracts adjusted to present value, as per changes to the Corporate Law made by Law 11638/07.
- (7) Loan contracted for the jointly-controlled subsidiary Madeira Energia S.A.
- (8) Loan contracted for the jointly-controlled subsidiary Hidrelétrica Pipoca S.A.
- (9) Loan for subscription of the registered capital of Hidrelétrica Pipoca S.A.
- (10) Loan contracted for the jointly-controlled subsidiary Praia de Morgado S.A..
- (11) Loan contracted for the jointly-controlled subsidiary Praia de Parajuru S.A..
- (12) Loan contracted for the jointly-controlled subsidiary Volta do Rio S.A..



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

|                                      | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015   | 2016 and following years | Total     |
|--------------------------------------|---------|---------|---------|---------|---------|---------|--------|--------------------------|-----------|
| <b>Currency</b>                      |         |         |         |         |         |         |        |                          |           |
| US dollar                            | 21,065  | 5,968   |         |         |         |         |        |                          | 27,033    |
| Euro                                 | 45      | 2,897   | 2,897   | 1,448   |         |         |        |                          | 7,287     |
| Yen                                  | 79,182  |         |         |         |         |         |        |                          | 79,182    |
|                                      | 100,292 | 8,865   | 2,897   | 1,448   |         |         |        |                          | 113,502   |
| <b>Indexors</b>                      |         |         |         |         |         |         |        |                          |           |
| IGP-M inflation index                |         |         |         |         |         |         |        | 35,978                   | 35,978    |
| Eletrobrás Finel internal index      | 3,082   | 12,325  | 12,326  | 12,326  | 11,298  |         |        |                          | 51,357    |
| IPCA (Expanded Consumer Price Index) |         | 613     | 1,225   | 103,121 | 55,197  |         |        |                          | 160,156   |
| Interbank CD rate CDI                | 687,975 | 252,072 | 390,308 | 451,947 | 481,947 | 300,455 |        |                          | 2,564,704 |
| Others                               | 2,890   | 20,834  | 29,616  | 29,778  | 29,778  | 38,348  | 36,726 | 351,493                  | 539,864   |
|                                      | 693,947 | 285,844 | 433,475 | 597,172 | 578,220 | 338,803 | 36,726 | 351,894                  | 3,352,059 |
|                                      | 794,239 | 294,709 | 436,372 | 598,620 | 578,220 | 338,803 | 36,726 | 387,872                  | 3,465,561 |

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

| Currency  | Change in quarter ended 09/30/2009 % | Change YTD in 2009 % | Indexor | Change in quarter ended 09/30/2009 % | Change YTD in 2009 % |
|-----------|--------------------------------------|----------------------|---------|--------------------------------------|----------------------|
| US dollar | (8.89)                               | (23.92)              | IGP-M   | (0.38)                               | (1.61)               |
| Euro      | (5.06)                               | (19.67)              | Finel   | (0.08)                               | (0.32)               |
| Yen       | (2.24)                               | (23.21)              | Selic   | 2.19                                 | 7.67                 |
|           |                                      |                      | CDI     | 2.15                                 | 7.59                 |

The movement on loans and financings is as follows:

|  |                  |
|--|------------------|
| <b>Balance at June 30, 2009</b>                | <b>3,192,993</b> |
| Acquisition of subsidiaries Consolidated loans | 200,466          |
| Loans and financings obtained                  | 24,315           |
| Monetary and FX variation                      | (5,252)          |
| Financial charges provisioned                  | 77,436           |
| Adjustment to present value                    | 2,206            |
| Financial charges paid                         | (21,181)         |
| Amortization of financings                     | (5,422)          |
| <b>Balance at September 30, 2009</b>           | <b>3,465,561</b> |

**Restrictive covenant clauses**

**Cemig GT** has loans and financings with restrictive covenant clauses. These were fully complied with on September 30, 2009.

Table of Contents**15) REGULATORY CHARGES**

|  | <b>Consolidated and Holding<br/>company</b> |                   |
|--|---|-------------------|
|  | <b>09/30/2009</b>                           | <b>06/30/2009</b> |
| Global Reversion Reserve RGR                                 | 15,461                                      | 13,054            |
| Fuel Consumption Account CCC                                 | 4,732                                       | 4,186             |
| Energy Development Account CDE                               | 5,455                                       | 4,540             |
| Aneel inspection charge                                      | 1,386                                       | 1,386             |
| Alternative Energy Program Proinfra                          | 2,574                                       | 2,199             |
| National Scientific and Technological Development Fund FNDCT | 2,123                                       | 3,177             |
| Research and development                                     | 60,579                                      | 57,164            |
| Energy system expansion research                             | 1,061                                       | 1,589             |
|  | <b>93,371</b>                               | <b>87,295</b>     |
| Current liabilities  | 83,585                                      | 80,643            |
| Non-current liabilities                                      | 9,786                                       | 6,652             |

**16) POST-EMPLOYMENT OBLIGATIONS**

**Cemig GT** is one of the sponsors 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 at the stage of accumulation of funds, for retirement benefits for normal time of service, and defined-benefit coverage for disability or death of participants still in active employment, and also 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.

**Cemig GT**'s contribution to this plan is 27.52% for the portion with defined benefit characteristics, relating to the coverage for invalidity or death of an active participant, and this is used for amortization of the defined obligations 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 defined contribution characteristics, and their respective assets, in the amount of R\$ 537,391, are not presented in this Explanatory Note.

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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. For participants who are still working, this benefit has been deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, which completes the average real salary of the employee s last three working years in the Company in relation to the amount of the Official Social Security benefit. Six active employees and 45 retirees or pension holders are inscribed in this plan.

Independently from the plans made available by Forluz, **Cemig GT** also maintains payments for part of the life insurance premium for retirees, and contributes to a health plan and a dental plan for the employees, retirees and dependents, which are administered by Forluz.

Table of Contents**Separation of the Health Plan**

On August 26, 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 actuarial obligation for post-employment benefits, in the amount of R\$ 208,109 on September 30, 2009 (R\$ 211,193 on June 30, 2009), was recognized as an obligation payable by **Cemig GT** and is being amortized up to June 2024, through monthly installments calculated by the system of constant installments (the so-called Price table). The amounts are updated by the IPCA (Amplified National Consumer Price) Index published by the Brazilian Geography and Statistics Institute (IBGE), plus 6% per year.

The liabilities and expenses recognized by the Company 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. Hence the financial updating of the obligation in the debt agreed with Forluz mentioned in the previous paragraph does not produce accounting effects in the Income statement of **Cemig GT**. The most recent actuarial valuation was made for base-date December 31, 2008.

The movement in net liabilities has been as follows:

|  | Consolidated and Holding company              |             |             |                |          |  |
|--|---|-------------|-------------|----------------|----------|--|
|  | Pension plans and retirement supplement plans | Health plan | Dental plan | Life insurance | Total    |  |
| Net liabilities on June 30, 2009                     | 85,345  | 79,880      | 3,924       | 104,027        | 273,176  |  |
| Expense (revenue) recognized in the Income statement | 548   | 3,958       | 243         | 2,584          | 7,333    |  |
| Contributions paid                                   | (7,742)                                       | (1,891)     | (42)        | (621)          | (10,296) |  |
| Net liabilities on September 30, 2009                | 78,151  | 81,947      | 4,125       | 105,990        | 270,213  |  |
| Current liabilities                                  | 18,757  |             |             |                | 18,757   |  |
| Non-current liabilities                              | 59,394  | 81,947      | 4,125       | 105,990        | 251,456  |  |

**17) CONTINGENCY PROVISIONS**

The Company makes contingency provisions for lawsuits in which the chances of loss are assessed as probable , as follows:

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|                        | Balance on<br>06/30/2009 | Additions  | Balance on<br>09/30/2009 |
|------------------------|--------------------------|------------|--------------------------|
| <b>Labor-law cases</b> |                          |            |                          |
| Various                | 227                      | 4          | 231                      |
| <b>Civil cases</b>     |                          |            |                          |
| Environmental          | 7,065                    | 165        | 7,230                    |
| Other                  | 1,203                    | 646        | 1,849                    |
|                        | <b>8,268</b>             | <b>811</b> | <b>9,079</b>             |
| <b>Total</b>           | <b>8,495</b>             | <b>815</b> | <b>9,310</b>             |

**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 rates the risk of loss in this action as probable, in the amount of R\$ 7,230 which is duly provisioned.

**Legal actions with risk of loss classified as possible**

Additionally, there are legal actions of a labor-law, 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:

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 their rights to future payments known as the Anuênio, which would have been incorporated into salaries over a future period. The company did not pay income tax nor Social Security in relation to these amounts 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 decided to apply for an order of Mandamus, which allowed payment into Court of the potential obligations, in the amount of R\$ 28,716. These are posted in Deposits connected to legal actions. The Company believes it has arguments of merit for defense, and thus has made no provision for any losses on this case.

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 Aneel and the CCEE to comply with **AES**'s claim, and recalculate the settlement of the transactions during the rationing period leaving out of

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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, the value of which on September 30, 2009 would be approximately R\$ 91,504. 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 that would have been owed under the Special Financial Settlement made by the CCEE. Due to the above, no provision is constituted for this dispute, since the Company believes it has arguments on the merit for defense against this claim. It rates the chances of loss in this matter as possible .



Table of Contents**18) STOCKHOLDERS EQUITY**

On September 30, 2009 the registered capital of **Cemig GT** was R\$ 2,896,785, represented by 2,896,785,358 nominal common shares, without par value, wholly owned by **Cemig**.

In a meeting held on June 25, 2009, the Board of Directors of **Cemig** approved payment of Interest on Equity, calculated as part of the minimum obligatory dividend for 2009, in the amount of R\$ 107,136; on September 29, 2009 the Board approved a further amount of Interest on Equity, of R\$ 52,654; both to be paid in 2010. The tax benefits arising from payment of Interest on Equity were, respectively, R\$ 36,426 and R\$ 17,902. These were recognized in the period ending September 30, 2009.

**19) REVENUE FROM SUPPLY OF ELECTRICITY**

This table gives the breakdown of **Cemig GT**'s supply of electricity, by type of consumer:

|   | Number of consumers |            | Consolidated<br>(Not reviewed by external auditors) |                   | R\$              |                  |
|---|---------------------|------------|---|-------------------|------------------|------------------|
|   |                     |            | MWh   |                   |                  |                  |
|   | 09/30/2009          | 09/30/2008 | 09/30/2009  | 09/30/2008        | 09/30/2009       | 09/30/2008       |
| Industrial  | 138                 | 130        | 12,161,980  | 14,402,686        | 1,308,430        | 1,382,995        |
| Commercial  | 1                   |            | 3,441   |                   | 9,604            |                  |
| Retail supply not invoiced,<br>net                  |                     |            |   |                   | (19,723)         | 24,042           |
|   | 139                 | 130        | 12,165,421  | 14,402,686        | 1,298,311        | 1,407,037        |
| Wholesale supply to other<br>concession holders (*) | 44                  | 42         | 11,514,114  | 9,046,560         | 1,216,570        | 810,609          |
| Transactions in energy on<br>the CCBE               |                     |            | 1,577,657   | 980,332           | 117,022          | 114,235          |
| <b>Total</b>  | <b>183</b>          | <b>172</b> | <b>25,257,192</b>                                   | <b>24,429,578</b> | <b>2,631,903</b> | <b>2,331,881</b> |

(\*) Includes Contracts for Sale of Electricity in the Regulated Market (CCEARs), and bilateral contracts with other agents.

**20) 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 national grid. Amounts receivable are recorded in Assets, under Transport of electricity. In June 2009 **Cemig GT** recognized in full the revenue of R\$ 158,090 to be paid to the Company as a result of the Transmission Tariff Review, as described in Explanatory Note 6.

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|  | 09/30/2009     | Consolidated | 09/30/2008     |
|--|----------------|--------------|----------------|
| Revenue from use of the basic network                              | 402,351        |              | 367,913        |
| System connection revenue  | 97,395         |              | 93,871         |
| Revenue from backdated adjustment under Transmission Tariff Review | 136,657        |              |                |
|  | <b>636,403</b> |              | <b>461,784</b> |

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Table of Contents**21) DEDUCTIONS FROM OPERATIONAL REVENUE**

|  | <b>Consolidated</b> | <b>Holding company</b> |                   |
|--|---------------------|------------------------|-------------------|
|  | <b>09/30/2009</b>   | <b>09/30/2009</b>      | <b>09/30/2008</b> |
| Taxes on revenue   |                     |                        |                   |
| ICMS tax   | 241,975             | 240,498                | 259,420           |
| Cofins tax   | 231,325             | 231,031                | 188,732           |
| PIS and Pasep taxes  | 55,434              | 55,370                 | 40,810            |
| ISS value added tax on services, and other taxes             | 365                 | 365                    | 544               |
|  | <b>529,099</b>      | <b>527,264</b>         | <b>489,506</b>    |
| Charges to the consumer                                      |                     |                        |                   |
| Global Reversion Reserve RGR                                 | 68,028              | 68,028                 | 61,213            |
| Energy Development Account CDE                               | 20,610              | 20,610                 | 28,853            |
| Fuel Consumption Account CCC                                 | 18,513              | 18,513                 | 27,074            |
| Research and Development R&D                                 | 10,010              | 10,010                 | 8,466             |
| National Scientific and Technological Development Fund FNDCT | 9,883               | 9,883                  | 8,466             |
| Energy System Expansion Research EPE                         | 4,942               | 4,942                  | 3,610             |
|  | <b>131,986</b>      | <b>131,986</b>         | <b>137,682</b>    |
|  | <b>661,085</b>      | <b>659,250</b>         | <b>627,188</b>    |

**22) OPERATIONAL COSTS AND EXPENSES**

|  | <b>Consolidated</b> | <b>Holding company</b> |                   |
|--|---------------------|------------------------|-------------------|
|  | <b>09/30/2009</b>   | <b>09/30/2009</b>      | <b>09/30/2008</b> |
| Personnel expenses                                 | 234,764             | 234,326                | 191,183           |
| Post-employment obligations                        | 21,999              | 21,999                 | 36,013            |
| Materials  | 10,303              | 10,022                 | 10,518            |
| Raw materials and inputs for generation            | 4,070               | 4,070                  | 65,185            |
| Outsourced services                                | 88,241              | 87,658                 | 69,256            |
| Depreciation and amortization                      | 169,904             | 168,838                | 167,245           |
| Royalties for use of water resources               | 105,163             | 105,163                | 94,888            |
| Provisions (reversals) for operational losses      | 911                 | 911                    | (1,013)           |
| Charges for the use of the basic transmission grid | 208,356             | 208,356                | 200,945           |
| Electricity bought for resale                      | 116,716             | 116,227                | (399)             |
| Other operational expenses, net                    | 48,157              | 47,323                 | 59,497            |
|  | <b>1,008,584</b>    | <b>1,004,893</b>       | <b>893,318</b>    |

**a) PERSONNEL EXPENSES**

|   | <b>Consolidated</b> | <b>Holding company</b> |                   |
|---|---------------------|------------------------|-------------------|
|   | <b>09/30/2009</b>   | <b>09/30/2009</b>      | <b>09/30/2008</b> |
| Remuneration and salary-related charges and expenses          | 176,185             | 175,747                | 160,236           |
| Supplementary pension contributions Defined contribution plan | 11,408              | 11,408                 | 11,060            |
| Assistance benefits   | 18,463              | 18,463                 | 18,226            |
|   | <b>206,056</b>      | <b>205,618</b>         | <b>189,522</b>    |

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|  |                |                |                |
|--|----------------|----------------|----------------|
| (-) Personnel costs transferred to Works in progress | (12,391)       | (12,391)       | (8,877)        |
|  | <b>193,665</b> | <b>193,227</b> | <b>180,645</b> |
| The PPD Voluntary Retirement Program (a)             |                |                | 10,538         |
| The PDV Temporary Voluntary Retirement Program (b)   | 41,099         | 41,099         |                |
|  | <b>234,764</b> | <b>234,326</b> | <b>191,183</b> |

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Employee special retirement programs

(a) The PPD Permanent Voluntary Retirement Program

The Company has a permanent Voluntary Retirement Program (named PPD), which applies to any free and spontaneous terminations of employment contracts. Its main financial incentives include payment of 3 gross amounts of the employee's monthly remuneration and 6 months contributions to the Health Plan after leaving the company, deposit of the extra payment of 40% of the balance of the employee's FGTS fund, as would be applicable if termination were by the employer, 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 begun, in March 2008, 143 employees of **Cemig GT** have joined it, and provisions for the financial incentives were recognized in the income statement in 2008.

(b) The PDV Temporary Voluntary Retirement Program

In April 2009 Cemig put in place a temporary Voluntary Retirement Program named the PDV which employees were able to join between April 22 and June 5, 2009.

The financial incentive for employees who subscribed to the PDV program is an indemnity that varies between 3 and 16 times the employee's monthly remuneration, according to criteria set in the Program's regulations, among which the main factor is the time of contribution remaining for qualification for full retirement benefits under the National Social Security program. Another of the incentives is payment of the contribution to the pension fund and the National Social Security System up to the date when the employee would meet the requirements for retirement benefits under the National System (limited to 5 years), and deposit of the extra payment of 40% on the balance of the FGTS fund (which would be obligatory if the contract were being rescinded by the employer).

Additionally, **Cemig** guarantees full payment of the costs of the group life insurance plan (for 6 months) and the health plan (for 12 months), from the date of the employee leaving the Company, which must be between June 2009 and September 2010.

Since this program was begun, 207 employees of **Cemig GT** have joined it, and provisions for the financial incentives, totaling R\$ 41,099, have been recognized.

**b) OUTSOURCED SERVICES**

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|  | Consolidated<br>09/30/2009 | Holding company<br>09/30/2009 | 09/30/2008    |
|--|----------------------------|-------------------------------|---------------|
| Communication  | 3,096                      | 3,085                         | 2,729         |
| Maintenance and conservation of electricity facilities and equipment | 7,733                      | 7,733                         | 12,199        |
| Building conservation and cleaning                                   | 12,582                     | 12,578                        | 11,119        |
| Contracted labor   | 3,899                      | 3,899                         | 1,754         |
| Freight and airfares   | 2,789                      | 2,788                         | 2,507         |
| Accommodation and meals  | 3,687                      | 3,664                         | 3,435         |
| Security services  | 6,300                      | 6,300                         | 6,244         |
| Consultancy  | 6,447                      | 6,325                         | 2,271         |
| Maintenance and conservation of furniture and utensils               | 2,082                      | 2,082                         | 1,403         |
| Maintenance and conservation of vehicles                             | 2,698                      | 2,697                         | 2,499         |
| Electricity  | 3,345                      | 3,342                         | 4,097         |
| Environment  | 9,486                      | 9,486                         | 4,994         |
| Others   | 24,097                     | 23,679                        | 14,005        |
|  | <b>88,241</b>              | <b>87,658</b>                 | <b>69,256</b> |

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## 23) NET FINANCIAL EXPENSES

|   | Consolidated<br>09/30/2009 | Holding company  |                  |
|---|----------------------------|------------------|------------------|
|   |                            | 09/30/2009       | 09/30/2008       |
| <b>FINANCIAL REVENUES</b>   |                            |                  |                  |
| Revenue from cash investments                                     | 90,774                     | 89,995           | 88,485           |
| Arrears penalty payments on electricity bills                     | 1,452                      | 1,452            | 7,227            |
| Monetary updating on General Agreement for the Electricity Sector | 2,952                      | 2,952            | 21,654           |
| FX variations   | 34,208                     | 34,208           | 5                |
| Pasep and Cofins taxes on financial revenues                      | (248)                      | (248)            | (2,646)          |
| Gains on financial instruments (Note 25)                          | 2,818                      | 2,818            | 1,976            |
| Adjustment to present value                                       | 1,486                      | 1,486            | 15,149           |
| Other   | 22,740                     | 18,762           | 46,123           |
|   | <b>156,182</b>             | <b>151,425</b>   | <b>177,973</b>   |
| <b>FINANCIAL EXPENSES</b>   |                            |                  |                  |
| Charges on loans and financings                                   | (220,754)                  | (216,601)        | (259,323)        |
| FX variations   | (10)                       | (10)             | (11,276)         |
| Monetary updating on loans and financings                         | (92)                       | (92)             | (15,005)         |
| Losses on financial instruments (Note 25)                         | (40,303)                   | (40,303)         | (18,104)         |
| Provisions for losses on Free Energy transactions                 | 7,915                      | 7,915            | (18,346)         |
| Adjustment to present value                                       | (7,400)                    | (7,400)          | (4,337)          |
| Other   | (43,472)                   | (37,913)         | (31,331)         |
|   | <b>(304,116)</b>           | <b>(294,404)</b> | <b>(357,722)</b> |
| <b>NET FINANCIAL REVENUE (EXPENSES)</b>                           | <b>(147,934)</b>           | <b>(142,979)</b> | <b>(179,749)</b> |

Table of Contents**24) 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 Brazilian State of Minas Gerais.

**Cemig D** (Cemig Distribuição S.A.) and **Light S.A.** are also subsidiaries of Cemig.

**Cemig GT**'s principal balances and transactions with related parties are:

| COMPANY<br>Item                                 | ASSETS     |            | LIABILITIES |            | REVENUES   |            | EXPENSES   |            |
|---|------------|------------|-------------|------------|------------|------------|------------|------------|
|   | 09/30/2009 | 06/30/2009 | 09/30/2009  | 06/30/2009 | 09/30/2009 | 09/30/2008 | 09/30/2009 | 09/30/2008 |
| <b>CEMIG</b>                                    |            |            |             |            |            |            |            |            |
| Interest on Equity, and dividends               |            |            | 198,058     | 153,302    |            |            |            |            |
| Affiliates and holding company                  | 660        | 660        | 396         | 667        |            |            |            |            |
| <b>Cemig D</b>                                  |            |            |             |            |            |            |            |            |
| Affiliates and holding company                  | 10,021     | 10,031     | 25,893      | 4,877      |            |            |            |            |
| Supply of electricity (1)                       | 34,501     | 49,877     | 4,925       | 6,107      | 89,380     | 63,510     | (21,635)   | (17,282)   |
| <b>Light</b>                                    |            |            |             |            |            |            |            |            |
| Supply of electricity (1)                       | 571        | 391        | 405         | 405        | 6,829      | 16,098     |            | (3,957)    |
| <b>Minas Gerais state government</b>            |            |            |             |            |            |            |            |            |
| Taxes, charges and contributions - ICMS tax (4) | 41,379     | 31,320     | 28,170      | 27,767     | (241,975)  | (259,420)  |            |            |
| Taxes offsetable - ICMS tax (4)                 | 8,531      | 18,158     |             |            |            |            |            |            |
| Debentures (2)                                  |            |            | 35,978      | 34,934     |            |            | (3,193)    | (928)      |
| <b>FORLUZ</b>                                   |            |            |             |            |            |            |            |            |
| Post-employment obligations - current (3)       |            |            | 18,757      | 18,652     |            |            | (21,999)   | (36,013)   |
| Post-employment obligations - non-current (3)   |            |            | 251,456     | 254,524    |            |            |            |            |
| Others  |            |            | 4,272       | 4,297      |            |            |            |            |
| Personnel expenses (5)                          |            |            |             |            |            |            | (11,408)   | (11,060)   |
| Current administration expense (6)              |            |            |             |            |            |            | (2,156)    | (2,093)    |
| <b>OTHER</b>                                    |            |            |             |            |            |            |            |            |



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|  |  |    |  |    |       |  |  |  |  |  |  |  |  |  |  |
|--|--|----|--|----|-------|--|--|--|--|--|--|--|--|--|--|
| Affiliates and subsidiaries / parent company |  | 12 |  | 13 | 3,866 |  |  |  |  |  |  |  |  |  |  |
|--|--|----|--|----|-------|--|--|--|--|--|--|--|--|--|--|

Main material comments on the above transactions:

- (1) The Company has contracts for purchase of electricity from **Cemig GT** and **Light**, arising from the public electricity auction of 2005, for 8 years supply and with annual adjustment by the IGP-M inflation index.
- (2) Private issue of non-convertible debentures for R\$ 120,000, updated by the IGP M inflation index, for completion of the *Irapé* hydroelectric plant, with redemption after 25 years from the issue date. The amount at November 31, 2008 has been adjusted to present value in accordance with Law 11638/07.
- (3) The contracts of **Forluz** are updated by the Amplified Consumer Price Index (IPCA), calculated by the Brazilian Geography and Statistics Institute (IBGE) (see Explanatory Note 15) and will be amortized up to the business year of 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 7, 13, 14, 16, 19, 22 and 23.

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25) FINANCIAL INSTRUMENTS

The financial instruments used by **Cemig GT** are restricted to Cash and cash equivalents, Consumers and traders, Loans and financings, Obligations under debentures, and index contracts swaps. The gains and losses obtained on the transactions are registered 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 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 owed by 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, and adjusted to fair value. Gains or losses are recognized in the Income statement as and when they incurred.
- Derivative financial instruments: These are valued at fair value and the gains or losses are recognized directly in the income statement.

a) Management of risks

Corporate risk management is a management tool that is part of the practices of Corporate Governance, 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 hedge/protection strategies in relation to foreign exchange, interest rate and inflation risks. These have effects that are in line with the Company's strategy.

**Cemig GT**'s principal exposure risks are listed below:

*Exchange rate risk*

Cemig GT is exposed to the risk of increase in exchange rates, which could affect debt, net profit and cash flow.

The net exposure to exchange rates is as follows:

|                                   | Consolidated and Holding<br>company |                |
|-----------------------------------|-------------------------------------|----------------|
|                                   | 09/30/2009                          | 06/30/2009     |
| <b>EXPOSURE TO EXCHANGE RATES</b> |                                     |                |
| US dollar                         |                                     |                |
| Loans and financings              | 27,033                              | 29,292         |
| ( ) Contracted hedges / swaps (*) | 63,819                              | 62,728         |
|                                   | 90,852                              | 92,020         |
| Yen                               |                                     |                |
| Loans and financings              | 79,182                              | 80,214         |
| ( ) Contracted hedge transactions | (76,843)                            | (78,604)       |
|                                   | 2,339                               | 1,610          |
| Euro                              |                                     |                |
| Loans and financings              | 7,287                               | 9,361          |
| <b>Net liability exposure</b>     | <b>100,478</b>                      | <b>102,991</b> |

(\*) Includes the contracted transaction for R\$ 75,000 See item b .

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The Company estimates that, in a probable scenario, the appreciation of the exchange rates of foreign currencies against the Real at the end of the next 12 months will be 1.23%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the exchange rate of 25% and 50%, in relation to the scenario that it rates as probable considering these alternative scenarios as possible and remote, respectively.

| <b>Risk: FX exposure</b>                        | <b>Present exposure</b> | <b>Probable scenario</b> | <b>Possible scenario: depreciation of 25%</b> | <b>Remote scenario depreciation of 50%</b> |
|---|-------------------------|--------------------------|---|--|
| <b>US dollar</b>                                |                         |                          |   |  |
| Loans and financings                            | 27,033                  | 27,366                   | 34,207  | 41,049                                     |
| ( ) Contracted hedges and swaps                 | 63,819                  | 64,605                   | 80,756  | 96,908                                     |
|   | 90,852                  | 91,971                   | 114,963                                       | 137,957                                    |
| <b>Yen</b>                                      |                         |                          |   |  |
| Loans and financings                            | 79,182                  | 80,157                   | 100,197                                       | 120,236                                    |
| ( ) Contracted hedge transactions               | (76,843)                | (77,789)                 | (97,237)                                      | (116,684)                                  |
|   | 2,339                   | 2,368                    | 2,960   | 3,552                                      |
| <b>Euro</b>                                     |                         |                          |   |  |
| Loans and financings                            | 7,287                   | 7,377                    | 9,221   | 11,065                                     |
| <b>Net liability exposure</b>                   | <b>100,478</b>          | <b>101,716</b>           | <b>127,144</b>                                | <b>152,573</b>                             |
| <b>Net effect of exchange rate depreciation</b> |                         | <b>(1,238)</b>           | <b>(26,666)</b>                               | <b>(52,095)</b>                            |

*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\$ 12,165 at September 30, 2009.

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

|  | <b>Consolidated</b> |                   | <b>Holding company</b> |                   |
|--|---------------------|-------------------|------------------------|-------------------|
|  | <b>09/30/2009</b>   | <b>06/30/2009</b> | <b>09/30/2009</b>      | <b>06/30/2009</b> |
| <b>EXPOSURE OF CEMIG TO BRAZILIAN INTEREST RATES</b> |                     |                   |                        |                   |
| <b>Assets</b>  |                     |                   |                        |                   |
| Cash investments (Note 3)                            | 1,405,283           | 1,070,063         | 1,292,818              | 1,060,617         |
| Regulatory assets (Notes 5 and 6)                    | 157,365             | 180,409           | 157,365                | 180,409           |
|  | 1,562,648           | 1,250,472         | 1,450,183              | 1,241,026         |
| <b>Liabilities</b>                                   |                     |                   |                        |                   |
| Loans, financings and debentures (Note 14)           | (2,564,704)         | (2,515,008)       | (2,564,704)            | (2,515,008)       |
| Regulatory assets (Note 12)                          |                     | (12,148)          |                        | (12,148)          |
| Contracted hedge / swap transactions                 | (13,024)            | (15,876)          | (13,024)               | (15,876)          |

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|                               |                    |                    |                    |                    |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
|                               | (2,577,728)        | (2,543,032)        | (2,577,728)        | (2,543,032)        |
| <b>Net liability exposure</b> | <b>(1,015,080)</b> | <b>(1,292,560)</b> | <b>(1,127,545)</b> | <b>(1,302,006)</b> |

The risk of increase in the Selic interest rate is considered to be the most significant interest rate risk. The Company estimates that, in a probable scenario, the Selic rate on September 30, 2010 will be 9.50%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, in relation to the scenario that it considers as probable considering these alternative scenarios as possible and remote, respectively.

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|  | <b>Present exposure</b><br>Selic 8.75% | <b>Probable scenario: Selic</b><br>9.50% | <b>Possible scenario: Selic</b><br>11.88% | <b>Remote scenario: Selic</b><br>14.25% |
|--|--|--|---|---|
| <b>Risk: Increase in domestic interest rates</b>     |  |  |   |   |
| <b>Assets</b>  |  |  |   |   |
| Cash investments                                     | 1,405,283                              | 1,415,823                                | 1,499,268                                 | 1,482,574                               |
| Regulatory assets                                    | 157,365                                | 158,545                                  | 162,291                                   | 160,020                                 |
|  | 1,562,648                              | 1,574,368                                | 1,661,559                                 | 1,642,594                               |
| <b>Liabilities</b>                                   |  |  |   |   |
| Loans  | (2,564,704)                            | (2,583,939)                              | (2,644,979)                               | (2,705,763)                             |
| Contracted hedge / swap transactions                 | (13,024)                               | (13,122)                                 | (13,432)                                  | (13,740)                                |
|  | (2,577,728)                            | (2,597,061)                              | (2,658,411)                               | (2,719,503)                             |
| <b>Net liability exposure</b>                        | <b>(1,015,080)</b>                     | <b>(1,022,693)</b>                       | <b>(1,046,852)</b>                        | <b>(1,070,909)</b>                      |
| <b>Net effect of the variation in the Selic rate</b> |  | <b>(7,613)</b>                           | <b>(31,772)</b>                           | <b>(55,829)</b>                         |

*Credit risk*

The risk of 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 to make possible receipt of any receivables in arrears.

*Energy scarcity risk*

The electricity sold is generated, almost entirely, by hydroelectric power plants. A prolonged period of scarcity 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 and financings, with the restrictive covenant clauses normally applicable to these types of operation, related to economic and financial indices, cash flow and other indicators meeting certain levels. Non-compliance with these covenants could result in early maturity of debt. On September 30, 2009 the covenants were fully complied with.

*Risk of non-renewal of concessions*

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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 regulatory bodies do not grant the applications for renewals of these concessions, or if they decide to renew them upon imposition of additional costs for the Company ( concessions for consideration ) or setting of a price ceiling, the present levels of profitability and activity could be altered.

### b) Financial instruments derivatives

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

The principal amounts of derivatives transactions are not posted in the balance sheet, since they refer to transactions which do not require payments in full. Only payments of the gains or losses that actually occur are posted in the financial statements. The net results of these transactions amounted to: a loss of R\$ 37,485 in the first nine months of 2009 ( **9M09** ); and a loss of R\$ 16,128 in the first nine months of 2008 ( **9M08** ). These items were posted in Financial revenue (expenses).

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Method of calculation of the fair value of positions

The fair value of financial investments is 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 September 30, 2009.

| Receivable by<br>Cemig<br>Geração<br>e<br>Transmissão    | Payable by<br>Cemig<br>Geração e<br>Transmissão       | Maturity<br>period      | Market<br>Trading      | Principal amount<br>contract* |            | Book Value |            | Lost not realized<br>Fair Value |            | Accumulated Effect   |                   |
|--|---|-------------------------|------------------------|-------------------------------|------------|------------|------------|---------------------------------|------------|----------------------|-------------------|
|  |   |                         |                        | 09/30/2009                    | 06/30/2009 | 09/30/2009 | 06/30/2009 | 09/30/2009                      | 06/30/2009 | Receivable<br>Amount | Payable<br>Amount |
| 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 10/2009 to 11/2009 | Over the counter (OTC) | US\$6,288                     | US\$6,288  | (23.732)   | (21.520)   | (23.976)                        | (21.636)   |                      | (578)             |
| ¥(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 | (29.034)   | (25.561)   | (30.179)                        | (40.812)   |                      |                   |
| 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  | 86         | 89         | 86                              | 89         | 2,395                | (355)             |
|  |   |                         |                        |                               |            | (52.680)   | (46.992)   | (54.069)                        | (62.359)   | 2,395                | (933)             |

**c) Sensitivity analysis**

The two first derivate 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 on September 30, 2010 will be 9.50%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the CDI rate of 25% and 50%, in relation to September 30, 2009 scenarios which it assesses as possible and remote , respectively.

In these possible and remote scenarios, the CDI rate at September 30, 2010, would be: 11.88% and 14.25%, respectively.



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The last derivative instrument shown in the table above indicates that the Company is exposed to the monthly variation in the exchange rate for the US dollar against the Real if it is higher than 48% of the variation in the CDI rate. The Company estimates that the exchange rate of the US dollar against the Real on September 30, 2010 will be R\$ 1.80. The Company has made a sensitivity analysis of the effects on the Company's results arising from uniform increases, in the US dollar exchange rate, of 25% and 50%, in 2009 the chances of which we rate as possible and remote, respectively. In these possible and remote scenarios, the US\$ exchange rate at September 30, 2010, would be, respectively, R\$ 2.25 and R\$ 2.70.

|   | Base     | Probable scenario | Possible scenario | Remote scenario |
|---|----------|-------------------|-------------------|-----------------|
| <b><u>Risk: Increase in domestic interest rates</u></b> |          |                   |                   |                 |
| Contracts in US\$ and Yen                               | (88,024) | (88,684)          | (90,779)          | (92,865)        |
| Net effect of the variation in the Selic rate           |          | (660)             | (2,755)           | (4,841)         |
| <b><u>Risk: Increase in US\$ exchange rate</u></b>      |          |                   |                   |                 |
| Contracts updated at 106.00% of CDI                     | 75,000   | 75,924            | 94,905            | 113,886         |
| Net effect of variation of US\$                         |          | (924)             | (19,905)          | (38,886)        |

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**26) SUBSEQUENT EVENT**

a) On October 30, 2009 **Cemig GT** issued 270 commercial promissory notes of its third issue, all nominal and in physical form, in a single series, with nominal unit value of R\$ 10,000,000.00, comprising a total value of R\$ 2,700,000,000.00. The promissory notes have the guarantee of **Cemig**.

b) On November 3, 2009 that Share Purchase Agreement signed with **Terna S.p.A.** was settled with payment and transfer of the shares owned by **Terna** to **Transmissora do Atlântico de Energia Elétrica S.A. Taesa**, in which **Cemig GT** holds 49% of the registered capital. The purchase was of 173,527,113 common shares, representing approximately 65.85% of the total capital of **Terna** (see more information on note 9).

**CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE**

(Amounts are in thousands of Reais unless otherwise indicated.)

**A. YEAR-ON-YEAR COMPARISONS FOR THE 9 MONTHS**

*Net profit for the period*

**Cemig GT** posted net profit of **R\$ 1,003,849** for January through September 2009 ( **9M09** ), 29.20% more than its net profit of R\$ 776,977 in January through September 2008 ( **9M08** ). The better result in 2009 mainly reflects net revenue 19.83% higher, partially offset by operational expenses 12.90% higher; and also to the extraordinary revenue of R\$ 158,090, recorded in 2009, resulting from the Review of the Transmission Tariff.

*Ebitda (method of calculation not reviewed by external auditors)*

**Cemig GT** s Ebitda in 9M09 was 21.98% higher than in 9M08. Adjusted for the non-recurring items, it was 13.65% higher.

Due to the announcement of the Transmission Tariff Review for **Cemig GT**, Aneel decided on repositioning of the Company s Annual Permitted Transmission Revenue (RAP) at 5.35%, in the financial amount of R\$ 158,090, arising from the effect of the repositioning being backdated to 2005.

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There was also an impact on Ebitda, in 9M09, of R\$ 41,099, from the expenses of the PDV Voluntary Retirement Program.

| <b>Ebitda R\$</b>                                      | <b>09/30/2009</b> | <b>09/30/2008</b> | <b>Change, %</b> |
|--|-------------------|-------------------|------------------|
| Net profit   | 1,003,849         | 776,977           | 29.20            |
| + Income tax and Social Contribution tax               | 441,858           | 325,078           | 35.92            |
| + Profit shares  | 21,947            | 14,760            | 48.69            |
| + Financial revenues (expenses)                        | 147,934           | 179,749           | (17.70)          |
| + Depreciation and amortization                        | 169,904           | 167,245           | 1.59             |
| <b>= EBITDA</b>  | <b>1,785,492</b>  | <b>1,463,809</b>  | <b>21.98</b>     |
| <b>Non-recurring items:</b>                            |                   |                   |                  |
| + The PDV/PPD Retirement Program                       | 41,099            | 4,359             | 84.85            |
| Review of Transmission Revenue Technical Note 214/2009 | (158,090)         |                   |                  |
| <b>= ADJUSTED EBITDA</b>                               | <b>1,668,501</b>  | <b>1,468,168</b>  | <b>13.65</b>     |

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The higher Ebitda in 9M09 than 9M08 mainly reflects net revenue 19.83% higher, partially offset by operational expenses (excluding effects of depreciation and amortization) 15.51% higher.

Ebitda margin was also higher year-on-year, at 68.04% in 9M09, compared to 66.84% in 9M08.

*Revenue from supply of electricity*

Revenue from sales of electricity in 9M09 was R\$ 2,631,903, compared to R\$ 2,331,881 in 9M08 an increase of 12.87%.

This result arises primarily from revenues from electricity sold to other concession holders being 27.28% higher year-on-year, due to two auctions for sales to distributors, in which electricity was sold for tariffs between R\$ 125.00 and R\$ 145.77. As a result, revenue from electricity sold was R\$ 1,216,570 in 3M09, 50.08% more than in 9M08 (R\$ 810,609).

On the other hand, the volume of energy sold to Free Consumers in 9M09 was 15.53% lower, at 12,165,421 MWh, than in 9M08 (14,402,686 MWh) for revenue of R\$ 1,298,311, 7.3% lower than in 9M08 (R\$ 1,407,037). Partially mitigating this reduction was the annual adjustment in these contracts, most of which are indexed to the IGP-M inflation index.

*Revenue from use of the network*

This revenue is primarily for use by generating and distributors of the facilities that make up **Cemig**'s components of the national grid. The amounts are set by Aneel resolution, and were 37.81% higher in 9M09 than in 9M08. The difference is mainly due to the accounting, in

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June 2009, of backdated Annual Permitted Revenue (RAP) from previous periods, totaling R\$ 158,090, as a result of the Review of the Transmission Tariff being backdated over the period from July 1, 2005 to June 30, 2009.

### *Deductions from operational revenues*

Deductions from operational revenues in 9M09 totaled R\$ 661,085, 5.40% more than in 9M08 (R\$ 627,188). Main year-on-year variations in the deductions from revenue:

#### The Fuel Consumption Account - CCC

The deduction from revenue for the CCC account in 9M09 was R\$ 18,513, 31.62% less than in 9M08 (R\$ 27,074). This refers to the costs of operation of the thermal plants in the Brazilian national grid and isolated systems, divided up between electricity concession holders by an Aneel Resolution. **Cemig GT** merely passes through this cost, to **Eletrobrás**, after charging it to Free Consumers on their invoices for use of the grid.

#### Energy Development Account - CDE

The deduction from revenue for the CDE account in 9M09 was R\$ 20,610, 28.57% less than in 9M08 (R\$ 28,57). The payments are specified by an Aneel Resolution. **Cemig GT** merely passes through this cost, to **Eletrobrás**, after charging it to Free Consumers on their invoices for use of the grid.

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The other deductions from revenue are for taxes that are calculated as a percentage of invoiced revenue. Hence their variations are substantially the same in percentage terms as the changes in revenue.

*Operational costs and expenses (excluding Financial revenue/expenses)*

Operational costs and expenses (excluding Net financial revenue/expenses) in 9M09 totaled R\$ 1,008,584, 12.90% more than in 9M08 (R\$ 893,318). This mainly reflects differences in Electricity bought for resale, Costs of raw materials and inputs, Personnel expenses, and Post-employment benefits.

The main year-on-year variations in these expenses were:

Personnel expenses

Personnel expenses in 9M09 totaled R\$ 234,764, 22.80% more than their total of R\$ 191,183 in 9M08. This primarily reflects:

- The salary increase of 7.26% given to employees in November 2008.
- Provision for the PDV Voluntary Retirement Program, in the amount of R\$ 41,099, in 9M09.
- Higher transfer of costs from personnel expenses to works in progress (R\$ 12,391 in 9M09, vs. R\$ 8,877 in 9M08), due to the higher capital expenditure program in 2009.

Post-employment obligations

The expense on post-employment obligations in 9M09 was R\$ 21,999, 38.91% less than the expense of R\$ 36,013 posted in 9M08. This expense basically consists of interest on **Cemig GT**'s actuarial liabilities, net of the expected return on assets held by the pension plans, estimated by an external actuary. The lower expense in 2009 basically reflects the adjustment made to the actuarial assumptions in December 2008, which resulted in a reduction of the Company's net obligations.

Raw materials and inputs for generation

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This expense in 9M09 was R\$ 4,070, 93.76% less than the expense of R\$ 65,185 posted in 9M08. This is because in 2008 there were purchases of fuel for the *Igarapé* thermal plant, which came into operation due to low reservoir levels and to serve electricity demand from Argentina.

### Electricity bought for resale

The expense on this account in 9M09 was R\$ 116,716, which compares with a reversal of expenses, of R\$ 339, in 9M08. The difference is due to higher purchases of electricity in 2009 related to the sales activity.

### Outsourced services

The expense on this account in 9M09 was R\$ 88,241, 27.41% higher than the expense of R\$ 69,256 posted in 9M08. The increase is due to the variations in spending on hired labor, environment expenses, consulting with ownership of expenses related to contracting of services related to the analysis of acquisition of new projects and spending on legal services for the success in the rural property tax on wetlands.

### *Financial revenues (expenses)*

The company posted net financial expenses of R\$ 147,934 in 9M09, 17.70% less than the net financial expenses of R\$ 179,749 reported for 9M08. The items in net financial expenses with the largest variations are:

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- Revenue from cash investments was 2.59% higher year-on-year, due to a higher volume of cash invested in 2009.
- Reversal of the provision for loss on Free Energy receivables in the amount of R\$ 7,915, in 2009, compared with a provision of R\$ 18,346 in 2008 reflecting an adjustment made to the future estimate for realization of credits receivable under the RTE.
- Net loss on FX variations in 2009, in the amount of R\$ 3,287, net of the compensatory effects relating to financial instruments, which compares to a net loss of R\$ 27,399 in 2008, arising basically from loans and financings in foreign currency indexed to the US dollar and the yen. This result arises principally from the appreciation of the Real against the dollar and the yen in 9M09, compared to depreciation in 2008. The dollar and the yen *depreciated* against the Real, in 9M09, by 23.92% and 23.21%, respectively while in 9M08 they appreciated, by 8.07% and 13.55%, respectively, against the Real.
- Costs of loans and financings in Brazil were 14.84% lower year-on-year, due to amortizations in the period and a lower accumulated CDI rate (the main index of contracts).
- Revenue from monetary variation on the General Agreement for the Electricity Sector 86.37% lower at R\$ 2,952 in 2009, vs. R\$ 21,654 in 2008 reflecting the reduction of the asset, due to receipt of amounts owed, through electricity invoices.
- An expense on monetary variation on loans and financings 99.39% lower year-on-year (R\$92 in 2009 compared with R\$ 15,005 in 2008), mainly due to the lower variation in the IGP-M inflation index and IPCA index in 9M09 than in 9M08.
- Other financial revenues 50.70% lower year-on-year (R\$ 22,740 in 2009 compared with R\$ 46,123 in 2008), mainly due to accounting in 2008 of revenue of R\$ 13,875 under the agreement reached with Econ Energia S.A. for reparation of damages due to non-supply of electricity contracted in January through March 2008.
- Other financial expenses 38.46% higher, due to penalty payments totaling R\$ 31,152 accounted in September 2009 due to rescission of a contract with a Free Consumer. The electricity made available will be sold to other consumers.

For a breakdown of financial revenues and expenses, please see Explanatory Notes 23 and 25 to the Quarterly Information.

*Income tax and Social Contribution tax; effective tax rate*



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**Cemig GT** s expense on income tax and the Social Contribution tax in **9M09** was R\$ 441,858, on profit of R\$ 1,467,654, before tax effects, a percentage of 30.11%. In **9M08** this expense was R\$ 325,078, on profit of R\$ 1,116,815, before tax effects, a percentage of 29.11%. These effective rates are reconciled with the nominal rates in Explanatory Note 8 to the Quarterly Information. Tax advantages of R\$ 54,329 in 9M09, and R\$ 47,262 in 9M08, resulted from payment of Interest on Equity.

Table of Contents**B. YEAR-ON-YEAR COMPARISONS FOR THE QUARTER****INCOME STATEMENTS FOR THE THIRD QUARTERS OF 2009 AND 2008**

|   | Third<br>quarter<br>2009 | Third<br>quarter<br>2008 | Change, %   |
|---|--------------------------|--------------------------|-------------|
| <b>OPERATIONAL REVENUE</b>                                  |                          |                          |             |
| Revenue from supply of electricity                          | 891,815                  | 862,241                  | 3.43        |
| Revenue from use of the network                             | 170,794                  | 158,302                  | 7.89        |
| Other operational revenues                                  | 5,803                    | 8,128                    | (28.60)     |
| <b>Gross operational revenue</b>                            | <b>1,068,412</b>         | <b>1,028,671</b>         | <b>3.86</b> |
| Deductions from operational revenue                         | (221,828)                | (221,824)                |             |
| <b>Net operational revenue</b>                              | <b>846,584</b>           | <b>806,847</b>           | <b>4.92</b> |
| <b>OPERATIONAL COSTS AND EXPENSES</b>                       |                          |                          |             |
| Personnel expenses  | (65,332)                 | (56,786)                 | 15.05       |
| Forluz post-employment obligations                          | (7,333)                  | (12,004)                 | (38.91)     |
| Materials   | (3,611)                  | (3,657)                  | (1.26)      |
| Raw materials and inputs                                    |                          | (23,478)                 |             |
| Outsourced services   | (35,349)                 | (26,197)                 | 34.94       |
| Depreciation and amortization                               | (57,089)                 | (56,330)                 | 1.35        |
| Royalties for use of water resources                        | (35,073)                 | (32,550)                 | 7.75        |
| Operational provisions                                      | (359)                    | (344)                    | 4.36        |
| Electricity bought for resale                               | (45,802)                 |                          |             |
| Charges for the use of the basic transmission grid          | (65,942)                 | (71,740)                 | (8.08)      |
| Other expenses, net   | (17,964)                 | (25,639)                 | (29.93)     |
|   | <b>(333,854)</b>         | <b>(308,725)</b>         | <b>8.14</b> |
| <b>Operational profit</b>                                   | <b>512,730</b>           | <b>498,122</b>           | <b>2.93</b> |
| NET FINANCIAL REVENUE (EXPENSES)                            | (54,712)                 | (75,575)                 | (27.61)     |
| <b>Profit before income tax and Social Contribution tax</b> | <b>458,018</b>           | <b>422,547</b>           | <b>8.39</b> |
| Income tax and Social Contribution tax                      | (133,077)                | (124,141)                | 7.20        |
| Profit shares   | (5,730)                  | (4,921)                  | 16.44       |
| <b>Net profit for the period</b>                            | <b>319,211</b>           | <b>293,485</b>           | <b>8.77</b> |

Table of Contents*Net profit for the quarter*

In the **third quarter** of 2009 (**3Q09**), Cemig reported net profit of R\$ 319,211, 8.77% more than the net profit of R\$ 293,485 reported for the third quarter of 2008 (**3Q08**). The higher result primarily reflects Net revenue 4.92% higher year-on-year.

*Ebitda (method of calculation not reviewed by external auditors)*

**Ebitda** in 3Q09 was 2.77% higher than in 3Q08:

| <b>EBITDA</b>   | <b>3Q09</b>    | <b>3Q08</b>    | <b>Change, %</b> |
|---|----------------|----------------|------------------|
| Net profit  | 319,211        | 293,485        | 8.77             |
| + Current and deferred income tax and Social Contribution tax | 133,077        | 124,141        | 7.20             |
| + Profit shares   | 5,730          | 4,921          | 16.44            |
| + Financial revenues (expenses)                               | 54,712         | 75,575         | (27.61)          |
| + Depreciation and amortization                               | 57,089         | 56,330         | 1.35             |
| <b>= EBITDA</b>   | <b>569,819</b> | <b>554,452</b> | <b>2.77</b>      |
| Non-recurring items:  |                |                |                  |
| + The PDV/PPD Retirement Program                              | 3,896          |                |                  |
| <b>= ADJUSTED EBITDA</b>                                      | <b>573,715</b> | <b>554,452</b> | <b>3.47</b>      |

The higher Ebitda in 3Q09 than in 3Q08 mainly reflects net revenue 4.92% higher, partially offset by operational expenses (excluding effects of depreciation and amortization) 9.66% higher.

Ebitda margin was lower at 67.31% in 3Q09, than in 3Q08 (68.72%).



Table of Contents*Revenue from supply of electricity*

|   | Third<br>quarter<br>2009 | MWh (**)<br>Third<br>quarter<br>2008 | Change, %      | Third<br>quarter<br>2009 | R\$<br>Third<br>quarter<br>2008 | Change,<br>%   |
|---|--------------------------|--------------------------------------|----------------|--------------------------|---------------------------------|----------------|
| Industrial  | 4,018,184                | 5,255,216                            | (23.54)        | 439,416                  | 502,775                         | (12.60)        |
| Commercial  | 1,296                    |                                      |                | 3,371                    |                                 |                |
| Uninvoiced supply , net                             |                          |                                      |                | 12,642                   | 20,256                          | (37.59)        |
|   | <b>4,019,480</b>         | <b>5,255,216</b>                     | <b>(23.51)</b> | <b>455,429</b>           | <b>523,031</b>                  | <b>(12.93)</b> |
| Wholesale supply to other<br>concession holders (*) | 4,164,971                | 3,000,375                            | 38.82          | 412,691                  | 288,919                         | 42.84          |
| Transactions in electricity on<br>the CCEE          | 548,999                  | 378,316                              | 45.12          | 23,695                   | 50,291                          | (52.88)        |
| <b>Total</b>  | <b>8,733,450</b>         | <b>8,633,907</b>                     | <b>1.15</b>    | <b>891,815</b>           | <b>862,241</b>                  | <b>3.43</b>    |

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

(\*\*) Information in MWh has not been reviewed by external auditors.

Revenue from supply of electricity in 3Q09 was R\$ 891,815, higher than in 3Q08 (R\$ 862,241) by 3.43%.

This mainly reflects a higher volume of electricity sold to other concession holders and under bilateral contracts contracted at the auctions of electricity to the distributors with an average tariff between R\$ 125.00 and R\$ 145.77. The resulting revenue, at R\$ 412,691 in 3Q09, was 42.84% higher than in 3Q08 (R\$ 288,919).

At the same time, volume of electricity sold to Free Consumers, at 4,019,480 MWh in 3Q09, was 23.51% lower than in 3Q08 (5,255,216 MWh), reflecting the effect of the global financial crisis on electricity demand in 2009. Revenues from these sales totaled R\$ 455,429 in 3Q09, 12.93% less than in 3Q08 (R\$ 523,031). Part of this lower level was offset by the annual adjustments in these contracts, in relation to the previous year, which for the most part are indexed to the IGP-M inflation index.

*Revenue from 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 national grid. Amounts receivable are recorded in Assets, under Concession holders Transport of electricity. The revenue 7.89% higher in 3Q09 than 3Q08 is mainly due to repositioning under the Transmission Tariff Review of 5.35%, added to the IGP-M inflation index from June, 2008 to May, 2009.



Table of Contents*Deductions from operational revenues*

|  | 3Q09           | 3Q08           | Change, %     |
|--|----------------|----------------|---------------|
| ICMS tax   | 78,163         | 94,229         | (17.05)       |
| Cofins tax   | 79,454         | 67,512         | 17.69         |
| PIS and Pasep taxes  | 17,250         | 14,497         | 18.99         |
| ISS value added tax on services                                | 140            | 186            | (24.73)       |
|  | <b>175,007</b> | <b>176,424</b> | <b>(0.80)</b> |
| Global Reversion Reserve RGR                                   | 23,609         | 19,854         | 18.91         |
| Energy Development Account CDE                                 | 8,342          | 9,515          | (12.33)       |
| Fuel Consumption Account CCC                                   | 7,197          | 8,333          | (13.63)       |
| Research and Development R&D                                   | 3,250          | 3,080          | 5.52          |
| National Scientific and Technological Development Fund (FNDCT) | 2,949          | 3,080          | (4.25)        |
| Energy System Expansion Research EPE                           | 1,474          | 1,538          | (4.16)        |
|  | <b>46,821</b>  | <b>45,400</b>  | <b>3.13</b>   |
|  | <b>221,828</b> | <b>221,824</b> |               |

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

The Fuel Consumption Account CCC

This refers to the costs of operation of the thermal plants in the Brazilian national grid and isolated systems, divided up between electricity concession holders 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. **Cemig GT**'s contribution to the CCC was 13.63% less in 3Q09 than in 3Q08.

Energy Development Account CDE

Payments of the CDE are specified by Aneel Resolution. They were 12.33% higher in 3Q09 than in 3Q08. **Cemig GT** merely passes on this cost, to **Eletrobrás**, after charging it to Free Consumers on their invoices for use of the grid.

The other deductions from revenue are for taxes that are calculated as a percentage of invoiced revenue. Hence their variations are substantially the same in percentage terms as the changes in revenue.

*Operational costs and expenses (excluding Financial revenue/expenses)*

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Operational costs and expenses (excluding Financial revenue/expenses) totaled R\$ 333,854 in 3Q09, 8.14% higher than in 3Q08 (R\$ 308,725). This variation mainly reflects increases in costs of Electricity bought for resale, Outsourced services, Personnel expenses and Post-employment benefits.

The main year-on-year variations in these expenses were:

### Personnel expenses

Personnel expenses in 3Q09, at R\$ 65,332, were 15.05% higher than in 3Q08 (R\$ 56,786). This reflects the salary increase of 7.26% given to employees in November 2008, and also a provision of R\$ 3,896 for the PDV Temporary Voluntary Retirement Program, posted in 3Q09.



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Post-employment obligations

Expenses on post-employment obligations totaled R\$ 7,333 in 3Q09, 38.91% less than in 3Q08 (R\$ 12,004). This expense basically consists of interest on **Cemig GT**'s actuarial liabilities, net of the expected return on assets held by the pension plans, estimated by an external actuary. The lower expense in 2009 basically reflects the adjustment made to the actuarial assumptions in December 2008, which resulted in a reduction of the Company's net obligations.

Raw materials and inputs for generation

This expense was R\$ 23,478 in the third quarter of 2008, for purchase of fuel for the *Igarapé* thermal plant, which was dispatched in 2008 due to low reservoir levels.

Electricity bought for resale

This expense was R\$ 45,802 in 3Q09, due to higher sales of electricity in the year.

Charges for use of the transmission grid

The expense on charges for use of the transmission network totaled R\$ 65,942 in 3Q09, 8.08% less than in 3Q08 (R\$ 71,740). These charges, set by an Aneel Resolution, are payable by electricity distribution and generation agents for use of the facilities that are components of the national grid.

Depreciation and amortization

The expense on depreciation and amortization was similar in the two periods: R\$ 57,089 in 3Q09 and R\$ 56,330 in 3Q08.

Outsourced services

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The expense on this account in 3Q09 was R\$ 35,349, 34.94% higher than the expense of R\$ 26,197 posted in 3QM08. The increase is due to the variations in consulting with ownership of expenses related to contracting of services related to the analysis of acquisition of new projects and spending on legal services for the success in the rural property tax on wetlands.

### Other expenses, net

The expense on this account in 3Q09 was R\$ 17,964, 29.93% lower than the expense of R\$ 25,639 posted in 3QM08. The lower expenses in 2009 is due mainly to the expenses with taxes (property tax, IPVA and others), granting costly and disposal gains.

Table of Contents*Financial revenues (expenses)*

|  | 3Q09             | 3Q08             | Change, %      |
|--|------------------|------------------|----------------|
| <b>FINANCIAL REVENUES</b>  |                  |                  |                |
| Revenue from cash investments  | 27,375           | 36,917           | (25.85)        |
| Arrears penalty payments on electricity bills                              | 472              | 985              | (52.08)        |
| Monetary updating on the General Agreement for the Electricity Sector      | 733              | 1,376            | (46.73)        |
| FX variations  | 4,770            | (7,994)          |                |
| Pasep and Cofins taxes on financial revenues                               | (40)             | (769)            | (94.80)        |
| Gains on financial instruments   | 949              | (5,594)          |                |
| Adjustment to present value  | 555              | 7,078            | (92.16)        |
| Other  | 11,348           | 21,868           | (48.11)        |
|  | <b>46,162</b>    | <b>53,867</b>    | <b>(14.30)</b> |
| <b>FINANCIAL EXPENSES</b>  |                  |                  |                |
| Charges on loans and financings  | (68,224)         | (94,009)         | (27.43)        |
| Monetary updating CCEE   |                  | (4,523)          |                |
| FX variations  | (2)              | (11,268)         | (99.98)        |
| Losses on financial instruments  | 8,290            | (160)            |                |
| Provision for losses on recovery of the Extraordinary Tariff Recomposition |                  |                  |                |
| RTE  | (391)            | (789)            | (50.44)        |
| Adjustment to present value  | (2,829)          | (2,734)          | 3.47           |
| Other  | (37,718)         | (15,959)         | 136.34         |
|  | <b>(100,874)</b> | <b>(129,442)</b> | <b>22.07</b>   |
|  | <b>(54,712)</b>  | <b>(75,575)</b>  | <b>(27.61)</b> |

The Company had net financial *expenses* in both years, but significantly lower in 3Q09, at R\$ 54,712, compared to R\$ 75,575 in 3Q08. Main factors were:

- Revenue from cash investments R\$ 9,542 lower in 3Q09, due to the lower volume of cash invested.
- Net *gains* on FX variations in 3Q09, in the amount of R\$ 14,007 (net of the compensatory effects relating to financial instruments), compared to a net *loss* of R\$ 25,016 in 3Q08, arising basically from loans and financings in foreign currency indexed to the US dollar and the yen. This principally reflects the appreciation of the Real against the dollar and the yen in 3Q09, compared to depreciation in 3Q08.
- Costs of loans and financings in Brazil were 27.43% lower year-on-year, due to amortizations in the period, and a lower accumulated CDI rate (the main index of contracts).
- *Other financial revenues* 48.11% lower in 3Q09 at R\$ 11,348, compared to R\$ 21,868 in 3Q08 this is because there were tax credits from previous years accounted in 3Q08.

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- *Other financial expenses* 135.77% higher, due to penalty payments totaling R\$ 31,152 accounted in September 2009 due to rescission of a contract with a Free Consumer. The electricity made available will be sold to other consumers.

### *Income tax and Social Contribution tax; effective tax rate*

**In 3Q09, Cemig GT** s expense on income tax and the Social Contribution tax was R\$ 133,077, on pre-tax profit of R\$ 458,018, a percentage of 29.05%. **In 3Q08** the expense on income tax and the Social Contribution tax was R\$ 124,141, on profit of R\$ 422,547, before tax effects a percentage of 29.38%. Tax advantages of R\$ 17,902 in 3Q09, and R\$ 15,994 in 3Q08, resulted from payment of Interest on Equity.

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**INDEPENDENT AUDITORS' REVIEW REPORT**

To

The Board of Directors

Cemig Geração e Transmissão S.A.

Belo Horizonte - MG

1. We have reviewed the Quarterly Financial Information (ITR) of Cemig Geração e Transmissão S.A. (the Company) and the consolidated Quarterly Financial Information of the Company and its subsidiaries for the quarter ended September 30, 2009, comprising the balance sheets, the statements of income, changes in shareholders' equity and of cash flows, the explanatory notes and management report, which are the responsibility of its management.

2. Our review was conducted in accordance with the specific rules set forth by the IBRACON (The Brazilian Institute of Independent Auditors), in conjunction with the Federal Accounting Council (CFC), and consisted mainly of the following: (a) inquiries and discussions with the persons responsible for the Accounting, Finance and Operational areas of the company and its subsidiaries as to the main criteria adopted in the preparation of the Quarterly Financial Information (ITR); and (b) reviewing information and subsequent events that have or may have relevant effects on the financial position and operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modification that should be made in accounting information included in the Quarterly Financial Information (ITR) described above, for it to be in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Financial Information (ITR), including the Instruction CVM N° 469/08.

4. As mentioned in Note 2 to the financial information, the accounting practices adopted in Brazil have been changed in 2008 and the effects of the first time adoption were recognized of the Company and its subsidiaries on the fourth quarter of 2008 and disclosure in the financial statements for the year ended December 31, 2008. The statement of income, changes in shareholders' equity and cash flow for the quarter ended September 30, 2008, presented in connection with the Quarterly Financial Information (ITR), did not change for comparison purposes, as permitted by Direct Release/CVM/SNC/SEP n° 02/2009 (Ofício Circular).

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5. As described in Notes 5, 12 and 17 to the financial information, Cemig Geração e Transmissão S.A. has assets and liabilities recorded in relation to transactions for the sale and purchase of energy and other transactions on the Electricity Trading Chamber (CCEE) (previously called MAE ). These amounts were recorded on the basis of calculations prepared and published by the CCEE for transactions carried out to September 30, 2009, and may be changed as a result of decisions in current Court Proceedings brought by companies in the sector, in relation to the interpretation of the rules of the wholesale energy market in effect at the moment in which referred transactions are realized.

November 12, 2009

Original report in Portuguese signed by

KPMG Auditores Independentes

CRC SP014428/O-6-F-MG

Marco Túlio Fernandes Ferreira

Accountant CRCMG058176/O-0

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5. Analysis of Third Quarter Results, Companhia Energética de Minas Gerais CEMIG

































































































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| 6. | Summary of Principal Decisions of the 99th Meeting of the Board of Directors, Cemig<br>Geração e Transmissão S.A., October 23, 2009 |
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**CEMIG GERAÇÃO E TRANSMISSÃO S.A.**

**Listed Company**

**CNPJ 06.981.176/0001-58**

**NIRE 31300020550**

**Board meeting of October 23, 2009:**

**Summary of principal decisions**

At its 99th meeting, held on October 23, 2009, the Board of Directors of Cemig Geração e Transmissão S.A. decided the following:

1. Signing of an amendment to a contract for implementation of the **CresceMinas** Program Transmission and Sub-transmission Lot 3.
2. Signing of an amendment to a contract for implementation of the **CresceMinas** Program Transmission and Sub-transmission Lot 6.
3. Signing of documents in the process of acquisition of **Terna** Participações S.A.
4. Refinancing of debt.
5. Guidelines for the Collective Work Agreement.

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| 7. | Summary of Principal Decisions of the 100th Meeting of the Board of Directors, Cemig<br>Geração e Transmissão S.A., November 13, 2009 |
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**CEMIG GERAÇÃO E TRANSMISSÃO S.A.**

**Listed Company**

**CNPJ 06.981.176/0001-58**

**NIRE 31300020550**

**Board meeting of November 13, 2009:**

**Summary of principal decisions**

At its 100th meeting, held on November 13, 2009, the Board of Directors of Cemig Geração e Transmissão S.A. decided the following:

- Increase in the capital of Empresa Brasileira de Transmissão de Energia S.A. - EBTE.

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8. Summary of Minutes of the 92nd Meeting of the Board of Directors, Cemig Distribuição S.A., August 24, 2009

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**CEMIG DISTRIBUIÇÃO S.A.**

CNPJ 06.981.180/0001-16 NIRE 31300020568

**Summary of minutes of the 92nd meeting of the Board of Directors.**

**Date, time and place:** August 24, 2009, at 11.30 a.m., at the Company's head office,  
Av. Barbacena 1200, 17th Floor, A1 Wing, Belo Horizonte, Minas Gerais, Brazil

**Meeting Committee:** Chairman: Sergio Alair Barroso;  
Secretary: Anamaria Pugedo Frade Barros

**Summary of proceedings:**

**I The Chairman asked** the Board Members present whether any of them had conflict of interest in relation to the matters on the agenda of this meeting, and all stated that there was no such conflict of interest.

**II The Board approved:**

a) The **proposal** by the Chairman, in view of the resignation of the Chief Officer for the Gas Division, José Carlos de Mattos, as per a letter in the Company's possession, and in view of the provisions of Clause 18, §3, of Cemig's Bylaws, the provisions of the sole sub-paragraph of Clause 13 of the Bylaws of Cemig D, and **to elect Mr. Márcio Augusto Vasconcelos Nunes**, duly described in the minutes of this meeting, **as Chief Officer for the Gas Division**, to fulfill the same period of office as the other current Chief Officers, that is to say until the first meeting of the Board of Directors held after the Annual General Meeting of 2010, in view of his election by the Board of Directors of Cemig, just prior to this present meeting, as Chief Officer for the Gas Division of that Company.

b) The minutes of this meeting.

**III The Board authorized:**



a) **Signature** of the Partnership Undertakings with Cemig, Cemig GT and the Municipal Councils for the Rights of Children and Adolescents participating in the AI6% Program, for the **pass-through of donations raised from employees of Cemig, Cemig D and Cemig GT**, in the maximum amount of R\$ 2,200,000, and payment of part of **1% of the income tax** owed by Cemig, Cemig D and Cemig GT, into **Municipal Funds for the Rights of Children and Adolescents**, for application in programs and projects developed in the ambit of the Municipality, valid until August 31, 2010.

b) **Signature** of the following **amendments** to contracts:

- the Sixth Amendment to Contract 4570007711, with **MG Setel** Serviços em Telecomunicações e Eletricidade Ltda.;
- the Fifth Amendment to Contract 4570007953, with **Holos Consultores** Associados Ltda.; and
- the Fifth and Six Amendments to Contracts 4570007716 and 4570007959, with **Engedata** Engenharia e Informática Ltda.,

to extend those contracts, on an exceptional basis, from 60 to 72 months, relating to the services of consumer meter reading in kWh, of the B Group, through micro-data readers, in the area of operation of the Distribution Services Management Units of: Uberlândia, Montes Claros and Governador Valadares.

**IV The Board Re-ratified** CRCA (Board Spending Decision) 060/2008, to alter the value of Technical and Financial Cooperation Working Agreement 30.058/08, signed with the *Minas Gerais State Transport and Public Works Department (Setop/MG)* and the *Minas Gerais State Highways Department (DER/MG)*, the object being to reallocate service and execution of public illumination in the works of extension of the cover structure for the Arrudas brook (Ribeirão Arrudas) and construction of the *Hospitais* Station, the other terms of that CRCA remaining unchanged.

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**V Votes against:** The Board approved the election of the chief officer, referred to in subclause a of Item II above, with votes against by the Board members Evandro Veiga Negrão de Lima and Jeffery Atwood Safford.

**VI The Chairman stated** that, since the matter of signature of the amendment to a contract with **A&C Centro de Contatos S.A.** had not yet been made available, it would be dealt with at a later date.

**VII The Chairman stated** that the members of the Executive Board are now as follows:

|   |  |
|---|--|
| <b>CEO:</b>   | <b>Djalma Bastos de Moraes;</b>              |
| <b>Deputy CEO:</b>  | <b>Arlindo Porto Neto;</b>                   |
| <b>Chief Trading Officer:</b>   | <b>Bernardo Afonso Salomão de Alvarenga;</b> |
| <b>Chief Distribution and Sales Officer:</b>  | <b>Fernando Henrique Schüffner Neto;</b>     |
| <b>Chief Officer for Finance, Investor Relations<br/>Officer and Control of Holdings:</b> | <b>Luiz Fernando Rolla;</b>                  |
| <b>Director without specific designation:</b>   | <b>Luiz Henrique de Castro Carvalho;</b>     |
| <b>Chief Corporate Management Officer:</b>  | <b>Marco Antonio Rodrigues da Cunha.</b>     |
| <b>Chief New Business Development Officer:</b>  | <b>José Carlos de Mattos;</b>                |
| <b>Chief Officer for the Gas Division</b>   | <b>Márcio Augusto Vasconcelos Nunes</b>      |

**VIII The elected Chief Officer stated** in advance that he is not subject to any prohibition on exercise of commercial activity, that he does not occupy any post in any company that could be considered a competitor of the Company, and that he does not have nor represent any interest conflicting with that of **Cemig D**, 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 of the Senior Administration of the State of Minas Gerais.

**IX The following spoke** on general matters and business of interest to the Company:

|                    |                                   |                                   |
|--------------------|-----------------------------------|-----------------------------------|
| The Chairman;      |                                   |                                   |
| The Vice-Chairman; |                                   |                                   |
| Board members:     | André Araújo Filho,               | Jeffery Atwood Safford,           |
|                    | Evandro Veiga Negrão de Lima,     | Maria Estela Kubitschek Lopes;    |
| Chief Officers:    | Marco Antonio Rodrigues da Cunha, | Fernando Henrique Schüffner Neto; |
| Superintendent:    | Ricardo Luiz Diniz Gomes;         |                                   |
| Manager:           | João José Magalhães Soares.       |                                   |

**The following were present:**

|                |                          |                                |
|----------------|--------------------------|--------------------------------|
| Board members: | Sergio Alair Barroso,    | Maria Estela Kubitschek Lopes, |
|                | Djalma Bastos de Moraes, | Jeffery Atwood Safford,        |

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Alexandre Heringer Lisboa,  
André Araújo Filho,  
Eduardo Lery Vieira,  
Evandro Veiga Negrão de Lima,  
Francelino Pereira dos Santos,  
Guy Maria Villela Paschoal,  
João Camilo Penna,  
Ricardo Luiz Diniz Gomes;  
João José Magalhães Soares;  
Anamaria Pugedo Frade Barros.

Marco Antonio Rodrigues da Cunha,  
Cezar Manoel de Medeiros,  
Fernando Henrique Schüffner Neto,  
Franklin Moreira Gonçalves,  
Lauro Sérgio Vasconcelos David,  
Paulo Sérgio Machado Ribeiro;

Superintendent:  
Manager:  
Secretary:

(Signed:) Anamaria Pugedo Frade Barros

***Registry with the Commercial Board of Minas Gerais State:***

I certify registration on: November 5, 2009

Under number: 4228750.

Protocol No. : 09/708.490-5

(Signed:) Marinely Paula Bomfim

General Secretariat Office

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| 9.                                  | Summary of Principal Decisions of the 93rd Meeting of the Board of Directors, Cemig |
| Distribuição S.A., October 23, 2009 |   |

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**CEMIG DISTRIBUIÇÃO S.A.**

**Listed Company**

**CNPJ 06.981.180/0001-16**

**Board Meeting of October 23, 2009:**

**Summary of principal decisions**

*At its 93rd* meeting, held on October 23, 2009, the Board of Directors of Cemig Distribuição S.A. decided the following:

1. Signing of an amendment to a contract for implementation of the **CresceMinas** Program Transmission and Sub-transmission Lot 1.
2. Signing of an amendment to a contract for implementation of the **CresceMinas** Program Transmission and Sub-transmission Lot 2.
3. Signing of an amendment to a contract for implementation of the **CresceMinas** Program Transmission and Sub-transmission Lot 3.
4. Signing of an amendment to a contract for implementation of the **CresceMinas** Program Transmission and Sub-transmission Lot 6.
5. Contracting of services of rental of equipment, temporary use of software and maintenance and technical assistance for the **meter reading information capture system**.

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6. Signing of a technical and financial working agreement with the **State of Minas Gerais**, through its Sport and Youth Department (SEEJ), with the state Government Secretariat (Segov) as consenting party.
  
7. Refinancing of debt.
  
8. Guidelines for the Collective Work Agreement

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| 10. | Summary of Minutes of the 466th Meeting of the Board of Directors, Companhia Energética de Minas Gerais - CEMIG, June 24, 2009 |
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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY  
CNPJ 17.155.730/0001-64  
NIRE 31300040127

**Summary of minutes of the 466th meeting of the Board of Directors**

**Date, time and place:** June 24, 2009 at 9.30 a.m. at the company's head office,  
Av. Barbacena 1200, 18th Floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chairman: Sergio Alair Barroso;  
Secretary: Anamaria Pugedo Frade Barros

**Summary of proceedings:**

**I The Chairman asked** the Board Members present whether any of them had conflict of interest in relation to the matters on the agenda of this meeting, and all stated that there was no such conflict of interest.

**II The Board approved:**

a) The proposal by the Chairman, in view of the resignation of the Chief Officer for the Gas Division, José Carlos de Mattos, as per a letter in the Company's possession, to **elect Mr. Márcio Augusto Vasconcelos Nunes**, duly described in the minutes of this meeting, as **Chief Officer for the Gas Division**, to fulfill the same period of office as the other current Chief Officers, that is to say until the first meeting of the Board of Directors held after the Annual General Meeting of 2010.

b) **Vote** by the representative of the Company in the Extraordinary General Meeting of Stockholders of **Gasmig**, in favor of:



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A) **Authorizing** the private issue of nonconvertible debentures to be subscribed by BNDESPar, under BNDESPar Decision Dir. 83/2009, of August 17, 2009, and signing, with **BNDESPar**, of the Contractual Undertaking to Subscribe a Private Issue of Non-convertible Debentures.

B) **Signing** of the Private Deed of the First Debenture Issue by Gasmig.

C) **Signing** of the Contract of Assignment and Linking of Revenues, Administration of Accounts and Other Matters between Gasmig, BNDESPar and the Collecting/Depository Bank to be contracted, for the purpose of guaranteeing punctual and full payment of any obligations arising from the dimension of Gasmig's First Issue.

c) The minutes of this meeting.

### III The Board authorized:

a) Signing of Partnership Undertakings with Cemig GT, Cemig D and the Municipal Councils for the Rights of Children and Adolescents participating in the AI6% Program, for the **pass-through of donations raised from employees of Cemig, Cemig D and Cemig GT**, in the maximum amount of R\$ 2,200,000, and payment of part of 1% of the income tax owed by Cemig, Cemig D and Cemig GT, into **Municipal Funds for the Rights of Children and Adolescents**, for application in programs and projects developed in the ambit of the Municipality, valid until August 31, 2010.

b) Signing, as Consenting Party, of the **Counter-guarantee** Contract between **Usina Termelétrica Barreiro S.A.** and an insurance company, to provide a counter-guarantee to a court guarantee insurance contract, for the period of 12 months, able to be extended, by amendments, until completion of Case No. 002409534852-0, before the 7th State Tax Court.

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**IV The Board elected Mr. Márcio Augusto Vasconcelos Nunes** as a sitting member of the **Board of Directors of Gasmig**, to serve for the current period of office, that is, until the Annual General Meeting to be held in 2011 or until a duly elected successor is sworn in; **and as CEO of that company**, to serve the present mandate, that is to say, until the first meeting of the Board of Directors held after the Annual General Meeting of 2011 or until a duly elected successor is sworn in.

**V Votes against:** The election of a chief officer, referred to in subclause a of Item II above, took place with votes against by the Board members Evandro Veiga Negrão de Lima and Jeffery Atwood Safford.

**VI The Chairman** stated that the members of the Executive Board are now as follows:

|   |  |
|---|--|
| <b>CEO:</b>   | <b>Djalma Bastos de Moraes;</b>              |
| <b>Deputy CEO:</b>  | <b>Arlindo Porto Neto;</b>                   |
| <b>Chief Trading Officer:</b>   | <b>Bernardo Afonso Salomão de Alvarenga;</b> |
| <b>Chief Distribution and Sales Officer:</b>  | <b>Fernando Henrique Schüffner Neto;</b>     |
| <b>Chief Officer for Finance, Investor Relations<br/>Officer and Control of Holdings:</b> | <b>Luiz Fernando Rolla;</b>                  |
| <b>Chief Generation and Transmission Officer:</b>   | <b>Luiz Henrique de Castro Carvalho;</b>     |
| <b>Chief Corporate Management Officer:</b>  | <b>Marco Antonio Rodrigues da Cunha.</b>     |
| <b>Chief New Business Development Officer:</b>  | <b>José Carlos de Mattos;</b>                |
| <b>Chief Officer for the Gas Division:</b>  | <b>Márcio Augusto Vasconcelos Nunes</b>      |

**VII The Chief Officer elected stated**, in advance, that he is not subject to any prohibition on exercise of commercial activity, that he does not occupy any post in a company that could be considered a competitor of the Company, and that he does 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.

**IX The following spoke** on general matters and business of interest to the Company.

Board members; Chief Officer Marco Antonio Rodrigues da Cunha; Superintendent Ricardo Luiz Diniz Gomes; and Manager João José Magalhães Soares.

**The following were present:**

|                |                            |                                   |
|----------------|----------------------------|-----------------------------------|
| Board members: | Sergio Alair Barroso,      | Maria Estela Kubitschek Lopes,    |
|                | Djalma Bastos de Moraes,   | Jeffery Atwood Safford,           |
|                | Alexandre Heringer Lisboa, | Marco Antonio Rodrigues da Cunha, |
|                | André Araújo Filho,        | Cezar Manoel de Medeiros,         |

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|                 |                                |                                   |
|-----------------|--------------------------------|-----------------------------------|
| Superintendent: | Eduardo Lery Vieira,           | Fernando Henrique Schüffner Neto, |
| Manager:        | Evandro Veiga Negrão de Lima,  | Franklin Moreira Gonçalves,       |
| Secretary:      | Francelino Pereira dos Santos, | Lauro Sérgio Vasconcelos David,   |
|                 | Guy Maria Villela Paschoal,    | Paulo Sérgio Machado Ribeiro;     |
|                 | João Camilo Penna,             |                                   |
|                 | Ricardo Luiz Diniz Gomes;      |                                   |
|                 | João José Magalhães Soares;    |                                   |
|                 | Anamaria Pugedo Frade Barros.  |                                   |

(Signed:) Anamaria Pugedo Frade Barros

***Registry with the Commercial Board of Minas Gerais State:***

I certify registration on: November 5, 2009

Under number: 4228751.

Protocol No. : 09/708.491-3

(Signed:) Marinely Paula Bomfim

General Secretariat Office

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**Listed Company**

**CNPJ 17.155.730/0001-64**

**NIRE 31300040127**

**Board Meeting of October 23, 2009:**

**Summary of principal decisions**

At its 467th meeting, begun on October 23 and concluded on October 28, 2009, the Board of Directors of Companhia Energética de Minas Gerais decided the following:

- 1.* Appointment of Directors of Cemig to management of Transmissora Atlântico de Energia Elétrica S.A. Taesa.
- 2.* Acquisition of assets.
- 3.* Concession of guarantee in transactions to be contracted with Banco do Brasil.
- 4.* Filing of legal action against the federal government in relation to the rate of the Finsocial tax.
- 5.* Signing of documents in the process of acquisition of Terna Participações S.A.

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6. Guidelines for the Collective Work Agreement.
  
7. Exceeding of the financial covenants specified in the Bylaws.

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12. Material Announcement, CEMIG's Board of Directors approves a share purchase agreement for acquisition of shares of ENTE, ERTE and ECTE, Companhia Energética de Minas Gerais - CEMIG, October 28, 2009

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY**

**CNPJ 17.155.730/0001-64**

**NIRE: 33300266003**

**MATERIAL ANNOUNCEMENT**

*Cemig* (Companhia Energética de Minas Gerais), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, hereby publicly informs the Brazilian Securities Commission (CVM), the São Paulo Stock, Commodities and Futures Exchange (BM&F Bovespa S.A.) and the market in general, in accordance with CVM Instruction 358 of January 3, 2002, as amended, that:

*On October 28, 2009 the Board of Directors of Cemig* authorized the signature of a Share Purchase Agreement with MDU Resources Luxembourg II LLC, S.a.r.l. for acquisition of shares representing 13.3% of the voting and total stock of Empresa Norte de Transmissão de Energia S.A. (ENTE), 13.3% of the voting and total stock of Empresa Regional de Transmissão de Energia S.A. (ERTE) and up to 10% of the voting and total stock of Empresa Catarinense de Transmissão de Energia S.A. (ECTE).

Conclusion of the transaction and actual acquisition of the shares by CEMIG is subject to approval of transfer of the shares by the Brazilian Electricity regulator, Aneel (National Electricity Agency), by the Brazilian Development Bank (BNDES), and by other financing bodies.

*Belo Horizonte, October 28, 2009*

*Luiz Fernando Rolla*

*Chief Officer for Finance, Investor Relations and Control of Holdings*



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Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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| 13. | Market Announcement, Commencement of Public Distribution of Commercial Promissory Notes, Cemig Geração e Transmissão S.A., October 30, 2009 |
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**Cemig Geração e Transmissão S.A.**

**COMPANHIA ABERTA**

**CNPJ 06.981.176/0001-58**

**NIRE 31300020550**

**MARKET ANNOUNCEMENT**

**Cemig Geração e Transmissão S.A.** **CEMIG GT**, a wholly-owned publicly-held subsidiary of CEMIG, hereby inform the Brazilian *Comissão de Valores Mobiliários (CVM)* (Securities Commission), the BM&F Bovespa S.A. Bolsa de Valores, Mercadorias e Futuros and the market in general, in accordance with Instruction 358 of the Brazilian *Comissão de Valores Mobiliários (CVM)* (Securities Commission), of January 3, 2002, as amended, that:

In accordance with the Announcement of Commencement of Public Distribution published on September 10, 2009 and republished on September 30, 2009, Cemig's wholly-owned subsidiary Cemig Geração e Transmissão S.A. ( Cemig GT ) has today issued 270 Commercial Promissory Notes, of its third issue, each with nominal unit value of R\$ 10,000,000.00, making up a total amount of R\$2,700,000,000.00. The notes are nominal, physically issued, in a single series, and have the guarantee of CEMIG.

Belo Horizonte, October 30, 2009

Marco Antonio Rodrigues da Cunha

Acting Chief Officer for Finance, Investor Relations and Control of Holdings

**This text is a translation, provided for information only. The original text in Portuguese is the legally valid version.**

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| 14. | Announcement of Completion of Public Distribution of Commercial Promissory Notes, Cemig<br>Geração e Transmissão S.A. |
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**This announcement is for information only, and is not an offer of Promissory Notes for sale.**

**ANNOUNCEMENT OF COMPLETION OF PUBLIC DISTRIBUTION OF COMMERCIAL PROMISSORY  
NOTES ISSUED BY**

**CEMIG GERAÇÃO E TRANSMISSÃO S.A.**

Registered with the CVM CVM N°: 02032-0

CNPJ N°: 06.981.176/0001-58 NIRE: 0623221310098

Av. Barbacena 1200, 12th floor, B1 Wing, Santo Agostinho

30190-131 Belo Horizonte, Minas Gerais, Brazil

**ISIN Code: BRCMGTNPM023**

Risk rating: Fitch: **F1+(bra)**

**LEAD MANAGERS**

**BB BANCO DE INVESTIMENTO S.A. IS THE LEAD MANAGER**

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CEMIG GERAÇÃO E TRANSMISSÃO S.A. ( the Issuer or the Company ), BB BANCO DE INVESTIMENTO S.A. ( BBBbr the Lead Manager ), CAIXA ECONÔMICA FEDERAL ( Caixa ), HSBC CORRETORA DE TÍTULOS E VALORES MOBILIÁRIOS S.A. ( HSBC ), BANCO VOTORANTIM S.A ( Votorantim ), BES INVESTIMENTO DE BRASIL S.A. BANCO DE INVESTIMENTO ( BES ), and BANCO BTG PACTUAL S.A. (formerly named Banco UBS PACTUAL S.A. ( BTG Pactual ) (when referred to jointly, the Managers ) hereby inform the public, in accordance with the terms of CVM Instruction 400, of December 29, 2003, as amended, of the closing of the public offering ( the Offering ) of 270 (two hundred and seventy) commercial promissory notes of the Issuer's Third Issue, all nominal and physically issued, in a single series, with Nominal Unit Value of R\$ 10,000,000.00 (ten million Reais) on the Issue Date ( the Promissory Notes ), making up a total of:

**R\$ 2,700,000,000.00**

The Issue was approved in meetings of the Board of Directors of the Company held on July 23, 2009 and August 27, 2009, the minutes of which were filed with the Commercial Board of the State of Minas Gerais ( JUCEMG ) on September 3 and 8, 2009, under numbers 4189606 and 4191508, respectively, and published on September 9, 2009 in the *Official Gazette* of the State of Minas Gerais, and in the newspapers *Valor Econômico*, *Edição Nacional* and *O Tempo* . The Promissory Notes have the guarantee of Companhia Energética de Minas Gerais ( the Guarantor ), as approved in meetings of the Guarantor's Board of Directors, held on July 23, 2009 and August 27, 2009, the minutes of which were filed at JUCEMG on August 27 and September 4, 2009, under the numbers 4186137 and 4190555, and published, on September 3 and 9, 2009, respectively, in the *Official Gazette* of the State of Minas Gerais and in the newspapers *Valor Econômico*, *Edição Nacional* and *O Tempo* .

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This table gives final data on the distribution of the Offering:

| Type of Acquirer of the Promissory Notes  | Acquirers | Promissory Notes acquired | Acquisition value (R\$ million) |
|---|-----------|---------------------------|---------------------------------|
| Individuals   | 1         | 1                         | 10                              |
| Investment clubs  |           |                           |                                 |
| Investment funds  | 105       | 214                       | 2.140                           |
| Private pension plan entities   | 8         | 8                         | 80                              |
| Insurance companies   | 2         | 2                         | 20                              |
| Foreign investors   |           |                           |                                 |
| Intermediary Institutions participating in the distribution consortium  |           |                           |                                 |
| Financial institutions linked to the Issuer and/or to the participants of the distribution consortium                         |           |                           |                                 |
| Other financial institutions  | 8         | 45                        | 450                             |
| Other legal entities linked to the Issuer and/or to the distribution consortium participants                                  |           |                           |                                 |
| Other legal entities  |           |                           |                                 |
| Partners, managers, employees, attorneys-in-fact and other persons linked to the Issuer and/or to the consortium participants |           |                           |                                 |
| Others  |           |                           |                                 |
| Total   | 124       | 270                       | 2.700                           |

The Promissory Notes have been registered for placement and trading on the NOTA Commercial Notes Module managed and operated by CETIP S.A. Over-the-counter Market for Assets and Derivatives.

**The Offering was duly registered with the CVM on October 6, 2009, under N° CVM/SRE/RNP/2009/033.**

**MANDATED AND CUSTODIAN BANK**

Banco Bradesco S.A.

Cidade de Deus, s/n°, Vila Yara

06029-900 Osasco, SP, Brazil

CNPJ N° 60.746.948/0001-12



The present Public Offer or program was prepared in accordance with the Self-Regulation rules of ANBID for Public Offers for Distribution and Acquisition of Securities, thus complying with the minimum standards of information required by ANBID, and ANBID has no responsibility for the said information, nor for the quality of the Issuer and/or the Offering party/ies, nor of the participating institutions nor of the securities that are the subject of the present Public Offer/program. This seal does not imply an investment recommendation. Prior registration or analysis of this distribution does not imply, on the part of ANBID, a guarantee of the veracity of the information provided nor any judgment on the quality of the issuing company nor the securities to be distributed.

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| 15. | Market Announcement, Commencement of Public Distribution of Commercial Promissory Notes, Companhia Energética de Minas Gerais - CEMIG, October 30, 2009 |
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**COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG**

**LISTED COMPANY**

**CNPJ 17.155.730/0001-64**

**NIRE 33300266003**

**MARKET ANNOUNCEMENT**

**Companhia Energética de Minas Gerais - CEMIG**, a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with CVM Instruction 358 of January 3, 2002 as amended, hereby publicly informs the Brazilian Securities Commission (CVM - Comissão de Valores Mobiliários), the São Paulo Stock Exchange (BM&F Bovespa S.A. - Bolsa de Valores, Mercadorias e Futuros) and the market in general that:

In accordance with the Announcement of Commencement of Public Distribution published on September 10, 2009 and republished on September 30, 2009, Cemig's wholly-owned subsidiary Cemig Geração e Transmissão S.A. ( Cemig GT ) has today issued 270 Commercial Promissory Notes, of its third issue, each with nominal unit value of R\$ 10,000,000.00, making up a total amount of R\$2,700,000,000.00. The notes are nominal, physically issued, in a single series, and have the guarantee of CEMIG.

Belo Horizonte, October 30, 2009

Marco Antonio Rodrigues da Cunha

Acting Chief Officer for Finance, Investor Relations and Control of Holdings

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| 16. | Material Announcement, Payment for and Transfer of TERNÁ Shares, Companhia Energética de Minas Gerais | CEMIG, November 3, 2009 |
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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY**

**CNPJ 17.155.730/0001-64**

**NIRE: 33300266003**

**MATERIAL ANNOUNCEMENT**

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**, a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, and **CEMIG GERAÇÃO E TRANSMISSÃO S.A. CEMIG GT**, a company registered with the Brazilian Securities Commission (CVM) and a wholly-owned subsidiary of Cemig, in accordance with CVM Instruction 358 of January 3, 2002, as amended, hereby publicly inform the Brazilian Securities Commission (CVM), the São Paulo Stock, Commodities and Futures Exchange (BM&F Bovespa S.A.) and the market in general, that:

On today's date **payment** was made for the shares in **Terna Participações S.A. (TERNA)**, owned by **Terna Rete Elettrica Nazionale S.p.A. (Terna S.p.A.)**, and these shares were **transferred** to **Transmissora do Atlântico de Energia Elétrica S.A. TAESA**, in which **CEMIG GT** holds an interest of 49% (forty nine per cent) of the registered capital.

The shareholders in **TAESA**, a corporation with head office in the city of Rio de Janeiro, are:

**Cemig Geração e Transmissão S.A. CEMIG GT**

and **Fundo de Investimentos em Participações Coliseu ( FIP Coliseu )**.

In the transaction, 173,527,113 common shares, representing approximately 85.26% of the voting shares and approximately 65.85% of the total shares of **TERNA**, were purchased and transferred.

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The total price was R\$ 2,148,379,099.24, corresponding to R\$ 37.14 per *Unit* of TERNÁ, each *Unit* comprising one common share and two preferred shares, and R\$ 12.38 per common share or preferred share.

Additionally, TAESA will, on a date to be announced, make a public offer for acquisition of the shares in TERNÁ that are in circulation, for the purpose of ensuring equal treatment for the other shareholders of TERNÁ to that given to Terna S.p.A., in accordance with the Bylaws of Terna, the Brazilian Corporate Law (Law 6.404/76), CVM Instruction 361/2002, and the Level 2 Differentiated Practice Regulations of BM&FBovespa S.A.

Terna is a holding company operating in electricity transmission in 11 states of Brazil through the following companies which it controls or in which it has shareholding interests:

**TSN - Transmissora Sudeste Nordeste S.A.;**

**Novatrans Energia S.A.;**

**ETEO - Empresa de Transmissão de Energia do Oeste S.A.;**

**ETAU - Empresa de Transmissão do Alto Uruguai S.A.;**

**Brasnorte Transmissora de Energia S.A. e Terna Serviços Ltda.,**

Together, these companies hold in aggregate 3,716 kilometers of transmission lines, comprising components of the Brazilian National Electricity Transmission Grid.

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For TAESA and its shareholders, the acquisition of TERNÁ represents an excellent investment opportunity and consolidates its presence in the Brazilian electricity transmission market.

Belo Horizonte, November 3, 2009

Luiz Fernando Rolla

Chief Officer for Finance, Investor Relations and Control of Holdings



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| 17. | Market Announcement, Projected Payment Amount for Shares of ENTE, ERTE and ECTE,<br>Companhia Energética de Minas Gerais CEMIG, November 4, 2009 |
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**COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG**

**LISTED COMPANY**

**CNPJ 17.155.730/0001-64**

**NIRE 33300266003**

**MARKET ANNOUNCEMENT**

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**, a publicly-held company with shares traded on the São Paulo, New York and Madrid stock exchanges, and **CEMIG GERAÇÃO E TRANSMISSÃO S.A. CEMIG GT**, a wholly-owned publicly-held subsidiary of CEMIG, hereby inform the Brazilian *Comissão de Valores Mobiliários (CVM)* (Securities Commission), the BM&F Bovespa S.A. Bolsa de Valores, Mercadorias e Futuros and the market in general, in accordance with Instruction 358 of the Brazilian *Comissão de Valores Mobiliários (CVM)* (Securities Commission), of January 3, 2002, as amended, in addition to Material Announcement published in October 28, 2009, that:

The total amount Cemig intends to disburse for the acquisition of the interests held by MDU in ENTE, ERTE and ECTE, should be approximately R\$ 100 million (one hundred million Reais), based on September 30, 2009 prices. However, the final amount can be calculated only on the closing date, after the exercise of rights of preference by the other partners / shareholders. Cemig will publish the final amount of this acquisition at the appropriate time.

Belo Horizonte, November 04, 2009

Luiz Fernando Rolla

Chief Officer for Finance, Investor Relations and Control of Holdings

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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