

ENERGY CO OF MINAS GERAIS

Form 6-K

December 21, 2010

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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 December 2010

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.

Form 20-F 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)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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

Yes No

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

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19. Summary of Principal Decisions of the 127th Meeting of the Board of Directors, Cemig Geração e Transmissão, December 20, 2010

20. Summary of Principal Decisions of 119th Meeting of the Board of Directors, Cemig Distribuição S.A., December 20, 2010

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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: December 21, 2010

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1. Summary of Principal Decisions of the 497th Meeting of the Board of Directors Companhia Energética de Minas Gerais CEMIG, December 6, 2010

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 - NIRE 31300040127

SUMMARY OF PRINCIPAL DECISIONS

At its 497th meeting, held on December 6, 2010, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

- 1- Alteration of the Bylaws.
- 2- Granting of an option to buy shares.
- 3- Partnership for acquisition of a stockholding interest.
- 4- Orientation of votes by the representative of Cemig in Extraordinary General Meetings of Stockholders of Cemig D and Cemig GT.
- 5- Calling of an Extraordinary General Meeting of Stockholders, to be held on December 22, 2010 at 11 a.m.
- 6- Alteration in the composition of the Executive Board, with Mr. Fernando Henrique Schüffner Neto becoming Chief New Business Development Officer, and Mr. José Carlos de Mattos becoming Chief Distribution and Sales Officer, no change being made to any other appointments on the Executive Board.

- 7- Signing of an amendment to a contract for provision of legal services, to extend its period of validity.

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2. Summary of Principal Decisions of the 125th Meeting of the Board of Directors Cemig Geração e Transmissão S.A., December 6, 2010

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CEMIG GERAÇÃO E TRANSMISSÃO S.A.

LISTED COMPANY

CNPJ 06.981.176/0001-58 - NIRE 31300020550

SUMMARY OF PRINCIPAL DECISIONS

At its 125th meeting, held on December 6, 2010, the Board of Directors of **Cemig Geração e Transmissão S.A.** decided the following:

- 1- Alteration of the Bylaws.

- 2- Calling of an Extraordinary General Meeting of Stockholders, to be held on December 22, 2010 at 3 p.m.

- 3- Alteration in the composition of the Executive Board, with Mr. Fernando Henrique Schüffner Neto becoming Chief New Business Development Officer, and Mr. José Carlos de Mattos becoming Director without specific designation, no change being made to any other appointments on the Executive Board.

- 4- Signing of an amendment to a contract for provision of legal services, to extend its period of validity.

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CEMIG DISTRIBUIÇÃO S.A.

LISTED COMPANY

CNPJ 06.981.180/0001-16 NIRE 31300020568

SUMMARY OF PRINCIPAL DECISIONS

At its 118th meeting, held on December 6, 2010, the Board of Directors of **Cemig Distribuição S.A.** decided the following:

- 1- Alteration of the Bylaws.

- 2- Calling of an Extraordinary General Meeting of Stockholders, to be held on December 22, 2010 at 5 p.m.

- 3- Alteration in the composition of the Executive Board, with Mr. Fernando Henrique Schüffner Neto becoming Chief New Business Development Officer, and Mr. José Carlos de Mattos becoming Chief Distribution and Sales Officer, no change being made to any other appointments on the Executive Board.

- 4- Signing of an amendment to a contract for provision of legal services, to extend its period of validity.

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COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NIRE 33300266003

MARKET ANNOUNCEMENT

Cemig included in Brazil's new Carbon Efficiency Index

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, as part of its commitment to best corporate governance practices, hereby informs its stockholders and the market in general as follows:

Cemig has been included in the Brazilian **ICO2** Carbon Efficiency Index.

This new stock index, created by the São Paulo stock, Commodities and Futures Exchange (**BM&FBovespa**), is an indicator to Brazilian and international capital markets of the commitment and alignment that Brazil and its listed companies have in relation to the most up-to-date positions and debate on climate change.

The **ICO2 index** is made up of the shares of those companies that are in the portfolio of the **IBrX-50 index** and have subscribed to this initiative, weighted by the greenhouse gas emissions of each of the companies.

Cemig has increased its participation in the **IBrX-50** index from 1.196% to 2.275%; and its participation in the portfolio of the **ICO2** index, for this year of 2010-2011, is **53.8% of the total of all electricity sector shares that are included in the ICO2.**

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Cemig s very significant position in the **ICO2** index reflects its commitment to taking action to minimize greenhouse gas emissions highlighting its generation of electricity from renewable sources.

Belo Horizonte, December 3, 2010,

Luiz Fernando Rolla

Chief Officer for Finance, Investor Relations and Control of Holdings

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5. Notice to Stockholders Payment of the 2nd installment of dividends year 2009, Companhia Energética de Minas Gerais CEMIG, December 1, 2010

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NOTICE TO STOCKHOLDERS

We hereby advise stockholders that **Cemig will make payment** to stockholders of **R\$ 465,350,000**, being the second part of the stockholder remuneration for 2009, **on December 21, 2010**. This is 50% of the amount decided by the Ordinary and Extraordinary General Meetings of Stockholders held jointly on April 29, 2010.

Stockholders whose names were on the Company's Nominal Share Registry on April 29, 2010 have the right to this payment.

Stockholders whose bank details are up-to-date with the Custodian Bank for Cemig's nominal shares (Banco Bradesco S.A.) will have their credits posted automatically on the day of payment, on which occasion they will receive the advice of the corresponding credit. In the event of not receiving the notice of credit, the stockholder should visit a branch of Banco Bradesco S.A. to update his/her registry details. Proceeds from shares deposited in custody at CBLC (*Companhia Brasileira de Liquidação e Custódia* - the Brazilian Settlement and Custody Company) will be credited to that entity and the Depository Brokers will be responsible for passing the amounts through to holders.

Belo Horizonte, December 1, 2010

Luiz Fernando Rolla

Chief Officer for Finance, Investor Relations and Control of Holdings

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COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NIRE 33300266003

MARKET ANNOUNCEMENT

Cemig in Brazil Sustainability Index for 6th year running

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with its commitment to best corporate government practices, hereby publicly informs its stockholders and the market in general as follows:

Cemig has been selected for the sixth year running for inclusion in the Corporate Sustainability Index of the São Paulo Stock Exchange (BM&FBovespa).

Cemig has been included in this index since it was created in 2005.

The new portfolio of the index includes 47 shares of 38 companies, in 18 sectors, with aggregate market capitalization of R\$ 1.17 trillion, or 46.1% of the total market capitalization of the companies traded on the BM&FBovespa on November 24, 2010.

The companies included in the new portfolio were selected from an initial group of 53, which responded to a questionnaire containing 495 questions to reflect, in addition to the companies' characteristics and economic aspects, their activity in the areas of the environment and climate change, social activities, corporate governance, and the nature of their products.

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Belo Horizonte, November 25, 2010

Marco Antonio Rodrigues da Cunha

Acting Chief Officer for Finance, Investor Relations and Control of Holdings

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7. Summary of Principal Decision of the 126th Meeting of the Board of Directors Cemig Geração e Transmissão S.A., December 16, 2010

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CEMIG GERAÇÃO E TRANSMISSÃO S.A.

LISTED COMPANY

CNPJ 06.981.176/0001-58 - NIRE 31300020550

SUMMARY OF PRINCIPAL DECISIONS

At its 126th meeting, held on December 16, 2010, the Board of Directors of **Cemig Geração e Transmissão S.A.** decided the following:

1. Authorization to take part in Aneel Auction 04/2010, and to present a bid for the Teles Pires Hydroelectric Project.

Consequentially, was authorized to sign the following documents, all of them with CPFL, Andrade Gutierrez and Camargo Correa:

- Private Instrument of Constitution of the Centro Norte Energia Consortium;
- Consortium Members Agreement;
- Agreement for Participation in Auction and Implementation and Commercial Operation of the Teles Pires Hydroelectric Project.

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8. Summary of Principal Decisions of the 498th Meeting of the Board of Directors Companhia Energética de Minas Gerais CEMIG, December 13, 2010

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COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NIRE 31300040127

BOARD OF DIRECTORS

SUMMARY OF PRINCIPAL DECISIONS

At its 498th meeting, held on December 13, 2010, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Issuance of promissory notes.
2. Contracting services for promissory notes issuance.

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9. Summary of Minutes of the 498th Meeting of the Board of Directors Companhia Energética de Minas Gerais CEMIG,
December 13, 2010

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

BOARD OF DIRECTORS

SUMMARY OF MINUTES OF THE 498TH MEETING

Date, time and place: December 13, 2010 at 11 a.m. at the company's head office,
Av. Barbacena 1200, 21th Floor, Belo Horizonte, Minas Gerais, Brazil.

Meeting Committee: Chairman: Djalma Bastos de Moraes;
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 there was no such conflict of interest.

II The Board approved the minutes of this meeting.

III The Board authorized:

a) The third issue of commercial promissory notes by Cemig, for placement and public distribution in the local capital market, under CVM Instruction 476/2009, with the following features:

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- 1) Issuer: Cemig.
- 2) Manager: BB Banco de Investimento S.A.
- 3) Value of the Issue: Up to five hundred million Reais.
- 4) Guarantees: The issue will have no guarantee or surety.
- 5) Use of proceeds: Replenishment of the Company's cash position following the investments made in 2010.
- 6) Number of series: In a single series.
- 7) Period and maturity: The notes will be issued on the date of their subscription and paying-up, and will have tenor of three hundred and sixty days.
- 8) Placement procedure and regime: Public distribution, with restricted placement efforts, on an organized over-the-counter market administered and operated by Cetip S.A. - Balcão Organizado de Ativos e Derivativos (Cetip) under the regime of firm guarantee of subscription by the Manager.
- 9) Nominal Unit Value: Ten million Reais on the issue date.
- 10) Quantity of Promissory Notes: Up to fifty.

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11) Form: The Notes will be issued in physical form and be held on deposit at the Mandated Bank, a financial institution qualified to provide custody services, and will be transferable by signed endorsement simply transferring ownership. For all legal purposes the ownership of the promissory notes will be proven by the respective physical Note. Additionally, for the promissory notes held in custody electronically in the NOTA (Commercial Note Module) system administered and operated by Cetip, ownership of the promissory notes will be proven by the statement of account position, in the name of the holder, issued by Cetip.

12) Remuneration: Remuneratory interest shall accrue on the nominal unit value of the Promissory Notes corresponding to accumulated variation at 105.5% of the average daily rates on interbank deposits referred to as the *DI over extra grupo* Rate, expressed in the annual percentage form on the basis of two hundred and fifty business days, calculated and published daily by Cetip in the daily bulletin available on its website (<http://www.cetip.com.br>), capitalized by a spread of up to 105.5% per cent per year. The Remuneration shall be calculated exponentially and cumulatively *pro rata tempore* by business days elapsed, applying to the nominal unit value of each Promissory Note, from the date of its actual subscription and paying-up (the Issue Date) to the respective maturity date, calculated in accordance with the procedures defined by Cetip in its Formula Sourcebook (*Caderno de Fórmulas*), available for consultation on the same website.

13) Payment of the remuneration: In a single payment on the date of ordinary or early redemption of the promissory notes.

14) Amortizations of the nominal value: In a single payment on the date of ordinary or early redemption of the promissory notes.

15) Renegotiation: None.

16) Optional early redemption: The Company may effect early redemption of the promissory notes, in accordance with the applicable legislation, giving investors five days prior notice. In the event of partial early redemption, this shall be put into effect by a lottery mechanism, in accordance with Paragraph 4 of Article 7 of CVM Instruction 134/1990, as amended. At the time of subscription and paying-up or acquisition of the promissory note, the owner shall grant express irrevocable consent in advance to early unilateral redemption of the promissory note by the Company, in the terms of CVM Instruction 134/1990.

17) Subscription price: The promissory notes shall be subscribed at their respective nominal unit value.

18) Procedure for subscription and paying-up: Subscription of the promissory notes will take place in accordance with the procedures adopted by Cetip through the NOTA system. The promissory notes will be paid up at sight simultaneously with subscription, in Brazilian currency, in accordance with the rules for settlement applicable to Cetip.

19) Place of payment: Payments relating to the Promissory Notes shall be made in accordance with the procedures adopted by Cetip, for the Promissory Notes registered in the NOTA system, or, for holders of Promissory Notes that are not linked to that system, at the Issuer's head office.

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20) Extension of periods: If the date of maturity of an obligation coincides with a day that is not a business or banking business day at the location of the head office of the Company, the date of payment shall be deemed automatically postponed to the next business day, without any addition to the amount to be paid, except in cases where the payment is to be made through Cetip, in which case the extension will take place only when the date of the payment coincides with a Saturday, Sunday or national public holiday.

21) Early maturity: Any holder of the promissory notes may declare all the obligations arising from the promissory notes which it holds to be due and payable, and demand immediate payment by the Company of the nominal unit value of the promissory notes, augmented by the remuneration and the charges, *pro rata tempore*, from the issue date, by letter delivered with advice of receipt or letter posted using advice of receipt service, addressed to the head office of the Company, in any of the following events:

i) Declaration of bankruptcy, dissolution and/or liquidation of the company or application for Judicial Recovery or out-of-court reorganization or application for bankruptcy made by the Company, or any analogous event that characterizes a state of insolvency of the Company, including an agreement with creditors, in accordance with the applicable legislation.

ii) Legitimate and reiterated protest proceedings on securities against the Company, the unpaid value of which is more than fifty million Reais, unless the protest proceedings have been lodged in error or due to bad faith of third parties, provided this is validly proven by the Company, or if cancelled or if validly contested in court, in any event, within a maximum period of 30 (thirty) calendar days from the date of the obligation becoming due.

(iii) Early maturity of any pecuniary obligation of the Company arising from default on an obligation to pay any individual or aggregate amount greater than fifty million Reais or its equivalent in other currencies.

(iv) Change, transfer or assignment, direct or indirect, of the stockholding control of the Company, unless by order of a Court, without the prior consent of holders of promissory notes representing at least seventy five percent of the promissory notes in circulation.

(v) Absorption of the Company by another company, or split or merger of the Company, unless this takes place by order of a court.

(vi) Privatization of the Company.

(vii) Any termination, for any reason, of any of the concession contracts held by the Company, that represents an adverse material impact on the Company's payment capacity.

(viii) Default unjustified by the Company on, or absence of legal and/or court measures required for non-payment of any debt or any obligation to pay, under any agreement to which it/they are a party as borrower or Guarantor, the value of which, individually or in aggregate, is greater than fifty million Reais or its equivalent in other currencies. Occurrence of any of the events specified in sub-items (i) and (iii) above shall result in immediate early

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maturity of the promissory notes, independently of any consultation with their holders. In any of the other events indicated above, a General Meeting of holders of the promissory notes must be held, within 48 (forty-eight) hours from the date on which any of the holders of the promissory notes becomes aware of the event, to decide on non-declaration of early maturity of the promissory notes, which shall be decided by holders of the promissory notes representing at least 2/3 (two-thirds) of the promissory notes of the issue in circulation.

22) Monetary updating: There will be no monetary updating of the nominal value of the promissory notes.

b) Signature of the documents that are indispensable to the issue referred to above, such as:

the Mandate Document;

the Contract for Management, Placement and Public Distribution, under the regime of Firm Subscription Guarantee, of Commercial Promissory Notes of the 3rd Issue by Companhia Energética de Minas Gerais - Cemig;

the physical Promissory Notes;

the Contract of the Mandated Bank;

and such other documents as are duly approved by the legal department and do not cause cost for the transaction.

c) Opening of Administrative Proceedings for Exemption from Tender, and contracting of BB Banco de Investimento S.A., as manager of the 3rd issue of commercial promissory notes by Cemig.

d) Contracting of Banco Bradesco S.A., as an integral part of the proposal for the 3rd issue of commercial promissory notes by Cemig, for the period of validity of the promissory notes, for provision of the service of mandates bank.

e) Payment of all the costs related to publications of market notices, announcements of start and closing of the distribution, the charge made by the Anbid, the charge for registry of the issue with the CVM, the registry charges for trading of the issue, among others indispensable to realization of the issues.

The following were present:

| | | |
|----------------|-------------------------------------|------------------------------------|
| Board members: | Djalma Bastos de Morais, | Saulo Alves Pereira Junior, |
| | Antonio Adriano Silva, | Adriano Magalhães Chaves, |
| | Arcângelo Eustáquio Torres Queiroz, | Paulo Márcio de Oliveira Monteiro, |
| | Eduardo Borges de Andrade, | Paulo Sérgio Machado Ribeiro, |
| | Francelino Pereira dos Santos, | Renato Torres de Faria, |
| | Guy Maria Villela Paschoal, | Cezar Manoel de Medeiros, |
| | João Camilo Penna, | Fernando Henrique Schüffner Neto, |
| | Maria Estela Kubitschek Lopes, | Marco Antonio Rodrigues da Cunha. |
| | Paulo Roberto Reckziegel Guedes, | |
| Secretary: | Anamaria Pugedo Frade Barros | |

Anamaria Pugedo Frade Barros

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10. Notice to Shareholders Payment of extraordinary dividends Companhia Energética de Minas Gerais CEMIG, December 16, 2010

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NIRE 31300040127

NOTICE TO SHAREHOLDERS

We hereby advise our shareholders that the Meeting of the Board of Directors held on December 16, 2010 decided to distribute extraordinary dividends in the amount of R\$ 900,000,000.00 (nine hundred million Reais), corresponding to R\$ 1.319408855 per share, to be paid on December 29, 2010.

This benefit will be payable to shareholders whose names are in the Nominal Share Registry on December 16, 2010, for the purposes of Clause 205 of Law 6404/76.

The shares will trade ex-dividend on December 17, 2010.

We remind shareholders of the importance of updating their registration information. This can be done by visiting any branch of Banco Bradesco S.A. (the institution which administers Cemig's system of registered nominal shares), taking their personal documents with them.

Shareholders whose bank details are up-to-date with the Custodian Bank for Cemig's nominal shares (Banco Bradesco S.A.) will have their credits posted automatically on the day of payment, on which occasion they will receive the advice of the corresponding credit.

Proceeds from shares deposited in custody at CBLC (Companhia Brasileira de Liquidação e Custódia - the Brazilian Settlement and Custody Company) will be credited to that entity and the Depository Brokers will be responsible for passing the amounts through to holders.

Belo Horizonte, December 16, 2010.

Luiz Fernando Rolla

Chief Officer for Finance, Investor Relations and Control of Holdings

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NIRE 31300040127

MEETING OF THE BOARD OF DIRECTORS

SUMMARY OF PRINCIPAL DECISIONS

The Board of Directors of **CEMIG** (*Companhia Energética de Minas Gerais*), at its 499th meeting, held on December 16, 2010, decided the following:

1. Declaration of an **extraordinary dividend**, of R\$ 900 million, equivalent to R\$ 1.319408855 per share, using the profit reserve established under the Bylaws for this purpose. Payment of this dividend will take place on **December 29, 2010**. Stockholders entitled to this dividend will be those whose names are on the Company's Nominal Share Register on **December 16, 2010**.

2. Authorization for **Cemig GT** to take part in **Aneel Auction 04/2010**, and to present a bid for the *Teles Pires* Hydroelectric Project.

Consequently, Cemig GT was authorized to sign the following documents, all of them with **CPFL, Andrade Gutierrez** and **Camargo Correa**:

- Private Instrument of Constitution of the **Centro Norte Energia Consortium**;
- Consortium Members' Agreement;

- Agreement for Participation in Auction and Implementation and Commercial Operation of the Teles Pires Hydroelectric Project.

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NIRE 31300040127

MARKET ANNOUNCEMENT

DECLARATION OF EXTRAORDINARY DIVIDEND

CEMIG (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, hereby informs the public as follows:

At a meeting held today, December 16, 2010, the Board of Directors decided to declare an **extraordinary dividend** of R\$ 900 million, equivalent to R\$ 1.319408855 per share, using the Profit Reserve established under the Bylaws for this purpose.

This dividend will be paid on December 29, 2010. Stockholders entitled to this dividend will be those whose names are on the Company's Nominal Share Register on December 16, 2010.

Belo Horizonte, December 16, 2010,

Luiz Fernando Rolla

Chief Officer for Finance, Investor Relations and Financial Control of Holdings

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Table of Contents**BALANCE SHEETS****AT SEPTEMBER 30 AND JUNE 30, 2010****ASSETS****R\$ 000**

CEMIG Geração e Transmissão S.A

| | Consolidated | | Holding company | |
|----------------------------------------------|---------------------|-------------------|------------------------|-------------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| CURRENT | | | | |
| Cash and cash equivalents (Note 4) | 2,417,623 | 2,051,502 | 2,110,555 | 1,755,513 |
| Consumers and traders (Note 5) | 366,978 | 330,518 | 361,008 | 326,583 |
| Concession holders transport of energy | 112,660 | 118,024 | 62,016 | 70,243 |
| Taxes subject to offsetting (Note 8) | 521,098 | 424,165 | 506,164 | 409,853 |
| Traders Transactions in Free Energy (Note 6) | 47,678 | 46,141 | 47,678 | 46,141 |
| Tax credits (Note 9) | 30,930 | 20,519 | 29,558 | 19,508 |
| Inventories | 7,347 | 6,752 | 6,102 | 5,035 |
| Regulatory assets Tariff Review (Note 7) | 68,468 | 91,954 | 68,468 | 91,954 |
| Other credits | 108,994 | 117,020 | 92,649 | 93,767 |
| TOTAL, CURRENT | 3,681,776 | 3,206,595 | 3,284,198 | 2,818,597 |
| NON-CURRENT | | | | |
| Long term assets | | | | |
| Tax credits (Note 9) | 55,547 | 60,133 | 55,547 | 60,133 |
| Taxes subject to offsetting (Note 8) | 11,243 | 13,372 | 7,869 | 10,518 |
| Deposits linked to legal actions (Note 10) | 115,455 | 106,446 | 113,438 | 104,431 |
| Receivable from related parties | 4,353 | 4,067 | 2,905 | 2,905 |
| Regulatory assets Tariff Review (Note 7) | 4,043 | 1,055 | 4,043 | 1,055 |
| Other credits | 52,241 | 23,124 | 6,950 | 7,010 |
| | 242,882 | 208,197 | 190,752 | 186,052 |
| Investments (Note 11) | 1,573 | 1,737 | 2,590,716 | 2,488,016 |
| Fixed assets (Note 12) | 8,084,072 | 7,956,333 | 5,343,344 | 5,373,177 |
| Intangible (Note 13) | 1,332,835 | 1,345,688 | 25,777 | 25,953 |
| TOTAL, NON-CURRENT | 9,661,362 | 9,511,955 | 8,150,589 | 8,073,198 |
| TOTAL ASSETS | 13,343,138 | 12,718,550 | 11,434,787 | 10,891,795 |

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

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Table of Contents**BALANCE SHEETS**

AT SEPTEMBER 30 AND JUNE 30, 2010

LIABILITIES

R\$ 000

| | Consolidated | | Holding company | |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| CURRENT | | | | |
| Loans and financings (Note 16) | 693,000 | 943,528 | 585,353 | 508,221 |
| Debentures (Note 16) | 203,126 | 119,809 | 196,470 | 121,927 |
| Suppliers (Note 14) | 133,485 | 140,420 | 109,538 | 88,195 |
| Taxes, charges and contributions (Note 15) | 433,600 | 317,533 | 426,060 | 308,435 |
| Interest on Equity and dividends payable | 186,234 | 110,347 | 186,234 | 110,347 |
| Regulatory liabilities Tariff Review (Note 7) | 58,576 | 75,568 | 58,576 | 75,568 |
| Salaries and mandatory charges on payroll | 56,221 | 63,701 | 52,188 | 60,064 |
| Regulatory charges (Note 17) | 49,410 | 47,794 | 42,248 | 40,793 |
| Profit shares | 17,071 | 11,988 | 17,071 | 11,988 |
| Debt to related parties | 188 | 528 | 188 | 16,907 |
| Post-employment obligations (Note 18) | 17,526 | 18,340 | 17,526 | 18,340 |
| Other obligations | 39,002 | 37,385 | 35,827 | 36,399 |
| TOTAL, CURRENT | 1,887,439 | 1,886,941 | 1,727,279 | 1,397,184 |
| NON-CURRENT | | | | |
| Loans and financings (Note 16) | 3,135,844 | 3,154,322 | 1,948,104 | 2,005,480 |
| Debentures (Note 16) | 3,527,220 | 3,185,870 | 3,013,074 | 3,013,049 |
| Contingency provisions (Note 19) | 7,122 | 6,125 | 6,089 | 5,253 |
| Post-employment obligations (Note 18) | 233,102 | 236,083 | 233,102 | 236,083 |
| Taxes, charges and contributions (Note 15) | 156,295 | 146,538 | 156,295 | 146,532 |
| Regulatory charges (Note 17) | 71,703 | 65,410 | 71,703 | 65,410 |
| Other obligations | 87,531 | 55,329 | 42,259 | 40,872 |
| TOTAL, NON-CURRENT | 7,218,817 | 6,849,677 | 5,470,626 | 5,512,679 |
| STOCKHOLDERS EQUITY (Note 20) | | | | |
| Registered capital | 3,296,785 | 3,296,785 | 3,296,785 | 3,296,785 |
| Profit reserves | 266,112 | 266,112 | 266,112 | 266,112 |
| Valuation adjustment to Stockholders equity | 1,993 | 451 | 1,993 | 451 |
| Retained earnings | 671,992 | 418,584 | 671,992 | 418,584 |
| TOTAL STOCKHOLDERS EQUITY | 4,236,882 | 3,981,932 | 4,236,882 | 3,981,932 |
| TOTAL LIABILITIES | 13,343,138 | 12,718,550 | 11,434,787 | 10,891,795 |

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

Table of Contents**INCOME STATEMENTS****FOR THE NINE-MONTH PERIODS ENDING SEPTEMBER 30, 2010 AND 2009****(R\$ 000, except net profit per thousand shares)**

| | Consolidated | | Holding company | |
|----------------------------------------------------------------------------------------------------------------|--------------|----------------------------|-----------------|----------------------------|
| | 30/09/2010 | 30/09/2009 Reclassified | 30/09/2010 | 30/09/2009 Reclassified |
| OPERATIONAL REVENUE | | | | |
| Revenue from supply of electricity (Note 21) | 2,686,817 | 2,631,903 | 2,665,967 | 2,621,283 |
| Revenue from use of the grid (Note 22) | 707,576 | 636,403 | 437,890 | 636,403 |
| Other operational revenues | 20,501 | 16,951 | 20,381 | 16,951 |
| | 3,414,894 | 3,285,257 | 3,124,238 | 3,274,637 |
| DEDUCTIONS FROM OPERATIONAL REVENUE | | | | |
| (Note 23) | (729,804) | (672,951) | (708,107) | (671,116) |
| NET OPERATIONAL REVENUE | 2,685,090 | 2,612,306 | 2,416,131 | 2,603,521 |
| COST OF ELECTRICITY SERVICE | | | | |
| COST OF ELECTRICITY (Note 24) | | | | |
| Charges for the use of the basic transmission grid | (192,809) | (208,356) | (199,287) | (208,356) |
| Electricity bought for resale | (242,334) | (116,716) | (242,270) | (116,227) |
| | (435,143) | (325,072) | (441,557) | (324,583) |
| COST OF OPERATION (Note 24) | | | | |
| Personnel and managers | (167,778) | (160,975) | (154,481) | (160,942) |
| Post-employment obligations | (17,797) | (15,092) | (17,797) | (15,092) |
| Materials | (12,401) | (9,620) | (11,348) | (9,582) |
| Raw materials and inputs for generation | | (4,070) | | (4,070) |
| Outsourced services | (99,459) | (65,325) | (75,466) | (65,003) |
| Depreciation and amortization | (221,840) | (169,369) | (167,793) | (168,612) |
| Operational (provisions /) reversals | 5,777 | (860) | 5,542 | (860) |
| Royalties for use of water resources | (100,774) | (105,163) | (100,713) | (105,163) |
| Other costs of operation | (48,606) | (23,786) | (43,292) | (23,506) |
| | (662,878) | (554,260) | (565,348) | (552,830) |
| TOTAL COST | (1,098,021) | (879,332) | (1,006,905) | (877,413) |
| GROSS PROFIT | 1,587,069 | 1,732,974 | 1,409,226 | 1,726,108 |
| OPERATIONAL EXPENSES (Note 24) | | | | |
| Selling expenses | 453 | (289) | 453 | (52) |
| General and administrative expenses | (74,799) | (114,286) | (74,799) | (112,855) |
| Other operational expenses | (6,946) | (2,811) | (5,385) | (2,707) |
| | (81,292) | (117,386) | (79,731) | (115,614) |
| PROFIT FROM THE SERVICE (OPERATIONAL PROFIT BEFORE EQUITY GAINS/LOSSES AND FINANCIAL REVENUES/EXPENSES) | | | | |
| | 1,505,777 | 1,615,588 | 1,329,495 | 1,610,494 |
| Equity gain (loss) on subsidiaries | | | 79,370 | (263) |
| Net financial expenses (Note 25) | (318,090) | (147,934) | (252,181) | (142,979) |
| | 1,187,687 | 1,467,654 | 1,156,684 | 1,467,252 |

**PROFIT BEFORE TAXATION AND PROFIT
SHARES**

| | | | | |
|---------------------------------------------------------------|----------------|------------------|----------------|------------------|
| Income tax and Social Contribution tax (Note 9 b) | (350,611) | (393,773) | (319,673) | (393,371) |
| Deferred income tax and Social Contribution tax (Note 9 b) | 21,468 | (48,085) | 21,533 | (48,085) |
| Employees and managers profit shares (Note 24) | (27,396) | (21,947) | (27,396) | (21,947) |
| NET PROFIT FOR THE PERIOD | 831,148 | 1,003,849 | 831,148 | 1,003,849 |
| NET PROFIT PER THOUSAND SHARES, R\$ | | | 286.92 | 346.54 |

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

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STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2010

R\$ 000

| | Registered capital | Profit reserves | Valuation adjustment to Equity | Retained earnings | Total |
|---------------------------------------|-----------------------|--------------------|-----------------------------------|----------------------|-----------|
| BALANCES ON JUNE 30, 2010 | 3,296,785 | 266,112 | 451 | 418,584 | 3,981,932 |
| Capital increase | | | | | |
| Net profit for the period | | | | 342,686 | 342,686 |
| Allocation of profit | | | | | |
| Interest on Equity | | | | (89,278) | (89,278) |
| Recording of Revaluation reserve | | | 1,542 | | 1,542 |
| BALANCES ON SEPTEMBER 30, 2010 | 3,296,785 | 266,112 | 1,993 | 671,992 | 4,236,882 |
| BALANCES AT DECEMBER 31, 2009 | 2,896,785 | 666,112 | | | 3,562,897 |
| Capital increase | 400,000 | (400,000) | | | |
| Net profit for the period | | | | 831,148 | 831,148 |
| Interest on Equity | | | | (159,156) | (159,156) |
| Recording of Revaluation reserve | | | 1,993 | | 1,993 |
| BALANCES ON SEPTEMBER 30, 2010 | 3,296,785 | 266,112 | 1,993 | 671,992 | 4,236,882 |

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, 2010 AND 2009

R\$ 000

| | CONSOLIDATED | | HOLDING COMPANY | |
|-------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 |
| CASH FLOW FROM OPERATIONS | | | | |
| Net profit for the period | 831,148 | 1,003,849 | 831,148 | 1,003,849 |
| Expenses (revenues) not affecting Cash and cash equivalents | | | | |
| Depreciation and amortization | 222,150 | 169,904 | 168,104 | 168,838 |
| Net write-offs of fixed assets | (328) | 2,541 | (335) | 2,541 |
| Amortization of goodwill on acquisition | 17,389 | | (11,186) | |
| Equity gains (losses) in subsidiaries | | | (79,370) | 263 |
| Interest and Monetary updating Non-current | 40,433 | 10,877 | 40,766 | 4,086 |
| Regulatory asset Transmission tariff review | | (136,657) | | (136,657) |
| Deferred federal taxes | (21,468) | 48,085 | (21,533) | 48,085 |
| Provisions (reversals) for operational losses | (6,230) | 911 | (5,994) | 911 |
| Provisions for losses on Free Energy transactions | | (7,915) | | (7,915) |
| Provision for losses (gains) on financial instruments | (168) | 37,486 | (168) | 37,486 |
| Post-employment obligations | 23,183 | 21,999 | 23,183 | 21,999 |
| Others | 2 | (21) | | (412) |
| | 1,106,111 | 1,151,059 | 944,615 | 1,143,074 |
| (Increase) /reduction of assets | | | | |
| Consumers and traders | 72,938 | (33,037) | 49,782 | (31,530) |
| Traders Transactions in Free Energy | (1,651) | 3,317 | (1,546) | 3,317 |
| Taxes offsetable | (269,136) | (295,983) | (290,691) | (295,089) |
| Transport of electricity | (23,553) | (18,836) | 5,711 | (18,836) |
| Tax credits | 20,903 | (40,318) | 21,721 | (40,318) |
| Payments into Court | (25,344) | (22,842) | (25,569) | (22,842) |
| Others | 31,881 | (11,460) | 33,487 | (5,688) |
| | (193,962) | (419,159) | (207,105) | (410,986) |
| Increase (reduction) of liabilities | | | | |
| Suppliers | 9,971 | (49,004) | 25,555 | (42,055) |
| Taxes and Social Contribution tax | 301,881 | 480,107 | 326,960 | 479,222 |
| Salaries and mandatory charges on payroll | (21,122) | 13,739 | (21,917) | 13,301 |
| Regulatory charges | 6,966 | (5,343) | 4,561 | (5,343) |
| Loans and financings | 231,095 | 85,313 | 182,834 | 70,878 |
| Post-employment obligations | (33,408) | (30,374) | (33,408) | (30,374) |
| Losses on financial instruments | (2,981) | 1,884 | 168 | 1,884 |
| Others | 13,570 | (12,887) | 2,096 | 8,203 |
| | 505,972 | 483,435 | 486,849 | 495,716 |
| NET CASH FROM OPERATIONAL ACTIVITIES | 1,418,121 | 1,215,335 | 1,224,359 | 1,227,804 |
| CASH FLOW OF FINANCING ACTIVITIES | | | | |

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| | | | | |
|---------------------------------------|-------------|-----------|-------------|-----------|
| Financings obtained | 3,367,826 | 449,105 | 2,755,316 | 127,605 |
| Payments of loans and financings | (3,268,636) | (21,500) | (2,849,945) | (20,074) |
| Interest on Equity, and dividends | (889,977) | (500,775) | (889,977) | (500,775) |
| NET CASH USED IN FINANCING ACTIVITIES | (790,787) | 73,170 | (984,606) | (393,244) |

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| | CONSOLIDATED | | HOLDING COMPANY | |
|-----------------------------------------------|--------------------|------------------|------------------|------------------|
| | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 |
| CASH FLOWS IN INVESTMENT ACTIVITIES | | | | |
| Investments | (355,163) | (378,412) | (73,490) | (91,397) |
| Fixed assets | (458,505) | (4,392) | (521) | (2,133) |
| Intangible | (439,758) | (206,555) | (889,663) | (294,038) |
| NET CASH USED IN INVESTMENT ACTIVITIES | (1,253,426) | (589,359) | (963,674) | (387,568) |
| NET CHANGE IN CASH POSITION | | | | |
| | (626,092) | 552,806 | (723,921) | 446,992 |
| STATEMENT OF CHANGES IN CASH POSITION | | | | |
| At start of period | 3,043,715 | 862,098 | 2,834,476 | 852,213 |
| At end of period | 2,417,623 | 1,414,904 | 2,110,555 | 1,299,205 |
| | (626,092) | 552,806 | (723,921) | 446,992 |

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, 2010

(In 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, and 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: 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; to operate in the various fields of energy, from whatever source, with a view to economic and commercial operation; iii) to provide consultancy services within its field of operation to companies in and outside Brazil; and iv) to carry out activities directly or indirectly related to its objects.

Cemig GT has 48 power plants, of which 43 are hydroelectric, 4 are wind power plants and one is a thermal plant, and their 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, 49.00% stake): Production and sale of electricity as an independent power producer, through the Cachoeirão hydroelectric power plant, at Pocrane, in the State of Minas Gerais, with installed capacity of 27MW (information not reviewed by external auditors). The plant began operating in 2009.
- Central Eólica Praias de Parajuru S.A. (jointly controlled, 49.00% stake): 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.

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- 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 began operation of its units from September 2009 to May 2010.
- Transmissora Aliança de Energia Elétrica S.A. (Taesa), previously named Terna Participações S. A., (jointly controlled, 32.27% stake): Construction and operation of electricity transmission facilities in 11 states of Brazil through the following companies in which it has a controlling or other interest: 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. and Terna Serviços Ltda., which, jointly, control 3,712km of high voltage transmission lines, from 230kV to 500kV (information not reviewed by external auditors), components of the Brazilian National Grid.
- Transmissora Alvorada de Energia S.A. (Alvorada) (jointly controlled, 74.50% stake): Holding of 62.80% in Transmissora Alterosa de Energia S.A.
- Transmissora Alterosa de Energia S.A. (Alterosa) (jointly controlled, 36.23% stake): Holding of 29.42% in Transmissora Aliança de Energia S.A.
- Central Eólica Praias do Morgado S.A. (jointly controlled, 49% stake): The Praias do Morgado Wind Farm, in the municipality of Aracajú in the state of Ceará, Northern Brazil, with installed capacity of 28.8MW (information not reviewed by external auditors). The plant began operating in April 2010.
- Central Eólica Volta do Rio S.A. (jointly controlled, 49% stake): The Volta do Rio Wind Farm, also in the municipality of Aracajú in the state of Ceará, Northern Brazil, with installed capacity of 42MW (information not reviewed by external auditors). The plant began operating in September 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: Dores de Guanhães, Senhora do Porto and Jacaré, in the municipality of Dores de Guanhães; and Fortuna II, in the municipality of Virgíópolis. All are in the State of Minas Gerais. The plants are scheduled to start operating in 2011, and will have total 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, through its subsidiary Santo Antônio Energia S. A., of the Santo Antônio Hydroelectric Plant located in the basin of the Madeira River, in the State of Rondônia, with generation capacity 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), on the Manhuaçu River, in the municipalities of Caratinga and Ipanema, in the State of Minas Gerais. The plant began commercial operation in October 2010.
- Lightger S.A. (jointly controlled, 49% stake): Independent power production through building and commercial operation of the hydroelectric potential referred to as the Paracambi Small Hydro Plant, with installed capacity of 25MW, on the Ribeirão das Lages river in the county of Paracambi, in the State of Rio de Janeiro. The first rotor is scheduled to start operation in October 2011.
- Empresa Brasileira de Transmissão de Energia (EBTE) (jointly controlled, 49% stake): Holder of public service electricity transmission concession for transmission lines in the State of Mato Grosso. Operational startup is scheduled for December 2010.

2. PRESENTATION OF THE QUARTERLY INFORMATION

2.1. PRESENTATION OF THE QUARTERLY INFORMATION

The individual and consolidated 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 (CPC); 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, 2009. Hence this Quarterly Information should be read in conjunction with those annual accounting statements.

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The reclassifications made to the balances of September 30, 2009 for the purposes of comparability, in compliance with the change in the Electricity Public Service Accounting Manual (MCSPEE) are as follows:

| Original line | Consolidated Amount, R\$ | Holding company Amount, R\$ | Reclassified to | Consolidated Amount, R\$ | Holding company Amount, R\$ |
|-----------------------------------|--------------------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|
| Other operational expenses | | | Deductions from revenue | | |
| Other operational expenses | 11,866 | 11,866 | Emergency Acquisition Charge | (11,866) | (11,866) |

2.2. APPLICATION OF THE NEW ACCOUNTING RULES, STARTING IN 2010

In continuation of the process, begun in 2008, of harmonizing Brazilian accounting rules with International Financial Reporting Standards IFRS, issued by the IASB – International Accounting Standards Board, during 2009 the CPC issued, and the CVM approved, several accounting statements, with obligatory application for the business years starting on or after January 1, 2010, backdated to 2009 for the purposes of comparability.

However, as allowed by CVM Decision 603, of November 10, 2009, as amended by CVM Decision 626, of March 31, 2010, the Company opted to present its quarterly information in accordance with the accounting rules adopted in Brazil up to December 31, 2009.

The Company is in the process of assessing the possible effects of application of the technical statements so far issued and has concluded, preliminarily, that the main effects will arise from the application of the following rules:

Technical Interpretation ICPC 01 – *Concession Contracts*, which establishes the general principles for recognition and measurement of obligations and the respective rights of concession contracts. Under ICPC 01, the remuneration received or receivable by the concession holder is to be recorded at its fair value, corresponding to rights held in relation to a financial asset and/or an intangible asset. At present it is not possible to estimate the effects arising from the application of this rule, since the concepts introduced are still being studied for the purposes of application, but adjustments are expected, arising from the reclassification of fixed assets as intangible and/or financial assets, recognition of construction revenue, and treatment of obligations linked to the concession.

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CPC Statement 17 *Construction Contracts*, which establishes the accounting treatment of revenues and expenses associated with construction contracts. The applicability of this accounting statement is directly related to the resolution of doubts arising from Technical Interpretation ICPC 01, since the recognition of this revenue is not provided for in the regulatory tariff environment. Thus, the company believes that it is not possible, in the present scenario, to securely quantify the impact of adoption of the said statement.

Statement CPC 30 *Revenues*, which sets out the accounting treatment of revenues that arise from certain types of transaction and event: sale of goods; provision of services; and use, by third parties, of other assets of the entity that generate profits, royalties and dividends. The applicability of this accounting statement is directly related to the resolution of doubts arising from Technical Interpretation ICPC 01, since the recognition of this revenue is not provided for in the regulatory tariff environment. Thus, the company believes that it is not possible, in the present scenario, to securely quantify the impact of adoption of the said statement.

Statement CPC 24 *Subsequent event*, and ICPC 08 *Accounting of the proposal for payment of dividends*: Management has the obligation to propose distribution of the profits at the end of the business year. This distribution can be changed by the stockholders. Hence, according to CPC 24 that part of the proposed dividends that is not declared and is in excess of the obligatory minimum dividend, and the interest on equity, must be maintained within Stockholders' equity, and not be recognized as a liability at the end of the period. Dividends that are additional to the minimum are to be posted in liabilities as and when they are approved by the competent bodies of the company.

Statement CPC 43: This establishes the criteria for the initial adoption of CPCs 15 to 40, and specifies that the exceptions in relation to the international rules are limited to the maintenance of equity income, in the individual financial statements that have investments valued by the equity method, and maintenance of the deferred asset formed up to December 31, 2008, until its entire amortization. At present there is the practice in Brazil of recording of regulatory assets and liabilities, and when the regulator establishes criteria for allocation of revenue or expense to subsequent periods, a regulatory asset or liability is recognized. At present these regulatory assets and liabilities represent a difference in generally accepted accounting principles between the accounting principles adopted in Brazil, and IFRS. Until this moment there is no definition on the recognition of regulatory assets and liabilities, so, the management is awaiting to assess its possible effects on the financial statements prepared in accordance with accounting practices adopted in Brazil.

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The Company is participating in the discussions and debates in the market, especially in the professional organizations of the accounting sector and with the regulators, in relation to the interpretations on the criteria for application of these Statements, among which we highlight Technical Interpretation ICPC 01, and these parties may possibly make a position statement on specific aspects for application in the electricity sector. At this moment, due to the conceptual doubts that have given rise to differing interpretations as to the correct application of these rules in the Brazilian regulatory environment, and until there is a better understanding on the practical application of the Statements, we believe it is not possible yet to assess and quantify the possible effects on the financial statements with a reasonable degree of certainty.

2.3. Transmission revenue Criterion for recognition

On October 14, 2009 the CVM, through a decision of its Council, ordered that the electricity transmission service concession holders controlled by Taesa should, as from the first disclosure of ITRs of 2010, change the accounting treatment to be adopted in accounting of the revenue, with effects backdated to 2009, only for the purposes of comparability, Taesa being exempted from having to restate its accounting statements for the previous business years.

Considering that Cemig GT and the transmission companies of the TBE Group have electricity transmission concession contracts similar to those of Taesa, they too should adopt the same procedures ordered by the CVM.

On May 4, 2010, the CVM, through its Official Letter SEP/GEA 189/10, authorized non-application of this New Practice for the ITRs to be published during the 2010 business year, allowing it to be adopted only as from the business year ending December 31, 2010, jointly with the other Accounting Pronouncements that are in effect in 2010.

It has not been possible to assess the impact on the Stockholders' equity of concession holders arising from the linearization of revenue, due to the conceptual doubts that have given rise to differing interpretations as to the correct application of Technical Interpretation ICPC 01 *Concession contracts*, and its interaction with CPC 17 *Construction contracts* and CPC 30 *Revenues*, in the regulatory environment, as described above.

Table of Contents**3. PRINCIPLES OF CONSOLIDATION**

The Financial Information of the Subsidiary and the Jointly-controlled Subsidiaries mentioned in Explanatory Note 1 has been consolidated, and the Jointly-controlled subsidiaries are consolidated based on the method of Proportional Consolidation, applicable to each component of the ITRs of the Subsidiaries. All the subsidiaries, including those that are jointly controlled, follow accounting practices that are consistent with those of the holding company.

| | Direct stake in total capital, % | |
|---------------------------------------------------|----------------------------------|------------|
| | 30/09/2010 | 30/06/2010 |
| Subsidiaries | | |
| Cemig Baguari Energia S.A. | 100.00 | 100.00 |
| Jointly-controlled subsidiaries | | |
| Hidrelétrica Cachoeirão S.A. | 49.00 | 49.00 |
| Guanhães Energia S.A. | 49.00 | 49.00 |
| Hidrelétrica Pipoca S.A. | 49.00 | 49.00 |
| Madeira Energia S.A. | 10.00 | 10.00 |
| Baguari Energia S.A. | 69.39 | 69.39 |
| Empresa Brasileira de Transmissão de Energia S.A. | 49.00 | 49.00 |
| Central Eólica Praias de Parajuru S.A. | 49.00 | 49.00 |
| Central Eólica Volta do Rio S.A. | 49.00 | 49.00 |
| Central Eólica Praias de Morgado S.A. | 49.00 | 49.00 |
| Transmissora Aliança de Energia Elétrica S.A. | 32.27 | 32.27 |
| Transmissora Alterosa de Energia S.A. | 36.23 | 36.23 |
| Transmissora Alvorada de Energia S.A. | 74.50 | 74.50 |
| Lightger S.A. | 49.00 | |

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

The references made in this Quarterly Information of the subsidiaries and of the jointly-controlled subsidiaries are made in proportion to the Company's stake.

The dates of the Quarterly Information of the subsidiary companies, used for calculation of equity gains (losses) and consolidation, coincide with those of the holding company.

As ordered by CVM Instruction 408, the consolidated Quarterly Information includes the balances and the transactions of the exclusive investment funds, comprising public and private debt securities and debentures of companies with minimum risk rating A+(bra) (Brazilian long-term rating), ensuring high liquidity of the securities.

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The exclusive fund, the Quarterly Information of which is regularly reviewed, is subject to obligations, restricted to payment for services provided for administration of the assets, attributed to operation of the investments, such as custody fees, audit fees and other expenses. There are no significant financial obligations, nor assets of the unit holders to guarantee these obligations.

4. CASH AND CASH EQUIVALENTS

| | Consolidated | | Holding company | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| Bank accounts | 54,267 | 17,937 | 7,167 | 10,360 |
| Cash investments | | | | |
| Bank certificates of deposit | 2,078,126 | 1,748,075 | 2,018,477 | 1,647,349 |
| National Treasury Notes (NTNs) | 149,090 | | | |
| Treasury Financial Notes (LFTs) | 47,684 | 183,882 | 13,353 | 13,354 |
| National Treasury Notes (LTNs) | 20,287 | | 20,287 | |
| Others | 68,169 | 101,608 | 51,271 | 84,450 |
| | 2,363,356 | 2,033,565 | 2,103,388 | 1,745,153 |
| | 2,417,623 | 2,051,502 | 2,110,555 | 1,755,513 |

Cash investments are transactions contracted with Brazilian institutions, and international financial institutions with branch offices in Brazil, at normal market prices and on normal market conditions. All the transactions are highly liquid, are promptly convertible into a known amount of cash, and are subject to insignificant risk of change in value. Bank Certificates of Deposit (CBDs), with fixed or floating rates, and Time Deposits with Special Guarantee (DPGEs) are remunerated at a percentage (varying from 100% to 110%) of the CDI rate published by Cetip (the Custody and Settlement Chamber).

5. CONSUMERS AND TRADERS

| Consumer type | Balances not yet due | Up to 90 days past due | Over 90 days past due | 30/09/2010 | Total | 30/06/2010 |
|----------------------------------------------|----------------------|------------------------|-----------------------|----------------|-------|----------------|
| Holding company | | | | | | |
| Industrial | 175,723 | 7,918 | 6,099 | 189,740 | | 171,994 |
| Commercial, services and others | 785 | 11 | | 796 | | 756 |
| Wholesale supply to other concession holders | 121,425 | 38,638 | 12,329 | 172,392 | | 155,753 |
| Provision for doubtful receivables | | | (1,920) | (1,920) | | (1,920) |
| | 297,933 | 46,567 | 16,508 | 361,008 | | 326,583 |
| Subsidiaries | | | | | | |
| Industrial | 706 | | | 706 | | 665 |
| Commercial, services and others | 5,264 | | | 5,264 | | 3,270 |
| | | | | 5,970 | | 3,935 |
| Total, consolidated | 303,903 | 46,567 | 16,508 | 366,978 | | 330,518 |

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The Company makes the Provisions for Doubtful Receivables through an 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.

6. TRADERS - TRANSACTIONS IN FREE ENERGY

Cemig GT's obligations and rights in relation to the transactions in free energy in the Electricity Trading Chamber (CCEE) during the Rationing Program are as follows:

| | Consolidated and Holding company | |
|------------------------------------------|---------------------------------------------|-------------------|
| | 30/09/2010 | 30/06/2010 |
| CURRENT ASSETS | | |
| Amounts to be received from distributors | 47,678 | 46,141 |
| | 47,678 | 46,141 |

The Amounts receivable, in the above table, refer to the difference between the prices paid by the Company in the transactions in energy on the CCEE, during the period when the Rationing Program was in force, and the rate of R\$ 49.26/MWh. This difference is to be reimbursed through the amounts raised by means of the Extraordinary Tariff Recomposition (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 those generators and distributors who have amounts receivable which include the Company.

On January 12, 2010, Aneel published Normative Resolution 387, establishing that the balances of payments due for Free Energy and for Loss of Revenue, after completion of the process of collection of the RTE in distributors' retail supply tariffs, should be recalculated using a new methodology.

The final passthrough of Free Energy amounts will be the sum of the monthly differences, positive or negative, between the passthroughs for Free Energy made in accordance with certain defined criteria, and the passthroughs already made, plus financial remuneration at the Selic rate, from the date of occurrence of the difference up to the date of completion of the charging of the RTE within retail supply tariffs.

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As a result of the recalculation by Aneel of the amounts to be received by the Distributors, the Company recorded an amount of R\$ 36,388, corresponding to the amounts to be received by the Distributors, of which, up to September 2010, the company received the amount of R\$ 7,388.

The amounts to which Cemig GT is entitled 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.

7. REGULATORY ASSETS AND LIABILITIES THE TARIFF REVIEW

FIRST TARIFF REVIEW

The first Review of the Transmission Tariff, for all of the Company's base of assets, 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.

On June 1, 2010, Aneel granted the Administrative Appeal filed by the Company, ordering repositioning of its first periodic Tariff Review from 5.35% to 6.96%, for the following reasons:

- (i) costs incurred in preparation of the evaluation report, in the amount of R\$ 978;
- (ii) alteration of the Net Remuneration Basis by R\$ 1,140;
- (iii) inclusion of the Sector Charges on the difference of amounts in Revenues applied for, of the last four cycles, and Updating of the Financial Amount, due to the alteration of the profile of Remuneration of Authorized Facilities, of R\$ 8,424.

Aneel additionally established a financial component, of R\$ 168,632, to be paid to the Company as the Adjustment Portion (PA) in 24 months. This amount is the backdated effect of the tariff repositioning over the period from July 1, 2005 through June 30, 2009, increased by the R\$ 10,542 arising from the Administrative Appeal. The first part, of R\$ 85,732, was incorporated into the adjustment for the 2009-10 cycle, and has been received in full. The second part, of R\$ 93,009, will be compensated in the 2010-11 adjustment.

Table of Contents**SECOND TARIFF REVIEW**

On June 8, 2010 Aneel homologated the result of the Company's Second Tariff Review, which set the repositioning of the Permitted Annual Revenue (RAP) at 15.88%, backdated to June 2009. This resulted in a requirement for reimbursement of R\$ 75,568 to the users of the Transmission System during the July 2010 to July 2011 tariff cycle. The Company recorded this amount as a reduction of Revenue in the second quarter of 2010.

As and when amounts of the Adjustment Portion, relating to the first and second Tariff Reviews, are received/discounted in the tariff, the Company transfers the corresponding amounts recorded in Assets and Liabilities to the Income statement.

| | 30/09/2010 | 30/06/2010 |
|-----------------------------------------------------|-----------------|-----------------|
| Revisão Tarifária da Transmissão 1ª Revisão | | |
| Valores Homologados | 158,090 | 158,090 |
| Atualização Monetária pelo IGPM | 2,475 | 2,868 |
| Valores arrecadados | (96,557) | (78,932) |
| Total da 1ª Revisão Tarifária da Transmissão | 64,008 | 82,026 |
| Revisão Tarifária da Transmissão 2ª Revisão | | |
| Valores Homologados | (64,585) | (64,585) |
| Atualização pelo IGPM | (126) | |
| Valores arrecadados | 14,638 | |
| Total da 2ª Revisão Tarifária da Transmissão | (50,073) | (64,585) |
| Ativo Circulante | 68,468 | 91,954 |
| Ativo Não Circulante | 4,043 | 1,055 |
| Passivo Circulante | (58,576) | (75,568) |
| | 13,935 | 17,441 |

8. TAXES OFFSETABLE

| | Consolidated | | Holding company | |
|-------------------------|----------------|----------------|-----------------|----------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| Current | | | | |
| ICMS tax recoverable | 39,050 | 40,397 | 36,865 | 38,677 |
| Income tax | 339,194 | 278,480 | 330,104 | 269,688 |
| Social Contribution tax | 118,866 | 81,689 | 118,137 | 80,866 |
| Pasep tax | 4,149 | 4,175 | 3,667 | 3,664 |
| Cofins tax | 19,046 | 19,072 | 16,815 | 16,800 |
| Others | 793 | 352 | 576 | 158 |
| | 521,098 | 424,165 | 506,164 | 409,853 |
| Non-current | | | | |
| ICMS tax recoverable | 8,223 | 8,223 | 7,742 | 7,742 |
| Income tax | 2,893 | 2,373 | | |
| Pasep tax | 23 | 495 | 23 | 495 |
| Cofins tax | 104 | 2,281 | 104 | 2,281 |

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| | | | |
|---------|---------|---------|---------|
| 11,243 | 13,372 | 7,869 | 10,518 |
| 532,341 | 437,537 | 514,033 | 420,371 |

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The balances of income tax and Social Contribution tax refer to tax credits in corporate income tax returns (DIPJs) of previous years, and to advance payments made in 2010, which will be offset against federal taxes payable to be calculated for the year 2010, posted in Taxes and contributions.

The credits of ICMS tax and Pasep and Cofins taxes recoverable arise from acquisitions of fixed assets, and can be used for offsetting over 48 months.

9. 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:

| | 30/09/2010 | Consolidated | 30/06/2010 |
|----------------------------------------------------------------------------|---------------|--------------|---------------|
| Tax credits on temporary differences: | | | |
| Post-employment obligations | 18,074 | | 17,751 |
| Provision for Pasep and Cofins taxes Extraordinary Tariff Recomposition | 2,392 | | 1,741 |
| Provision for doubtful receivables | 643 | | 643 |
| Financial instruments | 14,316 | | 14,316 |
| FX variation | 35,585 | | 35,585 |
| Contingencies | 2,070 | | 1,786 |
| Taxes with demandability suspended | 6,221 | | 3,962 |
| Others | 7,176 | | 4,868 |
| | 86,477 | | 80,652 |
| Current assets | 30,930 | | 20,519 |
| Non-current assets | 55,547 | | 60,133 |

At a meeting on March 23, 2010 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 March 4, 2010.

According to the Company's estimates, future taxable profits enable the deferred tax asset existing on June 30, 2010 to be realized as follows:

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| | Consolidated 30/09/2010 |
|--------------|------------------------------------|
| 2010 | 11,483 |
| 2011 | 25,702 |
| 2012 | 19,015 |
| 2013 | 13,084 |
| 2014 to 2015 | 9,965 |
| 2015 to 2017 | 3,614 |
| 2018 to 2020 | 3,614 |
| | 86,477 |

B) RECONCILIATION OF THE EXPENSE ON INCOME TAX AND THE SOCIAL CONTRIBUTION TAX:

This table shows 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:

| | Consolidated | | Holding company | |
|----------------------------------------------------------------------|---------------------|-------------------|------------------------|-------------------|
| | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 |
| Profit before income tax and Social Contribution tax | 1,187,687 | 1,467,654 | 1,156,684 | 1,467,252 |
| Income tax and Social Contribution nominal expense | (403,814) | (499,003) | (393,273) | (498,866) |
| Tax effects applicable to: | | | | |
| Interest on Equity | 54,113 | 54,329 | 54,113 | 54,329 |
| Employees profit shares | 9,315 | 7,462 | 9,315 | 7,462 |
| Tax incentive amounts | 14,305 | 8,903 | 10,395 | 8,903 |
| Equity gain (loss) on subsidiaries | | (89) | 27,509 | (89) |
| Non-deductible contributions and donations | (2,630) | (1,796) | (2,630) | (1,796) |
| Adjustment in income tax and Social Contribution prior business year | | (11,423) | | (11,423) |
| Tax credits not recognized | 690 | 384 | 690 | 384 |
| Others | (1,122) | (625) | (4,259) | (360) |
| Income tax and Social Contribution tax | (329,143) | (441,858) | (298,140) | (441,456) |

CORPORATE INCOME TAX INCENTIVES ENJOYED BY TRANSMISSORA ALIANÇA DE ENERGIA ELÉTRICA S.A. TAESA

The National Integration Ministry, through Adene, the federal Agency for Development of the Northeast; and Ada, the federal Agency for the Development of the Amazon Region, has issued official position statements granting some of the subsidiaries of Taesa tax benefits of reduction of 75% in income tax payable, for the activity carried out in the region to which the benefits apply.

Table of Contents**10. DEPOSITS LINKED TO LEGAL ACTIONS**

Deposits linked to legal actions are mainly related to contingencies for employment-law litigation and tax obligations.

The main payments into court in relation to tax obligations relate to income tax withheld at source on Interest on Equity, and to the ICMS tax relating to its exclusion from the amount taxable by PIS and Cofins tax.

| | Consolidated | | Holding company | |
|----------------------------------|---------------------|-------------------|------------------------|-------------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| Employment law cases | 34,505 | 34,440 | 34,427 | 34,362 |
| Tax obligations | | | | |
| Income tax on Interest on Equity | 8,014 | 8,014 | 8,014 | 8,014 |
| Pasep and Cofins | 69,382 | 60,440 | 69,095 | 60,153 |
| Others | 1,835 | 1,835 | 988 | 988 |
| Others | 1,719 | 1,717 | 914 | 914 |
| | 115,455 | 106,446 | 113,438 | 104,431 |

The balances of deposits paid into court in relation to the Pasep and Cofins taxes have a corresponding provision recorded in Taxes, charges and contributions. For more details, please see Explanatory Note 15.

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11. INVESTMENTS

| | Consolidated | | Holding company | |
|------------------------------------------------------------|--------------|--------------|------------------|------------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| In Subsidiary and Jointly-controlled subsidiaries | | | | |
| Hidrelétrica Cachoeirão S.A. | | | 22,964 | 23,887 |
| Guanhães Energia S.A. | | | 10,298 | 10,261 |
| Hidrelétrica Pipoca S.A | | | 16,739 | 17,087 |
| Cemig Baguari Energia S.A. | | | 7 | 6 |
| Baguari Energia S.A. | | | 181,373 | 181,115 |
| EBTE | | | 97,118 | 91,385 |
| Central Eólica Praias de Parajuru S.A. | | | 30,960 | 32,093 |
| Central Eólica Volta do Rio S.A. | | | 60,428 | 58,734 |
| Central Eólica Praias de Morgado S.A. | | | 26,813 | 26,549 |
| TAESA | | | 750,512 | 720,766 |
| Transmissora Alterosa | | | 375,027 | 366,879 |
| Transmissora Alvorada | | | 484,098 | 473,577 |
| Madeira Energia S.A | | | 17,906 | |
| Lightger | | | 37,439 | |
| Goodwill on acquisition of stake in TAESA | | | 380,341 | 383,547 |
| Goodwill on acquisition of the stake in Praias de Parajuru | | | 29,151 | 29,606 |
| Goodwill on acquisition of the stake in Volta do Rio | | | 26,910 | 28,548 |
| Goodwill on acquisition of stake in Praias de Morgado | | | 41,058 | 42,238 |
| Others | 1,573 | 1,737 | 1,574 | 1,738 |
| | 1,573 | 1,737 | 2,590,716 | 2,488,016 |

A) THE MAIN INFORMATION ON THE INVESTEES IS AS FOLLOWS:

| Jointly-controlled subsidiaries | No. of shares | Stake, % | At September 30, 2010 | | January to September 2010 | |
|-----------------------------------|---------------|----------|-----------------------|---------------------|---------------------------|---------------|
| | | | Registered capital | Stockholders equity | Dividends | Profit (Loss) |
| Hidrelétrica Cachoeirão | 35,000,000 | 49.00 | 35,000 | 46,865 | 2,622 | 8,516 |
| Guanhães Energia | 52,000,000 | 49.00 | 19,608 | 21,016 | | 1,408 |
| Hidrelétrica Pipoca | 40,610,000 | 49.00 | 40,610 | 34,161 | | 2,971 |
| Cemig Baguari Energia | 1,000 | 100.00 | 1 | 7 | | (17) |
| Madeira Energia | 359,100,000 | 10.00 | 359,100 | 179,056 | | (131,195) |
| Baguari Energia | 10,000 | 69.39 | 10 | 261,346 | | (119) |
| EBTE | 198,200,000 | 49.00 | 198,200 | 198,199 | | |
| Central Eólica Praias de Parajuru | 70,560,000 | 49.00 | 70,560 | 63,184 | | (8,250) |
| Central Eólica Volta do Rio | 117,230,000 | 49.00 | 117,230 | 123,322 | | (588) |
| Central Eólica Praias de Morgado | 52,960,000 | 49.00 | 52,960 | 54,721 | | (1,599) |
| Lightger | 70,085,000 | 49.00 | 70,085 | 76,406 | | 447 |
| TAESA | 263,498,907 | 32.27 | 1,312,535 | 2,112,015 | | 238,062 |
| Transmissora Alterosa | 641,026,832 | 36.23 | 1,023,155 | 1,035,035 | | 14,992 |
| Transmissora Alvorada | 471,647,403 | 74.50 | 633,084 | 649,796 | | 16,713 |

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| Jointly-controlled subsidiaries | No. of shares | Stake, % | At September 30, 2009 | | January to September 2009 | |
|----------------------------------------|---------------|----------|-----------------------|---------------------|---------------------------|---------------|
| | | | Registered capital | Stockholders equity | Dividends | Profit (Loss) |
| Hidrelétrica Cachoeirão | 35,000,000 | 49.00 | 35,000 | 44,856 | | 9,662 |
| Guanhães Energia | 52,000,000 | 49.00 | 19,608 | 20,687 | | 1,080 |
| Hidrelétrica Pipoca | 39,055,000 | 49.00 | 39,055 | 37,574 | | (640) |
| Madeira Energia | 100,000 | 10.00 | 100 | (38,661) | | (38,761) |
| Cemig Baguari Energia | 1,000 | 100.00 | 1 | 59 | | (38) |
| Baguari Energia | 1,000,000 | 69.39 | 10 | 250,835 | | |
| EBTE | 110,000,000 | 49.00 | 110,000 | 110,000 | | |
| Central Eólica Praias de Parajuru S.A. | 70,560,000 | 49.00 | 70,560 | 69,726 | | (834) |
| Central Eólica Volta do Rio S.A. | 117,230,000 | 49.00 | 117,230 | 116,678 | | (564) |
| Central Eólica Praias de Morgado S.A. | 52,960,000 | 49.00 | 52,960 | 52,744 | | (216) |

The movement of investments in subsidiaries is as follows:

| | 30/06/2010 | Equity gain (loss) | Injections of capital / acquisitions | Dividends proposed | Others | 30/09/2010 |
|-----------------------------------|------------------|--------------------|--------------------------------------|--------------------|-----------------|------------------|
| Hidrelétrica Cachoeirão | 23,887 | 1,699 | | (2,622) | | 22,964 |
| Guanhães Energia | 10,261 | 37 | | | | 10,298 |
| Hidrelétrica Pipoca | 17,087 | (353) | | | 5 | 16,739 |
| Cemig Baguari Energia | 6 | | | | 1 | 7 |
| Madeira Energia | | (2,893) | 35,900 | | (15,101) | 17,906 |
| Baguari Energia | 181,115 | 78 | 180 | | | 181,373 |
| EBTE | 91,385 | | 5,733 | | | 97,118 |
| Central Eólica Praias de Parajuru | 32,093 | (1,206) | 73 | | | 30,960 |
| Central Eólica Volta do Rio | 58,734 | 174 | 1,520 | | | 60,428 |
| Central Eólica Praias de Morgado | 26,549 | (398) | 662 | | | 26,813 |
| Taesa | 720,766 | 29,746 | | | | 750,512 |
| Transmissora Alterosa | 366,879 | 8,148 | | | | 375,027 |
| Transmissora Alvorada | 473,577 | 10,521 | | | | 484,098 |
| Lightger | | 185 | 37,254 | | | 37,439 |
| | 2,002,339 | 45,738 | 81,322 | (2,622) | (15,095) | 2,111,682 |

b) Goodwill on acquisitions of equity interests

The goodwill on acquisition of the companies by Cemig GT, that is to say the difference between the amount paid for the jointly-controlled subsidiaries and the book value of the stake in their stockholders' equity, arises from the added value arising from operation of the concessions. These items of goodwill will be amortized over the remaining period of validity of the concessions.

Table of Contents**c) Acquisition of equity interest - Lightger SA**

The Company acquired from Light.S.A, on August 18, 2010, 49% of the registered and voting capital of Lightger, a special purpose company subsidiary of Light, holder of authorization for commercial operation of the Paracambi Small Hydro Plant. The Company paid, for the acquisition, R\$ 19,960 representing 25,939,013 common shares in Lightger. There was no goodwill from this transaction to be registered.

12. FIXED ASSETS

| Holding company | Historic cost | 30/09/2010 Accumulated depreciation | Net value | 30/06/2010 Net value |
|----------------------------------------------|------------------|-------------------------------------------|------------------|-------------------------|
| In service | 9,205,567 | (4,070,383) | 5,135,184 | 5,180,652 |
| - Generation | 6,762,717 | (3,152,105) | 3,610,612 | 3,641,455 |
| Land | 196,327 | | 196,327 | 196,325 |
| Reservoirs, dams and water courses | 3,673,330 | (1,501,088) | 2,172,242 | 2,190,545 |
| Buildings, works and improvements | 780,556 | (383,993) | 396,563 | 401,295 |
| Machinery and equipment | 2,107,610 | (1,262,641) | 844,969 | 852,738 |
| Vehicles | 2,333 | (1,982) | 351 | 387 |
| Furniture and utensils | 2,561 | (2,401) | 160 | 165 |
| - Transmission | 1,352,949 | (720,849) | 632,100 | 638,748 |
| Land | 2,139 | | 2,139 | 2,139 |
| Buildings, works and improvements | 108,658 | (63,662) | 44,996 | 45,936 |
| Machinery and equipment | 1,240,155 | (656,059) | 584,096 | 589,946 |
| Vehicles | 980 | (276) | 704 | 553 |
| Furniture and utensils | 1,017 | (852) | 165 | 174 |
| - Management | 69,899 | (40,780) | 29,119 | 30,488 |
| Land | 458 | | 458 | 458 |
| Buildings, works and improvements | 13,896 | (7,960) | 5,936 | 6,062 |
| Machinery and equipment | 32,006 | (21,058) | 10,948 | 11,266 |
| Vehicles | 20,546 | (8,872) | 11,674 | 12,595 |
| Furniture and utensils | 2,993 | (2,890) | 103 | 107 |
| - Activities Not Linked to the Concession | 1,020,002 | (156,649) | 863,353 | 869,961 |
| Land | 50,820 | | 50,820 | 50,820 |
| Reservoirs, dams and water courses | 282,318 | (39,418) | 242,900 | 244,399 |
| Buildings, works and improvements | 193,861 | (30,128) | 163,733 | 165,088 |
| Machinery and equipment | 491,983 | (86,603) | 405,380 | 409,113 |
| Vehicles | 57 | (41) | 16 | 17 |
| Furniture and utensils | 963 | (459) | 504 | 524 |
| In progress | 257,862 | | 257,862 | 242,345 |
| - Generation | 112,836 | | 112,836 | 106,112 |
| - Transmission | 136,257 | | 136,257 | 129,176 |
| - Management | 6,419 | | 6,419 | 5,041 |
| - Activities Not Linked to the Concession | 2,350 | | 2,350 | 2,016 |
| Total fixed assets | 9,463,429 | (4,070,383) | 5,393,046 | 5,422,997 |
| Special Obligations linked to the concession | (50,026) | 324 | (49,702) | (49,820) |
| Net fixed assets Holding company | 9,413,406 | 4,070,059 | 5,343,344 | 5,373,177 |

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| | | 30/09/2010 | | 30/06/2010 |
|----------------------------------------------|-------------------|--------------------------|------------------|------------------|
| Subsidiaries | Historic cost | Accumulated depreciation | Net value | Net value |
| In service | 2,007,362 | (324,649) | 1,682,713 | 1,591,582 |
| - Generation | 391,097 | (8,058) | 383,039 | 290,423 |
| - Transmission (*) | 1,607,641 | (314,435) | 1,293,206 | 1,294,456 |
| - Management | 6,242 | (1,887) | 4,355 | 4,531 |
| - Non-connected activities | 2,382 | (269) | 2,113 | 2,172 |
| In progress | 1,059,117 | | 1,059,117 | 992,626 |
| - Generation | 657,311 | | 657,311 | 602,843 |
| - Transmission | 213,692 | | 213,692 | 203,718 |
| - Management | 6,698 | | 6,698 | 4,902 |
| - Non-connected activities | 181,416 | | 181,416 | 181,163 |
| Total fixed assets subsidiaries | 3,066,479 | (324,650) | 2,741,830 | 2,584,208 |
| Special Obligations linked to the concession | (1,101) | | (1,101) | (1,052) |
| Net fixed assets Subsidiaries | 3,065,378 | (324,650) | 2,740,729 | 2,583,156 |
| Net fixed assets Consolidated | 12,478,781 | (4,394,709) | 8,084,072 | 7,956,333 |

(*) The increase in Transmission Assets in the quarter substantially comprises the increase of the stockholding interest in Taesa.

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.

The company has not identified any indications of recoverable loss of value of its fixed assets. The concession contracts specify that at the end of the period of each concession the Concession-granting Power will decide the amount to be indemnified to the Company. As a result Management believes that the accounting value of fixed assets that are not depreciated at the end of the concession period will be reimbursable by the Concession-granting Power.

Under Articles 63 and 64 of Decree 41019 of February 26, 1957, goods and facilities used in generation and transmission are linked to those services, and cannot be removed, disposed of, assigned or given in mortgage guarantee without the prior express authorization of the Regulator. Aneel Resolution 20/99 provides regulations for de-linking of assets of public electricity service concessions. These include grant of prior authorization for de-linking of assets that are not appropriate for serving the concession and are destined for disposal, but requiring the proceeds to be deposited in a linked bank account, to be applied in the concession.

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13. INTANGIBLE

| Holding company | Balance on 30/06/2010 | Additions | Written off | Amortizations | Transfers | Balance on 30/09/2010 |
|---------------------------------------|--------------------------|------------|----------------|---------------|--------------|--------------------------|
| In service Useful life defined | 22,629 | 700 | (109) | (306) | | 22,914 |
| Software use rights | 5,181 | 399 | (109) | (306) | | 5,165 |
| Brands and patents | 4 | | | | | 4 |
| Temporary easements | 17,444 | 301 | | | | 17,745 |
| In progress | 3,324 | 284 | | | (745) | 2,863 |
| Assets in formation | 3,324 | 284 | | | (745) | 2,863 |
| TOTAL, INTANGIBLE | 25,953 | 984 | (109) | (306) | (745) | 25,777 |

| Consolidated | Balance on 30/06/2010 | Additions | Written off | Amortizations: | Transfers | Balance on 30/09/2010 |
|---------------------------------------------------------------|--------------------------|--------------|----------------|-----------------|--------------|--------------------------|
| In service Useful life defined | | | | | | |
| Software use rights | 5,203 | 689 | (109) | (306) | | 5,477 |
| Brands and patents | 22 | 5 | | | | 27 |
| Temporary easements | 34,174 | 4,085 | | | | 38,259 |
| Others | 1,742 | 2,366 | | | | 4,108 |
| Right to commercial operation of public service concession | | | | | | |
| Praia do Morgado Wind Farm | 42,238 | | (662) | (518) | | 41,058 |
| Praias de Parajuru Wind Farm | 29,607 | | (74) | (382) | | 29,151 |
| Volta do Rio Wind Farm | 28,548 | | (1,520) | (117) | | 26,911 |
| Transmissora Aliança de Energia S.A. | 1,198,009 | | | (15,971) | | 1,182,038 |
| Intangible, in service, total | 1,339,543 | 7,145 | (2,365) | (17,294) | | 1,327,029 |
| In progress | | | | | | |
| Assets in formation | 6,145 | 406 | | | (745) | 5,806 |
| Intangible, in progress, total | 6,145 | 406 | | | (745) | 5,806 |
| TOTAL INTANGIBLE ASSETS, CONSOLIDATED | 1,345,688 | 7,551 | (2,365) | (17,294) | (745) | 1,332,835 |

The intangible assets Software use rights, Brands and patents, Temporary easements, and Others, are amortizable by the linear method, and the rates used are those defined by Aneel Normative Resolution 367/09, of June 2, 2009.

The Company has not identified indications of loss of recoverable value of its intangible assets that have defined useful life, and are being amortized over the period of the concession or over periods specified by Aneel.

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The amount of intangible assets in service that had been totally depreciated was R\$ 19,244 on December 30, 2010 (and R\$ 19,207 on June 30, 2010).

14. SUPPLIERS

| | Consolidated | | Holding company | |
|---------------------------------------------------|----------------|----------------|-----------------|---------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| Current | | | | |
| Wholesale supply and transport of electricity | | | | |
| Wholesale market CCEE | 17,270 | 2,330 | 17,270 | 2,330 |
| Cemig D | 3,090 | 3,122 | 3,090 | 3,122 |
| Furnas | 3,748 | 4,068 | 3,748 | 4,068 |
| CTEEP Cia. Trans. Energia Elétrica Paulista | 3,011 | 3,051 | 3,011 | 3,051 |
| CHESF Cia. Hidroelétrica do São Francisco | 2,528 | 2,783 | 2,528 | 2,783 |
| Eletronorte Centrais Elétricas do Norte do Brasil | 2,347 | 2,354 | 2,347 | 2,354 |
| Eletrosul Centrais Elétricas | 1,870 | 2,128 | 1,870 | 2,128 |
| Final passthrough of the RTE | 9,669 | | 9,669 | |
| Other generators and distributors | 49,918 | 46,232 | 45,941 | 40,808 |
| | 93,451 | 66,068 | 89,474 | 60,644 |
| Materials and services | 40,034 | 74,352 | 20,064 | 27,551 |
| | 133,485 | 140,420 | 109,538 | 88,195 |

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 realization of the transactions in the ambit of purchases of Free Energy during the period of rationing, may result in changes in the amounts recorded. Please see remarks in Explanatory Note 19.

Table of Contents**15. TAXES, CHARGES AND CONTRIBUTIONS**

| | Consolidated | | Holding company | |
|-----------------------------|----------------|----------------|-----------------|----------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| Current | | | | |
| Income tax | 246,317 | 165,092 | 244,569 | 161,022 |
| Social Contribution tax | 88,971 | 58,863 | 86,615 | 56,491 |
| ICMS tax | 27,842 | 31,998 | 27,474 | 31,769 |
| Cofins tax | 22,908 | 21,671 | 21,817 | 20,787 |
| Pasep tax | 10,233 | 9,962 | 9,993 | 9,770 |
| Social security system | 3,583 | 3,497 | 3,156 | 3,147 |
| Others | 16,408 | 2,504 | 15,098 | 1,503 |
| | 416,262 | 293,587 | 408,722 | 284,489 |
| Deferred obligations | | | | |
| Income tax | 10,023 | 13,841 | 10,023 | 13,841 |
| Social Contribution tax | 3,608 | 4,983 | 3,608 | 4,983 |
| Cofins tax | 3,046 | 4,208 | 3,046 | 4,208 |
| Pasep tax | 661 | 914 | 661 | 914 |
| | 17,338 | 23,946 | 17,338 | 23,946 |
| | 433,600 | 317,533 | 426,060 | 308,435 |
| Non-current | | | | |
| Cofins tax | 59,278 | 51,852 | 59,278 | 51,852 |
| Pasep tax | 12,869 | 11,257 | 12,869 | 11,257 |
| | 72,147 | 63,109 | 72,147 | 63,109 |
| Deferred obligations | | | | |
| Income tax | 61,874 | 61,345 | 61,874 | 61,341 |
| Social Contribution tax | 22,274 | 22,084 | 22,274 | 22,082 |
| | 84,148 | 83,429 | 84,148 | 83,423 |
| | 156,295 | 146,538 | 156,295 | 146,532 |
| | 589,895 | 464,071 | 582,355 | 454,967 |

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

The *non-current* deferred obligations for income tax and the Social Contribution tax refer substantially to the recording of financial instruments (FX variation, and hedge transactions) by the cash method, which are payable as and when realized, by payment or redemption.

The *deferred, non-current* Pasep and Cofins liabilities refer substantially to assets and liabilities linked to regulatory issues, which are payable as and when the those assets or liabilities are realized.

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The *non-current* obligations for Pasep and Cofins taxes refer to the legal action challenging the constitutionality of the inclusion of the amount of ICMS tax as inside 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.

16. LOANS, FINANCINGS AND DEBENTURES

| FINANCING SOURCES | Principal maturity | Annual financial cost (%) | Currency | Current | Consolidated | | 06/30/2010 Total |
|----------------------------------------------------|--------------------|---------------------------|----------|---------|------------------------|-----------|------------------|
| | | | | | 09/30/2010 Non-current | Total | |
| FOREIGN CURRENCY | | | | | | | |
| B.N.P. Paribas | 2012 | 5.89 | EURO | 2,596 | 1,286 | 3,882 | 5,022 |
| BRAZILIAN CURRENCY | | | | | | | |
| Banco do Brasil S.A. | 2012 | 110.00 do CDI | R\$ | 274,776 | 484,111 | 758,887 | 737,676 |
| Banco do Brasil S.A. | 2013 | CDI + 1.70 | R\$ | 28,896 | 59,305 | 88,201 | 88,108 |
| Banco do Brasil S.A. | 2013 | 107.60 do CDI | R\$ | 1,344 | 30,000 | 31,344 | 30,487 |
| Banco do Brasil S.A. | 2014 | 104.10 do CDI | R\$ | 40,649 | 900,000 | 940,649 | 915,748 |
| Banco Itaú BBA | 2013 | CDI + 1.70 | R\$ | 53,401 | 109,640 | 163,041 | 174,802 |
| Banco Votorantim S.A. | 2010 | 113.50 do CDI | R\$ | 25,901 | | 25,901 | 25,154 |
| Banco Votorantim S.A. | 2013 | CDI + 1.70 | R\$ | 784 | 1,551 | 2,335 | 3,192 |
| Brazilian Development Bank (BNDES) | | | | | | | |
| | 2026 | TJLP+2.34 | R\$ | 8,035 | 113,189 | 121,224 | 124,174 |
| Bradesco S.A | 2013 | CDI + 1.70 | R\$ | 46,331 | 97,687 | 144,018 | 139,745 |
| Bradesco S.A | 2014 | CDI + 1.70 | R\$ | 608 | 1,365 | 1,973 | 1,914 |
| Debêntures (1) | 2011 | 104.00 do CDI | R\$ | 21,029 | 238,816 | 259,845 | 252,973 |
| Debentures Minas Gerais state gov t (1) (2) | | | | | | | |
| | 2031 | IGP-M | R\$ | | 40,476 | 40,476 | 39,301 |
| Debentures (1) (3) | | | | | | | |
| | 2015 | IPCA + 7.68(*) | R\$ | 62,764 | 1,169,832 | 1,232,596 | 1,211,037 |
| Debentures (1) (3) | | | | | | | |
| | 2015 | IPCA + 7.68(*) | R\$ | (475) | (1,568) | (2,043) | (2,163) |
| Debentures (1) (3) | 2012 | CDI + 0.90(*) | R\$ | 114,794 | 1,566,000 | 1,680,794 | 1,634,250 |
| Debentures | 2012 | CDI + 0.90(*) | R\$ | (1,643) | (482) | (2,125) | (2,539) |
| ELETRÓBRÁS | | | | | | | |
| | 2013 | FINEL + 7.50 a 8.50 | R\$ | 12,512 | 27,110 | 39,622 | 42,574 |
| Santander do Brasil S.A | 2013 | CDI + 1.70 | R\$ | 7,636 | 14,857 | 22,493 | 29,420 |
| UNIBANCO S.A | 2013 | CDI + 1.70 | R\$ | 79,465 | 93,852 | 173,317 | 188,280 |
| BNDES (3) | 2033 | TJLP+2.40 | R\$ | | 352,862 | 352,862 | 313,435 |
| Debentures(3) | 2013 | IPCA | R\$ | | 175,735 | 175,735 | 172,820 |
| CEF (Federal Savings Bank) | | | | | | | |
| | 2022 | TJLP+3.50 | R\$ | 8,776 | 85,297 | 94,073 | 67,111 |
| CEF S/A | 2021 | TJLP+3.50 | R\$ | 5,241 | 49,355 | 54,596 | 55,319 |
| CEF S/A | 2022 | TJLP+3.50 | R\$ | 6,390 | 61,236 | 67,626 | 93,235 |
| Brazilian Development Bank (BNDES) | | | | | | | |
| | 2016 | TJLP | R\$ | 53,977 | 355,764 | 409,741 | 261,850 |
| Syndicate of Banks | | | | | | | |
| | 2010 | 113% do CDI | R\$ | | | | 189,227 |
| Brazilian Development Bank (BNDES) | | | | | | | |
| | 2024 | TJLP +2.56 | R\$ | 4,979 | 66,883 | 71,862 | 52,589 |
| DEBENTURES | 2015 | CDI +1.30% | R\$ | 4,629 | 195,592 | 200,221 | 111,677 |
| DEBENTURES | 2015 | IPCA+7.91 | R\$ | 1,840 | 143,001 | 144,841 | 80,713 |
| BNDES | 2013 | TJLP | R\$ | 11,765 | 82,273 | 94,038 | 86,489 |
| Sindicato Bancos | 2010 | 113% do CDI | R\$ | | | | 62,509 |
| Others | | | | | | | |
| | | Diversos | R\$ | 19,126 | 148,039 | 167,165 | 217,401 |

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| | | | | |
|----------------------------------------|----------------|------------------|------------------|------------------|
| Debt in Brazilian currency | 893,530 | 6,661,778 | 7,555,308 | 7,398,508 |
| OVERALL TOTAL, CONSOLIDATED | 896,126 | 6,663,064 | 7,559,190 | 7,403,530 |

-
- (1) Nominal, unsecured, book-entry debentures not convertible into shares, without preference.
 - (2) Contracts adjusted to present value, as per changes to the Corporate Law made by Law 11638/07.
 - (3) Contracts with rates and amounts adjusted in accordance with CPC 08.

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(*) Contractual rate.

(**) Effective rate of the cost of the transaction.

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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 and subsequent years | Total |
|------------------|---------|---------|-----------|-----------|---------|---------|---------|---------------------------|-----------|
| Currency | | | | | | | | | |
| Euro | 22 | 2,573 | 1,287 | | | | | | 3,882 |
| | 22 | 2,573 | 1,287 | | | | | | 3,882 |
| Indexor * | | | | | | | | | |
| UMBndes | 1,401 | 5,383 | 5,932 | 6,536 | 7,100 | 7,778 | 7,891 | 115 | 42,136 |
| IGP-M | | | | | | | | 40,476 | 40,476 |
| Finel | 3,128 | 12,512 | 12,512 | 11,470 | | | | | 39,622 |
| IPCA | 52,252 | 12,053 | 115,032 | 493,783 | 433,640 | 445,948 | | | 1,552,708 |
| CDI | 605,497 | 662,205 | 2,271,362 | 558,605 | 367,963 | 67,540 | 1,185 | | 4,534,357 |
| URTJ | 25,901 | 101,239 | 107,355 | 113,182 | 136,582 | 142,678 | 196,476 | 522,596 | 1,346,009 |
| | 688,179 | 793,392 | 2,512,193 | 1,183,576 | 945,285 | 663,944 | 205,552 | 563,187 | 7,555,308 |
| | 688,201 | 795,965 | 2,513,480 | 1,183,576 | 945,285 | 663,944 | 205,552 | 563,187 | 7,559,190 |

* UMBNDES = BNDES monetary unit

IGP M = IGP M inflation index

Finel = Eletrobrás internal Finel index

IPCA = Expanded Consumer Price Index.

CDI = Interbank CD rate.

URTJ = Interest Rate Reference Unit

The variations in the principal currencies and indexors used for monetary updating of Loans and financings were as follows:

| Currency | Change in quarter ended 30/09/2010 % | Change in full year 2010 % | Indexor | Change in quarter ended 30/09/2010 % | Change in full year 2010 % |
|----------|--------------------------------------|----------------------------|---------|--------------------------------------|----------------------------|
| | | | IGP-M | 2.09 | 7.89 |
| Euro | 4.81 | -7.85 | Finel | 0.41 | 1.54 |
| | | | CDI | 2.57 | 6.97 |

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The movement in Loans and financings is as follows:

| | Consolidated | Holding company |
|----------------------------------------|------------------|--------------------|
| Balance at June 30, 2010 | | |
| Initial balance of subsidiary acquired | 7,403,529 | 5,648,676 |
| Loans and financings obtained | 403,511 | 7,035 |
| Monetary and FX variation | (699) | 1,768 |
| Financial charges provisioned | 187,874 | 146,642 |
| Adjustment to present value | (1,972) | (1,972) |
| Financial charges paid | (58,319) | (19,130) |
| Amortization of financings | (373,558) | (40,552) |
| Others | (1,176) | 534 |
| Balance on September 30, 2010 | 7,559,190 | 5,743,001 |

RESTRICTIVE COVENANT CLAUSES

Cemig GT has contracts for loans and financings with restrictive covenant clauses requiring compliance at the end of each calendar half-year (June 30 and December 31). On June 30, 2010, some clauses were not complied with. For this purpose, the company obtained consent from its creditors, on that date, that they would not exercise their rights to demand immediate or early payment of amounts owed up until June 30, 2011.

The financing contracts of Taesa have restrictive covenants relating to debt servicing coverage indices. On September 30, 2010, Taesa and its subsidiaries had debt servicing coverage indices that were compliant with the limits established in the Contract.

Madeira Energia has a loan from the BNDES and Banco da Amazônia S.A with restrictive covenant clauses that were fully complied with on September 30, 2010.

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Table of Contents**17. REGULATORY CHARGES**

| | Consolidated | | Holding company | |
|--------------------------------------------------------------|----------------|----------------|-----------------|----------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| Global Reversion Reserve RGR | 17,549 | 18,488 | 16,650 | 17,581 |
| Fuel Consumption Account CCC | 8,633 | 5,066 | 8,633 | 5,066 |
| CDE Energy Development Account | 6,173 | 5,949 | 6,173 | 5,949 |
| Aneel inspection charge | 1,605 | 1,783 | 1,605 | 1,605 |
| Alternative Energy Program Proinfa | 3,286 | 3,187 | 3,286 | 3,187 |
| National Scientific and Technological Development Fund FNDCT | 2,374 | 1,825 | 2,082 | 1,666 |
| Research and Development | 80,306 | 75,943 | 74,481 | 70,316 |
| Energy System Expansion Research | 1,187 | 963 | 1,041 | 833 |
| | 121,113 | 113,204 | 113,951 | 106,203 |
| Current liabilities | 49,410 | 47,794 | 42,248 | 40,793 |
| Non-current liabilities | 71,703 | 65,410 | 71,703 | 65,410 |

18. POST-EMPLOYMENT OBLIGATIONS

The Company 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): This plan operates as a defined-contribution plan at the phase of accumulation of funds, for retirement benefits for normal time of service, and as a defined-benefit plan for disability or death of participants still in active employment, and for receipt of benefits for time of contribution. The Sponsors match the basic monthly contributions of the participants. This is the only plan open for joining by new participants.

Of Cemig GT's contribution, 27.52% goes to the portion with defined benefit characteristics, relating to coverage for invalidity or death of a participant still working, being 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 current income statement as and when the Company makes payments, under Personnel expenses.

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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\$ 664,491, are not presented in this Explanatory Note.

Pension Benefits Balances Plan (Plan A): This includes all participants, currently employed and assisted, who opted to migrate from the former Defined Benefit Plan, and are entitled to a benefit proportional to those 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 amount of the Official Social Security benefit so as to result in the average real salary of the employee's last three years of activity in the Company. Two active employees and ten 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, administered by Forluz.

Separation of the Health Plan

On August 26, 2008 the Executive Council 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 the participants, and also to comply with the SPC's requirement, Forluz opted to separate the activities, keeping the present dental and pension plans within itself. The process of separation of the Health Plan was completed in September 2010; as a result, on October 1 the Health Plan began to be managed by Cemig Saúde, with all the existing benefits and coverage being maintained.

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Amortization of the actuarial obligations

Part of the actuarial obligation for post-employment benefits, in the amount of R\$ 197,846 on September 30, 2010 (R\$ 202,589 on June 30, 2010), was recognized as an obligation payable by the Company and is being amortized up to June 2024, through monthly installments, calculated by the system of constant installments (known as the Price table). A part of the amounts is adjusted annually based on the actuarial index of the Defined Benefit Plan (the index for salary adjustment of the employees of Cemig GT, excluding productivity); and, for the Balances Plan, is adjusted by the IPCA (Expanded National Consumer Price) Index published by Ipead, 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 371/00 and an Opinion prepared by independent actuaries. As a result, 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 amounts recognized on September 30, 2010 are presented below.

The movement in Net liabilities has been as follows:

| | Pension plans and retirement supplement plans | Health plan | Dental plan | Life insurance | Total |
|--------------------------------------------|------------------------------------------------------------------|--------------------|--------------------|---------------------------|----------------|
| Net liabilities on June 30, 2010 | 52,110 | 85,893 | 4,688 | 111,732 | 254,423 |
| Expense recognized in the Income statement | 1,382 | 3,772 | 224 | 2,351 | 7,729 |
| Contributions paid | (7,778) | (3,115) | (44) | (587) | (11,524) |
| Net liabilities on September 30, 2010 | 45,714 | 86,550 | 4,868 | 113,496 | 250,628 |
| Current liabilities | 17,526 | | | | 17,526 |
| Non-current liabilities | 28,188 | 86,550 | 4,868 | 113,496 | 233,102 |

19. 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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| | Holding company | | | |
|---------------------------------------------|--------------------------|--------------------------|--------------|--------------------------|
| | Balance on 30/06/2010 | Additions (Reversals) | Written off | Balance on 30/09/2010 |
| Employment-law cases | | | | |
| Various | 484 | | (25) | 459 |
| Personal damages re Tariff increases | | | | |
| Environmental | 3,279 | | (172) | 3,107 |
| Other | 1,469 | 809 | | 2,278 |
| | 4,748 | 809 | (172) | 5,385 |
| Tax matters | | | | |
| Other | | 87 | | 87 |
| Regulatory | | | | |
| Aneel | 21 | 137 | | 158 |
| Total | 5,253 | 1,033 | (197) | 6,089 |

| | Consolidated | | | |
|---------------------------------------------|--------------------------|--------------------------|--------------|--------------------------|
| | Balance on 30/06/2010 | Additions (Reversals) | Written off | Balance on 30/09/2010 |
| Employment-law cases | | | | |
| Various | 484 | | (25) | 459 |
| Personal damages re Tariff increases | | | | |
| Environmental | 4,049 | | (172) | 3,877 |
| Other | 1,571 | 971 | | 2,542 |
| | 5,620 | 971 | (172) | 6,419 |
| Tax matters | | | | |
| Other | | 86 | | 86 |
| Regulatory | | | | |
| Aneel | 21 | 137 | | 158 |
| Total | 6,125 | 1,194 | (197) | 7,122 |

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\$ 3,107 which is duly provisioned.

Legal actions with risk of loss classified as possible

Cemig GT and its subsidiaries are disputing legal actions of an employment-law, civil or tax nature, 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:

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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 contributions 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 differing interpretation by the federal tax authority and the National Social Security Institution (INSS), the Company decided to apply for an order of Mandamus, which allowed it to pay the potential obligations on this amount into Court, a total of R\$ 28,716 (Note 10). This is posted in Deposits connected to legal actions. The Company believes it has arguments of merit for defense. Thus, no provision has been made for any losses in this matter.

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, working with 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 Aneel's Dispatch No. 288/2002. This was to be put into effect in the CCEE starting in November 2008, resulting in an additional disbursement for Cemig, for the expense on purchase of energy in the short term market, in the CCEE, in the amount of approximately R\$ 106,364 at September 30, 2010 (R\$ 103,718 on June 30, 2010). On November 9, 2008 the Company obtained an injunction in the Regional Federal Appeal 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.

20. STOCKHOLDERS EQUITY

On September 30, 2010 the registered capital of Cemig GT was R\$ 3,296,785, represented by 2,896,785,358 nominal common shares, without par value, wholly owned by Cemig.

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On September 29, 2010 the Executive Board approved payment of Interest on Equity in the amount of R\$ 89,278, on account of the minimum obligatory dividend, to stockholders whose names were on the Company's Nominal Share Registry on September 28, 2010. This brings the total allocation of Interest on Equity in the first nine months of 2010 to R\$ 159,156, with a tax benefit of R\$ 54,113.

21. REVENUE FROM SUPPLY OF ELECTRICITY

This table shows supply of electricity by type of consumer:

| | Number of consumers | | Consolidated (Not reviewed by external auditors) MWh | | R\$ | |
|-----------------------------------------------------|---------------------|------------|------------------------------------------------------------|-------------------|------------------|------------------|
| | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 |
| Industrial | 182 | 138 | 13,617,217 | 12,161,980 | 1,526,629 | 1,308,430 |
| Commercial | 15 | 1 | 36,010 | 3,441 | 6,414 | 9,604 |
| Retail supply not invoiced, net | | | | | 20,391 | (19,723) |
| | 197 | 139 | 13,653,227 | 12,165,421 | 1,553,434 | 1,298,311 |
| Wholesale supply to other concession holders (*) | 48 | 44 | 10,958,888 | 11,514,114 | 1,032,260 | 1,216,570 |
| Transactions in energy on the CCEE | | | 2,401,305 | 1,577,657 | 90,312 | 117,022 |
| Sales under the Proinfa program | | | 39,400 | | 10,811 | |
| Total | 245 | 183 | 27,052,820 | 25,257,192 | 2,686,817 | 2,631,903 |

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

22. REVENUE FROM USE OF THE NETWORK

This is 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, which is part of the Brazilian national grid. Supply of electricity to the Brazilian grid system is recorded when it takes place, and invoiced monthly, in accordance with the payments specified by the concession contract. Under some of these contracts the revenue to be earned in the last 15 years of the concession will be 50% less than in the first 15 years. The Company recognizes the payments under these concessions in accordance with each governing contract.

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| | Consolidated | |
|---------------------------------------|----------------|----------------|
| | 30/09/2010 | 30/09/2009 |
| Revenue from use of the basic network | 695,061 | 402,351 |
| System connection revenue | 77,101 | 97,395 |
| Review of the transmission tariff | (64,586) | 136,657 |
| | 707,576 | 636,403 |

| | Holding company | |
|---------------------------------------|-----------------|----------------|
| | 30/09/2010 | 30/09/2009 |
| Revenue from use of the basic network | 425,375 | 402,351 |
| System connection revenue | 77,101 | 97,395 |
| Review of the transmission tariff | (64,586) | 136,657 |
| | 437,890 | 636,403 |

The amounts recorded under Transmission Tariff Review are described in more detail in Explanatory Note 7.

23. DEDUCTIONS FROM OPERATIONAL REVENUES

| | Consolidated | | Holding company | |
|--------------------------------------------------------------|----------------|----------------------------|-----------------|----------------------------|
| | 30/09/2010 | 30/09/2009 Reclassified | 30/09/2010 | 30/09/2009 Reclassified |
| Taxes on revenue | | | | |
| ICMS tax | 270,375 | 241,975 | 269,026 | 240,498 |
| Cofins tax | 240,247 | 231,325 | 231,010 | 231,031 |
| PIS and Pasep taxes | 52,153 | 55,434 | 50,152 | 55,370 |
| ISS value added tax on services | 458 | 365 | 438 | 365 |
| Others | | | | |
| | 563,233 | 529,099 | 550,626 | 527,264 |
| Charges to the consumer | | | | |
| Global Reversion Reserve RGR | 70,590 | 68,028 | 64,056 | 68,028 |
| CDE Energy Development Account | 27,145 | 20,610 | 27,145 | 20,610 |
| Fuel Consumption Account CCC | 28,892 | 18,513 | 28,892 | 18,513 |
| Research and Development P&D | 11,419 | 10,010 | 8,861 | 10,010 |
| National Scientific and Technological Development Fund FNDCT | 8,861 | 9,883 | 8,861 | 9,883 |
| Energy System Expansion Research EPE | 4,430 | 4,942 | 4,431 | 4,942 |
| Emergency Acquisition Charge | 15,234 | 11,866 | 15,235 | 11,866 |
| | 166,571 | 143,852 | 157,481 | 143,852 |
| | 729,804 | 672,951 | 708,107 | 671,116 |

Table of Contents**24. OPERATIONAL COSTS AND EXPENSES**

| | Consolidated | | Holding company | |
|----------------------------------------------------|------------------|----------------------------|------------------|----------------------------|
| | 30/09/2010 | 30/09/2009 Reclassified | 30/09/2010 | 30/09/2009 Reclassified |
| Personnel | 216,680 | 234,764 | 203,378 | 234,326 |
| Post-employment obligations | 23,183 | 21,999 | 23,183 | 21,999 |
| Materials | 13,124 | 10,303 | 12,071 | 10,022 |
| Raw materials and inputs for generation | | 4,070 | | 4,070 |
| Outsourced services | 104,183 | 88,241 | 80,185 | 87,658 |
| Depreciation and amortization | 222,150 | 169,904 | 168,104 | 168,838 |
| Royalties for use of water resources | 100,774 | 105,163 | 100,713 | 105,163 |
| Operational (provisions /) reversals | (6,230) | 911 | (5,995) | 911 |
| Charges for the use of the basic transmission grid | 192,809 | 208,356 | 199,287 | 208,356 |
| Electricity bought for resale | 242,334 | 116,716 | 242,270 | 116,227 |
| Other operational expenses, net | 70,306 | 36,291 | 63,440 | 35,457 |
| | 1,179,313 | 996,718 | 1,086,636 | 993,027 |

| a) PERSONNEL EXPENSES | Consolidated | | Holding company | |
|---------------------------------------------------------------|----------------|----------------|-----------------|----------------|
| | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 |
| Remuneration and salary-related charges and expenses | 184,894 | 176,185 | 171,592 | 175,747 |
| Supplementary pension contributions Defined Contribution plan | 11,060 | 11,408 | 11,060 | 11,408 |
| Assistance benefits | 18,932 | 18,463 | 18,932 | 18,463 |
| | 214,886 | 206,056 | 201,584 | 205,618 |
| (-) Personnel costs transferred to Works in progress | (9,773) | (12,391) | (9,773) | (12,391) |
| | 205,113 | 193,665 | 191,811 | 193,227 |
| The PDV Temporary Voluntary Retirement Program | 11,567 | 41,099 | 11,567 | 41,099 |
| | 216,680 | 234,764 | 203,378 | 234,326 |

The PDV Temporary Voluntary Retirement Program

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

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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 (INSS) payment up to the date when the employee would meet the requirements for retirement benefits under the INSS (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, the Company 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 249 employees of the Company subscribed to the program. An expense relating to the financial incentives, in the amount of R\$ 46,183, was recognized, mainly in 2009.

| b) OUTSOURCED SERVICES | Consolidated | | Holding company | |
|----------------------------------------------------------|----------------|---------------|-----------------|---------------|
| | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 |
| Communication | 4,789 | 3,096 | 3,514 | 3,085 |
| Maintenance and conservation of facilities and equipment | | | | |
| Electrical services | 16,545 | 7,733 | 13,078 | 7,733 |
| Building conservation and cleaning | 13,058 | 12,582 | 13,180 | 12,578 |
| Contracted labor | 3,077 | 3,899 | 2,894 | 3,899 |
| Freight and airfares | 2,658 | 2,789 | 2,686 | 2,788 |
| Accommodation and meals | 4,496 | 3,687 | 3,715 | 3,664 |
| Security services | 7,793 | 6,300 | 6,770 | 6,300 |
| Consultancy | 7,787 | 6,447 | | 6,325 |
| Maintenance and conservation of furniture and utensils | 2,162 | 2,082 | 2,150 | 2,082 |
| Maintenance and conservation of vehicles | 3,572 | 2,698 | 3,317 | 2,697 |
| Electricity | 3,166 | 3,345 | 2,787 | 3,342 |
| Environment | 11,530 | 9,486 | 11,175 | 9,486 |
| Others | 23,550 | 24,097 | 14,919 | 23,679 |
| | 104,183 | 88,241 | 80,185 | 87,658 |

Table of Contents**25. NET FINANCIAL EXPENSES**

| | Consolidated | | Holding company | |
|-----------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 |
| FINANCIAL REVENUES | | | | |
| Revenue from cash investments | 178,687 | 90,774 | 165,529 | 89,995 |
| Arrears penalty payments on electricity bills | 4,376 | 1,452 | 4,372 | 1,452 |
| Monetary updating on items under the General Agreement for the Electricity Sector | 1,759 | 2,952 | 1,873 | 2,952 |
| FX variations | 1,155 | 34,208 | 1,155 | 34,208 |
| Pasep and Cofins taxes on financial revenues | (402) | (248) | (388) | (248) |
| Gains on financial instruments (Note 27) | 648 | 2,818 | 648 | 2,818 |
| Adjustment to present value | 16,277 | 1,486 | 16,277 | 1,486 |
| Other | 25,505 | 22,740 | 17,056 | 18,762 |
| | 228,005 | 156,182 | 206,522 | 151,425 |
| FINANCIAL EXPENSES | | | | |
| Costs of loans and financings | (467,224) | (220,754) | (394,067) | (216,601) |
| Monetary updating on loans and financings | (31,600) | (92) | (31,600) | (92) |
| FX variations | (744) | (10) | (732) | (10) |
| Monetary updating CCEE | | | | |
| Losses on financial instruments (Note 27) | (480) | (40,303) | (480) | (40,303) |
| (Provision/) reversals for losses on transport of Free Energy | | 7,915 | | 7,915 |
| Adjustment to present value | (547) | (7,400) | (547) | (7,400) |
| Other | (45,500) | (43,472) | (31,277) | (37,913) |
| | (546,095) | (304,116) | (458,703) | (294,404) |
| NET FINANCIAL EXPENSES | (318,090) | (147,934) | (252,181) | (142,979) |

26. TRANSACTIONS WITH RELATED PARTIES

As mentioned in Explanatory Note 1, **Cemig GT** 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 and **Light** are also subsidiaries of Cemig.

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Cemig GT's principal balances and transactions with related parties are:

| COMPANIES | ASSETS | | LIABILITIES | | REVENUES | | EXPENSES | |
|--------------------------------------|------------|------------|-------------|------------|------------|------------|------------|------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 |
| CEMIG | | | | | | | | |
| Current | | | | | | | | |
| Interest on Equity, and dividends | | | 186,234 | 110,347 | | | | |
| Affiliates and holding company | | | | 3 | | | | |
| Non-current | | | | | | | | |
| Affiliates and holding company | 2,671 | 2,663 | | | | | | |
| Cemig Distribuição S.A. | | | | | | | | |
| Current | | | | | | | | |
| Affiliates and holding company | | | 196 | 261 | | | | |
| Revenue from electricity supply (1) | 14,601 | 12,283 | 370 | 271 | 89,734 | 58,582 | (3,757) | (17,808) |
| Charges for use of the network | 14,333 | 15,297 | 3,186 | 3,122 | 97,670 | 30,798 | (50,678) | (3,827) |
| Non-current | | | | | | | | |
| Affiliates and holding company | 228 | 228 | | | | | | |
| Light S.A. | | | | | | | | |
| Current | | | | | | | | |
| Revenue from electricity supply (1) | | | 102 | 102 | 12,058 | 5,683 | 3,484 | |
| Charges for use of the network | 106 | 140 | 1 | 1 | 2,968 | 1,146 | 2,968 | |
| Minas Gerais state government | | | | | | | | |
| Current | | | | | | | | |
| Taxes ICMS tax (4) | 39,050 | 40,397 | 27,842 | 31,998 | (270,375) | (241,975) | | |
| Non-current | | | | | | | | |
| Taxes offsetable ICMS (4) | | | | | | | | |
| Debentures (2) | | | 40,476 | 39,301 | | | | |
| Forluz | | | | | | | | |
| Current | | | | | | | | |
| Post-employment obligations (3) | | | 17,526 | 18,340 | | | (23,183) | (21,999) |
| Others | | | 2,232 | 4,749 | | | | |
| Non-current | | | | | | | | |
| Post-employment obligations(3) | | | 233,102 | 236,083 | | | | |
| Personnel expenses (5) | | | | | | | (11,060) | (11,408) |
| Current administration expense (6) | | | | | | | (1,762) | (2,156) |

Others

Non-current

Affiliates and
subsidiaries / parent
company

13

13

74

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Main material comments on the above transactions:

- (1) The Company has contracts for sale of electricity with Cemig Distribuição (Cemig Distribution, or Cemig D) and Light, arising from the 2005 public auction of current existing generation capacity, for 8 years supply, with annual price adjustment by the IGP-M inflation index.
- (2) Private issue of R\$ 120,000 in non-convertible debentures, value updated by the IGP M inflation index adjusted to present value, for completion of the Irapé hydroelectric plant, with redemption after 25 years from the issue date.
- (3) The contracts of Forluz are updated by the Amplified National Consumer Price Index (IPCA), calculated by the Brazilian Geography and Statistics Institute (IBGE) (see Explanatory Note 16) 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 electricity and are carried out in accordance 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 18), 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, please see Explanatory Notes 8, 15, 16, 18, 21, 24 and 25.

27. FINANCIAL INSTRUMENTS

The Financial instruments used by the Company and its Subsidiaries are restricted to: Cash and cash equivalents, Consumers and traders, Loans and financings, Obligations under debentures, and currency swaps the gains and losses obtained on the transactions being registered in full by the accrual method.

The Company s financial instruments were recorded at fair value and are classified as follows:

Financial instruments, measured at fair value via the income statement: 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.

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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 defines the strategic objectives of the Company's business.

The Company has a Financial Risks Management Committee, the purpose of which is to implement guidelines and monitor the financial risk of transactions that might negatively affect the Company's liquidity or 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.

A key aim of the Financial Risks Management Committee is to give predictability to the Company's cash flow and position for a period of 12 months, taking into account the economic scenario published by a firm of external consultants.

The principal risks to which the Company is exposed are as follows:

Exchange rate risk

Cemig GT's exposure to the risk of increased in exchange rates is as follows:

| EXPOSURE TO EXCHANGE RATES | Consolidated and Holding company | |
|--------------------------------|----------------------------------|--------------|
| | 30/09/2010 | 30/06/2010 |
| Euro | | |
| Loans and financings (Note 16) | 3,882 | 5,022 |
| Net liability exposure | 3,882 | 5,022 |

Sensitivity analysis

The Company estimates that, in a probable scenario, the appreciation of the exchange rates of foreign currencies against the Real on September 30, 2011 will be 2,60% (i.e. the Euro would be at R\$ 2.25). The Company has made a sensitivity analysis of the effects on its results arising from increases of 25% and 50% in the exchange rate, in relation to the scenario that it rates as Probable considering these alternative scenarios, respectively, as Possible and Remote, respectively.

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| Risk: FX exposure | Present exposure | Probable scenario | Possible scenario: 25% depreciation | Remote scenario : 50% depreciation |
|--------------------------------------|-------------------------|--------------------------|--------------------------------------------|-------------------------------------------|
| Euro | | | | |
| Loans and financings (Note 16) | 3,882 | 3,781 | 4,726 | 5,671 |
| Net liability exposure | 3,882 | 3,781 | 4,726 | 5,671 |
| Net effect of FX depreciation | | 101 | (844) | (1,789) |

Interest rate risk

On September 30, 2010, Cemig GT was not exposed to the risk of increase in foreign interest rates.

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 | Consolidated | | Holding company | |
|------------------------------------------------------|---------------------|--------------------|------------------------|--------------------|
| | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| Assets | | | | |
| Cash investments (Note 4) | 2,363,356 | 2,033,565 | 2,103,388 | 1,745,153 |
| Regulatory Assets (Note 6) | 47,678 | 46,141 | 47,678 | 46,141 |
| | 2,411,034 | 2,079,706 | 2,151,066 | 1,791,294 |
| Liabilities | | | | |
| Loans and financings (Note 16) | (4,534,357) | (4,598,010) | (4,290,674) | (4,219,208) |
| | (4,534,357) | (4,598,010) | (4,290,674) | (4,219,208) |
| Net liability exposure | (2,123,323) | (2,518,304) | (2,139,608) | (2,427,914) |

Sensitivity analysis

In relation to the most significant risk of increase in interest rates, the Company estimates, based on its financial consultants, that, in a Probable Scenario, the Selic rate on June 30, 2011 will be 10.75%. The Company has made a sensitivity analysis of the effects on its results arising from increases of 25% and 50% in the Selic rate, in relation to the scenario that it considers as Probable considering these alternative scenarios as Possible and Remote, respectively. Variation in the CDI rate accompanies the variation in the Selic rate.

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| | Present exposure Selic 10.75% | Probable scenario: Selic 10.75% | Possible scenario: Selic 13.4375% | Remote scenario: Selic 16.125% |
|------------------------------------------------------------|------------------------------------------|--------------------------------------------|----------------------------------------------|-------------------------------------------|
| Risk: Increase in Brazilian domestic interest rates | | | | |
| Assets | | | | |
| Cash investments | 2,363,356 | 2,617,417 | 2,680,932 | 2,744,447 |
| - Regulatory assets | 47,678 | 52,803 | 54,085 | 55,366 |
| | 2,411,034 | 2,670,220 | 2,735,017 | 2,799,813 |
| Liabilities | | | | |
| Loans | (4,534,357) | (5,021,800) | (5,143,661) | (5,265,522) |
| Net liability exposure | (2,123,323) | (2,351,580) | (2,408,644) | (2,465,709) |
| Net effect of the variation in the Selic rate | | (228,257) | (285,321) | (342,386) |

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 established aiming to make possible receipt of any credits that are in arrears.

In relation to the risk of the Company suffering losses resulting from a financial institution being decreed insolvent, a Cash Investment Policy was approved, and is in force since 2004, in which each institution is analyzed, on the criteria of current liquidity, degree of leverage, percentage of default, profitability and costs, and also analysis by three financial risk rating agencies. Institutions receive maximum limits of allocation of funds, and these are reviewed, periodically, or in the event of any change in the macroeconomic scenarios of the Brazilian economy.

Energy scarcity risk

The electricity sold is generated, substantially, by hydroelectric power plants. A prolonged period of scarcity of rainfall could reduce the volume of water in the reservoirs of the generation plants, limiting 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 another rationing program, like the one put in place by the federal government in 2001.

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Risk of non-renewal of concessions

The Company and its subsidiaries have concessions for commercial operation of electricity generation and transmission 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.

The Company will not suffer any significant negative impact as a result of events related to the risks described above.

b) Financial instruments Derivatives

The derivative instruments contracted by the Company 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 Company has a Financial Risks Management Committee, created to monitor the financial risks in relation to volatility and trends of inflation indices, exchange rates and interest rates that affect its financial transactions and which could negatively affect its liquidity and profitability. This Committee, when putting in place plans of action, also aims to implement guidelines for proactive operation in relation to the environment of financial risks.

Value and type of margin guarantees

The Company does not make margin deposits for derivative instruments.

Method of calculation of the fair value of positions

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

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This table shows the derivative instruments contracted by the Company on September 30, 2010.

| Receivable by the Company and its subsidiaries | Payable by the Company and its subsidiaries | Maturities period | Trading market | Value of principal contracted | | Unrealized loss Amount according to contract | | Fair value | | Accumulated effect Amount received Amount paid | |
|---------------------------------------------------------------|---------------------------------------------------------|----------------------|-------------------|----------------------------------|-------------|----------------------------------------------------|------------|------------|------------|------------------------------------------------------------|---------------|
| | | | | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 | 30/09/2010 | 30/06/2010 |
| Madeira Energia | | | | | | | | | | | |
| R\$: IGP-M index | R\$: 5.86% fixed-rate | In 12/2012 | Over-the-counter | R\$ 120,000 | R\$ 120,000 | 202 | 466 | 202 | 466 | 32,232 | -32,327 |
| | | | | | | | 466 | | 466 | | 18,044 |

The counterparty of the Company's derivatives operation is Banco Santander, and the contracts are for FX and indexor swaps.

There is no sensitivity analysis, due to the rate being pre-fixed.

Table of Contents**28. FINANCIAL STATEMENTS SEPARATED BY COMPANY**

| DESCRIÇÃO | CEMIG - GT | TAESA | EÓLICAS | OUTRAS | ELIMINAÇÕES | TOTAL |
|------------------------------------------------------------------------------------------------------|-----------------------|------------------|----------------|-----------------|--------------------|------------------|
| ATIVO | 11.434.786 | 2.447.885 | 353.019 | 1.154.262 | (2.046.814) | 13.343.138 |
| Disponibilidades | 2.110.555 | 237.533 | 6.641 | 62.893 | | 2.417.623 |
| Contas a Receber | 425.676 | 51.964 | 4.768 | 1.201 | (3.971) | 479.638 |
| Ativo Regulatório | 120.189 | | | | | 120.189 |
| Outros Ativos | 818.530 | 58.141 | 3.011 | 27.527 | (1) | 907.208 |
| Investimentos/Imobilizado | 7.959.837 | 2.100.247 | 338.598 | 1.062.640 | (2.042.842) | 9.418.480 |
| PASSIVO | 11.434.787 | 2.447.885 | 353.019 | 1.154.261 | (2.046.814) | 13.343.138 |
| Fornecedores e suprimentos | 109.660 | 3.480 | 18.011 | 31.201 | (1.326) | 161.026 |
| Empréstimos, Financiamento e Debêntures | 5.743.001 | 876.868 | 216.296 | 723.026 | | 7.559.190 |
| Juros sobre Capital Próprio e Dividendos | 186.234 | 1 | 28 | 2.622 | (2.650) | 186.234 |
| Obrigações Pós-Emprego | 250.628 | | | | | 250.628 |
| Outros Passivos | 908.382 | 26.709 | 482 | 13.600 | 4 | 949.177 |
| Patrimônio Líquido | 4.236.882 | 1.540.828 | 118.202 | 383.812 | (2.042.842) | 4.236.882 |
| RESULTADO | | | | | | |
| Receita Operacional Líquida | 2.416.131 | 257.996 | 10.204 | 8.328 | (7.569) | 2.685.090 |
| CUSTOS E DESPESAS OPERACIONAIS | | | | | | |
| Pessoal | (203.378) | (12.698) | (99) | (505) | | (216.680) |
| Obrigações Pós-Emprego | (23.183) | | | | | (23.183) |
| Materiais | (12.071) | (935) | (98) | (20) | | (13.124) |
| Serviços de Terceiros | (80.185) | (21.882) | (1.384) | (732) | | (104.183) |
| Comp. Financ Utilização Recursos Hídricos | (100.713) | | | (61) | | (100.774) |
| Energia Elétrica Comprada para Revenda | (242.270) | | | (64) | | (242.334) |
| Encargos de Uso da Rede Básica de Transmissão | (199.287) | | (813) | (278) | 7.569 | (192.809) |
| Depreciação e Amortização | (168.104) | (47.385) | (5.711) | (950) | | (222.150) |
| Provisões Operacionais | 5.995 | 235 | | | | 6.230 |
| Outras Despesas Líquidas | (63.440) | (5.119) | (966) | (781) | | (70.306) |
| | (1.086.636) | (87.784) | (9.071) | (3.391) | 7.569 | (1.179.313) |
| Lucro Operacional antes do Resultado Financeiro | 1.329.495 | 170.212 | 1.133 | 4.937 | | 1.505.777 |
| Resultado Financeiro Líquido | (252.181) | (46.028) | (5.664) | (14.216) | | (318.090) |
| Lucro (Prejuízo) antes do Imposto de Renda, contribuição social e participação dos empregados | 1.077.314 | 124.184 | (4.531) | (9.279) | | 1.187.687 |
| Imposto de Renda e Contribuição Social | (298.140) | (29.939) | (583) | (482) | | (329.143) |
| Participações dos Empregados | (27.396) | | | | | (27.396) |
| Lucro Líquido do Exercício | 751.777 | 94.245 | (5.114) | (9.761) | | 831.148 |

Table of Contents**29. DEMONSTRAÇÃO SEGREGADA POR ATIVIDADE**

| DESCRIÇÃO | GERAÇÃO | TRANSMISSÃO | ELIMINAÇÕES | TOTAL |
|-------------------------------------------------------------|------------------|------------------|--------------|--------------------|
| RECEITA OPERACIONAL | | | | |
| Fornecimento Bruto de Energia Elétrica | 2.686.817 | | | 2.686.817 |
| Receita de Uso da Rede - Consumidores Livres | 59.430 | 655.715 | (7.569) | 707.576 |
| Outras Receitas Operacionais | 16.620 | 3.881 | | 20.501 |
| Total - Receita Operacional | 2.762.867 | 659.597 | (7.569) | 3.414.894 |
| Deduções à Receita Operacional | (592.607) | (137.197) | | (729.804) |
| Total - Rec Operacional Líquida | 2.170.260 | 522.400 | (7.569) | 2.685.090 |
| CUSTOS OPERACIONAIS | | | | |
| CUSTO COM ENERGIA ELÉTRICA | | | | |
| Energia Elétrica Comprada para Revenda | (242.333) | | | (242.333) |
| Encargos de Uso da Rede Básica de Transmissão | (200.276) | (103) | 7.569 | (192.809) |
| Total - Custos Operacionais | (442.609) | (103) | 7.569 | (435.143) |
| CUSTO DE OPERAÇÃO | | | | |
| Pessoal e Administradores | (128.321) | (88.359) | | (216.680) |
| Entidade de Previdência Privada | (23.183) | | | (23.183) |
| Materials | (9.312) | (3.812) | | (13.124) |
| Serviços de Terceiros | (64.907) | (39.276) | | (104.183) |
| Depreciação e Amortização | (144.289) | (77.862) | | (222.150) |
| Provisões Operacionais | 6.494 | (265) | | 6.230 |
| Compensação Financeira pela Utilização de Recursos Hídricos | (100.774) | | | (100.774) |
| Outras | (52.152) | (18.155) | | (70.306) |
| Total - Custo de Operação | (516.443) | (227.727) | | (744.171) |
| CUSTO TOTAL | (959.053) | (227.830) | 7.569 | (1.179.313) |
| LUCRO BRUTO | 1.211.207 | 294.570 | | 1.505.777 |
| Outras Receitas (Despesas) Operacionais | | | | |
| Total - Despesa Operacional | | | | |
| EBITDA | 1.355.496 | 372.431 | | 1.727.927 |
| Lucro (Prejuízo) Operacional antes do Resultado de Equiv. | 1.211.207 | 294.570 | | 1.505.777 |
| Resultado Financeiro Líquido | (236.345) | (81.745) | | (318.090) |
| Lucro antes da Tributação e Participações | 974.863 | 212.825 | | 1.187.687 |
| Imposto de Renda e Contribuição Social | (306.194) | (44.416) | | (350.611) |
| Imposto de Renda e Contribuição Social Diferidos | 20.553 | 914 | | 21.468 |
| Participação dos Empregados e Administradores no Resultado | (18.410) | (8.986) | | (27.396) |
| Lucro Líquido do Exercício | 670.811 | 160.337 | | 831.148 |

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CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE

(Figures are in R\$ 000 unless otherwise indicated.)

A) For the first nine months of 2010 (9M10)

Profit in the period

Cemig GT (Cemig Geração e Transmissão) posted net profit of R\$ 831,148 for the period January through September 2010, 17.20% less than its net profit of R\$ 1,003,849 in January through September 2009. This result principally reflects the non-recurring events in 2010 and 2009 in relation to the Transmission Tariff Reviews of Cemig GT. The 1st Transmission Tariff Review, in 2009, with effect backdated to 2005, had a positive impact of R\$ 158,090 in the Company's result; the 2nd Transmission Tariff Review, in 2010, with effects backdated to 2009, had a negative effect of R\$ 64,586.

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For its positive effect on the result for 2010, we highlight the Net profit of the Companies acquired in 2009, which contributed an aggregate R\$ 94,244 to the Company's net profit.

Ebitda (method of calculation not reviewed by external auditors)

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Cemig GT's Ebitda in January to September 2010 (9M10) was 3.22% lower than in 9M09:

| EBITDA - R\$ 000 | 30/09/2010 | 30/09/2009 | Change, % |
|---------------------------------------------------------------|-------------------|-------------------|------------------|
| Net profit | 831,148 | 1,003,849 | (17.20) |
| + Current and deferred income tax and Social Contribution tax | 329,143 | 441,858 | (25.51) |
| + Employees and managers shares in results | 27,396 | 21,947 | 24.83 |
| + Financial revenues (expenses) | 318,090 | 147,934 | 115.02 |
| + Depreciation and amortization | 222,150 | 169,904 | 30.75 |
| = EBITDA | 1,727,927 | 1,785,492 | (3.22) |
| Non-recurring items: | | | |
| + Periodic Tariff Review Tariff repositioning | 64,586 | | |
| + PDV Voluntary Retirement Program | 11,567 | 41,099 | (71.86) |
| - Review of Transmission Revenue Technical Note 214/2009 | | (158,090) | |
| = ADJUSTED EBITDA | 1,804,080 | 1,668,501 | 8.13 |

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Reflecting the lower Ebitda, Ebitda margin was lower in 2010, at 64.35%, than in 2009 (68.04%).

Adjusted for non-recurring items, Ebitda was 8.13% higher year-on-year, and adjusted Ebitda margin was 67.19% in 2010, vs. 63.58% in 2009.

The Company's Ebitda benefited from the Companies acquired in 2009, which contributed a total of R\$ 224,440 in 9M10.

Revenue from supply of electricity

Revenue from sales of electricity in 9M10 was R\$ 2,686,817, 2.09% more than the revenue of R\$ 2,631,903 in 9M09.

This result mainly reflects the higher quantity of electricity supplied to free consumers as a result of the recovery in industrial activity, and also migration of clients from the captive market, offset by the reduction in average price per MWh in 2010. Revenue from free consumers in 9M10 was R\$ 1,553,434, compared to R\$ 1,298,311 in 9M09.

The quantity of electricity sold to other concession holders was 5.07% lower. This mainly reflects the lower volume of electricity traded in the Regulated Market (CCEAR contracts), due to the ending of some contracts, and redirection of electricity to free consumer clients.

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Revenue from use of the network

This revenue is primarily for use, by generation and distribution companies that are participants in the Brazilian grid system, of the facilities that make up the basic transmission network of Cemig GT; the amounts are set by a Resolution of the regulator, Aneel.

Revenue from use of the network in January through September 2010 was R\$ 707,576, 11.18% more than the revenue of R\$ 636,403 earned under this heading in January through September 2009. This increase is mainly due to the increase in the average transmission tariff, and to the acquisition of the transmission company Taesa, which contributed revenue of R\$ 256,097 in 2010; compensated by the effects of the Review of Tariffs for the company's transmission activity.

The effects of the Tariff Review were:

- Recognition of revenue of R\$ 158,090 in 9M09, arising from the Review of the Company's transmission tariff carried out in 2009.
- Recognition of reduction of revenue of R\$ 64,586 in 9M10, arising from the Review of the Company's transmission tariff carried out in 2010.

For further explains please see Explanatory Notes 7 and 11 to the Consolidated Financial Statements.

Deductions from operational revenues

Deductions from operational revenue in 9M10 totaled R\$ 729,804, 8.45% more than in 9M09 (R\$ 672,951). Main year-on-year variations in the deductions from revenue were:

The Fuel Consumption Account - CCC

The deduction from revenue for the CCC account in 9M10 was R\$ 28,892, 56.06% more than in 9M09 (R\$ 18,513). This charge is for the costs of operation of the thermal plants in the national grid and in the isolated systems. It is shared (prorated) between electricity concession holders, on a basis set by an Aneel Resolution. The increase in the CCC in 2010 resulted from an alteration of the criteria, proposed by Aneel. 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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CDE – Energy Development Account

The deduction from revenue for the CDE in 9M10 was R\$ 27,145, 31.71% more than in 3Q09 (R\$ 20,610). These payments are specified by a Resolution issued by the regulator, Aneel. 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 taxes, calculated as a percentage of amounts invoiced. Hence their variations substantially follow the changes in revenue.

Operational costs and expenses (excluding Financial revenue/expenses)

Operational costs and expenses (excluding Net financial revenue/expenses) in 9M10 totaled R\$ 1,179,313, 18.32% more than in 9M09 (R\$ 996,718). For more information on the composition of operational costs and expenses, see Explanatory Note 24 to the Quarterly Information.

The main variations in expenses were:

Personnel

Personnel expenses in 9M10 were R\$ 216,680, 7.70% less than in 9M09 (R\$ 234,764). This mainly reflects the comparison of expenses on the PDV Voluntary Retirement Program in the two periods – R\$ 41,099 in 9m09, and R\$ 11,567 in 9M10 – associated with the lower number of employees, which was reduced from 2,056 in September 2009 to 1,860 in September 2010.

Electricity bought for resale

The expense on electricity bought for resale in 9M10 was R\$ 242,334, 107.63% more than in 9M09 (R\$ 116,716). The difference reflects higher purchases of electricity, related to sales activity.

Outsourced services

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The expense on outsourced services in 9M10 was R\$ 104,183, 18.07% more than in 9M09 (R\$ 88,241) the highest variations being in expenditure on maintenance and conservation of facilities and electrical equipment.

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The expense on services of maintenance and conservation of facilities and electrical equipment in 9M10 was R\$ 16,545, 113.95% more than in 9M09 (R\$ 7,733). This variation arises principally from the Company's higher volume of activity due to adjustment of contracts; and consolidation of the companies acquired in the second half of 2009.

A breakdown of outsourced services is given in Explanatory Note 24 to the Quarterly Information.

Depreciation and amortization

The expense on depreciation and amortization in 9M10 was R\$ 222,150, 30.75% less than the expense of R\$ 169,904 posted in 9M09. This increase is mainly due to the consolidation of the companies acquired in the second half of 2009.

Other operational expenses

Other expenses, net, were R\$ 70,306 in 9M10, 93.73% more than in 9M09 (R\$ 36,291). This reflects the increased expenditure on paid concessions, leasing and rentals, and inspection charges.

Financial revenues (expenses)

The company posted net financial *expenses* of R\$ 318,090 in 9M10, 115.02% more than the net financial expenses of R\$ 147,934 reported for 9M09. The items in net financial expenses with the largest variations are:

- Revenue from cash investments 96.85% higher. R\$ 178,687 in 9M10, compared to R\$ 90,774 in 9M09 reflecting a higher volume of cash invested in 9M10.
- Higher expenses on costs of loans and financings: R\$ 467,224 in 9M10, compared to R\$ 220,754 in 9M09. The increase reflects the entry of new financings, one of the most important being the issue of R\$ 2,700,000 in Promissory Notes in October 2009, settled in March 2010, and the raising of funds by a debenture issue in March 2010, of the same amount, the proceeds of which were used to settle the Promissory Notes.
- Expense on FX variation in loans and financings in Brazilian currency of R\$ 31,600 in 9M10, arising from the variation of the inflation indices used as indexors for the company's contracts for loans, financings and debentures, in 9M10.

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- Net revenue from adjustment to present value, in the amount of R\$ 15,730, in 9M10, compared to an net expense of R\$ 5,914 in 9M09. This arises from the variation of the IGP M index in the periods compared: In 9M10 the IGP M rose by 7.89%, while in 9M09 it rose 1.61% .

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

Income tax and Social Contribution tax

Cemig GT's expense on income tax and the Social Contribution tax in 9M10 was R\$ 329,143, on profit of R\$ 1,187,687, before tax effects, representing a percentage of 27.71%. In 9M09 this expense was R\$ 441,858, on profit of R\$ 1,467,654, before tax effects, a percentage of 30.11%. These effective rates are reconciled with the nominal rates in Explanatory Note 9 to the Quarterly Information. In 9M10 and 9M09 the Company allocated R\$ 159,156 and R\$ 159,790, respectively, to payment of Interest on Equity. These decisions resulted in tax benefits of R\$ 54,113 and R\$ 54,329, respectively, in the two periods 9M10 and 9M09.

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CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE
(In R\$ 000, unless otherwise indicated.)

B) For the first nine months of 2010 (9M10)

INCOME STATEMENTS FOR THE THIRD QUARTERS OF 2010 AND 2009

| | 3Q 2010 | 3Q 2009 | Change, % |
|-------------------------------------------------------------|------------------|------------------|--------------|
| OPERATIONAL REVENUE | | | |
| Revenue from supply of electricity | 970,564 | 891,815 | 8.83 |
| Revenue from use of the network | 280,164 | 170,794 | 64.04 |
| Other operational revenues | 8,868 | 5,803 | 52.82 |
| Gross operational revenue | 1,259,596 | 1,068,412 | 17.89 |
| Deductions from operational revenue | (268,549) | (225,601) | 19.04 |
| Net operational revenue | 991,047 | 842,811 | 17.59 |
| OPERATIONAL COSTS AND EXPENSES | | | |
| Personnel | (70,611) | (65,332) | 8.08 |
| Forluz post-employment obligations | (7,727) | (7,333) | 5.37 |
| Materials | (4,443) | (3,611) | 23.04 |
| Outsourced services | (27,930) | (35,349) | (20.99) |
| Depreciation and amortization | (78,803) | (57,089) | 38.04 |
| Royalties for use of water resources | (34,811) | (35,073) | (0.75) |
| Operational provisions | 285 | (359) | |
| Electricity bought for resale | (96,338) | (45,802) | 110.34 |
| Charges for the use of the basic transmission grid | (56,830) | (65,942) | (13.82) |
| Other expenses, net | (26,598) | (14,191) | 87.43 |
| | (403,806) | (330,081) | 22.34 |
| Operational profit | 587,241 | 512,730 | 14.53 |
| NET FINANCIAL EXPENSES | (117,486) | (54,712) | 114.74 |
| Profit before income tax and Social Contribution tax | 469,755 | 458,018 | 2.56 |
| Income tax and Social Contribution tax | (115,743) | (133,077) | (13.03) |
| Profit shares | (11,326) | (5,730) | 97.66 |
| Net profit for the period | 342,686 | 319,211 | 7.35 |

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PROFIT FOR THE QUARTER

In **third quarter 2010 (3Q10)**, **Cemig GT (Cemig Geração e Transmissão)** reported net profit of R\$ 342,686, 7.35% more than the net profit of R\$ 319,211 reported for **third quarter 2009 (3Q09)**.

For its positive effect on the result for 2010, we highlight the Net profit of the Companies acquired in 2009, Taesa and Lightger, which contributed an aggregate R\$ 49,587 to the Company's net profit in 3Q10.

Ebitda (method of calculation not reviewed by external auditors)

Ebitda in 3Q10 was 16.89% higher than in 3Q09: Adjusted for non-recurring items, Ebitda was 17.22% higher year-on-year.

| EBITDA | 3Q10 | 3Q09 | Change, % |
|---------------------------------------------------------------|----------------|----------------|------------------|
| Net profit | 342,686 | 319,211 | 7.35 |
| + Current and deferred income tax and Social Contribution tax | 115,743 | 133,077 | (13.03) |
| + Profit shares | 11,326 | 5,730 | 97.66 |
| + Financial revenues (expenses) | 117,486 | 54,712 | 114.74 |
| + Depreciation and amortization | 78,803 | 57,089 | 38.04 |
| = EBITDA | 666,044 | 569,819 | 16.89 |
| Non-recurring items: | | | |
| + PDV and PPD Voluntary Retirement Programs | 6,483 | 3,896 | 66.36 |
| = ADJUSTED EBITDA | 672,527 | 573,715 | 17.22 |

Ebitda margin was at the same level in both quarters: 67.61% in 3Q09 and 67.21% in 3Q10.

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Ebitda benefited from the companies acquired in the fourth quarter of 2009, which contributed a total of R\$ 101,859 in 3Q10.

REVENUE FROM SUPPLY OF ELECTRICITY

| | 3Q10 | MWh (**) 3Q09 | Change, % | 3Q10 | R\$ 3Q10 | Change, % |
|--------------------------------------------------|------------------|------------------|--------------|----------------|----------------|--------------|
| Industrial | 4,941,138 | 4,018,184 | 22.97 | 555,281 | 439,416 | 26.37 |
| Commercial | 15,458 | 1,296 | 1.092.75 | 415 | 3,371 | (87.69) |
| Uninvoiced supply , net | | | | 6,982 | 12,642 | (44.77) |
| | 4,956,596 | 4,019,480 | 23.31 | 562,678 | 455,429 | 23.55 |
| Wholesale supply to other concession holders (*) | 3,856,193 | 4,164,971 | (7.41) | 373,739 | 412,691 | (9.44) |
| Transactions in electricity on the CCCE | 166,227 | 548,999 | (69.72) | 27,648 | 23,695 | 16.68 |
| Sales under the Proinfa program | 21,708 | | | 6,499 | | |
| Total | 9,000,724 | 8,733,450 | 3.06 | 970,564 | 891,815 | 8.83 |

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

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

Revenue from supply of electricity in 3Q10 was R\$ 970,564, 8.83% higher than in 3Q09 (R\$ 891,815).

The increase mainly reflects a higher volume of electricity supplied to free consumers: 23.31% more in 3Q10 than in 3Q09. Revenue from free consumers in 3Q10 was R\$ 562,678, compared to R\$ 455,429 in 3Q09.

The volume of electricity sold to other concession holders, and under bilateral contracts, was 7.41% lower year-on-year, mainly reflecting a lower volume of electricity traded in the Regulated Market (CCEAR contracts), due to completion of some contracts, and redirection of the electricity to industrial clients.

Revenue from use of the network

This revenue is primarily for use, by generation and distribution companies that are participants in the Brazilian grid system, of the facilities that make up the basic transmission network of Cemig GT; the amounts are set by a resolution of the regulator, Aneel.

Revenue from use of the network in 3Q10 was R\$ 280,164, 64.04% higher than in 3Q09 (R\$ 170,794). This ci mainly reflects the consolidation in 2010 of the revenue of the transmission company Taesa, acquired in 4Q09.

Table of Contents*Deductions from operational revenue*

| | 3Q10 | 3Q09 | Change, % |
|----------------------------------------------------------------|----------------|----------------|------------------|
| ICMS tax | 98,176 | 78,163 | 25.60 |
| Cofins tax | 88,092 | 79,454 | 10.87 |
| PIS and Pasep taxes | 19,123 | 17,250 | 10.86 |
| ISS value added tax on services | 195 | 140 | 39.29 |
| | 205,586 | 175,007 | 17.47 |
| Global Reversion Reserve RGR | 25,971 | 23,609 | 10.00 |
| CDE Energy Development Account | 9,242 | 8,342 | 10.79 |
| Fuel Consumption Account CCC | 13,744 | 7,197 | 90.97 |
| Research and Development P&D | 4,279 | 3,250 | 31.66 |
| National Scientific and Technological Development Fund (FNDCT) | 3,214 | 2,949 | 8.99 |
| Energy System Expansion Research EPE | 1,607 | 1,474 | 9.02 |
| Emergency Acquisition Charge | 4,906 | 3,773 | 30.03 |
| | 62,963 | 50,594 | 24.45 |
| | 268,549 | 225,601 | 19.04 |

The main variations in deductions from revenue between the two years are as follows:

The Fuel Consumption Account CCC

This charge is for the costs of operation of the thermal plants in the national grid and in the isolated systems. It is shared (prorated) between electricity concession holders, on a basis set 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. Cemig GT's contribution to the CCC was 90.97% higher in 2Q10 than in 2Q09.

CDE Energy Development Account

The payments of the CDE are set by a resolution issued by the regulator, Aneel, and were 10.79% higher in 3Q10 than in 3Q09. 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, basically, taxes, calculated as a percentage of amounts invoiced. Hence their variations are substantially proportional to 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\$ 403,806 in 3Q10, 22.34% more than in 3Q09 (R\$ 330,081). This variation is mainly due to higher costs of Electricity bought for resale, and Depreciation and amortization

These are the main variations in expenses:

Electricity bought for resale

The expense on electricity bought for resale in 3Q10 was R\$ 96,337 110.34% more than in 3Q09 (R\$ 45,802). This reflects greater activity in sales of electricity in 2010.

Depreciation and amortization

The expense on depreciation and amortization in 3Q10 was R\$ 78,803, 38.04% higher than the figure of R\$ 57,089 for 3Q09. This increase is mainly due to the consolidation of the companies acquired in the fourth quarter of 2009.

Personnel

At R\$ 70,611 in 3Q10, personnel expenses were 8.08% higher than in 3Q09 (R\$ 65,332). This is due, substantially, to recognition of an expense of R\$ 6,483 on the Voluntary Retirement Program in 3Q10, compared to an expense of R\$ 3,897 in 3Q09.

Outsourced services

The expense on outsourced services in 3Q10 was R\$ 27,930, 20.99% less than in 3Q09 (R\$ 35,349), the main reduction resulting from expenses on consultancy being R\$ 11,537 lower in 3Q10.

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Financial revenues (expenses)

| | 3Q10 | 3Q09 | Change, % |
|-----------------------------------------------------------------------------------|------------------|------------------|---------------|
| FINANCIAL REVENUES | | | |
| Revenue from cash investments | 58,109 | 27,375 | 112.27 |
| Arrears penalty payments on electricity bills | 980 | 472 | 107.63 |
| Monetary updating on items under the General Agreement for the Electricity Sector | 1,685 | 733 | 129.88 |
| FX variations | (193) | 4,770 | (104.05) |
| Pasep and Cofins taxes on financial revenues | 152 | (40) | (480.00) |
| Gains on financial instruments | (91) | 949 | (109.59) |
| Adjustment to present value | 4,461 | 555 | 703.78 |
| Other | 11,545 | 11,348 | 1.74 |
| | 76,648 | 46,162 | 66.04 |
| FINANCIAL EXPENSES | | | |
| Costs of loans and financings | (169,102) | (68,224) | 147.86 |
| Monetary updating on loans and financings | (1,575) | (92) | 1,611.96 |
| FX variations | (14) | (2) | 600.00 |
| Losses on financial instruments | 76 | 8,290 | (99.08) |
| Provisions for losses in recovery of the RTE (Extraordinary Tariff Recomposition) | | (391) | |
| Adjustment to present value | (116) | (2,829) | (95.90) |
| Other | (23,403) | (37,626) | (37.80) |
| | (194,134) | (100,874) | 92.45 |
| | (117,486) | (54,712) | 114.74 |

There was significant difference in Financial expenses between 3Q09 and 3Q10: the Company reported financial expenses of R\$ 54,712 in 3Q09, and R\$ 117,486 in 3Q10. The main factors in the difference were:

- Revenue from cash investments R\$ 30,734 higher in 3Q10, due to a higher volume of cash invested.
- Higher expenses on costs of loans and financings: R\$ 169,102 in 3Q10, compared to R\$ 68,224 in 3Q09. The increase is mainly due to the raising of new funding, mainly from the Company's debenture issue in 2010.

Income tax and Social Contribution tax

In 3Q10, Cemig GT's expense on income tax and the Social Contribution tax was R\$ 115,743, on pre-tax profit of R\$ 469,755, representing a percentage of 24.64%. In 3Q09, the expense on income tax and Social Contribution was R\$ 133,077, equal to 29.05% of the pre-tax profit of R\$ 458,018. Tax advantages of R\$ 17,902 in 3Q09, and R\$ 30,355 in 3Q09, resulted from payment of Interest on Equity.

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14. List of Changes to the Quarterly Results for the Third Quarter Ended September 30, 2010, Cemig Geração e Transmissão, December 14, 2010

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FEDERAL PUBLIC SERVICE
 BRAZILIAN SECURITIES COMMISSION (CVM)
 ITR Quarterly Information
 COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law accounting method
 BASE DATE: 30/09/2010

02032-0 CEMIG GERAÇÃO E TRANSMISSÃO S.A. 06.981.176/0001-58

23.01 DESCRIPTION OF THE INFORMATION ALTERED

Changes on December 14, 2010

All the amounts described below are in R\$ 000.

Group 6 Explanatory Notes

Note 16. Loans, Financings and Debentures

Inclusion, for the column headed 6/30/2010, of the amount 86,489 in the lines *BNDES*, and a line *Syndicate of Banks* with total of 62,509, as reported in the 2nd quarter of 2010 the totals of the table being unchanged.

| FINANCING SOURCES | Principal maturity | Annual financial cost (%) | Currency | Current | Consolidated | | 06/30/2010 Total |
|---------------------------------------------|--------------------|---------------------------|----------|---------|------------------------|---------|------------------|
| | | | | | 09/30/2010 Non-current | Total | |
| FOREIGN CURRENCY | | | | | | | |
| B.N.P. Paribas | 2012 | 5.89 | EURO | 2,596 | 1,286 | 3,882 | 5,022 |
| BRAZILIAN CURRENCY | | | | | | | |
| Banco do Brasil S.A. | 2012 | 110.00 do CDI | R\$ | 274,776 | 484,111 | 758,887 | 737,676 |
| Banco do Brasil S.A. | 2013 | CDI + 1.70 | R\$ | 28,896 | 59,305 | 88,201 | 88,108 |
| Banco do Brasil S.A. | 2013 | 107.60 do CDI | R\$ | 1,344 | 30,000 | 31,344 | 30,487 |
| Banco do Brasil S.A. | 2014 | 104.10 do CDI | R\$ | 40,649 | 900,000 | 940,649 | 915,748 |
| Banco Itaú BBA | 2013 | CDI + 1.70 | R\$ | 53,401 | 109,640 | 163,041 | 174,802 |
| Banco Votorantim S.A. | 2010 | 113.50 do CDI | R\$ | 25,901 | | 25,901 | 25,154 |
| Banco Votorantim S.A. | 2013 | CDI + 1.70 | R\$ | 784 | 1,551 | 2,335 | 3,192 |
| Brazilian Development Bank (BNDES) | | | | | | | |
| | 2026 | TJLP+2.34 | R\$ | 8,035 | 113,189 | 121,224 | 124,174 |
| Bradesco S.A | 2013 | CDI + 1.70 | R\$ | 46,331 | 97,687 | 144,018 | 139,745 |
| Bradesco S.A | 2014 | CDI + 1.70 | R\$ | 608 | 1,365 | 1,973 | 1,914 |
| Debentures (1) | 2011 | 104.00 do CDI | R\$ | 21,029 | 238,816 | 259,845 | 252,973 |
| Debentures Minas Gerais state gov t (1) (2) | 2031 | IGP-M | R\$ | | 40,476 | 40,476 | 39,301 |

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| | | | | | | | |
|--------------------|------|-----------------|-----|--------|-----------|-----------|-----------|
| Debentures (1) (3) | 2015 | IPCA + 7.68 (*) | R\$ | 62,764 | 1,169,832 | 1,232,596 | 1,211,037 |
|--------------------|------|-----------------|-----|--------|-----------|-----------|-----------|

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| | | | | | | | |
|-------------------------------------------|------|-----------------|-----|----------------|------------------|------------------|------------------|
| Debentures (1) (3) | 2015 | IPCA + 7.68(*) | R\$ | (475) | (1,568) | (2,043) | (2,163) |
| Debentures (1) (3) | 2012 | CDI + 0.90(*) | R\$ | 114,794 | 1,566,000 | 1,680,794 | 1,634,250 |
| Debentures | 2012 | CDI + 0.90(*) | R\$ | (1,643) | (482) | (2,125) | (2,539) |
| Eletrobrás | | FINEL + 7.50 to | | | | | |
| | 2013 | 8.50 | R\$ | 12,512 | 27,110 | 39,622 | 42,574 |
| Santander do Brasil S.A | 2013 | CDI + 1.70 | R\$ | 7,636 | 14,857 | 22,493 | 29,420 |
| Unibanco S.A | 2013 | CDI + 1.70 | R\$ | 79,465 | 93,852 | 173,317 | 188,280 |
| BNDES (3) | 2033 | TJLP+2.40 | R\$ | | 352,862 | 352,862 | 313,435 |
| Debentures (3) | 2013 | IPCA | R\$ | | 175,735 | 175,735 | 172,820 |
| CEF (Federal Savings Bank) | 2022 | TJLP+3.50 | R\$ | 8,776 | 85,297 | 94,073 | 67,111 |
| CEF S/A | 2021 | TJLP+3.50 | R\$ | 5,241 | 49,355 | 54,596 | 55,319 |
| CEF S/A | 2022 | TJLP+3.50 | R\$ | 6,390 | 61,236 | 67,626 | 93,235 |
| Brazilian Development Bank (BNDES) | 2016 | TJLP | R\$ | 53,977 | 355,764 | 409,741 | 261,850 |
| Syndicate of Banks | 2010 | 113% of CDI | R\$ | | | | 189,227 |
| Brazilian Development Bank (BNDES) | 2024 | TJLP +2.56 | R\$ | 4,979 | 66,883 | 71,862 | 52,589 |
| Debentures | 2015 | CDI +1.30% | R\$ | 4,629 | 195,592 | 200,221 | 111,677 |
| Debentures | 2015 | IPCA+7.91 | R\$ | 1,840 | 143,001 | 144,841 | 80,713 |
| BNDES | 2013 | TJLP | R\$ | 11,765 | 82,273 | 94,038 | 86,489 |
| Syndicate of Banks | 2010 | 113% of CDI | R\$ | | | | 62,509 |
| Others | | Various | R\$ | 19,126 | 148,039 | 167,165 | 217,401 |
| Debt in Brazilian currency | | | | 893,530 | 6,661,778 | 7,555,308 | 7,398,508 |
| OVERALL TOTAL, CONSOLIDATED | | | | 896,126 | 6,663,064 | 7,559,190 | 7,403,530 |

(1) Nominal, unsecured, book-entry debentures not convertible into shares, without preference.

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

(3) Contracts with rates and amounts adjusted in accordance with CPC 08.

(*) Contractual rate.

(**) Effective rate of the cost of the transaction.

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Group 9 Consolidated income statement

Income statement for the quarter from 7/1/2010 to 9/30/2010

Changes were made in the following lines:

| | |
|-----------------|----------------------------------------------------------------------------------|
| Line 3.04 | <i>Cost of goods and/or services sold:</i> changed from (401,481) to (404,481) |
| Line 3.04.08 | <i>Royalties for use of water resources:</i> changed from (31, 871) to (34, 871) |
| Line 3.05 | <i>Gross profit (loss):</i> changed from 589,566 to 586,566 |
| Line 3.06.03.01 | <i>Financial revenues:</i> changed from 0 to 76,648 |
| Line 3.06.03.02 | <i>Financial expenses:</i> changed from 0 to (194,134) |
| Line 3.07 | <i>Operational profit (loss):</i> changed from 472,755 to 469,755 |
| Line 3.09 | <i>Profit before taxes and profit shares:</i> changed from 472,755 to 469,755 |
| Line 3.15 | <i>Profit (loss) for the period:</i> changed from 345,686 to 342,686 |

Income statement for the quarter from 7/1/209 to 9/30/2009.

Changes were made in the following lines:

| | |
|--------------|---------------------------------------------------------------------------------|
| Line 3.02 | <i>Deductions from gross revenue:</i> changed from (221,828) to (225,601) |
| Line 3.03 | <i>Net revenue from sales and/or services:</i> changed from 846,584 to 842,811 |
| Line 3.04 | <i>Cost of goods and /or services sold:</i> changed from (296,723) to (304,816) |
| Line 3.04.14 | <i>Others:</i> changed from (10,728) to (18,821) |
| Line 3.05 | <i>Gross profit (loss):</i> changed from 549,861 to 537,995 |
| Line 3.06 | <i>Operational Expenses/Revenues:</i> changed from (91,843) to (79,977) |
| Line 3.06.05 | <i>Other operational expenses:</i> changed from (4,381) to (7,485) |

Group 10 Statement of consolidated cash flows

Statement of cash flows for the quarter from 7/1/2010 to 9/30/2010 and Income statement for the quarter from 7/1/2009 to 9/30/2010

| | |
|-----------------|-------------------------------------------------------------------------------------------|
| Line 4.02.01 | <i>Investments:</i> changed from 70,177 to (14,418) |
| Line 4.02.02 | <i>Fixed assets:</i> changed from (157,252) to (53,910) |
| Line 4.02.03 | <i>Intangible:</i> changed from (121,226) to (139,973) |
| Line 4.01 | <i>Net cash from operational activities:</i> changed from 509,371 to 509,372 |
| Line 4.01.02.15 | <i>Others:</i> changed from 21,342 to 21,343 |
| Line 4.05 | <i>Increase (Reduction) in Cash and cash equivalents:</i> changed from 194,795 to 194,496 |
| Line 4.05.01 | <i>Initial balance of Cash and cash equivalents:</i> changed from 1,220,409 to 1,220,408 |

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15. Restated Quarterly Results for the Third Quarter Ended September 30, 2010, Companhia Energética de Minas Gerais CEMIG,
December 14, 2010

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Table of Contents**BALANCE SHEETS****AT SEPTEMBER 30 AND JUNE 30, 2010****ASSETS****R\$ 000**

| | Consolidated | | Holding company | |
|-------------------------------------------------------------|---------------------|-------------------|------------------------|-------------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| CURRENT | | | | |
| Cash and cash equivalents (Note 3) | 4,178,835 | 3,754,516 | 432,355 | 428,321 |
| Consumers and traders (Note 4) | 2,238,548 | 2,220,462 | | |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | | 65,512 | | |
| Concession holders transport of energy | 425,619 | 428,236 | | |
| Taxes subject to offsetting (Note 10) | 1,256,262 | 1,155,224 | 6,403 | 6,406 |
| Anticipated expenses CVA (Note 9) | 221,225 | 282,301 | | |
| Traders Transactions in Free Energy (Note 7) | 47,678 | 46,141 | | |
| Tax credits (Note 11) | 245,580 | 200,053 | 20,790 | 10,966 |
| Dividends receivable | | | 633,741 | 421,145 |
| Transmission Tariff Review (Note 8) | 68,468 | 91,954 | | |
| Inventories | 46,832 | 44,616 | 615 | 444 |
| Other credits | 635,999 | 609,413 | 10,408 | 13,070 |
| TOTAL, CURRENT | 9,365,046 | 8,898,428 | 1,104,312 | 880,352 |
| NON-CURRENT | | | | |
| Long term assets | | | | |
| Accounts receivable from Minas Gerais State Govt. (Note 13) | 1,792,189 | 1,830,892 | | |
| Credit Receivables Investment Fund (Note 13) | | | 927,550 | 911,777 |
| Anticipated expenses CVA (Note 9) | 214,392 | 88,675 | | |
| Tax credits (Note 11) | 558,897 | 603,591 | 59,671 | 79,146 |
| Taxes subject to offsetting (Note 10) | 254,828 | 241,519 | 142,433 | 116,824 |
| Deposits linked to legal actions (Note 12) | 876,237 | 796,165 | 119,180 | 95,460 |
| Consumers and traders (Note 4) | 93,651 | 100,117 | | |
| Transmission Tariff Review (Note 8) | 4,043 | 1,055 | | |
| Other credits | 150,966 | 120,060 | 41,872 | 43,690 |
| | 3,945,203 | 3,782,074 | 1,290,706 | 1,246,897 |
| Investments (Note 14) | 23,563 | 23,821 | 10,088,350 | 9,802,968 |
| Fixed assets (Note 15) | 15,881,480 | 15,524,986 | 1,990 | 1,987 |
| Intangible (Note 16) | 2,545,808 | 2,577,033 | 867 | 1,147 |
| TOTAL, NON-CURRENT | 22,396,054 | 21,907,914 | 11,381,913 | 11,052,999 |
| TOTAL ASSETS | 31,761,100 | 30,806,342 | 12,486,225 | 11,933,351 |

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

This text is a translation, provided for information only. The original text in Portuguese is the legally valid version.

Table of Contents**BALANCE SHEETS****AT SEPTEMBER 30 AND JUNE 30, 2010****LIABILITIES****R\$ 000**

| | Consolidated | | Holding company | |
|------------------------------------------------------------|---------------------|-------------------|------------------------|-------------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| CURRENT | | | | |
| Suppliers (Note 17) | 993,633 | 935,632 | 1,143 | 3,852 |
| Regulatory charges (Note 20) | 337,138 | 357,816 | | |
| Profit shares | 76,332 | 54,562 | 3,267 | 2,295 |
| Taxes, charges and contributions (Note 18) | 1,070,928 | 886,709 | 83,186 | 47,574 |
| Interest on Equity and dividends payable (Note 30) | 487,062 | 487,063 | 487,062 | 487,063 |
| Loans and financings (Note 19) | 1,387,928 | 1,605,442 | 20,975 | 19,263 |
| Debentures (Note 19) | 361,115 | 240,946 | | |
| Salaries and mandatory charges on payroll | 235,045 | 308,105 | 13,049 | 16,142 |
| Regulatory liabilities - CVA (Note 9) | 471,191 | 445,589 | | |
| Post-employment obligations (Note 21) | 100,437 | 104,033 | 3,810 | 3,987 |
| Provision for losses on financial instruments (Note 31) | 61,786 | 60,076 | | |
| Transmission Tariff Review (Note 8) | 58,576 | 75,568 | | |
| Debt to related parties | | | 4,318 | 4,288 |
| Contingency provisions (Note 22) | | 76,141 | | |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | 16,273 | | | |
| Other obligations | 386,346 | 333,354 | 17,604 | 18,046 |
| TOTAL, CURRENT | 6,043,790 | 5,971,036 | 634,414 | 602,510 |
| NON-CURRENT | | | | |
| Regulatory charges (Note 20) | 251,094 | 206,710 | | |
| Regulatory liabilities - CVA (Note 9) | 160,813 | 130,827 | | |
| Loans and financings (Note 19) | 6,483,486 | 6,598,049 | 36,794 | 36,794 |
| Debentures (Note 19) | 4,551,444 | 4,208,523 | | |
| Taxes, charges and contributions (Note 18) | 786,453 | 719,377 | | |
| Contingency provisions (Note 22) | 363,031 | 430,804 | 121,838 | 150,664 |
| Post-employment obligations (Note 21) | 1,259,030 | 1,271,265 | 50,495 | 49,735 |
| Other obligations | 291,989 | 249,976 | 72,714 | 73,873 |
| TOTAL, NON-CURRENT | 14,147,340 | 13,815,531 | 281,841 | 311,066 |
| STOCKHOLDERS EQUITY (Note 23) | | | | |
| Registered capital | 3,412,073 | 3,412,073 | 3,412,073 | 3,412,073 |
| Capital reserves | 3,953,850 | 3,953,850 | 3,953,850 | 3,953,850 |
| Profit reserves | 2,882,308 | 2,882,308 | 2,882,308 | 2,882,308 |
| | (3,305) | (180) | (3,305) | (180) |

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| | | | | |
|-------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Accumulated Stockholders equity conversion adjustment | | | | |
| Funds allocated to increase of capital | 27,124 | 27,124 | 27,124 | 27,124 |
| Retained earnings | 1,297,920 | 744,600 | 1,297,920 | 744,600 |
| TOTAL STOCKHOLDERS EQUITY | 11,569,970 | 11,019,775 | 11,569,970 | 11,019,775 |
| TOTAL LIABILITIES | 31,761,100 | 30,806,342 | 12,486,225 | 11,933,351 |

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

Table of Contents**INCOME STATEMENTS****FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009****(R\$ 000, expect net profit per share)**

| | Consolidated | | Holding company | |
|--------------------------------------------------------------------------------------|--------------|----------------------------|-----------------|------------|
| | 09/30/2010 | 09/30/2009 Reclassified | 09/30/2010 | 09/30/2009 |
| OPERATIONAL REVENUE | | | | |
| Revenue from supply of electricity (Note 24) | 11,220,947 | 10,525,222 | | |
| Revenue for use of the network Free Consumers (Note 25) | 2,001,917 | 1,600,922 | | |
| Other operational revenues (Note 26) | 498,387 | 438,720 | 338 | 267 |
| | 13,721,251 | 12,564,864 | 338 | 267 |
| Deductions from operational revenue (Note 27) | (4,673,416) | (4,242,228) | | (2) |
| NET OPERATIONAL REVENUE | 9,047,835 | 8,322,636 | 338 | 265 |
| OPERATIONAL COSTS | | | | |
| COST OF ELECTRICITY AND GAS (Note 28) | | | | |
| Electricity bought for resale | (3,023,885) | (2,529,469) | | |
| Charges for the use of the basic transmission grid | (598,012) | (612,627) | | |
| Gas purchased for resale | (162,685) | (128,610) | | |
| | (3,784,582) | (3,270,706) | | |
| COST OF OPERATION (Note 28) | | | | |
| Personnel and managers | (677,343) | (690,293) | | |
| Post-employment obligations | (94,793) | (70,487) | | |
| Materials | (80,918) | (76,816) | | |
| Raw materials and inputs for generation | | (4,070) | | |
| Outsourced services | (495,672) | (447,979) | | |
| Depreciation and amortization | (591,850) | (501,699) | | |
| Operational provisions | (218,223) | (39,814) | | |
| Royalties for use of water resources | (104,925) | (109,336) | | |
| Other | (137,212) | (91,612) | | |
| | (2,400,936) | (2,032,106) | | |
| TOTAL COST | (6,185,518) | (5,302,812) | | |
| GROSS PROFIT | 2,862,317 | 3,019,824 | 338 | 265 |
| OPERATIONAL EXPENSES (Note 28) | | | | |
| Selling expenses | (113,907) | (119,741) | | |
| General and administrative expenses | (300,776) | (479,353) | 55,660 | (10,963) |
| Other operational expenses | (47,467) | (49,521) | (12,275) | (15,986) |
| | (462,150) | (648,615) | 43,385 | (26,949) |
| Operational profit before equity gains/losses and financial revenues/expenses | 2,400,167 | 2,371,209 | 43,723 | (26,684) |
| Equity gain (loss) from subsidiaries | | | 1,294,423 | 1,543,364 |
| Net financial revenue (expenses) (Note 29) | (433,336) | (81,308) | 17,975 | 9,817 |

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| | | | | |
|-----------------------------------------------------------|------------------|------------------|------------------|------------------|
| Profit before taxation and profit shares | 1,966,831 | 2,289,901 | 1,356,121 | 1,526,497 |
| Income tax and Social Contribution tax (Note 11) | (645,082) | (759,874) | (75,247) | (83,599) |
| Deferred income tax and Social Contribution tax (Note 11) | 73,382 | 39,217 | (13,338) | (13,118) |
| Employees and managers profit shares | (132,072) | (99,163) | (4,477) | (2,706) |
| Minority interests | | (43,007) | | |
| NET PROFIT FOR THE PERIOD | 1,263,059 | 1,427,074 | 1,263,059 | 1,427,074 |
| NET PROFIT PER SHARE R\$ | | | 1.85166 | 2.30033 |

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2010 (9M10)

R\$ 000

| | Registered capital | Capital reserves | Profit reserves | Retained earnings | Conversion / Valuation Adjustment to Stockholders' equity | Funds allocated to increase of capital | Total |
|--------------------------------------------------------------------|--------------------|------------------|------------------|-------------------|-----------------------------------------------------------|----------------------------------------|-------------------|
| BALANCES ON JUNE 30, 2010 | 3,412,073 | 3,953,850 | 2,882,308 | 744,600 | (180) | 27,124 | 11,019,775 |
| Adjustment to stockholders' equity in affiliated company (Note 23) | | | | | 1,542 | | 1,542 |
| Balance sheet conversion adjustment | | | | | (4,667) | | (4,667) |
| Net profit in the quarter | | | | 553,320 | | | 553,320 |
| BALANCES ON SEPTEMBER 30, 2010 | 3,412,073 | 3,953,850 | 2,882,308 | 1,297,920 | (3,305) | 27,124 | 11,569,970 |
| BALANCES AT DECEMBER 31, 2009 | 3,101,884 | 3,969,099 | 3,177,248 | | 150 | 27,124 | 10,275,505 |
| Increase in registered capital (Note 23) | 310,189 | (15,249) | (294,940) | | | | |
| Adjustment to stockholders' equity in affiliated company (Note 23) | | | | | 1,993 | | 1,993 |
| Balance sheet conversion adjustment | | | | | (5,448) | | (5,448) |
| Prior year adjustment in affiliated company | | | | 34,861 | | | 34,861 |
| Net profit for the period | | | | 1,263,059 | | | 1,263,059 |
| BALANCES ON SEPTEMBER 30, 2010 | 3,412,073 | 3,953,850 | 2,882,308 | 1,297,920 | (3,305) | 27,124 | 11,569,970 |

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

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STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

R\$ 000

| | Consolidated | | Holding company | |
|---------------------------------------------------------------------------------|--------------|------------|-----------------|-------------|
| | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| CASH FLOW FROM OPERATIONS | | | | |
| Net profit for the period | 1,263,059 | 1,427,074 | 1,263,059 | 1,427,074 |
| Expenses (Revenues) not affecting Cash and cash equivalents | | | | |
| Depreciation and amortization | 610,975 | 517,204 | 127 | 140 |
| Net write-offs of fixed assets | 12,060 | 16,938 | | |
| Equity gain (loss) from subsidiaries | | | (1,294,423) | (1,543,364) |
| Interest and monetary variations Non-current | 112,546 | (43,755) | (40,410) | (35,966) |
| Revision of permitted transmission revenue | 50,073 | (136,657) | | |
| Deferred federal taxes | (73,381) | (39,217) | 13,338 | 13,118 |
| Provisions (reversals) for operational losses | (29,433) | 88,765 | (101,861) | (30,557) |
| Provision for losses (Gains on financial instruments) | (6,956) | 80,136 | | |
| Provisions for losses in recovery of Extraordinary Tariff Recomposition amounts | | (7,915) | | |
| Amortization of goodwill on acquisitions | 53,853 | 16,352 | 35,286 | 16,352 |
| Post-employment obligations | 126,457 | 105,760 | 9,408 | 4,252 |
| Minority interests | | 43,007 | | |
| Additional low-income consumers subsidy 2008 and 2009 Tariff Adjustments | (55,263) | | | |
| Write-off of CVA prior years | 70,889 | | | |
| Write-off of regulatory assets PIS, Pasep and Cofins taxes | 46,240 | | | |
| Others | (3,113) | 7,616 | | |
| | 2,178,006 | 2,075,308 | (115,476) | (148,951) |
| (Increase) reduction of assets | | | | |
| Consumers and traders | (139,102) | (298,788) | | |
| Extraordinary Tariff Recomposition Current | 227,445 | 240,047 | | |
| Amortization of accounts receivable from the Minas Gerais State Government | 101,079 | 143,647 | | |
| Traders transactions on CCEE | (1,055) | 3,317 | | |
| Deferred tax credits | (15,315) | 9,909 | 25,646 | 23,462 |
| Taxes offsetable | (383,681) | (503,031) | 14,095 | (14,370) |
| Transport of electricity | (8,591) | 74,623 | | |
| Other credits | (255,766) | 173,430 | 25,029 | (7,041) |
| Deferred Tariff Adjustment | | 133,423 | | |
| Anticipated expenses CVA | 21,038 | 35,782 | | |
| Payments into court | (247,804) | (175,649) | (23,718) | (7,631) |
| Review of the transmission tariff | 55,271 | | | |
| Dividends received from subsidiaries | | | 1,159,294 | 820,171 |
| | (646,481) | (163,290) | 1,200,346 | 814,591 |
| Increase (reduction) of liabilities | | | | |

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| | | | | |
|-------------------------------------------|-----------|-----------|-----------|---------|
| Suppliers | 173,741 | (159,782) | (13,132) | (1,447) |
| Taxes, charges and contributions | 635,332 | 892,623 | 50,347 | 54,186 |
| Salaries and mandatory charges on payroll | (119,261) | 83,305 | (5,374) | 457 |
| Regulatory charges | 87,415 | 11,142 | | |
| Loans, financings and debentures | 605,282 | 64,805 | (2,383) | (3,716) |
| Post-employment obligations | (39,977) | (147,612) | (7,329) | (6,714) |
| Regulatory liabilities CVA | 170,080 | 34,245 | | |
| Losses on financial instruments | (12,712) | (16,365) | | |
| Contingency provisions | 32,370 | | (102,334) | |
| Others | (30,668) | (3,314) | (13,507) | (7,972) |
| | 1,501,602 | 759,047 | (93,712) | 34,794 |
| NET CASH FROM OPERATIONAL ACTIVITIES | 3,033,127 | 2,671,065 | 991,158 | 700,434 |

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| | Consolidated | | Holding company | |
|-----------------------------------------------|--------------------|--------------------|------------------|------------------|
| | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| CASH FLOWS IN INVESTMENT ACTIVITIES | | | | |
| Investments | (446,797) | (216,492) | (729,996) | (543,981) |
| Investments in fixed and intangible assets | (2,727,684) | (1,866,350) | (387) | 745 |
| MET CASH USED IN INVESTMENT ACTIVITIES | (3,174,481) | (2,082,842) | (730,383) | (543,236) |
| CASH FLOW IN FINANCING ACTIVITIES | | | | |
| Financings and debentures obtained | 4,372,711 | 592,380 | | |
| Reduction of capital | | | | 185,000 |
| Payments of loans and financings | (4,000,681) | (214,211) | (18,397) | |
| Minority interests | (6,948) | | | |
| Interest on Equity, and dividends | (469,852) | (481,160) | (466,727) | (481,159) |
| NET CASH USED IN FINANCING ACTIVITIES | (104,770) | (102,991) | (485,124) | (296,159) |
| NET CHANGE IN CASH POSITION | (246,124) | 485,232 | (224,349) | (138,961) |
| STATEMENT OF CHANGES IN CASH POSITION | | | | |
| Beginning of period | 4,424,959 | 2,283,937 | 656,704 | 256,906 |
| End of period | 4,178,835 | 2,769,169 | 432,355 | 117,945 |
| | (246,124) | 485,232 | (224,349) | (138,961) |

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, 2010

(Figures in R\$ 000, except where otherwise stated)

1. OPERATIONAL CONTEXT

Companhia Energética de Minas Gerais (Cemigr the Company) is a listed Corporation registered in the Brazilian Registry of Corporate Taxpayers (CNPJ) under number 17.155.730/0001-64, with shares traded at Corporate Governance Level 1 on the São Paulo stock exchange and on the stock exchanges of the US and Spain. It operates exclusively as a holding company, with stockholdings in companies controlled individually or jointly, the principal objectives of which are to build and operate 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.

Cemig had stockholdings in the following operational companies on September 30, 2010:

- **Cemig Geração e Transmissão S.A. (Cemig GT**(subsidiary, 100% stake), registered with the CVM (Brazilian Securities Commission): Generation and transmission of electricity, through 48 power plants, of which 43 are hydroelectric, 4 wind plants and one a thermal plant, 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 and jointly controlled:
- **Hidrelétrica Cachoeirão S.A.** (jointly controlled, 49.00% stake): Production and sale of electricity as an independent power producer, through the Cachoeirão hydroelectric power plant, at Pocrane, in the State of Minas Gerais, with installed capacity of 27MW (information not reviewed by external auditors). The plant began operating in 2009.
- **Central Eólica Praias de Parajuru S.A.** (jointly controlled 49.00% stake): Production and sale of electricity at the Praias de Parajuru Wind Farm, in the county 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, through its participation in the UHE Baguari Consortium (Baguari Energia 49.00%, Neoenergia 51.00%), of the Baguari Hydroelectric Plant, with installed capacity of 140MW (information not reviewed by external auditors), on the Doce River in Governador Valadares, Minas Gerais State. The various units of this plant began operating over the period September 2009 to May 2010.

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- Transmissora Aliança de Energia Elétrica S.A. (Taesa) previously named Terna Participações S.A. (jointly controlled, 32.27% stake): Construction, operation and maintenance of electricity transmission facilities in 11 states of Brazil through the following companies in which it has a controlling or other interest: 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. and Terna Serviços Ltda. These companies control an aggregate of more than 3,712km (information not reviewed by external auditors) of high voltage transmission lines (230 to 500kV), components of the Brazilian National Grid.
- Transmissora Alvorada de Energia S.A. (Alvorada) (jointly controlled, 74.50% stake): Holding of a 62.80% interest in Transmissora Alterosa de Energia S.A.
- Transmissora Alterosa de Energia S.A. (Alterosa) (jointly controlled, 36.23% stake): Holding of a 29.42% interest in Transmissora Aliança de Energia S.A.
- Central Eólica Praias do Morgado S.A. (jointly controlled, 49% stake): Production and sale of electricity through the Praias do Morgado Wind Farm in the county of Aracaju in the state of Ceará, Northern Brazil, with installed capacity of 28.8MW (information not reviewed by external auditors). The plant began operating in April 2010.
- Central Eólica Volta do Rio S.A. (jointly controlled, 49% stake): Production and sale of electricity through 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). The plant began operating in September 2010.

Subsidiaries and jointly-controlled 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 county of Dores de Guanhães; and Small Hydro Plants Fortuna II, in the county 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).
- Cemig Baguari Energia S.A. (subsidiary, 100% 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): Construction, operation and commercial operation of the Santo Antônio Hydroelectric Plant in the Madeira river basin, in the State of Rondônia, with generation capacity of 3,150MW (information not reviewed by external auditors) and commercial startup scheduled for 2011.
- 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. Startup of commercial operation in October 2010.
- Empresa Brasileira de Transmissão de Energia (EBTE) (jointly-controlled subsidiary, 49% stake): Holder of public service electricity transmission concession for transmission lines in the state of Mato Grosso. Operational startup is scheduled for December 2010.
- Lightger S.A. (Light Ger) (jointly controlled, 49% stake): Independent power production through building and commercial operation of the hydroelectric potential referred to as the Paracambi Small Hydro Plant, with installed capacity of 25MW, (information not reviewed by external auditors), on the Ribeirão das Lages River in the county of Paracambi, in the State of Rio de Janeiro. The first rotor is scheduled to start operation in October 2011.
- Cemig Distribuição S.A. (Cemig D) (wholly-owned subsidiary 100% stake), registered with the CVM (Securities Commission): Distribution of electricity through distribution networks and lines in approximately 97% of the Brazilian state of Minas Gerais, serving 7,000,655 consumers on September 30, 2010 (information not reviewed by external auditors).
- Light S.A. (Light) (jointly-controlled subsidiary 25.53% stake): Objects are to hold direct or indirect interests in other companies and, directly or indirectly, to operate electricity services, including generation, transmission, trading or distribution, and other related services. Light S.A. is the controlling stockholder of:
 - Light Serviços de Eletricidade S.A. (Light SESA) (100% stake): A listed corporation primarily operating in electricity distribution, with 2.0 million consumers in 31 municipalities of the state of Rio de Janeiro, (information not reviewed by external auditors).
 - Light Energia S.A. (Light Energia) (100% stake): An unlisted corporation whose principal activities are to study, plan, build and commercially operate systems of generation, transmission and sale of electricity and related services;

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- Light Esco Prestação de Serviços Ltda. (Light Esco) (100% stake): Provision of services of co-generation, planning, administration and solutions including electricity efficiency and structuring of energy sourcing, and trading of electricity in the free market.
- Itaocara Energia Ltda. (Itaocara Energia) (100% stake): Company at pre-operational stage, whose principal objects are planning, building, installation and commercial operation of electricity power plants.
- Lightger S.A. (Lightger) (51.00% stake), and Lighthidro Ltda. (Lighthidro) (100% stake): Companies at pre-operational stage, formed to participate in auctions of concessions, authorizations and permissions in new plants. On December 24, 2008, Lightger obtained the installation license authorizing the start of works on the Paracambi Small Hydro Plant.
- Instituto Light para o Desenvolvimento Urbano e Social (the Light Institute) (100% stake): Participation in social and cultural projects, and interest in economic and social development of cities, reaffirming the Company's vocation for social action and Corporate Citizenship.
- Lightcom Comercializadora de Energia S.A. (Lightcom) (100% stake): Purchase, sale, importation and exportation of electricity and general consultancy in the Free and Regulated Electricity Markets.
- Axxiom Soluções Tecnológicas S.A. (Axxiom) (jointly controlled 51.00% stake): Formed in August 2008 to provide complete services of implementation and management of systems for electricity sector companies.
- Sá Carvalho S.A. (subsidiary, 100% 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.).
- Companhia de Gás de Minas Gerais (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.
- Cemig Telecomunicações S.A. (Cemig Telecom) previously named Empresa de Infovias S.A. (subsidiary, 100% stake): Provision and commercial operation of specialized telecommunications services, through an integrated system consisting of fiber optic cables, coaxial cables, and electronic and associated equipment (multi-service network).

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- Efficientia S.A. (subsidiary, 100% stake): Provides electricity efficiency and optimization services and energy solutions through studies and execution of projects, as well as providing services of operation and maintenance in energy supply facilities.
- Horizontes Energia S.A. (subsidiary, 100% stake): Production and sale of electricity, 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% stake): Production and sale of electricity produced by thermal generation as an independent producer, in future projects.
- Rosal Energia S.A. (subsidiary, 100% stake): Production and sale of electricity, as a public electricity service concession holder, at the Rosal hydroelectric power plant, on the border between the States of Rio de Janeiro and Espírito Santo, Brazil.
- Central Hidrelétrica Pai Joaquim S.A. (subsidiary, 100% stake): Production and sale of electricity as an independent producer, in future projects.
- Cemig PCH S.A. (subsidiary, 100% stake): Production and sale of electricity as an independent power producer, through the *Pai Joaquim* hydroelectric power plant.
- Cemig Capim Branco Energia S.A. (subsidiary, 100% stake): Production and sale of electricity as an independent power producer, through the *Amador Aguiar I and II* hydroelectric power plants, built through a consortium with private-sector partners.
- UTE Barreiro S.A. (subsidiary, 100% stake): Production and sale of thermally generated electricity, as an independent 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 Minas Gerais state.
- Cemig Trading S.A. (subsidiary: 100% stake): Sale and intermediation of business transactions related to energy.
- 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.

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- 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.
- 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.
- EPTE (Empresa Paraense de Transmissão de Energia S.A.) (jointly controlled, 41.49% stake): Holder of a public service electricity transmission concession, for the 500kV transmission line in the State of *Pará*. ETEP has formed the wholly-owned subsidiary ESDE (Empresa Santos Dumont de Energia S.A.), with a 100% stake.

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- 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, 37.99% stake): Holder of the public service electricity transmission concession for the 500kV transmission lines between the sectionalizing Substations of *Tucuruí*, *Marabá*, *Imperatriz*, *Presidente Dutra* and *Açailândia*. EATE has holdings in the following transmission companies: EBTE (Empresa Brasileira de Transmissão de Energia), with a 51% stake; STC (Sistema de Transmissão Catarinense), with a stake of 80%, and Lumitrans Cia. Transmissora de Energia Elétrica, with a stake of 80%.
- 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 2008 to provide complete services of implementation and management of systems for electricity sector companies.
- 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. The transmission line began operating in January 2010.
- 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. The transmission line began operating in April 2010.

Cemig also has stockholdings in the companies listed below, which were at pre-operational stage on September 30, 2010:

- Cemig Serviços S.A. (*Cemig Serviços*) - (subsidiary, 100% stake): Provision of services related to planning, construction, operation and maintenance of electricity generation, transmission and distribution systems, and provision of administrative, commercial and engineering services in the various fields of energy, from any source.

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

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2. PRESENTATION OF THE QUARTERLY INFORMATION

2.1. Presentation of the quarterly information

The Quarterly Information (ITR), both for the holding company and Consolidated, 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, 2009. Hence this Quarterly Information should be read in conjunction with those annual financial statements, published on March 24, 2010 and approved by the Executive Board on March 9, 2010.

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

The reclassification made to the balances of September 30, 2009 for the purposes of comparability in compliance with the change in the Electricity Public Service Accounting Manual (MCSPEE) is as follows:

| Original line | Consolidated | Reclassified to | Consolidated |
|------------------------------|--------------|------------------------------|--------------|
| Other operational expenses | | Deductions from revenue | |
| Emergency Acquisition Charge | 11,866 | Emergency Acquisition Charge | (11,866) |

2.2. Application of the new accounting rules starting in 2010

In continuation of the process, begun in 2008, of harmonizing Brazilian accounting rules with International Financial Reporting Standards IFRS, issued by the IASB International Accounting Standards Board, in 2009 the CPC issued, and the CVM approved, several accounting statements, with obligatory application for the business years starting on or after January 1, 2010, backdated to 2009 for the purposes of comparability.

However, as allowed by CVM Decision 603, of November 10, 2009, as amended by CVM Decision 626, of March 31, 2010, the Company opted to present its quarterly information in accordance with the accounting rules adopted in Brazil up to December 31, 2009.

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The Company is in the process of assessing the possible effects of application of the technical statements so far issued and has concluded, preliminarily, that the main effects will arise from the application of the following rules:

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Technical Interpretation ICPC 01 *Concession Contracts*, which establishes the general principles for recognition and measurement of obligations and the respective rights of concession contracts. Under ICPC 01, the remuneration received or receivable by the concession holder is to be recorded at fair value, corresponding to rights held in relation to a financial asset and/or an intangible asset. At present it is not possible to estimate the effects arising from the application of this rule, since the concepts introduced are still being studied for the purposes of application, but adjustments are expected, arising from the reclassification of the fixed assets as an intangible and/or a financial asset, recognition of construction revenue, and treatment of obligations linked to the concession.

CPC Statement 17 *Construction Contracts*, which establishes the accounting treatment of revenues and expenses associated with construction contracts. The applicability of this accounting statement is directly related to the resolution of doubts arising from Technical Interpretation ICPC 01, since the recognition of this revenue is not provided for in the regulatory tariff environment. Thus, the company believes that it is not possible, in the present scenario, to securely quantify the impact of adoption of the said statement.

Statement CPC 30 *Revenues*, which sets out the accounting treatment of revenues that arise from certain types of transaction and event: sale of goods; provision of services; and use, by third parties, of other assets of the entity that generate profits, royalties and dividends. The applicability of this accounting statement is directly related to the resolution of doubts arising from Technical Interpretation ICPC 01, since the recognition of this revenue is not provided for in the regulatory tariff environment. Thus, the company believes that it is not possible, in the present scenario, to securely quantify the impact of adoption of the said statement.

Statement CPC 24 *Subsequent event*, and ICPC 08 *Accounting of the proposal for payment of dividends*: Management has the obligation to propose distribution of the profits at the end of the business year. This distribution can be changed by the stockholders. Thus, according to CPC 24 the part of the proposed dividends that is not declared and is in excess of the obligatory minimum dividend and the interest on equity shall be maintained within Stockholders' equity and shall not be recognized as a liability at the end of the period. Dividends that are additional to the minimum shall be posted in liabilities as and when they are approved by the competent bodies of the company.

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Statement CPC 43 This establishes the *criteria for the initial adoption of CPCs 15 to 40*, and specifies that the exceptions in relation to the international rules are limited to the maintenance of equity income in the individual financial statements that have investments valued by the equity method and maintenance of the deferred asset formed up to December 31, 2008, until its entire amortization. At present, in Brazil, regulatory assets and liabilities are recorded, and when the regulator establishes criteria for allocation of revenue or expense to subsequent periods, a regulatory asset or liability is recognized. At present these regulatory assets and liabilities represent a difference in generally accepted accounting principles between the accounting principles adopted in Brazil, and IFRS. Until this moment there is no definition on the recognition of regulatory assets and liabilities, so, the management is awaiting to assess its possible effects on the financial statements prepared in accordance with accounting practices adopted in Brazil.

The Company is participating in the discussions and debates in the market, especially in the professional organizations of the accounting sector and with the regulators, in relation to the interpretations on the criteria for application of these Statements, among which we highlight Technical Interpretation ICPC 01, and these parties may possibly make a position statement on specific aspects for application in the electricity sector. At this moment, due to the conceptual doubts that have given rise to differing interpretations as to the correct application of these rules in the Brazilian regulatory environment, and until there is a better understanding on the practical application of the Statements, we believe it is not possible yet to quantify the possible effects on the financial statements with a reasonable degree of certainty.

2.3. Transmission revenue Criteria for recognition

On October 14, 2009 the CVM, through a decision of its Council, ordered that the electricity transmission service concession holders controlled by Taesa should, as from the first disclosure of ITRs of 2010, change the accounting treatment to be adopted in accounting of the revenue, with effects backdated in 2009 only for the purposes of comparability, Taesa being exempted from having to restate its accounting statements for the previous business years.

Considering that Cemig GT and the transmission companies of the TBE Group have electricity transmission concession contracts similar to those of Taesa, they too should adopt the same procedures ordered by the CVM.

On May 4, 2010, the CVM, through its Official Letter SEP/GEA 189/10, authorized non-application of this new practice for the ITRs to be published during the 2010 business year, allowing it to be adopted only after the business year ending December 31, 2010, jointly with the other accounting pronouncements that have effect in 2010.

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It has not been possible to evaluate the impact on the Stockholders' equity of concession holders arising from the linearization of revenue, due to the conceptual doubts that have given rise to differing interpretations as to the correct application of Technical Interpretation ICPC 01 *Concession contracts*, and its interaction with CPC 17 *Construction contracts* and CPC 30 *Revenues*, in the regulatory environment, as described above.

2.4. 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 as follows: The data of the jointly-controlled subsidiaries was consolidated based on the method of proportional consolidation, applicable to each component of the accounting statements of the jointly-controlled subsidiaries. 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 interests of the holding company in the Stockholders' equity of the controlled companies, and material balances of assets, liabilities, revenues and expenses arising from transactions effected between the companies, have been eliminated.

The dates of the Quarterly Information of the subsidiaries used for calculation of equity gains (losses) and consolidation coincide with those of the holding company.

The references made in this Quarterly Information of the subsidiaries and of the jointly-controlled subsidiaries are realized in proportion to the Company's stake.

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 and that of Transchile is the US dollar.

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

In accordance with CVM Instruction 408, the Consolidated Quarterly Information includes the balances and the transactions of the exclusive investment funds, the only unit holders of which are the Company and its subsidiaries, comprising public and private debt securities and debentures of companies with minimum risk rating A+(bra) (Brazilian long-term rating), ensuring high liquidity of the securities.

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The exclusive fund, the Quarterly Information of which is regularly reviewed, is subject to obligations restricted to: payment for services provided for administration of the assets, attributed to operation of the investments, such as custody fees, audit fees and other expenses. There are, thus, no significant financial obligations, nor assets of the unit holders to guarantee these obligations.

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The Company uses the full and proportional consolidation criteria, as shown in the following table. The proportions of holding indicated are of the subsidiary's total capital:

| Subsidiaries and jointly-controlled subsidiaries | Form of consolidation | 09/30/2010 | |
|---------------------------------------------------------|-----------------------|-------------------|---------------------|
| | | Direct holding, % | Indirect holding, % |
| Subsidiaries and jointly-controlled subsidiaries | | | |
| Cemig GT | Full | 100.00 | |
| Cemig Baguari Energia | Full | | 100.00 |
| Hidrelétrica Cachoeirão | Proportional | | 49.00 |
| Guanhães Energia | Proportional | | 49.00 |
| Madeira Energia | Proportional | | 10.00 |
| Hidrelétrica Pipoca | Proportional | | 49.00 |
| Baguari Energia | Proportional | | 69.39 |
| Empresa Brasileira de Transmissão de Energia S.A. EBTE | Proportional | | 49.00 |
| Praias de Parajuru Wind Farm | Proportional | | 49.00 |
| Central Eólica Volta do Rio | Proportional | | 49.00 |
| Central Eólica Praias de Morgado | Proportional | | 49.00 |
| TAESA | Proportional | | 32.27 |
| Alterosa | Proportional | | 36.23 |
| Alvorada | Proportional | | 74.50 |
| Light Ger | Proportional | | 49.00 |
| Cemig D | Full | 100.00 | |
| Cemig Telecom | Full | 100.00 | |
| Ativas Data Center | Proportional | | 49.00 |
| Rosal Energia | Full | 100.00 | |
| Sá Carvalho | Full | 100.00 | |
| Horizontes Energia | Full | 100.00 | |
| Usina Térmica Ipatinga | Full | 100.00 | |
| Cemig PCH | Full | 100.00 | |
| Cemig Capim Branco Energia | Full | 100.00 | |
| Cemig Trading | Full | 100.00 | |
| Efficientia | Full | 100.00 | |
| Central Termelétrica de Cogeração | Full | 100.00 | |
| UTE Barreiro | Full | 100.00 | |
| Central Hidrelétrica Pai Joaquim | Full | 100.00 | |
| Cemig Serviços | Full | 100.00 | |
| GASMIG | Proportional | 55.19 | |
| Companhia Transleste de Transmissão | Proportional | 25.00 | |
| Companhia Transudeste de Transmissão | Proportional | 24.00 | |
| Companhia Transirapé de Transmissão | Proportional | 24.50 | |
| Light S.A. | Proportional | 25.53 | |
| Light Sesa | Full | | 25.53 |
| Light Energia | Full | | 25.53 |
| Light Esco | Full | | 25.53 |
| Lightger | Full | | 13.02 |
| Light Hidro | Full | | 25.53 |
| Light Institute | Full | | 25.53 |
| Itaocara Energia | Full | | 25.53 |
| Lightcom | Full | | 25.53 |
| Axxiom | Proportional | | 13.02 |
| Transchile | Proportional | 49.00 | |
| Companhia de Transmissão Centroeste de Minas | Proportional | 51.00 | |

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| | | | |
|------------------------------------------------------|--------------|-------|-------|
| Empresa Amazonense de Transmissão de Energia - EATE | Proportional | 37.99 | |
| Sistema de Transmissão Catarinense - STC | Full | | 30.39 |
| Lumitrans Cia. Transmissora de Energia Elétrica | Full | | 30.39 |
| Empresa Brasileira de Transmissão de Energia - EBTE | Proportional | | 19.37 |
| Empresa Paraense de Transmissão de Energia - ETEP | Proportional | 41.49 | |
| Empresa Santos Dumont de Energia - ESDE | Full | | 41.49 |
| Empresa Norte de Transmissão de Energia - ENTE | Proportional | 36.69 | |
| Empresa Regional de Transmissão de Energia - ERTE | Proportional | 36.69 | |
| Empresa Catarinense de Transmissão de Energia - ECTE | Proportional | 13.37 | |
| Axxiom | Proportional | 49.00 | |

Table of Contents**3. CASH & CASH EQUIVALENTS**

| | Consolidated | | Holding company | |
|---------------------------------|------------------|------------------|-----------------|----------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| Bank accounts | 92,941 | 90,492 | 9,442 | 9,726 |
| Cash investments | | | | |
| Bank certificates of deposit | 3,707,593 | 3,295,962 | 422,625 | 418,478 |
| National Treasury Notes | 149,090 | | | |
| Treasury Financial Notes (LFTs) | 50,561 | 186,688 | 15 | 16 |
| National Treasury Notes (LTNs) | 25,848 | | 23 | |
| Others | 152,802 | 181,374 | 250 | 101 |
| | 4,085,894 | 3,664,024 | 422,913 | 418,595 |
| | 4,178,835 | 3,754,516 | 432,355 | 428,321 |

Cash investments are transactions contracted with Brazilian institutions, and International financial institutions with branch offices in Brazil, at normal market prices and on normal market conditions. All the transactions are highly liquid, promptly convertible into a known amount of cash, and are subject to insignificant risk of change in value. Bank Certificates of Deposit (CBDs), with fixed or floating rates, and Time Deposits with Special Guarantee (DPGEs) are remunerated at a percentage (varying from 100% to 110%) of the CDI rate published by Cetip (the Custody and Settlement Chamber).

4. CONSUMERS AND TRADERS

| | Consolidated | | Holding company | |
|----------------------------------------------|------------------|------------------|-----------------|------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| Retail supply invoiced | 1,984,821 | 1,989,175 | 46,071 | 46,071 |
| Retail supply not invoiced | 791,995 | 740,554 | | |
| Wholesale supply to other concession holders | 68,319 | 66,649 | | |
| (-) Provision for doubtful receivables | (512,936) | (475,799) | (46,071) | (46,071) |
| | 2,332,199 | 2,320,579 | | |
| Current assets | 2,238,548 | 2,220,462 | | |
| Non-current assets | 93,651 | 100,117 | | |

Under rules laid down by Aneel, the criteria for constitution of provisions for doubtful receivables 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, debts are provisioned in full as follows: from residential consumers, when past due and unpaid for more than 90 days; from commercial consumers, when past due and unpaid for more than 180 days; and for the other consumer categories, when past due and unpaid more than 360 days.

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 these assets and liabilities (which are settled as and when the assets and liabilities are received and/or paid), as follows:

| | Consolidated | |
|---------------------------------------------------------------------------|-----------------|-----------------|
| | 09/30/2010 | 06/30/2010 |
| Assets | | |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | | 65,512 |
| Traders Transactions in Free energy during the rationing program (Note 7) | 47,678 | 46,141 |
| Pre-paid expenses CVA (Note 9) | 435,617 | 370,976 |
| Review of Tariff for Use of the Distribution System (TUSD) | 3,089 | 3,984 |
| TUSD discounts Source with incentive | 7,639 | 11,315 |
| TUSD discounts Self-Producers and Independent Producers | 6,913 | 10,240 |
| Low-income subsidy | 132,370 | 126,548 |
| Transmission Tariff Review Adjustment Portion (Note 8) | 72,511 | 93,009 |
| Discounts for irrigation enterprises | 2,063 | 3,056 |
| Other regulatory assets | 62,467 | 14,821 |
| | 770,347 | 745,602 |
| Liabilities | | |
| Free energy Reimbursements to generators | (15,202) | (45,264) |
| Amounts to be restituted in the tariff CVA (Note 9) | (632,005) | (576,416) |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | (16,273) | |
| Transmission Tariff Review Adjustment Portion (Note 8) | (58,576) | (75,568) |
| Provision for other financial components | (26,631) | (24,311) |
| Other regulatory liabilities | (61,705) | (9,773) |
| | (810,392) | (731,332) |
| Taxes, charges and contributions Deferred liabilities (Note 18) | (50,031) | (72,372) |
| | (860,423) | (803,704) |
| Total | (90,076) | (58,102) |

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 December 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), established 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:

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- Adjustment of 2.90% for consumers in the residential category (excluding low-rental consumers), and rural and public-illumination consumption; and for industrial high-voltage consumer 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).

On January 12, 2010, Aneel published Normative Resolution 387, establishing that the balances of payments due for Free Energy and for Loss of Revenue, after completion of the process of collection of the RTE in distributors' retail supply tariffs, should be recalculated using a new methodology.

The final passthrough of Free Energy amounts will be the sum of the monthly differences, positive or negative, between the passthroughs for Free Energy made in accordance with certain defined criteria, and the passthroughs already made, plus financial remuneration at the Selic rate, from the date of occurrence of the difference up to the date of completion of the charging of the RTE within retail supply tariffs.

Due to the recalculation by Aneel of the amounts to be transferred by the Distributors to the Generators, an additional amount was decided, to be passed through by the Company, of R\$ 30,602. Since the period for receipt of the RTE has already expired, it was necessary to post, in September 2010, a counterpart loss of that amount, corresponding to the additional amount passed through to the generators, in accordance with the order by Aneel.

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-controllable costs presented in the basis of calculation for determination of the last annual Tariff Adjustment, and the disbursements which actually took place in the period.

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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. For Cemig D (Cemig Distribuição S.A.), the amounts transferred were:

| Amounts transferred to Expenses | Consolidated | |
|---------------------------------------------------------|----------------|----------------|
| | 3Q10 | 3Q09 |
| Energy bought for resale | 151,048 | 143,829 |
| Fuel Consumption Account CCC | 66,884 | 63,688 |
| Global Reversion Reserve RGR | 6,684 | 6,364 |
| Tariff for transport of electricity from Itaipu | 2,579 | 2,456 |
| Tariff for use of national grid transmission facilities | 17,275 | 16,449 |
| Royalties for use of water resources | 5,932 | 5,649 |
| Connection Realization of Portion A | 364 | 347 |
| Delivery service inspection charge | 626 | 596 |
| | 251,392 | 239,378 |

In September 2010 the Company completed its receipt of the amount of Portion A .

The amount of R\$ 16,273 posted in Liabilities relating to Portion A arises from an excess amount received in September 2010. The amount will be reimbursed to consumers in the next tariff cycle.

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7. 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 | |
|------------------------------------------|--------------|------------|
| | 09/30/2010 | 06/30/2010 |
| Current assets | | |
| Amounts to be received from distributors | 47,678 | 46,141 |

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, during the period when the Rationing Program was in force, and the rate of R\$ 49.26/MWh. This difference is to be reimbursed through the amounts raised by means of the RTE, as specified 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.

On January 12, 2010, Aneel published Normative Resolution 387, establishing that the balances of payments due for Free Energy (receivable by the generators) and Loss of Revenue (receivable by the distributors), after completion of the collection of the Extraordinary Tariff Recomposition (RTE) in distributors retail supply tariffs, should be recalculated using a new methodology.

The final passthrough of Free Energy amounts will be the sum of the monthly differences, positive or negative, between the passthroughs for Free Energy made in accordance with criteria defined in this new methodology, and the passthroughs already made, plus financial remuneration at the Selic rate, from the date of occurrence of the difference up to the date of completion of the charging of the RTE in retail supply tariffs.

As a result of the recalculation by Aneel of the amounts to be received by the Distributors, the Company recorded an amount of R\$ 36,388, corresponding to the amounts to be received by the Distributors, of which, up to September 2010, the company received the amount of R\$ 7,388.

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. For more details please see Explanatory Note 22.

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8. REVIEW OF THE TRANSMISSION TARIFF

The First Tariff Review

Cemig GT's first Tariff Review, for the whole of the asset base of Cemig GT, 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.

On June 1, 2010, Aneel granted and partially approved an Administrative Appeal filed by the Company, ordering the repositioning of its first periodic Tariff Review from 5.35% to 6.96%, for the following reasons:

- (i) costs incurred in preparation of the evaluation report, in the amount of R\$ 978;

- (ii) alteration of the Net Remuneration Basis by R\$ 1,140;

- (iii) inclusion of the Sector Charges on the difference, of Revenues, applied for of the last four cycles and by the Updating of the Financial Amount, due to the alteration of the profile of Remuneration for the Facilities, authorized at R\$ 8,424.

Aneel additionally established a financial component of R\$ 168,632 to be paid to the Company by means of 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, increased by the R\$ 10,542 arising from the Administrative Appeal. The first part, of R\$ 85,732, was incorporated into the adjustment for the 2009/2010 cycle, and the second part, of R\$ 93,009, is being offset in the 2010/2011 adjustment.

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Second Tariff Review

On June 8, 2010, Aneel homologated the result of the Second Transmission Tariff Review of Cemig GT, which set the repositioning of the Permitted Annual Revenue (RAP) at a negative percentage, 15.88%, backdated to June 2009. This resulted in a requirement for reimbursement of R\$ 75,568 to the users of the Transmission System during the July tariff cycle of 2011. This amount was registered as a reduction in revenue by Cemig GT in the second quarter of 2010.

As and when the amounts of the Adjustment Portion for the 1st and 2nd Tariff reviews are received/discounted in the tariff, the Company transfers the corresponding amounts recorded in Assets and Liabilities to the Income statement.

| | 09/30/2010 | 06/30/2010 |
|--------------------------------------------------------------|-----------------|-----------------|
| Review of the Transmission Tariff First Review | | |
| Amount homologated | 158,090 | 158,090 |
| Updating by IGPM rate | 2,475 | 2,868 |
| Amounts received | (96,557) | (78,932) |
| Total of the first Review of the Transmission Tariff | 64,008 | 82,026 |
| Review of the Transmission Tariff Second Review | | |
| Amount homologated | (64,585) | (64,585) |
| Updating by IGPM rate | (126) | |
| Amounts received | 14,638 | |
| Total of the second Review of the Transmission Tariff | (50,073) | (64,585) |
| Current assets | 68,468 | 91,954 |
| Non-current assets | 4,043 | 1,055 |
| Current liabilities | (58,576) | (75,568) |
| | 13,935 | 17,441 |

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 ascertained are compensated in the subsequent Tariff Adjustments.

The following is a statement of the balance on the CVA account:

| | Consolidated | |
|--------------------|--------------|------------|
| | 09/30/2010 | 06/30/2010 |
| Cemig Distribuição | (207,974) | (228,530) |
| Light | 11,587 | 23,090 |

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| | | |
|-------------------------|------------------|------------------|
| | (196,387) | (205,440) |
| Current assets | 221,225 | 282,301 |
| Non-current assets | 214,392 | 88,675 |
| Current liabilities | (471,191) | (445,589) |
| Non-current liabilities | (160,813) | (130,827) |
| Net amounts | (196,387) | (205,440) |

Table of Contents**10. TAXES OFFSETABLE**

| | Consolidated | | Holding company | |
|-------------------------|------------------|------------------|-----------------|----------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| Current | | | | |
| ICMS tax recoverable | 243,970 | 246,817 | 3,832 | 3,828 |
| Income tax | 663,596 | 568,443 | | |
| Social Contribution tax | 234,060 | 197,543 | | |
| Pasep tax | 19,552 | 22,847 | 1 | 2 |
| Cofins tax | 90,841 | 105,387 | 4 | 10 |
| Others | 4,243 | 14,187 | 2,566 | 2,566 |
| | 1,256,262 | 1,155,224 | 6,403 | 6,406 |
| Non-current | | | | |
| ICMS tax recoverable | 81,640 | 80,249 | 426 | 426 |
| Income tax | 119,895 | 92,526 | 116,254 | 90,153 |
| Social Contribution tax | 26,022 | 26,245 | 25,753 | 26,245 |
| Pasep and Cofins | 27,271 | 42,499 | | |
| | 254,828 | 241,519 | 142,433 | 116,824 |
| | 1,511,090 | 1,396,743 | 148,836 | 123,230 |

The credits for Pasep and Cofins taxes arise from payments made in excess by the Company as a result of adoption of the non-cumulative regime for revenues of the transmission companies whose electricity supply contracts were prior to October 31, 2003, and for which subsequent regulation by the Brazilian tax authority allowed review and inclusion in the cumulative regime. As a consequence of this review, restitution of excess tax paid in prior periods was allowed.

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 2010, which will be offset against federal taxes becoming payable, in each business year, posted in Taxes 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 transfer to short-term has been made in accordance with the estimates of the amounts which should be realized up to December 2011.

Table of Contents**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:

| | Consolidated | | Holding company | |
|-------------------------------------------------------|----------------|----------------|-----------------|---------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| Tax credits on temporary differences | | | | |
| Tax loss carryforwards / Negative taxable balances | 105,150 | 117,439 | | |
| Contingency provisions | 134,382 | 164,476 | 59,706 | 70,304 |
| Post-employment obligations | 90,462 | 80,151 | 3,839 | 3,290 |
| Provision for doubtful receivables | 194,881 | 187,679 | 15,768 | 15,664 |
| Provision for Pasep and Cofins taxes Extraordinary | | | | |
| Tariff Recomposition | 2,392 | 1,741 | | |
| Financial instruments | 54,177 | 52,587 | | |
| FX variation | 124,312 | 123,389 | | |
| Taxes with demandability suspended | 44,111 | 28,979 | | |
| Goodwill premium on absorption | 6,352 | 6,755 | | |
| Others | 48,258 | 40,448 | 1,148 | 854 |
| | 804,477 | 803,644 | 80,461 | 90,112 |
| Current assets | 245,580 | 200,053 | 20,790 | 10,966 |
| Non-current assets | 558,897 | 603,591 | 59,671 | 79,146 |

At its meeting on March 23, 2010, 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 includes Cemig and its subsidiaries Cemig GT and Cemig D, and was submitted to Cemig's Audit Board for examination on March 4, 2010,

In accordance with the individual estimates of Cemig and its subsidiaries, future taxable profits enable the deferred tax asset existing on September 30, 2010 to be realized as follows:

| | Consolidated | Holding company |
|--------------|--------------|-----------------|
| 2010 | 116,273 | 7,119 |
| 2011 | 172,792 | 18,228 |
| 2012 | 132,536 | 20,778 |
| 2013 | 126,248 | 20,778 |
| 2014 to 2015 | 124,170 | 12,023 |
| 2016 to 2017 | 99,128 | 768 |
| 2018 to 2019 | 33,330 | 767 |

804,477

80,461

On September 30, 2010 the holding company has tax credits not recognized in its Quarterly Information totaling R\$ 389,532.

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The credits not recognized refer basically to the effective loss arising from the assignment of the credits of accounts receivable from the state government to the Credit Receivables Fund in the first quarter of 2006, as set out in Explanatory Note 13. As a result of this assignment the provision for losses on recovery of the amounts constituted in previous years became deductible for the purposes of income tax and Social Contribution. The portion not recognized, in relation to this matter, is R\$ 388,485.

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

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:

| | Consolidated | | Holding company | |
|---------------------------------------------------------------------|------------------|------------------|-----------------|-----------------|
| | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| Profit before income tax and Social Contribution tax | 1,966,831 | 2,289,901 | 1,356,121 | 1,526,497 |
| Income tax and Social Contribution nominal expense | (668,723) | (778,566) | (461,081) | (519,009) |
| Tax effects applicable to: | | | | |
| Equity gain (loss) from subsidiaries | | | 345,405 | 426,412 |
| Employees profit shares | 46,053 | 33,717 | 1,522 | 920 |
| Non-deductible contributions and donations | (5,612) | (4,986) | (937) | (245) |
| Tax incentives | 20,472 | 16,062 | 1,340 | 148 |
| Tax credits not recognized | 18,828 | 1,709 | 19,865 | 81 |
| Amortization of goodwill | (7,794) | (5,560) | (8,821) | (5,560) |
| Income tax and Social Contribution prior year tax return adjustment | (1,471) | (11,423) | (1,471) | |
| Others | 26,547 | 28,390 | 15,593 | 536 |
| Income tax and Social Contribution tax effective expense | (571,700) | (720,657) | (88,585) | (96,717) |

Light subscribes to the new Refis Installment Tax Payment program (Law 11941/09)

On November 6, 2009, the Board of Directors of the indirect subsidiary Light Sesa approved agreement to the program of reduction and installment payment of taxes under Law 11941/09.

The principal benefits of this adhesion to the new Refis system, further to the actual disbursement of cash being by installments, are the reduction of interest and penalty payments, in the amount of R\$ 128,921, and the possibility of paying the remaining portion of the interest and penalty payments with the use of tax loss carryforwards.

The initial amount included in the Refis was R\$ 585,639. Since R\$ 262,428 was offset against tax losses, the actual amount divided into installments which will result in future disbursements of cash is R\$ 323,211.

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Light Sesa has been making the minimum payments, plus payment of the installments arising from the migration of the Social Security PAES (REFIS II), in the consolidated amount of R\$ 1,752, while it awaits a notice from the Brazilian Federal Revenue Service for the due consolidation. The variation of the balance is explained by the updating of the Selic rate in the period, in the amount of R\$ 6,252, as well as the amount paid to the Social Security PAES (PAES Previdenciário).

Table of Contents**12. DEPOSITS LINKED TO LEGAL ACTIONS**

Deposits linked to legal actions refers principally to employment-law actions and matters related to tax obligations.

The main payments into court in relation to tax obligations relate to income tax withheld at source on Interest on Equity, and to exclusion of amounts of ICMS tax from the amount taxable by PIS and Cofins tax.

| | Consolidated | | Holding company | |
|----------------------------------|----------------|----------------|-----------------|---------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| Employment law cases | 204,587 | 201,175 | 48,531 | 49,028 |
| Tax obligations | | | | |
| Income tax on Interest on Equity | 13,714 | 13,714 | | |
| PASEP and Cofins taxes | 493,858 | 430,739 | | |
| Others | 15,615 | 16,789 | 2,971 | 2,935 |
| Others | 148,463 | 133,748 | 67,678 | 43,497 |
| | 876,237 | 796,165 | 119,180 | 95,460 |

The balances of deposits paid into court in relation to the PASEP and Cofins taxes have corresponding provisions recorded in Taxes, charges and contributions. For more details, see Explanatory Note 18.

13. ACCOUNTS RECEIVABLE FROM THE GOVERNMENT OF THE STATE OF MINAS GERAIS; AND RECEIVABLES INVESTMENT FUND

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 by 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 becoming due to Minas Gerais state, for settlement of the Third Amendment.

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a) Fourth Amendment to the CRC Agreement

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\$ 4,795,729 on September 30, 2010.

The government of the state will amortize the debit in 61 consecutive half-yearly installments, becoming due by June 30 and December 31 of each year, over the period from June 2005 to June 2035 inclusive. The amounts of the portions for amortization of the principal, updated by the IGP-DI index, increase over the period, from R\$ 28,828 for the 1st, and R\$ 97,232 for the 61st expressed in currency of September 30, 2010.

The debt is being amortized, as priority, by the 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 the installment for the current half-year; (iii) anticipated settlement of up to 2 installments; and, (iv) amortization of the debtor balance.

On September 30, 2010 the installments of the Agreement becoming due on December 31, 2010 and June 30, 2011, had been amortized in advance.

The Fourth Amendment provides that, so as to ensure complete receipt of the credits, the provisions of the Bylaws must be obeyed they lay down certain targets to be met annually in conformity with the Strategic Plan. The principal of these are 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.

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The Extraordinary General Meeting of Stockholders of May 5, 2010 authorized that the index required for the 2010 business year in relation to the restrictive clause Capital expenditure and acquisition of assets / Ebitda should be equivalent to 90%, in view of the Company's investment programs planned for the year. As a result, none of the restrictive clauses for the year 2010 was not complied with.

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

On January 27, 2006 Cemig transferred the credits under the CRC 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 rate plus interest of 1.70% per year.

Movement in the FIDC in 3Q10 was as follows:

| | Consolidated and Holding company |
|------------------------------------------------------|---------------------------------------------|
| Balance at June 30, 2010 | 1,830,892 |
| Monetary updating on the senior units | 25,691 |
| Monetary updating on the subordinated units | 15,773 |
| Amortization of the senior units | (80,167) |
| Balance on September 30, 2010 | 1,792,189 |
| Composition of the FIDC on September 30, 2010 | |
| - Senior units held by third parties | 864,839 |
| - Subordinated units owned by Cemig | 921,511 |
| - Dividends retained by the Fund | 6,039 |
| | 927,550 |
| TOTAL | 1,792,189 |

Cemig paid dividends on June 29, 2010, R\$ 67,399 being used for amortization of part of the senior units. Additionally, the Company injected R\$ 14,501 into the fund to complete the amount necessary for redemption of the senior units and other operational expenses of the FIDC. The amortization of R\$ 80,167 of the senior units was effected only on July 10, 2010.

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The dividends proposed by the Executive Board to the Board of Directors, to be distributed to stockholders for the business year 2009, are posted in Current Liabilities. Of the dividends to be distributed, R\$ 103,691 is payable to the Minas Gerais State Government, of which R\$ 67,399 will be retained for settlement of part of CRC credits becoming due.

Table of Contents**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 payable 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.

14. INVESTMENTS

| | Consolidated | | Holding company | |
|--------------------------------------------------------------|---------------------|-------------------|------------------------|-------------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| In subsidiaries and jointly-controlled subsidiaries | | | | |
| Cemig GT | | | 4,236,883 | 3,981,934 |
| Cemig D | | | 2,697,081 | 2,665,332 |
| Light | | | 730,718 | 789,883 |
| Cemig Telecom | | | 287,366 | 287,596 |
| Gasmig | | | 440,438 | 429,131 |
| Rosal Energia | | | 67,712 | 63,647 |
| Sá Carvalho | | | 63,397 | 57,374 |
| Horizontes Energia | | | 72,979 | 70,814 |
| Usina Térmica Ipatinga | | | 38,162 | 35,690 |
| Cemig PCH | | | 45,711 | 42,127 |
| Cemig Capim Branco Energia | | | 40,232 | 30,935 |
| Companhia Transleste de Transmissão | | | 15,056 | 14,208 |
| UTE Barreiro | | | 8,523 | 8,759 |
| Companhia Transudeste de Transmissão | | | 9,405 | 10,255 |
| Usina Hidrelétrica Pai Joaquim | | | 486 | 488 |
| Companhia Transirapé de Transmissão | | | 7,061 | 7,854 |
| Transchile | | | 21,074 | 24,283 |
| Efficientia | | | 9,548 | 8,161 |
| Central Termelétrica de Cogeração | | | 6,781 | 6,444 |
| Companhia de Transmissão Centroeste de Minas | | | 19,307 | 17,951 |
| Cemig Trading | | | 36,407 | 33,514 |
| Empresa Paraense de Transmissão de Energia ETEP | | | 47,021 | 44,014 |
| Empresa Norte de Transmissão de Energia ENTE | | | 77,730 | 70,398 |
| Empresa Regional de Transmissão de Energia RTE | | | 13,322 | 12,014 |
| Empresa Amazonense de Transmissão de Energia EATE | | | 177,726 | 159,641 |
| Empresa Catarinense de Transmissão de Energia ECTE | | | 9,159 | 8,254 |
| Axxiom Soluções Tecnológicas | | | 2,465 | 2,385 |
| Cemig Serviços | | | 59 | 77 |
| | | | 9,181,809 | 8,883,163 |
| Goodwill premium on acquisition of interest in Rosal Energia | | | 23,484 | 24,865 |
| Goodwill premium on acquisition of interest in ETEP | | | 61,033 | 61,773 |
| Goodwill premium on acquisition of interest in ENTE | | | 91,439 | 92,472 |
| Goodwill premium on acquisition of interest in ERTE | | | 22,148 | 22,399 |

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| | | | | |
|------------------------------------------------------|---------------|---------------|-------------------|------------------|
| Goodwill premium on acquisition of interest in EATE | | | 357,275 | 361,608 |
| Goodwill premium on acquisition of interest in ECTE | | | 14,259 | 14,437 |
| Goodwill premium on acquisition of interest in Light | | | 333,401 | 338,749 |
| Other investments | 23,563 | 23,821 | 3,502 | 3,502 |
| | 23,563 | 23,821 | 906,541 | 919,805 |
| | 23,563 | 23,821 | 10,088,350 | 9,802,968 |

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

| Company | No. of shares | Cemig interest (%) | At September 30, 2010 | | 9M2010 | | Profit (loss) |
|-------------------------------------------------------|---------------|-----------------------|-----------------------|------------------------|-----------|---------|------------------|
| | | | Registered capital | Stockholders equity | Dividends | | |
| Cemig GT | 2,896,785,358 | 100.00 | 3,296,785 | 4,236,883 | 159,156 | 831,148 | |
| Cemig D | 2,261,997,787 | 100.00 | 2,261,998 | 2,697,081 | 118,159 | 170,117 | |
| Light | 203,934,060 | 25.53 | 2,225,822 | 2,861,911 | 363,003 | 350,102 | |
| Cemig Telecom | 381,023,385 | 100.00 | 225,082 | 287,366 | 8,200 | 11,388 | |
| Rosal Energia | 46,944,467 | 100.00 | 46,944 | 67,712 | | 15,288 | |
| Sá Carvalho | 361,200,000 | 100.00 | 36,833 | 63,397 | | 17,984 | |
| Gasmig | 409,255,483 | 55.19 | 643,779 | 798,003 | 55,012 | 67,515 | |
| Horizontes Energia | 64,257,563 | 100.00 | 64,258 | 72,979 | | 5,825 | |
| Usina Térmica Ipatinga | 29,174,281 | 100.00 | 29,174 | 38,162 | | 6,454 | |
| Cemig PCH | 30,952,000 | 100.00 | 30,952 | 45,711 | | 12,670 | |
| Cemig Capim Branco Energia | 5,528,000 | 100.00 | 5,528 | 40,232 | | 25,300 | |
| Companhia Transleste de Transmissão | 49,569,000 | 25.00 | 49,569 | 60,225 | 9,190 | 8,836 | |
| UTE Barreiro | 23,328,000 | 100.00 | 11,918 | 8,523 | | (6,671) | |
| Companhia Transudeste de Transmissão | 30,000,000 | 24.00 | 30,000 | 39,188 | 7,409 | 4,799 | |
| Central Hidrelétrica Pai Joaquim | 486,000 | 100.00 | 486 | 486 | | 508 | |
| Companhia Transirapé de Transmissão | 22,340,490 | 24.50 | 22,340 | 28,822 | 6,267 | 3,881 | |
| Transchile | 33,340,000 | 49.00 | 66,951 | 43,008 | | (4,632) | |
| Efficientia | 6,051,994 | 100.00 | 6,052 | 9,548 | | 2,971 | |
| Central Termelétrica de Cogeração | 5,000,000 | 100.00 | 5,001 | 6,781 | | 1,188 | |
| Companhia de Transmissão Centroeste de Minas | 51,000 | 51.00 | 51 | 37,855 | | 3,514 | |
| Cemig Trading | 160,297 | 100.00 | 160 | 36,407 | | 1,353 | |
| Empresa Paraense de Transmissão de Energia ETEP | 45,000,010 | 41.49 | 82,309 | 113,329 | 26,443 | 26,614 | |
| Empresa Norte de Transmissão de Energia ENTE | 100,840,000 | 36.69 | 145,663 | 211,861 | 40,217 | 54,171 | |
| Empresa Regional de Transmissão de Energia ERTE | 23,400,000 | 36.69 | 23,400 | 36,313 | 15,729 | 10,268 | |
| Empresa Amazonense de Transmissão de Energia EATE | 180,000,010 | 37.99 | 323,579 | 467,873 | 103,939 | 110,873 | |
| Empresa Catarinense de Transmissão de Energia ECTE | 42,095,000 | 13.37 | 42,095 | 68,525 | 22,999 | 19,275 | |
| Axxiom Soluções Tecnológicas | 7,200,000 | 49.00 | 7,200 | 5,032 | | (221) | |
| Cemig Serviços | 100,000 | 100.00 | 100 | 59 | | (40) | |

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| Company | No. of shares | Cemig stake % | At September 30, 2009 | | 9M09 | | Profit (Loss) |
|-------------------------------------------------------|---------------|------------------|-----------------------|------------------------|-----------|-----------|------------------|
| | | | Registered capital | Stockholders equity | Dividends | | |
| 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 | |
| Rosai 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 ETEP | 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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The movement of investments in subsidiaries is as follows:

| | 06/30/2010 | Equity gain (loss) | Capital injection / Acquisition | Dividends proposed | Others | 09/30/2010 |
|----------------------------------------------------|------------|-----------------------|---------------------------------------|-----------------------|---------|------------|
| Cemig GT | 3,981,934 | 342,685 | | (89,278) | 1,542 | 4,236,883 |
| Cemig D | 2,665,332 | 98,030 | | (66,281) | | 2,697,081 |
| Light | 789,883 | 33,521 | | (92,686) | | 730,718 |
| Cemig Telecom | 287,596 | 7,970 | | (8,200) | | 287,366 |
| Rosai Energia | 63,647 | 4,065 | | | | 67,712 |
| Sá Carvalho | 57,374 | 6,023 | | | | 63,397 |
| Gasmig | 429,131 | 11,307 | | | | 440,438 |
| Horizontes Energia | 70,814 | 2,165 | | | | 72,979 |
| Usina Térmica Ipatinga | 35,690 | 2,472 | | | | 38,162 |
| Cemig PCH | 42,127 | 3,584 | | | | 45,711 |
| Cemig Capim Branco Energia | 30,935 | 9,297 | | | | 40,232 |
| Companhia Transleste de Transmissão | 14,208 | 848 | | | | 15,056 |
| UTE Barreiro | 8,759 | (236) | | | | 8,523 |
| Companhia Transudeste de Transmissão | 10,255 | 484 | | (1,334) | | 9,405 |
| Central Hidrelétrica Pai Joaquim | 488 | (2) | | | | 486 |
| Companhia Transirapé de Transmissão | 7,854 | 359 | | (1,152) | | 7,061 |
| Transchile | 24,283 | (2,007) | | | (1,202) | 21,074 |
| Efficientia | 8,161 | 1,387 | | | | 9,548 |
| Central Termelétrica de Cogeração | 6,444 | 337 | | | | 6,781 |
| Companhia de Transmissão Centroeste de Minas | 17,951 | 1,792 | | | (436) | 19,307 |
| Cemig Trading | 33,514 | 2,893 | | | | 36,407 |
| Empresa Paraense de Transmissão de Energia ETEP | 44,014 | 3,815 | 75 | (883) | | 47,021 |
| Empresa Norte de Transmissão de Energia ENTE | 70,398 | 7,332 | | | | 77,730 |
| Empresa Regional de Transmissão de Energia ERTE | 12,014 | 1,308 | | | | 13,322 |
| Empresa Amazonense de Transmissão de Energia EATE | 159,641 | 15,616 | 795 | | 1,674 | 177,726 |
| Empresa Catarinense de Transmissão de Energia ECTE | 8,254 | 905 | | | | 9,159 |
| Axxiom Soluções Tecnológicas | 2,385 | 80 | | | | 2,465 |
| Cemig Serviços | 77 | (18) | | | | 59 |
| | 8,883,163 | 556,012 | 870 | (259,814) | 1,578 | 9,181,809 |

b) Stockholding in Light

A discount was ascertained on the acquisition of Light, corresponding to the difference between the amount paid by Rio Minas Energia (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\$ 72,683 (R\$ 73,843 on June 30, 2010), was incorporated into the Company's stockholders' equity after the split of RME, and is being presented in the consolidated quarterly information as a Non-current liability, under Other obligations.

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c) Goodwill on acquisitions of equity interests

The goodwill on acquisition of the companies by the Company is the difference between the amount paid for the jointly-controlled subsidiaries and the book value of the stake in their stockholders' equity, arising from the added value of the concessions.

These items of goodwill will be amortized over the remaining period of validity of the concessions.

d) Completion of the transaction to purchase shares in LIGHT

The payment for the acquisition by Cemig of the 25,494,500 common shares in Light S.A. (Light) owned by Andrade Gutierrez Concessões (AGC), representing 12.50% of the registered capital and voting stock of Light, was made on March 25, 2010. The price paid by Cemig for this share purchase was R\$ 718,518, corresponding to R\$ 29.54 per share, this value resulting from the updating of the price stipulated in the contract by the CDI (Interbank Certificate of Deposit) rate, published by Cetip – the Financial Securities Custody and Settlement Center, from December 1, 2009 to the date of the payment, and deduction of the dividends of R\$ 2.12 per share declared by Light at the Ordinary General Meeting completed on March 24, 2010.

As well as providing for the payment for the shares made on that day, the Contract provides for acquisition by Cemig, of 1,081,649 (one million eighty one thousand six hundred forty nine) common shares issued by Light, representing, approximately, 0.53% of the voting and total capital of Light, owned by AGC. The price corresponding to the 0.53% of the capital of Light is R\$ 31,949, and this amount, also, will be adjusted by the CDI rate from December 1, 2009 to the date of payment, deducting any dividends and/or Interest on Equity paid or declared by Light in that period.

The Contract also provides for assignment of the shares acquired to an affiliated company of Cemig, or to third parties.

The Company recognizes a premium, in this transaction, in the amount of R\$ 344,098, arising from the added value of the concession.

Additional option to purchase shares in Light

Cemig, if the sale option is exercised, will acquire 100% of the share units of LUCE INVESTMENT FUND, which holds 75% (seventy five per cent) of the shares of LUCE BRASIL FUNDO DE INVESTIMENTO EM PARTICIPAÇÕES. The result would be that Cemig would acquire 19,932,112 common shares in Light S.A., representing 9.75% of its total and voting capital for the price of US\$340,455, from which would be deducted any dividends and Interest on Equity paid or declared by Light S.A. in the period starting on December 1, 2009, up to and including the date of the exercise of the option, if any.

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The option was exercised on October 6, 2010; ENLIGHTED PARTNERS VENTURE CAPITAL LLC, the indirect controlling stockholder of LUCE EMPREENDIMENTOS E PARTICIPAÇÕES S.A., gave notice of its decision to exercise its option to sell units of LUCE BRASIL FUNDO DE INVESTIMENTO EM PARTICIPAÇÕES, as mentioned in the Material Announcement previously published.

The completion of this transaction is conditional upon certain contractually established requirements being complied with, and also the approval of the competent bodies such as, where necessary, the financing agents and debenture holders of Light and of its subsidiaries.

e) Acquisition of a complementary stake in Transmissora Aliança de Energia Elétrica Taesa

On May 6, 2010 Cemig GT made a Public Offer to acquire shares and units from minority stockholders, through Transmissora Alterosa de Energia Elétrica. The transaction resulted in the acquisition of 24.42% of the shares until then held by the minority stockholders, equivalent to 56.69% of the total capital of Taesa, for R\$ 1,001,851, or R\$ 15.57 per share.

A premium of R\$ 523,367 was ascertained, corresponding to future profitability from commercial operation of the concessions in the period specified by the regulator. The goodwill will be amortized over the remaining period of validity of the concessions.

With this transaction the company, together with Fundo de Investimentos em Participação Coliseu, concluded the process of acquisition of Transmissora Aliança de Energia Elétrica Taesa (formerly Terna Participações). Some of the minority stockholders did not accept the Public Offer to acquire shares, and 4.72% of the shares of Taesa remained in circulation in the market.

f) Acquisition of stockholding

On July 8, 2010, Cemig Telecomunicações S.A. signed a share purchase contract with Ativas Participações S.A., for the purchase of 9,804,900 common shares, or 49% of the voting stock of Ativas Data Center S. A. The objects of Ativas Data Center S.A. are provision of the services of supply of IT and communication technology infrastructure, including hosting and colocation of IT environments, database storage and site backup, professional information safety and availability security services, IT consultancy, connectivity with sale of access and Internet bandwidth. For these purposes it is building a data center classified as Tier III (Uptime Institute), to serve medium-sized and large-scale corporations. The initial investment was R\$ 6,753, equivalent to 6,753,615 common shares, being increased by R\$ 1.00 for each share pending paying up by Ativas Participações S.A. until March 31, 2011.

g) Acquisition of equity interest - Lightger SA

Cemig Geração e Transmissão acquired from Light.S.A, on August 18, 2010, 49% of the registered and voting capital of Lightger, a special purpose company subsidiary of Light, holder of authorization for commercial operation of the Paracambi Small Hydro Plant. Cemig GT paid,

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for the acquisition, R\$ 19,960 representing 25,939,013 common shares in Lightger.

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| | Historic cost | Consolidated | | 06/30/2010 Net value |
|----------------------------------------------|-------------------|-------------------------------------------|-------------------|-------------------------|
| | | 09/30/2010 Accumulated depreciation | Net value | |
| In service | 25,889,821 | (10,961,367) | 14,928,454 | 14,767,541 |
| Distribution | 12,343,241 | (5,764,008) | 6,579,233 | 6,494,871 |
| Generation | 8,768,442 | (3,506,349) | 5,262,093 | 5,210,793 |
| Transmission | 3,741,530 | (1,160,878) | 2,580,652 | 2,569,022 |
| Management | 421,846 | (280,450) | 141,396 | 145,492 |
| Telecoms | 434,611 | (211,058) | 223,553 | 204,176 |
| Gas | 180,151 | (38,624) | 141,527 | 143,187 |
| In progress | 3,511,385 | | 3,511,385 | 3,303,935 |
| Distribution | 1,598,464 | | 1,598,464 | 1,481,364 |
| Generation | 1,005,094 | | 1,005,094 | 943,138 |
| Transmission | 429,666 | | 429,666 | 418,942 |
| Management | 43,508 | | 43,508 | 73,534 |
| Telecoms | 35,326 | | 35,326 | 26,342 |
| Gas | 399,327 | | 399,327 | 360,615 |
| Total fixed assets | 29,401,206 | (10,961,367) | 18,439,839 | 18,071,476 |
| Special Obligations linked to the concession | (2,864,082) | 305,723 | (2,558,359) | (2,546,490) |
| Net fixed assets | 26,537,124 | (10,655,644) | 15,881,480 | 15,524,986 |

Special Obligations linked to the concession are basically contributions made by consumers for execution of the undertakings necessary for Cemig 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.

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 amount, net of depreciation, of R\$ 7,268 on September 30, 2010 (R\$ 7,412 on June 30, 2010).

The company has not identified any indications of loss in the recoverable value of its fixed assets. The Concession Contracts provide that at the end of each concession the Concession-granting Power shall determine the amount to be indemnified to the Company. Thus Management believes that the book value of the non-depreciated Fixed assets, at the end of the concession, will be reimbursable by the Concession-granting Power.

Additionally, and due to the control of the remuneratory basis, which is higher than the amount recognized in the accounting, the Company believes there is no indication of a need to constitute a provision.

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16. INTANGIBLE

| | Gross accounting value | 09/30/2010 Accumulated amortization | Book value | 06/30/2010 Residual value |
|---------------------------------------------|------------------------|----------------------------------------|------------|------------------------------|
| <i>In service Useful life defined</i> | 12,465 | (12,461) | 4 | 284 |
| <i>Useful life defined</i> | 12,465 | (12,461) | 4 | 284 |
| Software use rights | 2,950 | (2,950) | | |
| Brands and patents | 5 | (1) | 4 | 4 |
| Right to commercial operation of concession | | | | |
| Cemig Telecom S.A | 9,510 | (9,510) | | 280 |
| <i>In progress</i> | 863 | | 863 | 863 |
| Assets in formation | 863 | | 863 | 863 |
| Total, Intangible | 13,328 | (12,461) | 867 | 1,147 |

| | CONSOLIDATED | | | |
|-----------------------------------------------|------------------------|----------------------------------------|------------------|------------------------------|
| | Gross accounting value | 09/30/2010 Accumulated amortization | Book value | 06/30/2010 Residual value |
| <i>In service Useful life defined</i> | 3,092,605 | (632,322) | 2,460,283 | 2,480,790 |
| Software use rights | 324,434 | (181,368) | 143,066 | 156,692 |
| Brands and patents | 37 | (4) | 33 | 81 |
| Temporary easements | 82,741 | (3,349) | 79,392 | 78,396 |
| Right to commercial operation of concession | | | | |
| Cemig Telecom S.A. | 9,510 | (9,510) | | 279 |
| Central Eólica Praias de Parajuru S.A. | 30,820 | (1,669) | 29,151 | 29,607 |
| Central Eólica Praias de Morgado S.A. | 41,932 | (874) | 41,058 | 42,238 |
| Central Eólica Volta do Rio S.A. | 27,028 | (117) | 26,911 | 28,548 |
| EATE | 397,333 | (40,058) | 357,275 | 361,608 |
| ECTE | 16,062 | (1,803) | 14,259 | 14,437 |
| ENTE | 101,170 | (9,732) | 91,438 | 92,472 |
| ETEP | 68,007 | (6,975) | 61,032 | 61,772 |
| ERTE | 24,445 | (2,297) | 22,148 | 22,398 |
| Rosal Energia S.A | 55,256 | (31,772) | 23,484 | 24,865 |
| UTE Ipatinga S.A | 84,584 | (59,209) | 25,375 | 26,868 |
| Light S.A. | 344,098 | (10,697) | 333,401 | 338,749 |
| Transmissora Aliança De Energia Elétrica S.A. | 1,234,822 | (52,874) | 1,182,038 | 1,198,009 |
| Others | 31,236 | (1,014) | 30,222 | 3,771 |
| <i>In progress</i> | 85,525 | | 85,525 | 96,243 |
| Assets in formation | 85,525 | | 85,525 | 96,243 |
| Total, Intangible | 3,178,130 | (413,232) | 2,545,808 | 2,577,033 |

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The movement in intangible assets is as follows:

| | | HOLDING COMPANY | | |
|--------------------------|---------------------------------------------|--------------------------|--------------|--------------------------|
| | | Balance on 06/30/2010 | Amortization | Balance on 09/30/2010 |
| In service | Useful life defined | 284 | (280) | 4 |
| | Brands and patents | 4 | | 4 |
| | Right to commercial operation of concession | | | |
| | Cemig Telecom | 280 | (280) | |
| In progress | | 863 | | 863 |
| | Assets in formation | 863 | | 863 |
| TOTAL, INTANGIBLE | | 1,147 | (280) | 867 |

| | | CONSOLIDATED | | | | |
|--------------------------|-----------------------------------------------|--------------------------|---------------|-----------------|-----------------|--------------------------|
| | | Balance on 06/30/2010 | Additions | Amortization | Transfers | Balance on 09/30/2010 |
| In service | Useful life defined | 2,480,790 | 30,495 | (62,874) | 11,872 | 2,460,283 |
| | Software use rights | 156,692 | | (27,742) | 14,116 | 143,066 |
| | Brands and patents | 81 | 5 | (7) | | 79 |
| | Temporary easements | 78,396 | 4,085 | (3,101) | 12 | 79,392 |
| | Right to commercial operation of concession | | | | | |
| | Cemig Telecom S.A. | 279 | | (279) | | |
| | Central Eólica Praias de Parajuru S.A. | 29,607 | | (382) | (74) | 29,151 |
| | Central Eólica Praias de Morgado S.A. | 42,238 | | (518) | (662) | 41,058 |
| | Central Eólica Volta do Rio S.A. | 28,548 | | (117) | (1,520) | 26,911 |
| | EATE | 361,608 | | (4,333) | | 357,275 |
| | ECTE | 14,437 | | (178) | | 14,259 |
| | ENTE | 92,472 | | (1,034) | | 91,438 |
| | EPTE | 61,772 | | (740) | | 61,032 |
| | ERTE | 22,398 | | (250) | | 22,148 |
| | Rosal Energia S.A | 24,865 | | (1,381) | | 23,484 |
| | UTE Ipatinga S.A | 26,868 | | (1,493) | | 25,375 |
| | Light S.A. | 338,749 | | (5,348) | | 333,401 |
| | Transmissora Aliança De Energia Elétrica S.A. | 1,198,009 | | (15,971) | | 1,182,038 |
| | Others | 3,771 | 26,405 | | | 30,176 |
| In progress | | 96,243 | 4,264 | | (14,982) | 85,525 |
| | Assets in formation | 96,243 | 4,264 | | (14,982) | 85,525 |
| TOTAL, INTANGIBLE | | 2,577,033 | 34,759 | (62,874) | (3,110) | 2,545,808 |

The intangible assets Software use rights, Brands and patents, Temporary easements, and others, are amortizable by the linear method, and the rates used are those defined by Aneel.

The assets of the Operation of Law Public Service Award are due to the added value of the concessions and amortized over the remaining period of the concessions.

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Company has not identified indications of loss of recoverable value of its intangible assets that have defined useful life, and are being amortized over the period of the concession or over periods specified by Aneel Normative Resolution 367/09.

Table of Contents**17. SUPPLIERS**

| | Consolidated | | Holding company | |
|-----------------------------------------------|----------------|----------------|-----------------|--------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| Wholesale supply and transport of electricity | | | | |
| Eletrobrás energy from Itaipu | 153,919 | 160,457 | | |
| Furnas | 19,071 | 18,417 | | |
| CCEE | 66,398 | 57,231 | | |
| RTE under Aneel Res. 387/09 | 24,871 | 45,264 | | |
| Others | 452,572 | 331,896 | | |
| | 716,831 | 613,265 | | |
| Materials and services | 276,802 | 322,367 | 1,143 | 3,852 |
| | 993,633 | 935,632 | 1,143 | 3,852 |

18. TAXES, CHARGES AND CONTRIBUTIONS

| | Consolidated | | Holding company | |
|-------------------------|------------------|----------------|-----------------|---------------|
| | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 |
| Current | | | | |
| Income tax | 415,751 | 269,763 | 37,969 | 20,679 |
| Social Contribution tax | 137,909 | 97,096 | 10,161 | 6,129 |
| ICMS tax | 303,038 | 314,067 | 18,091 | 18,100 |
| Cofins tax | 66,516 | 62,606 | 11,819 | |
| Pasep tax | 19,702 | 18,870 | 2,566 | |
| Social security system | 19,154 | 18,730 | 1,621 | 1,667 |
| Others | 50,854 | 25,973 | 959 | 999 |
| | 1,012,924 | 807,105 | 83,186 | 47,574 |
| Deferred obligations | | | | |
| Income tax | 33,496 | 46,074 | | |
| Social Contribution tax | 13,646 | 17,897 | | |
| Cofins tax | 8,925 | 12,844 | | |
| Pasep tax | 1,937 | 2,789 | | |
| | 58,004 | 79,604 | | |
| | 1,070,928 | 886,709 | 83,186 | 47,574 |
| Non-current | | | | |
| Income tax | | 32,669 | | |
| Social Contribution tax | | 11,761 | | |
| Cofins tax | 422,406 | 372,449 | | |
| Pasep tax | 91,706 | 80,861 | | |
| Others | 45,869 | 976 | | |
| | 559,981 | 498,716 | | |
| Deferred obligations | | | | |
| Income tax | 166,524 | 162,251 | | |
| Social Contribution tax | 59,948 | 58,410 | | |
| | 226,472 | 220,661 | | |
| | 786,453 | 719,377 | | |

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The Deferred obligations, under *Current*, are basically the assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory issues, and become due as and when those 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 the marking of financial instruments to fair value, implemented by the change in the Corporate Law, to be reversed as and when realized.

19. LOANS, FINANCINGS AND DEBENTURES

| FINANCING SOURCES | Principal maturity | Annual financial cost (%) | Currency | Current | Consolidated | | 06/30/2010 Total |
|--------------------------------------------------|--------------------|---------------------------|----------|---------------|------------------------|----------------|------------------|
| | | | | | 09/30/2010 Non-current | Total | |
| FOREIGN CURRENCY | | | | | | | |
| ABN Amro Bank N.A. (2) | 2013 | 6 | US\$ | 22,247 | 42,355 | 64,602 | 67,658 |
| Banco do Brasil various bonds (1) | 2024 | Various | US\$ | 10,134 | 45,795 | 55,929 | 64,765 |
| Brazilian federal Treasury | 2024 | Libor + Spread | US\$ | 3,895 | 17,417 | 21,312 | 24,687 |
| Inter-American Development Bank | 2026 | 2,12 | US\$ | 1,491 | 34,414 | 35,905 | 41,435 |
| Others | Various | Various | Various | 14,597 | 13,615 | 28,212 | 29,269 |
| Debt in foreign currency | | | | 52,364 | 153,596 | 205,960 | 227,814 |
| BRAZILIAN CURRENCY | | | | | | | |
| Banco do Brasil | 2012 | 110.00% of CDI | R\$ | 329,645 | 582,000 | 911,645 | 886,164 |
| Banco do Brasil | 2013 | CDI + 1.70% | R\$ | 34,310 | 69,305 | 103,615 | 105,695 |
| Banco do Brasil | 2013 | 107.60 of CDI | R\$ | 5,646 | 126,000 | 131,646 | 128,046 |
| Banco do Brasil | 2014 | 104.10% of CDI | R\$ | 54,199 | 1,200,000 | 1,254,199 | 1,220,998 |
| Banco do Brasil (6) | 2013 | 10,83 * | R\$ | 21,675 | 600,000 | 621,675 | 605,773 |
| Banco do Brasil (6) | 2013 | 11,58 ** | R\$ | (2,909) | (7,455) | (10,364) | (11,599) |
| Banco Itaú BBA | 2013 | CDI + 1.70% | R\$ | 91,597 | 182,227 | 273,824 | 291,358 |
| Banco Votorantim S.A. | 2010 | 113.50 of CDI | R\$ | 56,032 | | 56,032 | 54,417 |
| Banco Votorantim S.A. | 2013 | CDI + 1.70% | R\$ | 26,933 | 50,974 | 77,907 | 87,074 |
| Brazilian Development Bank (BNDES) | 2026 | TJLP + 2.34% | R\$ | 8,035 | 113,189 | 121,224 | 124,174 |
| Bradesco | 2014 | CDI + 1.70% | R\$ | 116,070 | 227,848 | 343,918 | 337,057 |
| Debentures (4) | 2011 | 104.00% of CDI | R\$ | 21,029 | 238,816 | 259,845 | 252,973 |
| Debentures Minas Gerais state government (4) (5) | 2031 | IGP-M | R\$ | | 40,476 | 40,476 | 39,301 |
| Debentures (4) | 2014 | IGP-M index + 10.50% | R\$ | 11,099 | 324,052 | 335,151 | 319,991 |
| Debentures (4) | 2017 | IPCA + 7.96 | R\$ | 28,631 | 459,212 | 487,843 | 478,989 |
| Debentures (4) (6) | 2012 | CDI+ 0.90% (*) | R\$ | 114,720 | 1,565,992 | 1,680,712 | 1,634,249 |
| Debentures (4) (6) | 2012 | 0,1051 (***) | R\$ | (1,568) | (475) | (2,043) | (2,539) |
| Debentures (4) (6) | 2015 | IPCA + 7.68 (*) | R\$ | 62,771 | 1,169,907 | 1,232,678 | 1,211,037 |
| Debentures (4) (6) | 2015 | 0,042 (***) | R\$ | (482) | (1,643) | (2,125) | (2,163) |
| ELETROBRÁS | 2013 | Finel + 7.50 to 8.50% | R\$ | 12,513 | 27,111 | 39,624 | 42,574 |
| ELETROBRÁS | | Ufir, RGR + 6.00 to 8.00% | R\$ | 56,604 | 280,740 | 337,344 | 350,473 |
| Santander do Brasil | 2013 | CDI + 1.70% | R\$ | 21,192 | 39,837 | 61,029 | 68,565 |
| Unibanco | 2013 | CDI + 1.70% | R\$ | 121,627 | 167,201 | 288,828 | 314,298 |
| Unibanco | 2013 | CDI + 1.70% | R\$ | 20,975 | 36,794 | 57,769 | 56,057 |
| Itaú and Bradesco (3) | 2015 | CDI + 1.70% | R\$ | 154,390 | 710,249 | 864,639 | 919,115 |
| Debentures IV (4) | 2015 | TJLP + 4.00% | R\$ | 5 | 18 | 23 | 24 |
| Debentures V (4) | 2014 | CDI + 1.50% | R\$ | 22,613 | 208,978 | 231,591 | 235,483 |
| Debentures VI (4) | 2011 | 115% of CDI | R\$ | 79,076 | | 79,076 | 76,583 |
| BNDES: Finem | 2019 | TJLP | R\$ | 24,830 | 104,211 | 129,041 | 134,052 |
| CCB Bradesco S.A. | 2017 | CDI + 0.85% | R\$ | 11,143 | 114,896 | 126,039 | 122,566 |
| Brazilian Development Bank (BNDES) | 2033 | TJLP + 2.40% | R\$ | | 175,709 | 175,709 | 172,125 |
| Debentures (4) | 2013 | IPCA | R\$ | | 175,735 | 175,735 | 172,820 |
| BNDES Onlending | 2033 | TJLP | R\$ | | 213,867 | 213,867 | 177,578 |
| BNDES Principal Subcredit A/B/C/D | 2022 | Various | R\$ | 21,910 | 88,802 | 110,712 | 257,452 |
| Federal Savings Bank (CEF) | 2022 | TJLP + 3.50% | R\$ | 6,390 | 61,236 | 67,626 | 67,111 |

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| | | | | | | | |
|------------------------------------|------|--------------|-----|------------------|-------------------|-------------------|-------------------|
| CEF | 2021 | TJLP + 3.50% | R\$ | 5,241 | 49,356 | 54,597 | 55,319 |
| CEF | 2022 | TJLP + 3.50% | R\$ | 8,776 | 85,297 | 94,073 | 93,235 |
| BNDES | 2018 | Various | R\$ | 65,338 | 422,990 | 488,328 | 506,010 |
| Syndicate of Banks | 2010 | 113% of CDI | R\$ | | | | 332,449 |
| BNDES | 2016 | TJLP + 3.12% | R\$ | 38 | 162,266 | 162,304 | 157,122 |
| BNDES | 2024 | TJLP + 2.56% | R\$ | 8,089 | 92,185 | 100,274 | 73,083 |
| Debentures (4) | 2012 | TJLP | R\$ | 16,565 | 31,963 | 48,528 | 32,721 |
| Debentures (4) | 2015 | CDI + 1.30% | R\$ | 4,815 | 195,412 | 200,227 | |
| Debentures (4) | 2015 | IPCA + 7.91% | R\$ | 1,841 | 143,001 | 144,842 | |
| BNDES | 2025 | TJLP + 2.15% | R\$ | 1,966 | 39,335 | 41,301 | 35,179 |
| BNDES | 2015 | TJLP + 5.5% | R\$ | 11,829 | 48,233 | 60,062 | 63,370 |
| Others | 2025 | Various | R\$ | 41,480 | 265,487 | 306,967 | 148,787 |
| Debt in Brazilian currency | | | | 1,696,679 | 10,881,334 | 12,578,013 | 12,425,146 |
| Overall total, consolidated | | | | 1,749,043 | 11,034,930 | 12,783,973 | 12,652,960 |

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- (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) Swaps for exchange of rates were contracted. The following are the rates for the loans and financings taking the swaps into account: CDI rate + 1.50% p.a.
- (3) Refers to the senior units of the credit rights funds. See Explanatory Note 13;
- (4) Nominal, unsecured, book-entry debentures not convertible into shares, without preference.
- (5) Contracts adjusted to present value, as per changes to the Corporate Law made by Law 11638/07.
- (6) Contracts with rates and amounts adjusted in accordance with CPC 08.

* Contractual rate.

** Internal rate of return, including transaction cost.

*** Effective cost of the transaction.

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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 and subsequent years | Total |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|---------------------------|-------------------|
| Currency | | | | | | | | | |
| US dollar | 20,200 | 34,534 | 31,934 | 28,851 | 5,014 | 2,406 | 4,719 | 61,599 | 189,257 |
| Euro | 896 | 4,097 | 2,810 | 1,524 | 1,524 | 1,524 | 1,524 | | 13,899 |
| UMBndes (**) | 90 | 316 | 317 | 316 | 316 | 316 | 633 | 500 | 2,804 |
| | 21,186 | 38,947 | 35,061 | 30,691 | 6,854 | 4,246 | 6,876 | 62,099 | 205,960 |
| Indexor | | | | | | | | | |
| IPCA (Expanded CPI) | 80,883 | 12,053 | 115,032 | 493,783 | 433,640 | 599,020 | 306,141 | | 2,040,552 |
| Ufir (Fiscal Reference Unit) / RGR | 14,090 | 56,894 | 53,437 | 47,785 | 46,407 | 40,104 | 54,013 | 25,376 | 338,106 |
| Interbank CD (CDI) | 859,741 | 1,143,950 | 2,830,644 | 1,187,743 | 753,730 | 249,256 | 39,483 | | 7,064,547 |
| Eletrobrás Finel | 3,128 | 12,512 | 12,513 | 11,470 | | | | | 39,623 |
| URTJ (*) | 60,947 | 186,434 | 217,242 | 223,071 | 240,823 | 225,660 | 272,323 | 559,489 | 1,985,989 |
| IGP-M inflation index | 13,523 | 5,698 | 5,771 | 5,773 | 329,783 | 4,603 | 2,615 | 47,802 | 415,568 |
| UMBndes (**) | 2,582 | 9,763 | 10,312 | 10,916 | 11,480 | 11,960 | 8,096 | 115 | 65,224 |
| Others (IGP-DI, INPC) | 3,401 | | 396 | 805 | 9,343 | 347 | 801 | 195 | 15,288 |
| No indexor | 22,145 | 39 | 769 | 590,116 | | 47 | | | 613,116 |
| | 1,060,440 | 1,427,343 | 3,246,116 | 2,571,462 | 1,825,206 | 1,130,997 | 683,472 | 632,977 | 12,578,013 |
| | 1,081,626 | 1,466,290 | 3,281,177 | 2,602,153 | 1,832,060 | 1,135,243 | 690,348 | 695,076 | 12,783,973 |

(*) URTJ = Interest Rate Reference Unit.

(**) UMBndes = BNDES Monetary Unit.

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

INPC - National Consumer Price Index.

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

| Currency | Change, %, in quarter ended 09/30/2010 | YTD % variation in 2010 | Indexor | Change, %, in quarter ended 09/30/2010 | YTD % variation in 2010 |
|-----------|----------------------------------------|-------------------------|---------|----------------------------------------|-------------------------|
| US dollar | (5.96) | (2.70) | IGP-M | 2.09 | 7.89 |
| Euro | 4.81 | (7.85) | Finel | 0.41 | 1.54 |
| | | | CDI | 2.57 | 6.97 |
| | | | UMBndes | (5.39) | (1.58) |

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

| | Consolidated |
|---------------------------------------------|---------------------|
| Balance at June 30 | 12,652,960 |
| Initial balance acquisition of subsidiaries | 21,722 |
| Loans and financings obtained | 452,953 |
| Monetary and FX variation | 13,175 |
| Fund raising costs | (1,939) |
| Amortization of fund raising costs | 2,192 |
| Financial charges provisioned | 295,000 |
| Financial charges paid | (97,799) |
| Capitalization | 3 |
| Adjustment to present value | (1,972) |
| Amortization of financings | (552,322) |
| Balance on September 30, 2010 | 12,783,973 |

a) Restrictive covenant clauses

Cemig and its subsidiaries have contracts for loans and financings with restrictive covenant clauses, requiring compliance at the end of each calendar half-year (June 30 and December 31). On June 30, 2010, some clauses were not complied with. Due to this, the company obtained from its creditors, on that day, consent that they would not exercise their rights to demand immediate or early payment of amounts owed until June 30, 2011.

The financing contracts of Taesa have restrictive covenants relating to debt servicing coverage indices. On September 30, 2010, Taesa and its subsidiaries had debt servicing coverage indices that complied with the limits established in the contract.

Madeira Energia has a loan contracted with the BNDES and with Banco da Amazônia S.A with restrictive covenant clauses that were fully complied with on September 30, 2010.

Table of Contents**20. REGULATORY CHARGES**

| | 09/30/2010 | Consolidated | 06/30/2010 |
|--------------------------------------------------------|----------------|--------------|----------------|
| Global Reversion Reserve RGR | 43,730 | | 32,823 |
| Fuel Consumption Account CCC | 53,179 | | 49,612 |
| CDE Energy Development Account | 38,945 | | 38,721 |
| Eletrobrás Compulsory loan | 1,207 | | 1,207 |
| Aneel inspection charge | 3,742 | | 3,912 |
| Energy Efficiency | 203,763 | | 211,009 |
| Research and Development | 214,839 | | 205,451 |
| Energy System Expansion Research | 2,794 | | 2,252 |
| National Scientific and Technological Development Fund | 5,594 | | 4,890 |
| Alternative Energy Program Proinfa | 3,285 | | 3,187 |
| 0.30% additional payment Law 12111/09 | 17,154 | | 11,462 |
| | 588,232 | | 564,526 |
| Current liabilities | 337,138 | | 357,816 |
| Non-current liabilities | 251,094 | | 206,710 |

21. POST-EMPLOYMENT OBLIGATIONS**The Forluz Pension Fund**

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

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

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

The Mixed Benefits Plan (Plan B): A plan that is defined-contribution at the stage of accumulation of funds, for retirement benefits for normal time of service; and provides defined-benefit coverage for disability or death of participants still in active employment, and also receipt of the 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.

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Of the Sponsors' contribution to this plan, 27.52% goes to 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%, for 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 period in accordance with the payments made by the Company, under Personnel expenses.

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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\$ 2,767,140, on December, 31, 2009, are not presented in this Explanatory Note.

Pension Benefits Balances Plan (Plan A): This includes all the currently employed and assisted participants who opted to migrate from the previous Defined-benefit Plan, and are entitled to a benefit proportional to those 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 amount of the Official Social Security benefit so as to result in the average real salary of the employee's last three working years in the Company. 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 Council 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 the participants, and also to comply with the SPC's requirement, Forluz opted to separate the activities, keeping the present dental and pension plans within itself. Conclusion of the process of separation of the health plan was completed in September 2010, thus starting from October 1, the Health Plan shall be administered by and all the existing benefits and cover will be maintained.

Amortization of actuarial obligations

Part of the Consolidated actuarial obligation for post-employment benefits in the amount of R\$ 872,288 at September 30, 2010 (R\$ 893,027 at June 30, 2010) has been recognized as an obligation payable by Cemig, 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 371/00 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 amounts recognized in the balance sheet at December 31, 2009, as they appear in the opinion prepared by an external actuary in conformity with CVM Decision 371, are presented in this Explanatory Note.

The Braslight Pension Fund

Light 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 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 type.

On October 2, 2001, the Private Pension Plans Secretariat approved a contract for a solution for the technical deficit and the refinancing of the reserve to be amortized relating to the pension plans of Braslight, which were recorded in full. This is being paid in 300 monthly installments, starting from July 2001, updated by the variation of the IGP-DI inflation index plus interest of 6.00% per year, totaling R\$ 963,108 at September 30, 2010 (R\$ 971,749 on June 30, 2010). The effect on the Company's Consolidated result is of the portion corresponding to 25.53% of this amount, according to proportional consolidation.

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 06/30/2010 | 234,063 | 248,112 | 387,052 | 21,060 | 485,011 | 1,375,29 |
| Expense recognized in the Income statement | 6,681 | 3,734 | 17,657 | 1,045 | 11,383 | 40,500 |
| Contributions paid | (34,119) | (5,940) | (13,494) | (191) | (2,587) | (56,331) |
| Net liabilities on 09/30/2010 | 206,625 | 245,906 | 391,215 | 21,914 | 493,807 | 1,359,46 |

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| | | | | | | |
|-------------------------|---------|---------|---------|--------|---------|----------|
| Current liabilities | 76,528 | 23,909 | | | | 100,437 |
| Non-current liabilities | 130,097 | 221,997 | 391,215 | 21,914 | 493,807 | 1,259,03 |

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| Holding company | Pension plans and retirement supplement plans | Health plan | Dental plan | Life insurance | Total |
|--------------------------------------------|--------------------------------------------------|----------------|----------------|-------------------|---------------|
| | Forluz | | | | |
| Net liabilities on 06/30/2010 | 11,309 | 20,113 | 1,092 | 21,208 | 53,722 |
| Expense recognized in the Income statement | 505 | 1,764 | 89 | 778 | 3,136 |
| Contributions paid | (1,691) | (718) | (10) | (134) | (2,553) |
| Balance on 09/30/2010 | 10,123 | 21,159 | 1,171 | 21,852 | 54,305 |
| Current liabilities | 3,810 | | | | 3,810 |
| Non-current liabilities | 6,313 | 21,159 | 1,171 | 21,852 | 50,495 |

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 probablePasep 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. subject to no further appeal) and we would note that the Federal Supreme Court has ruled on several similar cases in favor of the taxpayer the gain to be registered in the results of the year will be R\$ 183,817 (R\$181,668 on June 30, 2010), net of income tax and Social Contribution Tax.

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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 | | | | Deposits paid into court | Balance on 09/30/2010 |
|-----------------------------------------------------|-----------------------|----------------------|------------------|----------------|--------------------------|-----------------------|
| | Balance on 06/30/2010 | Additions (reversal) | Written off | Balance | | |
| Employment-law cases | | | | | | |
| Various | 123,510 | 3,822 | (12,246) | 115,086 | (13,091) | 101,995 |
| Civil cases | | | | | | |
| Personal damages | 21,818 | 154 | (1,879) | 20,093 | | 20,093 |
| Tariff increases | 125,303 | 2,478 | (99,768) | 28,013 | (16,324) | 11,689 |
| Environmental | 5,669 | | (172) | 5,497 | | 5,497 |
| Other | 154,696 | 6,960 | (48,183) | 113,473 | (28,935) | 84,538 |
| Tax | | | | | | |
| Finsocial | 21,635 | 98 | | 21,733 | (21,733) | |
| PIS and Cofins taxes | 3,450 | 1,338 | | 4,788 | | 4,788 |
| ICMStax | 57,672 | 1,519 | (25,702) | 33,489 | (10,302) | 23,187 |
| Taxes and contributions suspension of demandability | 185 | | | 185 | | 185 |
| Social security system | 17,027 | 215 | | 17,242 | | 17,242 |
| Other | 5,294 | 10,266 | | 15,560 | (518) | 15,042 |
| Regulatory | | | | | | |
| Aneel administrative proceedings | 85,184 | 592 | (929) | 84,847 | (6,072) | 78,775 |
| Total | 621,443 | 27,442 | (188,879) | 460,006 | (96,975) | 363,031 |

| | Holding company | | | | Deposits paid into court | Balance on 09/30/2010 |
|-----------------------------|-----------------------|----------------------|-------------|---------|--------------------------|-----------------------|
| | Balance on 06/30/2010 | Additions (reversal) | Written off | Balance | | |
| Employment-law cases | | | | | | |
| Various | 72,559 | | (11,590) | 60,969 | (8,944) | 52,025 |
| Civil cases | | | | | | |
| Personal damages | 17,536 | | (1,879) | 15,657 | | 15,657 |
| Tariff increases | 20,552 | | (4,228) | 16,324 | (16,324) | |
| Other | 84,943 | | (42,753) | 42,190 | (21,909) | 20,281 |
| Tax | | | | | | |

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| | | | | | | |
|----------------------------------|----------------|---------------|-----------------|----------------|-----------------|----------------|
| Finsocial | 21,635 | 98 | | 21,733 | (21,733) | |
| Social security system | 1,183 | 22 | | 1,205 | | 1,205 |
| Other | 2,943 | 10,121 | | 13,064 | (518) | 12,546 |
| Regulatory | | | | | | |
| Aneel administrative proceedings | 25,741 | 455 | | 26,196 | (6,072) | 20,124 |
| Total | 247,092 | 10,696 | (60,450) | 197,338 | (75,500) | 121,838 |

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The details on the provisions constituted are as follows:

(a) Employment-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

Various industrial consumers have 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 court decisions. The total exposure of Cemig and its subsidiaries in this matter, in the understanding of management, is R\$ 80,248. The part of this in which loss is considered probable has been provisioned in full, in the amount of R\$ 28,013 (R\$ 49,162 on June 30, 2010).

In May 2010, the Company signed a settlement in relation to the legal action filed by an industrial consumer in relation to reimbursement of increase of the tariff introduced by the National Water and Energy Department (DNAEE) during the *Cruzado* economic plan. Under this agreement the Company agreed to pay to the consumer the amount of R\$ 177,592, of which R\$ 92,592 was to be offset against unpaid invoices, and R\$ 85,000 to be paid by deduction from future payments for supply of electricity and use of the distribution systems, without any adjustment or monetary updating, and including the fees of Counsel. The amount of R\$ 177,592 has been recognized in full in the income statement for the period.

Under the agreement, the amounts provisioned and not yet offset by electricity invoices, in the amount of R\$ 76,141, now become, effectively, Accounts Payable, and have been transferred to Other current liabilities.

(c) 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\$ 25,113 is provisioned.

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(d) Taxes and contributions demandabilities suspended

Cemig did have a provision of R\$ 86,437 relating to the deduction, from the amount subject to corporate income tax, of the expense of the Social Contribution tax since 1988. On April 17, 1998, the 8th Federal Court granted Cemig an injunction, which was overturned in April 2010. Cemig paid the amount of R\$ 91,487 on May 21, 2010. The Company has made an application for Provisional Remedy to appeal against this judgment.

(e) 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 amounts paid for services of 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 total R\$ 16,035 (R\$ 15,844 on June 30, 2009).

(f) Aneel administrative proceedings

On January 9, 2007, Aneel notified Cemig D (Cemig Distribuição S.A.) that it considered certain criteria adopted by the Company in calculation of the revenue from the subsidy for low-income consumers to be incorrect, questioning the criteria for identification of the consumers who should receive the benefit and also the calculation of the difference to be reimbursed by Eletrobrás, in the estimated amount of R\$ 143,000. The Company has made a provision corresponding to loss in this dispute of which it considers the chances to be probable, in the amount of R\$ 53,582.

(g) 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 September 30, 2010 represents the potential loss on these claims.

Among the civil cases we highlight an action for indemnity arising from a fire on grazing land of a rural property, allegedly due to breakage of an electricity cable. The chances of loss in this action are assessed as probable, in the amount of R\$ 13,714, which has been 100% provisioned.

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

Cemig and its subsidiaries are disputing other actions in the courts for which they assess the chances of loss as possible or remote . The following are the details of the most important of these:

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

The federal tax authority issued an Infringement Notice on October 11, 2001, in the amount which updated is R\$ 337,003, 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 liabilities for post-employment benefits. The additional post-employment obligations, which resulted from the changes in the method of accounting, were recognized in the tax years that were 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\$ 26,631. 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 defense in the Courts, for the procedures adopted for recovery of the said tax credits. Thus, it assesses the chances of loss in this action as remote .

The tax credits constituted, mentioned in the previous paragraph, were used by Cemig to offset federal taxes and contributions paid in the business years of 2002 and 2003. Due to this fact, Cemig had the offsetting proceedings refused by the federal tax authority and would be exposed to an additional penalty, updated to September 30, 2010 of R\$ 306,619 (R\$ 303,435 on June 30, 2010). 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 assesses the chances of loss in this action as remote .

(II) Tax on Inheritance and Donations (ITCD)

The State of Minas Gerais is challenging the Company in the courts for non-payment of the Tax on Donations (ITCD) in relation to contributions of consumers, the amount of which on September 30, 2010 was R\$ 210,480 (R\$ 204,485 on June 30, 2010). 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 chances of loss in this action as remote .

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(iii) Acts of the regulatory agency

Aneel filed an administrative action against Cemig stating that the company owes R\$ 945,067 to the federal government (R\$ 1,240,698 on June 30, 2010) as a result of an alleged error in the calculation of credits under the CRC (Results Compensation) Account, which were, in the past, used to offset 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 .

(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 differing interpretation by the federal tax authority and the National Social Security Institution (INSS), the Company decided to apply for orders of Mandamus, which allowed payment into Court of the potential obligations on these amounts, with a total of R\$ 172,192. These are posted in Deposits linked to legal actions (Note 12). No provision has been made for any losses. The Company assesses the chance 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\$ 128,011 (R\$ 125,594 on June 30, 2010). Cemig has appealed, in administrative proceedings, against the decision. No provision has been made for any losses. Cemig believes it has arguments of merit for defense, and the chances of loss in this action are assessed as remote .

(V) ICMS tax

Since 2002 the company has received a subsidy from Eletrobrás for 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 would be R\$ 128,328, not including any ICMS tax which might be claimed by the Tax Authority for the periods subsequent to the infringement notice. The company decided to join the Minas Gerais State Special Tax Installment Payment Program for ICMS, created by the State Government through Decree 45358 of May 4, 2010, recognizing, as a result of this, a provision of R\$ 25,702.

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Cemig was served an infringement notice, as co-defendant, in which the Minas Gerais State Tax Authority demanded payment of R\$ 49,748 (R\$ 48,689 at June 30, 2010) in ICMS tax on sales of excess electricity by industrial consumers during the period of electricity rationing. If the Company does have to pay ICMS tax on these transactions, it will be able to 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) 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, working with the CCEE, to comply with the claim by AES Sul and recalculate the settlement of the transactions during the rationing period, leaving out of account Aneel's Dispatch No. 288/2002. This was to be put into effect in the CCEE starting in November 2008, resulting in an additional disbursement for Cemig, for the expense on purchase of energy in the short-term market, in the CCEE, in the amount of approximately R\$ 106,364 (R\$ 103,718 on June 30, 2010). On November 9, 2008 the Company obtained an injunction in the Regional Federal Appeal 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. Because of the above, no provision was constituted for this dispute, since the Company believes it has arguments on the merit for defense against this claim. The Company assesses the chances of losses from this action as possible .

(vii) 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\$ 1,196,469 (R\$ 1,173,390 at June 30, 2010). The Company believes it has arguments of merit for legal defense and thus has not made a provision for this action. The chance of losses from this action is assessed as possible .

(viii) 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 case was rejected by the courts in August 2010 and the case was set aside, as expected by the Company's counsel.

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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\$ 1,031,678 (R\$ 981,776 on June 30, 2010). The Company believes that it has arguments of merit for legal defense, and has thus made no provision for this action. The chance of loss from this action is assessed as possible .

A public class action challenging the Conduct Adjustment Undertaking entered into 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\$ 1,852,648 (R\$ 1,792,530 at June 30, 2010). The Company believes it has arguments of merit for legal defense and thus has not made a provision for this action. The chance of loss from this action is assessed as possible .

(iX) PIS and Cofins taxes

Light had two legal actions challenging the applicability of the PIS and Cofins taxes, in the manner specified by Law 9718/98, as follows:

The first questioned the changes imposed by the said law in relation to: (i) expansion of the taxable base of the said taxes, and (ii) the increase in the tax rate of the Cofins tax from 2% to 3%. In the Company's Appeal to the Federal Supreme Court, final judgment was given, against which there is no further appeal, in relation to the expansion of the taxable base of calculation of the tax, granting the Appeal, and declaring Article 3, § 1º, of Law 9718/98 unconstitutional. The respective reversal of provision was made in the second quarter of 2008, in the amount of R\$ 108,090, with counterpart entry in Financial expenses.

In the second, the company alleges expiry by limitation of time of part of the amounts demanded in the Collection Letter issued by the federal tax authority on January 31, 2007, on the grounds of the federal inspectors not having posted a tax credit within the legal period. An injunction was obtained suspending collection. This was upheld by the Regional Federal Appeal Court, and at present awaits judgment on an appeal to the Higher Appeal Courts. As to the merits, the judgment of the first instance is awaited. The advisors of the Company's legal department assess the chance of loss as possible . Light opted to include this case in the new procedure for payment by installments (Law 11941/09).

(X) 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\$ 24,525 (R\$ 44,433 on June 30, 2010). No provision has been made for any losses. Cemig believes it has arguments of merit for defense. The chances of loss in this action are assessed as remote .

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(xi) Action for annulment of the RME Agreement

A public class action was filed applying for annulment of the transaction for acquisition of an interest in the Light Group by Cemig through the company RME, and of the stockholdings of the other partners, and of all the subsequent transactions. The amount involved is R\$ 2,576,689. The Company believes it has arguments of merit for defense, and thus has not made a provision for these actions. The company assesses the chances of loss in this action as remote .

In addition to the issues described above, Cemig and its subsidiaries are involved, on the plaintiff or defendant side, in other cases, of smaller scale, related to the normal course of their operations. Management believes that it has adequate defense for these actions, 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.

23. STOCKHOLDERS EQUITY

Capital increase at the Ordinary and Extraordinary General Meetings of Stockholders held in April 2010

The General Meeting of Stockholders held on April 29, 2010 approved an increase in the registered capital of Cemig from R\$ 3,101,884 to R\$ 3,412,073 with issue of new shares, through capitalization of R\$ 294,940 of the balance of the Earnings Reserve and R\$ 15,428 of the Capital Reserve, with consequent distribution of a stock dividend of 10% in new shares to stockholders, of the same type as those held, with nominal value of R\$ 5.00.

The Company's registered capital is represented by 298,269,668 common shares and 384,144,914 preferred shares, all with nominal value of R\$ 5.00.

Change in the Company's stockholding structure

In 1997 the Government of the State of Minas Gerais sold approximately 32.96% of the Company's common shares to a group of investors led by Southern Electric Brasil Participações Ltda. (SEB).

On June 16, 2010, as advised in correspondence sent to the Company by Southern Electric Brasil Participações Ltda. (SEB), Southern's holding in Cemig was sold to AGC Energia S.A. (AGC Energia), an unlisted S.A. corporation controlled by Andrade Gutierrez Concessões S.A. (AGC).

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The transfer of shares took place under the share purchase agreement signed between SEB and AGC Energia, with AGC as consenting party, on November 12, 2009, as amended, and is for the sale of the entire stockholding of SEB in CEMIG, that is to say 98,321,592 nominal common shares issued by Cemig, representing 32.96% of the voting stock and 14.41% of the total capital of CEMIG.

We emphasize that this transaction does not change the composition of the stockholding control nor the administrative structure of Cemig.

Prior-year adjustment in a subsidiary

With the intention of harmonizing accounting practices between the companies of the Cemig Group, the Company posted directly in Stockholders' equity an adjustment of R\$ 34,861, for revenue recognized by one of its subsidiaries in 2010, arising from a contract for intermediation of electricity in previous years.

24. REVENUE FROM SUPPLY OF ELECTRICITY

This table shows supply of electricity by type of consumer:

| | (Not reviewed by external auditors) | | MWh (*) | | R\$ | |
|-----------------------------------------|-------------------------------------|------------|------------|------------|------------|------------|
| | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| Residential | 9,470,694 | 9,267,800 | 7,343,299 | 7,258,610 | 3,547,737 | 3,374,600 |
| Industrial | 87,210 | 87,086 | 18,149,884 | 16,751,048 | 2,959,010 | 2,771,419 |
| Commercial, services and others | 880,546 | 867,675 | 4,558,053 | 4,553,494 | 2,011,813 | 1,984,772 |
| Rural | 524,819 | 465,213 | 1,859,940 | 1,654,615 | 476,010 | 407,373 |
| Public authorities | 68,747 | 65,971 | 789,045 | 781,589 | 342,984 | 335,310 |
| Public illumination | 3,702 | 3,323 | 907,086 | 920,208 | 231,676 | 227,293 |
| Public service | 9,853 | 9,752 | 1,009,757 | 995,127 | 296,769 | 286,497 |
| Subtotal | 11,045,571 | 10,766,820 | 34,617,064 | 32,914,691 | 9,865,999 | 9,387,264 |
| Own consumption | 1,183 | 1,164 | 39,552 | 38,291 | | |
| Low-income subsidy (1) | | | | | 99,486 | 110,896 |
| Retail supply not invoiced, net | | | | | (29,056) | (62,740) |
| | 11,046,754 | 10,767,984 | 34,656,616 | 32,952,982 | 9,936,429 | 9,435,420 |
| Supply to other concession holders (**) | 90 | 86 | 10,098,398 | 9,737,282 | 1,093,238 | 1,106,045 |
| Transactions in energy on the CCEE | | | 3,971,052 | 2,009,456 | 106,054 | 121,215 |
| Sales under the Proinfa program | | | 39,400 | | 10,811 | |
| Effect of the Final Tariff Review (2) | | | | | 71,302 | (137,458) |
| Additional charge Law 12111/09 | | | | | 3,113 | |

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| | | | | | | |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total | 11.046.844 | 10.768.070 | 48.765.466 | 44.699.720 | 11.220.947 | 10.525.222 |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

(*) The Number of consumers column includes 100% of the consumers of Light.

The MWh column includes a proportion of the total electricity sold by Light, in proportion to the Company's stockholding.

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

(1) Revenue recognized arising from the subsidy from Eletrobrás, for the discount given on tariffs charged to low-income consumers. The amounts have been homologated by Aneel and are reimbursed by Eletrobrás.

(2) Amount recognized, as counterpart to a regulatory liability, due to homologation of the Final Result of the Company's Tariff Review, in March 2009. The amount of R\$ 71,302 refers to the amortization of the regulatory liabilities in January-March 2010. See complementary explanations in Note 32.

Table of Contents**25. REVENUE FROM USE OF THE NETWORK FREE CONSUMERS**

| | 09/30/2010 | Consolidated 09/30/2009 |
|---------------------------------------------------------------|------------------|----------------------------|
| Tariff for Use of the Electricity Distribution Systems (TUSD) | 1.115.336 | 845.477 |
| Revenue from use of the basic grid | 874.066 | 521.393 |
| System connection revenue | 77.101 | 97.395 |
| Review of the transmission tariff | (64.586) | 136.657 |
| | 2.001.917 | 1.600.922 |

The revenue from the Tariff for Use of the Distribution System TUSD refers basically to the charging of a tariff for the use of the distribution network on sales of electricity to Free Consumers.

Revenue from Use of the Basic Grid refers to the tariff charged to agents in the electricity sector, including Free Consumers connected to the high voltage network, for use of that part of the National transmission Grid that is owned by the Company. Supply of electricity to the Brazilian grid system is recorded when it takes place, and invoiced monthly, in accordance with the payments specified by the concession contract. Under some of these contracts the revenue to be reimbursed in the last 15 years of the concession will be 50% less than in the first 15 years. The company recognizes the payments received under these concessions in accordance with each contract.

26. OTHER OPERATIONAL REVENUES

| | Consolidated | | Holding company | |
|--------------------|----------------|----------------|-----------------|------------|
| | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| Supply of gas | 291.611 | 234.063 | | |
| Charged service | 12.368 | 12.887 | | |
| Telecoms service | 93.053 | 90.076 | | |
| Services provided | 53.937 | 41.178 | 10 | |
| Rental and leasing | 46.804 | 50.035 | 328 | 267 |
| Other | 614 | 10.481 | | |
| | 498.387 | 438.720 | 338 | 267 |

Table of Contents**27. DEDUCTIONS FROM OPERATIONAL REVENUES**

| | Consolidated | |
|-------------------------------------------------------------------|------------------|----------------------------|
| | 09/30/2010 | 09/30/2009 Reclassified |
| Taxes on revenue | | |
| ICMS tax | 2,326,801 | 2,226,919 |
| Cofins tax | 1,019,325 | 911,516 |
| PIS and Pasep taxes | 218,630 | 185,907 |
| Others | 3,697 | 2,705 |
| | 3,568,453 | 3,327,047 |
| Charges to the consumer | | |
| Global Reversion Reserve RGR | 142,477 | 141,911 |
| Energy Efficiency Program P.E.E. | 32,917 | 28,854 |
| CDE Energy Development Account | 344,919 | 300,445 |
| Fuel Consumption Account CCC | 491,221 | 376,108 |
| Research and Development P&D | 26,050 | 22,443 |
| National Scientific and Technological Development Fund | 23,079 | 22,404 |
| Energy system expansion research EPE (Mining and Energy Ministry) | 11,911 | 11,150 |
| Emergency Capacity Charge | 15,235 | 11,866 |
| 0.30% additional payment (Law 12111/09) | 17,154 | |
| | 1,104,963 | 915,181 |
| | 4,673,416 | 4,242,228 |

Cemig pays the ICMS tax applicable to Portion A in accordance with the invoicing of the amounts on customers' electricity bills.

28. OPERATIONAL COSTS AND EXPENSES

| OPERATIONAL COSTS AND EXPENSES (REVENUES) | Consolidated | | Holding company | |
|----------------------------------------------------|------------------|----------------------------|-----------------|---------------|
| | 09/30/2010 | 09/30/2009 Reclassified | 09/30/2010 | 09/30/2009 |
| Personnel (a) | 858,094 | 1,024,354 | 29,245 | 25,560 |
| Post-employment obligations | 126,457 | 105,760 | 9,408 | 4,252 |
| Materials | 88,704 | 79,232 | 282 | 230 |
| Raw materials | | 4,070 | | |
| Outsourced services | 638,706 | 531,908 | 7,139 | 9,676 |
| Energy bought for resale (b) | 3,023,885 | 2,529,469 | | |
| Depreciation and amortization | 610,975 | 517,204 | 127 | 140 |
| Royalties for use of water resources | 113,444 | 114,984 | | |
| Provisions (reversals) for operational losses (c) | 173,861 | 88,765 | (101,861) | (30,557) |
| Charges for the use of the basic transmission grid | 598,012 | 612,627 | | |
| Gas purchased for resale | 162,685 | 128,610 | | |
| Other operational expenses, net (d) | 252,845 | 214,444 | 12,275 | 17,648 |
| | 6,647,668 | 5,951,427 | (43,385) | 26,949 |

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| (a) PERSONNEL COSTS AND EXPENSES | Consolidated | | Holding company | |
|--------------------------------------------------------------------|----------------|------------------|-----------------|---------------|
| | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| Remuneration and salary-related charges and expenses | 772,385 | 787,985 | 22,545 | 15,453 |
| Supplementary pension contributions - Defined Contribution plan | 45,058 | 45,963 | 2,861 | 2,155 |
| Assistance benefits | 89,732 | 87,926 | 2,492 | 2,038 |
| | 907,175 | 921,874 | 27,898 | 19,646 |
| The PPD Voluntary Retirement Program | | (486) | | (8) |
| The PDV Temporary Voluntary Retirement Program | 21,992 | 201,389 | 1,347 | 5,922 |
| (-) Personnel costs transferred to Works in progress | (71,073) | (98,423) | | |
| | 858,094 | 1,024,354 | 29,245 | 25,560 |

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The PDV Temporary Voluntary Retirement Program

In April 2009 Cemig put in place a temporary Voluntary Retirement Program named the PDV which was joined by 1,221 employees. The financial incentive for employees who subscribed to the PDV program was an indemnity varying 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 Social Security 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 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.

| (b) ENERGY BOUGHT FOR RESALE | Consolidated | |
|-----------------------------------------------------|------------------|------------------|
| | 09/30/2010 | 09/30/2009 |
| From Itaipu Binacional | 1.050.820 | 819.116 |
| Spot market | 166.914 | 212.737 |
| Proinfa (the Alternative Energy Sources Program) | 156.807 | 122.879 |
| (Reimbursement of CVA) Initial Contracts | (197.025) | |
| Bilateral Contracts | 330.402 | 439.239 |
| Electricity acquired at auction in Regulated Market | 1.604.473 | 985.923 |
| Portion A | 151.048 | 143.829 |
| Credits of Pasep and Cofins taxes | (239,554) | (194,254) |
| | 3,023,885 | 2,529,469 |

The Portion A amounts refer to transfer to the Income statement of the respective amounts received in the tariff. See information in Explanatory Note 06.

| c) OPERATIONAL PROVISIONS | Consolidated | | Holding company | |
|------------------------------------------------------------|----------------|---------------|------------------|-----------------|
| | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| Pension plan premiums | (8,861) | (5,003) | (395) | (217) |
| Provision (reversal) for doubtful receivables | 75,709 | 108,632 | | (2,367) |
| Provision for labor-law contingencies | (9,335) | (3,544) | (11,921) | (4,895) |
| Provision for Aneel administrative proceedings | 11,037 | 3,175 | 2,193 | 982 |
| Provision for legal contingencies civil actions | (53,442) | 9,923 | (54,184) | 9,923 |
| Provision (Reversal) for civil actions on tariff increases | 126,273 | (29,227) | (38,711) | (29,227) |
| Inflationary profit | (3,970) | 249 | (3,970) | 249 |
| Other provisions (reversals) | 36,450 | 4,560 | 5,127 | (5,005) |
| | 173,861 | 88,765 | (101,861) | (30,557) |

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| (d) OTHER OPERATIONAL EXPENSES, NET | Consolidated | | Holding company | |
|-----------------------------------------------------|----------------|----------------|-----------------|---------------|
| | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| Leasings and rentals | 38,641 | 27,694 | 593 | 571 |
| Advertising and marketing | 21,019 | 16,310 | 87 | 227 |
| Own consumption of electricity | 7,960 | 11,022 | | |
| Subsidies and donations | 23,766 | 23,376 | 2,754 | 720 |
| Aneel inspection charge | 33,870 | 31,542 | | |
| (*) License Charge for Occupation of Highway Lands. | 27,114 | 27,304 | | |
| Concessions for consideration | 16,608 | 8,121 | | |
| Taxes and charges (IPTU, IPVA and others) | 16,003 | 13,064 | 222 | 89 |
| Insurance | 9,064 | 4,764 | 933 | 116 |
| CCEE Contribution | 3,648 | 3,480 | 3 | |
| Forluz Current Administration expense | 7,647 | 9,072 | 464 | 443 |
| Other expenses | 47,505 | 38,695 | 7,219 | 15,482 |
| | 252,845 | 214,444 | 12,275 | 17,648 |

29. NET FINANCIAL REVENUE (EXPENSES)

| | Consolidated | | Holding company | |
|----------------------------------------------------------------------------------------------|--------------------|------------------|-----------------|-----------------|
| | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| FINANCIAL REVENUES | | | | |
| Revenue from cash investments | 286,287 | 183,144 | 34,071 | 14,560 |
| Arrears penalty payments on electricity bills | 103,108 | 139,464 | | |
| Interest and monetary updating on accounts receivable from the Minas Gerais state government | 111,086 | 116,963 | | |
| Monetary updating of CVA | 10,854 | 28,822 | | |
| Monetary updating on items under the General Agreement for the Electricity Sector | 9,434 | 35,261 | | |
| FX variations | 43,517 | 118,586 | 2 | 21 |
| Pasep and Cofins taxes on financial revenues | (26,254) | (27,450) | (26,410) | (26,047) |
| Gains on financial instruments | 3,638 | 306 | | |
| Adjustment to present value | 14,298 | 1,486 | | |
| FIDC revenues | | | 40,410 | 35,966 |
| Monetary updating on taxes offsetable | 79,611 | 51,209 | 5,129 | 10,257 |
| Other | 40,966 | 36,933 | 7,817 | 3,857 |
| | 676,545 | 684,724 | 61,019 | 38,614 |
| FINANCIAL EXPENSES | | | | |
| Costs of loans and financings | (791,696) | (549,177) | (5,361) | (6,823) |
| Monetary updating on items under the General Agreement for the Electricity Sector | | (2,663) | | |
| Monetary updating of CVA | (34,390) | 306 | | |
| FX variations | (24,493) | (16,669) | (101) | (11) |
| Monetary updating on loans and financings | (82,228) | (5,539) | | |
| Adjustment to present value | (547) | (7,400) | | |
| Losses on financial instruments | (10,594) | (80,442) | | |
| Reversal of provision for PIS and Cofins tax on Revenue | | 7,915 | | |
| Amortization of goodwill on investments | (47,714) | (16,932) | (35,286) | (16,352) |
| Other | (118,219) | (95,431) | (2,296) | (5,611) |
| | (1,109,881) | (766,032) | (43,064) | (28,797) |
| NET FINANCIAL REVENUE (EXPENSES) | (433,336) | (81,308) | 17,975 | 9,817 |

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

Table of Contents**30. TRANSACTIONS WITH RELATED PARTIES**

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

| COMPANIES | ASSETS | | LIABILITIES | | REVENUES | | EXPENSES | |
|----------------------------------------------------------------|------------|------------|-------------|------------|-------------|-------------|------------|------------|
| | 09/30/2010 | 31/06/2010 | 09/30/2010 | 31/06/2010 | 09/30/2010 | 09/30/2009 | 09/30/2010 | 09/30/2009 |
| Cemig Distribuição S.A. (<i>Cemig D</i>) | | | | | | | | |
| Interest on Equity, and dividends | 229,559 | 173,220 | | | | | | |
| Affiliates and subsidiaries / parent company | 3 | 3 | 1,647 | 1,627 | | | | |
| Cemig Geração e Transmissão S.A. (<i>Cemig GT</i>) | | | | | | | | |
| Interest on Equity, and dividends | 186,234 | 110,347 | | | | | | |
| Affiliates and subsidiaries / parent company | | | 2,671 | 2,661 | | | | |
| Light S.A. | | | | | | | | |
| Interest on Equity, and dividends | 92,686 | | | | | | | |
| Minas Gerais state government | | | | | | | | |
| Consumers and traders (1) | 1,500 | 1,450 | | | 63,495 | 38,863 | | |
| Taxes offsetable ICMS current (2) | 212,627 | 212,941 | 294,472 | 309,549 | (1,974,454) | (1,844,119) | | |
| Accounts receivable from Minas Gerais state gov. CRC (3) | 1,792,189 | 1,830,892 | | | 111,086 | 116,963 | | |
| Taxes offsetable ICMS Non-current (2) | 64,868 | 65,464 | | | | | | |
| Consumers and traders (4) | 44,531 | 50,361 | | | | | | |
| Interest on Equity, and dividends | | | 103,691 | 103,691 | | | | |
| Debentures (5) | | | 40,476 | 39,301 | | | (3,422) | (3,193) |
| Receivables fund (6) | | | 864,639 | 911,777 | | | | |
| Financings Minas Gerais Development Bank (7) | | | 13,949 | 16,787 | | | | |
| Forluz | | | | | | | | |
| Post-employment obligations Current (8) | | | 76,529 | 80,137 | | | (110,297) | (95,069) |
| Post-employment obligations Non-current (8) | | | 1,037,033 | 1,047,049 | | | | |
| Others | | | 7,059 | 18,389 | | | | |
| Personnel (9) | | | | | | | (45,058) | (45,963) |
| Current administration expense (10) | | | | | | | (7,647) | (9,072) |

Andrade Gutierrez S.A.

Light for Everyone

| | | | | |
|-------------------|--------|--------|-----|-------|
| program - Current | 11,487 | 10,817 | 403 | 6,671 |
|-------------------|--------|--------|-----|-------|

Light for Everyone

| | | | | |
|----------------------|--|--|-------|-----|
| program Non- current | | | 2,923 | 526 |
|----------------------|--|--|-------|-----|

| | | | | |
|--------------------|--------|--------|--|--|
| Other credits (11) | 16,281 | 15,825 | | |
|--------------------|--------|--------|--|--|

Others

| | | | | |
|--------------------|---------|---------|--|--|
| Interest on Equity | 124,110 | 137,578 | | |
|--------------------|---------|---------|--|--|

| | | | | |
|-----------------------------|--|--|--|--|
| Affiliates and subsidiaries | | | | |
|-----------------------------|--|--|--|--|

| | | | | |
|------------------|-------|-------|--|--|
| / parent company | 6,691 | 9,418 | | |
|------------------|-------|-------|--|--|

Main material comments on the above transactions:

- (1) Refers to sale of energy to the government of the State of Minas Gerais transactions are made on terms equivalent to those that prevail in the transactions with independent parties, considering that the price of the energy is that set 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 accordance with the specific legislation of the State of Minas Gerais.
- (3) Injection of the credits of the CRC into a Receivables Fund, in senior and subordinated units. See information in Explanatory Note 13.
- (4) A substantial portion of the amount refers to the renegotiation of a debit originating from the sale of energy to Copasa, with payment scheduled up to September 2012, and financial updating by the IGP-M inflation index + 0.5% per month.
- (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 at June 30, 2010 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. See information in Explanatory Note 13.

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- (7) Financings of the subsidiaries Transleste, 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 (Expanded 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 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.
- (11) Amount received from the Stockholder, as a result of Cemig's waiver of exercise of the option to purchase generation assets of Light.

For more information on the main transactions, see Explanatory Notes 4, 10, 13, 19, 21, 24, 28 and 29.

31. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise only: Cash and cash equivalents, Consumers and traders, Amounts receivable from the Minas Gerais State Government, Loans and financings, Obligations under 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 recorded at fair value and are classified as follows:

- *Financial instruments measured at fair value via the income statement:* 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.
- *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 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, the purpose of which is to implement guidelines and monitor the financial risk of transactions that might negatively affect the Company's liquidity or 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.

The key aim of the Financial Risks Management Committee is to give predictability to the Company's cash flow and position for a maximum of 12 months, taking into account the economic scenario published by a firm of external consultants.

The principal risks to which the Company is exposed are as follows:

Exchange rate risk

Cemig and its subsidiaries and jointly-controlled subsidiaries as a whole are exposed to the risk of increase in exchange rates, especially of the US dollar against the real, with significant impact on indebtedness, profit and cash flow. To reduce the Company's exposure to increases in exchange rates, on June 30, 2010 Cemig had hedge transactions contracted, which are described in more detail in item b .

The net exposure to exchange rates is as follows:

| EXPOSURE TO FOREIGN EXCHANGE RATES (Note 19) | Consolidated and Holding | |
|----------------------------------------------|--------------------------|----------------|
| | 09/30/2010 | 31/06/2010 |
| US dollar | | |
| Loans and financings | 189,257 | 210,295 |
| (+/-) Contracted hedges / swaps | (47,568) | (50,581) |
| | 141,689 | 159,714 |
| Euro | | |
| Loans and financings | 13,899 | 14,472 |
| Other foreign currencies | | |
| Loans and financings | | |
| Others | 2,804 | 3,047 |
| Net liability exposure | 158,392 | 177,233 |

Sensitivity analysis

Based on its financial consultants the Company estimates that, in a probable scenario, the appreciation of the exchange rates of foreign currencies against the Real on September 30, 2011 will be 4,36% (i.e. the Dollar would be at R\$ 1.768 and the Euro at R\$ 2.25). The Company has made a sensitivity analysis of the effects on its results arising from increases of 25% and 50% in the exchange rate, in relation to the scenario that it rates as probable designating these alternative scenarios as possible and remote , respectively.

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| Risk: FX exposure | Base scenario 09/30/2010 | Probable scenario | Possible scenario: FX depreciation 25% | Remote scenario: FX depreciation 50% |
|-------------------------------------------------|-------------------------------------|------------------------------|---------------------------------------------------|-------------------------------------------------|
| US dollar | | | | |
| Loans and financings | 189,257 | 197,501 | 246,876 | 296,252 |
| () Contracted hedges and swaps | (47,568) | (49,640) | (62,050) | (74,460) |
| | 141,689 | 147,861 | 184,826 | 221,792 |
| Other foreign currencies | | | | |
| Loans and financings | | | | |
| Euro | 13,899 | 13,536 | 16,920 | 20,303 |
| Other | 2,804 | 2,846 | 3,561 | 4,275 |
| Net liability exposure | 158,392 | 164,243 | 205,307 | 246,370 |
| Net effect of exchange rate depreciation | | (5,851) | (46,915) | (87,978) |

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\$ 47,983 (R\$ 42,691 on June 30, 2009).

As to the risk of increase in domestic Brazilian interest rates, the Company's exposure arises from its net liabilities indexed to variation in the Selic and CDI rates, as follows:

| EXPOSURE TO BRAZILIAN INTEREST RATES | 09/30/2010 | Consolidated 06/30/2010 |
|---------------------------------------------|--------------------|------------------------------------|
| Assets | | |
| Cash investments (Note 3) | 4,085,894 | 3,664,024 |
| Regulatory assets (Note 5) | 483,295 | 482,629 |
| | 4,569,189 | 4,146,653 |
| Liabilities | | |
| Loans, financings and debentures (Note 19) | (7,064,547) | (7,193,741) |
| Regulatory assets (Note 5) | (648,278) | (576,415) |
| Contracted hedges / swaps (Note 31) | (47,568) | (50,581) |
| | (7,760,393) | (7,820,737) |
| Net liability exposure | (3,192,204) | (3,674,084) |

Sensitivity analysis

In relation to the most significant risk of increase in interest rates, the Company estimates that, in a probable scenario, the Selic rate on September 30, 2011 will be 10.75%. The Company has made a sensitivity analysis of the effects on its results arising from increases of 25% and 50% in the Selic rate, in relation to the scenario that it considers as Probable designating these alternative scenarios as Possible and Remote, respectively. Variation in the CDI rate accompanies the variation in the Selic rate.

Estimation of the Scenarios for the path of interest rates will take into account the projection of the Company's basic, optimistic and pessimistic scenarios, as described in the Hedging Policy.

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| | Base scenario: Selic 10.75% | Probable scenario: Selic 10.75% | Possible scenario: Selic 13.4375% | Remote scenario: Selic 16.125% |
|------------------------------------------------------------|----------------------------------------|------------------------------------------------|--------------------------------------------------|-----------------------------------------------|
| Risk: Increase in Brazilian domestic interest rates | | | | |
| Assets | | | | |
| Cash investments | 4,085,894 | 4,525,128 | 4,634,936 | 4,744,744 |
| Regulatory assets | 483,295 | 535,249 | 548,238 | 561,226 |
| | 4,569,189 | 5,060,377 | 5,183,174 | 5,305,970 |
| Liabilities | | | | |
| Loans, financings and debentures | (7,064,547) | (7,823,986) | (8,013,846) | (8,203,705) |
| Regulatory liabilities | (648,278) | (717,968) | (735,390) | (752,813) |
| Contracted hedge / swap transactions | (47,568) | (52,682) | (53,960) | (55,238) |
| | (7,760,393) | (8,594,636) | (8,803,196) | (9,011,756) |
| Net liability exposure | (3,192,204) | (3,534,259) | (3,620,022) | (3,705,786) |
| Net effect of the variation in the Selic rate | | (342,055) | (428,818) | (514,582) |

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 for receipt of any receivables in arrears.

In relation to the risk of the Company suffering losses resulting from a financial institution where it makes deposits being declared insolvent, a Cash Investment Policy was approved, and is in force since 2004, in which each institution is analyzed according to criteria of current liquidity, degree of leverage, degree of default, profitability, and costs, and also analysis by three financial risk rating agencies. The institutions receive maximum limits of allocation of funds, and these are reviewed, both periodically and also in the event of any change in the macroeconomic scenarios of the Brazilian economy.

Energy scarcity risk

The electricity sold is generated, substantially, by hydroelectric power plants. A prolonged period of scarcity of rainfall could result in reduction of the volume of water in the reservoirs of the generation plants, limiting recovery of their volume, and resulting in losses as a result of increased costs in the acquisition of electricity, or reduction of revenues in the event of adoption of another rationing program, like the one put in place in 2001.

Risk of early maturity of debt

The Company has contracts for loans and financings with restrictive covenant clauses normally applicable to these types of transaction, related to complying with economic and/or financial indices, cash flow and other indicators. Non-compliance with these covenants could result in early maturity of debts. On September 30, 2010 these clauses were complied with, as stated in Explanatory Note 19.

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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 profitability and activity could be altered.

The Company has not suffered any significant negative impact as a result of events related to the risks described above.

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 in derivatives are not posted in the Balance sheet, since they refer to transactions that do not require cash payments of the principal: only the gains or losses that actually occur are recorded. On September 30, 2010 the net result of these transactions was a loss of R\$ 6,956 (vs. loss of R\$ 80,136 on September 30, 2009), recorded in Financial revenues (expenses).

The Company has a Financial Risks Management Committee, created to monitor the financial risks in relation to volatility and trends of inflation indices, exchange rates and interest rates that affect its financial transactions and which could negatively affect its liquidity and profitability. This Committee aims, when implementing Action Plans, to set Guidelines for proactive operation in the environment of financial risks.

Method of calculation of the fair value of positions

The fair value of cash investments has been calculated taking into consideration the market prices of each security, or market information that makes such calculation possible, and future interest rates and FX rates applying to similar securities. The market value of the security corresponds to its value at maturity, brought to present value by the discount factor obtained from the market yield curve in Reais.

This table shows the derivative instruments contracted by the subsidiaries Cemig Distribuição e Madeira Energia on September 30, 2010.

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| Receivable by the Company | Payable by the Company | Maturities- period | Trading market | Value of principal contracted | | Unrealized loss Amount according to contract | | Fair value | | Accumulated effect Amount received | | Amount paid |
|-----------------------------------------------------|------------------------------------------------------|----------------------------|------------------|-------------------------------|------------|----------------------------------------------|-----------------|-----------------|-----------------|------------------------------------|------------|-----------------|
| | | | | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 | 09/30/2010 | 06/30/2010 | 09/30/2010 | 09/30/2010 | |
| Cemig D | | | | | | | | | | | | |
| US\$ FX variation + rate (5.58% p.a. to 7.14% p.a.) | R\$ 100% of the CDI + rate (1.5% p.a. to 3.01% p.a.) | From 04/2009 until 06/2013 | Over-the counter | USD28,077 | USD28,077 | (66,856) | (59,928) | (66,406) | (61,099) | | | (22,327) |
| Madeira Energia S.A | | | | | | | | | | | | |
| R\$: IGP M index | R\$: 5.86% fixed- rate | In 12/2012 | Over-the counter | R\$120,000 | R\$120,000 | 202 | 466 | 202 | 466 | 32,232 | | (32,327) |
| | | | | | | (66,654) | (59,462) | (66,204) | (60,633) | 32,232 | | (54,654) |

Additionally, the jointly-controlled subsidiary Light uses swap transactions to reduce foreign exchange variation risk. The unrealized net value of these transactions on September 30, 2010 was negative at R\$ 855 (R\$ 1,365 on September 30, 2009).

The counterparty in the derivatives transactions of Cemig Distribuição and Madeira Energia is Banco Santander ABN, and the contracts are for FX and indexor swaps.

Sensitivity analysis

The derivative instrument described above shows that the Company is exposed to variation in the CDI rate. The Company estimates that the CDI rate on September 30, 2010 will be 10.75%. 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 September 30, 2010 scenarios which we consider to be possible and remote, respectively. In these scenarios, the CDI rate at September 30, 2011 would be, respectively: 13.4375%, and 16.125%.

| | Base scenario: Selic 10.75% | Probable scenario: Selic 10.75% | Possible scenario Selic 13.4375% | Remote scenario: Selic 16.125% |
|--------------------------------------------------------|--------------------------------|---------------------------------------|----------------------------------------|--------------------------------------|
| Risk: Rise in Brazilian domestic interest rates | | | | |
| Contracts updated at 100.00% of CDI rate | 47,568 | 52,682 | 53,960 | 55,238 |
| Net effect of the variation in the CDI rate | | (5,114) | (6,392) | (7,670) |
| Risk: Increase in US\$ exchange rate | | | | |
| Contracts updated at 100.00% of CDI rate | 47,568 | 49,640 | 62,050 | 74,460 |
| Net effect of variation of US\$ | | (2,072) | (14,482) | (26,892) |
| Net effect | | (3,041) | 8,090 | 19,222 |

Value and type of margin guarantees

The Company does not make margin deposits for derivative instruments.

Table of Contents**32. FINAL RESULT OF THE SECOND TARIFF REVIEW, AND THE TARIFF ADJUSTMENT, OF CEMIG D**2010 Tariff Review

On April 6, 2010 Aneel published the result of the annual Tariff Adjustment of Cemig D. The impact on the Company's tariffs was an average increase of 1.67%, from April 8, 2010.

On March 26, 2010, Aneel published a Technical Note with details of the Tariff Adjustment of Cemig D. The principal adjustments that affected the Company's 2010 Income statement as a result of this announcement were the following:

| Item | Adjustments (1Q 2010) |
|-------------------------------------------------------------------------------|------------------------------|
| Write-off of CVA - prior years | (70,889) |
| Additional low-income consumers subsidy - Tariff adjustments of 2008 and 2009 | 106,388 |
| Write-off of regulatory asset: Pasep and Cofins taxes | (46,240) |
| Financial balance of prior years to be offset | (30,573) |
| Total | (41,314) |

The writing off of the CVA balance relating to prior years, shown in the table above, in the amount of R\$ 70,889, is due to residual balances of CVA which, in the Company's judgment, were not fully covered in the past tariff adjustments. This difference was not included in the 2010 Tariff Adjustment Index (IRT) in spite of the administrative appeal made by the company to Aneel for this purpose.

The amount written off referring to Financial balance to be offset, of previous business years, in the amount of R\$ 30,573, refers to the revision by Aneel of the amount included in the tariff in a previous business year relating to CVA, with the identification of excess amount passed through, that was compensated for in the IRT of 2010.

The amounts transferred to the Income statement relating to the adjustments mentioned above are shown in the table below:

| Item | CVA 09/30/2010 | Financial balance 09/30/2010 |
|---------------------------------------------|---------------------------|---------------------------------------------|
| Deductions from operational revenues | | |
| - CDE - Energy Development Account | (8,556) | 224 |
| - Fuel Consumption Account - CCC | (6,354) | (3,274) |
| | (14,910) | (3,050) |
| Operational costs and expenses: | | |
| - Energy bought for resale | | |
| Spot market | (22,262) | (2,013) |

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| | | |
|--------------------------------------------------|-----------------|-----------------|
| Energy bought in auctions | 143,158 | (38,330) |
| From Itaipu Binacional | (392,358) | 10,766 |
| Bilateral Contracts | (12,500) | 16,943 |
| Proinfa (the Alternative Energy Sources Program) | (1,620) | (8,320) |
| Reimbursement of CVA – Initial Contracts | 253,754 | |
| | (31,828) | (20,954) |
| - Charges for use of the Grid | (21,564) | (6,569) |
| - Other expenses, net | | |
| Royalties for use of water resources | (2,587) | |
| Total | (70,889) | (30,573) |

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The Tariff Review – final levels decided

In March 2009 Aneel homologated the final result of the Tariff Review of Cemig D, the effects of which took place from April 2008.

The final result of the Company's Second Tariff Review resulted in 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 actually 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 controllable costs; and also to a review, by Aneel, of the criterion for calculation of the reimbursement 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 Tariff Adjustment of Cemig D in 2008.

These amounts, totaling R\$ 264,626, 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, 2010.

Table of Contents**33. FINANCIAL STATEMENTS SEPARATED BY COMPANY****FOR THE PERIOD ENDED SEPTEMBER 30, 2010****R\$ 000**

| DESCRIPTION | HOLDING | CEMIG - GT | CEMIG - D | RME Light | ETEP, ENTE, ERTE, EATE, ECTE | GASMIG | CEMIG TELECOM | SÁ CARVALHO | ROSAL | OTHERS | ELIMINA |
|---------------------------------------|---------------------|-----------------------|-----------------------|----------------------|------------------------------------|----------|------------------|----------------|--------|---------|---------|
| ASSETS | 12,486,225 | 13,343,138 | 10,105,346 | 2,323,913 | 705,454 | 870,399 | 393,600 | 106,441 | 87,664 | 559,015 | (9,22 |
| Cash and cash equivalents | 432,355 | 2,417,624 | 759,788 | 216,940 | 31,896 | 48,256 | 74,251 | 18,505 | 14,769 | 164,451 | |
| Accounts receivables | 1,561,291 | 479,638 | 1,841,966 | 383,797 | 24,624 | 208,017 | | 4,458 | 3,091 | 22,756 | 2 |
| Regulatory Assets | | 120,190 | 406,157 | 29,460 | | | | | | | |
| Other Assets | 401,372 | 907,206 | 2,103,568 | 461,841 | 37,971 | 68,640 | 54,589 | 15,402 | 136 | 32,729 | (5 |
| Investments/Fixed assets | 10,091,207 | 9,418,480 | 4,993,868 | 1,231,875 | 610,963 | 545,486 | 264,760 | 68,076 | 69,667 | 339,079 | (9,18 |
| LIABILITIES | 12,486,225 | 13,343,138 | 10,105,346 | 2,323,913 | 705,454 | 870,399 | 393,600 | 106,441 | 87,664 | 559,015 | (9,22 |
| Suppliers and Supplies | 1,143 | 161,026 | 716,661 | 127,658 | 2,458 | 40,781 | 15,993 | 9,957 | 9,007 | 28,107 | (8 |
| Loans, financings and debentures | 57,768 | 7,559,191 | 3,058,435 | 641,733 | 298,115 | 162,304 | 67,165 | | | 74,624 | 86 |
| Interest on equity and dividends | 487,062 | 186,234 | 229,559 | 92,683 | 32,047 | 1,014 | 6,970 | 9,453 | 7,208 | 68,620 | (63 |
| Post-employment obligations | 54,305 | 250,629 | 808,628 | 245,906 | | | | | | | |
| Other liabilities | 315,976 | 949,176 | 2,594,982 | 485,215 | 47,876 | 225,861 | 16,107 | 23,635 | 3,736 | 53,606 | (18 |
| Stockholders equity | 11,569,970 | 4,236,883 | 2,697,081 | 730,717 | 324,958 | 440,438 | 287,366 | 63,397 | 67,712 | 334,058 | (9,18 |
| RESULTS | | | | | | | | | | | |
| Net operational revenue | 338 | 2,685,090 | 5,086,021 | 931,502 | 144,218 | 232,241 | 74,988 | 33,968 | 25,936 | 129,936 | (29 |
| OPERATIONAL COSTS AND EXPENSES | | | | | | | | | | | |
| Personnel | (29,245) (9,408) | (216,680) (23,183) | (547,696) (77,706) | (36,053) (16,160) | (4,942) | (11,656) | (6,104) | (721) | (956) | (4,041) | |

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| | | | | | | | | | | | |
|----------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----|
| Post-employment obligations | | | | | | | | | | | |
| Materials | (282) | (13,124) | (67,378) | (5,484) | (284) | (884) | (598) | (186) | (121) | (363) | |
| Outsourced services | (7,139) | (104,183) | (437,573) | (54,463) | (8,116) | (3,800) | (11,203) | (2,775) | (2,407) | (17,168) | 1 |
| Royalties for use of water resources | | (100,774) | (8,519) | | | | | (1,291) | (973) | (1,887) | |
| Electricity bought for resale | | (242,333) | (2,362,143) | (517,893) | | | | (543) | (1,634) | (4,614) | 10 |
| Charges for use of the basic transmission network | | (192,809) | (513,446) | (65,484) | | | | | (2,049) | (5,216) | 18 |
| Depreciation and amortization | (127) | (222,150) | (283,553) | (50,460) | (13,976) | (4,312) | (23,203) | (1,674) | (1,626) | (9,893) | |
| Operational provisions | 101,861 | 6,230 | (243,719) | (28,278) | | | (59) | 22 | (225) | (9,693) | |
| Gas purchased for resale | | | | | | (162,685) | | | | | |
| Other expenses, net | (12,275) | (70,306) | (142,145) | (12,498) | (2,042) | 143 | (8,923) | (174) | (282) | (4,359) | |
| | 43,385 | (1,179,313) | (4,683,877) | (786,772) | (29,359) | (183,194) | (50,091) | (7,343) | (10,274) | (57,233) | 29 |
| Operational profit (loss) before financial revenues (expenses) | 43,723 | 1,505,777 | 402,144 | 144,730 | 114,858 | 49,047 | 24,898 | 26,626 | 15,662 | 72,702 | |
| Financial revenues (expenses) | 17,975 | (318,090) | (104,205) | (19,245) | (21,347) | 5,819 | 1,195 | 1,181 | 1,131 | 2,249 | |
| Profit (loss) before Income Tax, Social Contribution and employees profit shares | 61,698 | 1,187,687 | 297,939 | 125,484 | 93,511 | 54,866 | 26,092 | 27,807 | 16,794 | 74,952 | |
| Income tax and Social Contribution | (88,585) | (329,143) | (31,923) | (47,332) | (15,211) | (17,603) | (6,505) | (9,694) | (1,417) | (24,287) | |
| Employees profit shares | (4,477) | (27,396) | (95,899) | (3,831) | | | 1 | (130) | (88) | (250) | |
| Net profit for the period | (31,364) | 831,148 | 170,117 | 74,321 | 78,300 | 37,263 | 19,588 | 17,984 | 15,288 | 50,415 | |

Table of Contents**34. SUMMARY FINANCIAL STATEMENT BY ACTIVITY**

| Description | Generation | Electricity Transmission | Distribution | Gas | Telecom | Others | Elimination | TOTAL |
|----------------------------------------------------------|------------------|-----------------------------|------------------|----------------|---------------|-----------------|------------------|-------------------|
| OPERATIONAL REVENUE | | | | | | | | |
| Revenue from supply of electricity | 2,881,958 | | 8,450,811 | | | 3 | (111,826) | 11,220,947 |
| Revenue for use of the network | | | | | | | | |
| Free Consumers | 59,430 | 827,151 | 1,303,913 | | | | (188,577) | 2,001,917 |
| Other revenues | 16,620 | 3,881 | 80,349 | 291,611 | 93,322 | 16,174 | (3,571) | 498,388 |
| | 2,958,008 | 831,033 | 9,835,072 | 291,611 | 93,322 | 16,178 | (303,973) | 13,721,251 |
| DEDUCTIONS FROM | | | | | | | | |
| OPERATIONAL REVENUE | (625,579) | (149,524) | (3,817,549) | (59,370) | (18,334) | (3,060) | | (4,673,416) |
| NET OPERATIONAL REVENUE | 2,332,430 | 681,509 | 6,017,523 | 232,241 | 74,988 | 13,118 | (303,973) | 9,047,835 |
| OPERATIONAL COSTS | | | | | | | | |
| COST OF ELECTRICITY SERVICE | | | | | | | | |
| Electricity bought for resale | (249,114) | | (2,880,036) | | | (10) | 105,275 | (3,023,885) |
| Charges for use of Transmission and Distribution Systems | (207,754) | 111 | (578,930) | | | | 188,560 | (598,012) |
| Gas purchased for resale | | | | (162,685) | | | | (162,685) |
| | (456,868) | 111 | (3,458,966) | (162,685) | | (10) | 293,836 | (3,784,582) |
| COST OF OPERATION | | | | | | | | |
| Personnel expenses | (129,998) | (93,609) | (583,749) | (11,656) | (6,104) | (32,978) | | (858,094) |
| Private pension plan entity | (23,183) | | (93,866) | | | (9,408) | | (126,457) |
| Material | (9,921) | (4,116) | (72,862) | (884) | (598) | (323) | | (88,704) |
| Outsourced services | (84,400) | (48,547) | (492,035) | (3,800) | (11,203) | (8,842) | 10,121 | (638,706) |
| Depreciation and amortization | (155,768) | (93,246) | (334,013) | (4,312) | (23,203) | (433) | | (610,975) |
| Provisions | (3,268) | (265) | (271,997) | | (59) | 101,727 | | (173,861) |
| Royalties for use of water resources | (104,925) | | (8,519) | | | | | (113,444) |
| Other | (54,057) | (22,996) | (154,644) | 143 | (8,923) | (12,385) | 17 | (252,845) |
| | (565,520) | (262,778) | (2,011,683) | (20,509) | (50,091) | 37,359 | 10,137 | (2,863,086) |
| TOTAL COST | (1,022,388) | (262,668) | (5,470,649) | (183,194) | (50,091) | 37,349 | 303,973 | (6,647,668) |
| GROSS PROFIT | 1,310,042 | 418,841 | 546,874 | 49,047 | 24,898 | 50,466 | | 2,400,167 |
| EBITDA | 1,465,809 | 512,087 | 880,887 | 53,359 | 48,101 | 50,900 | | 3,011,143 |
| Operational profit before financial revenues (expenses) | 1,310,042 | 418,841 | 546,874 | 49,047 | 24,898 | 50,466 | | 2,400,167 |
| NET FINANCIAL REVENUE (EXPENSES) | (228,006) | (111,225) | (123,451) | 5,819 | 1,195 | 22,331 | | (433,336) |
| Profit before taxes and profit shares | 1,082,036 | 307,616 | 423,423 | 54,866 | 26,092 | 72,797 | | 1,966,831 |
| Income tax and Social Contribution tax | (334,705) | (59,128) | (147,482) | (17,603) | (4,444) | (81,720) | | (645,082) |
| Deferred income tax and Social Contribution tax | 20,147 | 606 | 68,227 | | (2,061) | (13,537) | | 73,381 |
| EMPLOYEES PROFIT SHARES | (18,629) | (8,986) | (99,730) | | 1 | (4,728) | | (132,072) |
| NET PROFIT FOR THE PERIOD | 748,850 | 240,109 | 244,438 | 37,263 | 19,588 | (27,188) | | 1,263,059 |

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CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE

A. Performance in the 9 months to September 30, 2010 (9M10)

Profit in the period

In January through September 2010 (9M10), Cemig reported consolidated net profit of R\$ 1,263,059, 11.49% less than the consolidated net profit of R\$ 1,427,074 reported for January through September 2009 (9M09). The reduction mainly reflects non-recurring items in 2010 and 2009, and an increase in net financial expenses from R\$ 81,308 in 2009 to R\$ 433,336 in 2010, as described in more detail in this report.

As a positive item in the result for 2010, we highlight the result of consolidation of the Companies acquired by Cemig GT in 2009 – Taesa and Lightger – which contributed an aggregate R\$ 94,244 to the Company's net profit.

Ebitda (method of calculation not reviewed by external auditors)

Cemig's Ebitda in 9M10 was 4.25% higher than in 9M09. Adjusted for non-recurring items, Ebitda was 7.41% higher year-on-year.

The higher Ebitda in 9M10 than in 9M09 mainly reflects Net operational revenue 8.71% higher, partially offset by Operational costs and expenses (excluding Depreciation and amortization) 11.70% higher. Higher operational costs and expenses were reflected in Ebitda margin, which was 33.28% in 9M10, compared to 34.71% in 9M09.

The main non-recurring items affecting Ebitda are:

- Publication by Aneel, on April 6, 2010, of the results of the Tariff Adjustment of Cemig D, in which regulatory assets and liabilities were written off, with a negative effect on the income statement of R\$ 54,613 (see Explanatory Note 32);
- In 2010 the company recorded a reduction of revenue of R\$ 64,586 arising from the Second Periodic Tariff Review of the Transmission Tariff, which repositioned the tariff level by a negative percentage, -15.88%, which was applied to revenue backdated to July 2009.

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- In 2009 the company recorded a positive revenue item of R\$ 158,090, arising from the tariff repositioning under its First Transmission Tariff Review, which was an increase of 5.35%, for a period backdated to 2005.

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- Cemig D recognized an expense of R\$ 177,592, for settlement of a legal action brought by Rima Industrial S.A., for reimbursement of the tariff increase introduced by the National Water and Energy Authority (DNAEE) during the *Cruzado* economic plan of 1986.

- An expense on ICMS tax was recognized relating to the subsidy for the discount on tariffs for low-income consumers, in the amount of R\$ 25,702, resulting from the decision to subscribe to the Tax Amnesty program put in place by the government of the State of Minas Gerais.

- Provisions, in 2010 and 2009, of R\$ 21,992, and R\$ 200,903, respectively, for the Company's Voluntary Retirement Program.

The Companies acquired in 2009 made a positive contribution of R\$ 224,440 to the Company's Ebitda in 9M10.

| EBITDA - R\$ 000 | 09/30/2010 | 09/30/2009 | Change, % |
|-------------------------------------------------------------------------------|------------------|------------------|--------------|
| Net profit | 1,263,059 | 1,427,074 | (11.49) |
| + Provision for current and deferred income tax and Social Contribution tax | 571,700 | 720,657 | (20.67) |
| + Financial revenues (expenses) | 433,336 | 81,308 | 432.96 |
| + Depreciation and amortization | 610,975 | 517,204 | 18.13 |
| + Profit shares | 132,072 | 99,163 | 33.19 |
| + Minority interests | | 43,007 | |
| = EBITDA | 3,011,142 | 2,888,413 | 4.25 |
| Non-recurring items: | | | |
| + Write-off of CVA prior years | 70,889 | | |
| - Additional low-income consumers subsidy Tariff adjustments of 2008 and 2009 | (93,089) | | |
| + Write-off of regulatory asset: Pasep and Cofins taxes | 46,240 | | |
| + Prior years balance for offsetting | 30,573 | | |
| + Settlement with Rima Industrial S.A. | 177,592 | | |
| + Review of Transmission Revenue Explanatory Note 8 | 64,586 | (158,090) | |
| + ICMS tax: low-income consumers | 25,702 | | |
| + Tariff review Net revenue | | 213,803 | |
| - + Tariff review Operational expense | | (20,987) | |
| + PDV Voluntary Retirement Program | 21,992 | 200,904 | (89.05) |
| = ADJUSTED EBITDA | 3,355,627 | 3,124,043 | 7.41 |

Table of Contents**Revenue from supply of electricity**

Gross revenue from retail electricity sales was R\$ 11,220,947 in January through September 2010, compared to R\$ 10,525,222 in the first nine months of 2009 – an increase of 6.61%.

Final consumers

Revenue from electricity sold to final consumers, excluding Cemig's own consumption, was R\$ 9,810,736 in 9M10, compared to R\$ 9,257,808 in 9M09. The main items affecting this result are:

- Increase of 5.17% in the volume of energy invoiced to final consumers (excluding internal consumption).
- Tariff increase for Cemig D with average effect on consumer tariffs of 1.67%, starting from April 8, 2010;
- Tariff adjustment in Cemig Distribuição, with average impact on consumer tariffs of 6.21%, from April 8, 2009 (full effect in 9M10);
- Posting of regulatory liabilities arising from the adjustment in the Company's Tariff Review, with effect backdated to 2009, representing a reduction in gross revenue of R\$ 213,803 in that year.
- Recording by Cemig D of additional revenue of R\$ 93,089 in 2010 relating to the subsidy for low-income consumers, in accordance with a Technical Note published by Aneel, arising from the 2010 Tariff Adjustment.

Electricity sold to final consumers (MWh)

(Data not reviewed by external auditors)

| Consumption by consumer type | MWh | | Change, % |
|---------------------------------|---------------------------|---------------------------|-------------|
| | January to September 2010 | January to September 2009 | |
| Residential | 7,343,299 | 7,258,610 | 1.17 |
| Industrial | 18,149,884 | 16,751,105 | 8.35 |
| Commercial, services and others | 4,558,053 | 4,553,494 | 0.10 |
| Rural | 1,859,940 | 1,654,615 | 12.41 |
| Public authorities | 789,045 | 781,589 | 0.95 |
| Public illumination | 907,086 | 920,208 | (1.43) |
| Public service | 1,009,757 | 995,127 | 1.47 |
| Total | 34,617,064 | 32,914,748 | 5.17 |

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Revenue from wholesale electricity sales

The volume of electricity sold to other concession holders was 3.71% higher in 9M10 than 9M09, but average price in these sales was lower at R\$ 108,26/MWh in 2010, compared to R\$ 113.59/MWh in 2009. This reduction mainly reflected electricity sales contracts made through the adjustment auctions, to the distributors, held exclusively for 2009, with average price of R\$ 145.00 per MWh. As a result, revenue from wholesale supply to other concession holders was 1,16% lower, at R\$ 1,093,238 in 2010 compared to R\$ 1,106,045 in 2009. The volume of electricity sold to other concession holders in 9M10 totaled 10,098,398 MWh, compared to 9,737,282 in 9M09.

Revenue from use of the network - Free Consumers

Revenue from use of the grid in 2010 was 25.05%, or R\$ 400,995 higher in 2Q10 than in 2Q09 (at R\$ 2,001,917 in 2010, vs. R\$ 1,600,922 in 2009).

The revenue of Cemig D and Light from the Tariff for Use of the Distribution System (TUSD) was 31.92% higher, at R\$ 1,115,336, in 2010, than in 2009 (R\$ 845,477). This revenue comes from charges made to Free Consumers on energy sold by other agents of the electricity sector, and its increase arises from a higher volume of transport of energy for free consumers, a consequence of the recovery of industrial activity and of migration of captive clients to the free market.

Also included in the balance on this line are Revenues from use of the Grid and the connection system, which totaled R\$ 951,167 in 2010, compared to R\$ 618,788 in 2009. The increase of 53.71% mainly represents the consolidation of Taesa.

In 2010 the Company recorded a reduction of revenue, of R\$ 64,586, in the income statement, from the application of the tariff repositioning, of 15.88%, applied to Transmission Revenue, backdated to July 2009, decided in the Periodic Transmission Tariff Review. In 2009, by contrast, a positive revenue item of R\$ 136,657 was recorded, as a result of the Transmission Tariff Review, also with backdated effect, but covering the period from July 1, 2005 to June 30, 2009.

Non-controllable costs

Differences between the sums of non-controllable costs (also known as CVA), used as a reference in calculating the tariff adjustment, and the 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.

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In the period from March 2008 to September 2010 the Company began to receive, in the tariff, the amounts posted in assets under Portion A . The portion of non-controllable costs that was actually received in the tariff is transferred to Operational expenses.

Deductions from operational revenue

Deductions from operational revenue in 9M10 totaled R\$ 4,673,416, 10.16% more than in 9M09 (R\$ 4,242,228). The following paragraphs describe the main year-on-year differences in the amounts of the deductions from revenue:

The Fuel Consumption Account CCC

The deduction from revenue for the CCC account in 9M10 was R\$ 491,221, 30.61% more than in 9M09 (R\$ 376,108). This charge is for the costs of operation of the thermal plants in the national grid and in the isolated systems. It is shared between electricity concession holders, on a basis set by an Aneel Resolution.

This is a non-controllable cost. The amount for electricity distribution services is passed through in full to the tariff. For the amount in relation to electricity transmission services, the company passes through the charge to Free Consumers on their invoices for use of the grid. Both parts are passed on to Eletrobrás.

CDE Energy Development Account

The deduction from revenue for the CDE account in 9M10 was R\$ 344,919, 14.80% more than in 9M09 (R\$ 300,445). These payments are specified by a Resolution issued by the regulator, Aneel. This is a non-controllable cost. The amount relating to electricity distribution services is passed through in full to the tariff. For the amount relating to electricity transmission services the company passes through the charge to Free Consumers on the invoice for the use of the grid. Both are passed onto Eletrobrás.

The other deductions from revenue are taxes, calculated as a percentage of amounts invoiced. Hence their variations are mainly proportional to the changes in revenue.

Operational costs and expenses (excluding Financial revenue /expenses)

Operational costs and expenses (excluding net financial revenue/expenses) in 9M10 totaled R\$ 6,647,668, an increase of 11.70% compared to the expenses of R\$ 5,951,427 in 9M09. The difference is mainly due to increase in the non-controllable costs of Energy bought for resale,

partially offset by lower Personnel expenses. Another contributing factor in higher Operational expenses was the provision of R\$ 177,592, recorded in Other expenses, for a settlement with a large consumer. There is more information on this in Explanatory Note 28 to the Consolidated Quarterly Information.

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The main variations in operational expenses were:

Electricity bought for resale

The expense on electricity purchased for resale in 9M10 was R\$ 3,023,885, 19.55% more than in 9M09 (R\$2,529,469). This is a non-controllable cost in the Distribution activity: the expense recognized in the Income statement corresponds to the amount actually passed through to the tariff. See more information on this in Explanatory Note 28 to the Consolidated Quarterly Information.

Charges for use of the transmission grid

The expense on charges for use of the transmission network in January through September 2010 was R\$ 598,012, vs. R\$ 612,627 in 9M09, a variation of 2.39%.

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, and are set by an Aneel Resolution. This is a non-controllable cost in the Distribution activity: the expense recognized in the Income statement is the same as the amount actually passed through to the tariff.

Personnel

Personnel expenses in 9M10 were R\$ 858,094, compared to R\$ 1,024,354 in 9M09, a reduction of 16.23%. This mainly reflects the expense on the PDV Voluntary Retirement Program, of R\$ 200,903 in 9M09, compared to R\$ 21,992 in 9M10, associated with the lower number of employees which was reduced from 9,837 in September 2009 to 8,949 in September 2010.

Depreciation and amortization

Depreciation and amortization was 18.13% higher year-on-year, at R\$ 610,975 in January-September 2010, compared to R\$ 517,204 in January-September 2009. This result arises substantially from (i) the increase in fixed assets due to new investments made in the *Clarear*, *CresceMinas* and *Luz para Todos* (*Light For Everyone*) programs; (ii) amortization of Intangible assets, represented by the Company's new client invoicing software; and (iii) consolidation of the companies acquired in 3Q09.

Post-employment obligations

The expense on post-employment obligations in 9M10 was R\$ 126,457, 19.57% more than the expense of R\$ 105,760 posted in 9M09. 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 increase in this expense basically reflects lower expectation of revenue from the plan's assets in 2010.

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Operational provisions

Operational provisions in 9M10 totaled R\$ 173,861, 95.87% more than their total of R\$ 88,765 in 9M09. The difference reflects, substantially, a settlement of a legal action brought by an industrial consumer relating to the tariff increase ordered by Ministerial Order 045/86 of the DNAEE. The amount of R\$ 177,592 was provisioned in May.

Gas purchased for resale

The expense on gas purchased for resale in 9M10 was R\$ 162,685, 26.49% more than in 9M09 (R\$ 128,610). This higher figure mainly reflects the higher quantity of gas bought in 9M10, as a consequence of greater operation by the thermal generation plants, clients of Gasmig, in 2010.

Financial revenues (expenses)

The result of this line in 9M10 was a net financial expense of R\$ 433,336, which compares with a net financial expense of R\$ 81,308 in 9M09. The main factors in this financial result are:

- Higher revenue from cash investments: R\$ 286,287 in 9M10, 56.32% more than in R\$ 183,144, as a result of a higher volume of cash invested in 2010;
- Revenue from net monetary adjustment on regulatory assets (CVA; the General Agreement for the Electricity Sector; and the Deferred Tariff Adjustment) 98.84% lower. In 9M10 this revenue was R\$ 14,102, compared to R\$ 61,726 in 9M09. The change is mainly because the value of the various regulatory assets had been reduced in 2010 as they were partially paid off by receipt of amounts in the tariff through clients' electricity bills.
- Higher expenses on costs of loans and financings: R\$ 791,696 in 9M10, compared to R\$ 549,177 in 9M09. This reflects the entry of new financings, one of the most important being the issue by Cemig GT in October 2009 of R\$ 2,700,000 in Promissory Notes, settled in March 2010; and the raising of funds by a debenture issue in March 2010, of the same amount, used to settle the Promissory Notes.
- Higher monetary updating on loans and financings: R\$ 82,228 in 9M10, compared to R\$ 5,539 in 9M09. The higher figure is mainly due to the higher volume of funding raised, and the variation in inflation indices and other indexes of contracts on the company's loans, financings and debentures – principally the IGP-M inflation index, which was 1.61% over the period of 9M09, and 7.89% over the period of 9M10.

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

Table of Contents*Income tax and the Social Contribution tax*

In 9M10 Cemig's expense on income tax and the Social Contribution was R\$ 571,700, on profit of R\$ 1,966,831 before tax effects, a percentage of 29.07%. In 9M09 Cemig's expense on income tax and the Social Contribution was R\$ 720,657, on profit of R\$ 2,289,901, before tax effects, a percentage of 31.47%. These effective rates are compared with the nominal rates in Note 10 to the Consolidated Quarterly Information.

A. Performance in the third quarter of 2010 (3Q10)**INCOME STATEMENTS FOR THE THIRD QUARTERS OF 2010 AND 2009**

| | Third Quarter 2010 | Third Quarter 2009 Reclassified | Change, % |
|----------------------------------------------------------------------|-----------------------|---------------------------------------|-----------------|
| OPERATIONAL REVENUE | | | |
| Revenue from supply of electricity | 3,859,583 | 3,718,029 | 3.81 |
| Revenue from use of the network | 767,299 | 524,635 | 46.25 |
| Other operational revenues | 184,937 | 158,191 | 16.91 |
| Gross operational revenue | 4,811,819 | 4,400,855 | 9.34 |
| Deductions from operational revenue | (1,628,642) | (1,411,916) | 15.35 |
| Net operational revenue | 3,183,177 | 2,988,939 | 6.50 |
| OPERATIONAL COSTS AND EXPENSES | | | |
| Personnel, managers and board members | (264,864) | (278,102) | (4.76) |
| Post-employment obligations | (40,500) | (37,258) | 8.70 |
| Materials | (30,642) | (27,064) | 13.22 |
| Outsourced services | (234,180) | (170,287) | 37.52 |
| Electricity bought for resale | (1,077,342) | (1,019,362) | 5.69 |
| Depreciation and amortization | (212,857) | (173,675) | 22.56 |
| Royalties for use of water resources | (37,831) | (42,100) | (10.14) |
| Operational provisions | 33,272 | (42,154) | (178.93) |
| Charges for the use of the basic transmission grid | (207,903) | (197,980) | 5.01 |
| Gas purchased for resale | (61,603) | (43,735) | 40.86 |
| Other operational expenses, net | (73,685) | (58,392) | 26.19 |
| | (2,208,135) | (2,090,109) | 5.65 |
| Operational profit (loss) before Financial revenue (expenses) | 975,042 | 898,830 | 8.48 |
| NET FINANCIAL EXPENSES | (165,585) | (10,344) | 1.500.78 |
| Profit before income tax and Social Contribution tax | 809,457 | 888,486 | (8.89) |
| Income tax and Social Contribution tax | (232,191) | (289,742) | (19.86) |
| Deferred income tax and Social Contribution tax | 28,608 | 2,577 | 1.010.13 |
| Profit shares | (52,554) | (26,094) | 101.40 |
| Minority interests | | (8,189) | |
| Net profit for the period | 553,320 | 567,038 | (2.42) |
| Net profit per thousand shares, R\$ | 0.81117 | 0.91433 | (11.28) |

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Profit for the quarter

In the third quarter of 2010 (3Q10), Cemig reported net profit of R\$ 553,320, 2.42% less than the net profit of R\$ 567,038 reported for the third quarter of 2009 (3Q09). This mainly reflects the difference between net financial expenses of R\$ 165,585 in 3Q10 and R\$ 10,344 in 3Q09.

For its positive effect on the result for 2010, we highlight the Net profit of the Companies acquired in the fourth quarter of 2009, which contributed an aggregate R\$ 49,587 to the Company's net profit in 3Q10.

Ebitda (method of calculation not reviewed by external auditors)

Ebitda in 3Q10 was 10.76% higher than in 3Q09: Adjusted for non-recurring items, Ebitda was 9.40% higher year-on-year.

| EBITDA - R\$ 000 | 3Q10 | 3Q09 | Change, % |
|--------------------------------------------------|------------------|------------------|------------------|
| Net profit | 553,320 | 567,038 | (2.42) |
| + Income tax and Social Contribution tax expense | 203,583 | 287,165 | (29.11) |
| + Profit shares | 52,554 | 26,094 | 101.40 |
| - Financial revenue (expenses) | 165,585 | 10,344 | 1,500.78 |
| + Depreciation and amortization | 212,857 | 173,675 | 22.56 |
| + Minority interests | | 8,189 | |
| EBITDA | 1,187,899 | 1,072,505 | 10.76 |
| Non-recurring items: | | | |
| + PDV and PPD Voluntary Retirement Programs | (3,387) | 10,205 | |
| = ADJUSTED EBITDA | 1,184,512 | 1,082,710 | 9.40 |

Ebitda benefited from the companies acquired in the fourth quarter of 2009, which contributed a total of R\$ 101,859 in 3Q10

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Revenue from supply of electricity

| | 3Q10 | MWh (*) 3Q09 | Change, % | 3Q10 | R\$ 3Q09 | Change, % |
|----------------------------------------------|-------------------|-------------------|--------------|------------------|------------------|--------------|
| Residential | 2,475,266 | 2,390,877 | 3,53 | 1,173,927 | 1,128,090 | 4.06 |
| Industrial | 6,521,231 | 5,618,583 | 16,07 | 1,037,608 | 961,728 | 7.89 |
| Commercial, services and others | 1,492,038 | 1,456,060 | 2,47 | 649,065 | 646,072 | 0.46 |
| Rural | 748,867 | 678,046 | 10,44 | 175,878 | 168,301 | 4.50 |
| Public authorities | 269,547 | 255,566 | 5,47 | 116,212 | 111,389 | 4.33 |
| Public illumination | 310,552 | 304,818 | 1,88 | 77,675 | 76,669 | 1.31 |
| Public service | 355,252 | 335,729 | 5,82 | 103,254 | 100,429 | 2.81 |
| Subtotal | 12,172,753 | 11,039,679 | 10,26 | 3,333,619 | 3,192,678 | 4.41 |
| Own consumption | 14,499 | 12,635 | 14,75 | | | |
| Subsidy for low-income consumers | | | | 32,419 | 50,518 | (35.83) |
| Uninvoiced supply , net | | | | 25,455 | 5,292 | 381.01 |
| | 12,187,252 | 11,052,314 | 10,27 | 3,391,493 | 3,248,488 | 4.40 |
| Wholesale supply to other concession holders | 3,671,488 | 3,463,773 | 6,00 | 426,723 | 379,312 | 12.50 |
| Transactions in electricity on the CCEE | 597,554 | 726,311 | (17,73) | 36,366 | 24,070 | 51.08 |
| Sales under the Proinfa program | 21,709 | | | 6,499 | | |
| Effects of the Final Tariff Review | | | | | 66,157 | |
| Additional charge Law 12111/09 | | | | (1,498) | | |
| Total | 16,478,003 | 15,242,398 | 8,11 | 3,859,583 | 3,718,027 | 3.81 |

(*) The information in MWh has not been reviewed by the external auditors.

Revenue from supply of electricity in 3Q10 was R\$ 3,859,583, 3.81% higher than in 3Q09 (R\$ 3,718,027).

The main factors affecting revenue in 2010 were:

- Tariff Adjustment with average impact on consumer tariffs of 1.67%, starting from April 8, 2010.
- Volume of energy invoiced to final consumers 10.26% higher (this excludes Cemig's own internal consumption).

The volume of electricity sold to other concession holders was 6.00% higher, which recorded an increase in average price in these sales, at R\$ 116.23/MWh in 3Q10, compared to R\$ 109.51/MWh in 3Q09. The Increase in the amount of energy sold, associated with an increase of 6.14% of average price, the revenue with electricity sold to other concession holders increased 12.50% in the third quarter of 2010 compared to third quarter 2009.

Table of Contents**Revenue from use of the network**

This Revenue is from the TUSD – Tariff for Use of the Distribution System – arising from the charges made to Free Consumers, on energy sold, and also from the revenue for use of Cemig GT – s part of the national grid. It was 46.25% higher, in 3Q10, at R\$ 767,299, than in 3Q09 (R\$ 524,635.)

As well as reflecting higher transport of electricity for Free Consumers, as a result of the recovery in industrial activity, and migration of captive clients to the free market, the figures in 2010 include consolidation of the revenues of the transmission company Taesa, acquired in the fourth quarter of 2009.

Non-controllable costs

Differences between the sums of non-controllable costs (also known as – CVA –), used as a reference in calculating the Tariff Adjustment, and the 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 9 to the Quarterly Information.

Deductions from operational revenue

| | 3Q10 | 3Q09 Reclassified | Change, % |
|----------------------------------------------------------------|------------------|----------------------|--------------|
| ICMS tax | 802,296 | 743,222 | 7.95 |
| Cofins tax | 341,222 | 314,678 | 8.44 |
| PIS and Pasep taxes | 73,968 | 63,315 | 16.83 |
| Others | 1,160 | 734 | 58.04 |
| | 1,218,646 | 1,121,949 | 8.62 |
| Global Reversion Reserve – RGR | 57,758 | 49,554 | 16.56 |
| Energy Efficiency Program – P.E.E. | 11,152 | 10,770 | 3.55 |
| Energy Development Account – CDE | 117,305 | 105,024 | 11.69 |
| Fuel Consumption Account – CCC | 191,684 | 101,439 | 88.96 |
| Research and Development – P&D | 9,067 | 7,930 | 14.34 |
| National Scientific and Technological Development Fund – FNDCT | 8,040 | 7,666 | 4.88 |
| Energy System Expansion Research (EPE / Energy Ministry) | 4,391 | 3,811 | 15.22 |
| Emergency Capacity Charge | 4,907 | 3,773 | 30.06 |
| 0.30% additional payment (Law 12111/09) | 5,692 | | |
| | 409,996 | 289,967 | 41.39 |
| | 1,628,642 | 1,411,916 | 15.35 |

The main changes in the deductions from revenue between the two years are as follows:

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The Fuel Consumption Account - CCC

The deduction from revenue for the CCC in 3Q10 was R\$ 191,684, 88.96% more than in 3Q09 (R\$ 101,439). This charge is for the costs of operation of the thermal plants in the national grid and in the isolated systems. It is shared between electricity concession holders, on a basis set by an Aneel Resolution. This is a non-controllable cost. The amount related to electricity distribution services is passed through in full to the tariff. The amount related to electricity transmission services is charged to Free Consumers on the invoice for the use of the grid. Both are passed on to Eletrobrás.

CDE - Energy Development Account

The deduction from revenue for the CDE was R\$ 117,305 in 3Q10, 11.69% higher than in 3Q09 (R\$ 105,024). This is a non-controllable cost. The amount related to electricity distribution services is passed through in full to the tariff. The amount related to electricity transmission services is charged to Free Consumers on the invoice for the use of the grid. Both are passed on to Eletrobrás.

The other deductions from revenue are taxes, calculated as a percentage of amounts invoiced. Hence their year-on-year variations are directly proportional to the change in revenue.

Operational costs and expenses (excluding Financial revenue /expenses)

Operational costs and expenses (excluding Financial revenue/expenses) totaled R\$ 2,208,135 in 3Q10, 5.65% more than in 3Q09 (R\$ 2,090,109). This result is mainly due to higher cost of energy bought for resale and expenditure on outsourced services, partially offset by lower operational provisions.

The main variations in expenses were:

Electricity bought for resale

The expense on electricity bought for resale in 3Q10 was R\$ 1,077,342 - 5.69% more than in 3Q09 (R\$ 1,019,362). This is a non-controllable cost: the expense recognized in the income statement is the amount passed on to the tariff. There is more information on this in Explanatory Note 28 to the Consolidated Quarterly Information.

Outsourced services

The expense on outsourced services in 3Q10 was R\$ 234,180, 37.52% more than in 3Q09 (R\$ 170,287), the main change in expenses being in maintenance and conservation of electricity facilities and equipment.

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- The expense on maintenance and conservation of electrical facilities and equipment in 3Q10 was R\$ 52,475, an increase of 110.72% from 3Q09 (R\$ 24,902). The change arises primarily from more activity of the Company in preventive maintenance of its distribution networks, and also from consolidation of the Companies acquired in the 4th quarter of 2009.

Personnel

Personnel expenses in 3Q10, at R\$ 264,864, were 4.76% lower than in 3Q09 (R\$278,102). This substantially is due to the difference in the expense on the PDV Voluntary Retirement Program in the two quarters: an expense of R\$ 10,205 in 3Q09, but a reversal of expense, of R\$ 3,387, in 3Q10, arising from an adjustment to the provision. Note also the reduction in the number of employees, from 9,837 in September 2009 to 8,949 in September 2010.

Charges for use of the transmission grid

Expenses on charges for the use of the transmission grid were 5.01% higher, at R\$207,903, in 3Q10, than in 3Q09 (R\$ 197,980). 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 in the Distribution activity: the deduction from revenue recognized in the Income statement is equal to the value passed through to the tariff.

Post-employment obligations

Expenses on post-employment obligations totaled R\$ 40,500 in 3Q10, 8.70% more than in 3Q09 (R\$ 37,258). 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 higher expense in 2010 basically reflects lower expectation of revenue from the plan's assets in 2010.

Operational provisions

Expenses on operational provisions in 3Q10 were R\$ 33,272, compared to R\$ 42,154 in 3Q09. The change mainly reflects reversal of provisions for legal proceedings in 2010, due to review of amounts previously provisioned.

Table of Contents*Financial revenues (expenses)*

| | 3Q10 | 3Q09 | Change % |
|----------------------------------------------------------------------------------------------|------------------|-----------------|-----------------|
| FINANCIAL REVENUES | | | |
| Revenue from cash investments | 102,658 | 51,104 | 100.88 |
| Arrears penalty payments on electricity bills | 35,185 | 78,449 | (55.15) |
| Interest and monetary updating on accounts receivable from the Minas Gerais state government | 41,463 | 67,959 | (38.99) |
| Monetary updating of CVA | 6,900 | 7,548 | (8.59) |
| Monetary updating on items under the General Agreement for the Electricity Sector | 2,703 | 8,573 | (68.47) |
| Monetary updating on Deferred Tariff Adjustment | | (1,802) | |
| FX variations | 27,197 | 28,710 | (5.27) |
| Pasep and Cofins taxes on financial revenues | (14,964) | (8,614) | 73.72 |
| Gains on financial instruments | 3,638 | 306 | 1,088.89 |
| Adjustment to present value | 1,003 | 555 | 80.72 |
| Monetary variation on taxes offsetable | 23,269 | 19,364 | 20.17 |
| Other | 14,247 | 18,196 | (21.70) |
| | 243,299 | 270,348 | (10.01) |
| FINANCIAL EXPENSES | | | |
| Costs of loans and financings | (293,987) | (199,156) | 47.62 |
| Monetary updating on items under the General Agreement for the Electricity Sector | 1,034 | (880) | |
| Monetary updating CCEE | | (4,013) | |
| Monetary updating of CVA | (25,294) | 339 | |
| FX variations | (3,879) | (11,971) | (67.60) |
| Monetary updating on loans and financings | (11,316) | 510 | |
| Adjustment to present value | (116) | (2,829) | (95.90) |
| Losses on financial instruments | (5,941) | (3,596) | 65.21 |
| Reversal of provision for PIS and Cofins taxes | | 7,915 | |
| Amortization of goodwill on investments | (19,838) | (8,776) | 126.05 |
| Other | (49,547) | (53,942) | (8.15) |
| | (408,884) | (280,692) | 45.67 |
| | (165,585) | (10,344) | 1,500.78 |

The main factors in the difference between financial revenues/expenses in 3Q10 and 3Q09 are:

- Revenue from cash investments R\$ 51,554 higher, due to a higher volume of cash invested in 2010.
- Revenue from arrears penalty payments on client invoices R\$ 43,264 lower, mainly due to lower default by clients in 2010.
- Expense on net monetary adjustment of regulatory assets (CVA, the General Agreement for the Electricity Sector, and the Deferred Tariff Adjustment) of R\$ 14,657 in 3Q10, compared to revenue of R\$ 13,778 in 3Q10. This change mainly reflects monetary on the CVA: a net expense of R\$ 18,394 in 3Q10, compared to net revenue of R\$ 7,887 in 3Q09. Also, in 2010 the regulatory assets were lower in total than in

3Q09, since more of them had been paid down by receipt through client electricity bills.

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- Higher expenses of loans and financings: R\$ 293,987 in 3Q10, compared to R\$ 199,156 in 3Q09. This reflects entry of new financings, principally the R\$ 2,700,000 debentures issue by Cemig GT (Cemig Geração e Transmissão) in March 2010.

Income tax and Social Contribution tax

In 3Q10, Cemig's expenses on income tax and the Social Contribution totaled R\$ 203,583, on profit of R\$ 809,457, before tax effects, a percentage of 25.15%. In 3Q09, the Company's expense on income tax and the Social Contribution was R\$ 287,165, equal to 32.32% of the pre-tax profit of R\$ 888,486.

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OTHER INFORMATION THAT THE COMPANY BELIEVES TO BE MATERIAL

Information not reviewed by our external auditors.

Investor Relations

In 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 maintain 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 more than 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.

At the end of May, for the 15th year running, we held our now traditional *Cemig Meeting with the Capital Markets and Investors*, together with Apimec, the Brazilian Capital Markets and Analysts' Association, in the town of Belo Horizonte, Minas Gerais, where these professionals once again had the opportunity to interact with the company's directors and principal executives.

Corporate governance

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 at 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. Further, because Cemig has ADRs (American Depositary Receipts) listed on the New York Stock Exchange, representing its preferred (PN) shares (with ticker CIG) and its common (ON) shares (with 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 also been listed on the Latibex market 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.

Our bylaws include the targets of the Strategic Plan, and also our dividend policy. They lay down the following requirements:

- Consolidated debt to be kept equal to or less than 2 times Ebitda.
- The consolidated ratio [(Net debt) / (Net debt + Stockholders' equity)] to be kept equal to or less than 40%.
- Consolidated funds in Current assets to be limited 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).
- Investment to be 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.
- Expenses of the subsidiary Cemig Distribuição (Cemig D), and of any subsidiary which operates in distribution of electricity, to be limited to amounts not greater than the amounts recognized in the tariff adjustments and tariff reviews.

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

- Consolidated debt: maximum of 2.5 times Ebitda.

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

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Board of Directors

Meetings

Our Board of Directors met 25 times in 2009, to discuss strategic planning, projects, acquisitions of new assets, and various investments, and other subjects.

Membership, election and period of office

The present Board of Directors was elected on April 29, 2010, by the cumulative voting method, as specified by Article 141 of Law 6404 of December 15, 1976, as amended.

The period of office of the present members of the Board of Directors expires at the Annual General Meeting of Stockholders to be held in 2012.

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 to be entered into between Cemig and any of its stockholders or their parent companies.

- Decision on any sale of assets, loans, financings, placing of a 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 its revisions, and of the Multi-year Strategic Implementation Plan and its revisions, and the Annual Budget.

Since 2006 Cemig has had Committees, made up of members of the Board of Directors, to discuss and analyze 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

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Qualification and remuneration

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

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 regulator of the capital markets of the United States, we opted to exercise 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 to hold simultaneous non-remunerated positions in the management of wholly-owned subsidiaries, or subsidiaries or affiliates of Cemig, upon decision by the Boards of Directors of those companies. They are also, obligatorily, members of the Boards of Directors of Cemig GT (Generation and Transmission) and Cemig D (Distribution), with the same positions as on the board of Cemig itself.

The period of office of the present Chief Officers expires 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 their résumés are on our website: <http://ri.cemig.com.br>.

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.

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- Decision on any disposal of goods, loans or financings, placing of any charge on 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. It held 59 meetings in 2009.

A list of the names and summary resumes of its members is available on our website: <http://ri.cemig.com>.

The Audit Board

Meetings

10 meetings were held 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 Ordinary (Annual) General Meeting of Stockholders, for a period of office of one year, and may be reelected:

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

The members of the Audit Board are listed on our website: <http://ri.cemig.com.br>.

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 earned by the Chief Officers.

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Résumé information on its members is on our website: <http://ri.cemig.com.br>.

The Sarbanes-Oxley Law

Cemig has obtained certification of its internal controls for mitigation of the 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), included in 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, and 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 was validated.

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. An improvement in the effectiveness of the strategic controls, commitment in implementation of the mitigating action plans proposed, and reduction of the financial impact and of the probability of occurrence of innumerable risks, has been perceived.

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.

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Functional structure

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 significant 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.

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 levels of decision in the company.

Statement of Ethical Principles and Code of Professional Conduct

The approval by the Board of Directors, in May 2004, of the Statement of Ethical Principles and Code of Professional Conduct (<http://ri.cemig.com.br>), stating a list of 11 principles of ethical conduct and values incorporated into Cemig's company culture, was an important step in perfecting the company's internal system of corporate government and increasing our overall corporate transparency.

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. These reports can deal with any type of irregular practice contrary to the company's interest, such as: financial fraud, changing, falsification or suppression of financial, tax or accounting documents; undue appropriation of goods or resources; receipt of undue advantage by managers or employees; irregular contracting; or other practices considered to be illegal.

Table of Contents*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 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 itself within Cemig. This new instrument of corporate governance improves the management of our employees and of our business, and reaffirms our ethical principles.

Cemig's Statement of Ethical Principles and Code of Professional Conduct of Cemig is consolidated into 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>.

POSITION OF STOCKHOLDERS WITH MORE THAN 5% OF THE VOTING STOCK ON SEPTEMBER 30, 2009

| Stockholders | COMMON SHARES | | PREFERRED SHARES | | TOTAL SHARES | |
|---------------------------------------|--------------------|--------------|------------------|-------------|--------------------|--------------|
| | (thousands) | % | (thousands) | % | (thousands) | % |
| State of Minas Gerais | 151,993,292 | 50.96 | | 0.00 | 151,993,292 | 22.27 |
| Other entities of Minas Gerais | | | | | | |
| State | 40,197 | 0.01 | 7,057,472 | 1.84 | 7,097,669 | 1.00 |
| Total, controlling stockholder | 152,033,489 | 50.97 | 7,057,472 | 1.84 | 159,090,961 | 23.31 |
| AGC Energia S/A | 98,321,592 | 32.96 | | 0.00 | 98,321,592 | 14.41 |

Note: The stockholder AGC Energia S.A. is a wholly-controlled subsidiary of Andrade Gutierrez Concessões S.A., a corporation registered for listing with the CVM.

Table of Contents**SHARES OF THE CONTROLLING STOCKHOLDER, SENIOR MANAGEMENT AND MEMBERS OF THE AUDIT BOARD**

| | 09.30.2010 | | 09.30.2009 | |
|------------------------------------|-------------|-----------|-------------|-----------|
| | ON | PN | ON | PN |
| CONTROLLING STOCKHOLDER | 152,033,489 | 7,057,472 | 138,212,264 | 6,415,884 |
| BOARD OF DIRECTORS | 8,687 | 481 | 110 | 438 |
| Adriano Magalhães Chaves | 1 | | 1 | |
| Aécio Ferreira da Cunha | 1 | | | |
| Antônio Adriano Silva | 1 | | 1 | |
| Arcângelo Eustáquio Torres Queiroz | 1 | | | |
| Cezar Manoel de Medeiros | 1 | | 1 | |
| Djalma Bastos de Moraes | | 55 | | 50 |
| Eduardo Borges de Andrade | | 1 | | |
| Fernando Henrique Schüffner Neto | | 424 | | 386 |
| Francelino Pereira dos Santos | 1 | | 1 | |
| Franklin Moreira Gonçalves | 1 | | 1 | |
| Guilherme Horta Gonçalves Junior | 1 | | 1 | |
| Guy Maria Villela Paschoal | 11 | | 10 | |
| João Camilo Penna | 1 | 1 | 1 | 1 |
| Lauro Sérgio Vasconcelos David | 1 | | 1 | |
| Luiz Antônio Athayde Vasconcelos | 1 | | 1 | |
| Marco Antônio Rodrigues da Cunha | 1 | | 1 | |
| Maria Estela Kubitschek Lopes | 1 | | 1 | |
| Newton Brandão Ferraz Ramos | 1 | | | |
| Otávio Marques de Azevedo | | 1 | | |
| Paulo Márcio de Oliveira Monteiro | | 421 | | |
| Paulo Roberto Reckziegel Guedes | | 1 | | |
| Paulo Sérgio Machado Ribeiro | 96 | 1 | 88 | 1 |
| Renato Torres de Faria | | 1 | | |
| Ricardo Antônio Mello Castanheira | 1 | | | |
| Ricardo Coutinho de Sena | | 1 | | |
| Saulo Alves Pereira Júnior | | 1 | | |
| Sérgio Alair Barroso | 1 | | 1 | |
| Tarcísio Augusto Carneiro | 2.201 | 280 | | |

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| NAME | STOCKHOLDING POSITION | | | |
|---------------------------------------|-----------------------|--------------------------|----|-----|
| | 09.30.2010 | 09.30.2009 | ON | PN |
| | ON Shares (common) | PN Shares (preferred) | | |
| EXECUTIVE BOARD | 9 | 479 | 9 | 436 |
| Djalma Bastos de Moraes | | 55 | | 50 |
| Arlindo Porto Neto | 1 | | 1 | |
| Bernardo Afonso Salomão de Alvarenga | 1 | | 1 | |
| Fernando Henrique Schüffner Neto | | 424 | | 386 |
| José Carlos de Mattos | | | | |
| Luiz Fernando Rolla | 6 | | 6 | |
| Luiz Henrique de Castro Carvalho | | | | |
| Marco Antônio Rodrigues da Cunha | 1 | | 1 | |
| Márcio Augusto Vasconcelos Nunes | | | | |
| AUDIT BOARD | 4,400 | | | |
| Aliomar Silva Lima | | | | |
| Ari Barcelos da Silva | | | | |
| Aristóteles Luiz Menezes Vasconcellos | | | | |
| Drummond | | | | |
| Helton da Silva Soares | | | | |
| Luiz Guarita Neto | | | | |
| Marcus Eolo de Lamounier Bicalho | | | | |
| Newton de Moura | | | | |
| Rafael Cardoso Cordeiro | 4,400 | | | |
| 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 | | TOTAL | |
|------------|-------------|-------|-------------|-------|-------------|-------|
| | SHARES | % | SHARES | % | SHARES | % |
| 09.30.2010 | 146,229,446 | 49.03 | 376,794,855 | 98.09 | 523,024,301 | 76.64 |
| 09.30.2009 | 132,934,068 | 49.03 | 342,541,418 | 98.09 | 475,475,486 | 76.64 |

(*) Changes in numbers of shares arise from corporate action and/or events during 2010.

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16. List of Changes to the Quarterly Results for the Third Quarter Ended September 30, 2010, Companhia Energética de Minas Gerais CEMIG, December 14, 2010

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FEDERAL PUBLIC SERVICE

BRAZILIAN SECURITIES COMMISSION (CVM)

**ITR Quarterly Information
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES**

**Corporate Law accounting method
BASE DATE: 30/09/2010**

00245-3

CIA ENERGIAS MINAS GERAIS - CEMIG

17.155.730/0001-64

23.01 DESCRIPTION OF THE INFORMATION ALTERED

Changes on December 14, 2010

All the amounts described below are in R\$ 000.

Group 3 Individual Income Statement

Income statement for the quarter from 1/7/2010 to 30/9/2010

The following lines were altered:

Line 3.11 Deferred income tax, from (3,926) to 3,926.

Line 3.15 Profit/Loss for the Period, which changes from 545,468 to 553,320, as reported in the Consolidated Profit for the Quarter.

Group 6 Explanatory Notes

Note 5. Regulatory assets and liabilities

The line *Other regulatory liabilities* was changed from (61,706) to (61,705).

Note 14. Investments

In the table of changes in investments in subsidiaries (the 4th table in this Note), the sum of the column *Others* has been changed from (1,578) to 1,578.

Note 28. Operational costs and expenses

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In the table (c) Operational provisions the sum of the column *Holding company* for 30/09/2010 has been changed from 101,861 to (101,861).

Group 9 Consolidated income statement

Income statement for the quarter from 1/7/2009 to 30/9/2009 and Income statement for the period from 1/1/2009 to 30/9/2009.

The lines listed below were changed in both periods, as a result of the reclassification in the balances of the Charge for Emergency Acquisition, for the purposes of comparison, as described in Explanatory Note 2.1 *Presentation of the Quarterly Information* . This reclassification did not change the previously reported results.

Line 3.02 Deductions from gross revenue

Line 3.03 Net revenue from sales and/or services

Line 3.04 Cost of goods and /or services sold

Line 3.04.12 Other

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| | | | |
|-----|---------------------|------------------------------------------------------------------------------------------------|--------------------------|
| 17. | Market Announcement | Oekom Research again rates Cemig Prime in Sustainability, Companhia Energética de Minas Gerais | CEMIG, December 20, 2010 |
|-----|---------------------|------------------------------------------------------------------------------------------------|--------------------------|

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NIRE 33300266003

MARKET ANNOUNCEMENT

OEKOM RESEARCH AGAIN RATES CEMIG

***PRIME* IN SUSTAINABILITY**

CEMIG (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, as part of its commitment to best corporate governance practices, hereby informs its stockholders and the market in general as follows:

For the second year running, Oekom Research, the sustainability rating agency based in Germany, has awarded Cemig the status of *Prime* (B).

Oekom is one of the world's principal investment rating agencies focused on corporate sustainability, with more than 17 years' experience.

The evaluation of companies carried out by Oekom is annual, and considers companies' levels of responsibility in relation to social, cultural and environmental sustainability, taking into account the public information available in annual reports and websites that reflect the company's activity.

With the ***Prime*** rating, Cemig is qualified to receive investments from institutions that take into account the Oekom criteria, currently representing 90 billion.

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Oekom allocates its Prime status to companies that are considered world leaders in their industrial sectors and meet specific standards of sustainability. In Cemig's case, **the Prime (B) rating classifies it as one of the world leaders in sustainability in the utilities sector.**

Further information on Oekom Research can be obtained on Oekom's website: <http://www.oekom-research.com>.

Belo Horizonte, December 20, 2010,

Luiz Fernando Rolla

Chief Officer for Finance, Investor Relations and Financial 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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| | | |
|-----|---------------------------------------------------------------------------------------------------------------------|--------------------------|
| 18. | Summary of Principal Decisions of the 500th Meeting of the Board of Directors, Companhia Energética de Minas Gerais | CEMIG, December 20, 2010 |
|-----|---------------------------------------------------------------------------------------------------------------------|--------------------------|

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NIRE 31300040127

MEETING OF THE BOARD OF DIRECTORS

SUMMARY OF PRINCIPAL DECISIONS

The Board of Directors of **CEMIG** (*Companhia Energética de Minas Gerais*), at its 500th meeting, held on December 20, 2010, decided the following:

- 1-Incentive-bearing donation to the Vita Vida Project.
- 2-Incentive-bearing donation to the Cariúnas School Park Project.
- 3-Service contract for temporary labor.

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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19. Summary of Principal Decisions of the 127th Meeting of the Board of Directors, Cemig Geração e Transmissão, December 20, 2010

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CEMIG GERAÇÃO E TRANSMISSÃO S.A.

LISTED COMPANY

CNPJ 06.981.176/0001-58 - NIRE 31300020550

SUMMARY OF PRINCIPAL DECISIONS

At its 127th meeting, held on December 20, 2010, the Board of Directors of **Cemig Geração e Transmissão S.A.** decided the following:

1. Orientation of vote at the Extraordinary General Meeting of Stockholders of Transmissora Aliança de Energia Elétrica S.A.
2. Signing of an amendment with Neoenergia S.A.
3. Signing of an amendment with Neoenergia S.A. and Furnas Centrais Elétricas S.A.
4. Financial participation in Cemig's Integrated Pro-Health (Prosaúde Integrado) Program.
5. Service contract for temporary labor.
6. Signing of term of settlement and final receipt with CemigTelecom.
7. Signing of term of final settlement with Petrobras Distribuidora S.A.

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| 20. | Summary of Principal Decisions of 119th Meeting of the Board of Directors, Cemig Distribuição S.A., December 20, 2010 |
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CEMIG DISTRIBUIÇÃO S.A.

LISTED COMPANY

CNPJ 06.981.180/0001-16 NIRE 31300020568

SUMMARY OF PRINCIPAL DECISIONS

At its 119th meeting, held on December 20, 2010, the Board of Directors of **Cemig Distribuição S.A.** decided the following:

- 1- Financial participation in Cemig's Integrated Pro-Health (Prosaúde Integrado) Program.
- 2- Contracting of services with external auditors.
- 3- Contracting of services with Cemig Serviços S.A.
- 4- Signing of term of final settlement with Petrobras Distribuidora S.A.
- 5- Service contract for temporary labor.
- 6- Signing of term of settlement and final receipt with CemigTelecom.

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