ENERGY CO OF MINAS GERAIS
Form 6-K
August 21, 2003

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 August, 2003

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 Form 20-F or Form 40-F.

Form 20-F ___X___ Form 40-F ___________

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

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

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

Yes ___________ No ___X___

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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Item	Description of Item
1.	Interim financial statements as of March 31, 2003 and for the three-month period then ended, prepared in accordance with accounting practices adopted in Brazil, in Brazilian reais (convenience translation into English from the Portuguese-language version filed with the Brazilian Comissao Nacional de Valores).
2.	Management's discussion and analysis of results of operations relating to the interim financial statements prepared under accounting practices adopted in Brazil as of March 31, 2003 and for the three-month period then ended, in Brazilian reais (convenience translation into English from the Portuguese-language version filed with the Brazilian Comissao Nacional de Valores).
3.	Interim financial statements as of June 30, 2003 and for the six-month period then ended, prepared in accordance with accounting practices adopted in Brazil, in Brazilian reais (convenience translation into English from the Portuguese-language version filed with the Brazilian Comissao Nacional de Valores).
4.	Management's discussion and analysis of results of operations relating to the interim financial statements prepared under accounting practices adopted in Brazil as of June 30, 2003 and for the six-month period then ended, in Brazilian reais (convenience translation into English from the Portuguese-language version filed with the Brazilian Comissao Nacional de Valores).

Item 1

Companhia Energetica de Minas Gerais - CEMIG

Interim Financial Statements
Together with Independent Accountants' Report on Special Review

March 31, 2003

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT ACCOUNTANTS' SPECIAL REVIEW REPORT

To the Shareholders and the Board of Directors of
Companhia Energetica de Minas Gerais - CEMIG
Belo Horizonte - MG

1. We have performed a special review of the quarterly information, presented in Brazilian reais, of Companhia Energetica de Minas Gerais - CEMIG and subsidiaries as of March 31, 2003 and for the quarter then ended, prepared under the responsibility of the Company's management, in accordance with accounting practices adopted in Brazil, consisting of the individual (Company) and consolidated balance sheets, the individual (Company) and consolidated statements of income, management's discussion and analysis and relevant information.

2. We conducted our review in accordance with specific standards established by the Brazilian Institute of Independent Accountants (IBRACON), together with the Federal Accounting Council, which consisted principally of: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company and its subsidiaries as to the principal criteria adopted in the preparation of the quarterly information, and (b) review of the information and subsequent events that had or might have had significant effects on the Company's and its subsidiaries' financial position and results of operations.

3. Based on our special review, we are not aware of any material modifications that should be made to the quarterly information referred to in paragraph 1 above for it to be in conformity with accounting practices adopted in Brazil and accounting standards issued by the Brazilian Securities Commission (CVM), specifically applicable to the preparation of mandatory quarterly financial information.

4. As mentioned in Note 4 to the quarterly information, as of March 31, 2003, the Company and its subsidiaries have recorded, in current and noncurrent assets, accounts receivable in the amount of R$93,732,000 and R$463,357,000 respectively and, in current liabilities, accounts payable in the amount of R$457,875,000, related to energy sale and purchase transactions within the Wholesale Energy Market - MAE. Such amounts were recorded based on calculations prepared and information made available by the MAE. Those amounts are subject to change, depending on the outcome of the claims currently in progress in court, filed by electric energy companies, concerning the interpretation of the market rules in force, as well as review by independent accountants engaged by MAE of those amounts.

5. Executive Act No.14, issued on December 21, 2001 and converted into Law No. 14,438 on April 26, 2002, regulates, among other matters, recovery of the economic and financial equilibrium of Brazilian electric energy distribution, transmission and generating companies as guaranteed under their respective concession agreements. Detailed information and the impacts of such regulation on the financial position and results of operations of the Company and its subsidiaries related to the General Agreement for the Electric Energy Sector are disclosed in Notes 3 and 4 to the quarterly information.

6. The individual (Company) and consolidated balance sheets as of December 31, 2002, presented for comparative purposes, were audited by us, as set forth in our report dated March 27, 2003, issued without qualification and including comments regarding the matters discussed in paragraphs 4 and 5 above and about noncompliance with certain restrictive covenants in loan agreements. The individual (Company) and consolidated statements of income for the quarter ended March 31, 2002, presented for comparative purposes, were reviewed by other independent accountants whose special review report thereon, dated May 15, 2002, was issued without qualification and including comments regarding: (i) the recording of assets and liabilities related to special rate adjustments, recovery of Parcel "A" cost variations and transactions within the Wholesale Energy Market - MAE which were pending review and approval by ANEEL (National Electric Energy Agency), and (ii) negotiations at the time with the Minas Gerais State Government about the payment delay of amounts receivable related to the credit assignment contract for the remaining balance of the CRC (Recoverable Rate Deficit) account.

7. The translation of this quarterly information into English has been made for the convenience of readers outside Brazil.

Belo Horizonte, May 15, 2003

/S/ Deloitte Touche Tohmatsu	/S/ Jose Carlos Amadi
DELOITTE TOUCHE TOHMATSU Auditores Independentes	Jose Carlos Amadi Engagement Partner

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

COMPANHIA ENERGETICA DE MINAS GERAIS - CEMIG

UNAUDITED BALANCE SHEETS
MARCH 31, 2003 AND DECEMBER 31, 2002
(Expressed in thousands of Brazilian reais - R$)

A S S E T S

	Consolidated		
	March 31, 2003	December 31, 2002	M
CURRENT ASSETS:			

Cash and cash equivalents	278,340	122,975
Accounts receivable	861,224	882,421
Consumers - Special rate adjustment	269,977	257,577
Concessionaires - Energy transportation	20,386	18,271
Distributors - Energy supply	93,732	82,476
Recoverable taxes	76,145	21,322
Materials and supplies	19,787	20,663
Prepaid expenses - CVA	1,555	225,833
Electricity Rationing Plan - Bonus paid to consumers and adoption costs incurred	27,312	-
Receivables from Federal Government - Revenue losses from low-income consumers	63,956	42,386
Other	109,261	145,848
	1,821,675	1,819,772
NONCURRENT ASSETS:		
Receivable from Minas Gerais State Government	819,899	754,960
Consumers - Special rate adjustment	1,145,441	1,149,563
Prepaid expenses - CVA	521,332	195,208
Tax credits	539,795	540,839
Marketable securities	72,506	53,138
Electricity Rationing Plan - Bonus paid to consumers and adoption costs incurred	24,643	52,083
Distributors - Energy supply	463,357	462,640
Recoverable taxes	91,083	81,583
Escrow deposits	66,878	66,317
Other	96,351	106,248
	3,841,285	3,462,579
PERMANENT ASSETS:		
Investments	686,330	608,657
Property, plant and equipment	7,915,158	7,897,782
Deferred charges	23,991	25,096
	8,625,479	8,531,535
Total assets	14,288,439	13,813,886

The accompanying condensed notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

COMPANHIA ENERGETICA DE MINAS GERAIS - CEMIG

UNAUDITED BALANCE SHEETS
MARCH 31, 2003 AND DECEMBER 31, 2002

(Expressed in thousands of Brazilian reais - R$)

LIABILITIES AND SHAREHOLDERS' EQUITY

	Consolidated		
	March 31, 2003	December 31, 2002	Ma
SHORT-TERM LIABILITIES:			
Suppliers	1,084,685	1,274,725	
Taxes payable	277,023	150,757	
Loans and financing	949,654	834,203	
Payroll and related charges	103,543	108,515	
Dividends and interest on capital	204,274	211,106	
Employee post-retirement benefits	176,981	180,992	
Regulatory charges	151,090	93,856	
Other	104,989	106,492	
	3,052,239	2,960,646	
LONG-TERM LIABILITIES:			
Loans and financing	1,752,981	1,716,489	
Debentures	913,047	834,052	
Employee post-retirement benefits	1,603,588	1,656,488	
Suppliers	354,758	334,295	
Reserve for contingencies	333,971	315,045	
Taxes payable	331,005	216,640	
Other	85,418	70,313	
	5,374,768	5,143,322	
MINORITY INTEREST	28,742	29,035	
SHAREHOLDERS' EQUITY:			
Capital	1,621,538	1,621,538	
Capital reserves	4,032,222	4,032,222	
Income reserves	113	-	
Retained earnings	151,694	-	
	5,805,567	5,653,760	
Funds for future capital increase	27,123	27,123	
	5,832,690	5,680,883	
Total liabilities and shareholders equity	14,288,439	13,813,886	1

The accompanying condensed notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

COMPANHIA ENERGETICA DE MINAS GERAIS - CEMIG

UNAUDITED STATEMENTS OF INCOME
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2003 AND 2002
(Expressed in thousands of Brazilian reais - R$, except for per share data)

	Consolidated	
	Three month periods ended March 31,	
	2003	2002
OPERATING REVENUES:		
Electricity sales	1,457,840	1,179,895
Special rate adjustment	-	315,164
Other operating revenues	125,922	80,968
	1,583,762	1,576,027
DEDUCTIONS FROM OPERATING REVENUES:	(495,704)	(337,223)
Net operating revenues	1,088,058	1,238,804
OPERATING EXPENSES:		
Personnel	(157,384)	(133,275)
Materials and supplies	(20,239)	(15,971)
Outside services	(64,739)	(51,503)
Charges for use of water resources	(11,444)	(8,673)
Electricity purchased for resale	(291,933)	(359,974)
Use of basic transmission network	(77,206)	(64,891)
Depreciation and amortization	(140,464)	(132,423)
Employee post-retirement benefits	(6,529)	(54,250)
Operating provisions	(40,497)	(14,245)
Fuel consumption quota - CCC	(92,718)	(69,537)
Gas purchased for resale	(25,807)	(17,915)
Employee profit sharing	(4,079)	(4,125)
Other	(31,930)	(36,190)
	(964,969)	(962,972)
Income from operations before equity in subsidiaries and financial income (expenses)	123,089	275,832
EQUITY IN SUBSIDIARIES	-	-
FINANCIAL INCOME (EXPENSES)		
Financial income	294,532	150,764
Financial expenses	(136,474)	(84,260)
	158,058	66,504

Income from operations	281,147	342,336
NON-OPERATING EXPENSES, NET	(9,309)	(6,977)
Income before taxes on income	271,838	335,359
Income and social contribution tax credits	(120,415)	(115,280)
Income before minority interest	151,423	220,079
MINORITY INTEREST	271	(132)
NET INCOME FOR THE PERIOD	151,694	219,947
NUMBER OF THOUSANDS OF SHARES	162,084,691	158,931,714
INCOME PER THOUSAND SHARES - R$	0.00094	0.00138

The accompanying condensed notes are an integral part of these financial statements.

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

COMPANHIA ENERGETICA DE MINAS GERAIS - CEMIG

UNAUDITED CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2003
(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise indicated)

1) THE COMPANY AND ITS OPERATIONS

Companhia Energetica de Minas Gerais - CEMIG ("CEMIG" or the "Company"), a company organized under the laws of the Federative Republic of Brazil, is an electric power utility concessionaire and public utility controlled by the Government of the State of Minas Gerais, Brazil (the "State Government"). Its principal activities are the construction and operation of systems used in the generation, transmission, distribution and sale of electric energy, as well as in certain related business activities.

The Company has equity interests in the following operating companies:

- Sa Carvalho S.A. ("Sa Carvalho") (100.00% interest) - Its principal activities are the production and sale of electric energy from the Sa Carvalho hydroelectric power plant, as an electric energy public service concessionaire;

- Usina Termica Ipatinga S.A. ("Ipatinga") (100.00% interest) - Its principal activities are the production and sale of electric energy, as an independent power producer, at the Ipatinga thermoelectric power plant located at the facilities of Usinas Siderurgicas de

Minas Gerais - USIMINAS;

- Companhia de Gas de Minas Gerais - GASMIG ("GASMIG") (95.19% interest) - Its principal activities are the operation, production, acquisition, storage, transportation and distribution of natural gas and related products. GASMIG was granted a concession by the Minas Gerais State Government to distribute gas in the State of Minas Gerais;

- Empresa de Infovias S.A. ("Infovias") (99.92% interest) - Its principal activities are rendering telecommunications services and developing activities related thereto, through multiservice networks using optical fiber cable, coaxial cable, and other electronic equipment. Infovias owns 64.91% of the capital stock of Way TV Belo Horizonte S.A., a cable TV and internet services provider in the State of Minas Gerais; and

- Efficientia S.A. - ("Efficientia") (100.00% interest) - Its principal activities are rendering efficiency, optimization and energy solutions services to energy supply facilities. Efficientia S.A. initiated operations in the first quarter of 2003.

Additionally, the Company has a 100.00% interest in each of the following pre-operating stage companies:

- Horizontes Energia S.A. - Its principal activities are expected to be the production and sale of electric energy, as an independent power producer, at the Machado Mineiro and Salto do Paraopeba hydroelectric power plants, located in the State of Minas Gerais, and the Salto Voltao and Salto do Passo Velho hydroelectric power plants, located in the State of Santa Catarina.

- Cemig PCH S.A., Cemig Capim Branco Energia S.A. and UTE Barreiro S.A. - Their principal activities are expected to be the production and sale of electric energy, as independent power producers.

2) PRESENTATION OF THE FINANCIAL STATEMENTS

The accounting practices, methods and criteria used by the Company in the preparation of these quarterly financial statements are consistent with those applied in the financial statements as of and for the year ended December 31, 2002, including consolidation criteria.

The financial statements of controlled companies used to calculate the equity and consolidation are dated March 31, 2003, except those with respect to GASMIG, which are dated February 28, 2003.

3) CONSUMERS - SPECIAL RATE ADJUSTMENT

In December 2001, the Federal Government, through the Camara de Gestao da Crise de Energia Eletrica (the Federal Government's electric energy crisis committee or the "Energy Crisis Committee"), and the electricity distribution and generation concessionaires entered into an agreement entitled Acordo Geral do Setor Eletrico ("General Agreement of the Electricity Sector"). This agreement was entered into to ensure the economic and financial equilibrium of the concession contracts and to reimburse concessionaires for lost revenues related to the period when the Electricity Rationing Plan was in force, through a special rate adjustment.

Law No. 10,438, of April 26, 2002, and the Energy Crisis Committee's Resolution No. 91, of December 21, 2001, established a special rate adjustment applicable as of December 27, 2001. The rate increases were set forth in the Energy Crisis Committee's Resolution No. 130, of April 30, 2002, as follows:

I. an increase of 2.90% for rural and residential consumers (excluding low-income consumers), street lighting and high tension industrial consumers whose costs related to electric energy represent at least 18.00% of average production cost and meet certain criteria, related to charge and demand energy factors which were determined in the Resolution.

II. an increase of 7.90% for all other consumers.

The special rate adjustment mentioned above is being applied to reimburse concessionaires for the following items:

a. Billing losses in the period from June 1, 2001 to February 28, 2002, representing the difference between the Company's estimated revenue, assuming that the Electricity Rationing Plan had not been implemented, and the actual revenue earned during the rationing period, as established by ANEEL (National Energy Authority). The computation does not include overdue payment losses, which the Company does not expect to be material, and the State VAT.

b. Variation in Parcel "A" Items (uncontrollable costs as established by the concession contracts) related to the period from January 1, 2001 to October 25, 2001. The amount to be reimbursed is equal to the difference (positive or negative) between the Parcel "A" costs effectively paid and the estimated Parcel "A" costs used for purposes of computing the most recent annual rate adjustment.

c. Amounts to be paid to generators for energy purchased on the MAE from June 1, 2001 to February 28, 2002, at a price exceeding R$49.26/MWh. This asset includes the related taxes and charges on revenues; however, such taxes and charges are not required to be transferred to the generators. Accordingly, taxes and charges are excluded before transferring these amounts to generators. These amounts may change, depending on the litigation currently in progress, filed by market agents, including the Company, related to the interpretation of the market rules in force.

Under ANEEL Resolution No. 484 of August 29, 2002, the special rate adjustment will be in force for a maximum period of 82 months, January 2002 to October 2008. However, management has determined that the special rate adjustment would not be sufficient to recover CEMIG's rationing losses. This determination was based on certain assumptions, the most relevant of which relate to rate adjustments, inflationary rates, SELIC (Brazilian Central Bank overnight interest rate) and CEMIG's growth in the energy market. Accordingly, the Company recorded a provision relating to rationing losses.

Considering that the assumptions used in management's determination may change throughout the recovery period, management is periodically reviewing these projections, and consequently, the provision mentioned in the prior paragraph.

Recovery of credits through the special rate adjustment, under ANEEL Resolution No. 89 of February 25, 2003, is being made as follows: (i) credits mentioned in item "a" have been in the process of being recovered since January 2002; (ii) credits mentioned in items "a" and "c" have been in the process of being recovered simultaneously since January 2003, in the proportion of 69.22% and 30.78%, respectively; and (iii) credits mentioned in item "b" will be the last to be recovered.

The amounts which will be realized through the special rate adjustment described in items "a" and "b" above are being restated based on SELIC until the month of their effective recovery.

50% of the credits described in item "c" above is being monetarily restated based on SELIC as from January 1, 2003. The remaining 50% will be monetarily restated after the conclusion of the MAE settlement, estimated to occur after the completion of audit work. These procedures were established by ANEEL Resolution No. 36, as of January 29, 2003.

Through Resolutions No. 480 to 482, as of August 29, 2002, ANEEL approved the amounts of billing losses and recovery of variations of the Parcel "A" items.

Despite ANEEL Resolution No. 483, of August 29, 2002, which approved the amounts to be paid to generators for the energy purchased on the MAE during the rationing period, CEMIG recorded such transactions based on updated information provided by MAE in October 2002, which resulted from the MAE's revision of the calculation criteria and which are higher than amounts approved in the mentioned Resolution.

ICMS (State VAT) on the special rate adjustment, related to future billings, which is estimated at R$400,780, only becomes an obligation once the customers are billed. However, because the Company's only responsibility is to transfer this tax from consumers to the State tax authorities, the Company did not record this obligation in advance.

The amounts to be recovered through the special rate adjustments mentioned in items "a", "b" and "c" are as follows:

	Company an	
	March 31, 2003	
	Principal	SELIC restatement
Billing losses during the Electricity Rationing Period	876,848	189,843
Amounts collected	(262,594)	-

	614,254	189,843
Recovery of spot market amounts by generators	456,176	13,045
Amounts collected	(11,361)	-
	444,815	13,045
Recovery of uncontrollable cost variations relating to Parcel "A"	245,299	95,863
	1,304,368	298,751
(-) Provision for losses on the realization of the special rate adjustment	(177,627)	(10,074)
	1,126,741	288,677
Current assets		
Noncurrent assets		

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The proceeds of Special rate adjustments to be paid to generators, as described in item "c", are as follows:

	Company and Con	
	March 31, 2003	
	Principal	SELIC restatement
Amounts to be paid to generators	418,269	12,056
(-) Transference made	(4,410)	-
	413,859	12,056
Short-term liabilities		
Long-term liabilities		

4) WHOLESALE ENERGY MARKET - MAE

(a) Obligations and rights from MAE transactions

As established by the General Agreement of the Electricity Sector, the difference between the amounts paid to generators and distributors related to MAE transactions during the period in which the Electricity Rationing Plan was in force and the amount of R$49.26/MWh will be reimbursed through the special rate adjustment.

According to ANEEL Resolution No. 36, dated January 29, 2003, after March 2003, distribution concessionaires should collect and transfer, on a monthly basis, the special rate adjustment amounts to generators and distributors, including CEMIG, that have amounts receivable.

Of the Special rate adjustment credits to be transferred from distribution concessionaires to CEMIG, corresponding to approximately R$8,263 as of March 31, 2003, CEMIG had received R$3,739. Some distribution concessionaires are not transferring to CEMIG the Special rate adjustments because they believe, based on ANEEL Resolution No. 36 and ANEEL Technical Note No. 004/2003, that CEMIG is challenging the General Agreement of the Electricity Sector because it is contesting the methodology applied to calculate CEMIG's obligations resulting from MAE transactions (see item "b" of this note) and for this reason, such distribution concessionaires are prevented from transferring such amounts.

However, CEMIG does not believe that the injunction granted in December 2002, contesting the methodology applied to calculate the CEMIG's rights and obligations, represents a challenge of the General Agreement of the Electricity Sector. Therefore, the Company is contesting restrictions included in ANEEL Resolution No. 36 and ANEEL Technical Note No. 004/2003, to eliminate any sanction or restriction on CEMIG's ability to receive amounts due.

The amounts to be received from distribution concessionaires are recorded in Current and Noncurrent Assets, under Distributors - Energy supply.

50% of CEMIG's rights and obligations are being monetarily restated based on the SELIC variation, as from January 1, 2003. The remaining 50% will be monetarily restated after the conclusion of MAE settlement.

CEMIG's rights and obligations related to MAE transactions, are set forth below:

	Marc 2
ASSETS	
Current	
Distributors - Energy supply	
Noncurrent	
Distributors - Energy supply	

	========
LIABILITIES	
Current	
Suppliers	

The MAE's revision of certain assumptions used to calculate the stated amounts, differences between CEMIG's estimates and the effective values, and judicial claims currently in progress, filed by market agents, related to the interpretation of the market rules in force, may change the amounts recorded.

(b) Financial settlement of the MAE transactions

On February 18, 2003, CEMIG settled part of its outstanding obligations relating to MAE transactions, in the amount of R$335,482, using financing provided by BNDES.

CEMIG is required to settle the remaining outstanding MAE amounts after the completion of an audit on the amounts due by the agents and additional financing to be provided by BNDES.

The amounts paid to MAE were calculated according to an injunction granted to CEMIG on December 25, 2002, determining that CEMIG should be considered as both a distributor and generator for purposes of recording of MAE transactions, notwithstanding ANEEL Resolution No. 447, of August 23, 2002, which determined that CEMIG should be considered as a distribution concessionaire only, not considering its generation activities.

The amounts provided by MAE, in accordance with the injunction, represented a R$122,000 decrease in CEMIG's net liabilities. However, because the methodology to be used to calculate CEMIG's rights and obligations is still pending, the Company opted to keep the amounts previously recorded, according to ANEEL Resolution No. 447.

5) CASH AND CASH EQUIVALENTS

	Consolidated		
	March 31, 2003	December 31, 2002	March 31 2003
Banks	135,123	20,162	132
Short term investments	143,217	102,813	51
	278,340	122,975	183

The majority of the short-term investments of CEMIG and its subsidiaries are invested in Bank Deposit Certificates and debentures issued by third parties (Note 28), indexed primarily to the CDI (Interbank Certificate of deposit rate) variation.

6) ACCOUNTS RECEIVABLE

Consolidated

Consumer Class	Current	Past due accounts - up to 90 days	Past due accounts - over 90 days
Residential	182,924	112,925	13,757
Industrial	127,413	31,601	78,308
Commercial	85,474	46,627	14,653
Rural	22,677	11,076	5,067
Public authorities	12,168	22,666	14,228
Public lighting	12,574	33,978	27,049
Public services	7,666	31,710	27,375
Subtotal - Consumers	450,896	290,583	180,437
Supply to other concessionaries	9,207	-	-
Allowance for doubtful accounts	-	-	(69,899)
	460,103	290,583	110,538

Company

Consumer Class	Current	Past due accounts - up to 90 days	Past due accounts - over 90 days
Residential	182,924	112,925	13,757
Industrial	125,329	31,601	78,119
Commercial	73,026	46,133	13,220
Rural	22,677	11,076	5,067
Public authorities	12,168	22,666	14,228
Public lighting	12,574	33,978	27,049
Public services	7,666	31,710	27,375
Subtotal - Consumers	436,364	290,089	178,815
Supply to other concessionaries	9,207	-	-
Allowance for doubtful accounts	-	-	(68,472)
	445,571	290,089	110,343

7) RECOVERABLE TAXES

	Consolidated		Compa
	March 31, 2003	December 31, 2002	M

Current Assets		
State VAT - ICMS	32,232	17,978
Income and social contribution tax	39,874	2,842
Other	4,039	502
	76,145	21,322
Noncurrent Assets		
State VAT - ICMS	91,083	81,583

The balances of income and social contribution taxes are primarily related to withheld amounts on short-term investments and prepaid tax in 2003 in amounts greater than due amounts. The credits will be offset in 2003.

The State VAT assets of the Company and its subsidiaries will be recovered through offset against State VAT liabilities. Most of the balance recorded as noncurrent assets is subject to a 48-month compensation period, as established by Supplementary Federal Law No. 102/00. The Company is in a legal dispute with the Minas Gerais State Government in order to compensate tax credits in the amount of R$18,843, also recorded as Other - Noncurrent assets.

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8) PREPAID EXPENSES - CVA

The balance of the recoverable variation account of Parcel "A" items - "CVA", refers to the difference, beginning October 26, 2001, between the estimated Parcel "A" costs of the Company, used in defining rate adjustments, and payments in respect of parcel "A" items actually made. The variations will be recovered in subsequent annual rate adjustments.

However, as a result of Executive Act No. 116, issued on April 4, 2003, the compensation of the "CVA" costs was postponed for 12 months from April 8, 2003, the date of the next scheduled rate increase.

Additionally, the "CVA" balance, for which compensation was postponed, plus the CVA balance to be calculated for the next 12 months, as from April 8, 2003, will be reimbursed though an increase in electric rates for a period of 24 months, beginning April 8, 2004.

The mentioned Executive Act included in "CVA" the variations of the Energy Development Fund (a fund created by the Federal Government for energy development and competitiveness of energy produced through wind farms, small hydroelectric power plants, biomass, natural gas and coal) as from February 10, 2003.

Consolidated and Comp

	Principal	SELIC Restatement	M
System service charges - ESS	131,813	3,689	
Itaipu Binacional electricity purchase tariff	351,218	34,202	
Itaipu Binacional electricity transport tariff	2,983	524	
Fuel usage quota - CCC	(99,045)	(8,693)	
Tariff for use of basic transmission network	55,918	6,231	
Energetic Development Account - CDE	40,455	-	
Charges for use of water resources	3,382	210	
	486,724	36,163	
Current			
Noncurrent			

The above-mentioned amounts are updated based on the SELIC rate from the payment date to effective recovery through annual rate adjustments.

The amounts to be compensated, recorded as Current Assets, refer to variations of uncontrollable costs that were included in the annual rate adjustment on April 8, 2002 and are being transferred monthly to operating expenses on a linear basis.

The System service charges - ESS for the period from September 2000 to December 2002 were accrued based on definitive information provided by MAE and for the period from January 2003 to March 2003, were accrued based on Company estimates and are subject to change. These amounts will be monetarily restated based on SELIC, as from the effective payment (a portion was settled in February 2003, as described in Note 4, item b). The amounts recorded may change due to MAE's revision of certain assumptions used to calculate the stated amounts and judicial claims currently in progress, filed by market agents, related to the interpretation of the market rules in force.

9) RECEIVABLE FROM MINAS GERAIS STATE GOVERNMENT

The remaining balance of the CRC Account (Recoverable Rate Deficit) was transferred to the State Government in 1995, through the CRC Credit Assignment Contract, pursuant to Law No. 8,724/93. This balance is payable monthly, over 17 years beginning June 1, 1998, and accrues annual interest of 6% and is subject to restatement based on the IGP-DI (General Price Index).

In 2002, CEMIG entered into the following amendments with the Minas Gerais State Government:

(a) Second Amendment of the CRC Credit Assignment Contract, signed on October 14, 2002

This Amendment refers to 149 installments, maturing from January 1, 2003 to May 1, 2015, in the total amount of R$1,415,497, as of March 31, 2003. These installments are subject to annual interest of 6% and are updated based on the IGP-DI.

Due to the non-inclusion in the Second Amendment of effective guarantees that would assure the realization of the aforementioned asset, CEMIG recorded an allowance for losses in 2002 that represents the total amount of the referred amendment.

Due to the full allowance recorded, the financial income related to monetary variation and interest on the Second Amendment, from January to March 2003, in the amount of R$94,288, was excluded from the statement of income for 2003. However, in compliance with the Brazilian tax legislation, CEMIG has recorded the federal payable taxes on the mentioned financial income.

The installments of the mentioned Amendment, due from January 1 to May 1, 2003, totaling R$68,517, including monetary variation, interest and fine were not paid. Company management is negotiating the collection of the aforementioned past due amount with the Minas Gerais State Government, under the conditions established by the contract.

(b) Third Amendment of the CRC Credit Assignment Contract, signed on October 24, 2002

The installments originally due from April 1, 1999 to December 1, 1999 and from March 1, 2000 to December 1, 2002 totaling R$819,899 as of March 31, 2003, including interest and fines over past due installments, were renegotiated with the Minas Gerais State Government to annual interest rate of 12.00% and are updated based on the IGP-DI. They will be paid in 149 monthly installments from January 2003 to May 2015. This Amendment established an additional guarantee which now allows the Company to retain dividends and interest on capital to be paid to the Minas Gerais State Government, as a Company shareholder.

The installments of the Third Amendment, due from January 1 to May 1, 2003, totaling R$52,281, including monetary variation, interest and fine were not paid. Company management is negotiating the collection of the aforementioned past due amount with the Minas Gerais State Government, under the conditions established by the contract.

The projection of the Company's future operations indicates that the dividends attributable to the Minas Gerais State Government will be sufficient to assure the full realization of the asset related to the Third Amendment.

Management will monitor future events, which may impact the Company's dividend payment projection, in order to conclude if the above-mentioned guarantee is still effective or an additional allowance under this amendment is necessary.

10) INCOME AND SOCIAL CONTRIBUTION TAXES

(a) Tax credits

The Company and its subsidiaries have tax credits recorded as noncurrent assets. The income tax credits are recorded at a 25.00% rate and social contribution tax credits are recorded at a 9.00% rate. The composition of the balances is as follows:

	Consolidated	
	March 31, 2003	December 31, 2002
Tax credits on:		
Tax loss carryforwards	254,000	233,724
Employee post retirement benefits	79,548	113,081
Reserve for contingencies	135,338	126,799
Accrual for voluntary termination program - PDV	9,214	9,214
Allowance for doubtful accounts	23,318	19,750
Reserve for PASEP/COFINS - Special Rate Adjustment	26,404	26,214
Other	11,973	12,057
	539,795	540,839

CEMIG's Board of Directors approved, on March 27, 2003, the analysis made by CEMIG's Financial and Investor Relations Office on the projected future results of operations, adjusted to present value. According to such analysis, the Company may be able to realize the tax credits set forth above over a ten-year maximum period, in compliance with CVM Resolution No. 371, published on June 27, 2002. CEMIG's Fiscal Council, on March 27, 2003, received such study for consideration.

In accordance with CEMIG's estimates, future taxable income is expected to permit realization of the tax credits, as of March 31, 2003 as follows:

	Consolidated	Company
2003	117.886	117.782
2004	114.461	114.032
2005	96.812	94.632
2006	32.032	28.320
2007	34.412	30.130
2008 to 2010	123.702	115.853
2011 to 2012	20.490	17.936
	539.795	518.685

CEMIG has tax credits not recognized in its financial statements, in the amount of R$19,364, resulting from management estimates that certain obligations, due to their nature, will be realized in a period over ten years.

Additionally, Infovias has tax credits not recognized in its financial statements, in the amount of R$5,902, resulting from estimates of future results of operations approved by the Company's Board of Directors.

(b) Reconciliation of income tax and social contribution tax expenses

The reconciliation between the nominal expense of income tax (25% rate) and social contribution tax (9% rate) and the effective expense presented in the statement of income is as follows:

	Consolidated	
	Three months ended March 31,	
	2003	2002
Income before taxes on income	271,838	335,359
Income and social contribution expenses - nominal	(92,425)	(114,022)
Tax effects on:		
Allowance for losses on receivable from Minas Gerais State Government	(32,037)	
Reversal of social contribution tax on additional monetary restatement	(2,331)	(1,605)
Equity pick-up in subsidiaries	-	-
Contributions and grants not deductible	(957)	(749)
Other	7,335	1,096
Income and social contribution tax expenses in income statement	(120,415)	(115,280)

11) BONUS, NET OF SURCHARGE, AND COSTS TO BE REIMBURSED AS A RESULT OF THE ELECTRICITY RATIONING PLAN

Through the Energy Crisis Committee, the Federal Government established electric energy consumption targets for all consumers of areas affected by the Electricity Rationing Plan in force during the period from June 2001 to February 2002. A financial bonus was established for residential consumers whose electric energy consumption was lower than the target, and surcharges were established for all consumers whose consumption exceeded the target, calculated based on the effective consumption in excess of such target, as established by the Energy Crisis Committee. The balances related to the bonus, costs and surcharge, to be reimbursed by the Federal Government, are as follows:

C

	Marc 20
Bonus paid to consumers that consumed less than the target consumption	
Costs incurred related to the adoption of the Electricity Rationing Plan in excess of the 2.00% surcharge on consumer tariffs.	
Current	
Noncurrent	

Part of the surcharges, in the total amount of R$24,101, were not collected from consumers since they were subject to a judicial dispute during the Electricity Rationing Plan. As a result, ANEEL has not reimbursed the Company for the bonuses relating to the unbilled surcharge. This issue is under negotiation with ANEEL, and CEMIG does not expect losses on the realization of this amount.

In conformity with ANEEL Resolution No. 600, dated October 31, 2002, the operation costs related to the adoption of the Electricity Rationing Plan in excess of the 2.00% surcharge on consumer rates are expected to be recovered, after approval by ANEEL, through an increase in electricity rates in force after April 8, 2003.

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12) RECEIVABLES FROM FEDERAL GOVERNMENT - REVENUE LOSSES FROM LOW-INCOME CONSUMERS

The new classification criteria established by the Federal Government for low-income consumers resulted in a decrease in revenues from electricity sales to final customers in the amount of R$63,956 (R$42,386 in 2002 and R$21,570 in 2003), due to the lower rate applied to those customers.

The loss on revenue in 2002 will be reimbursed by the Federal Government according to criteria not yet established. Accordingly, in compliance with ANEEL's request, CEMIG recorded these losses under this caption against electricity sales to final customers in 2002 and 2003.

13) INVESTMENTS

	Consolidated	
	March 31, 2003	December 31, 2002
Equity in subsidiaries		

Empresa de Infovias S.A.	-	-
Companhia de Gas de Minas Gerais - GASMIG	-	-
Usina Termica Ipatinga S.A.	-	-
Sa Carvalho S.A.	-	-
Horizontes Energia S.A.	-	-
Cemig Capim Branco Energia S.A.	-	-
Cemig PCH S.A.	-	-
UTE Barreiro S.A.	-	-
Efficientia S.A.	-	-
	-	-
In consortiums	666,363	588,910
Goodwill on purchase of Infovias	9,510	9,510
Other investments	10,457	10,237
	686,330	608,657

(a) The principal information related to consolidated subsidiaries as of March 31, 2003, is as follows:

	March 31, 2003		
Subsidiaries	Cemig Interest (%)	Capital	Sharehol equit
Empresa de Infovias S.A.	99.92	291,000	2
Companhia de Gas de Minas Gerais -GASMIG *	95.19	46,067	
Usina Termica Ipatinga S.A.	100.00	74,634	
Sa Carvalho S.A.	100.00	86,833	
Horizontes Energia S.A.	100.00	62,871	
Cemig Capim Branco Energia S.A.	100.00	1	
Cemig PCH S.A.	100.00	1	
UTE Barreiro S.A.	100.00	1	
Efficientia S.A.	100.00	10	

In the first quarter of 2003, CEMIG made payments relating to a capital increase in Infovias in the amount of R$26,568.

The independent accountants' report on the financial statements of Infovias, as of December 31, 2002, included comments on: (i) deferred income and social contribution taxes for which realization was based on management profit projections which depend on contracts which are under negotiation; and (ii) need of additional resources from shareholders or third-parties to fund its operations, as well as to ensure the recoverability of its assets at the amounts recorded in its financial statements, until Infovias' own operating revenues reach a level sufficient to absorb these amounts. The interim financial statements of Infovias for the quarter ended March 31, 2003 are still being prepared.

(b) Consortiums

CEMIG and its subsidiary, Cemig Capim Branco Energia S.A., are partners with other companies in certain consortiums for electricity generation projects. The consortiums, which are not separate legal entities, were created to manage the related concession contracts. The Company maintains accounting records of its share in the consortium assets which are jointly managed with the other consortium partners, as follows:

	CEMIG's Participation	March
In Operation		
Porto Estrela Hydroelectric Power Plant	33.33%	
Igarapava Hydroelectric Power Plant	14.50%	
Funil Hydroelectric Power Plant	49.00%	
Under Construction		
Queimado Hydroelectric Power Plant	82.50%	
Aimores Hydroelectric Power Plant	49.00%	
Total Company		
Cemig Capim Branco S.A.		
Capim Branco Hydroelectric Power Plants I and II	21.05%	
Total Consolidated		

The realization of Consortiums investments will occur simultaneously with depreciation on the Consortiums', Property, Plant and Equipment, calculated on a straight-line basis, according to rates established by ANEEL.

14) PROPERTY, PLANT AND EQUIPMENT

	Annual average depreciation rate %	Consolidated March 31, 2003	Consolidated December 31, 2002

In service			
Generation-			
Hydroelectric	2.47	5,514,557	5,512,899
Thermoelectric	1.83	215,223	216,656
Transmission	3.08	1,029,931	1,021,836
Distribution	5.21	6,729,971	6,680,138
Administration	9.63	268,091	266,601
Other	7.48	384,242	379,014
		14,142,015	14,077,144
Accumulated depreciation and amortization			
Generation		(2,166,849)	(2,131,769)
Transmission		(472,454)	(465,022)
Distribution		(2,714,350)	(2,654,365)
Administration		(139,889)	(133,596)
Other		(43,516)	(34,978)
		(5,537,058)	(5,419,730)
Total in service		8,604,957	8,657,414
Construction in progress-			
Generation		277,937	220,360
Transmission		121,824	107,312
Distribution		439,330	442,921
Administration		38,076	33,000
Other		34,949	22,206
Total construction in progress		912,116	825,799
Total		9,517,073	9,483,213
Special liabilities		(1,601,915)	(1,585,431)
Total, net		7,915,158	7,897,782

Special liabilities refers primarily to consumers' contributions to support construction necessary to meet energy supply orders. Our obligation to satisfy these Special liabilities depends on ANEEL's disposition at the end of the distribution concessions through reduction of residual value of Property, plant and equipment to define the value that the Federal Government will pay to concessionaires. According to accounting principles and electric energy sector legislation in force in Brazil, these amounts are not subject to updating, amortization or depreciation.

15) SUPPLIERS

	Consolidated	
	March 31, 2003	December 31, 2002
Short Term		
Electricity suppliers		
Furnas	448,902	259,437

Wholesale Energy Market - MAE	457,875	770,578
Transfer to Generators	71,157	83,974
Other	34,177	30,636
	1,012,111	1,144,625
Supplies and services	72,574	130,100
	1,084,685	1,274,725
Long Term		
Electricity suppliers -		
Transfer to Generators	354,758	334,295

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The amounts to be paid related to energy purchased on the spot market and system service charges - ESS during the period from September 2000 to December 2002 were recorded based on information provided by MAE. The amounts related to the period from January 2003 to March 2003 were accrued based on Company estimates. A portion of these liabilities were settled in February 2003 (Note 4).

The amounts recorded may change due to MAE's revision of certain assumptions used to calculate the stated amounts and judicial claims currently in progress, filed by market agents, including the Company, related to the interpretation of the market rules in force.

As of March 31, 2003, CEMIG had overdue amounts to be paid to Furnas, relating to purchase of energy from Itaipu, in the amount of R$203,511, which R$101,140 was paid on April 2003.

16) TAXES PAYABLE

	Consolidated	
	March 31, 2003	December 31, 2002
Current		
Income Tax	66,548	20,559
Social Contribution Tax	23,839	27,856
ICMS (State VAT)	134,084	44,982
COFINS (tax on revenue)	25,995	29,646
INSS (social security)	12,694	11,828
Other	8,768	8,930
	5,095	6,956
	277,023	150,757
Long Term		

Income Tax	195,333	111,651
Social Contribution Tax	70,320	40,195
COFINS	46,743	46,255
PASEP	18,609	18,539
	331,005	216,640

The federal taxes recorded under long-term liabilities refer to net deferred obligations on assets and liabilities in accordance with the General Agreement of Electricity Sector. The increase in net obligations is due to the payment of a portion of MAE obligations in February 2003.

The Company negotiated with certain financial institutions to prepay part of the State VAT on December 30, 2002, originally due on January 2, 2003, totaling R$76,000. The Company realized a financial gain in this transaction, based on the Interbank certificate of deposit rate- CDI variation.

17) LOANS, FINANCING AND DEBENTURES

Composition of loan, financing and debentures by currency and indexes is as follows:

	Consolidated	
	March 31, 2003	December 31, 2002
Currency -		
U.S. dollar	1,829,372	1,994,957
EURO	34,247	73,037
Unit of account (basket of currencies)	41,509	51,053
	1,905,128	2,119,047
Indice Geral de Precos - IGP-M (General Price Index)	1,177,289	1,076,252
Indice Interno da Eletrobras - FINEL (Eletrobras Internal Index)	151,196	154,028
UFIR (Tax Reference Unit)	159,995	152,228
SELIC (Brazilian benchmark interest rate)	336,339	-
Other	49,805	37,815
	1,874,624	1,420,323
Escrow accounts (1)		
Income based on CDI (Interbank certificate of deposit) rates	(59,156)	(52,130)
Income based on U.S. dollar variation	(104,914)	(102,496)

	(164,070)	(154,626)
	3,615,682	3,384,744

(1) Refers to restricted use funds for payment of foreign currency-denominated financing, in comp
Brasil - BACEN (Brazilian Central Bank) Resolution No. 2,515 of June 29, 1998.

The variations in the principal currencies and indexes used to restate the loans, financing and debentures are as follows:

Currency	Quarterly Variation %	Indexes
U.S. dollar	(5.10)	Indice Geral de Precos - IG (General Price Index)
Euro	(0.94)	Indice Interno da Eletrobra (Eletrobras Internal In
Unit of account (Basket of currencies)	0.53	

Certain of the Company's loan, financing and debenture contracts, in the total amount of R$510,946 as of March 31, 2003, of which R$328,613 are classified as long-term liabilities, contain certain financial covenants that, in the event of noncompliance, may cause the amounts due under the contracts to become immediately due. In addition, the Company has financing contracts that contain cross-default clauses. The Company has obtained waivers from the creditors that are parties to contracts that contain covenants with respect to which it is not in compliance. These waivers affirm that such creditors will not exercise their rights to demand either accelerated or immediate payment of the total amounts due as of December 31, 2002, March 31, 2003 and for most contracts, June 30, 2003. The Company believes that the noncompliance with the debt covenants was an unusual event, and that its operations for 2003 are expected to allow full compliance with debt covenants. Loan, financing and debentures are classified as current and long-term liabilities according to the original contract terms, in compliance with the waivers obtained.

18) RESERVE FOR CONTINGENCIES

CEMIG and its subsidiaries are party to certain legal proceedings in Brazil arising in the normal course of business and relating to tax, labor, civil and other issues.

The Company believes that any loss in excess of the amounts provided for, in respect of such contingencies, will not have a material adverse effect on the Company's results of operations or financial position.

For those contingencies for which an adverse outcome has been deemed probable, CEMIG has recognized reserves for losses:

The composition of provisions recorded is as follows:

	Cons
	March 3 2003
Labor claims	7
Civil lawsuits - Consumers	9
Social contribution tax	9
Finsocial (tax on revenue)	1
Civil lawsuits - Others	2
Other	2
	33

Certain details relating to such reserves are as follows:

(a) Labor claims

The labor claims relate principally to overtime and hazardous occupation compensation. The total exposure for those matters is estimated to be R$95,776, as of March 31, 2003 (R$87,133 as of December 31, 2002). The Company recorded in the first quarter ended March 31, 2003 reserve in the amount of R$6,914 (R$910 in the first quarter of 2002). CEMIG determines the amounts to be reserved based on the nature of the group of claims and the most recent court decisions.

(b) Civil lawsuits - Consumers

A number of industrial consumers have brought legal action against the Company seeking refunds of amounts paid to CEMIG as a result of a rate increase that became effective during the Brazilian government's economic stabilization "Cruzado Plan" in 1986, alleging that such increases violated the price controls instituted as part of that plan. CEMIG determines the amounts to be reserved based on the amount billed subject to consumers' claims and recent court decisions.

The total estimated exposure to the Company for those claims, fully provided for, was R$91,533 as of March 31, 2003 (R$85,727 at December 31, 2002).

(c) Social contribution tax

The Company is deducting the amounts of depreciation, amortization and write-off of supplementary monetary restatement of property, plant and equipment, for purposes of computation of social contribution tax. The Company estimates that its potential exposure in this matter is approximately R$96,495, as of March 31, 2003 (R$93,137 at December 31, 2002). The amount is fully provisioned.

(d) Finsocial (tax on revenue)

In 1994, CEMIG was fined by the Brazilian federal tax authorities due to the exclusion of State VAT from the Finsocial calculation, a tax on billing extinguished in 1992. The Company estimates that its potential exposure in this matter is approximately R$19,558 as of March 31, 2003 (R$19,393 at December 31, 2002). The amount is fully provisioned.

(e) Other

Other reserves are related to a number of lawsuits involving the Federal Government, pursuant to which the Company is disputing the constitutionality of certain federal taxes that have been assessed against it and other general claims arising in the ordinary course of business.

(f) Legal proceedings in which a favorable outcome is probable

CEMIG has other relevant legal proceedings with respect to which the Company believes that a favorable outcome is probable. Certain details relating to such matters are as follows:

(i) Litigation involving FORLUZ with possible financial effects on CEMIG

The Company is defending, together with FORLUZ, a claim brought by its employees' labor union ("Sindieletro") contesting the suspension of increases in the Company's required contribution to the pension fund pursuant to periodic monetary restatements. The total amount sought in this claim is R$633,878. No reserve has been recorded for this claim, since the Company believes that it has a meritorious defense to such claim and, consequently, does not expect to incur losses related thereto.

In addition, some of Forluz's participants are contesting a change in the pension fund's contribution adjustment index from IGP-DI to IPCA of IPEAD (consumer price index calculated by Minas Gerais Accounting Management and Economic Research Institute of Minas Gerais Federal University). The total amount sought in this claim is R$281,985. Management believes that if the outcome is not favorable to Forluz, the additional obligation will be guaranteed by Forluz's surplus, and does not expect to incur losses related to such claim. Therefore, and considering that FORLUZ has a meritorious defense to such claim, no accrual has been recorded for this claim.

(ii) Income and social contribution taxes on post retirement benefits

On October 11, 2001, the Brazilian federal tax authorities issued an assessment notice relating to a R$232,155 discrepancy with respect to tax credits recorded by CEMIG in 2001 that had been partially recovered during the year. These credits result from the change in accounting method for recording post-retirement benefit liabilities, as required by CVM Deliberation No. 371/00. CEMIG is defending the tax assessment notice administratively against the tax authorities. No reserve has been recorded as a result of this notice, since the Company believes that the procedures which generated the tax credits are legally sound.

The tax credits mentioned in the preceding paragraph were offset against federal taxes paid in 2001 and 2002. As a result, the Brazilian federal tax authorities issued a decision against such offset due to the tax assessment mentioned above. CEMIG's total potential exposure as of March 31, 2003 is approximately R$177,835. No reserve for contingencies has been made to cover any liabilities that may result from the tax assessment, since CEMIG believes that it has solid legal grounds, which support the procedures adopted.

(iii) COFINS

The Company began contesting the payment of COFINS (tax on revenue) beginning in 1992. As a result of an unfavorable court ruling, the Company paid R$239,266 of COFINS tax on July 30, 1999.

The Federal Government is claiming that the Company owes approximately R$136,388 in additional fines and interest relating to the non-payment of COFINS. The Company is contesting such claims. No reserve has been recorded for this claim, since the Company believes that it has a meritorious defense against such claim and, consequently, does not expect to incur losses related thereto.

(iv) Regulatory agency acts

ANEEL has a regulatory proceeding pending against CEMIG claiming that CEMIG owes the Federal Government R$197,206 because of a miscalculation of credits in the amount of the cumulative rate deficit (CRC) applied to reduce amounts owed to the Federal Government. The Company believes that it has a meritorious defense against such claim and has therefore recorded no reserve in respect thereto.

On January 16, 2003, ANEEL sent a notice to the Company alleging that it had failed to obtain necessary ANEEL authorization relating to the Company's 5-year contract with Infovias related to the furnishing of data and rendering of services related to geo-technology services. ANEEL may seek to impose a fine upon the Company relating to this matter. The maximum applicable penalty is a fine in an amount equal to 2.00% of CEMIG's revenues during the 12-month period immediately prior to the imposition of the fine. The Company believes that it has a meritorious defense to such claim and has therefore recorded no accrual in respect of such claim.

(v) Civil lawsuits - Consumers

Various consumers brought civil class-action claims against CEMIG contesting rate adjustments applied in prior years, including the special rate adjustment and the Emergency Capacity Charge (Encargo de Capacidade Emergencial) applied starting in 2002. The Company believes that it has a meritorious defense to such claims and has therefore recorded no reserve.

The Company is a defendant, with others enterprises of Consortium of Capim Branco I and Capim Branco II hydroelectric power plants, in a class action lawsuit contesting the construction of such plants. Additionally, the Brazilian Attorney General's Office brought a lawsuit seeking to nullify the Aimores Power Plant concession. Management believes that it has a meritorious defense to these lawsuits and, consequently, does not expect them to prevent the construction and operation of mentioned plants and the realization of related assets.

19) EMPLOYEE POST-RETIREMENT BENEFITS

Since 1973, the Company has been the sponsor of Fundacao Forluminas de Seguridade Social - FORLUZ, a non-profit entity with the purpose of providing its associates, participants and their dependants with additional income to supplement the government pension, in accordance with the pension plan to which they are linked.

FORLUZ offers its associates the following supplementary pension plans:

Mixed Benefit Plan - A defined contribution plan for normal retirement and a defined benefit plan for coverage of active participant's disability and death. The Company's contribution is equivalent to the associate's monthly basic contributions and is the only plan available for new participants.

Settled Benefit Plan - Includes all retired participants who opted for this plan and the balances, at the option date, of active participants who opted for migrating from the Defined Benefit Plan to the above-mentioned Mixed Benefit Plan.

Defined Benefit Plan - Benefit plan adopted by FORLUZ up to 1998, in which the Federal Government Social Security benefit is supplemented in relation to the actual average salary of the employee's final years of service in the Company.

In addition to the pension plans provided by FORLUZ, the Company also pays part of the life insurance premium for its retirees and of the health care plan for employees, retirees and their dependants. These plans are also managed by FORLUZ.

The changes in net post-retirement liabilities are as follows:

	Defined Benefit Pension Plan	Health
Net liabilities as of December 31, 2002	1,392,088	198,
Net periodic cost recorded in the income statement	(8,276)	6,
Contributions paid	(56,231)	(4,
Net liabilities as of March 31, 2003	1,327,581	200,

Part of the deficit in FORLUZ's actuarial reserves in the amount of R$1,537,044 as of March 31, 2003 (R$1,495,334 at December 31, 2002) was recognized as obligations payable by the Company. These obligations are being amortized through monthly installments, through June 2024, calculated under the fixed-installment system ("Price Table"), subject to annual restatement in accordance with the salary correction index for the Company's employees (not including productivity) included in the defined benefit plan and subject to IPCA - IPEAD for other plans, plus 6% per year.

20) SHAREHOLDERS' EQUITY

The change in shareholders' equity is as follows:

Balance as of December 31, 2002	
Reversal of dividends	
Net income for the quarter ended March 31, 2003	
Balance as of March 31, 2003	

In September 1999, the State of Minas Gerais filed a lawsuit seeking to nullify the shareholders' agreement signed in 1997 with Southern Electric Brasil Participacoes Ltda. On August 7, 2001, the Minas Gerais State Court of Appeals declared the shareholders' agreement null and void. Southern Electric Brasil Participacoes Ltda. appealed the decision which was rejected by the Minas Gerais State Court of Appeals on October 2001. Southern Electric Brasil Participacoes Ltda. has appealed the Court's latest decision.

21) ELECTRICITY SALES

The composition of electricity sales to final customers by class is as follows:

	Consolidated			
	(Not reviewed by accountants)			
	No of consumers		MWh	
	Three months ended March 31,		Three months ended March 31,	
	2003	2002	2003	2002
Residential	4,655,848	4,517,756	1,698,335	1,500,186
Industrial	68,255	68,087	5,259,841	5,196,928
Commercial	518,529	506,064	886,503	808,195
Rural	344,001	326,009	343,294	298,132
Public authorities	43,831	42,055	119,439	96,120
Public lighting	2,145	2,713	249,302	173,569
Public services	6,870	6,591	240,987	221,824
Own consumption	1,339	1,377	14,214	11,302
Unbilled, net	-	-	-	-
	5,640,818	5,470,652	8,811,915	8,306,256
Supply to other concessionaries	4	4	52,168	89,633
MAE transactions	-	-	-	-
Total	5,640,822	5,470,656	8,864,083	8,395,889

	Consolidated			
	(Not reviewed by accountants)			
	No of consumers		MWh	
	Three months ended March 31,		Three months ended March 31,	
	2003	2002	2003	2002
Residential	4,655,848	4,517,756	1,698,335	1,500,186
Industrial	68,253	68,085	5,084,837	4,965,690
Commercial	518,529	506,064	886,503	808,195
Rural	344,001	326,009	343,294	298,132
Public authorities	43,831	42,055	119,439	96,120
Public lighting	2,145	2,713	249,302	173,569
Public services	6,870	6,591	240,987	221,824
Own consumption	1,339	1,377	14,214	11,302
Unbilled, net	-	-	-	-
	5,640,820	5,470,650	8,636,911	8,075,018
Supply to other concessionaries	4	4	52,168	89,633
MAE transactions	-	-	-	-
Total				