

ENERGY CO OF MINAS GERAIS

Form 6-K

April 02, 2010

[Table of Contents](#)

## **FORM 6-K**

### **SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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

**For the month of April 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

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

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

---

Table of Contents

Index

<b>Item</b>	<b>Description of Item</b>
<u>1.</u>	<u>Earnings Release 2009 for Companhia Energética de Minas Gerais – CEMIG, Companhia Energética de Minas Gerais – CEMIG</u>
<u>2.</u>	<u>Market Announcement, Reply to BM&amp;F Bovespa Inquiry, Companhia Energética de Minas Gerais – CEMIG, March 16, 2010</u>
<u>3.</u>	<u>Summary of Principal Decisions of the 479th Meeting of the Board of Directors, Companhia Energética de Minas Gerais – CEMIG, March 16, 2010</u>
<u>4.</u>	<u>Summary of Principal Decisions of the 108th Meeting of the Board of Directors, Cemig Geração e Transmissão S.A., March 16, 2010</u>
<u>5.</u>	<u>Summary of Principal Decisions of the 102nd Meeting of the Board of Directors, Cemig Distribuição S.A., March 16, 2010</u>
<u>6.</u>	<u>Summary of Principal Decisions of the 480th Meeting of the Board of Directors, Companhia Energética de Minas Gerais – CEMIG, March 19, 2010</u>
<u>7.</u>	<u>Summary of Principal Decisions of the 481st Meeting of the Board of Directors, Companhia Energética de Minas Gerais – CEMIG, March 23, 2010</u>
<u>8.</u>	<u>Summary of Principal Decisions of the 109th Meeting of the Board of Directors, Cemig Geração e Transmissão S.A., March 23, 2010</u>
<u>9.</u>	<u>Summary of Principal Decisions of the 103rd Meeting of the Board of Directors, Cemig Distribuição S.A., March 23, 2010</u>
<u>10.</u>	<u>Notice to Shareholders of Companhia Energética de Minas Gerais – CEMIG, Companhia Energética de Minas Gerais – CEMIG, March 23, 2010</u>
<u>11.</u>	<u>Notice to Shareholders of Cemig Geração e Transmissão S.A., Cemig Geração e Transmissão S.A., March 23, 2010</u>
<u>12.</u>	<u>Notice to Shareholders of Cemig Distribuição S.A., Cemig Distribuição S.A., March 23, 2010</u>

Table of Contents

13. Material Announcement, Option Contract for Sale of the Share Units of Luce Investment Fund, Companhia Energética de Minas Gerais CEMIG, March 24, 2010
14. Market Announcement, Explanation on the Percentage of the Capital of Light S.A. that Cemig Will Be Acquiring If the Sales Option is Exercised, Companhia Energética de Minas Gerais CEMIG, March 24, 2010
15. Material Announcement, Completion of Light Share Purchase Transaction, Companhia Energética de Minas Gerais CEMIG, March 25, 2010
16. Material Announcement, Third Amendment to Electricity Distribution Concession Contracts, Companhia Energética de Minas Gerais CEMIG, March 29, 2010
17. Convocation and Proposal by the Board of Directors to The Ordinary and Extraordinary General Meeting of Stockholders to be held on April 29, 2010, Companhia Energética de Minas Gerais CEMIG, March 23, 2010

Table of Contents

SIGNATURES

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

COMPANHIA ENERGETICA DE MINAS GERAIS CEMIG

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

Date: April 2, 2010

Table of Contents

1.	Earnings Release 2009 for Companhia Energética de Minas Gerais	CEMIG, Companhia Energética de Minas Gerais	CEMIG
----	--	---	-------

Table of Contents

**EARNINGS RELEASE**

**2009**

**Cemig H**

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

Table of Contents

*Sergio Alair Barroso, Chairman of Cemig's Board of Directors, commented on the 2009 results:*

*The year 2009 will be remembered as a milestone in Cemig's history as the period in which, in spite of an economic context of crisis and uncertainty, the Company maintained its path of growth and of value addition for its shareholders.*

*The actions taken in 2009 are part of a group of strategies arising from our Long Term Strategic Plan, which establishes the directives guidelines of our growth for the long term.*

*And this growth is the fruit of the alignment of interests between the shareholders, a solid balance sheet, and a diversified portfolio of businesses that minimizes risks and generates higher incomes, year after year.*

*With this privileged situation we were able, over the year 2009, to position ourselves as outright leaders in the process of consolidation of the Brazilian electricity sector, with acquisitions exceeding R\$ 3.6 billion in value, in the sectors of power generation, transmission and distribution which are and will continue to be our core businesses.*

*To maintain our growth path we created unprecedented structures for expansion, which maintain our model of strategic partnerships, with total respect for minority shareholders and with the best corporate governance practices.*



Table of Contents

*Today we can say, with great pride, that Cemig is a unique example of alignment between the State and the private sector and, with 117,000 shareholders in more than 40 countries, it is already a global investment option, with a history of continuous growth, respect for stakeholders and addition of value.*

*Cemig's CEO, Djalma Bastos de Moraes, said:*

*The exceptional results that Cemig has presented for 2009 reflect the success of the strategy of our Long Term Strategic Plan, which has enabled Cemig to grow sustainably, with robust operational results and strong governance.*

*In spite of the challenges that it faced, Cemig showed solidity in its fundamentals, and we overcame this crisis with growth, even creating new models for partnerships.*

*We are consolidating within our expectations the operation of The Terna acquisition, now called Taesa. We also increased our holding in TBE. Therefore we are expanding our activities in electricity transmission, adding more stability and predictability to the Company's results.*

*At the end of 2009 we increased our stake in Light, a transaction to be concluded during this year, which is a strategic move that will allow Cemig to increase efficiency and capture synergies.*

*We emphasize that keeping a balanced portfolio of businesses, allied to our financial discipline and our strategy for*

Table of Contents

*sales of electricity, enabled us to mitigate the impact of the cooling of the economy on the Company's consolidated results.*

*As well as growing through acquisitions we also continued our expansion through new projects. We inaugurated operation of the Baguari hydroelectric plant, with installed capacity of 140MW.*

*And in 2009 we also started commercial operation of the 29MW Parajuru Wind Farm, which further increases the percentage of environmentally clean sources in our total generation – a factor which is essential for facing the challenges of the new century, but also one that has been a routine concern in our company, which has been part of the Dow Jones Sustainability Index for the last 10 years.*

*The results now presented are further evidence that we are on the right growth path, leading to increasing earnings and consequently distribution of higher dividends. All these are the fruit of the decisions taken in recent years, which are constantly adding value to our businesses, positioning Cemig as leader in the consolidation of the Brazilian electricity sector.*

*Luiz Fernando Rolla, Cemig's Chief Officer for Finance, Investor Relations and Control of Holdings, made these comments:*

*In 2009 our company continued to present consistent, robust cash flow, as a result of our portfolio of businesses, which maximizes return in the long term with a low level of risk.*

Table of Contents

*Our EBITDA reached the figure of R\$ 4 billion, with EBITDA s margin of 35%, a positive effect of our policy of maintaining high levels of quality in the management of assets, and operational efficiency the excellence of which is evidenced by our net income, of R\$ 1.8 billion in the year.*

*This level of results reflects the execution of our Long Term Strategic Plan, reflecting the correctness of growth via acquisitions and new projects, overcoming the adverse circumstances of a year characterized by a global economic crisis.*

*We went through the final stage of our Tariff Review, which reduced the tariffs of our distribution company, sharing with our consumers the gains in efficiency achieved in the previous tariff cycle. This review happened in the context of a scenario of economic slowdown and stress in the international capital markets, which in turn affected the consumption of our industrial clients. With the stability of our generating company revenue s guaranteed by contracts with minimum take-or-pay of 90%, we helped our corporate clients by rapidly and creatively placing the electricity that they would not need in 2009, and at the same time increasing our earnings for the year through short-term sale contracts in the Regulated Market at R\$ 145 per MWh.*

*We continued to seek greater operational efficiency, which included investment in a voluntary retirement program, which will reduce personnel costs as from the last quarter of 2010. With the results as foreseen by our Strategic Plan now materializing,*

Table of Contents

*we went forward in the process of consolidation in the electricity sector, successfully concluding the acquisition of Terna Participações S.A., in a transaction involving a total of approximately R\$ 5 billion, including the debt, through the use of an innovative structure partnership with an Equity Investment Fund, FIP Coliseu, created with one asset already in operation. Due to the needs of this acquisition, and with a view to keeping Cemig well-positioned in relation to the opportunities that we see in the future, we raised approximately R\$ 2.7 billion, while, however, not omitting to take the appropriate care of the structure of our balance sheet, which has just received one of the sector's best credit ratings from S&P.*

*Summing up, we can say emphatically that the execution of our Long Term Strategic Plan, preserving the solidity of our balance sheet, with financial discipline and technological excellence and while maintaining our dividend policy have expanded our operation to 20 states of Brazil, and to Chile, growing in a balanced and sustainable manner, at all times having in view addition of value for our shareholders.*

*On the following pages are the highlights of our financials for 2009.*

Table of Contents

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

**2009 headlines**

- EBITDA: *R\$ 4.039 billion*
- Net income: *R\$ 1.861 billion*
- Net revenue: *R\$ 11.705 billion*
- Cash position: *R\$ 4.426 billion*
  
- Volume sold in 2009: *60,909 GWh*

Table of Contents**Economic summary**

	2009	2008	R\$ million Change (%)
Electricity sold, GWh	60,909	59,761	1.92
Gross revenue	17,442	16,487	5.79
Net revenue	11,705	10,890	7.48
EBITDA	4,039	4,099	(1.46)
Net Income	1,861	1,887	(1.38)

**Share price performance****Stock Exchanges (Bovespa, NYSE, Latibex)**

	2009	2008	r%
CMIG3	24.40	18.67	30.69
CMIG4	31.60	24.04	31.45
IBOVESPA	68,588	37,550	82.66
IEE (Electric Energy Index)	24,327	15,291	59.09

	2009	2008	r%
CIG.C	13.91	10.25	35.71
CIG	18.06	13.16	37.23
DOW JONES	10,428	8,776	18.82

Table of Contents

**Consolidated electricity market**

**Electricity volume sold**

Cemig's annual volume of electricity sold increased once again in 2009 to a total of 60,909 GWh: this was 1.92% more than the volume sold in 2008 (59,762 GWh).

Through a successful commercial and trading strategy, the Cemig Group succeeded in re-allocating, in the Regulated Market, excesses of electricity of Free Consumers that became available in the Free Market. This resulted in Cemig's wholesale supply to other concession holders being 25.57% higher in 2009 than 2008, at 13,860 GWh.

The main sales made by the Group Cemig in the wholesale market were through the Adjustment Auction that took place in the first half of 2009 when this supply was sold for a price around R\$ 145/MWh.

Table of Contents

This table gives the breakdown of our sales and the related growth percentages:

	GWh		
Electricity sales volume	2009	2008	r%
Residential	9,744	9,011	8.13
Industrial	22,637	26,681	(15.16)
Commercial	6,198	5,886	5.30
Rural	2,221	2,308	(3.77)
Other categories	3,636	3,575	1.71
<b>Sub-total: final consumers</b>	<b>44,436</b>	<b>47,461</b>	<b>(6.37)</b>
Own consumption	51	52	1.92
Wholesale supply to other concession holders	13,860	11,037	25.57
Transactions in electricity on the CCEE	2,542	1,212	109.79
Sales under Proinfra program	20		
<b>TOTAL</b>	<b>60,909</b>	<b>59,762</b>	<b>1.92</b>

**Electricity market: Distribution****Cemig D**

In spite of the fall in economic activity in its concession area, **Cemig D** the group's distribution company sold 22,332 GWh to final consumers, 0.3% more than in 2008 (when it sold 22,259 GWh).

The reduction in sales to the industrial customers was basically due to migration by captive consumers to the Free Market, and also a reduction in demand by industrial companies, specifically in metals and mining sectors, which began to show signs of recovery in consumption only in the second half of the year.



Table of Contents

However, this reduction in consumption by industrial companies was offset by a robust growth of consumption by the residential and commercial categories, of 8.5% and 5.7% in the year, respectively.

The market is already showing a good outlook for 2010, reflecting expectation of growth in the Brazilian GDP, and consequent recovery in the level of activity in the industrial sector.

**Cemig D** s sales by consumer category in 2009 and 2008:

	<b>GWh</b>		
<b>Cemig D</b> : sales volume	<b>2009</b>	<b>2008</b>	<b>r%</b>
Residential	7,774	7,164	8.51
Industrial	4,826	5,563	(13.25)
Commercial	4,642	4,391	5.72
Rural	2,208	2,296	(3.8)
Other categories	2,882	2,845	1.30
<b>TOTAL</b>	<b>22,332</b>	<b>22,259</b>	<b>0.33</b>

Breakdown of **Cemig D** s 2009 sales volume by consumer category:

This table shows sources and uses of Cemig D s electricity in 2009:

Table of Contents**Cemig D sources and uses of electricity**

GWh		2009	2008	Change, %
<b>Total energy carried</b>	(a + b + c)	42,610	45,214	-5.8%
Average volume transported for concession holders	(a)	239	262	-8.8%
Average volume transported for Free Consumers	(b)	14,841	17,282	-14.1%
Own load	c = (d + e)	27,530	27,670	-0.5%
Captive consumer market	(d)	22,332	22,259	0.3%
Losses in our distribution network	(e)	5,198	5,411	-3.9%

**Electricity market: Generation****Cemig GT**

For **Cemig GT**, the fall in sales to final consumers was more than compensated by sales of wholesale supply to concession holders, which were approximately 30.72% higher than in 2008.

With the reallocation of this supply and the success of our commercial strategy, the final result of the year for **Cemig GT** was an increase in sales of the order of 4% from 2008.

Breakdown of **Cemig GT**'s sales by consumer category:

Sales of Cemig GT	2009	GWh	2008	Δ%
Final consumers	16,423		19,561	(16)%
Wholesale supply	15,792		12,081	30.72%
Transactions in the CCEE	2,031		1,173	73.15%
Sales under Proinfa program	20		-	-
<b>TOTAL</b>	<b>34,267</b>		<b>32,817</b>	<b>4.44%</b>

Table of Contents

**Revenue from supply of electricity**

Cemig's gross revenue in 2009 was R\$17.44 billion, 5.79% higher than the R\$16.48 billion recorded in 2008.

Main factors affecting revenue in 2009:

- Tariff increase for **Cemig Distribuição Company**, with average effect on consumer tariffs of 6.21%, starting from April 8th, 2009.
- Reduction in **Cemig Distribuição Company**'s tariff, with an average reduction impact across all consumer tariffs of 12.08%, from April 8th, 2008 (full effect in 2009).
- Posting of regulatory liabilities arising from the adjustment in **Cemig Distribuição Company**'s Tariff Review, with effect backdated to 2008, representing a reduction in gross revenue of R\$ 214 million, in 2009.
- Increase of 1.92% in the volume of energy invoiced to final consumers (excluding internal consumption).
- Average tariff 7.97% higher, at R\$ 283.78/MWh in 2009, compared to R\$ 262.83/MWh in 2008. The lower average tariff in 2008 mainly reflects the reduction in the tariffs of **Cemig Distribuição Company** with effect from April 8th, 2008, as a result of the Tariff Review.

Table of Contents

**Revenue from wholesale electricity sales**

Revenue from electricity sold to other concession holders in 2009 was R\$ 1.6 billion, compared to R\$ 1.0 billion in 2008 an increase of 61.46%.

This mainly reflects the increase of 25.57% in the volume of electricity sold to other concession holders, and under bilateral contracts, through two new contracts made in auctions of electricity to the distributors, for tariffs between R\$ 125.00 and R\$ 145.77.

Part of the electricity previously sold to industrial consumers was sold in this market, reflecting the reduction in these consumers demand as a result of the international recession and its effects on Brazilian industrial output. The volume of electricity sold to other concession holders through bilateral contracts was 13,859GWh in 2009, compared to 11,037GWh in 2008.

**Revenue from use of the network**

This revenue comprises the charge made to Free Consumers on the electricity sold by other agents of the electricity sector. Its reduction in 2009 reflects: (i) the average tariff in 2009 being approximately 3% lower; (ii) a higher volume of electricity bought from sources benefiting from incentives with reduced TUSD (network use charge), and (iii) a lower volume of transport of electricity to Free Consumers, a result of

Table of Contents

the effect of the world economic crisis on Brazilian manufacturing output.

This revenue was 3.44%, or R\$ 74 million higher in 2009, at R\$ 2.2 billion (compared to R\$ 2.1 billion in 2008).

**TUSD**

The revenue of **Cemig D** and **Light** from the Tariff for Use of the Distribution System (TUSD) was 14.04% lower, at R\$ 1.2 billion, in 2009, than in 2008 (R\$ 1.4 billion).

Also included in this line are revenues for (i) use of the National Grid, (ii) use of the connection system, and (iii) the adjustment portion arising from the review of the transmission tariff. These were, respectively, R\$ 762 million, R\$ 132 million and R\$ 120 million.

Another item is the extraordinary revenue of R\$ 137 million, posted in 2009, for the backdated effect of **Cemig GT**'s tariff review for the period from July 1st, 2005 to June 30, 2009.

For more information see Explanatory Note 28 to the Consolidated Financial Statements.

Table of Contents

**Net Income**

The Cemig Group's net income for 2009 was at the same level as in 2008: consolidated 2009 net income for the year was R\$ 1.8 billion, slightly (1.38%) less than the 2008 profit of R\$ 1.8 billion. When adjusted for non-recurring items it shows an increase of 7.4%.

The reduction most prominently reflects the Tariff Review that **Cemig D** underwent in 2008, with an average reduction of its consumer tariffs by 12.08%, in effect from April 2008 with its first full-year effect in the result for 2009. This retraction was offset by (i) the increase in the profitability of **Cemig GT** which produced net income R\$ 323 million higher than in 2008; and also by (ii) the R\$ 43 million net income higher than 2008 coming from TBE Company. This chart shows the breakdown of net income by company:

**Net Income by company 2009**

Table of Contents**EBITDA**

Cemig's EBITDA in 2009 was 1.46% *lower* than in 2008. When the comparison is adjusted for non-recurring items, EBITDA in 2009 is 4.64% *higher* than in 2008.

This table shows EBITDA and net income adjusted for non-recurring items:

IMPACT OF NON-RECURRING ITEMS	2009	2008
<b>Ebitda</b>	<b>4,039</b>	<b>4,099</b>
Non-recurring adjustments (*)		
+ Employee retirement program	206	50
- Tariff review of Cemig D Net revenue	214	-63
+ Tariff review of Cemig D operational expenses	-21	4
+ Revenue of Transmission Technical Note 214/2009	-158	-
<b>Adjusted Ebitda</b>	<b>4,280</b>	<b>4,090</b>
<b>Net income</b>	<b>1,861</b>	<b>1,887</b>
Non-recurring adjustments (*)		
RME Financial Compensation	-	-55
RME PIS COFINS Provision Reversion	-	-71
+ Employee retirement program	136	33
- Tariff review of Cemig D Net revenue	141	-42
+ Tariff review of Cemig D operational expenses	-14	3
+ Revenue of Transmission Technical Note 214/2009	-104	-
<b>Adjusted Net income</b>	<b>2,020</b>	<b>1,755</b>

(\*) The non-recurring adjustments correspond to the company's interpretation on events which it deems to be extraordinary, not related to current operations.

The main non-recurring effects are:

- As a consequence of the publication of the Transmission Tariff Review for Cemig GT, ANEEL set the repositioning of that company's Annual Permitted Transmission Revenue (RAP) at an increase of 5.35%, backdated to 2005, resulting in recognition of extraordinary revenue of R\$ 158 million.

Table of Contents

- Publication of the final, definitive conclusion of the Tariff Review of Cemig D resulted in a reduction of the costs of the Reference Company used by ANEEL to reimburse Cemig D for its controllable costs, with effect backdated to April 2008. The impact of these backdated effects on EBITDA was R\$ 193 million.
- The expense on the employees voluntary retirement program in 2009 also impacted EBITDA in the amount of R\$ 206 million.

**Cemig GT**'s contribution to the group's cash flow was higher in 2009, at 60% of the total. This reflects both **Cemig GT**'s sales strategy in the year, and also the impact of **Cemig D**'s Tariff Review.

This chart shows the breakdown of EBITDA by company:

**EBITDA by Company, 2009**



Table of Contents

**Deductions from operational revenue**

The total of Cemig's deductions from operational revenues in 2009 was R\$ 5.7 billion, 4.42% lower than the total deduction of R\$ 5.6 billion in 2008. The main variations between the two years are as follows:

**The Fuel Consumption Account - CCC**

The deduction from revenue for the CCC in 2009 was R\$ 493 million, 31.82% more than in 2008 (R\$ 374 million). This is a contribution 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 booked for electricity distribution is passed through in full to the tariff. For the amount related to transmission the Company merely passes through the charge - this part is charged to Free Consumers on the invoice for the use of the grid, and paid on by the Company to Eletrobrás.

**Energy Development Account - CDE**

The deduction from revenue for the CDE in 2009 was R\$ 408 million, 4.35% more than in 2008 (R\$ 391 million). The payments are specified by an ANEEL Resolution. This too is a non-controllable cost: the amount for electricity distribution is passed through in full to the tariff. For the amount related to transmission the Company merely

Table of Contents

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

**Global Reversion Reserve RGR**

The charge deducted from revenue for the RGR in 2009 was R\$ 190 million, compared to R\$ 180 million in 2008. This is a non-controllable cost: the expense recognized in the income statement is the amount passed through to the tariff.

The other deductions from revenue are for taxes that are calculated as a percentage of invoiced revenue hence their variations are substantially the same in percentage terms as the changes in revenue. Note that the taxes applicable to the extraordinary adjustments mentioned above have not been calculated and deducted from revenue in 2009.

Table of Contents**Operational costs and expenses (excluding Financial revenue (expenses))****Operational costs and expenses**

	2009	2008	Change, %
<b>Non-controllable costs</b>			
Electricity bought for resale	3,706	2,960	25.20
Royalties for use of water resources	154	131	17.56
Charges for the use of the basic transmission grid	831	724	14.78
	<b>4,691</b>	<b>3,815</b>	<b>22.96</b>
<b>Controllable costs</b>			
Personnel and managers	1,297	1,105	17.38
Post-employment obligations	149	264	(43.56)
Materials	107	105	1.90
Raw materials and inputs for power generation	4	70	(94.29)
Outsourced services	822	676	21.60
Operational provisions	106	206	(48.54)
Gas purchased for resale	167	229	(27.07)
Depreciation and amortization	736	715	2.94
Other expenses, net	323	321	0.62
	<b>3,711</b>	<b>3,691</b>	<b>0.54</b>
	<b>8,402</b>	<b>7,506</b>	<b>11.94</b>

Operational costs and expenses (excluding Financial revenue (expenses)) totaled R\$ 8.4 billion in 2009, compared to R\$ 7.5 billion in 2008, an increase of 11.94%. This result mainly reflects the increases in: personnel costs, electricity bought for resale, charges for use of the basic transmission grid, and outsourced services; partially offset by a

Table of Contents

lower cost of post-employment obligations, and lower operational provisions.

The main variations in operational expenses were:

**Personnel expenses**

Personnel expenses in 2009 totaled R\$ 1.297 billion, vs. R\$ 1.105 billion in 2008, an increase of 17.38%. This result is mainly due to the salary increases of 4.88% and 7.26% given to employees in November 2008 and 2009, respectively; and also the provision, of R\$ 206 million, made in 2009 for the PDV - Voluntary Retirement Program partially offset by the effect of the number of employees being 6.49% lower in 2009.

There is a breakdown of personnel expenses in Explanatory Note 31 to the Consolidated Financial Statements.

**Electricity bought for resale**

The expense on electricity bought for resale in 2009 was R\$ 3.706 billion, 25.20% higher than the figure of R\$ 2.960 billion for 2008. The difference is due to higher purchases of electricity in 2009, related to sales activity.

This is a non-controllable cost: the expense recognized in the income statement is the amount passed on to the tariff.

Table of Contents

For more information please see Explanatory Note 31 to the Consolidated Financial Statements.

**Post-employment obligations**

Expenses on post-employment obligations in 2009 were R\$ 131 million, compared to R\$ 264 million in 2008, a reduction of 50.38%. 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 reduction in this expense reflects the reduction in the present value of the obligations recorded, as a result of the increase in the interest rate used to discount these obligations to present value.

**Depreciation and amortization**

The expense on depreciation and amortization was 2.94% higher, at R\$ 736 million, in 2009, than in 2008 (R\$ 715 million).

**Financial revenues (expenses)**

The company posted net financial expenses of R\$ 219 million in 2009, which compares with net financial expenses of R\$ 94 million in 2008. The main factors are:

- An extraordinary item of financial revenue, of R\$ 83 million, in 2008, for financial compensation payable by the shareholders of RME for Cemig's waiver of exercise of the option to buy the generation assets of Light for a previously agreed amount.

Table of Contents

- Costs of loans and financings in Brazil were 21.54% lower year-on-year in 2009, due to amortizations in the period, and a lower CDI rate (the main index of contracts).
- Lower monetary updating on loans and financings, at R\$ 9 million in 2009, compared with R\$ 92 million in 2008. This is basically due to lower inflation indexes variations in 2009 than in 2008.
- Revenue of R\$ 108 million recorded in 2008, from the final court decision in favor of Light in an action challenging the application of the PIS and COFINS taxes to financial revenue.
- Revenue from net monetary adjustment on regulatory assets (CVA, the Deferred Tariff Adjustment, and the General Agreement for the Electricity Sector) 59.79% lower in 2009 than 2008. In 2009 this revenue was R\$ 78 million, compared with R\$ 194 million in 2008. The change is mainly because the value of the regulatory assets had been reduced in 2009 as they were paid off by receipt of the credit amounts in the tariff through clients' electricity bills.
- Net gains on FX variations in 2009, of R\$ 98 million, net of the compensatory effects created by financial instruments, compared to a net loss of R\$ 91 million in 2008, arising basically from loans and financings in foreign currency indexed to the US dollar and the yen. This principally reflects appreciation of the Real against the US dollar and the Yen in 2009, compared to depreciation in 2008. The dollar and the Yen *depreciated* against the Real, in 2009, by 25.49% and 27.10%, respectively while in 2008 they

Table of Contents

*appreciated*, respectively, by 31.94% and 62.89%, against the Real.

For a breakdown of financial revenues and expenses, please see Explanatory Note 32 to the financial statements.

**Income tax and Social Contribution tax**

In 2009 Cemig's expenses on income tax and the Social Contribution totaled R\$ 911 million, on net income of R\$ 3.083 billion before tax effects, a percentage of 29.5%.

Cemig's expenses in 2008 on income tax and the Social Contribution totaled R\$ 914 million on net income of R\$ 3.291 billion before tax, a percentage of 27.8%. These effective rates are reconciled with the nominal rates in Explanatory Note 13 to the Consolidated Financial Statements.

Table of Contents

**Disclaimer**

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

Contact:            Investor Relations  
                          ri@cemig.com.br  
                          Tel. +55-31-3506-5024  
                          Fax +55-31-3506-5025



Table of Contents

## CEMIG GT Tables I to III

## TABLE I

## Operating Revenues (consolidated) - CEMIG GT

Values in million of Reais

	4th Q. 2009	3rd Q. 2009	Chge%	4th Q. 2008	Chge%	2009	2008	Chge%
Sales to end consumers	467	455	3	527	(11)	1,765	1,934	(9)
Supply + Transactions in the CCEE	459	437	5	295	56	1,792	1,220	47
Revenues from Trans.								
Network	216	171	26	155	39	852	617	38
Others	12	6	100	6	100	30	29	3
<b>Subtotal</b>	<b>1,154</b>	<b>1,069</b>	<b>8</b>	<b>983</b>	<b>17</b>	<b>4,439</b>	<b>3,800</b>	<b>17</b>
Deductions	(249)	(222)	12	(236)	6	(910)	(863)	5
<b>Net Revenues</b>	<b>905</b>	<b>847</b>	<b>7</b>	<b>747</b>	<b>21</b>	<b>3,529</b>	<b>2,937</b>	<b>20</b>

## TABLE II

## Operating Expenses (consolidated) - CEMIG GT

Values in millions of reais

	4th Q. 2009	3rd Q. 2009	Chge%	4th Q. 2008	Chge%	2009	2008	Chge%
Personnel/Administrators/Councillors	74	65	14	69	7	309	260	19
Depreciation and Amortization	66	57	16	57	16	236	224	5
Charges for Use of Basic								
Transmission Network	67	66	2	71	(6)	275	272	1
Contracted Services	63	36	75	45	40	151	114	32
Forluz Post-Retirement Employee								
Benefits	7	7	-	12	(42)	29	48	(40)
Materials	6	4	50	6	-	16	17	(6)
Royalties	35	35	-	32	9	140	127	10
Operating Provisions	(17)	-	-	2	-	(16)	1	-
Other Expenses	21	18	17	32	(34)	69	91	(24)
Purchased Energy	32	46	(30)	13	-	149	13	-
Raw material for production	-	-	-	5	(100)	4	70	(94)
<b>Total</b>	<b>354</b>	<b>334</b>	<b>6</b>	<b>344</b>	<b>3</b>	<b>1,362</b>	<b>1,237</b>	<b>10</b>

## TABLE III

## Statement of Results (Consolidated) - CEMIG GT

Values in millions of reais

	4th Q. 2009	3rd Q. 2009	Chge%	4th Q. 2008	Chge%	2009	2008	Chge%
Net Revenue	905	847	7	747	21	3,529	2,937	20
Operating Expenses	(353)	(334)	6	(344)	3	(1,362)	(1,237)	10
<b>EBIT</b>	<b>552</b>	<b>513</b>	<b>8</b>	<b>403</b>	<b>37</b>	<b>2,167</b>	<b>1,700</b>	<b>27</b>
<b>EBITDA</b>	<b>618</b>	<b>570</b>	<b>8</b>	<b>460</b>	<b>34</b>	<b>2,403</b>	<b>1,924</b>	<b>25</b>
Financial Result	(89)	(55)	62	(65)	37	(236)	(245)	(4)
Provision for Income Taxes, Social Cont & Deferred Income Tax	(125)	(133)	(6)	(58)	116	(567)	(383)	48
Employee Participation	(33)	(6)	450	(71)	(54)	(55)	(86)	(36)
<b>Net Income</b>	<b>305</b>	<b>319</b>	<b>513</b>	<b>209</b>	<b>46</b>	<b>1,309</b>	<b>986</b>	<b>33</b>

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

Quarter	Captive Consumers	(GWh)		T.E.D2	GW TUSD PICK3
		TUSD ENERGY1			
1Q06	4,856	4,053		8,909	17.4
2Q06	4,986	4,207		9,193	17.8
3Q06	5,069	4,286		9,355	18.1
4Q06	5,059	4,194		9,253	18.2
1Q07	4,912	4,128		9,040	18.5
2Q07	5,267	4,438		9,705	19.1
3Q07	5,165	4,516		9,681	19.8
4Q07	5,350	4,457		9,807	20.0
1Q08	5,175	4,082		9,257	20.5
2Q08	5,494	4,364		9,858	20.5
3Q08	5,766	4,597		10,363	21.2
4Q08	5,823	4,368		10,191	21.4
1Q09	5,408	3,269		8,677	20.6
2Q09	5,478	3,593		9,071	20.5
3Q09	5,666	3,915		9,581	21.9
4Q09	5,740	4,304		10,043	22.4

1 Refers to the quantity of electricity for calculation of the regulatory charges charged to free consumer clients ( Portion A ).

2 Total electricity distributed.

3 Sum of the demand on which the TUSD is invoiced, according to demand contracted ( Portion B ).

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

Values in million of Reais

	4th Q. 2009	3rd Q. 2009	Chge%	4th Q. 2008	Chge%	2009	2008	Chge%
Sales to end consumers	2,494	2,394	4	2,047	22	8,981	8,547	5
TUSD	318	307	4	405	(21)	1,163	1,432	(19)

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

Subtotal	2,812	2,701	4	2,452	15	10,144	9,979	2
Others	52	28	86	-	-	117	45	160
<b>Subtotal</b>	<b>2,864</b>	<b>2,729</b>	<b>5</b>	<b>2,452</b>	<b>17</b>	<b>10,261</b>	<b>10,024</b>	<b>2</b>
Deductions	(1,016)	(968)	5	(934)	9	(3,876)	(3,877)	(0)
<b>Net Revenues</b>	<b>1,848</b>	<b>1,761</b>	<b>5</b>	<b>1,518</b>	<b>22</b>	<b>6,385</b>	<b>6,147</b>	<b>4</b>

Table of Contents**TABLE III**

## Operating Expenses (consolidated) - CEMIG D

Values in millions of reais

	4th Q. 2009	3rd Q. 2008	Chge%	4th Q. 2008	Chge%	2009	2008	Chge%
Purchased Energy	940	884	6	631	49	3,068	2,416	27
Personnel/Administrators/Councillors	166	180	(8)	196	(15)	859	748	15
Depreciation and Amortization	115	80	44	83	39	357	354	1
Charges for Use of Basic Transmission Network	138	138	-	113	22	531	459	16
Contracted Services	161	115	40	114	41	525	426	23
Forluz Post-Retirement Employee Benefits	23	23	-	37	(38)	92	149	(38)
Materials	19	22	(14)	23	(17)	81	80	1
Operating Provisions	5	37	(86)	27	(81)	66	89	(26)
Other Expenses	81	41	98	50	62	217	173	25
<b>Total</b>	<b>1,648</b>	<b>1,520</b>	<b>8</b>	<b>1,274</b>	<b>29</b>	<b>5,796</b>	<b>4,894</b>	<b>18</b>

**TABLE IV**

## Statement of Results (Consolidated) - CEMIG D

Values in millions of reais

	4th Q. 2009	3rd Q. 2008	Chge%	4th Q. 2008	Chge%	2009	2008	Chge%
Net Revenue	1,848	1,761	5	1,519	22	6,385	6,147	4
Operating Expenses	(1,649)	(1,521)	8	(1,274)	29	(5,797)	(4,895)	18
<b>EBIT</b>	<b>199</b>	<b>240</b>	<b>(17)</b>	<b>245</b>	<b>(19)</b>	<b>588</b>	<b>1,252</b>	<b>(53)</b>
<b>EBITDA</b>	<b>314</b>	<b>320</b>	<b>(2)</b>	<b>325</b>	<b>(3)</b>	<b>945</b>	<b>1,606</b>	