

ENERGY CO OF MINAS GERAIS

Form 6-K

June 12, 2014

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## **FORM 6-K**

# **SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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

**For the month of June 2014**

**Commission File Number 1-15224**

## **Energy Company of Minas Gerais**

(Translation of Registrant's Name Into English)

**Avenida Barbacena, 1200**

**30190-131 Belo Horizonte, Minas Gerais, Brazil**

(Address of Principal Executive Offices)

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

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Form 20-F  Form 40-F

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

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

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

Yes  No

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

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<u>2.</u>	<u>Minutes of the Ordinary and Extraordinary General Meetings of Stockholders Held, concurrently, on April 30, 2014</u>
<u>3.</u>	<u>Notice to Stockholders Dated April 30, 2014: Proposal and Convocation of Extraordinary General Meeting of Stockholders to be Held on June 3, 2014</u>
<u>4.</u>	<u>Summary of Principal Decisions of the 595th Meeting of the Board of Directors Held on May 8, 2014</u>
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<u>7.</u>	<u>Market Notice Dated May 19, 2014: Lazard Management Reports Holding of 5.14%</u>
<u>8.</u>	<u>Earnings Release of First Quarter 2014 Results</u>
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<u>12.</u>	<u>Carbon Disclosure Project 2014 – Publication</u>
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<u>17.</u>	<u>Material Announcement Dated June 9, 2014: Acquisition of further interest in Santo Antônio Energia 81% complete</u>
<u>18.</u>	<u>Summary of Minutes of the 567th Meeting of the Board of Directors Held on May 16, 2013</u>

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Forward-Looking Statements

This report contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. Actual results could differ materially from those predicted in such forward-looking statements. Factors which may cause actual results to differ materially from those discussed herein include those risk factors set forth in our most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. CEMIG undertakes no obligation to revise these forward-looking statements to reflect events or circumstances after the date hereof, and claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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SIGNATURES

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

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

By:	/s/ Luiz Fernando Rolla	
Name:		Luiz Fernando Rolla
Title:		Chief Officer for Finance and Investor Relations

Date: June 11, 2014

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1. Summary of Minutes of the 587th Meeting of the Board of Directors Held on February 6, 2014

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES**

**OF THE**

**587TH MEETING**

**Date, time and place:** February 6, 2014, at 9 a.m., at the company's head office,

**Meeting Committee:** Chair: Djalma Bastos de Morais;  
Secretary: Anamaria Pugedo Frade Barros.

**Summary of proceedings:**

**I** **Conflict of interest:** The Chair asked the Board Members present whether any of them had conflict of interest in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.

**II** **The Board approved** the minutes of this meeting.

**III** **The Board authorized:**

a) Creation of a wholly-owned subsidiary of the Company with head office in Spain, to be named **Cemig Overseas S.L.**

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The objects of this company shall be: to purchase, sign, exchange and sell, on its own behalf, without activities of an intermediary, all types of securities, Brazilian or otherwise, issued by companies, of any legal type, whose activities are related to energy services in their various fields, and in particular to carry out activities of management and administration of securities representing the share capital of entities with head office in Spain or otherwise.

This company shall have initial share capital of three hundred thousand euros, represented by three hundred thousand shares, to be subscribed for one euro each, and fully paid up in cash, for which the foreign exchange transaction shall be made and finalized on the date of constitution of the company.

Appointment of:

Mr. Fernando Henrique Schüffner Neto and Mr. Luiz Fernando Rolla

as directors of Cemig Overseas S.L., for a period of office of two years.

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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b) Constitution of the **Cemig EPM Consortium**, with **Empresas Públicas de Medellín E.S.P. (EPM)**, through signature by the parties of the following legal instruments:

1) A Consortium Agreement, for the purpose of presenting a joint bid in the Second Phase of the Process of Sale by the government of Colombia of its shares in Isagen S.A. E.S.P. (Isagen).

- In this consortium Cemig will hold an interest of 87.7% and EPM will hold an interest of 12.3%.
- This proportion may be changed by the parties if the offering of shares is less than 57.6624% of the total capital of Isagen.
- Cemig shall be entitled to assign the whole of its interest in the said Consortium to any company in which it has direct or indirect control, provided such assignment has the consent of EPM.

2) A Memorandum of Understanding, for structuring of an economic offer in the Process of Sale, to provide for EPM to own up to 20% of the subscribed and paid-up capital.

- In the event that the consortium wins the bid, Cemig shall exercise either direct or indirect control of Isagen, and shall have the right to assign the whole of its interest to any company in which it has direct or indirect control, provided that such assignment has the consent of EPM.

**IV** **Comments:** The Chair spoke on a subject of interest to the Company.

**The following were present:**

Board members:	Dorothea Fonseca Furquim Werneck,	Wando Pereira Borges,
	Djalma Bastos de Morais,	Adriano Magalhães Chaves,
	Arcângelo Eustáquio Torres Queiroz,	Bruno Magalhães Menicucci,
	Fuad Jorge Noman Filho,	José Augusto Gomes Campos,
	Guy Maria Villela Paschoal,	Newton Brandão Ferraz Ramos,

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João Camilo Penna,

Tarcísio Augusto Carneiro,

Paulo Roberto Reckziegel Guedes,

Christiano Miguel Moysés,

Tadeu Barreto Guimarães,

Marina Rosenthal Rocha,

Paulo Sérgio Machado Ribeiro;

Secretary: Anamaria Pugedo Frade Barros.

(Signed by:) Anamaria Pugedo Frade Barros.

Commercial Board of the State of Minas Gerais

I certify registry on: May 15, 2014

Under the number: 5271986

Filing Receipt number: 14/326.590-3

Marinely de Paula Bomfim

General Secretary

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2. Minutes of the Ordinary and Extraordinary General Meetings of Stockholders Held, concurrently, on April 30, 2014

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

CNPJ 17.155.730/0001-64 NIRE 31300040127

**MINUTES**

**OF THE**

**ORDINARY AND EXTRAORDINARY**

**GENERAL MEETINGS OF STOCKHOLDERS**

**HELD, CONCURRENTLY, ON APRIL 30, 2014**

At 11 a.m. on April 30, 2014, stockholders representing more than two-thirds of the voting stock of **Companhia Energética de Minas Gerais Cemig** met in Extraordinary General Meeting on first convocation, at the Company's head office, Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil, as verified in the Stockholders' Attendance Book, where all placed their signatures and made the required statements. The stockholder **The State of Minas Gerais** was represented by the General Attorney of Minas Gerais State, Mr. **Roney Luiz Torres Alves da Silva**, in accordance with the legislation. Also present were: the Chair of the Audit Board, Mr. **Aristóteles Luiz Menezes Vasconcellos Drummond**; **Deloitte Touche Tohmatsu Auditores Independentes**, represented by Mr. José Ricardo Faria Gomez, CRC-SP 218398/O-1 S/MG, and Mr. Leonardo Fonseca de Freitas Maia, CRC-MG 079276/O-7; and the Chief Finance and Investor Relations Officer of Cemig, Mr. Luiz Fernando Rolla.

Initially, Ms. **Anamaria Pugedo Frade Barros**, General Manager of Cemig's Corporate Executive Office, stated that there was a quorum for an Ordinary and an Extraordinary General Meeting of Stockholders. She further stated that under Clause 10 of the Company's by-laws, the stockholders present should choose the Chair of this Meeting.

Asking for the floor, the representative of the Stockholder **The State of Minas Gerais** put forward the name of the stockholder **Luiz Fernando Rolla** to chair the Meeting. The proposal of the representative of the stockholder **The State of Minas Gerais** was put to debate, and to the vote, and unanimously approved.

The Chair then declared the Meeting open and invited me, **Anamaria Pugedo Frade Barros**, a stockholder, to be Secretary of the meeting, asking me to read the convocation notice, published on March 25, 26 and 27 of this year, in the newspapers *Minas Gerais*, official publication of the Powers of the State, on pages 37, 69 and 69, respectively, and *O Tempo*, on pages 32, 33 and 33, respectively, the content of which is as follows:

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS CONVOCATION**

**Stockholders are hereby called** to an Ordinary and an Extraordinary General Meeting of Stockholders, to be held, concurrently, on April 30, 2014 at 11 a.m., at the company's head office, Av. Barbacena 1200, 21st floor, in the city of Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

1 Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2013, and their complementary documents.

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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2 Allocation of the Net profit for the 2013 business year, in the amount of R\$ 3,103,855,000, and of the balance of retained earnings, in the amount of R\$ 109,056,000.

3 Decision on the form and date of payment of dividends, and Interest on Equity, in the amount of R\$ 1,655,602,000.

4 Election of the sitting and substitute members of the Audit Board, due to the completion of their period of office; and setting of their remuneration.

5 Election of the sitting and substitute members of the Board of Directors, due to the completion of their current period of office.

6 Setting of the remuneration of the Company's Managers.

7 Orientation of the vote of the Company's representative(s) in the Ordinary and Extraordinary General Meetings of Stockholders of Cemig Distribuição S.A. ( Cemig D ), also to be held on April 30, 2014, as to the following:

a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2013, and their complementary documents.

b) Proposal for allocation of the net profit for 2013, in the amount of R\$ 490,254,000.

c) Decision on the form and date of payment of dividends and Interest on Equity, in the amount of R\$ 263,600,000.

c) Election of the sitting and substitute members of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.

e) Election of the sitting and substitute members of the Audit Board, due to the completion of their period of office.

8 Orientation of the vote(s) of the Company's representative in the Ordinary and Extraordinary General Meetings of Stockholders of Cemig Geração e Transmissão S.A ( Cemig GT ), also to be held on April 30, 2014 as to the following:

a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2013, and their complementary documents.

b) Allocation of

- the net profit for the business year 2013, in the amount of R\$ 1,811,374,000, and
- the balance of retained earnings in the amount of R\$ 94,008,000.

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c) Decision on the form and date of payment of

- dividends, and Interest on Equity, in the amount of R\$ 986,522,000.

d) Capital increase:

Authorization, verification and approval of an increase in the share capital of Cemig GT:

• from:	R\$	893,192,096.76	
• to:	R\$	1,700,000,000.00,	

without issuance of new shares, through capitalization of

	R\$	806,807,903.24,	
comprising:	R\$	419,870,518.58	from the balance of the Legal Reserve;
and	R\$	386,937,384.66	from part of the Earnings Retention Reserve;

and consequent alteration of the head paragraph of Clause 5 of the by-laws of Cemig GT.

e) Election of the sitting and substitute members of the Board of Directors, if there is any change in the composition of the Board of Directors of Cemig.

f) Election of the sitting and substitute members of the Audit Board, due to the completion of their period of office.

Under Article 3 of CVM Instruction 165 of December 11, 1991, adoption of the multiple voting system for election of members of the Company's Board requires the vote of stockholders representing a minimum percentage of 5% (five per cent) of the voting stock.

Any stockholder who wishes to be represented by proxy at the said General Meetings of Stockholders should obey the terms of Article 126 of Law 6406/1976, as amended, and of the sole paragraph of Clause 9 of the Company's Bylaws, depositing, preferably by April 28, 2014, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Secretariat Office at Av. Barbacena 1200, 19th floor, B1 Wing, Belo Horizonte, MG, Brazil.

Belo Horizonte March 13, 2014.

Dorothea Fonseca Furquim Werneck





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In accordance with Item 1 of the agenda the Chair then placed in debate the Report of Management and the Financial Statements for the year ended December 31, 2013, and the respective complementary documents, explaining that they have been widely disclosed in the press, since they were placed at the disposal of stockholders by a notice published in the newspapers *Minas Gerais*, the official journal of the Powers of the State, on March 22, 25 and 26 of this year, on pages 87, 37 and 69, respectively, and in *O Tempo* on March 22, 23 and 24 of this year, on pages 34, 38 and 18, respectively, and published again in the same newspapers on April 12 of this year.

The Chair put to the vote the Report of Management and the Financial Statements for the year ended December 31, 2013, and the respective complementary documents, and they were approved by majority, with the persons legally impeded abstaining.

Continuing the proceedings, the Chair asked the Secretary to read the Proposal by the Board of Directors, which deals with items 2, 3, 7 and 8 of the convocation, and also to read the Opinion of the Audit Board thereon. The contents of these documents are as follows:

**PROPOSAL**  
**BY THE BOARD OF DIRECTORS**  
**TO THE**  
**ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS**  
**TO BE HELD, CONCURRENTLY, BY**  
**APRIL 30, 2014**

Dear Stockholders:

*The Board of Directors of Companhia Energética de Minas Gerais - Cemig, whereas:*

- a) Article 192 of Law 6404 of 15-12-1976 as amended, and Clauses 27 to 31 of the by-laws, govern the holding of an annual meeting;
- b) the Financial Statements for 2013 present net profit of R\$ 3,103,855,000, and a balance of retained earnings of R\$ 109,056,000 arising from realization of the Reserve for Adjustments to Stockholders' Equity, and it is the duty of the Board of Directors to make a proposal to the Annual General Meeting for allocation of the Company's net profit;
- c) Cemig Distribuição S.A. ( **Cemig D** ) and Cemig Geração e Transmissão S.A. ( **Cemig GT** ) are wholly-owned subsidiaries of Companhia Energética de Minas Gerais ( **Cemig** );
- d) Cemig D is scheduled to hold Ordinary and Extraordinary General Meetings of Stockholders, together, on or before April 30, 2014;

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- e) Cemig G is scheduled to hold Ordinary and Extraordinary General Meetings of Stockholders, together, on or before April 30, 2014;
- f) Clause 21, § 4 sub-Clause g, of the by-laws of Cemig states:
- g) Clause 21 ...

§4 The following matters shall require a decision by the Executive Board: ...

g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the multi-year Strategic Implementation Plan;

• *now proposes to you as follows:*

I) Allocation of

- the net profit for the business year 2013, in the amount of R\$ 3,103,855, and of

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- the balance of retained earnings, in the amount of R\$ 109,056,000 as to:
  - a) R\$ 1,655,602,000 as dividends, to the Company's stockholders, comprising:
    - 1) R\$ 533,149,000 in the form of Interest on Equity, as per Board Spending Decisions CRCA 099/2013 of October 11, 2013, and CRD 452/2013 of December 6, 2013, to those stockholders whose names were on the company's Nominal Share Register on December 5, 2013;
    - 2) R\$ 1,122,453,000 in the form of dividends for 2013, to those stockholders whose names are on the company's Nominal Share Register on the day on which the Ordinary General Meeting of Stockholders is held;
  - b) R\$ 1,557,309,000 to be held in Stockholders' equity in the account Reserve under the by-laws, provided for by sub-clause c of the sole sub-paragraph of Clause 28 and by Clause 30 of the said by-laws.
- the payments of dividends to be made in two equal installments, by June 30 and December 30, 2014, in accordance with the availability of cash and at the option of the Executive Board.

Appendix 1 summarizes the calculation of the dividends proposed by Management, in accordance with the Bylaws.

II) That the representative(s) of Cemig in the Ordinary and Extraordinary General Meetings of stockholders of **Cemig GT** and **Cemig D**, both to be held by April 30, 2014, should vote in favor of the matters on the agenda, that is to say the following:

**Cemig D:**

- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2013, and the respective complementary documents.
- b) Allocation of the net profit for 2013, in the amount of R\$ 490,254,000.
- c) Decision on the form and date of payment of dividends, and of Interest on Equity, in the amount of R\$ 263,600,000.
- d) Election of the sitting and substitute members of the Board of Directors, if there is a change in the composition of the Board of Directors of Cemig.

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e) Election of the sitting and substitute members of the Audit Board, due to the completion of their period of office.

### Cemig GT:

a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2013, and the respective complementary documents.

b) Allocation of

- the net profit for the business year 2013, in the amount of R\$ 1,811,374,000, and of
- the balance of retained earnings in the amount of R\$ 94,008,000.

c) Decision on the form and date of payment of dividends, and of Interest on Equity, in the amount of R\$ 986,522,000.

d) Capital increase:

Authorization, verification and approval of an increase in the share capital of Cemig GT:

• from:	R\$	893,192,096.76
• to:	R\$	1,700,000,000.00,

without issuance of new shares, through capitalization of

	R\$	806,807,903.24,	
comprising:	R\$	419,870,518.58	from the balance of the Legal Reserve;
and	R\$	386,937,384.66	from part of the Earnings Retention Reserve;

e) Consequent redrafting of the Head paragraph of Clause 5 of the by-laws of Cemig GT, to the following:

Clause 5 The Company's registered capital is R\$ 1,700,000,000.00 (one billion seven hundred million Reais), represented by 2,896,785,358 (two billion, eight hundred ninety six million, seven hundred eighty five thousand, three hundred fifty eight) nominal common shares without par value.

f) Election of the sitting and substitute members of the Board of Directors, if there is a change in the composition of the Board of Directors of Cemig.

g) Election of the sitting and substitute members of the Audit Board, due to the completion of their period of office.

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As can be seen, the objective of this proposal is to meet legitimate interests of the stockholders and of the Company, and as a result it is the hope of the Board of Directors that it will be approved.

Belo Horizonte, March 13, 2014.

Dorothea Fonseca Furquim Werneck

Tadeu Barreto Guimarães

Eduardo Borges de Andrade

José Augusto Gomes Campos

Paulo Roberto Reckziegel Guedes

Arcângelo Eustáquio Torres Queiroz

Bruno Magalhães Menicucci

Joaquim Francisco de Castro Neto

Djalma Bastos de Morais

Wando Pereira Borges

Guy Maria Villela Paschoal

Newton Brandão Ferraz Ramos

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TO THE PROPOSAL BY THE BOARD OF DIRECTORS

TO THE ORDINARY GENERAL MEETING OF STOCKHOLDERS TO BE HELD BY APRIL 30, 2014:

ALLOCATION OF THE NET PROFIT FOR 2013

**CALCULATION OF PROPOSED DIVIDENDS COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

	December 31, 2013
	R\$ 000
<b>Calculation of the Minimum Dividends required by the Bylaws for the preferred shares</b>	
Nominal value of the preferred shares	4,190,385
Percentage applied to the nominal value of the preferred shares	10.00%
Amount of the dividends by the First payment criterion	419,038
Stockholders' equity	12,922,859
Preferred shares as a percentage of Stockholders' equity (net of shares held in Treasury)	66.58%
Portion of Stockholders' equity represented by the preferred shares	8,604,040
Percentage applied to the portion of Stockholders' equity represented by the preferred shares	3.00%
Amount of the dividends by the Second payment criterion	258,121
Minimum obligatory dividends required by the by-laws for the Preferred Shares	419,038
<b>Obligatory Dividend</b>	
Net profit for the year	3,103,855
Obligatory dividend - 50.00% of net profit	1,551,928
<b>Net dividends proposed:</b>	
Interest on Equity	533,149
Ordinary dividends	1,067,925
	1,601,074
Income tax on Interest on Equity	(49,146)
	1,551,928
Additional dividends	54,528
	1,606,456
<b>Dividend per share, R\$</b>	
Minimum Dividends required by the by-laws for the preferred shares	0.50
Obligatory dividend (net of withholding Income tax on Interest on Equity)	1.23
Proposed dividends (net of withholding Income tax on Interest on Equity)	1.28

**OPINION OF THE AUDIT BOARD**

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais - Cemig, in the performance of their duties under the law and under the by-laws, have examined the Proposal by the Board of Directors to the Ordinary and Extraordinary General Meetings of Stockholders to be held by April 30, 2014, in relation to the allocation of the net profit for 2013, in the amount of R\$ 3,103,855,000, and of the

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balance of retained earnings arising from realization of the Stockholders' Equity Valuation Adjustments Reserve, as follows:

a) R\$ 1,655,602,000 to be allocated as dividends to stockholders, as follows:

1) R\$ 533,149,000 in the form of Interest on Equity, in accordance with the following Board Spending Decisions:

CRCA 099/2013, of October 11, 2013, and

CRD 452/2013, of December 6, 2013

- to stockholders on the Company's Nominal Share Registry on December 5, 2013; and

2) R\$ 1,122,453,000 in the form of dividends for the 2013 business year,

- to stockholders of record on the date on which the Ordinary General Meeting is held;

b) R\$ 1,557,309,000 to be held in Stockholders' equity in the Reserve Account Under the By-laws, specified in Subclause c of the sole sub-paragraph of Clause 28, and in Clause 30, of the by-laws.

- the payments of the dividends to be made in two installments, by June 30 and December 30, 2014, which dates may be brought forward, in accordance with the availability of cash and at the option of the Executive Board.

After carefully analyzing the said proposals and further taking into account that the applicable rules governing the matters have been complied with, it is opinion of the members of the Audit Board that they should be approved by the said General Meetings of Stockholders.

Belo Horizonte, March 13, 2014.

Signed: Aristóteles Luiz Menezes Vasconcellos Drummond,  
Thales de Souza Ramos Filho,

Luiz Guaritá Neto,  
Bruno Gonçalves Siqueira .

Lauro Sander,

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The Chair then placed the proposal of the Board of Directors relating to items 2, 3, 7 and 8 of the Convocation in debate, and subsequently put it to a vote, and it was approved by a majority of votes.

Continuing with the agenda, the Chairman reported the resignation, on April 7, 2014, of the Board Member **Dorothea Fonseca Furquim Werneck**, as per a letter in the Company's possession, and also that period of office of the members of the Board of Directors ended with today's meeting; hence a new election should thus be held for that Board, with a period of office of 2 (two) years, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2016 in accordance with the head paragraph of Clause 12 of the by-laws.

Continuing, the Chairman stated that adoption of the Multiple Vote had been requested by the stockholder AGC Energia S.A. and by FIA Dinâmica Energia, as per a letter in the Company's possession, and that 28,132,920 shares would be necessary for the election of each member of the Board of Directors.

Finally, the Chair pointed out that it will be necessary first, in view of Clause 12 of the by-laws, to proceed to election of the sitting member and his respective substitute member put forward by representatives of the holders of the preferred shares, and only then to apply the instrument of Multiple Vote to fill the remaining vacancies on the Board of Directors.

Asking for the floor, as holder of preferred shares, the stockholder Leticia Pedercini Issa nominated the following persons to be members of the Board of Directors:

- as sitting member:

**Guy Maria Villela Paschoal**

- Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Jornalista Djalma Andrade 210, Belvedere, CEP 30320-540, bearer of Identity Card M-616, issued by the Public Safety Department of the State of Minas Gerais, and of CPF 000798806-06;

- and as his substitute member:

**Flávio Miarelli Piedade**

- Brazilian, married, company manager, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Maranhão 1418/2401, Funcionários, CEP 30150-331, bearer of Identity Card M-2756875, issued by the Public Safety Department of Minas Gerais State, and CPF 703736396-00;

The Chair submitted these nominations to debate, and, subsequently to votes separately, with only holders of preferred shares participating, and they were approved by majority vote.



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The Chair then explained that, to complete the Board of Directors, the representative of the stockholder **FIA Dinâmica Energia** could put forward 1 (one) sitting member and a related substitute member; the representative of **AGC Energia S.A.** could put forward 4 (four) sitting members and respective substitute members; and the representative of the stockholder **The State of Minas Gerais** could put forward 7 (seven) sitting members, and their respective substitute members. He also noted that due to fractional numbers of common shares held by the stockholders present, a joint nomination of a sitting member and his/her substitute, to the Board of Directors was also possible. The representative of the stockholder **FIA Dinâmica Energia** then asked for the floor, and proposed the following members for the Board of Directors:

- as sitting member:

### **José Pais Rangel**

Brazilian, married, lawyer, domiciled in Rio de Janeiro Rio de Janeiro State, at Av. Presidente Vargas 463/13° andar, Centro, CEP 20071-003, bearer of Identity Card 22191, issued by the Brazilian Bar Association OAB/RJ, and CPF 239775667-68;

- and as his substitute member:

### **José João Abdalla Filho**

Brazilian, unmarried, banker, domiciled in Rio de Janeiro, Rio de Janeiro State, at Av. Presidente Vargas 463/13° andar, Centro, CEP 20071-003, bearer of Identity Card 1439471, issued year the Public Safety Department of São Paulo State, and CPF 245730788-00.

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Asking for the floor, the representative of the stockholder **AGC Energia S.A.** then proposed the following for the Board of Directors:

• as sitting members:

<b>Eduardo Borges de Andrade</b>	Brazilian, married, engineer, resident and domiciled in Belo Horizonte-MG, at Alameda das Falcatas 879, São Luiz, CEP 31275-070, bearer of Identity Card M-925419, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000309886-91;
<b>Eduardo Otávio Marques de Azevedo</b>	Brazilian, married, engineer, resident and domiciled in São Paulo, São Paulo State, at Rua Afonso Braz, 115/91, Vila Nova Conceição, CEP 04511-010, bearer of Identity Card MG-479057, issued by the Public Safety Department of the State of Minas Gerais, and CPF 129364566-49;
<b>Paulo Roberto Reckziegel Guedes</b>	Brazilian, married, engineer, resident and domiciled in Nova Lima Minas Gerais, at Alameda do Morro 85, Torre 4, Apt. 1600, Vila da Serra, CEP 34000-000, bearer of Identity Card MG-13975681, issued by the Public Safety Department of the State of Minas Gerais, and CPF 400540200-34;
<b>Ricardo Coutinho de Sena</b>	Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Rio de Janeiro 2299/1801, Lourdes, CEP 30160-042, bearer of Identity Card M-30172, issued by the Public Safety Department of the State of Minas Gerais, and CPF 090927496-72;
and as their respective substitute members:	
<b>Tarcísio Augusto Carneiro</b>	Brazilian, legally separated, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Professor Alvinho de Paula 27, Estoril, CEP 30450-430, bearer of Identity Card M-1076524, issued by the Public Safety Department of the State of Minas Gerais, and CPF 372404636-72;
<b>Bruno Magalhães Menicucci</b>	Brazilian, single, production engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Nunes Vieira 86/402, Santo Antônio, CEP 30350-120, bearer of Identity Card M-11890035, issued by the Public Safety Department of the State of Minas Gerais, and CPF 081100286-16;
<b>Marina Rosenthal Rocha</b>	Brazilian, married, civil engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Alagoas 904/802, Funcionários, CEP 30130-160, bearer of Identity Card M-11781993, issued by the Public Safety Department of the State of Minas Gerais, and CPF 060.101.836-26.
<b>Newton Brandão Ferraz Ramos</b>	Brazilian, married, accountant, resident and domiciled in Nova Lima, Minas Gerais, at Rua Mares de Montanha 1245, Vale dos Cristais, CEP 34000-000, bearer of Identity Card MG-4019574, issued by the Public Safety Department of Minas Gerais State and CPF 813975696-20;

The representative of the stockholder **FIA Dinâmica Energia** and the representative of the stockholder **AGC Energia S.A.**, then asked for the floor and made the following nominations for the Board of Directors:

- as sitting member:

**Saulo Alves Pereira Junior**

Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Ludgero Dolabela 857/701, Gutierrez, CEP 30430-130, bearer of Identity Card M-5345878, issued by the Public Safety Department of the State of Minas Gerais, and CPF 787495906-00;

- and as his substitute member:

**José Augusto Gomes Campos**

Brazilian, married, physicist, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Santa Catarina 1466/1602, Lourdes, CEP 30170-081, bearer of Identity Card MG-3059793, issued by the Public Safety Department of Minas Gerais State, and CPF 505516396-87.

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The nominations made by the representative of the stockholders **FIA Dinâmica Energia** and by the representative of **AGC Energia S.A.**, and the nominations made jointly by the stockholders **FIA Dinâmica Energia** and **AGC Energia S.A.**, were both approved by a majority of votes.

The Chair then stated that under §7 of Article 141 of the Brazilian Corporate Law (Law 6404 of December 15, 1976), as amended, the majority stockholder, **The State of Minas Gerais**, could now elect a number of stockholders equal to one more than the number elected by the other stockholders, independently of the number of members of that body specified in the by-laws.

This being so, he continued, since seven sitting members and their respective substitute members had been elected to the Board of Directors, the representative of the majority stockholder, The State of Minas Gerais, could now put forward 8 (eight) sitting members and their respective substitute members for election to the Board of Directors.

The representative of the stockholder State of Minas Gerais then asked for the floor, and proposed the following stockholders as members of the Board of Directors:

- as sitting members:

**Danilo de Castro** Brazilian, married, retired, government employee, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Júlia Nunes Guerra 145/1101, Luxemburgo, CEP 30380-400, bearer of Identity Card 978727, issued by the Public Safety Department of the State of Minas Gerais, and CPF 064.447.416-53;

**Djalma Bastos de Moraes** Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais at R. Elza Brandão Rodarte, 81/1201, Belvedere, CEP 30320-630, bearer of Identity Card 1966100268-006633526, issued by the CREA of Rio de Janeiro, and CPF 006633526-49;

**Arcângelo Eustáquio Torres Queiroz** Brazilian, married, electricity employee, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua da Gameleira 100, Santa Branca, CEP 31565-240, bearer of Identity Card MG3632038, issued by the Public Safety Department of the State of Minas Gerais, and CPF 539109746-00,

**Fuad Jorge Noman Filho** Brazilian, married, economist, resident and domiciled at Nova Lima-MG, at Alameda Antibes 157, Condomínio Riviera, CEP 34000-000, bearer of Identity Card 458339, issued by the Public Safety Department of the State of Distrito Federal, and CPF n° 009880816-87;

**João Camilo Penna** Brazilian, married, engineer, resident and domiciled in Belo Horizonte-MG, at Rua La Plata 90, Sion, CEP 30315-460, bearer of Identity Card MG-246968, issued by the Public Safety Department of the State of Minas Gerais, and CPF n° 000976836-04;

**Joaquim Francisco de Castro Neto** Brazilian, married, company manager, resident and domiciled in São Paulo-SP, at Rua Oscar Freire 74/11, Cerqueira Cesar, CEP 01426-000, bearer of Identity Card 3343795-6, issued by the Public Safety Department of the State of São Paulo, and CPF 026491797-91;

**Tadeu Barreto Guimarães**

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Brazilian, divorced, economist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Passa Tempo 65/700, Anchieta, CEP 30310-760, bearer of Identity Card M754157, issued by the Public Safety Department of Minas Gerais State, and CPF 370853526-04; and

**Wando Pereira Borges**

Brazilian, stable union, economist, resident and domiciled in Brasília, Federal District, at SHIS, QL 12, Conj. 08, Casa 18, CEP 71630-285, bearer of Identity Card M-896082, issued by the Public Safety Department of Minas Gerais State, and CPF 000289756-3.4

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and as their respective substitute members:

<b>Paulo Sérgio Machado Ribeiro</b>	Brazilian, married, engineer, resident and domiciled in Belo Horizonte-MG, at Rua Piauí 1848/503, Funcionários, CEP 30150-321, bearer of Identity Card 34133/D, issued by the Regional Engineering and Architecture Council of Minas Gerais (CREA/Minas Gerais), and CPF nº 428576006-15;
<b>Lauro Sérgio Vasconcelos David</b>	Brazilian, separated, company manager, resident and domiciled in São Paulo-SP, at Rua Pedroso Alvarenga 543/247, Itaim Bibi, CEP 04531-011, bearer of Identity Card M-3373627, issued by the Public Safety Department of the State of Minas Gerais, and CPF 603695316-04.
<b>Franklin Moreira Gonçalves</b>	Brazilian, married, data processing technologist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua João Gualberto Filho 551/302, Sagrada Família, CEP 31030-410, bearer of Identity Card M-5540831, issued by the Public Safety Department of the State of Minas Gerais, and CPF 754988556-72;
<b>Luiz Augusto de Barros</b>	Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Curitiba 2401/1201, Lourdes, CEP 30170-122, bearer of Identity Card 6350, issued by CREA-MG, and CPF nº 000115841-49;
<b>Guilherme Horta Gonçalves Júnior</b>	Brazilian, legally separated, economist, resident and domiciled in Rio de Janeiro-RJ, at Rua Cupertino Durão, 173/401, Leblon, Rio de Janeiro, CEP 22441-030, bearer of Identity Card 1622046, issued by the Public Safety Department of the State of Distrito Federal and CPF nº 266078757-34; and
<b>Custódio Antonio de Mattos</b>	Brazilian, married, government employee, resident and domiciled in Belo Horizonte Minas Gerais, at Rua Gonçalves Dias 2142, Lourdes, CEP 30140-092, bearer of Identity Card M-258278, issued by the Public Safety Department of Minas Gerais State, and CPF 221.421.507-72;
<b>Leonardo Maurício Colombini Lima</b>	Brazilian, married, accountant, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Gonçalves Dias, 1745/101, Lourdes, CEP 30140-092, bearer of Identity Card 705600, issued by the Public Safety Department of the State of Goiás, and CPF065276716-87;
<b>Marco Antonio Rodrigues da Cunha</b>	Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Miguel Abras 33/501, Serra, CEP 30220-160, bearer of Identity Card M-281574, issued by the Public Safety Department of the State of Minas Gerais, and CPF 292581976-15;

The nominations of the representative of the stockholder **The State of Minas Gerais** were put to debate, and to the vote, and were approved by a majority of votes.

The board members elected declared in advance that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which could be considered to be a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

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The Chair further stated that, as a result of the new composition of the Board of Directors of Cemig, and according to Clause 11, § 1º, of the head paragraph of Clause 12 of the by-laws of Cemig, and Clause 8, §1 of the by-laws of Cemig D and of Cemig GT, there is a need for change in the composition of the Boards of Directors of the wholly-owned subsidiaries Cemig D and Cemig GT, since the structure and composition of the Boards of Directors of those Companies must be identical to those of Cemig.

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The Chair, then stating that:

*whereas* 15 (fifteen) sitting members and their representative substitute members had been elected to the Board of Directors of the Company, under §7 of article 141 of Law 6404, of December 15, 1976 as amended, and considering the following Clauses of the bylaws

a) §1° of Clause 11, which specifies that the structure and composition of the Board of Directors and the Executive Board of the Company shall be identical in Cemig Distribuição S.A. and in Cemig Geração e Transmissão S. A., with the exception of two appointments to the Executive Board;

b) the head paragraph of Clause 12 of the by-laws, which states that that Board shall comprise 14 (fourteen) members and an equal number of substitute members;

c) §4° of Clause 12 of the by-laws, which states that the Boards of Directors of Cemig Distribuição S.A. and of Cemig Geração e Transmissão S.A. must obligatorily be constituted by the same sitting and substitute members as are elected to the Board of Directors of Cemig;

d) subclause g of §4 of Clause 21 of the by-laws of Cemig, which deals with declaration of vote, by the General Meeting of Stockholders of Cemig, in the General Meetings of Stockholders of Cemig D and Cemig GT; and

e) Clause 8, §1, of the by-laws of Cemig Distribuição S.A. and of Cemig Geração e Transmissão S.A., which established that, also, the members of the Boards of Directors of those companies must, obligatorily, be the same members of the Board of Directors of the sole stockholder, Cemig;

• **proposed** convocation of a General Meetings of Stockholders of Cemig, to be held on June 3, 2014 at 11 a.m., to decide on the following proposal:

a) change in the drafting of Clause 12 of the by-laws of Cemig, to the following:

Clause 12 The Company's Board of Directors shall be made up of 15 (fifteen) members and an equal number of substitute members. One of the members shall be its Chairman and another its Vice-Chairman, and all shall be elected for the same concurrent period of office of (two) years, may be dismissed at any time by the General Meeting of Stockholders, and may be reelected.



and

b) that the representatives of the Company should vote in favor of the agenda at the General Meetings of Stockholders of Cemig Distribuição S.A. and of Cemig Geração e Transmissão S.A. that decide on change of the drafting of the head paragraph of Article 8 of their by-laws, so that those Companies shall also have 15 (fifteen) sitting members and 15 substitute members on their Boards of Directors.

The proposal made by the Chair was placed in discussion, and subsequently, put to the vote, and was approved by a majority of votes.

Continuing with the agenda, the Chair informed the meeting that the period of office of the members of the Audit Board ended with this present meeting, and that a new election should thus be held for that Board, with a period of office of (one) year, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2015.

The Chair said that this election would be carried out with separate voting, in the case of candidates indicated by holders of preferred shares and by minority stockholders of common shares.

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The Chair then placed the election of the sitting and substitute members of the Audit Board in debate.

The floor was requested by the representative of the following stockholders

**Caixa de Previdência dos Funcionários do Banco do Brasil-PREVI,  
Fundação dos Economistas Federais-FUNCEF,  
BB Ações Energia FIA,  
BB Regime próprio ações Governança Previdenciário FI,  
BB RPPS Ações Governança Previdenciário FI,  
BB Top Ações Ibovespa Ativo FI,  
BB Top Ações Índice de Sustentabilidade Empresarial FIA,  
BB Top Ações Índice Sust. Empres. FI Ações,  
Brasilprev Top A Fundo de Investimento em Ações,  
Brasilprev Top Ações Dividendos Fundo de Investimento,  
Brasilprev Top Plus Fundo do Investimento de Ações,  
Brazil MSCI Emerging Markets Index Common Trust Fund, and**

**BB Ações 22 FI,  
BB Ações Institucional IBRX Ativo FI,  
BB Brasil Ações Dividendos FI,  
BB Top Ações Dividendos FIA,  
BB Top Ações Ibovespa Indexado FI,  
BB Top Ações IBRX Indexado FI,  
BB Top Multi Balanceado FI,  
BB Top Multi C LP FI Multimercado,  
BB Top Multi Balanceado FI;  
BB Top Multi Institucional LP FI MM Ativo,  
Brasilprev Top Ações Dividendos FI,  
Brazil International LLC,**

who put forward the following names for election to the Audit Board:

- as sitting member:

**Lauro Sander**

Brazilian, married, bank employee, resident and domiciled in Rio de Janeiro, RJ, at Av. das Acácias, 280/601 Bl.2, Barra da Tijuca, CEP 22776-000, bearer of Identity Card 7017225744, issued by the Public Safety Department of Rio Grande do Sul, and CPF 130841600-82;

- and as his substitute member:

**Salvador José Cardoso de Siqueira**

Brazilian, divorced, bank employee, domiciled in Rio de Janeiro, Rio de Janeiro State, at R. Barão da Torre, 533/604, Ipanema, CEP 22411-003, bearer of Identity Card 812001931, issued by Instituto Félix Pacheco do Estado do Rio de Janeiro, and CPF 302074607-87.

The Chair placed the above nominations in debate, and, subsequently, put them to a vote separately, i.e. with only holders of the preferred shares participating and they were approved by a majority of votes.

Asking for the floor, the representative of the stockholder **AGC Energia S.A.**, for the minority common stockholders, proposed, as a Sitting Member of the Audit Board:

**Bruno Gonçalves Siqueira**

Brazilian, single, accountant and economist, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Ceará 1850/500, Funcionários, CEP 30150-311, Bearer of Identity Card MG-13.786.224, issued by the Public Safety Department of Minas Gerais State, and CPF 075851006-39.

• and as his substitute member:

**Rafael Pinto Queiroz Neto**

Brazilian, married, accountant, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Castelo de Amieira 12/104, Castelo, CEP 31330-350, bearer of identity card MG-10324991, issued by the Public Safety Department of Minas Gerais State, and CPF 012372526-79.

The above nominations were placed in debate, and then put to a vote separately and were approved by a majority of votes.

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Asking for the floor, the representative of the stockholder **The State of Minas Gerais**, as majority stockholder, put forward the following nominations for members of the Audit Board:

- as sitting members:

**Aristóteles Luiz Menezes Vasconcellos Drummond**

Brazilian, married, journalist, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Av. Rui Barbosa 460/801, Flamengo, CEP 22250-020, bearer of Identity Card 1842888, issued by the Félix Pacheco Institute, and CPF 026939257-20;

**Luiz Guaritá Neto**

Brazilian, legally separated, engineer and entrepreneur, resident and domiciled in Uberaba, MG State, at Rua dos Andradas 705/1501, Nossa Senhora da Abadia, CEP 38025-200, bearer of Identity Card M-324134, issued by the Public Safety Department of Minas Gerais State, and CPF 289118816-00;

**Thales de Souza Ramos Filho**

Brazilian, married, doctor, resident and domiciled in Juiz de Fora, Minas Gerais, at Rua Severino Meireles 67, Passos, CEP 36025-040, bearer of Identity Card M-290728, issued by the Public Safety Department of Minas Gerais State, and CPF 003734436-68;

- and as their respective substitute members:

**Marcus Eolo de Lamounier Bicalho**

Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Adolfo Radice 114, Mangabeiras, CEP 30315-050, bearer of identity card M-1033867, issued by the Public Safety Department of Minas Gerais State, and CPF 001909696-87;

**Ari Barcelos da Silva**

Brazilian, married, company manager, resident and domiciled in Rio de Janeiro, RJ, at Rua Professor Hermes Lima 735/302, Recreio dos Bandeirantes, CEP 22795-065, bearer of Identity Card 2027107-7, issued by CRA-RJ, and of CPF 006124137-72; and

**Aliomar Silva Lima**

Brazilian, legally separated, economist, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Aimorés 2441/902, Lourdes, CEP 30140-072, bearer of Identity Card MG-449262, issued by the Public Safety Department of Minas Gerais State, and CPF 131654456-72.

The nominations of the representative of the stockholder **The State of Minas Gerais** were put to debate, and to the vote, and approved by a majority of votes.

The Members of the Audit Board elected declared in advance that they are not subject to any prohibition on exercise of commercial activity, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

Continuing with the agenda, the Chair placed in debate the remuneration of the Company's Managers and members of its Audit Board.

Asking for the floor, the representative of the Stockholder **The State of Minas Gerais** asked the Chair to put the following proposal before the stockholders for consideration:

1 - To allocate as Global Annual Remuneration for Management and the Audit Board, comprising the Board of Directors, the Executive Board and the Audit Board, the amount of R\$ 21,164,000.00 (twenty one million one hundred and sixty four thousand Reais), including health insurance for the Chief Officers, to be contracted at the same level of the Health Plan as is in effect for the Company's employees; the monthly fees payable to the Chief Executive Officer to be R\$ 39,641.35 (thirty nine thousand six hundred forty one Reais and thirty five centavos); and the monthly fees payable to the other Chief Officers, individually, to be R\$ 33,978.30 (thirty

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three thousand nine hundred and seventy eight Reais and thirty centavos); and the amounts at present paid to the Chief Officers as paid leave, bonuses and other benefits to be adjusted in the same proportion.

2 - To establish that the monthly remuneration of each member of the Board of Directors excluding any sitting or substitute members that hold a post of Chief Officer, and subject to the condition relating to payment of the *jeton* referred to in Item 3 below shall be equivalent to 20% (twenty per cent) of the average received by a Chief Officer of the Company, that is to say shall be R\$ 6,898.62 (six thousand eight hundred ninety eight Reais and sixty two centavos).

3) - To establish that the sitting members of the Board of Directors shall receive 50% (fifty per cent) of the monthly remuneration stipulated, the rest being divided into *jetons* paid to the sitting or substitute member who replaces that member during meetings. In the event of there being more than one meeting in the month, the *jeton* will be divided proportionately over the number of meetings held, and received by the sitting Member or by the substitute Member who replaces that Member; in the event of there not being a meeting in the month, the sitting Member shall receive the total amount of the monthly remuneration; in the event of there being a meeting in the month and neither the sitting Member nor his or her substitute Member attending, the portion relating to the *jeton* shall not be payable, and the sitting Member shall receive the fixed portion.

4 - To establish that the monthly remuneration of each Sitting Member of the Audit Board shall be equivalent to 10% (ten per cent) of the average remuneration of a Chief Officer of the Company, that is to say shall be R\$ 3,449.31 (three thousand four hundred forty nine Reais and thirty one centavos); and also that the monthly remuneration of each substitute member of the Audit Board shall be equivalent to 80% (eighty per cent) of the monthly remuneration of the Sitting Member, that is to say shall be R\$ 2,759.45 (two thousand seven hundred fifty nine Reais and forty five centavos), in both cases excluding the benefits normally applicable under the Law.

5 - To establish that sitting and substitute Members of the Board of Directors and of the Audit Board who are resident in municipalities other than that of the Company's head office shall be reimbursed such expenses on accommodation and travel between the municipality where they reside and that of the Company's head office as are necessary for their attendance at the meetings or for carrying out their functions, and shall also receive, as cost support, the equivalent of 10% (ten per cent) of the total monthly remuneration of a Member of the Board of Directors, for each journey arising from the performance of their functions.

6 - To establish that the fees of the Executive Board and the remuneration of the members of the Board of Directors and the Audit Board should be paid on the same date as the employees of the Company.

7 - To establish remuneration equivalent to that referred to in Item 2 above for substitute members of the Board of Directors who are members of the Board of Directors Support Committee excluding such members as hold the post of Chief Officer, and subject to the criteria stated in item 3 above.

8 - To establish that the substitute members of the Board of Directors who are members of the Board of Directors Support Committee except those board members who hold positions of Chief Officer should receive only the remuneration relating to Item 7 above, even if they replace Sitting Members in meetings.

9 - To establish that Sitting Members of the Board of Directors who are members of the Board of Directors Support Committee excluding those board members who hold positions of Chief Officer should receive only the remuneration specified in Item 3 above.

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Asking for the floor, the stockholder **Alexandre Pedercini Issa** proposed a change to the proposal made by the representative of the stockholder **The State of Minas Gerais**, to change the proposed Global Annual Remuneration for Management and the Audit Board, comprising the Board of Directors, the Executive Board and the Audit Board, to the amount of up to R\$ 21,643,700.48 (twenty one million six hundred forty three thousand seven hundred Reais and 48 centavos), including health insurance for the Chief Officers, to be contracted at the same level of the Health Plan as is in effect for the Company's employees; the monthly fees payable to the Chief Executive Officer to be R\$ 40,810.00 (forty thousand eight hundred ten Reais); and the monthly fees payable to the other Chief Officers, individually, to be R\$ 34,980.00 (thirty four thousand nine hundred eighty Reais); and the amounts at present paid to the Chief Officers as paid leave, bonuses and other benefits to be adjusted in the same proportion. Consequently, to establish that the monthly remuneration of each one of the members of the Board of Directors excluding such sitting or substitute members as also hold the post of Chief Officer, and subject to the said condition relating to payment of the jeton shall be R\$ 7,102.00 (seven thousand one hundred and two Reais), and that the monthly remuneration of each sitting member of the Audit Board shall be R\$ 3,551.00 (three thousand five hundred fifty one Reais) and that the monthly remuneration of each substitute member of the Audit Board shall be R\$ 2,840.00 (two thousand eight hundred forty Reais), excluding, in both cases, the benefits established by law.

The proposal by the representative of the stockholder **The State of Minas Gerais**, with the alterations proposed by the stockholder Alexandre Pedercini Issa, was placed in debate and subsequently put to a vote, and was approved by a majority of votes, subject to a statement of opinion by two bodies of Minas Gerais State: the Corporate Governance Committee of the State, and the State's General Coordination, Planning, Management and Finance Chamber.

The proposal of the representative of the stockholder **The State of Minas Gerais** was placed in debate, then put to the vote, and unanimously approved. The Chair then stated that the publications by Cemig specified in Law 6404 of December 15, 1976, as amended, will be made in the newspapers *Minas Gerais*, the official publication of the Powers of the State, and the newspaper *O Tempo*, without prejudice to possible publication in other newspapers.

The meeting being opened to the floor, Mr. **George Washington Tenório Marcelino** took the opportunity, accompanied by the stockholder Mr. **Luiz Fernando Rolla**, on behalf of the Chief Officers of the Company, to congratulate Mr. **Roney Luiz Torres Alves da Silva** on his appointment to the post of General Attorney to the State of Minas Gerais.

The meeting remaining open to the floor, and since no-one else wished to speak, the Chair ordered the session suspended for the time necessary for the writing of the minutes. The session being reopened, the Chair, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.



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3. Notice to Stockholders Dated April 30, 2014: Proposal and Convocation of Extraordinary General Meeting of Stockholders to be Held on June 3, 2014

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**CONVOCATION**

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on June 3, 2014 at 11 a.m., at the company's head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

1- Change in the Company's by-laws, altering the drafting of the head paragraph of Clause 12, which establishes the composition of the Board of Directors.

2- Orientation of vote by the representatives of the Company in the Extraordinary General Meetings of Stockholders of Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., also to be held on June 3, 2014, as to alteration of the drafting of Article 8 of their respective by-laws, which in both cases establishes the Board of Directors.

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the precepts of Article 126 of Law 6406 of 1976, as amended, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by May 29, 2014, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Secretariat Office (*Superintendência da Secretaria Geral e Executiva Empresarial*) at Av. Barbacena, 1200 - 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, April 30, 2014.

Djalma Bastos de Moraes

Vice-Chair of the Board of Directors

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Luiz Fernando Rolla

Stockholder, Chair of the Ordinary and Extraordinary

General Meetings of Stockholders of Cemig held on April 30, 2014.

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**PROPOSAL**  
**BY THE STOCKHOLDERS PRESENT AT THE**  
**ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS**  
**HELD, CONCURRENTLY, ON APRIL 30, 2014**  
**FOR**  
**CONVOCATION OF A FURTHER**  
**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS,**  
**TO BE HELD ON JUNE 2014**

Dear Stockholders:

The stockholders present at the Ordinary and Extraordinary General Meetings of Stockholders of Companhia Energética de Minas Gerais **Cemig** held, concurrently, on April 30, 2014,

• in view of the following facts and considerations

a) at the Ordinary and Extraordinary General Meetings of Stockholders held, concurrently, on April 30, 2014, a total of 15 (fifteen) sitting members and their respective substitute members were elected to the Company's Board of Directors, in accordance with §7 of Article 141 of Law 6404 of December 15, 1976 as amended;

b) §1 of Article 11 of the Company's by-laws specifies that the structure and composition of the Board of Directors and the Executive Board of the Company shall be identical in Cemig Distribuição S.A. - Cemig D, and in Cemig Geração e Transmissão S. A. - Cemig GT, with the exception of two appointments to the Executive Board;

c) the head paragraph of Clause of the by-laws of Cemig at present states that that Board shall comprise 14 (fourteen) members and an equal number of substitute members;

d) §4 of Clause 12 of the by-laws of Cemig states that the Boards of Directors of Cemig D and of Cemig GT must obligatorily be constituted by the same sitting and substitute members as are elected to the Board of Directors of Cemig;

e) Clause 21, §4, Sub-Clause g , of the by-laws of Cemig states:

Clause 21 - ...

§4 The following decisions shall require a decision by the Executive Board: ... approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these

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Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan. ;

f) Clause 8, §1, of the by-laws of Cemig D and of Cemig GT, also, establishes that the members of the Boards of Directors of those companies must, obligatorily, be the same members of the Board of Directors of the sole stockholder, Cemig; and

g) Cemig D and Cemig G will hold Extraordinary General Meetings of Stockholders on June 3, 2013, to change their by-laws;

• *now proposes to you as follows:*

1) Change in the Company's by-laws, for the head paragraph of Clause 12 to read as follows: Clause 12 - The Company's Board of Directors shall be made up of 15 (fifteen) members and an equal number of substitute members. One of the members shall be its Chair and another its Vice-Chair, and all shall be elected for the same concurrent period of office of 2 (two) years, may be dismissed at any time by the General Meeting of Stockholders, and may be reelected. ; and

b) that the representatives of the Company should vote in favor of the agenda at the General Meetings of Stockholders of Cemig Distribuição S.A. and of Cemig Geração e Transmissão S.A. that decide on change of the drafting of the head paragraph of Article 8 of their by-laws, so that those Companies shall also have 15 (fifteen) sitting members and 15 substitute members on their Boards of Directors.

Belo Horizonte, April 30, 2014.

Luiz Fernando Rolla

Stockholder, Chair of the Ordinary and Extraordinary General Meetings of Stockholders of Cemig held on April 30, 2014.

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**Appendix**

**II Report giving in detail the origin and justification for the changes proposed to the Bylaws and their legal and economic effects.**

**Alteration to the head paragraph of Clause 12 of the by-laws:**

**Justifications:**

a) at the Ordinary and Extraordinary General Meetings of Stockholders held, concurrently, on April 30, 2014, a total of 15 (fifteen) sitting members and their respective substitute members were elected to the Company's Board of Directors, in accordance with §7 of Article 141 of Law 6404 of December 15, 1976 as amended;

b) §1 of Article 11 of the Company's by-laws specifies that the structure and membership of the Board of Directors and the Executive Board of the Company shall be reproduced identically in Cemig Distribuição S.A. ( Cemig D ), and in Cemig Geração e Transmissão S. A. ( Cemig GT ), with the exception of two appointments to the Executive Board;

c) the head paragraph of Clause 12 of the by-laws of Cemig at present states that that Board shall comprise 14 (fourteen) members and an equal number of substitute members;

d) §4 of Clause 12 of the by-laws of Cemig states that the Boards of Directors of Cemig D and of Cemig GT must obligatorily be constituted by the same sitting and substitute members as are elected to the Board of Directors of Cemig;

e) Clause 21, §4, Sub-Clause g , of the by-laws of Cemig states:

Clause 21 - ...

§4 The following decisions shall require a decision by the Executive Board:

...

(g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan. ;

f) Clause 8, §1, of the by-laws of Cemig D and of Cemig GT, also, establish that the members of the Boards of Directors of those companies must, obligatorily, be the same members of the Board of Directors of the sole stockholder, Cemig; and

g) Cemig D and Cemig G will hold Extraordinary General Meetings of Stockholders on June 3, 2014, to change their by-laws.

**Economic and legal effects:**

None



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4. Summary of Principal Decisions of the 595th Meeting of the Board of Directors Held on May 8, 2014

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**Meeting of May 8, 2014**

**SUMMARY OF PRINCIPAL DECISIONS**

At its 595th meeting, held on May 8, 2014, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Election of Mr. Danilo de Castro as Chairman of the Board of Directors, and confirmation of Mr. Djalma Bastos de Morais as Vice-Chairman of the Board of Directors.
2. Signature, as consenting party, of the agreement to join the Plan B Pension Plan, between Forluz and Indi.
3. Increase in the share capital of, and orientation of vote in Extraordinary General Meeting of Stockholders of, Cemig Capim Branco Energia / Re-ratification of Board Spending Decision (CRCA).
4. Signature of a Termination of Commitment Undertaking, with Gasmig, Petrobras and Gaspetro.
5. Signature, as consenting party, of an amendment to an Agreement Between Unit Holders, governing the rights and obligation of FIP Coliseu in relation to Taesa.

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6. Orientation of vote in meetings of Taesa.
  
7. Changes in the composition of the Committees of the Board of Directors.

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5. Market Announcement Dated May 15, 2014: Judgment suspended in Jaguara Plant mandamus case

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ: 17.155.730/0001-64 NIRE 31300040127

**MARKET ANNOUNCEMENT**

**Judgment suspended in Jaguara Plant mandamus case**

**Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid in accordance with CVM Instruction 358 of January 3, 2002, as amended **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows**:

Judgment was suspended yesterday by Brazil's Higher Appeal Court (*Superior Tribunal de Justiça* - STJ) on the application (No. 20.432/DF) by Cemig's generation subsidiary Cemig Geração e Transmissão S.A. (Cemig GT) for an order of mandamus to annul the decision of August 23, 2013 by the Mining and Energy Ministry which had refused the request by Cemig GT for ratification of the extension of its concession contract (No. 007/97) for operation of the Jaguara Hydroelectric Plant.

In the court's session of May 14, 2014, the judgment was adjourned due to the request for study of the full papers in the case by one of the Justice Ministers, resulting in a tied vote - two votes in favor of Cemig's application to the extension of the concession and two against. No date has been set for continuation of the judgment.

The interim injunction previously granted, for Cemig to continue to operate the public service of electricity generation by the Jaguara plant under its concession contract, remains in force.

Cemig will keep its stockholders and the market opportunely and appropriately informed on the progress of this case.

Belo Horizonte, May 15, 2014.

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Luiz Fernando Rolla

Chief Finance and Investor Relations Officer

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6. Market Announcement Dated May 15, 2014: Reply to BM&FBovespa Request for Information GAE 1906/14, of May 14, 2014

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**MARKET ANNOUNCEMENT**

**Reply to BM&FBovespa Request for Information GAE 1906/14, of May 14, 2014**

**Question asked by BM&F BOVESPA**

Among other information in a report in *Brasil Econômico* newspaper of May 14, 2014, there is the statement that the government of Minas Gerais State is preparing a capital increase, with injection of non-Brazilian capital, in the piped gas distributor Gasmig, controlled by Cemig.

We request you to provide, by May 15, 2013, clarification about this report, and any other information considered to be important, especially the form that this injection of capital will take.

**Reply by CEMIG**

Dear Sirs,

In compliance with the request made by BM&FBovespa in Official Letter GAE 1906/14 of May 15, 2014, on the item published in *Brasil Econômico* newspaper of May 14, 2015, we reply that, as per clarifications given in Market Announcements, published on March 31, 2011 and January 28, 2014:

- Natural gas has a strategic importance for the State Government of Minas Gerais and for Cemig, due to the potential for its use in industry in Minas Gerais, which has not at present been fulfilled.



- Cemig operates in natural gas distribution, through its subsidiary Gasmig, which is the exclusive distributor of piped gas in the State of Minas Gerais, serving industry, general and home users, the residential market; and also supplies users of compressed natural gas, liquefied natural gas, gas for automotive consumption and gas for use as fuel by thermoelectric power generation plants.

In this context, Cemig is at all times studying economic alternatives able to cause the necessary investment in this area to become a practicable possibility; and that until today's date there has been no decision to this effect, nor indeed does any such investment structure exist, neither in terms of amounts nor in terms of possible partners.

Cemig reaffirms its commitment to seek investment opportunities that meet the requirements of profitability established by its stockholders and to publish all and any material information when it is confirmed and effective.

Belo Horizonte, May 15, 2014.

Luiz Fernando Rolla

Chief Finance and Investor Relations Officer

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7. Market Notice Dated May 19, 2014: Lazard Management Reports Holding of 5.14%

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**MARKET NOTICE**

*Lazard Management reports holding of 5.14%*

In accordance with its commitment to best corporate governance practices, and in compliance with Article 12 of CVM Instruction 358 of January 3, 2002, **Cemig** (Companhia Energética de Minas Gerais), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, **hereby informs the public as follows:**

Cemig has received correspondence from **Lazard Asset Management LLC** with the following content:

In accordance with Article 12 of Instruction 358 of the Brazilian Securities Commission, Lazard Asset Management LLC informs you that:

- (i) On May 13, 2014, its holdings in the shares of Cemig reached 43,114,404 shares, or 5.14% of the total number of shares issued by Cia. Energética de Minas Gerais, in the form of ADRs (US2044096012).
- (ii) This number of shares is the aggregate total of all shares held by funds and client accounts managed by Lazard Asset Management LLC.
- (iii) Acquisition of this interest is in no way related to acquisition of control of the Company; rather, it is an investment that does not seek to alter the management nor the composition of control of the Company, nor its operation.

Belo Horizonte, May 19, 2014.

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Luiz Fernando Rolla

Chief Finance and Investor Relations Officer

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8. Earnings Release of First Quarter 2014 Results

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CEMIG

PUBLICATION OF FIRST QUARTER 2014 RESULTS

CEMIG REPORTS NET PROFIT OF R\$ 1.25 BILLION for 1Q14

Highlights:

- **1Q14 cash flow, measured as Ebitda: R\$ 2.1 billion (IRFS)**
- **1Q14 net revenue: R\$ 4.7 billion**
- **Equity gain from subsidiaries in 1Q14: R\$ 115 million**

	31/03/2014	31/03/2013	Change %
Electricity sold, GWh (excluding CCEE)	15,827	14,688	7.75
Sales on CCEE	1,326,907	578,747	129.27
Gross revenue	6,043,020	4,891,177	23.55
Net revenue	4,760,722	3,677,594	29.45
Ebitda (IFRS)	2,108,529	1,590,729	32.55
Ebitda adjusted for regulatory items **	2,240,331	1,298,468	72.54
Net profit	1,250,089	865,347	44.46
Net profit adjusted for non-recurring items*	1,250,089	821,800	52.12
Net profit adjusted for regulatory items**	1,338,265	689,987	93.96

\* Adjustment for non-recurring items see Page 11

\*\* Adjusted for regulatory assets and liabilities

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**Conference call**

**Publication of 1Q14 results**

**Video webcast and conference call**

**May 19, 2014 (Monday), at 3 PM Brasília time**

This transmission on Cemig's results will have simultaneous translation into English and can be seen in Video Webcast, at <http://ri.cemig.com.br>

or heard by conference call on:

**+ 55 (11) 2188-0155 (Option 1) or**

**+ 55 (11) 2188-0188 (Option 2)**

**Password: CEMIG**

**Playback of Video Webcast:**

Site: <http://ri.cemig.com.br>

Click on the banner and download.  
Available for 90 days

**Playback of conference call:**

Tel.: (11) 2188-0155

Password:  
CEMIG Português

Available from May 19 to June 2, 2014

**Cemig Investor Relations**

<http://ri.cemig.com.br/>

[ri@cemig.com.br](mailto:ri@cemig.com.br)

Tel.: (+55 31) 3506 5024

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**Cemig's Executive Investor Relations Team**

- **Chief Finance and Investor Relations Officer**

Luiz Fernando Rolla

- **General Manager, Investor Relations**

Antonio Carlos Vélez Braga

- **Manager, Investor Market**

Stefano Dutra Vivenza



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**Disclaimer**

Certain statements and estimates in this material may represent expectations about future events or results, which are subject to risks and uncertainties that may be known or unknown. There is no guarantee that the events or results will take place as referred to in these expectations.

These expectations are based on the present assumptions and analyses from the point of view of our management, in accordance with their experience and other factors such as the macroeconomic environment, market conditions in the electricity sector, and expected future results, many of which are not under Cemig's control.

Important factors that could lead to significant differences between actual results and the projections about future events or results include Cemig's business strategy, Brazilian and international economic conditions, technology, Cemig's financial strategy, changes in the electricity sector, hydrological conditions, conditions in the financial and energy markets, uncertainty on our results from future operations, plans and objectives, and other factors. Due to these and other factors, Cemig's results may differ significantly from those indicated in or implied by such statements.

The information and opinions herein should not be understood as a recommendation to potential investors, and no investment decision should be based on the veracity, currentness or completeness of this information or these opinions. None of Cemig's professionals nor any of their related parties or representatives shall have any liability for any losses that may result from use of the content of this material.

To evaluate the risks and uncertainties as they relate to Cemig, and to obtain additional information about factors that could originate different results from those estimated by Cemig, please consult the section on Risk Factors included in the Reference Form filed with the Brazilian Securities Commission (CVM) and in the 20-F Form filed with the U.S. Securities and Exchange Commission (SEC).

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**From the CEO and CFO**

Cemig's CEO, Mr. Djalma Bastos de Morais, comments on these results:

Our 1Q14 results are in line with the Company's commercial strategy. The aim of our Long-Term Strategic Plan is to give continuity to our strategy of sustainable growth – expanding operations that can add value to our businesses and provide our stockholders with the appropriate and attractive return on their investments. The acquisition of a 49.9% interest in *Retiro Baixo Energética*, holder of the concession to operate a hydroelectric plant with installed capacity of 83.7MW, is a good recent illustration of this strategy.

As well as growing through mergers and acquisitions, we continue to invest firmly in our own concession area. By doing so we are working to make the strategy fulfill our long-term vision:

*To consolidate Cemig's position, over the course of this decade,  
as the largest group in the Brazilian electricity sector by market value,  
with a presence in the natural gas market, and as a global leader in sustainability,  
admired by its clients and recognized for its solidity and performance .*

Cemig Chief Finance and Investor Relations Officer, Mr. Luiz Fernando Rolla, comments:

In this first quarter of 2014 Cemig continued to produce robust cash flow. Ebitda – an indicator cash flow – was R\$ 2.109 billion, 32.55% more than in first quarter 2013. We can thus say that our strategy of increasing our operational efficiency and achieving gains from synergy and growth – via acquisitions or through participation in new projects – has been successful. Net profit in 1Q14 was R\$ 1.25 billion, and we have a cash position of R\$ 2.04 billion. These two figures are important in that they ensure execution not only of our Long-Term Strategic Plan, but also of our dividend policy and debt management – making Cemig an increasingly solid company with efficient corporate management.

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**The economic situation**

In general, the domestic macro fundamentals of Brazil's economy continue to deteriorate, in a trend that began toward the end of the last quarter of 2013.

The fiscal situation is under pressure; and while the Central Bank has increased the *Selic* basic interest rate by 3.75 percentage points since April of last year, to 11% p.a. currently, in an attempt to combat inflation, market analysts' forecasts are saying that inflation is still rising.

Brazil's macro scenario this year is more challenging, with expectations of a slowdown in activity and inflation still high, close to the ceiling of the government's target range. This range centers on the government's target of 4.5%, with a margin of 2 percentage points either side of that number. In the present pessimistic atmosphere, economists are forecasting that the IPCA (Expanded Consumer Price) inflation index will be 6.5% for the whole of 2014, and 6% for 2015.

In March, Brazil's Geography and Statistics Institute (IBGE) reported Brazilian industrial production down 0.5% year-on-year, in the non-seasonally-adjusted series of figures, after being stable in February (0.0%) and up 2.2% YoY in January.

The outlook for inflow of foreign investment to Brazilian fixed income, and funding from foreign sources, continues to sustain the good performance of the Real against the dollar. With the 3.24% depreciation of the dollar against the Real in March, many investors have reduced their bets on a renewed strengthening in the dollar. However, the Central Bank's latest *Focus* survey adjusted expectations for the exchange rate, to R\$ 2.45/US\$ at year-end 2014, and R\$ 2.51/US\$ at end-2015.

As a way of maintaining foreign investors' interest in the domestic market, and as part of the new phase of the program of daily interventions in the foreign exchange market, which the exchange rate now down 5.61% in the quarter, the Central Bank is maintaining the program of FX swap auctions which it began in August 2013. Its daily offering of 4,000 contracts for auction, with issuance and settlement from Monday to Friday, will continue to take place until June 30.

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Economic activity has cooled in the Southeast at the beginning of this year, in a context of lower growth in retailing and retraction in industrial production. The Belo Horizonte Consumer Confidence Index (ICCBH), published by the Minas Gerais Administrative and Accounting Economic Surveys Institute(1), fell back to 45.1 points in March, its lowest level for March since 2006.

According to the Development, Industry and Trade Ministry, the State of Minas Gerais posted a trade surplus in 1Q 2014 of US\$ 4.6 billion essentially unchanged (down 0.1%) from 1Q13 on exports of US\$ 7.3 billion, 1.8% less than in 1Q13, and imports of US\$ 2.6 billion, down 4.6% from 1Q13.

The average unemployment rate in the metropolitan region of Belo Horizonte was 3.7% at the end of February (vs. 4% at the same point of 2013), according to the IBGE, but reflecting a reduction of 1.5% in the number of people in work, and a decline of 1.8% in the economically active population.

Because of the fundamental role of the US economy in global growth, governments and financial markets worldwide closely monitor changes in US GDP, US levels of international trade, US employment figures and US monetary policy. The world FX markets also monitor US economic activity because the dollar operates as a global reserve currency, sustaining the FX market 24 hours a day, and connected to the flow of global investments.

Based on the outlook with signs of moderate improvement in the US economy, the US Federal Reserve continues to gradually reduce the volume of its monthly purchases of federal securities, maintaining its strategy of continually decreasing the stimulus given to the US economy through government interventions. The market also remains cautious in relation to some indicators, for example the most recent monthly US Payroll figures, which showed a reduction in unemployment, while at the same time showing many people leaving the workforce, and wages still stagnated. Concerned with the possibility that the reduction in international liquidity might generate

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(1) *(Fundação Instituto de Pesquisas Econômicas, Administrativas e Contábeis de Minas Gerais).*

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turbulence in the financial markets, the central banks of emerging countries are reacting by increasing their interest rates in an attempt to contain capital flight.

We still expect any increase in interest rates by the US Federal Reserve to take some time, even with the positive signals in the US economy. Inflation below 2%, and high unemployment, above 6%, are in our view reasons for interest rates in the US to remain close to zero until 2015. In this context, the US equities market loses strength and the emerging markets have felt an even more accentuated weakness. The use of low interest rates is one of the ways to help the economy of the country recover – encouraging companies to expand by hiring more workers – and to a certain extent supports stability of prices. Meanwhile Fed Chair Janet Yellen, though offering a positive assessment on the outlook for the US economy, pointed out that optimism does not change the Fed's plans to keep the basic interest rate close to zero for the immediate future.

According to the OECD, the Eurozone received some positive impetus from improvements in the outlooks for its three largest economies Germany, France and Italy – in spite of the outlooks for GDP growth still being modest in the short term.

At the same time, there is the risk that inflation might continue to fall if growth disappoints or if the euro does not appreciate more. In a scenario which is still one of risk, high unemployment, inflation below target and high levels of public debt, the OECD recommends that monetary policy in its 34 member countries should continue to be accommodative, that is to say, interest rates need to be kept low for some time yet. For other emerging economies, its assessment is that the appropriate monetary policy will depend on developments in inflation and the exchange rate. Concerns on the performance of the American economy have also pressured European indices.

Although the industrial sector in the Eurozone began to gain traction in March, with a performance index at its highest level in the last three months, the unemployment rate was still 11.8% in that month, having been stable at that level since December 2013. A slight improvement was seen in comparison to March of last year, when the unemployment rate was 12%. The figures are from Eurostat.

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In the Brazilian electricity sector, a risk of rationing and potential major blackouts has put the country on alert. The government's concern about the situation of the reservoirs in the Southeast and Center-West is greater because these reservoirs, together, are responsible for approximately 70% of the hydroelectric energy generated in Brazil. Also, the present level of storage is lower than at the same time last year (41.6%), when a drought in the middle of the rainy season also generated concern on a possible shortage of electricity. The successive record levels in consumption of electricity at the beginning of this year, caused by higher temperatures especially in the South and Southeast, have contributed to worsening of this picture.

As an option for guaranteeing Brazil's electricity supply, the government has the thermal plants, which burn fuels such as oil, gas and biomass. The problem of having recourse to them is that not only are they more pollutant, but the electricity they produce is more expensive, which increases electricity bills.

The mechanism of the Annual Tariff Adjustment aims to re-establish the purchasing power obtained through the rates charged by concession holders. In April the Brazilian electricity regulator (*Agência Nacional de Energia Elétrica* - Aneel) approved an average increase of 14.76% in the charges made by Cemig Distribution (Cemig D) for electricity to its consumers.

The cost of the widespread dispatching of the thermal plants, which influences the costs that the distributors pay for electricity in the short term, is beginning to be felt by residential consumers more strongly following the rate adjustments of this year, since dispatching of the thermal generation plants was adopted more strongly starting last year. The Finance Ministry has authorized a loan of R\$ 11.2 billion to the wholesale electricity trading chamber (CCEE), which is advancing this money to distributors to fund the additional costs of electricity bought from thermal sources, and also the distributors' forced exposure to the spot market.

Table of Contents**Cemig stock prices performance**

Security	Ticker	Currency	Close of Dec. 31, 2013	Close of Mar. 31, 2014	Change in the period %
Cemig PN	CMIG4	R\$	14.01	15.25	8.85%
Cemig ON	CMIG3	R\$	14.20	15.70	10.56%
ADR PN	CIG	US\$	5.96	6.80	14.09%
ADR ON	CIG.C	US\$	6.27	6.92	10.37%
Ibovespa	Ibovespa		51.507	50.404	-2.14%
IEEX	IEEX		26.250	24.838	-5.38%

Source: *Economática*.

In the first quarter of 2014 Cemig's preferred shares (CMIG4) traded a total volume of R\$ 4.3 billion. At this level of trading, Cemig continues to be one of the most liquid shares in the Brazilian electricity sector, and one of the most traded shares in the Brazilian market.

On the New York Stock Exchange our preferred ADRs (CIG) traded a total volume of US\$ 2.1 billion in the first quarter of 2014 reflecting Cemig's recognition by the investor market, and maintaining the stock's status as a global investment option.

The benchmark São Paulo Bovespa index was down 2.14% in 1Q14, closing the quarter at 54,404 points. In our view this negative performance, too, reflects the growing pessimism of investors about the Brazilian economy.

Meanwhile Cemig's shares significantly outperformed the Brazilian stock index: In the quarter, the common shares were up 10.56%, and the preferred shares were up 8.85%.



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**Capital markets**

Securities prices and indices, Year to May 14, 2014 Source: Economática.

**Cemig's long-term ratings**

The outlook for Cemig's long term credit ratings on the Brazilian scale are unchanged:

Rating agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
<b>Fitch</b>	AA(bra)	Negative	AA(bra)	Negative	AA(bra)	Negative
<b>S&amp;P</b>	BrAA+	Stable	BrAA+	Stable	BrAA+	Stable
<b>Moody's</b>	Aa2.br	Negative	Aa1.br	Negative	Aa1.br	Negative

**Adoption of IFRS**

The financial results presented below are prepared in accordance with the new Brazilian accounting rules, which embody a process of harmonization between Brazilian accounting rules and IFRS (International Financial Reporting Standards).

Table of Contents**PROFIT AND LOSS ACCOUNT**

Consolidated R\$ 000	03/31/2014	03/31/2013	Change %
<b>REVENUE</b>	<b>4,760,772</b>	<b>3,677,594</b>	<b>29.45</b>
<b>OPERATIONAL COSTS</b>			
Electricity bought for resale	(1,628,716)	(972,787)	67.43
Charges for the use of the national grid	(169,542)	(126,225)	34.32
Personnel and managers	(294,781)	(442,930)	(33.45)
Employees and managers profit shares	(57,807)	(56,001)	3.22
Post-retirement liabilities	(52,979)	(41,957)	26.27
Materials	(52,563)	(55,942)	(6.04)
Outsourced services	(205,408)	(189,701)	8.28
Depreciation and amortization	(182,033)	(202,985)	(10.32)
Royalties for use of water resources	(41,135)	(34,041)	20.84
Operational provisions	(4,783)	(42,238)	(88.68)
Infrastructure construction cost	(149,070)	(204,348)	(27.05)
Others	(110,179)	(86,853)	26.86
<b>TOTAL COST</b>	<b>(2,948,996)</b>	<b>(2,456,008)</b>	<b>20.07</b>
Gain (loss) in subsidiaries by equity method	114,720	166,158	(30.96)
<b>Profit before Financial revenue (expenses) and taxes</b>	<b>1,926,496</b>	<b>1,387,744</b>	<b>38.82</b>
Financial revenues	252,923	139,929	80.75
Financial expenses	(350,462)	(303,465)	15.49
<b>Pretax profit</b>	<b>1,828,957</b>	<b>1,224,208</b>	<b>49.40</b>
Current and deferred income tax and Social Contribution tax	(578,868)	(358,861)	61.31
<b>NET PROFIT FOR THE PERIOD</b>	<b>1,250,089</b>	<b>865,347</b>	<b>44.46</b>
<b>Non-recurring</b>			
Monetary updating on CRC Account		(43,547)	
<b>NET PROFIT FOR THE PERIOD</b>	<b>1,250,089</b>	<b>821,800</b>	<b>52.12</b>

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**Cemig's consolidated electricity market**

The Cemig Group(1) sells electricity through its wholly-owned subsidiaries **Cemig Distribuição** (Cemig Distribution, referred to as **Cemig D**), **Cemig Geração e Transmissão** (Cemig Generation and Transmission, or **Cemig GT**), and the subsidiaries **Horizontes Energia, Termelétrica Ipatinga, Sá Carvalho, Termelétrica de Barreiro, Cemig PCH, Rosal Energia** and **Cemig Capim Branco Energia**.

Cemig's consolidated electricity market comprises sales of electricity to:

- (I) Captive consumers in Cemig's concession area in the State of Minas Gerais;
- (II) Free Consumers both in the State of Minas Gerais and other States of Brazil, in the Free Market (*Ambiente de Contratação Livre*, or ACL);
- (III) other agents of the electricity sector – traders, generators and independent power producers, also in the ACL;
- (IV) Distributors, in the Regulated Market (*Ambiente de Contratação Regulada*, or ACR); and
- (V) the wholesale trading chamber (*Câmara de Comercialização de Energia Elétrica*, or CCEE) (eliminating transactions between companies of the Cemig Group).

Sales of electricity to final consumers totaled 11,963 GWh (including the Cemig Group's own consumption), or 10.72% more than in 1Q13.

The number of clients billed by the Cemig Group in March 2014 was 73,844,255, 3.1% more than in March 2013. This chart shows the breakdown by consumer category:



Table of Contents**Total consumption of electricity (MWh) - changes**

The volume of electricity sold to final consumers of Cemig in 1Q14 was 7.75% higher than in 1Q13.

		MWh		Average price	Average price
	03/31/2014	03/31/2013	Change %	03/31/2014 R\$	03/31/2013 R\$
<b>Consolidated</b>					
Residential	2,567,781	2,312,569	11.04	474,00	496,77
Industrial	6,110,066	5,499,782	11.10	175,76	169,86
Commercial, Services and Others	1,662,481	1,528,696	8.75	393,44	390,00
Rural	743,703	632,817	17.52	249,86	274,51
Public authorities	220,672	208,265	5.96	382,01	388,73
Public illumination	329,739	309,813	6.43	244,59	250,32
Public service	319,227	304,326	4.90	263,68	261,90
<b>Subtotal</b>	<b>11,953,699</b>	<b>10,796,268</b>	<b>10.72</b>	<b>282,76</b>	<b>286,31</b>
Own consumption	9,769	8,636	13.12		
Wholesale supply to agents in Free and Regulated Markets (*)	3,863,170	3,883,530	(0.52)	123,87	120,44
<b>Total</b>	<b>15,826,608</b>	<b>14,688,434</b>	<b>7.75</b>	<b>247,54</b>	<b>236,06</b>

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

These comments describe the main changes between the two years in each consumer category:

Residential:

Residential consumption, at 2,568 GWh, represented 16.22% of the total electricity sold by Cemig in 1Q14, and was 11.04% higher in absolute terms than in 1Q13.

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Factors in this change are:

- a. Addition of 208,409 new consumers expanding the total in this category by 3.4%.
- b. Climatic conditions higher temperatures than in 1Q13.
- c. Continuation, though at a more modest level, of the dynamics of private consumption of goods and services, made possible by government policies on employment and income, and stimulation for acquisition of goods associated with the supply of lines of credit.
- d. Average monthly consumption per consumer 7.2% higher, at 136.2 kWh/month, than in 1Q13 the highest since the first quarter of 2002.

Industrial:

	MWh		Change	Average price	Average price
	03/31/2014	03/31/2013	%	03/31/2014	03/31/2013
				R\$	R\$
Cemig GT	4,887,863	4,336,814	12.71	149,00	139,51
Cemig D	980,840	951,943	3.04	331,85	325,78
Other subsidiaries	241,363	211,025	14.38	83,46	90,09
<b>Total</b>	<b>6,110,066</b>	<b>5,499,782</b>	<b>11.10</b>	<b>175,76</b>	<b>169,86</b>

The electricity used by captive clients and the electricity transported to free clients in the industrial category, at 6,110 GWh, was 38.61% of the total of electricity distributed by Cemig in the quarter, and 11.10% higher by volume than in 1Q13.

The behavior of this consumer category is associated with the level of industrial activity in Minas Gerais, which was lower in 1Q14 due to lower domestic demand, reflecting the low level of domestic investment, and more adverse conditions for exports due to the international economic context lower growth in China, and weak economic recovery in the US and some countries of the EU.

*Mining* accounted for 16.4% of the total of electricity sold to the industrial sector, and its total was 3.2% lower than in 1Q13. *Manufacturing* was 83.3% of the total, and was 1.5% lower year-on-year.





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In manufacturing, year-on-year variations were different: (I) in *non-ferrous metals* electricity consumption was down 27.3% YoY, and in the *auto industry* down 5.7%, while (II) it was up 3.4% in *ferro alloys*, up 6.8% in *chemicals*, up 3.9% in *non-metallic minerals*, up 0.3% in steel and up 2.6% in food products.

Commercial:

	MWh		Change %	Average price	Average price
	03/31/2014	03/31/2013		03/31/2014	03/31/2013
				R\$	R\$
Cemig G	79,731	76,854	3.74	224.62	211.15
Cemig D	1,572,482	1,441,254	9.11	403.10	401.08
Other subsidiaries	10,268	10,588	(3.02)	225.56	179.54
<b>Total</b>	<b>1,662,481</b>	<b>1,528,696</b>	<b>8.75</b>	<b>393.44</b>	<b>390.00</b>

The *commercial* consumer category accounted for 10.5% of Cemig's electricity sales in 1Q14, totaling 1,662 GWh – this was 8.75% higher than in 1Q13. We see these factors:

- a. Connection of 17,690 new consumers, expanding the consumer base of this category by 2.5%.
- b. Climate – higher temperatures than in 1Q13.
- c. The dynamics of the tertiary sector – provision of services to both private consumers and various economic sectors.
- d. Average monthly consumption per consumer 6.2% higher year-on-year, at 735.7 kWh/month, compared to 692.7 kWh/month in 1Q13.

All the economic sectors within the *Commercial and Services* category had higher consumption in 1Q14 than 1Q13 – the strongest growth was in *wholesaling* (up 12.2%), *accommodation and meals* (8.2%), and *retailing* (6.8%).

Rural:

Consumption by the *rural* consumer category, at 743,703 MWh, was 4.7% of the total electricity sold by Cemig, and 17.52% higher by volume than in 1Q13.

This increase is largely associated with climate factors:

- a. Lower rainfall in 1Q14 than the historic average (the expected level for the period of the year; and

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b. higher temperatures than in 1Q13, resulting in

c. consumption for *irrigation* 27.9% higher.

Other user categories:

Total consumption by the other consumer categories – Public Authorities, Public Illumination, Public Services, and Cemig’s own consumption – at 5.56% of the total electricity transacted, was 5.82% higher than in 1Q13.

**The electricity market of Cemig D**

The concession area of **Cemig D** (Cemig Distribution – Cemig Distribuição S.A.), approximately 97% of the Brazilian state of Minas Gerais, totals an area of 567,478 km<sup>2</sup>. Cemig D has four electricity concessions in the state, under four separate concession contracts (West, East, South, and North).

Electricity billed to captive clients and electricity transported for Free Clients and distributors with access to Cemig D’s networks totaled 11,208 GWh in 1Q14, 4.2% more than in 1Q13.

This quarterly result is a composition of the growth of 9.3% in the captive market, with the highest growth in the *Residential, Commercial and Services* and *Rural* categories, and sales in the free market 2.7% lower, due to lower industrial activity.

In March 2014 Cemig D billed 7,844,139 consumers, 3.1% more than in March 2013. Of this total, 7,843,724 are captive consumers, and 415 are Free Clients that use Cemig D’s distribution network, representing year-on-year growth of 5.9%.

The significant growth of 9.3% in the captive market in 1Q14 reflected two transitory factors: (i) high temperatures with low rainfall; and (ii) 3.9 more invoicing days in the billing cycle of low-voltage consumers than in 1Q13.

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**The electricity market of Cemig GT**

The figure for total sales to the market of Cemig GT comprises sales made:

- (I) in the Free Market: to Free Clients, either located in Minas Gerais or in other States; and to other generation companies and traders;
- (II) in the Regulated Market: to distributors; and
- (III) in the wholesale market through the Electricity Trading Chamber (CCEE).

Cemig GT sold a total of 10,715 GWh in 1Q14, 13.4% more than in 1Q13.

The number of clients billed by Cemig GT was 511 in March 2014, 33.1% more than in March 2013. Of this total, 462 are industrial and commercial clients located in Minas Gerais and other states.

Sales of electricity to Free Clients in the Free Market totaled 4,967 GWh in 1Q14, 12.6% more than in 1Q13. We see two factors in this:

- a. incorporation of new free clients in Cemig GT's portfolio; and
- b. a higher effect from seasonalization of electricity in the contracts of Free Consumers in 1Q14 than in 1Q13.

The total volume of sales of electricity to other agents of the sector in the Free Market was 1,937 GWh, which was 117.6% more than in 1Q13. This reflected Cemig taking commercial opportunities that resulted in signature of new short-term sales contracts.

The level of sales in the Regulated Market being 37.3% lower year-on-year was the result of termination of contracts under the Regulated Market Auction held in 2005, for which supply ran from 2006 through 2013.

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Sales in the Wholesale Market (CCEE) were 80.7% higher in 1Q14, due to a higher volume of settlement of availability of Cemig GT's supply in 1Q14 than in 1Q13.

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**Physical totals of transport and distribution MWh**

	03/31/2014	MWh	03/31/2013	Change %
<b>Total energy carried</b>				
Electricity transported for distributors	76,500		65,012	17.67
Electricity transported for free clients	4,482,913		4,570,253	(1.91)
Own load				
Consumption by captive market	6,744,213		6,169,623	9.31
Losses in distribution network	1,439,738		1,432,444	0.51

**Consolidated operational revenue**

Gross supply of electricity:

Revenue from total supply of electricity to final consumers was R\$ 3.918 billion in 1Q14, 13.00% more than in 1Q13 (R\$ 3.467 billion).

*Final consumers*

Total revenue from electricity sold to final consumers, excluding Cemig's own consumption, in 1Q14 was R\$ 3.439 billion, an increase of 14.65% from the figure for 1Q13, R\$ 3.000 billion.

The main factors in revenue in 1Q14 were:

- Volume of electricity sold to final consumers 10.72% higher.
- Tariff Adjustment of 2.99% for captive consumers of Cemig D, as from April 8, 2013.
- Adjustment to contracts for sale of electricity to free consumers, most of these being indexed to the IGP-M inflation index.
- Increase of 39.9% in the number of Free Consumers in the industrial market.

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	03/31/2014	R\$	03/31/2013	Change %	Average price 03/31/2014 R\$	Average price 03/31/2013 R\$	Change %
Residential	1,217,140		1,148,808	5.95	474.00	496.77	(4.58)
Industrial	1,073,906		934,178	14.96	175.76	169.86	3.48
Commercial, Services and Others	654,088		596,185	9.71	393.44	390.00	0.88
Rural	185,818		173,715	6.97	249.86	274.51	(8.98)
Public authorities	84,299		80,959	4.13	382.01	388.73	(1.73)
Public illumination	80,652		77,553	4.00	244.59	250.32	(2.29)
Public service	84,174		79,704	5.61	263.68	261.90	0.68
<b>Subtotal</b>	<b>3,380,077</b>		<b>3,091,102</b>	<b>9.35</b>	<b>282.76</b>	<b>286.31</b>	<b>(1.24)</b>
Supply not yet invoiced, net	59,146		(91,425)				
Wholesale supply to other concession holders (*)	478,524		467,721	2.31	123.87	120.44	2.85
<b>Total</b>	<b>3,917,747</b>		<b>3,467,398</b>	<b>12.99</b>	<b>247.54</b>	<b>236.06</b>	<b>4.86</b>

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

Revenue from use of the distribution systems – TUSD

Cemig D's revenue from the TUSD in 1Q14 was R\$ 196 million, 42.22% less than in 1Q13 (R\$ 339 million). This mainly reflects the reduction in tariff resulting from the Tariff Review of Cemig D, which reduced the TUSD for Free Consumers by an average of 33.22%, as from April 8, 2013; it is also due to lower industrial consumption by large clients in 2013.

Revenue from transactions in electricity on the CCEE

The revenue from wholesale transactions on the CCEE was R\$ 1.327 billion in 1Q14, which is 129.27% higher than in 1Q13 (R\$ 578,747 million). This primarily reflects the spot price (*Preço de Liquidação de Diferenças*, or PLD) being 107.52% higher in 1Q14, at (R\$ 669.76/MWh, compared to R\$ 322.75/MWh in 1Q13); and also due to the higher availability of electricity for settlement in the CCEE in the period.

Other operational revenues

This line was 50.07% higher in 1Q14, at R\$ 299 million, than in 1Q13 (R\$ 199 million), mainly on the following factors:

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- Funding from the Electricity Development Account (*Conta de Desenvolvimento Energético*, or CDE) 70.63% higher in 1Q14: This is compensation for the subsidies given in the TUSD (*Tarifas de Uso do Sistema de Distribuição*) that were not incorporated into the tariff, a total of R\$ 136 million in 1Q14, compared to R\$ 80 million in 1Q13.
- Permission from the CCEE to omit thermal-sourced electricity purchases from electricity invoices, due to a lower level of generation than specified by the National System Operator (*Operador Nacional do Sistema Elétrico*, ONS) in 1Q14. The amount was R\$ 33 million.

**Sector and similar charges on revenue**

The sector and related charges applied to revenue totaled R\$ 1.282 billion in 1Q14, 5.66% more than in 1Q13 (R\$ 1.214 billion). This is mainly due to the taxes that are calculated as a simple percentage of billing, which thus vary in accordance with the variations in revenues.

**Operational costs and expenses**

Operational costs and expenses, excluding Financial revenue (expenses), totaled R\$ 2.949 billion in 1Q14, 20.70% less than in 1Q13 (R\$ 2.456 billion).



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The following paragraphs comment on the main variations:

Electricity bought for resale

The expense on electricity bought for resale in 1Q14 was R\$ 1.629 billion, which compares to R\$ 973 billion in 2013, an increase of 67.43%. This mainly reflects: Main factors in the increase:

- Higher purchase of electricity in the Free Market in 1Q14, a variation of R\$ 137 million, due to higher sales activity by Cemig GT, and the higher cost of acquisition associated with the increased price of electricity in the market.
- The low level of the reservoirs of the hydroelectric plants, and the consequent increase in prices of supply, significantly affecting the cost of electricity bought by electricity distributors in Brazil.
- Expense on electricity acquired in auctions 72.42% higher, at R\$ 579 million in 1Q14, compared to R\$ 336 million in 1Q13, arising from availability contracts, due to expenditure on fuel for generation by the thermal plants.
- The Brazilian federal government issued Decree 7945 (of March 7, 2013), which ordered payment of funds from the Energy Development Account (*Conta de Desenvolvimento Energético*, or CDE), to cover, principally, the costs arising from dispatching of the thermoelectric plants. The Company recorded receipt of a compensatory payment of R\$ 836 million in 1Q14 for costs of electricity bought in the spot market.

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- Expenses on electricity from Itaipu Binacional were 11.41% lower, at R\$ 205 million in 1Q14, vs. R\$ 231 million in 1Q13 mainly reflecting the volume of electricity purchased being 24.71% lower, at 1,541,042 MWh, compared to 2,046,848 in 1Q13. These expenses are indexed to the US dollar, and the effect of this volume difference was partly offset by the weakening of the Real against the dollar between the two periods: the average dollar used for billing in 1Q14 was R\$ 2.34, compared to R\$ 1.99 for 1Q13 an increase of 17.59%.

Charges for use of the transmission network

The Charges for Use of the Transmission Network totaled R\$ 169 million in 1Q14, compared to R\$ 126 million in 1Q13, a reduction of 34.32%.

Personnel (excluding voluntary retirement programs and costs of personnel transferred to works in progress)

	03/31/2014	03/31/2014	Δ %
Remuneration and salary-related charges and expenses	260,790	252,397	3.33
Supplementary pension contributions Defined-contribution plan	17,546	16,952	3.50
Assistance benefits	33,638	33,854	(0.64)
	<b>311,974</b>	<b>303,203</b>	<b>2.89</b>

The total expense on personnel (excluding voluntary retirement programs and costs of personnel transferred to works in progress) was slightly (2.89%) higher than in 1Q13, after the 6.85% employee wage increase agreed in the 2013-14 Collective Work Agreement in November 2013.

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The total number of employees was 5.04% lower, at 7,911, on March 31, 2014 than at the end of March 2013(8,331).

**Number of employees**

**Financial revenue (expenses)**

Cemig reports net financial expenses of R\$ 98 million in 1Q14, compared to net financial expenses of R\$ 164 million in 1Q13. The main factors are:

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- Recognition in 1Q13 of monetary updating on Financial Assets representing the Assets Remuneration Base (*Base Regulatória de Remuneração*, or BRR), in the amount of R\$ 113 million. The adjustment index used is the IGP - M inflation index.

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- Income from cash investments was 108.34% higher in 1Q14, at R\$ 72 million, compared to R\$ 35 million in 1Q13, due to investment of a higher volume of funds in 1Q14.
- Revenue from monetary updating on the CRC contract, in 1Q13, of R\$ 44 million, the low amount reflecting its early settlement, at that time after which, in subsequent quarters, this item was zero. There are more details in Explanatory Note 12 to the financial statements at December 31, 2013.
- Expense on monetary updating of loans and financing 77.94% higher, at R\$ 116 million, in 1Q14 than in 1Q13 (R\$ 65million). This largely reflects the higher average balance of loans indexed to inflation in 1Q14 than in 1Q13, and to a lesser extent reflects higher inflation as measured by the IPCA index (2.18% and 1Q14, vs. 19.94% in 1Q13).

**Income tax and Social Contribution tax**

**In 1Q14** Cemig reported income tax and Social Contribution tax totaling R\$ 579 million, on reported pre-tax profit of R\$ 1.829 billion, representing a percentage rate of 31.65%. **In 1Q13**, the expense on income tax and the Social Contribution tax was R\$ 359 million, on pre-tax profit of R\$ 1.224 billion, an effective rate of 29.31%.

**Regulatory assets and liabilities**

Following the alignment of Brazilian accounting practices with IFRS, as from 2010 regulatory assets and liabilities are no longer recorded in the Company's financial statements. They are recognized in the profit and loss account of a year only after their actual inclusion in the Company's tariff.

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This table shows the effects that regulatory assets and liabilities would have had if they had been recognized in the Company's financial statements:

STATEMENT OF FINANCIAL POSITION	Amounts already included in tariff increases	Amounts to be included in the next tariff adjustment	03/31/2014	12/31/2013
Assets	1,149,079	644,298	1,793,377	1,307,970
Liabilities	(937,234)	(353,183)	(1,290,417)	(963,869)
Regulatory gain by the equity method gain			70,067	76,899
	<b>211,845</b>	<b>291,115</b>	<b>573,027</b>	<b>421,000</b>
			<b>03/31/2014</b>	<b>12/31/2013</b>
<b>Assets</b>				
Prepaid expenses - CVA (1)			1,789,012	1,257,729
Reduction of Tariff for Use of Transmission and Distribution Systems			111	26,096
Discounts for irrigation clients				4,913
Other regulatory assets			4,254	19,232
			<b>1,793,377</b>	<b>1,307,970</b>
Equity method gains (losses) arising from Regulatory Assets and Liabilities			70,067	76,899
Deferred income tax and Social Contribution tax			(192,406)	(128,556)
			<b>1,671,038</b>	<b>1,256,313</b>
<b>Liabilities</b>				
Regulatory liabilities - CVA (1)			(1,289,441)	(950,346)
Other regulatory liabilities			(976)	(13,523)
			<b>(1,290,417)</b>	<b>(963,869)</b>
			<b>380,621</b>	<b>292,444</b>

(1) Portion A Costs Variation Compensation Account (CVA).

The net effects of regulatory assets and liabilities on the Company's Profit and loss account, if they had been recorded, would have been as follows:

	03/31/2014	12/31/2013
<b>Profit (loss) for the period</b>	<b>1,250,089</b>	<b>865,347</b>
Operational profit arising from regulatory assets and liabilities	138,634	(315,039)
Net financial revenue (expenses) arising from regulatory assets and liabilities	5,318	14,830
Equity method gains (losses) arising from regulatory assets and liabilities	(6,832)	22,778
Income tax and Social Contribution on regulatory assets and liabilities	(48,944)	102,071
<b>Net profit for the period taking into account regulatory assets and liabilities</b>	<b>1,338,265</b>	<b>689,987</b>

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<b>REGULATORY EBITDA</b> R\$ million	<b>03/31/2014</b>	<b>12/31/2013</b>	<b>Change %</b>
<b>Net profit for the period taking into account regulatory assets and liabilities</b>	<b>1,338,265</b>	<b>689,987</b>	<b>93.96</b>
+ Income tax and Social Contribution tax	627,812	256,790	144.48
+ Financial revenue (expenses)	92,221	148,706	(37.98)
+ Amortization	182,033	202,985	(10.32)
<b>= EBITDA</b>	<b>2,240,331</b>	<b>1,298,468</b>	<b>72.54</b>

**EBITDA**

Cemig's consolidated Ebitda in 1Q14 was 32.55% higher than in 2013:

<b>EBITDA - R\$ 000</b>	<b>03/31/2014</b>	<b>12/31/2013</b>	<b>Var. %</b>
Profit (loss) for the period	1,250,089	865,347	44.46
+ Income tax and Social Contribution tax	578,868	358,861	61.31
+ Net financial revenue (expenses)	97,539	163,536	(40.36)
+ Depreciation and amortization	182,033	202,985	(10.32)
<b>= EBITDA</b>	<b>2,108,529</b>	<b>1,590,729</b>	<b>32.55</b>





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The significantly higher **consolidated Ebitda** in 1Q14 than 1Q13 mainly reflects revenue 29.45% higher, partially offset by operational costs and expenses (excluding the effects of depreciation and amortization) 22.781 higher. Ebitda margin increased from 43.26% in 1Q13 to 44.30% in 1Q14.

**In Cemig D**, the lower Ebitda of Cemig D in 1Q14 than 1Q13 mainly reflects operational costs and expenses (excluding the effects of depreciation and amortization) 24.59% higher, in which the highlight was the expense of Electricity bought for resale 66% higher. **In Cemig GT**, the higher Ebitda in 1Q14 than 1Q13 was mainly the effect of net revenue 77.67% higher, partly offset by operational costs and expenses (excluding the effects of depreciation and amortization) 17.50% higher.

**DEBT**

Cemig s consolidated total debt at March 31, 2014 was R\$ 9.435 billion, 0.24% less than at December 31, 2013.



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**NEW ACQUISITIONS**

**The Joaquina Project**

On April 30, 2014, Cemig GT, as purchaser, and Orteng Equipamentos e Sistemas S.A. and Arcadis Logos Energia S.A. as vendors, signed a share purchase agreement governing acquisition of 49.9% of the share capital of Retiro Baixo Energética S.A. ( RBE ).

RBE is an unlisted corporation and holder of the concession for commercial operation of the Retiro Baixo Hydroelectric Plant, on the Paraopeba River in Minas Gerais State, Brazil, with installed generation capacity of 83.7MW and assured power level of 38.5 MW average.

The price for the acquisition of 49.9% of the total capital of RBE is R\$ 146 million, to be updated in accordance with the share purchase agreement. The entry of Cemig GT as a stockholder of RBE replacing the Vendors was approved by the Board of Directors of the company held on today s date.

Conclusion of the transaction is subject to conditions precedent, including approval by the Brazilian monopolies authority, Cade (*Conselho Administrativo de Defesa Econômica*), and consents from the Brazilian electricity regulator, Aneel, the financing entities, and the remaining partner.

Table of Contents**DIVIDENDS**

Cemig's dividend policy guarantees that 50% of the net profit will be distributed as obligatory dividend to the Company's stockholders, subject to the other provisions of the By-laws, and the applicable legislation; and the balance, after any retention specified in a capital and/or investment budget prepared by Cemig's management, which complies with the Long-term Strategic Plan and the dividend policy stated in it, and has been duly approved, will be applied to constitute a profit reserve to be used for distribution of extraordinary dividends, up to the maximum limit specified by law.

Without prejudice to the obligatory dividend, every two years Cemig will use this profit reserve for distribution of extraordinary dividends, up to the limit of available cash.

Cemig's Board of Directors may declare interim dividends, in the form of Interest on Equity, on account of retained earnings, profit reserves or profit reported in half-yearly or interim balance sheets.

The table below shows the history of our distribution of stockholder corporate action payments over the last five years.

April 30, 2014	Dividend	0.89
April 30, 2013	Dividend	1.43
December 20, 2012	Extraordinary dividend	1.88
December 9, 2011	Extraordinary dividend	1.25
December 16, 2010	Extraordinary dividend	1.32
April 29, 2009	Dividend	1.90

Cemig's dividend yield, shown below, illustrates its commitment to seek business strategies that ensure an adequate return for stockholders.

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**DIVIDEND POLICY**

Cemig, through its bylaws, assumes the undertaking to distribute a minimum dividend of 50% of the net profit for each year. Additionally, extraordinary dividends can be distributed each two years, or more frequently, if cash availability permits.

The dividends are usually paid in two equal installments: by June 30 and December 30 of the year following the business year on the results of which they are based.

Dividends declared in April 2014 total R\$ 1.656 billion, as follows:

- R\$ 533 million in the form of Interest on Equity (declared on December 5, 2013) for the 2013 business year, to be on account of the minimum obligatory dividend for the year: this payment was made on December 19, 2013.
- R\$ 1.122 billion, in the form of dividends, for the 2013 business year, declared at the Annual General Meeting of April 30, 2014, to stockholders of record on that day.





Table of Contents**THE CEMIG GROUP S PORTFOLIO OF GENERATION ASSETS****CEMIG Generation portfolio, MW\***

Stage	Hydroelectric plants	Small hydroelectric plants	Wind power	Solar	Thermal	TOTAL
In operation	6,803	259	70	1	184	7,317
Under construction / contracted	1,083	29	153	1		1,267
In development	7,270	191	1,272	36	1,500	10,268
<b>Total</b>	<b>15,156</b>	<b>479</b>	<b>1,495</b>	<b>38</b>	<b>1,500</b>	<b>18,852</b>

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\*Os valores referem-se apenas a participação da Cemig direta ou indireta em 31/03/2014

**Highlights of 1st quarter 2014:****Santo Antônio hydro plant 6 generation units start operation**

The Santo Antônio hydro plant, in the municipality of Porto Velho, in Brazil's northern state of Rondônia, comprises 50 generator rotors with total capacity for 3,568 MW. Currently 26 of these units are in commercial operation – a total of approximately 1,856 MW. The other 24 generation units are under construction, with completion scheduled for July 2016. Cemig's share in the enterprise is 10%.

**Irapé hydro complex in operation**

Anel Authorizing Resolution 4582/2014 approved the proposed 3rd amendment to the Concession Contract of the Irapé Hydroelectric project, to increase its installed capacity by 39 MW. The present generation capacity of the Irapé complex as inspected and registered by is 399 MW. Cemig's stake in the enterprise is 100%.

**Brasil PCH acquisition of 13 Small Hydro Plants already in operation**

On February 14, 2014, Cemig GT, through Chipley SP Participações S.A. (owned 40 % by Cemig GT, 59% by Renova Energia S.A. and 1% by Renovapar), finalized acquisition of



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an equity interest of 51% in Brasil PCH. The remaining interests are held by Petrobras, with 49%, and Jobelpa, with 2%.

Brasil PCH is a holding company wholly owning 13 Small Hydro Plants (*Pequenas Centrais Elétricas*, or PCHs), in the states of Minas Gerais, Rio de Janeiro, Espírito Santo and Goiás. Their total installed capacity is 291 MW, and their guaranteed power takeoff level is 194 average MW. The entire output of all of them has been sold under the *Proinfa* program (*Programa de Incentivo a Fontes Alternativas de Energia*, or Program to encourage alternative energy sources) for a period of 20 years.

**Belo Monte Hydroelectric Complex under construction**

The Belo Monte hydroelectric complex, in the municipality of Altamira in the Northern Brazilian State of Pará, will have 24 generation rotors, and total capacity of 11,233 MW. Its guaranteed offtake level will be 4,571 average MW. The start dates for the 24 rotors extend over a period from February 2015 to January 2019. Cemig has a direct and an indirect interest in the enterprise, totaling an aggregate 8.12%.

**Guanhães Energia: 4 Small Hydro Plants under construction**

The holding company Guanhães Energia has the authorization to build 4 small hydro plants ( PCHs ) in the municipalities of Virginópolis and Dorés de Guanhães, in the state of Minas Gerais: *Fortuna II* (9 MW), *Senhora do Porto* (12 MW), *Jacaré* (9 MW) and *Dorés de Guanhães* (14 MW). The total installed CPC is thus 44 MW. The offtake power guarantee level is 25 average MW. Scheduled start dates for the four PCHs range from July 2014 through January 2015. Cemig has a total direct and indirect equity interest of 65.56%.

**The Alto Sertão II ( High Wilderness II ) complexes of wind farms under construction**

The Alto Sertão II wind complex comprises a group of 6 and a group of 9 wind farms, built under contracts won, respectively, at the Reserve Auction (*Leilão de Reserva*, or LER) of 2010 and the A 3 Auction of 2011. They are in the Northeastern Brazilian

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state of Bahia, with aggregate installed capacity of 386.1 MW, and guaranteed offtake level of 181.6 average MW. In a recent development, the start of the period for the 15 wind farms to start operation was postponed to coincide with the availability of the transmission lines for outflow of their production. The current forecasts for initial operation dates are between June 2014 and June 2015. Cemig owns an equity interest, held indirectly, of 7.10%.

**The Alto Sertão III wind complex – contracted**

**Alto Sertão III** is a complex of 46 wind farms, which have placed their output on the Free Market or the Regulated Market, at the A-5 auction of 2012 and the LER (Reserve) Auction of 2013, in the state of Bahia. They have aggregate installed capacity of 741.5 MW, and physical guarantee offtake level of 363.2 average MW. Scheduled startup dates of the 36 wind farms are over the period April 2015 through January 2017. Cemig has an indirectly held equity stake of 7.10%.

**Wind farms contracted at the 2013 A-5 auction**

A total of 17 wind farms in Bahia were contracted at the 2013 A-5 auction, for total installed generation capacity of 355.5 MW, and physical offtake guarantee level of 183.9 average MW. This supply was sold for an average price of R\$ 118.75/MWh, undergoing monetary updating from January 2014. The scheduled date for start of commercial operation is May 2018. Cemig has an equity interest, held indirectly, of 7.10%.

**Sale of contracted supply by Renova to Cemig GT in the Free Market – contracted**

On March 21, 2014, Renova Energia placed a contract to sell supply of 295 average MW between 2016 and 2031. The total installed capacity involved is 676.2 MW, and Cemig GT owns an option to acquire a stockholding of up to 50%. Cemig has an equity interest of 7.10%, held indirectly.

Table of Contents**Sete Lagoas experimental solar plant under construction**

The experimental photovoltaic solar generation plant at Sete Lagoas, Minas Gerais, has installed capacity for 3.3 MWp. Works began in March 2013 and are scheduled for completion in December 2014.

**Taesá Highlights of 1Q14**

Net profit according to IFRS was R\$ 111.5 million. Regulatory Ebitda was R\$ 320.9 million, resulting in a Regulatory Ebitda margin of 89.8%. The availability of lines in this period was 99.99%. The related Variable Portion of the remuneration was R\$ 5.3 million.

**Main financial indicators:**

<b>R\$ million</b>	<b>IFRS</b>	<b>03/31/2014</b>	<b>03/31/2013</b>	<b>Change %</b>
Ebitda		211.8	193.7	9.3
Ebitda margin		79.2%	73.6%	5.6bp
Net profit		111.5	171.1	(34.8)
Net debt		3,670	1,949	883.3
Stock price: TAEE11 (May 13), R\$		20.35	19.34	5.2
Market value		7.011	6.662	5.2

<b>R\$ million</b>	<b>Regulatory (without IFRS)</b>	<b>31/03/2014</b>	<b>31/03/2013</b>	<b>Var. %</b>
Ebitda		320.9	291.7	10.0
Ebitda margin		89.8%	88.4%	1.4bps
Net profit		176.8	201.7	(12.3)
Net debt		3.670	1.949	88.3
Stock price: TAEE11 (May 13), R\$		20.35	19.34	5.2
Market value		7.011	6.662	5.2

[http://ri.taesa.com.br/taesa2013/web/conteudo\\_pt.asp?idioma=0&conta=28&tipo=45599](http://ri.taesa.com.br/taesa2013/web/conteudo_pt.asp?idioma=0&conta=28&tipo=45599)

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**FINANCIAL STATEMENTS SEPARATED BY COMPANY**

**FINANCIAL STATEMENTS SEPARATED BY COMPANY ON MARCH 31, 2014**

ITEM	HOLDING COMPANY	CEMIG GT	CEMIG D	CEMIG TELECOM	SÁ CARVALHO	ROSAL	OTHER SYS	ELIMINATIONS / TRANSFERS	TOTAL, SUBSIDIARIES	TAESA	LIG
<b>ASSETS</b>	<b>15,299,240</b>	<b>11,642,924</b>	<b>13,110,657</b>	<b>327,061</b>	<b>175,453</b>	<b>148,544</b>	<b>595,548</b>	<b>(9,571,840)</b>	<b>31,727,587</b>	<b>4,848,185</b>	<b>4,389</b>
Cash and cash equivalents	241,816	386,240	374,940	23,976	6,234	7,526	69,803		1,110,535	212,628	230
Accounts receivable		1,611,923	1,607,106		5,520	4,664	32,956	(28,926)	3,233,243	93,343	620
Securities cash investments	206,631	224,695	310,451	4,460	17,597	10,013	158,592		932,439	171,802	
Taxes	478,812	90,567	1,523,598	29,700	555	102	1,772		2,125,106	315,643	334
Other assets	1,391,414	258,345	2,167,285	24,418	4,035	399	35,459	(1,195,361)	2,685,994	102,301	712
Investments / PP&E / Intangible / Financial Assets of											
Concession	12,980,567	9,071,154	7,127,277	244,507	141,512	125,840	296,966	(8,347,553)	21,640,270	3,952,468	2,492
<b>LIABILITIES</b>	<b>15,299,240</b>	<b>11,642,924</b>	<b>13,110,657</b>	<b>327,061</b>	<b>175,453</b>	<b>148,544</b>	<b>595,548</b>	<b>(9,571,840)</b>	<b>31,727,587</b>	<b>4,848,185</b>	<b>4,389</b>
Suppliers and supplies	8,104	223,896	1,499,439	15,538	2,192	5,183	5,267	(43,081)	1,716,538	26,368	661
Loans, financings and debentures		4,066,189	5,266,208	30,190			72,062		9,434,649	2,191,464	1,965
Interest on Equity, and dividends	1,107,628	905,687	245,127		5,547	4,699	18,175	(1,179,235)	1,107,628	18,464	10
Post-retirement liabilities	126,939	563,376	1,794,039						2,484,354		
Taxes	20,838	637,185	1,139,982	10,661	38,536	1,983	24,949		1,874,134	670,900	260
Other liabilities	148,699	347,829	674,784	35,896	876	1,029	16,116	(1,977)	1,223,252	25,971	304
Stockholders equity	13,887,032	4,898,762	2,491,078	234,776	128,302	135,650	458,979	(8,347,547)	13,887,032	1,915,018	1,187
<b>PROFIT AND LOSS ACCOUNT</b>											
<b>Net operational revenue</b>	<b>80</b>	<b>2,463,334</b>	<b>2,242,940</b>	<b>28,465</b>	<b>14,262</b>	<b>11,947</b>	<b>81,210</b>	<b>(81,466)</b>	<b>4,760,772</b>	<b>141,302</b>	<b>741</b>
<b>Operational costs and expenses</b>	<b>(19,191)</b>	<b>(726,699)</b>	<b>(2,223,112)</b>	<b>(24,015)</b>	<b>(4,923)</b>	<b>(10,837)</b>	<b>(21,685)</b>	<b>81,466</b>	<b>(2,948,996)</b>	<b>(31,867)</b>	<b>(620)</b>
Electricity bought for resale		(355,699)	(1,299,780)		(1,868)	(5,823)	(5,554)	40,008	(1,628,716)		(442)
Charges for the use of the national grid		(64,947)	(133,886)			(714)	(1,342)	31,347	(169,542)		

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Gas bought for resale											
Construction cost		(13,549)	(135,521)						(149,070)	(7,602)	(53,000)
Personnel	(12,418)	(73,108)	(204,151)	(3,303)	(293)	(403)	(1,105)		(294,781)	(10,075)	(25,000)
Employee profit shares	(4,849)	(13,496)	(39,111)	(353)	35	(33)			(57,807)	(1,291)	(1,000)
Post-retirement liabilities	(2,767)	(12,039)	(38,173)						(52,979)		(1,000)
Materials	(27)	(40,396)	(11,863)	(19)	(134)	(46)	(78)		(52,563)	(4,911)	(4,000)
Outsourced services	(2,240)	(35,618)	(164,938)	(5,384)	(691)	(832)	(5,092)	9,387	(205,408)	(4,960)	(32,000)
Royalties for use of water resources		(39,532)			(458)	(390)	(755)		(41,135)		(1,000)
Depreciation and amortization	(123)	(59,721)	(104,321)	(9,586)	(1,372)	(2,476)	(4,434)		(182,033)	(393)	(32,000)
Operational provisions	10,985	(2,958)	(12,806)	(4)					(4,783)	6	(21,000)
Other expenses, net	(7,752)	(15,636)	(78,562)	(5,366)	(142)	(120)	(3,325)	724	(110,179)	(2,641)	(14,000)
<b>Operational profit before Equity gains (losses) and Financial revenue (expenses)</b>	<b>(19,111)</b>	<b>1,736,635</b>	<b>19,828</b>	<b>4,450</b>	<b>9,339</b>	<b>1,110</b>	<b>59,525</b>		<b>1,811,776</b>	<b>109,435</b>	<b>114,000</b>
Gain (loss) in subsidiaries by equity method	1,254,062	1,049		(6,441)		1,381	699	(1,136,030)	114,720	190	
Financial revenue	13,170	52,490	178,516	1,364	750	470	6,163		252,923	18,519	26,000
Financial expenses	(1,815)	(150,599)	(193,884)	(778)	(272)	(22)	(3,092)		(350,462)	(67,659)	(51,000)
<b>Profit before income tax and Social Contribution tax</b>	<b>1,246,306</b>	<b>1,639,575</b>	<b>4,460</b>	<b>(1,405)</b>	<b>9,817</b>	<b>2,939</b>	<b>63,295</b>	<b>(1,136,030)</b>	<b>1,828,957</b>	<b>60,485</b>	<b>88,000</b>
Income tax and Social Contribution tax		(566,148)	(40,206)	(1,764)	(3,583)	(519)	(15,043)		(627,263)	(21,242)	(23,000)
Deferred income tax and Social Contribution tax	3,783	10,318	33,966	157	255	7	(91)		48,395	9,107	(6,000)
<b>Profit (loss) for the period</b>	<b>1,250,089</b>	<b>1,083,745</b>	<b>(1,780)</b>	<b>(3,012)</b>	<b>6,489</b>	<b>2,427</b>	<b>48,161</b>	<b>(1,136,030)</b>	<b>1,250,089</b>	<b>48,350</b>	<b>58,000</b>

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## INFORMATION BY OPERATIONAL SEGMENT

## INFORMATION BY SEGMENT AT MARCH 31, 2014

ITEM	GENERATION	ELECTRICITY TRANSMISSION	DISTRIBUTION	TELECOMS	GAS	OTHERS	ELIMINATIONS	TOTAL
<b>ASSETS</b>	<b>11,488,749</b>	<b>3,405,570</b>	<b>14,333,721</b>	<b>327,060</b>	<b>588,584</b>	<b>2,808,190</b>	<b>(1,224,287)</b>	<b>31,727,587</b>
<b>ADDITIONS TO THE SEGMENT</b>	<b>898,299</b>	<b>13,549</b>	<b>135,521</b>	<b>1,192</b>		<b>742,633</b>		<b>1,791,194</b>
<b>NET REVENUE</b>	<b>2,487,065</b>	<b>61,852</b>	<b>2,242,940</b>	<b>28,465</b>		<b>21,915</b>	<b>(81,465)</b>	<b>4,760,772</b>
<b>COST OF ELECTRICITY AND GAS</b>								
Electricity bought for resale	(368,943)		(1,299,780)				40,007	(1,628,716)
Charges for the use of the national grid	(66,921)	(82)	(133,886)				31,347	(169,542)
<b>Total operational costs, Electricity and Gas</b>	<b>(435,864)</b>	<b>(82)</b>	<b>(1,433,666)</b>				<b>71,354</b>	<b>(1,798,258)</b>
<b>OPERATIONAL COSTS AND EXPENSES</b>								
Personnel and managers	(49,148)	(24,655)	(204,151)	(3,303)		(13,524)		(294,781)
Employees and managers profit shares	(9,391)	(4,103)	(39,111)	(353)		(4,849)		(57,807)
Post-retirement obligations	(8,384)	(3,655)	(38,173)			(2,767)		(52,979)
Materials	(39,706)	(941)	(11,863)	(19)		(34)		(52,563)
Outsourced services	(34,737)	(7,324)	(164,938)	(5,384)		(2,412)	9,387	(205,408)
Depreciation and amortization	(68,001)		(104,321)	(9,586)		(125)		(182,033)
Operational provisions	(41,135)							(41,135)
Royalties for use of water resources	(2,060)	(899)	(12,806)	(3)		10,985		(4,783)
Construction cost		(13,549)	(135,521)					(149,070)
Others	(12,726)	(4,407)	(78,562)	(5,366)		(9,842)	724	(110,179)
<b>Total cost of operation</b>	<b>(265,288)</b>	<b>(59,533)</b>	<b>(789,446)</b>	<b>(24,014)</b>		<b>(22,568)</b>	<b>10,111</b>	<b>(1,150,738)</b>
<b>TOTAL COST</b>	<b>(701,152)</b>	<b>(59,615)</b>	<b>(2,223,112)</b>	<b>(24,014)</b>		<b>(22,568)</b>	<b>81,465</b>	<b>(2,948,996)</b>
<b>Operational profit before Equity gains (losses) and Financial revenue</b>	<b>1,785,913</b>	<b>2,237</b>	<b>19,828</b>	<b>4,451</b>		<b>(653)</b>		<b>1,811,776</b>



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<b>(exp.)</b>							
Gain (loss) in subsidiaries by equity method	3,128	50,549	40,946	(6,440)	11,345	15,192	114,720
Financial revenue	42,625	15,317	178,516	1,364		15,101	252,923
Financial expenses	(89,079)	(64,772)	(193,884)	(778)		(1,949)	(350,462)
<b>PRETAX PROFIT</b>	<b>1,742,587</b>	<b>3,331</b>	<b>45,406</b>	<b>(1,403)</b>	<b>11,345</b>	<b>27,691</b>	<b>1,828,957</b>
Income tax and social contribution tax	(587,500)	16,018	(6,240)	(1,607)		461	(578,868)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1,155,087</b>	<b>19,349</b>	<b>39,166</b>	<b>(3,010)</b>	<b>11,345</b>	<b>28,152</b>	<b>1,250,089</b>

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## INFORMATION BY SEGMENT AT MARCH 31, 2013

ITEM	GENERATION	ELECTRICITY TRANSMISSION	DISTRIBUTION	TELECOMS	GAS	OTHERS	ELIMINATIONS	TOTAL
<b>ASSETS</b>	<b>9,198,410</b>	<b>5,015,128</b>	<b>14,566,895</b>	<b>328,109</b>	<b>527,220</b>	<b>1,176,988</b>		<b>30,812,750</b>
<b>ADDITIONS TO THE SEGMENT</b>	<b>56,431</b>	<b>17,796</b>	<b>187,138</b>	<b>15,473</b>				<b>276,838</b>
<b>NET REVENUE</b>	<b>1,412,238</b>	<b>42,349</b>	<b>2,257,862</b>	<b>27,668</b>		<b>13,222</b>	<b>(75,745)</b>	<b>3,677,594</b>
<b>COST OF ELECTRICITY AND GAS</b>								
Electricity bought for resale	(235,185)		(783,000)				45,398	(972,787)
Charges for the use of the national grid	(64,028)	(38)	(86,641)				24,482	(126,225)
<b>Total operational costs, Electricity and Gas</b>	<b>(299,213)</b>	<b>(38)</b>	<b>(869,641)</b>				<b>69,880</b>	<b>(1,099,012)</b>
<b>OPERATIONAL COSTS AND EXPENSES</b>								
Personnel and managers	(71,838)	(37,840)	(309,827)	(2,023)		(22,898)	1,060	(443,396)
Employees and managers profit shares	(9,080)	(4,406)	(37,597)	(345)		(4,573)		(56,001)
Post-retirement obligations	(6,374)	(3,111)	(29,710)			(2,762)		(41,957)
Materials	(44,510)	(641)	(10,633)	(48)		(110)		(55,942)
Outsourced services	(23,427)	(5,875)	(157,627)	(2,968)		(2,656)	2,852	(189,701)
Depreciation and amortization	(80,111)		(107,602)	(7,482)		(7,790)		(202,985)
Operational provisions	(3,619)	(1,780)	(22,511)			(13,892)		(41,802)
Royalties for use of water resources	(34,041)							(34,041)
Construction cost		(17,639)	(186,709)					(204,348)
Others	(13,274)	(5,082)	(52,449)	(2,300)		(15,701)	1,953	(86,853)
<b>Total cost of operation</b>	<b>(286,274)</b>	<b>(76,374)</b>	<b>(914,665)</b>	<b>(15,166)</b>		<b>(70,382)</b>	<b>5,865</b>	<b>(1,356,996)</b>
<b>TOTAL COST</b>	<b>(585,487)</b>	<b>(76,412)</b>	<b>(1,784,306)</b>	<b>(15,166)</b>		<b>(70,382)</b>	<b>75,745</b>	<b>(2,456,008)</b>
<b>Operational profit before Equity gains (losses) and Financial revenue (exp.)</b>	<b>826,751</b>	<b>(34,063)</b>	<b>473,556</b>	<b>12,502</b>		<b>(57,160)</b>		<b>1,221,586</b>
Gain (loss) in subsidiaries by equity method	306	146,625	3,834		19,859	(4,466)		166,158

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Financial revenue	17,207	5,067	63,300	1,001		53,354	139,929
Financial expenses	(70,509)	(62,167)	(147,416)	(892)		(22,481)	(303,465)
<b>PRETAX PROFIT</b>	<b>773,755</b>	<b>55,462</b>	<b>393,274</b>	<b>12,611</b>	<b>19,859</b>	<b>(30,753)</b>	<b>1,224,208</b>
Income tax and social contribution tax	(262,333)	30,920	(132,087)	(4,277)		8,916	(358,861)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>511,423</b>	<b>86,382</b>	<b>261,187</b>	<b>8,334</b>	<b>19,859</b>	<b>(21,837)</b>	<b>865,347</b>

Table of Contents**Permitted Annual Revenue (RAP)****Values of RAP (Permitted Annual Revenue)**

Specified by Aneel Homologating Resolution NQ 1313\*

Company	RAP	% Cemig Interest	Cemig Consolidated result	Cemig GT
Taesa		42.38%		834,801,871
ETEO	138,821,046	100.00%	58,832,359	
ETAU	34,233,842	52.58%	7,628,465	
NOVATRANS	410,285,116	100.00%	173,878,832	
TSN	385,688,466	100.00%	163,454,772	
GTESA	7,020,998	100.00%	2,975,499	
PATESA	16,862,257	100.00%	7,146,225	
Munirah	28,801,740	100.00%	12,206,178	
Brasnorte	19,815,772	38.67%	3,247,477	
Abengoa				
NTE	120,846,985	100.00%	51,214,952	
STE	64,484,461	100.00%	27,328,514	
ATEI	117,617,545	100.00%	49,846,316	
ATEII	179,036,270	100.00%	75,875,571	
ATEIII	88,907,345	100.00%	37,678,933	
TBE				
EATE	339,625,778	49.98%	71,937,916	
STC	32,009,160	39.99%	5,424,836	
Lumitrans	21,013,276	39.99%	3,561,280	
ENTE	177,715,565	49.99%	37,650,397	
ERTE	39,891,971	49.99%	8,451,418	
ETEP	77,375,558	49.98%	16,389,322	
ECTE	75,000,117	19.09%	6,067,766	
EBTE	36,697,741	74.49%	11,585,059	
ESDE ***	5,396,285	49.97%	1,142,787	
ESTE ***	15,784,209	19.09%	1,276,996	
Cemig GT	167,520,066	100.00%	167,520,066	167,520,066
Cemig Itajuba	32,373,715	100.00%	32,373,715	32,373,715
Centroeste	13,735,420	51.00%	7,005,064	
Transirapé	17,809,759	24.50%	4,363,391	
Transleste	32,211,700	25.00%	8,052,925	
Transudeste	19,965,117	24.00%	4,791,628	
Light	7,058,788	32.47%	2,291,988	
Transchile**	18,748,407	49.00%	9,186,720	
<b>RAP : CEMIG TOTALS</b>			<b>1,070,387,369</b>	<b>1,034,695,652</b>

\* Permitted Annual Revenue in effect from July 1, 2012 to June 30, 2013.

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\*\*Transmission revenue of Chile-based **Transchile** is set in US\$, and adjusted annually by Chilean government Decree 163 ([http://www.cne.cl/images/stories/normativas/otros%20niveles/electricidad/DOC65\\_-\\_decreto163obrasurgentes.pdf](http://www.cne.cl/images/stories/normativas/otros%20niveles/electricidad/DOC65_-_decreto163obrasurgentes.pdf)). For the year 2012 (January through December) its budgeted transmission revenue was in the order of US\$ 8,314,000. For the year 2013 the figure currently expected is US\$ 8,462,000.00.

For conversion into Reais in this table, the exchange rate of November 13, 2012 was used: R\$ 2.0614/US\$.

\*\*\* Pre-Operational

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**Generating plants**

Plant	Type	Company	Cemig s Interest	Installed Capacit (MW)	Assured Energy (average MW)	Installed Capacit (MW)*	Assured Energy (average MW)*	Year Concession or Authorization Expires
Aimorés	Hydroelectric	Cemig GT	49%	330.00	172.00	161.70	84.28	20/12/2035
Camargos	Hydroelectric	Cemig GT	100%	46.00	21.00	46.00	21.00	08/07/2015
Emborcação	Hydroelectric	Cemig GT	100%	1,192.00	497.00	1,192.00	497.00	23/07/2025
Funil	Hydroelectric	Cemig GT	49%	180.00	89.00	88.20	43.61	20/12/2035
Igarapava	Hydroelectric	Cemig GT	15%	210.00	136.00	30.45	19.72	30/12/2028
Itutinga	Hydroelectric	Cemig GT	100%	52.00	28.00	52.00	28.00	08/07/2015
Irapé	Hydroelectric	Cemig GT	100%	399.00	210.70	399.00	210.70	28/02/2035
Jaguara	Hydroelectric	Cemig GT	100%	424.00	336.00	424.00	336.00	28/08/2013
Miranda	Hydroelectric	Cemig GT	100%	408.00	202.00	408.00	202.00	23/12/2016
Nova Ponte	Hydroelectric	Cemig GT	100%	510.00	276.00	510.00	276.00	23/07/2025
Porto Estrela	Hydroelectric	Cemig GT	33%	112.00	55.80	37.33	18.60	10/07/2032
Queimado	Hydroelectric	Cemig GT	83%	105.00	58.00	86.63	47.85	02/01/2033
Salto Grande	Hydroelectric	Cemig GT	100%	102.00	75.00	102.00	75.00	08/07/2015
São Simão	Hydroelectric	Cemig GT	100%	1,710.00	1,281.00	1,710.00	1,281.00	11/01/2015
Três Marias	Hydroelectric	Cemig GT	100%	396.00	239.00	396.00	239.00	08/07/2015
Volta Grande	Hydroelectric	Cemig GT	100%	380.00	229.00	380.00	229.00	23/02/2017
Anil	PCH	Cemig GT	100%	2.08	1.16	2.08	1.16	08/07/2015
Bom Jesus do Galho	PCH	Cemig GT	100%	0.36	0.13	0.36	0.13	
Cajuru	PCH	Cemig GT	100%	7.20	3.48	7.20	3.48	08/07/2015
Gafanhoto	PCH	Cemig GT	100%	14.00	6.68	14.00	6.68	08/07/2015
Jacutinga	PCH	Cemig GT	100%	0.72	0.47	0.72	0.47	
Joasal	PCH	Cemig GT	100%	8.40	5.20	8.40	5.20	08/07/2015
Lages	PCH	Cemig GT	100%	0.68	0.54	0.68	0.54	24/06/2010
Luiz Dias	PCH	Cemig GT	100%	1.62	0.94	1.62	0.94	19/08/2025
Marmelos	PCH	Cemig GT	100%	4.00	2.88	4.00	2.88	08/07/2015
Martins	PCH	Cemig GT	100%	7.70	2.52	7.70	2.52	08/07/2015
Paciência	PCH	Cemig GT	100%	4.08	2.36	4.08	2.36	08/07/2015
Pandeiros	PCH	Cemig GT	100%	4.20	1.87	4.20	1.87	22/09/2021
Paraúna	PCH	Cemig GT	100%	4.28	1.90	4.28	1.90	
Peti	PCH	Cemig GT	100%	9.40	6.18	9.40	6.18	08/07/2015
Pissarrão	PCH	Cemig GT	100%	0.80	0.55	0.80	0.55	19/11/2004
Piau	PCH	Cemig GT	100%	18.01	13.53	18.01	13.53	08/07/2015
Poço Fundo	PCH	Cemig GT	100%	9.16	5.79	9.16	5.79	19/08/2025
Poquim	PCH	Cemig GT	100%	1.41	0.58	1.41	0.58	08/07/2015
Rio de Pedra	PCH	Cemig GT	100%	9.28	2.15	9.28	2.15	19/09/2024
Salto Morais	PCH	Cemig GT	100%	2.39	0.74	2.39	0.74	01/07/2020
Santa Marta	PCH	Cemig GT	100%	1.00	0.58	1.00	0.58	08/07/2015
São Bernardo	PCH	Cemig GT	100%	6.82	3.42	6.82	3.42	19/08/2025
Sumidouro	PCH	Cemig GT	100%	2.12	0.93	2.12	0.93	08/07/2015
Tronqueiras	PCH	Cemig GT	100%	8.50	4.14	8.50	4.14	08/07/2015
Xicão	PCH	Cemig GT	100%	1.81	0.61	1.81	0.61	19/08/2025
Igarapé	Thermal plant	Cemig GT	100%	131.00	71.30	131.00	71.30	13/08/2024
Baguari	Hydroelectric	Cemig GT affiliate	34%	140.00	80.20	47.60	27.27	15/08/2041
Santo Antônio	Hydroelectric	Cemig GT affiliate	10%	981.66	996.80	98.17	99.68	12/06/2046

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Praias de Parajuru	Wind Farm	Cemig GT affiliate	49%	28.80	8.39	14.11	4.11	24/09/2032
Praia de Morgado	Wind Farm	Cemig GT affiliate	49%	28.80	13.20	14.11	6.47	26/12/2031
Volta do Rio	Wind Farm	Cemig GT affiliate	49%	42.00	18.41	20.58	9.02	26/12/2031
Cachoeirão	PCH	Cemig GT affiliate	49%	27.00	16.37	13.23	8.02	25/07/2030
Paracambi	PCH	Cemig GT affiliate	49%	25.00	19.53	12.25	9.57	
Pipoca	PCH	Cemig GT affiliate	49%	20.00	11.90	9.80	5.83	10/09/2031
Santa Luzia	PCH	Cemig GT affiliate	100%	0.70	0.23	0.70	0.23	25/02/2026
Capim Branco I	Hydroelectric	Cemig Holding	26%	240.00	155.00	63.54	41.04	29/08/2036
Capim Branco II	Hydroelectric	Cemig Holding	26%	210.00	131.00	55.60	34.68	29/08/2036
Rosal	Hydroelectric	Cemig Holding	100%	55.00	30.00	55.00	30.00	08/05/2032
Sá Carvalho	Hydroelectric	Cemig Holding	100%	78.00	58.00	78.00	58.00	01/12/2024
Ipatinga	Hydroelectric	Cemig Holding	100%	40.00	40.00	40.00	40.00	13/12/2014
Barreiro	Hydroelectric	Cemig Holding	100%	12.90	11.37	12.90	11.37	30/04/2023
Machado Mineiro	PCH	Cemig Holding	100%	1.72	1.14	1.72	1.14	08/07/2025
Pai Joaquim	PCH	Cemig Holding	100%	23.00	2.41	23.00	2.41	01/04/2032
Salto do Paraopeba	PCH	Cemig Holding	100%	2.46		2.46		04/10/2030
Salto do Passo Velho	PCH	Cemig Holding	100%	1.80	1.48	1.80	1.48	04/10/2030
Salto Voltão	PCH	Cemig Holding	100%	8.20	6.63	8.20	6.63	04/10/2030

\* The installed capacity and the assured energy are already on Cemig's share

Table of Contents**Attachments****Cemig D Tables (R\$ bn)****CEMIG D Market**

Quarter	Captive Consumers	(GWh)		GW
		TUSD ENERGY1	T.E.D2	
1Q12	6,034	4,797	10,831	25
2Q12	5,969	5,127	11,096	26
3Q12	6,166	5,274	11,441	24
4Q12	6,093	5,149	11,242	26
1Q13	6,170	4,586	10,756	28
2Q13	6,374	4,867	11,241	28
3Q13	6,486	5,017	11,503	29
4Q13	6,615	4,975	11,591	29
1Q14	6,744	4,464	11,208	29

Operating Revenues	1Q14	1Q13	Change%
Sales to end consumers	2.566	2.388	7
TUSD	205	362	(43)
Energy Transactions in the CCEE		117	
Construction revenue	136	187	(27)
Subtotal	2.907	3.054	(5)
Others	242	143	69
<b>Subtotal</b>	<b>3.149</b>	<b>3.197</b>	<b>(2)</b>
Deductions	(906)	(939)	(4)
<b>Net Revenues</b>	<b>2.243</b>	<b>2.258</b>	<b>(1)</b>

Operating Expenses	1Q14	1Q13	Change%
Purchased Energy	1.300	783	66
Personnel/Administrators/Councillors	204	311	(34)
Depreciation and Amortization	104	108	(4)
Charges for Use of Basic Transmission Network	134	87	54
Contracted Services	165	158	4
Forluz Post-Retirement Employee Benefits	38	30	27
Materials	12	11	9
Operating Provisions	13	21	(38)
Cost from Operation	136	187	(27)
Other Expenses	78	50	56
Employee Participation	39	38	3
<b>Total</b>	<b>2.223</b>	<b>1.784</b>	<b>25</b>



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Statement of Results	1Q14	1Q13	Change%
Net Revenue	2.243	2.258	(1)
Operating Expenses	2.223	1.784	25
<b>EBIT</b>	<b>20</b>	<b>474</b>	<b>(96)</b>
<b>EBITDA</b>	<b>124</b>	<b>581</b>	<b>(79)</b>
Financial Result	(15)	(85)	(82)
Provision for Income Taxes, Social Cont & Deferred Income Tax	(7)	(135)	(95)
<b>Net Income</b>	<b>(2)</b>	<b>254</b>	<b>(101)</b>

**Cemig GT tables (R\$ million)**

Operating Revenues	1Q14	1Q13	Change%
Sales to end consumers	851	590	44
Supply	1,766	912	94
Revenues from Trans. Network + Transactions in the CCEE	176	114	54
Construction revenue	14	18	(21)
Others	6	5	27
<b>Subtotal</b>	<b>2,813</b>	<b>1,638</b>	<b>72</b>
Deductions	(350)	(252)	39
<b>Net Revenues</b>	<b>2,463</b>	<b>1,386</b>	<b>78</b>

Operating Expenses	1Q14	1Q13	Change%
Personnel/Administrators/Councillors	73	109	(33)
Employee Participation	13	13	(3)
Depreciation and Amortization	60	73	(18)
Charges for Use of Basic Transmission Network	65	63	3
Contracted Services	36	25	46
Forluz Post-Retirement Employee Benefits	12	9	27
Materials	3	2	45
Raw Materials and Supplies Energy Production	37	43	(14)
Royalties	40	32	23
Operating Reserves	3	5	(45)
Other Expenses	16	18	(10)
Purchased Energy	356	230	55
Construction Cost	13	18	(26)
<b>Total</b>	<b>727</b>	<b>641</b>	<b>13</b>

Statement of Results	1Q14	1Q13	Change%
Net Revenue	2,463	1,386	78
Operating Expenses	(727)	(641)	13
<b>EBIT</b>	<b>1,736</b>	<b>745</b>	<b>133</b>
Equity equivalence results	1	78	(99)
<b>EBITDA</b>	<b>1,797</b>	<b>897</b>	<b>100</b>
Financial Result	(98)	(113)	(13)
Provision for Income Taxes, Social Cont & Deferred Income Tax	(555)	(214)	160
<b>Net Income</b>	<b>1,084</b>	<b>497</b>	<b>118</b>

Table of Contents**Tables Cemig Consolidated (R\$ million)**

<b>Energy Sales (Consolidated)</b>	<b>1Q14</b>	<b>1Q13</b>	<b>Change%</b>
Residential	2,568	2,313	11
Industrial	6,110	5,500	11
Commercial	1,662	1,529	9
Rural	744	633	18
Others	870	822	6
<b>Subtotal</b>	<b>11,954</b>	<b>10,797</b>	<b>11</b>
Own Consumption	10	8	25
Supply	3,863	3,884	(1)
<b>TOTAL</b>	<b>15,827</b>	<b>14,689</b>	<b>8</b>

<b>Energy Sales</b>	<b>1Q14</b>	<b>1Q13</b>	<b>Δ%</b>
Residential	1,217	1,149	6
Industrial	1,074	934	15
Commercial	654	596	10
Rural	186	174	7
Others	249	239	4
<b>Electricity sold to final consumers</b>	<b>3,380</b>	<b>3,092</b>	<b>9</b>
Unbilled Supply, Net	59	(91)	(165)
Supply	479	467	3
<b>TOTAL</b>	<b>3,918</b>	<b>3,468</b>	<b>13</b>

**Sales per Company****Cemig Distribution**

<b>1Q14 Sales</b>	<b>GWh</b>
Industrial	981
Residencial	2,568
Rural	744
Commercial	1,572
Others	870
<b>Total</b>	<b>6,735</b>

**Cemig GT**

<b>1Q14 Sales</b>	<b>GWh</b>
Free Consumers	4,968
Wholesale supply	3,890
Wholesale supply others	1,856
Wholesale supply Cemig Group	97

Wholesale supply bilateral contracts	1,937
<b>Total</b>	<b>8,858</b>

**Independent Generation**

<b>1Q14 Sales</b>	<b>GWh</b>
Horizontes	21
Ipatinga	79
Sá Carvalho	121
Barreiro	14
Cemig PCH	28
Rosal	70
Capim Branco	164

**Subsidiaries**

<b>1Q14 Sales</b>	<b>GWh</b>
Free Consumers	252
Wholesale sales	205
Free contracts (Trader/Generator)	
Bilateral contracts (Distributor)	70
Bilateral contracts (Cemig D)	135
<b>TOTAL</b>	<b>457</b>

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<b>Operating Revenues</b>	<b>1Q14</b>	<b>1Q13</b>	<b>Change%</b>
Sales to end consumers	3,380	3,092	9.31
TUSD	196	339	(42.18)
Supply + Transactions in the CCEE	1,865	1,045	78.47
Revenues from Trans. Network	154	102	50.98
Construction revenue	149	204	(26.96)
Others	299	110	171.82
<b>Subtotal</b>	<b>6,043</b>	<b>4,892</b>	<b>23.53</b>
Deductions	(1,282)	(1,214)	5.60
<b>Net Revenues</b>	<b>4,761</b>	<b>3,678</b>	<b>29.45</b>

<b>Operating Expenses</b>	<b>1Q14</b>	<b>1Q13</b>	<b>Change%</b>
Personnel/Administrators/Councillors	295	443	(33)
Employee Participation	58	56	4
Forluz Post-Retirement Employee Benefits	53	42	26
Materials	52	56	13
Contracted Services	205	190	8
Purchased Energy	1,629	973	67
Depreciation and Amortization	182	203	(10)
Royalties	41	34	21
Operating Provisions	5	42	(88)
Charges for Use of Basic Transmission Network	170	126	35
Cost from Operation	149	204	(27)
Other Expenses	110	87	26
<b>TOTAL</b>	<b>2,949</b>	<b>2,456</b>	<b>20</b>

<b>Financial Result Breakdown</b>	<b>1Q14</b>	<b>1Q13</b>	<b>Change%</b>
<b>Financial revenues</b>	<b>253</b>	<b>140</b>	<b>81</b>
Revenue from cash investments	72	34	112
Arrears penalty payments on electricity bills	44	38	16
Exchange rate	5	10	(50)
Monetary updating	8	3	167
Other	11	11	
<b>Financial expenses</b>	<b>(351)</b>	<b>(303)</b>	<b>16</b>
Costs of loans and financings	(171)	(176)	(3)
Exchange rate	(4)	(1)	300
Monetary updating loans and financings	(116)	(65)	78
Monetary updating paid concessions	(12)	(4)	200
Charges and monetary updating on Post-employment obligations	(29)	(30)	(3)
Other	(19)	(27)	(30)
<b>Financial revenue (expenses)</b>	<b>(98)</b>	<b>(163)</b>	<b>(40)</b>

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<b>Statement of Results</b>	<b>1Q14</b>	<b>1Q13</b>	<b>Change%</b>
Net Revenue	4,761	3,678	29
Operating Expenses	2,949	2,456	20
<b>EBIT</b>	<b>1,812</b>	<b>1,222</b>	<b>48</b>
<b>EBITDA</b>	<b>2,108</b>	<b>1,592</b>	<b>32</b>
Financial Result	(98)	(163)	(40)
Provision for Income Taxes, Social Cont & Deferred Income Tax	(579)	(358)	62
<b>Net Income</b>	<b>1,250</b>	<b>867</b>	<b>44</b>

<b>Cash Flow Statement</b>	<b>1Q14</b>	<b>1Q13</b>	<b>Change%</b>
<b>Cash at beginning of period</b>	<b>2,202</b>	<b>1,919</b>	<b>15</b>
<b>Cash generated by operations</b>	<b>618</b>	<b>375</b>	<b>65</b>
Net profit	1,250	867	44
Depreciation and amortization	182	203	(10)
Passthrough from CDE	(760)	(715)	6
Other adjustments	(54)	20	(370)
<b>Financing activities</b>	<b>(11)</b>	<b>(2,499)</b>	<b>(100)</b>
Financings obtained and capital increase	505	2,370	(79)
Interest on Equity, and dividends		(1,932)	
Payments of loans and financings	(516)	(2,937)	(82)
<b>Investment activity</b>	<b>(1,699)</b>	<b>2,247</b>	<b>(176)</b>
Securities - Financial Investment		2,466	(100)
Fixed and Intangible assets	(76)	(219)	(65)
<b>Cash at end of period</b>	<b>1,110</b>	<b>2,042</b>	<b>(46)</b>

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<b>BALANCE SHEETS (CONSOLIDATED) - ASSETS</b>	<b>03/31/2014</b>	<b>12/31/2013</b>
<b>CURRENT</b>	<b>6,792</b>	<b>6,669</b>
Cash and cash equivalents	1,110	2,202
Securities	861	933
Consumers and traders	2,781	1,912
Concession holders Transport of electricity	239	240
Financial assets of the concession	5	2
Tax offsetable	208	481
Income tax and Social Contribution tax recoverable	147	249
Traders Transactions in Free Energy	43	43
Dividends receivable	44	17
Linked funds		2
Inventories	37	38
Passthrough from CDE (Energy Development Account)	934	175
Other credits	383	375
<b>NON-CURRENT</b>	<b>24,936</b>	<b>23,145</b>
Securities	72	90
Receivables Investment Fund	3	8
Deferred income tax and Social Contribution tax	1,259	1,221
Tax offsetable	371	382
Income tax and Social Contribution tax recoverable	141	178
Escrow deposits in legal actions	1,211	1,180
Consumers and traders	168	180
Other credits	75	83
Financial assets of the concession	6,139	5,841
Investments	7,871	6,161
PP&E	5,766	5,817
Intangible assets	1,860	2,004
<b>TOTAL ASSETS</b>	<b>31,728</b>	<b>29,814</b>

Table of Contents**BALANCE SHEETS**

<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>03/31/2014</b>	<b>12/31/2013</b>
<b>CURRENT</b>	<b>6,739</b>	<b>5,922</b>
Suppliers	1,717	1,066
Regulatory charges	176	153
Profit shares	173	125
Taxes	456	499
Income tax and Social Contribution tax	147	35
Interest on Equity, and dividends, payable	1,108	1,108
Loans and financings	1,322	1,056
Debentures	1,003	1,182
Payroll and related charges	152	186
Post-retirement liabilities	142	138
Concessions payable	21	20
Other obligations	322	354
<b>NON-CURRENT</b>	<b>11,102</b>	<b>11,253</b>
Regulatory charges	162	193
Loans and financings	2,154	2,379
Debentures	4,955	4,840
Taxes	688	705
Income tax and Social Contribution tax	246	256
Provisions	272	306
Concessions payable	155	152
Post-retirement liabilities	2,342	2,311
Other obligations	128	111
<b>STOCKHOLDERS EQUITY</b>	<b>13,887</b>	<b>12,639</b>
Share capital	6,294	6,294
Capital reserves	1,925	1,925
Profit reserves	3,840	3,840
Adjustments to Stockholders equity	568	580
Retained earnings	1,260	
<b>TOTAL LIABILITIES</b>	<b>31,728</b>	<b>29,814</b>

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9. First Quarter 2014 Results Presentation

















































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10. Annual and Sustainability Report 2013

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11. Minutes of the Extraordinary General Meeting of Stockholders Held on June 3, 2014

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**MINUTES**

**OF THE**

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**HELD ON JUNE 3, 2014**

At 11 a.m. on June 3, 2014, stockholders representing more than two-thirds of the voting stock of Companhia Energética de Minas Gerais Cemig met in Extraordinary General Meeting, on first convocation, at the Company's head office, Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil, as verified in the Stockholders Attendance Book, where all placed their signatures and made the required statements. The stockholder **The State of Minas Gerais** was represented by the State Procurator Paula Souza Carmo de Miranda.

Initially, Ms. Anamaria Pugedo Frade Barros, General Manager of Cemig's Corporate Executive Office, stated that there was a quorum for an Extraordinary General Meeting of Stockholders.

She further stated that the stockholders present should choose the Chair of this Meeting, in accordance with Clause 10 of the Company's by-laws. Asking for the floor, the representative of the Stockholder **The State of Minas Gerais** put forward the name of the stockholder **Alexandre Pedercini Issa** to chair the Meeting.

The proposal of the representative of the stockholder **The State of Minas Gerais** was put to debate, and to the vote, and approved unanimously.

The Chair then declared the Meeting open, and invited me, **Anamaria Pugedo Frade Barros**, a stockholder, to be Secretary of the meeting, and asked me to read the convocation notice, published on May 9, 10 and 13, 2014 this year in *Minas Gerais*, the official publication of the Powers of the State, on pages 64, 69 and 75 respectively, and in the newspaper *O Tempo*, on May 9, 10 and 11 of this year, on pages 53, 32 and 34

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respectively, the content of which is as follows:

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**CONVOCATION**

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on June 3, 2014 at 11 a.m., at the company's head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- 1- Change in the Company's by-laws, altering the drafting of the head paragraph of Clause 12, which establishes the composition of the Board of Directors.
  
- 2- Orientation of vote by the representatives of the Company in the Extraordinary General Meetings of Stockholders of Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., also to be held on June 3, 2014, as to alteration of the drafting of Article 8 of their respective by-laws, which in both cases establishes the Board of Directors.

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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



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- a) at the Ordinary and Extraordinary General Meetings of Stockholders held, concurrently, on April 30, 2014, a total of 15 (fifteen) sitting members and their respective substitute members were elected to the Company's Board of Directors, in accordance with §7 of Article 141 of Law 6404 of December 15, 1976 as amended;
- b) §1 of Article 11 of the Company's by-laws specifies that the structure and composition of the Board of Directors and the Executive Board of the Company shall be identical in Cemig Distribuição S.A. - Cemig D, and in Cemig Geração e Transmissão S. A. - Cemig GT, with the exception of two appointments to the Executive Board;
- c) the head paragraph of Clause of the by-laws of Cemig at present states that that Board shall comprise 14 (fourteen) members and an equal number of substitute members;
- d) §4 of Clause 12 of the by-laws of Cemig states that the Boards of Directors of Cemig D and of Cemig GT must obligatorily be constituted by the same sitting and substitute members as are elected to the Board of Directors of Cemig;
- e) Clause 21, §4, Sub-Clause g , of the by-laws of Cemig states:

Clause 21 - ...

§4 The following decisions shall require a decision by the Executive Board:

...

g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan. ;

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f) Clause 8, §1, of the by-laws of Cemig D and of Cemig GT, also, establishes that the members of the Boards of Directors of those companies must, obligatorily, be the same members of the Board of Directors of the sole stockholder, Cemig; and

g) Cemig D and Cemig G will hold Extraordinary General Meetings of Stockholders on June 3, 2013, to change their by-laws;

• *now proposes to you as follows:*

1) Change in the Company's by-laws, for the head paragraph of Clause 12 to read as follows:

Clause 12 The Company's Board of Directors shall be made up of 15 (fifteen) members and an equal number of substitute members. One of the members shall be its Chair and another its Vice-Chair, and all shall be elected for the same concurrent period of office of 2 (two) years, may be dismissed at any time by the General Meeting of Stockholders, and may be reelected. ;

and

2) that the representatives of the Company should vote in favor of the agenda at the General Meetings of Stockholders of Cemig Distribuição S.A. and of Cemig Geração e Transmissão S.A. that decide on change of the drafting of the head paragraph of Article 8 of their by-laws, so that those Companies shall also have 15 (fifteen) sitting members and 15 substitute members on their Boards of Directors.

Belo Horizonte, April 30, 2014.

Luiz Fernando Rolla                      Stockholder, Chair of the Ordinary and Extraordinary General Meetings of  
Stockholders of Cemig held on April 30, 2014.

The Chair then put the above-mentioned Proposal to debate, and, subsequently, to the vote, and it was approved by a majority of votes.

The Chair then clarified that the stockholders represented by counsel Bethsaida de Oliveira Pena at the Ordinary and Extraordinary General Meetings of Stockholders held, concurrently, on April 30, 2014, were, using their updated names:

**Caixa de Previdência dos Funcionários do Banco do Brasil-PREVI;**

**Fundo de Investimentos em Ações Alvorada (FIA Alvorada),** which holds investments of

**Fundação dos Economistas Federais (Funcef)** and of the **funds in which Funcef is the sole unit holder;**

**BB Ações Energia FI;**  
**BB Cap Ações FI;**  
**BB Eco Golg FIA;**  
**BB Nictheroy FI;**

**BB Brasil Ações Dividendos FI;**  
**BB Cap Ibovespa Indexado FIA;**  
**BB Funpresp FI MM;**  
**BB Previdencia Ações FI;**

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**BB Top Ações Índice Sustentabilidade Empresarial FIA;**  
**BB Teresina FI MM;**  
**BB Top Ações Dividendos FI;**  
**BB Top Ações Ibovespa Ativo FI;**  
**BB Previdenciário Ações Governança FI;**  
**BB Top Multi Balanceado FI LP**  
**Brasilprev Top Ações Dividendos FI; and**

**BB Sebraeprev FI MM;**  
**BB Terra do Sol FI MM;**  
**BB Top Ações Ibovespa Indexado FI;**  
**BB Top Ações IBRX Indexado FI;**  
**BB Top de Ações Dividendos Ativo FI;**  
**Brasilprev Top A FIA;**  
**Telos IDIV FIA.**

There being no further business, the Chair opened the meeting to the floor, and since no-one wished to speak, ordered the meeting suspended for the time necessary for the writing of the minutes.

The session being reopened, the Chair, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.



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12. Carbon Disclosure Project 2014 Publication

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Carbon Disclosure Project

2014

Companhia Energética de Minas Gerais

English Version

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**Introduction Module**

**Q0.1 Introduction**

Founded in 1952 by then Governor of Minas Gerais, Juscelino Kubitschek de Oliveira, Companhia Energética de Minas Gerais (Cemig) operates in electric energy generation, transmission, commercialization, and distribution. In addition, the company works with energy solutions (Efficientia S.A.) and natural gas distribution (Gasmig). The Cemig group comprises the holding company, Companhia Energética de Minas Gerais - Cemig, through its wholly-owned subsidiaries - Cemig Geração e Transmissão S/A (Cemig GT) and Cemig Distribuição S.A. (Cemig D) and a number of subsidiaries (151), consortia (18) and a holding fund, with assets in 23 Brazilian states (including the Federal District), in addition to Chile. Since its founding, the Company has assumed the role of ensuring the collective well-being of the areas where it operates in an innovative and sustainable way. This determination has led it to become the largest electricity distributor on transmission lines and networks and grow into one of the largest energy generation and transmission companies in the country. Cemig also has operations in natural gas exploration and distribution, in addition to data transmission (Cemig Telecom). Cemig has a 26.06% stake in Light S.A., energy distributor present in 31 municipalities in the state of Rio de Janeiro, covering a region with more than 11 million people. It also has stakes in the transmission company Transmissora Aliança de Energia Elétrica S.A. (Taesa). With a growth model that aims at increasing the use of renewable energy, in 2013, Cemig increased its stake in Renova, a leader in the wind energy market in Brazil. Currently, the Cemig GT has a 20.2% stake in Renova, and Light S.A. (company in which Cemig has a stake, as mentioned above) holds an 11.7% stake. The main objective for acquiring a stake in Renova is to make the company an arm for Cemig's expansion into the renewable energy market (not considering hydroelectric power plants).

Cemig is a mixed capital company controlled by the Government of Minas Gerais (51%) with more than 120,000 shareholders in 40 countries (data as of December 2013). Shares are traded in the Brazilian BM&FBOvespa S.A., New York Stock Exchange (NYSE), and in the Mercado de Valores Latino-Americanos (*Latibex*) of Madrid. The Company's consolidated net operational revenue reached R\$ 18.97 billion in 2013, based on a primarily renewable energy matrix.

Not including the energy generated by Light S.A., Cemig's generation park has an installed capacity of 6,872 MW, with 96.6% from hydraulic generation, 2.7% from thermal generation (1.9% fuel oil and 0.8% process residual gas), and 0.7% from wind generation. Thus, Cemig is one of the largest electricity generators in Brazil with 63 hydroelectric power plants, 3 thermal power plants, and 4 wind farms. Adding proportionally the generation capacity of Cemig's holdings in subsidiaries / affiliates such as Light S.A. and Renova, Cemig's total installed capacity comes to 7,158 MW. The

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company owns 9,748 km of transmission lines and 17,218 km of subtransmission lines; in the area of electricity distribution, the company is responsible for providing service to approximately 7.8 million people in 774 municipalities in Minas Gerais and managing the largest electricity distribution network in Latin America, with an extension of more than 484,000 km. At the end of 2013, Cemig had 7,922 direct employees.

For its commitment to principles of social and environmental responsibility, economic and financial integrity and technical excellence, the Company is recognized internationally as a benchmark for sustainability in the industry and is positioned as one of the main vectors for consolidation in the Brazilian electric sector. Cemig has been listed in the Dow Jones Sustainability Index (DJSI World) for 14 years, since its inception. For the 9th consecutive year, the Company has also participated in the Corporate Sustainability Index (ISE) of the BM&FBovespa, and was selected for the 4th time to be included in the Carbon Efficient Index (ICO2), created in 2010 by the BM&FBovespa and the Brazilian Development Bank (BNDES). In 2013, the Company won 1st place in the ET Carbon Ranking Leader Awards by the ET Carbon Ranking Brics 300 (Environmental Investment Organisation - United Kingdom), the ranking that evaluates greenhouse gas emissions, transparency and reliability of data from Brazilian, Indian, Chinese and Russian corporations. In 2013, CDP recognized the Company for the second consecutive time as one of the Ten Brazilian Companies excelling in transparency in the disclosure of information related to climate change.

MISSION

To perform in the energy sector with profitability, quality and social responsibility .

VISION

To be the largest energy group in Brazil during this decade in terms of market value, with presence in gas, known as a global leader in sustainability, admired by customers and recognized for strength and performance .

**Q0.2 Reporting year**

01/01/2013 a 31/12/2013

**Q0.3 Country list configuration**

Brazil.

**Q0.4 Currency selection**

BRL(R\$) Reais.

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**Q0.6 Modules**

Electric Utilities module.

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**Management Module**

**1. Governance**

**Q 1.1 Where is the highest level of direct responsibility for climate change within your organization?**

Individual/Sub-set of the Board or other committee appointed by the Board.

**If there is a responsible:**

**Q 1.1a Please identify the position of the individual or name of the committee with this responsibility.**

The person at the highest level of direct responsibility for the subject of climate change at Cemig is the Executive Vice President, who reports directly to the President of the Company. The President is the highest level of the Executive Board, who in turn reports directly to the Board of Directors.

Cemig's administration is composed of the Board of Directors and the Executive Board. The members of the Board of Directors are elected during the General Shareholders Meeting and elect the President and CEO, Executive Vice President, and appoint the Executive Director. The Executive Vice President is part of the Executive Board, which is considered as a group pertaining to the company's Board. Functional assignments the Executive Vice President as defined and approved by the Board of Directors, include i) replace the President in his absence, leave, temporary disability, resignation or vacancy, ii) promote the improvement of the company's social responsibility and corporate sustainability policies, iii) define the policies and guidelines on the environment, technological development, alternative energy sources, and technical standardization, iv) coordinate Cemig's performance strategy in relation to social responsibility, the environment, technological processes for the strategic management of technology, v) coordinate the deployment and maintenance of quality systems, vi) promote the implementation of programs for the technological development of the company, and vii) monitor the management of plans for meeting environmental, technological, and quality guidelines.

**Q1.2 Do you provide incentives for the management of climate change issues, including the attainment of targets?**

Yes.





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**If there are incentives:**

**Q1.2a Please provide further details on the incentives provided for the management of climate change issues.**

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Board / Executive Board	Monetary reward	<p>Indicator: Cemig's score on the Dow Jones Sustainability World Index. This index assesses issues related to climate change and sustainability.</p> <p>Cemig's score on the Dow Jones Sustainability Index is linked to the variable remuneration of the Executive Vice President, who is second from the top on the Executive Board, which administrates the company.</p>
Corporate executive team	Monetary reward	<p>Indicator: Cemig's participation in the Carbon Efficient Index (ICO2) portfolio.</p> <p>Developed by the BM&amp;FBovespa and Brazilian Development Bank (BNDES), the ICO2 is an indicator based on the IBrX-50 portfolio, which, when deciding on shares to include, takes into account the relationship between gross revenue and greenhouse gas (GHG) emissions, and thus, assesses GHG emissions efficiency.</p> <p>Cemig's inclusion in ICO2 is linked to the variable remuneration of the team subordinate to the Executive Vice President.</p>
Corporate executive team	Monetary reward	<p>Indicator: Cemig's score on the environmental dimension of the Dow Jones Sustainability World Index. This index assesses issues related to climate change and sustainability.</p> <p>This team is also responsible for the achieving Cemig's sustainability goals with all climate change-related matters directly linked to these goals.</p> <p>Cemig's score on the environmental dimension of the Dow Jones Sustainability Index is linked to the variable remuneration of the team subordinate to Executive Vice President.</p>
Energy managers	Monetary reward	<p>Indicator: rate of energy losses in the electric system.</p> <p>Energy losses in the electric system are responsible for 99% of Cemig's Scope 2 emissions. To meet the goal of reducing of these measurable losses, the Total Distribution Losses Index (IPTD - Índice de Perdas Totais de Distribuição) was created with multi-year targets validated annually and monitored monthly. This loss index is linked to the variable remuneration of the management team for the Distribution Loss Management and Control Unit.</p>
All employees	Other non-monetary reward	<p>Indicator: rate of potential reduction of water and electricity consumption</p> <p>In 2013, a campaign against water and electricity waste at Cemig called "Attitudes that Move the World" was conducted and involved 3,700 employees and contractors through lectures, mobilizations, brochures, and giveaways. The company held a contest that received 300 projects for electricity and water conservation in the</p>

company with non-monetary rewards for the 6 best and most creative ideas. The reduction of electricity consumption is one of the company's goals (see question Q3.1 a), aiming at reducing GHG emissions.

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2. Strategy

**Q2.1 Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities.**

Integrated into multi-disciplinary company wide risk management processes.

**Q2.1a Please provide further details on your risk management procedures with regard to climate change risks and opportunities.**

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Individual/Sub-set of the Board or committee appointed by the Board	Brazil	> 6 years	<p>Cemig's Corporate Risk Management Policy establishes guidelines for identifying, analyzing, mitigating and monitoring existing risks.</p> <p>In 2013, the Cemig implemented SAP GRC Risk Management (RM) and Process Control (PC) modules in the corporate risks management process. With this new system for mapping risks and opportunities, the process is now done continuously and online: when registering a risk / opportunity, changes in the assessment or in the status of management plans can be made in the system at any time. All of those involved in the management of the risks / opportunities have immediate access to the information, increasing the transparency and reliability of the process. The system runs a model that looks at the causes and consequences of a risk / opportunity and inserts new parameters in the management model: inherent risk, residual, planned residual, and Control-Self Assessment.</p> <p>Cemig is the pioneer in Brazil in implementing RM and PC modules for risk management.</p>

**Q2.1b Please describe how your risk and opportunity identification processes are applied at both company and asset level.**

Cemig considers strategic opportunities / risks as those that can directly affect the company's business, namely, those that are associated with the senior management decision-making and can substantially affect the economic value of the organization. In

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In addition, the Company considers process risks / opportunities as those that can negatively / positively affect the attainment of goals and guidelines established by the company's Strategic Planning and can be identified in all processes in each business area: Commercialization, Generation, Transmission, Distribution, and Corporate.

Thus, the risks / opportunities at the corporate level are handled at Cemig as risks / strategic opportunities. Risks at the level of subsidiaries and individual plants, that is, at the asset level, include both strategic and process risks / opportunities.

The new system for mapping risks and opportunities implemented in 2013 (SAP GRC Risk Management (RM) and Process Control (PC) modules) allows both strategic and process risks / opportunities to be assessed with the same methodology defined by this new tool. The process of mapping risks / opportunities is done continuously since updating information and monitoring, and conducting assessments of controls and action plans are scheduled tasks to be carried out by those responsible, giving all of those involved in risk management specific roles and responsibilities. The hierarchical level for approval of the information collected has changed with the new tool. Previously, approvals were made at the Superintendence level. With RM and PC modules, they are now made at the Board level.

In addition, the new system allows a risk / opportunity being managed at the process level to have a direct link to a risk being evaluated at the strategic level.

**Q2.1c How do you prioritize the risks and opportunities identified?**

Cemig uses scales to classify the risks and opportunities according to its financial impacts, intangible impacts, likelihood, and relevance to the Company with provides estimated percentages between each of the points for each of the scales. From these scales, Cemig prioritizes each risk, which allows the risks to be ranked in an exposure matrix indicating risks / opportunities, and which includes the risks / opportunities surveyed throughout the process.

In addition, specifically for the financial impact variable referred to above, which is used to define the position of the risk / opportunity in the exposure matrix, information on financial implications of the risks / opportunities, controls, and measurements are entered into the new system. The system then calculates the cost/return of the inherent risk / opportunity (i.e., without management actions), the residual risk / opportunity (after implementing controls), and the planned residual risk / opportunity (after implementing measures). This allows deciding on prioritization based on robust financial analyses of the scenarios with and without the management of risks / opportunities.

**Q 2.2 Is climate change integrated into your business strategy?**

Yes.



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**If climate change is integrated into the company's business strategy:**

**Q2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process.**

i. Risks and opportunities related to climate change are classified and prioritized in exposure matrices by the Corporate Risk Monitoring Committee and presented to the Executive Board. Therefore, these risk and opportunity assessments are presented to senior management, who use them to develop the company's Strategic Planning initiatives. Since the Executive Board defines and approves Cemig's strategy, the other directors plan the activities. The Board of Directors conducts the Strategic Planning process with the participation of the Executive Board.

During the last annual cycle of the Cemig Strategic Planning process, the Board of Directors approved to update the Corporate Strategic Plan and define strategic objectives for the short term until 2035. The main drivers of Cemig's business strategy are related to balanced growth through both new projects and mergers and acquisitions, with the main commitment being sustainable growth and adding value for shareholders over the long term. With the aim of expanding installed capacity through a low-risk portfolio, expansion in renewable sources is particularly noteworthy.

ii. Aspects of climate change that have influenced the Cemig's strategy:

Low carbon business development: Cemig has identified opportunities for business and market advantages arising from its low carbon energy matrix, which are primarily focused in i) using Cemig's expertise in the deployment and renovation of renewable power plants, and ii) investment in new energy sources.

Regulatory changes: Cemig identifies regulatory risks related to climate change, which are seriously contemplated in strategic decisions for the Company. Cemig conducts environmental due diligence for the acquisition of new assets (carbon risk assessment) to assess the possible financial impact of an increase in GHG emissions from the newly acquired assets and the possibility of internalizing emission costs due to new regulations.

Need for climate change mitigation: Although GHG emissions at the Company are already low, Cemig strives to reduce its emissions by setting emission reduction targets as well as reducing electricity consumption and electricity losses.

Need for adaptations to climate change: Cemig has a predominantly hydraulic generator park; thus, it has a low GHG emission intensity. However, it is subject to the consequences of climate change. Therefore, the Company invests in





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improvements to weather forecasting systems, the infrastructure of its power plants, transmission lines, and distribution networks in order to deal with the consequences of climate change and improve water availability forecasting in its generation park.

iii. Components of the strategy influenced by climate change in the short term (up to 5 years): Cemig invests in state-of-the-art techniques and equipment that allows for a high degree of accuracy when forecasting the intensity and location of storms. In addition, the Company established its corporate goal of reducing Scope 1 GHG intensity (tCO<sub>2e</sub>/MWh) by 8% by 2015, based on 2008 emissions. Cemig also defined its goal of reducing electricity losses by committing to have total losses in 2017 lower than 10.85%.

iv. Components of the strategy influenced by climate change over the long-term (over 10 years): the need to consolidate low carbon energy matrices has been a guide for technology R&D projects that Cemig may deploy on a large scale in the future, such as i) the development of the second version of the solarimetric atlas of Minas Gerais, ii) electricity generation in solar power plants connected to the electrical system and iii) the implementation of smart grid.

In addition, Cemig's recent acquisitions demonstrate the company's position in strengthening its focus on the expansion of renewable energy (see acquisitions in 2013 under item (vi) of this question). With these strategic actions, Cemig is expanding energy generation in the short term and investing in the diversification of the renewable matrix in the long term.

The climate change scenario opens new business opportunities for the Company, with expectations of great demand in the long term. Cemig owns the company Efficientia S.A, which operates in the development and feasibility of technological solutions that promote efficient energy use at nonresidential customer facilities.

v. By maintaining a predominantly renewable matrix and conducting the carbon risk assessment, Cemig is able to make in advance decision on risks associated with increased electricity generation costs.

In addition, the development of new technologies, especially electricity generation using solar energy, puts Cemig in a vanguard position in the electricity sector and allows the Company to incorporate new technologies in its matrix and diversify business.

vi. More significant strategic decisions taken by Cemig in 2013, influenced by new business opportunities as a result of climate change:

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- investment in electricity loss management in distribution networks: loss control is one of Cemig's strategic goals, which among other benefits, enables a lower emissions factor for the Brazilian National Electrical System (SIN) with the potential to mitigate climate change.
- actions minimizing physical risks arising from extreme weather events:
- improvements on distribution networks: establishment of a Protected Distribution Network (RDP) with shielded lines and networks, in addition to easement regularization as minimum standard for urban services
- improvements to the transmission network, especially the acquisition of transformers and reinforcing the Taquaril Substation, which is responsible for providing service to the Belo Horizonte Metropolitan Area
- actions that increase opportunities for low carbon business development:
- entrance into the controlling block of Renova, a company that represents the arm of Cemig's expansion into the renewable energy market. Cemig now has a 20.2% stake in the company.
- equity acquisition in Brazil PCH through its stake in Renova. Brasil PCH holds 13 SHPs with an installed capacity of 291 MW (194 average MW);
- an agreement with Vale to create Aliança Geração de Energia S.A., in which Cemig will have 45% stake and will be a platform for consolidating generation assets with a hydro installed capacity of 1,158 MW (652 average MW)
- increased stake in the Belo Monte hydroelectric power plant to 14.18%
- commissioning of Igarapé Thermal Power Plant: revitalization of the plant with a lower emissions intensity (tCO<sub>2</sub>/MWh generated). Commissioned in 2013.

**Q2.3 Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following?**

Direct engagement with policy makers

Trade associations

Funding research organizations

Other

No

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**Q 2.3a On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other: mitigation and adaptation to climate change	Support	<p>Created in 1977 as an Environmental Policy Committee, COPAM (State Environmental Policy Council) became the Minas Gerais State Council in 1987, and is currently the regulatory, collegiate, advisory and deliberative body subordinate to the State Secretariat for Environment and Sustainable Development (SEMAD). The purpose of the council is to deliberate on guidelines, policies, regulations and technical norms, standards and other operations-related measures to preserve the environment and environmental resources, in addition to its application by SEMAD, through entities linked to the council and other environmental regulatory and local agencies.</p> <p>Among the Thematic Chambers that comprise COPAM is the Energy and Climate Change Chamber (CEM), in which Cemig has a representative.</p> <p>The CEM is engaged in the development of the Energy and Climate Change Plan for Minas Gerais (PEMC), a cross-sectional planning tool that covers all socioeconomic sectors in the state of Minas Gerais that have an impact on GHG emissions and/or suffer the effects of climate change. The chamber is a public policy instrument created through a participatory process whose primary purpose is to develop guidelines and actions for mitigation and adaptation to climate change in Minas Gerais in order to ensure the transition to a low carbon economy and sustainable development in the state of Minas Gerais.</p>	Cemig supports this legislation with no exceptions.

**Q2.3b Are you on the Board of any trade associations or provide funding beyond membership?**

Yes.

**Q 2.3c Please enter the details of those trade associations that are likely to take a position on climate change legislation.**

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position
Brazilian Business Council for Sustainable Development (CEBDS <i>Conselho Empresarial</i> )	Consistent	Within the CEBDS is the Thematic Chamber on Energy and Climate Change (CTClima <i>Câmara Temática de Energia e Mudanças do Clima</i> ), in which Cemig has a representative. CTClima represents the vision of member companies in the	Cemig's representative in the Thematic Chamber of Energy and Climate Change

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Desenvolvimento  
Sustentável)*

CEBDS on matters related to climate change, in debates, and in public policy formulation with governments and other interest groups. CTClima's mission is to be a proper forum for companies to understand its role in relation to climate change while assisting them in developing strategies to take advantage of opportunities, minimize risks, and prepare for a world with restrictions on greenhouse gas emissions .

(CTClima) participates in meetings, discussions, debates, and contributes to suggestions for

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	<p>The CEBDS performs various activities associated to the theme, which can contribute to the development and improvements in related public policies. For example, CEBDS launched a research project called <i>Study on Adaptation and Vulnerability to Climate Change: The Case of the Brazilian Electricity Sector</i>. The publication represents an effort by the corporate sector to deepen the understanding of the topic, given the sensitivity of hydroelectric energy to climate variation and the sector's increased participation in the national electricity matrix. Also in 2013, the study <i>Recommendations for Electric Energy Policy in Brazil</i> was launched. This publication presents solutions that contribute to the diversification of the Brazilian electricity matrix in a sustainable way. Among them include the importance of regulating sources and regional auctions, cogeneration and microgeneration, environmental licensing, and greater efficiency in transmission, distribution, and end consumption.</p>	<p>formulating public policy, when applicable.</p>
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**Q2.3d Do you publically disclose a list of all the research organizations that you fund?**

Yes(1).

**Q2.3e Do you fund any research organizations to produce or disseminate public work on climate change?**

Yes.

**Q2.3f Please describe the work and how it aligns with your own strategy on climate change.**

Cemig's Research and Development (R&D) Program produces new methodologies, software processes, materials, devices, and equipment to improve the electrical system, in addition to the adaptation and mitigation of climate change, which benefits the electricity sector, Cemig, and society. Investment in innovation is aligned to the strategic drivers, *Ensuring Sustainability*, and *Being innovative in finding technological solutions for business operations*. Currently, research projects are underway that are linked to alternative energy sources as well as the mitigation and adaptation to climate risks. R&D projects related to climate change that stood out in 2013 are described below.

Cemig finances the project *Infrastructure for a Low-Cost Smart-Grid*, which is one of the initiatives undertaken by the Company related to climate change that defines its strategy for mitigation, adaptation, and the commitment to a low-carbon economy. The company is

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(1) Cemig discloses all research projects that are carried out, organized by theme. Details on the projects are available at:





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initially installing smart grids in the city of Sete Lagoas. This initiative will enable the automation of networks, metering systems, and the distributed generation and storage of energy, thus contributing to the reduction of losses, and consequently, the reduction of GHG emissions. Although smart grids are being discussed at the global level, it is still necessary to adapt legislation and evaluate technical and economic issues from the perspective of the Brazilian reality to maximize the benefits resulting from adopting this technology. In 2013, the Consumer Calendar was made available at: <http://portalcfu.cemig.com.br/portalcfu>, with the prominent factor of the website being the possibility for consumers participating in the project to monitor and be re-educated on their consumption habits.

In 2013, the project Mitigation of Atmospheric Effluents from the Barreiro HPP was initiated. The project is the result of a partnership between Cemig, CEFET (Federal Center for Technological Education of Minas Gerais), and the companies Neomatrix and V&M do Brasil. The project involves the construction of a plant annexed to the Barreiro Thermoelectric Power Plant located in Belo Horizonte to capture and sequester GHG emissions from the plant's generation activities, with the prospect reducing emissions by 25%. In addition to developing technology to reduce GHG emissions by enabling less polluting thermal power plants to be incorporated into the energy matrix, the project contributes to the diversification of the matrix.

The second version of the Solarimetric Atlas of Minas Gerais is currently being designed. The new version will have an even more pronounced scientific appeal and will incorporate data from 5 modern solarimetric stations installed in rural Minas Gerais for the validation or any redefinition of the solarimetric maps of the state. With the publication of the new version of the Atlas, Cemig will be acting as a facilitator for the diversification of the Brazilian energy matrix focused on renewable energy alternatives.

In 2013, a Solar Photovoltaic Plant was fully installed in the Mineirão Stadium making it the first stadium hosting the 2014 FIFA World Cup to have this type of power plant, which has an installed capacity of 1.42 MWp. The plant was implemented through an R&D project. The deployment, operation and maintenance are the responsibility of the Portuguese company Martifer Solar. In early 2014, the power plant entered the commissioning and operations testing phase, with commercial operation expected before the stadium is handed over for the World Cup games.

Cemig develops important innovations that have positive effects on climate change mitigation. A list of all research projects funded by Cemig with additional information is

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available at:

[http://www.cemig.com.br/en-us/Company\\_and\\_Future/Sustainability/water\\_resources/Pages/research\\_and\\_development\\_projects.aspx](http://www.cemig.com.br/en-us/Company_and_Future/Sustainability/water_resources/Pages/research_and_development_projects.aspx).

**Q2.3h What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Cemig's Superintendences responsible for managing specific strategic objectives and corporate risk associated with climate change, under the approval of the Executive Board, lead the institutional relationship with public policymakers concerning the theme. The Superintendences are retrained on the strategy and Corporate Strategic Plan of the Company during the annual Strategic Planning cycle. As described in the answer to Q1.1, the person directly responsible for Cemig's Global Climate Change Strategy is the Executive Vice President. Therefore, the Executive Vice President's team ultimately evaluates all direct and indirect activities in which the company participates for the development of public policy, after approval by the Director of the area responsible. As a basic premise, all institutional activities follow the premises of the company's document entitled "10 Initiatives for the Climate".

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**3. Targets and Initiatives**

**Q3.1 Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?**

- Absolute target
- Intensity target
- Absolute and intensity targets
- No

**If there is an absolute target:**

**Q3.1a Please provide details of your absolute target.**

ID	Scope	% of emissions in Scope	% reduction from base year	Base year	Base year emissions (tCO2e)	Target year	Comments
Abs-1	Scope 2	0.8%	4%	2011	4,502	2020	<p>The company set a target for reducing the electricity consumption of both Cemig GT and Cemig D by 4% by 2020, in relation to the total consumed in 2011.</p> <p>In 2011, Cemig GT and Cemig D consumed 46,876 MWh of electricity, representing 0.8% of the company's Scope 2 emissions for the year in question (the remaining 99.2% were primarily from electrical losses, in addition to a small portion from electricity consumption of Efficientia and Cemig Telecom).</p> <p>That year, the emissions factor for the Brazilian National Electrical System (SIN) was 0.0292 tCO2/MWh, so emissions associated with electricity consumption were 1,368 tCO2.</p> <p>However, in order to compare emissions from electricity consumption in 2013 with base year emissions, they were reported in the side column using the emissions factor for the Brazilian National Electrical System (SIN) for 2013, which was equal to 0.0960 tCO2/MWh, resulting in 4,502 tCO2.</p>

If there is an intensity target:

Q3.1b Please provide details of your intensity target.

ID	Scope	% of emissions in Scope	% reduction from base year	Metric	Base year	Normalized base year emissions (tCO2e / MWh)	Target year	Comment
Int-1	Scope	100%	8%	tCO2e /	2008	0.007801	2015	This target refers to

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1	MWh	Scope 1 emissions reduction related to electricity generated by Cemig; therefore, it is tCO <sub>2</sub> / MWh generated.
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**Q3.1c Please also indicate what change in absolute emissions this intensity target reflects.**

ID	Direction of change anticipated in absolute Scope 1+2 emissions with target completion	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions with target completion	% change anticipated in absolute Scope 3 emissions	Comment
Int-1	Increase	14.08%			<p>Despite the reduction of GHG emissions per MWh generated by Cemig when the target is attained, the Company expects the expansion of production to increase around 124% for 2015 in relation to 2008, leading to an increase in absolute Scope 1 emissions with target attainment.</p> <p>By 2015, there may be an increase in absolute emissions due to increased operations at the Igarapé Thermal Power Plant.</p>

**Q3.1d For all of your targets, please provide details on the progress made in the reporting year.**

ID	% complete (time)	% complete (emissions)	Comment
Abs-1	22.22%	100%	In 2013, Cemig GT and Cemig D consumed 43,750 MWh of electricity, 6.67% lower than the figure verified for 2011 (target base year). Therefore, Cemig has already attained and surpassed its target of reducing electricity consumption by 4% compared to 2011.
Int-1	71.43%	100%	<p>Scope 1 emissions were reduced compared to 2008 emissions, reaching 0.005642 tCO<sub>2</sub>e / MWh generated by Cemig. Therefore, in 2013, the 0.007177 tCO<sub>2</sub>e/MWh emission target for 2015 (8% reduction compared to 2008) was attained and surpassed.</p> <p>The Igarapé HPP was reactivated in 2012, and electricity generation at the power plant increased in 2013 in relation to 2012 (167,506 MWh in 2013 and 23,115 MWh in 2012). These events led to an increase in emissions compared to 2012. However, prior to reactivation, the Igarapé plant underwent a revitalization program expected to increase average thermal efficiency by 1.407% compared with the average for 2007-2008. In addition, other initiatives to reduce Scope 1 emissions such as the increased efficiency in the use of the company's vehicle fleet, and other actions, have also contributed to the significant reduction in emissions compared to the 2008 base year.</p>

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**Q3.2 Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?**

Yes.

**If the use of the company's goods and/or services enables GHG emissions to be directly prevented by third parties:**

**3.2a Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party.**

Efficientia S.A.: a wholly owned subsidiary of Cemig that provides services for the development and feasibility of energy efficiency projects, implements energy cogeneration projects, and offers consulting services to optimize the energy matrix of industries.

- i. This initiative allows the reduction of Scope 2 emissions of third parties, since it reduces the electricity consumption of its customers.
- ii. In 2013, the Santa Vitória TPP, a sugarcane bagasse cogeneration plant with an installed capacity of 20 MW, was fully activated.

In 2013, Efficientia signed contracts for the deployment of modernization projects on lighting systems, photovoltaic energy generation, and energy cogeneration. All of these projects allow the reduction of electricity consumption by the customer and/or low carbon electricity generation.

- iii. It is estimated that contracts signed in 2013 will bring about a reduction in emissions by 1,285 tCO<sub>2</sub>/year.
- iv. It is estimated that the contracts signed in 2013 will save 13,164 MWh/year in electricity consumption and 219 MWh/year electricity generation. To calculate reductions in emissions, the emissions factor for the Brazilian national grid (SIN) for 2013 was used, calculated for GHG inventories by the Ministry of Science, Technology and Innovation (MCTI - *Ministério de Ciência, Tecnologia e Inovação*)(2), multiplied by the amount of electricity saved and generated;
- v. The generation of Certified Emission Reductions (CERs) within the scope of the CDM was not considered in any of the projects implemented.

Energia Inteligente (Intelligent Energy): a program consisting of various projects that promote energy efficiency in low-income communities and in nonprofit and philanthropic institutions.

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(2) GHG emissions factors for the Brazilian National Interconnected System (SIN - *Sistema Inteligado Nacional*) for emission inventories of these gases. Available at: <http://www.mct.gov.br/index.php/content/view/321144.html#ancora>.

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i. This initiative allows the reduction of Scope 2 emissions of third parties, since it reduces the electricity consumption in the communities it serves.

ii. The Intelligent Energy Program encompasses three subprograms: *Energia do Bem*, *Conviver*, and *Prefeituras Ecoeficientes*.

*Energia do Bem* program is aimed at philanthropic and nonprofit organizations. In 2013, showers in 104 institutions for the elderly and in 6 public hospitals and charities were replaced, in addition to the replacement of 38 autoclaves and 980 sets of light fixtures and light bulbs in hospitals.

*Conviver* encompasses projects aimed at low-income consumers. In 2013, 1,098 solar heating systems were installed, 140,699 light bulbs and 2,164 refrigerators were replaced, in addition to the replacement of 220 family agricultural irrigation systems over 15 years old in the Jaíba Project.

*Prefeituras Ecoeficientes* encompasses projects aimed at municipal energy management.

All of these initiatives reduce electricity consumption of the people and organizations receiving service.

iii. The actions taken in 2013 will prevent the emission of 1,673 tCO<sub>2</sub>/year.

iv. The actions taken in 2013 will allow a reduction in energy consumption by 17,420 MWh/year. To calculate reductions in emissions, the emissions factor for the SIN calculated by the MTCI(2) was used for 2013, multiplied by the amount of electricity saved annually.

v. The generation of Certified Emission Reductions (CERs) within the scope of the CDM was not considered in the program.

Gasmig: Cemig's subsidiary and exclusive distributor of piped natural gas throughout Minas Gerais State. In addition, Gasmig has created the Inovagás project, which is aimed providing customers with energy efficient solutions.

i. This initiative allows the reduction of Scope 1 emissions of third parties, since it allows customers to use fossil fuels having a lower GHG emissions factor.

ii. In 2013, Gasmig installed 30.3 km of pipelines to distribute natural gas in the Minas Gerais State. The company brings natural gas infrastructure to strategic regions in the state, allowing carbon-intensive fossil fuels to be replaced in manufacturing industries.

iii. In 2013, the consumption of natural gas distributed by Gasmig prevented emissions of 1,058,387 tCO<sub>2</sub>.

iv. Gasmig monitors the quantity of natural gas supplied to the sectors that that company serves. The company sold 1.488 billion m<sup>3</sup> in 2013. The estimate for

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emission reduction was made on the assumption that, in the absence of the natural gas distribution, industry would consume fuel oil (which corresponded to 93.89% of the natural gas consumed in 2013), vehicles would consume gasoline (3.82%), and thermal power plants would use diesel oil (2.29%). Using emissions factors and lower heat capacities and densities of the Brazilian GHG Protocol, natural gas emissions (real scenario), emissions if fuel oil were used, and gasoline and diesel (baseline scenario) were calculated subtracting real emissions from baseline emissions, thus defining the emissions that were prevented.

v. The generation of Certified Emission Reductions (CERs) within the scope of the CDM was not considered by Gasmig.

**Q3.3 Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)?**

Yes.

**Q3.3a Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO<sub>2</sub>e savings.**

Stage of development	Number of projects	Total estimated annual tCO <sub>2</sub> e savings (only for rows marked *)
Under investigation	707	
To be implemented *	0	0
Implementation commenced *	21	10,061
Implemented *	4	7,564
Not to be implemented	0	



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**Q3.3b For those initiatives implemented in the reporting year, please provide details in the table below.**

Activity type	Description of activity	Estimated annual tCO2e savings	Annual monetary savings (R\$)	Investment required (R\$)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Processes	<p>Nature of activity: comprises actions aimed at reducing technical losses of electricity in the distribution system. These losses are inherent in the transport of electricity through equipment and transmission and distribution lines. Actions carried out in 2013 to control and minimize technical losses include:</p> <ul style="list-style-type: none"> <li>Reinforcing the medium voltage / low voltage electric system and expansion and reinforcement of the high voltage subtransmission system (69 kV and 230 kV);</li> <li>Completed installation of 385 fixed capacitors banks in the electric system</li> <li>Acquisition and installation of distribution transformers with amorphous core technology, which reduces leakage losses by about 80%, in addition to reinforcing the respective low-voltage circuits.</li> </ul> <p>In addition to these actions, other specific achievements stood out in 2013 such as the prospect of new networking technologies and drivers, studies to increase operational efficiency of the electrical system (circuit reconfiguration), establishment of criteria to limit the levels of technical losses in medium-voltage and low-voltage circuits and drafting a medium-voltage reactive compensation plan with an expectation of installing 225 automatic capacitor banks by 2016.</p>	3,898	16 million	29 million	1 - 3 years	20 years	A large part of the investment for Cemig to reduce technical losses in 2013 is related to the expansion and reinforcement of the subtransmission electrical system and the installation of capacitors in the medium-voltage electrical system.

Scope 2 emissions at the Company have been reduced (emissions associated with technical losses of electricity are accounted for in Scope 2 of Cemig's inventory. Losses are considered as the electrical consumption required for the generation of this electricity).

This initiative is voluntary in relation to external regulators. There is a 10.48% target for technical

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losses established by ANEEL (National Electric Energy Agency), which is mandatory for Cemig, though the initiatives described here are voluntarily adopted by the company to reach this target.

Nature of activity: the Santo Antônio HPP began operation in March 2012. In 2013, 713.7 MW were implemented. In February 2014, there were 20 turbines in commercial operation with 1,414 MW of installed capacity. By November 2015, the plant will have an installed capacity of 3,150 MW and a physical guarantee of 2,218 MW, representing estimated generation at 19,429,680 MWh / year. The power implemented in 2013 was equivalent to the generation of 4,401,531 MWh/year.

Only 10% of the emission reductions associated with the deployment of the Santo Antônio HPP in 2013 were considered in the scope of the CDP since Cemig's stake in the venture is 10%. Since expanding electricity generation in low-carbon power plants, Cemig's Scope 1 emissions are lower. Cemig reduced its Scope 1 emissions per MWh produced (to calculate the reduction in emissions, indicated to the right, the emissions factor was used for Scope 1 tCO<sub>2</sub> per MWh produced by Cemig in 2012 and released in the 2013 CDP). If the Scope 2 emission reductions of Cemig's consumers were considered, using the emissions factor for the Brazilian National Electrical System (SIN), the emission reductions total 30,187 tCO<sub>2</sub>e (but the emission reductions considered in the column at the side are Cemig's Scope 1 emissions).

This initiative is voluntary in relation to external regulators.

Low carbon energy installation

613

Not applicable

1.64 billion

11 15 years

More than 30 years



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<p>Transportation: fleet</p>	<p>Nature of activity: fuel consumption at Cemig was reduced by 6.17% from 2012, which means the Cemig stopped consuming 11,300 GJ of fuel. This reduction was due mainly to Cemig's Fleet Management Practices in which 274 vehicles that run on common diesel were replaced with vehicles that use Diesel S-10, the reduction and optimization of employee transportation, and the results obtained with the Fleet Monitoring System deployed in 2012.</p> <p>Scope 1 emissions are reduced through the reduction in the burning of fossil fuels in its fleet of vehicles.</p> <p>This initiative is voluntary in relation to external regulators.</p>	<p>3,053</p>	<p>863 thousand</p>	<p>12 million</p>	<p>11 15 years</p>	<p>5 years</p>	<p>Fuel consumption was reduced by 6.17%, representing an avoided cost of about R\$ 863,000 for Cemig. This figure is the total cost avoided, and not annual.</p>
<p>Process emissions reductions</p>	<p>Nature of activity: implementation of smart grid in the Sete Lagoas City, which is a smart grid design research and development project with the ultimate goal of developing the company's competence in implementing a smart grid for its entire network. The installation of a smart grid enables greater efficiency in relation to GHG emissions in the supply of electricity, by the fact that consumers can manage their energy usage while it is used, and Brazilian consumers can generate energy in their homes using photovoltaic solar panels, for example. However, these future gains will result once the system is installed. The immediate gain is that by automating the disconnection and reconnection of the electricity supply, fewer cars and motorcycles belonging to Cemig's employees will need to be dispatched to buildings to perform these activities.</p> <p>Scope 1 emissions are reduced through the reduction in the burning of fossil fuels in its fleet</p>	<p>Expected emissions savings is still unknown</p>	<p>Confidential information</p>	<p>45 million</p>	<p>Confidential information</p>	<p>20 years</p>	

of vehicles.

This initiative is voluntary in relation to external regulators.

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**Q3.3c What methods are used to drive investment in emission reduction activities?**

Method	Comment
Compliance with regulatory requirements / standards	Federal Law No. 9,991/2000: 1% of the organization's net operating revenues must be invested in funding R&D and energy efficiency programs. Thus, Cemig created the Intelligent Energy (EI) Program, which is focused on energy efficiency comprised of various multi-year projects and socioenvironmental projects that develop energy efficiency actions for low-income communities (in compliance with Article 1, paragraph V, of Law No. 9.991/2000, included by law No. 12,212/2010), and in nonprofit and philanthropic organizations.
Financial optimization calculations	Cemig incorporates GHG emission parameters during the prior assessment of the technical and economic feasibility of a new project, considering the potential financial gains from the commercialization of carbon credits. This assessment has helped Cemig in decision-making regarding the execution of projects eligible for the Clean Development Mechanism (CDM).
Internal finance mechanisms	The replacement of the vehicle fleet uses resources from the Company's Investment Programs. The directive for Cemig is to renew its vehicle fleet annually so that the average age of vehicles does not exceed 5 years, which is the legal depreciation period established by government authorities.
Dedicated budget for low carbon product R&D	Cemig's Research and Development (R&D) Program aims to encourage the constant search for innovation and technological challenges in the electricity sector. In this context, Law 9,991/2000 stipulates that utilities and licensees engaged in electricity generation, transmission, and distribution must annually budget a part of its net operating revenue for the Research and Development Program for the Electrical Energy Sector, regulated by Aneel.  To ensure the implementation of this feature, Cemig published public notices to attract projects in various lines of action. Among the project lines related to climate change include: Alternative sources, distributed and decentralized generation, thermoelectric generation and energy efficiency, watershed management and energy planning, metering, billing and commercial losses, and the environment.
Dedicated budget for other emission reduction initiatives	Within the Distribution Development Program (PDD), a budget is provided for Cemig's reduction of electrical losses in the system, an emissions reduction initiative to reduce emissions from Cemig and the national electricity grid.
Internal price of carbon	Cemig assesses the risk of increased carbon emissions in its energy matrix and the financial impact of the risk by conducting environmental due diligence and sensitivity analyses related to the acquisition of new enterprises. These procedures assist the company in decision-making related to business expansion.

Table of Contents**4. Communication**

**Q 4.1 Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

<b>Publication</b>	<b>Page/Section reference</b>	<b>Attach the document</b>
In mainstream financial reports (complete). More specifically, in the Annual and Sustainability Report (available on the company's website).	Page 135 / Environment Section, Climate Change Subsection	<a href="http://www.cemig.com.br/en-us/relatorio_anual/Documents/relatorio/index.html">http://www.cemig.com.br/en-us/relatorio_anual/Documents/relatorio/index.html</a>
In other regulatory filings (complete)	Form 20F: Page 59 / Section: The Carbon Market	<a href="http://cemig.infoinvest.com.br/enu/11366/20F2013_ing.pdf">http://cemig.infoinvest.com.br/enu/11366/20F2013_ing.pdf</a>
In voluntary communications (complete)	Throughout the document (GHG emissions inventory)	<a href="http://www.cemig.com.br/en-us/Company_and_Future/Sustainability/Programs/climate_changes/Documents/Cemig_2013_greenhouse_gas.pdf">http://www.cemig.com.br/en-us/Company_and_Future/Sustainability/Programs/climate_changes/Documents/Cemig_2013_greenhouse_gas.pdf</a>



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**Risks & Opportunities Module**

**5. Climate Change Risks**

**Q5.1 Have you identified any climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply.**

- x Risks driven by changes in regulations
- x Risks driven by changes in physical climate parameters
- x Risks driven by changes in other climate-related developments

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**Q5.1a Describe the risks due to changes in regulations.**

Risk driver	Description	Potential impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management methods	Cost of management
General environmental regulations, including planning	Through the National Policy on Climate Change, the Brazilian government has set a voluntary target of reducing between 36.1% and 38.9% of Brazilian GHG emissions. The risk associated with making this commitment is the increase in operating costs arising from possible agreements for the electricity sector, mainly related to the creation of additional costs on carbon emissions.	Increased operational cost	> 6 years	Direct	Likely	Low medium	Less than 1% of net operating revenues	Management methods include defining a goal for reducing GHG emissions, and for new acquisitions, a carbon risk assessment in due diligence operations to minimize the probability and scale of the risk.  Cemig has sought opportunities for expanding renewable energy generation, thus minimizing the magnitude of risk in the time horizon to up to 5 years.	Less than R\$400,000.00. The costs are annual and related to maintenance of the environmental team. They will exist as long as the risk persists.
Uncertainty surrounding new regulation	Despite having a low carbon energy matrix, Cemig operates a fossil fuel-powered thermal power plant whose operations may be affected in the case of new regulations be established in Brazil. These new regulations also become a	Increased operational cost	> 6 years	Direct	About as likely as not	Low medium	Less than 1% of net operating revenues	Cemig conducts a carbon risk assessment in due diligence operations, accounts for corporate GHG emissions through the company's emissions inventory and sets targets for reducing GHG emission	Less than R\$400,000.00. The costs are annual and related to maintenance of the TPP environmental team and conducting the Company's emissions inventories. The costs will exist as long as the risk

risk if Cemig later plans to expand business operations in electricity generation through fossil fuel-powered thermal plants.

intensity. With these actions, a reduction is expected in the magnitude of the risk of taxation for the company with the persists.

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									implementation of the new regulations.
Cap-and-trade schemes	The establishment of a market for trading GHG emissions under a <i>cap-and-trade</i> system in Brazil can result in the need for more planning on Cemig's part in regards to compliance with specific regulations of the market, particularly in relation to monitoring and verifying emissions.	Increased operational cost	> 6 years	Direct	About as likely as not	Low medium	Less than R\$2 million	Cemig has professionals trained in identifying projects generating carbon credits and has long-term contracts with verification and certification companies, thereby immediately reducing the probability of materialization of the risk for the company. Cemig has CDM projects to reduce emissions registered with the UNFCCC.	Less than R\$300,000.00.  The associated costs are those related to monitoring and audits required for carbon credit validation and commercialization of carbon credits. The costs are not annual and incur when audits are performed.
Uncertainty surrounding new regulation	For the inventory of its GHG emissions, Cemig uses ISO 14,064-1 standards and the GHG Protocol to ensure the reliability of the data collected. In establishing	Increased operational cost	1 - 3 years	Direct	Unlikely	Low	Less than R\$100,000.00	For the inventory of its GHG emissions, Cemig uses ISO 14,064-1 standards and the <i>GHG Protocol</i> to ensure the reliability of the data	Less than R\$50,000.00.  The associated costs are annual and related to the emissions inventory and audit

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an emissions trading market or other instruments for reducing emissions, it may be required to adopt other methodologies and standards to prepare corporate inventories. Thus, Cemig may have to adjust current procedures that are already well established in order to comply with new regulations that could be adopted.

collected and for verification purposes by a third party. With this action, it is expected that the magnitude of the risk and probability of materialization of the risk are reduced.

conducted by a third party. These costs will exist whenever the emissions inventory is verified by a third party.

Other regulatory drivers	In order to propose measures to encourage energy efficiency in the country, the Ministry of Mines and Energy published the National Energy Efficiency Plan (PNEf <i>Plano Nacional de Eficiência Energética</i> ), which uses the National Plan on Climate Change as a reference and indicates the mitigation of climate change as one of its goals. The PNEf adopts a 10% reduction	Reduced demand for goods / service	1 3 years	Direct	More likely than not	Low medium	Less than R\$10 million	Cemig follows legal discussions at the federal, state, and municipal levels. In addition, the Company has residential and industrial energy efficiency programs, which are described in the Annual and Sustainability Report.	In 2013, R\$35.2 million were applied. The costs are related to investments in energy efficiency programs.
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target in  
electricity  
consumption  
by 2030 using  
consumption in  
2004 as a base.

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**Q5.1b Please describe your risks that are driven by change in physical climate parameters.**

Risk driver	Description	Potential Impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management methods	Cost of management
Change in precipitation extremes and droughts	Climate change may cause undesirable impacts on reservoirs due to silting, which may occur faster (or, in an optimistic scenario, occur slower), depending on how changes in rainfall and hydrological regimes will affect each reservoir. This may shorten the life of the reservoirs and increase maintenance costs.	Reduction / disruption in production capacity	> 6 years	Direct	Unlikely	Medium	Less than 0.5% of net operating revenues	Cemig monitors silting in reservoirs through a series of actions such as mapping changes in bed morphology due to the deposit of sediments, monitoring decreases in the volume of reservoirs, studies on the useful life of reservoirs, and monitoring sediment accumulation. Cemig also participates in the Energy Reallocation Mechanism, which has the purpose of sharing hydrological risks: plants in high inflow and high production conditions transfer energy to plants in low inflow and low production conditions. This participation gives the ONS (Grid National Operator <i>Operador Nacional do Sistema</i> ) the freedom to dispatch plants and ensures	Less than R\$2 million. The costs are annual and related to the maintenance of equipment and meteorological teams, dam safety, and risk management, in addition to investments in R&D and alternative forms of electricity generation. These costs will exist as long as the risk persists.

Cemig's assured  
power  
commitments



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								are met. These actions contribute to reducing the likelihood and magnitude of the risk.
Change in mean (average) temperature	Climate change may cause an increase in average temperatures and changes in rainfall and droughts. Indirectly, it may increase risks to the Energy Transmission System, since prolonged drought conditions maximize the risk of fires. Fires on easements or nearby can disrupt transmission lines.	Reduction / disruption in production capacity	3 - 6 years	Direct	About as likely as not	High	Less than 1% of net operating revenues	Cemig continually inspects and cleans easements where its transmission lines are located to maximize safety and transmission availability. Costs are annual and related to cleaning on easements of transmission lines.
Change in precipitation extremes and droughts	Excess rainfall can cause structural problems in dams, leading to generation disruptions.	Reduction / disruption in production capacity	> 6 years	Direct	Very unlikely	High	Less than 1% of net operating revenues	The annual cycle for dam safety is comprised of field inspections, instrumentation data collection and analysis, planning and monitoring maintenance services, analyzing results, and classifying civil structures. The vulnerability of each dam is calculated automatically on a continuous basis. Less than R\$2 million. The costs are annual and related to maintenance of equipment and meteorological teams, dam safety, and risk management. These costs will exist as long as the risk persists.



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									<p>the Dam Safety and Control System - Inspector, which was developed through an R&amp;D project and incorporates georeferencing tools to assess deterioration, enabling a comprehensive analysis of the behavior of each dam. Cemig was a pioneer in Brazil in the development of emergency action plans for dam failure and began studies on the matter in 2003. Emergency plans specific to each dam are currently available. These actions are carried out at present and contribute to reducing the likelihood of this risk occurring in the short term.</p>
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Change in precipitation extremes and droughts	Heavy rainfall in a short period of time, accompanied by high winds and lightning can cause physical damage to facilities that transport and distribute energy, leading	Reduction/ disruption in production capacity	< 1 year	Direct	Very likely	High	Less than 1% of net operating revenues	The management methods aim to reduce the magnitude of this risk in the medium term through preventative adaptation measures like	Less than R\$2 million. The associated costs are those related to the maintenance of containment teams for this kind of
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to the

risk.

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unavailability of these facilities and increased costs for Cemig due to compensating consumers for energy supply disruptions. These phenomena are increasingly associated with the effects of unfavorable microclimates, typical of large urban centers.

management of urban vegetation, the operation of weather stations and radar, which forecast the occurrence and intensity of storms more accurately, and an emergency plan that includes sending maintenance teams out to quickly restore electricity.

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**Q5.1c Please describe your risks that are driven by changes in other climate-related developments.**

Risk driver	Description	Potential Impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management methods	Cost of management
Changing consumer behaviour	High temperatures can lead to increased electricity consumption and overload the power distribution system, which can reduce electricity availability to consumers in these areas.	Reduction/ disruption in production capacity	< 1 year	Direct	About as likely as not	High	Less than 1% of net operating revenues	<p>This risk is managed by:</p> <ul style="list-style-type: none"> <li>Performing a diagnosis of the electric system for the need of expansion works</li> <li>Monitoring operating conditions</li> <li>Reprioritizing works</li> </ul> <p>These actions contribute to reducing the likelihood and magnitude of the impact in the short term.</p>	<p>Less than R\$400,000.00.</p> <p>The costs are annual and related to maintenance of the team responsible for carrying out the actions planned to minimize the risk of disruptions to the electric distribution system. These costs will exist as long as the risk persists.</p>

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**6. Climate Change Opportunities**

**Q6.1 Have you identified any climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply.**

Opportunities driven by changes in regulations

Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

Table of Contents**Q6.1a Describe the opportunities due to changes in regulations.**

Opportunity driver	Description	Potential impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management methods	Cost of management
International agreements	Compliance with regulatory requirements and the development of new international agreements can create opportunities for Cemig, since, by having a predominantly renewable energy matrix with low carbon emissions, the Company is better prepared than its competitors to fit this scenario. The establishment of an emissions trading market under the <i>cap and trade</i> system in Brazil or internationally, similar to the CDM, for example, may lead Cemig to position itself as a major supplier of certified for emission reductions. This opportunity could increase revenue for Cemig.	Premium price opportunities	> 6 years	Direct	Very likely	Medium	Less than 1% of net operating revenues	Cemig has trained professionals in identifying projects generating carbon credits and has long-term contracts with competent testing and certification companies, thus increasing the outset, the possibility of taking advantage of this opportunity. Cemig own CDM projects to reduce emissions reported to the UNFCCC.	Less than R\$1 million. The associated costs are those related to monitoring and audits required for validation and commercialization of credits. The costs are not annual and occur when the audits occur.
			> 6 years	Direct		Low			



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Emission reporting obligations	Cemig's current generation matrix is predominantly renewable.	Increased stock price (market valuation)	About as likely as not	Less than 1% of net operating revenues	With regard to the reporting emissions, Cemig performs its GHG	Less than R\$50,000.00. The associated costs are annual
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<p>Emissions reporting obligations will demonstrate the company's low GHG emission energy matrix, which could attract a greater number of investors to the company, in addition to improving its reputation.</p>	<p>inventory annually, which is available on the company's website. This means the company is already prepared to handle the opportunity.</p> <p>and related to the emissions inventory and audit conducted by a third part. This cost will exist for every audited emissions inventory.</p>
<p>Product labeling regulations and standards</p> <p>If regulations are established that benefit the acquisition of renewable energy (green energy), Cemig will benefit by already having a renewable energy matrix, which is recognized as a strategic advantage for the company.</p> <p>Premium price opportunities</p> <p>&gt; 6 years</p> <p>Direct</p> <p>Likely</p>	<p>Low</p> <p>Less than 1% of net operating revenues</p> <p>The company's energy trading area and sustainability area have followed the possibilities for the commercialization of green energy. Cemig should capitalize on all concrete possibilities identified.</p> <p>Less than R\$10 million.</p> <p>The estimated costs are related to renewable energy certification when the matter is regulated in Brazil.</p>

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**Q6.1b Describe the opportunities due to changes in physical climate parameters.**

Opportunity driver	Description	Potential impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management methods	Cost of management
Change in precipitation extremes and droughts	The 4th IPCC Report analyzes possible scenarios of changes in precipitation patterns in the world, and indicates that the south and southeast regions of Brazil, where Cemig has most of its reservoirs, may fluctuate between maintaining hydro production and an increase.	Increased production capacity	> 6 years	Direct	About as likely as not	High	Less than 1% of net operating revenues	Cemig has experts in Meteorology and Hydrology, who use mathematical models to estimate rainfall and future inflows. Current availability and the projection of future availability are taken into consideration for the optimal operation of power plants. The Hydrometeorological Telemetry System (STH) has 168 stations for collecting real-time climatological and hydrological data in strategic locations in the state of Minas Gerais. The received data are processed by software. After calculations are performed, they are stored in a database variables displayed systematically. With the STH, Cemig has constant access to updated	Less than R\$1 million.  The costs are annual and are associated to the maintenance of equipment and meteorological teams. These costs will exist as long as the risk persists.

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								data on rainfall and the level of rivers and reservoirs, allowing the use of fluctuations in water availability for electric energy generation.	
Change in mean (average) temperature	The likely increase in average temperatures will cause changes in consumer patterns such as, for example, the increased use of ventilation and cooling systems, which will result in increased energy demand. The study conducted by Rodrigues <i>et al</i> (2013) assessed the potential impact of climate change on residential electricity demand from the projected increase in average quarterly temperatures according to the GHG emissions scenario in the 4th IPCC Report. The results suggest that residential demand of electricity in	Increased demand for existing products / services	> 6 years	Direct	About as likely as not	High	Less than 1% of net operating revenues	In order to prepare for the increasing demand for energy, Cemig has been expanding the availability of electricity distribution infrastructure to meet the growth of this market through reinforcement works in substations, distribution lines and networks. These actions contribute to the increased likelihood of taking advantage of the opportunity and the magnitude.	Less than R\$400,000.00.  The costs are annual and related to maintenance of the team responsible for carrying out the actions planned to minimize the risk of disruptions to the electric distribution system.  These costs will exist as long as the risk persists.

Brazil may increase as a response to the projected increase in temperatures.

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**6.1c Please describe the opportunities that are driven by changes in other climate-related developments.**

Opportunity driver	Description	Potential impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management methods	Cost of management
Reputation	In a low-carbon energy market, Cemig has a good reputation in front of its <i>stakeholders</i> due to its renewable energy matrix and R&D in energy alternatives and energy efficiency programs. In a climate change scenario, these characteristics of Cemig may lead to greater appreciation of the brand.	Increased stock price (market valuation)	1 - 3 years	Direct	Very likely	Medium	Less than 1% of net operating revenues	One of the methodologies Cemig uses before its stakeholders to evaluate the company's brand image and reputation due to its work in climate change is called RepTrak Deep Dive, which forms the general reputation index called Pulse. It involves assessing the degree of esteem, admiration, trust and empathy that the general public feels towards the company. In 2011, the Brand and Reputation Committee, was formalized. The committee analyzes actions for implementation to improve the company's performance on the subject. This way of working prepares Cemig to increase the likelihood and magnitude of this	Less than R\$1 million. It is related to costs for research into the brand value. This cost will exist every time the research is conducted.

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									opportunity if it occurs in the short term.
Other drivers	If there are more business investments in energy efficiency in order to reduce electricity consumption, and consequently, GHG emissions, there will be a possible increase in demand for services from Efficientia, a Cemig subsidiary.	Increased demand for existing products / services	1 3 years	Direct	Very likely	Low	Less than R\$1 million	Efficientia is a wholly owned subsidiary of Cemig and has been in operation since 2002 implementing energy efficiency projects for Cemig's customers. The company provides services for development and technical and financial feasibility of energy efficiency projects, deploys energy cogeneration projects and utility centers, offers consulting services to optimize the energy matrix of industries, provides classroom and distance training on energy management, and even provides consulting services. This existing structure allows Cemig to be prepared for increasing the magnitude of this opportunity in the short term.	Less than R\$500,000.00.  The costs are annual and related to maintenance of the Efficientia team. These costs will exist whenever this opportunity exists.

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**Emissions Module**

**7. Emissions Methodology**

**Reference year:**

2008.

**Q7.1 Please provide your base year and base year emissions (Scopes 1 and 2).**

Base year	Scope 1 base year emissions (metric tonnes CO2e)	Scope 2 base year emissions (metric tonnes CO2e)
2008	261,155	282,439

**Q7.2 Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

- Brazil GHG Protocol Programme
- IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**Q7.3 Please give the source for the global warming potentials you have used.**

Gas (global warming potential)	Reference
CO2 (1)	
CH4 (25)	IPCC Fourth Assessment Report
N2O (298)	(AR4 - 100 years)
SF6 (22,800)	



**Q7.4 Please give the emissions factors you have applied and their origin.**

<b>Fuel / Material / Energy</b>	<b>Emission Factor</b>	<b>Unit</b>	<b>Reference</b>
Liquefied petroleum gas (LPG)	2.93502	tCO <sub>2</sub> e per tonne	Brazil GHG Program
Natural gas	0.00207	tCO <sub>2</sub> e per m <sup>3</sup>	Brazil GHG Program
Kerosene	3.14177	tCO <sub>2</sub> e per tonne	Brazil GHG Program
Other: Diesel oil (stationary combustion)	0.00264	tCO <sub>2</sub> e per liter	Brazil GHG Program
Other: Pure automotive gasoline (stationary combustion)	0.00225	tCO <sub>2</sub> e per liter	Brazil GHG Program
Other: Anhydrous ethanol (stationary combustion)	0.00155	tCO <sub>2</sub> e per liter	Brazil GHG Program
Other: Biodiesel B100 (stationary combustion)	0.00236	tCO <sub>2</sub> e per liter	Brazil GHG Program
Residual fuel oil	3.02473	tCO <sub>2</sub> e per tonne	Brazil GHG Program
Aviation gasoline	0.00225	tCO <sub>2</sub> e per liter	Brazil GHG Program
Other: Gasoline C (road transport)	0.00176	tCO <sub>2</sub> e per liter	Brazil GHG Program
Other: Ethanol (road transport)	0.00256	kg CO <sub>2</sub> e per liter	Brazil GHG Program
Other: Diesel oil (road transport)	0.00255	tCO <sub>2</sub> e per liter	Brazil GHG Program

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Other: Gasoline (water transport)	0.00237	tCO <sub>2</sub> e per liter	Brazil GHG Program
Other: Air travel	0.11872 (long)	Other: kgCO <sub>2</sub> per passenger per km	Brazil GHG Program
	0.10376 (medium)		
	0.18183 (short)		
Electricity	0.0960	tCO <sub>2</sub> per MWh	MCTI, Brazil

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**8. Emissions Data**

**Q8.1 Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory.**

- Operational control

**Q8.2 Please provide your gross global Scope 1 emissions figures in metric tonnes CO<sub>2</sub>e.**

156,618 tCO<sub>2</sub>e.

**Q8.3 Please provide your gross global Scope 2 emissions figures in metric tonnes CO<sub>2</sub>e.**

608,971 tCO<sub>2</sub>e.

**Q8.4 Are there any sources (e.g. facilities, specific GHGs, activities, geographies etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No.

**Q8.5 Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations.**

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
+/- 3.8% (more than 2% but less than or equal to 5%)	Data gaps Data management	The emission sources that were classified as low certainty are i) consumption of LPG	+/-4.6% (more than 2% and less than or equal to 5%)	Other: Emission factor estimation	The activity data have a low associated uncertainty of +/- 1.0%. The emission factor used also has a low

(liquefied petroleum gas) for forklifts and ii) use of fertilizers. Both sources have low uncertainty associated with the emission factors used, equal to +/-5.0%, but have high uncertainty associated with the activity data, with values of +/-15.0%.

associated uncertainty equal to +/- 5.0%, and this factor was calculated by the Brazilian Ministry of Science, Technology & Innovation.

**Q8.6 Please indicate the verification/assurance status that applies to your reported Scope 1 emissions.**

- Third party verification or assurance complete

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**In case the verification / certification process is in progress or complete:**

**Q8.6a Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

Type of verification or assurance	Attach the document	Page / section reference	Relevant standard	Proportion of reported Scope 1 emissions verified
Reasonable assurance	GHGEmissionsCemig2013_Verification	The entire document	ISO14064-3	100%

**Q8.7 Please indicate the verification/assurance status that applies to your reported Scope 2 emissions.**

- Third party verification or assurance complete

**In case the verification / certification process is in progress or complete:**

**Q8.7a Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements.**

Type of verification or assurance	Attach the document	Page / section reference	Relevant standard	Proportion of reported Scope 1 emissions verified
Reasonable assurance	GHGEmissionsCemig2013_Verification	The entire document	ISO14064-3	100%

**Q8.8 Please identify if any data points other than emissions figures have been verified as part of the third party verification work undertaken.**

Additional data points verified	Comment
No additional data verified	

**Q8.9 Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

No. In 2013, emissions from biomass combustion totaled 828 tCO<sub>2</sub>e in Scope 1 and 808 tCO<sub>2</sub>e in Scope 3.

Table of Contents**9. Scope 1 Emissions Breakdown****Q9.1 Do you have Scope 1 emissions sources in more than one country?**

No.

**Q9.2 Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply).** By business division By facility By GHG type By activity By legal structure**Q9.2a Please break down your total gross global Scope 1 emissions by business division.**

<b>Business division</b>	<b>Scope 1 Emissions (metric tonnes of CO2e)</b>
Cemig GT	133,375
Cemig D	12,744
<i>Rosal Energia</i>	8
<i>Sá Carvalho</i>	7
Efficientia	5
<i>Usina Térmica Ipatinga S.A.</i>	0
<i>Usina Térmica do Barreiro S.A.</i>	10,481
<i>Cemig Telecomunicações S.A.</i>	16

**Q9.2c Please break down your total gross global Scope 1 emissions by GHG type.**

<b>GHG Type</b>	<b>Scope 1 Emissions (metric tonnes of CO2e)</b>
CO2	149,634
CH4	1,325
N2O	2,166
SF6	3,493

**Q9.2d Please break down your total gross global Scope 1 emissions by activity.**

Activity	Scope 1 Emissions (metric tonnes of CO2e)
Stationary combustion	141,314
Mobile combustion	11,766
Fugitive emissions	3,493
Fertilizer consumption	45

330

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**10. Scope 2 Emissions Breakdown**

**Q10.1 Do you have Scope 2 emissions sources in more than one country?**

No.

**Q10.2 Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply).**

By business division

By facility

By activity

By legal structure

**Q10.2a Please break down your total gross global Scope 2 emissions by business division.**

<b>Business division</b>	<b>Scope 2 Emissions (metric tonnes of CO2e)</b>
Cemig GT	828
Cemig D	607,423
<i>Rosal Energia</i>	0
<i>Sá Carvalho</i>	0
Efficientia	0
<i>Usina Térmica Ipatinga S.A.</i>	0
<i>Usina Térmica do Barreiro S.A.</i>	0
Cemig <i>Telecomunicações S.A.</i>	720

**Q 10.2c Please break down your total gross global Scope 2 emissions by activity.**

<b>Activity</b>	<b>Scope 2 Emissions (metric tonnes of CO2e)</b>
Electricity purchased	4,921
Technical losses in the grid	604,050

Table of Contents**11. Energy****Q 11.1 What percentage of your total operational spend in the reporting year was on energy?**

More than 45% but less than or equal to 50%.

**Q 11.2 Please state how much fuel, electricity, heat, steam and cooling in MWh your organization has purchased and consumed during the reporting year.**

Energy type	MWh
Fuel	582,330.45
Electricity	51,247*
Heat	0
Steam	0
Cooling	0

\* This figure does not include technical and nontechnical electrical losses in the grid (which, in 2013, totaled 6,290,000 MWh), since the guidelines for this question request that only electricity purchased and consumed by Cemig must be included (the electricity that the company generates and consumes should not be included). However, in Scope 2 emissions, emissions due to electricity losses are included.

**Q11.3 Please complete the table by breaking down the total Fuel figure entered above by fuel type.**

Fuel	MWh
Biodiesel (B100)	1,735.80
Liquefied petroleum gas (LPG)	320.10
Natural gas	51,840.82
Motor gasoline	8,616.05
Aviation gasoline	1,239.44
Residual fuel oil	481,434.75
Diesel oil	35,328.74
Other: Anhydrous ethanol	1,814.35
Other: Hydrous ethanol	0.90

**Q11.4 Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure you provided in CC8.3.**

Comments

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**Basis for applying a low carbon emission factor**

**MWh associated with low carbon electricity, heat, steam or cooling**

Grid connected low carbon electricity generation owned by company, no instruments created

0

Only 0.6% of the electricity generated by Cemig does not come from low-carbon power plants (the electricity that is not low carbon is generated at the Igarapé TPP, which operates with fuel oil). Therefore, 99.4% of the electricity is generated by hydroelectric plants, wind farms and plants powered by process fuels. In 2013, these power plants exported 27,131,964 MWh of green energy to the Brazilian electrical system. As mentioned previously, these plants are connected to the

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electrical grid. However, there are no low-emission certificates for the electricity.

This electricity is exported to the grid and is not consumed by the company. Thus, Cemig does not generate any GHG emissions associated with this electricity consumption. Thus, by the fact that this generated electricity is not included into Cemig's Scope 2 emissions, the figure entered in the next column is zero, and not the 27,131,964 MWh of low carbon electricity produced by Cemig in 2013. All the electricity consumed by Cemig in the reporting year was recorded as purchased from the grid, and the emission factor for the national grid was used in the GHG emissions inventory.

Table of Contents**12. Emissions Performance****Q12.1 How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?**

Increased.

**Q12.1a Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	1.54%	Decrease in emissions	Transport management found opportunities to optimize logistics, which resulted in an emissions reduction of 3,053 tCO <sub>2</sub> e in 2013. Also in 2013, the management of electricity technical losses resulted in an emissions reduction of 3,898 tCO <sub>2</sub> e. In addition, the level of power at the Santo Antônio HPP in 2013 will allow a reduction of 613 tCO <sub>2</sub> e in Cemig's Scope 1 emissions. More details on these initiatives are given in Q3.3b. They amount to an annual emissions reduction of 7,564 tCO <sub>2</sub> e.
Divestment	0.00%	No change	There were no conveyances of Cemig business operations that altered Scope 1 and 2 emissions within the limits of its inventory.
Acquisitions	0.00%	No change	There were no acquisitions of Cemig business operations that altered Scope 1 and 2 emissions within the limits of its inventory.
Mergers	0.00%	No change	There were no mergers of Cemig business operations that altered Scope 1 and 2 emissions within the limits of its inventory.
Change in output	7.34%	Decrease in emissions	The Igarapé TPP is the only one of Cemig's power plants that generates electricity from fossil fuel (fuel oil). It was revitalized and resumed operations in 2012, after being down for 2 years due to reforms. In 2013, production at the plant increased compared to 2012. Emissions associated with the operation of the Igarapé TPP in 2013 were 130,693 tCO <sub>2</sub> e compared to 2012 emissions of 24,344 tCO <sub>2</sub> e. An increase in operations was responsible for the rise in Scope 1 + 2 emissions by 21.69% in 2013 compared to 2012. Cemig's production of electricity decreased from 38,468,800 GWh in 2012 to 27,299,470 GWh in 2013. If all the other conditions had remained unchanged over both years and assuming a linear reduction of emissions with a reduction in electricity generation, the decreased production would lead to Scope 1 + 2 emissions reduced by 29.03%.

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			These two factors together led to an emissions reduction of 7.34% in 2013 compared to 2012.
Change in methodology	35.58%	Increase in emissions	Increase in Scope 2 emissions due to the increased emission factor for the Brazilian National Interconnected System (SIN) of 0.0686 tCO <sub>2</sub> /MWh in 2012 to 0.0960 tCO <sub>2</sub> /MWh in 2013. Scope 2 emissions in 2012 represented 89% of Scope 1 + 2 emissions.
Change in boundary	0.00%	No change	There was no change in the limits of the inventory for Scope 1 and Scope 2 emissions.
Changes in physical operating conditions	0.00%	No change	No changes in the physical operating conditions of Cemig's business operations were evaluated from the perspective of changes in Scope 1 and Scope 2 emissions in 2013 compared to 2012.
Unidentified	29.45%	Increase in emissions	29.45% of the increase in Scope 1 + 2 emissions in 2013 compared to 2012 cannot be properly traced. Therefore, the causes have not been identified. Together, all other items in this table represent a 26.69% increase in emissions with a total increase of 56.14%.
Other	0.00%	No change	No other changes in Cemig's business operations were evaluated from the perspective of changes in Scope 1 and Scope 2 emissions in 2013 compared to 2012.

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**Q12.2 Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue.**

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.0000403664	mtCO2e	Net operating revenues (R\$)	51.98%	Increase	<p>This increase in emissions per unit of revenue in 2013 compared to 2012 is mainly due to the increase in Scope 1 and Scope 2 emissions in 2013. This increase in emissions was mainly due to the increased GHG emission factor for the Brazilian grid and an increase in electricity generation at the Igarapé TPP, which uses fuel oil as an energy source (both of which Cemig has no control over, since the electricity dispatch in the grid depends on the decisions of the ONS Grid National Operator <i>Operador Nacional do Sistema</i>).</p> <p>Cemig's net operating revenue rose by 2.74% during this period.</p>

**Q12.3 Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee.**

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
96.6408187111	mtCO2e	FTE employee	64.93%	Increase	<p>This increase in emissions per equivalent full-time employed in 2013 compared to 2012 is mainly due to the increase in Scope 1 and Scope 2 emissions in 2013. This increase in emissions was mainly due to the increased GHG emission factor for the Brazilian grid and an increase in electricity generation at the Igarapé TPP, which uses fuel oil as an energy source (both of which Cemig has no control over, since the electricity dispatch in the grid depends on the decisions of the ONS Grid National Operator <i>Operador Nacional do Sistema</i>).</p> <p>There were no significant changes in the number of employees between 2012 and 2013 with a reduction of 5.33%.</p>





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**Q12.4 Please provide an additional intensity (normalized) metric that is appropriate to your business operations.**

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.0280440817	mtCO2e	Other: MWh produced	120.03%	Increase	This increase in emissions by electricity produced by Cemig in 2013 compared to 2012 is mainly due to the increase in Scope 1 and Scope 2 emissions in 2013. This increase in emissions was mainly due to the increased GHG emission factor for the Brazilian grid and an increase in electricity generation at the Igarapé TPP, which uses fuel oil as an energy source (both of which Cemig has no control over, since the electricity dispatch in the grid depends on the decisions of the ONS - Grid National Operator - <i>Operador Nacional do Sistema</i> ). In addition, there was a significant reduction in electricity production in 2013, a reduction of 29.03%.

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**13. Emissions Trading**

**Q13.1 Do you participate in any emissions trading schemes?**

No, but we anticipate doing so in the next 2 years.

**Q13.1b What is your strategy for complying with the schemes in which you participate or anticipate participating?**

Recent international negotiations have made a significant impact on the carbon market. In December 2012, the first commitment period of the Kyoto Protocol ended. During the Conference of the Parties, it was decided that the agreement would be renewed, but with a different configuration. The agreement eventually lost strength, the value of carbon credits fell substantially, and currently, the advantage is not as good as before to register projects in this program. Economic instability worldwide contributed to decreased production in industries, including carbon intensive sectors, and consequently, a decreased demand for carbon credits.

Cemig has 11 registered projects under the CDM (Clean Development Mechanism) of the Kyoto Protocol, through which a total reduction of 1,072,113 tCO<sub>2</sub>e is expected. Despite the current uncertainty of the value of its carbon credits under the Kyoto Protocol, these projects demonstrate that Cemig undertakes voluntary and additional action to reduce emissions while preparing for the possible scenario of participating in an emissions trading scheme.

At the national level, the National Policy on Climate Change (PNMC - *Política Nacional sobre Mudança do Clima*) establishes the Brazilian Emissions Reductions Market (MBRE - *Mercado Brasileiro de Reduções de Emissões*) as one of its tools to reduce GHG emissions. This market is not yet a reality, but is expected to materialize in the near future. The PNMC does not establish sectorial targets, but establishes that in order to achieve the voluntary target established by Law 12,187/2009 of reducing Brazilian emissions projected for 2020 by between 36.1% and 38.9%, actions will be implemented including the expansion of the supply of hydroelectric energy, renewable alternative resources, notably wind farms, small hydropower plants, and bioelectricity, as well as the supply of biofuels and increased energy efficiency.

The expansion of Cemig's electricity generation is being strategically planned to expand installed capacity using low-carbon sources. Cemig invests in the installation of new hydropower plants including SHPs (small hydropower plants from 1 MW to 30 MW) and HPPs (hydroelectric power plants over 30 MW), wind farms, and has put in a lot of effort to become a pioneer in acquiring the know-how for solar photovoltaic electricity generation in order to significantly insert the energy source into its generation matrix. Targeting a

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growth model that aims to increase the use of various renewable resources, in 2013, the Company increased its equity stake in Renova. Cemig's entrance into the controlling block serves primarily to make Renova the arm of expansion in renewable energy for Cemig (not considering expansion in hydropower plants). Renova focuses on renewable electricity generation through wind farms, SHPs, and solar power plants. Currently, the company owns the largest wind power complex in Latin America with an installed capacity of more than 1GW, in addition to an extensive portfolio of projects with a capacity factor above the national average. In 2013, Renova became the leader in the renewable generation segment in the country with the sale of 355.5 MW in the second A-5 auction, and in the 2013 Brazilian Reserve Auction, the sale of 73.7 average MW, which will be generated by 9 wind farms with an installed capacity of 159 MW. In the field of solar energy generation, Renova delivered two distributed generation projects in 2013, one with an installed capacity of 25.65kWp and the other with 13.3kWp. In addition to these investments in electricity generation by renewable sources, Cemig has invested very significantly in the efficiency improvement of its productive processes related to electricity losses in the distribution system. This is the company's largest source of GHG emissions. To reduce technical losses, namely those inherent to the transmission of electricity through equipment and transmission and distribution lines, in 2013, Cemig invested more than R\$ 334 million to strengthen the electrical system and to install fixed capacitors and distribution transformers with amorphous core technology, which reduces empty losses to by about 80%. Thus, Cemig has been preparing to be ready to participate in an emissions trading market that may be established in Brazil.

Other preparation strategies for participation in emissions trading schemes are listed in the document "Cemig - 10 Initiatives for the Climate", where Cemig states its commitment to climate change. The initiatives with greatest relevance to climate change include electricity generation by renewable sources, implementation of energy efficiency and conservation projects, operations in the field of natural gas, investments in new energy sources (as long as they are low-carbon sources), improvements in the efficiency of processes, and the reduction in transportation emissions.

**Q13.2 Has your organization originated any project-based carbon credits or purchased any within the reporting period?**

No(3).

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(3) Cemig has a portfolio of 12 low-carbon, electricity generation projects connected to the Brazilian electric system, registered under the Clean Development Mechanism (CDM), including Cemig's power plants and power plants that Cemig has a stake in. This portfolio has the potential to generate 5,087,309 carbon credits annually, which represents an annual emissions reduction of 5,087,309 tCO<sub>2</sub>. However, in 2013, these power plants did not request carbon credits from the United Nations Framework Convention on Climate Change (UNFCCC). Therefore, Cemig generated no carbon credits in the reporting year, although operations at these plants led to reductions in emissions.

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**14. Scope 3 Emissions**

**Q14.1 Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**

Sources of Scope 3 emissions	Evaluation Status	Metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Not evaluated				
Capital goods	Not evaluated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not evaluated				<p>Upstream emissions from fuels and electricity purchased by Cemig have not been assessed, just as electricity losses in the transmission and distribution of electricity consumed by Cemig have not been included. In addition, emissions from the generation of electricity bought by Cemig for resale have not been assessed.</p> <p>It is important to note, however, that the emissions from losses in the distribution and transmission systems for electricity produced by Cemig have been accounted for in Scope 2.</p>
Upstream transportation and distribution	Relevant, calculated	1,194.48	i) Types and sources of data used, emissions factors, and GWP values (global warming potential of the gas): data on the total distance travelled by outsourced trucks to transport cargo and trucks that transported fuel to the Igarapé TPP were used. The emission factors for the fuel consumed (diesel) and GWP values were obtained using the GHG	100%	

*Protocol* Brazil  
calculation tool.

ii) Description of the data  
quality of the reported  
emissions: these were  
obtained directly from all  
of Cemig's suppliers  
whose vehicles  
transported cargo for  
Cemig in 2013.

iii) Description of the  
methodologies,  
assumptions and  
allocation methods used  
to calculate emissions:  
the GHG *Protocol* Brazil  
calculation tool (version  
v2013.1) was used.

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Waste generated in operations	Not evaluated		<p>i) Types and sources of data used, emission factors and GWP values (global warming potential of the gas): data on the total distance traveled by Cemig employees on business via air travel were used. The emission factors and GWP values were obtained using the <i>GHG Protocol Brazil</i> calculation tool.</p>	
Business travel	Relevant, calculated	1,691.23	<p>ii) Description of the data quality of the reported emissions: the distances for all business trips via air by all Cemig employees in 2013 were calculated.</p> <p>iii) Description of the methodologies, assumptions and allocation methods used to calculate emissions: the <i>GHG Protocol Brazil</i> calculation tool (version v2013.1) was used. In addition, data from <a href="http://www.gcmap.com">www.gcmap.com</a> were used to calculate the distances between airports.</p>	100%
Employee commuting	Relevant, calculated	840.66	<p>i) Types and sources of data used, emission factors and GWP values (global warming potential of the gas): data on the total distance traveled via bus by Cemig employees. The emission factors and GWP values were obtained using the <i>GHG Protocol Brazil</i> calculation tool.</p> <p>ii) Description of the data quality of the reported emissions: the distances for all travel via bus by Cemig employees in 2013 were calculated,</p>	100%

			<p>along with the type of vehicle used for commutes (home work).</p> <p>iii) Description of the methodologies, assumptions and allocation methods used to calculate emissions: the GHG <i>Protocol</i> Brazil calculation tool (version v2013.1) was used.</p>	
Upstream leased assets (the company as lessee)	Not relevant, explanation provided			No goods are leased by Cemig.
Downstream transportation and distribution	Relevant, calculated	11,563.37	i) Types and sources of data used, emission factors and GWP values (global warming potential of the gas): data on the total fuel consumed by vehicles of contractors that provide electricity distribution services to Cemig	100%
				In 2012, Cemig began quantifying emissions from vehicles of contractors that provide operation and maintenance services for distribution services. Of

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			<p>were used. The emission factors and GWP values were obtained using the GHG <i>Protocol</i> Brazil calculation tool.</p> <p>ii) Description of the data quality of the reported emissions: contractors whose vehicles are used to provide operational and maintenance services on the electricity distribution network supplied the data. Approximately half of the contractors supplied data for the calculation of GHG emissions from this source.</p> <p>iii) Description of the methodologies, assumptions and allocation methods used to calculate emissions: the GHG <i>Protocol</i> Brazil calculation tool (version v2013.1) was used.</p>		<p>the 37 companies surveyed in 2013, 20 responded with information for the inventory.</p>
Processing of sold products	Not relevant, explanation provided				<p>The product sold by Cemig (electricity) is not processed as an intermediate product for the production of a good for final consumption; electricity is an input in production processes, not an intermediate commodity. Therefore, this emissions source does not apply to Cemig.</p>
Use of sold products	Relevant, calculated	7,643,677.13	<p>i) Types and sources of data used, emission factors and GWP values (global warming potential of the gas): data on the consumption of Cemig-generated electricity by final consumers were used. The emission factors for the Brazilian grid and GWP values were obtained using the GHG</p>	100%	<p>The main source of Cemig's Scope 3 emissions is the consumption of Cemig-commercialized electricity by final consumers, which can be companies, commercial businesses or resident customers. Since the energy commercialized by Cemig is fed into the</p>



		<p><i>Protocol</i> Brazil calculation tool.</p> <p>ii) Description of the data quality of the reported emissions: the company closely monitors the data on electricity consumption by its customers.</p> <p>iii) Description of the methodologies, assumptions and allocation methods used to calculate emissions: the GHG <i>Protocol</i> Brazil calculation tool (version v2013.1) was used.</p>	<p>National Interconnected System, the emission factor for this system was used to calculate these emissions.</p>
<p>End of life treatment of sold products</p>	<p>Not relevant, explanation provided</p>		<p>The product sold by Cemig (electricity) does not have undergo any end-of-life treatment, since it does not generate waste needing to be treated or disposed. Therefore, this source does not apply to Cemig.</p>

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Downstream leased assets (the organization as lessor)	Not evaluated	
Franchises	Not relevant, explanation provided	Cemig has no franchises. Therefore, this emissions source does not apply to the company.
Investments	Not evaluated	

**Q14.2 Please indicate the verification/assurance status that applies to your reported Scope 3 emissions.**

- Third party verification or assurance complete

**If verification/certification is in progress or is already complete:**

**Q14.2a Please provide further details of the verification/assurance undertaken, and attach the relevant statements.**

Type of verification or assurance	Attach the document	Page / section reference	Relevant verification standard	Proportion of reported Scope 3 emissions verified
Reasonable assurance	GHGEmissionsCemig2013_Verification	The entire document	ISO14064-3	100%

**Q 14.3 Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?**

Yes.

**If the answer is yes :**

**Q14.3a Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year.**

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Source of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Upstream transportation & distribution	Emissions reduction activities	50.86%	Decrease in emissions	<p>The distance traveled by outsourced trucks to transport cargo decreased from 4,684,050 km in 2012 to 2,301,688 km in 2013. This decrease was due to initiatives implemented in 2013 to optimize logistics.</p> <p>If all other conditions remained unchanged over these two years for this emissions source, the increase in distance traveled would produce a decrease in Scope 3 emissions from upstream transportation and distribution of 50.86%.</p>
Upstream transportation & distribution	Change in methodology	16.91%	Increase in emissions	<p>The category of vehicles used to calculate upstream transportation emissions from outsourced trucks was changed in 2013 compared to 2012. Therefore, the average consumption</p>

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				<p>value used for calculations is higher. Consumption increased from 5.56 km/l in 2012 to 6.50 km/l in 2013.</p> <p>If all other conditions remained unchanged over these two years for this emissions source, the increase in average fuel consumption would produce an increase in Scope 3 emissions for <i>upstream</i> transportation and distribution of 16.91%.</p>
Upstream transportation & distribution	Change in output	13.61%	Increase in emissions	<p>The Igarapé TPP resumed operations in 2012, and electricity generation at the power plant was increased significantly in 2013 compared to 2012 (167,506 MWh in 2013 and 23,115 MWh in 2012). Thus, the source of upstream emissions from fuel powered transportation to the Igarapé TPP became relevant in the 2013 emissions inventory and went on to be accounted for. This source was responsible for the emission of 292 tCO<sub>2</sub>e for <i>upstream</i> transportation and distribution.</p> <p>The addition of this source led to an increase of 13.61% in Scope 3 emissions for upstream transportation and distribution.</p>
Business travel	Emissions reduction activities	13.40%	Decrease in emissions	<p>The distance traveled by employees on business trips via air in 2013 decreased 19% from 2012, enabling a 13.40% reduction in Scope 3 emissions. To do so, Cemig promoted 650 videoconferences in 2013, reducing the need for business trips. There are currently 26 locations outside Cemig's headquarters that are properly equipped and ready to conduct videoconferences.</p>
Employee commuting	Emissions reduction activities	3.66%	Decrease in emissions	<p>Cemig conducted an analysis of the routes buses use to transport employees in Belo Horizonte, which culminated in the reduction of the distance traveled for employee commutes via this form of transportation. In 2012, there were 16 lines. In 2013, 3 of these lines were no longer in use, leading to a total reduction of 23,998 km traveled in 2013 compared to 2012 and representing a reduction in GHG emissions of 8.95% by this form of transportation.</p>
Employee commuting	Unidentified	19.58%	Increase in emissions	<p>This form of transportation represented 41% of Scope 3 emissions for Employee Commuting in 2012. Therefore, this reduction in distance traveled has led to reduction of 3.66% in total GHG emissions at the source for Employee Commuting.</p> <p>With regard to transportation for employees in the rural areas of Minas Gerais via diesel powered coach buses, there was an increase of 253,671 km of distance traveled in 2013 compared to 2012, representing a 72.42%</p>

increase in GHG emissions with this form of transportation. This form of transportation represented 40% of Scope 3 emissions for Employee Commuting in 2012. Therefore, this increase in distance traveled has led to increase of 29.33% in total GHG emissions at the source for Employee Commuting .

On the other hand, for employees commuting via gasoline powered light vehicles, there was a reduction 366,752 km in the distance traveled in 2013 compared to 2012, representing a 52.20% decrease in GHG emissions with this form of transportation. This form of transportation represented 19% of Scope 3 emissions for Employee Commuting in 2012. Therefore, this reduction in distance traveled has led to reduction of 9.75% in total GHG emissions at the source for Employee Commuting .

For causes that have not been analyzed by Cemig, together, both scenarios have led to a total increase of 19.58% in GHG emissions at the source for Employee Commuting .

Downstream transportation and distribution	Change in output	24.49%	Decrease in emissions
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The data provided by the contractors responsible for downstream transportation indicated a 62% reduction in gasoline consumption, 79% in ethanol consumption, and 21% in diesel consumption. The reasons leading to the lower consumption at

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				<p>Cemig's suppliers are the changes in the Cemig's demand on the services of these suppliers.</p> <p>These reductions in fuel consumption, together, have led to a 24.49% reduction in Scope 3 emissions for downstream transportation and distribution.</p> <p>The increase in the emission factor for the National Interconnected System (SIN - <i>Sistema Interligado Nacional</i>) of 0.0686 tCO<sub>2</sub>/MWh in 2012 to 0.0960 tCO<sub>2</sub>/MWh in 2013 means the same level of consumption of electricity generated by Cemig in these two periods represented emissions 39.94% higher than by consumers of this electricity in 2013 compared to 2012. The emissions from electricity consumption by Cemig customers was responsible for 99.84% of Scope 3 emissions in 2013.</p>
Use of sold products	Change in methodology	39.94%	Increase in emissions	

**Q14.4 Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply).**

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain
- No, we do not engage

**Q14.4a Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success.**

In relation to engagement with suppliers, under the 2nd edition of the Carbon Management in the Value Chain Program of the Energy and Climate Change Thematic Chamber (CTClima) of the Brazilian Business Council for Sustainable Development (CEBDS), Cemig is incorporating GHG emission inventories from suppliers to construct the company's information base. This program aims at promoting the engagement with suppliers, especially those that have the most impact on Cemig's emissions, in order to formulate and publish GHG inventories by raising awareness and training selected suppliers.

Methods of engagement: selected suppliers were invited to participate in workshops with the main goal of raising participants' awareness on the need to adapt the management of business operations ahead of climate change. In addition, for the purpose of providing technical training on preparing GHG inventories, the workshops introduced the calculation tool of the Brazilian GHG *Protocol* Program and its use, prioritizing the definition of operating limits, the identification and classification of the main emission sources, and the classification of emissions into three Scopes. In addition to the workshops held in April 2013 under the program, a training course for suppliers on the preparation of its inventories is scheduled to be carried out by Cemig in April 2014.

Prioritization strategy for engagements: 50 companies were invited to participate in the Program, in which the suppliers of small and medium sized businesses needing support to develop its GHG inventories were given priority.

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Measures of success: considering all the suppliers of all the companies participating in the second edition of the Program, 22% of them participated in workshops carried out in 2013, which was 101 companies, representing a 9% increase compared to the 1st Edition in 2012 (note: Cemig has only participated in the 2nd edition). In an evaluation of the 2nd edition of events, participants had an average score of 4.26 in the workshops, considering a scale of 1 to 5. With regard to the quality of the information provided in order to prepare the inventories, the average score was 4.28. Of these 101 suppliers, 30 completed its emission inventories and 3 others are in the process of completing its inventories, which is an increase of approximately 70% when compared to the 2012 edition. Cemig has continues to promote the project, and as mentioned above, will hold additional workshops for the proper engagement of its 50 selected suppliers. Cemig uses and will use the participation of suppliers invited to the workshops and the preparation of GHG inventories by these suppliers after the training course to measure the success of the program.

In relation to the engagement with customers, Cemig runs the Intelligent Energy Program (*Programa Energia Inteligente*), which aims at promoting energy efficiency in low-income communities and nonprofit and charitable institutions that are consumers of electricity supplied by the company, in addition to promoting energy efficiency in public facilities. The Intelligent Energy Program comprises three subprograms: *Energia do Bem*, *Conviver e Prefeituras Ecoeficientes*. *Energia do Bem* carries out projects targeting charities and nonprofit organizations. *Conviver* encompasses projects directed towards low-income consumers. *Prefeituras Ecoeficientes* is aimed at municipal energy management. All of these initiatives reduce the electricity consumption of the people and organizations receiving service.

Methods of engagement: Cemig implements collaborative projects with its consumers selected for the Program, through which equipment is replaced for more efficient units and reforms are performed on electrical systems, in addition to promoting education about the efficient use of energy and the consequent reduction in environmental impacts.

Prioritization strategy for engagements: Cemig prioritizes its customers in low-income communities and nonprofit and charitable institutions for participation in the Intelligent Energy Program.

Measures of success: in 2013, through the *Energia do Bem* program, showers were replaced in 104 institutions for the elderly and in 6 public hospitals and charities. In addition, 38 autoclaves and 980 sets of lighting fixtures and light bulbs in hospitals were replaced. Through the *Conviver* program, 1,098 solar heating systems were installed, 140,699 light bulbs, 2,164 refrigerators, and 220 family agricultural irrigation systems over 15 years old



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were replaced in the Jaíba Project. *Prefeituras Ecoeficientes* program deployed measures for the efficient use of electricity in municipal facilities in the participating cities. In partnership with city halls, 2 civil servants per city received training from Eletrobrás on matters related to public lighting efficiency, efficiency improvement in public buildings, and municipal energy management.

**14.4b To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent.**

Number of suppliers	% of total spent	Comment
50	14.48%	Cemig invited 50 companies to participate in the second edition of the Carbon Management in the Value Chain Program, in which the suppliers of small and medium-sized businesses needing support to develop its GHG inventories were given priority.

**14.4c If you have data on your suppliers GHG emissions and climate change strategies, please explain how you make use of that data.**

How you make use of the data	Please give details
	Cemig uses the data from these inventories to assess the scope of the Carbon Management in the Value Chain Program. In the future, when there are more qualified vendors, the data will be incorporated into the company's emissions inventory.
Other	The suppliers were invited to participate in Cemig's Carbon Management in the Value Chain Program in 2013. Cemig conducts training sessions with these suppliers with the goal of sensitizing them to climate change and the need to conduct GHG inventories and provides training to help them do so. After the completion of the training phase through workshops, trained suppliers prepare its emission inventories, which are used to construct Cemig's information base.

Table of Contents**Supplement Electric Energy Utilities**

The information below refers to emissions from stationary sources for generating electricity and not to Scope 1 as a whole.

**EU0 Reference dates**

**EU 0.1** Please enter the dates for the periods for which you will be providing data. The years given as column headings in subsequent tables correspond to the year ending dates selected below. It is requested that you report emissions for: (i) the current reporting year; (ii) one other year of historical data (i.e. before the current reporting year); and, (iii) one year of forecasted data (beyond 2018 if possible).

Year	Start date	End date
2008	01/01/2008	31/12/2008
2013	01/01/2013	31/12/2013
2018	01/01/2018	31/12/2018

**EU1 Global totals by year**

**EU 1.1** In each column, please give a total figure for all the countries for which you will be providing data for the year ending periods that you selected in answer to EU0.1.

Year	Nameplate capacity (MW)	Production (GWh)	Absolute emissions (metric tonnes CO <sub>2</sub> e)	Emissions intensity (metric tonnes CO <sub>2</sub> e/MWh)
2008	6,572	33,413	239,275	0.0072
2013	6,872	27,299	141,194	0.0052
2018	8,603	46,656	167,078	0.0036

**EU2 Individual country profiles**

**EU 2.1** Please select the energy sources/fuels that you use to generate electricity in Brazil.

Coal - Hard

Lignite

Oil & Gas (excluding CCGT)

CCGT

Nuclear

Waste

Hydro

Other renewables

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x Other

Complete the table below for the selected periods in question EU0.1 for oil & gas (excluding CCGT).

Year	Nameplate capacity (MW)	Production (GWh)	Absolute emissions (metric tonnes CO <sub>2</sub> e)	Emissions intensity (metric tonnes CO <sub>2</sub> e/MWh)
2008	131	205	239,275	1.1672
2013	131	168	130,714	0.7804
2018	131	202	157,340	0.7789

Complete the table below for the selected periods in question EU0.1 for hydro.

Year	Nameplate capacity (MW)	Production (GWh)
2008	6,387	32,777
2013	6,639	26,636
2018	9,342	45,823

Complete the table below for the selected periods in question EU0.1 for other renewable resources (wind).

Year	Nameplate capacity (MW)	Production (GWh)
2008	1	0
2013	49	183
2018	77	231

Complete the table below for the selected periods in question EU 0.1 for other sources (blast furnace gases, tar, and other waste gases generated in steel industrial processes).

Year	Nameplate capacity (MW)	Production (GWh)	Absolute emissions (metric tonnes CO <sub>2</sub> e)	Emissions intensity (metric tonnes CO <sub>2</sub> e/MWh)
2008	53	430	0	0.0000
2013	53	313	10,480	0.0335
2018	53	400	9,738	0.0243

Enter the values for all the sources mentioned above for the country referring to the periods selected in question EU 0.1.

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<b>Year</b>	<b>Nameplate capacity (MW)</b>	<b>Production (GWh)</b>	<b>Absolute emissions (metric tonnes CO2e)</b>	<b>Emissions intensity (metric tonnes CO2e/MWh)</b>
2008	6,572	33,413	239,275	0.0072
2013	6,872	27,299	141,194	0.0052
2018	8,603	46,656	167,078	0.0036

Table of Contents**EU3 Renewable electricity sourcing regulations**

**EU 3.1 In certain countries, e.g. Italy, the UK, the USA, electricity suppliers are required by regulation to incorporate a certain amount of renewable electricity in their energy mix. Is your organization subject to such regulatory requirements?**

No.

**EU4 Renewable electricity development**

**EU 4.1 Please give the contribution of renewable electricity to your organization's EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) in the current reporting year in either monetary terms or as a percentage.**

Please give:	Monetary figure	%	Comment
Renewable electricity's contribution to EBITDA	R\$ 2.932 billion		

**EU 4.2 Please give the projected contribution of renewable electricity to your organization's EBITDA at a given point in the future in either monetary terms or as a percentage.**

Please give:	Monetary figure	%	Year	Comment
Renewable electricity's contribution to EBITDA		40%	2020	It is expected that the fraction of renewable source in the organization's generation matrix will remain the same.

**EU 4.3 Please give the capital expenditure (capex) planned for the development of renewable electricity capacity in monetary terms and as a percentage of total capex planned for power generation in the current capex plan.**

Please give:	Monetary figure	%	End year of capex planning	Comment
Capex planned for the development of renewable energy	R\$1,270,767,000.00	76.00%	2017	In the current Capex plan, substantial investments are planned for the Generation business, in which 98% of the electricity is generated from renewable sources.

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**Sign off**

<b>Name</b>	<b>Job title</b>	<b>Corresponding job category</b>
Mr. Arlindo Porto Neto	Executive Vice President	Director on Board

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13. Market Announcement: XIX Annual Meeting Cemig - Apimec Presentation





































































































































































































































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14. Market Announcement: XIX Annual Meeting Cemig x Apimec Market and Guidance 2014-2018

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15. Market Notice Dated June 5, 2014: Lazard Asset Management reduces holding to below 5%

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**MARKET NOTICE**

*Lazard Asset Management reduces holding to below 5%*

In accordance with its commitment to best corporate governance practices, and in compliance with Article 12 of CVM Instruction 358 of January 3, 2002, **Cemig** (Companhia Energética de Minas Gerais), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, **hereby informs the public as follows:**

The stockholder **Lazard Asset Management LLC** has written to Cemig as follows:

In accordance with Article 12 of Instruction 358 of the Brazilian Securities Commission, Lazard Asset Management LLC informs you that:

- (i) On May 27, 2014 the interest held by Lazard Asset Management LLC in Cia. Energética de Minas Gerais ( Cemig ) through ADRs representing Cemig s shares (US2044096012) corresponded to 38,439,458 shares, or 4.6% of Cemig s total equity capital.
- (ii) This total number of shares is the joint total of all shares held by funds and client accounts managed by Lazard Asset Management LLC.
- (iii) The disposal of shares indicated by the above information is in no way related to disposal of control of the Company, and thus does not seek to alter the management nor the composition of control of the Company, nor its operation.

Belo Horizonte, June 5, 2014.

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Arlindo Porto Neto

Acting Chief Finance and Investor Relations Officer

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16. Summary of Principal Decisions of the 596th Meeting of the Board of Directors Held on June 6, 2014

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**Meeting of June 6, 2014**

**SUMMARY OF PRINCIPAL DECISIONS**

At its 596th meeting, held on June 6, 2014, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Provision of a guarantee for the issue of Promissory Notes by Cemig GT.
2. Developments in the Prothea Project.

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17. Material Announcement Dated June 9, 2014: Acquisition of further interest in Santo Antônio Energia 81% complete

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTE COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**MATERIAL ANNOUNCEMENT**

**Acquisition of further interest in Santo Antônio Energia 81% complete**

**Following the Material Announcement of March 14, 2014, Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid in accordance with CVM Instruction 358 of January 3, 2002, as amended **further informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows:**

On June 6, 2014, **Andrade Gutierrez Participações S.A.** (AGP) **transferred** 9,016,826,272 nominal preferred shares and 2,209,122,437 nominal common shares in **SAAG** Investimentos S.A. ( **SAAG** ), corresponding to 83% (eighty three per cent) of the total capital and 49% (forty nine per cent) of the voting stock of SAAG, to **Fundo de Investimento em Participações Melbourne**, a fund administered by Banco Modal ( **FIP Melbourne** )( the Transaction ).

Cemig Geração e Transmissão S.A. (**Cemig GT**) and certain private pension plan entities are investors, through a structure of equity investment funds ( **the Funds** ) and a special-purpose company ( **the SPC** ) jointly with the Funds, **the Investment Structure** ).

Cemig GT holds less than 50% of the NAV of the Funds and less than 50% of the voting shares in the SPC, preserving the private-sector nature of the Investment Structure.

SAAG owns 12.4% (twelve point four per cent) of the share capital of **Madeira Energia S.A.** ( **Mesa** ).

Payment of the Transaction has been divided into 2 (two) parts. The first, of R\$ 734,000,000.00 (seven hundred thirty four million Reais), equivalent to 81% (eighty one per cent) of the total amount of the Transaction, was paid on June 6, 2014. Payment of the second portion, planned to take place by August 31, 2014, is subject to subscription of a further issue of fund units by FIP Melbourne.



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Put option contracts have also been signed between Cemig GT and the pension plan entities, giving those entities the right to sell their holdings in the 84th (eighty-fourth) month from today's date.

The exercise price of the put options, for each of the pension fund entities in the Investment Structure, is equal to the amount invested by the respective entity, updated *pro rata temporis* by the Expanded National Consumer Price inflation index (*Índice Nacional de Preços ao Consumidor Amplo - IPCA*), published by the Brazilian Geography and Statistics Institute (*Instituto Brasileiro de Geografia e Estatística - IBGE*), plus 7% (seven per cent) per year, less any dividends and Interest on Equity paid by SAAG to the pension plan entities.

Cemig will keep the market opportunely and appropriately informed on the conclusion of this transaction.

Belo Horizonte, June 9, 2014

Luiz Fernando Rolla

Chief Finance and Investor Relations Officer

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18. Summary of Minutes of the 567th Meeting of the Board of Directors Held on May 16, 2013

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES**

**OF THE**

**567TH MEETING**

**Date, time and place:** May 16, 2013 at 2 p.m. at the company's head office.

**Meeting Committee:** Chair: Dorothea Fonseca Furquim Werneck;  
Secretary: Anamaria Pugedo Frade Barros.

**Summary of proceedings:**

**I** **Conflict of interest:** The Chair asked the Board Members present whether they had any conflict of interest in the matters on the agenda of this meeting, and all said there was no such conflict of interest.

**II** **The Board approved:**

- a) The Budget for 2013, canceling and replacing Board Spending Decision (CRCA) 049/2013.
- b) The minutes of this meeting.

**III The Board Authorized:**

a) Opening of Administrative Proceedings for Exemption from Tender for, and contracting of insurance companies, to supply:

- Legal Guarantee insurance, for twenty four months; and
- Bid Guarantee Insurance, and Performance Guarantee Insurance, for twelve months,

able to be extended up to a maximum total period of sixty months;

and signature, with the Insurer that issues these policies, of the corresponding counter-guarantee contract.

b) Signature, in the period between May 16, 2013 and December 31, 2014, of Letters of Corporate Guarantee in an amount sufficient to settle, on average, two months of invoices arising from contracts for purchase and sale of electricity entered into between electricity generators and traders at auctions, Cemig being guarantor for Cemig GT.

c) Contracting, on an exceptional basis, of up to twenty former employees of Cemig, Cemig D or Cemig GT, for a maximum period of six months, to work at UniverCemig as instructors, for specific-case needs of training and/or transfer of technical knowledge to employees of the Company's workforce, provided that the request for this contracting is submitted for approval by the Workforce Monitoring Workgroup, approved by the Executive Board and recommended by the Human Resources Committee of the Board of Directors.

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**IV The Board ratified:**

a) The Company exceeding, in 2012, the limits specified in Sub-clauses a and b of Paragraph 7 of Clause 11 of the by-laws, in the form, respectively, of:

- the Company's consolidated indebtedness being equivalent to 2.4 times the Company's Ebitda (profit before interest, taxes, depreciation and amortization); and
- the consolidated debt ratio, namely (Consolidated Net debt / Consolidated (Stockholders' equity + Net debt)), being 49.8%.

b) Acquisition of Consortium Participation Units in the Capim Branco Energia Consortium, through signature, by:

- Suzano Papel e Celulose S.A. (Suzano) and Suzano Holding S.A. as vendors,
- Cemig Capim Branco Energia S.A. (Cemig Capim Branco) and Vale S.A. (Vale), as purchasers, and
- Comercial e Agrícola Paineiras Ltda. (Paineiras) and Epícares Empreendimentos e Participações Ltda. (Epícares), as consenting parties

of an agreement for purchase and sale of such Participation Units.

**V The Board re-ratified** CRCA 126/2012, approving the participation of Cemig Capim Branco in Epícares, jointly with Vale, respectively in the proportions of 30.3030% and 69.6970%, and changing the terms of sale of the power supply of Suzano and Paineiras between March 29, 2013 and the closing date.

**VI The Board oriented** the representatives of the Company at the Extraordinary General Meeting of Stockholders of Cemig Capim Branco that decides on the subject, to vote in favor of ratification of the signature, by Suzano and Suzano Holding S.A., as vendors, by Cemig Capim Branco and Vale, as purchasers, and by Paineiras and Epícares as consenting parties, of the contract for purchase and sale of Consortium Participation Units.

**VII** **Comment:** The following spoke on subjects and business of interest to the Company:

The Chair;  
Chief Officers: Djalma Bastos de Morais, Fuad Jorge Noman Filho, Guy Maria Villela Paschoal;  
General Manager: Leonardo George de Magalhães;  
Secretary: Anamaria Pugedo Frade Barros.

**The following were present:**

Board members: Dorothea Fonseca Furquim Werneck, Wando Pereira Borges,  
Djalma Bastos de Morais, Bruno Magalhães Menicucci,  
Arcângelo Eustáquio Torres Queiroz, José Augusto Gomes Campos,  
Eduardo Borges de Andrade, Newton Brandão Ferraz Ramos,  
Fuad Jorge Noman Filho, Adriano Magalhães Chaves,  
Guy Maria Villela Paschoal, Christiano Miguel Moysés,  
João Camilo Penna, Lauro Sérgio Vasconcelos David,  
Joaquim Francisco de Castro Neto, Luiz Augusto de Barros,  
Paulo Roberto Reckziegel Guedes, Marco Antonio Rodrigues da Cunha,  
Tadeu Barreto Guimarães, Tarcísio Augusto Carneiro;  
General Manager: Leonardo George de Magalhães;  
Secretary: Anamaria Pugedo Frade Barros.

Anamaria Pugedo Frade Barros