



City, State and Zip Code:

**SÃO PAULO, SP, BRAZIL 05429-900**

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**PART II RULE  
12b-25 (b) AND (c)**

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate.)

- x
- (a) The reasons described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;
  - (b) The subject annual report, semi-annual report, transition report on Form 10-K, 20-F, 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and
  - (c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

**PART III  
NARRATIVE**

State below in reasonable detail the reasons why Forms 10-K, 20-F, 11-K, 10-Q, N-SAR, N-CSR or the transition report portion thereof, could not be filed within the prescribed time period.

The Companhia de Saneamento Básico do Estado de São Paulo - SABESP respectfully notifies the Securities and Exchange Commission that it will not be able to file its 2006 annual report on Form 20-F by June 30, 2007.

Sabesp needs additional time to conclude discussions of accounting matters with its auditors to enable the auditors to finalize their work on the financial statements for the year ended December 31, 2006. As a result, Sabesp will not be able to file its 2006 annual report on Form 20-F by the prescribed filing deadline without unreasonable effort on Sabesp's part. Sabesp intends, however, to file its 2006 annual report on Form 20-F by July 15, 2007.

**PART IV  
OTHER INFORMATION**

(1) Name and telephone number of person to contact in regard to this notification

RUI DE BRITTO ÁLVARES AFFONSO

(55-11) (3388-8247)

(Area Code) (Telephone Number)

(2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If the answer is no, identify report(s).

xYes o No

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(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

YesxNo

If so: attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

**COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO - SABESP**

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*(Name of Registrant as Specified in Charter)*

has caused this notification to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: June 27, 2007

By: /s/RUI DE BRITTO ÁLVARES AFFONSO  
Name: Rui de Britto Álvares Affonso  
Title: Chief Financial Officer and Investor Relations  
Officer

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