

ENERGY CO OF MINAS GERAIS

Form 6-K

February 26, 2018

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

PURSUANT TO RULE 13A-16 OR 15D-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

For the month of January, 2018

Commission File Number: 1-15224

Energy Company of Minas Gerais

(Translation of Registrant's Name Into English)

Avenida Barbacena, 1200

30190-131 Belo Horizonte, Minas Gerais, Brazil

(Address of Principal Executive Offices)

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

Form 20-F

Form 40-F

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

Table of Contents

INDEX

Item Description of Items

1. SUMMARY OF THE MINUTES OF THE 698TH MEETING OF THE BOARD OF DIRECTORS HELD ON JUNE 27, 2017
2. MATERIAL ANNOUNCEMENT DATED AS OF DECEMBER 28, 2017: CEMIG COMPLETES R\$ 3.4BN DEBT RE-PROFILING
3. NOTICE TO STOCKHOLDERS DATED AS OF JANUARY 8, 2018: FINAL FIGURES FOR R\$ 1.2BN CAPITAL INCREASE
4. MATERIAL ANNOUNCEMENT DATED AS OF JANUARY 12, 2018: BOARD PROPOSES THE MERGER OF CEMIGTELECOM
5. SUMMARY OF THE MINUTES OF THE 720TH MEETING OF THE BOARD OF DIRECTORS HELD ON JANUARY 12, 2018
6. CONVOCAÇÃO DE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS DATED AS OF JANUARY 12, 2018 TO BE HELD ON FEBRUARY 28, 2018
7. PROPOSAL BY THE BOARD OF DIRECTORS DATED AS OF JANUARY 12, 2018 TO THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS TO BE HELD ON FEBRUARY 28, 2018
8. NOTICE TO STOCKHOLDERS DATED AS OF JANUARY 17, 2018: CANCELATION OF THE CONVOCAÇÃO TO THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS SCHEDULED FOR JANUARY 24, 2018
9. SUMMARY OF THE MINUTES OF THE 721TH MEETING OF THE BOARD OF DIRECTORS HELD ON JANUARY 17, 2018
10. MARKET ANNOUNCEMENT DATED AS OF JANUARY 17, 2018: CANCELATION OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS SCHEDULED FOR JANUARY 24, 2018
11. MARKET ANNOUNCEMENT DATED AS OF JANUARY 24, 2018: BEGIN OF THE 30-DAY EXTENSION TO THE EXCLUSIVITY PERIOD GRANTED TO BROOKFIELD ENERGIA RENOVÁVEL S.A. TO CONTRIBUTE TO THE CAPITAL STOCK OF RENOVA ENERGIA S.A.
12. SUMMARY OF THE MINUTES OF THE 722TH MEETING OF THE BOARD OF DIRECTORS HELD ON FEBRUARY 8, 2018
13. MARKET ANNOUNCEMENT DATED AS OF FEBRUARY 16, 2018: REPLY TO CVM INQUIRY LETTER 65/2018-CVM/SEP/GEA-1 OF FEBRUARY 15, 2018
14. MARKET ANNOUNCEMENT DATED AS OF FEBRUARY 19, 2018: RESIGNATION OF THE CEO OF RENOVA

Table of Contents

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.

Table of Contents

SIGNATURES

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

COMPANHIA ENERGÉTICA DE MINAS

GERAIS CEMIG

By: /s/ JOSÉ MARIA RABELO

Name: José Maria Rabelo

Title: Acting Chief Finance and Investor Relations Officer

Date: February 23, 2018

Table of Contents

**SUMMARY OF THE MINUTES OF THE 698TH MEETING OF THE BOARD OF DIRECTORS HELD ON
JUNE 27, 2017**

Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG
LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127
BOARD OF DIRECTORS
SUMMARY OF MINUTES
OF THE
698TH MEETING

Date, time and place: June 27, 2017 at 4 p.m. at the head office.

Meeting Committee: Chair: José Afonso Bicalho Beltrão da Silva;
Secretary: Anamaria Pugedo Frade Barros

Summary of proceedings:

I Conflict of interest: The board members listed below declared no conflict of interest in relation to the matters on the agenda of this meeting,

II The Board approved:

a) The following proposal by the Chair:

that as from June 28, 2017, Mr. Luís Fernando Paroli Santos should no longer be Chief Distribution and Sales Officer and interim Chief Institutional Relations and Communication Officer;

Election as Interim Chief Distribution and Sales Officer, from June 28, 2017, to serve the rest of the present period of office, that is to say until the first meeting of the Board of Directors after the Annual General Meeting of 2018, of

Mr. Ronaldo Gomes de Abreu Brazilian, married, company manager, domiciled in Belo Horizonte, Minas Gerais, at Av. Assis Chateaubriand 46/1301, Floresta, CEP 30150-100, Bearer of Identity Card MG 2868468-PCMG and CPF 563307236-72;

and, as Chief Officer for Institutional Relations and Communication, on an interim basis while also serving as Chief Finance and Investor Relations Officer, of

Mr. Adézio de Almeida Lima Brazilian, married, economist, domiciled in Belo Horizonte, MG, at Av. Barbacena 1200, 18º andar, Ala B2, Santo Agostinho, CEP 30190-131, bearer of Identity Card 2514340-SSPDF and CPF 342530507-78.

b) The minutes of this meeting.

III The Board nominated the Chief Officer Luís Fernando Paroli Santos as Chief Executive Officer of Light S.A., and also as Chief Officer for Business Development and Investor Relations Officer of that company, to complete the present period of office or until his duly elected successor is sworn in.

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	Agostinho	30190-131 Belo Horizonte, MG	Brazil	3506-5024 3506-5025

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Table of Contents

IV The Chair informed the meeting that as from June 28, 2017 the Executive Board comprises:

Chief Executive Officer:	Bernardo Afonso Salomão de Alvarenga;
Interim Deputy CEO:	Bernardo Afonso Salomão de Alvarenga;
Chief Trading Officer:	Dimas Costa;
Chief Business Development Officer:	César Vaz de Melo Fernandes;
Interim Chief Distribution and Sales Officer:	Ronaldo Gomes de Abreu;
Chief Finance and Investor Relations Officer, and Interim Chief Institutional Relations and Communication Officer:	Adézio de Almeida Lima;
Chief Generation and Transmission Officer:	Franklin Moreira Gonçalves;
Chief Corporate Management Officer:	José de Araújo Lins Neto;
Chief Officer for Human Relations and Resources:	Maura Galuppo Botelho Martins;
Chief Counsel:	Raul Lycurgo Leite,*

* to be succeeded on July 1, 2017, as per Board decision of June 9, 2017, by:

Mr. Luciano de Araújo Ferraz.

V The Chief Officers elected declared in advance that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any position in a company which could be considered a competitor of the Company, and that they do not have, nor represent, any interest conflicting to Cemig's interest; and made a formal commitment to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Professional Conduct of Cemig and the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

The following were present:

Board members: Nelson José Hubner Moreira,

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José Afonso Bicalho Beltrão da
Silva,

Bernardo Afonso Salomão de
Alvarenga,

Antônio Dirceu Araújo Xavier,

Arcângelo Eustáquio Torres
Queiroz,

Bruno Magalhães Menicucci,

Helvécio Miranda Magalhães
Junior,

Marco Antônio de Rezende
Teixeira,

Marco Antônio Soares da Cunha
Castello Branco,

Patrícia Gracindo Marques de Assis
Bentes,

Aloísio Macário Ferreira de Souza,

Carolina Alvim Guedes Alcoforado,
Anamaria Pugedo Frade Barros.

Secretary:
(Signed by:) Anamaria Pugedo Frade Barros.

José Pais Rangel,

Saulo Alves Pereira Junior,

Marina Rosenthal Rocha,

Agostinho Faria Cardoso,

Antônio Carlos de Andrada Tovar,

Geber Soares de Oliveira,

Luiz Guilherme Piva,

Otávio Silva Camargo,

Ricardo Wagner Righi de Toledo,

Tarcísio Augusto Carneiro,

Wieland Silberschneider;

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Table of Contents

**MATERIAL ANNOUNCEMENT DATED AS OF DECEMBER 28, 2017: CEMIG COMPLETES R\$ 3.4BN
DEBT RE-PROFILING**

Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG
LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MATERIAL ANNOUNCEMENT

Cemig completes R\$ 3.4bn debt re-profiling

Supplementing the Material Announcement published on November 20, 2017, **Cemig** (*Companhia Energética de Minas Gerais* listed and traded, in São Paulo, New York and Madrid), in compliance with CVM Instruction 358 of January 3, 2002 as amended, **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3) and the market as follows:

Cemig's wholly-owned subsidiaries Cemig D and Cemig GT have completed the re-profiling of their debt, through: (i) a debenture issuance by Cemig D, and (ii) amendments to loan debt transactions of Cemig D and Cemig GT changing the maturity dates for debt representing a total of approximately R\$ 3.4 billion.

Adding these transactions to the total of R\$ 3.2 billion raised in the international market through a Eurobond issuance as reported to the market on December 1 and 5, 2017 Cemig D and Cemig GT have balanced their cash flows, lengthened the average tenor of their debt, and enhanced their credit quality.

After such re-profiling, the amortization timetable for Cemig's consolidated debt is the following (the newly contracted components, replacing previous maturities, are shown in yellow):

Belo Horizonte, December 28, 2017

Adézio de Almeida Lima

Chief Finance and Investor Relations Officer

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Table of Contents

**NOTICE TO STOCKHOLDERS DATED AS OF JANUARY 8, 2018: FINAL FIGURES FOR R\$ 1.2BN
CAPITAL INCREASE**

Table of Contents**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG****LISTED COMPANY CNPJ 17.155.730/0001-64****NOTICE TO STOCKHOLDERS****Final figures for R\$ 1.2bn capital increase**

Further to the Notice to Stockholders published on December 13, 2017, **Cemig** (*Companhia Energética De Minas Gerais*) **hereby informs** its stockholders and the market **as follows**:

The period for subscription in the second (and last) apportionment of shares not subscribed in the Preemptive Right Exercise Period of the capital increase approved by the Extraordinary General Meeting of October 26, 2017 ended on December 28, 2017.

The total amount of the funds raised by Cemig through such capital increase, now held by the company in cash, is R\$ 1.2 billion.

The following numbers of shares were subscribed in the phases of the capital increase:

Numbers of shares	Proposed	Preemptive right exercise period	Subscribed in:		Balance of shares not subscribed
			1 st subsequent apportionment period	2 nd subsequent apportionment period	
Type					
ON	66,849,505	50,106,730	2,954,905	658,191	13,129,679
PN	133,061,442	118,949,754	11,004,208	1,291,730	1,815,750
Total	199,910,947	169,056,484	13,959,113	1,949,921	14,945,429

Cemig will disclose, at the appropriate time, the next phase for the completion of this corporate event.

Belo Horizonte, January 8, 2018

Adézio de Almeida Lima

Chief Finance and Investor Relations Officer

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Table of Contents

**MATERIAL ANNOUNCEMENT DATED AS OF JANUARY 12, 2018: BOARD PROPOSES THE MERGER
OF CEMIGTELECOM**

Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG
LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MATERIAL ANNOUNCEMENT

Board proposes the merger of CemigTelecom

Cemig (*Companhia Energética de Minas Gerais*) (listed and traded in São Paulo, New York and Madrid), in compliance with CVM Instruction 358 of January 3, 2002 as amended, **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3) and the market **as follows**:

In the meeting held on the date hereof, Cemig's Board of Directors resolved to present to the Extraordinary General Meeting of Stockholders a proposal concerning the merger of Cemig Telecomunicações S.A. (CemigTelecom) into Cemig. Cemig Telecomunicações S.A. is a wholly-owned subsidiary of Cemig.

The merger will have a positive impact on the involved companies resulting from the optimization of assets and synergies, and will reduce financial, operational and administrative costs through concentration of existing administrative structures, while improving options for use of available funds.

The proposal will be submitted to decision by stockholders at an Extraordinary General Meeting to be called on an appropriate date and time (subject to the terms specified by the law and the by-laws).

To take effect, the merger will need also to be submitted, separately, to Cemig's Audit Committee, pursuant Sub-item III of Article 163 of Law 6404/1976.

Considering that the proposed transaction involves the merger of a wholly-owned subsidiary, there will be no capital increase, nor issuance of new shares. The shares of CemigTelecom will be canceled and the necessary accounting records will be made.

Cemig reiterates its commitment to keep stockholders and the market timely informed in accordance with applicable law and regulations.

Belo Horizonte, January 12, 2018

Adézio de Almeida Lima

Chief Finance and Investor Relations Officer

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Table of Contents

**SUMMARY OF THE MINUTES OF THE 720TH MEETING OF THE BOARD OF DIRECTORS HELD ON
JANUARY 12, 2018**

10

Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

BOARD OF DIRECTORS

Meeting of January 12, 2018

SUMMARY OF MAIN RESOLUTIONS

At its 720th meeting, held on January 12, 2018, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) resolved the following:

1. Budget for 2018.
2. Instruction to vote in an Extraordinary General Meeting of Lepsa, on: reduction of the corporate capital, amendment of the by-laws, and execution of legal instruments.
3. Instruction to vote in an Extraordinary General Meeting of RME, on: reduction of the corporate capital, amendment of the by-laws, and execution of legal instruments.
4. Internal Regulations on Competitive Bids and Contracts.
5. Execution of a corporate guaranty letter for agreements between Cemig GT and electricity generators or traders, guaranteed by Cemig.
6. Appointment of a Manager for MESA.

7. Structure of CemigTelecom.

8. Convocation of an Extraordinary General Meeting of Stockholders to discuss CemigTelecom.

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Table of Contents

**CONVOCATION OF EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS DATED AS OF
JANUARY 12, 2018 TO BE HELD ON FEBRUARY 28, 2018**

Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

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 February 28, 2018 at 3 p.m., at the company's head office, Av. Barbacena 1200, 2nd floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- 1 Approval and authorization for execution of a Protocol of Merger and Justification, with Cemig Telecomunicações S.A. CemigTelecom, which will set out the terms and conditions to govern the merger of CemigTelecom into Cemig.
- 2 Ratification of the nomination of the three experts to provide a valuation, for the purposes of Article 8 of Law 6404/1976, of the net equity of CemigTelecom.
- 3 Approval of the Net Equity Valuation Report of CemigTelecom, at book value, as set forth in 2 above.
- 4 Authorization to the merger CemigTelecom into Cemig, and subsequent termination of CemigTelecom.
- 5 Authorization to Cemig to be the successor of CemigTelecom, in all its rights and obligations, for all purposes of law and otherwise.
- 6 Authorization to the transfer to Cemig, by merger, of all the facilities, tangible and intangible assets and goods, inventories, real estate property, credits, assets, rights, employees, stockholdings, contracts, obligations, liabilities, tax books and invoices, controls, records, accounting, documents, systems and information of CemigTelecom, including its shares in Ativas Data Center S.A. (Ativas), which corresponds to 19.6% of the

share capital of Ativas, and the contracts related to this stockholding interest.

Proxy votes

Any stockholder who wishes to be represented by proxy at the above General Meeting of Stockholders shall comply with the provisions of Article 126 of Law 6406 of 1976 and with the sole paragraph of Section 9 of the Company's by-laws, by presenting at the time or providing Cemig, preferably by February 26, 2018, with evidence of ownership of the shares, issued by a depository financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Office (*Superintendência da Secretaria Geral*) at Av. Barbacena 1200 - 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais, Brazil.

Belo Horizonte, January 12, 2018

José Afonso Bicalho Beltrão da Silva

Chair of the Board of Directors

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Table of Contents

**PROPOSAL BY THE BOARD OF DIRECTORS DATED AS OF JANUARY 12, 2018 TO THE
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS TO BE HELD ON FEBRUARY 28, 2018**

Table of Contents

PROPOSAL
BY THE BOARD OF DIRECTORS TO THE
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS
TO BE HELD ON FEBRUARY 28, 2018

Dear Stockholders:

The Board of Directors of the Company proposes to you the following:

- 1 Approval and authorization for execution of a Protocol of Merger and Justification, with Cemig Telecomunicações S.A. CemigTelecom, which will set out the terms and conditions to govern the merger of CemigTelecom into Cemig.

- 2 Ratification, because the transaction involves the merger of a wholly-owned subsidiary into its parent company, of the appointment of the three experts,
Mr. Flávio de Almeida Araújo, CRC/MG 86.861,

Mr. Francisco do Couto, CRC/MG 58.343, and

Mr. Leonardo George de Magalhães, CRC/MG 53.140,

to prepare the valuation, under and for the purposes of Article 8 of Law 6404/1976, of the Net Equity Valuation of CemigTelecom.

- 3 Approval of the Net Equity Valuation Report of CemigTelecom, at book value, prepared by three experts, under and for the purposes of Article 8 of Law 6404/1976.

- 4 Authorization to the merger of CemigTelecom into Cemig and subsequent termination of CemigTelecom.

- 5 Authorization for Cemig to be the successor of CemigTelecom, in all its rights and obligations, for all purposes of law and otherwise.
- 6 Authorization to the transfer to Cemig, by merger, of all the facilities, tangible and intangible assets and goods, inventories, real estate property, credits, assets, rights, employees, stockholdings, contracts, obligations, liabilities, tax books and invoices, controls, records, accounting, documents, systems and information of CemigTelecom, including its shares in Ativas Data Center S.A. (Ativas), which corresponds to 19.6% of the share capital of Ativas, and the contracts related to this stockholding interest.

As can be seen, the purpose of this proposal is to meet the genuine interests of the stockholders and of the Company, therefore the Board of Directors expects that it will be approved by the Stockholders.

Belo Horizonte, January 12, 2018

José Afonso Bicalho Beltrão da Silva
Marco Antônio de Rezende Teixeira
Bernardo Afonso Salomão de Alvarenga
Antônio Dirceu Araújo Xavier
Arcângelo Eustáquio Torres Queiroz
Arlindo Magno de Oliveira
Carlos Eduardo Lessa Brandão
Daniel Alves Ferreira

Helvécio Miranda Magalhães Junior
Hermes Jorge Chipp
José Pais Rangel
Marcelo Gasparino da Silva
Marco Antônio Soares da Cunha Castello Branco
Nelson José Hubner Moreira
Patrícia Gracindo Marques de Assis Bentes

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Table of Contents

APPENDICES

APPENDIX I	Appendix 20A of CVM Instruction 481/2009
APPENDIX II	Appendix 21 of CVM Instruction 481/2009
APPENDIX III	Protocol of Merger and Justification
APPENDIX IV	Opinion of the Auditing Board
APPENDIX V	Net Equity Valuation Report of CemigTelecom.
APPENDIX VI	Cemig: Financial Statements for 2016
APPENDIX VII	Cemig: Quarterly Information (ITR) for 3Q 2017
APPENDIX VIII	CemigTelecom: Financial Statements for 2016
APPENDIX IX	CemigTelecom: Quarterly Information (ITR) for 3Q 2017

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Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CNPJ 17.155.730/0001-64 NIRE 31300040127

APPENDIX I TO THE PROPOSAL BY MANAGEMENT

INFORMATION ON THE MERGER

(AS PER APPENDIX 20-A OF CVM INSTRUCTION 481)

1. Protocol and justification of the transaction as per Articles 224 and 225 of Law 6404 of 1976.

The protocol and justification of the merger of Cemig Telecomunicações S.A. (CemigTelecom) into Companhia Energética de Minas Gerais Cemig (the Company or Cemig), (the Protocol and Justification) is in **Appendix III** to the Management Proposal.

2. Any other agreements, contracts or pre-contracts regulating the exercise of the right to vote or transfer of shares in the companies subsisting or resulting from the transaction, filed at the head office of the company or to which the controlling stockholder of the company is a party.

None.

3. Description of the transaction, including:

a. Terms and conditions.

The transaction will consist of the merger of CemigTelecom, a wholly-owned subsidiary, into Cemig, its parent company, at the book value of CemigTelecom, and consequent termination of CemigTelecom; and Cemig will be successor of CemigTelecom in all the goods and assets, rights and obligations of CemigTelecom (the Merger). All of the shares in CemigTelecom are owned by Cemig and will be extinguished, as specified in Article 226, §1, of Law 6404, of December 15, 1976 as amended (the Corporate Law).

The Merger will not result in an increase or reduction of the stockholders' equity or of the share capital of Cemig, since the stockholders' equity of CemigTelecom is already reflected in full in the stockholders' equity of Cemig, as a result of the application of the equity method accounting.

It is intended that the Merger shall not take effect before March 31, 2018, or before completion of the following events:

- (i) Holding of a General Meeting of Debenture Holders of the 2nd (second) issuance of debentures of CemigTelecom (the GMDH), to be called to take place up to March 16, 2018, including in its agenda the approval of the Merger and of its consequences for the debenture holders.

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Table of Contents

- (ii) To be assured, under Article 231, §1 of the Corporate Law, to the debenture holders of CemigTelecom that are dissident or absent to the GMDH, that their debentures will be redeemed within 6 (six) months from the date of publication of the minutes of the General Meeting relating to the Merger.

- (iii) Approval by a General Meeting of Stockholders of CemigTelecom of:
 - (a) the execution of the Protocol and Justification; and

 - (b) the Merger, among other matters.

- (iv) Holding of a General Meeting of Stockholders of Cemig to:
 - (a) approve the execution of the Protocol and Justification;

 - (b) ratify the nomination of the Accounting Experts:
 - (b.i) Flávio de Almeida Araújo, accountant, registered in the Minas Gerais Regional Accounting Council (CRC/MG) under N° 86.861;

 - (b.ii) Francisco do Couto, accountant, registered in the CRC/MG under N° 58.343; and

 - (b.iii) Leonardo George de Magalhães, accountant, CRC/MG registration N° 53.140.
to be responsible for preparation of the net equity valuation report of CemigTelecom at book value, for the merger of CemigTelecom into the Company (the Valuation Report);

 - (c) approve the Valuation Report;

 - (d) approve the Merger and the subsequent termination of CemigTelecom;

 - (e) authorize Cemig to be the successor of CemigTelecom in all its rights and obligations, howsoever, and for all purposes of law; and

 - (f) authorize transfer to Cemig, by merger, of all the facilities, tangible and intangible assets and goods, inventories, real estate property, credits, assets, rights, employees, stockholdings, contracts, obligations,

liabilities, tax books and tax invoices, controls, records, accounting, documents, systems and information of CemigTelecom, including the shares held by CemigTelecom in Ativas Data Center S.A. (Ativas), which corresponds to 19.6% of the share capital of Ativas, and the contracts related to this stockholding interest.

b. Obligations to indemnify: (i) the managers of any of the companies involved; (ii) in the event that the transaction is not completed.

None.

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Table of Contents

c. Comparative table of the rights, advantages and restriction applying to shares of the companies involved or the resulting companies, before and after the transaction.

After the Merger, only the common and preferred shares issued by Cemig existing prior to the transaction will remain to exist, which will preserve the same rights and advantages that current are:

Common shares in Cemig

Right to dividends:	The common shares have the same rights as the preferred shares in distribution of bonuses. In fiscal years in which the Company does not generate sufficient profits to pay dividends to its stockholders, the State of Minas Gerais guarantees, for the shares issued by the Company up to August 5, 2004 and held by individual persons, a minimum dividend of 6% (six percent) per year.
Right to vote:	Full.
Description of any restriction on voting:	Not applicable.
Convertibility:	None.
Condition of the convertibility, and effects on the share capital:	Not applicable.
Right to reimbursement of capital:	Yes.
Characteristics of the reimbursement of capital:	The preferred shares have right of preference in the event of reimbursement of shares.
Restrictions on trading:	None.
Nature of restriction:	Not applicable.
Redeemable:	None.
Conditions for alteration of the rights carried by the said securities.	Under Article 109 of the Corporate Law, neither the by-laws nor the General Meeting of Stockholders may deprive the stockholder of the right to: (i) participate in the profits of the company; (ii) participate in the net equity of the company, in the event of liquidation; (iii) inspect the management of the company's business, in the manner specified in the Corporate Law; (iv) have first refusal to subscribe shares, founder's shares convertible into shares, debentures convertible into shares and/or warrants; (v) withdraw from the company in the eventuality specified in the Corporate Law.
Other material characteristics:	All the information that is relevant and pertinent to this topic has been disclosed in the items above.

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	Agostinho	30190-131 Belo Horizonte, MG	Brazil	3506-5024 3506-5025

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Table of Contents

Preferred shares in Cemig

Right to dividends:	<p>Minimum annual dividend equivalent to the greater of:</p> <p>(a) 10% (ten per cent) of the nominal value of the shares; or</p> <p>(b) 3% (three per cent) of the value of the stockholders equity corresponding to the shares.</p> <p>The common shares shall be subject to the same conditions as the preferred shares in distribution of bonuses. In business years in which the Company does not obtain sufficient profit to pay dividends to its stockholders, the State of Minas Gerais guarantees to the shares issued by the Company up to August 5, 2004 and held by individual persons, a minimum dividend of 6% (six per cent) per year.</p>
Right to vote:	Restricted.
Description of restriction on voting:	The right to vote is reserved exclusively for the common shares, and each common share has the right to one vote in decisions of the General Meeting of Stockholders.
Convertibility:	None.
Condition of the convertibility, and effects on the share capital:	Not applicable.
Right to reimbursement of capital:	Yes.
Description of the characteristics of the reimbursement of capital:	The preferred shares will have the right of preference in the event of reimbursement of shares.
Restrictions on trading:	None.
Nature of restriction:	Not applicable.
Redeemable:	None.
Conditions for alteration of the rights carried by the said securities.	Under Article 109 of the Corporate Law, neither the by-laws nor the General Meeting of Stockholders may deprive the stockholder of the right to: (i) participate in the profits of the company; (ii) participate in the assets and liabilities of the company, in the event of liquidation; (iii) inspect the management of the company's business, in the manner specified in the Corporate Law; (iv) have first refusal to subscribe shares, founder's shares convertible into shares, debentures convertible into shares and/or warrants; (v) withdraw from the company in the eventuality specified in the Corporate Law.
Other material characteristics:	All the information that is relevant and pertinent to this topic has been disclosed in the items above.

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Tel.: +55 31
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Fax +55 31
3506-5025

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

Table of Contents

As a result of the Merger, all the shares issued by CemigTelecom (100% held by Cemig) will be canceled. Therefore, as there will be no delivery of shares issued by Cemig to stockholders of CemigTelecom, a comparison of the rights and advantages between the shares of the two companies is unnecessary.

d. Is there any need for approval by debenture holders or other creditors?

Not in relation to Cemig.

In relation to CemigTelecom, the Merger will be submitted to the approval of the General Meeting of Debenture Holders, which will state whether or not they are favorable to the Merger. Any of the holders of debentures of CemigTelecom that is dissident or be absent to the General Meeting of Debenture Holders shall have the right to redeem its debentures, under Article 231, §1, of the Corporate Law, for a period of six months from the date of publication of the minutes of the General Meetings relating to the Merger.

e. Any asset or liability elements that will form each portion of the equity, in the event of a split.

Not applicable.

f. Whether the resulting companies have any intention to be listed as issuers of securities.

Not applicable.

4. Plans to conduct of the companies' businesses, particularly in relation to the specific corporate events that are planned.

After completion of the Merger, Cemig will continue to dedicate itself to the activities covered by its corporate purpose, keeping its registry as a listed company, and to succeeding the rights and obligations of CemigTelecom.

5. Analysis of the following aspects of the transaction:

a. Description of the principal benefits expected, including:

i. Synergies

With the merger, the Company will seek to achieve gains from optimization of assets and synergies, and reduce financial, operational and administrative costs through concentration of existing administrative structures, which will expand the means for Cemig to make use of available resources.

ii. Tax benefits

The Company's management sees no tax benefits arising from the Merger.

iii. Strategic advantages

One of the important strategic advantages inherent in the Merger is simplification of the current corporate structure and expansion of the means for Cemig to make use of available resources.

b. Costs

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The managements of both companies estimate that there will be no additional costs as a result of the Merger. CemigTelecom is today a wholly-owned subsidiary, and all its costs are 100% consolidated by Cemig.

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

Table of Contents

c. Risk factors

One of the goals of the Merger is to integrate the businesses of the companies and improve the use of the synergies obtained from the combination of the businesses of Cemig and CemigTelecom. This process of integration could result in difficulties of operational, regulatory, commercial, financial and contractual nature, which may prevent the expected synergies to be achieved or result in unforeseen losses or expenses.

d. If this is a transaction with a related party, indicate alternatives that could have been used to reach the same objectives, indicating the reasons why those alternatives were discarded.

No alternative structure to the Merger could result in the simplification and integration of the businesses of both companies, with the termination of one of the legal entities and its succession by the remaining company, as it is intended. Additionally, because this case involves the merger of a wholly-owned subsidiary by its parent company, the present question loses its relevance.

e. Exchange ratio

Not applicable, CemigTelecom is a wholly-owned subsidiary of Cemig and thus the Merger will not result in an increase in the net equity of Cemig.

f. For a transaction involving parent companies, subsidiaries or companies under joint control, please provide:

- (i) The share exchange ratio calculated in accordance with Article 264 of Law 6404 of 1976.**
- (ii) Detailed description of the process of negotiation of the exchange ratio and other terms and conditions of the transaction.**
- (iii) If the transaction was preceded, in the last 12 (twelve) months, by an acquisition of control or acquisition of participation in a controlling stockholding block:
 - (a) Comparative analysis of the exchange ratio and the price paid in acquisition of control;**
 - (b) Reasons justifying any differences of valuation in the different transactions;****
- (iv) Justification of why the exchange ratio is commutative, with description of the procedures and criteria adopted to guarantee the commutability of the transaction or, if the exchange ratio is not commutative, detailing of the payment or equivalent measures adopted to ensure adequate compensation.**

Cemig is the holder of 100% of the share capital of CemigTelecom, so that the transaction does not result in an increase of capital in Cemig, nor any alteration in the participation of its stockholders. Therefore, there is no need to consider any exchange ratio.

6. Copy of the minutes of all the meetings of the Board of Directors, Auditing Board and special committees in which the transaction was discussed, including any dissident votes.

The Opinion of the Auditing Board of Cemig is attached hereto as **Appendix IV**.

7. Copy of studies, presentations, reports, opinions, professional opinions or valuation reports of the companies involved in the transaction that have been placed at the disposal of the controlling stockholder at any stage of the transaction.

The Valuation Report is attached hereto as **Appendix V**.

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.

Table of Contents

7.1. Identify any conflicts of interests between the financial institutions, companies and professionals that have prepared the documents referred to in item 7 and the companies involved in the transaction.

None.

8. Plans for by-laws, or changes to by-laws, of the company resulting from the transaction.

No changes to Cemig's bylaws are being proposed; Cemig will be the successor of CemigTelecom.

9. Financial statements used for the purpose of the transaction, under the applicable rule.

In accordance with Article 6 of CVM Instruction 565 of June 15, 2015, as amended (CVM Instruction 565), the following financial statements have been disclosed:

- (i) Financial Statements of Cemig of December 31, 2016 (attached hereto as **Appendix VI**);
- (ii) Interim Accounting Statements of Cemig of September 30, 2017 (attached hereto as **Appendix VII**);
- (iii) Financial Statements of CemigTelecom of December 31, 2016 (attached hereto as **Appendix VIII**); and
- (iv) Interim Accounting Statements of CemigTelecom of September 30, 2017 (attached hereto as **Appendix IX**). The valuation of the net equity value of CemigTelecom, expressed in the Valuation Report, has been based on CemigTelecom's balance sheet of November 30, 2017, which comprises the Appendix I to the Valuation Report.

Aiming to ensure the accuracy of the accounting amounts of the assets and liabilities elements comprising the balance sheet of CemigTelecom, on November 30, 2017, the following procedures were adopted in the Valuation Report:

Reading of the Financial Statements of CemigTelecom of December 31, 2016 (attached hereto as **Appendix VIII**).

Reading of the Independent Auditor's Report on the Financial Statements issued by Deloitte Touche Tohmatsu Auditores Independentes on April 6, 2017, without qualification in relation to the Balance Sheet of December 31, 2016.

The Interim Accounting Information of CemigTelecom of September 30, 2017 (attached hereto as **Appendix IX**), combined with the Report of the External Auditors, Ernst & Young Auditores Independentes, on their review of the quarterly information, issued without any qualification on November 10, 2017; and

Analytical review of the movement in the balances of assets and liabilities in the period between September 2017 and November 30, 2017.

10. Pro-forma financial statements prepared for the purposes of the transaction, in the terms of the applicable rule.

Considering that CemigTelecom is a wholly-owned subsidiary of Cemig, and is consolidated in Cemig's results, we present the Interim Accounting Information of Cemig on September 30, 2017, consolidated and audited (attached hereto as **Appendix VII**), in compliance with the requirement of Article 7 of CVM Instruction 565 of June 15, 2015 as amended.

11. Document containing information on the non-listed companies directly involved, including:

- a. Risk factors, in the terms of Items 4.1 and 4.2 of the Reference Form;
- b. Description of the principal changes in the risk factors that have taken place in the prior business period and expectations in relation to reduction or increase in the exposure to risks as a result of the transaction, in the terms of Item 5.4 of the Reference Form;
- c. Description of its activities, in the terms of Items 7.1, 7.2, 7.3 and 7.4 of the Reference Form;

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Table of Contents

d. Description of the economic group, in the terms of Item 15 of the Reference Form;

e. Description of the share capital, in the terms of item 17.1 of the Reference Form.

Not applicable.

12. Description of the structure of capital and control after the transaction, in the terms of Item 15 of the Reference Form.

Items 15.1 and 15.2 of the Reference Form of Cemig:

Those items are not subject to any change as a result of the intended transaction.

Item 15.3 of the Reference Form of Cemig:

Those items are not subject to any change as a result of the intended transaction.

Item 15.4 of the Reference Form of Cemig:

Organization diagram before the transaction:

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	Agostinho	30190-131	Belo Horizonte, MG	Brazil	3506-5024	3506-5025

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

Table of Contents

Organization diagram after the transaction:

Items 15.5, 15.6, 15.7 and 15.8 of the Reference Form of Cemig:

Those items are not subject to any change as a result of the intended transaction.

13. Number, class, form and type of the securities of each company involved in the transaction held by any other companies involved in the transaction, or by people related to these companies, as defined by the rules that govern public offerings for acquisition of shares

Cemig is, in the present date, holder of 448,340,822 (four hundred forty eight million three hundred and forty thousand eight hundred twenty two) nominal common shares without par value, comprising 100% (one hundred per cent) of the share capital of CemigTelecom.

14. Exposure of the companies involved in the transaction or any of their related parties, as defined in the rules that govern public offerings for acquisition of shares to derivatives referenced to securities issued by other companies involved in the transaction.

Not applicable.

15. Report covering all transactions carried out, in the last 6 (six) months, by the following persons with securities issued by the companies involved in the transaction:

a. Companies involved in the transaction:

i. Private purchase transactions

None.

ii. Private sale transactions

None.

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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Table of Contents

iii. Purchase transactions in regulated markets

None.

iv. Sale transactions in regulated markets

None.

b. Any persons or entities that are related parties to the companies that are involved in the transaction:

i. Private purchase transactions

None.

ii. Private sale transactions

None.

iii. Purchase transactions in regulated markets

None.

iv. Sale transactions in regulated markets

None.

16. Document by which the Special Independent Committee submitted its recommendations to the Board of Directors, in the event that the transaction has been negotiated in the terms of CVM Orientation Opinion 35 of 2008

Not applicable. Cemig is holder of 100% of the shares corresponding to the share capital of CemigTelecom and, thus, the transaction does not result in an increase of capital of Cemig or in any change to the participation of its stockholders. Therefore, there was no exchange ratio to be negotiated.

* * * *

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Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CNPJ 17.155.730/0001-64 NIRE 31300040127

APPENDIX II TO THE PROPOSAL OF MANAGEMENT

INFORMATION ON THE VALUER AND PROPOSAL FOR THE VALUATION WORK

(APPENDIX 21 TO CVM INSTRUCTION 481)

1. List the valuers recommended by the management.

Expert Accountants:

- (a) Mr. Flávio de Almeida Araújo, accountant, enrolled with the Minas Gerais State Regional Accounting Council (CRC/MG) under the No. 86,861;
- (b) Mr. Francisco do Couto, accountant, enrolled with the CRC/MG under the No. 58,343.
- (c) Mr. Leonardo George de Magalhães, accountant, enrolled with the CRC/MG under the No. 53,140.

2. Describe the qualifications of the recommended valuers.

Mr. Flávio de Almeida Araújo has a degree in accountability from Minas Gerais Federal University (UFMG) and a post-graduation MBA with specialization in finance from the Dom Cabral Foundation (FDC). He works at Cemig since 2006, holding, currently, the position of Financial Manager for Equity Holdings.

Mr. Francisco do Couto has a degree in accountability from the Newton Paiva University Center, with specialization in external auditing from UFMG, and MBA in Management, Finance, Controllership and Auditing from the Getúlio Vargas Foundation (FGV). His professional life has been almost entirely dedicated to accounting. He has been an independent auditor for 10 years. He has been a professor to undergraduate and extension courses at UFMG. Since February 1999 he has been working as an accountant at Cemig and is currently responsible for the preparation of the Consolidated Financial Statements of the Group. He is also a graduate and undergraduate professor at Centro Universitário UNA, where he has been teaching since 2003.

Mr. Leonardo George de Magalhães has a degree in accountability from UNA Faculdade de Ciências Econômicas, Belo Horizonte, with specialization in accountability from FGV and specialization in business management from UFMG. At Cemig he has been Controller since June 2008. Since September 2017 he has also served as General Manager for Planning and Corporate Control.

3. Provide a copy of the proposals for work and remuneration of the recommended valuers.

Appendix I to this document comprises a copy of the work proposal.

Scope: Accounting Net Equity of Cemig Telecomunicações S.A. CemigTelecom.

Fees: No remuneration for the valuers further to their normal remuneration as employees of Cemig.

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.

Table of Contents

4. Describe any material relationship existing in the last three years between the recommended valuers and related parties to the company, as defined in the accounting rules that deal with this subject.

Flávio de Almeida Araújo:

Is currently Cemig's Financial Manager for Holdings, with the following principal duties:

to promote the financial management of Cemig Group;

to follow the economic and financial results of the companies;

to participate in processes of merger, split, acquisition and disposal of corporate interests.

to act as a member of the Board of Directors in companies of the Cemig Group; and

to prepare accounting opinions for the purposes of spin-offs, mergers and allocations of capital to companies of the group.

Mr. Francisco do Couto:

Works as an accountant at Cemig.

Is currently responsible for the preparation of the Group's Consolidated Financial Statements.

Mr. Leonardo George de Magalhães:

Is the executive responsible for accounting, management of costs and tax planning of Cemig and its wholly-owned subsidiaries, and also management of budgeting, economic-financial planning, and analysis and monitoring of projects. He is:

Chairman of the Board of Forluz – the pension fund of the employees of Cemig;

a member of the Rate-regulated Activities Consultative Group of IASB – the International Accounting Standards Board;

a member of the Board of Directors of Aliança Norte – stockholder of the Belo Monte power plant;

Coordinator of the Control and Management Committee of Cemig: this body monitors the budgets and results of the businesses and also advises management in control and management analyzes and initiatives.

Coordinator of the Budget Prioritization Committee: a committee supporting management in decisions and management of investment projects, including analyses and prioritization of use of funds; and

represents Cemig in investor relation events in Brazilian and international financial markets.

He participates, jointly with the CFO and the Investor Relations Director, in the quarterly presentations of the Company's results to investors.

He has participated in various processes of mergers and acquisitions of Cemig.

* * * *

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	Agostinho	30190-131	Belo Horizonte, MG	Brazil	3506-5024	3506-5025

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

Table of Contents

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CNPJ 17.155.730/0001-64 NIRE 31300040127

APPENDIX I TO APPENDIX II

COPY OF THE WORK PROPOSAL OF THE ACCOUNTING EXPERTS

The accounting examination was carried out in accordance with NBC T 13, and comprised:

- (a) planning of the work;
- (b) application of procedures judged to be necessary in the circumstances;
- (c) issuance of the expert opinion on valuation of the equity to be incorporated.

The scope of the work is specified as: valuation of the equity of CemigTelecom, at book value, for the purpose of absorption. The following procedures were adopted:

Reading of the Financial Statements of December 31, 2016.

Reading of the Report of the External Auditors on the Financial Statements, issued by Deloitte Touche Tohmatsu Auditores Independentes on April 6, 2017, with no qualifications, in relation to the Financial Statements of December 31, 2016.

Reading of the Interim Accounting Information of September 30, 2017, jointly with the Report of the External Auditors, Ernst & Young Auditores Independentes, issued on November 10, 2017 on review of that quarterly information, without qualification.

Analytical review of the movement of balances of assets and liabilities in the period from September 30, 2017 to November 30, 2017.

At September 30, 2017 the books of account of CemigTelecom were compliant with the relevant legal formalities, and were written in accordance with the accounting practices adopted in Brazil.

The Accounting Experts used historic information and data audited by third parties and data provided by the management of CemigTelecom, via email or through its website. This being so, we assume that the data and information obtained for this Opinion is true.

* * * *

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

Table of Contents

Appendix III

PROTOCOL OF MERGER AND JUSTIFICATION

By this private instrument and for all purposes of law,

- (a) **COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG**, with head office in Belo Horizonte, Minas Gerais State, at Avenida Barbacena 1200, Santo Agostinho, registered in the CNPJ/MF under N° 17.155.730/0001-64, herein represented in accordance with its by-laws (Cemig) and
- (b) **CEMIG TELECOMUNICAÇÕES S.A.**, with head office in Belo Horizonte, Minas Gerais State, at Rua Inconfidentes 1051, registered in the CNPJ under N°. 02.983.428/0001-27, herein represented in accordance with its Articles of Association (CemigTelecom);
jointly, the Companies

have agreed on the terms and decided to execute the present Protocol of Merger and Justification, in the form set forth by Law 6404 of December 15, 1976 (the Corporate Law), to set out the terms and conditions governing the merger of CemigTelecom into Cemig.

CORPORATE PURPOSE AND SHARE CAPITAL OF THE COMPANIES

1. Cemig is a Brazilian publicly held company, its corporate purpose encompasses the following activities:
 - a) to build, operate and exploit systems of generation, transmission, distribution and sale of electricity and related services;
 - b) to develop activities in various energy related fields, regardless of the source, focusing on the economic and commercial exploitation;

- c) to render consulting services, within its fields of operation, to Brazilian and foreign companies; and
 - d) to carry out activities direct or indirectly related to its corporate purpose, including the development and commercial operation of telecommunication and information systems.
2. CemigTelecom is a Brazilian corporation, its corporate purpose encompasses the following activities:
- a) to render and commercially operate limited specialized telecommunication services, through an integrated system of fiber optic cables, coaxial cables, and electronic and related equipment for transmission, emission or reception of symbols, characters, signals, written material, images, sound and information of any type;
 - b) to render telecommunications services, through various technologies;
 - c) to render consulting services in telecommunications to Brazilian and foreign companies;
 - d) to grant use of its telecommunications system upon compensation to:
 - (i) holders of public electricity services concessions, for their use in the management their generation, transmission and distribution activities; and
 - (ii) companies aiming to commercially operate the system as alternative provider of carriage of signal to companies holding concession, permission or authorization to provide telecommunications services.

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.

Table of Contents

- (e) to commercial operate its telecommunications system as an alternative provider of carriage of signal to companies holding concession, permission or authorization to provide telecommunications services.
- f) to render multimedia communication services (SCM) in all the Brazilian territory.
- g) to hold corporate interests in other companies.

JUSTIFICATION AND BASES FOR THE MERGER

3. The transaction that is the subject of this protocol is the merger of CemigTelecom into Cemig, with transfer of the totality of the net assets and liabilities of CemigTelecom to Cemig, which will be the sole successor of CemigTelecom in all its goods and assets, rights and obligations, in the terms of Articles 227 *et seq.* of the Corporate Law (the Merger).
4. After implementation of the Merger the credits and debits of CemigTelecom, which currently constitute its assets and liabilities, will become part of the accounts of Cemig, being transferred to the corresponding lines in Cemig's accounting books, subject to any necessary adaptations.
5. The Merger will provide gains from synergies and reduce financial, operational and administrative costs through concentration of existing administrative structures in Cemig, which will increase the possibilities for Cemig to take advantage of all its available resources.
6. The Merger will take effect only as from March 31, 2018 (the Effective Date), regardless of the date on which the required approvals are obtained.
7. On the Effective Date, CemigTelecom will cease to exist.

ORGANIZATION AND COMPOSITION OF THE COMPANIES

8. Cemig is a Brazilian publicly held company, with corporate capital of R\$ 6,294,208,270.00 (six billion two hundred ninety four million two hundred and eight thousand two hundred seventy Reais), divided in
- a) 420,764,708 (four hundred twenty million seven hundred sixty four thousand seven hundred and eight) nominal common shares each with nominal value of R\$ 5.00 (five Reais); and
 - b) 838,076,946 (eight hundred thirty eight million seventy six thousand nine hundred forty six) nominal preferred shares each with nominal value of R\$ 5.00 (five Reais).
9. CemigTelecom is a Brazilian corporation, with corporate capital of R\$ 292,399,303.29 (two hundred ninety two million three hundred ninety nine thousand three hundred and three Reais and twenty nine centavos), fully paid up, divided in 448,340,822 (four hundred forty eight million three hundred and forty thousand eight hundred twenty two) nominal common shares without par value, all owned by Cemig:

Sole stockholder		Shares	%
Companhia Energética de Minas Gerais	CEMIG	448,340,822	100

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

Table of Contents

VALUATION

10. Subject to ratification by the stockholders of the Companies, the managers of the Companies have appointed the following Expert Accountants to prepare the valuation of the net equity of CemigTelecom, as per Article 8 of the Corporate Law:

Mr. Flávio de Almeida Araújo Brazilian, married, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua José de Alencar 984, Apt. 401, Nova Suíça, holder of Identity Card MG-7.348.434, CPF 045.915.356-06, and CRC/MG (Minas Gerais Regional Council of Accountants) 86.861/O-7;

Mr. Francisco do Couto Brazilian, single resident and domiciled in Belo Horizonte, MG, at Rua Uberlândia 555, Apt. 902, Carlos Prates, holder of Identity Card MG-3.124.729, CPF 525.441.416-20, and CRC/MG 58.343; and

Mr. Leonardo George de Magalhães Brazilian, married, resident and domiciled in Nova Lima, Minas Gerais, at Rua Vega 55, Quintas do Sol, holder of Identity Card 4.303.799 SSP/MG, CPF 617.665.426-20, and CRC/MG 53.140/O-4.

11. For the purposes of the Merger, the elements of the equity of CemigTelecom to be transferred to Cemig have been valued at book value, based on the financial statements of CemigTelecom on November 30, 2017.
12. Having been previously informed of their appointment as valuers subject to ratification by the stockholders of the Companies, the Accounting Experts determined, based on the financial statements on November 30, 2017, that the net value of the total assets and liabilities of CemigTelecom is

R\$ 245,761,413.36 (two hundred forty five million seven hundred sixty one thousand four hundred thirteen Reais and thirty six centavos),
after the adjustments described in Chapter 4 of the Valuation Report and the cancelation of the investment of Cemig in CemigTelecom.

13. Any change in the value of the net equity after the date of those financial statements will be absorbed by Cemig on the Effective Date of the Merger.

CORPORATE INTERESTS IN COMMON AND SUBSTITUTION OF SHARES

14. Considering that Cemig is the holder of 100% (one hundred per cent) of the share capital of CemigTelecom, there will be no substitution of shares issued by CemigTelecom by shares issued by Cemig.

With the cancelation of the shares issued by CemigTelecom, the value of the investment recorded in the assets of Cemig will be replaced by the equity value of CemigTelecom, as valued by the experts.

The Merger will not result in a change in the net equity of Cemig since the net equity value of CemigTelecom is already reflected in its entirety in the Stockholders' equity of Cemig, due to application of the equity method accounting. Consequently there will be no increase in the share capital of Cemig, nor any issue of new shares.

15. Since this is a merger of a wholly-owned subsidiary into its parent company, with no other stockholders of CemigTelecom, and since there will be no increase of the corporate capital of the Cemig, there is no need to establish parameters for an exchange ratio, and there is no additional information to be made available to the stockholders of Cemig.

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.

Table of Contents

FINAL PROVISIONS

16. Approval of this Protocol by the stockholders of CemigTelecom and by the stockholders of Cemig will result in the termination of CemigTelecom on the Effective Date of the Merger, with the cancellation of all the shares issued by CemigTelecom. The management of Cemig will be responsible for filing all the corporate documents required for the registry of the Merger with the relevant entities.

17. With the Merger coming into effect on the Effective Date, all the goods and assets, rights, receivables, obligations and liabilities of CemigTelecom will automatically become part of the assets and liabilities of Cemig, which will succeed CemigTelecom in all its rights and obligation, regardless of any formalities other than those specified by law.

18. The provisions relating to the withdraw right and reimbursement of shares are not applicable due to the fact that:
 - (i) in relation to CemigTelecom: Cemig owns the totality of the shares issued by CemigTelecom and, hence, there is no stockholder dissenting in relation to the Merger; and

 - (ii) in relation to Cemig: there is no provision of law or in the by-laws of the company that grants a withdraw right to any dissenting stockholder.

19. Under Article 231 of the Corporate Law, the Merger will be conditional upon:
 - (i) the approval by the holders of debentures issued by CemigTelecom, in a General Meeting called specifically to approve the Merger; and

 - (ii) the granting by CemigTelecom of a minimum period of 6 (six) months, from the date of publication of the minutes of the Meetings relating to the Merger, for redemption of its outstanding debentures.

Having agreed with the terms and conditions set forth above, the parties execute this instrument, in six counterparties of equal form and content, for it to produce its legal and regulatory effects.

Belo Horizonte, _____, 2018
By **COMPANHIA ENERGÉTICA DE MINAS GERAIS** **CEMIG**

By **CEMIG TELECOMUNICAÇÕES S.A.**

Witnesses:

1.	2.
Name:	Name:
CPF/MF:	CPF/MF:
ID/Issuer:	ID/Issuer:

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

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Table of Contents

Appendix IV

OPINION OF THE AUDITING BOARD

The undersigned members of the Auditing Board of the Companhia Energética de Minas Gerais – Cemig, in performance of their role under the law and under the by-laws of the company, have analyzed the Proposal made by the Board of Directors to the Extraordinary General Meeting of Stockholders to be held on February 28, 2018, which is for the following:

- 1 Approval and authorization for execution of a Protocol of Merger and Justification, with Cemig Telecomunicações S.A. – CemigTelecom, which will set out the terms and conditions to govern the merger of CemigTelecom into Cemig.
- 2 Ratification of the nomination of the following 3 (three) experts – Mr. Flávio de Almeida Araújo, CRC/MG 86.861, Mr. Francisco do Couto, CRC/MG 58.343, and Mr. Leonardo George de Magalhães, CRC/MG 53.140, that will provide a valuation, for the purposes of Article 8 of Law 6404/1976, of the net equity of CemigTelecom.
- 3 Approval of the Net Equity Valuation Report of CemigTelecom, at book value, prepared by the three experts, in accordance with Article 8 of Law 6404/1976.
- 4 Authorization to the merger of CemigTelecom into Cemig and subsequent termination of CemigTelecom.
- 5 Authorization to Cemig to be the successor of CemigTelecom, in all its rights and obligations, for all purposes of law and otherwise.
- 6 Authorization to the transfer to Cemig, by merger, of all the establishments, tangible and intangible assets and goods, inventories, real estate property, credits, assets, rights, employees, stockholdings, contracts, obligations, liabilities, tax books and invoices, controls, records, accounting, documents, systems and information of CemigTelecom, including its shares in Ativas Data Center S.A. (Ativas), which corresponds

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to 19.6% of the share capital of Ativas, and the contracts related to this stockholding interest. After carefully analyzing the above proposal and considering that the applicable rules governing the matters under discussion have been complied with, it is the opinion of the members of the Auditing Board that the proposal should be approved by the said General Meeting of Stockholders.

Belo Horizonte, January 25, 2018

Signed:

Edson Moura Soares

Camila Nunes da Cunha Pereira Paulino

Manuel Jeremias Leite Caldas

Rodrigo de Mesquita Pereira

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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Table of Contents

Appendix V

**VALUATION REPORT ON THE EQUITY OF CEMIG TELECOMUNICAÇÕES S.A. FOR THE
PURPOSES OF MERGER**

35

Table of Contents

Belo Horizonte, December 22, 2017.

To the Management of

Companhia Energética de Minas Gerais - Cemig

Av. Barbacena, 1.200 - 18º Andar

Belo Horizonte, Minas Gerais

In accordance with the provisions of Paragraphs 1 and 6 of Article 8 of Law 6404/75, the Management of Cemig Companhia Energética de Minas Gerais - CEMIG (Cemig) has appointed three expert accountants to prepare a valuation report, at book value, on the net equity of Cemig Telecomunicações S.A. - CemigTelecom (CemigTelecom or the Company), details of which are in the appendix to this document. This appointment will be ratified in an Extraordinary General Meeting of Stockholders of Cemig.

1. INFORMATION ABOUT THE EXPERTS

The accountants listed below were appointed as experts to carry out the valuation of the Net Equity of CemigTelecom, and have prepared this Valuation Report in accordance with the accounting practices adopted in Brazil, as defined in Item 7 of Accounting Pronouncement NBC TG 26 - *Presentation of Accounting Statements*:

Flávio de Almeida Araújo, accountant, enrolled with the Minas Gerais State Regional Accounting Council (CRC/MG) under No. 86.861.

Mr. Francisco do Couto, accountant, enrolled with the CRC/MG under No. 58.343.

Mr. Leonardo George de Magalhães, accountant, enrolled with the CRC/MG under No. 53.140.

In compliance with CVM Instruction 319/99, as amended, the expert accountants represent that:

- (a) they have no direct or indirect interest in the Company or in the operations carried out by it.
- (b) they found no limitations imposed by the controlling stockholders or managers that might have hindered or jeopardized the access to, use or knowledge of information, goods and assets, documents or work methodologies necessary for construction of their conclusions.

The accounting inspection was carried out in accordance with NBC T 13, and comprised:

- (a) Planning of the work;

(b) Application of the necessary procedures due to the circumstances;

(c) Issuance of the expert valuation report on the stockholders' equity to be transferred to the surviving company.

2. GENERAL INFORMATION ON THE COMPANY BEING VALUED, SUBJECT OF THE MERGER

Cemig Telecomunicações S.A. is a listed corporation and a wholly-owned subsidiary of Companhia Energética de Minas Gerais S.A. - Cemig. It offers optical network for services of carriage of telecommunications in the State of Minas Gerais, using the electricity transmission and distribution infrastructure of Cemig.

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Table of Contents

CemigTelecom was incorporated on January 13, 1999, with the following purposes: to provide telecommunication services, through an integrated system consisting of fiber optic cables, coaxial cables, and electronic and related equipment for transmission, emission and reception of symbols, characters, signals, written material, images, sound and information of any type, and to operate telecommunications systems as an alternative provider of carriage of signal and other services to companies holding concession, permission or authorization to provide telecommunications services.

3. PURPOSE OF THE VALUATION; BASE DATE

The objective of the valuation of the net equity of CemigTelecom, at book value, on the base date of November 30, 2017, is the merger of its total net assets and liabilities into its parent company Cemig, in accordance with Articles 226 and 227 of Law 6404/76.

4. SCOPE OF THE WORK

To ensure accuracy of the accounting values of the asset and liability elements that comprise the balance sheet of CemigTelecom on November 30, 2017, we adopted the following procedures:

- Ø Reading of the Financial Statements at December 31, 2016.

- Ø Reading of the Report by the Independent Auditor, Deloitte Touche Tohmatsu Auditores Independentes, issued on April 6, 2017 on the Financial Statements, without qualification in relation to the Balance Sheet of December 31, 2016.

- Ø Interim Accounting Statements of September 30, 2017, accompanied by the Report of the external auditor, Ernst & Young Auditores Independentes, issued on November 10, 2017 on the review of the quarterly information, without qualification.

- Ø Analytical review of the movement of balances of assets and liabilities in the period between September 30, 2017 and November 30, 2017.

On September 30, 2017 the accounting records of CemigTelecom were in compliance with the pertinent legal formalities and are written in accordance with accounting practices adopted in Brazil.

The experts used historic information and data audited by third parties and data supplied by the management of CemigTelecom, via email or through its website. We, thus, assume that the data and information obtained for this Opinion is true.

This Report was prepared for use solely and exclusively by Cemig, for the purpose mentioned in Item 3.

5. PRESENTATION OF THE BALANCE SHEET

The Balance Sheet of November 30, 2017 was prepared in accordance with accounting practices adopted in Brazil. The experts verified that the assets and liabilities of CemigTelecom are properly accounted in accordance with the

Plan of Accounts of the Telecommunications Sector.

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

Table of Contents**6. COMPOSITION OF NET ASSETS AND LIABILITIES****6.1. Accounting Valuation and base date:**

The components of net equity of CemigTelecom on November 30, 2017 are represented, in summary, by the following account lines:

ASSETS	In Reais (R\$)
Current and non-current assets	363,453,288.20
LIABILITIES	
Current and non-current liabilities	117,691,874.84
TOTAL OF STOCKHOLDERS EQUITY	245,761,413.36

6.2. Net equity at market price

Since both the companies involved in the transaction, are listed companies, valuation at market price or any other economic-financial valuation technique is not justified, as specified by Article 264 of Law 6404/76, since this is a case of merger of a wholly-owned subsidiary into its parent company, and there is no determination of an exchange ratio that could be the subject to comparison and/or right to withdraw by dissenting shareholders. In other words, there will be no change in the net equity of Cemig, and consequently, no issuance of new shares, for which reason valuation at market price is not applicable.

6.3. Treatment of subsequent variations in the value of equity

Under Article 224, Sub-item III of Law 6404/76, the variations in equity that take place between the base date of this Opinion and the date of the merger of CemigTelecom into Cemig will be appropriated directly by Cemig, and at the time of the actual merger, the balances of existing account lines in the analytical interim balance sheet of CemigTelecom will be reflected, line by line, into Cemig's balance sheet.

7. CONCLUSION

As a result of the procedures and analyses effected, we conclude that the value of the stockholders' equity of CemigTelecom, on November 30, 2017 is R\$ 245,761,413.36 (two hundred forty five million seven hundred sixty one thousand four hundred thirteen Reais and thirty six centavos).

Expert accountant: Flávio de Almeida Araújo

Expert accountant: Francisco do Couto

Expert accountant: Leonardo George de Magalhães

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Table of Contents**APPENDIX I BALANCE SHEET AT NOVEMBER 30, 2017**TELECOMUNICAÇÕES S.A. -
CEMIGTELECOMBALANCE SHEET ON NOVEMBER 30, 2017 AND
DECEMBER 31, 2016

CEMIG TELECOMUNICAÇÕES S.A. - CEMIGTELEC

BALANCE SHEET ON NOVEMBER 30, 2017 AND DECEMBER 31, 2016

(In reais)

	Nov. 30, 2017 30/11/2017	Dec. 31, 2016 31/12/2016	% change AH%		Nov. 30, 2017 30/11/2017	Dec. 31, 2016 31/12/2016
LIABILITIES AND STOCKHOLDERS EQUITY						
CURRENT:						
Loans and debentures	12.806.068	1.033.959	1138,5%	Loans and debentures	13.132.426	63.751.66
Suppliers	524.834	1.855.029	-71,7%	Suppliers	18.778.123	21.750.01
Tax obligations	20.832.186	19.552.443	6,5%	Tax obligations	10.597.094	9.572.51
Salary-related charges	4.148.829	3.683.818	12,6%	Salary-related charges	3.199.241	4.862.62
Advances from clients	1.677.037	898.825	86,6%	Advances from clients	459.764	459.76
Other	37.559	33.931	10,7%	Other	571.122	973.00
Total, current	40.026.512	27.058.004	47,9%	Total, current	46.737.770	101.369.57
NON-CURRENT:						
Loans and debentures				Loans and debentures	55.109.273	37.620.51
Provisions for contingencies	203.143	83.248	144,0%	Provisions for contingencies	56.714	82.85
Advances from clients	11.602.136	11.875.973	-2,3%	Advances from clients	4.227.688	4.663.10
Tax obligations	3.184.911	2.997.422	6,3%	Tax obligations	1.907.021	2.465.57
Salary-related charges	6.345.656	8.037.818	-21,1%	Salary-related charges	3.279.115	2.800.76
Ativas	239.113	906.930	-73,6%	Ativas	6.374.295	3.409.65
Total, Non-current	4.483.565	4.586.470	-2,2%	Total, Non-current	70.954.105	51.042.47
	17.598.105	19.744.312	-10,9%			
STOCKHOLDERS EQUITY:	270.145.535	261.612.715	3,3%	STOCKHOLDERS EQUITY:		

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	9.624.612	9.489.877	1,4%	Share capital	292.399.303	241.741.86
				Equity valuation adjustments	(755.826)	(755.82
				Retained losses	(45.882.064)	(47.005.31
				Total stockholders equity	245.761.413	193.980.72
SETS	363.453.288	346.392.769	4,9%	TOTAL LIABILITIES	363.453.288	346.392.76

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Table of Contents

Nov. 30, 2017 Dec. 31, 2016 % change

Cemig Telecomunicações S.A. CemigTelecom

Cemig Telecomunicações S.A. CemigTelecom

BALANCE SHEETS ON NOVEMBER 30, 2017 AND
DECEMBER 31, 2016

BALANCE SHEETS ON NOVEMBER 30, 2017
AND DECEMBER 31, 2016

(In Reais R\$)

(In Reais R\$)

ASSETS

LIABILITIES AND STOCKHOLDERS EQUITY

CURRENT

Cash and cash equivalents
Securities
Accounts receivable from clients
Taxes recoverable
Advances
Prepaid expenses
Total, current

CURRENT:

Loans and debentures
Suppliers
Tax obligations
Salary-related charges
Advances from clients
Other
Total, current

NON-CURRENT:

Long term assets
Securities held to maturity
Accounts receivable from clients
Taxes recoverable
Deferred income tax and Social Contribution
Other
Financial assets
Investments
Net PP&E
Intangible

NON-CURRENT:

Loans and debentures
Provisions for contingencies
Advances from clients
Tax obligations
Salary-related charges
Ativas
Total, Non-current

TOTAL ASSETS

STOCKHOLDERS EQUITY:

Share capital
Equity valuation adjustments
Retained losses
Total stockholders equity

TOTAL LIABILITIES

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Table of Contents

Appendix VI

41

Table of Contents

Companhia Energética de

Minas Gerais

CEMIG

*Financial Statements as of December 31, 2016 and December
31, 2015 and for the Years Ended December 31, 2016, 2015 and
2014 and Report of Independent Registered Public Accounting
Firm*

Table of Contents

CONTENTS

<u>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</u>	44
<u>CONSOLIDATED STATEMENTS OF INCOME</u>	46
<u>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME</u>	47
<u>CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY</u>	48
<u>CONSOLIDATED STATEMENTS OF CASH FLOW</u>	50
<u>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</u>	52
1. <u>OPERATING CONTEXT</u>	52
2. <u>BASIS OF PREPARATION</u>	61
3. <u>PRINCIPLES OF CONSOLIDATION</u>	72
4. <u>CONCESSIONS AND AUTHORIZATIONS</u>	74
5. <u>OPERATING SEGMENTS</u>	85
6. <u>CASH AND CASH EQUIVALENTS</u>	89
7. <u>SECURITIES</u>	89
8. <u>CONSUMERS, TRADERS AND POWER TRANSPORT CONCESSION HOLDERS</u>	90
9. <u>RECOVERABLE TAXES</u>	91
10. <u>INCOME AND SOCIAL CONTRIBUTION TAXES</u>	91
11. <u>RESTRICTED CASH</u>	94
12. <u>ESCROW DEPOSITS</u>	94
13. <u>ENERGY DEVELOPMENT ACCOUNT (CDE)</u>	95
14. <u>FINANCIAL ASSETS AND LIABILITIES OF THE CONCESSION</u>	96
15.	