

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY – CNPJ 17.155.730/0001-64 – NIRE 31300040127

MARKET ANNOUNCEMENT

Extraordinary Tariff Adjustment for Cemig D

Cemig (*Companhia Energética de Minas Gerais S.A.*) and **Cemig D** (*Cemig Distribuição S.A.*) hereby inform the public, the Brazilian Securities Commission (CVM), and the São Paulo Stock Exchange (BM&FBovespa S.A.) (in compliance with CVM Instruction 358/2002, as amended) **as follows**:

On today's date an Extraordinary Meeting of the Council of Aneel, the Brazilian electricity regulator, announced new rates to be charged by Cemig D as from March 2, 2015 arising from the Extraordinary Tariff Adjustment.

The adjustment is to cover costs relating to:

- Increase in the quota charge from the CDE (Energy Development Account).
- Increased cost of purchase of power due to adjustment of the price charged by Itaipu.
- The result of the 14th Existing Source Supply Contracts Auction, and the 18th Adjustment Auction.
- Cost arising from involuntary exposure to the Spot Market.

This table gives the effect on rates charged to clients of Cemig D, by voltage level:

| SUBGROUP | EFFECT | SUBGROUP | EFFECT |
|----------------|---------|-----------------|--------|
| A2 | 108.61% | B1 Residential | 21.43% |
| A3 | 35.26% | B2 | 21.39% |
| A3a | 32.58% | B3 | 21.39% |
| A4 | 32.59% | B4 | 21.39% |
| AS | 24.54% | | |
| A (industrial) | 48.83% | B (low voltage) | 21.41% |
| A + B | | 28.76% | |

The Rate Bands were defined as follows:

- Yellow Band : R\$ 2.50 per 100 kWh consumed;
- Red Band : R\$ 5.50 per 100 kWh consumed.

These amounts will cover the following expenses of the distributor:

- Variation of costs due to thermoelectric generation and exposure to the spot market.
- Variation of the cost of the variable portion of CCEAR availability contracts.
- ESS (System Service Charge) of plants dispatched on cost-merit basis with variable unit cost above the Spot Price limit.
- ESS Charge generated on power security basis.
- Involuntary exposure.
- Hydrological risk of MRE quota contracts.
- Hydrological risk of Itaipu.
- Excess amounts arising in the Reserve Energy Account (Coner).

Belo Horizonte, February 27, 2015.

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer