CONTENTS

STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2020 AND DECEMBER 31, 2019

ASSETS

(In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
CURRENT					
Cash and cash equivalents	5	346,754	211,608	294,228	136,208
Marketable securities	6	472,497	372,678	221,715	128,175
Customers and traders	7	905,239	1,033,281	757,382	912,315
Concession holders – transmission service	7	94,229	95,815	94,312	95,898
Recoverable taxes	8	53,104	51,182	44,184	43,700
Income tax and social contribution tax recoverable	9a	370,127	364,562	367,120	363,049
Dividends receivable	27	115,104	112,043	115,398	112,337
Concession financial assets	11	444,197	439,582	190,064	189,017
Contract assets	12	166,220	171,849	166,220	171,849
Advances to suppliers		30,116	40,081	30,116	40,081
Hydrological risk renegotiation premium		16,813	17,203	16,813	17,203
Derivative financial instruments	28	485,006	234,766	485,006	234,766
Others		107,510	93,903	104,045	99,838
TOTAL CURRENT		**3,606,916**	**3,238,553**	**2,886,603**	**2,544,436**
NON-CURRENT					
Marketable securities	6	37,884	916	17,773	315
Customers and traders	7	3,524	5,942	1	573
Deferred income tax and social contribution tax	9c	5,143	5,100	-	
Recoverable taxes	8	681,328	676,051	653,041	647,934
Income tax and social contribution tax recoverable	9a	3,067	3,067	-	
Escrow deposits	10	170,322	364,277	155,940	350,051
Hydrological risk renegotiation premium		6,595	9,338	6,595	9,338
Derivative financial instruments	28	2,520,178	1,456,178	2,520,178	1,456,178
Others		55,136	55,134	50,624	54,723
Concession financial assets	11	4,153,774	4,125,488	1,905,614	1,907,837
Contract assets	12	1,045,150	1,024,385	1,045,150	1,024,385
Investments	13	4,043,662	4,041,565	7,499,258	7,341,485
Property, plant and equipment	14	2,427,822	2,448,487	1,803,377	1,822,191
Intangible assets	15	150,996	155,587	27,303	28,260
Leasing – rights of use	16	49,491	52,984	48,397	51,581
TOTAL NON-CURRENT		**15,354,072**	**14,424,499**	**15,733,251**	**14,694,851**
TOTAL ASSETS		**18,960,988**	**17,663,052**	**18,619,854**	**17,239,287**

The Condensed Explanatory Notes are an integral part of the Interim financial information.

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STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2020 AND DECEMBER 31, 2019

LIABILITIES

(In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
CURRENT					
Loans and financings	19	452,654	224,102	271,084	45,876
Debentures	19	648,775	693,996	648,775	693,996
Suppliers	17	319,394	422,312	306,438	396,317
Income tax and social contribution tax	9b	45,618	133,868	-	
Taxes payable	18	62,146	51,248	48,868	39,008
Regulatory charges	20	169,731	168,785	157,031	157,638
Post-employment obligations	21	63,209	62,550	63,209	62,550
Interest on equity, and dividends, payable		781,769	781,769	781,769	781,769
Payroll and related charges		46,743	51,020	45,837	50,048
Leasing – obligations	16	15,249	16,724	14,643	16,097
Others		168,299	169,138	142,451	155,490
TOTAL CURRENT		**2,773,587**	**2,775,512**	**2,480,105**	**2,398,789**
NON-CURRENT					
Loans and financings	19	7,751,232	5,997,355	7,751,232	5,997,355
Debentures	19	565,957	971,330	565,957	971,330
Deferred income tax and social contribution tax	9c	320,615	403,108	300,191	382,560
Taxes payable	18	144	352	72	72
Regulatory charges	20	53,236	45,298	47,113	39,983
Post-employment obligations	21	1,378,408	1,372,337	1,378,408	1,372,337
Provisions	22	404,957	400,457	404,657	400,205
Derivative financial instruments - options	28	503,653	482,841	503,653	482,841
Leasing – obligations	16	36,585	38,335	36,034	37,502
Others		40,450	39,926	20,268	20,112
TOTAL NON-CURRENT LIABILITIES		**11,055,237**	**9,751,339**	**11,007,585**	**9,704,297**
TOTAL LIABILITIES		**13,828,824**	**12,526,851**	**13,487,690**	**12,103,086**
SHAREHOLDERS' EQUITY	23				
Share capital		2,600,000	2,600,000	2,600,000	2,600,000
Profit reserves		2,758,086	2,757,210	2,758,086	2,757,210
Equity valuation adjustments		(222,434)	(221,009)	(222,434)	(221,009)
Retained losses		(3,488)	-	(3,488)	-
TOTAL SHAREHOLDERS' EQUITY		**5,132,164**	**5,136,201**	**5,132,164**	**5,136,201**
TOTAL LIABILITIES AND EQUITY		**18,960,988**	**17,663,052**	**18,619,854**	**17,239,287**

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STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

(In thousands of Brazilian Reais, except earnings per share)

	Note	Consolidated		Parent Company	
		Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
REVENUE	24	**1,891,666**	**1,954,876**	**1,644,300**	**1,699,599**
OPERATING COSTS					
COST OF ENERGY	25				
Charges for use of the national grid		(49,434)	(46,085)	(36,545)	(33,246)
Energy bought for resale		(913,749)	(782,920)	(913,392)	(776,547)
		(963,183)	**(829,005)**	**(949,937)**	**(809,793)**
OTHER COSTS	25				
Personnel and managers		(57,767)	(68,731)	(56,023)	(64,157)
Materials		(1,705)	(4,214)	(783)	(3,621)
Outsourced services		(18,193)	(18,762)	(8,770)	(10,243)
Depreciation and amortization		(48,261)	(43,223)	(33,232)	(34,977)
Operating provisions, net	25c	(6,925)	(2,405)	(6,877)	(3,257)
Transmission infrastructure construction cost	25e	(47,198)	(28,087)	(47,198)	(28,087)
Other operating costs		(1,866)	775	(1,548)	33
		(181,915)	**(164,647)**	**(154,431)**	**(144,309)**
TOTAL COSTS		**(1,145,098)**	**(993,652)**	**(1,104,368)**	**(954,102)**
GROSS PROFIT		**746,568**	**961,224**	**539,932**	**745,497**
OPERATING EXPENSES					
Selling expenses	25b	(3,543)	(16,698)	(3,543)	(8,767)
General and administrative expenses		(42,359)	(47,334)	(42,359)	(47,334)
Other operating expenses		(53,374)	(51,335)	(52,246)	(51,063)
		(99,276)	**(115,367)**	**(98,148)**	**(107,164)**
Share of profit (loss) of associates and joint ventures, net	13	5,457	36,679	161,133	202,872
Operating profit before financial revenue (expenses) and taxes		**652,749**	**882,536**	**602,917**	**841,205**
Finance income	26	1,341,869	196,743	1,336,256	187,405
Finance expenses	26	(2,031,542)	(262,103)	(2,025,579)	(256,450)
Income before finance income (expenses) and taxes		**(36,924)**	**817,176**	**(86,406)**	**772,160**
Current income tax and social contribution tax	9d	(49,649)	(206,709)	-	(160,504)
Deferred income tax and social contribution tax	9d	82,536	(27,251)	82,369	(28,440)
NET INCOME (LOSS) FOR THE PERIOD		**(4,037)**	**583,216**	**(4,037)**	**583,216**
Basic and diluted earnings (loss) per common share – R$	**23**	**(0.0014)**	**0.2013**	**(0.0014)**	**0.2013**

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STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

(In thousands of Brazilian Reais)

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
NET INCOME (LOSS) FOR THE PERIOD	**(4,037)**	**583,216**	**(4,037)**	**583,216**
COMPREHENSIVE INCOME FOR THE PERIOD	**(4,037)**	**583,216**	**(4,037)**	**583,216**

The Condensed Explanatory Notes are an integral part of the Interim financial information.

STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

(In thousands of Brazilian Reais – except where otherwise stated)

	Share capital	Profit reserves	Equity valuation adjustments	Retained earnings	Total equity
Balances on December 31, 2018	**2,600,000**	**2,362,614**	**17,522**	**-**	**4,980,136**
Net income for the period	-	-	-	583,216	583,216
Realization of PP&E deemed cost	-	-	(3,402)	3,402	-
Balances on March 31, 2019	**2,600,000**	**2,362,614**	**14,120**	**586,618**	**5,563,352**
Balancer on December 31, 2019	**2,600,000**	**2,757,210**	**(221,009)**	**-**	**5,136,201**
Tax incentive reserves (1)	-	876	-	(876)	-
Loss for the period	-	-	-	(4,037)	(4,037)
Realization of PP&E deemed cost	-	-	(1,425)	1,425	-
Balances on March 31, 2020	**2,600,000**	**2,758,086**	**(222,434)**	**(3,488)**	**5,132,164**

(1) to be determined in the Annual General Meeting that decide on the allocation of net income for 2020 .

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STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

(In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
CASH FLOW FROM OPERATIONS					
Net income (loss) for the period		(4,037)	583,216	(4,037)	583,216
Adjustments for:					
Expenses (revenues) not affecting cash and cash equivalents:					
Depreciation and amortization	25	52,439	47,122	37,411	38,876
Write-down of net residual value of PP&E, Intangible assets, Concession financial and Contract assets		1,328	1,650	354	985
Updating of concession financial and contract assets	11 and 12	(156,430)	(113,287)	(56,538)	(32,499)
Adjustment to expectation of contractual cash flow from the concession	12	(2,071)	(5,596)	(2,071)	(5,596)
Gain (loss) by equity method	13	(5,457)	(36,679)	(161,133)	(202,872)
Interest and monetary variation		266,279	192,491	262,976	188,467
Foreign exchange variations – loans and financings	19	1,752,000	32,847	1,752,000	32,847
Amortization of transaction cost of loans and financings	19	2,987	2,877	2,987	2,877
Deferred income tax and social contribution tax	9c	(82,536)	27,251	(82,369)	28,440
Recovery of PIS/Pasep and Cofins taxes credits over ICMS, including updating	8a	(4,302)	-	(4,132)	-
Provisions for operating losses, net	25c	10,468	19,103	10,420	12,024
Variation in fair value of derivative financial instruments – Swaps	28	(1,314,240)	(152,311)	(1,314,240)	(152,311)
Variation in fair value of derivative financial instruments (Put options)	28	20,812	11,008	20,812	11,008
Reimbursement for suspension of supply of power (Renova)		-	(62,576)	-	(62,576)
Post-employment obligations	21	26,450	25,114	26,450	25,114
		563,690	**572,230**	**488,890**	**468,000**
(Increase) / decrease in assets					
Customers and traders		126,917	(182,667)	151,962	(161,989)
Recoverable taxes		(2,897)	3,723	(1,459)	4,990
Income tax and social contribution tax recoverable		(8,095)	75,152	(4,071)	(3,352)
Power transport concession holders		1,586	(5,843)	1,586	(5,841)
Escrow deposits		195,467	909	195,553	967
Dividends received		491	1,076	491	1,078
Concession financial assets	11	112,136	107,933	46,321	44,259
Contract assets		(1,802)	3,556	(1,802)	3,556
Advances to suppliers		9,965	6,785	9,965	2,036
Others		(10,476)	80,685	3,025	84,605
		423,292	**91,309**	**401,571**	**(29,691)**
(Increase) / reduction in liabilities					
Suppliers		(102,918)	(140,702)	(89,879)	(107,027)
Taxes		10,945	11,441	10,114	10,385
Income tax and social contribution tax		49,649	131,488	-	160,504
Payroll and related charges		(4,277)	1,813	(4,211)	1,852
Regulatory charges		8,884	7,597	6,523	7,481
Post-employment obligations	21	(19,720)	(17,693)	(19,720)	(17,693)
Advances from customers		-	(28,207)	-	(28,207)
Others		(2,932)	27,851	(15,500)	17,953
		(60,369)	**(6,412)**	**(112,673)**	**45,248**
Cash from operations activities		**926,613**	**657,127**	**777,788**	**483,557**
Income tax and social contribution tax paid		(135,369)	(292,670)	-	(174,797)
Interest paid on loans, financings and debentures	19	(72,835)	(92,036)	(72,835)	(92,036)
Interest paid on leasing transactions	16	(62)	(1,717)	(60)	(1,676)
CASH FROM OPERATING ACTIVITIES		**718,347**	**270,704**	**704,893**	**215,048**

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	Note	Consolidated		Parent Company	
		Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
CASH FLOW IN INVESTMENT ACTIVITIES					
Funding of investments	13b	-	(15,952)	-	(15,952)
Loan with related parties	27	-	46,599	-	46,599
Investment in Property, plant and equipment	14	(25,158)	(6,121)	(14,776)	(3,546)
Investment in Intangible assets	15	(64)	(424)	(64)	(424)
Investment in Marketable securities	6	(136,787)	(46,922)	(110,998)	8,086
NET CASH FROM (USED IN) INVESTMENT ACTIVITIES		**(162,009)**	**(22,820)**	**(125,838)**	**34,763**
CASH FLOW IN FINANCING ACTIVITIES					
Payments of loans, financings and debentures	19	(416,745)	(234,599)	(416,746)	(234,599)
Leasing payments	16	(4,447)	(2,165)	(4,289)	(2,049)
NET USED IN FINANCIAL ACTIVITIES		**(421,192)**	**(236,764)**	**(421,035)**	**(236,648)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**135,146**	**11,120**	**158,020**	**13,163**
Cash and cash equivalents at start of period	5	**211,608**	**301,696**	**136,208**	**226,830**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	**346,754**	**312,816**	**294,228**	**239,993**

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STATEMENTS OF ADDED VALUE

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(In thousands of Brazilian Reais)

	Consolidated				Parent Company			
	Jan. to Mar. 2020		Jan. to Mar. 2019		Jan. to Mar. 2020		Jan. to Mar. 2019	
REVENUES								
Sales of energy and services	2,122,416		2,262,791		1,931,594		2,044,495	
Construction revenue	47,198		28,087		47,198		28,087	
Gain on financial updating of the Concession grant fee	99,892		80,788		-		-	
Investments in property, plant and equipment	15,015		3,976		15,015		3,976	
Transmission indemnity revenue	56,538		32,499		56,538		32,499	
Provision for doubtful receivables	(3,543)		(16,698)		(3,543)		(8,767)	
Other revenues, net	-		1,324		-		1,324	
	2,337,516		**2,392,767**		**2,046,802**		**2,101,614**	
INPUTS ACQUIRED FROM THIRD PARTIES								
Energy bought for resale	(1,003,354)		(859,350)		(1,002,831)		(852,703)	
Charges for use of national grid	(53,983)		(50,229)		(40,257)		(36,626)	
Outsourced services	(62,581)		(46,154)		(53,152)		(37,631)	
Materials	(36,477)		(21,370)		(35,556)		(20,778)	
Paid concession	(680)		(628)		(678)		(628)	
Other operating costs	(33,596)		(19,061)		(32,661)		(20,834)	
	(1,190,671)		**(996,792)**		**(1,165,135)**		**(969,200)**	
GROSS VALUE ADDED	**1,146,845**		**1,395,975**		**881,667**		**1,132,414**	
RETENTIONS								
Depreciation and amortization	(52,439)		(47,122)		(37,411)		(38,876)	
NET VALUE ADDED	**1,094,406**		**1,348,853**		**844,256**		**1,093,538**	
ADDED VALUE RECEIVED BY TRANSFER								
Share of (loss) profit, net, of associates and joint ventures	5,457		36,679		161,133		202,872	
Finance income	1,341,869		196,743		1,336,256		187,405	
	1,347,326		**233,422**		**1,497,389**		**390,277**	
ADDED VALUE TO BE DISTRIBUTED	**2,441,732**		**1,582,275**		**2,341,645**		**1,483,815**	
DISTRIBUTION OF ADDED VALUE								
		%		%		%		%
Employees	**94,501**	**3.86**	**117,646**	**7.43**	**92,845**	**3.96**	**113,121**	**7.62**
Direct remuneration	58,463	2.39	77,318	4.89	56,964	2.43	72,913	4.91
Current Benefits and post-employment	32,056	1.31	30,218	1.90	31,935	1.36	30,132	2.04
FGTS fund	3,982	0.16	4,256	0.27	3,946	0.17	4,222	0.28
Programmed voluntary retirement plan	-	-	5,854	0.37	-	-	5,854	0.39
Taxes	**318,293**	**13.04**	**617,117**	**39.00**	**226,273**	**9.66**	**528,972**	**35.65**
Federal	173,529	7.11	474,075	29.96	96,478	4.12	403,055	27.16
State	143,143	5.86	141,201	8.92	129,033	5.51	125,060	8.43
Municipal	1,621	0.07	1,841	0.12	762	0.03	857	0.06
Remuneration of external capital	**2,032,975**	**83.26**	**264,296**	**16.71**	**2,026,564**	**86.54**	**258,506**	**17.42**
Interest	2,031,542	83.21	262,103	16.57	2,025,579	86.50	256,450	17.28
Rentals	1,433	0.06	2,193	0.14	985	0.04	2,056	0.14
Remuneration of own capital	**(4,037)**	**(0.17)**	**583,216**	**36.86**	**(4,037)**	**(0.17)**	**583,216**	**39.31**
Retained earnings	(4,037)	(0.17)	583,216	36.86	(4,037)	(0.17)	583,216	39.31
	2,441,732	**100.00**	**1,582,275**	**100.00**	**2,341,645**	**100.00**	**1,483,815**	**100.00**

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NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH PERIOD ENDED AS OF MARCH 31, 2020

(In thousands of Brazilian Reais, except where otherwise indicated)

1. OPERATING CONTEXT

a) The Company

Cemig Geração e Transmissão S.A. ('Cemig GT', 'the Company' or 'Cemig Geração e Transmissão') is a listed corporation registred in the Brazilian Registry of Corporate Taxpayers (CNPJ) under number 06.981.176/0001-58 and a wholly-owned subsidiary of Companhia Energética de Minas Gerais ('Cemig'). It was incorporated on September 8, 2004, and began operating on January 1, 2005, pursuant to the process of separation of activities ('unbundling') of Cemig. Its shares are not traded on any exchange. It is domiciled in Brazil, with head office in Belo Horizonte, Minas Gerais.

The objects of the Company are: (i) to study, plan, design, build and commercially operate systems of generation, transmission and sale of energy and related services for which concessions are granted, under any form of law, to it or to subsidiaries; (ii) to operate in the various fields of energy, from any source, for the purpose of economic and commercial operation; (iii) to provide consultancy services within its field of operation to companies in Brazil and abroad; and (iv) to carry out activities directly or indirectly related to its objects.

The Company has too interests in 82 power plants – of these 75 are hydroelectric, six are wind power plants and one is solar – and the associated transmission lines, mostly part of the Brazilian national generation and transmission grid system, with installed capacity for 5,750 MW (information not reviewed by external auditors).

The Company has stockholding interests in subsidiaries, jointly-controlled entities and affiliated companies, the principal objects of which are construction and operation of systems for production and sale of energy.

Based on the facts and circumstances at this date, management has assessed the Company's capacity to continue operating normally and believes firmly that its operations have the capacity to generate funds to enable the continuation of its business in the future. In addition, Management is not aware of any material uncertainties that could generate significant doubts about its ability to continue operating. Therefore, this interim financial information has been prepared on a going concern basis.

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a) Covid-19

General Context

On March 11, 2020, the World Health Organization characterized Covid-19 as a pandemic, reinforcing the restrictive measures recommendations to prevent the virus dissemination worldwide. These measures are based, mainly, on social distancing, which have been causing major negative impact on entities, affecting their production process, interrupting their supply chains, causing workforce shortages and closing of stores and facilities. The economies around the world are developing measures to handle the economic crisis, especially by their central banks and fiscal authorities, but the economic downturn and its effects are not yet accurately measurable.

Company's initiatives

On March 23, 2020, the Cemig established the Coronavirus Crisis Management Committee ('Comitê Diretor de Gestão da Crise do Coronavírus') to ensure its readiness to making decisions and responding to the impact of Covid-19, because of the fast-changing situation, which became more widespread, complex and systemic.

Also, in line with recommendations to maintain social-distancing measures, the Company has implemented an operational contingency plan and several precautionary measures to keep its employees healthy and safe, including: security and health technicians contacting operational staff on a daily basis; interacting daily with subcontractors Social Service department to monitor the evolution of suspicious cases; changing the schedule to prevent gatherings; restricting national and international travel; suspending technical visits and events at Company's facilities; using remote means of communication; adopting work-from-home policies for a substantial number of employees, providing face masks for employees in external service or in service into its facilities, and requiring outsourcings providers to put the same procedures in place. In addition, the Company has suspended in-store assistance to the general public temporarily.

The Company maintain the communication with its customers on virtual channels and essential assistance in customers' facilities, ensuring the appropriate energy supply.

The Company also adopted the follow measures in order to contribute with society, which are assessed continuously:

- Providing payment flexibility to public and philanthropic hospitals as well as to emergency rooms units, which will be able to pay the bills not yet collected in up to six installments, without interests or penalties.
- Offering the entities regarded as small business by Brazilian law the option for payment in up to six installments, without interests or penalties.

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- A donation program linked to its customers established for the purchase of medical equipment to hospitals located in several regions in the State of Minas Gerais, in addition to a donation made directly by the Company, which has already committed an amount around R$10 million.

The Company is working diligently to mitigate the crisis impacts on its liquidity, implementing the following measures, among others:

- reviewing its program of investments and expenses;
- payment of minimum mandatory dividends to shareholders, and concentration of the greater part of the dividend's payment at the end of 2020;
- negotiating with its customers on the free market the volumes and delivery times on their contracts;
- deferral payment of taxes and social charges, as authorized by legislation.

Impact of Covid-19 on Financial Statements

Considering the significant restrictions on business and social interaction during the Covid-19 pandemic in combination with the latest movements in exchange and interest rates, the Company estimates that the resulting economic contraction might have a negative effect on its liquidity, but the overall impact of the Covid-19 outbreak on its financial position and performance is still difficult to be accurately measured at this point.

In such a scenario, the significant intervention in the local market policies and the initiatives to reduce the transmission of Covid-19 are likely to cause a reduction in energy consumption and consequently in revenue from sale of energy, as well as an increase in expected credit losses. The energy demand (load) measured by Brazilian Interconnected Power Grid (SIN) has decreased 18.3% since the second half of March 2020.

As of March 31, 2020 from the observation of the pandemic's immediate economic effects, the Company assessed the assumptions used for calculating fair value and recoverable amount of certain financial and non-financial assets, as follows:

- The Company assessed whether the greater pressure on the exchange rate, combined with a lack of financial market liquidity, will have a negative impact on derivative financial instruments hired to protect its operations against the risks arising from foreign exchange rate changes. At this point, given the current market conditions, the change in derivative instrument's fair value, based on the forecasts of future interest and exchanges rates, cannot offset the Company's total exposure to foreign exchange rate variability, resulting in a net loss of R$438 million in the first quarter of 2020. The long-term projections carried out for the foreign exchange rate are lower than the current dollar quotation, which may represent a decrease in Company's foreign exchange variation expense, if the projected scenario occurs.

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- The Company estimates that the assumptions applied to determine the recoverable amount of the relevant investments in subsidiaries, joint-controlled entities and associates were not influenced significantly by the Covid-19 situation, since these investees' cash flows are mainly related to long-term rights to commercial operation of the regulated activity. Therefore, except for the effects described above, related to the negative impact arising from the remeasurement of Company's interest in Light, classified as asset held for sale, no additional impairment losses was recognize to its investments in subsidiaries, joint-controlled entities and associates.
- The Company has also made an assessment attempting to identify the behavior of the interest rates and discount rates that are the basis for the calculation of post-employment obligations, and believes that at this moment, due to the high volatility of the market, it is not possible to conclude whether the present rates reflect an alteration in the macroeconomic fundamentals that would indicate a need for recalculation of the actuarial liabilities.
- Despite the uncertainties related to the crisis unfolding and its potential long-term effects, the Company does not expect that the negative impact on its projections of likely future taxable profits might compromise the recoverability of its deferred tax assets.

The impacts of the Covid-19 pandemic published in this interim financial information are based on the Company's best estimates. The Company estimates that the effects of the pandemic may temporarily affect its liquidity in 2020, however, significant long-term effects are not expected. Based on the market projections and on the crisis measurable effects, the Company has observed the following effects in 2020:

- The Company is starting negotiations and deferrals with its customers and energy suppliers, in order to maintain its liquidity during the economic crisis.
- Company also reviewed the financial assets and liabilities measured at fair value to reflect the conditions and current rates projected, which impacts are presented in Note 28.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim financial information has been prepared in accordance with IAS 34 – *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB), Technical Pronouncement 21 (R1) – 'CPC 21', which applies to interim financial information, and the rules issued by the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, or CVM), applicable to preparation of Quarterly Information (*Informações Trimestrais*, or ITR).

This interim financial information has been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the financial statements, on December 31, 2019.

Thus, this interim financial information should be read in conjunction with the said financial statements, approved by the Company's management on March 19, 2020.

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Management certifies that all the material information in the interim financial information is being disclosed herein, and is the same information used by management in its administration of the Company.

The Company's Executive Board authorized the issuance of this Interim financial information on May 11, 2020.

2.2 Correlation between the Explanatory Notes published in the Financial Statements and those in the Interim Financial Information

Number of the note		Title of the note
Dec. 31, 2019	Mar. 31, 2020	
1	1	Operational context
2	2	Basis of preparation
3	3	Consolidation principles
4	4	Concessions and authorizations
5	29	Operational segments
6	5	Cash and cash equivalents
7	6	Marketable securities
8	7	Customers and traders
9	8	Recoverable taxes
10	-	PIS/Pasep and Cofins taxes credits over ICMS – Final Court Judgment
11	9	Income tax and social contribution tax
12	10	Escrow deposits
13	11	Concession financial assets
14	12	Contract assets
15	13	Investments
16	14	Property, plant and equipment
17	15	Intangible assets
18	16	Leasing transactions
19	17	Suppliers
20	18	Taxes
21	19	Loans, financings and debentures
22	20	Regulatory charges
23	21	Post-employment obligations
24	22	Provisions
25	23	Equity and remuneration to shareholders
26	24	Revenues
27	25	Operating costs and expenses
28	26	Financial revenue and expenses
29	27	Related party transactions
30	28	Financial instruments and risk management
33	30	Subsequent events

The Notes to the 2019 financial statements that have not been included in these consolidated interim financial information because they had no material changes, and/or were not applicable to the interim financial information, are as follows:

Number of the note	Title of the note
31	Insurance
32	Commitments

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3. PRINCIPLES OF CONSOLIDATION

The dates of Interim financial information of the subsidiaries, used for consolidation, and of the jointly controlled entities and affiliates, used for calculation of their equity method contribution, coincide with those of the Company. Accounting practices are applied uniformly and are the same as those used by the parent company.

The Company uses the criteria of full consolidation. The direct equity investments are as follows:

Subsidiary	Valuation method	Mar. 2020 and Dec., 2019
		Direct stake, %
Cemig Baguari Energia S.A.	Consolidation	100.00
Cemig Geração Três Marias S.A.	Consolidation	100.00
Cemig Geração Salto Grande S.A.	Consolidation	100.00
Cemig Geração Itutinga S.A.	Consolidation	100.00
Cemig Geração Camargos S.A.	Consolidation	100.00
Cemig Geração Sul S.A.	Consolidation	100.00
Cemig Geração Leste S.A.	Consolidation	100.00
Cemig Geração Oeste S.A.	Consolidation	100.00
Sá Carvalho S.A.	Consolidation	100.00
Horizontes Energia S.A.	Consolidation	100.00
Rosal Energia S.A.	Consolidation	100.00
Cemig PCH S.A.	Consolidation	100.00
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	Consolidation	100.00
Cemig Geração Poço Fundo S.A.	Consolidation	100.00
Cemig Comercializadora de Energia Incentivada S.A.	Consolidation	100.00
Cemig Trading S.A.	Consolidation	100.00
Central Eólica Praias de Parajuru S.A.	Consolidation	100.00
Central Eólica Volta do Rio S.A.	Consolidation	100.00

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4. CONCESSIONS AND AUTHORIZATIONS

The Company, including its consortium interests and subsidiaries, holds the following concessions or authorizations, from Aneel:

	Company holding concession	Concession contract	Expiration date
GENERATION			
Hydroelectric plants			
Emborcação (1)	Cemig GT	7/1997	Jul. 2025
Nova Ponte (1)	Cemig GT	7/1997	Jul. 2025
Santa Luzia (1)	Cemig GT	7/1997	Feb. 2026
Irapé (1)	Cemig GT	14/2000	Feb. 2035
Queimado (Consortium) (1)	Cemig GT	06/1997	Jan. 2033
Salto Morais (1)	Cemig GT	02/2013	Jul. 2020
Rio de Pedras (1)	Cemig GT	02/2013	Sep. 2024
Luiz Dias (1)	Cemig GT	02/2013	Aug. 2025
Poço Fundo (1)	Cemig GT	02/2013	Aug. 2025
São Bernardo (1)	Cemig GT	02/2013	Aug. 2025
Xicão (1)	Cemig GT	02/2013	Aug. 2025
Rosal (1)	Rosal Energia	01/1997	May 2032
Machado Mineiro (1)	Horizontes Energia	Resolution 331/2002	Jul. 2025
Salto Voltão (1)			Oct. 2030
Salto Paraopeba (1)			Oct. 2030
Salto do Passo Velho (1)			Oct. 2030
PCH Pai Joaquim (1)	Cemig PCH	Authorizing Resolution 377/2005	Apr. 2032
Sá Carvalho (1)	Sá Carvalho	01/2004	Dec. 2024
Três Marias (2)	Cemig Geração Três Marias S.A.	08/2016	Jan. 2046
Salto Grande (2)	Cemig Geração Salto Grande	09/2016	Jan. 2046
Itutinga (2)	Cemig Geração Itutinga	10/2016	Jan. 2046
Camargos (2)	Cemig Geração Camargos	11/2016	Jan. 2046
Coronel Domiciano, Joasal, Marmelos, Paciência and Piau (2)	Cemig Geração Sul	12/2016 and 13/2016	Jan. 2046
Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras (2)	Cemig Geração Leste	14/2016 and 15/2016	Jan. 2046
Cajurú, Gafanhoto and Martins (2)	Cemig Geração Oeste	16/2016	Jan. 2046
Thermal plants			
Igarapé (1) (5)	Cemig GT	7/1997	Aug. 2024
Wind farms			
Central Geradora Eólica Praias de Parajuru (3)	Parajuru	Resolution 526/2002	Sep. 2032
Central Geradora Eólica Volta do Rio (3)	Volta do Rio	Resolution 660/2001	Jan. 2031
TRANSMISSION			
National grid (4)	Cemig GT	006/1997	Jan. 2043
Itajubá Substation (4)	Cemig GT	79/2000	Oct. 2030

(1) Refers to generation concession contracts that are not within the scope of ICPC 01/ IFRIC 12, whose infrastructure assets are recorded as PP&E since the concession grantor does not have control over whom the service is provided to as the output is being sold mainly in the Free Market (‘ACL’).

(2) Refers to generation concession contracts of which the revenue relating to the concession grant fee is within the scope of scope of ICPC 01/ IFRIC 12, this revenue being recognized as a concession financial asset.

(3) These refers to concessions, given by the process of authorization, for generation of wind power as an independent power producer, to be sold under *Proinfa* (the program to encourage alternative energy sources). Assets tied to the right of commercial operation are recorded in PP&E. The rights of authorization of commercial operation that are considered as Investments in the interim financial information of the parent company are classified in the statements of financial position under Intangible.

(4) These refer to transmission concession contracts, which, in accordance with CPC 47/ IFRS 15, are recognized as contract asset for being subject to satisfaction of performance obligations.

(5) On December 6, 2019, Aneel suspended Igarapé Plant commercial operation upon the Company claim for early termination of its concession contract.

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5. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Bank accounts	3,356	8,644	432	2,503
Cash equivalents:				
Bank certificates of deposit (CDB's) (1)	269,388	184,682	259,074	127,419
Overnight (2)	74,010	18,282	34,722	6,286
	343,398	**202,964**	**293,796**	**133,705**
	346,754	**211,608**	**294,228**	**136,208**

1) *Bank Certificates of Deposit* (*Certificados de Depósito Bancário* or CDB's), accrued interest at between 85.00% and 103.00% of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit (*CDIs*) published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação*, or Cetip) (65.00% to 103.00% in 2019).
2) Overnight transactions are repos available for redemption on the following day. They are usually backed by Treasury Bills, Notes or Bonds and referenced to a pre-fixed rate of 3.64% on March 31, 2020 (4.39% on December 31, 2019). Their purpose is to settle the short-term obligations of the Company and its subsidiaries, or to be used in the acquisition of other assets with better return to replenish the portfolio.

Note 28 gives the exposure of the Company and its subsidiaries to interest rate risks and a sensitivity analysis of their effects on financial assets and liabilities.

6. MARKETABLE SECURITIES

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Current				
Financial Notes (LFs) – Banks (1)	404,987	323,761	190,002	111,308
Treasury Financial Notes (LFTs)	65,576	47,268	30,766	16,250
Debentures (2)	1,858	1,573	871	541
Others	76	76	76	76
	472,497	**372,678**	**221,715**	**128,175**
Non-current				
Financial Notes (LFs) – Banks (1)	33,164	-	15,559	-
Debentures (2)	4,720	916	2,214	315
	37,884	**916**	**17,773**	**315**
	510,381	**373,594**	**239,488**	**128,490**

1) *Bank Financial Notes* (*Letras Financeiras*, or LFs) are fixed-rate fixed-income securities, issued by banks and remunerated at a percentage of the CDI rate published by Cetip. In 2019 the LFs in Company's portfolio were remunerated at rates varying from 102.00% to 124.00% of the CDI rate on March 31, 2020 (101.95% to 113.00% on December 31, 2019).
2) Treasury Financial Notes (LFT's) are fixed-rate fixed-income securities, their yield follows the daily changes in the Selic rate between the date of purchase and the date of maturity.
3) *Debentures* are medium and long term debt securities, which give their holders a right of credit against the issuing company. The debentures have remuneration varying from 106.75% to 113.00% of the CDI rate on March 31, 2020 (108.25% to 113.00% of the CDI on December 31, 2019).

Note 28 shows the classification of these securities. Investments in marketable securities of related parties are shown in Note 27.

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7. CUSTOMERS, TRADERS AND POWER TRANSPORT CONCESSION HOLDERS

	Balances not yet due		Past due			Consolidated	
	Billed	Unbilled	Up to 90 days	91 to 360 days	More than 360 days	Mar. 31, 2020	Dec. 31, 2019
Industrial	6,291	223,863	19,118	31,304	43,114	323,690	333,282
Commercial, services and others	4,476	77,471	1,691	182	78	83,898	111,091
Farmers	70	-	-	-	-	70	-
Wholesale supply to other concession holders	6,024	267,575	27,626	6,509	8,871	316,605	257,724
Concession holders – transmission service	9,932	77,080	1,746	838	4,633	94,229	95,815
CCEE (Power Trading Exchange)	-	21,820	-	213,924	-	235,744	385,558
Provision for doubtful receivables	(339)	-	(5,138)	(15,789)	(29,978)	(51,244)	(48,432)
	26,454	**667,809**	**45,043**	**236,968**	**26,718**	**1,002,992**	**1,135,038**
Current assets						**999,468**	**1,129,096**
Customers and traders						905,239	1,033,281
Concession holders – transmission service						94,229	95,815
Non-current assets						**3,524**	**5,942**
Customers and traders						3,524	5,942

	Balances not yet due		Past due			Parent Company	
	Billed	Unbilled	Up to 90 days	91 to 360 days	More than 360 days	Mar. 31, 2020	Dec. 31, 2019
Industrial	433	201,833	6,555	1,217	18,770	228,808	248,023
Commercial, services and others	4,476	77,471	1,691	182	78	83,898	111,092
Farmers	70	-	-	-	-	70	-
Wholesale supply to other concession holders	-	234,011	17,632	155	30	251,828	195,623
Concession holders – transmission service	9,959	77,136	1,746	838	4,633	94,312	95,898
CCEE (Power Trading Exchange)	-	-	-	213,924	-	213,924	375,752
Provision for doubtful receivables	(339)	-	(5,138)	(954)	(14,714)	(21,145)	(17,602)
	14,599	**590,451**	**22,486**	**215,362**	**8,797**	**851,695**	**1,008,786**
Current assets						**851,694**	**1,008,213**
Customers and traders						757,382	912,315
Concession holders – transmission service						94,312	95,898
Non-current assets						**1**	**573**
Customers and traders						1	573

The exposure of the Company and its subsidiaries to credit risk related to Customers and traders is given in Note 28.

The provision for doubtful receivables is considered sufficient to cover any potential losses in the realization of accounts receivables as follows:

	Consolidated	Parent Company
Balance at December 31, 2018	**24,486**	**24,486**
Provision made, net (Note 25c)	16,698	8,767
Balance at March 31, 2019	**41,184**	**33,253**
Balance at December 31, 2019	**48,432**	**17,602**
Provision made, net (Note 25c)	3,543	3,543
Settled	(731)	-
Balance at March 31, 2020	**51,244**	**21,145**

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8. RECOVERABLE TAXES

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Current				
ICMS tax recoverable	20,807	21,792	15,768	17,294
Cofins	6,372	5,560	3,269	3,196
PIS/ Pasep	1,788	1,612	884	867
Social security contributions	15,054	15,041	15,054	15,041
Others	9,083	7,177	9,209	7,302
	53,104	**51,182**	**44,184**	**43,700**
Non-current				
ICMS tax recoverable (1)	22,890	21,914	22,889	21,914
Cofins (2)	540,574	537,040	517,747	514,351
PIS/ Pasep (2)	117,434	116,666	112,405	111,669
Others	430	431	-	-
	681,328	**676,051**	**653,041**	**647,934**
	734,432	**727,233**	**697,225**	**691,634**

(1) The ICMS (VAT) credits that are reported in non-current assets, arise mainly from acquisitions of property, plant and equipment, and intangible assets, and can be offset against taxes payable in the next 48 months.
(2) PIS/Pasep and Cofins taxes credits over ICMS. More details below.

a) PIS/Pasep and Cofins taxes credits ober ICMS

On May 8, 2019 the Regional Federal Appeal Court of the First Region gave final judgment – against which there is no appeal – on the Ordinary Action, deciding in favor of the Company, and recognizing its right to exclude the ICMS amounts from the calculation basis of PIS/Pasep and Cofins taxes, backdated as from five years prior to the action initial filing– that is, from July 2003.

Thus, the PIS/Pasep and Cofins credits are recorded in non-current asset corresponding to the amount of these taxes over ICMS paid in the period of July 2003 to May 2019.

Final court judgment has also been given, against which there is no further appeal, in favor of the similar actions filed by the Company's wholly-owned subsidiaries Sá Carvalho, Cemig Geração Poço Fundo S.A. (previously denominated Usina Termelétrica Barreiro S.A.) and Horizontes Energia S.A..

The Company and its subsidiaries has two ways to recover the tax credit: (i) offsetting of the amount receivable against amounts payable of PIS/Pasep and Cofins taxes, monthly, within the five-year period specified by the relevant law of limitation; or (ii) receipt of specific credit instruments '*precatórios*' from the federal government.

On May 12, 2020, the Brazilian tax authority (Receita Federal) granted the Company's request for ratification of the credits of PIS/Pasep and Cofins taxes arising from the legal action on which final judgment, subject to no further appeal, was given in favor of the Company in 2019.

The accounting effects relating to the recognition of the PIS/Pasep and Cofins taxes credits, including their monetary updating by the Selic rate, were recognized in the income statement in 2019, at net amount, updated to December 31, 2019, of R$427,055. These credits are updated by the Selic rate until offsetting of the amount receivable against amounts payable. On March 31, 2020, the net effect in the consolidated and individual finance income is R$4,302 and R$4,132, respectively, as shown in Note 26.

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9. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income tax and social contribution taxes recoverable

The balances of income tax and social contribution tax refer to tax credits in the corporate income tax returns of previous years and to advance payments which will be offset against federal taxes eventually payable.

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Current				
Income tax	243,159	239,443	240,711	238,261
Social contribution tax	126,968	125,119	126,409	124,788
	370,127	**364,562**	**367,120**	**363,049**
Non-current				
Income tax	2,461	2,461	-	-
Social contribution tax	606	606	-	-
	3,067	**3,067**	-	-

The balances of income tax and social contribution taxes posted in non-current assets arise from retentions at source of tax relating to energy supply sold under the *Proinfa* program by companies opting to use the presumed profit method of tax reporting, where the expectation of offsetting is greater than 12 months.

b) Income tax and social contribution tax

The balances of income tax and social contribution taxes recorded in current liabilities refer mainly to the taxes owed by the Company and its subsidiaries that report by the Real Profit method, which have make monthly payments based on estimated revenue, and also by the subsidiaries that have opted for the Presumed Profit method, in which payments are made quarterly.

	Consolidated	
	Mar. 31, 2020	Dec. 31, 2019
Current		
Income tax	33,767	98,712
Social contribution tax	11,851	35,156
	45,618	**133,868**

c) Deferred income and social contribution taxes

The Company and its subsidiaries have deferred taxed assets and liabilities from unused tax loss carryforwards, negative base for the Social Contribution tax, and deductible temporary differences, at the statutory rates applicable to each legal entity in Brazil of 25% (for Income tax) and 9% (for the Social Contribution tax), as follows:

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	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Deferred tax assets				
Tax loss carryforwards	509,717	-	509,717	-
Post-employment obligations	448,163	444,411	448,163	444,411
Estimated losses on doubtful receivables	12,280	11,075	7,189	5,984
Provisions for contingencies	111,749	110,374	111,694	110,319
Provision for SAAG put option	171,242	164,166	171,242	164,166
Provisions for losses on investments	273,664	277,300	273,664	277,300
Other provisions	46,080	46,080	46,080	46,080
Paid concession	8,303	8,194	8,303	8,194
Others	19,675	21,210	19,633	21,176
	1,600,873	**1,082,810**	**1,595,685**	**1,077,630**
Deferred tax liabilities				
Fair Value as cost attributed on IFRS adoption	(230,100)	(231,833)	(210,846)	(212,319)
Adjustment of expected cash flow from reimbursements of concession assets	(508,284)	(514,801)	(508,284)	(514,801)
Fair value of equity holdings	(144,701)	(146,852)	(144,701)	(146,852)
Updating on escrow deposits	(385)	(385)	-	-
Derivative financial instruments (Swap)	(1,021,762)	(574,921)	(1,021,762)	(574,921)
Others	(11,113)	(12,026)	(10,283)	(11,297)
	(1,916,345)	**(1,480,818)**	**(1,895,876)**	**(1,460,190)**
Net total	**(315,472)**	**(398,008)**	**(300,191)**	**(382,560)**
Total assets	**5,143**	**5,100**	**-**	**-**
Total liabilities	**(320,615)**	**(403,108)**	**(300,191)**	**(382,560)**

The changes in deferred income and social contribution taxes were as follows:

	Consolidated	Parent Company
Balance at December 31, 2018	**(461,731)**	**(436,071)**
Effects allocated to Income statement	(27,251)	(28,440)
Others	347	-
Balance at March 31, 2019	**(488,635)**	**(464,511)**
Balance at December 31, 2019	**(398,008)**	**(382,560)**
Effects allocated to income statement	82,536	82,369
Balance at March 31, 2020	**(315,472)**	**(300,191)**

d) Reconciliation of income tax and social contribution tax effective rate

This table reconciles the statutory income tax (rate 25%) and social contribution tax (rate 9%) with the current income tax expense in the Statement of income:

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
Profit before income and Social Contribution taxes	**(36,924)**	**817,176**	**(86,406)**	**772,160**
Income tax and social contribution tax – nominal expense (34%)	12,554	(277,840)	29,378	(262,534)
Tax effects applicable to:				
Tax incentives	4	6,632	-	6,629
Share of profit (loss) of associates and joint ventures, net	(609)	11,461	53,301	67,493
Non-deductible penalties	(160)	(2)	(160)	(2)
Non-deductible contributions and donations	(38)	(313)	(38)	(313)
Difference between presumed profit and real profit methods	21,152	26,220	-	-
Others	(16)	(118)	(112)	(217)
Income tax and social contribution tax – effective (revenue) expense	**32,887**	**(233,960)**	**82,369**	**(188,944)**
Current tax	(49,649)	(206,709)	-	(160,504)
Deferred tax	82,536	(27,251)	82,369	(28,440)
	32,887	**(233,960)**	**82,369**	**(188,944)**
Effective rate	**(89.07%)**	**28.63%**	**(95.33%)**	**24.47%**

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10. ESCROW DEPOSITS

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Employment-law cases	**32,989**	**32,100**	**32,364**	**31,477**
Tax issues				
Income tax on interest on equity	17,309	17,226	15,993	15,910
Pasep and cofins taxes (1)	12,127	207,469	-	195,409
Income tax and social security contribution on indemnity for employees' 'Anuênio' benefit (2)	66,782	66,483	66,782	66,483
Urban property tax (IPTU)	11,519	11,423	11,518	11,421
Social contribution tax (3)	18,062	18,062	18,062	18,062
Others	2,799	2,513	2,556	2,357
	128,598	**323,176**	**114,911**	**309,642**
Others				
Court embargo	921	974	889	942
Regulatory	3,055	3,002	3,055	3,002
Others	4,759	5,025	4,721	4,988
	8,735	**9,001**	**8,665**	**8,932**
	170,322	**364,277**	**155,940**	**350,051**

(1) This refers to escrow deposits in the action challenging the constitutionality of inclusion of ICMS tax within the amount to which PIS/Pasep and Cofins taxes are applied. More details below.
(2) More details in Note 22 – Provisions (*Indemnity of employees' future benefit – the 'Anuênio'*).
(3) Escrow deposit in the legal action challenging an infringement claim relating to application of Social contribution tax to amounts of cultural and artistic donations and sponsorship, expenses on punitive fines, and taxes with liability suspended.

Release of escrow deposits

On February 13, 2020, the escrow deposits in the action challenging the constitutionality of inclusion of ICMS value added tax within the taxable amount for calculation of PIS/Pasep and Cofins taxes were released for an amount of R$196,169. The escrow deposits from the others wholly owned subsidiaries will be claimed in their judicial action challenging the matter as they reach the final judgement.

11. CONCESSION FINANCIAL ASSETS

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Transmission – Indemnity receivable (11.1)	1,279,476	1,280,652	1,279,476	1,280,652
Generation – Indemnity receivable (11.2)	816,202	816,202	816,202	816,202
Generation – Concession grant fee (11.3)	2,502,293	2,468,216	-	-
	4,597,971	**4,565,070**	**2,095,678**	**2,096,854**
Current	**444,197**	**439,582**	**190,064**	**189,017**
Non-current	**4,153,774**	**4,125,488**	**1,905,614**	**1,907,837**

The changes in concession financial assets related to infrastructure are as follows:

	Consolidated			Parent Company		
	Generation	Transmission	Total	Generation	Transmission	Total
Balance at December 31, 2018	**3,225,132**	**1,296,314**	**4,521,446**	**816,202**	**1,296,314**	**2,112,516**
Inflation adjustment	80,788	25,824	106,612	-	25,824	25,824
Amounts received	(63,674)	(44,259)	(107,933)	-	(44,259)	(44,259)
Transfers – Contract assets (note 12)	-	44,082	44,082	-	44,082	44,082
Balance at March 31, 2019	**3,242,246**	**1,321,961**	**4,564,207**	**816,202**	**1,321,961**	**2,138,163**
Balance at December 31, 2019	**3,284,418**	**1,280,652**	**4,565,070**	**816,202**	**1,280,652**	**2,096,854**
Inflation adjustment	99,892	45,145	145,037	-	45,145	**45,145**
Amounts received	(65,815)	(46,321)	(112,136)	-	(46,321)	**(46,321)**
Balance at March 31, 2020	**3,318,495**	**1,279,476**	**4,597,971**	**816,202**	**1,279,476**	**2,095,678**

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11.1 Transmission - Indemnifiable receivable

On April 20, 2016, the Mining and Energy Ministry (MME) issued its Ministerial Order 120, which set the amounts ratified by Aneel through its Dispatches, relating to the facilities of the National Grid not yet amortized nor depreciated nor yet reimbursed by the concession-granting power, related to the concession contracts renewed under Law 12,783/2013. These became a component of the Regulatory Remuneration Base of the energy transmission concession holders, as from the 2017 tariff-setting process. These regulations determined the amounts receivable as Permitted Annual Revenue (*Receita Anual Permitida - RAP*) of the amounts relating to the National Grid.

Based on the regulations of Aneel and the Mining and Energy Ministry, in particular MME Ministerial Order 120/2016 and Aneel Resolution 762/2017, the portion of the Company's receivable rights for which passage of time is required for their payment is governed by IFRS 09 / CPC 48 (financial asset).

Thus, the portion not yet paid, since the extension of the concessions, for the period January 1, 2013 to June 30, 2017, to be received over a period of eight years, considered as a Financial Component, is classified as a Financial asset, since it no longer involves the construction of infrastructure assets, and represents exclusively the portions not paid in the period 2013 to 2017, updated by the regulatory cost of capital of the transmission sector.

The classification of this portion as a financial asset is based on the non-existence of assets linked to the financial component of the National Grid, for which a performance obligation is required for its receipt. In this context, the Company has the unconditional right to the receivable, specified in Article 15 of Law 12,783/2013 and also in the regulations of Aneel, requiring, basically, only the passage of time for receipt of the amounts payable. Considering that the regulatory cost of capital, previously set by Aneel through its Resolution 762/2017, is used for remuneration of the financial asset recognized, this is classified as measured at amortized cost, in the terms of IFRS 09/CPC 48, because it is maintained in a business model whose objective is the receipt of contractual cash flows, constituting payment of principal and interest on the principal yet unpaid.

In relation to the facilities of the National Grid linked to the Company's concession contract, Aneel ratified, through its Dispatch 2,181, on august, 16, 2016, homologated the amount of R$892,050, on December, 2012, for the portion of the residual value of assets to be paid to the Company. This amount was recorded as a financial asset, with specific maturity and interest rate, in accordance with its characteristics.

The amount of the indemnity receivable, updated to March 31, 2020, of R$1,279,476 (R$1,280,652 on December 31, 2019) is classified as a financial asset, at amortized cost, in accordance with IFRS 9, as follows:

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Portion of remuneration and depreciation not paid since the extensions of concessions

An amount of R$815,889 (R$832,915 on December 31, 2019), corresponding to remuneration and depreciation not paid since the extension of the concessions, until the tariff adjustment of 2017, which will be inflation adjusted using the IPCA (Expanded National Customer Price) index and remunerated at the weighted average cost of capital of the transmission segment as defined by the regulator for the periodic tariff review, to be paid over a period of eight years through the RAP, since July of 2017.

Residual Value of transmission assets – injunction awarded to industrial customers

On April 10, 2017, a preliminary injunction was granted to the Brazilian Large Free Customers' Association (*Associação Brasileira de Grandes Consumidores Livres*), the Brazilian Auto Glass Industry Technical Association (*Associação Técnica Brasileira das Indústrias Automáticas de Vidro*) and the Brazilian Ferro-alloys and Silicon Metal Producers' Association (*Associação Brasileira dos Produtores de Ferroligas e de Silicio Metálico*) in their legal action against the regulator and the Federal Government requesting suspension of the effects on their tariffs of payment the transmission assets indemnity owened to the agents that accepted the terms of Law 12,783/13.

The preliminary injunction was partial, with effects related to suspension of the inclusion in the customer tariffs paid by these associations of the portion of the indemnity corresponding to the remuneration at cost of capital included since the date of extension of the concessions – amounting to R$463,587 at March 31, 2020 (R$447,737 at December 31, 2019), inflation-adjusted by the IPCA index.

In compliance with the court decision, the regulator, based on Technical Note n. 183/2017-SGT/ANEEL, issued on June 22, 2017, presented a new calculation, excluding the amounts that refer to the cost of own capital. The Company believes that this is a provisional decision, and that its right to receive the amount referring to the assets of RBSE is guaranteed by law, so that no adjustment to the amount recorded on March 31, 2020 is necessary.

11.2 Generation – Indemnity receivable

As from August 2013, with the extinction of the concession for various plants operated under Concession Contract 007/1997, the Company has a right to receive an amount corresponding to the residual value of the infrastructure assets as specified in the concession contract. These balances are recognized in financial assets, at fair value through profit or loss, and totaled R$816,202 on March 31, 2020 and December 31, 2019.

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Generation plant	Concession expiration date	Installed capacity (MW)	Net balance of assets based on historical cost	Net balance of assets based on fair value (replacement cost)
Lot D				
UHE Três Marias	July 2015	396	71,694	413,450
UHE Salto Grande	July 2015	102	10,835	39,379
UHE Itutinga	July 2015	52	3,671	6,589
UHE Camargos	July 2015	46	7,818	23,095
PCH Piau	July 2015	18.01	1,531	9,005
PCH Gafanhoto	July 2015	14	1,232	10,262
PCH Peti	July 2015	9.4	1,346	7,871
PCH Dona Rita	Sep. 2013	2.41	534	534
PCH Tronqueiras	July 2015	8.5	1,908	12,323
PCH Joasal	July 2015	8.4	1,379	7,622
PCH Martins	July 2015	7.7	2,132	4,041
PCH Cajuru	July 2015	7.2	3,576	4,252
PCH Paciência	July 2015	4.08	728	3,936
PCH Marmelos	July 2015	4	616	4,265
Others				
UHE Volta Grande	Feb. 2017	380	25,621	70,118
UHE Miranda	Dec. 2016	408	26,710	22,546
UHE Jaguara	Aug. 2013	424	40,452	174,203
UHE São Simão	Jan. 2015	1,710	1,762	2,711
		3,601.70	**203,545**	**816,202**

As specified by the regulator (Aneel) in Normative Resolution 615/2014, the valuation reports that support the amounts in relation to the residual value of the plants previously operated by Company that were included in Lot D, and for the *Volta Grande* plant have been submitted to the regulator. The Company does not expect any losses in the realization of these amounts.

On March 31, 2020, investments made after the Jaguara, São Simão and Miranda plants came into operation, in the amounts of R$174,203, R$2,711 and R$22,546, respectively, are recorded as concession financial assets, and the determination of the final amounts to be paid to the Company is in a process of discussion with Aneel (the regulator). The Company's management does not expect losses in realization of these amounts.

In 2019, Public Hearing 003/2019 was opened to obtain inputs on improvement of the regulation of criteria and procedures for calculation of investments in revertible assets, not yet amortized or not depreciated, of generation concessions (whether extended or not), under Law 12,783/2013. Technical Note 096/2019 was published on September 30, 2019. However, the Normative Resolution has not yet been voted on by the Council of Aneel.

11.3 Concession grant fee – Generation concessions

The concession grant fee paid by the Company for a 30 year concession contracts Nº. 08 to 16/2016, related to 18 hydroelectric plants of Auction 12/2015, won by the Company, was an amount of R$2,216,353. The amount of the concession fee was recognized as a financial asset measured at amortized cost, as the Company has an unconditional right to receive the amount paid, updated by the IPCA Index and remuneratory interest (the total amount of which is equal to the internal rate of return on the project), during the period of the concession.

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Changes in concession financial assets are as follows:

SPC	Plants	Balance at Dec. 31, 2019	Monetary updating	Amounts received	Balance at Mar. 31, 2020
Cemig Geração Três Marias S.A.	Três Marias	1,402,425	54,427	(35,363)	1,421,489
Cemig Geração Salto Grande S.A.	Salto Grande	440,158	17,146	(11,152)	446,152
Cemig Geração Itutinga S.A.	Itutinga	164,799	7,078	(4,741)	167,136
Cemig Geração Camargos S.A.	Camargos	123,585	5,278	(3,530)	125,333
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau	161,490	7,297	(4,966)	163,821
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	109,757	5,395	(3,771)	111,381
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto and Martins	66,002	3,271	(2,292)	66,981
Total		**2,468,216**	**99,892**	**(65,815)**	**2,502,293**

SPC	Plants	Balance at Dec. 31, 2018	Monetary updating	Amounts received	Balance at Mar. 31, 2019
Cemig Geração Três Marias S.A.	Três Marias	1,369,900	43,660	(34,212)	1,379,348
Cemig Geração Salto Grande S.A.	Salto Grande	429,910	13,764	(10,789)	432,885
Cemig Geração Itutinga S.A.	Itutinga	160,601	5,787	(4,587)	161,801
Cemig Geração Camargos S.A.	Camargos	120,452	4,311	(3,415)	121,348
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau	157,217	6,018	(4,805)	158,430
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	106,697	4,510	(3,648)	107,559
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto and Martins	64,153	2,738	(2,218)	64,673
Total		**2,408,930**	**80,788**	**(63,674)**	**2,426,044**

Of the energy produced by these plants, 70% is sold in the Regulated Market (ACR) and 30% in the Free Market (ACL).

12. CONCESSION CONTRACT ASSETS

Under IFRS 15 / CPC 47 – *Revenue from contracts with customers*, the infrastructure of construction revenue for which the right to consideration depends on satisfaction of performance obligations related to the completion of its construction, or its future operation and maintenance are classified as Contract assets on March 31, 2020 as follows:

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Transmission – Reimbursement assets incorporated into the assets remuneration Base	318,723	347,691	318,723	347,691
Transmission – Assets remunerated by tariff	892,647	848,543	892,647	848,543
	1,211,370	**1,196,234**	**1,211,370**	**1,196,234**
Current	**166,220**	**171,849**	**166,220**	**171,849**
Non-current	**1,045,150**	**1,024,385**	**1,045,150**	**1,024,385**

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The changes in contract assets are as follows:

Balance at December 31, 2018	**1,129,310**
Additions	28,087
Inflation adjustment	6,675
Adjustment to expectation of contractual cash flow from the concession	5,596
Amounts received	(31,643)
Settled	(926)
Transfers to PP&E (note 14)	(73)
Transfer to financial assets (note 11)	(44,082)
Balance at March 31, 2019	**1,092,944**
Balance at December 31, 2019	**1,196,234**
Additions	47,198
Inflation adjustment	11,393
Adjustment to expectation of contractual cash flow from the concession	2,071
Amounts received	(45,396)
Settled	(130)
Balance at March 31, 2020	**1,211,370**

The assets posted in this line are:

Remaining balance to be received through RAP

The portion of the RAP relating to the facilities of the National Grid arising from the regulatory reintegration quota incorporated into the Remuneration Base, under Mining and Energy Ministry Order 120/2016 and Aneel Resolution 762/2017, is classified as a contractual asset, since satisfaction of the performance obligation linked to their construction occurs during their useful life (availability of the network).

The right to the consideration linked to these assets depends on the availability of the network, since they were reincorporated into the Remuneration Base by the renewal of the concession contract, under Law 12,783/2013, and will be received for the remaining period of their useful life, as and when the services of operation and maintenance.

Thus, the asset is recognized, under IFRS 15/ CPC 47, as a contract asset, representing the performance concluded prior to the right to receipt of the consideration, which will take place during the utilization of the infrastructure built, for the period of its useful life, in accordance with Aneel Resolution 762/2017, concomitantly with the provision of services of operation and maintenance, which are necessary for availability of the network.

The remaining balance of the indemnity for transmission, due to acceptance of the terms of Law 12,783/13, of R$318,723, at March 31, 2020 (R$347,691 at December 31, 2019) was incorporated into the Assets Remuneration Base and is being recovered through the Annual Permitted Revenue (RAP).

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Assets remunerated by tariff

For new assets related to improvements and upgrades of facilities constructed by transmission concession holders, the regulator (Aneel) calculates an additional portion of Permitted Annual Revenue (RAP) from the date that the new facilities enter commercial operation.

Under the *Proret*, the revenue established in the Resolutions is payable to the transmission concession holders as from the date of start of commercial operation of the facilities. In the periods between tariff reviews, the revenues associated with the improvements and upgrades of facilities are provisional. They are then finally determined in the review immediately subsequent to the start of commercial operation of the facilities; this review then has effect starting on the date when commercial operations begin. At March 31, 2020 was R$892,647 (R$848,543 on December 31, 2019).

The construction of infrastructure grants to the operator a right to receive consideration due to performance obligations represented by the construction, which is not unconditional until the satisfaction of performance obligations related to the operation and maintenance of the transmission lines. The revenue and costs related to construction of these assets are recognized in the statement of income as expenditures incurred.

13. INVESTMENTS

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Affiliated companies				
Madeira Energia (*Santo Antônio* Plant)	151,875	166,617	151,875	166,617
FIP Melbourne (*Santo Antônio* Plant)	372,923	384,809	372,923	384,809
Jointly controlled entities				
Hidrelétrica Cachoeirão	55,274	53,728	55,274	53,728
Guanhães Energia	130,718	131,076	130,718	131,076
Hidrelétrica Pipoca	30,341	30,730	30,341	30,730
LightGer	46,616	46,487	46,616	46,487
Baguari Energia	163,442	157,499	163,442	157,499
Aliança Norte (*Belo Monte* plant)	666,517	671,166	666,517	671,166
Amazônia Energia (*Belo Monte* plant)	1,021,086	1,027,860	1,021,086	1,027,860
Aliança Geração	1,219,127	1,191,550	1,219,127	1,191,550
Retiro Baixo	185,743	180,043	185,743	180,043
Subsidiaries				
Cemig Baguari	-	-	18	19
Cemig Geração Três Marias S.A.	-	-	1,460,542	1,407,996
Cemig Geração Salto Grande S.A.	-	-	463,865	446,318
Cemig Geração Itutinga S.A.	-	-	191,475	183,617
Cemig Geração Camargos S.A.	-	-	145,876	136,140
Cemig Geração Sul S.A.	-	-	187,613	179,275
Cemig Geração Leste S.A.	-	-	136,808	126,802
Cemig Geração Oeste S.A.	-	-	78,190	72,648
Rosal Energia S.A.	-	-	136,022	127,994
Sá Carvalho S.A.	-	-	136,216	123,929
Horizontes Energia S.A.	-	-	64,258	57,397
Cemig PCH S.A.	-	-	106,803	97,731
Cemig Geração Poço Fundo S.A.	-	-	3,600	3,638
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	-	-	42,217	28,263
Cemig Comercializadora de Energia Incentivada S.A.	-	-	3,349	3,359
Cemig Trading S.A.	-	-	38,214	31,027
Central Eólica Praias de Parajuru S.A.	-	-	146,950	149,260
Central Eólica Volta do Rio S.A.	-	-	113,580	124,507
Total of investments	**4,043,662**	**4,041,565**	**7,499,258**	**7,341,485**
Usina Hidrelétrica Itaocara – equity deficit	(22,002)	(21,810)	(22,002)	(21,810)
Total	**4,021,660**	**4,019,755**	**7,477,256**	**7,319,675**

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On December 31, 2019, the jointly-controlled entity Usina Hidrelétrica Itaocara had negative shareholders' equity. Thus, after reducing the accounting value of its interest to zero, the Company recognized the loss to the extent that it assumed contractual obligations with the subsidiary and the other shareholders, which on March 31, 2020 is R$22,002 (R$21,810 on December 31, 2019).

For the first quarter of 2020, management considered that there was some indication, due to the economic shock of the Covid-19 pandemic (Note 1c), of potential decline in value of assets, as referred to in IAS 36 / CPC 01 – *Impairments*. Considering, however, the pandemic's effects on the economic context, and the fact that the long-term expectation of realization of the assets underwent no change, management of the Company and its subsidiaries concluded that the reported assets net carrying amount is recoverable, and thus that there was no need to recognize any impairment loss in the Company nor its subsidiaries.

Additionally, in relation to the above, the Company's management has assessed the risk threatening all its investments ability to continue as a going concern, taking substantially into consideration: the guarantee of revenues of the transmission companies; the protection against *force majeure* reduction in regulated generation contracts; and all the legal measures that have been applied by the federal government and by Aneel – and has concluded that the Company and its subsidiaries' ability to continue as going concern is secure.

a) Right to exploitation of the regulated activity

In the process of allocate the purchase price for of the acquisition of the subsidiaries and affiliates, a valuation was made for the intangible assets relating to the right to operate the infrastructure. This asset is presented together with the acquisition cost of the investments in the previous table. These assets will be amortized over the remaining period of the concessions on a straight-line basis.

The rights of authorization to generate wind energy granted to Parajuru and Volta do Rio, valued at R$58,518 (R$60,072 on December 31, 2019) and R$64,541 (R$66,606 on December 31, 2019), respectively, are included in the financial statements of Company in accordance with Technical Interpretation ICPC 09, the investments and are classified in the consolidated balance sheet under Intangibles. These concession assets are amortized by the straight-line method, during the period of the concession. More details in note 15.

Changes in these assets are as follows:

Consolidated	Balance at Dec. 31, 2018	Amortization	Balance at Mar. 31, 2019	Balance at Dec. 31, 2019	Amortization	Balance at Mar. 31, 2020
Retiro Baixo	31,966	(347)	31,619	30,576	(347)	30,229
Madeira Energia (*Santo Antônio* plant)	18,000	(184)	17,816	17,263	(184)	17,079
Aliança Geração	377,534	(6,327)	371,207	352,225	(6,328)	345,897
Aliança Norte (*Belo Monte* plant)	52,575	(493)	52,082	50,603	(493)	50,110
	480,075	**(7,351)**	**472,724**	**450,667**	**(7,352)**	**443,315**

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Parent Company	Balance at Dec. 31, 2018	Amortization	Balance at Mar. 31, 2019	Balance at Dec. 31, 2019	Amortization	Balance at Mar. 31, 2020
Retiro Baixo	31,966	(347)	31,619	30,576	(347)	30,229
Central Eólica Praias de Parajuru	66,286	(1,554)	64,732	60,072	(1,554)	58,518
Central Eólica Volta do Rio	95,819	(2,053)	93,766	66,606	(2,065)	64,541
Madeira Energia (*Santo Antônio* plant)	18,000	(184)	17,816	17,263	(184)	17,079
Aliança Geração	377,534	(6,327)	371,207	352,225	(6,328)	345,897
Aliança Norte (*Belo Monte* plant)	52,575	(493)	52,082	50,603	(493)	50,110
	642,180	**(10,958)**	**631,222**	**577,345**	**(10,971)**	**566,374**

b) Changes of investments in affiliates, subsidiaries and jointly-controlled entities:

Consolidated	Balance at Dec. 31, 2019	Gain (loss) by equity method	Dividends	Balance at Mar. 31, 2020
Hidrelétrica Cachoeirão	53,728	1,546	-	55,274
Guanhães Energia	131,076	(358)	-	130,718
Hidrelétrica Pipoca	30,730	1,434	(1,823)	30,341
Madeira Energia (*Santo Antônio* Plant)	166,617	(14,742)	-	151,875
FIP Melbourne (*Santo Antônio* Plant)	384,809	(11,886)	-	372,923
Baguari Energia	157,499	5,943	-	163,442
Lightger	46,487	1,858	(1,729)	46,616
Amazônia Energia (*Belo Monte* Plant)	1,027,860	(6,774)	-	1,021,086
Aliança Norte (*Belo Monte* Plant)	671,166	(4,649)	-	666,517
Aliança Geração	1,191,550	27,577	-	1,219,127
Retiro Baixo	180,043	5,700	-	185,743
Total of investments	**4,041,565**	**5,649**	**(3,552)**	**4,043,662**
Itaocara – equity deficit	(21,810)	(192)	-	(22,002)
Total	**4,019,755**	**5,457**	**(3,552)**	**4,021,660**

Parent Company	Balance at Dec. 31, 2019	Gain (loss) by equity method	Dividends	Balance at Mar. 31, 2020
Hidrelétrica Cachoeirão	53,728	1,546	-	55,274
Guanhães Energia	131,076	(358)	-	130,718
Hidrelétrica Pipoca	30,730	1,434	(1,823)	30,341
Madeira Energia (*Santo Antônio* Plant)	166,617	(14,742)	-	151,875
FIP Melbourne (*Santo Antônio* Plant)	384,809	(11,886)	-	372,923
Baguari Energia	157,499	5,943	-	163,442
Central Eólica Praias Parajuru	149,260	(2,310)	-	146,950
Central Eólica Volta do Rio	124,507	(10,927)	-	113,580
Lightger	46,487	1,858	(1,729)	46,616
Amazônia Energia (*Belo Monte* Plant)	1,027,860	(6,774)	-	1,021,086
Aliança Norte (*Belo Monte* Plant)	671,166	(4,649)	-	666,517
Aliança Geração	1,191,550	27,577	-	1,219,127
Retiro Baixo	180,043	5,700	-	185,743
Cemig Baguari	19	(1)	-	18
Cemig Ger.Três Marias S.A.	1,407,996	52,546	-	1,460,542
Cemig Ger.Salto Grande S.A.	446,318	17,547	-	463,865
Cemig Ger. Itutinga S.A.	183,617	7,858	-	191,475
Cemig Geração Camargos S.A.	136,140	9,736	-	145,876
Cemig Geração Sul S.A.	179,275	8,338	-	187,613
Cemig Geração Leste S.A.	126,802	10,006	-	136,808
Cemig Geração Oeste S.A.	72,648	5,542	-	78,190
Rosal Energia S.A.	127,994	8,028	-	136,022
Sá Carvalho S.A.	123,929	12,287	-	136,216
Horizontes Energia S.A.	57,397	6,861	-	64,258
Cemig PCH S.A.	97,731	9,072	-	106,803
Cemig Geração Poço Fundo S.A.	3,638	(38)	-	3,600
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	28,263	13,954	-	42,217
Cemig Comercializadora de Energia Incentivada S.A.	3,359	(10)	-	3,349
Cemig Trading S.A.	31,027	7,187	-	38,214
Total of investments	**7,341,485**	**161,325**	**(3,552)**	**7,499,258**
Itaocara – equity deficit	(21,810)	(192)	-	(22,002)
Total	**7,319,675**	**161,133**	**(3,552)**	**7,477,256**

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Consolidated	Balance at Dec. 31, 2018	Gain (loss) by equity method	Capital contributions	Dividends	Balance at Mar. 31, 2019
Hidrelétrica Cachoeirão	49,213	2,580	-	-	51,793
Guanhães Energia	111,838	(129)	15,952	-	127,661
Hidrelétrica Pipoca	30,629	(40)	-	-	30,589
Madeira Energia (*Santo Antônio* plant)	270,090	(6,907)	-	-	263,183
FIP Melbourne (*Santo Antônio* plant)	470,022	(5,821)	-	-	464,201
Baguari Energia	162,224	4,815	-	-	167,039
Lightger	42,191	3,917	-	(747)	45,361
Amazônia Energia (*Belo Monte* plant)	1,012,636	(1,241)	-	-	1,011,395
Aliança Norte (*Belo Monte* plant)	663,755	(1,374)	-	-	662,381
Aliança Geração	1,216,860	37,628	-	-	1,254,488
Retiro Baixo	170,720	3,399	-	-	174,119
Usina Hidrelétrica Itaocara S.A.	5,130	(148)	-	-	4,982
Total of investments	**4,205,308**	**36,679**	**15,952**	**(747)**	**4,257,192**

Parent Company	Balance at Dec. 31, 2018	Gain (loss) by equity method	Capital contributions	Dividends	Balance at Mar. 31, 2019
Hidrelétrica Cachoeirão	49,213	2,580	-	-	51,793
Guanhães Energia	111,838	(129)	15,952	-	127,661
Hidrelétrica Pipoca	30,629	(40)	-	-	30,589
Madeira Energia (*Santo Antônio* Plant)	270,090	(6,907)	-	-	263,183
FIP Melbourne (*Santo Antônio* Plant)	470,022	(5,821)	-	-	464,201
Baguari Energia	162,224	4,815	-	-	167,039
Central Eólica Praias Parajuru	145,880	843	-	-	146,723
Central Eólica Volta do Rio	180,976	(117)	-	-	180,859
Lightger	42,191	3,917	-	(747)	45,361
Amazônia Energia (*Belo Monte* Plant)	1,012,636	(1,241)	-	-	1,011,395
Aliança Norte (*Belo Monte* Plant)	663,755	(1,374)	-	-	662,381
Aliança Geração	1,216,860	37,628	-	-	1,254,488
Retiro Baixo	170,720	3,399	-	-	174,119
Usina Hidrelétrica Itaocara S.A.	5,130	(148)	-	-	4,982
Cemig Baguari	36	(15)	-	-	21
Cemig Ger.Três Marias S.A.	1,395,614	44,501	-	-	1,440,115
Cemig Ger.Salto Grande S.A.	440,083	16,628	-	-	456,711
Cemig Ger. Itutinga S.A.	178,545	11,613	-	(5,130)	185,028
Cemig Geração Camargos S.A.	131,570	8,328	-	-	139,898
Cemig Geração Sul S.A.	176,424	12,030	-	(5,695)	182,759
Cemig Geração Leste S.A.	120,686	8,162	-	(1,506)	127,342
Cemig Geração Oeste S.A.	69,898	4,622	-	-	74,520
Rosal Energia S.A.	124,897	12,348	-	-	137,245
Sá Carvalho S.A.	94,447	12,812	-	-	107,259
Horizontes Energia S.A.	54,953	3,693	-	-	58,646
Cemig PCH S.A.	92,987	2,430	-	-	95,417
Cemig Geração Poço Fundo S.A.	18,406	159	-	-	18,565
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	26,755	13,517	-	-	40,272
Cemig Comercializadora de Energia Incentivada S.A.	2,841	263	-	-	3,104
Cemig Trading S.A.	28,135	14,376	-	-	42,511
Total of investments	**7,488,441**	**202,872**	**15,952**	**(13,078)**	**7,694,187**

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c) Information on the subsidiaries, affiliates and and jointly-controlled entities, not adjusted for the Company's percentage ownership interest:

Company	Number of shares	March 31, 2020			December 31, 2019		
		Equity interest (%)	Share capital	Equity	Equity interest (%)	Share capital	Equity
Affiliated companies							
Madeira Energia (*Santo Antônio* plant)	12,034,025,147	15.51	10,619,786	3,272,482	15.51	10,619,786	3,704,760
Jointly controlled entities							
Hidrelétrica Cachoeirão	35,000,000	49.00	35,000	112,804	49.00	35,000	109,649
Guanhães Energia	548,626,000	49.00	548,626	266,772	49.00	548,626	267,503
Hidrelétrica Pipoca	41,360,000	49.00	41,360	61,920	49.00	41,360	62,715
Baguari Energia (1)	26,157,300,278	69.39	186,573	235,549	69.39	186,573	226,984
Lightger	79,078,937	49.00	79,232	95,138	49.00	79,232	94,871
Aliança Norte (*Belo Monte* plant)	41,893,675,837	49.00	1,208,071	1,257,972	49.00	1,208,071	1,266,453
Amazônia Energia (*Belo Monte* plant) (1)	1,322,597,723	74.50	1,322,598	1,370,585	74.50	1,322,598	1,379,678
Aliança Geração	1,291,582	45.00	1,291,488	1,938,088	45.00	1,291,488	1,857,905
Retiro Baixo	225,350,000	49.90	225,350	308,253	49.90	225,350	299,532
Renova (1) (2)	41,719,724	36.23	N/D	N/D	36.23	2,919,019	(1,090,547)
Usina Hidrelétrica Itaocara S.A.	69,282,514	49.00	69,283	(44,901)	49.00	69,283	(44,510)
Subsidiaries							
Cemig Baguari	306,000	100.00	306	18	100.00	306	19
Cemig Ger.Três Marias S.A.	1,291,423,369	100.00	1,291,423	1,460,542	100.00	1,291,423	1,407,996
Cemig Ger.Salto Grande S.A.	405,267,607	100.00	405,268	463,865	100.00	405,268	446,318
Cemig Ger. Itutinga S.A.	151,309,332	100.00	151,309	191,475	100.00	151,309	183,617
Cemig Geração Camargos S.A.	113,499,102	100.00	113,499	145,876	100.00	113,499	136,140
Cemig Geração Sul S.A.	148,146,505	100.00	148,147	187,613	100.00	148,147	179,275
Cemig Geração Leste S.A.	100,568,929	100.00	100,569	136,808	100.00	100,569	126,802
Cemig Geração Oeste S.A.	60,595,484	100.00	60,595	78,190	100.00	60,595	72,648
Rosal Energia S.A.	46,944,467	100.00	46,944	136,022	100.00	46,944	127,994
Sá Carvalho S.A.	361,200,000	100.00	36,833	136,216	100.00	36,833	123,929
Horizontes Energia S.A.	39,257,563	100.00	39,258	64,258	100.00	39,258	57,397
Cemig PCH S.A.	45,952,000	100.00	45,952	106,803	100.00	45,952	97,731
Cemig Geração Poço Fundo S.A.	1,402,000	100.00	1,402	3,600	100.00	1,402	3,638
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	486,000	100.00	486	42,217	100.00	486	28,263
Cemig Comercializadora de Energia Incentivada S.A.	1,000,000	100.00	1,000	3,349	100.00	1,000	3,359
Cemig Trading S.A.	1,000,000	100.00	1,000	38,214	100.00	1,000	31,027
Central Eólica Praias de Parajuru S.A.	71,834,843	100.00	71,835	88,432	100.00	71,835	89,188
Central Eólica Volta do Rio S.A.	138,867,440	100.00	138,867	49,039	100.00	138,867	57,901

(1) Control shared under a shareholders' agreement.
(2) In view of Renova's negative net equity, the Company reduced to zero the carrying value of its equity interests in this investee, at December 31, 2018. In addition, due to the issues described further in this note, relating to Renova, this investee has not conclued its interim financial information for the period ended on March 31, 2020, and thus their account information is not disclosed.

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Madeira Energia S.A. ('MESA') and FIP Melbourne

MESA is the parent company of Santo Antônio Energia S.A ('SAESA'), whose objects are operation and maintenance of the *Santo Antônio* Hydroelectric Plant and its transmission system, on the Madeira River, and all activities necessary for operation of the plant and its transmission system. Between the shareholders include Furnas, Odebrecht Energia, SAAG and the Company.

On March, 31, 2020 the investee MESA reported a loss of R$432,278 (R$80,888 on March, 31, 2019) and current liabilities in excess of current assets by R$144,926 (R$427,060 on December, 31, 2019). Hydroelectric plants project finance structurally present negative net working capital in the first years of operation, because they are built using high levels of financial leverage. On the other hand, they have firm long term contracts for energy supply as support and guarantee of payment of their debts. To balance the situation of negative working capital, in addition to its long-term sale contracts that ensure regularity in its operational cash flow, MESA benefits from its debt reprofiling, that adjusted its debt repayments flow to its cash generation capacity, so that the investee does not depend on additional investment from the shareholders.

Arbitration proceedings

In 2014, the Company and SAAG Investimentos S.A. (SAAG), a vehicle through which the Company holds an indirect equity interest in MESA, opened arbitration proceedings, in the Market Arbitration Chamber, challenging the following: (a) the adjustment for impairment carried out by the Executive Board of MESA, in the amount of R$678,551, relating to certain credits owed to Mesa by CCSA, based on absence of quantification of the amounts supposedly owed, and absence of prior approval by the Board of Directors, as required by the by laws and Shareholders' Agreement of MESA; and also on the existence of credits owed to MESA by CCSA, for an amount greater than the claims; and (b) against the adjustment for impairment, carried out by the Executive Board of MESA, in the amount of R$678,551, relating to certain credits owed to Mesa by CCSA, on the grounds that those credits are owed in their totality by express provision of contract.

The arbitration judgment recognized the right of the Company and SAAG in full and ordered the annulment of the acts being impugned. As a consequence of this decision, MESA reversed the impairment, and posted a provision for receivables in the amount of R$678,551 in its financial statements as of December 31, 2017. On March 31, 2020, the investee confirmed its assets recoverability expectation and maintained the provision for receivables in the amount of R$678,551.

To resolve the question of the liability of the CCSA consortium to reimburse the costs of re-establishment of the collateral and use of the contractual limiting factor, the affiliated company opened arbitration proceedings with the International Chamber of Commerce (ICC) against CCSA, which are in progress. This process is confidential under the Arbitration Regulations of the ICC.

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The Company and SAAG Investimentos S.A. applied to the judiciary for provisional remedy prior to the arbitration proceeding, to suspend the effects of the capital increase approved by an Extraordinary General Meeting of Shareholders of Mesa held on August 28, 2018. This process is confidential under the Arbitration Regulations of the Market Arbitration Chamber.

Renova Energia S.A. ('Renova') - court-supervised reorganization ('Renova')

The investee Renova, currently in court-supervised reorganization, has been reporting recurring losses and presenting negative net working capital, net equity (uncovered liabilities), and negative gross margin throughout the year ended on March 31, 2020.

However, in view of the investee's equity deficit, the Company reduced the carrying value of its equity interests in Renova, at December 31, 2018, to zero and no further losses have been recognized, considering the non-existence of any legal or constructive obligations to the investee.

Additionally, the Company recorded, in June 30, 2019, an impairment of the receivables with the jointly-controlled entity related to energy purchase and sale agreements and terms of debt recognition for total outstanding balance, in the amount of R$688 million.

Application to the court by Renova for court-supervised reorganization

On October 16, 2019, the second State of São Paulo Bankruptcy and Court-Supervised Reorganization Court granted court-supervised reorganization petition applied by Renova, and by the other companies of the group ('the Renova Group'), and determined, among other measures, the following: (i) Appointment of an independent company to act as judicial administrator; (ii) Suspension of actions and executions against the companies of the Renova Group for 180 days, under Article 6 of Law 11,101/2005; (iii) Presentation of accounts by the 30th of each month, while the court-supervised reorganization proceedings continue, on penalty of the controlling shareholders of the companies of the Renova Group being removed, and replaced by administrator, under Article 52, IV, of Law 11,101/2005; (iv) Dispensation of presentation of certificates of absence of debt so that the companies of the Renova Group can exercise their activities; and (v) Order to publish a tender, in the terms of §1 of Article 52 of Law 11,101/2005, with 15 days for presentation of qualifications and/or divergences of credits in relation to the court-supervised reorganization.

On December 17, 2019, Renova filed its court-supervised reorganization plan, which has to be approved by the General Meeting of Creditors according with the terms and conditions established by Law 11,101/2005. The jointly-controlled entity is in the process of discussing such plan and until the present date has not measured the possible effects on its accounting balances.

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In this context, Renova signed with the Cemig (Cemig GT's controlling stockholder) Debtor in Possession (DIP) loan agreements, in the total amount of R$36,500, comprising R$16,500 in 2019 and R$20,000 in 2020. The funds of these loans, made under specific rules of court-supervised reorganization proceedings, are necessary to support the expenses of maintaining the activities of Renova, and were authorized by the second State of São Paulo Bankruptcy and Court-supervised Reorganization Court. They are guaranteed by a fiduciary assignment of shares in a company owning assets of a wind power project owned by Renova, and they also have priority of receipt in the court-supervised reorganization process. Additionally, the Company made an Advance for Future Capital Increase to Renova of R$5,000, on October 25, 2019.

On March 20, 2020, the Board of Directors of Renova approved acceptance of a binding offer made by ARC Capital Ltda. ('ARC'), jointly with G5 Administradora de Recursos Ltda. ('G5'), and XP Vista Asset Management Ltda. ('XP') for financing to conclude the works of Phase A of the *Alto Sertão III* Wind Farm Complex, and to fund the current operational expenses of Renova. The offer is in the phase of diligence, and still pending conclusion.

Considering the non-existence of any legal or constructive obligations to the investee, the Company has concluded that the granted of court-supervised reorganization filed by Renova does not have any additional impact in its interim financial information.

Amazônia Energia S.A. and Aliança Norte Energia S.A.

Amazônia Energia and Aliança Norte are shareholders of Norte Energia S.A. ('NESA'), which holds the concession to operate the *Belo Monte* Hydroelectric Plant. Through the jointly-controlled entities referred to above, the Company owns an indirect equity interest in NESA of 11.69%.

On March 31, 2020 NESA had negative net working capital of R$3,300,775 and will spend further amounts on projects specified in its concession contract, even after conclusion of the construction and full operation of the Belo Monte Hydroelectric Plant. According to the estimates and projections, the situation of negative net working capital, and the future demands for investments in the hydroelectric plant, will be supported by revenues from future operations and/or raising of bank financings.

On September 21, 2015, NESA was awarded a preliminary injunction ordering the regulator to 'abstain, until hearing of the application for an injunction made in the original case, from applying to Appellant any penalties or sanctions in relation to the Belo Monte Hydroelectric Plant not starting operations on the date established in the original timetable for the project, including those specified in an the regulator (Aneel) Normative Resolution 595/2013 and in the Concession Contract for the Belo Monte Hydroelectric Plant'. The legal advisers of NESA have classified the probability of loss as 'possible' and estimated the potential loss on March 31, 2020 to approximately R$1,995,000 (R$1,962,000 on December 31, 2019).

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Risks related to compliance with law and regulations

Jointly-controlled entities and affiliates:

Norte Energia S.A. ('Nesa') – through Amazônia Energia and Aliança Norte

Investigations and other legal measures are in progress since 2015, conducted by the Federal Public Attorneys' Office, which involve other shareholders of NESA and certain executives of those other shareholders. In this context, the Federal Public Attorneys have started investigations on irregularities involving contractors and suppliers of NESA and of its other shareholders, which are still in progress. At present, it is not possible to determine the outcome of these investigations, and their possible consequences. These might at some time in the future affect the investee. In addition, based on the results of the independent internal investigation conducted by NESA and its other shareholders, an infrastructure write-down of the R$183,000 was already recorded at NESA, and reflected in the Company's financial statements through the equity pick effect in 2015.

On March 9, 2018 '*Operação Fortuna'* started, as a 49th phase of 'Operation Lava Jato' ('Operation Carwash'). According to what has been disclosed by the media this operation investigates payment of bribes by the construction consortium of the *Belo Monte* power plant, comprising the companies Camargo Corrêa, Andrade Gutierrez, Odebrecht, OAS and J. Malucelli. Management of NESA believes that so far there are no new facts that have been disclosed by the 49th phase of 'Operation Carwash' that require additional procedures and internal independent investigation in addition to those already carried out.

The company's management, based on its knowledge of the matters described above and on the independent procedure carried out, believes that the conclusions presented in the report of the independent investigation are adequate and appropriate; as a result no adjustment has been made in the interim financial information. The effects of any future alterations in the existing scenario will be reflected appropriately in the Company's interim financial information.

Madeira Energia S.A. ('MESA')

Investigations and other legal measures are in progress, conducted by the Federal Public Attorneys' Office, which involve other indirect shareholders of MESA and certain executives of those other indirect shareholders. In this context, the Federal Public Attorneys have started investigations searching for irregularities involving contractors and suppliers of MESA and of its other shareholders. In response to allegations of possible illegal activities, the investee and its other shareholders started an independent internal investigation.

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The independent internal investigation, concluded in February 2019, in the absence of any future developments such as any leniency agreements by third parties that may come to be signed or collaboration undertakings that may be signed by third parties with the Brazilian authorities, found no objective evidence enabling it to be affirmed that there were any supposed undue payments by MESA (SAESA) that should be considered for possible accounting write-off, pass through or increase of costs to compensate undue advantages and/or linking of MESA with the acts of its suppliers, in the terms of the witness accusations and/or cooperation statements that have been made public.

The company’s management, based on its knowledge of the matters described above and on the independent procedures carried out, believes that the conclusions presented in the report of the independent investigation are adequate and appropriate; as a result no adjustment has been made in the interim financial information. The effects of any future alterations in the existing scenario will be reflected appropriately in the Company’s interim financial information.

Renova Energia S.A. (‘Renova’)

Since 2017 Renova is part of a formal investigation by the Civil Police of Minas Gerais State and other public authorities related to certain capital injections made by some of its controlling shareholders, including the Company and capital injections made by Renova in certain projects under development in previous years.

On April 11, 2019, within the ‘Operação Descarte’ scope, the Brazilian Federal Police commenced the ‘*Operation E o Vento Levou’* as part of the ‘*Lava Jato’* Investigation, and executed a search and seizure warrant issued by a Federal Court of São Paulo at Renova’s head office in São Paulo, based on allegations and indications of misappropriation of funds harmful to the interests of Cemig. Based on the allegations being investigated, these events are alleged to have taken place before 2015. In July 25, 2019, the second phase of the operation occurred.

The ‘Operation E o Vento Levou’ and the police investigation of the Minas Gerais State Civil Police have not yet been concluded. Thus, there is a possibility that material information may be revealed in the future. If a criminal action is filed against agents who could have damaged Renova, Renova intends to act as auxiliary to the prosecution in any criminal proceedings, and subsequently sue for civil reparation of the damages suffered.

Due to these third party investigations, the governance bodies of Renova have requested opening of an internal investigation, conducted by an independent company with the support of an external law firm, the scope of which comprises assessment of the existence of irregularities, including noncompliance with: the Brazilian legislation related to acts of corruption and money laundering; Renova’s Code of Ethics; and its integrity policies. Additionally, a Monitoring Committee was established in Renova which, jointly with the Audit Committee, accompanied this investigation. The internal investigation was concluded on February 20, 2020, and no concrete evidences of acts of corruption or diversion of funds to political campaigns were identified.

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However, the independent investigators identified irregularities in the conducting of business and agreement of contracts by Renova, including: (i) payments without evidence of the consideration of services, in the total amount of approximately R$40 million; (ii) payments not in accordance with the company's internal policies and best governance practices, in the total amount of approximately R$137 million; and (iii) deficiencies in the internal controls of the investee.

As a result of the analysis of the above mentioned values, Renova concluded that R$35 million relates to effective assets and therefore no impairment is necessary. The remaining amount of R$142 million was already impaired in previous years, producing no impact on the financial statements for the year ended December 31, 2019 and on the interim financial information for the period ended March 31, 2020.

In response to the irregularities found, and based on the recommendations of the Monitoring Committee and legal advisers, the Board of Directors of Renova decided to take all the steps necessary to preserve the rights of the investee, continue with the measures to obtain reimbursement of the losses caused, and strengthen the company's internal controls.

Since the investment at Renova is fully impaired at March 31, 2020, and since no contractual or constructive obligations in relation to the investee have been assumed by the Company, it is not expected that effects resulting from the court-supervised reorganization process, or the investigations, or the operational activities of this investee can significantly impact the Company's interim financial information, even if eventually not yet recorded by Renova.

Other investigations

In addition to the cases above, there are investigations being conducted by the Public Attorneys' Office of the State of Minas Gerais ('MPMG') and by the Civil Police of the State of Minas Gerais ('PCMG'), which aim to investigate possible irregularities in the investments made by the Company in Guanhães Energia and also in MESA. Additionally, on April 11, 2019 agents of the Brazilian Federal Police were in the Company's head office in Belo Horizonte to execute a search and seizure warrant issued by a São Paulo Federal Court in connection with the 'Operation E o Vento Levou', as described above.

These proceedings are being investigated through the analysis of documents demanded by the respective authorities, and by hearing of witnesses.

Internal procedures for risks related to compliance with law and regulations.

Taking into account the investigations, that are being conducted at the Company and at certain investees, as described above, the governance bodies of the Company have authorized contracting a specialized company to analyze the internal procedures related to these investments. This independent investigation was subject to oversight of an independent investigation committee whose creation was approved by our Board of Directors.

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The Company's internal investigation was completed and the corresponding report was issued on May 8, 2020. Considering the results of the internal investigations, no objective evidence was identified to affirm that there were illegal acts on the investments made by Company that were subject to the investigation, therefore, there was no impact in the interim financial information as of March 31, 2020.

On July 29, 2019, Cemig (Cemig GT's controlling stockholder) signed a tooling agreement with the Securities and Exchange Commission (SEC) and US Department of Justice (DOJ). The Company has complied with the requests and intends to continue contributing to the SEC and the DOJ.

The Company will evaluate any changes in the future scenario and eventual impacts that could affect the Financial Statements, when applicable. The Company will collaborate with the relevant authorities and their analysis related to the investigations in progress.

14. PROPERTY, PLANT AND EQUIPMENT

Consolidated	March 31, 2020			December 31, 2019		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
In service	**7,249,371**	**(4,973,380)**	**2,275,991**	**7,244,763**	**(4,929,379)**	**2,315,384**
Land	247,453	(20,131)	227,322	247,453	(19,178)	228,275
Reservoirs, dams and watercourses	3,279,994	(2,219,476)	1,060,518	3,279,784	(2,199,659)	1,080,125
Buildings, works and improvements	1,091,750	(822,636)	269,114	1,091,605	(818,120)	273,485
Machinery and equipment	2,596,342	(1,882,861)	713,481	2,592,087	(1,864,599)	727,488
Vehicles	20,616	(18,066)	2,550	20,616	(17,687)	2,929
Furniture and utensils	13,216	(10,210)	3,006	13,218	(10,136)	3,082
Under construction	**151,831**	**-**	**151,831**	**133,103**	**-**	**133,103**
Assets in progress	151,831	-	151,831	133,103	-	133,103
Net PP&E	**7,401,202**	**(4,973,380)**	**2,427,822**	**7,377,866**	**(4,929,379)**	**2,448,487**

Parent Company	March 31, 2020			December 31, 2019		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
In service	**6,154,463**	**(4,436,754)**	**1,717,709**	**6,153,927**	**(4,404,015)**	**1,749,912**
Land	243,194	(19,808)	223,386	243,194	(18,867)	224,327
Reservoirs, dams, watercourses	3,003,075	(2,087,203)	915,872	3,003,075	(2,069,552)	933,523
Buildings, works and improvements	1,013,385	(786,662)	226,723	1,013,385	(782,773)	230,612
Machinery and equipment	1,861,445	(1,515,191)	346,254	1,860,907	(1,505,381)	355,526
Vehicles	20,401	(17,851)	2,550	20,401	(17,473)	2,928
Furniture and utensils	12,963	(10,039)	2,924	12,965	(9,969)	2,996
Under construction	**85,668**	**-**	**85,668**	**72,279**	**-**	**72,279**
Assets in progress	85,668	-	85,668	72,279	-	72,279
Net PP&E	**6,240,131**	**(4,436,754)**	**1,803,377**	**6,226,206**	**(4,404,015)**	**1,822,191**

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Changes in Property, plant and equipment were as follows:

Consolidated	Balance at Dec. 31, 2019	Addition	Transfer (2)	Settled	Depreciation	Balance at Mar. 31, 2020
In service	**2,315,384**	**-**	5,456	(224)	(44,625)	2,275,991
Land (1)	228,275	-	-	-	(953)	227,322
Reservoirs, dams, watercourses	1,080,125	-	210	-	(19,817)	1,060,518
Buildings, works and improvements	273,485	-	144	-	(4,515)	269,114
Machinery and equipment	727,488	-	5,102	(224)	(18,885)	713,481
Vehicles	2,929	-	-	-	(379)	2,550
Furniture and utensils	3,082	-	-	-	(76)	3,006
Under construction	**133,103**	**25,158**	**(5,456)**	**(974)**	**-**	**151,831**
Net PP&E	**2,448,487**	**25,158**	**-**	**(1,198)**	**(44,625)**	**2,427,822**

(1) Certain land sites linked to concession contracts and without provision for reimbursement are amortized in accordance with the period of the concession.
(2) Balance relating to transfers from Assets in progress to Assets in service.

Parent Company	Balance at Dec. 31, 2019	Addition	Transfer (2)	Settled	Depreciation	Balance at Mar. 31, 2020
In service	**1,749,912**	**-**	**1,387**	**(224)**	**(33,366)**	**1,717,709**
Land (1)	224,327	-	-	-	(941)	223,386
Reservoirs, dams, watercourses	933,523	-	-	-	(17,651)	915,872
Buildings, works and improvements	230,612	-	-	-	(3,889)	226,723
Machinery and equipment	355,526	-	1,387	(224)	(10,435)	346,254
Vehicles	2,928	-	-	-	(378)	2,550
Furniture and utensils	2,996	-	-	-	(72)	2,924
Under construction	**72,279**	**14,776**	**(1,387)**	**-**	**-**	**85,668**
Net PP&E	**1,822,191**	**14,776**	**-**	**(224)**	**(33,366)**	**1,803,377**

(1) Certain land sites linked to concession contracts and not having provision for reimbursement are amortized in accordance with the period of the concession.
(2) Balance relating to transfers from Assets in progress to Assets in service.

Consolidated	Balance at Dec. 31, 2018	Addition	Transfer (2)	Settled	Depreciation	Balance at Mar. 31, 2019
In service	**2,540,035**	**-**	**6,510**	**(724)**	**(39,692)**	**2,506,129**
Land (1)	214,967	-	-	-	(631)	214,336
Reservoirs, dams, watercourses	1,150,495	-	1,651	-	(20,324)	1,131,822
Buildings, works and improvements	313,688	-	636	-	(4,668)	309,656
Machinery and equipment	853,054	-	4,194	(724)	(13,610)	842,914
Vehicles	4,525	-	-	-	(381)	4,144
Furniture and utensils	3,306	-	29	-	(78)	3,257
Under construction	**119,186**	**6,121**	**(6,437)**	**-**	**-**	**118,870**
Net PP&E	**2,659,221**	**6,121**	**73**	**(724)**	**(39,692)**	**2,624,999**

(1) Certain land sites linked to concession contracts and not having provision for reimbursement are amortized in accordance with the period of the concession.
(2) Balance relating to transfers from Assets in progress to Assets in service and to financial assets.

Parent Company	Balance at Dec. 31, 2018	Addition	Transfer (2)	Settled	Depreciation	Balance at Mar. 31, 2019
In service	**1,939,887**	**-**	**2,773**	**(59)**	**(35,189)**	**1,907,412**
Land (1)	210,963	-	-	-	(617)	210,346
Reservoirs, dams, watercourses	996,451	-	1,528	-	(18,168)	979,811
Buildings, works and improvements	269,263	-	-	-	(4,051)	265,212
Machinery and equipment	455,563	-	1,245	(59)	(11,901)	444,848
Vehicles	4,505	-	-	-	(381)	4,124
Furniture and utensils	3,142	-	-	-	(71)	3,071
Under construction	**85,318**	**3,546**	**(2,700)**	**-**	**-**	**86,164**
Net PP&E	**2,025,205**	**3,546**	**73**	**(59)**	**(35,189)**	**1,993,576**

(1) Certain land sites linked to concession contracts and not having provision for reimbursement are amortized in accordance with the period of the concession.
(2) Balance relating to transfers from Assets in progress to Assets in service and to financial assets.

The average annual depreciation rate for the Company and its subsidiaries is 2.90%.

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The Company and its subsidiaries have not identified any evidence of impairment of its Property, plant and equipment assets. The generation concession contracts provide that at the end of each concession the grantor must determine the amount to be reimbursed to the Company – with the exception of the concession contracts related to Lot D of Auction 12/2015. Management believes that the indemnity of these assets will be greater than the amount of their historic cost, after depreciation over their useful lives.

The residual value of the assets is the residual balance of the assets at the end of the concession contract which will be transferred to the grantor at the end of the concession contract and for which the Company is entitled to receive in cash. For contracts under which the Company does not have a right to receive such amounts or there is uncertainty related to collection of the amounts, such as in the case of thermal generation and hydroelectric generation as an independent power producer, no residual value is recognized, and the depreciation rates are adjusted so that all the assets are depreciated within the concession term.

Consortium

The Company is a partner in an energy generation consortium for the *Queimado* plant, for which no separate company with independent legal existence was formed to manage the object of the concession. The Company's portion in the consortium is recorded and controlled individually in the respective categories of PP&E and Intangible assets.

Consolidated and Parent Company	Stake in power output, %	Average annual depreciation rate %	March 31, 2019	December 31, 2019
In service				
Usina de queimado	82.50	3.73	217,210	217,210
Accumulated depreciation			(110,861)	(109,012)
Total in operation			**106,349**	**108,198**
Under construction				
Usina de queimado	82.50	-	980	980
Total under construction			**980**	**980**
Total			**107,329**	**109,178**

15. INTANGIBLE ASSETS

Consolidated	March 31, 2019			December 31, 2019		
	Historic cost	Accumulated amortization	Residual value	Historic cost	Accumulated amortization	Residual value
In service	**296,402**	**(152,839)**	**143,563**	**296,397**	**(148,179)**	**148,218**
Temporary easements	11,749	(3,450)	8,299	11,749	(3,292)	8,457
Paid concession	19,169	(12,779)	6,390	19,169	(12,609)	6,560
Assets of the concession (1)	202,337	(79,278)	123,059	202,337	(75,659)	126,678
Others	63,147	(57,332)	5,815	63,142	(56,619)	6,523
Under construction	7,433	-	7,433	**7,369**	-	**7,369**
Assets in progress	7,433	-	7,433	7,369	-	7,369
Net intangible assets	**303,835**	**(152,839)**	**150,996**	**303,766**	**(148,179)**	**155,587**

(1) The rights of authorization to generate wind power granted to the Parajuru and Volta do Rio, in the amount of R$123,059, are considered as investments in the interim financial information of the parent company and are classified under Intangible assets in the statement of financial position, as per Technical Interpretation ICPC 09. These concession assets are amortized by the straight-line method, during the period of the concession.

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Parent Company	March 31, 2020			December 31, 2019		
	Historic cost	Accumulated amortization	Residual value	Historic cost	Accumulated amortization	Residual value
In service	**93,371**	**(73,474)**	**19,897**	**93,366**	**(72,448)**	**20,918**
Temporary easements	11,451	(3,450)	8,001	11,451	(3,292)	8,159
Paid concession	19,169	(12,779)	6,390	19,169	(12,609)	6,560
Others	62,751	(57,245)	5,506	62,746	(56,547)	6,199
Under construction	7,406	-	7,406	**7,342**	-	**7,342**
Assets in progress	7,406	-	7,406	7,342	-	7,342
Net intangible assets	**100,777**	**(73,474)**	**27,303**	**100,708**	**(72,448)**	**28,260**

This table shows the changes in intangible assets:

Consolidated	Balance at Dec. 31, 2019	Addition	Amortization	Balance at Mar. 31, 2020
In service	**148,218**	-	**(4,655)**	**143,563**
Temporary easements	8,457	-	(158)	8,299
Paid concessions	6,560	-	(170)	6,390
Assets of the concession	126,678	-	(3,619)	123,059
Others	6,523	-	(708)	5,815
Under construction	**7,369**	**64**	-	**7,433**
Assets in progress	7,369	64	-	7,433
Total	**155,587**	**64**	**(4,655)**	**150,996**

Parent Company	Balance at Dec. 31, 2019	Addition	Amortization	Balance at Mar. 31, 2020
In service	**20,918**	-	**(1,021)**	**19,897**
Temporary easements	8,159	-	(158)	8,001
Paid concessions	6,560	-	(170)	6,390
Others	6,199	-	(693)	5,506
		-		
Under construction	**7,342**	**64**	**-**	**7,406**
Assets in progress	7,342	64	-	7,406
Total	**28,260**	**64**	**(1,021)**	**27,303**

Consolidated	Balance at Dec. 31, 2018	Addition	Capitalization / Transfer	Amortization	Balance at Mar. 31, 2019
In service	**191,135**	-	**376**	**(4,714)**	**186,797**
Temporary easements	9,085	-	-	(168)	8,917
Paid concessions	7,239	-	-	(170)	7,069
Right to commercial operation	162,106	-	-	(3,608)	158,498
Others	12,705	-	376	(768)	12,313
Under construction	**6,448**	**424**	**(376)**	**-**	**6,496**
Assets in progress	6,448	424	(376)	-	6,496
Total	**197,583**	**424**	**-**	**(4,714)**	**193,293**

Parent Company	Balance at Dec. 31, 2018	Addition	Capitalization / Transfer	Amortization	Balance at Mar. 31, 2019
In service	**24,267**	-	**376**	**(1,105)**	**23,538**
Temporary easements	8,787	-	-	(168)	8,619
Paid concessions	7,239	-	-	(170)	7,069
Others	8,241	-	376	(767)	7,850
Under construction	**6,448**	**424**	**(376)**	**-**	**6,496**
Assets in progress	6,448	424	(376)	-	6,496
Total	**30,715**	**424**	**-**	**(1,105)**	**30,034**

Taking into account the useful life of the related assets, the average annual of the Company and its subsidiares amortization rate is 19.91%.

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Items in intangible assets, rights of commercial operation, paid concessions, and others are amortized by the straight-line method; the rates used are based on the consumption pattern of these rights. The Company and its subsidiaries have not identified any evidence of impairment of its intangible assets. The Company and its subsidiaries have no intangible assets with non-defined useful life.

On December 31, 2019, the Company recognized an impairment loss for the intangible asset related to the right of authorization for wind power generation granted to the subsidiary Volta do Rio, in the amount of R$21,684, recorded in "Other expenses" in the income statement. The test of impairment of intangible assets, relating to the authorization for wind power generation granted to Volta do Rio, arises from non-achievement of the operational performance expected in 2019 for the wind generation assets of the subsidiary. The Value in Use of the assets was calculated based on the projection of future expected cash flows for the operation of the assets of the subsidiary, brought to present value by the weighted average cost of capital defined for the company's activity, using the Firm Cash Flow (FCFF) methodology.

16. LEASING TRANSACTIONS

The Company and its subsidiaries recognized right of use and a lease liability, according the IFRS 16 / CPC 06 (R2) – Leases, for the following contracts which contain a lease*:*

- Leasing of buildings used as administrative headquarters;
- Leasing of commercial vehicles used in operations.

The Company and its subsidiaries have elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Thus, these leasing agreements are recognized as an expense in the income statement on the straight-line basis, over the period of the leasing. Their effects on net income from January to March 2020 were immaterial.

The discount rates were obtained by reference to the Company's incremental borrowing rate, based on the debts contracted by the Company and through quotations with potential financial institutions.

a) Right of use assets

The right of use assets were valued at cost, corresponding to the amount of the initial measurement of the lease liabilities, and amortized on the straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
Changes in the Right-of-use assets are as follows:

Consolidated	Real estate property	Vehicles	Total
Balances on December 31, 2018	-	-	-
Initial adoption on January 1, 2019	44,823	16,379	61,202
Amortization	(1,224)	(1,492)	(2,716)
Balances on March 31, 2019	**43,599**	**14,887**	**58,486**
Balances on December 31, 2019	**42,260**	**10,724**	**52,984**
Settled (closed contracts)	(173)	-	(173)
Amortization (1)	(1,786)	(1,534)	(3,320)
Balances on March 31, 2020	**40,301**	**9,190**	**49,491**

Parent Company	Real estate property	Vehicles	Total
Balances on December 31, 2018	-	-	-
Initial adoption on January 1, 2019	44,735	14,810	59,545
Amortization	(1,221)	(1,361)	(2,582)
Balances on March 31, 2019	**43,514**	**13,449**	**56,963**
Balances on December 31, 2019	**41,903**	**9,678**	**51,581**
Amortization (1)	(1,780)	(1,404)	(3,184)
Balances on March 31, 2020	**40,123**	**8,274**	**48,397**

(1) Amortization of the Right of Use assets recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total of R$160.

b) Lease liabilities

The liability for leasing agreements was measured at the present value of lease payments to be made over the lease term, discounted at the Company's marginal interest rate for borrowing.

The changes in the lease liabilities are as follows:

	Consolidated	Parent Company
Balances on December 31, 2018	-	-
Initial adoption on January 1, 2019 (1)	61,202	59,545
Interest incurred	1,717	1,676
Payment of lease liability	(3,882)	(3,725)
Balances on March 31, 2019	**59,037**	**57,496**
Balances on December 31, 2019	**55,059**	**53,599**
Settled	(174)	-
Accrued interest (2)	1,458	1,427
Payment of principal portion of lease liability	(4,447)	(4,289)
Payment of interest	(62)	(60)
Balances on March 31, 2020	**51,834**	**50,677**
Current liabilities	**15,249**	**14,643**
Non-current liabilities	**36,585**	**36,034**

(1) The Company's marginal borrowing rate applied to the liability for leasing recognized in the Statement of financial position on the date of the initial application were 7.96% p.a., 10.64% p.a., and 13.17% p.a., depending on the leasing contract period, respectively, for contracts with maturities of up to two years, two to five years and longer than five years. The rates applied to the contracts entered into during 2019 were 6.87% p.a., 7.33% p.a. and 8.08% p.a., for contracts with maturities, respectively, of up to three years, three to four years, and over four years. To determine the marginal borrowing rate, the Company used as a reference quotation obtained from financial institutions, these being a function of the Company's credit risk, and market conditions on the date of contracting.

(2) Financial revenues recognized in the Interim Financial Information are net of incorporation of the credits for PIS, Pasep and Cofins taxes on payments of rentals, in the amounts of R$94.

The potential right to recovery of PIS/Pasep and Cofins taxes embedded in the leasing consideration, according to the periods specified for payment, is as follows:

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Cash flow	Consolidated		Parent Company	
	Nominal	Adjustments to present value	Nominal	Adjustments to present value
Consideration for the leasing	139,155	51,834	137,796	50,677
Potential PIS/Pasep and Cofins	11,781	3,814	11,758	3,800

The Company, in full compliance with CPC 06 (R2) in statement and restatement of its lease for liability and for Right of Use, used the technique of discounted cash flow, without considering projected future inflation in the flows to be discounted, as per the prohibition imposed by CPC 06 (R2). This prohibition could generate material distortions in the information to be provided, given the present reality of long term interest rates in the Brazilian economic environment. The Company has evaluated these effects and concluded that they are immaterial for its interim financial information.

The cash flows of the contracts containing a lease are, in their majority, updated by the IPCA inflation index on an annual basis. Below is an analysis of maturity of lease contracts:

	Consolidated (Nominal)	Parent Company (Nominal)
2020	12,951	12,471
2021	10,152	9,513
2022	5,039	5,009
2023	5,027	5,000
2024	5,022	4,998
2025 a 2045	100,964	100,805
Undiscounted values	**139,155**	**137,796**
Embedded interest	(87,321)	(87,119)
Lease liabilities	**51,834**	**50,677**

17. SUPPLIERS

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Wholesale supply, and transport of supply	275,947	354,570	272,409	344,248
Materials and services	43,447	67,742	34,029	52,069
	319,394	**422,312**	**306,438**	**396,317**

18. TAXES

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Current				
ICMS (value added) tax	17,489	15,410	13,588	11,723
Pasep tax	5,968	4,371	4,541	2,973
Cofins tax	26,259	18,945	20,832	13,630
Social security contributions	5,324	5,340	4,241	4,378
ISS tax on services	1,576	1,893	1,300	1,430
Others	5,530	5,289	4,366	4,874
	62,146	**51,248**	**48,868**	**39,008**
Non-current				
Pasep tax	23	52	10	10
Cofins tax	121	300	62	62
	144	**352**	**72**	**72**
	62,290	**51,600**	**48,940**	**39,080**

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19. LOANS, FINANCING AND DEBENTURES

Financing source	Principal maturity	Annual financing cost	Currency	Consolidated – March 31, 2020			Consolidated – December 31, 2019
				Current	Non-current	Total	
FOREIGN CURRENCY							
Eurobonds	2024	9.25%	USD	271,084	7,798,051	8,069,135	6,091,742
(–) Transaction costs				-	(17,930)	(17,930)	(18,656)
(+/–) Funds advanced (1)				-	(28,889)	(28,889)	(30,040)
Debt in foreign currency				**271,084**	**7,751,232**	**8,022,316**	**6,043,046**
BRAZILIAN CURRENCY							
Pipoca Consortium	2020	IPCA	R$	-	-	-	185
Caixa Econômica Federal (2)	2021	TJLP + 2.50%	R$	61,652	-	61,652	60,516
Caixa Econômica Federal (3)	2022	TJLP + 2.50%	R$	119,918	-	119,918	117,710
Debt in Brazilian currency				**181,570**	-	**181,570**	**178,411**
Total of loans and financings				**452,654**	**7,751,232**	**8,203,886**	**6,221,457**
Debentures – 3rd Issue, 3rd Series	2022	IPCA + 6.20%	R$	350,598	356,200	706,798	1,087,989
Debentures – 6th Issue, 2nd series	2020	IPCA + 8.07%	R$	17,887	-	17,887	17,292
Debentures – 7th Issue, Single series (4)	2021	140,00% of CDI	R$	289,295	216,513	505,808	578,067
(–) Transaction costs				(9,005)	(6,756)	(15,761)	(18,022)
Total, debentures				**648,775**	**565,957**	**1,214,732**	**1,665,326**
Overall total				**1,101,429**	**8,317,189**	**9,418,618**	**7,886,783**

(1) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract.
(2) Central Eólica Praias de Parajuru
(3) Central Eólica Volta do Rio
(4) On July 24, 2019 the Company made extraordinary amortization of its Seventh Issue of Non-convertible ventures, in the amount of R$125 million, with final maturity on December 2021.

Financing source	Principal maturity	Annual financing cost	Currency	Parent Company – March 31, 2020			Parent Company – December 31, 2019
				Current	Non-current	Total	
FOREIGN CURRENCY							
Eurobonds	2024	9.25%	USD	271,084	7,798,051	8,069,135	6,091,742
(–) Transaction costs				-	(17,930)	(17,930)	(18,656)
(+/–) Funds advanced (1)				-	(28,889)	(28,889)	(30,040)
Debt in foreign currency				**271,084**	**7,751,232**	**8,022,316**	**6,043,046**
BRAZILIAN CURRENCY							
Pipoca Consortium	2020	IPCA	R$	-	-	-	185
Debt in Brazilian currency				-	-	-	**185**
Total of loans and financings				**271,084**	**7,751,232**	**8,022,316**	**6,043,231**
Debentures – 3rd Issue, 3rd Series	2022	IPCA + 6.20%	R$	350,598	356,200	706,798	1,087,989
Debentures – 6th Issue, 2nd series	2020	IPCA + 8.07%	R$	17,887	-	17,887	17,292
Debentures – 7th Issue, Single series (2)	2021	140.00% of CDI	R$	289,295	216,513	505,808	578,067
(–) Transaction costs				(9,005)	(6,756)	(15,761)	(18,022)
Total, debentures				**648,775**	**565,957**	**1,214,732**	**1,665,326**
Overall total				**919,859**	**8,317,189**	**9,237,048**	**7,708,557**

(1) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract.
(2) On July 24, 2019 the Company made extraordinary amortization of its Seventh Issue of Non-convertible ventures, in the amount of R$125 million, with final maturity on December 2021.

The debentures issued by the Company are non-convertible, there are no agreements for renegotiation, nor debentures held in treasury.

There is an early maturity clause for cross-default in the event of non-compliance, by the Company or by its parent company Cemig, on any pecuniary obligation with individual or aggregate value greater than R$50 million.

The composition of loans, financing and debentures, by currency and index, with the respective amortization, is as follows:

Consolidated	2020	2021	2022	2023	2024	Total
Currency						
US dollar	271,084	-	-	-	7,798,051	8,069,135
Total, currency-denominated	**271,084**	**-**	**-**	**-**	**7,798,051**	**8,069,135**
Indexers						
IPCA (1)	22,763	345,721	356,201	-	-	724,685
CDI (2)	217,122	288,686	-	-	-	505,808
TJLP (3)	181,570	-	-	-	-	181,570
Total, governed by indexers	**421,455**	**634,407**	**356,201**	**-**	**-**	**1,412,063**
(–) Transaction costs	(6,733)	(8,996)	(32)	-	(17,930)	(33,691)
(+/-) Funds advanced	-	-	-	-	(28,889)	(28,889)
Overall total	**685,806**	**625,411**	**356,169**	**-**	**7,751,232**	**9,418,618**

(1) IPCA ('Expanded Consumer Price') Inflation Index.
(2) CDI: Interbank Certificates of Deposit.
(3) Long-Term Interest Rate – TJLP.

Parent Company	2020	2021	2022	2023	2024	Total
Currency						
US dollar	271,084	-	-	-	7,798,051	8,069,135
Total, currency-denominated	**271,084**	**-**	**-**	**-**	**7,798,051**	**8,069,135**
Indexers						-
IPCA (1)	22,763	345,721	356,201	-	-	724,685
CDI (2)	217,122	288,686	-	-	-	505,808
Total, governed by indexers	**239,885**	**634,407**	**356,201**	**-**	**-**	**1,230,493**
(–) Transaction costs	(6,733)	(8,996)	(32)	-	(17,930)	(33,691)
(+/-) Funds advanced	-	-	-	-	(28,889)	(28,889)
Overall total	**504,236**	**625,411**	**356,169**	**-**	**7,751,232**	**9,237,048**

(1) IPCA ('Expanded Consumer Price') Inflation Index.
(2) CDI: Interbank Certificates of Deposit

The principal currencies and index used for monetary updating of loans and financings had the following variations:

Currency	Accumulated change 1Q20, %	Accumulated change 1Q19, %	Indexer	Accumulated change 1Q20, %	Accumulated change 1Q19, %
Dólar Norte-Americano	28.98	0.57	IPCA	0.53	1.51
			CDI	1.02	1.51
			TJLP	(8.62)	0.72

The changes in loans, financing and debentures were as follows:

	Consolidated	Parent Company
Balances on December 31, 2019	**7,886,783**	**7,708,557**
Monetary updating	**17,018**	**14,231**
Foreign exchange variations	**1,752,000**	**1,752,000**
Financial costs recorded	**249,410**	**248,854**
Amortization of transaction costs	**2,987**	**2,987**
Financial charges paid	**(72,835)**	**(72,835)**
Amortization of financings	**(416,745)**	**(416,746)**
Balances on March 31, 2020	**9,418,618**	**9,237,048**

	Consolidated	Parent Company
Balances on December 31, 2018	**8,198,912**	**8,035,545**
Monetary updating	17,454	13,348
Foreign exchange variations	32,847	32,847
Financial costs recorded	198,464	198,464
Amortization of transaction cost	2,877	2,877
Financial charges paid	(92,036)	(92,036)
Amortization of financings	(234,599)	(234,599)
Balances on March 31, 2019	**8,123,919**	**7,956,446**

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Guarantees

The Company's debtor balances on loans and financings guaranteed by the parent company, Cemig on March 31, 2020 were as follows:

	March 31, 2020
Surety guarantees	8,746,928
Receivables	181,569
Shares	490,121
TOTAL	**9,418,618**

a) Restrictive covenants

The Company and its subsidiaries has contracts financial covenants as follows:

Security	Covenant	Ratio required – Cemig GT	Ratio required --- Cemig (guarantor)	Ratio required – Parajuru and Volta do Rio	Compliance required
7th debenture issue (1)	Net debt / (Ebitda + Dividends received)	The following, or less: 3.0 in 2020 2.5 in 2021	Ratio to be the following, or less: 3.0 in 2020 2.5 in 2021	-	Half-yearly and annual
Eurobonds (2)	Net debt / (Ebitda adjusted for the Covenant)	The following, or less: 4.5 on Jun. 30, 2020 3.0 on Dec. 31, 2020 3.0 on Jun. 30, 2021 2.5 on/after Dec. 31, 2021	Ratio to be the following, or less: 3.5 on Jun. 30, 2020 3.0 on Dec. 31, 2020 3.0 on Jun. 30, 2021 3.0 on/after December 31, 2021	-	Half-yearly and annual
Financing Caixa Econômica Federal Parajuru and Volta do Rio (3)	Debt servicing coverage index	-	-	1.20 or more	Annual (during amortization)
	Equity / Total liabilities	-	-	20.61% (Parajuru); 20.63% (Volta do Rio)	Always
	Share capital subscribed in investee / Total investments made in the project financed	-	-	20.61% (Parajuru); 20.63% (Volta do Rio)	Always

(1) 7th Issue of Debentures by the Company, in December 2016, of R$2,240 million.
(2) In the event of overrun of the financial maintenance covenants, interest will automatically be increased by 2.00% p.a. during the period in which they remain exceeded. There is also an obligation to comply with a 'debt maintenance covenant', involving asset collateral of 2.0x Cemig's consolidated Ebitda (1.75x at Dec. 2017); and an 'incurrence' covenant comprising an asset guarantee in the Company of 1.5x Ebitda
(3) The financing contracts with Caixa Econômica Federal for the *Praias de Parajuru* and *Volta do Rio* wind power plants have financial covenants with compliance relating to early maturity of the remaining balance of the debt. Compliance with the debt servicing coverage index is considered to be demandable only annually and during the period of amortization, which begins in July 2020.

The covenants remain in compliance as of March 31, 2020, with the exception non-compliance with the non-financial covenant of the loan contracts with the CEF of the subsidiaries Central Eólica Praias de Parajuru and Central Eólica Volta do Rio. Thus, exclusively to comply with the requirement of item 69 of CPC 26 (R1), the Company reclassified R$181,570 to current liabilities, referring to the loans of those subsidiaries, which were originally classified in non-current liabilities. Additionally, the Company assessed the possible consequences arising from this matter in their other contracts for loans, financings and debentures, and concluded that no further adjustments were necessary.

The information on the derivative financial instruments (swaps) contracted to hedge the debt servicing of the Eurobonds (principal, in foreign currency, plus interest), and the Company's exposure to interest rate risks, are disclosed in Note 28.

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20. REGULATORY CHARGES

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Liabilities				
Global reversion reserve (RGR)	8,951	5,949	6,042	3,100
Royalties for use of water resources ('CFURH')	7,993	9,767	3,705	6,951
Energy development account (CDE)	58,366	58,327	58,366	58,327
Electricity services inspection charge (TFSEE)	998	999	808	809
Proinfa – alternative energy program	6,876	8,353	6,876	8,353
National scientific and technological development fund (FNDCT)	2,874	1,503	2,463	1,106
Research and development	135,286	128,248	124,513	118,283
Energy system expansion research	1,623	937	1,371	692
	222,967	**214,083**	**204,144**	**197,621**
Current liabilities	**169,731**	**168,785**	**157,031**	**157,638**
Non-current liabilities	**53,236**	**45,298**	**47,113**	**39,983**

21. POST-EMPLOYMENT OBLIGATIONS

Changes in net liabilities were as follows:

Consolidated and Parent Company	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Life insurance	Total
Net liabilities at December 31, 2018	**456,211**	**515,889**	**10,374**	**94,372**	**1,076,846**
Expense recognized in Statement of income	10,348	12,253	249	2,264	25,114
Contributions paid	(10,306)	(6,524)	(145)	(718)	(17,693)
Net liabilities at March 31, 2019	**456,253**	**521,618**	**10,478**	**95,918**	**1,084,267**
Net liabilities at December 31, 2019	**623,240**	**672,996**	**12,850**	**125,801**	**1,434,887**
Expense recognized in Statement of income	10,829	12,914	254	2,453	26,450
Contributions paid	(11,852)	(7,120)	(154)	(594)	(19,720)
Net liabilities at March 31, 2020	**622,217**	**678,790**	**12,950**	**127,660**	**1,441,617**
				31/03/2020	**31/12/2019**
Current liabilities				**63,209**	**62,550**
Non-current liabilities				**1,378,408**	**1,372,337**

Amounts recorded in current liabilities refer to contributions to be made by the Company in the next 12 months, for the amortization of the actuarial liabilities.

The amounts reported as 'Expense recognized in the Statements of income' refer to the costs of post-employment obligations, totaling R$22,527 on March 31, 2020 (R$21,688 on March 31, 2019 in 2017), plus the finance expenses and monetary updating on the debt with Forluz, in the amounts of R$3,923 on March 31, 2020 (R$3,446 on March 31, 2019).

Debt with the pension fund (Forluz)

The Company has recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R$123,868 (R$128,172 on December 31, 2019). This amount has been recognized as an obligation payable, and is being amortized up to June 2024, through monthly installments calculated by the system of constant installments (known as the 'Price' table), and adjusted by the IPCA (Expanded National Customer Price) inflation index (published by the Brazilian Geography and Statistics Institute – IBGE) plus 6% per year. Because the Company is required to pay this debt even if Forluz has a surplus, the Company maintain recorded the debt in full and record the effects of monetary updating and interest in finance income (expenses) in the Statement of income.

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Agreement to cover the deficit on Forluz Pension Plan 'A'

Forluz and the sponsors Cemig, Cemig GT and Cemig D have signed a Debt Assumption Instrument to cover the deficit of Plan A for the years 2015, 2016 and 2017. On March 31, 2020 the total amount payable by the Company was R$124,343 (R$124,499 on December 31, 2019 referring to the Plan A deficits of 2015, 2016 and 2017). The contracts were entered into in May 2017, March 2018 and April 2019, for the deficits, respectively, of 2015, 2016 and 2017. The monthly amortizations, calculated by the constant installments system (Price Table), will be paid up to 2031 for the 2015 and 2016 deficits, the total amount of R$83,648, and up to 2033 for the 2017 deficit, the total amount of R$40,695. Remuneratory interest applicable to the outstanding balance is 6% p.a., plus the effect of the IPCA. If the plan reaches actuarial surplus before the full period of amortization of the debt, also Company will not be required to pay the remaining installments and the contract will be extinguished.

22. PROVISIONS

Company and its subsidiaries are involved in certain legal and administrative proceedings at various courts and government bodies, arising in the normal course of business, regarding employment-law, civil, tax, environmental and regulatory matters, and other issues.

Actions in which the Company and its subsidiaries are defendant

The Company and its subsidiaries have recorded provisions for contingencies in relation to the legal actions in which, based on the assessment of the Company and its legal advisors, the chances of loss are assessed as 'probable' (i.e. an outflow of funds to settle the obligation will be necessary), as follows:

Consolidated	Dec. 31, 2019	Additions	Settled	Mar. 31, 2020
Employment-law cases	69,043	2,646	(2,367)	69,322
Civil cases	182	5	-	187
Tax	285,940	2,590	-	288,530
Regulatory	3,004	105	-	3,109
Environmental	54	2	-	56
Others	42,234	1,577	(58)	43,753
Total	**400,457**	**6,925**	**(2,425)**	**404,957**

Parent Company	Dec. 31, 2019	Additions	Settled	Mar. 31, 2020
Employment-law cases	69,044	2,601	(2,367)	69,278
Civil cases	182	5	-	187
Tax	285,903	2,589	-	288,492
Regulatory	3,004	105	-	3,109
Others	42,072	1,577	(58)	43,591
Total	**400,205**	**6,877**	**(2,425)**	**404,657**

Consolidated	Dec. 31, 2018	Additions	Reversals	Settled	Mar. 31, 2019
Employment-law cases	54,901	2,605	(1,438)	(2,603)	53,465
Civil cases	168	4	-	-	172
Tax	2,874	105	(441)	(30)	2,508
Regulatory	2,521	1,011	-	(817)	2,715
Environmental	48	1	-	-	49
Others	38,196	1,256	(698)	(77)	38,677
Total	**98,708**	**4,982**	**(2,577)**	**(3,527)**	**97,586**

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Parent Company	Dec. 31, 2018	Additions	Reversals	Settled	Mar. 31, 2019
Employment-law cases	54,035	2,605	(585)	(2,604)	53,451
Civil cases	168	4	-	-	172
Tax	2,874	105	(441)	(30)	2,508
Regulatory	2,521	1,011	-	(817)	2,715
Others	38,195	1,257	(699)	(76)	38,677
Total	**97,793**	**4,982**	**(1,725)**	**(3,527)**	**97,523**

The Company and its subsidiaries', in view of the extended periods and the Brazilian judiciary tax and regulatory systems, believes that it is not practical to provide information that would be useful to the users of these interim financial information in relation to the timing of any cash outflows, or any possibility of reimbursements.

The Company and its subsidiaries' believes that any disbursements in excess of the amounts provisioned, when the respective claims are completed, will not significantly affect the Company ans its subsidiaries' result of operations or financial position.

The details on the main provisions and contingent liabilities are provided below, with the best estimation of expected future disbursements for these contingencies:

Provisions, made for legal actions in which the chances of loss have been assessed as 'probable'; and contingent liabilities, for actions in which the chances of loss are assessed as 'possible'

Labor claims

The Company and its subsidiaries are involved in various legal claims filed by its employees and by employees of service providing companies. Most of these claims relate to overtime and additional pay, severance payments, various benefits, salary adjustments and the effects of such items on a supplementary retirement plan. In addition to these actions, there are others relating to outsourcing of labor, complementary additions to or re-calculation of retirement pension payments by Forluz, and salary adjustments.

The aggregate amount of the contingency is approximately R$162,218 (R$163,224 on December 31, 2019), of which R$68,105 (R$68,007 on December 31, 2019) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

Alteration of the monetary updating index of employment-law cases

The Higher Employment-Law Appeal Court (*Tribunal Superior do Trabalho*, or TST), considering a position adopted by the Federal Supreme Court (*Supremo Tribunal Federal*, STF) in two actions on constitutionality that dealt with the index for monetary updating of federal debts, decided on August 4, 2015 that employment-law debts in actions not yet decided that discuss debts subsequent to June 30, 2009 should be updated based on the variation of the IPCA-E (Expanded National Customer Price Index), rather than of the TR reference interest rate. On October 16, 2015 the STF gave an interim injunction suspending the effects of the TST decision, on the grounds that general repercussion of constitutional matters should be adjudicated exclusively by the STF.

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In a joint judgment published on November 1, 2018, the TST decided that the IPCA-E should be adopted as the index for inflation adjustment of employment-law debts for cases filed from March 25, 2015 to November 10, 2017, and the TR would continue to be used for the other periods. The estimated amount of the contingency is R$7,757 (R$7,163 at December 31, 2019), of which R$1,217 (R$1,036 on December 31, 2019) has been provisioned upon assessment by the Company of the effects of the decision of the Regional Employment-Law Appeal Court of the third region (TRT3) in May 2019, on the subject of the joint judgment published by the TST, in the cases for which the chances of loss have been classified as 'probable' and which are at execution phase. No additional provision has been made, since the Company, based on the assessment by its legal advisers, has assessed the chances of loss in the action as 'possible', as a result of the decision by the Federal Supreme Court, and of there being no established case law, nor analysis by legal writers, on the subject, after the injunction given by the Federal Supreme Court.

<u>Tax</u>

Social Security contributions on profit sharing payments

The Brazilian tax authority (*Receita Federal*) has filed administrative and court proceedings against the Company, relating to social security contributions on the payment of profit shares to its employees over the period 1999 to 2016, alleging that the Company did not comply with the requirements of Law 10,101/2000 on the argument that it did not previously establish clear and objective rules for the distribution of these amounts. In August 2019, the Regional Federal Court of the First Region published a decision against the Company on this issue. As a result the Company, based on the opinion of its legal advisers, reassessed the chances of loss from 'possible' to 'probable' for some portions paid as profit-sharing amounts, maintaining the classification of the chance of loss as 'possible' for the other portions, since it believes that it has arguments on the merit for defense and/or because it believes that the amounts questioned are already within the period of limitation.

The amount of the contingencies is approximately R$345,181 (R$341,988 on December 31, 2019), of which R$286,454 (R$283,861 on December 31, 2019) has been provisioned, this being the estimate of the probable amount of funds, on March 31, 2020, to settle these disputes.

Other tax actions

The Company are involved in numerous administrative and judicial claims relating to taxes, including, among other matters, subjects relating to the Social Integration Program (*Programa de Integração Social*, or PIS), the Contribution to Finance Social Security (*Contribuição para o Financiamento da Seguridade Social*, or Cofins), Corporate Income tax (*Imposto de Renda Pessoa Jurídica*, or IRPJ), the Social contribution tax on Net income (*Contribuição Social sobre o Lucro Líquido*, or CSLL), and motions to stay tax enforcement. The aggregate amount of these contingencies is approximately R$66,214 (R$61,482 on December 31, 2019), of which R$2,076 (R$2,079 on December 31, 2019) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

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Regulatory

The Company is defendant in court and administrative proceedings challenging, especially: reduction of an energy supply contract, limitation on a procedure for operation of the sluice dam of a hydroelectric plant, a claim of infringement arising from an inspection by the regulator, and other matters. The amount of the contingency is approximately R$34,232 (R$31,302 on December 31, 2019), of which R$3,109 (R$3,004 on December 31, 2019) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

Other legal actions in the normal course of business

The Company is involved, as plaintiff or defendant, in other lesser claims, related to the normal course of its operations, with an estimated total amount of R$128,214 (R$148,475 on December 31, 2019), of which R$43,996 has been recorded (R$42,470 on December 31, 2019). Management believes that it has appropriate defense for these actions and does not expect these issues to give rise to significant losses that could have an adverse effect on the Company's financial position or profit. The main subjects related to these contingencies concern: (i) services of cleaning of power line pathways and fire breaks; and (ii) customer relations.

Contingent liabilities – for cases in which the chances of loss are assessed as 'possible', and the Company believes it has arguments of merit for legal defense

Taxes

The Company is involved in numerous administrative and judicial proceedings in relation to taxes. Below are details of the main claims:

Indemnity of employees' future benefit (the 'Anuênio')

In 2006 the Company paid an indemnity to its employees, totaling R$41,860, in exchange for rights to future payments (referred to as the *Anuênio*) for time of service, which would otherwise be incorporated, in the future, into salaries. The Company did not pay income tax and Social Security contributions on this amounts because it considered that those obligations are not applicable to amounts paid as an indemnity. However, to avoid the risk of a future fine, the Company obtained an injection, which permitted to make an escrow deposit of R$28,716 which updated now represents the amount of R$66,782 (R$66,483 on December 31, 2019). The updated amount of the contingency is R$68,604 (R$68,137 on December 31, 2019) and, based on the arguments above, management has classified the chance of loss as 'possible'.

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Social Security contributions

The Brazilian federal tax authority (*Secretaria da Receita Federal*) has filed administrative proceedings related to various matters: the Workers' Food Program (*Programa de Alimentação do Trabalhador*, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs); and fines for non-compliance with accessory obligations. The Company has presented defenses and await judgment. The amount of the contingency is approximately R$17,825 (R$17,747 on December 31, 2019). Management has classified the chance of loss as 'possible', also taking into account assessment of the chance of loss in the judicial sphere, (the claims mentioned are in the administrative sphere), based on the evaluation of the claims and the related case law.

Non-homologation of offsetting of tax credit

The federal tax authority did not ratify the Company declared offsetting, in Corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes – IRPJ, CSLL, PIS/Pasep and Cofins – identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company is contesting the non-homologation of the amounts offset. The amount of the contingency is R$81,624 (R$80,249 on December 31, 2019) and the chance of loss was classified as 'possible', since the relevant requirements of the National Tax Code (CTN) have been complied with.

The social contribution tax on net profit (CSLL)

The federal tax authority issued tax assessments against the Company for the years of 2012 and 2013, alleging undue non-addition, or deduction, of amounts relating to the following items in calculating the CSLL: (i) taxes with liability suspended; (ii) donations and sponsorship (Law 8,313/91); and (iii) fines for various alleged infringements. The amount of this contingency is R$84,140 (R$83,344 on December 31, 2019). The Company has classified the chances of loss as 'possible', in accordance with the analysis of the case law on the subject.

Regulatory matters

Accounting of energy sale transactions on the Power Trading Chamber (CCEE)

In n claim dating from August 2002, AES Sul Distribuidora challenged in the court the criteria for accounting of energy sale transactions in the wholesale energy market (*Mercado Atacadista de Energia*, or MAE), predecessor of the present Power Exchange (Chamber - *Câmara de Comercialização de Energia Elétrica*, or CCEE), during the period of rationing. It obtained a favorable interim judgment on February 2006, which ordered the regulator (Aneel), working with the CCEE, to comply with the claim by AES Sul and recalculate the settlement of the transactions during the rationing period, not considering the regulator (Aneel) Dispatch 288 of 2002.

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This would take effect in the CCEE as from November 2008, resulting in an additional disbursement for the Company, related to the expense on purchase of energy in the spot market on the CCEE, in the approximate amount of R$354,779 (R$343,469 on December 31, 2019). On November 9, 2008 the Company obtained an interim decision in the Regional Federal Appeal Court (*Tribunal Regional Federal*, or TRF), suspending the obligatory nature of the requirement to pay into court the amount that would have been owed under the Special Financial Settlement made by the CCEE and has classified the chance of loss as 'possible', since this action deals with the General Agreement for the Energy Sector, in which the Company has the full documentation to support its arguments.

<u>Environmental issues</u>

Impacts arising from construction of power plants

The Public Attorneys of Minas Gerais State, together with an association and individuals, have brought class actions requiring the Company to invest, since 1997, at least 0.5% of the annual gross operating revenue of the *Emborcação, Pissarrão, Funil, Volta Grande, Poquim, Paraúna, Miranda, Nova Ponte, Rio de Pedras* and *Peti* plants in environmental protection and preservation of the water tables of the counties where those power plants are located, and proportional indemnity for allegedly irrecoverable environmental damage caused, arising from omission to comply with Minas Gerais State Law 12,503/1997. The Company has filed appeals to the Higher Appeal Court (STJ) and the Federal Supreme Court (STF). Based on the opinions of its legal advisers, it believes that this is a matter involving legislation at infra-constitutional level (there is a Federal Law with an analogous object) and thus a constitutional matter, on the issue of whether the state law is constitutional or not, so that the final decision is one for the national Higher Appeal Court (STJ) and the Federal Supreme Court (STF). No provision has been made, since based on the opinion of its legal advisers management has classified the chance of loss as 'possible'. The amount of the contingency is R$170,993 (R$165,299 on December 31, 2019).

The Public Attorneys' Office of Minas Gerais State has filed class actions requiring the formation of a Permanent Preservation Area (APP) around the reservoir of the *Capim Branco* hydroelectric plant, suspension of the effects of the environmental licenses, and recovery of alleged environmental damage. Based on the opinion of its legal advisers in relation to the changes that have been made in the new Forest Code and in the case law on this subject, the Company has classified the chance of loss in this dispute as 'possible'. The estimated value of the contingency is R$98,025 (R$95,215 on December 31, 2019).

Other environmental claims

The Company is involved in environmental matters, relating to protected areas, environmental licenses, recovery of environmental damage, and other matters, in the amount of R$44,171 (R$42,799 on December 31, 2019). No provision has been made, since based on the opinion of its legal advisers management has classified the chance of loss as 'possible'.

23. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

On March 31, 2020 and December 31, 2019 the Company's issued and outstanding share capital is R$2,600,000, represented by 2,896,785,358 nominal common shares, fully subscribed, without nominal value, wholly owned by Cemig (Companhia Energética de Minas Gerais).

b) Earnings (loss) per share – Basic and diluted

Profit (loss) per share has been calculated based on the weighted average number of the company's shares (it has only common shares) in each of the periods referred to, as follows:

	March 31, 2020	March 31, 2019
Number of shares	2,896,785,358	2,896,785,358
Net income (loss) for the period, R$'000	(4,037)	583,216
Earnings (loss) per share – Basic and diluted – in R$	**(0.0014)**	**0.2013**

The put option of investments described in Note 28 could potentially dilute basic profit (loss) per share in the future; however, they have not caused dilution of profit (loss) per share in the periods presented here.

Annual General Meeting (AGM)

The Company has re-presented its Corporate Events Calendar, on March 31, 2020, changing the date of Annual General Meeting of Shareholders ("AGM") from April 30, 2020 to July 31, 2020, in which the Board of Directors' proposal of allocation of the net income for 2019, disclosed in financial statements of 2019, will be decided. The Board of Directors will submit to the Annual General Meeting a proposal for increase of the registered share capital from R$2,600,000 to R$4,000,000, as per Article 199 of the Brazilian Corporate Law of 1976 (Law 6,404/1976), as the profit reserves, with the exclusion of the Tax Incentive reserves, exceed the registered share capital by R$113,360.

24. REVENUES

Revenues are measured at the fair value of the consideration received or to be received and are recognized on a monthly basis as and when: (i) Rights and obligations of the contract with the customer are identified; (ii) the performance obligation of the contract is identified; (iii) the price for each transaction has been determined; (iv) the transaction price has been allocated to the performance obligations defined in the contract; and (v) the performance obligations have been complied.

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The revenue of the Company and its subsidiaries is as follows:

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
Total revenue from supply of energy – with taxes (a)	1,891,834	1,730,450	1,730,484	1,553,027
Transmission revenue – with taxes (b)	171,614	163,156	172,766	164,115
Revenue from updating of the concession grant fee (c)	99,892	80,788	-	-
Construction revenue (d)	47,198	28,087	47,198	28,087
Transactions on CCEE (e)	24,524	259,216	9,105	241,889
Transmission indemnity revenue (f)	56,538	32,499	56,538	32,499
Contractual reimbursements	-	62,576	-	62,576
Other operating revenues (g)	34,444	47,393	19,239	22,888
Sector / regulatory charges – Deductions from revenue (h)	(434,378)	(449,289)	(391,030)	(405,482)
	1,891,666	**1,954,876**	**1,644,300**	**1,699,599**

(a) Revenue from energy supply

This table shows energy supply by type of customer:

	Consolidated				Parent Company			
	Jan. to Mar. 2020		Jan. to Mar. 2019		Jan. to Mar. 2020		Jan. to Mar. 2019	
	MWh (1)	R$	MWh (1)	R$	MWh (1)	R$	MWh (1)	R$
Industrial	3,005,352	719,830	3,231,349	725,101	2,699,399	674,596	2,872,573	667,323
Commercial	1,185,574	245,041	919,215	203,351	1,179,036	242,434	911,151	200,277
Rural	3,648	943	504	126	3,648	943	504	126
Subtotal	**4,194,574**	**965,814**	**4,151,068**	**928,578**	**3,882,083**	**917,973**	**3,784,228**	**867,726**
Net unbilled retail supply	-	(3,954)	-	24,432	-	(14,696)	-	23,700
	4,194,574	**961,860**	**4,151,068**	**953,010**	**3,882,083**	**903,277**	**3,784,228**	**891,426**
Wholesale supply to other concession holders (2)	3,256,285	880,793	3,108,702	834,176	3,155,599	767,496	3,006,982	722,298
Wholesale supply unbilled, net	-	49,181	-	(56,736)	-	59,711	-	(60,697)
	7,450,859	**1,891,834**	**7,259,770**	**1,730,450**	**7,037,682**	**1,730,484**	**6,791,210**	**1,553,027**

(1) Information in MWh has not been revised by external auditors.
(2) Includes sales contracts in the Regulated Market to distribution companies, sales on the Free Market to traders and generation companies, 'bilateral contracts' with other agents, and the revenues from management of generation assets (GAG) for the 18 hydroelectric plants of Lot D of Auction no 12/2015.

(b) Transmission concession revenue

Transmission revenue comprises the amount received from agents of the energy sector for operation and maintenance of transmission lines of the national grid, in the form of the Permitted Annual Revenue (Receita Anual Permitida, or RAP), plus an adjustment for expectation of cash flow arising from the variation in the fair value of the Remuneration Assets Base, in the amout of R$2,071 in the period of January to March 2020 (R$5,596 in the period of January to March 2019).

The Company is subject to the pecuniary penalty named Variable Portion (Parcela Variável, or PV) which is applied by the Concession-granting Power as a result of any unavailabilities or operational restrictions on facilities that are part of the National Grid. This penalty is recognized as a reduction of revenue from operation and maintenance of the transmission network in the period in which it occurs. The effects of the Variable Portion in transmission revenue were R$3,077 on March 31, 2020 (R$1,762 on March 31, 2019).

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(c) Gain on financial updating of Concession Grant Fee

Represents the inflation adjustment using the IPCA inflation index, plus interest, on the Concession Grant Fee for the concession awarded as Lot D of Auction 12/2015. More details in Note 11.

(d) Construction revenue

Corresponds to the performance obligation to build the concession infrastructure during construction phase. Considering that constructions and improvements are substantially executed through specialized services of outsourced parties, and that all construction revenue is related to construction of infrastructure, the Company's management record construction contract revenue with a zero profit margin.

(e) Revenue from power supply transactions on the CCEE (Power Trading Exchange)

Corresponds to the monthly calculation of the positive net balance of settlements of transactions for purchase and sale of energy in the Spot Market, through the CCEE, for which the consideration corresponds to the product of (i) the volume of energy sold, and (ii) the Spot Price.

(f) Transmission indemnity revenue

In first quarter of 2020, the Company recognized revenue in the total amount of R$56,538 (R$32,499 in 1Q19), corresponding to updating, by the IPCA index, of the balance of indemnty receivable.

More details in Notes 11 and 12 to this Interim financial information.

(g) Deductions on revenue

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
Taxes on revenue				
ICMS tax	142,928	140,742	128,897	124,853
Cofins tax	160,139	174,636	143,854	158,883
PIS and Pasep taxes	34,994	39,073	31,231	34,494
ISS tax on services	1,527	1,778	675	794
	339,588	**356,229**	**304,657**	**319,024**
Charges to the customer				
Global Reversion Reserve (RGR)	3,774	4,552	3,234	3,924
Energy Development Account (CDE)	57,571	51,781	57,571	51,781
Proinfa Program	7,716	13,305	7,716	13,305
Research and Development (P&D)	4,498	4,357	3,793	3,614
National Scientific and Technological Development Fund (FNDCT)	4,498	4,357	3,793	3,614
Energy System Expansion Research (EPE)	2,249	2,179	1,896	1,807
Electricity Services Inspection Charge (TFSEE)	2,846	2,530	2,277	1,974
Royalties for use of water resources (CFURH)	11,638	9,999	6,096	6,439
	94,790	**93,060**	**86,373**	**86,458**
	434,378	**449,289**	**391,030**	**405,482**

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25. OPERATING COSTS AND EXPENSES

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
Personnel (1)	75,048	90,605	73,304	86,031
Employee profit shares	6,199	15,289	6,175	15,229
Post-employment obligation (recovery of expense)	22,527	21,668	22,527	21,668
Materials	3,149	5,509	2,226	4,916
Outsourced services (a)	34,902	34,478	25,479	25,959
Depreciation and amortization	52,439	47,122	37,411	38,876
Provisions (b)	31,280	30,111	31,232	23,032
Charges for use of the national grid	49,434	46,085	36,545	33,246
Energy bought for resale (c)	913,749	782,920	913,392	776,547
Transmission infrastructure construction cost (d)	47,198	28,087	47,198	28,087
Other operating expenses, net (e)	8,449	7,145	7,027	7,675
	1,244,374	**1,109,019**	**1,202,516**	**1,061,266**

(1) Includes the amount of R$5,854, related to the 2019 PDVP, corresponding to acceptance by 42 employees.

a) Outsourced services

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
Communication	904	944	750	827
Maintenance and conservation of electrical facilities and equipment	8,844	6,450	4,002	4,105
Building conservation and cleaning	6,093	7,030	4,858	5,330
Contracted labor	665	1,756	658	366
Freight and airfares	404	596	403	596
Accommodation and meals	732	766	721	761
Security services	1,797	1,856	1,101	1,279
Consultancy	1,041	915	912	823
Maintenance and conservation of furniture and utensils	197	245	149	201
Information technology	3,923	530	3,237	452
Maintenance and conservation of vehicles	90	63	73	52
Energy	1,215	997	1,034	869
Environment services	1,965	3,285	1,591	2,424
Cleaning of power line pathways	552	1,099	552	1,098
Printing and images	306	244	244	201
Legal services and procedural costs	517	1,587	473	1,552
Others	5,657	6,115	4,721	5,023
	34,902	**34,478**	**25,479**	**25,959**

b) Operating provisions (reversals)

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
Provision for doubtful receivables (Note 7)	3,543	16,698	3,543	8,767
Contingency provisions (reversals) (Note 27)				
Employment-law cases	2,646	1,167	2,601	2,020
Civil cases	5	4	5	4
Tax	2,590	(336)	2,589	(336)
Regulatory	105	1,011	105	1,011
Environmental	2	1	-	-
Others	1,577	558	1,577	558
	6,925	**2,405**	**6,877**	**3,257**
	10,468	**19,103**	**10,420**	**12,024**
Change in fair value of derivative instruments				
Put option – SAAG (Note 28)	20,812	11,008	20,812	11,008
	31,280	**30,111**	**31,232**	**23,032**

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c) Energy bought for resale

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
Spot market – CCEE (recovery of expenses)	160,248	(5,313)	160,531	(6,610)
Acquired in free market	843,106	864,662	842,300	859,313
Pasep and Cofins credits	(89,605)	(76,429)	(89,439)	(76,156)
	913,749	**782,920**	**913,392**	**776,547**

d) Transmission infrastructure Construction cost

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
Personnel	1,203	1,799	1,203	1,799
Materials	32,568	16,684	32,568	16,684
Outsourced services	13,431	9,592	13,431	9,592
Other (recovery of expenses)	(4)	12	(4)	12
	47,198	**28,087**	**47,198**	**28,087**

e) Other operating costs and expenses

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
Leasing and rentals (1)	1,109	1,849	662	1,714
Advertising	162	325	161	325
Subsidies and donations	112	920	112	920
Paid concessions	680	628	678	628
Taxes (IPTU, IPVA and others)	325	523	239	271
CCEE annual charge	672	771	672	770
Insurance	3,136	1,216	2,619	952
Loss (gain) on deactivation and disposal of assets	(61)	1,899	(61)	1,899
Forluz – Administrative running cost	1,618	1,489	1,618	1,489
Other (recovery of expenses)	696	(2,475)	327	(1,293)
	8,449	**7,145**	**7,027**	**7,675**

(1) The amounts related to leasing and rentals are recognized in accordance with CPC 06 (R2I /IFRS 16, as well as short-term leases and leases for which the underlying asset is of low value.

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26. FINANCE INCOME AND EXPENSES

	Consolidated		Parent Company	
	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
FINANCE INCOME				
Income from cash investments	7,280	8,772	3,543	4,022
Arrears fees on sale of energy	2,046	5,698	730	1,544
Monetary updating	2,124	3,553	2,124	3,546
Monetary updating on escrow deposits	1,512	3,021	1,442	2,898
Revenue from advance payments	23	128	20	65
Gains on financial instruments – swap (Note 28)	1,314,240	152,311	1,314,240	152,311
Borrowing costs paid by related parties	-	22,664	-	22,664
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (Note 8a)	4,302	-	4,132	-
Others	11,505	2,497	11,099	2,066
Pasep and Cofins taxes on financial revenues	(1,163)	(1,901)	(1,074)	(1,711)
	1,341,869	**196,743**	**1,336,256**	**187,405**
DESPESAS FINANCEIRAS				
Costs of loans, financings and debentures (Note 19)	(249,410)	(198,464)	(248,854)	(198,464)
Amortization of transaction cost (Note 19)	(2,987)	(2,877)	(2,987)	(2,877)
Monetary updating – Forluz	(3,923)	(3,446)	(3,923)	(3,446)
Inflation adjustment – Loans, financings and debentures (Note 19)	(17,018)	(17,454)	(14,231)	(13,348)
Monetary updating	(2,373)	(2,743)	(1,848)	(2,644)
FX variation from loans and financings (Note 19)	(1,752,000)	(32,847)	(1,752,000)	(32,847)
Inflation adjustment – advance from customers	-	(541)	-	(541)
Leasing – Inflation adjustment (Note 16)	(1,364)	(1,717)	(1,333)	(1,676)
Others	(2,467)	(2,014)	(403)	(607)
	(2,031,542)	**(262,103)**	**(2,025,579)**	**(256,450)**
NET FINANCE INCOME (EXPENSES)	**(689,673)**	**(65,360)**	**(689,323)**	**(69,045)**

27. RELATED PARTY TRANSACTIONS

The main principal balances and transactions with related parties are as follows (consolidated):

COMPANY	ASSETS		LIABILITIES		REVENUE		EXPENSES	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019	Jan. to Mar. 2020	Jan. to Mar. 2019	Jan. to Mar. 2020	Jan. to Mar. 2019
CEMIG								
Current								
Interest on Equity, and dividends	-	-	781,769	781,769	-	-	-	-
Non-current								
Loans with related parties (1)	-	-	-	-	-	7,706	-	-
Jointly-controlled entity								
Madeira Energia								
Current								
Transactions in energy (2)	2,165	5,745	67,853	57,860	6,505	6,158	(221,244)	(156,626)
Aliança Geração								
Current								
Transactions in energy (2)	-	-	6,260	6,002	-	-	(19,826)	(17,433)
Provision of service	308	626	-	-	1,112	3,459	-	-
Interest on Equity, and dividends	103,033	103,033	-	-	-	-	-	-
Contingencies (3)	-	-	32,088	32,088	-	-	-	-
Norte Energia								
Current								
Transactions in energy (2)	-	-	-	-	6,927	4,531	-	-
Advance for future power supply (4)	30,116	40,081	-	-	-	-	(9,966)	-
Baguari Energia								
Current								
Provision of service (5)	211	235	-	-	239	233	-	-
Lightger								
Circulante								
Transactions in energy (2)	-	-	2,084	1,541	-	-	(5,066)	(4,135)
Interest on Equity, and dividends	1,729	-	-	-	-	-	-	-
Retiro Baixo								
Current								
Interest on Equity, and dividends	6,474	6,474	-	-	-	-	-	-
Hidrelétrica Pipoca								
Current								

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COMPANY	ASSETS Mar. 31, 2020	ASSETS Dec. 31, 2019	LIABILITIES Mar. 31, 2020	LIABILITIES Dec. 31, 2019	REVENUE Jan. to Mar. 2020	REVENUE Jan. to Mar. 2019	EXPENSES Jan. to Mar. 2020	EXPENSES Jan. to Mar. 2019
Transactions in energy (2)	-	-	1,388	1,387	-	-	(3,159)	(1,303)
Interest on Equity, and dividends	1,332	-	-	-	-	-	-	-
Hidrelétrica Cachoeirão								
Current								
Interest on Equity, and dividends	2,536	2,536	-	-	-	-	-	-
Renova								
Non-current								
Accounts receivable (6)	-	-	-	-	-	77,534	-	-
Light								
Current								
Transactions in energy (2)	360	312	-	1,206	15,907	15,427	-	-
Taesa								
Current								
Transactions in energy (2)	-	-	1,167	1,255	-	-	(3,136)	(3,415)
Provision of service (5)	217	170	-	-	148	151	-	-
Hidrelétrica Itaocara								
Current								
Ajuste para perdas (7)	-	-	22,002	21,810	-	-	-	-
Other related parties								
Cemig Distribuição								
Current								
Cooperation Working Agreement (8)	-	1,669	-	-	-	1,861	-	-
Transactions in energy (2)	25,184	29,655	932	507	69,412	63,016	(6,771)	(7,054)
FIC Pampulha								
Current								
Cash and cash equivalents	74,010	18,282	-	-	-	-	-	-
Marketable securities	472,421	372,601	-	-	5,691	4,593	-	-
Non-current								
Marketable Securities	37,884	916	-	-	-	-	-	-
Forluz								
Current								
Post-employment obligations (9)	-	-	33,302	32,775	-	-	(10,829)	(10,348)
Supplementary pension contributions – Defined contribution plan (10)	-	-	-	-	-	-	(5,157)	(4,926)
Administrative running costs (11)	-	-	-	-	-	-	(1,618)	(1,489)
Operating leasing (12)	40,209	40,125	8,133	9,479	-	-	(2,849)	(2,322)
Non-current								
Post-employment obligations (9)	-	-	588,915	590,465	-	-	-	-
Operating leasing (12)	-	-	32,076	32,124	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (13)	-	-	30,272	29,422	-	-	(13,168)	(12,502)
Non-current								
Health Plan and Dental Plan (13)	-	-	661,468	656,424	-	-	-	-

The main conditions with reference to the related party transactions are:

(1) Refers to a loan contract in the amount of R$400,000 between the Company and its parent company Cemig. The balance of the loan was augmented by interest at 125.52% of the CDI rate. On July , 2019 there was full settlement of the loan.
(2) Transactions in energy between generators and distributors are made in auctions in the Regulated Market (ACR) organized by the federal government. The transactions in sale and purchase of electricity between generators and distributors are made through auctions in the Regulated Market, organized by the federal government. In the Free Market they are carried out through auctions or by direct contracting, in accordance with Article 28, §3, I of Law 13,303 of June 30, 2016. The transactions for transport of energy, are by transmission companies, arise from the centralized operation of the National Grid carried out by the National System Operator (ONS).
(3) This refers to the aggregate amounts of legal actions realized and legal actions provisioned arising from the agreement made between Aliança Geração, Vale S.A. and Cemig. The total amount of the actions is R$98 million, of which Cemig's portion is R$32 million;
(4) Refers to advance payments for energy supply made in 2019 to Norte Energia, established by auction and by contract registered with the CCEE. In full-year 2020 it will deliver contracted supply. Until March 31, 2020, the amount of energy delivered represents R$9,965, corresponding to 25% of the amount advanced, of R$40,081. On March 31, 2020, the advance remaining amount is R$30,116. There is no financial updating of the contract.
(5) Refers to a contract to provide plant operation and maintenance services.
(6) As mentioned in Note 13(c), in June 2019, due to the uncertainties related to continuity of Renova, an estimated loss on realization of the receivables was recorded for the full value of the balance, R$688 million.
(7) A liability was recognized corresponding to the Company's interest in the share capital of Hidrelétrica Itaocara, due to its negative equity (see Note 13).
(8) Technical Cooperation Working Agreement between Cemig, Cemig D and Cemig GT, instituted by Aneel Dispatch 3,208/2016. Principally includes reimbursement of expenses related to sharing of infrastructure, personnel, transport, telecoms and IT.
(9) The contracts of Forluz are updated by the Expanded Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*, or IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) plus interest of 6.00% p.a. and will be amortized up to the business year of 2031 (see Note 21).
(10) The Company's contributions to the pension fund for the employees participating in the Mixed Plan, and calculated on the monthly remuneration, in accordance with the regulations of the Fund.
(11) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's payroll.
(12) Rental of the Company's administrative head offices, in effect up to November 2020 (able to be extended every five years, up to 2035) and august 2024 (able to be extended every five years, up to 2034, currently in final phase of renewal), with annual inflation adjustment by the IPCA index and price reviewed every 60 months in line with market prices. Aiming at costs reduction, in november, 2019, Cemig performed the devolution of Aureliano Chaves to Forluz.
(13) Post-employment obligations relating to the employees' health and dental plan (see Note 21).

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Dividends receivable

Dividends receivable	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Cemig Geração Poço Fundo	-	-	294	294
Aliança Geração	103,033	103,033	103,033	103,033
Others	12,071	9,010	12,071	9,010
	115,104	**112,043**	**115,398**	**112,337**

Cash investments in the *FIC Pampulha* investment fund

The invests part of its cash balance in a reserved (group) investment fund, which has the characteristics of fixed income and obeys the Company's cash investment policy. The amounts invested by the fund on March 31, 2020 are reported in Marketable Securities in Current or Non-current assets, in proportion to the interests held by the Company in the fund.

The funds are allocated only in public and private fixed income securities, subject only to credit risk, with various maturity periods, obeying the unit holders' cash flow needs.

The financial investments of the investment fund in marketable securities of related parties are as follows:

Issuer of security	Type	Annual contractual conditions	Maturity	March 31, 2020			December 31, 2019		
				Cemig GT 8.23%	Other subsidiaries 9.31% (1)	Total (consolidated) 17.54%	Cemig GT 5.16%	Other subsidiaries 9.86% (1)	Total (consolidated) 15.02%
Gasmig	Promissory note	107.00% of CDI	25/09/2020	842	953	1,795	523	998	1,521
				842	**953**	**1,795**	**523**	**998**	**1,521**

(1) Refers to the other companies consolidated by the Company, which also have participation in the investment funds.

Remuneration of key management personnel

The total costs of key personnel comprising the Executive Board, the Fiscal Council, the Audit Committee and the Board of Directors are within the limits approved at a General Shareholders' Meeting, and the effects on the income statements of the in period ended March 31, 2020 and 2019, are as follows:

	Jan. to Mar. 2020	Jan. to Mar. 2019
Remuneration	621	807
Profit shares	151	56
Assistance benefits	45	65
	817	**928**

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28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments classification and fair value

The main financial instruments, classified in accordance with the accounting principles adopted by the Company and its subsidiaries, are as follows:

	Level	March 31, 2020		December 31, 2019	
		Balance	Fair value	Balance	Fair value
Assets					
Amortized cost (1)					
Marketable securities	2	138,230	138,230	46,727	46,727
Customers and traders concession holders (transmission service)	2	1,002,992	1,002,992	1,135,038	1,135,038
Restricted cash	2	21,858	21,858	11,059	11,059
Escrow deposits	2	170,322	170,322	364,277	364,277
Concession grant fee – Generation concessions	3	2,502,293	2,502,293	2,468,216	2,468,216
Reimbursements receivable – Transmission	3	1,279,476	1,279,476	1,280,652	1,280,652
		5,115,171	**5,115,171**	**5,305,969**	**5,305,969**
Fair value through profit or loss					
Cash equivalents – Investments	2	343,398	343,398	202,964	202,964
Marketable securities					
Financial notes (LF's) – Banks	2	306,514	306,514	279,547	279,547
Treasury financial notes (LFT's)	1	65,576	65,576	47,268	47,268
Debentures	2	61	61	52	52
		715,549	**715,549**	**529,831**	**529,831**
Derivative financial instruments (swaps)	3	3,005,184	3,005,184	1,690,944	1,690,944
Reimbursements receivable – Generation	3	816,202	816,202	816,202	816,202
		3,821,386	**3,821,386**	**2,507,146**	**2,507,146**
		9,652,106	**9,652,106**	**8,342,946**	**8,342,946**
Liabilities					
Amortized cost (1)					
Loans, financing and debentures	2	(9,418,618)	(9,418,618)	(7,886,783)	(7,886,783)
Debt with pension fund (Forluz)	2	(123,868)	(123,868)	(128,172)	(128,172)
Deficit of pension fund (Forluz)	2	(124,343)	(124,343)	(124,499)	(124,499)
Concessions payable	3	(19,858)	(19,858)	(19,692)	(19,692)
Suppliers	2	(319,394)	(319,394)	(422,312)	(422,312)
Leasing transactions	2	(51,834)	(51,834)	(55,059)	(55,059)
		(10,057,915)	**(10,057,915)**	**(8,636,517)**	**(8,636,517)**
Fair value through profit or loss					
Derivative financial instruments – SAAG Put options	3	(503,653)	(503,653)	(482,841)	(482,841)
		(10,561,568)	**(10,561,568)**	**(9,119,358)**	**(9,119,358)**

(1) On March 31, 2020 and December 31, 2019, the book values of financial instruments reflect their fair values.

At initial recognition the Company measures its financial assets and liabilities at fair value and classifies them according to the accounting standards currently in effect. Fair value is a measurement based on assumptions that market participants would use in pricing an asset or liability. The Company uses the following classification to its financial instruments:

- Level 1. Active market - Quoted prices: A financial instrument is considered to be quoted in an active market if the prices quoted are promptly and regularly made available by an exchange or organized over-the-counter market, by operators, by brokers or by a market association, by entities whose purpose is to publish prices, or by regulatory agencies, and if those prices represent regular arm's length market transactions made without any preference.

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- Level 2. No active market – Valuation technique: For an instrument that does not have an active market, fair value should be found by using a method of valuation/pricing. Criteria such as data on the current fair value of another instrument that is substantially similar, or discounted cash flow analysis or option pricing models, may be used provided that all the material variables are based on observable market data. The objective of the valuation technique is to establish what would be the transaction price on the measurement date in an arm's-length transaction motivated by business model.

- Level 3. No active market – No observable inputs: The fair value of investments in securities for which there are no prices quoted on an active market, and/or of derivatives linked to them which are to be settled by delivery of unquoted securities. Fair value is determined based on generally accepted valuation techniques, such as on discounted cash flow analysis or other valuation techniques such as, for example, New Replacement Value (*Valor novo de reposição*, or VNR).

For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization.

Fair value calculation of financial positions

Transmission concession financial assets remunerated by Tariff: These are measured at New Replacement Value (*Valor novo de reposição*, or VNR), according to criteria established by the Concession-granting power ('Grantor'), based on fair value of the concession assets in service and which will be revertible at the end of the concession, and on the weighted average cost of capital (WACC) defined by the Grantor, which reflects the concession holder's return on the operations of the concession. The VNR and the WACC are public information disclosed by the Grantor and by the Company. Changes in concession financial assets are disclosed in Note 11.

Indemnifiable receivable – Generation: Measured at New Replacement Value (VNR), as per criteria set by regulations of the grantor power, based on the fair value of the assets to be indemnify at the end of the concession.

Cash investments: Fair value of cash investments is determined taking into consideration the market prices of the investment, or market information that makes such calculation possible, considering future interest rates in the fixed income and FX markets applicable to similar securities. The market value of the security is deemed to be its maturity value discounted to present value by the discount rate obtained from the market yield curve in Reais.

Derivative financial instruments: Derivative financial instruments held by the Company are: Put options; and Swap transactions for protection of debts.

Swap transactions: Fair value was calculated based on the market value of the security at its maturity adjusted to present value by the discount rate from the market yield curve.

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Put options: The put options for units of FIP Melbourne and FIP Malbec ('the SAAG Put') were measured at fair value using the Black-Scholes-Merton (BSM) method. The fair value of these options has been calculated on the basis of the estimated exercise price on the day of exercise of the option, less the fair value of the shares that are the subject of the put option, also estimated for the date of exercise, brought to present value at the reporting date.

The movement in relation to the put options, and other information on the derivative instruments, is given in the item "b) Financial instruments – Derivatives", in this Note.

Other financial liabilities: Fair value of its loans, financing and debentures were determined using 140.97% of the CDI rate – based on its most recent funding. For the following, the Company considered fair value to be substantially equal to book value: Loans, financings and debentures, and debt renegotiated with Forluz, with annual rates between IPCA + 6.00% to 8.07% and CDI + 0.93% to 1.84%.

b) Derivative financial instruments

Put Option - SAAG

Option contracts were signed between Company and the private pension entities that participate in the investment structure of SAAG (comprising FIP Melbourne, Parma Participações S.A. and FIP Malbec – jointly, 'the Investment Structure'), giving those entities the right to sell units in the Funds that comprise the Investment Structure, at the option of the Funds, in the 84th (eighty-fourth) month from June 2014. The exercise price of the Put Options will correspond to the amount invested by each private pension plan in the Investment Structure, updated *pro rata temporis* by the Expanded National Customer Price (IPCA) index published by the IBGE, plus interest at 7% per year, less such dividends and Interest on Equity as shall have been paid by SAAG to the pension plan entities. This option was considered to be a derivative instrument, accounted at fair value through profit and loss.

The Company uses the Black-Scholes-Merton ('BSM') model for measurement of the fair value of the SAAG put option. The assumption was made that the future expenditures of FIP Malbec and FIP Melbourne are insignificant, so that the options are valued as if they hold direct equity interests at Mesa. However, neither SAAG nor Mesa have its share traded on a securities exchange, so that some assumptions are necessary for calculation of the price of the asset and its volatility for application of the BSM model. The closing price of the share of Mesa on March 31, 2020, is ascertained based on free cash flow (FCFE), expressed by equity, in pick-up of to the indirect interests held by the FIPs. Volatility, in turn, is measured as an average of historic volatility (based on the hypothesis that the series of the difference of continuously capitalized returns follows a normal distribution) of comparable companies in the energy generation sector that are traded at Bovespa.

Based on the analysis performed, a liability of R$503,653 (R$482,841 on December 31, 2019) was recorded in the Company's interim financial information, for the difference between the exercise price and the estimated fair value of the assets.

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The changes in the value of the options are as follows:

	Consolidated and Parent
Balance at December 31, 2018	**419,148**
Adjustment to fair value	11,008
Balance at March 31, 2019	**430,156**
Balance at December 31, 2019	**482,841**
Adjustment to fair value	20,812
Balance at March 31, 2020	**503,653**

The Company performed the sensitivity analysis of the exercise price of the option, varying the risk-free interest rate and the volatility, keeping the other variables of the model unchanged. In this context, scenarios for the risk-free interest rate at -0.81% to 3.19% p.a., and for volatility between 0.10 and 0.70 p.a., were used, resulting in estimates of minimum and maximum price for the put option of R$486,898 and R$514,407, respectively.

This option can potentially dilute basic earnings per share in the future; however, they have not caused dilution of earnings per share in the years presented here, as shown in Note 23.

Swap transactions

Considering that part of the loans and financings of the Company is denominated in foreign currency, the Company uses derivative financial instruments (swaps) to protect the servicing associated with these debts (principal plus interest).

The derivative financial instruments contracted by the Company have the purpose of protecting the operations against the risks arising from foreign exchange variation and are not used for speculative purposes.

The notional amount of derivative transactions is not presented in the statement of financial position, since they refer to transactions that do not require cash as only the gains or losses actually incurred are recorded. The net result of those transactions on March 31, 2020 was a positive adjustment of R$1,314,240 (positive adjustment of R$152,311 on March 31, 2019), which was posted in finance income (expenses).

The counterparties of the derivative transactions are the banks Bradesco, Itaú, Goldman Sachs and BTG Pactual. The controlling shareholder Cemig is guarantor of the derivative financial instruments contracted by the Company.

This table presents the derivative instruments contracted by the Company as of March 31, 2020 and December 31, 2019:

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Assets (1)	Liability (1)	Maturity period	Trade market	Notional amount (2)	Unrealized gain (loss)		Unrealized gain (loss)	
					Carrying amount Mar. 31, 2020	Fair value Mar. 31, 2020	Carrying amount Dec. 31, 2019	Fair value Dec. 31, 2019
US$ exchange variation + Rate (9.25% p.y.)	Local currency + R$ 150.49% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$1,000,000	1,834,233	2,137,803	813,535	1,235,102
US$ exchange variation + Rate (9.25% p.y.)	Local currency + R$ 125.52% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$500,000	619,256	867,381	108,532	455,842
					2,453,489	**3,005,184**	**922,067**	**1,690,944**
Current						**485,006**		**234,766**
Non-current						**2,520,178**		**1,456,178**

(1) For the initial US$1 billion, Eurobons issued on December 2017: (i) for the principal, a call spread was contracted, with floor at R$3.25/US$ and ceiling at R$5.00/US$, and (ii) a swap was contracted for the total interest, for a coupon of 9.25% p.a., in Reais, at an average rate equivalent to 150.49% of the CDI. For the additional US$500 million issuance of the same Eurobond issue on July 2018 (1) a call spread was contracted for the principal, with floor at R$3.85/US$ and ceiling at R$5.00/US$; and (2) a swap was contracted for the interest, resulting in a coupon of 9.25% p.a., with an average rate equivalent to 125.52% of the CDI rate.
(2) In thousands of US$.

In accordance with market practice, the Company uses a mark-to-market method to measure its derivatives financial instruments for its Eurobonds. The principal indicators for measuring the fair value of the swap are the B3 future market curves for the DI rate and the dollar. To price the call spread, the Black & Scholes one of the parameters of which is the volatility of the dollar, measured on the basis of its historic records over 2 years.

The fair value at March 31, 2020 was R$3,005,184 (R$1,690,944 on December 31, 2019), which would be the reference point if the Company were to liquidate the financial instrument on that date, but the swap contracts protect the Company's cash flow up to the maturity of the bonds in 2024 and they have carrying value of R$2,453,489 at March 31, 2020 (R$922,067 on December 31, 2019).

The Company is exposed to market risk due to having contracted this hedge, the principal potential impact being a change in future interest rates and/or the future exchange rates. Based on the futures curves for interest rates and dollar, the Company prepare a sensitivity analyses and estimates that in a probable scenario, its results would be affected by the swap and call spread at the end of the period in the amount of R$1,743,589 for the option (call spread), partially compensated by R$1,604,082 for the swap – comprising a total of R$3,347,671.

The Company has measured the effects on its net income of reduction of the estimated fair value for the 'probable' scenario, analyzing sensitivity for the risks of interest rates, exchange rates and volatility changes, by 25% and 50%, as follows:

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Parent Company and Consolidated	Base scenario March 31, 2020	'Probable' scenario	'Possible' scenario: exchange rate depreciation and interest rate increase 25%	'Remote' scenario: exchange rate depreciation and interest rate increase 50%
Swap, asset side	7,303,979	7,285,497	6,221,954	5,211,897
Swap, liability side	(5,829,691)	(5,681,415)	(5,791,808)	(5,896,918)
Option / Call spread	1,530,896	1,743,589	1,180,991	452,548
Derivative hedge instrument	**3,005,184**	**3,347,671**	**1,611,137**	**(232,473)**

The same methods of measuring marked to market of the derivative financial instruments described above were applied to the estimation of fair value.

c) Risk management

Corporate risk management is a management tool that is part of the Company's corporate governance practices and is aligned with the process of planning, which sets the Company's strategic business objectives.

The Company monitor the financial risk of transactions that could negatively affect the Company's liquidity or profitability, recommending hedge protection strategies to control the Company's exposure to foreign exchange rate risk, interest rate risk, and inflation risks.

The main risks to which the Company and its subsidiaries are exposed are as follows:

Interest rate risk

On March 31, 2020 the Company and its subsidiaries were exposed to the risk of reduction in Brazilian interest rates, since it has more assets than liabilities indexed to variation in interest rates:

Exposure to Brazilian domestic interest rates	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Assets				
Cash equivalents (Note 5) – CDI rate	343,398	202,964	293,796	133,705
Securities (Note 6) – CDI and Selic rates	510,381	373,594	239,488	128,490
Restricted cash – CDI	21,858	11,059	21,813	11,019
	875,637	**587,617**	**555,097**	**273,214**
Liabilities				
Loans, financings and debentures – CDI rate (Note 19)	(505,808)	(578,067)	505,808	578,067
Loans, financings and debentures – TJLP Rate (Note 19)	(181,570)	(178,226)	-	-
	(687,378)	**(756,293)**	**505,808**	**578,067**
Net assets (liabilities) exposed	**188,259**	**(168,676)**	**1,060,905**	**851,281**

<u>Sensitivity analysis</u>

The Company and its subsidiaries estimate that in a probable scenario, the Selic rate on March 31, 2021 will be 1.50% and the TJLP rate will be 4.97%. They have made a sensitivity analysis of the effects on profit arising from reductions of 25% and 50% in this rate in relation to the 'probable' scenario. Variation in the CDI rate accompanies the variation in the Selic rate.

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Risk: Reduction in Brazilian interest rates – Consolidated	Mar. 31, 2020	Mar. 31, 2021		
	Amount Book value	'Probable' scenario: Selic 1.50% TJLP 4.97%	'Possible' scenario -25% Selic 1.13% TJLP 3.73%	Remote' scenario -50% Selic 0.75% TJLP 2.49%
Assets				
Cash equivalents – Cash investments (Note 5)	343,398	348,549	347,278	345,973
Marketable securities (Note 6)	510,381	518,037	516,148	514,209
Restricted cash	21,858	22,186	22,105	22,022
	875,637	**888,772**	**885,531**	**882,204**
Liabilities				
Loans, financings and debentures – CDI rate (Note 19)	(505,808)	(513,395)	(511,524)	(509,602)
Loans, financings and debentures – TJLP Rate (Note 19)	(181,570)	(190,594)	(188,343)	(186,091)
	(687,378)	**(703,989)**	**(699,867)**	**(695,693)**
Net assets	**188,259**	**184,783**	**185,664**	**186,511**
Net effect of variation in interest rates		**(3,476)**	**(2,595)**	**(1,748)**

Inflation risk

The Company and its subsidiaries are exposed to risk of reduction of inflation, due to their having more assets than liabilities indexed to the variation of inflation indicators, as follows:

Exposure to inflation	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Assets				
Generation – Concession grant fee – IPCA (Note 11)	2,502,293	2,468,216	-	-
Transmission – Reimbursement receivable – IPCA index (Note 11)	1,279,476	1,280,652	1,279,476	1,280,652
	3,781,769	**3,748,868**	**1,279,476**	**1,280,652**
Liabilities				
Loans, financings and debentures – IPCA (Note 19)	(724,685)	(1,105,466)	(724,685)	(1,105,466)
Debt agreed with pension fund (Forluz) – (Note 21)	(123,868)	(128,172)	(123,868)	(128,172)
Solution for Forluz pension fund deficit (Note 21)	(124,343)	(124,499)	(124,343)	(124,499)
	(972,896)	**(1,358,137)**	**(972,896)**	**(1,358,137)**
Net assets (liabilities) exposed	**2,808,873**	**2,390,731**	**306,580**	**(77,485)**

Sensitivity analysis

The Company and its subsidiaries estimate that in a probable scenario, the IPCA inflation index on March 31, 2021 will be 1.70%. For the risk of reduction in inflation they have made a sensitivity analysis of the effects on profit arising from reductions in rates of 25% and 50% in relation to the 'probable' scenario.

Risk: reduction in inflation Consolidated	Mar. 31, 2020	Mar. 31, 2021		
	Book value	'Probable' scenario: IPCA 1.70%	'Possible' scenario - 25% IPCA 1.28%	Remote' scenario - 50% IPCA 0.85%
Assets				
Generation – Concession Grant Fee – IPCA (Note 11)	2,502,293	2,544,832	2,534,322	2,523,562
Transmission – Reimbursement receivable – IPCA index (Note 11)	1,279,476	1,301,227	1,295,853	1,290,352
	3,781,769	**3,846,059**	**3,830,175**	**3,813,914**
Liabilities				
Loans, financings and debentures – IPCA (Note 19)	(724,685)	(737,005)	(733,961)	(730,845)
Debt agreed with pension fund (Forluz) (Note 21)	(123,868)	(125,974)	(125,454)	(124,921)
Solution for Forluz pension fund deficit (Note 21)	(124,343)	(126,457)	(125,935)	(125,400)
	(972,896)	**(989,436)**	**(985,350)**	**(981,166)**
Net assets exposed	**2,808,873**	**2,856,623**	**2,844,825**	**2,832,748**
Net effect of variation in inflation		**47,750**	**35,952**	**23,875**

Exchange rate risk

The Company is exposed to risk of increase in exchange rates, with effect on Loans and financings, and cash flow.

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The net exposure to exchange rates is as follows:

Exposure to exchange rates	Consolidated and Parent Company			
	Mar. 31, 2020		Dec. 31, 2019	
	Foreign currency	R$	Foreign currency	R$
US dólar				
Loans and financings (Note 19)	(1,552,145)	(8,069,135)	(1,511,336)	(6,091,742)
Net (liabilities) exposed		**(8,069,135)**		**(6,091,742)**

Sensitivity analysis

The Company estimates that in a probable scenario, on March 31, 2021 the exchange rates of foreign currencies in relation to the Real will be as follows: depreciation in the dollar exchange rate by 0.94%, to R$5.15/US$. The Company has made a sensitivity analysis of the effects on profit arising from depreciation of the Real exchange rate by 25%, and by 50%, in relation to this 'probable' scenario.

Risk: Exposure to exchange rates	Mar. 31, 2020	Mar. 31, 2021		
	Book value	'Probable' scenario Dólar 5.15	'Possible' scenario + 25% Dólar 6.44	Remote' scenario + 25% Dólar 7.73
US dólar				
Loans and financings (Note 19)	(8,069,135)	(7,993,546)	(9,995,812)	(11,998,079)
Net liabilities exposed	**(8,069,135)**	**(7,993,546)**	**(9,995,812)**	**(11,998,079)**
Net effect of exchange rate variation		**75,589**	**(1,926,677)**	**(3,928,944)**

Note that the Company has contracted a swap transaction to replace the exposure to the US dollar with exposure to variation in the CDI Rate, as described in more detail in the item *Swap Transactions* in this Note.

Liquidity risk

The Company has sufficient cash flow to cover the cash needs related to its operating activities.

The Company manages liquidity risk with a group of methods, procedures and instruments that are coherent with the complexity of the business, and applied in permanent control of the financial processes, to guarantee appropriate risk management.

The Company manages liquidity risk by permanently monitoring its cash flow in a conservative, budget-oriented manner. Balances are projected monthly, for each one of the companies, over a period of 12 months, and daily liquidity is projected, daily, over 180 days.

Cash investments obey rigid principles for monitoring of operational, credit and liquidity risks, established in an Investment Policy, in accordance with the cash flow needs of the companies. These financial investments are made in exclusive investment funds of the Cemig economic group, or directly in CDB's (bank CD's) and/or repo transactions remunerated by the CDI rate.

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In managing cash investments, the Company seeks to obtain profitability through a rigid analysis of financial institutions' credit risk, applying operational limits for each bank, based on assessments that take into account their ratings, exposures and balance sheet. It also seeks greater returns on investments by strategically investing in securities with longer investment maturities, while bearing in mind the Company's minimum liquidity control requirements.

Any reduction in the Company's ratings could result in a reduction of its ability to obtain new financing and could also make refinancing of debts not yet due more difficult or more costly. In this situation, any financing or refinancing of the Company's debt could have higher interest rates or might require compliance with more onerous covenants, which could additionally cause restrictions to the operations of the business.

The flow of payments of the Company's obligation to suppliers, debts with the pension fund, loans, financing and debentures, at floating and fixed rates, including future interest up to contractual maturity dates, is as follows:

Consolidated	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at (interest rates):						
Floating rates						
Loans, financings and debentures	26,213	451,673	1,102,018	9,187,968	-	10,767,872
Onerous concessions	234	462	1,985	9,054	14,011	25,746
Debt agreed with pension fund (Forluz)	2,742	5,509	25,111	117,058	-	150,420
Solution for deficit of pension fund (Forluz)	1,215	2,444	28,018	48,227	138,739	218,643
	30,404	**460,088**	**1,157,132**	**9,362,307**	**152,750**	**11,162,681**
Fixed rate						
Suppliers	316,255	3,082	57	-	-	319,394
	346,659	**463,170**	**1,157,189**	**9,362,307**	**152,750**	**11,482,075**

Parent Company	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at (interest rates):						
Floating rates						
Loans, financings and debentures	26,213	451,673	1,006,856	9,093,082	-	10,577,824
Onerous concessions	234	462	1,985	9,054	14,011	25,746
Debt agreed with pension fund (Forluz)	2,742	5,509	25,111	117,058	-	150,420
Solution for deficit of pension fund (Forluz)	1,215	2,444	28,018	48,227	138,739	218,643
	30,404	**460,088**	**1,061,970**	**9,267,421**	**152,750**	**10,972,633**
Fixed rate						
Suppliers	303,976	2,450	12	-	-	306,438
	334,380	**462,538**	**1,061,982**	**9,267,421**	**152,750**	**11,279,071**

Credit Risk

The Company's risk of losses due to difficulty in receipt of amounts invoiced to customers is considered to be low. The Company carries out monitoring for the purpose of reducing default, on an individual basis, with its customers. Negotiations are also entered into for receipt of any receivables in arrears.

The provision for doubtful debtors constituted on March 31, 2020, considered to be adequate in relation to the credits receivable and in arrears, was R$51,244.

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In relation to the risk of losses resulting from insolvency of the financial institutions at which the Company or its subsidiaries have deposits, a Cash Investment Policy was approved and has been in effect since 2004 and is reviewed annually.

All investments are made in financial securities that have fixed-income characteristics, the majority of them indexed to the CDI rate. The Company does not make any transactions that would incorporate volatility risk into its interim financial information.

As a management instrument, the Company divides the investment of its cash holdings between direct purchases of securities, forming its own portfolio, and investment funds. The investment funds invest the funds exclusively in fixed income products, and companies of the Group are the only unit holders. They obey the same policy adopted in the investments for the Company's directly-held own portfolio.

The minimum requirements for concession of credit to financial institutions are centered on three items:

1. Rating by risk rating agencies.
2. Equity greater than R$400 million.
3. Basel ratio one percentage point above the minimum sat by the Brazilian Central Bank.

Banks that exceed these thresholds are classified in three groups, by the value of their equity; and within this classification, limits of concentration by group and by institution are set:

Group	Equity	Concentration	Limit per bank (% of equity) (1)
A1	Over R$3.5 billion	Minimum 50%	Between 6% and 9%
A2	R$1.0 billion to R$3.5 billion	Maximum 30%	Between 5% and 8%
A3	R$400 million to R$1.0 billion	Maximum 30%	Between 5% and 7%

(1) The percentage assigned to each bank depends on an individual assessment of indicators such as liquidity and quality of the credit portfolio.

Further to these points, the Company also sets two concentration limits:

1. No bank may have more than 30% of the Group's portfolio.
2. At least a total of 50% of the available funds must be placed with the A1 banks.

COVID-19 Pandemic – Risks and uncertainties related to Company's business

The Company's assessment concerning the risks and potential impacts of Covid-19 are disclosed in Note 1.1..

Hydrological risk

The greater part of the energy sold by the Company is generated by hydroelectric plants. A prolonged period of scarce rainfall can result in lower water volumes in the reservoirs of these plants, which can lead to an increase in the cost of acquisition of energy, due to replacement by thermoelectric sources, or to reduction of revenues due to reduction in consumption caused by implementation of wide-ranging programs for saving of energy.

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Risk of debt early maturity

The Company has loans, financings and debentures contracts with covenants relating to financial index of the Company and its parent company, and cross-default clauses.

On March 31, 2020 the Company and its subsidiaries were compliant with all the covenants for financial index requiring half-yearly, annual and permanent compliance, except for non-compliance with the non-financial covenant of the loan contracts with the CEF of the subsidiaries Central Eólica Praias de Parajuru and Central Eólica Volta do Rio. More details in Note 19.

d) Capital management

The comparisons of the Company's consolidated net liabilities and its Equity are as follows:

	Consolidated		Parent Company	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Total liabilities	13,828,824	12,526,851	13,487,690	12,103,086
Cash and cash equivalents (Note 5)	(346,754)	(211,608)	(294,228)	(136,208)
Market securities (Note 6)	(472,497)	(372,678)	(221,715)	(128,175)
Net liabilities	13,009,573	11,942,565	12,971,747	11,838,703
Total equity	5,132,164	5,136,201	5,132,164	5,136,201
Net liabilities / equity	2.53	2.40	2.53	2.33

29. OPERATING SEGMENTS

The operating segments of the Company and its subsidiaries reflect their management and their organizational structure, used to monitor its results. They are aligned with the regulatory framework of the Brazilian energy industry.

The Company operates in the segments of generation and transmission; its subsidiaries operate only in the generation segment, and trading.

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These tables show information by segment for the periods ended March 31, 2020 and 2019:

	Jan. to Mar. 2020			
	Generation	Transmission	Trading	Total
ASSETS	**15,991,455**	**2,883,277**	**86,256**	**18,960,988**
INVESTMENTS IN AFFILIATES AND JOINTLY-CONTROLLED ENTITIES	**4,043,662**	**-**	**-**	**4,043,662**
ADDITIONS TO THE SEGMENT	**25,222**	**47,198**	**-**	**72,420**
NET REVENUE	**1,677,024**	**191,064**	**23,578**	**1,891,666**
ENERGY COSTS				
Charges for use of the national grid	(49,434)	-	-	(49,434)
Energy bought for resale	(913,749)	-	-	(913,749)
	(963,183)	**-**	**-**	**(963,183)**
OPERATING COSTS AND EXPENSES				
Personnel	(46,171)	(28,839)	(38)	(75,048)
Employee profit shares	(3,769)	(2,430)	-	(6,199)
Post-employment liabilities	(12,188)	(10,339)	-	(22,527)
Materials	(2,195)	(954)	-	(3,149)
Outsourced services	(25,632)	(9,185)	(85)	(34,902)
Depreciation and amortization	(51,189)	**(1,250)**	-	(52,439)
Provisions	(28,436)	(2,844)	-	(31,280)
Transmission infrastructure construction cost	-	(47,198)	-	(47,198)
Other operating costs and expenses, net	(5,597)	(2,847)	(5)	(8,449)
	(175,177)	**(105,886)**	**(128)**	**(281,191)**
TOTAL COSTS AND EXPENSES	**(1,138,360)**	**(105,886)**	**(128)**	**(1,244,374)**
Share of profit (loss) of associates and joint ventures, net	5,457	-	-	5,457
Operating profit before Finance income (expenses)	**544,121**	**85,178**	**23,450**	**652,749**
Finance income	1,212,486	128,739	644	1,341,869
Finance expenses	(1,833,664)	(197,879)	1	(2,031,542)
Profit before income tax and social contribution tax	(77,057)	16,038	**24,095**	**(36,924)**
Income tax and social contribution tax	44,502	(8,650)	(2,965)	32,887
NET INCOME FOR THE PERIOD	**(32,555)**	**7,388**	**21,130**	**(4,037)**

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	Jan. to Mar. 2019			
	Generation	Transmission	Trading	Total
ASSETS (1)	**14,721,374**	**2,875,681**	**65,997**	**17,663,052**
INVESTMENTS IN AFFILIATES AND JOINTLY-CONTROLLED ENTITIES	**4,041,565**	**-**	**-**	**4,041,565**
ADDITIONS TO THE SEGMENT	**22,497**	**28,087**	**-**	**50,584**
NET REVENUE	**1,783,080**	**140,429**	**31,367**	**1,954,876**
ENERGY COSTS				
Charges for use of the national grid	(46,085)	-	-	(46,085)
Energy bought for resale	(782,920)	-	-	(782,920)
	(829,005)			**(829,005)**
OPERATING COSTS AND EXPENSES				
Personnel	(58,582)	(31,969)	(54)	(90,605)
Employee profit shares	(8,828)	(6,461)	-	(15,289)
Post-employment liabilities (expense recovery)	(12,627)	(9,041)	-	(21,668)
Materials	(4,676)	(833)	-	(5,509)
Outsourced services	(26,234)	(8,130)	(114)	(34,478)
Depreciation and amortization	(44,406)	-	-	(44,406)
Provisions	(1,773)	(943)	-	(2,716)
Transmission infrastructure construction cost	(25,781)	(4,330)	-	(30,111)
Other operating costs and expenses, net	-	(28,087)	-	(28,087)
	(2,939)	(4,200)	(6)	(7,145)
	(185,846)	**(93,994)**	**(174)**	**(280,014)**
TOTAL COSTS AND EXPENSES	**(1,014,851)**	**(93,994)**	**(174)**	**(1,109,019)**
Share of profit (loss) of associates and joint ventures, net	36,679	-	-	36,679
Operating profit before Finance income (expenses)	**804,908**	**46,435**	**31,193**	**882,536**
Finance income	181,237	14,598	908	196,743
Finance expenses	(236,037)	(26,066)	-	(262,103)
Profit before income tax and social contribution tax	**750,108**	**34,967**	**32,101**	**817,176**
Income tax and social contribution tax	(219,534)	(10,482)	(3,944)	(233,960)
NET INCOME FOR THE PERIOD	**530,574**	**24,485**	**28,157**	**583,216**

(1) Balances at December 31, 2019.

The revenue of the Company and its subsidiaries for the periods ended March 31, 2020 and 2019 breaks down by segment as follows:

	Jan. to Mar. 2020			
	Generation	Transmission	Trading	Total
Total revenue from supply of energy – with taxes	1,891,834	-	-	1,891,834
Transmission revenue – with taxes	-	171,614	-	171,614
Revenue from updating of the concession grant fee	99,892	-	-	99,892
Construction revenue	-	47,198	-	47,198
Transactions in energy on the CCEE	24,524	-	-	24,524
Transmission indemnity revenue	-	56,538	-	56,538
Other operating revenues	1,566	7,522	25,356	34,444
Sector / regulatory charges – Deductions from revenue	(340,792)	(91,808)	(1,778)	(434,378)
Net operating revenue	**1,677,024**	**191,064**	**23,578**	**1,891,666**

	Jan. to Mar. 2019			
	Generation	Transmission	Trading	Total
Total revenue from supply of energy – with taxes	1,730,450	-	-	1,730,450
Transmission revenue – with taxes	-	163,156	-	163,156
Revenue from updating of the concession grant fee	80,788	-	-	80,788
Construction revenue	-	28,087	-	28,087
Transactions in energy on the CCEE	259,216	-	-	259,216
Transmission indemnity revenue	-	32,499	-	32,499
Contractual reimbursements	62,576	-	-	62,576
Other operating revenues	7,260	6,557	33,576	47,393
Sector / regulatory charges – Deductions from revenue	(357,210)	(89,870)	(2,209)	(449,289)
Net operating revenue	**1,783,080**	**140,429**	**31,367**	**1,954,876**

Details of operating revenue are in Note 24.

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30. SUBSEQUENT EVENTS

2020 Programmed Voluntary Retirement Plan (‘PDVP’)

On April 2020, the Company approved the Programmed Voluntary Retirement Plan for 2020 (‘the 2020 PDVP’). Those eligible – any employees who had worked with the Company for 25 years or more by December 31, 2020 – are able to join from May 4 to 22, 2020. The program will pay the standard legal payments for severance, 50% of the period of notice, an amount equal to 20% of the Base Value of the employee’s FGTS fund, an additional premium equal to 50% of the period of notice plus 20% of the Base Value of the employee’s FGTS fund, as well as the other payments under the legislation.

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CONSOLIDATED RESULTS

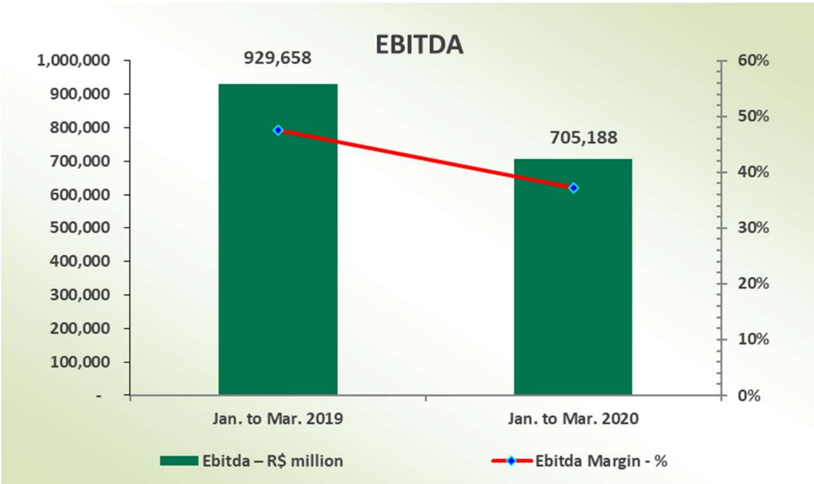
Net income (loss) for the period

The Company reports a loss of R$4,037 for 1Q20, which compares with its net income of R$583,216 in 1Q19, mainly due to the negative finance income of Eurobonds and the linked hedge instrument, in the amount of R$437,760. The main variations in revenue, costs, expenses and net finance income (expenses) are noted below.

Ebitda (earnings before interest, tax, depreciation and amortization)

Cemig GT’s Ebitda was 24.15% lower in 1Q20 than in 1Q19, as follows. The Ebitda margin was 37.28% in 1Q20 compared to 47.56% in 1Q19.

Ebitda - R$ million	Jan. to Mar. 2020	Jan. to Mar. 2019	Change, %
Net income (loss) for the period	(4,037)	583,216	-
+ Current and deferred income tax and social contribution tax	(32,887)	233,960	-
+ Net finance income (expenses)	689,673	65,360	955,19
+ Amortization and depreciation	52,439	47,122	11,28
= Ebitda	**705,188**	**929,658**	**(24,15)**



Ebitda is a non-accounting measure prepared by the Company, reconciled with the consolidated Interim financial information in accordance with CVM Circular SNC/SEP 1/2007 and CVM Instruction 527 of October 4, 2012. It comprises Net income adjusted by the effects of net financial revenue (expenses), Depreciation and amortization, and Income and Social Contribution taxes. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it does not have a standard meaning; and it may be non-comparable with measures with similar titles provided by other companies. The Company publishes Ebitda because it uses it to measure its own performance. Ebitda should not be considered in isolation or as a substitution for net income or operational profit, nor as an indicator of operational performance or cash flow, nor to measure liquidity nor the capacity for payment of debt.

The lower Ebtida from January to March, 2020 than in the same period in 2019, mainly reflects the reduction of 90.54% in transactions in energy on the CCEE, at R$24,524 in 1Q20 compared to R$259,216 in 1Q19. More details on the specific items of this Comment.

Revenue from supply of energy

	March 31, 2020			March 31, 2019		
	MWh (1)	R$ (mn)	Average price/MWh billed – R$/MWh¹	MWh (1)	R$ (mn)	Average price/MWh billed – R$/MWh
Industrial	3,005,352	719,830	239.52	3,231,349	725,101	224.40
Commercial	1,185,574	245,041	206.69	919,215	203,351	221.22
Rural	3,648	943	258.47	504	126	249.78
Subtotal	**4,194,574**	**965,814**	**230.25**	**4,151,068**	**928,578**	**223.70**
Net unbilled retail supply	-	(3,954)	-	-	24,432	-
	4,194,574	**961,860**		**4,151,068**	**953,010**	**229.58**
Wholesale supply to other concession holders	3,256,285	880,793	270.49	3,108,702	834,176	268.34
Wholesale supply unbilled, net	-	49,181	-	-	(56,736)	-
	7,450,859	**1,891,834**	**253.91**	**7,259,770**	**1,730,450**	**238.36**

(1) The calculation of the average price does not include revenue from supply not yet billed.

The Company reports a revenue from supply of energy of R$1,891,834 in 1Q20, compared to R$1,730,450 in 1Q19 – or 9.33% higher. This variaton is mainly due to the 2.63% increase in the amount of volume billed.

Transmission concession revenue

The Company's revenue from transmission comprises the sum of the revenues from all the transmission assets. The concession contracts establish the Permitted Annual Revenue (Receita Annual Permitida or RAP) for the assets of the existing system, updated annually based on the variation in the IPCA inflation index. Whenever there is an upgrade or adaptation to an existing asset, made under specific authorization from Aneel, an addition is made to the RAP.

This revenue was R$171,614 in 1Q20, compared to R$163,156 in 1Q19 – or 5.18% higher. The higher figure arises, principally from the inflation adjustment of the annual RAP, applied in July 2019, increased by the new revenue related to the authorized investments. It includes an additional. Additionally, it includes an adjustment to expectation of cash flow from financial assets.

Transmission reimbursement revenue

As specified in the sector regulations, the Company reports in each period the amount of the inflation/monetary adjustment applicable to the amount of indemnity receivable, based on the IPCA inflation index and the average regulatory cost of capital.

The revenue from reimbursements of transmission assets in 1Q20 was R$56,538, – or 73.97% higher than in 1Q19 (R$32,499). This growth is mainly due to the variation in the IPCA inflation index (1.87% in the first quarter of 2020 and 0.26% in the same period of 2019).

At the beginning of the tariff cycle, which occurs in July of each year, the amounts received, plus the adjustment made for the cycle, corresponding to the amortization of the debtor balance up to the end of the period, are excluded from the remuneration base, reducing the amounts of the monetary updating and the remuneration on the remaining balance.

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More details in Note 11 - Concession Financial Assets.

Revenue from transactions in the Power Trading Chamber (CCEE)

Revenue from energy sales on the CCEE (Power Energy Trading Chamber) in 1Q20 was R$24,524, or 90.54% lower than in 1Q19 (R$259,216). This reduction is principally due to the deficit position on the CCEE assumed by the Company in the first quarter of 2020, when compared to the same period 2019, due to: (i) lower allocation of its own generation; (ii) lower GSFs; and (iii) higher sales through spot-market bilateral contracts. On the other hand, in first quarter of 2019 the Company had a high excess of supply to be sold on the CCEE, arising from higher allocation of its own output, associated with higher GSFs and a lower volume of bilateral sales.

Construction revenue

Construction revenues totaled R$47,198 in 1Q20, compared with R$28,087 in 1Q19, an increase of 68.04%. This revenue is fully offset by Construction costs, of the same amount, and corresponds to the Company's investments in assets of the concession.

Taxes and regulatory charges reported as deductions from revenue

Taxes and charges applied to operating revenue in 1Q20 were R$434,378, or 3.32% lower than in 1Q19 (R$449,289).

The Energy Development Account – CDE

The amounts of payments to the Energy Development Account (CDE) are decided by an Aneel Resolution. The purpose of the CDE is to cover costs of concession indemnities (reimbursements of costs of assets), tariff subsidies, the subsidy for balanced tariff reduction, the low-income-customer subsidy, the coal consumption subsidy, and the Fuels Consumption Account. The charges for the CDE in 1Q20 were R$57,571 compared to R$51,781 in 1Q19, an increase of 11.18%.

The other significant deductions from revenue are taxes, calculated as a percentage of sales revenue. Hence, their variations are substantially proportional to the changes in revenue.

Operating costs and expenses

Operating costs and expenses in 1Q20 totaled R$1,244,374, 12.20% higher than in 1Q19 (R$1,109,019).

The following paragraphs outline the main variations in operating costs and expenses:

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Energy *purchased* for resale

The expense on energy bought for resale in 1Q20 was R$913,749, compared to R$782,920 in 1Q19, representing an increase of 16.71%. This difference is mainly due to a lower expense on purchase of energy in the spot market: R$160,248 in 1Q20, compared to an recovery expenses of R$5,313 in 1Q19. This variation is mainly due to the higher expenses on purchase of spot supply, mainly due to higher spot bilateral sales in the Free Market, associated with lower availability of supply compared to demand in the first quarter of 2020 than in the same period of 2019.

Personnel expenses

The expense on personnel in 1Q20 was R$75,048, 17.17% lower than in 1Q19 (R$90,605), arising mainly from the following factors:

- Recognition, in 1Q19, of a cost of R$5,854 on voluntary retirement plans;
- The average number of employees was 5.41% lower in 1Q20, at 1,305, compared to 1,380 in 1Q19;
- Salary increase of 2.55% under the Collective Work Agreement, as from November 2019.

Post-employment obligations

The impact of the Company's post-employment obligation on operating profit was an expense of R$22,527 in 1Q20 – which compares with an expense of R$21,668 in 1Q19, an increase of 3.96%. This is mainly the result of reduction in the discount rate used in the actuarial calculation – which increased the amount of the actuarial liabilities, and consequently the scale of the expense reported.

Construction cost

Construction cost was R$47,198 in 1Q20 – compared to R$28,087 in 1Q19, an increase of 68.04%. This cost is offset in full by the accounting item Construction revenue, thus having no effect on net income. This variation arises mainly from the start of execution, in 2019, of the majority of the projects in the current Investment Program – with lower disbursements in 2019, when the projects were at initial phases, and higher disbursements as projects were nearer completion in 2020.

Operating provisions

Net operating provisions in 1Q20 total R$31,280, compared to R$30,111 in 1Q19, representing an increase of 3.88%, arising mainly from the following factors:

- Less provision for estimated losses for doubtful receivables in 1Q20, of R$3,543, compared to R$16,698 in 1Q19 – mainly due to the expectation of gain in the portfolio of large free customers.

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- Provisions for the SAAG put option being 89.06% higher: R$20,812 in 1Q20, vs. R$11,008 in 1Q19. There is more on the method of calculation in Note 28.

For more details on the components of Operating costs and expenses in Note 25.

Share of (loss) profit of associates and joint ventures, net

A net loss of R$5,457 in the value of non-consolidated investees was posted by the equity method in 1Q20, which compares with a net loss of R$36,679 in 1Q19, 85.12% lower, arising mainly from the following factors:

- Higher losses in the investee Santo Antônio Energia, which reported a negative equity method of R$26,628 in 1Q20, 109.21% higher than the same period in 2019 (R$12,728).
- Lower gains in the investee Aliança Geração, which reported a positive equity method of R$27,577 in 1Q20, 26.71% less than the same period in 2019 (R$37,628).

Note 13 gives the breakdown of equity method gains/losses, by investee.

Finance income (expenses)

The Company reports net financial expenses of R$689,673 in 1Q20, compared to net financial expenses of R$65,360 in 1Q19. This mainly reflects a net negative effect in the Eurobonds transaction and its corresponding hedge instrument, of R$ 437,760 in the first quarter of 2020, which compares to a net gain of R$ 119,464 in the same period of 2019. The main factors are:

- The dollar appreciated by 28.98% against the Real in the first quarter of 2020, compared to appreciation of 0.57% in the same period of 2019. This resulted in negative effects on the principal of the Eurobond debt in both periods: R$1,752,000 in the first quarter of 2019, vs. R$32,847 in the same period of 2019.
- Variation in the fair value of the financial instrument contracted to hedge the risks of the Eurobond lower than the depreciation of the exchange rate, at March 31, 2020, in contrast to the positive effect at March 31, 2019. On March 31, 2020 the variation in the fair value of the hedge instrument resulted in a gain of R$1,314,240, which was partially offset by the negative effect, totaling R$437,760, of exchange rate variation. In the first quarter of 2019, the increase in the fair value of the hedge instrument, of R$152,311, was more than enough to offset the FX liability variation, of R$32,847, resulting in a gain of R$119,464. The higher figure was the result of the dollar future curve moving upward, resulting in both the call spread and the asset becoming more valuable; and also due to the curve for the future DI interest rate (the liability side of the transaction) moving downward, and contributing to an increase in fair value.

For a breakdown of financial income/expenses see Note 26.

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Income tax and social contribution tax

In 1Q20 the revenue on income tax and social contribution tax was R$32,887, on pre-tax loss of R$36,924 – an effective rate of 89.07%. In 1Q19, the expense on income tax and social contribution tax was R$233,960, or 28.63% of the pre-tax profit of R$817,176.

These effective rates are reconciled with the nominal rates in Note 9d.

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(The original is signed by the following signatories:)

Reynaldo Passanezi Filho
Chief Executive Officer

Dimas Costa
Chief Trading Officer

Leonardo George de Magalhães
Chief Finance and Investor Relations Officer cumulatively with charge of Controller
CRC-MG 53,140

Paulo Mota Henriques
Chief Generation and Transmission Officer

Daniel Faria Costa
Chief Officer for Management of Holdings

Ronaldo Gomes de Abreu
Interim Director without portfolio

Luciano de Araújo Ferraz
Chief Regulation and Legal

Carolina Luiza F. A. C. de Senna
Accounting Manager
Accountant – CRC-MG 77,839

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A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB

Independent auditor's review report on quarterly information - ITR

To the shareholders and Management of:
Cemig Geração e Transmissão S.A.
Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Cemig Geração e Transmissão S.A. ("Company"), for the quarter ended March 31, 2020, comprising the statements of financial position as at March 31, 2020, and the related statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34, applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis of matters

Risks related to compliance with laws and regulations

As mentioned in Note 13 to the individual and consolidated interim financial information, currently investigations and other legal measures are being conducted by public authorities in connection with the Company, its parent company and certain investees regarding certain expenditures and their allocations, which involve and also include some of its other shareholders and certain executives of the Company, of its parent company and of these other shareholders. The governance bodies of the parent company have authorized engaging a specialized company to analyze the internal procedures related to these certain investments and to ascertain such claims. The internal and independent investigation was completed, and the corresponding report was delivered on May 8, 2020, with the conclusion that no evidence has been identified to support the preliminarily investigated allegations. Thus far, it is not possible to predict future developments arising from investigations conducted by public authorities, or their possible impact on the interim financial information of the Company and its subsidiaries. Our conclusion is not modified in respect of this matter.

Risk regarding the ability of jointly-controlled entity Renova Energia S.A. to continue as a going concern

As disclosed in Note 13 to the individual and consolidated interim financial information, on December 17, 2019, under the terms of Law No. 11101/05, the court-supervised reorganization plan of jointly-controlled entity Renova Energia S.A. and some of its subsidiaries was filed with the second State of São Paulo Bankruptcy and Court-Supervised Reorganization Court. The jointly-controlled entity shall submit the court-supervised reorganization plan to the General Meeting of Creditors approval in accordance with the terms and conditions established by the referred Law. The jointly-controlled entity is in the process of discussing such plan and up to the present date has not measured the possible effects on its accounting balances. In addition, the jointly-controlled entity has incurred recurring losses and, as at March 31, 2020, has negative net working capital, equity deficit and negative gross margin. These events or conditions indicate the existence of relevant uncertainty that may raise significant doubt about the ability of this jointly-controlled entity to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other matters

Statements of value added

The abovementioned quarterly information include the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Belo Horizonte (MG), May 15, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Shirley Nara S. Silva
Accountant CRC-1BA022650/O-0