

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY
CNPJ 17.155.730/0001-64

Market announcement

Electricity auction sale by Cemig GT reaches maximum price

Cemig GT traded energy supply totaling 355 MW (average) in the **A-3 Brazilian electricity supply auction** held by Brazil's Mining and Energy Ministry. The aggregate volume of energy in the transaction was 93 million MWh, for annual revenue of R\$ 390 million. The contracts are for 30 years' duration, starting on January 1, 2009, and refer to supply by the following power plants at the following prices: (i) Aimorés (84 MW, average), Irapé (206 MW average) and Queimado (47 MW average) – sold for R\$ 125.00/MWh, the initial bidding price for hydroelectric energy at the auction; and (ii) Porto Estrela (18 MW average), sold for R\$ 134.42/MWh, the marginal cost of the auction, with recovery of the original UBP (Tariff for Use of Public Assets) established by the Brazilian regulator, Aneel.

Belo Horizonte, July 3, 2006

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