

XX Encontro Anual
CEMIG-APIMEC

CEMIG D

Danilo Gusmão Araújo

CEMIG
A Melhor Energia do Brasil.

Índice de
Sustentabilidade
Empresarial **ISE**
2014

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

CMIG3
NÍVEL 1
BOVESPA BRASIL

CMIG4
NÍVEL 1
BOVESPA BRASIL

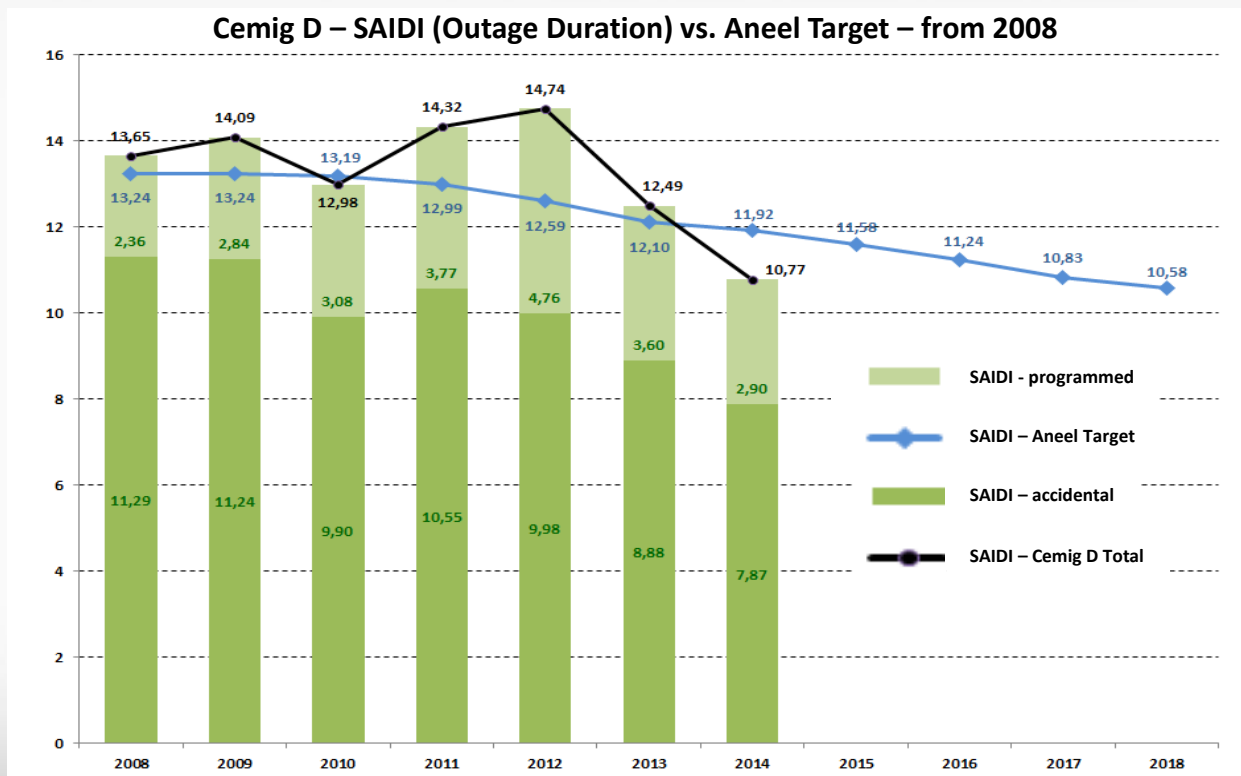
LATIBEX
XCMIG

CIG
LISTED
NYSE

CIG.C
LISTED
NYSE

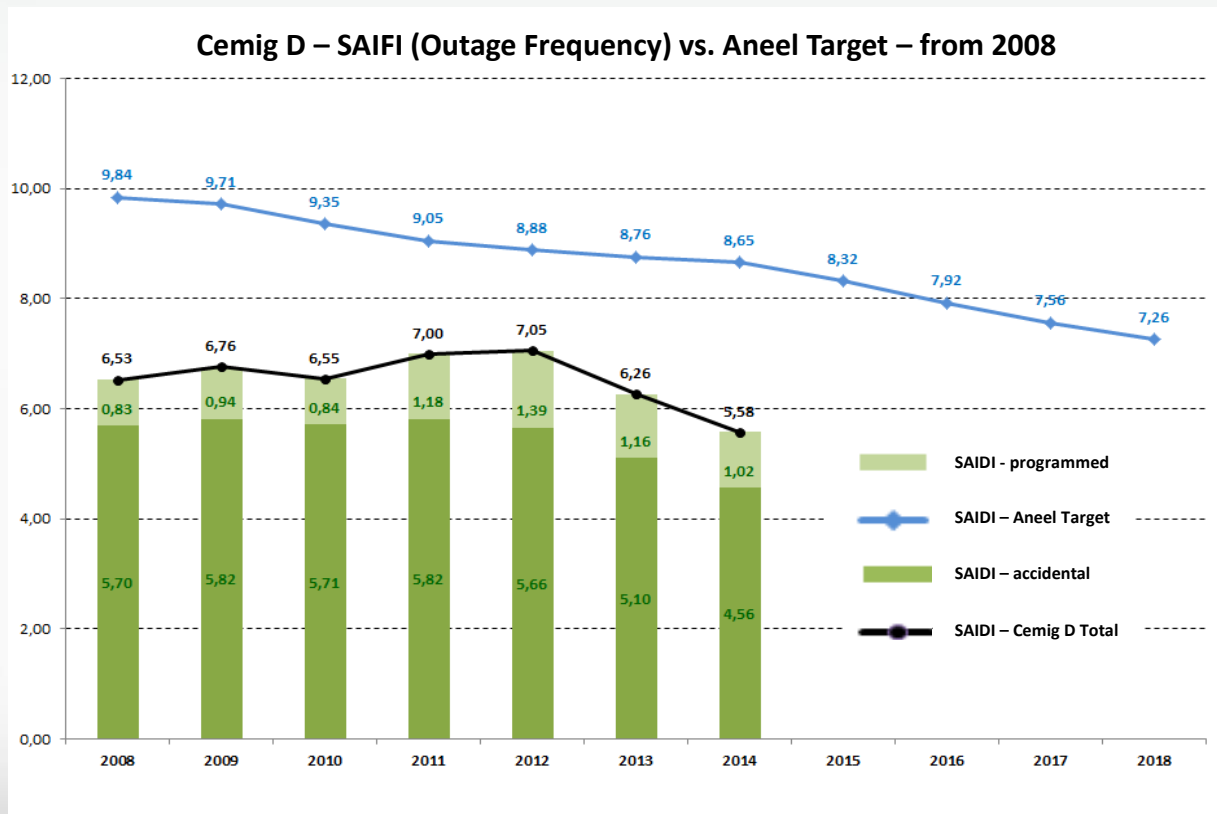
Electricity system performance

Outage duration indicator (SAIFI) is best in past few years, with strong reduction in accidental outages



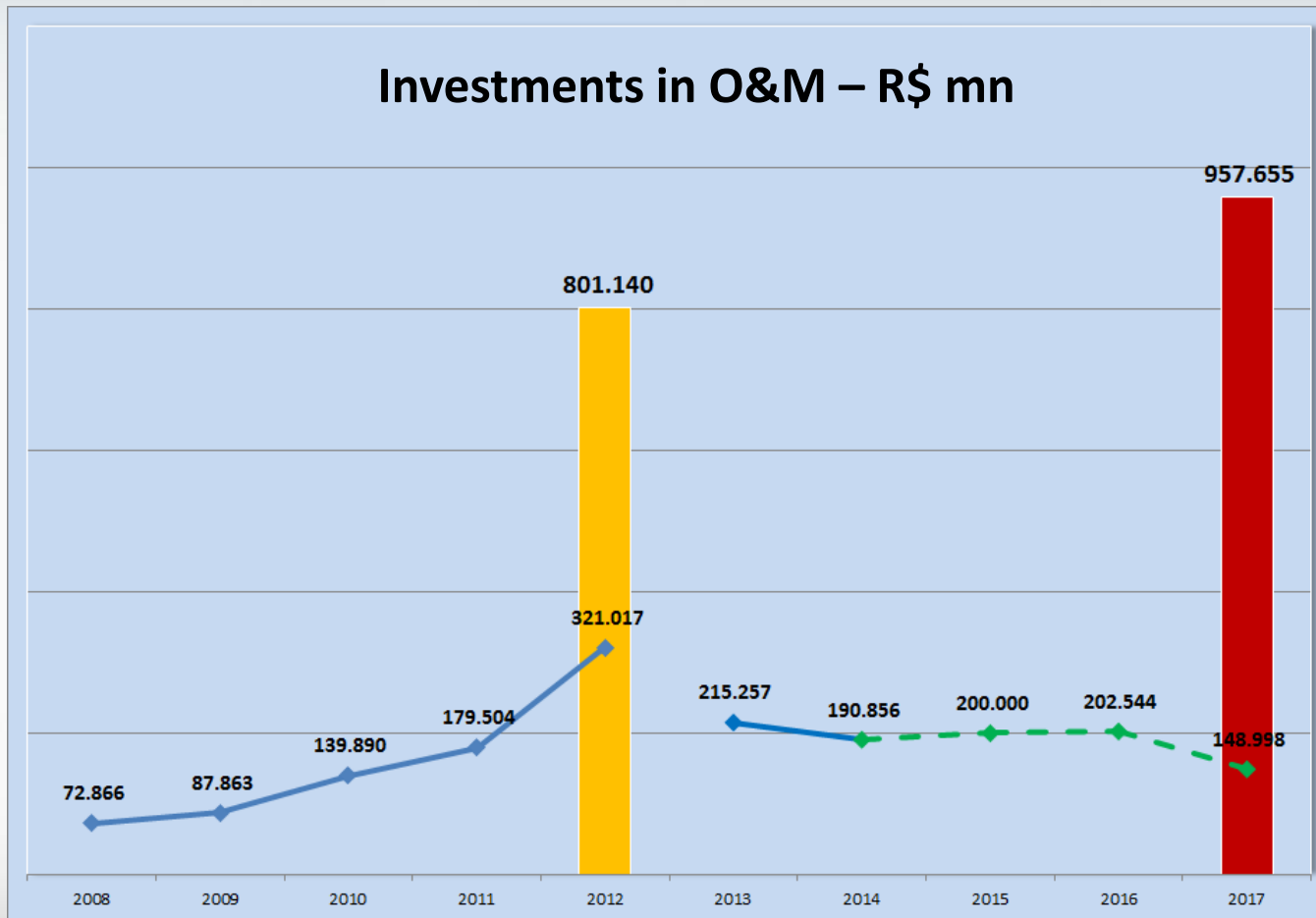
Electricity system performance

Outage Frequency (SAIFI) is also best in past few years



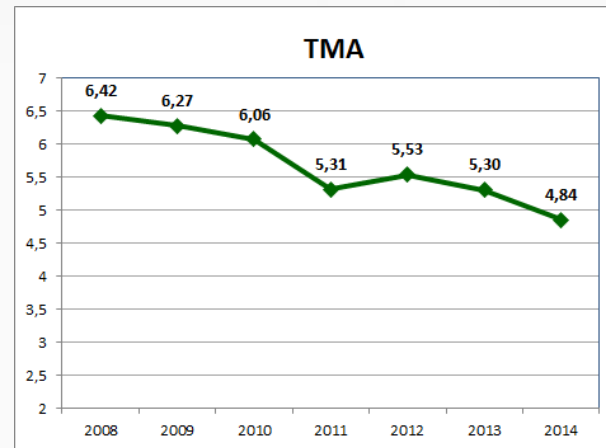
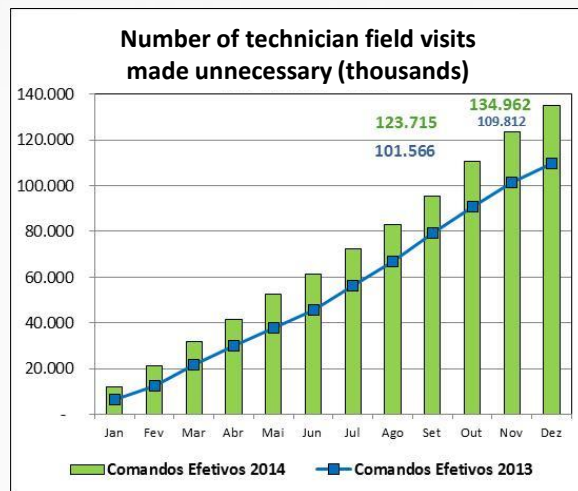
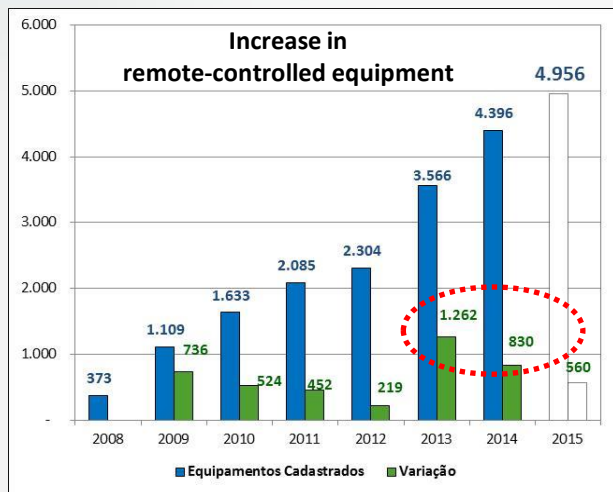
Actions taken to improve performance

Investments in O&M – R\$ mn



Actions taken to improve performance

- More automated equipment means fewer field visits:
 - lower Average Attendance Time (TMA) for adverse events



- In 2012, there were 2,304 remote controlled equipment. Between 2013 and 2014 this number had almost doubled, adding 2092 units. Projected target for end-2015 are 5,000 remote controlled units.
- 90.8% commands active reduced 134,962 field visits by Cemig personnel.
- Estimate for total travel costs savings for 2014 were R\$ 16.7mn, while in 2013 it was R\$ 13.6mn.
- Average time to handle network problems was reduced by 25% since 2008.

Action taken to improve performance

- Dual path supply to municipal centers with automated transfer

Substation 1



R City A

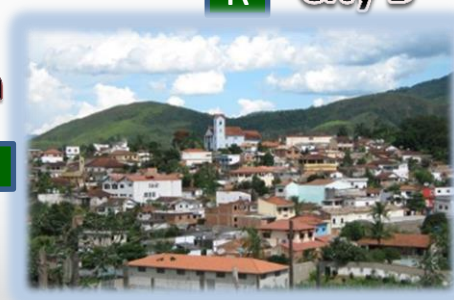
Substation 2



R City B



**Dual Supply Path
established**



Actions taken to improve performance

- R\$ 60mn were invested to acquire 15 mobile substations



- Quick service in the event of failures
- Increase in preventive maintenance to increase reliability
- Additional availability to transform

Actions taken to improve performance

- R\$ 77.5mn invested to modernize underground distribution network in Belo Horizonte, and in rest of Minas Gerais

- 237 kms of cable replaced
- 177 switches replaced and automated
- 8 transformers replaced

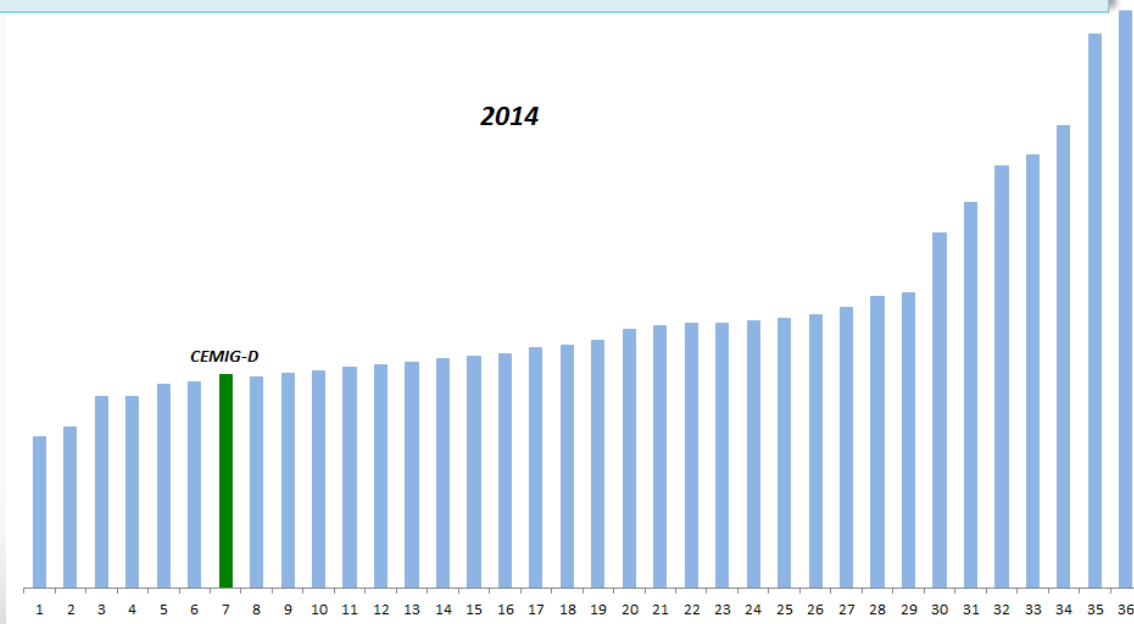
By 2017, additional completed:

117 km of cable
83 transformers
152 switches

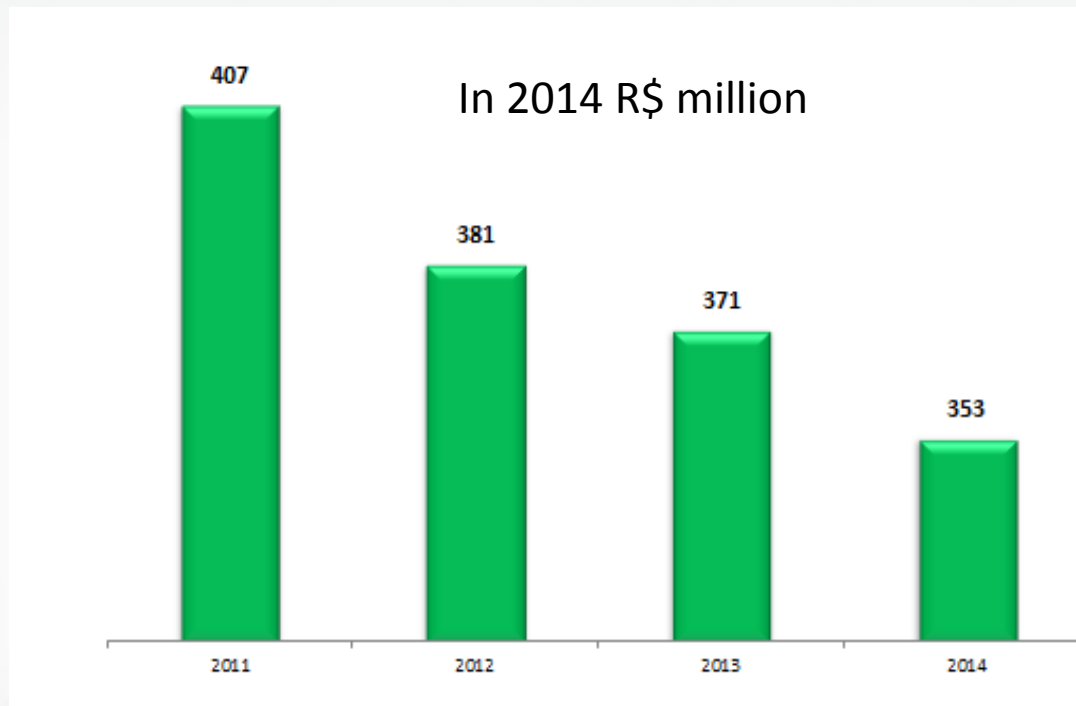


Global Continuity Performance (DGC) Aneel ranking

- Cemig D ranked 7th in 2014 Aneel ranking
- Moved up 10 positions from the previous year
- Ranked in First Quartile – Best Performance

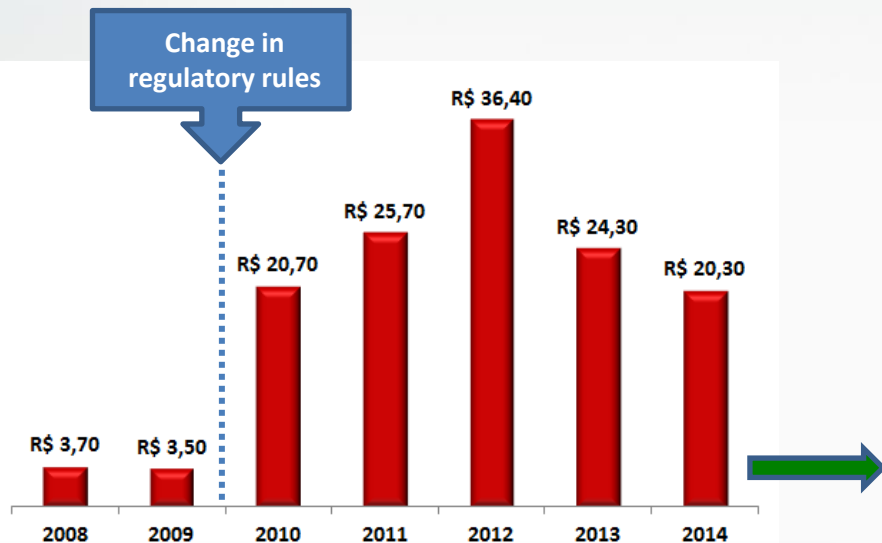


Opex in O&M



Impact on revenue

Improvement in electricity system contributed to significant revenue gains



Significant reduction in compensation fee due to non-compliance with continuity indicators

Table 1 – Component Q of X Factor

DEC _i /FEC _i	General rule	Best performances	Worst performances
Over 20%	1.00%	0.50%	1.00%
17% to 20%	0.95%	0.47%	0.95%
14% to 17%	0.79%	0.40%	0.79%
11% to 14%	0.64%	0.32%	0.64%
8% to 11%	0.49%	0.24%	0.49%
5% to 8%	0.33%	0.17%	0.33%
-5% to +5%	0.00%	0.00%	0.00%
-8% to -5%	-0.33%	-0.33%	-0.17%
-11% to -8%	-0.49%	-0.49%	-0.24%
-14% to -11%	-0.64%	-0.64%	-0.32%
-17% to -14%	-0.79%	-0.79%	-0.40%
-20% to -17%	-0.95%	-0.95%	-0.47%
Below -20%	-1.00%	-1.00%	-0.50%

Positive effect on X Factor, representing increase of R\$ 40mn in the Portion B during last 2 tariff adjustments

XX Encontro Anual
CEMIG-APIMEC

Investor Relations

Telephone: (55-31) 3506-5024

Fax: (55-31) 3506-5025

Email: ri@cemig.com.br

Website: <http://ri.cemig.com.br>

CEMIG
A Melhor Energia do Brasil.



MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



CIG
LISTED
NYSE.

CIG.C
LISTED
NYSE.