

ENERGY CO OF MINAS GERAIS
Form 6-K
February 11, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of February, 2019

Commission File Number: 1-15224

Energy Company of Minas Gerais

(Translation of Registrant's Name Into English)

Avenida Barbacena, 1219
30190-131 Belo Horizonte, Minas Gerais, Brazil

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(Address of Principal Executive Offices)

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

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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Item	Description of Items
<u>1. Market Announcement Dated November 27, 2018: CEMIG and CEMIG D submit restated ITR for 2Q and 3Q 2018</u>	
<u>2. Revision of Quarterly Information (ITR) for 2Q 2018 (Restatement)</u>	
<u>3. Revision of Quarterly Information (ITR) for 3Q 2018 (Restatement)</u>	
<u>4. Market Announcement Dated December 20, 2018: Cross-holding elimination between CEMIG GT and Energimp is completed</u>	
<u>5. Summary of Minutes of the 750th Meeting of the Board of Directors Dated December 28, 2018</u>	
<u>6. Market Announcement Dated January 2, 2019: Renova's Board of Directors does not approve AES's offer for Power Generation Complex</u>	
<u>7. Market Announcement Dated January 3, 2019: TAESA's Extraordinary General Meeting approves acquisition of transmission companies</u>	
<u>8. Market Announcement Dated January 15, 2019: TAESA places winning bid on Eletrobras Auction</u>	
<u>9. Market Announcement Dated January 15, 2019: Eletrobras accepts CEMIG's exercise of first refusal right on Auction 01/2018</u>	
<u>10. Summary of Minutes of the 751th Meeting of the Board of Directors Dated January 18, 2019</u>	
<u>11. Market Announcement Dated January 29, 2019: Cemig named most sustainable electricity company in the Americas</u>	

Forward-Looking Statements

This report contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. Actual results could differ materially from those predicted in such forward-looking statements. Factors which may cause actual results to differ materially from those discussed herein include those risk factors set forth in our most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. CEMIG undertakes no obligation to revise these forward-looking statements to reflect events or circumstances after the date hereof, and claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

SIGNATURES

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

COMPANHIA ENERGÉTICA DE MINAS
GERAIS CEMIG

By: /s/ **Maurício Fernandes Leonardo Júnior**
Name: Maurício Fernandes Leonardo Júnior

Title: Chief Finance and Investor Relations Officer

Date: February 8, 2019

**1. MARKET ANNOUNCEMENT DATED NOVEMBER 27, 2018: CEMIG AND CEMIG D SUBMIT
RESTATED ITR FOR 2Q AND 3Q 2018**

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MATERIAL ANNOUNCEMENT

Revision of Quarterly Information (ITR) for 2Q and 3Q 2018

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

On today's date **Cemig** and its wholly-owned subsidiary Cemig Distribuição S.A. (**Cemig D**) have voluntarily re-presented their formal Quarterly Information (ITR) reports for the second and third quarters of 2018.

The re-presentation arose from differences identified in the manner of accounting of the amortization of certain concession financial assets and liabilities related to the CVA (Portion A Compensation) Account and *Other Financial Components* in the tariff-setting process, approved in Cemig D's 4th Periodic Tariff Review.

The adjustments result in higher net profit for Cemig D than in the figures published to the market in the Quarterly Information (ITR) for the second and third quarters of 2018.

The Company has opted to re-present this Interim Accounting Information, so as to better reflect its equity situation and operational performance.

Cemig invites its investors to participate in a webcast and conference call on its third quarter 2018 results, on Wednesday, November 28, 2018 at 2 p.m., as specified in its Corporate Events Calendar.

Belo Horizonte, November 27, 2018.

Maurício Fernandes Leonardo Júnior

Diretor de Finanças e Relações com Investidores

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

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

2. REVISION OF QUARTERLY INFORMATION (ITR) FOR 2Q 2018 (RESTATEMENT)

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STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2018 AND DECEMBER 31, 2017

ASSETS

(Thousands of Brazilian Reais)

		Consolidated		Holding company	
	Note	June 30, 2018 (Restated)	Dec. 31, 2017	June 30, 2018 (Restated)	Dec. 31, 2017
CURRENT					
Cash and cash equivalents	5	940,937	1,030,257	63,045	38,672
Securities	6	288,035	1,058,384	37,107	63,960
Customers and traders and Concession holders					
Transport of electricity	7	3,759,200	3,885,392	24,274	
Concession financial assets	14	646,904	847,877		
Recoverable taxes	8	150,367	173,790	3,402	43
Income and Social Contribution taxes recoverable	9a	389,828	339,574	25,889	19,722
Dividends receivable		9,648	76,893	409,398	603,049
Restricted cash	10	111,220	106,227	90,663	87,872
Inventories		33,730	38,134	10	10
Advances to suppliers		96,563	116,050		
Accounts receivable from the State of Minas Gerais	11		235,018		235,018
Reimbursement of tariff subsidies	13	85,827	77,086		
Low-income subscriber subsidy		25,140	26,660		
Derivative financial instruments Swaps	29	6,854			
Other		487,047	525,961	9,250	10,473
		7,031,300	8,537,303	663,038	1,058,819
Assets classified as Held for sale	30	281,578		281,578	
TOTAL, CURRENT		7,312,878	8,537,303	944,616	1,058,819
NON-CURRENT					
Securities	6	63,847	29,753	9,525	1,737
Advance to suppliers	28	99,118	6,870		
Customers and traders and Concession holders					
Transport of electricity	7	76,594	255,328		
Recoverable taxes	8	230,781	230,678	4,100	1,810
Income and Social Contribution taxes recoverable	9a	11,248	20,617	11,248	20,617
Deferred income and Social Contribution taxes	9b	1,936,021	1,871,228	791,360	756,739
Escrow deposits	12	2,380,376	2,335,632	280,876	277,791
Derivative financial instruments Swaps	29	125,577	8,649		
Accounts receivable from the State of Minas Gerais	11	248,100		248,100	

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Other		666,606	628,443	29,150	34,978
Concession financial assets	14	7,277,562	6,604,625		
Investments Equity method	15	7,703,552	7,792,225	14,101,036	13,692,183
Property, plant and equipment	16	2,420,914	2,762,310	2,506	1,810
Intangible assets	17	11,184,952	11,155,928	6,730	2,458
TOTAL, NON-CURRENT		34,425,248	33,702,286	15,484,631	14,790,123
TOTAL ASSETS		41,738,126	42,239,589	16,429,247	15,848,942

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

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2018 AND DECEMBER 31, 2017

LIABILITIES

(Thousands of Brazilian Reais)

	Note	Consolidated		Holding company	
		June 30, 2018 (Restated)	Dec. 31, 2017	June 30, 2018 (Restated)	Dec. 31, 2017
Suppliers	18	2,152,676	2,342,757	8,812	4,667
Regulatory charges	21	434,349	512,673	5,836	
Profit sharing		19,490	9,089	1,135	348
Taxes payable	19a	294,755	704,572	6,546	5,841
Income and Social Contribution tax	19b	67,648	115,296		
Interest on Equity and Dividends payable	24	427,790	427,832	425,832	425,838
Loans, financings and debentures	20	2,740,647	2,370,551	18,653	
Payroll and related charges		222,530	207,091	15,921	11,072
Post-retirement obligations	22	236,663	231,894	12,906	12,974
Concessions payable		2,326	2,987		
Concession financial liabilities	14	16,751	414,800		
Derivative financial instruments put options	29	569,286	507,232	569,286	507,232
Advances from clients	7	150,728	232,762		
Derivative financial instruments Swaps	29	1,214	12,596		
Other obligations		523,782	570,152	12,990	6,218
		7,860,635	8,662,284	1,077,917	974,190
Liabilities directly associated with assets classified as held for sale	30	5,905		5,905	
TOTAL, CURRENT		7,866,540	8,662,284	1,083,822	974,190
NON-CURRENT					
Regulatory charges	21	278,888	249,817		
Loans, financings and debentures	20	11,863,407	12,027,146	43,484	
Taxes payable	19a	28,267	28,199		
Deferred income tax and Social Contribution tax	9b	717,902	734,689		
Provisions	23	668,434	678,113	75,316	63,194
Post-retirement obligations	22	4,004,593	3,954,287	460,706	446,523
Concessions payable		16,151	18,240		
Concession financial liabilities	14	6,295			
Pasep and Cofins taxes to be reimbursed to customers	19a	1,105,572	1,087,230		

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Derivative financial instruments put options	29	336,199	307,792		
Derivative financial instruments Swaps	29		28,515		
Other obligations		117,575	133,141	41,713	39,049
TOTAL, NON-CURRENT		19,143,283	19,247,169	621,219	548,766
TOTAL LIABILITIES		27,009,823	27,909,453	1,705,041	1,522,956
EQUITY	24				
Share capital		7,293,763	6,294,208	7,293,763	6,294,208
Capital reserves		2,249,721	1,924,503	2,249,721	1,924,503
Profit reserves		5,728,574	5,728,574	5,728,574	5,728,574
Equity valuation adjustments		(836,528)	(836,522)	(836,528)	(836,522)
Subscription of shares, to be capitalized			1,215,223		1,215,223
Retained earnings		288,676		288,676	
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		14,724,206	14,325,986	14,724,206	14,325,986
NON-CONTROLLING INTERESTS		4,097	4,150		
TOTAL EQUITY		14,728,303	14,330,136	14,724,206	14,325,986
TOTAL LIABILITIES AND EQUITY		41,738,126	42,239,589	16,429,247	15,848,942

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

STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(Thousands of Brazilian Reais except earnings per share)

	Note	Consolidated Jan to Jun 2018 (Restated)	Consolidated Jan to Jun 2017	Holding company Jan to Jun 2018 (Restated)	Holding company Jan to Jun 2017
GOING CONCERN OPERATIONS					
NET REVENUE	25	10,541,969	10,017,959	146	178
OPERATING COSTS					
COST OF ENERGY AND GAS	26				
Energy purchased for resale		(5,082,598)	(4,742,418)		
Charges for use of the national grid		(808,580)	(404,261)		
Gas purchased for resale		(556,459)	(485,163)		
		(6,447,637)	(5,631,842)		
OTHER COSTS	26				
Personnel and managers		(532,260)	(688,847)		
Materials		(22,966)	(17,599)		
Outsourced services		(413,971)	(341,397)		
Depreciation and amortization		(374,523)	(385,455)		
Operating provisions, net		(1,901)	(172,079)		
Infrastructure construction cost		(383,643)	(441,034)		
Other		(41,227)	(21,314)		
		(1,770,491)	(2,067,725)		
TOTAL COST		(8,218,128)	(7,699,567)		
GROSS PROFIT		2,323,841	2,318,392	146	178
OPERATING EXPENSES	26				
Selling expenses		(167,557)	(141,472)		
General and administrative expenses		(313,117)	(437,894)	(34,438)	(28,293)
Operating provisions		(102,795)	(56,954)	(78,189)	(15,311)
Other operating revenues (expenses)		(256,325)	(313,114)	(29,545)	(25,030)
		(839,794)	(949,434)	(142,172)	(68,634)
Share of (loss) profit, net, of associates and joint ventures	15	(26,233)	60,118	529,803	511,625
Income before finance income (expenses) and taxes		1,457,814	1,429,076	387,777	443,169
Finance income	27	491,169	348,901	18,792	33,018
Finance expenses	27	(1,345,801)	(1,083,201)	(3,085)	(1,961)

Income before income tax and social contribution tax		603,182	694,776	403,484	474,226
Current income and Social Contribution taxes	9c	(196,419)	(292,722)		(2,533)
Deferred income and Social Contribution taxes	9c	25,574	78,794	38,569	8,885
Net income for the period from going concern operations		432,337	480,848	442,053	480,578
DISCONTINUED OPERATIONS					
Net income for the period from discontinued operations	30	21,372		11,358	
NET INCOME FOR THE PERIOD		453,709	480,848	453,411	480,578
Total of net income for the period attributed to:					
Equity holders of the parent					
Net income for the period from going concern operations		432,039	480,578	442,053	480,578
Net income for the period from discontinued operations		21,372		11,358	
Net income for the period attributable to equity holders of the parent		453,411	480,578	453,411	480,578
Non-controlling interests					
Net income for the period from going concern operations		298	270		
Net income for the period from discontinued operations					
Net income for the period attributable to non-controlling interests		298	270		
		453,709	480,848	453,411	480,578
Basic and diluted earnings per preferred share R\$	24	0.31	0.38	0.31	0.38
Basic and diluted earnings per common share R\$	24	0.31	0.38	0.31	0.38

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

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(In thousands of Brazilian Reais except earnings per share)

		Consolidated		Holding company	
		Apr to Jun 2018	Apr to Jun 2017	Apr to Jun 2018	Apr to Jun 2017
	Note	(Restated)		(Restated)	
GOING CONCERN OPERATIONS					
NET REVENUE	25	5,606,538	5,205,029	73	84
OPERATING COSTS					
COST OF ENERGY AND GAS	26				
Energy purchased for resale		(2,818,905)	(2,649,330)		
Charges for use of the national grid		(416,038)	(197,764)		
Gas purchased for resale		(293,225)	(262,651)		
		(3,528,168)	(3,109,745)		
OTHER COSTS	26				
Personnel and managers		(291,458)	(401,340)		
Materials		(15,811)	(11,301)		
Outsourced services		(243,201)	(194,961)		
Depreciation and amortization		(179,837)	(199,011)		
Operating provisions, net		10,876	(93,147)		
Infrastructure construction cost		(202,974)	(240,475)		
Other		(37,941)	(14,159)		
		(960,346)	(1,154,394)		
TOTAL COST		(4,488,514)	(4,264,139)		
GROSS PROFIT		1,118,024	940,890	73	84
OPERATING EXPENSES	26				
Selling expenses		(91,374)	(75,277)		
General and administrative expenses		(96,468)	(231,896)	(24,842)	(8,789)
Operating provisions		(59,109)	6,450	(38,878)	1,157
Other operating expenses		(124,165)	(140,437)	(15,170)	(11,630)
		(371,116)	(441,160)	(78,890)	(19,262)
Share of (loss) profit, net, of associates and joint ventures	15	(83,107)	30,477	(31,433)	152,163
Income before finance income (expenses) and taxes		663,801	530,207	(47,384)	132,985
Finance income	27	249,315	169,010	7,544	9,438
Finance expenses	27	(946,147)	(510,564)	(2,191)	(834)

Income before income tax and social contribution tax		(33,031)	188,653	(42,031)	141,589
Current income and Social Contribution taxes	9c	(11,393)	(59,265)		(2,533)
Deferred income and Social Contribution taxes	9c	12,166	8,726	19,635	(1,074)
Net income (loss) for the period from going concern operations		(32,258)	138,114	(22,396)	137,982
DISCONTINUED OPERATIONS					
Net income (loss) for the period from discontinued operations	30	21,372		11,358	
NET INCOME (LOSS) FOR THE PERIOD		(10,886)	138,114	(11,038)	137,982
Total of net income for the period attributed to:					
Equity holders of the parent					
Net income for the period from going concern operations		(32,410)	138,114	(22,396)	137,982
Net income for the period from discontinued operations		21,372		11,358	
Net income for the period attributable to equity holders of the parent		(11,038)	137,982	(11,038)	137,982
Non-controlling interests					
Net income for the period from going concern operations		152	132		
Net income for the period attributable to non-controlling interests		152	132		
		(10,886)	138,114	(11,038)	137,982
Basic and diluted earnings (loss) per preferred share R\$	24	(0.01)	0.11	(0.01)	0.11
Basic and diluted earnings (loss) per common share R\$	24	(0.01)	0.11	(0.01)	0.11

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(Thousands of Brazilian Reais)

	Consolidated		Holding company	
	Jan to Jun 2018 (Restated)	Jan to Jun 2017	Jan to Jun 2018 (Restated)	Jan to Jun 2017
NET INCOME FOR THE PERIOD	453,709	480,848	453,411	480,578
OTHER COMPREHENSIVE INCOME				
Items not to be reclassified to statements of income in subsequent periods				
Post retirement obligations premeasurement of obligations of the defined benefit plans, net of taxes	(416)	(680)		
Equity gain (loss) on other comprehensive income in subsidiary and jointly-controlled entity, net of taxes		(4,851)	(416)	(5,531)
	(416)	(5,531)	(416)	(5,531)
Items to be reclassified to statements of income in subsequent periods				
Equity gain on other comprehensive income, in subsidiary and jointly-controlled entity, relating to fair value of financial asset, net of taxes		(38,134)		(38,134)
COMPREHENSIVE INCOME FOR THE PERIOD	453,293	437,183	452,995	436,913
Total of comprehensive income for the period attributed to:				
Equity holders of the parent	452,995	436,913	452,995	436,913
Non-controlling interests	298	270		
	453,293	437,183	452,995	436,913

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(Thousands of Brazilian Reais)

	Consolidated		Holding company	
	Apr to Jun 2018	Apr to Jun 2017	Apr to Jun 2018	Apr to Jun 2017
	(Restated)		(Restated)	
NET INCOME FOR THE PERIOD	(10,886)	138,114	(11,038)	137,982
OTHER COMPREHENSIVE INCOME				
Items not to be reclassified to statements of income in subsequent periods				
Equity gain (loss) on other comprehensive income in jointly-controlled entity, net of tax		(3,984)		(3,984)
		(3,984)		(3,984)
Items to be reclassified to statements of income in subsequent periods				
Equity gain on other comprehensive income, in subsidiary and jointly-controlled entity, relating to fair value of financial assets, net of taxes		(73,825)		(73,825)
COMPREHENSIVE INCOME FOR THE PERIOD	(10,886)	60,305	(11,038)	60,173
Total of comprehensive income for the period attributed to:				
Equity holders of the parent	(11,038)	60,173	(11,038)	60,173
Non-controlling interests	152	132		
	(10,886)	60,305	(11,038)	60,173

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

STATEMENTS OF CHANGES IN EQUITY - CONSOLIDATED
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(Thousands of Brazilian Reais)

	Share capital	Subscription of shares to be capitalized	Capital reserves	Profit reserves	Equity valuation adjustments	Retained earnings	Total equity holders of the parent	Non-controlling interests	Total Equity
BALANCES ON DEC. 31, 2017	6,294,208	1,215,223	1,924,503	5,728,574	(836,522)		14,325,986	4,150	14,330,136
First adoption CPC 48						(181,846)	(181,846)		(181,846)
Net income for the period						453,411	453,411	298	453,709
Other comprehensive income									
Measurement of obligations of the defined benefit plans, net of taxes					(416)		(416)		(416)
Total comprehensive income for the period					(416)	453,411	452,995	298	453,293
Subscription of Shares to be Capitalized		109,550					109,550		109,550
Capital subscribed	999,555	(999,555)							
Constitution of reserves		(325,218)	325,218						
Other changes in Equity:									
Interest on Equity								(351)	(351)

Realization of reserves

Realization of deemed cost of PP&E				410	17,111	17,521		17,521
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BALANCES ON JUNE 30, 2018

(RESTATED)	7,293,763	2,249,721	5,728,574	(836,528)	288,676	14,724,206	4,097	14,728,303
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The Condensed Notes are an integral part of the interim financial information.

STATEMENTS OF CHANGES IN EQUITY CONSOLIDATED
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017 AND 2016

(Thousands of Brazilian Reais)

	Share capital	Capital reserves	Profit reserves	Equity valuation adjustments	Retained earnings	Total equity holders of the parent	Non-controlling interests	Total Equity
BALANCES ON DECEMBER 31, 2016	6,294,208	1,924,503	5,199,855	(488,285)		12,930,281	4,090	12,934,371
Net income for the period					480,578	480,578	270	480,848
Other comprehensive income								
Measurement of obligations of the defined benefit plans, net of taxes				(680)		(680)		(680)
Equity gain (loss) on Other comprehensive income in subsidiary and jointly-controlled entity				(42,985)		(42,985)		(42,985)
Total comprehensive income for the period				(43,665)	480,578	436,913	270	437,183
Other changes in Equity:								
Additional dividends proposed to non-controlling interests							(424)	(424)
Tax incentives reserve			2,192		(2,192)			

Realization of reserves

Realization of deemed cost of PP&E				(854)	598	(256)		(256)
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BALANCES ON

JUNE 30, 2017	6,294,208	1,924,503	5,202,047	(532,804)	478,984	13,366,938	3,936	13,370,874
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The Condensed Notes are an integral part of the interim financial information.

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(Thousands of Brazilian Reais)

		Consolidated		Holding company	
	Note	Jan to Jun 2018 (Restated)	Jan to Jun 2017	Jan to Jun 2018 (Restated)	Jan to Jun 2017
CASH FLOW FROM OPERATIONS					
Net income for the period from going concern operations		432,337	480,848	442,053	480,578
Adjustments to reconcile net income to net cash flows:					
Income tax and Social Contribution taxes		170,845	213,928	(38,569)	(6,352)
Depreciation and amortization	26	411,300	410,800	216	236
Loss on write off of net residual value of unrecoverable Concession financial assets, PP&E and Intangible assets		14,818	14,651	155	23
Share of profit (loss) in associates and joint ventures	15	26,233	(60,118)	(529,803)	(511,625)
Interest and monetary variation		279,744	624,221	(23,933)	(952)
Foreign exchange variation on loans	20	554,278	121		
Amortization of loans transaction costs	20	15,548	29,827	153	
Provisions for operating losses, net	26	267,319	369,918	78,189	15,311
Fair value adjustment of derivative financial instruments Swap	29	(180,429)			
CVA (Portion A Compensation) Account and <i>Other Financial Components</i> in tariff adjustments	25	(1,150,672)	331,896		
Post-retirement obligations	22	202,556	228,012	21,990	21,242
		1,043,877	2,644,104	(49,549)	(1,539)
(Increase) / decrease in assets					
Customers and traders and Concession holders		(14,147)	(220,199)	3,928	
CVA (Portion A Compensation) Account and					
<i>Other Financial Components</i> , in tariff adjustments	14	280,453	145,502		
Energy Development Account (CDE)		(8,741)	(9,594)		
Recoverable taxes		(45,383)	526	285	(141)
		(72,663)	55,284	3,652	79,081

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Income and Social Contribution taxes credit					
Escrow deposits		(29,521)	(13,655)	9,472	6,448
Dividends received from investments		197,247	157,445	484,408	228,196
Concession financial assets		379,893	(36,162)		
Advances to suppliers		(63,707)	5,656		
Gas drawing rights		317	366,954		
Others		92,759	30,053	(1,110)	5,857
		716,507	481,810	500,635	319,441
Increase (decrease) in liabilities					
Suppliers		(190,081)	(23,660)	(552)	594
Taxes payable		(307,204)	(225,049)	831	(80,821)
Income and Social Contribution taxes payable			128,753		(452)
Payroll and related charges		15,439	9,357	2,869	1,309
Regulatory charges		(49,253)	15,439	5,836	
Advances from clients		(88,849)	57,560		
Post-retirement obligations	22	(147,481)	(133,592)	(7,875)	(7,381)
Others		(86,407)	(193,594)	59	(9,202)
		(853,836)	(364,786)	1,168	(95,953)
Cash generated by going concern operations					
		906,548	2,761,128	452,254	221,949
Interest paid on loans and financings	20	(671,651)	(711,474)	(438)	
Income and Social Contribution taxes paid		(292,981)	(283,024)	(38)	(2,081)
Settlement of derivative financial instruments (Swap)		12,981			
NET CASH FROM (USED IN) GOING CONCERN OPERATIONS					
		(45,103)	1,766,630	451,778	219,868
Net cash from (used in) Discontinued operations	30	36,602		18,944	
NET CASH FROM (USED IN) OPERATING ACTIVITIES					
		(8,501)	1,766,630	470,722	219,868

	Consolidated		Holding company	
	Jan to Jun 2018		Jan to Jun 2018	
	Note	(Restated)	Jan to Jun 2017	(Restated) Jan to Jun 2017
INVESTING ACTIVITIES				
Marketable securities		738,632	(103,864)	19,065
Restricted cash		(4,993)	(20,810)	(2,500)
Investments				
Capital contributions in investees		(149,918)	(186,231)	(569,105)
Cash received through merger				428
Property, plant and equipment	16	(18,641)	(31,364)	
Intangible assets	17	(368,570)	(407,733)	(15)
NET CASH FROM (USED IN) INVESTING IN GOING CONCERN OPERATIONS				
		196,510	(750,002)	(552,127)
				(3,604)
Net cash used in investment activities discontinued operations	30	(7,631)		
NET CASH FROM (USED IN) INVESTING ACTIVITIES				
		188,879	(750,002)	(552,127)
				(3,604)
FINANCING ACTIVITIES				
New loans and debentures	20	395,860	60,109	
Capital increase	24	109,550		109,550
Payment of loans, financings and debentures	20	(774,715)	(855,057)	(3,766)
Interest on capital and dividends paid		(393)	(270,709)	(6)
				(270,709)
NET CASH FROM (USED IN) FINANCING ACTIVITIES				
		(269,698)	(1,065,657)	105,778
				(270,709)
Increase (decrease) in cash and cash equivalents				
		(89,320)	(49,029)	24,373
				(54,445)
Cash and cash equivalents at the beginning of the period	5	1,030,257	995,132	38,672
				69,352
Cash and cash equivalents at the end of the period	5	940,937	946,103	63,045
				14,907

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

STATEMENTS OF ADDED VALUE

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018 AND 2017

(Thousands of Brazilian Reais)

	Consolidated		Holding company	
	Jan to Jun 2018 (Restated)	Jan to Jun 2017	Jan to Jun 2018 (Restated)	Jan to Jun 2017
REVENUES				
Sales of electricity, gas and services (1)	15,214,311	14,282,104	161	196
Distribution construction revenue	378,911	434,009		
Transmission construction revenue	4,732	7,025		
Gain on financial updating of the Concession Grant Fee	156,980	150,476		
Adjustment to expectation of cash flow from the indemnifiable Financial assets of the distribution concession	3,066	1,511		
Transmission indemnity revenue	146,519	269,855		
Generation indemnity revenue	34,463			
Investments in PP&E	28,539	12,149		
Other revenues	3,717	1,479		
Provision for Doubtful Receivables (PECLD)	(162,063)	(140,885)		
	15,809,175	15,017,723	161	196
INPUTS ACQUIRED FROM THIRD PARTIES				
Energy purchased for resale	(5,575,380)	(5,197,883)		
Charges for use of national grid	(900,253)	(451,216)		
	(663,913)	(638,744)	(9,377)	(3,602)

Outsourced services								
(1)								
Gas purchased for resale	(556,458)		(485,163)					
Materials (1)	(195,821)		(217,936)		3,707		(66)	
Other operational costs (1)	(229,758)		(356,713)		(82,895)		(20,872)	
	(8,121,583)		(7,347,655)		(88,565)		(24,540)	
GROSS VALUE ADDED	7,687,592		7,670,068		(88,404)		(24,344)	
RETENTIONS								
Depreciation and amortization (1)	(411,300)		(410,800)		(216)		(236)	
NET ADDED VALUE PRODUCED BY GOING CONCERN OPERATIONS	7,276,292		7,259,268		(88,620)		(24,580)	
NET ADDED VALUE PRODUCED BY DISCONTINUED OPERATIONS	21,372				11,358			
ADDED VALUE RECEIVED BY TRANSFER								
Share of (loss) profit, net, of associates and joint ventures	(26,233)		60,118		529,803		511,625	
Finance income (1)	491,169		348,901		18,792		33,018	
ADDED VALUE TO BE DISTRIBUTED	7,762,600		7,668,287		471,333		520,063	
DISTRIBUTION OF ADDED VALUE								
		%		%		%		%
Employees	816,235	10.52	1,072,781	13.99	43,703	9.27	39,991	7.69
Direct remuneration	521,283	6.72	600,072	7.83	19,122	4.06	14,217	2.73
Post-employment obligations and Other benefits	236,605	3.05	270,294	3.52	21,998	4.67	20,729	3.99
FGTS	32,681	0.42	36,993	0.48	762	0.16	682	0.13
Programmed Voluntary Retirement Plan	25,666	0.33	165,422	2.16	1,821	0.38	4,363	0.84
Taxes	5,079,531	65.44	4,945,812	64.50	(35,652)	(7.56)	(4,071)	(0.78)
Federal	2,551,327	32.87	2,285,738	29.81	(36,137)	(7.67)	(4,613)	(0.89)

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State	2,520,154	32.47	2,652,340	34.59	267	0.06	392	0.08
Municipal	8,050	0.10	7,734	0.10	218	0.05	150	0.03
Remuneration of external capital	1,413,125	18.20	1,168,846	15.24	9,871	2.09	3,565	0.69
Interest	1,360,908	17.53	1,122,148	14.63	3,085	0.65	1,961	0.38
Rentals	52,217	0.67	46,698	0.61	6,786	1.44	1,604	0.31
Remuneration of own capital	453,709	5.84	480,848	6.27	453,411	96.20	480,578	92.40
Retained earnings	453,411	5.84	480,578	6.27	453,411	96.20	480,578	92.40
Non-controlling interest in Retained earnings	298		270					
	7,762,600	100.00	7,668,287	100.00	471,333	100.00	520,063	100.00

(1) Includes the effect of net incomes arising from the discontinued operations.

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

CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED AS OF JUNE 30, 2018

(In Thousands of Brazilian Reais except where otherwise indicated)

1. OPERATING CONTEXT

a) The Company

Companhia Energética de Minas Gerais (‘Parent company’ or ‘Holding Company’) is a listed corporation, registered in the Brazilian Registry of Corporate Taxpayers (CNPJ) under number 17.155.730/0001-64, with shares traded on the São Paulo Stock Exchange (‘B3’) at Corporate Governance Level 1; through ADRs on the New York Stock Exchange (‘NYSE’); and on the stock exchange of Madrid (‘Latibex’). It is domiciled in Brazil, Belo Horizonte, Minas Gerais. It operates exclusively as a holding company, with subsidiaries and investments in associates or jointly controlled entities (collectively referred to as ‘Cemig’ or the ‘Company’), which are engaged in the construction and operation of infrastructure used in the generation, transformation, transmission, distribution and sale of electricity, and also activities in the various fields of the energy sector, for the purpose of commercial operation.

As of June 30, 2018 Company’s current liabilities exceeded its current assets by R\$ 553,662 and R\$ 139,206, respectively, in the consolidated and the Holding Company. In the half-year then ended, the Company generated negative consolidated operating cash flow in the amount of R\$ 8,501 (positive in the amount of R\$ 1,766,630 in the same period of 2017), arising mainly from higher than budgeted costs on purchase of energy which will be the subject of reimbursement in the next tariff adjustment. The Holding Company generated a positive operating cash flow of R\$ 470,722 (R\$ 219,868 in the same period of 2017). Additionally, as of June 30, 2018, Cemig’s consolidated indebtedness from loans, financings and debentures on current and non-current liabilities comprised R\$ 2,740,647 and R\$ 11,863,407, respectively. The Company’s Management monitors its cash flow and, in that way, studies actions in order to the adjustment of its current financial position to the levels considered adequate to meet its necessities.

As part of the Company’s indebtedness management, in December 2017 and July 2018 the subsidiary Cemig GT issued Eurobonds for an amount of US\$ 1 billion (R\$ 3.2 billion) and US\$ 500 million (R\$ 1.9 billion), respectively, which mature in 2024. In addition, at the end of 2017, Cemig entered into negotiations with its main creditors aiming at a Bank Debt Refinancing representing up to R\$ 3.4 billion of which R\$ 2.7 billion of the subsidiary Cemig D and R\$ 741 million of the subsidiary Cemig GT. These initiatives have balanced the Company’s cash flows, extended average debt maturities, and improved its credit quality.

Based on the facts and circumstances that existed on this reporting date, Management has evaluated the Company's ability to continue on a going concern basis and is convinced that its operations have the capacity to generate funds to continue 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, these interim financial information have been prepared on a going concern basis.

Merger of Cemig Telecomunicações S.A. (Cemig Telecom) and sale of telecom assets

On March 31, 2018, Cemig completed the merger of its wholly-owned subsidiary Cemig Telecom at book value. As a result, Cemig Telecom has been wound up and Cemig has taken over all the subsidiary's assets, rights and obligations. Considering this is a wholly-owned subsidiary merger there has not been capital increase nor new shares issuance. The Cemig Telecom shares have been extinguished on the merger date.

The balance sheet of Cemig Telecom used for the merger, at March 31, 2018, is as follows:

	Mar. 31, 2018		Mar. 31, 2018
Assets		Liabilities	
Current	24,986	Current	33,816
Non-current		Non-current	55,407
Non-current assets	15,313		
Investments	17,116		
Net PP&E	271,766		
Intangible assets	11,716		
	315,911	Equity	251,674
Total assets	340,897	Total liabilities and Equity	340,897

The Company's Management is in the process of sale of the assets merged from Cemig Telecom. See details in Note 30.

Changes in the Company's by-laws - improvement of corporate governance

On June 11, 2018 a General Meeting of Shareholders approved changes to the Company's by-laws, to formalize best corporate governance practices and meet the requirements of Law 13303/2016 (the State Companies Law). The improvements now formally incorporated in the by-laws include:

Reduction of the number of members of the Board of Directors from 15 to 9, in line with the IBGC Best Corporate Governance Practices Code, and the Corporate Sustainability Evaluation Manual of the Dow Jones Sustainability Index.

Creation of the Audit Committee (*Comitê de Auditoria*). The Fiscal Council (*Conselho Fiscal*) remains in existence.

The changes in the by-laws have had no effect on the Company's dividend policy.

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 Interim Financial Information (*Informações Trimestrais*, or ITR).

This interim financial information have been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the December 31, 2017 financial statements, except for the adoption of new pronouncements that came into force as from January 1, 2018, which impacts are presented in Note 2.2 to this interim financial information.

Thus, this consolidated interim financial information should be read in conjunction with the said financial statements, approved by the Company's Fiscal Council on March 28, 2018.

Material information in the interim financial information is being disclosed, which is used by Management in its administration of the Company.

On August 13, 2018, the Company's Executive Board authorized the issuance of this interim financial information for the six-month period ended on June 30, 2018. On November 27, 2018 the Company's Executive Board authorized its restatement to reflect the effect of adjustments described in note 2.3.

2.2 Adoption of new pronouncements effective as from January 1, 2018

IFRS 15/CPC 47 *Revenue from contracts with customers*

IFRS 15/CPC 47 Revenue from contracts with customers establishes a five-step model to account for revenues arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount which reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This new pronouncement will supersede all current requirements for recognition of revenue under the CPCs/IFRS. Additionally, IFRS 15/CPC 47 establishes requirements for more detailed presentation and disclosure than the standards currently in effect.

The Company and its subsidiaries adopted the new standard based on the prospective method, with the impacts accounted for as of January 1, 2018.

The Company and its subsidiaries performed an assessment of the five steps for recognition and measurement of revenue, as required by IFRS 15/CPC 47:

1. Identify the contracts signed with its customers;

2. Identify the performance obligations in each type of contract;
3. Determine the price of each type of transaction;
4. Allocate the price to the performance obligations contained in the contract; and
5. Recognize the revenue when (or to the extent that) the entity satisfies each performance obligation of the contract.

The impact of the adoption of this pronouncement occurred in the recognition of reimbursements to customers resulting from the penalties for breach of quality indicators in the electricity supply, mainly the indicators DIC, FIC, DMIC and DICRI, as a reduction of revenues from use of the distribution network (TUSD). Until December 31, 2017, these reimbursements were recognized as operating expense.

This table shows the impact of adoption of IFRS 15 (CPC 47) on the statement of income for the periods of six and three months ended June 30, 2018:

	Jan to Jun 2018 with adoption of IFRS 15/CPC 47	Adjustment (1) IFRS 15/CPC 47	Jan to Jun 2018 without adoption of IFRS 15/CPC 47
GOING CONCERN OPERATIONS			
NET REVENUE	10,541,969	25,681	10,567,650
OPERATING COSTS	(8,218,128)		(8,218,128)
OPERATING EXPENSES	(839,794)	(25,681)	(865,475)
Share of (loss) profit, net, of associates and joint ventures	(26,233)		(26,233)
Net Finance income (expenses)	(854,632)		(854,632)
Income and Social Contribution taxes	(170,845)		(170,845)
Net income from going concern operations in the period	432,337		432,337

	Apr to Jun 2018 with adoption of IFRS 15/CPC 47	Adjustment (1) IFRS 15/CPC 47	Apr to Jun 2018 without adoption of IFRS 15/CPC 47
GOING CONCERN OPERATIONS			
NET REVENUE	5,606,538	9,235	5,615,773
OPERATING COSTS	(4,488,514)		(4,488,514)
OPERATING EXPENSES	(371,116)	(9,235)	(380,351)
Share of (loss) profit, net, of associates and joint ventures	(83,107)		(83,107)
Net Finance income (expenses)	(696,832)		(696,832)
Income and Social Contribution taxes	773		773
Net income from going concern operations in the period	(32,258)		(32,258)

(1) Refers to penalties for violation of energy supply quality indicators, mainly the indicators DIC, FIC, DMIC and DICRI, reclassified from Other operational revenue (expenses).

IFRS 9/CPC 48 Financial instruments

IFRS 9/CPC 48 establishes that all financial activities recognized that are within the scope of IAS 39 (equivalent to CPC 38) should subsequently be measured at amortized cost or fair value, reflecting the business model in which the assets are administered, and their cash flow characteristics, not affecting accounting recognition of the Company's financial assets and liabilities. IFRS 9/CPC 48 contains three categories of accounting for financial instruments: Amortized cost; Fair value through other comprehensive income; and fair value through profit or loss. The standard has eliminated the existing categories under IAS 39/CPC 38 and, thus, the Company and its subsidiaries have reclassified those categories to comply with the new standard, as follows:

Consolidated	IFRS 39/CPC 38	Classification	IFRS 9/CPC 48
Financial assets:			
Cash equivalents Investments	Loans and receivables		Amortized cost
Securities Investments (1)	Held to maturity		Amortized cost
Securities Investments (1)	Available for sale		Fair value through profit or loss
Customers and Traders; Concession holders (Transport of energy)	Loans and receivables		Amortized cost
Restricted cash	Loans and receivables		Amortized cost
Advances to suppliers	Loans and receivables		Amortized cost
Accounts receivable from the State of Minas Gerais	Loans and receivables		Amortized cost
Receivables from related parties	Loans and receivables		Amortized cost
Concession financial assets CVA (Portion A Costs Variation Compensation) Account, and <i>Other financial components</i> , in tariff adjustments	Loans and receivables		Amortized cost
Reimbursement of tariff subsidies	Loans and receivables		Amortized cost
Low-income subsidy	Loans and receivables		Amortized cost
Escrow deposits	Loans and receivables		Amortized cost
Derivative financial instruments (swap transactions)	Fair value through profit or loss		Fair value through profit or loss
Concession financial assets Transmission infrastructure	Loans and receivables		Amortized cost
Concession financial assets Distribution infrastructure	Available for sale		Fair value through profit or loss
Indemnities receivable Transmission	Loans and receivables (2)		Fair value through profit or loss
Indemnities receivable Generation	Loans and receivables (2)		Fair value through profit or loss
Concession grant fee Generation concessions	Loans and receivables		Amortized cost
Other	Loans and receivables		Amortized cost
Financial liabilities			
Loans, financings and debentures	Amortized cost		Amortized cost
Debt agreed with pension fund (Forluz)	Amortized cost		Amortized cost
Concession financial liabilities CVA (Portion A Costs Variation Compensation) Account, and <i>Other financial components</i> , in tariff adjustments	Amortized cost		Amortized cost
Concessions payable	Amortized cost		Amortized cost
The Minas Gerais State Tax Debts Regularization Plan (PRCT)	Amortized cost		Amortized cost

Suppliers	Amortized cost	Amortized cost
Advances from clients	Amortized cost	Amortized cost
Derivative financial instruments (swap transactions)	Fair value through profit or loss	Fair value through profit or loss
Derivative financial instruments Put options	Fair value through profit or loss	Fair value through profit or loss

(1) The Company has securities with various classifications under IFRS 9 / CPC 48.

(2) Recognized at their nominal realization values, which are similar to fair value.

Impairment

The material impact resulting from the adoption of the standard as from January 1, 2018 is related to the impairment of trade accounts receivable. The new pronouncement also establishes that in relation to the impairment losses of financial assets, the expectation of loss model in the credit is no longer losses incurred, but a prospective model of expected credit losses, based on probabilities. Based on the new pronouncement, provisions for expected losses were measured based on the losses expected in the next 12 months, as a function of the potential default events, or losses of credit expected for the whole life of a financial instrument, if the credit risk has significantly increased since its initial recognition.

The Company and its subsidiaries have adopted, in its analyses, a simplified approach, considering that the balance of its accounts receivable from clients do not have a significant financial component, and have calculated the expectation of loss considering the historic average of non-collection over the total billed in each month (based on the last 12 months of billing), segregated by type of customers and projected for the next 12 months, taking into account the aging of receivables, including those not yet due. The estimated loss for the past due balances of customers who renegotiated their debt has been calculated based on the maturity date of the original invoice, with the new terms negotiated not being taken into account. For the balances that are more than 12 months past due, expectation of total loss was assumed.

The estimated effects at January 1, 2018 arising from adoption of IFRS 9/CPC 48, resulted in an increase in the provision for doubtful accounts and a corresponding effect in Equity, as follows:

	Jan. 1, 2018
Customers and Traders; Transport of energy (a)	150,114
Reflex of the adjustment due to the jointly controlled Light	82,770
Deferred income and Social Contribution taxes (a)	(51,038)
	181,846

(a) Refers to estimated losses on doubtful accounts receivable from customers of Cemig D.

2.3 Restatement of the interim financial information

As mentioned in Note 32, on May 28, 2018 Aneel confirmed the result of the Fourth Tariff Review of Cemig Distribuição S.A. (Cemig D), a wholly-owned subsidiary of the Company. Part of this result comprised direct pass-throughs to the tariff of amounts arising from variations in non-manageable costs (Portion A), arising primarily from: purchase of power supply, transmission charges, and other financial components of the tariff, for which Cemig D recorded the accounting effects as from May 2018.

After publication of the interim financial information for the quarter and six months ended June 30, 2018, differences were identified in the accounting of the amortization of certain concession financial assets and liabilities related to CVA Account (Portion A Compensation) and Other Financial Components approved in the tariff review referred to above. The effect of these differences on the individual interim financial information of the Company is limited to the share of profit, recorded by the equity method, related to the equity ownership that the company holds in Cemig D. As a result, Cemig and its subsidiary have opted to re-present the individual and consolidated interim financial information, so as to better reflect their financial position and operational performance. These changes caused no effects on the individual and consolidated financial statements for the year ended December 31, 2017, which are presented for the purposes of comparison, nor in the individual and consolidated financial statements for the quarter ended March 31, 2018.

Based on the orientation given in CPC 23 / IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the interim financial information is being restated with the following adjustments:

- (a) Correction of the divergences in the accounting of the amortization of certain Concession financial assets and liabilities related to the CVA (Variation in Portion A Items) *account* and *Other Financial Components* approved in the Tariff Review of May 28, 2018 in the net amount of R\$ 81,623 for the six and three-month periods ended June 30, 2018.
- (b) Effects of the adjustment indicated in item (a) on calculations of current and deferred income tax and Social Contribution tax, in the amount of R\$ 16,375 and R\$ 7,480, respectively, for the six and three-month periods ended June 30, 2018.
- (c) Effects of the adjustment indicated in item (a) on calculations of Pasep and Cofins taxes, in the amounts of R\$ 7,550 for the six and three-month periods ended June 30, 2018.
- (d) Effects of the adjustment indicated in item (a) on calculations of the regulatory charges, in the amounts of R\$ 734 for the six and three-month periods ended June 30, 2018.
- (e) Net aggregate effects, of the adjustments indicated in items (a), (b), (c), and (d), in the amount of R\$ 49,484, in calculation of the gain by the equity method arising from the Company's investment in Cemig D, for the six and three-month periods ended June 30, 2018.
- (f) Net effect of all the adjustments, in the amount of R\$ 49,484, in the profit of the six and three-month periods ended June 30, 2018.

STATEMENTS OF FINANCIAL POSITION

Assets	Consolidated			Holding company		
	Jun. 30, 2018	Adjustments	Jun. 30, 2018 (Restated)	Jun. 30, 2018	Adjustments	Jun. 30, 2018 (Restated)
CURRENT						
Concession financial assets (a)	565,281	81,623	646,904			
Income and Social Contribution taxes recoverable (b) and (e)	406,203	(16,375)	389,828	25,889		25,889
Other	5,994,568		5,994,568	637,149		637,149
	6,966,052	65,248	7,031,300	663,038		663,038
Assets classified as Held for sale	281,578		281,578	281,578		281,578
TOTAL, CURRENT	7,247,630	65,248	7,312,878	944,616		944,616
NON-CURRENT						
Deferred income and Social Contribution taxes (b)	1,943,501	(7,480)	1,936,021	791,360		791,360
Investments Equity method (g)	7,703,552		7,703,552	14,051,552	49,484	14,101,036
Other	24,785,675		24,785,675	592,235		592,235
TOTAL, NON-CURRENT	34,432,728	(7,480)	34,425,248	15,435,147	49,484	15,484,631
TOTAL ASSETS	41,680,358	57,768	41,738,126	16,379,763	49,484	16,429,247

Liabilities	Consolidated			Holding company		
	Jun. 30, 2018	Adjustments	Jun. 30, 2018 (Restated)	Jun. 30, 2018	Adjustments	Jun. 30, 2018 (Restated)
CURRENT						
Regulatory charges (d)	434,129	220	434,349	5,836		5,836
Taxes payable (c)	287,205	7,550	294,755	6,546		6,546
Other obligations	7,131,531		7,131,531	1,065,535		1,065,535
	7,852,865	7,770	7,860,635	1,077,917		1,077,917
Liabilities directly associated with assets classified as held for sale	5,905		5,905	5,905		5,905

TOTAL, CURRENT	7,858,770	7,770	7,866,540	1,083,822		1,083,822
NON-CURRENT						
Regulatory charges (d)	278,374	514	278,888			
Other obligations	18,864,395		18,864,395	621,219		621,219
TOTAL, NON-CURRENT	19,142,769	514	19,143,283	621,219		621,219
TOTAL LIABILITIES	27,001,539	8,284	27,009,823	1,705,041		1,705,041
EQUITY						
Share capital	7,293,763		7,293,763	7,293,763		7,293,763
Capital reserves	2,249,721		2,249,721	2,249,721		2,249,721
Profit reserves	5,728,574		5,728,574	5,728,574		5,728,574
Equity valuation adjustments	(836,528)		(836,528)	(836,528)		(836,528)
Subscription of shares, to be capitalized						
Retained earnings (f)	239,192	49,484	288,676	239,192	49,484	288,676
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	14,674,722	49,484	14,724,206	14,674,722	49,484	14,724,206
NON-CONTROLLING INTERESTS TOTAL EQUITY						
	4,097		4,097			
TOTAL EQUITY	14,678,819	49,484	14,728,303	14,674,722	49,484	14,724,206
TOTAL LIABILITIES AND EQUITY	41,680,358	57,768	41,738,126	16,379,763	49,484	16,429,247

STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	Consolidated			Holding company		
	Jan to Jun 2018	Adjustments	Jan to Jun 2018 (Restated)	Jan to Jun 2018	Adjustments	Jan to Jun 2018 (Restated)
Going concern operations						
Net revenue (a), (c) and (d)	10,468,630	73,339	10,541,969	146		146
Total cost	(8,218,128)		(8,218,128)			
GROSS PROFIT	2,250,502	73,339	2,323,841	146		146
Operating expenses	(839,794)		(839,794)	(142,172)		(142,172)
Share of (loss) profit, net, of associates and joint ventures (e)	(26,233)		(26,233)	480,319	49,484	529,803
Income before finance income (expenses) and taxes	1,384,475	73,339	1,457,814	338,293	49,484	387,777
Finance income	491,169		491,169	18,792		18,792
Finance expenses	(1,345,801)		(1,345,801)	(3,085)		(3,085)
Income before income tax and Social Contribution tax	529,843	73,339	603,182	354,000	49,484	403,484
Current income and Social Contribution taxes (b)	(180,044)	(16,375)	(196,419)			
Deferred income and Social Contribution taxes (b)	33,054	(7,480)	25,574	38,569		38,569
Net income (loss) for the period from going concern operations	382,853	49,484	432,337	392,569	49,484	442,053
Net income (loss) for the period from discontinued operations	21,372		21,372	11,358		11,358
Net income (loss) for the period (f)	404,225	49,484	453,709	403,927	49,484	453,411
Basic and diluted earnings (loss) per share R\$	0.28	0.03	0.31	0.28	0.03	0.31

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018

	Consolidated			Holding company		
	Apr to Jun 2018	Adjustments	Apr to Jun 2018 (Restated)	Apr to Jun 2018	Adjustments	Apr to Jun 2018 (Restated)
Net revenue (a), (c) and (d)	5,533,199	73,339	5,606,538	73		73
Total cost	(4,488,514)		(4,488,514)			
GROSS PROFIT	1,044,685	73,339	1,118,024	73		73
Operating expenses	(371,116)		(371,116)	(78,890)		(78,890)
Share of (loss) profit, net, of associates and joint ventures (e)	(83,107)		(83,107)	(18,051)	49,484	31,433
Income before finance income (expenses) and taxes	590,462	73,339	663,801	(96,868)	49,484	(47,384)
Finance income	249,315		249,315	7,544		7,544
Finance expenses	(946,147)		(946,147)	(2,191)		(2,191)
Income before income tax and Social Contribution tax	(106,370)	73,339	(33,031)	(91,515)	49,484	(42,031)
Current income and Social Contribution taxes (b)	4,982	(16,375)	(11,393)			
Deferred income and Social Contribution taxes (b)	19,646	(7,480)	12,166	19,635		19,635
Net income (loss) for the period from going concern operations	(81,742)	49,484	(32,258)	(71,880)	49,484	(22,396)
Net income (loss) for the period from discontinued operations	21,372		21,372	11,358		11,358
Net income (loss) for the period (f)	(60,370)	49,484	(10,886)	(60,522)	49,484	(11,038)
Basic and diluted earnings (loss) per share R\$	(0.04)	0.03	(0.01)	(0.04)	0.03	(0.01)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	Consolidated			Holding company		
	Jan to Jun 2018	Adjustments	Jan to Jun 2018 (Restated)	Jan to Jun 2018	Adjustments	Jan to Jun 2018 (Restated)
Net income for the period (f)	404,225	49,484	453,709	403,927	49,484	453,411
Other comprehensive income	(416)		(416)	(416)		(416)
Comprehensive income for the period	403,809	49,484	453,293	403,511	49,484	452,995

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018

	Consolidated			Holding company		
	Apr to Jun 2018	Adjustments	Apr to Jun 2018 (Restated)	Apr to Jun 2018	Adjustments	Apr to Jun 2018 (Restated)
Net income for the period (f)	(60,370)	49,484	(10,886)	(60,522)	49,484	(11,038)
Comprehensive income for the period	(60,370)	49,484	(10,886)	(60,522)	49,484	(11,038)

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018

	Consolidated			Holding company		
	Jan to Jun 2018	Adjustments	Jan to Jun 2018 (Restated)	Jan to Jun 2018	Adjustments	Jan to Jun 2018 (Restated)
CASH FLOW FROM OPERATIONS						
Net income for the period from going concern operations (f)	382,853	49,484	432,337	392,569	49,484	442,053
Adjustments to reconcile net income to net cash flows						
Income tax and Social Contribution taxes (b)	146,990	23,855	170,845	(38,569)		(38,569)
Share of profit (loss) in associates and joint ventures (e)	26,233		26,233	(480,319)	(49,484)	(529,803)
CVA (Portion A Compensation) Account and <i>Other Financial Components</i> in tariff adjustments (a)	(1,069,049)	(81,623)	(1,150,672)			
Others	1,565,134		1,565,134	76,770		76,770
	1,052,161	(8,284)	1,043,877	(49,549)		(49,549)
(Increase) / decrease in assets	716,507		716,507	500,635		500,635
Increase (decrease) in liabilities						
Taxes payable (c)	(314,754)	7,550	(307,204)	831		831
Regulatory charges (d)	(49,987)	734	(49,253)	5,836		5,836
Others	(497,379)		(497,379)	(5,499)		(5,499)
	(862,120)	8,284	(853,836)	1,168		1,168
Cash generated by going concern operations	906,548		906,548	452,254		452,254
Interest paid on loans and financings	(671,651)		(671,651)	(438)		(438)
Income and Social Contribution taxes paid	(292,981)		(292,981)	(38)		(38)
Settlement of derivative financial instruments (Swap)	12,981		12,981			
NET CASH FROM (USED IN) GOING CONCERN	(45,103)		(45,103)	451,778		451,778

OPERATIONS

Net cash from (used in) Discontinued operations	36,602	36,602	18,944	18,944
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NET CASH FROM (USED IN) OPERATING ACTIVITIES	(8,501)	(8,501)	470,722	470,722
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NET CASH FROM (USED IN) INVESTING IN GOING CONCERN OPERATIONS	196,510	196,510	(552,127)	(552,127)
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Net cash used in investment activities discontinued operations	(7,631)	(7,631)		
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NET CASH FROM (USED IN) INVESTING ACTIVITIES	188,879	188,879	(552,127)	(552,127)
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NET CASH FROM (USED IN) FINANCING ACTIVITIES	(269,698)	(269,698)	105,778	105,778
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INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(89,320)	(89,320)	24,373	24,373
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Cash and cash equivalents at the beginning of the period	1,030,257	1,030,257	38,672	38,672
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Cash and cash equivalents at the end of the period	940,937	940,937	63,045	63,045
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STATEMENTS OF ADDED VALUE

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	Consolidated			Holding company		
	Jan to Jun 2018	Adjustments	Jan to Jun 2018 (Restated)	Jan to Jun 2018	Adjustments	Jan to Jun 2018 (Restated)
Gross value added (a)	7,605,969	81,623	7,687,592	(88,404)		(88,404)
Retentions	(411,300)		(411,300)	(216)		(216)
Net added value produced by going concern operations	7,194,669	81,623	7,276,292	(88,620)		(88,620)
Net added value produced by discontinued operations	21,372		21,372	11,358		11,358
Added value received by transfer (e)	464,936		464,936	499,111	49,484	548,595
Added value to be distributed	7,680,977	81,623	7,762,600	421,849	49,484	471,333
<u>Distribution of added value</u>						
Employees	816,235		816,235	43,703		43,703
Taxes (b), (c) and (d)	5,047,392	32,139	5,079,531	(35,652)		(35,652)
Remuneration of external capital	1,413,125		1,413,125	9,871		9,871
Remuneration of own capital (f)	404,225	49,484	453,709	403,927	49,484	453,411
	7,680,977	81,622	7,762,600	421,849	49,484	471,333

2.4 Correlation between the Explanatory Notes published in the annual financial statements and those in the interim financial information

The table below shows the correlation between the Explanatory Notes published in the financial statements at December 31, 2017 and the interim financial information at June 30, 2018.

The Company understands that this interim financial information presents the material updating of information relating to its financial position, and its results for the six-month period ended June 30, 2018, in compliance with the requirements for disclosure stated by the CVM (Brazilian Securities Commission).

Number of the Note		Title of the Note
Dec. 31, 2017	Jun. 30, 2018	
1	1	Operational context
2	2	Basis of preparation
3	3	Consolidation principles
4	4	Concessions and authorizations
5	31	Operational segments
6	5	Cash and cash equivalents
7	6	Securities
8	7	Customers and traders; Concession holders (transport of energy)
9	8	Recoverable taxes
10	9	Income and Social Contribution tax
11	10	Restricted cash
12	11	Accounts Receivable from the State of Minas Gerais
13	12	Escrow deposits
14	13	Reimbursement of tariff subsidies
15	14	Concession financial assets and liabilities
16	15	Investments
17	16	Property, plant and equipment
18	17	Intangible assets
19	18	Suppliers
20	19	Taxes payable, Income tax and Social Contribution tax and amounts to be reimbursed to customers
21	20	Loans, financings and debentures
22	21	Regulatory charges
23	22	Post-retirement obligations
24	23	Provisions
25	24	Equity and remuneration to shareholders
26	25	Revenue
27	26	Operating costs and expenses
28	27	Finance income and expenses
29	28	Related party transactions
30	29	Financial instruments and risk management
31	29	Measurement at fair value
	30	Assets classified as held for sale
35	33	Transactions not involving cash
36	34	Subsequent events

The Notes to the 2017 financial statements that have not been included in these interim financial information because they had no material changes, and/or were not applicable to the interim information, are as follows:

Number	Title of the Note
32	Insurance
33	Commitments
34	Annual tariff adjustment

3. PRINCIPLES OF CONSOLIDATION

The reporting dates for the interim financial information of subsidiaries and jointly-controlled entities used for the purposes of consolidation and equity method gains (losses), respectively, coincide with those of the Company. Accounting practices are applied uniformly in line with those used by the Company.

The following subsidiaries are included in the consolidated interim financial information:

Subsidiary	Criteria	Jun. 30, 2018 Direct interest, %	Dec. 31, 2017 Direct interest, %
Cemig Geração e Transmissão	Consolidated	100.00	100.00
Cemig Distribuição	Consolidated	100.00	100.00
Gasmig	Consolidated	99.57	99.57
Cemig Telecom (2)	Consolidated		100.00
Rosal Energia	Consolidated	100.00	100.00
Sá Carvalho	Consolidated	100.00	100.00
Horizontes Energia	Consolidated	100.00	100.00
Cemig Geração Distribuída (Usina Térmica Ipatinga) (1)	Consolidated	100.00	100.00
Cemig PCH	Consolidated	100.00	100.00
Cemig Trading	Consolidated	100.00	100.00
Efficientia	Consolidated	100.00	100.00
Cemig Comercializadora de Energia Incentivada	Consolidated	100.00	100.00
UTE Barreiro	Consolidated	100.00	100.00
Empresa de Serviços e Comercialização de Energia Elétrica	Consolidated	100.00	100.00
Luce Empreendimentos e Participações S.A.	Consolidated	100.00	100.00

(1) In 2018, the corporate name of UTE Ipatinga was changed to Cemig Geração Distribuída S.A.

(2) Company merged into Cemig on March 31, 2018.

4. CONCESSIONS AND AUTHORIZATIONS

Cemig and its subsidiaries hold the following concessions and authorizations with Aneel:

	Company holding concession or authorization	Concession or authorization contract	Expiration date
POWER GENERATION			
Hydroelectric plants			
Emborcação (1)	Cemig GT	07/1997	07/2025
Nova Ponte (1)	Cemig GT	07/1997	07/2025
Santa Luzia (1)	Cemig GT	07/1997	02/2026
Sá Carvalho (1)	Sá Carvalho	01/2004	12/2024
Rosal (1)	Rosal Energia	01/1997	05/2032
Machado Mineiro (1)			07/2025
Salto Voltão (1)			10/2030
	Horizontes Energia	Resolution 331/2002	
Salto Paraopeba (1)			10/2030
Salto do Passo Velho (1)			10/2030
PCH Pai Joaquim (1)	Cemig PCH	Resolution 377/2005	04/2032
Irapé (1)	Cemig GT	14/2000	02/2035
Queimado (Consortium) (1)	Cemig GT	06/1997	01/2033
Salto Morais (1)	Cemig GT	02/2013	07/2020
Rio de Pedras (1)	Cemig GT	02/2013	09/2024
Luiz Dias (1)	Cemig GT	02/2013	08/2025
Poço Fundo (1)	Cemig GT	02/2013	08/2025
São Bernardo (1)	Cemig GT	02/2013	08/2025
Xicão (1)	Cemig GT	02/2013	08/2025
Três Marias (2)	Cemig Geração Três Marias	08/2016	01/2046
Salto Grande (2)	Cemig Geração Salto Grande	09/2016	01/2046
Itutinga (2)	Cemig Geração Itutinga	10/2016	01/2046
Camargos (2)	Cemig Geração Camargos	11/2016	01/2046
Coronel Domiciano, Joasal, Marmelos, Paciência and Piau (2)	Cemig Geração Sul	12/2016 and 13/2016	01/2046
Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras (2)	Cemig Geração Leste	14/2016 and 15/2016	01/2046
Cajurú, Gafanhoto and Martins (2)	Cemig Geração Oeste	16/2016	01/2046
Thermal plants			
Igarapé (1)	Cemig GT	07/1997	08/2024
POWER TRANSMISSION			
National grid (3)	Cemig GT	006/1997	01/2043
Itajubá Substation (3)	Cemig GT	79/2000	10/2030
ELECTRICITY DISTRIBUTION (4)			
	Cemig D	002/1997	12/2045

003/1997

004/1997

005/1997

GAS DISTRIBUTION (4)	Gasmig	State Law 11,021/1993	01/2053
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- (1) Generation concession contracts that are not within the scope of ICPC 01/IFRC 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) Generation concession contracts whose revenue related to the Concession Grant Fee is within the scope of ICPC 01 /IFRIC 12, and is classified as concession financial assets.
- (3) Transmission concession contracts that are within the scope of ICPC 01 /IFRIC 12, considering the financial asset model, and the income and costs of the construction works related to the formation of the financial asset is recognized as expenses are incurred. The financial asset to be reimbursed is identified when the implementation of the infrastructure is finalized and included as remuneration for the services of implementation of the infrastructure.
- (4) Concession contracts that are within the scope of ICPC 01 /IFRIC 12 and under which the concession infrastructure assets are recorded under the intangible and financial assets bifurcation model.

5. CASH AND CASH EQUIVALENTS

	Consolidated		Holding Company	
	Jun. 30, 2018	Dec. 31, 2017	Jun. 30, 2018	Dec. 31, 2017
Bank accounts	43,984	113,495	4,669	4,645
Cash equivalents				
Bank certificates of deposit (CDBs) (1)	786,378	685,826	44,748	20,799
Overnight (2)	110,575	226,629	13,628	13,228
Others		4,307		
	896,953	916,762	58,376	34,027
	940,937	1,030,257	63,045	38,672

(1) *Bank Certificates of Deposit (Certificados de Depósito Bancário, or CDBs)*, accrued interest at 60% to 106% of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or *Certificados de Depósito Inter-bancário* CDIs) published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação, or Cetip*) on June 30, 2018 (50% to 106% on December 31, 2017). For these CDBs, the Company has repo transactions which state, on their trading notes, the bank's commitment to repurchase the security, on demand, on the maturity date of the transaction, or earlier, at the Company's option.

(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 6.39%, on June 30, 2018 (6.89% on December 31, 2017). Their purpose is to settle the Company's short-term obligations, or to be used in the acquisition of other assets with better return to replenish the portfolio.

The Company's exposure to interest rate risks and sensitivity analysis for financial assets and liabilities are disclosed in Note 29.

6. SECURITIES

	Consolidated		Holding Company	
	Jun. 30, 2018	Dec. 31, 2017	Jun. 30, 2018	Dec. 31, 2017
Investments				
Current				

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Bank certificates of deposit (CDBs) (1)	935	2,652	115	144
Financial Notes (LFs) Banks (2)	158,949	303,355	19,589	17,706
Treasury Financial Notes (LFTs) (3)	121,124	739,945	14,928	43,189
Debentures (4)	4,775	10,663	1,825	2,142
Others	2,252	1,769	650	779
	288,035	1,058,384	37,107	63,960
Non-current				
Bank certificates of deposit (CDBs) (1)	234		43	
Financial Notes (LFs) Banks (2)	57,957		7,143	
Debentures (4)	4,951	29,753	2,339	1,737
Others	705			
	63,847	29,753	9,525	1,737
	351,882	1,088,137	46,632	65,697

(1) Investments in *Bank Certificates of Deposit* CDBs accrued interest at a percentage of the Interbank Certificates of Deposit (CDI) rate, published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação*, or Cetip) which was 100.50% to 105.25% on June 30, 2018 (100.25% to 105.25% on December 31, 2017).

(2) *Bank Financial Notes (Letras Financeiras*, or LFs) are fixed-rate fixed-income securities, issued by banks, and that accrued interest at a percentage of the CDI rate published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação*, or Cetip). The LFs accrued interest of 102% to 111.25% of the CDI rate on June 30, 2018 (102.01% to 112% on December 31, 2017).

(3) *Treasury Financial Notes* (LFTs) are fixed-rate securities, their yield on which follows the daily changes in the Selic rate between the date of purchase and the date of maturity.

(4) *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 104.25% to 151% of the CDI rate on June 30, 2018 (104.25% to 161.54% on December 31, 2017).

Note 29 provides further information on these securities. Investments in securities of related parties are shown in Note 28.

7. CUSTOMERS, TRADERS AND TRANSPORT OF ENERGY CONCESSION HOLDERS

	Consolidated				
	Balances not yet due	Up to 90 days past due	More than 90 days past due	Jun. 30, 2018	Dec. 31, 2017
Billed supply	1,166,017	627,811	809,168	2,602,996	2,688,622
Unbilled supply	1,058,559			1,058,559	993,699
Other concession holders wholesale supply	3,008	18,617	3,569	25,194	25,642
Other concession holders wholesale supply, unbilled	217,120			217,120	283,061
CCEE (Wholesale Electricity Trading Chamber)	46,908	214,127	259	261,294	381,150
Concession Holders Transport of energy	69,137	6,634	94,898	170,669	159,194
Concession Holders Transport of energy, unbilled	231,550			231,550	177,308
() Provision for doubtful receivables	(191,250)	(17,475)	(522,863)	(731,588)	(567,956)
	2,601,049	849,714	385,031	3,835,794	4,140,720
Current assets				3,759,200	3,885,392
Non-current assets				76,594	255,328

	Holding Company				
	Balances not yet due	Up to 90 days past due	More than 90 days past due	Jun. 30, 2018	Dec. 31, 2017
Billed supply (Telecom services)	15,277	4,945	5,185	25,407	
() Provision for doubtful receivables			(1,133)	(1,133)	
	15,277	4,945	4,052	24,274	
Current assets				24,274	

Note 29 presents the Company and its subsidiaries' exposure to credit risk related to customers and traders.

The allowance for doubtful accounts is considered to be sufficient to cover any potential losses in the realization of accounts receivable, and the breakdown by type of customers is as follows:

	Jun. 30, 2018	Dec. 31, 2017
Residential	130,624	160,482
Industrial	205,834	178,058
Commercial, services and others	171,540	117,438

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Rural	29,036	17,334
Public authorities	94,386	11,984
Public lighting	5,680	4,740
Public services	26,758	10,187
Charges for use of the network (TUSD)	67,730	67,733
	731,588	567,956

Changes in the allowance for doubtful accounts are as follows:

Balance at December 31, 2016	660,105
Additions, net	140,885
Balance at June 30, 2017	800,990
Balance at December 31, 2017	567,956
Additions, net	317,671
Write-off	(154,039)
Balance at June 30, 2018	731,588

The Company recorded, on January 1, 2018, the effects arising from the adoption of IFRS 9 / CPC 48, as a result of the retained earnings. More detail in Note 2 of this interim financial information.

Advances from clients

Cemig GT and Cemig D receives advance payments for the sale of energy from certain customers. Advance payments related to services not yet provided are as follows:

Balance at December 31, 2016	181,200
Addition	142,601
Supply completed	(85,041)
Monetary adjustment	24,680
Balance at June 30, 2017	263,440
Balance at December 31, 2017	232,762
Supply completed	(88,849)
Monetary adjustment	6,815
Balance at June 30, 2018	150,728

Advance payments are adjusted until the actual delivery of the power supply by Cemig GT and Cemig D under the following terms:

Counterparty	June 30, 2018		Index for adjusting prepaid amounts	MWh deliverable	Balance on Jun. 30, 2018	Balance on Dec. 31, 2017
	Specified period for energy billing					
BTG Pactual	Jan. 2018		1.57% p.m.			17,287
BTG Pactual	Jan. 2018		1.2% p.m.			25,633
Deal Comercializadora	Jan. 2018		1.2% p.m.			772
White Martins Gases Industriais Ltda	May 2018	Mar. 2019	124% of CDI	214,642	121,396	147,066
White Martins Gases Industriais Ltda	May 2018	Mar. 2019	124% of CDI		29,332	42,004
					150,728	232,762

Revenue from advanced sales of power supply is recognized in the statement of income only when the supply actually take place.

8. RECOVERABLE TAXES

Consolidated		Holding Company	
Jun. 30, 2018	Dec. 31, 2017	Jun. 30, 2018	Dec. 31, 2017

Current				
ICMS (VAT)	78,750	71,430	3,186	
PIS and Pasep	8,672	12,130	20	6
Cofins	39,484	56,023	100	37
Others	23,461	34,207	96	
	150,367	173,790	3,402	43
Non-current				
ICMS (VAT)	228,317	224,752	2,290	
PIS and Pasep	43	569	3	2
Cofins	196	3,131	12	12
Others	2,225	2,226	1,795	1,796
	230,781	230,678	4,100	1,810
	381,148	404,468	7,502	1,853

The ICMS (VAT) credits that are reported in non-current assets arise from acquisitions of property, plant and equipment, and intangible assets, and can be offset against taxes payable in the next 48 months. The transfer to non-current was made in accordance with Management's best estimate of the amounts which will likely be realized after June 2019.

Credits of PIS, Pasep and COFINS taxes generated by the acquisition of machinery and equipment can be offset immediately.

9. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income and Social Contribution tax recoverable

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

	Consolidated		Holding Company	
	Jun. 30, 2018 (Restated)	Dec. 31, 2017	Jun. 30, 2018	Dec. 31, 2017
Current				
Income tax	244,642	223,539	23,141	19,124
Social Contribution tax	145,186	116,035	2,748	598
	389,828	339,574	25,889	19,722
Non-current				
Income tax		6,685		6,685
Social Contribution tax	11,248	13,932	11,248	13,932
	11,248	20,617	11,248	20,617
	401,076	360,191	37,137	40,339

b) Deferred income tax and Social Contribution tax

The Company and its subsidiaries have tax credits for income tax and the social contribution tax, arising from balances of tax losses, negative base for the social contribution tax, and temporary differences, at the rates of 25% (for income tax) and 9% (for the Social Contribution tax), as follows:

	Consolidated		Holding Company	
	Jun. 30, 2018 (Restated)	Dec. 31, 2017	Jun. 30, 2018	Dec. 31, 2017
Deferred tax assets				
Tax loss carryforwards	498,792	523,595	165,505	165,235
Provisions	1,110,876	1,092,557	555,145	527,166
Post-retirement obligations	1,210,792	1,179,257	150,691	144,176
Estimated provision for doubtful receivables	264,591	207,415	8,161	7,775
Taxes with suspended liability	12,858	14,093		

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Paid concession	7,473	8,227		
Adjustment to fair value: Swap/loss		12,923		
Others	17,710	14,212	5,630	
Total	3,123,092	3,052,279	885,132	844,352
Deferred tax liabilities				
Funding cost	(26,980)	(31,115)		
Deemed cost	(252,511)	(275,543)		
Cost of acquisition of equity interests	(454,616)	(463,573)	(86,365)	(87,613)
Borrowing costs capitalized	(167,044)	(165,582)		
Taxes on revenues not redeemed Presumed Profit accounting method	(1,253)	(785)		
Adjustment to expectation of cash flow from the indemnifiable Concession financial assets	(919,083)	(937,485)		
Adjustment to fair value of derivative financial instruments	(44,614)	(1,524)		
Others	(38,872)	(40,133)	(7,407)	
Total	(1,904,973)	(1,915,740)	(93,772)	(87,613)
Total, net	1,218,119	1,136,539	791,360	756,739
Total assets	1,936,021	1,871,228	791,360	756,739
Total liabilities	(717,902)	(734,689)		

The changes in income tax and the Social Contribution tax are as follows:

	Consolidated	Holding Company
Balance at Dec. 31, 2016	1,215,247	789,318
Effects allocated to Statement of income	78,794	8,885
Variations in deferred tax assets and liabilities	4,544	
Balance at June 30, 2017	1,298,585	798,203
Balance at Dec. 31, 2017	1,136,539	756,739
Telecom merger		1,049
Effects allocated to Statement of income Going concern operations	25,574	38,569
Effects allocated to Statement of income Discontinued operations	(9,815)	(5,742)
Effects allocated to Equity	68,586	
Transfer to assets held for sale	745	745
Variations in deferred tax assets and liabilities	(3,510)	
Balance on Jun. 30, 2018 (Restated)	1,218,119	791,360

c) Reconciliation of income tax and Social Contribution tax effective rate

This table reconciles the statutory income tax (rate 25%) and the Social Contribution tax (rate 9%) with the current expense on these taxes in the statement of income:

	Consolidated		Holding Company	
	Jan to Jun 2018 (Restated)	Jan to Jun 2017	Jan to Jun 2018 (Restated)	Jan to Jun 2017
Income on going concern operations before income and Social Contribution taxes	603,182	694,776	403,484	474,226
Income tax and Social Contribution tax nominal expense	(205,082)	(236,224)	(137,185)	(161,237)
Tax effects applicable to:				
Gain (loss) in subsidiaries by equity method (net of effects of Interest on Equity)	(16,633)	9,096	176,535	166,824
Non-deductible contributions and donations	(1,583)	(1,512)	(401)	
Tax incentives	5,983	6,088	25	43
Voluntary retirement provision	(146)		(14)	
Difference between Presumed profit and Real profit	48,506	38,819		
Non-deductible penalties	(6,964)	(8,405)	(35)	(11)
Excess reactive power and demand		(6,112)		
Others	5,074	(15,678)	(356)	733

Income tax and Social Contribution	effective gain (expense)	(170,845)	(213,928)	38,569	6,352
Current tax		(196,418)	(292,722)		(2,533)
Deferred tax		25,573	78,794	38,569	8,885
		(170,845)	(213,928)	38,569	6,352
Effective rate		28.32%	30.79%	9.56%	1.34%

	Consolidated		Holding Company	
	Apr to Jun 2018 (Restated)	Apr to Jun 2017	Apr to Jun 2018 (Restated)	Apr to Jun 2017
Income on going concern operations before income and Social Contribution taxes	(33,031)	188,653	(42,031)	141,589
Income tax and Social Contribution tax nominal expense	11,231	(64,142)	14,290	(48,140)
Tax effects applicable to:				
Share of (loss) profit of associates and joint ventures (net of effects of Interest on Equity)	(34,370)	503	6,466	43,983
Non-deductible contributions and donations	(1,214)	(680)	(401)	
Tax incentives	2,792	2,292	25	43
Voluntary retirement provision	108		(12)	
		(93)		
Difference between Presumed profit and Real profit	21,296	36,192		
Non-deductible penalties	(2,958)	(3,647)	(29)	(5)
Excess reactive power and demand		(3,037)		
Others	3,888	(17,927)	(704)	512
Income tax and Social Contribution effective gain (expense)	773	(50,539)	19,635	(3,607)
Current tax	(11,393)	(59,265)		(2,533)
Deferred tax	12,166	8,726	19,635	(1,074)
	773	(50,539)	19,635	(3,607)
Effective rate	2.34%	26.79%	46.72%	2.55%

10. RESTRICTED CASH

The balance of Restricted cash amounting to R\$ 111,220 in the Consolidated (R\$ 106,227 on December 31, 2017), and R\$ 90,663 in the Holding Company (R\$ 87,872 on December 31, 2017), refers mainly to amounts deposited with a financial institution, in accordance with the Shareholders' agreement of the jointly controlled Rio Minas Energia Participações - RME, as a guarantee for the settlement of the options to sell an interest in RME.

11. ACCOUNTS RECEIVABLE FROM THE STATE OF MINAS GERAIS

On October 25, 2017 the Company signed a Debt Recognition Agreement with Minas Gerais State, through its Tax Office, where the state committed to reimburse to the Company the total amount deposited, after adjusting it for inflation using the IGP-M index, related to the dispute on the criteria to be used to adjust the amounts passed through by the Minas Gerais State government as an advance for future capital contributions in the previous year.

The parties agreed that the Minas Gerais State will reimburse the Company R\$ 294,390, of which R\$ 239,445 relates to the historical amounts deposited, and R\$ 54,945 relates to the monetary adjustment, of which R\$ 13,082 is related to the six-month period ended June 30, 2018, which will be paid in 12 consecutive monthly installments, each adjusted by the IGP-M inflation index through the settlement date, starting on November 10, 2017. Further, the agreement states that, in the event of arrears or default by the State in the payment of the agreed consecutive monthly installments, Cemig is authorized to retain dividends or Interest on Equity distributable to the State in proportion to the State's equity interest, for as long as the arrears and/or default continues. Until June 30, 2018, a total of R\$ 46,290 had been received regarding two installments and the remaining balance of R\$ 248,100 is still outstanding, recognized in Non-current assets, due to installments being overdue since January 2018. Company's Management believes that no impairment losses is expected on these receivables, considering the aforementioned guarantees, which Company intends to execute in the event of non-receipt of the amount agreed in the debt recognition agreement.

12. ESCROW DEPOSITS

These deposits are mainly related to legal proceeding relating to labor and tax contingencies.

Escrow deposits mainly relate to tax disputes, mainly on the calculation of Pasep/Cofins, for which the Company believes the amounts of ICMS (VAT) should be exclude from the taxable amount on which the Pasep/Cofins taxes are charged.

	Consolidated		Holding Company	
	Jun. 30, 2018	Dec. 31, 2017	Jun. 30, 2018	Dec. 31, 2017
Labor claims	332,362	303,699	37,737	35,270
Tax contingencies				
Income tax on Interest on Equity	27,418	26,861	255	244
Pasep/Cofins taxes (1)	1,374,109	1,337,086		
Donations and legacy tax (ITCD)	50,031	48,981	49,592	48,541
Urban property tax (IPTU)	85,425	79,505	68,947	68,675
Finsocial tax	37,978	37,170	37,978	37,170
Income and social contribution taxes on indemnity for employees				
Anuênio benefit (2)	271,520	267,432	13,057	12,853
IRRF on Inflation Gain	8,359		8,359	
Others	86,593	116,585	21,335	31,252
	1,941,433	1,913,620	199,523	198,735
Others				
Regulatory				
Third party	54,008	60,243	30,395	29,589
Customer relations	11,394	16,094	6,028	5,811
Court embargo	6,427	6,204	1,537	1,561
Others	13,194	14,358	4,323	5,515
	21,558	21,414	1,333	1,310
	106,581	118,313	43,616	43,786
	2,380,376	2,335,632	280,876	277,791

(1) The escrow deposits relating to Pasep and Cofins taxes refer to the case challenging the constitutionality of inclusion of the ICMS (VAT), which *has been* charged, *within* the amount on which the Pasep and Cofins taxes are calculated.

(2) See more details in Note 23 *Provisions* (Indemnity of employees future benefit the Anuênio).

Inclusion of ICMS (VAT) in the taxable base for Pasep /Cofins

Refers to the escrow deposits made in the action challenging the constitutionality of inclusion of ICMS (VAT), already charged, *within* the taxable amount for calculation of these two contributions. The subsidiaries Cemig D and Cemig GT obtained interim relief from the Court allowing them not to make the payment, and authorizing payment as escrow deposits, starting in 2008, and maintained this procedure until August 2011. After that date, while continuing to challenge the basis of the calculation in court, they opted to pay the taxes monthly.

On October 2017, the Federal Supreme Court (STF) published its Joint Judgment on the Extraordinary Appeal, on the basis of setting a global precedent, in favor of the argument of the subsidiaries. Based on the opinion of its legal advisers, the subsidiaries adopted the following procedures:

Cemig GT reversed the provision in the amount of R\$ 101,233, with effect on the net income for 2017, and recorded the reversal as a deduction on revenue, in the fourth quarter of that year, remaining an escrow deposit in amount of R\$ 186,784.

Cemig D wrote down the liabilities relating to these contributions; and recorded a liability for reimbursement to customers. More details in Note 19.

13. REIMBURSEMENT OF TARIFF SUBSIDIES

Subsidies on tariffs charged to users of distribution services are reimbursed to distributors through the funds from the Energy Development Account (CDE).

On June 30, 2018, the amount recognized as subsidies revenues was R\$ 458,321 (R\$ 401,695 in first half 2017). Of such amounts, Cemig D recorded a receivable of R\$ 82,470 (R\$ 73,345 in 2017), and Cemig GT recorded a receivable of R\$ 3,357 (R\$ 3,741 in 2017), in current assets.

14. CONCESSION FINANCIAL ASSETS AND LIABILITIES

	Jun. 30, 2018	Dec. 31,
	(Restated)	2017
Consolidated		
Financial assets related to infrastructure (1)		
Distribution concessions	384,341	369,762
Receivable for residual value – Transmission (1.1)	1,822,294	1,928,038
Transmission concessions – assets remunerated by tariff (1.2)	552,019	547,800
Receivable for residual value – Generation (1.3)	1,935,220	1,900,757
Concession grant fee – Generation concessions (1.4)	2,371,831	2,337,135
	7,065,705	7,083,492
CVA (Portion A Compensation) Account and <i>Other Financial Components</i> in tariff adjustments (2)	858,761	369,010
Total	7,924,466	7,452,502
Current assets	646,904	847,877
Non-current assets	7,277,562	6,604,625

	Jun.	Dec. 31,
	30,	2017
	2018	2017
Consolidated Concession financial liabilities		
CVA (Portion A Compensation) Account and <i>Other Financial Components</i> in tariff adjustments (2)	23,046	414,800
Current liabilities	16,751	414,800
Non-current liabilities	6,295	

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

	Transmission	Generation	Distribution	Consolidated
Balances at December 31, 2016	2,287,511	2,800,389	216,107	5,304,007

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Additions	156,280			156,280
Transfers of indemnity plants not renewed (Volta Grande)		70,252		70,252
Disposals	(380)		(15)	(395)
Amounts received	(8,890)	(111,228)		(120,118)
Transfers between PP&E, Financial assets and Intangible assets			34,789	34,789
Adjustment to expectation of cash flow from the indemnifiable Concession financial assets			1,511	1,511
Monetary updating	120,600	150,477		271,077
Balances at June 30, 2017	2,555,121	2,909,890	252,392	5,717,403
Balances at December 31, 2017	2,475,838	4,237,892	369,762	7,083,492
Additions	4,732			4,732
Amounts received	(262,341)	(122,284)		(384,625)
Transfers between PP&E, Financial assets and Intangible assets	(106)		11,302	11,196
Other transfers			269	269
Adjustment to expectation of cash flow from the indemnifiable Concession financial assets	9,671		3,066	12,737
Monetary updating	146,519	191,443		337,962
Disposals			(58)	(58)
Balances at June 30, 2018	2,374,313	4,307,051	384,341	7,065,705

1) Financial assets related to infrastructure

The energy distribution and transmission concession contracts and the gas distribution contracts are within the scope of ICPC 01 (IFRIC 12). The financial assets under these contracts refer to the investment made in infrastructure that will be returned to the grantor at the end of the concession contract and for which the Company has a contractual right to receive cash from the grantor during the concession contract as well as at the end of the concession contract.

1.1) Transmission Residual value receivable

Cemig's transmission concession contracts are within the scope of ICPC 01 (IFRIC 12). The financial assets under these contracts refer to the investment made in infrastructure that will be returned to the grantor at the end of the concession contract and for which the Company is entitled to receive an amount corresponding to the residual value of the infrastructure assets at the end of the concession contract.

On April 22, 2016 the Mining and Energy Ministry (*Ministério de Minas e Energia*, or MME) published its Ministerial Order 120, setting the deadline and method of payment for the remaining amount corresponding to the residual value of the assets. The Ministerial Order determined that the amounts homologated by the regulator should become part of the Regulatory Remuneration Asset Base (*Base de Remuneração Regulatória*, or BRR) and that the cost of capital should be added to the related Permitted Annual Revenues (RAP).

On August 16, 2016, the regulator, through its Dispatch 2,181, homologated the amount of R\$ 892,050, in Reais as of December 2012, for the portion of the residual value of assets to be paid to the Cemig GT. Such amount was recorded as a financial asset, with specific maturity and interest rate.

The amount of indemnity to be received, updated until June 30, 2018, amounted to R\$ 1,822,294 (R\$ 1,928,038 as of December 31, 2017), corresponding to the following:

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

An amount of R\$ 964,679, corresponding to the portions of remuneration and depreciation not paid since the extensions of the concessions, through the tariff adjustment in 2017 (R\$ 992,802 as of December 31, 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 industry as defined by the regulator for the periodic tariff review, to be paid over a period of eight years, in the form of reimbursement through the RAP.

Residual Value of transmission assets - injunction awarded to industrial customers

On April 10, 2017, an 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 Silício Metálico*) in their legal action against the regulator and the Federal Government requesting suspension of the effects on their tariffs of payment of the residual value of transmission assets payable to agents of the electricity sector who accepted the terms of Law 12,783/2013.

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\$ 385,259 at June 30, 2018 (R\$ 316,138 at December 31, 2017) updated by the IPCA.

In compliance with the court decision, the regulator, in its Technical Note 183/2017-SGT/ Aneel of June 22, 2017, presented a new calculation, excluding the amounts that refer to the cost of own capital. Cemig believes that this is a provisional decision, and that its right to receive the amount referring to the assets of the basic national grid system (*Rede Básica Sistema Elétrico*, or RBSE) is guaranteed by law, so that no adjustment to the amount recorded at June 30, 2018 is necessary.

Adjustment of the BRR of Transmission Assets – Aneel Technical Note 183/2017

In the tariff review processes of Cemig GT, ratified on June 23, 2009 and on June 8, 2010 the addition of certain conducting cables was not included in the tariff calculation. The new values calculated with the inclusion of the said conducting cables in the Remuneration Assets Base for the period from July 2005 to December 2012 resulted in the amount of R\$ 149,255 as of July 2017, received by Cemig GT in 12 months up to June, 2018, through RAP.

Remaining balance to be received through RAP

The remaining balance, of R\$ 472,356 on June 30, 2018 (R\$ 544,471 on December 31, 2017) was incorporated into the regulatory remuneration base of assets, and is being recovered through RAP. The Company expects to receive in full the receivables in relation to the residual value of the transmission assets.

1.2) Transmission – Assets remunerated by tariff

For new assets related to improvements and upgrades of facilities constructed by transmission concession holders, the regulator calculates an additional portion of Permitted Annual Revenue (RAP) in accordance with a methodology specified in the *Proret – Tariff Regulation Procedures*.

Under the *Proret*, the revenue established in the Resolutions is payable to the transmission concessionaires 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 ultimately determined in the review immediately subsequent to the start of commercial operation of the facilities; this review then has effect starting the date when commercial operations begin. On June 30, 2018, the receivable amounts are R\$ 552,019 (R\$ 547,800 on December 31, 2017).

1.3) Generation Residual value financial asset

Plants operated under the Quotas regime as from January 1, 2016

Starting August 2013, various concessions under the Concession Contract 007/1997 started expiring. Upon expiration of the concession contract, the Company has a right to receive an amount corresponding to the residual value of the infrastructure assets, as specified in such concession contract. The financial asset balance corresponding to such amounts, including Deemed Cost, are recognized in Financial Assets, and amounted to R\$ 816,411 on June 30, 2018 and December 31, 2017.

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:				
Três Marias Hydroelectric Plant	July 2015	396	71,694	413,450
Salto Grande Hydroelectric Plant	July 2015	102	10,835	39,379
Itutinga Hydroelectric Plant	July 2015	52	3,671	6,589
Camargos Hydroelectric Plant	July 2015	46	7,818	23,095
Piau Small Hydroelectric Plant	July 2015	18.01	1,531	9,005
Gafanhoto Small Hydroelectric Plant	July 2015	14	1,232	10,262
Peti Small Hydroelectric Plant	July 2015	9.4	1,346	7,871
Dona Rita Small Hydroelectric Plant	Sep. 2013	2.41	534	534
Tronqueiras Small Hydroelectric Plant	July 2015	8.5	1,908	12,323
Joasal Small Hydroelectric Plant	July 2015	8.4	1,379	7,622
Martins Small Hydroelectric Plant	July 2015	7.7	2,132	4,041
Cajuru Small Hydroelectric Plant	July 2015	7.2	3,576	4,252
Paciência Small Hydroelectric Plant	July 2015	4.08	728	3,936
Marmelos Small Hydroelectric Plant	July 2015	4	616	4,265
Others:				
Volta Grande Hydroelectric Plant	Feb. 2017	380	25,621	70,118
Miranda Hydroelectric Plant	Dec. 2016	408	26,710	22,546
Jaguara Hydroelectric Plant	Aug. 2013	424	40,452	174,203
São Simão Hydroelectric Plant	Jan. 2015	1,710	2,258	2,920
		3,601.70	204,041	816,411

As stated in Aneel Normative Resolution 615/2014, the valuation reports that support the amounts to be received by the Company in relation to the residual value of the plants, previously operated by Cemig GT, that were included in

Lot D and for the *Volta Grande* plant have submitted to the regulator. The Company do not expect any losses in the realization of these amounts.

On June 30, 2018, investments made after the *Jaguara*, *São Simão* and *Miranda* plants came into operation, in the amounts of R\$ 174,203, R\$ 2,920 and R\$ 22,546 respectively, are recorded as concession financial assets, and the determination of the final amounts to be paid to the Company are under discussions with the regulator. Management does not expect any losses in realization of these amounts.

Miranda and São Simão plants basic plans

In accordance with the Mining and Energy Ministry Order 291/17, the amounts of the basic project of *Miranda* and *São Simão* plants were recorded as concession financial asset and are being monetary adjusted, as shown below:

Plants	Miranda	São Simão	
Concession termination date	Dec. 2016	Jan. 2015	Total
Residual value of assets based on deemed cost on 12/31/2017	609,995	202,744	812,739
Adjustment (1)	174,157	40,855	215,012
Amounts based on MME Order	784,152	243,599	1,027,751
Monetary updating	25,373	31,222	56,595
Residual value of assets of basic project on 12/31/2017	809,525	274,821	1,084,346
Monetary updating	25,729	8,734	34,463
Residual value of assets of basic project on 06/30/2018	835,254	283,555	1,118,809

(1) Adjustment of the residual value of the São Simão and Miranda plant, as per MME Order 291/17.

On August 31, 2018 the Company received the indemnity relating to the basic plans of the *São Simão* and *Miranda* hydroelectric plants, totaling R\$ 1,139,355, as specified in Ministerial Order 291/17 of the Mining and Energy Ministry (MME). The amounts of the reimbursement were subjected to monetary updating by the variation in the Selic rate up to the date of receipt.

1.4) Concession grant fee – Generation concessions

In June 2016, the Concession Contracts 08 to 16/2016, relating to 18 hydroelectric plants of Lot D of Aneel Auction 12/2015, won by Cemig GT, were transferred to the related specific-purpose entities (SPEs), wholly-owned subsidiaries of Cemig GT, as follows:

SPE	Plants	Balances on Dec. 31, 2017	Monetary updating	Amounts received	Balances on Jun. 30, 2018
Cemig Geração Três Marias S.A.	Três Marias	1,330,134	84,877	(65,703)	1,349,308
Cemig Geração Salto Grande S.A.	Salto Grande	417,393	26,758	(20,721)	423,430
Cemig Geração Itutinga S.A.	Itutinga	155,594	11,237	(8,809)	158,022
Cemig Geração Camargos S.A.	Camargos	116,710	8,372	(6,558)	118,524
Cemig Geração Sul S.A.		152,170	11,680	(9,227)	154,623

	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau				
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	103,133	8,746	(7,007)	104,872
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto and Martins	62,001	5,310	(4,259)	63,052
Total		2,337,135	156,980	(122,284)	2,371,831

SPE	Plants	Balances on Dec. 31, 2016	Monetary updating	Amounts received	Balances on Jun. 30, 2017
Cemig Geração Três Marias S.A.	Três Marias	1,283,197	80,959	(59,763)	1,304,393
Cemig Geração Salto Grande S.A.	Salto Grande	402,639	25,530	(18,847)	409,322
Cemig Geração Itutinga S.A.	Itutinga	149,904	10,825	(8,013)	152,716
Cemig Geração Camargos S.A.	Camargos	112,447	8,060	(5,965)	114,542
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau	146,553	11,320	(8,393)	149,480
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	99,315	8,573	(6,373)	101,515
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto and Martins	59,710	5,210	(3,874)	61,046
Total		2,253,765	150,477	(111,228)	2,293,014

Cemig GT paid a concession fee of R\$ 2,216,353 for a 30-year concession contract related to 18 hydroelectric plants. The amount of the concession fee was recognized as a financial asset, as Cemig GT has an unconditional right to receive the amount paid, updated by the IPCA Index and remuneratory interest (the total amounts is equivalent to the project's internal return rate), during the period of the concession. Of the energy produced by these plants, 70% is sold in the Regulated Market (ACR) and 30% in the Free Market (ACL).

2) Account for compensation of variation of Portion A items (CVA) and *Other financial components*
 The Amendment that extended the period of the concession of Cemig D guarantees that, in the event of termination of the concession contract, for any reason, the remaining balances (assets and liabilities) of any shortfall in payment or reimbursement through the tariff must also be included as payable to Cemig D by the grantor. The balances on (i) the CVA (*Compensation for Variation of Portion A items*) Account, (ii) the account for Neutrality of Sector Charges, and (iii) *Other financial components* in the tariff calculation, refer to the positive and negative differences between the estimate of the Company's non-manageable costs and the payments actually made. The variations are subject to monetary adjustment using the Selic rate and considered in the subsequent tariff adjustments.

The balances of these financial assets and liabilities are shown below. It should be noted that in the balance sheet amounts are presented net, in assets or liabilities, in accordance with the tariff adjustments approved or to be approved:

Statement of financial position	Jun. 30, 2018			Dec. 31, 2017		
	Amounts ratified by Aneel in the last tariff adjustment (Restated)	Amounts to be ratified by Aneel in the next tariff adjustments	Total (Restated)	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Assets	2,620,956	1,242,387	3,863,343	381,588	2,330,978	2,712,566
Current assets	2,620,956	110,267	2,731,223	381,588	1,379,162	1,760,750
Non-current assets		1,132,120	1,132,120		951,816	951,816
Liabilities	(2,527,435)	(500,193)	(3,027,628)	(796,388)	(1,961,968)	(2,758,356)
Current liabilities	(2,521,140)	(127,018)	(2,648,158)	(796,388)	(1,220,637)	(2,017,025)
Non-current liabilities	(6,295)	(373,175)	(379,470)		(741,331)	(741,331)
Total current, net	99,816	(16,751)	83,065	(414,800)	158,525	(256,275)
Total non-current, net	(6,295)	758,945	752,650		210,485	210,485
Total, net	93,521	742,194	835,715	(414,800)	369,010	(45,790)

	Jun. 30, 2018			Dec. 31, 2017		
	Amounts ratified by Aneel in the last tariff adjustment (Restated)	Amounts to be ratified by Aneel in the next tariff adjustments	Total (Restated)	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Financial components						
Items of Portion A						
Energy Development Account (CDE) quota	(61)	48,335	48,274	(154,234)	(89,414)	(243,648)
Tariff for use of transmission facilities of grid participants	52,907	37,073	89,980	9,058	23,448	32,506
Tariff for transport of Itaipu supply	4,888	4,462	9,350	2,332	1,306	3,638
Alternative power source program (Proinfa)	6,972		6,972	(5,148)	1,513	(3,635)
ESS/EER System Service/Energy Charges)	(555,088)	(52,761)	(607,849)	(40,105)	(586,413)	(626,518)
Energy purchased for resale (1)	1,487,358	695,912	2,183,270	(90,616)	1,326,263	1,235,647
Other financial components						
Over contracting of supply	(448,923)	165,400	(283,523)	8,357	(211,337)	(202,980)
Neutrality of Portion A	116,617	1,206	117,823	(30,581)	74,076	43,495
Other financial items	(519,118)	(66,720)	(585,838)	(111,825)		(111,825)
Tariff Flag balances (2)		(76,607)	(76,607)		(134,008)	(134,008)
Excess demand and reactive power	(52,031)	(14,106)	(66,137)	(2,038)	(36,424)	(38,462)
TOTAL	93,521	742,194	835,715	(414,800)	369,010	(45,790)

(1) The amount of the CVA for power supply constituted in 2018 after the Tariff Review, for inclusion in the tariff adjustment of 2019, is due mainly to the increased expenses on purchase of energy and coverage of hydrological risk, in view of the increase in the price of energy in the wholesale market, and operation of the thermoelectric plants due to the low level of reservoirs.

(2) Billing arising from the Flag Tariff System not yet homologated by Aneel.
Changes in balances of financial assets and liabilities:

Balance on December 31, 2016	(407,250)
Net constitution of financial liabilities	1,297

Amortization	(333,193)
Payments from the Flag Tariff Centralizing Account	(145,502)
Updating Selic rate	(28,080)
Balance on June 30, 2017	(912,728)
Balance on December 31, 2017	(45,790)
Net constitution of financial liabilities	742,106
Amortization	408,566
Other P&D Reimbursement	(114,782)
Payments from the Flag Tariff Centralizing Account	(165,671)
Updating Selic rate	11,286
Balance on June 30, 2018 (Restated)	835,715

Payments from the Flag Tariff Centralizing Account - CCRBT

The Flag Account (*Conta Centralizadora de Recursos de Bandeiras Tarifárias - CCRBT* or *Conta Bandeira*) manages the funds that are collected from captive customers of distribution concession and permission holders operating in the national grid, and are paid, on behalf of the CDE, directly to the Flag Account. The resulting funds are passed through by the Wholesale Electricity Trading Chamber (CCEE) to distribution agents, based on the difference between the realized amounts of costs of thermal generation and the exposure to short term market prices, and the amount covered by the tariff in force.

Pass-through of funds from the Flag Account from January to June 2018 totaled R\$ 165,671 (R\$ 145,502 from January to June, 2017) and were recognized as a partial realization of the CVA receivable previously constituted.

15. INVESTMENTS

This table provides information of investments in the subsidiaries, jointly-controlled entities and affiliated companies. The information below was presented by the percentage of interest held by the Company.

	Control	Consolidated		Holding Company	
		Jun. 30, 2018	Dec. 31, 2017	Jun. 30, 2018 (Restated)	Dec. 31, 2017
Cemig Geração e Transmissão	Subsidiary			4,860,721	4,793,832
Hidrelétrica Cachoeirão	Jointly-controlled	48,346	57,957		
Guanhães Energia	Jointly-controlled	59,608	25,018		
Hidrelétrica Pipoca	Jointly-controlled	28,177	26,023		
Retiro Baixo	Jointly-controlled	165,700	157,773		
Aliança Norte (Belo Monte Plant)	Jointly-controlled	635,489	576,704		
Madeira Energia (Santo Antônio Plant)	Affiliated	457,410	534,761		
FIP Melbourne (Santo Antônio Plant)	Affiliated	516,571	582,504		
Lightger	Jointly-controlled	41,361	40,832		
Baguari Energia	Jointly-controlled	160,952	148,422		
Renova	Jointly-controlled	193,432	282,524		
Aliança Geração	Jointly-controlled	1,280,382	1,242,170		
Central Eólica Praias de Parajuru	Jointly-controlled	54,015	60,101		
Central Eólica Volta do Rio	Jointly-controlled	54,089	67,725		
Central Eólica Praias de Morgado	Jointly-controlled	45,821	50,569		
Amazônia Energia (Belo Monte Plant)	Jointly-controlled	964,978	866,554		
Usina Hidrelétrica Itaocara S.A.	Jointly-controlled	3,621	3,699		
Cemig Distribuição	Subsidiary			4,375,890	3,737,310
Light	Jointly-controlled	1,471,649	1,534,294	1,039,507	1,083,140
Taesa	Jointly-controlled	1,111,914	1,101,462	1,111,914	1,101,462
Cemig Telecom (3)	Subsidiary				247,313
Ativas Data Center	Affiliated	16,988	17,450	16,988	
Gasmig	Subsidiary			1,398,287	1,418,271
Rosal Energia	Subsidiary			118,060	106,897
Sá Carvalho	Subsidiary			99,963	102,536
Horizontes Energia	Subsidiary			56,754	53,165
Usina Térmica Ipatinga	Subsidiary			4,724	4,932
Cemig PCH	Subsidiary			96,218	96,944
Lepsa (1)	Subsidiary			437,204	455,861
RME	Jointly-controlled	367,103	383,233	367,103	383,233
UTE Barreiro	Subsidiary			18,102	17,982
Empresa de Comercialização de Energia					
Elétrica	Subsidiary			26,815	18,403
Efficientia	Subsidiary			16,653	7,084
	Subsidiary			2,212	2,004

Cemig Comercializadora de Energia
Incentivada

Companhia de Transmissão Centroeste de Minas	Jointly-controlled	18,226	20,584	18,226	20,584
Cemig Trading	Subsidiary			27,782	29,206
Axxiom Soluções Tecnológicas	Jointly-controlled	7,720	11,866	7,720	11,866
Cemig Overseas (2)	Subsidiary			193	158
Total of investments		7,703,552	7,792,225	14,101,036	13,692,183

- (1) On November 30, 2017, the Company acquired all the shares of Lepsa, and therefore as from that date now consolidates that company in its interim financial information. Lepsa's sole asset is comprised of an investment in common and preferred shares in Light. Hence the Company no longer presents the investment that it previously held in Lepsa in its interim financial information, presenting only the interest in Light.
- (2) Company in Spain to evaluate opportunities for investments abroad. As of June 30, 2018, the company has no operations.
- (3) On March 31, 2018 Cemig Telecom was merged into the Company.
- The Company's investees that are not consolidated are jointly-controlled entities, with the exception of the interest in the *Santo Antônio* power plant, and Ativas Data Center, investees in which Cemig has significant influence.

a) Right to exploitation of the regulated activity

In the process of allocation of the acquisition price of the jointly-controlled subsidiaries, a valuation was made of the intangible assets relating to the right to operate the regulated activity. 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 the straight-line basis.

Holding Company	Dec. 31, 2016	Amortization Jun. 30, 2017	Dec. 31, 2017	Amortization Jun. 30, 2018	Jun. 30, 2018	
Cemig Geração e Transmissão	303,937	(6,852)	297,085	285,768	(6,671)	279,097
Retiro Baixo	29,525	(592)	28,933	28,344	(591)	27,753
Central Eólica Praias de Parajuru	19,341	(764)	18,577	16,503	(707)	15,796
Central Eólica Volta do Rio	13,807	(504)	13,303	11,035	(436)	10,599
Central Eólica Praias de Morgado	27,406	(1,028)	26,378	23,956	(972)	22,984
Madeira Energia (Santo Antônio plant)	157,340	(2,978)	154,362	151,384	(2,979)	148,405
Aliança Norte (Belo Monte plant)	56,518	(986)	55,532	54,546	(986)	53,560
Taesa	288,146	(6,780)	281,366	188,745	(4,660)	184,085
Light	208,800	(11,180)	197,620	186,437	(11,181)	175,256
Gasmig	207,498	(3,956)	203,542	199,586	(3,955)	195,631
Lepsa	48,429	(2,532)	45,897			
RME	48,429	(2,532)	45,897	43,365	(2,532)	40,833
TOTAL	1,105,239	(33,832)	1,071,407	903,901	(28,999)	874,902

Consolidated	Dec. 31, 2016	Amortization Jun. 30, 2017	Dec. 31, 2017	Amortization Jun. 30, 2018	Jun. 30, 2018	
Taesa	288,146	(6,780)	281,366	188,745	(4,660)	184,085
Light	208,800	(11,180)	197,620	186,437	(11,181)	175,256
Gasmig	207,498	(3,956)	203,542	199,586	(3,955)	195,631
Lepsa	48,429	(2,532)	45,897			
RME	48,429	(2,532)	45,897	43,365	(2,532)	40,833
TOTAL	801,302	(26,980)	774,322	618,133	(22,328)	595,805

b) Changes of investments in the subsidiaries, jointly-controlled and affiliated entities are as follows:

Holding Company	Dec. 31, 2017	Gain (loss) by equity method		Dividends	Injections / acquisitions	Others	Jun. 30, 2018 (Restated)
		(Income statement (Restated)	(Other comprehensive income)				
Cemig Geração e Transmissão	4,793,832	66,889					4,860,721
Cemig Distribuição (2)	3,737,310	177,656			560,000	(99,076)	4,375,890
Cemig Telecom (1)	247,313	4,778	(416)			(251,675)	
Ativas Data Center (1)		(128)				17,116	16,988
Rosal Energia	106,897	9,958		(16,342)		17,547	118,060
Sá Carvalho	102,536	13,574		(16,147)			99,963
Gasmig	1,418,271	61,324		(81,308)			1,398,287
Horizontes Energia	53,165	11,604		(8,015)			56,754
Usina Térmica Ipatinga	4,932	106		(314)			4,724
Cemig PCH	96,944	15,396		(16,122)			96,218
Lepsa (2)	455,861	6,389		(2,963)		(22,083)	437,204
RME (2)	383,233	1,635		(1,200)		(16,565)	367,103
UTE Barreiro	17,982	120					18,102
Empresa de Comercialização de Energia Elétrica	18,403	26,232		(17,820)			26,815
Efficientia	7,084	730		(231)	9,070		16,653
Cemig Comercializadora de Energia Incentivada	2,004	428		(220)			2,212
Companhia de Transmissão Centroeste de Minas	20,584	2,446		(4,804)			18,226
Light (2)	1,083,140	8,202		(7,689)		(44,146)	1,039,507
Cemig Trading	29,206	26,582		(28,006)			27,782
Axxiom Soluções Tecnológicas	11,866	(4,146)					7,720
Taesa	1,101,462	100,028		(89,576)			1,111,914
Cemig Overseas	158				35		193
	13,692,183	529,803	(416)	(290,757)	569,105	(398,882)	14,101,036

- (1) The changes included in the Others column arise from the merger of Cemig Telecom in March, 2018. See Note 1.
- (2) The changes included in the Other column result from the impacts arising from the first adoption of the new accounting pronouncements on January 1, 2018 recognized by the investees directly in Equity, without passing through the period's result. See Note 2.2.

Advance for Future Capital Increase (AFAC), in Cemig D

On December 11, 2017 and February 8, 2018, the Company's Board of Directors authorized the transfer to Cemig Distribuição (Cemig D) the amounts of up to R\$ 1,600,000 and R\$ 600,000, respectively, totaling R\$ 2,200,000, as an Advance for Future Capital Increase (*Adiantamento para Futuro Aumento de Capital*, or AFAC) to be subsequently converted into a capital increase through approval by future Extraordinary General Meeting of Shareholders.

As of June 30, 2018 the total amount transferred was R\$ 2,060,000.

Consolidated	Dec. 31, 2017	Equity method gain (Statement of income)	Dividends	Injections / acquisitions	Other	Jun. 30, 2018
Companhia de Transmissão Centroeste de Minas	20,584	2,446	(4,804)			18,226
Light (1)	1,534,294	15,107	(11,532)		(66,220)	1,471,649
Axxiom Soluções Tecnológicas	11,866	(4,146)				7,720
RME (1)	383,233	1,635	(1,200)		(16,565)	367,103
Hidrelétrica Cachoeirão	57,957	6,739	(16,350)			48,346
Guanhães Energia	25,018	(299)		34,889		59,608
Hidrelétrica Pipoca	26,023	3,357	(1,203)			28,177
Madeira Energia (Santo Antônio Plant)	534,761	(77,435)		84		457,410
FIP Melbourne (Santo Antônio Plant)	582,504	(65,933)				516,571
Lightger	40,832	2,308	(1,779)			41,361
Baguari Energia	148,422	16,088	(3,558)			160,952
Central Eólica Praias de Parajuru	60,101	(6,086)				54,015
Central Eólica Volta do Rio	67,725	(13,636)				54,089
Central Eólica Praias de Morgado	50,569	(4,748)				45,821
Amazônia Energia (Belo Monte Plant)	866,554	28,243		70,181		964,978
Ativas Data Center	17,450	(891)			429	16,988
Taesa	1,101,462	100,028	(89,576)			1,111,914
Renova	282,524	(89,092)				193,432
Usina Hidrelétrica Itaocara S.A.	3,699	(3,477)		3,399		3,621
Aliança Geração	1,242,170	38,212				1,280,382
Aliança Norte (Belo Monte Plant)	576,704	17,420		41,365		635,489
Retiro Baixo	157,773	7,927				165,700
Total of investments	7,792,225	(26,233)	(130,002)	149,918	(82,356)	7,703,552

(1) The changes included in the Other column derive from the impacts arising from the first adoption of the new accounting pronouncements on January 1, 2018 recognized by the investees directly in Equity, without passing

through the result for the period. See Note 2.2.

Holding Company	Dec. 31, 2016	Equity method gain (Statement of income)	Equity method gain (Other comprehensive income)	Dividends	Injections / acquisitions Others	Jun. 30, 2017	
Cemig Geração e Transmissão	4,583,195	530,551	(33,852)		100,000	5,179,894	
Cemig Distribuição	2,499,867	(191,095)				2,308,772	
Cemig Telecom	191,515	(97)	(680)			190,738	
Rosal Energia	141,038	(9,363)		(30,968)		100,707	
Sá Carvalho	106,111	17,071		(18,631)		104,551	
Gasmig	1,419,492	54,844		(98,079)		1,376,257	
Horizontes Energia	52,396	6,878		(7,818)		51,456	
Usina Térmica Ipatinga	4,009	191				4,200	
Cemig PCH	91,969	9,133		(10,065)		91,037	
Lepsa	343,802	(4,508)	(1,876)		(127)	337,291	
RME	340,063	(4,591)	(1,815)		(127)	333,530	
Companhia Transleste de Transmissão	21,588	2,627		(1,265)		22,950	
UTE Barreiro	39,266	(2,769)		924		37,421	
Companhia Transudeste de Transmissão	20,505	2,044				22,549	
Empresa de Comercialização de Energia Elétrica	20,154	17,877		(19,570)		18,461	
Companhia Transirapé de Transmissão	23,952	2,359				26,311	
Efficientia	4,868	2,804		(1,171)	1	6,502	
Cemig Comercializadora de Energia Incentivada	1,867	338				2,205	
Companhia de Transmissão Centroeste de Minas	21,171	2,532		(1,346)		22,357	
Light	1,070,477	(30,740)	(5,442)			1,034,295	
Cemig Trading	28,635	28,120		(27,435)		29,320	
Axxiom Soluções Tecnológicas	19,264	(4,437)				14,827	
Taesa	1,582,633	81,856		(111,297)		1,553,192	
Cemig Overseas	20				111	131	
	12,627,857	511,625	(43,665)	(326,721)	100,111	(253)	12,868,954

Consolidated	Dec. 31, 2016	Equity method gain (Statement of income)	Equity method gain (Other comprehensive income)	Dividends	Injections / acquisitions	Others	Jun. 30, 2017
Companhia Transleste de Transmissão	21,588	2,627		(1,265)			22,950
Companhia Transudeste de Transmissão	20,505	2,044					22,549
Companhia Transirapé de Transmissão	23,952	2,359					26,311
Companhia de Transmissão Centroeste de Minas	21,171	2,532		(1,346)			22,357
Light	1,070,477	(30,740)	(5,442)				1,034,295
Axxiom Soluções Tecnológicas	19,264	(4,437)					14,827
Lepsa	343,802	(4,508)	(1,876)			(127)	337,291
RME	340,063	(4,591)	(1,815)			(127)	333,530
Hidrelétrica Cachoeirão	50,411	6,396		(2,641)			54,166
Guanhães Energia (1)		(2,081)			78,641	(59,071)	17,489
Hidrelétrica Pipoca	31,809	2,716		(1,284)			33,241
Madeira Energia (Santo Antônio Plant)	643,890	(48,633)					595,257
FIP Melbourne (Santo Antônio Plant)	677,182	(42,517)					634,665
Lightger	41,543	3,530		(642)			44,431
Baguari Energia	162,106	12,529		(5,752)		1	168,884
Central Eólica Praias de Parajuru	63,307	(1,125)		(406)			61,776
Central Eólica Volta do Rio	81,228	(4,054)					77,174
Central Eólica Praias de Morgado	59,586	(2,830)					56,756
Amazônia Energia(Belo Monte Plant)	781,022	6,194			55,941		843,157
Ativas Data Center (2)	17,741	(1,491)				2,003	18,253
Taesa	1,582,633	81,856		(111,297)			1,553,192
Renova	688,625	36,553	(33,852)		18,000		709,326
Usina Hidrelétrica Itaocara S.A.	2,782						2,782
Aliança Geração	1,319,055	39,043		(51,576)			1,306,522
Aliança Norte (Belo Monte Plant)	527,498	2,304			33,649		563,451

Retiro Baixo	161,848	6,442					168,290
Total of investments	8,753,088	60,118	(42,985)	(176,209)	186,231	(57,321)	8,722,922
Guanhães uncovered liabilities of jointly-controlled entity (1)	(59,071)					59,071	
Total	8,694,017	60,118	(42,985)	(176,209)	186,231	1,750	8,722,922

(1) Transfer to uncovered liabilities.

c) Information from the subsidiaries, jointly-controlled and affiliated entities, not adjusted for the percentage represented by the Company's ownership interest

Company	Jun. 30, 2018				Dec. 31, 2017		
	Number of shares	Cemig interest %	Share capital	Equity (Restated)	Cemig interest %	Share capital	Equity
Cemig Geração e Transmissão	2,896,785,358	100.00	1,837,710	4,860,721	100.00	1,837,710	4,793,832
Hidrelétrica Cachoeirão	35,000,000	49.00	35,000	98,665	49.00	35,000	118,280
Guanhães Energia	358,511,000	49.00	386,139	121,650	49.00	330,536	51,058
Hidrelétrica Pipoca	41,360,000	49.00	41,360	57,504	49.00	41,360	53,108
Retiro Baixo	222,850,000	49.90	222,850	276,447	49.90	222,850	257,880
Aliança Norte (Belo Monte Plant)	39,919,934,434	49.00	1,203,675	1,187,611	49.00	1,119,255	1,065,628
Madeira Energia (Santo Antônio Plant)	9,730,201,137	18.13	9,546,672	4,552,760	18.13	9,546,672	5,327,114
Lightger	79,078,937	49.00	79,232	84,410	49.00	79,232	83,331
Baguari Energia (1)	26,157,300,278	69.39	186,573	231,961	69.39	186,573	213,895
Renova	417,197,244	36.23	2,919,019	534,119	36.23	2,919,019	779,808
Aliança Geração	1,291,582,500	45.00	1,291,488	1,970,945	45.00	1,291,488	1,857,905
Central Eólica Praias de Parajuru	70,560,000	49.00	70,560	77,999	49.00	70,560	88,976
Central Eólica Volta do Rio	117,230,000	49.00	117,230	88,752	49.00	117,230	115,694
Central Eólica Praias de Morgado	52,960,000	49.00	52,960	46,605	49.00	52,960	54,312
Amazônia Energia (1) (Belo Monte Plant)	1,281,030,446	74.50	1,323,660	1,295,273	74.50	1,229,600	1,163,160
Usina Hidrelétrica Itaocara S.A.	17,014,114	49.00	18,038	7,390	49.00	11,102	7,549
Cemig Distribuição	2,359,113,452	100.00	2,771,998	4,375,890	100.00	2,771,998	3,737,310
Light	203,934,060	26.06	2,225,822	3,330,378	26.06	2,225,822	3,461,971
Cemig Telecom (2)					100.00	292,399	247,313
Ativas Data Center	456,540,718	19.60	182,063	100,071			
Rosal Energia	46,944,467	100.00	46,944	118,060	100.00	46,944	106,897
Sá Carvalho	361,200,000	100.00	36,833	99,963	100.00	36,833	102,536
Gasmig	409,255,483	99.57	665,429	952,739	99.57	665,429	1,223,948
Horizontes Energia	39,257,563	100.00	39,258	56,754	100.00	39,258	53,165
Usina Térmica Ipatinga	174,281	100.00	174	4,724	100.00	174	4,932
Cemig PCH	35,952,000	100.00	35,952	96,218	100.00	35,952	96,944
Lepsa	1,379,839,905	100.00	406,341	439,069	100.00	406,341	455,861
RME	1,365,421,406	75.00	403,040	436,891	75.00	403,040	453,157
UTE Barreiro	16,902,000	100.00	16,902	18,102	100.00	16,902	17,982

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Empresa de Comercialização de Energia Elétrica	486,000	100.00	486	26,815	100.00	486	18,403
Efficientia	6,051,994	100.00	6,052	16,653	100.00	6,052	7,084
Cemig Comercializadora de Energia Incentivada	1,000,000	100.00	1,000	2,206	100.00	1,000	2,004
Companhia de Transmissão Centroeste de Minas	28,000,000	51.00	28,000	35,737	51.00	28,000	40,361
Cemig Trading	1,000,000	100.00	1,000	27,782	100.00	1,000	29,206
Axxiom Soluções Tecnológicas	17,200,000	49.00	46,600	15,756	49.00	46,600	24,216
TAESA	1,033,496,721	21.68	3,042,034	4,410,910	21.68	3,042,034	4,346,746

(1) Jointly-control under a Shareholders Agreement.

(2) On March 31, 2018 Cemig Telecom was merged into the Company.

On June 30, 2018, the current liabilities of some jointly-controlled entities exceeded their current assets, as follows:

Madeira Energia S.A. (Mesa): The excess of current liabilities over current assets, equal to R\$ 1,749,729, arises mainly from the balances of the accounts Suppliers and Loans and financings. To resolve the situation of negative working capital, Mesa is renegotiating the flow of debt servicing payments with the BNDES and onlending banks, and the release of funds from the Reserve account, as a result of this renegotiation. The process of debt reprofiling is at an advanced stage of approval by the creditors and shareholders, and the remaining requirement for its conclusion is the definition of part of the corporate guarantees to be offered.

Renova Energia: In the period ended June 30, 2018, Renova Energia reported a loss of R\$ 245,689, accumulated losses of R\$ 2,440,279 and current liabilities in excess of current assets in the amount of R\$ 59,190. Renova Energia is required to obtain capital to comply with the construction commitments of wind and solar generating plants.

Due to this scenario, Renova has been taking actions to rebalance its liquidity and cash flow structure, and is working together with its controlling shareholders on a new restructuring plan, aiming to rebalance its capital structure and honor its commitments.

The Management of Renova Energia believes that with the success of these measures, it will be possible to recover the economic and financial equilibrium, and liquidity.

The events or conditions described above indicate the existence of relevant uncertainty that may cast significant doubt on Renova Energia ability to continue as a going concern as of June 30, 2018.

The Company is committed to the plans of the investee's management and has concluded that, at the present moment, there are no indicators of additional impairment need other than that already posted in the Quarterly Information of the Investee for the period ended June 30, 2018 which has been recognized by the Company thru equity method. The Company will timely reflect any need for additional impairment of this investment.

Investment in the *Santo Antônio* hydroelectric plant, through Madeira Energia S.A. (Mesa) and FIP Melbourne

The Company has an indirect investment, of 18.13%, in Madeira Energia S.A. (which holds an investment in Santo Antônio Energia S.A.), of R\$ 973,981 on June 30, 2018 (R\$ 1,117,265 on December 31, 2017).

Madeira Energia S.A. (Mesa) and its subsidiary Santo Antônio Energia S.A. (Saesa) are incurring construction costs related to the construction of the *Santo Antônio* hydroelectric plant. On June 30, 2018 the total PP&E and intangible assets constituted by these costs amounted to R\$ 21,202,427 (Mesa, consolidated). According to financial projections prepared by its Management, these construction costs will be recovered through future revenues from operations as all the entity's generation plants are currently under operation.

The Federal Public Attorneys' Office has conducted and is in the process of conducting investigations, and other legal measures are in progress, involving other indirect shareholders of Madeira Energia S.A. and certain executives of those other indirect shareholders. In this context, the Federal Public Attorneys have started investigations on 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 have started an independent internal investigation. It is not possible to determine the results of these investigations, or the developments arising from them, which may at some time in the future affect the investee.

The effects of any changes to the current scenario will be reflected, appropriately, in the interim financial information of the Company and its subsidiary Cemig GT.

The FID (Availability Factor)

On July 31, 2015, the Regional Federal Appeal Court accepted the request by SAESA for interim relief on appeal. This relief suspended the application of the Availability Factor (FID) related to the generating units of the Santo Antônio hydroelectric plant not dispatched by the National System Operator (ONS). This decision, which had ordered the regulator, Aneel, and the Wholesale Electricity Trading Chamber, CCEE, to adopt the necessary procedures to make that decision effective in the CCEE's accounting and settlement, was suspended by the Higher Appeal Court (STJ), was suspended by the Higher Appeal Court (STJ), and subsequently reinstated, after an interim remedy was granted in a Constitutional Complaint to the Federal Supreme Court. However, on April 10, 2018 the Supreme Court ruled against allowing the Constitutional complaint to go forward, re-establishing the effects of the decision given by the STJ. Due to the decision by the Supreme Court the CCEE, after authorization by Aneel, agreed the payment by installments of the debt, of R\$ 738,000, relating to the Availability Factor.

This was posted in the Liabilities of Saesa in Suppliers, as follows:

- (a) payment in 36 equal installments, adjusted by inflation, plus interest;
- (b) the installments to start with the CCEE accounting of July 2018, with financial settlement set for September 5, 2018.

Arbitration proceedings

In 2014, Cemig GT and SAAG Investimentos S.A. (SAAG), a vehicle through which Cemig GT holds an indirect equity interest in Mesa, opened arbitration proceedings, in the Market Arbitration Chamber, challenging the following: (a) the increase approved in the capital of Mesa of approximately R\$ 750 million partially to be allocated to payment of the claims by the Santo Antonio Construction Consortium (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 bylaws 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) the adjustment for impairment carried out by the Executive Board of Mesa, in the amount of R\$ 750 million, 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 by the Market Arbitration Chamber recognized the right of Cemig GT 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 doubtful accounts in the amount of R\$ 678,551 in its financial statements as of December 31, 2017.

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.

Investment in the *Belo Monte* Plant through *Amazônia Energia S.A.* and *Aliança Norte*

Amazônia Energia and Aliança Norte are Shareholders in Norte Energia S.A. (NESA), which holds the concession to operate the Belo Monte Hydroelectric Plant, on the Xingu River, in the State of Pará, and manages that interest. Through the jointly-controlled entities referred to above, Cemig GT owns an indirect equity interest in NESA of 11.74%.

NESA will still require significant funds for costs of organization, development and pre-operating costs, resulting in negative net working capital of R\$ 2,324,202 as of June 30, 2018. The completion of the construction works for *Belo Monte* plant, and consequent generation of revenues, in turn, depend on the capacity of the investee to continue to comply with the schedule of works envisaged, as well as obtaining the necessary financial resources, either from its shareholders and / or from third parties.

On April 7, 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 Aneel Normative Resolution and in the Concession Contract for the Belo Monte Hydroelectric Plant Aneel nº 595/2013 and its Concession contract 01/2010-MME. The legal advisers of NESA have classified the probability of loss as possible and estimated the potential loss on June 30, 2018 to approximately R\$ 616,000.

Investigations and other legal measures are in progress, 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, a write-down of the value of the infrastructure of NESA, by R\$ 183,000 was already recorded in 2015.

The effects of any changes in the current scenario will be reflected, appropriately, in the Company's interim financial information.

Investment in Renova Energia S.A. (Renova)

Negotiations relating to the Alto Sertão III wind farm complex

Renova is negotiating sale of the *Alto Sertão III* wind farm complex and has received non-binding proposals for acquisition of this Project from certain investors, which are at a final stage of the due diligence process.

Risks related to compliance with laws and regulations

On January 19, 2018, Renova responded to a formal statement by the Civil Police of Minas Gerais State received in November 2017, relating to the investigation being carried out by that Police Force related to certain capital injections made by the controlling shareholders of Renova, including Cemig GT, and capital injections made by Renova in certain projects under development in previous years. As a consequence, the governance bodies of Renova requested the opening of an internal investigation, which is being conducted by an independent party.

In addition, a monitoring committee was set up, composed by an independent counselor, the Chairman of the Fiscal Council and the chairman of the Board of Directors, who, together with the Audit Committee, will monitor the internal investigation.

The investigation is in progress, and it is not possible to determine any effects of this investigation, nor any impacts on the interim financial information of Renova, or the Company, for the six-month period ended June 30, 2018.

Non-binding proposal by Taesa for Centroeste

On May 16, 2018, the Company received a non-binding offer from Taesa for acquisition of Cemig's 51% shareholding position in Companhia Centroeste de Minas Gerais S.A. (Centroeste). This offer is under consideration by Management.

Resolution of crossover assets of Cemig GT and Energimp

On May 17, 2018, a document entitled Private Transaction Agreement was signed between the subsidiary Cemig GT and Energimp S.A. (Energimp), for resolution of crossover Shareholdings currently held by Cemig GT and Energimp in the companies Central Eólica Praias de Parajuru S.A. (Parajuru), Central Eólica Volta do Rio S.A. (Volta do Rio) and Central Eólica Praia de Morgado S.A. (Morgado).

The transaction will result in 100% of the share capital of Parajuru and Volta do Rio being wholly owned by the subsidiary Cemig GT, and 100% of the shares in Morgado being wholly owned by Energimp.

This transaction to resolve crossover shareholding was approved by the competition authority, CADE, and is in the process of approval by the financing bank.

Internal procedures on risks related to compliance with law and regulations

Considering the investigations that are being made in relation to the Company and certain investees, the governance bodies of the Company have authorized contracting of a specialized company to analyze the internal procedures related to these investments.

Considering that the work is still preliminary, at present it is not possible to measure any effects of these analyses or any impacts on the Company's interim financial information for the period ended June 30, 2018.

16. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Jun. 30, 2018			Dec. 31, 2017		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	224,921	(14,899)	210,022	224,924	(13,652)	211,272
Reservoirs, dams and watercourses	3,281,570	(2,090,870)	1,190,700	3,284,948	(2,051,372)	1,233,576
Buildings, works and improvements	1,117,019	(794,684)	322,335	1,116,990	(785,628)	331,362
Machinery and equipment	2,251,004	(1,660,519)	590,485	2,935,643	(2,062,092)	873,551
Vehicles	31,629	(26,368)	5,261	28,816	(25,711)	3,105
Furniture and utensils	16,115	(12,392)	3,723	16,109	(12,714)	3,395
	6,922,258	(4,599,732)	2,322,526	7,607,430	(4,951,169)	2,656,261
In progress	98,388		98,388	106,049		106,049
Net property, plant and equipment	7,020,646	(4,599,732)	2,420,914	7,713,479	(4,951,169)	2,762,310

Holding Company	Jun. 30, 2018			Dec. 31, 2017		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	82		82			
Buildings, works and improvements	408	(293)	115			
Machinery and equipment	5,841	(4,393)	1,448	3,627	(2,289)	1,338
Furniture and utensils	2,240	(1,838)	402	657	(644)	13
	8,571	(6,524)	2,047	4,284	(2,933)	1,351
In progress						
Development Assets	459		459	459		459
Net property, plant and equipment	9,030	(6,524)	2,506	4,743	(2,933)	1,810

The changes in PP&E are as follows:

Consolidated	Balance on Dec. 31, 2017	Addition	Disposals	Depreciation	Transfer to Held for sale	Transfers / capitalizations	Balance on Jun. 30, 2018
In service							
Land	211,272		(3)	(1,247)			210,022
Reservoirs, dams and watercourses	1,233,576		(2,575)	(40,447)		146	1,190,700
Buildings, works and improvements	331,362		(237)	(9,358)		568	322,335
Machinery and equipment	873,551		(5,095)	(41,444)	(255,758)	19,231	590,485
Vehicles	3,105			(666)		2,822	5,261
Furniture and utensils	3,395			(169)		497	3,723
	2,656,261		(7,910)	(93,331)	(255,758)	23,264	2,322,526
In progress	106,049	26,272	(1,152)			(32,781)	98,388
Net property, plant and equipment	2,762,310	26,272	(9,062)	(93,331)	(255,758)	(9,517)	2,420,914

Consolidated	Balance on Dec. 31, 2016	Addition	Jaguara, Miranda and Volta Grande Plants (1)	Disposals	Depreciation	Transfers / capitalizations	Balance on Jun. 30, 2017
In service							
Land	278,650		(61,287)		(4,686)		212,677
Reservoirs, dams, and watercourses	1,761,013		(440,923)	(3)	(44,579)	639	1,276,147
Buildings, works, and improvements	418,480		(68,971)		(9,859)	463	340,113
Machinery and equipment	1,171,189		(298,058)	(4,720)	(47,611)	57,989	878,789
Vehicles	4,230				(563)		3,667
Furniture and utensils	3,408				(203)	57	3,262
	3,636,970		(869,239)	(4,723)	(107,501)	59,148	2,714,655
In progress	138,106	31,364	(130)	(1,814)		(59,148)	108,378
Net property, plant and equipment	3,775,076	31,364	(869,369)	(6,537)	(107,501)		2,823,033

Holding Company	Balance on Dec. 31, 2017	Merger of Telecom (2)	Transfer to Held for sale	Transfers (2)	Depreciation Write-off	Balance on Jun. 30, 2018	
In service							
Land		82				82	
Buildings, works, improvements		116			(1)	115	
Machinery and equipment	1,338	262,138	(255,758)		(5,802)	(468)	1,448
Furniture and utensils	13	405			(16)		402
	1,351	262,741	(255,758)		(5,819)	(468)	2,047
In progress	459	9,025		(9,025)		459	
Net property, plant and equipment	1,810	271,766	(255,758)	(9,025)	(5,819)	(468)	2,506

(1) Transferred to Generation concession assets, in relation to the *Jaguara, Miranda* and *Volta Grande* Plants in the amount of R\$ 799,117 and to Concession financial assets, in relation to the *Volta Grande* Plant, in the amount of

R\$ 70,252.

(2) Related to the merged of its subsidiary Cemig Telecom. The amount of R\$ 9,025 was transferred to Inventories. See Note 1.

The average annual depreciation rate for the Company and its subsidiaries for the first six months of 2018 is 3.10%. Depreciation rates, which take into consideration the expected useful life of the assets, are revised annually by Management.

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 paid to Cemig GT for the residual value of the infrastructure assets. Management believes that the amounts ultimately received will be higher than the historical residual value.

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 Cemig GT is entitled to receive in cash. For contracts under which Cemig GT 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

Cemig GT is a partner in the electricity generation consortium for the *Queimado* plant, for which no separate company with independent legal existence was formed to manage the object of the concession, whose controls are being kept in Fixed assets and Intangible assets. Cemig GT's portion in the consortium is recorded and controlled separately in the respective categories of PP&E and Intangible assets.

	Interest in power output, %	Average annual depreciation rate %	Jun. 30, 2018	Dec. 31, 2017
Holding Company and Consolidated				
In service				
Queimado plant	82.50	4.03	217,210	217,109
Accumulated depreciation			(95,018)	(90,649)
Total in operation			122,192	126,460
In progress				
Queimado plant	82.50		240	340
Total in construction			240	340

17. INTANGIBLE ASSETS

Composition of the balance on June 30, 2018 and on December 31, 2017:

Consolidated	Jun. 30, 2018			Dec. 31, 2017		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Temporary easements	11,749	(2,327)	9,422	11,749	(1,990)	9,759
Paid concession	19,169	(11,591)	7,578	19,169	(11,251)	7,918
Assets of concession	18,146,605	(7,714,250)	10,432,355	17,837,687	(7,402,296)	10,435,391
Others	75,676	(62,225)	13,451	81,721	(64,533)	17,188
	18,253,199	(7,790,393)	10,462,806	17,950,326	(7,480,070)	10,470,256
In progress	722,146		722,146	685,672		685,672
Net intangible assets	18,975,345	(7,790,393)	11,184,952	18,635,998	(7,480,070)	11,155,928

Holding Company	Jun. 30, 2018			Dec. 31, 2017		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Rights of software	12,405	(8,004)	4,401	3,789	(3,748)	41
Brands and patents	239	(239)		9	(7)	2
	12,644	(8,243)	4,401	3,798	(3,755)	43
In progress	2,329		2,329	2,415		2,415
Net intangible assets	14,973	(8,243)	6,730	6,213	(3,755)	2,458

Changes in Intangible assets:

Consolidated	Balance on	Addition	Disposals	Amortization	Transfers	Other	Balance on
	Dec. 31, 2017				to Held for sale		Transfer (1)
In service							
Useful life defined							
Temporary easements	9,759			(337)			9,422
Paid concession	7,918			(340)			7,578
Assets of concession	10,435,391	(5,197)		(328,997)	330,811	347	10,432,355

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Others	17,188	1,064	(112)	(2,795)	(6,947)	5,053		13,451
	10,470,256	1,064	(5,309)	(332,469)	(6,947)	335,864	347	10,462,806
In progress	685,672	383,898	(856)			(346,568)		722,146
Net intangible assets	11,155,928	384,962	(6,165)	(332,469)	(6,947)	(10,704)	347	11,184,952

(1) The residual balance of the transfers refers to the balances transferred to financial assets.

Consolidated	Balance on Dec. 31, 2016	Addition	Jaguara, Special Volta Grande obligations and write-down Miranda				Transfer	Balance on Jun. 30, 2017
			(1)	plants	Disposals	Amortization		
In service								
Useful life defined								
Temporary easements	10,434					(336)		10,098
Paid concession	8,597					(340)		8,257
Assets of concession	9,247,923		17,069		(2,423)	(299,633)	787,778	9,750,714
Others	17,430			(80)		(2,990)	737	15,097
	9,284,384		17,069	(80)	(2,423)	(303,299)	788,515	9,784,166
In progress	1,535,296	448,132			(5,296)		(823,304)	1,154,828
Net intangible assets	10,819,680	448,132	17,069	(80)	(7,719)	(303,299)	(34,789)	10,938,994

Holding Company	Balance on Dec. 31, 2017	Merger of Transfers to Held			Additional	Amortization	Balance on Jun. 30, 2018
		Telecom (2)	for sale	Transfers			
In service							
Useful life defined							
Rights of software		41	11,716	(6,947)	101	(510)	4,401
Brands and patents		2				(2)	
		43	11,716	(6,947)	101	(512)	4,401
In progress	2,415				(101)	15	2,329
Net intangible assets	2,458	11,716	(6,947)		15	(512)	6,730

(1) The write-down of a Special Obligation arises for restitution of amounts calculated in the final settlement of Financing and Subsidy Contracts for the *Luz Para Todos* (Light for All) program, with funds from the CDE account, and return of funds related to the Global Reversion Reserve (RGR).

(2) On March 31, Cemig Telecom was merged into the Company, see Note 1.

The intangible asset easements, concessions payable, assets of concession, and others, are amortizable by the straight-line method, taking into account 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. The amount of additions on June 30, 2018 includes R\$ 16,392 (R\$ 40,399 in the first half of 2017) of capitalized borrowing costs, as presented in Note 20.

The annual average amortization rate is 3.85% on the first half of 2018. The main annual amortization rate reflects the expected useful life of assets and pattern of their consumption by the Management.

Under the regulations of the electricity sector, goods and facilities used in the distribution are linked to these services, and cannot be withdrawn, disposed of, assigned or given in mortgage guarantee without the prior express authorization of the Regulator. Undoing of that link, for assets of an electricity concession, requires that the proceeds of the disposal are used for purposes of the concession.

18. SUPPLIERS

	Consolidated	
	Jun. 30, 2018	Dec. 31, 2017
Energy on spot market CCEE	684,398	468,216
Charges for use of energy network	136,964	153,146
Energy purchased for resale	704,389	870,654
Itaipu Binational	274,236	240,220
Gas purchased for resale	86,306	186,401
Materials and services	266,383	424,120
	2,152,676	2,342,757

19. TAXES PAYABLE, INCOME TAX AND SOCIAL CONTRIBUTION TAX AND AMOUNTS TO BE REIMBURSED TO CUSTOMERS**a) Taxes payable and amounts to be reimbursed to customers**

	Consolidated		Holding Company	
	Jun. 30, 2018	Dec. 31, 2017	Jun. 30, 2018	Dec. 31, 2017
	(Restated)			
Current				
ICMS (VAT) (I)	138,678	496,916	2,043	
Cofins	97,714	126,065	600	2,484
Pasep	21,208	27,154	119	484
Social security contributions	18,981	19,522	2,312	1,913
Others	18,174	34,915	1,472	960
	294,755	704,572	6,546	5,841
Non-current				
Cofins	24,312	24,216		
Pasep	3,955	3,983		
	28,267	28,199		
	323,022	732,771	6,546	5,841
Amounts to be reimbursed to customers				
Non-current				
Pasep and Cofins (II)	1,105,572	1,087,230		

1,105,572 **1,087,230**

(I) The Tax Amnesty Program (PRCT).

In 2017 the subsidiaries Cemig D and Cemig GT joined the terms of the Minas Gerais State Tax Amnesty Program (*Plano de Regularização de Créditos Tributários*, or PRCT), for payment of ICMS (VAT) through installments, updated and net of the reductions of penalty payments and interest, as specified in State Law 22,549, and subsequent decrees that specified the conditions for payment of tax debits by installments.

The main tax issues that led to the decision of Cemig D to subscribe to the PRCT relate to ICMS (VAT) on the CDE subvention in the period January 2013 to October 2016, and also to the classification of residential condominiums in the *commercial* category, which has a different ICMS (VAT) rate, generating disagreement with the tax authority on interpretation, over the period 2013 to 2015. The amount included in the PRCT for Cemig D, in the amount of R\$ 557,673, net of the reduction in interest and penalty payments by 90%, was paid in 6 (six) installments, adjusted at a 50% of the Selic rate and the 6th installment was paid on April 2, 2018.

(II) The long-term obligations for the Pasesp and Cofins included the amounts relating to the Court challenge of the constitutionality of inclusion of the amount of ICMS (VAT) tax within the base amount on which these contributions are calculated. The subsidiaries Cemig D and Cemig GT obtain interim relief from the Court allowing them not to make the payment and authorizing payment of the deposits into court (starting in 2008), and maintained this procedure until August 2011. After that date, while continuing to challenge the basis of the calculation in court, it opted to pay the taxes monthly.

On October 2017, the Federal Supreme Court (STF) published its Joint Judgment on the Extraordinary Appeal, on the basis of setting a global precedent, in favor of the argument of the subsidiaries. Based on the opinion of its legal advisers, the Company wrote down the liabilities relating to these contributions and recorded a potential liability related to the reimbursement to its customers. On June 30, 2018, the liability to its customers was R\$ 1,105,572 (R\$ 1,087,230 on December 31, 2017), which is equivalent to the updated amount of the escrow deposits already made which total R\$ 1,129,612 (R\$ 1,110,376 on December 31, 2017), net of the Pasesp and Cofins incident on its revenue from updating, in the amount of R\$ 24,040 (R\$ 23,146 on December 31, 2017). This liability was recorded considering that the subsidiary passes to its Customers the tax effects incident upon its electricity bill, maintaining the neutrality of tariffs. The restitution to Customers will depend upon the court escrow deposit being lifted and a decision by Aneel on the mechanisms to be adopted. The net effect arising from the recognition of this matter on the net income for the year 2017 was null.

b) Income tax and Social Contribution tax

	Consolidated	
	Jun. 30, 2018	Dec. 31, 2017
Current		
Income tax	50,393	88,152
Social Contribution tax	17,255	27,144
	67,648	115,296

20. LOANS, FINANCINGS AND DEBENTURES

Financing source	Principal maturity	Annual financial cost	Currency	Current	Consolidated		Dec. 31, 2017 Total	
					Jun. 30, 2018 Non-current	Total		
FOREIGN CURRENCY								
Banco do Brasil:								
Various Bonds (1)	2024	Various	US\$	1,834	27,404	29,238	22,933	
Eurobonds (2)	2024	9.25%	USD	29,139	3,855,800	3,884,939	3,333,149	
KfW	2019	1.78%	EURO	4,936		4,936	4,383	
(-) Transaction costs						(15,566)	(15,566)	(15,400)
(-) Interest paid in advance						(46,312)	(46,312)	(47,690)
Debt in foreign currency				35,909	3,821,326	3,857,235	3,297,375	
BRAZILIAN CURRENCY								
Banco do Brasil S.A.								
	2021	140.00% of CDI Rate	R\$	124,665	617,622	742,287	742,364	
Banco do Brasil S.A.								
	2022	146.50% of CDI	R\$	2,527	500,000	502,527	500,193	
Caixa Econômica Federal								
	2018	119.00% of CDI	R\$				8,346	
Caixa Econômica Federal								
	2022	146.50% of CDI	R\$	1,345	625,499	626,844	626,667	
Eletrobras								
	2023	UFIR + 6.00 to 8.00%	R\$	13,245	27,713	40,958	49,789	
Large customers								
	2024	Various	R\$	2,222	2,437	4,659	4,304	
FINEP								
		TJLP + 5.00% and						
	2018	TJLP + 8.00%	R\$	786		786	2,359	
Consórcio Pipoca								
	2018	IPCA	R\$	185		185	185	
Banco da Amazônia S.A.								
	2018	CDI + 1.90%	R\$	126,494		126,494	121,470	
Sonda (3)								
	2021	110.00% of CDI	R\$		44,005	44,005	41,993	
9 th Note issue single series (4)								
	2019	151.00% of CDI	R\$	6,114	400,000	406,114		
() FIC Pampulha fund securities of subsidiary companies (6)								
					(13,321)	(13,321)		
				(728)	(20,680)	(21,408)	(26,435)	

(-) Transaction
costs

**Debt in Brazilian
currency**

276,855 2,183,275 2,460,130 2,071,235

**Total of loans and
financings**

312,764 6,004,601 6,317,365 5,368,610

Debentures 3rd

Issue: 2nd Series

(2) 2019 IPCA + 6.00 R\$ 149,006 149,006 301,065

Debentures 3rd

Issue: 3rd Series (2) 2022 IPCA + 6.20 R\$ 21,934 977,097 999,031 1,010,202

Debentures 5th

Issue Single

series (2) 2018