

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

October 13, 2015

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

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

For September 29, 2015
(Commission File No. 1-31317)

Companhia de Saneamento Básico do Estado de São Paulo - SABESP
(Exact name of registrant as specified in its charter)

Basic Sanitation Company of the State of Sao Paulo - SABESP
(Translation of Registrant's name into English)

Rua Costa Carvalho, 300
São Paulo, S.P., 05429-900
Federative Republic of Brazil
(Address of Registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file
annual reports under cover 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 the registrant by furnishing the
information contained in this Form 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, indicated below the file number assigned to the
registrant in connection with Rule 12g3-2(b):

COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO – SABESP

PUBLICLY-HELD COMPANY

Corporate Taxpayer’s ID (CNPJ): 43.776.517/0001-80

MATERIAL FACT

Pursuant to CVM Instruction 358 of January 3, 2002, Companhia de Saneamento Básico do Estado de São Paulo - SABESP (“Company” or “SABESP”) hereby announces that, on this date, signed a 30-year Water and Sewage Service Contract with the Municipality of Santos, the third largest municipality operated by the Company.

The main highlights of the negotiation are:

1. Agreement to settle the municipality’s debt with Sabesp;
2. Share of ICMS tax as guarantee for receivables from service provided to municipal owned properties;
3. Commitment to invest approximately R\$450 million in Santos;
4. Transfer of funds to the municipality, in order to execute investments in environmental sanitation and infrastructure works in the city. The funds will be transferred in the following way:
 - i. R\$130 million, in five annual installments; and
 - ii. 0.53% of the revenue obtained by the Company by proving service in Santos, net of Cofins and Pasesp taxes, to be transferred on a quarterly basis and for the duration of the agreement.

São Paulo, September 29, 2015.

Rui de Britto Álvares Affonso

Chief Financial Officer and Investor Relations Officer

