

**BYLAWS OF
TRANSMISSORA ALIANÇA DE ENERGIA ELÉTRICA S.A.**

Chapter I - Corporate Name, Headquarters, Purpose and Term of Duration

Article 1. A Transmissora Aliança de Energia Elétrica S.A. (“Company”) is a joint-stock company, with undetermined term of duration, ruled by these Bylaws and applicable legislation, especially Law 6,404, dated December 15, 1976 and its subsequent changes (“Corporate Law”).

Paragraph One - With the Company's admission to the special listing segment designated Level 2 of Corporate Governance, of BM&FBOVESPA S.A. - Stock, Commodities and Futures Exchange (“BM&FBOVESPA”), the Company, its shareholders, Directors and members of the Audit Committee, when installed, are subject to the provisions of the Level 2 Corporate Governance Listing Regulation of BM&FBOVESPA (“Level 2 Regulation”).

Paragraph Two - The provisions of Level 2 Regulation will prevail over the statutory provisions, in the event of prejudice to the rights of the recipients of the public offerings provided herein.

Article 2. The Company has its principal place of business and legal domicile at Praça Quinze de Novembro, 20, 10º andar, salas 601, 602, 1002 e 1003, Centro, CEP 20.010-010, in the city and state of Rio de Janeiro, at which place it will have its administrative office, and may open branches, offices and representative offices in any part of the country or abroad, by resolution of the Board of Directors.

Article 3. The Company’s corporate purposes include the following and Company is authorized to carry out all acts for their implementation:

- (i) To operate and explore the concession of the public electric power transmission service for the implementation, operation and maintenance of transmission lines pertaining to Basic Network of the National Interconnected System (SIN), jointly identified as INTERLIGAÇÃO NORTE SUL II, in compliance with the technical requirements of Exhibit 07 C of the Call Notice of the National Electric Power Agency (“ANEEL”) Auction no. 02/2000, including (i) the 500 kV Transmission Line between the substations Samambaia and Imperatriz, with approximately 1,260 km, originating at the substation 500 kV Samambaia and ending at substation 500 kV Imperatriz; (ii) substations Samambaia, Serra da Mesa, Gurupi, Miracema, Colinas and Imperatriz; (iii) the respective Electric Line-ins, Bar Interconnections and other facilities necessary to the measurement, operation, overseeing, protection, command, control, telecommunication, management and support, as well as (iv) eventual future expansions established by ANEEL or other granting agency;
- (ii) To operate and explore the concession of the public electric power transmission service for the implementation, operation and maintenance of transmission lines pertaining to the Basic Network of the National Interconnected System (SIN), jointly identified as INTERLIGAÇÃO SUDESTE NORDESTE, in compliance with the technical requirements of Exhibit 07 C of the Call Notice of ANEEL Auction no. 02/2000, including (i) the 500 kV Transmission Line between substations Serra da Mesa, Rio das Éguas (Correntina), Bom Jesus da Lapa II, Ibicoara (Mucugê) and Sapeaçu (Governador Mangabeira II), with approximately 1,050 km, originating at

substation 500 kV Serra da Mesa and ending at substation 500 kV Sapeaçu; (ii) substations Rio das Éguas (Correntina) - 500 kV, Bom Jesus da Lapa II - 500/230 kV, Ibicoara (Mucugê) - 500 kV, Sapeaçu (Governador Mangabeira II) - 500/230 kV; (iii) the 500 kV Electric Line-in facilities at substation Serra da Mesa; (iv) at the sectioning of the three 230 kV lines at Governador Mangabeira - Funnel owned by CHESF, including the construction of six 230 kV line segments, to be connected with the new substation 500/230 kV Sapeaçu (Governador Mangabeira II); (v) at two 230 kV connections with substation Bom Jesus da Lapa II; (vi) at the respective Electric Line-ins, Bar Interconnections and other facilities necessary to the measurement, operation, overseeing, protection, command, control, telecommunication, management and support, as well as (vii) eventual future expansions established by ANEEL or other granting agency;

- (iii) To operate and explore the concession of the public electric power transmission service for the implementation, operation and maintenance of 440 kV transmission lines Taquaruçú-Assis and Assis-Sumaré, and associated facilities, including eventual future expansions established by ANEEL or other granting agency, located in the State of São Paulo, in compliance with the technical requirements of the Public Tender Call Notice no. 007/1999 of ANEEL and pursuant to the Concession Agreement no. 40/2000 - ANEEL, executed between the corporation acquired by the Company, ETEO-Empresa de Transmissão de Energia do Oeste S.A., and ANEEL;
- (iv) To operate and explore the concession of the public electric power transmission service for the implementation, operation and maintenance of 230 kV transmission lines Goianinha-Mussurú, and associated facilities, including eventual future expansions established by ANEEL or other granting agency, located in the States of Pernambuco and Paraíba, in compliance with the technical requirements of the Public Tender Call Notice no. 003/2001 of ANEEL and pursuant to the Concession Agreement no. 01/2002 - ANEEL;
- (v) To operate and explore the concession of the public electric power transmission service for the implementation, operation and maintenance of 230 kV transmission lines Paraíso-Açu, and associated facilities, including eventual future expansions established by ANEEL or other granting agency, located in the State of Rio Grande do Norte, in compliance with the technical requirements of the Public Tender Call Notice no. 003/2001 of ANEEL and pursuant to the Concession Agreement no. 87/2002 - ANEEL;
- (vi) To operate and explore the concession of the public electric power transmission service for the implementation, operation and maintenance of 500 kV transmission lines Camaçari II-Sapeaçu, and associated facilities, including eventual future expansions established by ANEEL or other granting agency, located in the State of Bahia, in compliance with the technical requirements of the Public Tender Call Notice no. 001/2003 of ANEEL and pursuant to the Concession Agreement no. 06/2004 - ANEEL.
- (vii) To operate and explore other concessions of public electric power transmission services, including the implementation, operation and maintenance of transmission facilities of the basic network of the National Interconnected System (SIN), as

specified in the Auction Call Notices published by ANEEL, or as determined by the Granting Authority. Therefore, the Company can take part in public tenders, both alone or as part of a consortium, and/or acquire minority or majority interest in the capital stock of other concessionaires granting public electric power transmission services, as provided for by law;

- (viii) In view of the execution of corporate purposes provided for by items (i), (ii), (iii), (iv), (v), (vi) and (vii), the Company will conduct a study and planning and construction activities of the facilities related to the projects, investing and raising funds necessary to develop the works, providing services that may include transforming and transmitting electric power;
- (ix) To conduct studies involving any factors that may influence projects, the construction, operation and maintenance of facilities related to the electric power transmission industry or in similar, related or associated sectors;
- (x) To conduct studies and chemical analysis in material and equipment related to the electric power transmission industry or in similar, related or associated sectors, including, but not limited to studies and chemical analysis in materials such as paper, copper, oil and gas;
- (xi) To execute basic and detailed engineering services, procurement and purchase process, constructions, commissioning, operation and maintenance of systems related to the electric power transmission industry or similar, related or associated sectors, including the following ancillary services:
- (xii) To lease, borrow or grant equipment, infrastructure and facilities related to the electric power transmission industry or similar, related or associated sectors;
- (xiii) To provide technical support in the electric power transmission industry or in similar, related or associated sectors;
- (xiv) To practice any other activities that allow improved use and valuation of networks, structures, resources and competences;
- (xv) To operate, both in Brazil and abroad, alone or in a partnership with other companies, to take part in auctions and to develop any other associated activity or that may be somehow useful to achieve the corporate purpose; and
- (xvi) the interest in other companies, both domestic or foreign, that operate in the electric power transmission industry, as partner, shareholder or quotaholder;

Sole Paragraph - Despite the activities mentioned above, as well as inherent, additional or supplementary activities to the services and works contracted, the Company may also implement projects associated to the public utility concession being explored, especially telecommunication and data transmission services, as well as facility operation and maintenance services in other concessionaires, and additional services related to engineering, testing and research activities.

Chapter II - Capital Stock and Shares

Article 4. The Company's subscribed and paid-up capital stock is R\$3,067,535,193.28 (three billion, sixty-seven million, five hundred thirty-five thousand, one hundred ninety-three reais and twenty-eight centavos), divided into 344.498.907 (three hundred forty-four million, four hundred ninety-eight thousand and nine hundred seven) shares, out of which 230,517,711 (two hundred thirty million, five hundred seventeen thousand and seven hundred eleven) common shares and 113,981,196 (one hundred thirteen million, nine hundred eighty-one thousand and one hundred ninety-six) preferred shares, all registered, book-entry and nonpar shares.

Paragraph One. The Company is authorized increase its capital stock as per resolution of the Board of Directors, not depending on statutory reform, up to the limit of five billion reais (R\$5,000,000,000.00), with or without the issue of common or preferred shares, and it is incumbent upon the Board of Directors to establish the issue conditions, including price, term and payment method.

Paragraph Two. The Company's capital stock increase with the issue of shares may comprise one or more types or classes of shares, without keeping proportion among the shares of each type or class, being observed, regarding the preferred shares, the maximum limit established by law, as well as the provisions of Article 46 of these Bylaws.

Article 5. Each common share grants its holders the right to have one vote in the General Meetings, which resolutions shall be taken pursuant to the applicable legislation, and these Bylaws.

Article 6. The preferred shares do not grant right to vote in the resolutions of General Meetings, except when regarding the matters specified in Paragraph One below and have ensured the following preferences and advantages:

- (a) priority in capital reimbursement, without premium;
- (b) the right to share in the distribution of profits on a equal basis in relation to the common shares; and
- (c) (c) the right to be included in public offer resulting from Company Control disposal, pursuant to Chapter VII of these Bylaws, by the same price and conditions of the common shares pertaining to the Controlling Block.

Paragraph One. The preferred shares shall have the right to vote on any resolutions made at Shareholder Meetings concerning:

- (a) Transformation, Take-over, Merger or Spin-off of the Company;
- (b) approval of agreements entered into between the Company and the Controlling Shareholder, directly or by means of third parties, as well as other companies in which the Controlling Shareholder holds interest, whenever their resolution is required in a General Meeting, pursuant to legal disposition or to these Bylaws;
- (c) appraisal of assets earmarked for the capital increase subscription of the Company;

- (d) choice of a specialized company for determination of the Company's Economic Value; and
- (e) change or revocation of statutory provisions which change or modify any of the requirements established in item 4.1 Regulations of the Level 2, excepting that this voting right shall prevail while the Agreement for the Adoption of Level 2 Corporate Governance Differential Practices is in force.

Paragraph Two. Besides the preferences and advantages aforementioned, the General Meeting attendants responsible for the shares issue resolution may attribute additional preferences and advantages to them.

Paragraph Three. The shareholders may, at any time, convert common shares into preferred shares, at the rate of one (01) common share to one (01) preferred share, inasmuch as they are paid in and pursuant to the legal limit. The conversion requests shall be forwarded in writing to the Board of Executive Officers. The conversion requests received and accepted by this board shall be ratified at the first Board of Directors Meeting to be held.

Article 7. The Company shall not issue founder's shares.

Article 8. All the shares of the Company are registered, book entry and maintained in an authorized financial institution trust account, on behalf of their holders.

Sole Paragraph. The transfer and registration cost, as well as the cost of the service related to the book entry shares, may be collected directly from the shareholder by the institution responsible for the bookkeeping, as per the provisions to be established by the shares bookkeeping agreement.

Article 9. In the proportion of the shares they hold, shareholders shall have the preemptive right for the subscription of new shares or of securities convertible in shares.

Sole Paragraph. At the discretion of the Board of Directors, the preemptive right in the issues of shares, including the ones to be represented by Units (as defined in Article 45 of these Bylaws), debentures convertible in shares and subscription bonus, performed by means of sales in the stock market or public subscription, or even by means of share swap, in takeover bids, pursuant to the Corporate Law, within the limit of authorized capital, may be excluded or reduced.

Chapter III - Shareholders General Meeting

Article 10. The Shareholders General Meetings shall be held in an ordinary basis once a year, during the first four (04) months subsequent to the closing of each fiscal year and in an extraordinary basis whenever required to meet the social interests of the Company.

Article 11. The Shareholders General Meetings, Ordinary or Extraordinary, shall be called pursuant to the Brazilian Corporate Law and to these Bylaws and shall be convened and presided by the Chairman of the Board of Directors, assisted by a person of his choice.

Paragraph One. In the events of absence or temporary impediment of the Chairman of the Board of Directors the Chairman of the Board shall be elected by the simple majority of the shareholders attending the Meeting, being assisted by one of the shareholders present, selected by him.

Paragraph Two. Without adverse effects to the provisions of Article 123, sole paragraph, of the Corporate Law, the General Meeting shall be called by the Chairman or Vice-Chairman of the Board of Directors, by means of call notice published with at least fifteen (15) days in advance, for the first call, and with at least eight (08) days in advance, for the second call.

Paragraph Three. The Minutes of the General Meeting shall be filed in the Commercial Registry and published within thirty (30) days counting from the date when the meeting was held.

Paragraph Four. The General Meeting attendants shall only resolve on matters of the agenda, published in the respective call notices, exempting the exceptions established by the Corporate Law.

Paragraph Five. In the General Meeting, shareholders shall present, with at least seventy-two (72) hours in advance, proof of their respective ownership, issued by the institution responsible for the bookkeeping, besides their identity card.

Article 12. Decisions of the General Meetings will be made by absolute majority of votes, not counting blank votes, except in cases where the applicable regulations require *a different quorum*, and decisions regarding the subject matters mentioned in Paragraph two below, which will only be approved with the affirmative vote of the shareholders representing at least fifty percent (50%) of the Company's voting stock.

Paragraph One. It is the responsibility of the General Meeting to decide on:

I- approval of any amendments to the Bylaws of the Company;

II - any decreases or increases in the Company's capital, except as provided in article 4, paragraph one, of these Bylaws, and the terms, criteria and deadlines for subscription and payment of any capital increases of the Company;

III- the public or private issue of any documents, bonds, subscription warrants, shares or other securities by the Company, except for the issues arising from article 4, paragraph one of these Bylaws, incumbent upon the Board of Directors, as well as the execution of agreements and granting of options by the Company for the purchase of any documents, bonds, subscription warrants, shares or other securities or the granting of any rights to third parties (or any subsequent amendment thereto) that could attribute to the holder or beneficiary the right to subscribe or acquire documents, bonds, subscription warrants, shares or other securities that are part of the Company's assets or have been issued by the Company;

IV- the approval of (a) the annual financial statements of the Company and its subsidiaries; (b) the change in accounting criteria; (c) the annual management's report; and (d) the allocation of net income in the fiscal year;

V – the election or removal of members of the Board of Directors and the Fiscal Council of the Company;

VI - the approval and amendment of internal regulations of the Board of Directors and the Fiscal Council of the Company;

VII - the establishment or alteration of the dividend policy of the Company, as well as the distribution of any dividends or the payment of interest on equity;

VII - the approval of the overall compensation of the members of the Board of Directors and of the Executive Board and of the compensation of the members of the Fiscal Council, as well as the distribution of net income;

IX – the approval of cancelation of the registration as a publicly held company;

X - approval of the discontinuity of Differentiated Practices of Level 2 Corporate Governance;

XI - the selection of a specialized company for determining the Company's Economic Value in the event of the cancellation of the registration as a publicly held company or the discontinuance of adherence to the Level 2 Special Corporate Governance Practices.

XII - the merging of shares by the Company;

XIII - the transformation of the Company into any other type of business organization, as well as the Company's participation in any other form of corporate reorganization and/or the restructuring of the Company's assets, businesses or activities;

XIV - the filing by the Company of any voluntary proceeding seeking relief under the bankruptcy law or similar law, as well as the appointment of liquidator or receiver; e

XV - the association in any form of the Company with other companies, including the execution of a joint enterprise or consortium, as well as the creation of a wholly owned subsidiary or acquisition of control or an equity interest in other companies, consortiums, associations and partnerships, as well as the creation of groups of companies or the participation of the Company in groups of companies, except for actions with the purpose of strict compliance with previously assumed commitments still in force;

Paragraph Two. The approval of the matters below depends on the affirmative vote of shareholders representing at least fifty percent (50%) of the Company's voting stock, without prejudice to the other matters provided in Article 136 of the Brazilian Corporation Law:

I - approval of any amendments in its business purpose of the Company;

II - merger, spin-off or incorporation into another; e

III - dissolution of the Company.

Chapter IV - Company's Management

Section I -Provisions Shared by the Administrative Bodies

Article 13. The management of the Company shall be exercised by the Board of Directors and by the Board of Executive Officers, pursuant to the law and to these Bylaws.

Article 14. The Board of Directors' and Board of Executive Officers' members shall take office by means of execution of the respective instrument of investiture in the minutes book of the Board of Directors and Board of Executive Officers Meetings, being exempted the management pledge, remaining them subject to the requirements, impediments, duties, obligations and responsibilities set forth in Articles 145 up to 158 of the Corporate Law.

Paragraph One. In accordance with the Level 2 Corporate Governance Differential Practices Agreement by the Company, the investiture of the managers in the respective positions shall be subject to the previous subscription of the Instrument of Managers Consent, pursuant to the Level 2 Corporate Governance Differential Practices Regulation , as well as to the legal and regulatory requirements applicable.

Paragraph Two. Managers shall remain in their positions until the investiture of their deputies, unless otherwise resolved by the General Meeting attendants.

Section II - Board of Directors

Article 15. The Board of Directors shall be composed of eleven (11) members and their respective alternate members, Brazil residents or residents of other countries, elected by the General Meeting, with a unified term of office of one (1) year, with reelection permitted.

Paragraph One. After the election of the members of the Board of Directors, the Chairman of this body will be chosen among the elected members, and it shall be observed that the job titles of Chairman of the Board of Directors and of Chief Executive Officer cannot be assigned to the same person. The Chairman of the Board of Directors shall be responsible for chairing the Board of Directors meetings.

Paragraph Two. In accordance with the execution of the Agreement for the Adoption of the Level 2 Corporate Governance Differential Practices by the Company, at least twenty per cent (20%) of the members of the Board of Directors shall be independent. When, as a consequence of the compliance with this percentage, results a fractional number of Directors, it shall be considered the whole number: (i) immediately superior, when the fraction is equal or superior to 0.5 (five-tenths); or (ii) immediately inferior, when the fraction is inferior to 0.5 (five-tenths).

Paragraph Three. For the purposes of these Bylaws, an Independent Director is the one who: (i) has no contractual bond with the Company, excepting capital interest; (ii) is not Controlling Shareholder, spouse or relative up to the second degree of the Independent Director or is not or was not, during the last three (03) years, contractually bond to a company or entity related to the Controlling Shareholder (persons contractually bond to public learning and/or research institutions are excluded from this restriction); (iii) was not, during the last three (03) years, employee or executive officer of the Company, of the Controlling Shareholder or of a corporation controlled by the Company; (iv) is not supplier or buyer, direct or indirect, of the Company's services and/or products, in such an extent that suggests damage to the independence criteria; (v) is not employee or manager of a company or entity offering or requesting services and/or products to the Company, in such an extent that suggests damage to the independence criteria; (vi) is not spouse or relative up to the second degree of any manager of the Company; (vii) does not receive other remuneration from the Company other than the one of Director (wages in cash arising from capital interest are excluded from this restriction). An Independent Director is also the one who is elected by means of right set forth in Article 141, Paragraph Four, Subsection I, of the Corporate Law. The qualification as Independent Director shall be expressly stated in the minutes of the General Meeting in which he is elected.

Article 16. Any member of the Board of Directors will have the right to be represented at the Board of Directors' Meetings by another Board member appointed as their alternate, provided that (i) the alternate was appointed by the same shareholder who appointed the alternate, and (ii) the alternate member is duly empowered to represent the member.

Sole Paragraph. In the event of the vacancy of the position of member of the Board of Directors, the functions will be exercised by another member appointed by the same shareholder with the vacant position on the Board of Directors, and said shareholder will be entitled to appoint an alternate member at the first Shareholders' Meeting held after the event.

Article 17. The meetings of the Board of Directors shall be called, on a regular basis, 1 (one) time each month and, on an extraordinary basis, whenever called (i) in accordance with governing law; (ii) by the Chairman of the Board of Directors; and (iii) by any 2 (two) of its members, at least 8 (eight) business days prior to the date set for the meeting on first call, and at least 3 (three) business days prior to the date set for the meeting on second call, with the presentation of the agenda to be addressed whenever the Company's interests require.

Paragraph One. The meeting in which all the members of The Board of Directors in office are present shall be considered regular, no matter the formalities set forth in Article 17.

Paragraph Two. The meetings of the Board of Directors shall only be convened on first call with the presence of at least eight (8) members, or on second call with the presence of at least seven (7) members.

Article 18. The meetings of the Board of Directors shall be preferably held at the Company's headquarters. Meetings held by means of conference calls, videoconferences or other media tools shall be admitted and such participation shall be considered as personal presence in the meeting under discussion.

Paragraph One. At the end of the meeting, the minutes shall be drawn up and signed by all the Directors physically or remotely present, being subsequently transcribed to the Minutes Book of the Company's Board of Directors. The votes of the Directors who have manifested themselves pursuant to Article 18 *in fine* shall equally be in the Minutes Book of the Board of Directors. The copy of the letter, facsimile or e-mail, according to the case, with the vote of the Director shall be attached to the Book soon after the transcription of the minutes.

Paragraph Two. The respective minutes of the meetings containing resolutions destined to produce effects before third parties shall be filed in the Commercial Registry and published within thirty (30) days counting from the date when the Board of Directors meeting was held.

Article 19. . The resolutions of the Board of Directors shall be based on the votes of the absolute majority of the members present, excluding resolutions relating to the matters described below, which require approval by at least nine (9) members of the Company's Board of Directors:

I - the approval: (a) at the end of the previous fiscal year, of the multi-year business plan for a period of five (5) years and of the annual budget of the Company for the subsequent fiscal year, which must consist of at minimum on an annual basis in the case of the multiyear business plan, and on a monthly basis in the case of the annual budget: (i) revenue, costs and expenses, (ii) capital expenditure plans, (iii) funding and amortizations, (iv) dividends and/or interest on equity, (v) strategic initiatives; and (vi) maintenance programs for installations; and (b) of changes to the multi-year business plan and the annual budget, noting that lack of approval of the multi-year business plan as of the 2009 fiscal year (inclusive) shall result in the temporary adoption, until the impasse is resolved, of a preliminary annual budget for each fiscal year (for which the multi-year business plan has not been approved) included in the multi-year business plan that has been approved

by shareholders, whose values shall be restated for this effect by the variation in the IGP-M inflation index published by the Getúlio Vargas Foundation (FGV);

II - any capital increases of the Company and the conditions, criteria and terms for subscribing to and paying in any capital increases of the Company, within the authorized capital, as provided for by Article 4, Paragraph 1 of these Bylaws;

III - the contracting of loans and financing lines by the Company that exceed the amount equivalent to one percent (1%) of the Company's shareholders' equity, whether in a single operation or in a series of related operations, carried out within a period of twelve (12) months;

IV - the execution, amendment, modification, rescission or renewal of concession contracts or license agreements by the Company or by its partially.

V - the execution of any contract, agreement or deal, or the issue of any security or instrument representing the contracting of an obligation by the Company, as well as the giving of guarantees by the Company or that exceeds the equivalent of one percent (1%) of the Company's shareholders' equity in a single operation or in a series of related operations carried out within a period of twelve (12) months, with the giving of guarantees in operations not related to the Company's corporate purpose prohibited;

VI - the (a) acquisition, liquidation, divestment, sale, lease, encumbrance, giving of real or fiduciary guarantees, assignment, donation, transfer or other disposal, in any fiscal year, of any goods, rights, assets or equity interests held by the Company or by its partially or wholly owned subsidiaries or (b) the execution of any agreement or contract involving payments, receivables or the undertaking of obligations of any nature that in any of the possibilities envisaged in this item exceed an amount equivalent to one percent (1%) of the Company's shareholders' equity in a single operation or in a series of related operations contracted within a period of twelve (12) months;

VII - the granting of a guarantee of any nature and/or the undertaking of obligations in favor of or on behalf of third parties and/or any shareholder or person who directly or indirectly is a related person of any shareholder, regardless of the amounts involved;

VIII - the execution, by the Company, of any agreements, business transactions or commercial partnerships or arrangements of any nature and the execution of any contracts or agreements (and any subsequent amendments thereto) with Related party transactions, and their resolution by the Company, regardless of the amounts involved;

IX - the attribution and delegation of additional powers to the Executive Board;

X - the election and removal of the Executive Board of the Company;

XI - the inauguration and installation of branches, offices, points of service, branches or warehouses, or any other establishments where the Company operates;

XII - the distribution of the overall compensation determined by the Shareholders' Meeting among the members of the Board of Directors and of the Executive Board;

XIII - the authorization for the acquisition of shares and debentures issued by the Company for the purpose of cancellation or holding in treasury for future sale, in accordance with governing legislation;

XIV - explanations of votes in any general meetings of any corporation in which the Company is a shareholder, as well as the voting instructions in any meetings of the boards of directors or such corporations, whereas, also within the sphere of such corporations, no decisions involving the matters provided in items III, V and VI of article 19 of these Bylaws will depend on explanation of vote or voting instructions of the Board of Directors of the Company when the amount involved is lower than five million reais (R\$ 5,000,000), in a single transaction or in a series of related transactions, carried out in the same twelve(12) month period, in which case said amount will be restated at the beginning of each fiscal year by the variation accumulated as of January 1, 2011 by the General Market Price Index (IGP-M);

XV - the institution of committees with technical and/or advisory functions, such as the Compensation Committee and Audit Committee, with the power to establish responsibilities and specificities characteristics related to resolutions and the election of the members who will compose these Committees. e

XVI - a favorable opinion or misgivings expressed in relation to any public share offering involving shares issued by the Company, by means of a grounded prior opinion, published within up to fifteen (15) days from the publication of the notice of the public share offering, which shall at least address (i) the convenience and timeliness of the public share offering, in terms of the interest of the group of shareholders and in relation to the liquidity of securities held thereby; (ii) the repercussions of the public share offering on the Company's interests; (iii) strategic plans disclosed by the issuer in relation to the Company; (iv) other points that the Board of Directors considers pertinent, as well as the information required by the applicable rules established by the Securities Commission (CVM).

Artigo 20 - In addition to the matters listed in Article 19 above, which require special *quorum* for their approval, and notwithstanding the other powers provided for by law, the Board of Directors, based on the vote in favor of the absolute majority of members present, shall be responsible for

I - the selection or removal of the Company's independent auditors;

II - resolutions involving requests for temporary leave by Executive Officers and the appointment of their substitutes, who will accumulate on an interim basis the duties of the Executive Officer being substituted;

III - the approval of the Company's Code of Ethics;

IV - the definition of the Company's internal rules; e

and (v) the determination of the three accounting firms to be submitted to the Shareholders' Meeting for the preparation of the report valuing the Company's stock for the purpose of output of the Level 2 and cancellation of the registration as a publicly held company, in accordance with Section VII of these Bylaws.

Section III - Board of Executive Officers

Article 21. The Board of Executive Officers shall be constituted by up to three (03) members, who are not necessarily shareholders, resident in the Country, being one Chief Executive Officer, Chief Financial Officer and Investor Relations Officer, and one Technical Officer, all elected by the Board of Directors for an unified three-year (03) mandate, dismissible at any

time, being allowed the accumulation of positions and the total or partial reelection of its members, pursuant to resolution of the Board of Directors.

Paragraph One. Up to 1/3 (one third) of the Board of Directors members may be elected for the position of Officer.

Paragraph Two. The Chief Executive Officer shall account for his acts to the Board of Directors. The other Executive Officers shall account for their acts to the Chief Executive Officer, being also subject to supervision by the Board of Directors, pursuant to the Corporate Law.

Paragraph Three. Notwithstanding other applicable legal provisions, all and any member of the Company's Executive Board shall be removed and replaced by the Company's Board of Directors, at any time, provided that such member of the Company's Executive Board: (a) failed to employ, in the exercise of his/her duties, the attention and diligence an individual should employ in the management of his/her own business; (b) acted not in compliance with the law and the Bylaws; (c) failed to comply with his/her loyalty to the Company; (d) performed actions against social interest; (e) failed to inform the market; and/or (f) proved not to have the necessary qualification for the position .

Article 22 - The Company's Executive Officers shall execute their duties as provided for by these Bylaws and in accordance with the duties determined by the Board of Directors.

Article 23 - The Executive Board shall convene whenever called to meeting by any of its Executive Officers.

Article 24 - The Executive Board shall have powers to manage and represent the Company, in accordance with governing law, the resolutions and guidelines of the Board of Directors and the other provisions of these Bylaws.

Article 25 – The Company shall be represented in court as plaintiff and defendant, or outside of court, requiring the signature of two (2) Executive Officers or of one (1) Executive Officer jointly with one (1) proxy or, also, one (1) or more proxies duly appointed jointly by two (2) Executive Officers, who shall execute all acts required to accomplish the Company's corporate purpose. The powers of attorney granted by the Company shall specify the powers given.”

Article 26 - The Executive Board shall be responsible for it in particular:

I - exercising the powers of the general administration and management of the Company's activities, except those reserved to the Board of Directors and/or the Shareholders Meeting;

II - executing the resolutions of the Board of Directors and of the Shareholders' Meeting;

III - preparing and proposing to the Board of Directors the business plans and investment programs, as well as the annual and multi-year capital and operational budgets of the Company to be submitted to the Board of Directors;

IV - preparing and submitting to the Board of Directors, for each fiscal year, the management report and financial statements to be submitted to the Shareholders' Meeting;

V - authorizing the contracting of loans and financing lines by the Company and its wholly in amounts equal to or lower than 1% (one percent) of the Company's shareholders' equity in a single operation or in a series of related operations contracted within a period of 12 (twelve) months;

VI - proposing to the Board of Directors the opening of branches, agencies, offices, points of service or warehouses;

VII - constituting attorneys-in-fact for business and judicial purposes;

VIII - authorizing the execution of any contract, agreement or business, or, also the issue of any security or instrument that results in an obligation for the Company, as well as the giving of guarantees by the Company in an amount equal to or lower than 1% (one percent) of the Company's shareholders' equity in a single operation or in a series of related operations contracted within a period of 12 (twelve) months, with the giving of guaranties not related to the Company's corporate purpose prohibited;

IX - authorizing (a) the acquisition, liquidation, divestment, sale, lease, encumbrance, giving of real or fiduciary guarantees, assignment, donation, transfer or other disposal, in any fiscal year, of any goods, rights, assets or equity interests held by the Company or (b) the execution of any agreement or contract involving payments, receivables or the undertaking of obligations of any nature that in any of the possibilities envisaged in this item exceed an amount equivalent to one percent (1%) of the Company's shareholders' equity in a single operation or in a series of related operations contracted within a period of twelve (12) months;

X - actively or passively, judicially or extra-judicially represent the Company, according to this Company's Bylaws;

XI – enforcing the application of the Company's Code of Ethics approved by the Board of Directors; e

XII - authorize the practice, by the corporations in which the Company is a shareholder, of the acts provided in items V, VIII and IX of this article, whenever such acts involve an amount above or equal to five million reais (R\$ 5,000,000) and higher than one million reais (R\$ 1,000,000), whereas such amounts will be restated at the beginning of each fiscal year by the variation accumulated as of January 1, 2011 by the General Market Price Index (IGP-M).

Article 27. Without prejudice to the responsibilities of the Executive Board provided for in Article 26 above, the following responsibilities are attributed to:

I - the Chief Executive Officer:

- (i) chairing the meetings of the Executive Board and overseeing its work;
- (ii) enforcing the guidelines, activity plans and general rules approved by the Board of Directors and/or by the Executive Board;
- (iii) enforcing the application of the Company's Code of Ethics approved by the Board of Directors;
- (iv) contracting and dismissing the Company's employees jointly with another Executive Officer; e,
- (v) submitting periodically to the Board of Directors a descriptive report on the Company's accounting records.

II- the Chief Financial Officer and Investor Relations Officer:

- (i) managing the financial resources required for the Company's operations;
- (ii) executing the functions of economic, financial, control and accounting planning.
- (iii) representing the Company before the Securities and Exchange Commission of Brazil (CVM) and the other capital market entities and financial institutions;
- (iv) enforcing the rules issued by the CVM that are applicable to the Company; e,
- (v) administrating the Company's investor relations policy.

III - the Chief Technical Officer:

- (i) supervising the planning, operation and maintenance of the electric power transmission system; e,
- (ii)) other technical activities, including those related to marketing the Company's electric power transmission.

Article 28. The meeting of the Executive Board shall be installed only with the presence of the majority of its members and, in all cases, the resolutions of the Executive Board shall be approved based on the votes cast by the absolute majority of its members, excluding those Executive Officers without portfolio.

Sole Paragraph. In the case of a tie in meetings of the Executive Board, the Chief Executive Officer shall be responsible for casting the deciding vote.

Chapter V - Fiscal Council

Article 29 -The Company shall have a standing Fiscal Council composed of at least 29 (three) and at most 29 (five) members and an equal number of alternate members, who must not necessarily be shareholders and who must be elected by the Shareholders' Meeting, which will decide on the Fiscal Council's installation and determine the compensation of its members, within the legal limits. The Fiscal Council shall have the responsibilities and powers attributed to it by law.

Sole Paragraph. The members of the Fiscal Council shall be invested upon signing the respective term of investiture, drawn up in the appropriate book, and the Term of Commitment of the Members of the Fiscal Council, in accordance with the Level 2 Regulations, as well as to the legal and regulatory requirements applicable. Subsequent to their investiture, the members of the Fiscal Council must also communicate to the BM&FBOVESPA the number and characteristics of securities issued by the Company that they hold, whether directly or indirectly and including derivatives.

Chapter VI - Fiscal Year and Income

Article 30. The fiscal year shall start in January 1st and end in December 31 of each year, occasion when the balance sheet and the other financial statements shall be prepared.

Paragraph One. From the net income ascertained in the period, it shall be deducted a five per cent (5%) percentage for constitution of the statutory reserve, which shall not exceed twenty per cent (20%) of the capital stock.

Paragraph Two. The Shareholders have the right to a non-cumulative annual dividend of at least fifty per cent (50%) of the net income of the period, pursuant to Article 202 of the Corporate Law.

Paragraph Three. Once the legal provisions are met, the remaining balance shall have its destination determined by the Shareholders General Meeting, pursuant to the applicable legislation.

Paragraph Four. The Board of Directors may, at any time, order the preparation of trial balance sheets to comply with legal requirements or to meet the needs of the Company, including for the distribution of interim dividends, which, if approved by the Shareholders' Meeting and effectively distributed, may be calculated towards the minimum mandatory dividend described above.

Paragraph Five. Provided that the pertinent legal provisions are met, the Company may pay to its Shareholders, as per proposal from the Board of Executive Officers, approved by the Board of Directors, *ad referendum* of the General Meeting attendants, interest on own capital, which may be attributed to the compulsory minimum dividend.

Article 31. The Company and the management shall, at least once a year, hold a public meeting with analysts and any other stakeholders, to disclose information on its economic and financial situation, projects and perspectives. It shall also send to BM&FBOVESPA and disclose, up to January of each year, an annual calendar, informing the programmed corporate events and containing the information required by the Level 2 Corporate Governance Differential Practices Regulation.

Chapter VII - Share Control Disposal, Cancellation of the Publicly-Held Company Registration and Discontinuance of the Corporate Governance Differential Practices

Article 32. Without adverse effects to the provisions of the Corporate Law, the Share Control Disposal, by means of a sole operation or through successive ones, shall be executed under the condition, suspensive or resolutive, that the purchaser of the controlling power undertakes the responsibility of performing a tender offer for the acquisition of the shares of the other shareholders of the Company, in compliance with the conditions and terms set forth by the legislation in force and by the Level 2 Corporate Governance Differential Practices Regulation, in order to insure them the same treatment given to the Seller Controlling Shareholder, pursuant to Article 6, item (c) above.

Sole Paragraph. For the purposes of these Bylaws, the following terms with capital letters shall have the following meanings:

“Controlling Shareholder” means the shareholder(s) or Group of Shareholders who exercise the control the Control of the Company.

“Seller Controlling Shareholder ” means the Controlling Shareholder, when he promotes the Disposal of the Company Control.

“Controlling *Shares*” means the tranche of shares that directly or indirectly ensures, to its/their holder(s), the individual and/or shared exercise of the Company Control.

“Outstanding Shares” means all the shares issued by the Company, excepting the ones held by the Controlling Shareholder, by persons bound to him, by the Company management and the ones in treasury.

“Disposal of the Company Control” means the remunerated transfer of the Controlling Shares to a third party.

“Controlling Power” (as well its correlative terms “Parent Company”, “Subsidiary”, “under common Control” or “Control”) means the power effectively used to govern the social activities and to guide the operation of the Company’s bodies, directly or indirectly, actually or legally . There is relative presumption of Controlling Power ownership regarding the individual or the group of shareholders in the position of holder of shares which have ensured the supermajority quorum of the votes of the shareholders present in the last three Shareholders General Meetings, even if not holder of shares ensuring the supermajority quorum of the voting capital.

“Economic Value” means the value of the Company and of its shares determined by a specialized company, through the utilization of accredited methodology or based on other criterion defined by the Brazilian Securities Commission (CVM).

Article 33. The tender offer referred to in Article 32 shall also be carried out:

- (a) in the events of remunerated assignment of subscription rights of shares and other securities or rights related to securities convertible in shares, which comes to result in the Disposal of the Company Control; ou
- (b) in the event of disposal of the control of a company holding the Control of the Company, situation in which the Seller Controlling Shareholder shall be obliged to inform to BM&FBOVESPA the amount attributed to the Company in this disposal and to attach the documents evidencing such information.

Article 34. The one who already holds shares of the Company and acquires the Controlling Power, pursuant to shares purchase particular agreement entered into with the Controlling Shareholder, involving any amount of shares, shall be obliged to:

- (a) carry out the tender offer referred to in Article 32 of these Bylaws; e
- (b) pay, under the terms indicated below, a sum equivalent to the difference between the price of the public offering and the amount paid for any share acquired on an exchange in the six (6) months prior to the date of acquisition of the Power of Control, duly restated up to the payment date. The aforesaid sum should be distributed among all the people that sold Company shares at the trading sessions in which the Purchaser made the purchases, in proportion to the daily net sales balance of each one, whereas BM&FBOVESPA is responsible for carrying the distribution into effect, under the terms of its regulations.

Article 35. The Seller Controlling Shareholder shall not transfer the ownership of his shares to the shareholder(s) who come to hold the Controlling Power, whilst they do not subscribe for the Instrument of Consent of the Controlling Parties, pursuant to the provisions of the Level 2 Corporate Governance Differential Practices Regulation. The instrument in question shall be immediately sent to BM&FBOVESPA .

Article 36. The Company will not register any transfer of shares to the Buyer of the Power of Control, or to that/those party(ies) that hold this Power of Control in the future, until this/these party(ies) has/have undersigned the Statement of Consent of the Controlling Shareholders referred to in Article 35 above, which shall be sent to BM&F BOVESPA immediately.

Article 37. Any shareholders agreement about the exercise of the Controlling Power may be registered in the Company's headquarters if their signatories have not subscribed for the Instrument of Consent of the Controlling Parties referred to in Article 35 above. The instrument in question shall be immediately sent to BM&FBOVESPA.

Article 38. In the tender offer to be carried out for the cancellation of the publicly-held company registration, to be performed by the Controlling Shareholder or by the Company, the minimum price to be offered shall correspond to the Economic Value, ascertained in the appraisal report referred to in Article 41 below .

Article 39. If the shareholders in Extraordinary General Meeting resolve: (a) the Company's withdrawal from Level 2 of Corporate Government so that its shares are henceforth registered for trading outside this level of Corporate Governance or (b) corporate reorganization from which the resulting company does not have its securities permitted for trading at Level 2 of Corporate Governance within the period of one hundred twenty (12) days from the date of the general meeting that approved the aforesaid operation, the Controlling Shareholder should enforce a public offering of shares of the other Company shareholders, where the minimum price to be offered shall correspond to the Economic Value, determined in the appraisal report referred to in Article 41 below, in compliance with the applicable rules of law and regulatory norms.

Paragraph One. The Controlling Shareholder will be released from carrying out the public offering referred to in the main *provision* of this Article 39 if the Company has withdrawn from Level 2 on account of the signing of a contract for the Company's participation in the special segment of BM&FBOVESPA called Novo Mercado (New Market), or if the company resulting from corporate reorganization obtains a license to trade securities in the Novo Mercado within one hundred twenty (120) days from the date of the General Meeting that approved the aforesaid operation.

Paragraph Two. In the event there is no Controlling Shareholder, the withdrawal of the Company from Level 2 of Corporate Governance will, at any rate, be dependent upon the occurrence of a public share offering held under the same conditions established in the main provision of this Article. In this case, the General Meeting that approves such withdrawal shall define the party(ies) responsible for the performance of the public share offering, which, present at the meeting, shall expressly assume the obligation of holding the offering. In the absence of definition of the party or parties responsible for the performance of the public share offering, in the case of a corporation reorganization operation, in which the company resulting from this reorganization does not have its securities permitted for trading at Level 2 of Corporate Governance, it will be up to the shareholders that vote in favor of the corporate reorganization to hold the aforesaid offering.

Article 40. The withdrawal of the Company from Level 2 of Corporate Governance due to nonperformance of obligations contained in the Level 2 Regulation is dependent on the consummation of a public share offering, at least at the Economic Value of the shares, to be determined in the appraisal report referred to in Article 41 below, in compliance with the applicable rules of law and regulatory norms.

Paragraph One. The Controlling Shareholder should carry out the public share offering established in the main provision of this article.

Paragraph Two. If there is no Controlling Shareholder and withdrawal from Level 2 of Corporate Governance referred to in the main provision results from a

resolution of the general meeting, the shareholders that have voted in favor of the resolution that implied the respective nonperformance shall carry out the public share offering established in the main provision.

Paragraph Three. If there is no Controlling Shareholder and withdrawal from Level 2 of Corporate Governance referred to in the main provision occurs on account of a management act or event, the Company's Directors shall call a General Meeting of shareholders with its agenda involving the decision on how to remedy the nonperformance of obligations contained in the Level 2 Regulation or, as the case may be, to decide on the Company's withdrawal from Level 2 of Corporate Governance.

Paragraph Four. If the General Meeting mentioned in Paragraph Three above decides on the Company's withdrawal from Level 2 of Corporate Governance, the aforesaid general meeting shall define the party(ies) responsible for the performance of the public share offering established in the main provision, which, present at the meeting, shall expressly assume the obligation of holding the offering.

Article 41. The appraisal report set forth in Articles 38 and 39 of these Bylaws shall be prepared by a specialized institution or company, with proved experience and independence regarding the decision making process of the Company, its managers and Controlling Parties, meet the requirements of Paragraph One of Article 40 of the Corporate Law, and include the responsibility set forth in Paragraph 6 of the same Article.

Paragraph One. The choice of the institution responsible for the determination of the Economic Value of the Company is exclusively incumbent upon the General Meeting attendants, as from the presentation, by the Board of Directors, of a triple list. The respective resolution, not counting the blank votes, e cabendo a cada ação, independentemente de espécie ou classe, o direito a um voto, shall be taken by the majority of votes of the shareholders representing the Outstanding Shares present in the General Meeting, which, if instated in first call, shall count on the presence of shareholders representing, at least, twenty per cent (20%) of the total Outstanding Shares. If instated in second call, it may count on the presence of any number of shareholders representing the Outstanding Shares.

Paragraph Two. the costs regarding the elaboration of the required appraisal report shall be fully accepted by the offering shareholder.

Chapter VIII - Arbitration Court

Article 42. The Company, its shareholders, managers and members of the Fiscal Council undertake the commitment to resolve, by means of arbitration, any and all dispute or controversy which may arise among them, specially related or arising from the application, validity, effectiveness, interpretation, violation and their effects, of the provisions included in the Corporate Law, in the Company's Bylaws, in the rules published by the National Monetary Council, the Brazilian Central Bank and the Brazilian Securities Commission, as well as in the other rules applicable to the operation of the capital market in general, besides the ones present in the Level 2 Corporate Governance Differential Practices Regulation, in the Agreement for the Adoption of the Level 2 Corporate Governance Differential Practices, and in the Arbitration Regulation of the Arbitration Chamber of the BM&FBOVESPA market, pursuant to this last one.

Sole Paragraph. The Brazilian law shall be the sole applicable on the merits of any and all controversy, as well as to the execution, interpretation and validity of the current arbitration clause. The arbitration procedure shall take place in the city of São Paulo, State of São Paulo, where the arbitration award shall be rendered. The arbitration shall be administrated by the actual Market Arbitration Panel, and shall be conducted and judged according to the pertinent provisions of its Arbitration Regulation.

Chapter IX - Liquidation

Article 43. The Company shall be liquidated pursuant to the cases set forth in law, being the General Meeting the competent body for determination of the liquidation mode and indication of the liquidator. The Fiscal Council shall operate in this period, pursuant to the legal formalities.

Chapter X - Issue of Units

Article 44. The company may support the issue of share deposit certificates (hereinafter referred to as “Units” or individually a “Unit”).

Paragraph One. Each Unit shall represent one (01) common share and two (02) preferred shares issued by the Company.

Paragraph Two. The Units shall be issued, pursuant to the rules to be determined by the Board of Directors and the provisions of these Bylaws, (a) against request of the shareholders who hold shares in an amount necessary to the composition of Units, as per Paragraph One above, (b) against resolution of the Company’s Board of Directors, in the event of capital increase within the limit of authorized capital with the issue of new shares to be represented by Units. In this case, the Company’s Board of Directors may admit that in the composition of such units be included existing common shares owned by a shareholder, who shall have the right to one third of the sale price of the Unit, and (c) in the events set forth in Article 45, Paragraph Two of these Bylaws.

Paragraph Three. Only shares free of charges and encumbrances may be purpose of deposit for the issue of Units.

Article 45. The Units shall have the book-entry form, and excepting the hypothesis of their cancellation, the ownership of the shares subjacent to the Units shall only be transferred against the transfer of the Units.

Paragraph One. The holder of Units shall have the right to, at any time, request to the depositary financial institution the cancellation of the Units and the delivery of the respective deposited shares, pursuant to the rules to be determined by the Board of Directors.

Paragraph Two. The Company’s Board of Directors may, at any time, suspend, for an undetermined term, the possibility of cancellation of Units set forth in Paragraph One of this Article, in the event of initiation of Units distribution public offering, in the local and/or international market. The suspension term may not exceed thirty (30) days.

Paragraph Three. The Units subject to charges, encumbrances or impediments shall not be cancelled.

Article 46. The Units shall grant their holders the same rights and advantages of the subjacent shares.

Paragraph One. The right to participate in the General Meetings of the Company, exercising all the prerogatives granted to the subjacent shares, against evidence of their ownership, is exclusive to the holder of the Units.

Paragraph Two. The shareholder may be represented in the General Meetings of the Company by proxy instituted pursuant to Article 126 of the Corporate Law.

Paragraph Three. In the event of splitting, grouping, bonus or issue of new shares against the capitalization of profits or reserve, the following rules shall be attended regarding the Units:

- (a) In case there is an increase in the amount of shares issued by the Company, the depositary financial institution shall register the deposit of the new shares and credit new Units to the account of the respective holders, in order to reflect the new number of shares held by the holders of the Units, always keeping the proportion of one (01) common share and two (02) preferred shares issued by the Company for each Unit. The shares not likely to constitute Units shall be credited directly to the shareholders, with no issue of Units. e
- (b) In case there is a reduction in the amount of shares issued by the Company, the depositary financial institution shall debit the Units deposit accounts of the holders of grouped shares, performing the automatic cancellation of Units in an amount sufficient to reflect the new number of shares held by the holders of Units, always keeping the proportion of one (01) common share and two (02) preferred shares issued by the Company for each Unit. The residual shares not likely to constitute Units shall be delivered directly to the shareholders, with no issue of Units.

Chapter XI - Final and Temporary Provisions

Article 47. The Company shall comply with the shareholders agreements filed in its headquarters. The Board of Executive Officers shall abstain from transferring shares and the Chairman of the General Meeting shall abstain from computing opinions adverse to their terms, pursuant to Article 118 of the Corporate Law.

Article 48. For the omissions of these Bylaws, the pertinent legal provisions shall be applied, according to the Level 2 Regulation.