



Equatorial Energia S.A.
Authorized Capital Publicly-Held Company
Corporate Taxpayer's ID (CNPJ/MF) 03.220.438/0001-73

Companhia Energética do Maranhão – Cemar
Authorized Capital Publicly-Held Company
Corporate Taxpayer's ID (CNPJ/MF) 06.272.793/0001-84

NOTICE TO THE MARKET

Equatorial Energia S.A. announces tariff adjustment for its subsidiary Cemar, approved by Aneel

Equatorial Energia S.A. (BOVESPA: EQTL11), a holding company whose subsidiary Cemar – Companhia Energética do Maranhão – is the electricity distributor for the entire state of Maranhão, hereby announces that the National Electricity Agency (Aneel) has approved Cemar's average tariff adjustment of 8.08% for the period between August 2007 and July 2008.

Taking into account the financial adjustments already included in Cemar's tariffs, together with the recovery of tariff differences from previous periods, the effective average tariff increase for electricity bills will be 3.85%.

The tariff adjustment will be applied to the various customer categories in a differentiated manner, due to the federal government's tariff realignment policy, i.e. the gradual elimination of the crossed subsidies among consumer segments. This policy was determined by the government, with implementation scheduled between 2003 and 2007.

Thus, Aneel announced that the adjustment for high-voltage consumers (essentially large commercial and industrial customers) will be higher than the adjustment for low-voltage consumers, as in the following table:

Voltage Levels – Effective increase adjustment over 2006 tariffs	
Low Voltage (below 2.3 Kv)	3.47%
High Voltage (above 2.3 Kv)	5.16%
Average Percentage	3.85%

The tariff adjustment is calculated according to a parametric formula defined in the concession agreements, through which the concessionaire's revenue is divided into two portions: Parcel A (or non-manageable costs corresponding to expenses from energy purchases, and sector and transmission charges, whose variations are entirely passed on to consumers) and Parcel B (or manageable costs, which are restated by the variation in the IGP-M inflationary index, less the so-called Factor X - related to productivity gains). In addition, financial adjustments are recognized through the CVA (Parcel A Offsetting Account) and other instruments.

Since the 2005 tariff review, the levying of PIS/PASEP and COFINS has changed. These taxes, with their new rates, have been removed as tariff components and are now levied directly on the electricity bill itself, as with ICMS (state VAT). In addition, Aneel implemented the tariff repositioning in installments (deferred repositioning, the origin of the RTD - deferred tariff revenue) following each adjustment. The second installment following the current adjustment will be recognized by adding R\$ 43.5 million to Parcel B.

As for the impact of the “Programa Luz Para Todos” – Light For All Program (PLPT), Aneel applied, to the current adjustment, temporarily, the method proposed at the public hearing 010/2007. Upon the application of this method and taking into account the amounts granted by the 2006 tariff adjustment, a net amount of R\$305 thousand was recognized in the current adjustment, composed as follows:

(in R\$)	
Item	Amount
Past Deficit (Aug/06 to Jul/07)	10,095,771
Projected Deficit (Aug/07 to Jul/08)	10,587,231
Advance related to the 2006 adjustment	(20,377,162)
Net of 2007 adjustment	305,840

After the publication of the definitive method of assessment of the PLPT impact, the recognized amounts will be revised and their impact will be taken into account during the next tariff adjustment scheduled for August 2008.

The breakdown of CEMAR's 2007 adjustment is as follows:

Cemar: Breakdown of 2007 Tariff Adjustment				
Tariff Adjustment 8.08%	Pass-through of Parcel A and B Variation 8.91%	2.57%	Energy Purchases	Parcel A
		-0.28%	Sector and Transmission Charges	
	-0.83%	5.09%	RTD	Parcel B
		1.53%	Parcel B	
		-0.83%	Financial Components	Financial Components

The table below shows the impact of the adjustment calculation variables in value terms:

(in R\$)			
	2006	2007	Adjustment
Annual Adjustment	855,824,093	932,080,334	8.91%
Parcel A	405,343,772	424,954,707	4.84%
Parcel B	450,480,322	507,125,626	12.57%
Financial Adjustments		(7,771,863)	-0.83%

The tariff adjustment will be effective as of August 28, 2007.

São Luís, August 23, 2007.

Leonardo Dias
Chief Financial Officer and
Investor Relations Officer

Equatorial Energia S.A.

Companhia Energética do Maranhão
Cemar