



**Equatorial Energia S.A.**

Publicly-Held Company

Corporate Taxpayer's ID (CNPJ/MF): 03.220.438/0001-73

**Companhia Energética do Maranhão – CEMAR**

Publicly-Held Company

Corporate Taxpayer's ID (CNPJ/MF): 06.272.793/0001-84

**NOTICE TO THE MARKET**

Rio de Janeiro, August 26, 2008 - Equatorial Energia S.A. (BOVESPA: EQTL3), 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 10.25% for the period between August 2008 and July 2009.

Taking into account the net effect of the withdrawal of the financial adjustments already included in CEMAR's tariffs between August 2007 and July 2008 and the inclusion of new financial adjustments to be recovered via the tariff between August 2008 and July 2009, the effective average tariff increase for electricity bills will be 10.98%. The effect on consumers, per voltage level, is shown in the following table.

Voltage Level	Effective Adjustment
Low Voltage (below 2.3 Kv)	10.99%
High Voltage (above 2.3 Kv)	10.93%
Average Percentage	10.98%

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.

In the 2005 tariff review, CEMAR's tariff repositioning was deferred by ANEEL and implemented in 3 (three) annual installments following each tariff adjustment through the RTD (deferred tariff revenue). According to this methodology, the last installment would be received in the 2008 adjustment. However, ANEEL has deferred the third installment, which will now be granted as of August 2009, duly restated.

As for the impact of the "Programa Luz Para Todos" – Light For All Program (PLPT), ANEEL applied to the current adjustment the method proposed in Resolution 294/2007, recognizing, on a provisional basis, only the Company's direct investments in the PLPT between July 2005 and August 2008. In the 2009 tariff review, the regulator will definitively recognize the costs associated with all the investments (direct and indirect) related to the Program.

Upon the application of this method and taking into account the adjusted amounts already conceded in the 2006 and 2007 tariff reviews, the net amount of R\$ 82,500 was recognized in the current adjustment, composed as follows:

Item	Amount (R\$ 000)
Past Deficit (Jul/05 to Jul/08)	26,318.1
Projected Deficit (Aug/07 to Jul/08)	14,833.3
Advance related to the 2006 and 2007 adjustments	(41,068.9)
<b>Value net of 2008 adjustment</b>	<b>82.5</b>

The breakdown of CEMAR's 2008 adjustment is as follows:

<b>Parcel A</b>	<b>4.61%</b>
<i>Energy Purchases</i>	1.64%
<i>Sector and Transmission Charges</i>	2.96%
<b>Parcel B</b>	<b>5.45%</b>
<b>Pure Tariff Adjustment - 2008</b>	<b>10.06%</b>
<i>Financial Components</i>	0.19%
<b>Total Tariff Adjustment - 2008</b>	<b>10.25%</b>

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

	2007 (R\$ 000)	2008 (R\$ 000)	Adjustment (%)
Annual Adjustment	994,715.7	1,094,753.9	10.25%
Parcel A	447,480.8	493,307.8	4.61%
Parcel B	547,234.9	601,446.1	5.45%
Financial Adjustments		2,130.2	0.19%

The tariff adjustment will be effective as of August 28, 2008.

Companhia Energética do Maranhão – CEMAR

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