CNPJ/MF 02.474.103/0001-19 – NIRE 4230002438-4

MINUTES OF THE SEVENTY-FOURTH MEETING OF THE BOARD OF DIRECTORS OF TRACTEBEL ENERGIA S.A.

On October 25 2006 at 9:00 a.m. at Av. Almirante Barroso, 52, 14th floor, room 1401 in the city and state of Rio de Janeiro, following its regular convening, a meeting of the Board of Directors of Tractebel Energia S.A. was held, the following Directors being present: Maurício Stolle Bähr, Jan Franciscus Maria Flachet, Manoel Arlindo Zaroni Torres, Victor-Frank de Paula Rosa Paranhos, Dirk Beeuwsaert, Pierre Michel Philippe Chareyre, Luiz Antonio Barbosa, José Pais Rangel and Antonio Alberto Gouvêa Vieira. The meeting was presided by the Chairman of the Board of Directors, Maurício Stolle Bähr, who proposed that I, José Moacir Schmidt, should act as secretary, the proposal being duly seconded by the other directors. Welcoming those present, the Chairman opened the discussion on the **Day's Agenda** as itemized in the convening notice **CA-007/2006** of October 16 2006 as follows: **Item 1** – Third Quarter Results 2006; **Item 2** - ANEEL Electric Energy Auction of October 10: results and analysis; **Item 3** - CIEN: Information; and **Item 4 –** General matters. **RESOLUTIONS: Item 1** – A slide presentation was made, subsequently filed at the Company, as to the breakdown of the Company's shareholding, of its parent company and its subsidiaries; description of the generation assets: customer portfolio; the energy balance; new projects; financial performance; debt; capital expenditures plan; net revenue and net income, and the dividend policy. The Directors **unanimously** approved the Interim Balance Sheet for the Third Quarter 2006 on the understanding that it adequately reflects the asset and financial situation of the Company for the period. **Item 2** - ANEEL Electric Energy Auction of October 10: result and analysis – The Chairman reported to the Directors on the results of the A-5 Auction held on October 10 for the sale of hydroelectric energy for a thirty year period as from 2011, and through which Companhia Energética São Salvador sold the energy to be generated from the São Salvador project at R$ 135.01, in accordance with the slide presentation, filed with the Company. **Item 3** – A slide presentation was made, filed with the Company, as to (i) the current situation of the contract with CIEN, particularly the progress with respect to reaching a solution on this question and (ii) a summary of the alternative solutions. **Item 4** – A slide presentation was made, filed with the Company, as to the Operation of the Brazilian Interconnected Power System, and covering the following (i) Current Operational Conditions; (ii) Outlook for the Operation of the System; (iii) Analysis of Prices; e (iv) Exposure to the PLD (Price for Settlement of Differences). The floor being given to the Directors present and no point of order being raised, the Chairman proceeded to declare the meeting closed, requesting that I, as Secretary, draft these minutes. The said minutes having been subsequently read and found correct were duly signed by the members of the Board of Directors present, including the Chairman and by myself as Secretary. Rio de Janeiro RJ, October 25 2006.

Maurício Stolle Bähr
Chairman

Jan Franciscus Maria Flachet
Director

Manoel Arlindo Zaroni Torres
Director

Dirk Beeuwsaert
Director

Victor-Frank de Paula Rosa Paranhos
Director

Pierre Michel Philippe Chareyre
Director

Luiz Antônio Barbosa
Director

Antonio Alberto Gouvêa Vieira
Director

José Pais Rangel
Director

José Moacir Schmidt
Secretary