

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

March 03, 2008

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**

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**FORM 6-K**

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

**For March 03, 2008**

**(Commission File No. 1-31317)**

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**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)*

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

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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):

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**COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO SABESP**

PUBLICLY HELD COMPANY  
CORPORATE TAXPAYER S ID: 43.776.517/0001 -80

**MATERIAL FACT**

In compliance with CVM Instruction 358, dated January 3, 2002, Companhia de Saneamento Básico do Estado de São Paulo SABESP ( Company or SABESP ) hereby announces the execution, on December 28, 2007, of the Second Amendment to the Term of Acknowledgement of Obligations, Payment Commitment and Other Covenants ( Term of Acknowledgement ) with the State of São Paulo through its Finance Secretariat, which establishes the terms and conditions for payment of the outstanding debts between the two parties, by undertaking the following:

- (i) amortization of the debt with the State of São Paulo remaining from the First Amendment to the Term of Acknowledgement in 60 (sixty) equal and consecutive monthly installments, with the first monthly installment due on January 2, 2008;
- (ii) pledge to contract supplementary credit in the 2007 Budget to ensure the availability of funds for the payment of debts related to the past-due and unsettled bills in the period from March 2004 to October 2007 acknowledged by the State of São Paulo; and
- (iii) payment of interest on own capital related to the period from March 2004 to December 2006 owed by SABESP to the State of São Paulo in up to 6 consecutive monthly installments, with the first monthly installment due on January 2, 2008.

The full text of the Second Amendment is available on the Sabesp website: [www.sabesp.com.br](http://www.sabesp.com.br)

São Paulo, December 28, 2007

Rui de Britto Álvares Affonso  
Chief Financial Officer and Investor Relations Officer

