

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

July 29, 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 July 29, 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 (CNPJ) No. 43.776.517/0001 -80**

**MATERIAL FACT**

Companhia de Saneamento Básico do Estado de São Paulo Sabesp ( SABESP ), under the terms and for the purposes of CVM Instruction No. 358 dated January 3<sup>rd</sup>, 2002, of the Brazilian Securities and Exchange Commission ( CVM ), as amended, hereby informs to its shareholders and the market in general that it has begun the process of structuring the 2<sup>nd</sup> Securities Distribution Program ( 2<sup>nd</sup> Distribution Program ), in the amount of up to three billion reais (R\$3,000,000,000.00), and the 9<sup>th</sup> Issuance of Simple Debentures ( 9<sup>th</sup> Issuance ), in the amount of up to five hundred million reais (R\$500,000,000.00), the first issuance in the scope of the 2<sup>nd</sup> Distribution Program; the amount and conditions of the 9<sup>th</sup> issuance shall be determined during the structuring process.

The structuring process is being carried out by means of a consortium with financial institutions under the leadership of HSBC Bank Brasil S.A. Banco Múltiplo ( Lead Manager ). The other managers are Banco Citibank S.A., BB Banco de Investimento S.A. and Caixa Econômica Federal (jointly with the Lead Manager, the Managers ). The 2<sup>nd</sup> Distribution Program and the 9<sup>th</sup> Issuance shall be filed for registration at CVM, pursuant the terms of CVM Instruction no. 400, dated December 29, 2003, as amended, and the effective accomplishment of the 9<sup>th</sup> Issuance shall be subject to market conditions.

São Paulo, July 15, 2008.

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

