

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

August 16, 2010

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

FORM 6-K

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

For August 16, 2010

(Commission File No. 1-31317)

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)

Rua Costa Carvalho, 300

São Paulo, S.P., 05429-900

Federative Republic of Brazil

(Address of Registrant's principal executive offices)

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):

COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO SABESP

PUBLICLY HELD COMPANY

CORPORATE TAXPAYER S ID.: 43.776.517/0001-80

MATERIAL FACT

Companhia de Saneamento Básico do Estado de São Paulo Sabesp, pursuant to CVM Rule 358, as of January 3, 2002, and amendments, publicly announces to its shareholders and the market in general that on August 11, 2010, the São Paulo State Sanitation and Energy Regulatory Agency (ARSESP) approved the tariff readjustment index of four point zero five percent (4.05%) to be applied over water and sewage tariffs as of September 11, 2010. This index was published on Diário Oficial do Estado Newspaper (D.O.E.) on August 13, 2010.

The aforementioned readjustment is not applicable to the municipalities of São Bernardo do Campo, Lins and Magda which are governed by different rules.

Upon the readjustment effectiveness, tariff charts will be available on Sabesp website, www.sabesp.com.br, and at all the Company's customer service offices.

São Paulo, August 13, 2010

Rui de Britto Álvares Affonso

Chief Financial Officer and Investor Relations Officer

