



## Notice to the Market – 14/18

### Copel Distribuição's Grid Market grows 3.7% in the second quarter

This report analyzes the performance of Copel's electricity market between April and June 2018, compared with the amounts recorded in the same period of 2017.

#### Grid Market (TUSD)

Copel Distribuição's grid market, comprising the captive market, concessionaires and licensees in the State of Paraná, and all free customers in the Company's concession area, presented an increase of 3.7% in 2Q18, as shown in the following table:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Jun-18	Jun-17	Var. %	2Q18	2Q17	Var. %	1H18	1H17	Var. %
Captive Market	4,600,505	4,515,938	1.9	4,970	4,813	3.3	9,979	10,149	(1.7)
Concessionaries and Licensees <sup>1</sup>	6	6	-	200	197	1.8	394	386	2.1
Free Customers <sup>2</sup>	1,027	880	16.7	2,360	2,254	4.7	4,672	4,213	10.9
<b>Grid Market</b>	<b>4,601,538</b>	<b>4,516,824</b>	<b>1.9</b>	<b>7,530</b>	<b>7,264</b>	<b>3.7</b>	<b>15,045</b>	<b>14,748</b>	<b>2.0</b>

<sup>1</sup> The amount of energy related to the period of 2017 was adjusted to reflect the migration of customers to the free market within the concession area of concessionaires and licensees.

<sup>2</sup> All free customers served by Copel GeT, Copel Comercialização and other suppliers at the Copel Distribuição concession area.

The result was mainly due to the 3.3% increase in the total consumption of the captive market in 2Q18, particularly in the residential and commercial segment (as detailed below), and the 4.7% growth in consumption from free consumers, in particular, industrial customers in the pulp and paper, food and furniture industries.

#### Copel Distribuição

##### Captive Market

Copel Distribuição's captive market energy sales totaled 4,970 GWh in the 2Q18, which represents an increase of 3.3%. This result was mainly influenced by the performance of the residential and commercial segments.

The following table shows captive market trends by consumption segment:

	Number of Customers			Energy sold (GWh)					
	Jun-18	Jun-17	Var. %	2Q18	2Q17	Var. %	1H18	1H17	Var. %
Residential	3,721,532	3,638,842	2.3	1,828	1,710	6.9	3,677	3,608	1.9
Industrial	74,210	78,000	(4.9)	744	828	(10.2)	1,453	1,725	(15.8)
Commercial	393,777	384,949	2.3	1,180	1,106	6.7	2,394	2,406	(0.5)
Rural	353,461	356,753	(0.9)	590	558	5.7	1,222	1,188	2.9
Other	57,525	57,394	0.2	628	611	2.8	1,233	1,222	0.9
<b>Captive Market</b>	<b>4,600,505</b>	<b>4,515,938</b>	<b>1.9</b>	<b>4,970</b>	<b>4,813</b>	<b>3.3</b>	<b>9,979</b>	<b>10,149</b>	<b>(1.7)</b>

The residential segment consumed 1,828 GWh between April and June 2018, recording an increase of 6.9%. This result was due to a 2.3% increase in the number of customers and a higher average monthly consumption (164 kWh in 2Q18 compared to 157 kWh in 2Q17), partially explained by the higher temperatures registered in April. In 2Q18, residential consumption was equivalent to 36.8% of the captive market, totaling 3,721,532 consumers.

	Average Consumption (kWh/month)		
	2Q18	2Q17	Var. %
Residential	164	157	4.6

The industrial segment in the captive market registered a fall of 10.2% in the 2Q18, totaling 744 GWh, mainly reflecting the migration of customers to the free market, which would represent an average consumption of, approximately, 104 GWh in the quarter. In addition, the truck drivers strike at the end of May had a negative impact on industrial activity, with consequences for the quarterly consumption of this category. At the end of 2Q18, the industrial segment accounted for 15.0% of captive market consumption and had 74,210 consumers.

The commercial segment consumed 1,180 GWh in 2Q18, a 6.7% increase, due to the performance of the Paraná commerce in 2018, which presented a 3.0% increase in sales volume in the retail trade, and the increase of 8,828 in relation to 2Q17. At the end of this quarter, this class accounted for 23.7% of the captive market with 393,777 consumers.

Rural segment recorded a 5.7% increase in consumption in the 2Q18, totaling 590 GWh. At the end of June 2018, the class represented 11.9% of Copel's captive market with 353,461 consumers.

Other segments (government, public lighting, public services and own consumption) totaled 628 GWh consumed between April and June of 2018, with growth of 2.8%. Together, these classes were equivalent to 12.6% of the captive market, with 57,525 consumers at the end of June 2018.

## Copel's Consolidated Market

### Electricity Sales to Final Customers

Electricity sales to final customers, comprising Copel Distribuição's sales in the captive market and Copel Geração e Transmissão and Copel Comercialização sales in the free market, growth by 7.4% between April and June 2018.

The table below breaks down energy sales by consumption segment:

Segment	Market	Energy Sold (GWh)					
		2Q18	2Q17	Var. %	1H18	1H17	Var. %
<b>Residential</b>		<b>1,828</b>	<b>1,710</b>	<b>6.9</b>	<b>3,677</b>	<b>3,608</b>	<b>1.9</b>
	<b>Total</b>	<b>2,083</b>	<b>1,918</b>	<b>8.6</b>	<b>4,106</b>	<b>3,764</b>	<b>9.1</b>
<b>Industrial</b>	Captive	744	828	(10.2)	1,453	1,725	(15.8)
	Free	1,339	1,090	22.8	2,653	2,039	30.1
	<b>Total</b>	<b>1,256</b>	<b>1,151</b>	<b>9.1</b>	<b>2,546</b>	<b>2,486</b>	<b>2.4</b>
<b>Commercial</b>	Captive	1,180	1,106	6.7	2,394	2,406	(0.5)
	Free	76	45	69	152	80	90
<b>Rural</b>		<b>590</b>	<b>558</b>	<b>5.7</b>	<b>1,222</b>	<b>1,188</b>	<b>2.9</b>
<b>Other</b>		<b>628</b>	<b>611</b>	<b>2.8</b>	<b>1,233</b>	<b>1,222</b>	<b>0.9</b>
<b>Energy Supply</b>		<b>6,385</b>	<b>5,948</b>	<b>7.4</b>	<b>12,784</b>	<b>12,268</b>	<b>4.2</b>

### Total Energy Sold

Total energy sold by Copel in all markets, comprising the sales of Copel Distribuição, Copel Geração e Transmissão, the Wind Farm Complexes and Copel Comercialização, came to 11,033 GWh in 2Q18, representing an increase of 5.5%.

The following table shows Copel's total electricity sales broken down between Copel Distribuição, Copel Geração e Transmissão, Wind Farm Complexes and Copel Comercialização:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Jun-18	Jun-17	Var. %	2Q18	2Q17	Var. %	1H18	1H17	Var. %
<b>Copel DIS</b>									
Captive Market	4,600,505	4,515,938	1.9	4,970	4,813	3.3	9,979	10,149	(1.7)
Concessionaries and Licensees	3	4	(25.0)	72	131	(44.9)	163	257	(36.6)
CCEE (MCP)	-	-	-	208	845	(75.4)	297	1,424	(79.1)
<b>Total Copel DIS</b>	<b>4,600,508</b>	<b>4,515,942</b>	<b>1.9</b>	<b>5,250</b>	<b>5,789</b>	<b>(9.3)</b>	<b>10,439</b>	<b>11,830</b>	<b>(11.8)</b>
<b>Copel GeT</b>									
CCEAR (Copel DIS)	1	1	-	20	19	5	43	42	2.4
CCEAR (other concessionaries)	37	28	32.1	204	201	1.5	413	413	(0.0)
Free Customers	52	53	(1.9)	951	976	(2.6)	1,860	1,865	(0.2)
Bilateral Agreements (Copel Comercialização)	-	-	-	736	-	-	-	-	-
Bilateral Agreements <sup>1</sup>	50	32	56.3	1,429	2,104	(32.1)	2,743	3,964	(30.8)
CCEE (MCP) <sup>2</sup>	-	-	-	730	864	(15.5)	1,080	1,725	(37.4)
<b>Total Copel GeT</b>	<b>147</b>	<b>114</b>	<b>28.9</b>	<b>4,070</b>	<b>4,164</b>	<b>(2.3)</b>	<b>7,498</b>	<b>8,009</b>	<b>(6.4)</b>
<b>Wind Farms Complex</b>									
CCEAR (other concessionaries)	112	112	-	209	209	-	416	416	-
CER	3	3	-	89	89	-	177	177	-
<b>Total Wind Farm Complex</b>	<b>115</b>	<b>115</b>	<b>-</b>	<b>298</b>	<b>298</b>	<b>-</b>	<b>593</b>	<b>593</b>	<b>-</b>
<b>Copel Comercialização</b>									
Free Customers	272	75	263	464	159	192	944	254	272
Bilateral Agreements	176	12	1,367	1,045	50	1,990	1,869	102	1,728
CCEE (MCP) <sup>2</sup>	-	-	-	9	1	800	9	1	800
<b>Total Copel Comercialização</b>	<b>-</b>	<b>142</b>	<b>- 100</b>	<b>1,518</b>	<b>210</b>	<b>623</b>	<b>2,822</b>	<b>357</b>	<b>690</b>
<b>Total Copel Consolidated</b>	<b>4,600,770</b>	<b>4,516,313</b>	<b>1.9</b>	<b>11,136</b>	<b>10,461</b>	<b>6.5</b>	<b>21,352</b>	<b>20,789</b>	<b>2.7</b>

Note: Not considering the energy from MRE (Energy Relocation Mechanism).

<sup>1</sup> Includes Short Term Sales Agreements.

<sup>2</sup> Assured Power allocated in the period, does not consider the impact of the GSF.

CCEE: Electric Power Trade Chamber / CCEAR: Energy Purchase Agreements in the Regulated Market / MCP: Short Term Market / CER: Agreements Reserve Energy.

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