



Related-Party Transaction

Notice about Related-Party Transaction

Companhia Paranaense de Energia – COPEL (“Copel”), a company that generates, transmits, distributes and sells power, with shares listed on the B3 (CPLE3, CPLE5, CPLE6), the NYSE (ELPVY, ELP) and the LATIBEX (XCOP), pursuant to CVM Instruction 480 of December 7, 2009, as amended, hereby informs its shareholders and the market in general of the following related-party transaction, entered into on October 31, 2017:

Name of Related Parties	State of Paraná and Copel
Relationship with the Company	State of Paraná is Copel’s controlling shareholder and currently owns 85,028,598 common shares, equivalent to 58.6% of Copel’s voting capital stock.
Transaction Date	10.31.2017
Purpose of the Agreement	Execution of the Fifth Addendum to the CRC Adjustment Agreement entered into on August 4, 1994 between the State of Paraná and Copel (“ <u>Fifth Addendum</u> ”).
Main Terms and Conditions	<ul style="list-style-type: none"> - Consolidation of the amount of the refund by the State of Paraná to Copel related to the transfer of Copel credits with the Federal Government, represented by the remaining balances of the CRC account (Recoverable Rate Deficit), which is the subject matter of the CRC Adjustment Agreement entered into between these parties on August 4, 1994, totaling one billion, three hundred and ninety-one million, two hundred and eighty-five thousand, one hundred and fifty-four reais and twenty-four centavos (R\$1,391,285,154.24) on March 31, 2016; - Granting to the State of Paraná of a grace period for the payment of interest and amortization between April and December 2016; - Granting to the State of Paraná of a grace period for the payment of amortization between January and December 2017; - Interest and amortization amounts for the period between April and December 2016 and amortization amounts for the period between January and December 2017 will be added to the outstanding balance on the respective maturity dates in the Fourth Addendum; - The outstanding amount shall be amortized on a monthly basis throughout the rest of the agreement, beginning January 30, 2018 and ending April 2025; - All the other provisions of the CRC Adjustment Agreement entered into between the parties on August 4, 1994 and its addenda shall remain in full force.
Information about the participation of the counterparty, its partners or management in the Company’s decision-making process about the transaction or negotiation of the transaction as representatives of the Company, describing such participation	On June 16, 2016, at its 155 th Ordinary meeting, Copel’s Board of Directors approved by a majority vote, with dissenting votes, the execution of the Fifth Addendum, with the abstention of Board member Mauro Ricardo Machado Costa.



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Detailed justification of why the issuer's management considers that the transaction is conducted on an arm's length basis or envisages appropriate compensatory payment:

Copel's management considers that the transaction with the State of Paraná was conducted on an arm's length basis and envisages appropriate compensatory payment, given that the interest rate (IGP-DI + 6.65% p.y) applied is in line with normal market conditions, and its main terms and conditions do not affect Copel's results, since the total grace period of the payments for the period between April and December and the grace period for the principal amount between January and December 2017 result in a Net Present Value of zero, i.e. without any real loss of the total amount of the agreement.

In addition, the transaction has been previously approved by Copel's Board of Directors, pursuant to the rules of its Policy on Transactions with Related Parties.

Curitiba, November 1, 2017.

Adriano Rudek de Moura
Chief Financial and Investor Relations Officer

For further information, please contact the Investor Relations team:
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