



Notice to the Market – 06/18

Copel Distribuição's Grid Market grows 0.4% in the first quarter

This report analyzes the performance of Copel's electricity market between January and March 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 0.4% in 1Q18, as shown in the following table:

	Number of Customers / Agreements			Energy Sold (GWh)		
	Mar-18	Mar-17	Var. %	1Q18	1Q17	Var. %
Captive Market	4,579,660	4,501,853	1.7	5,009	5,336	(6.1)
Concessionaries and Licensees ¹	6	6	-	194	189	2.3
Free Customers ²	1,005	803	25.2	2,312	1,959	18.0
Grid Market	4,580,671	4,502,662	1.7	7,515	7,484	0.4

¹ 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.

² 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 4.6% increase in the total consumption of the industrial class in 1Q18, as a result of industrial production performance in the state of Paraná - growth of 3.3% in the last 12 months. The sectors that contributed most to the increase in energy consumption were: food, pulp and paper and wood.

Copel Distribuição

Captive Market

Copel Distribuição's captive market energy sales totaled 5,009 GWh in the 1Q18, which represents a reduction of 6.1%. This result was influenced by the reduction in consumption of industrial and commercial classes, mainly due to the migration of customers to the free market.

The following table shows captive market trends by consumption segment:

	Number of Customers			Energy sold (GWh)		
	Mar-18	Mar-17	Var. %	1Q18	1Q17	Var. %
Residential	3,701,338	3,622,426	2.2	1,849	1,898	(2.6)
Industrial	76,038	79,083	(3.9)	709	897	(20.9)
Commercial	391,104	384,041	1.8	1,214	1,300	(6.6)
Rural	353,653	358,847	(1.4)	632	630	0.3
Other	57,527	57,456	0.1	605	611	(1.0)
Captive Market	4,579,660	4,501,853	1.7	5,009	5,336	(6.1)

The residential segment consumed 1,849 GWh between January and March 2018, recording a decrease of 2.6% due to, mainly, of the milder temperature record in 1Q18. Even with the gradual recovery of income and the level of occupation of the population, the average consumption of the residential class declined by 4.7%, reflecting, besides effect of temperature, the population's caution regarding consumption, and the efficiency gain with the most intense exchange of electric appliances from August 2017. In 1Q18, the residential consumption was equivalent to 36.9% of the captive market, totaling 3,701,338 consumers.

	Average Consumption (kWh/month)		
	1Q18	1Q17	Var.%
Residential	166	175	(4.7)

The industrial segment in the captive market registered a fall of 20.9% in the 1Q18, totaling 709 GWh, mainly reflecting the migration of customers to the free market, which would represent an average consumption of, approximately, 195 GWh in the quarter. At the end of 1Q18, the industrial segment accounted for 14.2% of captive market consumption and had 76,038 consumers.

The commercial segment consumed 1,124 GWh in the 1Q18, a reduction of 6.6% compared to the same period of 2017. This performance was influenced by the migration of customers to the free market in the last 12 month, which corresponds to an approximate consumption of 36 GWh in the quarter, and by the lower average consumption due mainly to the record of milder temperatures in the 1Q18. At the end of this quarter, this segment represented 24.2% of the captive market with 391,104 consumers.

Rural segment recorded a 0.3% increase in consumption in the 1Q18, totaling 632 GWh. At the end of March 2018, this segment represented 12.6% of Copel's captive market with 353,653 consumers.

Other segments (government, public lighting, public services and own consumption) totaled 605 GWh consumed between January and March 2018, a decrease of 1.0%. Together, these classes were equivalent to 12.1% of the captive market with 57,527 consumers at the end of 1Q18.

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, fell by 1.2% between January and March 2018.

The table below breaks down energy sales by consumption segment:

Segment	Market	Energy Sold (GWh)		
		1Q18	1Q17	Var. %
Residential		1,849	1,898	(2.6)
	Total	2,023	1,846	9.6
Industrial	Captive	709	897	(20.9)
	Free	1,314	949	38.4
	Total	1,290	1,335	(3.4)
Commercial	Captive	1,214	1,300	(6.6)
	Free	76	35	117
Rural		632	630	0.3
Other		605	611	(1.0)
Energy Supply		6,399	6,320	1.2

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 10,229 GWh in 1Q18, representing a decrease of 1.0%.

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)		
	Mar-18	Mar-17	Var. %	1Q18	1Q17	Var. %
Copel DIS						
Captive Market	4,579,660	4,501,853	1.7	5,009	5,336	(6.1)
Concessionaries and Licensees	3	4	(25.0)	91	126	(27.9)
CCEE (MCP)	-	-	-	103	579	(82.1)
Total Copel DIS	4,579,663	4,501,857	1.7	5,203	6,041	(13.9)
Copel GeT						
CCEAR (Copel DIS)	1	1	-	23	23	-
CCEAR (other concessionaries)	37	28	32.1	209	212	(1.5)
Free Customers	52	51	2.0	909	889	2.3
Bilateral Agreements ¹	57	32	78.1	1,314	1,860	(29.4)
CCEE (MCP) ²	-	-	-	350	861	(59.4)
Total Copel GeT	154	112	37.5	3,428	3,845	(10.9)
Wind Farms Complex						
CCEAR (other concessionaries)	112	112	-	207	207	-
CER	3	3	-	88	88	-
Total Wind Farm Complex	115	115	-	295	295	-
Copel Comercialização						
Free Customers	220	43	412	480	95	406
Bilateral Agreements	108	12	800	824	52	1,477
CCEE (MCP) ²	-	-	-	-	-	-
Total Copel Comercialização	328	55	496	1,304	147	786
Total Copel Consolidated	4,580,260	4,502,139	1.7	10,229	10,328	(1.0)

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

¹ Includes Short Term Sales Agreements.

² 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.

Curitiba, April 26, 2018.

Adriano Rudek de Moura
Chief Financial and Investor Relations Officer

For further information, please contact the Investor Relations team:
ri@copel.com or (41) 3222-2027