



Notice to the Market – 20/18

Copel Distribuição's Grid Market grows 1.7% in the third quarter

This report analyzes the performance of Copel's electricity market between July and September 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 1.7% in 3Q18, as shown in the following table:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Sep-18	Sep-17	Var. %	3Q18	3Q17	Var. %	9M18	9M17	Var. %
Captive Market	4,612,383	4,539,406	1.6	4,723	4,729	(0.1)	14,702	14,878	(1.2)
Concessionaries and Licensees ¹	6	6	-	197	200	(1.5)	591	586	0.9
Free Customers ²	1,067	947	12.7	2,438	2,308	5.6	7,110	6,521	9.0
Grid Market	4,613,456	4,540,359	1.6	7,358	7,237	1.7	22,403	21,985	1.9

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 concessionaries 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 5.6% increase in the total consumption of the free market in 3Q18, particularly in the industrial customers in the (i) pulp and paper, (ii) food and (iii) manufacture of motor vehicles, trailers and semi-trailers.

Copel Distribuição

Captive Market

Copel Distribuição's captive market energy sales totaled 4,723 GWh in the 3Q18, remaining stable in relation to 3Q17, with a reduction of 0.1% in the comparison of the periods.

The following table shows captive market trends by consumption segment:

	Number of Customers			Energy sold (GWh)					
	Sep-18	Sep-17	Var. %	3Q18	3Q17	Var. %	9M18	9M17	Var. %
Residential	3,732,153	3,661,917	1.9	1,736	1,734	0.1	5,413	5,342	1.3
Industrial	73,328	76,717	(4.4)	751	773	(2.9)	2,203.8	2,498	(11.8)
Commercial	396,459	387,686	2.3	1,089	1,102	(1.1)	3,483.3	3,508	(0.7)
Rural	352,712	355,748	(0.9)	524	513	2.1	1,745.6	1,701	2.6
Other	57,731	57,338	0.7	623	607	2.6	1,856.0	1,829	1.5
Captive Market	4,612,383	4,539,406	1.6	4,723	4,729	(0.1)	14,702	14,878	(1.2)

The residential segment consumed 1,736 GWh between July and September 2018, recording a increase of 0.1%. This result was due to a 1.9% increase in the number of customers, partially offset by lower average monthly consumption of customers (155 KWh in 3Q18 versus 158 KWh in 3Q17), partially explained by the predominance of the red flag in 3T18, while in 3Q17 there were 2 months of yellow flag. Furthermore, the weather conditions in September 2018, when average temperatures in the state of Paraná registered a reduction of almost 15% versus September 2017, influenced the presented result. In 3Q18, residential consumption was equivalent to 36.7% of the captive market, totaling 3,732,153 consumers.

	Average Consumption (kWh/month)		
	3Q18	3Q17	Var. %
Residential	155	158	(1.8)

The industrial segment in the captive market registered a fall of 2.9% in the 3Q18, totaling 751 GWh, mainly reflecting the migration of customers to the free market. At the end of 3Q18, the industrial segment accounted for 15.9% of captive market consumption and had 73,328 consumers.

The commercial segment consumed 1,089 GWh in 3Q18, a reduction of 1.1%, mainly due to the lower consumption of retail trade, warehousing and transportation auxiliary activities, partially offset by the increase of 8,773 consumers in relation to 3Q17. At the end of this quarter, this class accounted for 23.1% of the captive market, with 396,459 consumers.

Rural segment recorded a 2.1% increase in consumption in the 3Q18, totaling 524 GWh. At the end of September 2018, the class represented 11.1% of Copel's captive market with 352,712 consumers.

Other segments (government, public lighting, public services and own consumption) totaled 623 GWh consumed between July and September of 2018, with growth of 2.6%. Together, these classes were equivalent to 13.2% of the captive market, with 57,731 consumers at the end of September 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 6.1% between July and September 2018.

The table below breaks down energy sales by consumption segment:

Segment	Market	Energy Sold (GWh)					
		3Q18	3Q17	Var. %	9M18	9M17	Var. %
Residential		1,736	1,734	0.1	5,413	5,342	1.3
	Total	2,291	1,968	16.4	6,396	5,732	11.6
Industrial	Captive	751	773	(2.9)	2,204	2,498	(11.8)
	Free	1,540	1,195	28.9	4,193	3,234	29.6
	Total	1,172	1,161	1.0	3,718	3,647	2.0
Commercial	Captive	1,089	1,102	(1.1)	3,483	3,508	(0.7)
	Free	83	59	41.4	235	139	69.5
Rural		524	513	2.1	1,746	1,701	2.6
Other		623	607	2.6	1,856	1,829	1.5
Energy Supply		6,346	5,983	6.1	19,129	18,251	4.8

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 11,056 GWh in 3Q18, representing a increase of 11.8%.

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

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	Number of Customers / Agreements			Energy Sold (GWh)					
	Sep-18	Sep-17	Var. %	3Q18	3Q17	Var. %	9M18	9M17	Var. %
Copel DIS									
Captive Market	4,612,383	4,539,406	1.6	4,723	4,729	(0.1)	14,702	14,878	(1.2)
Concessionaries and Licensees	2	3	(33.3)	59	134	(56.0)	222	391	(43.2)
CCEE (MCP)	-	-	-	449	79	468.4	746	1,503	(50.4)
Total Copel DIS	4,612,385	4,539,409	1.6	5,231	4,942	5.8	15,670	16,772	(6.6)
Copel GeT									
CCEAR (Copel DIS)	1	1	-	21	21	-	64	63	1.6
CCEAR (other concessionaries)	37	27	37.0	207	206	0.5	620	619	0.1
Free Customers	52	54	(3.7)	1,071	995	7.6	2,931	2,860	2.5
Bilateral Agreements (Copel Comercialização)		1	600	269	7	3,777.2	1,631	22	7,323.3
Bilateral Agreements ¹	50	35	42.9	2,071	2,285	(9.4)	4,810	6,234	(22.8)
CCEE (MCP) ²	-	-	-	-	-	-	845	1,402	(39.7)
Total Copel GeT	147	118	24.6	3,639	3,514	3.6	10,901	11,200	(2.7)
Wind Farms Complex									
CCEAR (other concessionaries)	112	112	-	211	211	-	627	627	-
CER	3	3	-	90	90	-	267	267	-
Total Wind Farm Complex	115	115	-	301	301	-	894	894	-
Copel Comercialização									
Free Customers	290	111	161	552	259	113.4	1,496	513	191.9
Bilateral Agreements	100	43	133	1,333	860	55.0	3,202	962	232.8
CCEE (MCP) ²	-	-	-	-	9	-	9	10	(13.7)
Total Copel Comercialização	390	154	153	1,885	1,128	67.1	4,707	1,485	216.9
Total Copel Consolidated	4,613,037	4,539,796	1.6	11,056	9,885	11.8	32,172	30,351	6.0

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

¹ Includes Short Term Sales Agreements.

² Assured Power allocated in the period, after 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, October 24, 2018.

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