



Copel Distribuição's Grid Market grows 1.8% in the fourth quarter

This report analyzes the performance of Copel's electricity market between October and December 2018 and is compared against the same period in 2017.

Grid Market (TUSD)

Copel Distribuição's grid market, comprising the captive market, concessionaires and licensees in the state of Paraná, and all free consumers in the Company's concession area, increased by 1.8% in terms of energy consumption in 4Q18, as illustrated in the following table.

	Number of Customers / Agreements			Energy Sold (GWh)					
	Dec-18	Dec-17	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %
Captive Market	4,637,804	4,560,493	1.7	4,892	4,865	0.6	19,594	19,743	(0.8)
Concessionaires and Licensees ¹	7	6	17	199	198	0.3	790	784	0.7
Free Customers ²	1,121	991	13.1	2,458	2,352	4.5	9,568	8,873	7.8
Grid Market	4,638,932	4,561,490	1.7	7,549	7,415	1.8	29,952	29,400	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 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 4.5% increase in the total consumption of the free market in 4Q18, resulting from the improved industrial production in the state of Paraná – which increased by 1.7% and 0.3% in October and November, respectively, in comparison with the same months in 2017. The sectors that contributed most to the increase in energy consumption were: (i) food manufacturing, (ii) pulp and paper, and (iii) chemical products.

Copel Distribuição

Captive Market

Copel Distribuição's captive market energy sales totaled 4,892 GWh in 4Q18, a 0.6% increase. This result was influenced by the increase in consumption by the residential and commercial segments, mainly due to the growth in the number of customers.

The following table illustrates captive market behavior according to customer segment.

	Number of Customers			Energy sold (GWh)					
	Dec-18	Dec-17	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %
Residential	3,754,598	3,682,009	2.0	1,825	1,784	2.3	7,238	7,126	1.6
Industrial	73,070	76,328	(4.3)	731	756	(3.3)	2,935	3,254	(9.8)
Commercial	400,209	389,844	2.7	1,169	1,143	2.3	4,652	4,651	0.0
Rural	352,074	354,829	(0.8)	542	556	(2.4)	2,288	2,257	1.4
Other	57,853	57,483	0.6	625	626	(0.2)	2,481	2,455	1.0
Captive Market	4,637,804	4,560,493	1.7	4,892	4,865	0.6	19,594	19,743	(0.8)

The residential segment consumed 1,825 GWh between October and December 2018, representing an increase of 2.3% in consumption due to 2.0% in the number of clients and the slight increase in average monthly consumption (162 kWh/month in 4Q18 versus 161 kWh/month in 4Q17). During the last quarter of 2018, this segment accounted for 37.3% of the captive market, totaling 3,754,598 consumers.

	Average Consumption (kWh/month)		
	4Q18	4Q17	Var. %
Residential	162	161	0.6

The industrial segment recorded a 3.3% drop in 4Q18, totaling 731 GWh, mainly reflecting the migration of customers to the free market, which represent an average consumption of approximately 60 GWh in the quarter. At the end of December 2018, the industrial segment accounted for 14.9% of the captive market, totaling 73,070 consumers.

The commercial segment consumed 1,169 GWh during the last quarter of 2018, a 2.3% increase compared to the same period of 2017. This performance was influenced by the increase in the customer base at the end of December 2018. At the end of 4Q18, this segment accounted for 23.9% of the captive market, totaling 400,209 consumers.

The rural segment recorded a 2.4% drop in energy consumption in 4Q18, totaling 542 GWh. At the end of December 2018, this segment accounted for 11.1% of Copel's captive market, with a total of 352,074 consumers.

Other segments (government, public lighting, public services and own consumption) totaled 625 GWh consumers between October and December 2018, down by 0.2%. Together, these segments account for 12.8% of the captive market, with 57,853 consumers at the end of 4Q18.

Copel's Consolidated Market

Electricity Supply

Copel's electricity supply, which is the volume of energy sold to final customers, is comprised by sales in Copel Distribuição's captive market and free market sales by Copel Geração e Transmissão and Copel Comercialização, increased by 6.1% between October and December 2018.

The breakdown of energy sales by consumption segment is illustrated below:

Segment	Market	Energy Sold (GWh)					
		4Q18	4Q17	Var. %	2018	2017	Var. %
Residential		1,825	1,784	2.3	7,238	7,126	1.6
	Total	2,244	1,957	14.7	8,641	7,689	12.4
Industrial	Captive	731	756	(3.3)	2,935	3,254	(9.8)
	Free	1,513	1,201	26.0	5,706	4,435	28.7
	Total	1,261	1,201	5.0	4,979	4,847	2.7
Commercial	Captive	1,169	1,143	2.3	4,652	4,651	0.0
	Free	92	58	59.7	327	196	66.6
Rural		542	556	(2.4)	2,288	2,257	1.4
Other		625	626	(0.2)	2,481	2,455	1.0
Energy Supply		6,497	6,124	6.1	25,627	24,374	5.1

Total Energy Sold

Total energy sold by Copel in all markets, comprising sales by Copel Distribuição, Copel Geração e Transmissão, Wind Farm Complexes, and Copel Comercialização totaled 10,944 GWh in the fourth quarter of 2018, an increase of 9.4%.

The following table illustrates the total energy sales by Copel, distributed among Copel Distribuição, Copel Geração e Transmissão, Wind Farm Complexes and Copel Comercialização:

	Number of Customers / Agreements			Energy Sold (GWh)						
	Dec-18	Dec-17	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %	
Copel DIS										
Captive Market	4,637,804	4,560,493	1.7	4,892	4,865	0.6	19,594	19,743	(0.8)	
Concessionaries and Licensees	3	3	-	57	130	(56.1)	279	521	(46.4)	
CCEE (MCP)	-	-	-	219	27	711.1	983	1,530	(35.8)	
Total Copel DIS	4,637,807	4,560,496	1.7	5,168	5,022	2.9	20,856	21,794	(4.3)	
Copel GeT	0			-			-			
CCEAR (Copel DIS)	3	1	200	28	24	17	92	87	5.8	
CCEAR (other concessionaries)	74	27	174.1	256	218	17.5	876	837	4.7	
Free Customers	53	52	1.9	1,029	1,001	2.8	3,960	3,861	2.6	
Bilateral Agreements (Copel Comercialização)	7	1	600	791	5	-	2,422		8,870.4	
Bilateral Agreements ¹	48	36	33.3	1,563	2,243	(30.3)	6,373	8,477	(24.8)	
CCEE (MCP) ²	-	-	-	-	-	-	845	1,402	(39.7)	
Total Copel GeT	185	117	58.1	3,667	3,491	5.0	14,568	14,691	(0.8)	
Wind Farms Complex	0			-			-			
CCEAR (other concessionaries)	112	112	-	213	213	-	840	840	-	
CER	9	3	200	79	90	- 13	335	357	(6.3)	
Total Wind Farm Complex	121	115	5	292	303	- 3.8	1,175	1,197	(1.9)	
Copel Comercialização	-			-			-			
Free Customers	292	139	110	600	258	132.4	2,096	771	172.0	
Bilateral Agreements	130	53	145	1,201	920	30.5	4,403	1,882	133.9	
CCEE (MCP) ²	-	-	-	17	8	113	26	18	41.1	
Total Copel Comercialização	422	192	120	1,818	1,186	53.3	6,525	2,671	144.3	
Total Copel Consolidated	4,638,535	4,560,920	1.7	10,944	10,002	9.4	43,123	40,353	6.9	

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.

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