Copel Distribuição's Grid Market grown up 5.1% in the first quarter

This report analyzes the performance of Copel's electricity market between January and March 2019 and is compared against the same period in 2018.

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 5.1% in terms of energy consumption in 1Q19, as illustrated in the following table.

	Number of Customers / Agreements			Energy sold (GWh)		
	Mar-19	Mar-18	Var. %	1Q19	1Q18	Var. %
Captive Market	4,655,362	4,579,660	1.7	5,246	5,009	4.7
Grid supply [1]	7	6	16.7	204	194	5.5
Free Customers [2]	1,164	1,005	15.8	2,447	2,312	5.8
Grid Market	**4,656,533**	**4,580,671**	**1.7**	**7,897**	**7,515**	**5.1**

[1] Total grid supply in the captive market (concessionaires and licensees) and free market

[2] All free customers served by Copel GeT, Copel Comercialização and other suppliers at the Copel Distribuição concession area.

The result is mainly due to (i) 4.7% increase in captive market consumption, especially influenced by the residential class, and (ii) 5.8% increase in free market consumption in 1Q19, resulting from the improved industrial production in the state of Paraná - growth by 9.8% and 10.8% in January and February, respectively, compared to the same months in 2018. The sectors that contributed most to the increase in energy consumption were: (i) food manufacturing, (ii) chemical products, and (iii) beverage manufacturing.

Copel Distribuição

Captive Market

Copel Distribuição's captive market energy sales totaled 5,246 GWh in 1Q19, a 4.7% increase. This result was mainly influenced by the increase in consumption by the residential and commercial segments, in particular by the high temperatures recorded in January, with average variation above 10%, and February which had more working days.

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

	Number of Customers			Energy sold (GWh)		
	Mar-19	Mar-18	Var. %	1Q19	1Q18	Var. %
Residential	3,772,134	3,701,338	1.9	1,998	1,849	8.1
Industrial	72,510	76,038	(4.6)	658	709	(7.3)
Commercial	401,293	391,104	2.6	1,298	1,214	6.9
Rural	351,663	353,653	(0.6)	665	632	5.2
Other	57,762	57,527	0.4	627	605	3.6
Captive Market	**4,655,362**	**4,579,660**	**1.7**	**5,246**	**5,009**	**4.7**

The residential segment consumed 1,998 GWh between January and March 2019, representing na increase of 8.1% due to (i) the increase in average monthly consumption (176 kWh/month in 1Q19 against 166 kWh/month in 1Q18), mainly due to the highest temperatures recorded in January, which exceeded the historical average in several regions of the State, causing a higher in the use of cooling appliances; and (ii) a growth of 1.9% in the number of customers. In the first quarter of 2019 this class accounted for 38.1% of captive market consumption, totaling 3,772,134 consumers.

Average Consumption (kWh/month)			
	1Q19	1Q18	Var.%
Residential	176	166	6.0

The industrial segment recorded a 7.3% drop in 1Q19, totaling 658 GWh, mainly reflecting the migration of customers to the free market, which represent an average consumption of approximately 82 GWh in the quarter. At the end of March 2019, the industrial segment accounted for 12.5% of the captive market consumption, totaling 72.510 consumers.

The commercial segment consumed 1,298 GWh during the first quarter of 2019, a 6.9% increase compared to the same period of 2018. This performance was influenced by the good performance of the retail market of Paraná - growth of 3.3% and 4.4 % in January and February, respectively, compared to the same months of 2018 - and the increase in the customer base registered at the end of March 2019. At the end of this quarter, this class represented 24.7% of captive market consumption, with 401,293 consumers.

The rural segment recorded a 5.2% up in energy consumption in 1Q19, totaling 665 GWh. At the end of March 2019, this segment accounted for 12.7% of captive market consumption, with a total of 351,663 consumers.

Other segments (government, public lighting, public services and own consumption) totaled 627 GWh consumers between January and March 2019, growth by 3.6%. Together, these segments account for 12.0% of the captive market consumption, with 57,762 consumers at the end of 1Q19.

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 6.8% between January and March 2019.

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

Segment	Market	Energy Sold (GWh)		
		1Q19	1Q18	Var. %
Residential		**1,998**	**1,849**	**8.1**
Industrial	**Total**	**2,118**	**2,023**	**4.7**
	Captive	658	709	(7.3)
	Free	1,460	1,314	11.2
Commercial	**Total**	**1,428**	**1,290**	**10.7**
	Captive	1,298	1,214	6.9
	Free	130	76	71.0
Rural		**665**	**632**	**5.2**
Other		**627**	**605**	**3.6**
Energy Supply		**6,836**	**6,399**	**6.8**

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 12,183 GWh in the first quarter of 2019, an increase of 13.0%.

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)		
	Mar-19	Mar-18	Var. %	1Q19	1Q18	Var. %
Copel DIS						
Captive Market	4,655,362	4,579,660	1.7	5,246	5,009	4.7
Concessionaries and Licensees	3	3	-	64	91	(29.4)
CCEE (MCP)	-	-	-	381	104	265.1
Total Copel DIS	**4,655,365**	**4,579,663**	**1.7**	**5,691**	**5,204**	**9.4**
Copel GeT						
CCEAR (Copel DIS)	3	1	200	31	23	34.5
CCEAR (other concessionaries)	101	37	173.0	278	209	33.1
Free Customers	50	52	(3.8)	974	909	7.1
Bilateral Agreements (Copel Comercialização)	17	7	143	1,114	623	78.7
Bilateral Agreements [1]	38	50	(24.0)	810	1,313	(38.3)
CCEE (MCP) [2]	-	-	-	821	751	-
Total Copel GeT	**209**	**147**	**42.2**	**4,027**	**3,828**	**5.2**
Wind Farms Complex						
CCEAR (other concessionaries)	340	112	204	325	207	57.0
CER	10	3	233	226	88	156.8
Total Wind Farm Complex	**350**	**115**	**204**	**551**	**295**	**86.8**
Copel Comercialização						
Free Customers	289	220	31	616	480	28.3
Bilateral Agreements	167	108	55	1,298	824	57.6
CCEE (MCP) [2]	-	-	-	-	- -	
Total Copel Comercialização	**456**	**328**	**39.0**	**1,914**	**1,304**	**46.8**
Total Copel Consolidated	**4,656,380**	**4,580,253**	**1.7**	**12,184**	**10,631**	**14.6**

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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