

## Copel Distribuição's Captive Market grows 5.0% in 9M14

This report analyzes the performance of Copel's electricity market between January and September 2014 and all comparisons refer to the same period in 2013.

### Copel Distribuição

#### Captive Market

Electricity sales to Copel Distribuição's captive market came to 17,932 GWh in 9M14, up 5.0% in comparison with 2013, mainly due to the increase in average consumption and in the customer base in the period. The table below breaks down electricity sales by customer segment:

	Number of Customers			Energy sold (GWh)					
	Sep/14	Sep/13	Var. %	3Q14	3Q13	Var. %	9M14	9M13	Var. %
Residential	3,415,335	3,285,855	3.9	1,753	1,737	0.9	5,425	5,133	5.7
Industrial	91,366	92,935	(1.7)	1,749	1,682	4.0	5,037	4,924	2.3
Commercial	356,322	335,319	6.3	1,290	1,220	5.7	4,030	3,771	6.9
Rural	372,612	372,553	-	495	484	2.3	1,681	1,556	8.0
Other	56,289	55,489	1.4	583	571	2.1	1,759	1,689	4.1
<b>Captive Market</b>	<b>4,291,924</b>	<b>4,142,151</b>	<b>3.6</b>	<b>5,870</b>	<b>5,694</b>	<b>3.1</b>	<b>17,932</b>	<b>17,073</b>	<b>5.0</b>

The residential segment consumed 5,425 GWh, 5.7% up, due to the increase in the customer base and the upturn in average consumption in the period, due to the maintenance of the favorable income conditions and employment level and temperatures above average in the period. At the end of September 2014 this segment accounted for 30.3% of captive market, totaling 3,415,335 residential customers.

The industrial segment consumed 5,037 GWh in the period, 2.3% up, due the good performance of the State of Paraná industry, specially the wood, beverage and oil sectors. At the end of the period, this segment accounted for 28.1% of captive market, with the company supplying power to 91,366 industrial customers.

The commercial segment consumed 4,030 GWh, 6.9% up on the same period of 2013, as a result of the increase in the customer base and higher temperatures in the period. At the end of September, this segment represented 22.5% of Copel's captive market, with the company supplying power to 356,322 customers.

The rural segment consumed 1,681 GWh, growing by 8.0%, mainly due to the strong performance of agribusiness in Paraná. At the end of September, this segment represented 9.3% of Copel's captive market, with the company supplying power to 372,612 rural customers.

Other segments (public agencies, public lighting, public services and own consumption) consumed 1,759 GWh, 4.1% up in the period. These segments jointly account for 9.8% of Copel's captive market, totaling 56,289 customers at the end of the period.

(\*) Amounts subject to rounding adjustments.

## Grid Market (TUSD)

Copel Distribuição's grid market, comprising the captive market, concessionaires and licensees in the State of Paraná, and all free consumers within the Company's concession area, grew by 4.9%, as shown in the following table:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Sep/14	Sep/13	Var. %	3Q14	3Q13	Var. %	9M14	9M13	Var. %
Captive Market	4,291,924	4,142,151	3.6	5,870	5,694	3.1	17,932	17,073	5.0
Concessionaires and Licensees	4	4	-	190	170	11.8	548	496	10.5
Free Customers <sup>1</sup>	130	127	2.4	1,122	1,175	(4.5)	3,362	3,259	3.2
<b>Grid Market</b>	<b>4,292,058</b>	<b>4,142,282</b>	<b>3.6</b>	<b>7,182</b>	<b>7,039</b>	<b>2.0</b>	<b>21,842</b>	<b>20,828</b>	<b>4.9</b>

<sup>1</sup> All free customers served by Copel GeT and other suppliers at the Copel DIS concession area.

## Copel's Consolidated Market

### Electricity Sales

Copel's electricity sales to final customers, comprising Copel Distribuição's sales in the captive market and Copel Geração e Transmissão's sales in the free market, increased by 4.1% in the first nine months of 2014. The main contribution to this result were the 6.9% growth in electricity sales to the commercial segment and 8.0% growth in the rural segment, due to higher temperatures and the increase in costumers in the period.

Copel Geração e Transmissão sales in the Free Market came to 3,020 GWh in the 9M14, down 1.2% in comparison with the same period last year.

The table below breaks down electricity sales by customer segment:

Segment	Market	Energy Sold (GWh)					
		3Q14	3Q13	Var. %	9M14	9M13	Var. %
Residential		1,753	1,737	0.9	5,425	5,133	5.7
	<b>Total</b>	<b>2,765</b>	<b>2,712</b>	<b>2.0</b>	<b>8,048</b>	<b>7,973</b>	<b>0.9</b>
Industrial	Captive	1,749	1,682	4.0	5,037	4,924	2.3
	Free	1,016	1,030	(1.4)	3,011	3,049	(1.2)
	<b>Total</b>	<b>1,293</b>	<b>1,223</b>	<b>5.7</b>	<b>4,039</b>	<b>3,780</b>	<b>6.9</b>
Commercial	Captive	1,290	1,220	5.7	4,030	3,771	6.9
	Free	3	3	-	9	9	-
Rural		495	484	2.3	1,681	1,556	8.0
Other		583	571	2.1	1,759	1,689	4.1
<b>Energy Supply</b>		<b>6,889</b>	<b>6,727</b>	<b>2.4</b>	<b>20,952</b>	<b>20,131</b>	<b>4.1</b>

(\*) Amounts subject to rounding adjustments.

## Total Electricity Sold

Copel's electricity sales, comprising Copel Distribuição and Copel Geração e Transmissão's sales in all the markets, reached 32,576 GWh in the first nine months of the year, a 2.5% growth over the same period of 2013. Copel Geração e Transmissão's sales totaled 13,847 GWh in 9M14, down 2.6% on 9M13, due to the change in allocation strategy energy in the short-term market (MCP) adopted in 2013, when short-term sales were concentrated in the first quarter.

The following table shows Copel's total electricity sales broken down between Copel Distribuição and Copel Geração e Transmissão:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Sep/14	Sep/13	Var. %	3Q14	3Q13	Var. %	9M14	9M13	Var. %
<b>Copel DIS</b>									
Captive Market	4,291,924	4,142,151	3.6	5,870	5,694	3.1	17,932.0	17,073	5.0
Concessionaries and Licensees	4	4	-	177	170	4.1	522.1	450	16.0
CCEE (MCP)	-	-	-	107	20	-	275.2	20	-
<b>Total Copel DIS</b>	<b>4,291,928</b>	<b>4,142,155</b>	<b>3.6</b>	<b>6,154</b>	<b>5,884</b>	<b>4.6</b>	<b>18,729.4</b>	<b>17,543</b>	<b>6.8</b>
<b>Copel GeT</b>									
CCEAR (Copel DIS)	1	1	-	103	200	(48.6)	299.3	633	(52.8)
CCEAR (other concessionaries)	41	36	13.9	1,144	1,526	(25.0)	3,496.4	4,739	(26.2)
Free Customers	29	27	7.4	1,019	1,033	(1.4)	3,019.7	3,058	(1.2)
Bilateral Agreements <sup>1</sup>	32	21	52.4	1,816	1,319	37.7	5,533.8	3,924	41.0
CCEE (MCP)	-	-	-	429	51	-	1,497.7	1,861	(19.5)
<b>Total Copel GeT</b>	<b>103</b>	<b>85</b>	<b>21.2</b>	<b>4,511</b>	<b>4,129</b>	<b>9.3</b>	<b>13,846.8</b>	<b>14,215</b>	<b>(2.6)</b>
<b>Total Copel Consolidated</b>	<b>4,292,031</b>	<b>4,142,240</b>	<b>3.6</b>	<b>10,665</b>	<b>10,013</b>	<b>6.5</b>	<b>32,576.2</b>	<b>31,758</b>	<b>2.6</b>

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

CCEE: Electric Power Trade Chamber.

CCEAR: Energy Purchase Agreements in the Regulated Market.

MCP: Short Term Market.

<sup>1</sup> Includes Short Term Sales Agreements.

Additionally, the TPP Araucária sold in short-term market (MCP) all the energy produced as from February 1, 2014. The amount of energy produced in the period is shown in the table below:

TPP Araucária - UEGA	GWh			
	Jul-Sep/14	Apr-Jun/14	Feb-Mar/14	9M14
Own Generation	796	854	646	2,296

Curitiba, Brazil, Nov 03, 2014.

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(\*) Amounts subject to rounding adjustments.