



COMPANHIA PARANAENSE DE ENERGIA - COPEL

Corporate Taxpayer's ID (CNPJ): 76.483.817/0001-20

Publicly-held Company

CVM Registry: 1431-1

COPEL IR 017 / 2007

NOTICE TO THE MARKET

TOTAL SPIN-OFF AND WINDING UP OF COPEL TRANSMISSÃO S.A.

Companhia Paranaense de Energia – COPEL, pursuant to CVM Instruction 358/2002, hereby informs the market that, on November 27, 2007, the Company's Board of Directors approved a corporate restructuring, consisting of the spin-off of COPEL Transmissão S.A. and the transfer of its assets and liabilities to COPEL Distribuição S.A. and COPEL Geração S.A.

Reasons: The restructuring was occasioned by regulatory issues and is part of the COPEL group's implementation of the best corporate governance practices. ANEEL Resolution 489/2002 establishes that power distribution concessionaires are responsible, within their respective concession areas, for installing specific transmission facilities that are not part of the basic grid.

The 69 kV and 138 kV transmission lines defined as Connection Networks and Other Transmission Installations (DITs) not belonging to the basic national interconnected grid are typical distribution assets but are currently booked by COPEL Transmissão.

As a result, and based on understandings of Laws 9074/95 and 10848/04, as well as Decree 5163/04, these assets and the corresponding liabilities will be transferred to COPEL Distribuição, while those assets and the corresponding liabilities belonging to the basic grid will be transferred to COPEL Geração.

Value Spun Off: According to the appraisal report, the total net book value of the assets spun off from Copel-TRA for transfer to Copel-DIS is R\$ 572.8 million, and the total net book value of the assets spun off from Copel-TRA for transfer to Copel-GER is R\$ 592.1 million.

The transfer of these assets, and the corresponding liabilities, will not involve any financial disbursements, given that all the companies involved are wholly-owned subsidiaries of the parent company, COPEL.

Curitiba, November 27, 2007

Paulo Roberto Trompczynski
CFO and Investor Relations Officer

