

Companhia Paranaense de Energia - Copel

CNPJ/MF 76.483.817/0001-20

Inscrição Estadual 10146326-50

Companhia de Capital Aberto - CVM 1431-1

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CEP 80420-170

# Quarterly Financial Information

## ITR

**September / 2012**

## SUMMARY

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**QUARTERLY FINANCIAL INFORMATION**  
**BALANCE SHEETS**

as of September 30, 2012 and December 31, 2011

In thousands of Reais – R\$



| Code              | Description   | Note | Parent Company    |                   | Consolidated      |                   |
|-------------------|---|------|-------------------|-------------------|-------------------|-------------------|
|                   |   |      | 09.30.2012        | 12.31.2011        | 09.30.2012        | 12.31.2011        |
| <b>1</b>          | <b>Total assets</b>                                   |      | <b>13,922,720</b> | <b>13,310,894</b> | <b>19,908,825</b> | <b>18,842,019</b> |
| <b>1.01</b>       | <b>Current assets</b>                                 |      | <b>1,045,365</b>  | <b>1,300,161</b>  | <b>3,538,245</b>  | <b>3,702,013</b>  |
| <b>1.01.01</b>    | <b>Cash and Cash Equivalents</b>                      | 3    | <b>23,612</b>     | <b>27,757</b>     | <b>749,520</b>    | <b>1,049,125</b>  |
| <b>1.01.02</b>    | <b>Financial Investments</b>                          |      | <b>174</b>        | <b>165</b>        | <b>469,077</b>    | <b>584,687</b>    |
| <b>1.01.02.01</b> | <b>Financial Investments Stated at Fair Value</b>     |      | <b>174</b>        | <b>165</b>        | <b>469,077</b>    | <b>578,719</b>    |
| 1.01.02.01.01     | Financial Investments Held for Trading                | 4    | -                 | -                 | 156,122           | 60,022            |
| 1.01.02.01.02     | Financial Investments Held for Sale                   | 4    | 174               | 165               | 300,663           | 516,029           |
| 1.01.02.01.03     | Collaterals and Escrow Accounts                       | 5    | -                 | -                 | 12,292            | 2,668             |
| <b>1.01.02.02</b> | <b>Financial Investments Stated at Amortized Cost</b> |      | -                 | -                 | -                 | <b>5,968</b>      |
| 1.01.02.02.01     | Bonds and Securities                                  | 4    | -                 | -                 | -                 | 5,968             |
| <b>1.01.03</b>    | <b>Accounts Receivable</b>                            |      | <b>904,375</b>    | <b>1,153,331</b>  | <b>1,886,780</b>  | <b>1,694,073</b>  |
| <b>1.01.03.01</b> | <b>Trade Accounts Receivable</b>                      |      | -                 | -                 | <b>1,457,214</b>  | <b>1,368,366</b>  |
| 1.01.03.01.01     | Trade Accounts Receivable                             | 6    | -                 | -                 | 1,457,214         | 1,368,366         |
| <b>1.01.03.02</b> | <b>Other Accounts Receivable</b>                      |      | <b>904,375</b>    | <b>1,153,331</b>  | <b>429,566</b>    | <b>325,707</b>    |
| 1.01.02.03.01     | Dividends Receivable                                  | 14   | 904,043           | 1,153,009         | 8,342             | 17,906            |
| 1.01.02.03.02     | CRC transferred to the State Government of Paraná     | 7    | -                 | -                 | 73,018            | 65,862            |
| 1.01.02.03.03     | Account Receivable related to concession              | 8    | -                 | -                 | 114,631           | 80,626            |
| 1.01.02.03.04     | Other Receivables                                     | 9    | 332               | 322               | 233,575           | 161,313           |
| <b>1.01.04</b>    | <b>Inventories</b>                                    | 10   | -                 | -                 | <b>118,952</b>    | <b>103,802</b>    |
| <b>1.01.06</b>    | <b>Taxes Recoverable</b>                              |      | <b>117,204</b>    | <b>118,908</b>    | <b>295,701</b>    | <b>265,738</b>    |
| <b>1.01.06.01</b> | <b>Current Taxes Recoverable</b>                      |      | <b>117,204</b>    | <b>118,908</b>    | <b>295,701</b>    | <b>265,738</b>    |
| 1.01.06.01.01     | Income Tax and Social Contribution                    | 11.1 | 117,193           | 118,908           | 215,663           | 215,381           |
| 1.01.06.01.02     | Other current recoverable taxes                       | 11.3 | 11                | -                 | 80,038            | 50,357            |
| <b>1.01.07</b>    | <b>Prepaid expenses</b>                               |      | -                 | -                 | <b>18,215</b>     | <b>4,588</b>      |
| 1.01.07.01        | Prepaid expenses                                      | 12   | -                 | -                 | 18,215            | 4,588             |
| <b>1.02</b>       | <b>Noncurrent assets</b>                              |      | <b>12,877,355</b> | <b>12,010,733</b> | <b>16,370,580</b> | <b>15,140,006</b> |
| <b>1.02.01</b>    | <b>Long Term Assets</b>                               |      | <b>1,558,868</b>  | <b>1,476,621</b>  | <b>6,349,341</b>  | <b>5,659,868</b>  |
| <b>1.02.01.01</b> | <b>Financial Investments Stated at Fair Value</b>     |      | -                 | -                 | <b>160,796</b>    | <b>88,953</b>     |
| 1.02.01.01.02     | Financial Investments Held for Sale                   | 4    | -                 | -                 | 87,985            | 51,400            |
| 1.02.01.01.03     | Collaterals and escrow accounts                       | 5    | -                 | -                 | 72,811            | 37,553            |
| <b>1.02.01.02</b> | <b>Financial Investments Stated at Amortized Cost</b> |      | -                 | -                 | <b>11,966</b>     | <b>11,189</b>     |
| 1.02.01.02.01     | Bonds and Securities                                  | 4    | -                 | -                 | 11,966            | 11,189            |
| <b>1.02.01.03</b> | <b>Accounts Receivable</b>                            |      | -                 | -                 | <b>31,739</b>     | <b>32,452</b>     |
| 1.02.01.03.01     | Trade Accounts Receivable                             | 6    | -                 | -                 | 31,739            | 32,452            |
| <b>1.02.01.06</b> | <b>Deferred Taxes</b>                                 |      | <b>138,904</b>    | <b>108,380</b>    | <b>567,422</b>    | <b>465,536</b>    |
| 1.02.01.06.01     | Deferred Income Tax and Social Contribution           | 11.2 | 138,904           | 108,380           | 567,422           | 465,536           |
| <b>1.02.01.07</b> | <b>Prepaid expenses</b>                               |      | -                 | -                 | <b>10,737</b>     | <b>190</b>        |
| 1.02.01.07.01     | Prepaid expenses                                      | 12   | -                 | -                 | 10,737            | 190               |
| <b>1.02.01.08</b> | <b>Receivable from Related Parties</b>                |      | <b>1,148,130</b>  | <b>1,145,394</b>  | -                 | -                 |
| 1.02.01.08.02     | Receivable from Subsidiaries                          | 14   | 1,148,130         | 1,145,394         | -                 | -                 |
| <b>1.02.01.09</b> | <b>Other Noncurrent Assets</b>                        |      | <b>271,834</b>    | <b>222,847</b>    | <b>5,566,681</b>  | <b>5,061,548</b>  |
| 1.02.01.09.03     | Account Receivable related to concession              | 8    | -                 | -                 | 3,571,421         | 3,236,474         |
| 1.02.01.09.04     | CRC transferred to the State Government of Paraná     | 7    | -                 | -                 | 1,319,965         | 1,280,598         |
| 1.02.01.09.05     | Judicial Deposits                                     | 13   | 271,834           | 222,847           | 557,859           | 430,817           |
| 1.02.01.09.06     | Income Tax and Social Contribution                    | 11.1 | -                 | -                 | 20,209            | 18,714            |
| 1.02.01.09.07     | Other noncurrent recoverable taxes                    | 11.3 | -                 | -                 | 75,415            | 77,912            |
| 1.02.01.09.08     | Other Receivables                                     | 9    | -                 | -                 | 21,812            | 17,033            |
| <b>1.02.02</b>    | <b>Investments</b>                                    | 15   | <b>11,318,487</b> | <b>10,534,112</b> | <b>590,217</b>    | <b>549,158</b>    |
| <b>1.02.02.01</b> | <b>Investments Interests</b>                          |      | <b>11,318,487</b> | <b>10,534,112</b> | <b>590,217</b>    | <b>549,158</b>    |
| 1.02.02.01.01     | Investments in Associated Companies                   |      | 139,554           | 142,576           | 521,191           | 487,015           |
| 1.02.02.01.02     | Investments in Subsidiaries                           |      | 10,721,127        | 9,978,798         | -                 | -                 |
| 1.02.02.01.03     | Investments in Joint Venture                          |      | 394,264           | 356,072           | -                 | -                 |
| 1.02.02.01.04     | Other Investment Interests                            |      | 63,542            | 56,666            | 69,026            | 62,143            |
| <b>1.02.03</b>    | <b>Property, Plant and Equipment, net</b>             | 16   | -                 | -                 | <b>7,621,397</b>  | <b>7,209,123</b>  |
| 1.02.03.01        | Property, Plant and Equipment in Operation            |      | -                 | -                 | 5,539,535         | 5,745,140         |
| 1.02.03.02        | Property, Plant and Equipment in Progress             |      | -                 | -                 | 2,081,862         | 1,463,983         |
| <b>1.02.04</b>    | <b>Intangible Assets</b>                              | 17   | -                 | -                 | <b>1,809,625</b>  | <b>1,721,857</b>  |
| <b>1.02.04.01</b> | <b>Intangible Assets</b>                              |      | -                 | -                 | <b>1,809,625</b>  | <b>1,721,857</b>  |
| 1.02.04.01.01     | Concession Contract                                   |      | -                 | -                 | 1,737,445         | 1,658,564         |
| 1.02.04.01.02     | Authorization and Concession of Subsidiaries          |      | -                 | -                 | 23,533            | 24,098            |
| 1.02.04.01.03     | Others  |      | -                 | -                 | 48,647            | 39,195            |

See the accompanying notes to the quarterly information



## BALANCE SHEETS

as of September 30, 2012 and December 31, 2011 (continued)

In thousands of Reais - R\$

| Code              | Description   | Note | Parent Company    |                   | Consolidated      |                   |
|-------------------|---|------|-------------------|-------------------|-------------------|-------------------|
|                   |   |      | 09.30.2012        | 12.31.2011        | 09.30.2012        | 12.31.2011        |
| <b>2</b>          | <b>Total liabilities</b>                                  |      | <b>13,922,720</b> | <b>13,310,894</b> | <b>19,908,825</b> | <b>18,842,019</b> |
| <b>2.01</b>       | <b>Current liabilities</b>                                |      | <b>101,511</b>    | <b>223,073</b>    | <b>2,281,889</b>  | <b>2,058,821</b>  |
| <b>2.01.01</b>    | <b>Payroll, social charges and accruals</b>               | 18   | <b>251</b>        | <b>153</b>        | <b>268,558</b>    | <b>224,095</b>    |
| 2.01.01.01        | Social charges and accruals                               |      | 251               | 153               | 70,419            | 63,393            |
| 2.01.01.02        | Payroll and accruals                                      |      | -                 | -                 | 198,139           | 160,702           |
| <b>2.01.02</b>    | <b>Suppliers</b>  |      | <b>1,636</b>      | <b>2,065</b>      | <b>883,927</b>    | <b>747,453</b>    |
| 2.01.02.01        | Domestic Suppliers  | 19   | 1,636             | 2,065             | 883,927           | 747,453           |
| <b>2.01.03</b>    | <b>Tax Liabilities</b>                                    |      | <b>204</b>        | <b>45,314</b>     | <b>444,835</b>    | <b>440,247</b>    |
| <b>2.01.03.01</b> | <b>Federal Taxes</b>                                      |      | <b>203</b>        | <b>45,311</b>     | <b>239,552</b>    | <b>243,253</b>    |
| 2.01.03.01.01     | Income Tax and Social Contribution Payable                | 11.1 | -                 | 3,929             | 199,389           | 151,790           |
| 2.01.03.01.02     | Other Federal Taxes                                       | 11.3 | 203               | 41,382            | 40,163            | 91,463            |
| <b>2.01.03.02</b> | <b>State Taxes</b>  | 11.3 | -                 | -                 | <b>203,412</b>    | <b>193,808</b>    |
| <b>2.01.03.03</b> | <b>Municipal Taxes</b>                                    | 11.3 | <b>1</b>          | <b>3</b>          | <b>1,871</b>      | <b>3,186</b>      |
| <b>2.01.04</b>    | <b>Loans and Financing</b>                                |      | <b>11,575</b>     | <b>44,152</b>     | <b>230,576</b>    | <b>116,487</b>    |
| <b>2.01.04.01</b> | <b>Loans and Financing</b>                                | 20   | <b>11,575</b>     | <b>44,152</b>     | <b>230,576</b>    | <b>116,487</b>    |
| 2.01.04.01.01     | In Domestic Currency                                      |      | 7,558             | 39,668            | 226,553           | 111,997           |
| 2.01.04.01.02     | In Foreign Currency                                       |      | 4,017             | 4,484             | 4,023             | 4,490             |
| <b>2.01.05</b>    | <b>Other Liabilities</b>                                  |      | <b>87,845</b>     | <b>131,389</b>    | <b>453,993</b>    | <b>530,539</b>    |
| <b>2.01.05.02</b> | <b>Others</b>   |      | <b>87,845</b>     | <b>131,389</b>    | <b>453,993</b>    | <b>530,539</b>    |
| 2.01.05.02.02     | Minimum Compulsary Dividend Payable                       |      | 87,283            | 130,859           | 87,283            | 135,744           |
| 2.01.05.02.04     | Post Employment Benefits                                  | 21   | -                 | -                 | 22,281            | 36,037            |
| 2.01.05.02.05     | Customer charges due                                      | 22   | -                 | -                 | 59,857            | 70,511            |
| 2.01.05.02.06     | Research and Development and Energy Efficiency            | 23   | -                 | -                 | 112,313           | 156,915           |
| 2.01.05.02.07     | Payables related to Concession - Use of Public Property   | 24   | -                 | -                 | 44,769            | 44,656            |
| 2.01.05.02.08     | Other Accounts Payable                                    | 25   | 562               | 530               | 127,490           | 86,676            |
| <b>2.02</b>       | <b>Noncurrent liabilities</b>                             |      | <b>1,280,320</b>  | <b>1,261,127</b>  | <b>4,826,759</b>  | <b>4,713,670</b>  |
| <b>2.02.01</b>    | <b>Loans and Financing</b>                                |      | <b>971,754</b>    | <b>965,772</b>    | <b>1,994,685</b>  | <b>2,057,985</b>  |
| <b>2.02.01.01</b> | <b>Loans and Financing</b>                                | 20   | <b>971,754</b>    | <b>965,772</b>    | <b>1,994,685</b>  | <b>2,057,985</b>  |
| 2.02.01.01.01     | In Domestic Currency                                      |      | 914,719           | 911,829           | 1,937,642         | 2,004,030         |
| 2.02.01.01.02     | In Foreign Currency                                       |      | 57,035            | 53,943            | 57,043            | 53,955            |
| <b>2.02.02</b>    | <b>Other Liabilities</b>                                  |      | -                 | -                 | <b>1,081,269</b>  | <b>1,006,596</b>  |
| <b>2.02.02.02</b> | <b>Others</b>   |      | -                 | -                 | <b>1,081,269</b>  | <b>1,006,596</b>  |
| 2.02.02.02.03     | Suppliers   | 19   | -                 | -                 | 72,091            | 108,462           |
| 2.02.02.02.04     | Tax Liabilities   | 11.3 | -                 | -                 | -                 | 152               |
| 2.02.02.02.05     | Post Employment Benefits                                  | 21   | -                 | -                 | 470,045           | 432,838           |
| 2.02.02.02.06     | Research and Development and Energy Efficiency            | 23   | -                 | -                 | 139,065           | 94,649            |
| 2.02.02.02.07     | Payables related to Concession - Use of Public Property   | 24   | -                 | -                 | 400,053           | 370,442           |
| 2.02.02.02.08     | Other Accounts Payable                                    | 25   | -                 | -                 | 15                | 53                |
| <b>2.02.03</b>    | <b>Deferred Taxes</b>                                     |      | -                 | -                 | <b>656,597</b>    | <b>648,266</b>    |
| 2.02.01.06.02     | Deferred Income Tax and Social Contribution               | 11.2 | -                 | -                 | 656,597           | 648,266           |
| <b>2.02.04</b>    | <b>Provisions</b>   | 26   | <b>308,566</b>    | <b>295,355</b>    | <b>1,094,208</b>  | <b>1,000,823</b>  |
| <b>2.02.04.01</b> | <b>Tax, Social Security, Labor and Civil Provisions</b>   |      | <b>297,745</b>    | <b>284,534</b>    | <b>1,045,853</b>  | <b>952,572</b>    |
| 2.02.04.01.01     | Provisions for Taxes                                      |      | 279,549           | 274,605           | 301,033           | 281,937           |
| 2.02.04.01.02     | Labor and Social Security Provisions                      |      | -                 | -                 | 149,777           | 128,505           |
| 2.02.04.01.03     | Provisions for Employee Benefits                          |      | -                 | -                 | 76,024            | 58,089            |
| 2.02.04.01.04     | Civil Provisions  |      | 18,196            | 9,929             | 519,019           | 484,041           |
| <b>2.02.04.02</b> | <b>Other Provisions</b>                                   |      | <b>10,821</b>     | <b>10,821</b>     | <b>48,355</b>     | <b>48,251</b>     |
| 2.02.04.02.01     | Provisions for Environmental and Deactivation Liabilities |      | -                 | -                 | 186               | 104               |
| 2.02.04.02.02     | Provisions for Regulatory Liabilities                     |      | 10,821            | 10,821            | 48,169            | 48,147            |
| <b>2.03</b>       | <b>Consolidated shareholders' equity</b>                  | 27   | <b>12,540,889</b> | <b>11,826,694</b> | <b>12,800,177</b> | <b>12,069,528</b> |
| <b>2.03.01</b>    | <b>Share capital</b>                                      |      | <b>6,910,000</b>  | <b>6,910,000</b>  | <b>6,910,000</b>  | <b>6,910,000</b>  |
| <b>2.03.04</b>    | <b>Profit Reserves</b>                                    |      | <b>3,374,738</b>  | <b>3,459,613</b>  | <b>3,374,738</b>  | <b>3,459,613</b>  |
| 2.03.04.01        | Legal Reserves  |      | 536,187           | 536,187           | 536,187           | 536,187           |
| 2.03.04.02        | Retained earnings   |      | 2,838,551         | 2,838,551         | 2,838,551         | 2,838,551         |
| 2.03.04.08        | Additional Dividend Proposed                              |      | -                 | 84,875            | -                 | 84,875            |
| <b>2.03.05</b>    | <b>Accumulated Profit</b>                                 |      | <b>883,444</b>    | -                 | <b>883,444</b>    | -                 |
| <b>2.03.06</b>    | <b>Equity Evaluation Adjustments</b>                      |      | <b>1,372,707</b>  | <b>1,457,081</b>  | <b>1,372,707</b>  | <b>1,457,081</b>  |
| <b>2.03.06</b>    | <b>Equity Evaluation Adjustments</b>                      | 27.2 | -                 | -                 | <b>259,288</b>    | <b>242,834</b>    |

See the accompanying notes to the quarterly information

## STATEMENTS OF INCOME

for the nine-month periods ended September 30, 2012 and 2011

In thousands of Reais - R\$

| Code        | Description   | Note | Parent Company |                  | Consolidated     |                  |
|-------------|---|------|----------------|------------------|------------------|------------------|
|             |   |      | 09.30.2012     | 12.31.2011       | 09.30.2012       | 12.31.2011       |
| <b>3</b>    | <b>Statement of income</b>                                |      |                |                  |                  |                  |
| <b>3.01</b> | <b>Income from sale of goods and/or services</b>          | 28   | -              | -                | 6,109,116        | 5,682,614        |
| <b>3.02</b> | <b>Cost of goods and/or services sold</b>                 | 29   | -              | -                | (4,467,938)      | (3,934,801)      |
| <b>3.03</b> | <b>Gross profit</b>                                       |      | -              | -                | 1,641,178        | 1,747,813        |
| <b>3.04</b> | <b>Operational expenses / income</b>                      |      | <b>758,458</b> | <b>1,042,963</b> | <b>(559,151)</b> | <b>(552,676)</b> |
| 3.04.01     | Selling Expenses  | 29   | -              | -                | (31,466)         | (58,858)         |
| 3.04.02     | General and Administrative Expenses                       | 29   | (17,319)       | (17,956)         | (351,022)        | (322,770)        |
| 3.04.04     | Other Operational Income                                  | 29   | 467            | 148              | 2,040            | 2,511            |
| 3.04.05     | Other Operational Income                                  | 29   | (13,777)       | 5,769            | (231,232)        | (221,658)        |
| 3.04.06     | Equity in Income of Subsidiaries                          | 15   | 789,087        | 1,055,002        | 52,529           | 48,099           |
| <b>3.05</b> | <b>Profit before financial results and taxes</b>          |      | <b>758,458</b> | <b>1,042,963</b> | <b>1,082,027</b> | <b>1,195,137</b> |
| <b>3.06</b> | <b>Financial Results</b>                                  | 30   | <b>17,330</b>  | <b>(61,359)</b>  | <b>86,037</b>    | <b>165,843</b>   |
| 3.06.01     | Financial Income  |      | 86,348         | 92,864           | 523,975          | 460,202          |
| 3.06.02     | Financial Expenses  |      | (69,018)       | (154,223)        | (437,938)        | (294,359)        |
| <b>3.07</b> | <b>Profit before tax and social contribution</b>          |      | <b>775,788</b> | <b>981,604</b>   | <b>1,168,064</b> | <b>1,360,980</b> |
| <b>3.08</b> | <b>Income Tax and Social Contribution on Profit</b>       | 11.4 | <b>30,575</b>  | <b>(5,773)</b>   | <b>(344,055)</b> | <b>(372,890)</b> |
| 3.08.01     | Current   |      | -              | -                | (433,853)        | (524,501)        |
| 3.08.02     | Deferred  |      | 30,575         | (5,773)          | 89,798           | 151,611          |
| <b>3.09</b> | <b>Net income for the period</b>                          |      | <b>806,363</b> | <b>975,831</b>   | <b>824,009</b>   | <b>988,090</b>   |
| <b>3.11</b> | <b>Consolidated net income for the quarter</b>            |      | <b>806,363</b> | <b>975,831</b>   | <b>824,009</b>   | <b>988,090</b>   |
| 3.11.01     | Attributed to Controlling Shareholders                    |      | -              | -                | 806,363          | 975,831          |
| 3.11.02     | Attributed to Non-Controlling Interest                    | 27.2 | -              | -                | 17,646           | 12,259           |
| <b>3.99</b> | <b>Basic and diluted net earning per share attributed</b> |      |                |                  |                  |                  |
|             | <b>To parent company shareholders - in reais</b>          | 27.1 |                |                  |                  |                  |
|             | Class "A" Preferred shares                                |      | 3.0959         | 3.7435           | 3.0959           | 3.7435           |
|             | Class "B" Preferred shares                                |      | 3.0958         | 3.7464           | 3.0958           | 3.7464           |
|             | Ordinary shares   |      | 2.8144         | 3.4058           | 2.8144           | 3.4058           |

See the accompanying notes to the quarterly information

## STATEMENTS OF INCOME – Turnover for the third quarter

for the three-month and nine-month periods ended September 30, 2012 and 2011

In thousands of Reais - R\$

| Code     | Description   | Parent Company             |                            |                            |                            |
|----------|---|----------------------------|----------------------------|----------------------------|----------------------------|
|          |   | 07/01/2012<br>a 09/30/2012 | 01/01/2012<br>a 09/30/2012 | 07/01/2011<br>a 09/30/2011 | 01/01/2011<br>a 09/30/2011 |
| <b>3</b> | <b>Statement of income</b>  |                            |                            |                            |                            |
| 3.01     | Income from sale of goods and/or services   | -                          | -                          | -                          | -                          |
| 3.02     | Cost of goods and/or services sold  | -                          | -                          | -                          | -                          |
| 3.03     | Gross profit  | -                          | -                          | -                          | -                          |
| 3.04     | Operational expenses / income   | 308,341                    | 758,458                    | 400,696                    | 1,042,963                  |
| 3.04.01  | Selling Expenses  | -                          | -                          | -                          | -                          |
| 3.04.02  | General and Administrative Expenses   | (4,754)                    | (17,319)                   | (3,057)                    | (17,956)                   |
| 3.04.04  | Other Operational Income  | 200                        | 467                        | 4                          | 148                        |
| 3.04.05  | Other Operational Income  | (194)                      | (13,777)                   | (1,042)                    | 5,769                      |
| 3.04.06  | Equity in Income of Subsidiaries  | 313,089                    | 789,087                    | 404,791                    | 1,055,002                  |
| 3.05     | Profit before financial results and taxes   | 308,341                    | 758,458                    | 400,696                    | 1,042,963                  |
| 3.06     | Financial Results   | 7,099                      | 17,330                     | (50,235)                   | (61,359)                   |
| 3.06.01  | Financial Income  | 27,731                     | 86,348                     | 31,926                     | 92,864                     |
| 3.06.02  | Financial Expenses  | (20,632)                   | (69,018)                   | (82,161)                   | (154,223)                  |
| 3.07     | Profit before tax and social contribution   | 315,440                    | 775,788                    | 350,461                    | 981,604                    |
| 3.08     | Income Tax and Social Contribution on Profit  | (737)                      | 30,575                     | (9,289)                    | (5,773)                    |
| 3.08.01  | Current   | -                          | -                          | -                          | -                          |
| 3.08.02  | Deferred  | (737)                      | 30,575                     | (9,289)                    | (5,773)                    |
| 3.09     | Net income for the period   | 314,703                    | 806,363                    | 341,172                    | 975,831                    |
| 3.11     | Consolidated net income for the quarter   | 314,703                    | 806,363                    | 341,172                    | 975,831                    |
| 3.99     | Basic and diluted net earning per share attributed<br>To parent company shareholders - in reais |                            |                            |                            |                            |
|          | Class "A" Preferred shares  | 1.2092                     | 3.0959                     | 1.3062                     | 3.7435                     |
|          | Class "B" Preferred shares  | 1.2082                     | 3.0958                     | 1.3098                     | 3.7464                     |
|          | Ordinary shares   | 1.0984                     | 2.8144                     | 1.1908                     | 3.4058                     |

See the accompanying notes to the quarterly information

| Code     | Description                                  | Consolidated               |                            |                            |                            |
|----------|--|----------------------------|----------------------------|----------------------------|----------------------------|
|          |  | 07/01/2012<br>a 09/30/2012 | 01/01/2012<br>a 09/30/2012 | 07/01/2011<br>a 09/30/2011 | 01/01/2011<br>a 09/30/2011 |
| <b>3</b> | <b>Statement of income</b>                   |                            |                            |                            |                            |
| 3.01     | Income from sale of goods and/or services    | 2,053,008                  | 6,109,116                  | 2,014,076                  | 5,682,614                  |
| 3.02     | Cost of goods and/or services sold           | (1,516,703)                | (4,467,938)                | (1,425,874)                | (3,934,801)                |
| 3.03     | Gross profit                                 | 536,305                    | 1,641,178                  | 588,202                    | 1,747,813                  |
| 3.04     | Operational expenses / income                | (178,211)                  | (559,151)                  | (209,905)                  | (552,676)                  |
| 3.04.01  | Selling Expenses                             | (21,866)                   | (31,466)                   | (26,605)                   | (58,858)                   |
| 3.04.02  | General and Administrative Expenses          | (117,443)                  | (351,022)                  | (118,741)                  | (322,770)                  |
| 3.04.04  | Other Operational Income                     | 1,556                      | 2,040                      | (715)                      | 2,511                      |
| 3.04.05  | Other Operational Income                     | (56,475)                   | (231,232)                  | (77,061)                   | (221,658)                  |
| 3.04.06  | Equity in Income of Subsidiaries             | 16,017                     | 52,529                     | 13,217                     | 48,099                     |
| 3.05     | Profit before financial results and taxes    | 358,094                    | 1,082,027                  | 378,297                    | 1,195,137                  |
| 3.06     | Financial Results                            | 110,424                    | 86,037                     | 18,704                     | 165,843                    |
| 3.06.01  | Financial Income                             | 224,872                    | 523,975                    | 151,723                    | 460,202                    |
| 3.06.02  | Financial Expenses                           | (114,448)                  | (437,938)                  | (133,019)                  | (294,359)                  |
| 3.07     | Profit before tax and social contribution    | 468,518                    | 1,168,064                  | 397,001                    | 1,360,980                  |
| 3.08     | Income Tax and Social Contribution on Profit | (149,195)                  | (344,055)                  | (51,223)                   | (372,890)                  |
| 3.08.01  | Current                                      | (134,379)                  | (433,853)                  | (85,340)                   | (524,501)                  |
| 3.08.02  | Deferred                                     | (14,816)                   | 89,798                     | 34,117                     | 151,611                    |
| 3.09     | Net income for the period                    | 319,323                    | 824,009                    | 345,778                    | 988,090                    |
| 3.11     | Consolidated net income for the quarter      | 319,323                    | 824,009                    | 345,778                    | 988,090                    |
| 3.11.01  | Attributed to Controlling Shareholders       | 314,703                    | 806,363                    | 341,172                    | 975,831                    |
| 3.11.02  | Attributed to Non-Controlling Interest       | 4,620                      | 17,646                     | 4,606                      | 12,259                     |

See the accompanying notes to the quarterly information

## STATEMENTS OF COMPREHENSIVE INCOME

for the nine-month periods ended September 30, 2012 and 2011

In thousands of Reais - R\$

|   | Parent Company |                | Consolidated   |                |
|---|----------------|----------------|----------------|----------------|
|   | 09.30.2012     | 09.30.2011     | 09.30.2012     | 09.30.2011     |
| <b>Net income for the period</b>  | <b>806,363</b> | <b>975,831</b> | <b>824,009</b> | <b>988,090</b> |
| <b>Other comprehensive income</b>   |                |                |                |                |
| Adjustments related to Financial Assets classified as available for sale: |                |                |                |                |
| Financial investments   | 1,267          | -              | 1,918          | -              |
| Concession  | (8,657)        | (1,598)        | (13,116)       | (2,421)        |
| Other investments   | 148            | -              | 148            | -              |
| (-) Taxes on financial asset adjustments                                  | (51)           | -              | 3,757          | 823            |
| <b>Total comprehensive income for the period, before taxes</b>            | <b>(7,293)</b> | <b>(1,598)</b> | <b>(7,293)</b> | <b>(1,598)</b> |
| <b>Total comprehensive income for the period</b>                          | <b>799,070</b> | <b>974,233</b> | <b>816,716</b> | <b>986,492</b> |
| Attributed to Parent Company  |                |                | 799,070        | 974,233        |
| Attributed to non controlling interests                                   |                |                | 17,646         | 12,259         |

See the accompanying notes to the quarterly information



## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the nine-month periods ended September 30, 2012 and 2011

In thousands of Reais - R\$

|  | Note   | Attributable to Parent Company |                                     |                  |                                |                                     |                       | Total<br>Parent Company | Attributable<br>to<br>non<br>controlling<br>interests<br>(Note 27.2) | Total<br>Consolidated |
|--|--------|--------------------------------|-------------------------------------|------------------|--------------------------------|-------------------------------------|-----------------------|-------------------------|--|-----------------------|
|  |        | Capital                        | Equity<br>evaluation<br>adjustments | Profit reserves  |                                |                                     |                       |                         |  |                       |
|  |        |                                |                                     | Legal<br>reserve | Profit<br>retention<br>reserve | Additional<br>proposed<br>dividends | Accumulated<br>profit |                         |  |                       |
| <b>Balances as of January 1, 2012</b>  |        | <b>6,910,000</b>               | <b>1,457,081</b>                    | <b>536,187</b>   | <b>2,838,551</b>               | <b>84,875</b>                       | -                     | <b>11,826,694</b>       | <b>242,834</b>   | <b>12,069,528</b>     |
| <b>Net Income for the period</b>   |        | -                              | -                                   | -                | -                              | -                                   | 806,363               | 806,363                 | 17,646   | 824,009               |
| <b>Other comprehensive income</b>  |        |                                |                                     |                  |                                |                                     |                       |                         |  |                       |
| Adjustments related to financial assets classified as available for sale, net of taxes | 27.1.2 | -                              | (7,293)                             | -                | -                              | -                                   | -                     | (7,293)                 | -  | (7,293)               |
| <b>Total comprehensive income for the period</b>                                       |        | -                              | <b>(7,293)</b>                      | -                | -                              | -                                   | <b>806,363</b>        | <b>799,070</b>          | <b>17,646</b>  | <b>816,716</b>        |
| Deliberation of additional dividends proposed  |        | -                              | -                                   | -                | -                              | (84,875)                            | -                     | (84,875)                | -  | (84,875)              |
| Realization of equity valuation adjustments  | 27.1.2 | -                              | (77,081)                            | -                | -                              | -                                   | 77,081                | -                       | -  | -                     |
| Allocations proposed to GSM  |        | -                              | -                                   | -                | -                              | -                                   | -                     | -                       | (1,192)  | (1,192)               |
| Dividends  |        | -                              | -                                   | -                | -                              | -                                   | -                     | -                       | -  | -                     |
| <b>Balances as of September 30, 2012</b>   |        | <b>6,910,000</b>               | <b>1,372,707</b>                    | <b>536,187</b>   | <b>2,838,551</b>               | -                                   | <b>883,444</b>        | <b>12,540,889</b>       | <b>259,288</b>   | <b>12,800,177</b>     |

See the accompanying notes to the quarterly information

|  | Note   | Attributable to Parent Company |                                     |                  |                                |                                     |                       | Total<br>Parent Company | Attributable<br>to<br>non<br>controlling<br>interests<br>(Note 27.2) | Total<br>Consolidated |
|--|--------|--------------------------------|-------------------------------------|------------------|--------------------------------|-------------------------------------|-----------------------|-------------------------|--|-----------------------|
|  |        | Capital                        | Equity<br>evaluation<br>adjustments | Profit reserves  |                                |                                     |                       |                         |  |                       |
|  |        |                                |                                     | Legal<br>reserve | Profit<br>retention<br>reserve | Additional<br>proposed<br>dividends | Accumulated<br>profit |                         |  |                       |
| <b>Balances as of January 1, 2011</b>  |        | <b>6,910,000</b>               | <b>1,559,516</b>                    | <b>478,302</b>   | <b>2,056,526</b>               | <b>25,779</b>                       | -                     | <b>11,030,123</b>       | <b>265,703</b>   | <b>11,295,826</b>     |
| <b>Net Income for the period</b>   |        | -                              | -                                   | -                | -                              | -                                   | 975,831               | 975,831                 | 12,259   | 988,090               |
| <b>Other comprehensive income</b>  |        |                                |                                     |                  |                                |                                     |                       |                         |  |                       |
| Adjustments related to financial assets classified as available for sale, net of taxes | 27.1.2 | -                              | (1,598)                             | -                | -                              | -                                   | -                     | (1,598)                 | -  | (1,598)               |
| <b>Total comprehensive income for the period</b>                                       |        | -                              | <b>(1,598)</b>                      | -                | -                              | -                                   | <b>975,831</b>        | <b>974,233</b>          | <b>12,259</b>  | <b>986,492</b>        |
| Deliberation of additional dividends proposed  |        | -                              | -                                   | -                | -                              | (25,779)                            | -                     | (25,779)                | -  | (25,779)              |
| Realization of equity valuation adjustments  | 27.1.2 | -                              | (62,653)                            | -                | -                              | -                                   | 62,653                | -                       | -  | -                     |
| Reimbursement of advances for future capital increase                                  |        | -                              | -                                   | -                | -                              | -                                   | -                     | -                       | (30,814)   | (30,814)              |
| Allocations proposed to GSM  |        | -                              | -                                   | -                | -                              | -                                   | -                     | -                       | -  | -                     |
| Interest on own capital  |        | -                              | -                                   | -                | -                              | -                                   | (225,814)             | (225,814)               | -  | (225,814)             |
| Dividends  |        | -                              | -                                   | -                | -                              | -                                   | -                     | -                       | (6,334)  | (6,334)               |
| <b>Balances as of September 30, 2011</b>   |        | <b>6,910,000</b>               | <b>1,495,265</b>                    | <b>478,302</b>   | <b>2,056,526</b>               | -                                   | <b>812,670</b>        | <b>11,752,763</b>       | <b>240,814</b>   | <b>11,993,577</b>     |

See the accompanying notes to the quarterly information

## STATEMENTS OF CASH FLOWS

for the nine-month periods ended September 30, 2012 and 2011

In thousands of Reais - R\$

|   | Note | Parent Company |                | Consolidated   |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 09.30.2012     | 09.30.2011     | 09.30.2012     | 09.30.2011     |
| <b>Cash flows from operational activities</b>   |      |                |                |                |                |
| <b>Net income for the period</b>  |      | <b>806,363</b> | <b>975,831</b> | <b>824,009</b> | <b>988,090</b> |
| <b>Adjustments to reconcile net income for the year with cash generated from operating activities</b> |      |                |                |                |                |
| Depreciation  | 16.3 | -              | -              | 250,161        | 247,360        |
| Amortization of intangible assets - concessions   | 17   | -              | -              | 158,604        | 158,935        |
| Amortization of intangible assets - others  | 17   | -              | -              | 2,424          | 1,138          |
| Amortization of investments - Concession rights   | 15.1 | -              | -              | 547            | 547            |
| Unrealized monetary and exchange variations - net   |      | (31,836)       | 38,556         | (105,756)      | 138,574        |
| Stated at fair value of accounts receivable related to concession                                     | 8.1  | -              | -              | 245,991        | -              |
| Remuneration of accounts receivable related to concession   | 8.1  | -              | -              | (308,649)      | (228,673)      |
| Equity in earnings of subsidiaries  | 15.1 | (789,087)      | (1,055,002)    | (52,529)       | (48,099)       |
| Income tax and social contribution  |      | -              | -              | 433,853        | 524,501        |
| Deferred income tax and social contribution   |      | (30,575)       | 5,773          | (89,798)       | (151,611)      |
| Provision (reversal) for losses from Accounts Receivable  | 29.6 | -              | -              | (183)          | 32,513         |
| Provisions (reversals) for losses on taxes recoverable  | 29.6 | -              | -              | (3,882)        | 16,133         |
| Provision (reversal) for legal claims   | 29.6 | 13,211         | (6,335)        | 117,859        | 32,774         |
| Provision for post employment benefits  | 21.3 | 403            | 443            | 130,374        | 102,661        |
| Provision for research and development and energy efficiency  | 23.2 | -              | -              | 54,950         | 50,497         |
| Write off of accounts receivable related to concession  | 8.1  | -              | -              | 7,715          | 9,103          |
| Write off of property, plant and equipment  | 16.3 | -              | -              | 2,500          | 18,059         |
| Write off of intangible assets  | 17   | -              | -              | 3,837          | 20,777         |
| <b>Decrease (increase) in assets</b>  |      |                |                |                |                |
| Trade accounts receivable   |      | -              | -              | 90,852         | (233,769)      |
| Dividends and interest on own capital received  |      | 253,237        | 381,977        | 27,535         | 17,040         |
| CRC transferred to the Government of the State of Paraná  | 7.2  | -              | -              | 113,148        | 107,763        |
| Judicial deposits   |      | (48,987)       | 7,395          | (127,042)      | (2,982)        |
| Other receivables   |      | (10)           | (29)           | (76,972)       | (33,480)       |
| Inventories   |      | -              | -              | (15,150)       | (3,086)        |
| Income tax and social contribution  |      | 1,715          | 22,638         | (1,777)        | 20,825         |
| Other current taxes recoverable   |      | (11)           | -              | (6,295)        | 2,597          |
| Receivable from related parties   |      | -              | -              | -              | 1,575          |
| Prepaid expenses  |      | -              | -              | (24,174)       | (10,979)       |
| <b>Increase (decrease) in liabilities</b>   |      |                |                |                |                |
| Payroll, social charges and accruals  |      | 98             | (103)          | 44,463         | 102,843        |
| Suppliers   |      | (429)          | 60             | 47,027         | (80,101)       |
| Income tax and social contribution paid   |      | (3,929)        | (14,985)       | (386,254)      | (538,465)      |
| Other taxes   |      | (41,181)       | (60,380)       | (43,163)       | (81,372)       |
| Loans and financing - interest due and paid   | 20   | (96,004)       | (57,757)       | (141,623)      | (108,313)      |
| Debentures - interest due and paid  |      | -              | (69,251)       | -              | (69,251)       |
| Post employment benefits  | 21.4 | (403)          | (481)          | (106,923)      | (73,092)       |
| Customer charges due  |      | -              | -              | (10,654)       | 20,661         |
| Research and development and energy efficiency  | 23.2 | -              | -              | (66,823)       | (46,180)       |
| Payable related to the concession - use of public property  |      | -              | -              | (30,735)       | (30,737)       |
| Other accounts payable  |      | 32             | (4,191)        | 40,776         | 20,277         |
| Provisions for legal claims   | 26   | -              | -              | (28,709)       | (33,840)       |
| <b>Net cash generated from operating activities</b>   |      | <b>32,607</b>  | <b>164,159</b> | <b>969,534</b> | <b>861,213</b> |

(continued)

## STATEMENTS OF CASH FLOWS

for the nine-month periods ended September 30, 2012 and 2011 (continued)

In thousands of Reais - R\$

(continued)

|  | Note | Parent Company   |                  | Consolidated       |                    |
|--|------|------------------|------------------|--------------------|--------------------|
|  |      | 09.30.2012       | 09.30.2011       | 09.30.2012         | 09.30.2011         |
| <b>Cash flows from investment activities</b>   |      |                  |                  |                    |                    |
| Financial investments  |      | (9)              | 14               | 50,063             | 66,002             |
| Loans to related parties   |      | (10,860)         | -                | -                  | -                  |
| Reimbursement of loans to related parties  |      | 109,935          | -                | -                  | -                  |
| Additions Caiuá - net effect of acquired cash  |      | -                | -                | (30)               | -                  |
| Additions Integração Maranhense - net effect of acquired cash                            |      | -                | -                | (53)               | -                  |
| Additions Matrinchá - net effect of acquired cash  |      | -                | -                | (313)              | -                  |
| Additions Guaraciaba - net effect of acquired cash                                       |      | -                | -                | (169)              | -                  |
| Redemption of investment in Ceolpar - incorporated by Copel Geração e Transmissão        | 15.1 | 910              | -                | -                  | -                  |
| Additions in investments   | 15.1 | (8,277)          | 48,707           | (6,900)            | (194)              |
| Additions to property, plant and equipment   | 16.3 | -                | -                | (662,891)          | (530,833)          |
| Additions to intangible assets related to the concession                                 | 17   | -                | -                | (608,352)          | (549,371)          |
| Additions to other intangible assets   | 17   | -                | -                | (11,361)           | (6,214)            |
| Write off of intangible assets   | 17   | -                | -                | 191                | -                  |
| Customers contributions  | 17   | -                | -                | 62,428             | 17,344             |
| <b>Net cash generated from (used in) investing activities</b>                            |      | <b>91,699</b>    | <b>48,721</b>    | <b>(1,177,387)</b> | <b>(1,003,266)</b> |
| <b>Cash flows from financing activities</b>  |      |                  |                  |                    |                    |
| Reimbursement of advances for future capital increase in subsidiaries by non-controlling | 27.2 | -                | -                | -                  | (30,814)           |
| Loans and financing obtained from third parties  | 20   | -                | 600,000          | 69,914             | 799,197            |
| Amortization of principal - loans and financing  | 20   | -                | -                | (27,138)           | (36,856)           |
| Amortization of principal - debentures   |      | -                | (600,000)        | -                  | (600,000)          |
| Dividends and interest on own capital paid   |      | (128,451)        | (287,906)        | (134,528)          | (293,432)          |
| <b>Net cash (used in) provided by financing activities</b>                               |      | <b>(128,451)</b> | <b>(287,906)</b> | <b>(91,752)</b>    | <b>(161,905)</b>   |
| <b>Total effects on cash and cash equivalents</b>  |      | <b>(4,145)</b>   | <b>(75,026)</b>  | <b>(299,605)</b>   | <b>(303,958)</b>   |
| Cash and cash equivalents at the beginning of the period                                 | 3    | 27,757           | 89,822           | 1,049,125          | 1,794,416          |
| Cash and cash equivalents at the end of the period                                       | 3    | 23,612           | 14,796           | 749,520            | 1,490,458          |
| <b>Change in cash and cash equivalents</b>   |      | <b>(4,145)</b>   | <b>(75,026)</b>  | <b>(299,605)</b>   | <b>(303,958)</b>   |

See the accompanying notes to the quarterly information

## STATEMENTS OF ADDED VALUE

for the nine-month periods ended September 30, 2012 and 2011

In thousands of Reais - R\$

|   | Parent Company  |                  | Consolidated     |                  |
|---|-----------------|------------------|------------------|------------------|
|   | 09.30.2012      | 09.30.2011       | 09.30.2012       | 09.30.2011       |
| <b>Income</b>   |                 |                  |                  |                  |
| Sale of energy, services and other income                       | -               | -                | 8,981,913        | 8,298,084        |
| Construction income   | -               | -                | 383,268          | 476,592          |
| Results disposal / deactivation property and rights             | -               | -                | 1,574            | 2,526            |
| Allowance for doubtful debts                                    | -               | -                | 183              | (32,513)         |
| <b>Total</b>  | -               | -                | <b>9,366,938</b> | <b>8,744,689</b> |
| <b>( - ) Supplies acquired from third parties</b>               |                 |                  |                  |                  |
| Energy purchased for resale                                     | -               | -                | 2,173,936        | 1,754,561        |
| Charges for use of the main transmission grid ( - ) ESS and ERR | -               | -                | 549,194          | 497,040          |
| Materials, supplies and third parties services                  | 2,449           | 3,262            | 375,345          | 364,343          |
| Natural gas and supplies for gas operations                     | -               | -                | 232,466          | 168,774          |
| Construction costs  | -               | -                | 379,214          | 475,228          |
| Loss / Recovery of assets                                       | -               | -                | 5,311            | 55,524           |
| Other charges   | -               | -                | 11,471           | 10,752           |
| Other supplies  | 9,323           | 1,724            | 143,098          | 77,743           |
| <b>Total</b>  | <b>11,772</b>   | <b>4,986</b>     | <b>3,870,035</b> | <b>3,403,965</b> |
| <b>( = ) GROSS ADDED VALUE</b>                                  | <b>(11,772)</b> | <b>(4,986)</b>   | <b>5,496,903</b> | <b>5,340,724</b> |
| <b>( - ) Depreciation and amortization</b>                      | <b>566</b>      | <b>566</b>       | <b>411,736</b>   | <b>407,980</b>   |
| <b>( = ) NET ADDED VALUE</b>                                    | <b>(12,338)</b> | <b>(5,552)</b>   | <b>5,085,167</b> | <b>4,932,744</b> |
| <b>( + ) Transferred added value</b>                            |                 |                  |                  |                  |
| Financial income  | 86,348          | 92,864           | 523,975          | 460,202          |
| Results from investment interests                               | 789,553         | 1,055,150        | 52,995           | 48,247           |
| <b>Total</b>  | <b>875,901</b>  | <b>1,148,014</b> | <b>576,970</b>   | <b>508,449</b>   |
| <b>VALUE ADDED TO DISTRIBUTE</b>                                | <b>863,563</b>  | <b>1,142,462</b> | <b>5,662,137</b> | <b>5,441,193</b> |

(Continued)

## STATEMENTS OF ADDED VALUE

for the nine-month periods ended September 30, 2012 and 2011 (continued)

In thousands of Reais - R\$

|  | Parent Company  |              |                  |              | Consolidated     |              |                  |              |
|--|-----------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
|  | 09.30.2012      | %            | 09.30.2011       | %            | 09.30.2012       | %            | 09.30.2011       | %            |
| <b>DISTRIBUTION OF ADDED VALUE:</b>                    |                 |              |                  |              |                  |              |                  |              |
| <b>Personnel</b>                                       |                 |              |                  |              |                  |              |                  |              |
| Remuneration and fees                                  | 5,455           |              | 4,509            |              | 551,224          |              | 446,447          |              |
| Private pension and health plans                       | 403             |              | 443              |              | 121,592          |              | 97,331           |              |
| Meal and education assistance                          | -               |              | -                |              | 60,515           |              | 50,268           |              |
| Social security charges - FGTS                         | 363             |              | 299              |              | 45,555           |              | 35,130           |              |
| Labor indemnities (reversals)                          | -               |              | -                |              | 20,526           |              | 50,748           |              |
| Profit sharing   | -               |              | -                |              | 40,228           |              | 69,912           |              |
| Transfers to property, plant and equipment in progress | -               |              | -                |              | (89,040)         |              | (96,233)         |              |
| <b>Total</b>   | <b>6,221</b>    | <b>0.7</b>   | <b>5,251</b>     | <b>0.5</b>   | <b>750,600</b>   | <b>13.3</b>  | <b>653,603</b>   | <b>12.0</b>  |
| <b>Government</b>                                      |                 |              |                  |              |                  |              |                  |              |
| Federal  | (26,971)        |              | 47,494           |              | 1,814,058        |              | 1,806,924        |              |
| State  | 52              |              | 2                |              | 1,815,036        |              | 1,729,955        |              |
| Municipal  | -               |              | -                |              | 2,376            |              | 2,064            |              |
| <b>Total</b>   | <b>(26,919)</b> | <b>(3.1)</b> | <b>47,496</b>    | <b>4.2</b>   | <b>3,631,470</b> | <b>64.1</b>  | <b>3,538,943</b> | <b>65.0</b>  |
| <b>Third Parties</b>                                   |                 |              |                  |              |                  |              |                  |              |
| Interest and fines                                     | 66,506          |              | 113,757          |              | 426,102          |              | 241,062          |              |
| Leasing and rent                                       | 11,392          |              | 7                |              | 21,605           |              | 14,216           |              |
| Donations, subsidies and contributions                 | -               |              | 120              |              | 8,351            |              | 5,279            |              |
| <b>Total</b>   | <b>77,898</b>   | <b>9.0</b>   | <b>113,884</b>   | <b>10.0</b>  | <b>456,058</b>   | <b>8.1</b>   | <b>260,557</b>   | <b>4.8</b>   |
| <b>Shareholders</b>                                    |                 |              |                  |              |                  |              |                  |              |
| Non controlling interests                              | -               |              | -                |              | 17,646           |              | 12,259           |              |
| Interest on capital                                    | -               |              | 225,814          |              | -                |              | 225,814          |              |
| Retained profits                                       | 806,363         |              | 750,017          |              | 806,363          |              | 750,017          |              |
| <b>Total</b>   | <b>806,363</b>  | <b>93.4</b>  | <b>975,831</b>   | <b>85.4</b>  | <b>824,009</b>   | <b>14.5</b>  | <b>988,090</b>   | <b>18.2</b>  |
|  | <b>863,563</b>  | <b>100.0</b> | <b>1,142,462</b> | <b>100.0</b> | <b>5,662,137</b> | <b>100.0</b> | <b>5,441,193</b> | <b>100.0</b> |

See the accompanying notes to the quarterly information

## **NOTES TO THE QUARTELY FINANCIAL INFORMATION**

for the nine-month period ended September 30, 2012

In thousands of Reals - R\$

### **1 General Information**

Companhia Paranaense de Energia - Copel (Copel, the Company or the Parent Company), with headquarters at Rua Coronel Dulcídio, 800, Batel, Curitiba, State of Paraná, is a public company with shares traded on Corporate Governance Level 1 of BM&FBOVESPA's Special Listings and on stock exchanges in the United States of America and Spain. Copel is a mixed capital company, controlled by the Government of the State of Paraná, engaged, through its subsidiaries, in researching, studying, planning, building, and exploiting the production, transformation, transportation, distribution, and sale of energy, in any form, but mainly electric energy. These activities are regulated by the National Electric Energy Agency (Agência Nacional de Energia Elétrica or ANEEL), which reports to the Ministry of Mines and Energy (Ministério de Minas e Energia or MME). Additionally, Copel takes part in consortiums, private enterprises, or mixed capital companies in order to operate mostly in the areas of energy, telecommunications, natural gas, and water supply and sanitation.

The direct and indirect subsidiaries of the Company are described in note 15.

### **2 Main Accounting Policies**

The significant accounting policies used for preparing this quarterly information are consistent with those presented in Note 2 of the Annual Financial Statements at December 31, 2011, available in the CVM (Brazilian Securities and Exchange Commission) and Copel's web sites.

Authorization for the completion of this quarterly financial information was granted at the Meeting of the Board of Officers held on November 13, 2012.

#### **2.1 Statement of compliance**

The Company's quarterly financial information includes:

- The consolidated quarterly financial information prepared in accordance with International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board - IASB and also in accordance with accounting practices adopted in Brazil;
- The individual quarterly financial information of the parent company prepared in accordance with accounting practices adopted in Brazil.

Accounting practices adopted in Brazil include those in Brazilian Corporate Legislation and the

pronouncements, orientations and interpretations issued by the Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis or CPC) and approved by the Brazilian Securities and Exchange Commission – (Comissão de Valores Mobiliários or CVM).

The individual quarterly financial information present the values for investments in subsidiaries, joint ventures and associated companies using the equity method, in accordance with Brazilian legislation in force. Thus, this individual quarterly financial information is not in compliance with the IFRSs, which require that these investments reported in the parent company's individual statements be stated at fair value or cost.

Given that there is no difference between the consolidated shareholders' equity and the consolidated profit attributed to the owners of the parent company, stated in the consolidated quarterly financial information prepared in accordance with the IFRSs and the accounting practices adopted in Brazil and the shareholders' equity and net profit of the parent company, stated in the individual quarterly financial information prepared in accordance with accounting practices adopted in Brazil, the Company opted to present these individual and consolidated quarterly financial information side by side, in one set of accounts.

This quarterly information is presented considering the rulings included in CPC 21 and IAS 34 - Interim Information and the CVM SNC/SEP Official Circular 03/11.

Consequently, certain information disclosed in the notes to the financial statements for the year ended December 31, 2011 which did not alter during the quarter has not been presented. Therefore, this quarterly information should be read together with the financial statements at December 31, 2011.

## 2.2 Basis of Presentation

The quarterly financial information were prepared based on historic cost, except for certain financial instruments which were stated at fair values by their profit and losses, and financial assets held for sale measured to their fair values.

## 2.3 Functional currency and presentation currency

The individual and consolidated financial statements are presented in Brazilian Reais, which is the functional currency of the Company. All financial information present in Brazilian Reais were rounded to the nearest thousand, except when otherwise indicated.

## 2.4 Use of estimates and judgment

According to IFRS and CPC rules, the preparation of individual and consolidated financial statements requires that the company's senior management make judgments, estimates and assumptions which affect the application of accounting policies and assets, liabilities, income and expenses reported values. The real results may divert from these estimates.

Estimates and assumptions are reviewed in a continuous way. Reviews of accounting estimates are recognized in the year that those estimates are reviewed and in any future fiscal years affected. Information about critical judgment related to accounting policies adopted that present an effect over the values recognized in the consolidated and individual financial statements are included in the following notes:

Note nº 8 – Accounts receivable related to concession;

Note nº 11.2 – Deferred income tax and social contribution;

Note nº 17.1 – Concession - Copel Distribuição; and

Note nº 32 – Operational lease agreements.

Information about uncertainty over assumptions and estimates that may present a significant risk of resulting in material adjustments in the next fiscal year are included in the following notes:

Note nº 2.19.1 of the Financial Statements at December 31, 2011 - Unbilled revenues;

Note nº 2.29 of the Financial Statements at December 31, 2011 - Impairment value of assets;

Note nº 6 – Trade account receivable;

Note nº 16 – Property, plant and equipment;

Note nº 17 – Intangible assets;

Note nº 21 – Post-Employment benefits;

Note nº 26 – Tax, social security, labor and civil provisions; and

Note nº 33 – Financial Instruments.

## 2.5 Basis for consolidation

The consolidated quarterly financial information includes the quarterly financial information of the Company, its subsidiaries, joint ventures and the exclusive investment funds.

Quarterly financial statements are included in the consolidated quarterly financial statements starting in the date that the control or shared control started until the date that they cease to exist.

The asset, liability and statement of income accounts of controlled companies (note 15.2) are fully consolidated line by line and the accounts of jointly-controlled entities are consolidated in proportion to shareholding interest (note 15.3).

When necessary, the quarterly financial information of the subsidiaries are adjusted to adapt the accounting policies established by the Group. All of the transactions, balances, income and expenses between the Group companies are eliminated in the consolidated quarterly financial information.



## 2.6 Reclassification of deferred income and social contribution taxes

According to the new understanding about the presentation of the deferred income and social contribution taxes stated in CPC Pronouncement 32 Income taxes, the Company is offsetting deferred tax assets and liabilities in the same taxable entity, presenting them on a net basis.

For comparison purposes, the balances of deferred income and social contribution accounts as of December 31, 2011, are being restated as asset and liability netting, as shown below:

|  | Parent Company |              | Consolidated |              |
|--|----------------|--------------|--------------|--------------|
|  | Published      | Reclassified | Published    | Reclassified |
| <b>Deferred Income Tax and Social Contribution</b> |                |              |              |              |
| Noncurrent assets                                  | 141,639        | 108,380      | 745,180      | 465,536      |
| Noncurrent liabilities                             | 33,259         | -            | 927,910      | 648,266      |

## 3 Cash and Cash equivalents

|  | Parent Company |               | Consolidated   |                  |
|--|----------------|---------------|----------------|------------------|
|  | 09.30.2012     | 12.31.2011    | 09.30.2012     | 12.31.2011       |
| Cash and bank accounts                         | 939            | 669           | 61,797         | 35,081           |
| Financial investments with immediate liquidity | 22,673         | 27,088        | 687,723        | 1,014,044        |
|  | <b>23,612</b>  | <b>27,757</b> | <b>749,520</b> | <b>1,049,125</b> |

Financial investments with immediate liquidity are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. These short-term investments comprise Certificates of Deposit (CDs) issued by official banks and also financial investments in Government Bonds with repurchase agreements with the issuer banks, in which the Bank has the obligation to repurchase these bonds from Copel on request. These investments have yielded on average 100.3% of the variation of the Interbank Deposit Rate as of September 30, 2012 and 101% as of December 31, 2011.

## **4 Bonds and Securities**

| Category                              | Level | Index                  | Consolidated   |                |
|---------------------------------------|-------|------------------------|----------------|----------------|
|                                       |       |                        | 09.30.2012     | 12.31.2011     |
| <b>Securities held for sale</b>       |       |                        |                |                |
| CDB                                   | 2     | CDI                    | 17,995         | 92,693         |
| Committed Operation                   | 2     | CDI                    | 64,727         | 43,233         |
| Committed Operation                   | 2     | Selic                  | -              | 4,430          |
| Committed Operation                   | 1     | Before fixed           | -              | 46,322         |
| Quotas in Funds                       | 1     | CDI                    | 530            | 111            |
| NTN - F                               | 1     | CDI                    | -              | 31,451         |
| NTN - B                               | 1     | IPCA                   | -              | 1,956          |
| LFT                                   | 1     | Selic                  | 159,782        | 209,942        |
| LTN                                   | 1     | Before fixed           | 116,131        | 103,520        |
| LFBB                                  | 2     | CDI                    | 20,638         | 19,296         |
| LF Caixa                              | 2     | CDI                    | 8,845          | 8,270          |
| CDB BB                                | 2     | CDI                    | -              | 6,205          |
|                                       |       |                        | <b>388,648</b> | <b>567,429</b> |
| <b>Securities held for trading</b>    |       |                        |                |                |
| Quotas in FI                          | 2     | CDI                    | 18,161         | 11,003         |
| Committed Operation                   | 1     | Before fixed           | 28,367         | -              |
| CDB                                   | 2     | CDI                    | 5,172          | -              |
| Treasury bills                        | 2     | CDI                    | 12,535         | -              |
| LFT                                   | 1     | Selic                  | 15,530         | 39,039         |
| LTN                                   | 1     | Selic                  | 11,607         | -              |
| DPGE                                  | 2     | CDI                    | 54,679         | 9,979          |
| Shares                                | 1     | Ibovespa               | 3,349          | -              |
| Debentures                            | 2     | CDI                    | 3,649          | -              |
| Fixed income NPP                      | 2     | CDI                    | 3,063          | -              |
| Derivatives                           | 1     | Stock purchase options | 10             | -              |
| Derivatives                           | 1     | DI Future BMF          | -              | 1              |
|                                       |       |                        | <b>156,122</b> | <b>60,022</b>  |
| <b>Overdue securities to maturity</b> |       |                        |                |                |
| LFT                                   | 1     | Selic                  | -              | 5,920          |
| Quotas in Funds                       | 1     | CDI                    | -              | 48             |
| LF Caixa                              | 2     | CDI                    | 11,966         | 11,189         |
|                                       |       |                        | <b>11,966</b>  | <b>17,157</b>  |
|                                       |       |                        | <b>556,736</b> | <b>644,608</b> |
|                                       |       | <b>Current</b>         | <b>456,785</b> | <b>582,019</b> |
|                                       |       | <b>NonCurrent - NC</b> | <b>99,951</b>  | <b>62,589</b>  |

Financial Treasury Bonds - LFT

National Treasury Bonds - LTN

National Treasury Bill - Series F - NTN-F and Serie B - NTN - B

Financial Bills Committed to Banco do Brasil - LFBB

Financial Bills Committed to Caixa Econômica Federal - LF Caixa

Deposit with special guarantee FGC - DPGE

Levels to determine the fair value:

Level 1: quoted prices obtained (unadjusted) in active markets for identical assets or liabilities.

Level 2: obtained by other variables in addition to the quoted prices included within Level 1 that are observable for the asset or liability

Level 3: obtained by valuation techniques that include variables for the asset or liability, but that are not based on observable market data

| Category                        | Level | Index | Parent Company |            |
|---------------------------------|-------|-------|----------------|------------|
|                                 |       |       | 09.30.2012     | 12.31.2011 |
| <b>Securities held for sale</b> |       |       |                |            |
| CDB                             | 2     | CDI   | 89             | 83         |
| Fund Quotas                     | 1     | CDI   | 85             | 82         |
| <b>Current</b>                  |       |       | <b>174</b>     | <b>165</b> |

Copel holds bonds and securities with variable interest rates. The maturity of these securities varies between 1 and 48 months, as from the reporting date of this report. None of these assets was overdue or presented recovery problems or impairment losses at the end of the period.

The main amounts invested include:

- Investments in “BB Atacado 1 Fundo de Investimento Renda Fixa de Longo Prazo of Banco do Brasil” of R\$ 171,992 (R\$ 197,371 as of December 31, 2011);
- Investments in “Fundo de Investimento Exclusivo Caixa Copel Renda Fixa de Longo Prazo da Caixa Econômica Federal” of R\$ 90,745 (R\$ 189,358 as of December 31, 2011);
- Investment of UEG Araucária in BB AGEU FI RF LP of Banco do Brasil, of R\$ 60,173
- Investments of UEG Araucária in the funds “UEG Fundo de Investimento Renda Fixa Crédito Privado” and “UEG Fundo de Investimento Multimercado” of BNY Mellon Serviços Financeiros DTVM S.A. of R\$ 95,917 (R\$ 60,019 as of December 31, 2011)
- Constitution of a guarantee for the ANEEL auction in the amount of R\$ 1,427 (R\$ 34,011 as of December 31, 2011);
- Constitute a guarantee for the Contracts for the Sale of Energy in the Regulated Environment – CCEARS in CCEE R\$ 55,798 (R\$ 27,533 as of December 31, 2011);
- Constitute a guarantee for the financing contract agreement signed for the construction of the Hydro Electric Plant and for the construction of Transmission Lines in the amount of R\$ 29,518 (R\$ 18,764 at December 31, 2011).

## 5 Collaterals and Escrow Accounts

|  | Consolidated           |               |
|--|------------------------|---------------|
|  | 09.30.2012             | 12.31.2011    |
| Collaterals and escrow accounts STN (5.1)    | 42,706                 | 37,553        |
| Collaterals and escrow accounts - CECS (5.2) | 30,105                 | -             |
| Other  | 12,292                 | 2,668         |
|  | <b>85,103</b>          | <b>40,221</b> |
|  | <b>Current</b>         | <b>12,292</b> |
|  | <b>NonCurrent - NC</b> | <b>72,811</b> |
|  |                        | <b>2,668</b>  |
|  |                        | <b>37,553</b> |



#### 5.1 Surety bonds and restricted deposits – National Treasury Department - STN

Surety bonds and restricted deposits are offered to secure the repayment of the principal consisting of discount bonds and par bounds when these payments are required on April 11, 2024. The amounts are adjusted by applying the weighted average of the percentage variations of the prices of zero-coupon bonds issued by the U.S. Treasury, according to the participation of each series of the instrument in the composition of the collateral portfolio made up to secure the payment of the principal under the Brazilian Financing Plan – 1992.

#### 5.2 Collaterals and Escrow Accounts - CECS

Deposit in the bank account of Consórcio Energético Cruzeiro do Sul – CECS, 51% of the amount of pledge necessary to ensure compliance with article 17 of law 11,428/2006 and possible authorization by Environmental Institute of Paraná (Instituto Ambiental do Paraná or IAP).

## 6 Trade Accounts Receivable

|  | Balances<br>falling due | Overdue<br>up to 90 days | Overdue for<br>more than 90 days | Total<br>Consolidated |                  |
|--|-------------------------|--------------------------|----------------------------------|-----------------------|------------------|
|  |                         |                          |                                  | 09.30.2012            | 12.31.2011       |
| <b>Customers</b>                             |                         |                          |                                  |                       |                  |
| Residential                                  | 163.318                 | 97.423                   | 26.223                           | 286.964               | 274.070          |
| Industrial                                   | 98.926                  | 45.725                   | 15.721                           | 160.372               | 142.118          |
| Commercial                                   | 111.726                 | 45.526                   | 13.256                           | 170.508               | 168.942          |
| Rural  | 21.928                  | 9.147                    | 7.252                            | 38.327                | 38.574           |
| Public Entities                              | 21.852                  | 14.980                   | 15.662                           | 52.494                | 44.729           |
| Public lighting                              | 16.454                  | 2.472                    | 184                              | 19.110                | 19.497           |
| Public service                               | 17.410                  | 15.483                   | 148                              | 33.041                | 30.905           |
| Unbilled supply                              | 290.717                 | -                        | -                                | 290.717               | 288.095          |
| Energy installments plan                     | 66.075                  | 6.832                    | 23.398                           | 96.305                | 85.294           |
| Low income subsidy - Eletrobrás              | 6.631                   | -                        | -                                | 6.631                 | 31.734           |
| Fines and charges on energy bills            | 4.949                   | 9.271                    | 10.688                           | 24.908                | 19.623           |
| State Government "Luz Fraterna" program      | 29.655                  | 1.351                    | 24.738                           | 55.744                | 38.763           |
| Other receivables                            | 6.381                   | 3.888                    | 7.701                            | 17.970                | 21.096           |
|  | <b>856.022</b>          | <b>252.098</b>           | <b>144.971</b>                   | <b>1.253.091</b>      | <b>1.203.440</b> |
| <b>Concessionaires and Permission holder</b> |                         |                          |                                  |                       |                  |
| <b>Energy supplies</b>                       |                         |                          |                                  |                       |                  |
| CCEAR - auction                              | 155.772                 | 4.932                    | 9.536                            | 170.240               | 189.223          |
| Bilateral contracts                          | 23.692                  | -                        | 119                              | 23.811                | 21.540           |
| CCEE   | 33.024                  | -                        | 119                              | 33.143                | 15.632           |
| Reimbursement to generators                  | -                       | -                        | 1.288                            | 1.288                 | 1.288            |
|  | <b>212.488</b>          | <b>4.932</b>             | <b>11.062</b>                    | <b>228.482</b>        | <b>227.683</b>   |
| <b>Charges from using transmission grid</b>  |                         |                          |                                  |                       |                  |
| Transmission grid                            | 18.623                  | 2.502                    | 2.364                            | 23.489                | 16.995           |
| Basic network and connection grid            | 24.219                  | 355                      | 3.419                            | 27.993                | 25.833           |
|  | <b>42.842</b>           | <b>2.857</b>             | <b>5.783</b>                     | <b>51.482</b>         | <b>42.828</b>    |
| <b>Telecommunications</b>                    |                         |                          |                                  |                       |                  |
| Telecommunication services                   | 2.214                   | 5.634                    | 10.039                           | 17.887                | 15.481           |
|  | <b>2.214</b>            | <b>5.634</b>             | <b>10.039</b>                    | <b>17.887</b>         | <b>15.481</b>    |
| <b>Gas distribution</b>                      | <b>32.886</b>           | <b>653</b>               | <b>1.197</b>                     | <b>34.736</b>         | <b>27.305</b>    |
| <b>Allowance for doubtful accounts (6.1)</b> | -                       | -                        | <b>(96.725)</b>                  | <b>(96.725)</b>       | <b>(115.919)</b> |
|  | <b>1.146.452</b>        | <b>266.174</b>           | <b>76.327</b>                    | <b>1.488.953</b>      | <b>1.400.818</b> |
| <b>Current</b>                               | <b>1.114.713</b>        | <b>266.174</b>           | <b>76.327</b>                    | <b>1.457.214</b>      | <b>1.368.366</b> |
| <b>Noncurrent - NC</b>                       | <b>31.739</b>           | -                        | -                                | <b>31.739</b>         | <b>32.452</b>    |

The average collection period for the electricity sold to customers is 12 days and 10 days for concessionaires and other entities permitted to supply electricity.

### 6.1 Allowance for Doubtful Accounts

Copel's senior management has considered the following amounts as sufficient to cover potential losses on the realization of receivables:

| <b>Consolidated</b>                                     | <b>Balance as of<br/>January 1, 2012</b> | <b>Additions /<br/>(reversals)</b> | <b>Reversal<br/>of write offs</b> | <b>Balance as of<br/>September 30, 2012</b> |
|---|--|------------------------------------|-----------------------------------|---|
| <b>Customers, concessionaries and permission holder</b> |  |                                    |                                   |   |
| Residential   | 28,953                                   | 20,664                             | (13,625)                          | 35,992                                      |
| Industrial  | 25,163                                   | 7,470                              | (1,674)                           | 30,959                                      |
| Commercial  | 19,466                                   | 570                                | (2,559)                           | 17,477                                      |
| Rural   | 1,805                                    | 3,349                              | (668)                             | 4,486                                       |
| Public Entities   | 2,359                                    | 1,216                              | -                                 | 3,575                                       |
| Public lighting   | 79                                       | 43                                 | -                                 | 122   |
| Public service  | 41                                       | 52                                 | -                                 | 93  |
| Concessionaries and permission holder                   | 37,370                                   | (37,146)                           | -                                 | 224   |
| <b>Telecommunications</b>                               | 683                                      | 3,114                              | -                                 | 3,797                                       |
|   | <b>115,919</b>                           | <b>(668)</b>                       | <b>(18,526)</b>                   | <b>96,725</b>                               |

| <b>Consolidated</b>                                     | <b>Balance as of<br/>January 1, 2011</b> | <b>Additions /<br/>(reversals)</b> | <b>Reversal<br/>of write offs</b> | <b>Balance as of<br/>September 30, 2011</b> |
|---|--|------------------------------------|-----------------------------------|---|
| <b>Customers, concessionaries and permission holder</b> |  |                                    |                                   |   |
| Residential   | 7,654                                    | 19,372                             | (7,147)                           | 19,879                                      |
| Industrial  | 40,761                                   | 1,809                              | (67)                              | 42,503                                      |
| Commercial  | 10,880                                   | 5,059                              | (1,673)                           | 14,266                                      |
| Rural   | 69                                       | 1,376                              | (313)                             | 1,132                                       |
| Public Entities   | 1,453                                    | 4,464                              | -                                 | 5,917                                       |
| Public lighting   | 155                                      | (76)                               | -                                 | 79  |
| Public service  | 2  | 21                                 | -                                 | 23  |
| Concessionaries and permission holder                   | 224                                      | -                                  | -                                 | 224   |
| <b>Telecommunications</b>                               | 921                                      | 390                                | -                                 | 1,311                                       |
|   | <b>62,119</b>                            | <b>32,415</b>                      | <b>(9,200)</b>                    | <b>85,334</b>                               |

The applied criteria, in addition to taking into account management's experience of the history of losses experienced, also complies with the criteria recommended by ANEEL.

An allowance for doubtful accounts was set up in 2011 in the amount of R\$ 37,146 for differences in the prices invoiced for the sale of energy from Mauá Hydroelectric Power Plant and was reversed in 2012, according to the Management's decision based on order 1,611 issued by ANEEL (Brazilian Electricity Regulatory Agency) on April 17, 2012.

## **7 Recoverable Rate Deficit (CRC) Transferred to the Government of the State of Paraná**

By means of a fourth amendment dated January 21, 2005, the Company renegotiated with the Government of Paraná the outstanding CRC (Account for Compensation of Income and Losses) balance as of December 31, 2004, in the amount of R\$ 1,197,404, to be paid in 244 installments under the Price amortization system, restated according to the IGP-DI inflation index plus interest of 6.65% p.a., with the first installment due on January 30, 2005 and the others due in subsequent and consecutive months.



The State Government has been in compliance with the payments of the renegotiated installments according to the terms of the fourth amendment to the CRC agreement. Amortizations are secured by resources from dividends.

#### 7.1 Maturity of noncurrent installments

|            | <b>09.30.2012</b> | <b>Consolidated<br/>12.31.2011</b> |
|------------|-------------------|------------------------------------|
| 2013       | 19,328            | 70,242                             |
| 2014       | 80,502            | 74,914                             |
| 2015       | 85,855            | 79,896                             |
| 2016       | 91,565            | 85,209                             |
| 2017       | 97,655            | 90,876                             |
| 2018       | 104,149           | 96,920                             |
| 2019       | 111,076           | 103,366                            |
| 2020       | 118,463           | 110,240                            |
| 2021       | 126,341           | 117,572                            |
| 2022       | 134,744           | 125,391                            |
| 2023       | 143,705           | 133,730                            |
| 2024       | 153,262           | 142,624                            |
| After 2024 | 53,320            | 49,618                             |
|            | <b>1,319,965</b>  | <b>1,280,598</b>                   |

#### 7.2 Changes in CRC

| <b>Balances</b>                         | <b>Current<br/>assets</b> | <b>Noncurrent<br/>assets</b> | <b>Consolidated</b> |
|---|---------------------------|------------------------------|---------------------|
| <b>Balance as of January 1, 2012</b>    | <b>65,862</b>             | <b>1,280,598</b>             | <b>1,346,460</b>    |
| Interest and fees                       | 64,151                    | -                            | 64,151              |
| Monetary variations                     | 2,186                     | 93,334                       | 95,520              |
| Transfers                               | 53,967                    | (53,967)                     | -                   |
| Amortizations                           | (113,148)                 | -                            | (113,148)           |
| <b>Balance as of September 30, 2012</b> | <b>73,018</b>             | <b>1,319,965</b>             | <b>1,392,983</b>    |

| <b>Balances</b>                         | <b>Current<br/>assets</b> | <b>Noncurrent<br/>assets</b> | <b>Consolidated</b> |
|---|---------------------------|------------------------------|---------------------|
| <b>Balance as of January 1, 2011</b>    | <b>58,816</b>             | <b>1,282,377</b>             | <b>1,341,193</b>    |
| Interest and fees                       | 64,007                    | -                            | 64,007              |
| Monetary variations                     | 691                       | 54,495                       | 55,186              |
| Transfers                               | 47,983                    | (47,983)                     | -                   |
| Amortizations                           | (107,763)                 | -                            | (107,763)           |
| <b>Balance as of September 30, 2011</b> | <b>63,734</b>             | <b>1,288,889</b>             | <b>1,352,623</b>    |

## 8 Accounts receivable related to the concession

### 8.1 Change in accounts receivable related to the concession

|   | Current assets | Noncurrent assets |                                    | Consolidated     |
|---|----------------|-------------------|------------------------------------|------------------|
|   |                | Assets            | Special liabilities <sup>(1)</sup> |                  |
| <b>Balance as of January 1, 2012</b>  | <b>80,626</b>  | <b>4,828,785</b>  | <b>(1,592,311)</b>                 | <b>3,317,100</b> |
| Effect of the first consolidation of Caiuá  | -              | 53                | -                                  | 53               |
| Effect of the first consolidation of Integração Maranhense                                      | -              | 233               | -                                  | 233              |
| Effect of the first consolidation of Matrinchã  | -              | 313               | -                                  | 313              |
| Effect of the first consolidation of Guaraciaba   | -              | 169               | -                                  | 169              |
| Capitalization of intangible assets   | -              | 240,425           | (26,421)                           | 214,004          |
| Transfers of intangible in service - remeasurement according to Resolution 474/2012 (Note 17.1) | -              | 136,658           | (60,802)                           | 75,856           |
| Transfers from non current to current   | 198,291        | (198,291)         | -                                  | -                |
| Transfers to charges for use of main distributions and transmission grid - customers            | (165,051)      | -                 | -                                  | (165,051)        |
| Transfer from other assets  | 765            | -                 | -                                  | 765              |
| Transfer to Property, Plant and Equipment in progress   | -              | (92)              | -                                  | (92)             |
| Adjustment to financial assets classified as available for sale                                 | -              | (13,116)          | -                                  | (13,116)         |
| Monetary variations   | -              | 255,286           | (97,940)                           | 157,346          |
| Remuneration  | -              | 308,649           | -                                  | 308,649          |
| Construction income   | -              | 43,529            | -                                  | 43,529           |
| Fair value adjustment   | -              | (147,971)         | (98,020)                           | (245,991)        |
| Write off   | -              | (7,715)           | -                                  | (7,715)          |
| <b>Balance as of September 30, 2012</b>   | <b>114,631</b> | <b>5,446,915</b>  | <b>(1,875,494)</b>                 | <b>3,686,052</b> |

<sup>(1)</sup> Note 17.6

|  | Current assets | Noncurrent assets |                                    | Consolidated     |
|--|----------------|-------------------|------------------------------------|------------------|
|  |                | Assets            | Special liabilities <sup>(1)</sup> |                  |
| <b>Balance as of January 1, 2011</b>   | <b>54,700</b>  | <b>3,849,462</b>  | <b>(1,426,117)</b>                 | <b>2,478,045</b> |
| Capitalization of intangible assets  | -              | 308,198           | -                                  | 308,198          |
| Transfers from noncurrent to current   | 161,380        | (161,380)         | -                                  | -                |
| Transfers to charges for use of main distributions and transmission grid - customers | (142,994)      | -                 | -                                  | (142,994)        |
| Transfers to fixed assets in service   | -              | (732)             | -                                  | (732)            |
| Adjustment to financial assets classified as available for sale                      | -              | (2,421)           | -                                  | (2,421)          |
| Monetary variations  | -              | 139,187           | (112,969)                          | 26,218           |
| Remuneration   | -              | 228,673           | -                                  | 228,673          |
| Construction income  | -              | 87,589            | -                                  | 87,589           |
| Write off  | -              | (9,103)           | -                                  | (9,103)          |
| <b>Balance as of September 30, 2011</b>  | <b>73,086</b>  | <b>4,439,473</b>  | <b>(1,539,086)</b>                 | <b>2,973,473</b> |

<sup>(1)</sup> Note 17.6

### 8.2 Accounts receivable related to the concession - Distribution

Based on the characteristics set forth under the power distribution concession agreement, Company management believes the conditions are met for the application of Technical Interpretation ICPC 01/IFRIC 12 and SIC 29 – Concession Contracts, which provides guidelines for the accounting of public service concessions by private operators, so that the power distribution business is properly reflected, comprising:

- Estimated portion of investments made and not amortized or depreciated by the end of the concession for being an unconditional right to reimbursement in cash or other financial assets directly by the granting authority; and
- Remaining portion after the assessment of the financial asset (residual amount), classified as an

intangible asset due its recovery being conditioned upon the rendering of the corresponding public service, i.e., the consumption of power by customers.

The infrastructure that has been received or built for the distribution business, originally represented by property, plant, and equipment and intangible assets, is recovered through two cash flows: (a) a portion through power consumption by customers (monthly billing of energy consumed/sold) over the term of the concession; and (b) a portion as reimbursement for revertible assets at the end of the concession, to be received directly from the granting authority or from another entity to which the granting authority assigns this task.

This reimbursement is made based on the share of investments related to revertible assets which has not been amortized or depreciated yet and which have been made with the purpose of ensuring that the services rendered are continuous and up-to-date.

These financial assets, because they do not have determinable fixed cash flows, given that the Company assumes that the indemnity will be based on the cost to replace concession assets and because they don't have the characteristics necessary to be classified into the other categories of financial assets, are recognized as "available for sale". Cash flows linked to these assets are determined considering that the amount of the electricity rate called regulatory compensation basis defined by the Concession Authority, whose methodology is the cost of replacing distribution infrastructure goods linked to concession. This electricity rate basis (BRR) is adjusted every four years considering various factors and has the purpose of reflecting the changes in prices of physical assets, including write-offs, depreciation and additions to infrastructure goods (physical assets).

Compensation on this financial asset is based on the regulatory Weighted Average Cost of Capital (WACC) approved by ANEEL at the periodical electricity rate adjustment every four years and the amount is included in the composition of the electricity rate revenue billed to consumers and monthly received.

In the intervening periods between the date of the last and the next periodical electricity rate adjustment, the balance of financial assets must be aligned with Management's expectations about the increase or decrease in its cash flows linked to the update and movement of infrastructure goods (physical assets). The variations in cash flow estimates are directly recognized in the year's statement of income.

The portion of interest established at the beginning of the agreement, calculated by employing the effective interest rate method, as well as any change in expected cash flows, are recorded in the year's statement of income.

The variation in fair value, arising from the difference between market interest rate and the effective interest rate, is recorded directly in shareholders' equity, net of taxes, as equity valuation adjustment, without being recognized in the year's statement of income. When a financial asset classified as "available for sale" is settled gains or losses accumulated in shareholders' equity are recognized in the statement of income.

### **Electricity rate adjustment at Copel Distribuição**

In November 2011 ANEEL inspected the investments made by the concessionaire for the accrual period from May 2008 to December 2011, therefore starting the electricity rate adjustment. After analyzing the reports it received, Copel found various adjustments which it considered to be necessary and took several actions at ANEEL in an attempt to make the agency reconsider its initial position by presenting the reasons for its constructive model and recognizing incurred costs. The agency accepted some of these claims, which were reflected on the version approved by ANEEL. However, Copel is still arguing with ANEEL at administrative proceedings about the effects of the adjustment.

The Company understands that some procedures followed for the rate adjustment differ from the methodology proposed by the Electricity Rate Regulation Procedures – Proret of the Electricity Industry Accounting Manual – MCSE, and from the constructive model adopted by the concessionaire.

Although ANEEL has not announced its decision on the appeal filed by Copel about the compensation basis amounts and other items, the new rate was approved at a public audience and be applied as from June 24, 2012.

According to Copel's Management, although ANEEL established a new regulatory compensation basis, administrative proceedings which are being managed at the regulatory agency remain undecided. This understanding is supported by the fact that we have not received the decision on the appeal filed with the regulatory agency, which causes uncertainties about the final assessment of the effects of this third cycle electricity rate adjustment.

Considering also that the regulatory compensation basis in the rate cycles is key to defining the new electricity rate which will be charged by the Concessionaire and represents the best estimate of the fair value of assets to be indemnified at the end of the concession, the Company will wait for ANEEL to make a decision for recognizing in full the effects of the electricity rate adjustment on its financial statements.

Considering this scenario, the Company's Management assessed all the effects arising from the electricity rate adjustment and recorded in the second quarter the write-off of R\$ 152,416 for the estimated and unrealized adjustments in this asset's cash flows which, net of tax effects, total R\$ 100,595. This amount, together with the effects of the changes in prevailing depreciation rates as from January 1, 2012 and recorded in the first quarter, in the amount of R\$ 42,569 (R\$ 28,095 net of taxes), total a write-off of R\$ 194,985 recognized in the first semester's statement of income (R\$ 128,690, net of taxes).

As set forth under Electricity Rate Regulation Procedures - Proret in August 2012, the Company uploaded onto the information systems the regulatory revaluation of assets and special liabilities,

resulting from the effects of the third cycle of periodic electricity rate adjustment. When the values of individual asset items were determined, an adjustment in the balance of special liabilities linked to the concession was found to be necessary, as well as the recognition of interest on this adjustment in the amount of R\$ 51,006.

The effects of the decision approved by ANEEL on June 19, 2012 through Resolution 1.296 on the regulatory compensation basis still subject to administrative appeals filed before and after the approval above will be revalued by the Company, which expects them to be reversed. Considering this evaluation, the Company did not consider these amounts under discussion when reviewing the expected cash flow of the indemnity's financial assets, given that there is no objective evidence for derecognizing these amounts from financial assets because the contractual rights to cash flows have not expired, according to guideline issued by the Committee of Accounting Pronouncements OCP 03, item 13. If ANEEL finally decides against the Company, these effects will be recognized in the statement of income, totaling the estimated amount of R\$ 155,111 and R\$ 102,373 net of taxes.

The result of the electricity rate adjustment applied to Copel Distribuição is detailed in technical note 173/2012, available at ANEEL's site.

### 8.3 Commitments regarding transmission

#### 8.3.1 TL 500 - kV Araraquara 2 - Taubaté

This transmission line was awarded to the Company at ANEEL auction 001/10, on June 10, 2010

The total commitments assumed with suppliers of equipment and services related to TL 500 kV Araraquara 2 Taubaté amounted to R\$ 156,283 as of September 30, 2012.

#### 8.3.2 Substation Cerquilha III 230 kV

This 230/138 kV (300 MVA) substation was awarded to the Company at ANEEL auction 001/10 – ANEEL, on June 10, 2010.

The total commitments assumed with suppliers of equipment and services related to Substation Cerquilha III, amounted to R\$ 43,775 as of September 30, 2012.

## 9 Other Receivables

|                               | <b>Consolidated</b> |                   |
|-------------------------------|---------------------|-------------------|
|                               | <b>09.30.2012</b>   | <b>12.31.2011</b> |
| <b>Current assets</b>         |                     |                   |
| Services in progress (9.1)    | 89,030              | 71,256            |
| Advance payments to employees | 28,819              | 11,588            |
| Partnership in consortiums    | 29,980              | 29,483            |
| Advance payments to suppliers | 28,446              | 7,162             |
| Advance for severance estate  | 5,301               | 3,514             |
| Other receivables             | 51,999              | 38,310            |
|                               | <b>233,575</b>      | <b>161,313</b>    |
| <b>Noncurrent assets</b>      |                     |                   |
| Advance payments to suppliers | 12,647              | 11,982            |
| Services in progress (9.1)    | 7,069               | -                 |
| Other receivables             | 2,096               | 5,051             |
|                               | <b>21,812</b>       | <b>17,033</b>     |

### 9.1 Service in progress

This item refers to services currently in progress within the Company, most of which are related to the Research and Development and Energy Efficiency programs, which upon conclusion are offset against the respective liability recorded for this purpose, in compliance with the applicable regulations.

## 10 Inventories

| <b>Consolidated</b>         | <b>Operation/Maintenance</b> |                   |
|-----------------------------|------------------------------|-------------------|
|                             | <b>09.30.2012</b>            | <b>12.31.2011</b> |
| Copel Geração e Transmissão | 27,745                       | 23,714            |
| Copel Distribuição          | 80,299                       | 69,579            |
| Copel Telecomunicações      | 9,985                        | 9,015             |
| Compagas                    | 919                          | 1,491             |
| UEG Araucária               | 4                            | 3                 |
|                             | <b>118,952</b>               | <b>103,802</b>    |

## 11 Income Tax, Social Contribution and Other Taxes

### 11.1 Income tax (IR) and social contribution (CSLL)

|   | Parent Company |                | Consolidated   |                |
|---|----------------|----------------|----------------|----------------|
|   | 09.30.2012     | 12.31.2011     | 09.30.2012     | 12.31.2011     |
| <b>Current assets</b>                       |                |                |                |                |
| IR and CSLL paid in advance                 | 117,193        | 131,567        | 447,381        | 678,745        |
| IR and CSLL to be offset against liability  | -              | (1,025)        | (231,718)      | (451,730)      |
| IRRF on JSCP to be offset against liability | -              | (11,634)       | -              | (11,634)       |
|   | <b>117,193</b> | <b>118,908</b> | <b>215,663</b> | <b>215,381</b> |
| <b>Noncurrent assets</b>                    |                |                |                |                |
| IR and CSLL paid in advance                 | -              | -              | 20,209         | 18,714         |
|   | -              | -              | <b>20,209</b>  | <b>18,714</b>  |
| <b>Current liabilities</b>                  |                |                |                |                |
| IR and CSLL due                             | -              | 4,954          | 431,107        | 603,520        |
| IR and CSLL to be offset against asset      | -              | (1,025)        | (231,718)      | (451,730)      |
|   | -              | <b>3,929</b>   | <b>199,389</b> | <b>151,790</b> |

Amounts recorded as corporate income tax (IRPJ) and social contribution (CSLL) paid in advance refer to amounts paid in advance and corporate tax return (DIPJ) credits, which are offset against the respective taxes payable by each company, pursuant to the Brazilian tax legislation.

### 11.2 Deferred income tax and social contribution

Company records deferred income tax, calculated at the rate of 15%, plus an additional rate of 10%, and deferred social contribution, at the rate of 9%.



11.2.1 Variations in deferred income tax and social contribution

| Parent Company                    | Balance as of<br>January 1, 2012 | Recognized<br>in income | Recognized<br>in other<br>comprehensive<br>income | Balance as of<br>September 30, 2012 |
|-----------------------------------|----------------------------------|-------------------------|---|-------------------------------------|
| <b>Noncurrent assets</b>          |                                  |                         |   |                                     |
| Tax losses and negative tax basis | -                                | 41,739                  | -   | 41,739                              |
| Other temporary additions         |                                  |                         |   |                                     |
| Provisions for legal claims       | 100,819                          | 4,492                   | -   | 105,311                             |
| Allowance for doubtful debts      | 1,478                            | -                       | -   | 1,478                               |
| Amortization - concession         | 17,829                           | 192                     | -   | 18,021                              |
| Provision for financing           | 4,756                            | -                       | -   | 4,756                               |
| Interest on own capital           | 16,666                           | (16,666)                | -   | -                                   |
| Others                            | 91                               | (164)                   | -   | (73)                                |
|                                   | <b>141,639</b>                   | <b>29,593</b>           | <b>-</b>  | <b>171,232</b>                      |
| <b>Noncurrent liabilities</b>     |                                  |                         |   |                                     |
| Transitional tax system - RTT     |                                  |                         |   |                                     |
| Effects from applying CPC 38      |                                  |                         |   |                                     |
| - financial instruments           | 7,962                            | (982)                   | 51  | 7,031                               |
| Temporary exclusions              |                                  |                         |   |                                     |
| Provisions for negative goodwill  | 25,297                           | -                       | -   | 25,297                              |
|                                   | <b>33,259</b>                    | <b>(982)</b>            | <b>51</b>   | <b>32,328</b>                       |
| <b>Net</b>                        | <b>108,380</b>                   | <b>30,575</b>           | <b>(51)</b>                                       | <b>138,904</b>                      |

| Parent Company                    | Balance as of<br>January 1, 2011 | Recognized<br>in income | Balance as of<br>September 30, 2011 |
|-----------------------------------|----------------------------------|-------------------------|-------------------------------------|
| <b>Noncurrent assets</b>          |                                  |                         |                                     |
| Tax losses and negative tax basis | 1,170                            | 14,603                  | 15,773                              |
| Other temporary additions         |                                  |                         |                                     |
| Provisions for legal claims       | 102,911                          | (3,700)                 | 99,211                              |
| Allowance for doubtful debts      | 1,478                            | -                       | 1,478                               |
| Amortization - concession         | 17,573                           | 192                     | 17,765                              |
| Provision for financing           | 3,659                            | 1,098                   | 4,757                               |
| Interest on own capital           | 17,966                           | (17,966)                | -                                   |
|                                   | <b>144,757</b>                   | <b>(5,773)</b>          | <b>138,984</b>                      |
| <b>Noncurrent liabilities</b>     |                                  |                         |                                     |
| Temporary exclusions              |                                  |                         |                                     |
| Provisions for negative goodwill  | 25,297                           | -                       | 25,297                              |
|                                   | <b>25,297</b>                    | <b>-</b>                | <b>25,297</b>                       |
| <b>Net</b>                        | <b>119,460</b>                   | <b>(5,773)</b>          | <b>113,687</b>                      |

| <b>Consolidated</b>                        | <b>Balance as of<br/>January 1, 2012</b> | <b>Recognized<br/>in income</b> | <b>Recognized<br/>in other<br/>comprehensive<br/>income</b> | <b>Balance as of<br/>September 30, 2012</b> |
|--|--|---------------------------------|---|---|
| <b>Noncurrent assets</b>                   |  |                                 |   |   |
| Tax losses and negative tax basis          | 2,486                                    | 41,739                          | -   | 44,225                                      |
| Private pension and health plans           | 154,108                                  | 12,603                          | -   | 166,711                                     |
| Transitional tax system - RTT              | 16,142                                   | 12,414                          | -   | 28,556                                      |
| Other temporary additions                  |  |                                 |   |   |
| Provisions for legal claims                | 346,697                                  | 30,459                          | -   | 377,156                                     |
| Allowance for doubtful debts               | 43,407                                   | (7,558)                         | -   | 35,849                                      |
| Amortization - concession                  | 36,173                                   | 192                             | -   | 36,365                                      |
| Provision for impact of grid charges       | 6,922                                    | -                               | -   | 6,922                                       |
| Provision for financing                    | 4,756                                    | -                               | -   | 4,756                                       |
| Provision for energy purchases             | 99,567                                   | (8,917)                         | -   | 90,650                                      |
| Provision for profit sharing               | 17,182                                   | (3,949)                         | -   | 13,233                                      |
| Interest on own capital                    | 16,666                                   | (16,666)                        | -   | -   |
| Others                                     | 1,074                                    | 10,275                          | -   | 11,349                                      |
|  | <b>745,180</b>                           | <b>70,592</b>                   | <b>-</b>  | <b>815,772</b>                              |
| <b>Noncurrent liabilities</b>              |  |                                 |   |   |
| Transitional tax system - RTT              |  |                                 |   |   |
| Effects from applying CPC 27               | 758,473                                  | (12,650)                        | -   | 745,823                                     |
| Effects from applying ICPC 01              | 125,450                                  | (4,231)                         | (4,459)   | 116,760                                     |
| Effects from applying CPC 38               | 7,962                                    | (982)                           | 702   | 7,682                                       |
| Other temporary exclusions                 |  |                                 |   |   |
| Capitalization of financial charges        | 5,356                                    | -                               | -   | 5,356                                       |
| Provisions for negative goodwill           | 25,297                                   | -                               | -   | 25,297                                      |
| Gas supply                                 | 5,372                                    | (1,343)                         | -   | 4,029                                       |
|  | <b>927,910</b>                           | <b>(19,206)</b>                 | <b>(3,757)</b>  | <b>904,946</b>                              |
| <b>Net</b>                                 | <b>(182,730)</b>                         | <b>89,798</b>                   | <b>3,757</b>  | <b>(89,174)</b>                             |
| Assets presented in the Balance Sheet      | 465,536                                  |                                 |   | 567,422                                     |
| Liabilities presented in the Balance Sheet | 648,266                                  |                                 |   | 656,597                                     |
| <b>Net</b>                                 | <b>(182,730)</b>                         |                                 |   | <b>(89,175)</b>                             |

| <b>Consolidated</b>                  | <b>Balance as of<br/>January 1, 2011</b> | <b>Recognized<br/>in income</b> | <b>Recognized<br/>in other<br/>comprehensive<br/>income</b> | <b>Compensated<br/>with installment<br/>debt<br/>Law 11,941</b> | <b>Balance as of<br/>September 30, 2012</b> |
|--------------------------------------|--|---------------------------------|---|---|---|
| <b>Noncurrent assets</b>             |  |                                 |   |   |   |
| Tax losses and negative tax basis    | 10,966                                   | 14,603                          | -   | (7,312)   | 18,257                                      |
| Private pension and health plans     | 135,384                                  | 10,095                          | -   | -   | 145,479                                     |
| Other temporary additions            |  |                                 |   |   |   |
| Provisions for legal claims          | 290,385                                  | 22,235                          | -   | -   | 312,620                                     |
| Allowance for doubtful debts         | 24,477                                   | 7,927                           | -   | -   | 32,404                                      |
| Amortization - concession            | 35,917                                   | 192                             | -   | -   | 36,109                                      |
| Provision for impact of grid charges | 6,922                                    | -                               | -   | -   | 6,922                                       |
| Provision for financing              | 3,659                                    | 1,098                           | -   | -   | 4,757                                       |
| Provision for energy purchases       | -  | 92,478                          | -   | -   | 92,478                                      |
| Others                               | -  | 23,475                          | -   | -   | 23,475                                      |
|                                      | <b>507,710</b>                           | <b>172,103</b>                  | <b>-</b>  | <b>(7,312)</b>  | <b>672,501</b>                              |
| <b>Noncurrent liabilities</b>        |  |                                 |   |   |   |
| Transitional tax system - RTT        |  |                                 |   |   |   |
| Effects from applying CPC 27         | 802,556                                  | (39,207)                        | -   | -   | 763,349                                     |
| Effects from applying ICPC 01        | 47,607                                   | 61,246                          | (823)   | -   | 108,030                                     |
| Other temporary exclusions           |  |                                 |   |   |   |
| Capitalization of financial charges  | 4,595                                    | (54)                            | -   | -   | 4,541                                       |
| Provisions for negative goodwill     | 25,297                                   | -                               | -   | -   | 25,297                                      |
| Gas supply                           | 7,163                                    | (1,344)                         | -   | -   | 5,819                                       |
|                                      | <b>887,218</b>                           | <b>20,641</b>                   | <b>(823)</b>  | <b>-</b>  | <b>907,036</b>                              |
| <b>Net</b>                           | <b>(379,508)</b>                         | <b>151,462</b>                  | <b>823</b>  | <b>(7,312)</b>  | <b>(234,535)</b>                            |

#### 11.2.2 Realization of deferred tax credits

Tax credits related to the pension and healthcare plans are realized according the movement of the related accrual based on the actuarial valuation conducted annually by an independent actuary, pursuant to the rules set forth in CVM Resolution nº 600/2009. Deferred taxes on all other accruals will be realized as judicial rulings are issued and regulatory assets are realized.

Under current tax legislation, tax losses and negative bases for social contributions may be offset against future income, up to the limit of 30% of the taxable income for each year, without expiration period.

The Company's Board of Directors and Fiscal Council have examined and approved the technical study prepared by the Chief Finance, Investor Relations, and Corporate Partnerships Office on future profitability projections, which points out to the realization of deferred taxes. As estimates of future taxable income, the realization of deferred taxes is presented below:

|              | Parent Company              |                        |                             | Consolidated                |                        |                             |
|--------------|-----------------------------|------------------------|-----------------------------|-----------------------------|------------------------|-----------------------------|
|              | Estimated Realizable Amount | Actual Realized Amount | Estimated Realizable Amount | Estimated Realizable Amount | Actual Realized Amount | Estimated Realizable Amount |
| 2011         | 4,174                       | 18,252                 | -                           | 178,211                     | 175,562                | -                           |
| 2012         | -                           | -                      | 6,785                       | -                           | -                      | 162,954                     |
| 2013         | -                           | -                      | 3,685                       | -                           | -                      | 33,221                      |
| 2014         | -                           | -                      | 3,685                       | -                           | -                      | 29,501                      |
| 2015         | -                           | -                      | 2,931                       | -                           | -                      | 238,905                     |
| 2016         | -                           | -                      | 43,043                      | -                           | -                      | 73,505                      |
| 2017 to 2019 | -                           | -                      | 1,203                       | -                           | -                      | 7,384                       |
| 2020 to 2022 | -                           | -                      | 1,203                       | -                           | -                      | 37,854                      |
| After 2022   | -                           | -                      | 76,369                      | -                           | -                      | (672,499)                   |
|              | <b>4,174</b>                | <b>18,252</b>          | <b>138,904</b>              | <b>178,211</b>              | <b>175,562</b>         | <b>(89,175)</b>             |

### 11.3 Other recoverable taxes and other taxes due

|  | Parent Company |               | Consolidated   |                |
|--|----------------|---------------|----------------|----------------|
|  | 09.30.2012     | 12.31.2011    | 09.30.2012     | 12.31.2011     |
| <b>Current assets</b>                                  |                |               |                |                |
| Recoverable ICMS (VAT) (11.3.1)                        | -              | -             | 41,478         | 40,845         |
| Recoverable PIS/Pasep and Cofins taxes                 | -              | -             | 57,481         | 60,486         |
| PIS/Pasep and Cofins to be offset against liabilities  | -              | -             | (19,388)       | (51,411)       |
| Other recoverable taxes                                | 11             | -             | 467            | 437            |
|  | <b>11</b>      | <b>-</b>      | <b>80,038</b>  | <b>50,357</b>  |
| <b>Noncurrent assets</b>                               |                |               |                |                |
| Recoverable ICMS (VAT) (11.3.1)                        | -              | -             | 72,976         | 76,166         |
| Recoverable income tax withheld on finance investments | -              | -             | 2,428          | 1,735          |
| Other taxes  | -              | -             | 11             | 11             |
|  | <b>-</b>       | <b>-</b>      | <b>75,415</b>  | <b>77,912</b>  |
| <b>Current liabilities</b>                             |                |               |                |                |
| ICMS (VAT) payable                                     | -              | -             | 203,412        | 193,808        |
| PIS/Pasep and Cofins payable                           | -              | 12,846        | 55,073         | 74,579         |
| PIS/Pasep and Cofins to be offset against assets       | -              | -             | (19,388)       | (51,411)       |
| Tax Recovery Programs (11.3.2)                         | -              | 27,628        | -              | 37,221         |
| IRRF on JSCP   | -              | 11,634        | -              | 31,027         |
| IRRF on JSCP to be offset against assets               | -              | (11,634)      | -              | (11,634)       |
| Other taxes  | 204            | 911           | 6,349          | 14,867         |
|  | <b>204</b>     | <b>41,385</b> | <b>245,446</b> | <b>288,457</b> |
| <b>Noncurrent liabilities</b>                          |                |               |                |                |
| ICMS (VAT) payable                                     | -              | -             | -              | 152            |
|  | <b>-</b>       | <b>-</b>      | <b>-</b>       | <b>152</b>     |

#### 11.3.1 Recoverable ICMS (VAT)

Of the total amount recorded as recoverable ICMS (VAT), R\$ 114,454, the amount of R\$ 97,823 refers to credits from the acquisition of property, plant and equipment under Supplemental Law nº 87/96, which shall be recovered monthly at the rate of 1/48 pursuant to Supplemental Law nº 102/00.

11.3.2 Tax recovery programs

|                         | <b>Parent Company</b> |                            |                       |                             |                     |                                  |
|-------------------------|-----------------------|----------------------------|-----------------------|-----------------------------|---------------------|----------------------------------|
|                         | <b>Debt amount</b>    | <b>Benefits Law 11,941</b> | <b>Selic interest</b> | <b>Corrected debt value</b> | <b>Anticipation</b> | <b>Balance of corrected debt</b> |
| <b>Law 11,941/09</b>    |                       |                            |                       |                             |                     |                                  |
| Cofins Rescission Claim | 229,933               | (80,927)                   | 18,754                | 167,760                     | (167,760)           | -                                |
| INSS                    | 311                   | (93)                       | 44                    | 262                         | (262)               | -                                |
|                         | <b>230,244</b>        | <b>(81,020)</b>            | <b>18,798</b>         | <b>168,022</b>              | <b>(168,022)</b>    | <b>-</b>                         |

|                         | <b>Consolidated</b> |                            |                              |                       |                             |                     |                                  |
|-------------------------|---------------------|----------------------------|------------------------------|-----------------------|-----------------------------|---------------------|----------------------------------|
|                         | <b>Debt amount</b>  | <b>Benefits Law 11,941</b> | <b>Tax loss carryforward</b> | <b>Selic interest</b> | <b>Corrected debt value</b> | <b>Anticipation</b> | <b>Balance of corrected debt</b> |
| <b>Law 11,941/09</b>    |                     |                            |                              |                       |                             |                     |                                  |
| IRPJ                    | 43,256              | (8,898)                    | (3,123)                      | 3,356                 | 34,591                      | (34,591)            | -                                |
| CSLL                    | 5,925               | (1,460)                    | (428)                        | 634                   | 4,671                       | (4,671)             | -                                |
| Cofins                  | 43,198              | (9,633)                    | (3,118)                      | 3,550                 | 33,997                      | (33,997)            | -                                |
| PIS/Pasep               | 8,893               | (1,992)                    | (642)                        | 395                   | 6,654                       | (6,654)             | -                                |
| Cofins Rescission Claim | 229,933             | (80,927)                   | -                            | 18,754                | 167,760                     | (167,760)           | -                                |
| INSS                    | 311                 | (93)                       | -                            | 44                    | 262                         | (262)               | -                                |
|                         | <b>331,516</b>      | <b>(103,003)</b>           | <b>(7,311)</b>               | <b>26,733</b>         | <b>247,935</b>              | <b>(247,935)</b>    | <b>-</b>                         |

The effect on profit or loss for the nine-month period ended September 30, 2012, recorded as financial expenses was R\$ 492 on the Parent Company and R\$ 662 on Consolidated (Note 29).

**Installment Plan – Law nº 11,941/09**

Pursuant to a ruling by the 4<sup>th</sup> District Federal Court, which became final on August 18, 1998, Copel was granted immunity from the levy of COFINS tax on power sales. Even though this ruling was final, the Federal Revenue Service (RFB) issued Copel two notices for failure to collect COFINS tax: on February 19, 2002, notice nº 10980.000932/2002-90, for fiscal year 1997, and on August 22, 2003, notice nº 10980.007831/2003-21, for the first three quarters of 1998. Simultaneously, it filed a lawsuit requesting the cancellation of the immunity ruling, which, after a long legal battle regarding the lapse of RFB's right to dispute the ruling, has been submitted to 4<sup>th</sup> District Federal Court for judgment on the merits. Copel has thus reclassified the corresponding risk of loss as probable, since there's consolidated legal precedent in favor of the federal government.

Due to the risk classification of this action as a probable loss, the Company had recorded a provision in the amount of R\$ 184,464, comprising R\$ 61,872 in principal and R\$ 122,592 in Selic interest. Considering the level of risk of this action as probable, the Company chose to include it in the scheme for payment in installments established by Law 11,941 of May 27, 2009, with payment in 30 installments, considering the benefits of a reduction in the charges on arrears. Accordingly, the total debt, with the increase of a fine on arrears in the amount of R\$ 12,375, now became R\$ 196,839.

On June 29, 2011, the Brazilian Federal Revenue Department consolidated the debt, in which the difference of the ex-officio fine was included only in the notice of infraction related to 1998, and additional interest in the amount of R\$ 33,094. Accordingly, the total amount of the debt now became R\$ 229,933. After the consolidation of this debt, considering the benefits of a decrease in charges on arrears of R\$ 80,927, the debt related to the rescissory action now became R\$ 149,006.

Debts of the National Institute of Social Security (INSS) referring to the Tax Notification of Issuing of Debt nº 35.273.873-1 were also included in the consolidation in the amount of R\$ 311, which when the benefits of payment in installments were included, results in a debt of R\$ 218.

Accordingly, the Company's total debt included in the payment in installments was R\$ 149,224. Considering the Selic interest on the payment in installments, as established in paragraph 3 of article 3 of the abovementioned law until September 30, 2012 in the amount of R\$ 18,798, and also considering the monthly paid installments, the balance of the debt amounts to R\$ 168,022. The installment payment was settled since April 30, 2012.

With respect to Copel Distribuição, tax debts referring to income tax (IRPJ) and social contribution on net income (CSLL) for February 2004 and to income tax for December 2007, March and April 2008, which total R\$ 49,181, were included in the aforementioned payment in installments. These taxes were settled in their respective accrual periods through Declarations of Offsetting (Dcomp), which were not ratified by the Federal Revenue Department. Furthermore, in the same scheme for payment in installments debts related to the review of the calculation basis for PIS/Pasep and COFINS from 2005 to 2008, which after consolidation amounted to R\$ 52,091, were included. The benefits of the decrease in the charges on arrears granted by Law 11,941/09, in the scheme for payment in 30 installments, amount to R\$ 21,983. In the consolidation of the debt before the Federal Revenue Department, tax loss carry forwards and the negative calculation base of CSLL were used for settlement of part of the charges on arrears in the amount of R\$ 7,311.

Accordingly, the Copel Distribuição's total debt included in the payment in installments was R\$ 71,978. Considering the Selic interest on the payment in installments, as established in paragraph 3 of article 3 of the abovementioned law until September 30, 2012 in the amount of R\$ 7,937, and also considering the monthly paid installments, the balance of the debt amounts to R\$ 79,915. The installment payment was settled since April 30, 2012.

#### 11.4 Reconciliation of the provision for income tax and social contribution

The reconciliation of the provision for income tax (IRPJ) and social contribution (CSLL), calculated at the applicable rates, with the amounts recorded in the statement of income is shown below:

|                                    | Parent Company   |                  | Consolidated     |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | 09.30.2012       | 09.30.2011       | 09.30.2012       | 09.30.2011       |
| <b>Income before IRPJ and CSLL</b> | <b>775,788</b>   | <b>981,604</b>   | <b>1,168,064</b> | <b>1,360,980</b> |
| <b>IRPJ and CSLL (34%)</b>         | <b>(263,768)</b> | <b>(333,745)</b> | <b>(397,142)</b> | <b>(462,733)</b> |
| <b>Tax effects on:</b>             |                  |                  |                  |                  |
| Equity in income                   | 265,368          | 251,402          | 14,523           | 13,233           |
| Interest on own capital            | 28,857           | 76,777           | 32,327           | 79,530           |
| Dividends                          | 134              | 33               | 134              | 33               |
| Non deductible expenses            | (16)             | (7,057)          | (1,912)          | (10,455)         |
| Tax benefits Law 11,941/09         | -                | 7,056            | -                | 7,056            |
| Tax incentives                     | -                | -                | 5,120            | 3,670            |
| Others                             | -                | (239)            | 2,895            | (3,224)          |
| <b>Current IRPJ and CSLL</b>       | <b>-</b>         | <b>-</b>         | <b>(433,853)</b> | <b>(524,501)</b> |
| <b>Deferred IRPJ and CSLL</b>      | <b>30,575</b>    | <b>(5,773)</b>   | <b>89,798</b>    | <b>151,611</b>   |
| Actual rate - %                    | -3.9%            | 0.6%             | 29.5%            | 27.4%            |

## 12 Prepaid Expenses

|   | Consolidated  |              |
|---|---------------|--------------|
|   | 09.30.2012    | 12.31.2011   |
| <b>Current assets</b>   |               |              |
| Program of incentive to alternative energy sources - Proinfra | 11,932        | 36           |
| Insurance premiums  | 6,277         | 4,527        |
| Other   | 6             | 25           |
|   | <b>18,215</b> | <b>4,588</b> |
| <b>Noncurrent assets</b>                                      |               |              |
| Costs of financial transactions - mutual                      | 10,545        | -            |
| Other   | 192           | 190          |
|   | <b>10,737</b> | <b>190</b>   |

## 13 Judicial Deposits

|                     | Parent Company |                | Consolidated   |                |
|---------------------|----------------|----------------|----------------|----------------|
|                     | 09.30.2012     | 12.31.2011     | 09.30.2012     | 12.31.2011     |
| <b>Taxes claims</b> | <b>271,834</b> | <b>222,847</b> | <b>335,039</b> | <b>226,566</b> |
| <b>Labor claims</b> | <b>-</b>       | <b>-</b>       | <b>88,698</b>  | <b>72,873</b>  |
| <b>Civil</b>        |                |                |                |                |
| Suppliers           | -              | -              | 95,558         | 92,853         |
| Civil               | -              | -              | 24,899         | 24,706         |
| Easements           | -              | -              | 6,757          | 6,823          |
| Customers           | -              | -              | 2,424          | 2,289          |
|                     | -              | -              | <b>129,638</b> | <b>126,671</b> |
| <b>Others</b>       | <b>-</b>       | <b>-</b>       | <b>4,484</b>   | <b>4,707</b>   |
|                     | <b>271,834</b> | <b>222,847</b> | <b>557,859</b> | <b>430,817</b> |

The change in the balance of judicial tax deposits mainly relates to the deposit made by Copel

Distribuição, in order to revoke assessment notice 6432974-0, issued by Paraná State, demanding payment of the ICMS tax on the rate subsidy afforded to low-income residential customers.

## 14 Receivable from related parties

|  | Parent Company   |                  | Consolidated |               |
|--|------------------|------------------|--------------|---------------|
|  | 09.30.2012       | 12.31.2011       | 09.30.2012   | 12.31.2011    |
| <b>Associated companies</b>                      |                  |                  |              |               |
| <b>Dividends and/or interests on own capital</b> |                  |                  |              |               |
| Dona Francisca Energética                        | -                | 2,303            | -            | 2,303         |
| Sanepar  | -                | -                | 8,342        | 15,603        |
|  | -                | <b>2,303</b>     | <b>8,342</b> | <b>17,906</b> |
| <b>Subsidiaries</b>                              |                  |                  |              |               |
| <b>Dividends and/or interests on own capital</b> |                  |                  |              |               |
| Copel Geração e Transmissão                      | 435,840          | 600,659          | -            | -             |
| Copel Distribuição                               | 457,063          | 508,695          | -            | -             |
| Copel Telecomunicações                           | -                | 20,649           | -            | -             |
| Compagas   | -                | 3,927            | -            | -             |
| Elejor   | -                | 2,592            | -            | -             |
| Dominó Holdings                                  | 11,140           | 14,184           | -            | -             |
|  | <b>904,043</b>   | <b>1,150,706</b> | -            | -             |
| <b>Financing transferred - STN</b>               |                  |                  |              |               |
| Copel Distribuição (14.1)                        | 61,052           | 58,427           | -            | -             |
|  | <b>61,052</b>    | <b>58,427</b>    | -            | -             |
| <b>Loan contract</b>                             |                  |                  |              |               |
| Copel Distribuição (14.2)                        | 844,221          | 781,031          | -            | -             |
| Elejor (14.3)                                    | 242,857          | 305,936          | -            | -             |
|  | <b>1,087,078</b> | <b>1,086,967</b> | -            | -             |
|  | <b>2,052,173</b> | <b>2,298,403</b> | <b>8,342</b> | <b>17,906</b> |
| <b>Current assets - Dividends receivable</b>     | <b>904,043</b>   | <b>1,153,009</b> | <b>8,342</b> | <b>17,906</b> |
| <b>Non current assets</b>                        | <b>1,148,130</b> | <b>1,145,394</b> | -            | -             |

### 14.1 Financing transferred – STN

The Company transferred loans and financing to its wholly owned subsidiaries at the time of constitution in 2001. However, since the contracts for the transfers to the respective subsidiaries were not formalized with the financial institutions, they also remain registered in the parent company.

This financing is transferred and incurs the same charges assumed by the Company and is reported separately, as receivable from the wholly owned subsidiaries, and as liabilities for loans and financing in the subsidiaries (Note 20.1).

### 14.2 Loan Contract - Copel Distribuição

On February 09, 2012, ANEEL approved the loan contract agreed between the Company (lender) and Copel Distribuição (borrower), for the amount of R\$ 800,000. The loan is for a period of two years, bearing interest of 109.41% of the DI rate. The allocation of resources was the discharge of



the obligations of the loan agreement signed on February 27, 2007 and paid on February 23, 2012.

### 14.3 Loan Contract - Elejor

On April 7, 2004, a loan contract was signed between Copel (lender) and Elejor (borrower), for the purpose of guaranteeing the continuity of the project to construct the Fundão – Santa Clara Hydroelectric Energy Complex, approved by the regulatory agency, through dispatch ANEEL nº 2876 of December 5, 2006, it started being remunerated by the TJLP interest rate plus a fixed rate of 4.5% p.a.

As deliberated on the 36<sup>th</sup> Extraordinary general meeting of December 9, 2010 of Elejor, after paying/returning the advance for future capital increase, the company started paying the above mentioned loan contract at October, 2011.

## 15 Investments

### 15.1 Changes in investments

| Consolidated   | Balance as of<br>January 1, 2012 | Shareholders'<br>equity | Equity<br>evaluation<br>adjustments | Investment(1)/<br>Afac(2) | Proposed<br>dividends<br>and JCP | Amortization<br>of concession<br>rights | Balance as of<br>September 30, 2012 |
|--|----------------------------------|-------------------------|-------------------------------------|---------------------------|----------------------------------|---|-------------------------------------|
| <b>Subsidiaries (15.4)</b>                             |                                  |                         |                                     |                           |                                  |   |                                     |
| Sanepar  | 344,439                          | 47,560                  | -                                   | -                         | (9,815)                          | (547)                                   | 381,637                             |
| Sercomtel Telecomunicações                             | 70,341                           | (7,491)                 | -                                   | -                         | -                                | -                                       | 62,850                              |
| Dona Francisca   | 53,061                           | 5,584                   | -                                   | -                         | -                                | -                                       | 58,645                              |
| Foz do Chopim  | 17,402                           | 6,922                   | -                                   | -                         | (8,156)                          | -                                       | 16,168                              |
| Carbocampel  | 1,307                            | (35)                    | -                                   | 143 <sup>(1)</sup>        | -                                | -                                       | 1,415                               |
| Dois Saltos  | 300                              | -                       | -                                   | -                         | -                                | -                                       | 300                                 |
| Copel Amec   | 165                              | 11                      | -                                   | -                         | -                                | -                                       | 176                                 |
| Escoelectric   | -                                | (22)                    | -                                   | 22 <sup>(2)</sup>         | -                                | -                                       | -                                   |
|  | <b>487,015</b>                   | <b>52,529</b>           | <b>-</b>                            | <b>165</b>                | <b>(17,971)</b>                  | <b>(547)</b>                            | <b>521,191</b>                      |
| <b>Other investments (15.5)</b>                        |                                  |                         |                                     |                           |                                  |   |                                     |
| Finam (15.5.1)   | 2,267                            | -                       | (756)                               | -                         | -                                | -                                       | 1,511                               |
| Finor (15.5.1)   | 613                              | -                       | (223)                               | -                         | -                                | -                                       | 390                                 |
| Investco S.A.  | 8,345                            | -                       | 766                                 | -                         | -                                | -                                       | 9,111                               |
| Assets for future use                                  | 4,290                            | -                       | -                                   | -                         | -                                | -                                       | 4,290                               |
| Advance with the purpose of future investment (15.5.2) | 38,945                           | -                       | -                                   | 6,728 <sup>(1)</sup>      | -                                | -                                       | 45,673                              |
| Other investments                                      | 7,683                            | -                       | 361                                 | 7 <sup>(1)</sup>          | -                                | -                                       | 8,051                               |
|  | <b>62,143</b>                    | <b>-</b>                | <b>148</b>                          | <b>6,735</b>              | <b>-</b>                         | <b>-</b>                                | <b>69,026</b>                       |
|  | <b>549,158</b>                   | <b>52,529</b>           | <b>148</b>                          | <b>6,900</b>              | <b>(17,971)</b>                  | <b>(547)</b>                            | <b>590,217</b>                      |

(1) Contribution for purchase of investments

(2) Afac - Advance for future capital increase

| <b>Consolidated</b>             | <b>Balance as of<br/>January 1, 2011</b> | <b>Shareholders'<br/>equity</b> | <b>Investment(1)/<br/>Afac(2)</b> | <b>Proposed<br/>dividends<br/>and JCP</b> | <b>Amortization<br/>of concession<br/>rights</b> | <b>Balance as of<br/>September 30, 2011</b> |
|---------------------------------|--|---------------------------------|-----------------------------------|---|--|---|
| <b>Subsidiaries (15.4)</b>      |  |                                 |                                   |   |  |   |
| Sanepar                         | 323,814                                  | 33,410                          | -                                 | (9,162)                                   | (547)  | 347,515                                     |
| Sercomtel Telecomunicações      | 72,464                                   | 1,634                           | -                                 | -   | -  | 74,098                                      |
| Dona Francisca                  | 50,161                                   | 5,394                           | -                                 | (1,390)                                   | -  | 54,165                                      |
| Foz do Chopim                   | 17,086                                   | 7,792                           | -                                 | (8,442)                                   | -  | 16,436                                      |
| Carbocampel                     | 1,224                                    | (20)                            | 110 <sup>(2)</sup>                | -   | -  | 1,314                                       |
| Dois Saltos                     | 300                                      | -                               | -                                 | -   | -  | 300   |
| Copel Amec                      | 156                                      | 7                               | -                                 | -   | -  | 163   |
| Escoelectric                    | 37                                       | (118)                           | 81 <sup>(2)</sup>                 | -   | -  | -   |
|                                 | <b>465,242</b>                           | <b>48,099</b>                   | <b>191</b>                        | <b>(18,994)</b>                           | <b>(547)</b>                                     | <b>493,991</b>                              |
| <b>Other investments (15.5)</b> |  |                                 |                                   |   |  |   |
| Finam (15.5.1)                  | 2,456                                    | -                               | -                                 | -   | -  | 2,456                                       |
| Finor (15.5.1)                  | 769                                      | -                               | -                                 | -   | -  | 769   |
| Investco S.A.                   | 7,903                                    | -                               | -                                 | -   | -  | 7,903                                       |
| Assets for future use           | 4,538                                    | -                               | -                                 | -   | (25)   | 4,513                                       |
| Other investments               | 2,542                                    | -                               | 3 <sup>(1)</sup>                  | -   | -  | 2,545                                       |
|                                 | <b>18,208</b>                            | <b>-</b>                        | <b>3</b>                          | <b>-</b>                                  | <b>(25)</b>                                      | <b>18,186</b>                               |
|                                 | <b>483,450</b>                           | <b>48,099</b>                   | <b>194</b>                        | <b>(18,994)</b>                           | <b>(572)</b>                                     | <b>512,177</b>                              |

| <b>Parent Company</b>                                  | <b>Balance as of<br/>January 1, 2012</b> | <b>Shareholders'<br/>equity</b> | <b>Equity<br/>evaluation<br/>adjustments</b> | <b>Investment(1)/<br/>Afac(2)</b> | <b>Amortization<br/>of concession<br/>rights</b> | <b>Proposed<br/>dividends<br/>and JCP</b> | <b>Redemption<br/>of<br/>shares</b> | <b>Balance as of<br/>September 30, 2012</b> |
|--|--|---------------------------------|--|-----------------------------------|--|---|-------------------------------------|---|
| <b>Subsidiaries (15.2)</b>                             |  |                                 |  |                                   |  |   |                                     |   |
| Copel Geração e Transmissão                            | 5,739,789                                | 552,970                         | 1,273  | -                                 | -  | 8,389 <sup>(3)</sup>                      | -                                   | 6,302,421                                   |
| Copel Distribuição                                     | 3,665,835                                | 136,900                         | (8,663)                                      | -                                 | -  | (13,468)                                  | -                                   | 3,780,604                                   |
| Copel Telecomunicações                                 | 287,740                                  | 21,869                          | -  | 22,643 <sup>(2)</sup>             | -  | (1,994)                                   | -                                   | 330,258                                     |
| UEG Araucária (15.2.1)                                 | 127,445                                  | 3,500                           | -  | -                                 | -  | -   | -                                   | 130,945                                     |
| Compagas   | 105,305                                  | 7,665                           | -  | -                                 | -  | -   | -                                   | 112,970                                     |
| Elejor   | 33,170                                   | 15,820                          | -  | -                                 | -  | (2,785)                                   | -                                   | 46,205                                      |
| Elejor - concession rights                             | 18,289                                   | -                               | -  | -                                 | (565)  | -   | -                                   | 17,724                                      |
| Centrais Eólicas do Paraná (15.2.2)                    | 1,225                                    | (9)                             | -  | -                                 | -  | (306)                                     | (910)                               | -   |
|  | <b>9,978,798</b>                         | <b>738,715</b>                  | <b>(7,390)</b>                               | <b>22,643</b>                     | <b>(565)</b>                                     | <b>(10,164)</b>                           | <b>(910)</b>                        | <b>10,721,127</b>                           |
| <b>Joint ventures (15.3)</b>                           |  |                                 |  |                                   |  |   |                                     |   |
| Dominó Holdings  | 345,953                                  | 45,736                          | -  | -                                 | -  | (8,595)                                   | -                                   | 383,094                                     |
| Cutia  | 4,310                                    | (333)                           | -  | 1,384 <sup>(1)</sup>              | -  | -   | -                                   | 5,361                                       |
| Cutia - concession rights                              | 5,809                                    | -                               | -  | -                                 | -  | -   | -                                   | 5,809                                       |
|  | <b>356,072</b>                           | <b>45,403</b>                   | <b>-</b>                                     | <b>1,384</b>                      | <b>-</b>   | <b>(8,595)</b>                            | <b>-</b>                            | <b>394,264</b>                              |
| <b>Associated companies (15.4)</b>                     |  |                                 |  |                                   |  |   |                                     |   |
| Sercomtel (15.4.2)                                     | 70,341                                   | (7,491)                         | -  | -                                 | -  | -   | -                                   | 62,850                                      |
| Dona Francisca Energética                              | 53,061                                   | 5,584                           | -  | -                                 | -  | -   | -                                   | 58,645                                      |
| Foz do Chopim Energética                               | 17,402                                   | 6,922                           | -  | -                                 | -  | (8,156)                                   | -                                   | 16,168                                      |
| Carbocampel  | 1,307                                    | (35)                            | -  | 143 <sup>(1)</sup>                | -  | -   | -                                   | 1,415                                       |
| Dois Saltos  | 300                                      | -                               | -  | -                                 | -  | -   | -                                   | 300   |
| Copel Amec   | 165                                      | 11                              | -  | -                                 | -  | -   | -                                   | 176   |
| Escoelectric   | -  | (22)                            | -  | 22 <sup>(2)</sup>                 | -  | -   | -                                   | -   |
|  | <b>142,576</b>                           | <b>4,969</b>                    | <b>-</b>                                     | <b>165</b>                        | <b>-</b>   | <b>(8,156)</b>                            | <b>-</b>                            | <b>139,554</b>                              |
| <b>Other investments (15.5)</b>                        |  |                                 |  |                                   |  |   |                                     |   |
| Finam (15.5.1)   | 2,267                                    | -                               | (756)  | -                                 | -  | -   | -                                   | 1,511                                       |
| Finor (15.5.1)   | 613                                      | -                               | (223)  | -                                 | -  | -   | -                                   | 390   |
| Investco S.A.  | 8,345                                    | -                               | 766  | -                                 | -  | -   | -                                   | 9,111                                       |
| Advance with the purpose of future investment (15.5.2) | 38,945                                   | -                               | -  | 6,728 <sup>(1)</sup>              | -  | -   | -                                   | 45,673                                      |
| Other investments                                      | 6,496                                    | -                               | 361  | -                                 | -  | -   | -                                   | 6,857                                       |
|  | <b>56,666</b>                            | <b>-</b>                        | <b>148</b>                                   | <b>6,728</b>                      | <b>-</b>   | <b>-</b>                                  | <b>-</b>                            | <b>63,542</b>                               |
|  | <b>10,534,112</b>                        | <b>789,087</b>                  | <b>(7,242)</b>                               | <b>30,920</b>                     | <b>(565)</b>                                     | <b>(26,915)</b>                           | <b>(910)</b>                        | <b>11,318,487</b>                           |

(1) Contribution for purchase of investments

(2) Afac - Advance for future capital increase

(3) Partial Reversal of proposed dividends as the 11th GSM of Copel Geração e Transmissão

| Parent Company                     | Balance as of January 1, 2011 | Shareholders' equity | Equity evaluation adjustments | Afac and (dev. Afac) | Amortization of concession rights | Proposed dividends and JCP | Balance as of September 30, 2011 |
|------------------------------------|-------------------------------|----------------------|-------------------------------|----------------------|-----------------------------------|----------------------------|----------------------------------|
| <b>Subsidiaries (15.2)</b>         |                               |                      |                               |                      |                                   |                            |                                  |
| Copel Geração e Transmissão        | 5,726,083                     | 539,651              | -                             | -                    | -                                 | (539,553)                  | 5,726,181                        |
| Copel Distribuição                 | 3,316,811                     | 427,275              | (1,598)                       | -                    | -                                 | (111,655)                  | 3,630,833                        |
| Copel Telecomunicações             | 241,362                       | 28,646               | -                             | 23,000               | -                                 | (8,127)                    | 284,881                          |
| UEG Araucária                      | 128,846                       | (465)                | -                             | -                    | -                                 | -                          | 128,381                          |
| Compagas                           | 99,286                        | 13,149               | -                             | -                    | -                                 | (6,592)                    | 105,843                          |
| Elejor                             | 96,751                        | 210                  | -                             | (71,898)             | -                                 | -                          | 25,063                           |
| Elejor - concession rights         | 19,044                        | -                    | -                             | -                    | (566)                             | -                          | 18,478                           |
| Centrais Eólicas do Paraná         | 1,185                         | 354                  | -                             | -                    | -                                 | (268)                      | 1,271                            |
|                                    | <b>9,629,368</b>              | <b>1,008,820</b>     | <b>(1,598)</b>                | <b>(48,898)</b>      | <b>(566)</b>                      | <b>(666,195)</b>           | <b>9,920,931</b>                 |
| <b>Joint ventures (15.3)</b>       |                               |                      |                               |                      |                                   |                            |                                  |
| Dominó Holdings                    | 325,342                       | 31,493               | -                             | -                    | -                                 | (8,100)                    | 348,735                          |
|                                    | <b>325,342</b>                | <b>31,493</b>        | -                             | -                    | -                                 | <b>(8,100)</b>             | <b>348,735</b>                   |
| <b>Associated companies (15.4)</b> |                               |                      |                               |                      |                                   |                            |                                  |
| Sercomtel Telecomunicações         | 72,464                        | 1,634                | -                             | -                    | -                                 | -                          | 74,098                           |
| Dona Francisca                     | 50,161                        | 5,394                | -                             | -                    | -                                 | (1,390)                    | 54,165                           |
| Foz do Chopim                      | 17,086                        | 7,792                | -                             | -                    | -                                 | (8,442)                    | 16,436                           |
| Carbocampel                        | 1,224                         | (20)                 | -                             | 110                  | -                                 | -                          | 1,314                            |
| Dois Saltos                        | 300                           | -                    | -                             | -                    | -                                 | -                          | 300                              |
| Copel Amec                         | 156                           | 7                    | -                             | -                    | -                                 | -                          | 163                              |
| Escoelectric                       | 37                            | (118)                | -                             | 81                   | -                                 | -                          | -                                |
|                                    | <b>141,428</b>                | <b>14,689</b>        | -                             | <b>191</b>           | -                                 | <b>(9,832)</b>             | <b>146,476</b>                   |
| <b>Other investments (15.5)</b>    |                               |                      |                               |                      |                                   |                            |                                  |
| Finam (15.5.1)                     | 2,456                         | -                    | -                             | -                    | -                                 | -                          | 2,456                            |
| Finor (15.5.1)                     | 769                           | -                    | -                             | -                    | -                                 | -                          | 769                              |
| Investco S.A.                      | 7,903                         | -                    | -                             | -                    | -                                 | -                          | 7,903                            |
| Other investments                  | 1,344                         | -                    | -                             | -                    | -                                 | -                          | 1,344                            |
|                                    | <b>12,472</b>                 | -                    | -                             | -                    | -                                 | -                          | <b>12,472</b>                    |
|                                    | <b>10,108,610</b>             | <b>1,055,002</b>     | <b>(1,598)</b>                | <b>(48,707)</b>      | <b>(566)</b>                      | <b>(684,127)</b>           | <b>10,428,614</b>                |

## 15.2 Parent Company

Copel's wholly owned subsidiaries and parent company are:

| Percentage of share capital                          | Copel (Holding) | Copel Geração e Transmissão |
|--|-----------------|-----------------------------|
| <b>Parent Company</b>                                | <b>%</b>        | <b>%</b>                    |
| Copel Geração e Transmissão S.A. (GET)               | 100.00          | -                           |
| Copel Distribuição S.A. (DIS)                        | 100.00          | -                           |
| Copel Telecomunicações S.A. (TEL)                    | 100.00          | -                           |
| Companhia Paranaense de Gás - Compagas (COM)         | 51.00           | -                           |
| Elejor - Centrais Elétricas do Rio Jordão S.A. (ELE) | 70.00           | -                           |
| UEG Araucária (UEG) (15.2.1)                         | 20.00           | 60.00                       |
| Centrais Eólicas do Paraná (15.2.2) (CEO)            | 30.00           | 70.00                       |

#### 15.2.1 UEG Araucária Ltda.

On December 28, 2006, UEG Araucária agreed the “Contract for Leases and Other Agreements” with Petróleo Brasileiro S.A. - Petrobras, a non controlling partner, for the leasing of plant, extended in various stages until December 31, 2012, with clauses that provide for the possibility of anticipated rescission by UEG Araucária, in the event it participates in energy auctions organized by ANEEL. This contract provides for the use, by Petrobras, of the Plant Complex for generating energy at its own expense, with UEG Araucária entitled to the lease income consisting of fixed and variable installments defined in the contract.

#### 15.2.2 Centrais Eólicas do Paraná Ltda.

Limited liability company in which Copel had a 30% interest and Copel Geração e Transmissão had a 70% interest. It was set up to implement, assemble and run the commercial operations of Central Geradora Eólica Palmas, a wind farm located in the municipality of Palmas, State of Paraná.

According to the termination agreement of May 31, 2012, the assets of Centrais Eólicas do Paraná, in the amount of R\$ 3,033, were divided in proportion to the interest of each of its members: i) the amount of R\$ 910 was deposited in Copel’s bank account; and ii) the remaining balance, in the amount of R\$ 2,123, was fully transferred to Copel Geração e Transmissão, given that the authorization held by Central Geradora Eólica Palmas was passed on to Copel Geração e Transmissão, according to Authoritative Resolution 3,319, issued by ANEEL on January 24, 2012.

|                      | <b>Centrais Eólicas<br/>05.31.2012</b> |
|----------------------|--|
| <b>ASSETS</b>        | <b>3,033</b>                           |
| Current assets       | 2,037                                  |
| Noncurrent assets    | 996                                    |
| <b>LIABILITIES</b>   | <b>3,033</b>                           |
| Shareholders' equity | 3,033                                  |

### 15.2.3 Financial statements of subsidiaries

Presented below are the balance sheets and statements of income at September 30, 2012, reclassified for purposes of ensuring consistency of the account plan:

| ASSETS   | GET              | DIS              | TEL            | COM            | ELE            | UEG            |
|--|------------------|------------------|----------------|----------------|----------------|----------------|
| <b>09.30.2012</b>  |                  |                  |                |                |                |                |
| <b>Total assets</b>  | <b>9,189,648</b> | <b>7,869,530</b> | <b>399,418</b> | <b>291,505</b> | <b>754,998</b> | <b>664,218</b> |
| <b>Current assets</b>  | <b>1,053,120</b> | <b>1,990,730</b> | <b>63,810</b>  | <b>92,736</b>  | <b>34,296</b>  | <b>195,733</b> |
| Cash and Cash Equivalents  | 223,670          | 388,166          | 27,071         | 41,625         | 14,632         | 20,142         |
| Financial Investments - Bonds and securities                       | 277,187          | 22,857           | -              | -              | 445            | 156,122        |
| Financial Restricted Investments - Collaterals and Escrow Accounts | 1,800            | 9,393            | -              | 1,094          | -              | -              |
| Trade Accounts Receivable  | 289,450          | 1,143,876        | 17,674         | 40,067         | 18,785         | -              |
| CRC transferred to the State Government of Paraná                  | -                | 73,018           | -              | -              | -              | -              |
| Account Receivable related to concession                           | 114,493          | -                | -              | -              | -              | -              |
| Other Receivables  | 112,342          | 102,713          | 1,945          | 555            | 2              | 15,982         |
| Inventories  | 27,745           | 80,299           | 9,985          | 919            | -              | 4              |
| Income Tax and Social Contribution                                 | 805              | 90,219           | 4,230          | -              | -              | 3,002          |
| Other current recoverable taxes                                    | 2,545            | 66,172           | 2,441          | 8,388          | -              | 481            |
| Prepaid expenses   | 3,083            | 14,017           | 464            | 88             | 432            | -              |
| <b>Noncurrent assets</b>   | <b>8,136,528</b> | <b>5,878,800</b> | <b>335,608</b> | <b>198,769</b> | <b>720,702</b> | <b>468,485</b> |
| <b>Long Term Assets</b>  | <b>1,279,897</b> | <b>4,547,692</b> | <b>19,263</b>  | <b>19,725</b>  | <b>28,633</b>  | <b>22,886</b>  |
| Financial Investments - Bonds and securities                       | 69,264           | 30,687           | -              | -              | -              | -              |
| Financial Restricted Investments - Collaterals and Escrow Accounts | 30,105           | 42,706           | -              | -              | -              | -              |
| Trade Accounts Receivable  | -                | 31,650           | 89             | 6,584          | -              | -              |
| CRC transferred to the State Government of Paraná                  | -                | 1,319,965        | -              | -              | -              | -              |
| Judicial Deposits  | 22,437           | 261,820          | 1,039          | 302            | 77             | 249            |
| Account Receivable related to concession                           | 1,149,476        | 2,405,618        | -              | -              | -              | -              |
| Advances to suppliers  | -                | -                | -              | 12,647         | -              | -              |
| Other Receivables  | 6,195            | 2,852            | -              | -              | -              | -              |
| Income Tax and Social Contribution                                 | -                | -                | -              | -              | -              | 20,209         |
| Other current recoverable taxes                                    | 2,420            | 62,545           | 8,022          | -              | -              | 2,428          |
| Deferred income tax and social contribution                        | -                | 389,849          | 10,113         | -              | 28,556         | -              |
| Prepaid expenses   | -                | -                | -              | 192            | -              | -              |
| <b>Investments</b>   | <b>414,566</b>   | <b>4,012</b>     | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Property, Plant and Equipment, net</b>                          | <b>6,397,422</b> | <b>-</b>         | <b>294,524</b> | <b>-</b>       | <b>483,894</b> | <b>445,495</b> |
| <b>Intangible Assets</b>   | <b>44,643</b>    | <b>1,327,096</b> | <b>21,821</b>  | <b>179,044</b> | <b>208,175</b> | <b>104</b>     |

| LIABILITIES   | GET              | DIS              | TEL            | COM            | ELE            | UEG            |
|---|------------------|------------------|----------------|----------------|----------------|----------------|
| <b>09.30.2012</b>                                       |                  |                  |                |                |                |                |
| <b>Total liabilities</b>                                | <b>9,189,648</b> | <b>7,869,530</b> | <b>399,418</b> | <b>291,505</b> | <b>754,998</b> | <b>664,218</b> |
| <b>Current liabilities</b>                              | <b>1,094,902</b> | <b>1,852,323</b> | <b>35,146</b>  | <b>63,497</b>  | <b>71,964</b>  | <b>9,496</b>   |
| Social charges and accruals                             | 67,900           | 177,795          | 17,161         | 4,950          | 257            | 128            |
| Suppliers   | 266,255          | 595,114          | 12,946         | 53,469         | 3,627          | 3,394          |
| Income Tax and Social Contribution Payable              | 175,345          | 875              | 954            | 3,140          | 19,063         | -              |
| Other Taxes   | 18,275           | 217,544          | 3,019          | 1,788          | 2,296          | 2,454          |
| Loans and Financing                                     | 60,328           | 162,666          | 24             | -              | -              | -              |
| Minimum Compulsary Dividend Payable                     | 435,840          | 457,063          | -              | -              | -              | -              |
| Post Employment Benefits                                | 5,935            | 15,570           | 776            | -              | -              | -              |
| Customer charges due                                    | 7,756            | 52,101           | -              | -              | -              | -              |
| Research and Development and Energy Efficiency          | 13,874           | 96,826           | -              | -              | 1,613          | -              |
| Payables related to Concession - Use of Public Property | 728              | -                | -              | -              | 44,041         | -              |
| Other Accounts Payable                                  | 42,666           | 76,769           | 266            | 150            | 1,067          | 3,520          |
| <b>Noncurrent liabilities</b>                           | <b>1,792,325</b> | <b>2,236,603</b> | <b>34,014</b>  | <b>6,498</b>   | <b>617,025</b> | <b>-</b>       |
| Associated companies and Parent Company                 | -                | 833,676          | -              | -              | 242,857        | -              |
| Suppliers   | 78,636           | -                | -              | -              | -              | -              |
| Deferred income tax and social contribution             | 652,897          | -                | -              | 3,628          | -              | -              |
| Loans and Financing                                     | 459,076          | 607,028          | 13,862         | -              | -              | -              |
| Post Employment Benefits                                | 128,063          | 320,809          | 19,507         | 1,666          | -              | -              |
| Research and Development and Energy Efficiency          | 43,415           | 95,650           | -              | -              | -              | -              |
| Payables related to Concession - Use of Public Property | 26,476           | -                | -              | -              | 373,577        | -              |
| Reserve for Contingencies                               | 403,762          | 379,440          | 645            | 1,204          | 591            | -              |
| <b>Shareholders' equity</b>                             | <b>6,302,421</b> | <b>3,780,604</b> | <b>330,258</b> | <b>221,510</b> | <b>66,009</b>  | <b>654,722</b> |
| Capital   | 3,505,994        | 2,624,841        | 240,398        | 135,943        | 35,503         | 707,440        |
| Equity Evaluation Adjustments                           | 1,365,404        | (6)              | -              | -              | -              | -              |
| Legal Reserves  | 212,108          | 135,294          | 5,306          | 16,258         | 779            | -              |
| Retained earnings                                       | 589,331          | 883,575          | 62,685         | 46,458         | 11,103         | -              |
| Unrealized revenue reserve                              | -                | -                | -              | 7,821          | -              | -              |
| Accumulated Profit (losses)                             | 629,584          | 136,900          | 21,869         | 15,030         | 18,624         | (52,718)       |

| STATEMENT OF INCOME                                  | GET              | DIS                | TEL             | COM              | ELE             | UEG             | CEO          |
|--|------------------|--------------------|-----------------|------------------|-----------------|-----------------|--------------|
| <b>09.30.2012</b>                                    |                  |                    |                 |                  |                 |                 |              |
| <b>Income from sale of goods and/or services</b>     | <b>1,675,800</b> | <b>4,164,053</b>   | <b>126,818</b>  | <b>259,526</b>   | <b>159,789</b>  | <b>54,938</b>   | <b>54</b>    |
| <b>Cost of goods and/or services sold</b>            | <b>(879,213)</b> | <b>(4,075,767)</b> | <b>(97,140)</b> | <b>(239,720)</b> | <b>(41,585)</b> | <b>(45,634)</b> | <b>(118)</b> |
| Energia elétrica comprada para revenda               | (77,305)         | (2,118,201)        | -               | -                | (380)           | -               | -            |
| Use of main distribution and transmission grid       | (156,854)        | (464,917)          | -               | -                | (7,695)         | (10,685)        | -            |
| Personnel and management                             | (192,867)        | (524,423)          | (45,915)        | (15,079)         | (1,670)         | (793)           | -            |
| Pension and healthcare plans                         | (30,479)         | (83,244)           | (6,032)         | (1,434)          | -               | -               | -            |
| Materials and supplies                               | (13,294)         | (36,697)           | (1,322)         | (906)            | (122)           | (109)           | (2)          |
| Materials and supplies for power                     | (16,664)         | -                  | -               | -                | -               | (1,899)         | -            |
| Natural gas and supplies for the gas business        | -                | -                  | -               | (183,088)        | -               | -               | -            |
| Third-party services                                 | (66,332)         | (239,872)          | (12,283)        | (10,339)         | (6,244)         | (6,844)         | (23)         |
| Depreciation and amortization                        | (191,838)        | (142,346)          | (20,299)        | (10,277)         | (20,910)        | (24,867)        | (86)         |
| Accruals and provisions                              | (8,649)          | (87,504)           | (3,544)         | (886)            | -               | -               | -            |
| Construction cost                                    | (24,928)         | (323,407)          | -               | (14,798)         | -               | -               | -            |
| Compensation for use of water resources              | (72,965)         | -                  | -               | -                | (4,364)         | -               | -            |
| Other costs and expenses                             | (27,038)         | (55,156)           | (7,745)         | (2,913)          | (200)           | (437)           | (7)          |
| <b>Equity in Income of Subsidiaries</b>              | <b>10,236</b>    | <b>-</b>           | <b>-</b>        | <b>-</b>         | <b>-</b>        | <b>-</b>        | <b>-</b>     |
| <b>Net Income before financial results and taxes</b> | <b>806,823</b>   | <b>88,286</b>      | <b>29,678</b>   | <b>19,806</b>    | <b>118,204</b>  | <b>9,304</b>    | <b>(64)</b>  |
| Financial Income                                     | 19,847           | 115,826            | 2,642           | 3,899            | (83,412)        | 10,417          | 110          |
| <b>Operating Profit (losses)</b>                     | <b>826,670</b>   | <b>204,112</b>     | <b>32,320</b>   | <b>23,705</b>    | <b>34,792</b>   | <b>19,721</b>   | <b>46</b>    |
| Income tax and social contribution                   | (264,607)        | (119,895)          | (12,253)        | (10,164)         | (24,606)        | (2,222)         | (74)         |
| Deferred income tax and social contribution          | (9,093)          | 52,683             | 1,802           | 1,489            | 12,414          | -               | -            |
| <b>Net Income for the period</b>                     | <b>552,970</b>   | <b>136,900</b>     | <b>21,869</b>   | <b>15,030</b>    | <b>22,600</b>   | <b>17,499</b>   | <b>(28)</b>  |

### 15.3 Joint venture

Shared controls result from agreements between shareholders regardless of the ownership interest percentage. The companies jointly controlled by Copel are the following:

| Percentage of share capital                        | Copel (Holding) | Copel Geração e Transmissão |
|--|-----------------|-----------------------------|
| <b>Jointly controlled</b>                          | <b>%</b>        | <b>%</b>                    |
| Dominó Holdings S.A.                               | 45.00           | -                           |
| Cutia Empreendimentos Eólicos SPE S.A.             | 49.90           | -                           |
| Costa Oeste Transmissora de Energia S.A.           | -               | 51.00                       |
| Marumbi Transmissora de Energia S.A.               | -               | 80.00                       |
| Transmissora Sul Brasileira de Energia S.A.        | -               | 20.00                       |
| Caiuá Transmissora de Energia S.A.                 | -               | 49.00                       |
| Integração Maranhense Transmissora de Energia S.A. | -               | 49.00                       |
| Matrinchã Transmissora de Energia (TP NORTE) S.A.  | -               | 49.00                       |
| Guaraciaba Transmissora de Energia (TP SUL) S.A.   | -               | 49.00                       |

#### 15.3.1 Main groups of assets, liabilities and results of jointly controlled

| Balance as of September 30, 2012    | Dominó                          |                | Costa Oeste      |              | Marumbi          |              | Sul Brasileira   |              | Cutia            |               |
|-------------------------------------|---------------------------------|----------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|---------------|
|                                     | Balance adjusted <sup>(1)</sup> | Share (45%)    | Original Balance | Share (51%)  | Original Balance | Share (80%)  | Original Balance | Share (20%)  | Original Balance | Share (49,9%) |
| <b>Assets</b>                       | <b>876,096</b>                  | <b>394,243</b> | <b>1,607</b>     | <b>819</b>   | <b>870</b>       | <b>697</b>   | <b>30,420</b>    | <b>6,084</b> | <b>10,848</b>    | <b>5,413</b>  |
| Current assets                      | 27,779                          | 12,501         | 954              | 486          | 589              | 472          | 7,734            | 1,547        | 179              | 90            |
| Noncurrent assets                   | 848,317                         | 381,742        | 653              | 333          | 281              | 225          | 22,686           | 4,537        | 10,669           | 5,323         |
| <b>Liabilities</b>                  | <b>876,096</b>                  | <b>394,243</b> | <b>1,607</b>     | <b>819</b>   | <b>870</b>       | <b>697</b>   | <b>30,420</b>    | <b>6,084</b> | <b>10,848</b>    | <b>5,413</b>  |
| Current liabilities                 | 24,775                          | 11,149         | 49               | 25           | 18               | 15           | 12,719           | 2,544        | 27               | 13            |
| Noncurrent liabilities              | -                               | -              | 1,601            | 816          | 1,059            | 847          | 9,236            | 1,847        | 2,852            | 1,423         |
| Shareholders' equity                | 851,321                         | 383,094        | (43)             | (22)         | (207)            | (165)        | 8,465            | 1,693        | 7,969            | 3,977         |
| <b>Statement of income</b>          |                                 |                |                  |              |                  |              |                  |              |                  |               |
| Construction revenues               | -                               | -              | 641              | 327          | 281              | 225          | 23,335           | 4,667        | -                | -             |
| Construction cost                   | -                               | -              | (641)            | (327)        | (281)            | (225)        | (22,192)         | (4,438)      | -                | -             |
| Operational expenses                | (2,211)                         | (995)          | (430)            | (219)        | (219)            | (175)        | (644)            | (129)        | (701)            | (349)         |
| Financial income (expense)          | (1,842)                         | (829)          | 54               | 27           | 2                | 2            | 190              | 38           | 33               | 16            |
| Equity in income of subsidiaries    | 105,688                         | 47,560         | -                | -            | -                | -            | -                | -            | -                | -             |
| Income tax and social contribution  | -                               | -              | (6)              | (3)          | -                | -            | (234)            | (47)         | -                | -             |
| <b>PROFIT (LOSS) FOR THE PERIOD</b> | <b>101,635</b>                  | <b>45,736</b>  | <b>(382)</b>     | <b>(195)</b> | <b>(217)</b>     | <b>(173)</b> | <b>455</b>       | <b>91</b>    | <b>(668)</b>     | <b>(333)</b>  |

(1) Balances adjusted to accounting practices



| Balance as of September 30, 2012    | Caiuá            |              | I. Maranhense    |              | Matrinchã        |              | Guaraciaba       |              |
|-------------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
|                                     | Original Balance | Share (49%)  | Original Balance | Share (49%)  | Original Balance | Share (49%)  | Original Balance | Share (49%)  |
| <b>Assets</b>                       | <b>8,752</b>     | <b>4,289</b> | <b>13,295</b>    | <b>6,514</b> | <b>5,509</b>     | <b>2,699</b> | <b>4,578</b>     | <b>2,242</b> |
| Current assets                      | 3,134            | 1,536        | 944              | 462          | 1,678            | 822          | 3,328            | 1,630        |
| Noncurrent assets                   | 5,618            | 2,753        | 12,351           | 6,052        | 3,831            | 1,877        | 1,250            | 612          |
| <b>Liabilities</b>                  | <b>8,752</b>     | <b>4,289</b> | <b>13,295</b>    | <b>6,514</b> | <b>5,509</b>     | <b>2,699</b> | <b>4,578</b>     | <b>2,242</b> |
| Current liabilities                 | 612              | 300          | 220              | 107          | (96)             | (47)         | 65               | 31           |
| Noncurrent liabilities              | 753              | 369          | 2,009            | 985          | -                | -            | -                | -            |
| Shareholders' equity                | 7,387            | 3,620        | 11,066           | 5,422        | 5,605            | 2,746        | 4,513            | 2,211        |
| <b>Statement of income</b>          |                  |              |                  |              |                  |              |                  |              |
| Construction revenues               | 5,541            | 2,715        | 12,345           | 6,049        | 3,831            | 1,877        | 1,235            | 605          |
| Construction cost                   | (5,448)          | (2,669)      | (12,174)         | (5,965)      | (3,793)          | (1,858)      | (1,222)          | (599)        |
| Operational expenses                | (253)            | (124)        | (142)            | (70)         | (8)              | (4)          | (79)             | (39)         |
| Financial income                    | 87               | 43           | 105              | 52           | 74               | 36           | 78               | 39           |
| Income tax and social contribution  | (40)             | (20)         | (69)             | (34)         | -                | -            | -                | -            |
| <b>PROFIT (LOSS) FOR THE PERIOD</b> | <b>(113)</b>     | <b>(55)</b>  | <b>65</b>        | <b>32</b>    | <b>104</b>       | <b>51</b>    | <b>12</b>        | <b>6</b>     |

(1) Balances adjusted to accounting practices

#### 15.4 Related Affiliates

| 09.30.2012   | Main activity        | Assets (1) | Liabilities (1) | Shareholders' equity (1) | Revenues | Net income (loss) (1) | Part. Group % |
|--|----------------------|------------|-----------------|--------------------------|----------|-----------------------|---------------|
| Cia. Saneamento do Paraná  |                      |            |                 |                          |          |                       |               |
| - Sanepar (15.4.1)   | Basic sanitation     | 2,649,859  | 1,554,165       | 1,095,694                | 702,275  | 136,872               | 34.75         |
| Sercomtel S.A. Telecomunicações (15.4.2)                         | Telecommunications   | 264,934    | 125,269         | 139,665                  | 94,283   | (14,340)              | 45.00         |
| Sercomtel Celular S.A. (15.4.3)                                  | Telecommunications   | -          | -               | -                        | -        | -                     | 45.00         |
| Foz do Chopim Energética Ltda.                                   | Energy               | 46,848     | 1,646           | 45,202                   | 28,296   | 19,353                | 35.77         |
| Dona Francisca Energética S.A.                                   | Energy               | 310,182    | 55,535          | 254,647                  | 68,864   | 24,248                | 23.03         |
| Dois Saltos Empreendimentos de Geração de Energia Elétrica Ltda. | Energy               | 1,350      | 350             | 1,000                    | -        | -                     | 30.00         |
| Copel Amec S/C Ltda.- w iniding up                               | Serv. and consulting | 372        | 5               | 367                      | -        | 25                    | 48.00         |
| Carbocampel S.A.   | Serv. and consulting | 3,565      | 679             | 2,886                    | -        | (71)                  | 49.00         |
| Escoelectric Ltda.   | Serv. and consulting | 1,888      | 4,319           | (2,431)                  | -        | (101)                 | 40.00         |

(1) Balances adjusted to accounting practices

##### 15.4.1 Sanepar

In 1998, the acquisition of shares in Sanepar by Dominó Holdings S.A. generated the concession right for the total amount of R\$ 24,316, which at September 30, 2012 reported a balance of R\$ 2,026. Copel's proportional investment (45%), in this balance corresponded to R\$ 912 and is being amortized over 15 years, as from 1999, at the rate of R\$ 61 per month, and the amount registered to profit/loss for the nine-month period ending September 30, 2012 was R\$ 547 (R\$ 547 in 2011).

##### 15.4.2 Sercomtel S.A. Telecomunicações

The completion of work on the recovery tests of our assets, which occurred in 2011, adopting,

where applicable, the same assumptions mentioned in footnote Fixed Assets (Note 16.5) indicated with an adequate level of security that assets linked to related Sercomtel S.A. Telecomunicações presented above the recoverable amount of R\$ 12,580. There were no alterations during the nine-month period ending September 30, 2012.

#### 15.4.3 Sercomtel Celular S.A.

The impairment testing of the Company's assets showed that the book value of the assets belonging to the associate, Sercomtel Celular S.A., was higher than their recoverable value by R\$6,195, causing a write-off of the investment in this associate, in which Copel has an ownership interest of 45%. The company is being merged into Sercomtel S.A. - Telecomunicações.

### 15.5 Other investments

#### 15.5.1 Other investments classified as available for sale

Based on the average price negotiated in BM&FBOVESPA in September, 2012, Copel updated the market value for their investments in Fundo de Investimentos da Amazônia – Finam and in the Fundo de Investimentos do Nordeste – Finor:

|       | Quantity of quota | Average price in sept 2012 thousand shares) | Market Value Thousand R\$ |
|-------|-------------------|---|---------------------------|
|       |                   |   | <b>09.30.2012</b>         |
| Finam | 18,891,053        | 0.08  | 1,511                     |
| Finor | 1,114,618         | 0.35  | 390                       |
|       |                   |   | <b>1,901</b>              |

Other investments in companies with shares traded in stock exchanges were updated based in their price as of September 28, 2012.

| Company  | Quantity of shares | Type | Listing on the stock exchange R\$ per share | Market value R\$ thousand |
|--|--------------------|------|---|---------------------------|
| Tractebel Energia S.A.                           | 180,888            | ON   | 32.00                                       | 5,788                     |
| Eletrosul - Centrais Elétricas S.A.              | 14,195             | ON   | 32.26                                       | 458                       |
| Telefônica Brasil S.A.                           | 7,859              | ON   | 40.19                                       | 316                       |
| Telefônica Brasil S.A.                           | 675                | PN   | 44.29                                       | 30                        |
| TIM Participações S.A.                           | 11,804             | ON   | 7.83  | 92                        |
| Cia. de Eletricidade do Estado da Bahia - Coelba | 1,643              | PNA  | 45.00                                       | 74                        |
| Centrais Elétricas do Pará S.A. - Celpa          | 7,464              | PNA  | 6.99  | 52                        |
| Centrais Elétricas do Pará S.A. - Celpa          | 1,057              | PNB  | 9.00  | 10                        |
| Embratel Participações S.A.                      | 2,476,773          | ON   | 0.0094                                      | 23                        |
| Embratel Participações S.A.                      | 301,949            | PN   | 0.0091                                      | 3                         |
| Telebras - Telecomunicações Brasileiras S.A.     | 377                | ON   | 11.26                                       | 4                         |
| Telebras - Telecomunicações Brasileiras S.A.     | 30                 | PN   | 5.29  | -                         |
| Empresa Brasileira de Aeronáutica S.A.           | 14                 | ON   | 13.36                                       | -                         |
|  |                    |      |   | <b>6,850</b>              |

### 15.5.2 Advance for future investment

In November, 2011, the contract for purchase and sale of 49.9% of the representative shares of São Bento Energia, Investimentos e Participações S.A, which holds corporate control of companies GE Olho D'Água S.A, GE Boa Vista S.A, GE Farol S.A and GE São Bento do Norte S.A, which holds the concession grants of Centrais Geradoras Eólicas Olho D'Água, Boa Vista, Farol and São Bento do Norte, respectively, was signed. The contract will only be effective after approvals of the deal by ANEEL, by the Economic Defense Administrative Council – CADE and by the National Socio-Economic Development Bank – BNDES, which is the bank financing the funds necessary to the investment, construction and operation of the abovementioned wind power generation enterprises held by the controlled companies. The funds provided, which amount to R\$ 45,673, were classified as an advance for future investment. In case the approvals are not obtained, the seller is obliged to repay the funds adjusted by the variation of the National Prices Index – IGPM.

### 15.6 Consolidated income statement segregated by company

Aiming to enable analysis of outcome by type of expenditure, costs and expenses are presented in aggregate form. These statements represent the result of the activities of the nine-month period ending September 30, 2012, excluding revenue from the equity of subsidiaries.

| STATEMENT OF INCOME                               | GET              | DIS                | TEL             | COM              | ELE             | UEG             | Other          | Holding         | Eliminations     | Consolidated       |
|---|------------------|--------------------|-----------------|------------------|-----------------|-----------------|----------------|-----------------|------------------|--------------------|
| <b>09.30.2012</b>                                 |                  |                    |                 |                  |                 |                 |                |                 |                  |                    |
| <b>NET OPERATING INCOME</b>                       | <b>1,675,800</b> | <b>4,164,053</b>   | <b>126,818</b>  | <b>259,526</b>   | <b>159,789</b>  | <b>54,938</b>   | <b>5,273</b>   | -               | <b>(348,327)</b> | <b>6,109,116</b>   |
| Electricity sales to final customers              | 98,122           | 1,728,277          | -               | -                | -               | -               | -              | -               | (2,461)          | 1,823,938          |
| Electricity sales to distributors                 | 1,174,748        | 121,279            | -               | -                | 159,654         | -               | 54             | -               | (225,226)        | 1,230,509          |
| Charges for the use of the main transmission grid | 344,547          | 1,939,235          | -               | -                | -               | -               | 229            | -               | (82,767)         | 2,202,110          |
| Construction revenues                             | 29,693           | 323,407            | -               | 14,798           | -               | -               | 4,990          | -               | -                | 383,268            |
| Revenues from telecommunications                  | -                | -                  | 122,712         | -                | -               | -               | -              | -               | (30,195)         | 92,517             |
| Distribution of piped gas                         | -                | -                  | -               | 239,622          | -               | -               | -              | -               | -                | 239,622            |
| Leases and rentals                                | 898              | 49,649             | 4,106           | -                | -               | 54,938          | -              | -               | (4,184)          | 105,407            |
| Other operating revenues                          | 27,792           | 2,206              | -               | 5,106            | 135             | -               | -              | -               | (3,494)          | 31,745             |
| <b>OPERATING COSTS AND EXPENSES</b>               | <b>(879,213)</b> | <b>(4,075,767)</b> | <b>(97,140)</b> | <b>(239,720)</b> | <b>(41,585)</b> | <b>(45,634)</b> | <b>(6,975)</b> | <b>(30,629)</b> | <b>348,373</b>   | <b>(5,079,618)</b> |
| Energy purchased for resale                       | (77,305)         | (2,118,201)        | -               | -                | (380)           | -               | -              | -               | 225,161          | (1,970,725)        |
| Charges from use of grid system                   | (156,854)        | (464,917)          | -               | -                | (7,695)         | (10,685)        | -              | -               | 80,977           | (559,174)          |
| Personnel and management                          | (192,867)        | (524,423)          | (45,915)        | (15,079)         | (1,670)         | (793)           | (405)          | (6,859)         | -                | (788,160)          |
| Private pension and health plans                  | (30,479)         | (83,244)           | (6,032)         | (1,434)          | -               | -               | -              | (403)           | -                | (121,592)          |
| Materials   | (13,294)         | (36,697)           | (1,322)         | (906)            | (122)           | (109)           | (4)            | (32)            | -                | (52,496)           |
| Raw material and supplies - energy production     | (16,664)         | -                  | -               | -                | -               | (1,899)         | -              | -               | -                | (18,563)           |
| Natural gas and supplies - gas operations         | -                | -                  | -               | (183,088)        | -               | -               | -              | -               | -                | (183,088)          |
| Third parties services                            | (66,332)         | (239,872)          | (12,283)        | (10,339)         | (6,244)         | (6,844)         | (493)          | (2,417)         | 41,301           | (303,578)          |
| Depreciation and amortization                     | (191,838)        | (142,346)          | (20,299)        | (10,277)         | (20,910)        | (24,867)        | (633)          | (566)           | -                | (411,736)          |
| Provisions and reversals                          | (8,649)          | (87,504)           | (3,544)         | (886)            | -               | -               | -              | (13,211)        | -                | (113,794)          |
| Construction cost                                 | (24,928)         | (323,407)          | -               | (14,798)         | -               | -               | (4,990)        | -               | -                | (379,214)          |
| Compensation for use of water resources           | (72,965)         | -                  | -               | -                | (4,364)         | -               | -              | -               | -                | (77,329)           |
| Other costs and operational expenses              | (27,038)         | (55,156)           | (7,745)         | (2,913)          | (200)           | (437)           | (450)          | (7,141)         | 934              | (100,169)          |
| <b>EQUITY IN EARNINGS OF SUBSIDIARIES</b>         | -                | -                  | -               | -                | -               | -               | <b>47,560</b>  | <b>4,969</b>    | -                | <b>52,529</b>      |
| <b>PROFIT BEFORE FINANCIAL RESULTS AND TAXES</b>  | <b>796,587</b>   | <b>88,286</b>      | <b>29,678</b>   | <b>19,806</b>    | <b>118,204</b>  | <b>9,304</b>    | <b>45,858</b>  | <b>(25,660)</b> | <b>46</b>        | <b>1,082,027</b>   |
| Financial income (expense)                        | 19,847           | 115,826            | 2,642           | 3,899            | (83,412)        | 10,417          | (636)          | 17,330          | (46)             | 86,037             |
| <b>OPERATIONAL PROFIT</b>                         | <b>816,434</b>   | <b>204,112</b>     | <b>32,320</b>   | <b>23,705</b>    | <b>34,792</b>   | <b>19,721</b>   | <b>45,222</b>  | <b>(8,330)</b>  | -                | <b>1,168,064</b>   |
| Income tax and social contribution                | (264,607)        | (119,895)          | (12,253)        | (10,164)         | (24,606)        | (2,222)         | (77)           | -               | -                | (433,853)          |
| Deferred income tax and social income             | (9,093)          | 52,683             | 1,802           | 1,489            | 12,414          | -               | (47)           | 30,575          | -                | 89,798             |
| <b>NET INCOME (LOSS) FOR THE YEAR</b>             | <b>542,734</b>   | <b>136,900</b>     | <b>21,869</b>   | <b>15,030</b>    | <b>22,600</b>   | <b>17,499</b>   | <b>45,098</b>  | <b>22,245</b>   | -                | <b>824,009</b>     |

## 16 Property, Plant and Equipment

### 16.1 Asset in service by account nature

| Consolidated                   |                   | Accumulated        | Net book          |                   | Accumulated        | Net book          |
|--------------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
|                                | Cost              | depreciation       | Value             | Cost              | depreciation       | Value             |
|                                |                   |                    | <b>09.30.2012</b> |                   |                    | <b>12.31.2011</b> |
| Reservoirs, dams and aqueducts | 7,108,617         | (4,307,767)        | 2,800,850         | 7,108,618         | (4,196,871)        | 2,911,747         |
| Machinery and equipment        | 4,475,820         | (2,370,523)        | 2,105,297         | 4,457,236         | (2,261,433)        | 2,195,803         |
| Buildings                      | 1,376,805         | (955,744)          | 421,061           | 1,375,685         | (933,593)          | 442,092           |
| Land                           | 183,023           | -                  | 183,023           | 182,562           | -                  | 182,562           |
| Vehicles                       | 53,678            | (27,211)           | 26,467            | 38,721            | (28,738)           | 9,983             |
| Furniture and tools            | 10,966            | (8,129)            | 2,837             | 10,800            | (7,847)            | 2,953             |
|                                | <b>13,208,909</b> | <b>(7,669,374)</b> | <b>5,539,535</b>  | <b>13,173,622</b> | <b>(7,428,482)</b> | <b>5,745,140</b>  |

### 16.2 Fixed Asset by company

| Consolidated                |                   | Accumulated        | Net book          |                   | Accumulated        | Net book          |
|-----------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
|                             | Cost              | depreciation       | Value             | Cost              | depreciation       | Value             |
|                             |                   |                    | <b>09.30.2012</b> |                   |                    | <b>12.31.2011</b> |
| <b>In service</b>           |                   |                    |                   |                   |                    |                   |
| Copel Geração e Transmissão | 11,483,495        | (7,039,794)        | 4,443,701         | 11,463,047        | (6,848,148)        | 4,614,899         |
| Copel Distribuição          | -                 | -                  | -                 | -                 | -                  | -                 |
| Copel Telecomunicações      | 467,461           | (289,746)          | 177,715           | 451,466           | (276,901)          | 174,565           |
| Compagas                    | -                 | -                  | -                 | -                 | -                  | -                 |
| Elejor                      | 591,160           | (118,208)          | 472,952           | 590,092           | (103,598)          | 486,494           |
| UEG Araucária               | 666,764           | (221,622)          | 445,142           | 664,878           | (196,784)          | 468,094           |
| Centrais Eólicas do Paraná  |                   |                    |                   | 4,129             | (3,047)            | 1,082             |
| Dominó Holdings             | 4                 | -                  | 4                 | -                 | -                  | -                 |
| Cutia                       | 8                 | (4)                | 4                 | 10                | (4)                | 6                 |
| Costa Oeste                 | 6                 | -                  | 6                 | -                 | -                  | -                 |
| Transmissora Sul Brasileira | 4                 | -                  | 4                 | -                 | -                  | -                 |
| Guaraciaba                  | 7                 | -                  | 7                 | -                 | -                  | -                 |
|                             | <b>13,208,909</b> | <b>(7,669,374)</b> | <b>5,539,535</b>  | <b>13,173,622</b> | <b>(7,428,482)</b> | <b>5,745,140</b>  |
| <b>In progress</b>          |                   |                    |                   |                   |                    |                   |
| Copel Geração e Transmissão | 1,953,721         | -                  | 1,953,721         | 1,354,363         | -                  | 1,354,363         |
| Copel Telecomunicações      | 116,809           | -                  | 116,809           | 99,222            | -                  | 99,222            |
| Elejor                      | 10,942            | -                  | 10,942            | 9,916             | -                  | 9,916             |
| UEG Araucária               | 353               | -                  | 353               | 482               | -                  | 482               |
| Caiuá                       | 35                | -                  | 35                | -                 | -                  | -                 |
| Integração Maranhense       | 2                 | -                  | 2                 | -                 | -                  | -                 |
|                             | <b>2,081,862</b>  | <b>-</b>           | <b>2,081,862</b>  | <b>1,463,983</b>  | <b>-</b>           | <b>1,463,983</b>  |
|                             | <b>15,290,771</b> | <b>(7,669,374)</b> | <b>7,621,397</b>  | <b>14,637,605</b> | <b>(7,428,482)</b> | <b>7,209,123</b>  |

Under Articles 63 and 64 of Decree nº 41,019, dated February 26, 1957, the assets and facilities used mostly in the generation of power are attached to these services and cannot be withdrawn, sold, assigned, or mortgaged without the prior written consent of the regulatory agency. ANEEL Resolution nº 20/99, however, regulates the release of assets from the concessions of the public Electric energy utilities, granting prior authorization to the release of assets that are deemed useless to the concession, when intended for sale, provided that the proceeds from such

transaction be deposited in a special bank account assigned to investment in the concession. For concession contracts of the use of public property (UBP) type, infrastructure usage restrictions are set forth in article 19 of ANEEL Decree nº 2,003/96.

### 16.3 Changes in Property, Plant and Equipment

|  | Fixed asset      |                  | Consolidated     |
|--|------------------|------------------|------------------|
|  | In service       | In progress      |                  |
| <b>Balance as of January 1, 2012</b>       | <b>5,745,140</b> | <b>1,463,983</b> | <b>7,209,123</b> |
| Investment program paid                    | -                | 662,891          | 662,891          |
| Provision for litigation                   | -                | 3,274            | 3,274            |
| Fixed assets for projects                  | 46,512           | (46,512)         | -                |
| Transfer of receive related to concession  | 92               | -                | 92               |
| Depreciation quotas to profit and loss     | (250,161)        | -                | (250,161)        |
| Depreciation quotas - Pasep/Cofins credits | (1,322)          | -                | (1,322)          |
| Write off                                  | (726)            | (1,774)          | (2,500)          |
| <b>Balance as of September 30, 2012</b>    | <b>5,539,535</b> | <b>2,081,862</b> | <b>7,621,397</b> |

|  | Fixed asset      |                  | Consolidated     |
|--|------------------|------------------|------------------|
|  | In service       | In progress      |                  |
| <b>Balance as of January 1, 2011</b>       | <b>6,015,235</b> | <b>648,710</b>   | <b>6,663,945</b> |
| Investment program paid                    | -                | 530,833          | 530,833          |
| Investment program to pay                  | -                | 22,736           | 22,736           |
| Provision for litigation                   | -                | 11,941           | 11,941           |
| Fixed assets for projects                  | 37,359           | (37,359)         | -                |
| Transfer of receive related to concession  | 732              | -                | 732              |
| Transfer for intangible assets in progress | (13)             | -                | (13)             |
| Depreciation quotas to profit and loss     | (247,360)        | -                | (247,360)        |
| Depreciation quotas - Pasep/Cofins credits | (1,016)          | -                | (1,016)          |
| Write off                                  | (17,049)         | (1,010)          | (18,059)         |
| <b>Balance as of September 30, 2011</b>    | <b>5,787,888</b> | <b>1,175,851</b> | <b>6,963,739</b> |

### 16.4 Depreciation Rates

|  | Depreciation rates (%) |            |
|--|------------------------|------------|
|  | 09.30.2012             | 12.31.2011 |
| <b>Generation</b>                      |                        |            |
| General equipment                      | 6.20                   | 9.73       |
| Generators                             | 2.83                   | 3.09       |
| Reservoirs, dams and headrace channel  | 1.99                   | 2.00       |
| Hidraulic turbines                     | 2.45                   | 2.47       |
| Gas and steam turbines                 | 2.26                   | 5.00       |
| Water cooling and treatment facilities | 4.40                   | 4.40       |
| Gas conditioning equipment             | 4.40                   | 4.40       |
| <b>Central administration</b>          |                        |            |
| Buildings                              | 3.33                   | 4.00       |
| Office machinery and equipment         | 6.25                   | 10.00      |
| Furniture and tools                    | 6.25                   | 10.00      |
| Vehicles                               | 14.29                  | 20.00      |
| <b>Telecommunications</b>              |                        |            |
| Transmission equipment                 | 7.70                   | 7.70       |
| Terminal equipment                     | 10.50                  | 10.50      |
| Infrastructure                         | 6.30                   | 6.30       |

The Company, when applicable, uses the depreciation rates set by the regulatory agency, in light of the right to reimbursement at the end of the concession contract.

On January 1, 2012, depreciation rates were changed due to the review of useful lives made by the Regulatory Agency (ANEEL), according to Regulatory Resolution 474 of February 7, 2012. The effect on the statement of income was R\$ 458.

The average rate for machinery and equipment is 2.92%.

#### 16.5 Impairment of Assets

The Company's practice is to evaluate and periodically monitor the impairment of its assets. Accordingly, and considering the ruling in Technical Pronouncement CPC 01/IAS 36 – Impairment of Assets, if there is clear evidence that the Company has assets that are registered for amounts that are not recoverable, or whenever events or changes in circumstances indicate that the book value may unrecoverable in the future, the Company must immediately account for such discrepancies by means of a provision for losses.

The time horizon for the analysis takes into consideration the maturity date of each concession.

The assumptions that sustain the conclusions of the impairment tests are presented in note 15.6 of the Annual financial statements at December 31, 2011.

#### 16.6 Consórcio Energético Cruzeiro do Sul – Mauá HPP

Consórcio Energético Cruzeiro do Sul is an independent power producer, owned by Copel Geração e Transmissão (51%), and by Eletrosul Centrais Elétricas S.A. (49%). On October 10, 2006, at Auction of Power from New Projects 004/06, this company acquired the rights to the concession of the Mauá Hydroelectric Power Plant, which will feature 361 MW of installed capacity; the

concession is valid for 35 years from the date of signature, which took place on July 3, 2007.

This project is included in the Federal Government's Growth Acceleration Program (PAC) and will comprise a main powerhouse rated 350 MW and a secondary powerhouse rated 11 MW, for a total of 361 MW of installed capacity, which is enough to supply approximately one million people. The facility will take advantage of the hydroelectric potential discovered in the middle section of the Tibagi River, between the towns of Telêmaco Borba and Ortigueira, in mideastern Paraná.

On November 17, 2008, the board of Banco Nacional de Desenvolvimento Econômico e Social – BNDES approved the financing for the Mauá Hydroelectric Power Plant. The financed amount corresponds to approximately 70% of Copel's total expenditures in connection with that facility.

The Mauá Hydroelectric Power Plant's power output was sold at an ANEEL auction at a price of R\$ 112.96/MWh, as of November 1, 2006, restated annually according to the variation of the IPCA inflation index (R\$ 153.30 /MWh as of September 30, 2012). A total of 192 average MW were sold, for supply starting in January 2011 for 30 years. The assured power of the project, established in its concession agreement, was 197.7 average MW, after full motorization.

The project has an Environmental Impact Study and an Environmental Impact Report, which have been discussed at public hearings and meetings and approved by the licensing authority, resulting in the issue of Installation License nº 6,496/08. The service order for the beginning of the construction of the Mauá Hydroelectric Power Plant was signed on July 21, 2008.

Due to a preliminary injunction in Civil Action nº 1999.7001.007514-6, which has delayed the beginning of construction work, thus delaying the beginning of commercial power generation by each generating unit, Copel will guarantee the power purchase agreements with its own power generation and with energy acquired through contracts in the Free Commercialization Environment – ACL.

On June 28, 2012, the gates of the river's deviation structures were closed and the reservoir started to be filled. Operations will start in the second half of 2012.

Expenditures in this project have been recorded under property, plant, and equipment, proportionally to the Company's stake. As of September 30, 2012, Copel Geração e Transmissão's balance under property, plant and equipment related to this project was R\$ 844,502.

Total expenses already owed to suppliers of equipment and services in connection with the Mauá Power Plant amounted to R\$ 35,602 as of September 30, 2012 (R\$ 31,011 as of December 31, 2011).

#### 16.7 HPP Colíder

On July 30, 2010, at ANEEL Auction of Power from New Projects 003/10, Copel Geração e Transmissão won the rights to the concession of the Colíder Hydroelectric Power Plant, which will feature 300 MW of installed capacity; the concession is valid for 35 years from the date of signature of Concession Contract nº 001/11-MME-HPP Colíder, which took place on January 17, 2011.

This project is included in the Federal Government's Growth Acceleration Program (PAC) and will comprise a main powerhouse rated 300 MW, which is enough to supply approximately one million people. The facility will take advantage of the hydroelectric potential discovered on the Teles Pires River, between the towns of Nova Canaã do Norte and Itaúba, in the northern region of the State of Mato Grosso.

Copel has applied for financing from the National Economic and Social Development Bank (Banco Nacional de Desenvolvimento Econômico e Social or BNDES) for the Colíder Hydroelectric Power Plant.

The Colíder Hydroelectric Power Plant's power output was sold at an ANEEL auction at a final price of R\$ 103.40/MWh, as of July 1, 2010, restated according to the variation of the IPCA inflation index (R\$ 117.39/MWh as of September 30, 2012). A total of 125 average MW were sold, for supply starting in January 2015 for 30 years. The assured power of the project, established in its concession agreement, was 179.6 average MW, after full motorization.

The service order for the beginning of the construction of the Colíder Hydroelectric Power Plant was signed on March 1, 2011.

The expenditures in this venture are recorded in fixed assets account group. On September 30, 2012, the balance in fixed assets in progress on the project totaled R\$ 903,038.

Total expenses already owed to suppliers of equipment and services in connection with the Colíder Power Plant amounted to R\$ 589,869 as of September 30, 2012.

#### 16.8 Cavernoso II SHP

On August 26, 2010 at ANEEL Auction nº 07/10, Copel Geração e Transmissão S.A. sold the power output of the Cavernoso II SHP, a project with 19 MW of installed capacity located on the Cavernoso River, between the towns of Virmond and Candói, in the State of Paraná. On account of this sale, it obtained authorization to build and run the project for 35 years as of February 28, 2011, the date of publication of Ordinance nº 133 of the Ministry of Mines and Energy.

This project is included in the Federal Government's Growth Acceleration Program (PAC) and will comprise a main power plant rated 19 MW, which is enough to supply 50 thousand people.



The Cavernoso II SHP's power output was sold at a final price of R\$ 146.99/MWh, as of August 1, 2010, restated according to the variation of the IPCA inflation index (R\$ 166.828/MWh as of September 30, 2012). A total of 7.73 average MW were sold, for supply starting in November 2012 for 30 years. The project's assured power, set forth under Ordinance nº 133 of the Ministry of Mines and Energy, dated February 25, 2011, is 10.56 average MW average.

The service order that authorizes the commencement of the mobilization and subsequent initiation of the construction works was signed on April 18, 2011.

The expenses incurred on this venture are recorded under property, plant and equipment. As of September 30, 2012 the balance in property, plant and equipment in progress for the venture amounted to R\$ 96,475.

Total expenses already owed to suppliers of equipment and services in connection with the Cavernoso SHP amounted to R\$ 11,917 as of September 30, 2012.

## 17 Intangible Assets

|   | Concession and authorization rights |   | Concession contracts |   | Right to use software |   | Other         | Consolidated      |
|---|-------------------------------------|---|----------------------|---|-----------------------|---|---------------|-------------------|
|   | cost                                | accumulated amortization <sup>(1)</sup> | cost                 | accumulated amortization <sup>(1)</sup> | cost                  | accumulated amortization <sup>(2)</sup> |               |                   |
|   |                                     |   |                      |   |                       |   |               | <b>09.30.2012</b> |
| <b>In service</b>                             |                                     |   |                      |   |                       |   |               |                   |
| <b>Assets with finite useful life</b>         |                                     |   |                      |   |                       |   |               |                   |
| Copel Geração e Transmissão                   | -                                   | -                                       | -                    | -                                       | 15,158                | (2,855)                                 | 43            | 12,346            |
| Copel Distribuição (17.1)                     | -                                   | -                                       | 3,695,887            | (3,063,323)                             | -                     | -                                       | -             | 632,564           |
| Copel Distribuição-Special Liabilities (17.6) | -                                   | -                                       | (318,105)            | 200,795                                 | -                     | -                                       | -             | (117,310)         |
| Copel Telecomunicações                        | -                                   | -                                       | -                    | -                                       | 25,479                | (5,211)                                 | -             | 20,268            |
| Compagas (17.2)                               | -                                   | -                                       | 215,872              | (83,533)                                | 4,064                 | (2,801)                                 | -             | 133,602           |
| Elejor (17.3)                                 | -                                   | -                                       | 263,920              | (58,535)                                | -                     | -                                       | -             | 205,385           |
| UEG Araucária                                 | -                                   | -                                       | -                    | -                                       | 238                   | (134)                                   | -             | 104               |
| Transmissora Sul Brasileira                   | -                                   | -                                       | -                    | -                                       | 2                     | -                                       | -             | 2                 |
| Concession Right - Elejor (17.3)              | 22,626                              | (4,902)                                 | -                    | -                                       | -                     | -                                       | -             | 17,724            |
| Concession Right - Cutia (17.4)               | 5,809                               | -                                       | -                    | -                                       | -                     | -                                       | -             | 5,809             |
|   | <b>28,435</b>                       | <b>(4,902)</b>                          | <b>3,857,574</b>     | <b>(3,004,596)</b>                      | <b>44,941</b>         | <b>(11,001)</b>                         | <b>43</b>     | <b>910,494</b>    |
| <b>Assets with indefinite useful life</b>     |                                     |   |                      |   |                       |   |               |                   |
| Copel Geração e Transmissão                   | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 18            | 18                |
| Compagas                                      | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 21            | 21                |
|   | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 39            | 39                |
|   | <b>28,435</b>                       | <b>(4,902)</b>                          | <b>3,857,574</b>     | <b>(3,004,596)</b>                      | <b>44,941</b>         | <b>(11,001)</b>                         | <b>82</b>     | <b>910,533</b>    |
| <b>In progress</b>                            |                                     |   |                      |   |                       |   |               |                   |
| Copel Geração e Transmissão (17.5)            | -                                   | -                                       | 27,204               | -                                       | 899                   | -                                       | 4,176         | 32,279            |
| Copel Distribuição (17.1)                     | -                                   | -                                       | 876,498              | -                                       | -                     | -                                       | -             | 876,498           |
| Copel Distribuição-Special Liabilities (17.6) | -                                   | -                                       | (64,656)             | -                                       | -                     | -                                       | -             | (64,656)          |
| Copel Telecomunicações                        | -                                   | -                                       | -                    | -                                       | 1,546                 | -                                       | 7             | 1,553             |
| Compagas                                      | -                                   | -                                       | 45,421               | -                                       | -                     | -                                       | -             | 45,421            |
| Elejor  | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 2,790         | 2,790             |
| Cutia   | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 5,201         | 5,201             |
| Transmissora Sul Brasileira                   | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 2             | 2                 |
| Caiuá   | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 3             | 3                 |
| Integração Maranhense                         | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 1             | 1                 |
|   | -                                   | -                                       | <b>884,467</b>       | -                                       | <b>2,445</b>          | -                                       | <b>12,180</b> | <b>899,092</b>    |
|   |                                     |   |                      |   |                       |   |               | <b>1,809,625</b>  |

(1) Amortization over the concession period

(2) Annual amortization rate: 20%

|   | Concession and authorization rights |   | Concession contracts |   | Right to use software |   | Other        | Consolidated      |
|---|-------------------------------------|---|----------------------|---|-----------------------|---|--------------|-------------------|
|   | cost                                | accumulated amortization <sup>(1)</sup> | cost                 | accumulated amortization <sup>(1)</sup> | cost                  | accumulated amortization <sup>(2)</sup> |              |                   |
|   |                                     |   |                      |   |                       |   |              |                   |
|   |                                     |   |                      |   |                       |   |              | <b>12.31.2011</b> |
| <b>In service</b>                             |                                     |   |                      |   |                       |   |              |                   |
| <b>Assets with finite useful life</b>         |                                     |   |                      |   |                       |   |              |                   |
| Copel Geração e Transmissão                   | -                                   | -                                       | -                    | -                                       | 3,140                 | (2,281)                                 | 43           | 902               |
| Copel Distribuição (17.1)                     | -                                   | -                                       | 3,783,331            | (2,895,710)                             | -                     | -                                       | -            | 887,621           |
| Copel Distribuição-Special Liabilities (17.6) | -                                   | -                                       | (367,099)            | 166,655                                 | -                     | -                                       | -            | (200,444)         |
| Copel Telecomunicações                        | -                                   | -                                       | -                    | -                                       | 5,936                 | (4,256)                                 | -            | 1,680             |
| Compagas (17.2)                               | -                                   | -                                       | 199,932              | (74,320)                                | 4,053                 | (2,526)                                 | -            | 127,139           |
| Elejor (17.3)                                 | -                                   | -                                       | 263,920              | (52,279)                                | -                     | -                                       | -            | 211,641           |
| UEG Araucária                                 | -                                   | -                                       | -                    | -                                       | 230                   | (106)                                   | -            | 124               |
| Concession Right - Elejor (17.3)              | 22,626                              | (4,337)                                 | -                    | -                                       | -                     | -                                       | -            | 18,289            |
| Concession Right - Cutia (17.4)               | 5,809                               | -                                       | -                    | -                                       | -                     | -                                       | -            | 5,809             |
|   | <b>28,435</b>                       | <b>(4,337)</b>                          | <b>3,880,084</b>     | <b>(2,855,654)</b>                      | <b>13,359</b>         | <b>(9,169)</b>                          | <b>43</b>    | <b>1,052,761</b>  |
| <b>Assets with indefinite useful life</b>     |                                     |   |                      |   |                       |   |              |                   |
| Copel Geração e Transmissão                   | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 18           | 18                |
| Compagas                                      | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 20           | 20                |
|   | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 38           | 38                |
|   | <b>28,435</b>                       | <b>(4,337)</b>                          | <b>3,880,084</b>     | <b>(2,855,654)</b>                      | <b>13,359</b>         | <b>(9,169)</b>                          | <b>81</b>    | <b>1,052,799</b>  |
| <b>In progress</b>                            |                                     |   |                      |   |                       |   |              |                   |
| Copel Geração e Transmissão (17.5)            | -                                   | -                                       | 26,120               | -                                       | 10,430                | -                                       | 1,686        | 38,236            |
| Copel Distribuição (17.1)                     | -                                   | -                                       | 599,794              | -                                       | -                     | -                                       | -            | 599,794           |
| Copel Distribuição-Special Liabilities (17.6) | -                                   | -                                       | (40,457)             | -                                       | -                     | -                                       | -            | (40,457)          |
| Copel Telecomunicações                        | -                                   | -                                       | -                    | -                                       | 15,100                | -                                       | 5            | 15,105            |
| Compagas                                      | -                                   | -                                       | 48,677               | -                                       | -                     | -                                       | -            | 48,677            |
| Elejor  | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 2,790        | 2,790             |
| Cutia   | -                                   | -                                       | -                    | -                                       | -                     | -                                       | 4,913        | 4,913             |
|   | -                                   | -                                       | <b>634,134</b>       | -                                       | <b>25,530</b>         | -                                       | <b>9,394</b> | <b>669,058</b>    |
|   |                                     |   |                      |   |                       |   |              | <b>1,721,857</b>  |

(1) Amortization over the concession period

(2) Annual amortization rate: 20%

### Changes in Intangible Assets

|  | Concession contracts |                |                     |                 | Concession and authorization rights | Other         |               | Consolidated     |
|--|----------------------|----------------|---------------------|-----------------|-------------------------------------|---------------|---------------|------------------|
|  | In service           | In progress    | Special Liabilities |                 |                                     | In service    | In progress   |                  |
|  |                      |                | In service          | progress        |                                     |               |               |                  |
| <b>Balance as of January 1, 2012</b>                             | <b>1,224,874</b>     | <b>674,591</b> | <b>(200,444)</b>    | <b>(40,457)</b> | <b>24,098</b>                       | <b>4,271</b>  | <b>34,924</b> | <b>1,721,857</b> |
| Investment program   | -                    | 608,352        | -                   | -               | -                                   | -             | 11,361        | 619,713          |
| Customers' financial participation                               | -                    | -              | -                   | (62,428)        | -                                   | -             | -             | (62,428)         |
| Aneel concession - use of public assets                          | -                    | 1,729          | -                   | -               | -                                   | -             | -             | 1,729            |
| Transfers to receive related to concession                       |                      |                |                     |                 |                                     |               |               |                  |
| - remeasurement Resolution No. 474/2012                          | (136,658)            | -              | 60,802              | -               | -                                   | -             | -             | (75,856)         |
| Transfe to tax liabilities                                       | (8,073)              | (301)          | -                   | -               | -                                   | -             | -             | (8,374)          |
| Transfer to receive accounts related to concession (Note nº 8.2) | -                    | (240,425)      | -                   | 26,421          | -                                   | -             | -             | (214,004)        |
| Transfers to intangible assets in service                        | 92,331               | (92,331)       | (11,808)            | 11,808          | -                                   | 31,596        | (31,596)      | -                |
| Amortization of quotas - concession and authorization            | (191,066)            | -              | 32,462              | -               | (565)                               | (1,859)       | -             | (161,028)        |
| Amortization of quotas - Pasep/Cofins credits                    | (9,004)              | -              | 1,678               | -               | -                                   | 15            | -             | (7,311)          |
| Monetary variations  | -                    | (645)          | -                   | -               | -                                   | -             | -             | (645)            |
| Write off  | (1,926)              | (1,846)        | -                   | -               | -                                   | -             | (65)          | (3,837)          |
| Disposal   | (191)                | -              | -                   | -               | -                                   | -             | -             | (191)            |
| <b>Balance as of September 30, 2012</b>                          | <b>970,287</b>       | <b>949,124</b> | <b>(117,310)</b>    | <b>(64,656)</b> | <b>23,533</b>                       | <b>34,023</b> | <b>14,624</b> | <b>1,809,625</b> |

|   | Concession contracts |                |                     |                 | Concession and authorization rights | Other        |               | Consolidated     |
|---|----------------------|----------------|---------------------|-----------------|-------------------------------------|--------------|---------------|------------------|
|   | In service           | In progress    | Special Liabilities |                 |                                     | In service   | In progress   |                  |
|   |                      |                | In service          | progress        |                                     |              |               |                  |
| <b>Balance as of January 1, 2011</b>                  | <b>1,353,133</b>     | <b>639,950</b> | <b>(229,031)</b>    | <b>(64,546)</b> | <b>19,043</b>                       | <b>2,323</b> | <b>28,082</b> | <b>1,748,954</b> |
| Investment program                                    | -                    | 549,371        | -                   | -               | -                                   | -            | 6,214         | 555,585          |
| Customers' financial participation                    | -                    | -              | -                   | (17,344)        | -                                   | -            | -             | (17,344)         |
| Aneel concession - use of public assets               | -                    | 4,454          | -                   | -               | -                                   | -            | -             | 4,454            |
| Transfer to receive accounts related to concession    | -                    | (308,198)      | -                   | -               | -                                   | -            | -             | (308,198)        |
| Transfers to intangible assets in service             | 108,158              | (108,158)      | (16,864)            | 16,864          | -                                   | 3,438        | (3,438)       | -                |
| Amortization of quotas - concession and authorization | (196,546)            | -              | 37,611              | -               | (565)                               | (573)        | -             | (160,073)        |
| Quotas de amortização-créditos Pasep/Cofins           | (10,962)             | -              | 2,282               | -               | -                                   | (167)        | -             | (8,847)          |
| Amortization of quotas - Pasep/Cofins credits         | -                    | -              | -                   | -               | -                                   | 13           | -             | 13               |
| Variações monetárias                                  | -                    | (1,733)        | -                   | -               | -                                   | -            | -             | (1,733)          |
| Write off   | (14,701)             | (4,491)        | -                   | -               | -                                   | (1,585)      | -             | (20,777)         |
| <b>Balance as of September 30, 2011</b>               | <b>1,239,082</b>     | <b>771,195</b> | <b>(206,002)</b>    | <b>(65,026)</b> | <b>18,478</b>                       | <b>3,449</b> | <b>30,858</b> | <b>1,792,034</b> |

### 17.1 Copel Distribuição

The intangible asset for the concession represents the right to exploit the construction services and the supply of energy services and will be recovered through consumption and consequent billing to customers.

ANEEL establishes the estimated economic useful life of each asset that makes up the energy distribution infrastructure, for purposes of tariff setting and also of assessment of the amount of compensation to be paid for revertible assets at the end of the concession's term. This estimate is reasonable and adequate for accounting and regulatory purposes and represents the best estimate of the assets' economic useful lives accepted by the industry.

The amortization of intangible assets reflects the pattern of estimated accrual of the corresponding economic benefits by Copel Distribuição, with expectation of average amortization of 29% a year, limited to the term of the concession.

The residual amount of each asset remaining over the term of the concession is allocated as accounts receivables related to the concession (Note 8).

Due to the change of life established by the Regulatory Agency (ANEEL), by Ruling nº 474/2012 of February 07, 2012, there was reduction of Intangible Assets of R\$ 75,856, the asset transferred to the concession.

### 17.2 Compagas

These intangible assets are related to the construction of infrastructure and the acquisition of the necessary assets for the operation of gas distribution services and to the right to collect from customers for gas supply. The construction of infrastructure and the acquisition of assets are deemed service rendering by the granting authority.

Amortization of intangible assets reflects the standard expectation for the future economic benefits of the asset to be consumed by Compagas, with expected average amortization of 7.1% p.a., limited to the concession period, for gas pipelines built until December 31, 2008 and 10% p.a. for other assets.

At the end of the concession, the assets related to gas distribution service shall revert to the granting authority, and Compagas shall be reimbursed for the investments made based on their amortized replacement value, assessed through an independent auditing company, based on the values to be determined then.

### 17.3 Elejor

#### Concession Contract

Intangible assets related to the use of public property (UBP) under an onerous concession. These intangible assets have been amortized over the term of the concession contract, and the corresponding liability has been amortized by payments (Note 24.2).

#### Concession Rights

The acquisition of the Elejor shares held by Triunfo Participações S.A., on December 18, 2003, resulted in total concession intangible asset of R\$ 22,626, which presents balance of R\$ 17,724 as of September 30, 2012, in the Parent Company. The straight line method of amortization of the concession intangible asset was economically determined by the expected income from the commercial operation of the concession, which expires in October 2036, and its effect on the statements of income as of September 30, 2012 was R\$ 565 (R\$ 565 in 2011).

### 17.4 Cutia

The acquisition resulted concession rights amounting to R\$ 5,809, which will be amortized over the concession period, from the start of commercial operation of the project, scheduled for January 01, 2015 for commitments resolutions by ANEEL. The concession period of wind farms is 30 years from the date of publication of authorizing resolutions in the Official Gazette, which occurred on January 05, 2012.

### 17.5 Copel Geração e Transmissão

Intangible assets related to the use of public property (UBP) under an onerous concession. These intangible assets have been amortized over the term of the concession contract.

On September 30, 2012, the Group had R\$ 12,640 (R\$ 12,341 as of December 31, 2011) recorded in connection with the Mauá Power Plant Concession Contract and R\$ 14,564 (R\$ 13,779 as of December 31, 2011) recorded in connection with the Colíder Power Plant.

### 17.6 Special liabilities

Special liabilities comprise customers' contributions, Federal Government budget grants, federal, state, and municipal funds, and special credits assigned to the investments in facilities related to a concession.

The scheduled date for settlement of these liabilities was the concession expiration date. ANEEL,

by means of Regulatory Resolution nº 234/2006, as amended by Resolution nº 338/2008, established the guidelines, the applicable methodologies, and the initial procedures for the conduction of the second cycle of the periodic tariff review involving the Brazilian power distribution utilities, changing the characteristics of these liabilities. Both the outstanding balance and new additions have been amortized as of July 1, 2008, pursuant to ANEEL Ruling nº 3,073/06 and Circular Letter nº 1,314/07. Amortization is calculated based on the same average rate of distribution activity.

#### 17.7 Recoverable value of intangible asset (finite useful life)

Although there is no indication of recovery loss, the Company has assessed the recoverable value of its intangible assets based on the present value of the corresponding estimated future cash flows.

The values assigned to the assumptions represent Company management's evaluation of the energy industry's future trends and are based both on external sources of information and on historical data.

Cash flows have been estimated based on the Company's operating results and projections until the end of the concession, under the following main assumptions:

- Organic growth compatible with historical data and the Brazilian economy's growth prospects;  
and
- The average discount rate obtained through a methodology commonly employed on the market, taking into account the weighted average cost of capital (WACC), as discussed in Note 16.5.

The recoverable value of these assets exceeds their book value, so there are no impairment losses to record.

## 18 Payroll, Social Charges and Labor Accruals

|  | <b>Consolidated</b> |                   |
|--|---------------------|-------------------|
|  | <b>09.30.2012</b>   | <b>12.31.2011</b> |
| <b>Social security liabilities</b>                       |                     |                   |
| Taxes and social contribution                            | 26,376              | 39,493            |
| Social security charges on paid vacation and 13th salary | 44,043              | 23,900            |
|  | <b>70,419</b>       | <b>63,393</b>     |
| <b>Labor liabilities</b>                                 |                     |                   |
| Payroll, net   | 2,958               | 152               |
| Vacation and 13th salary                                 | 126,063             | 76,142            |
| Profit sharing   | -                   | 48,068            |
| Profit sharing for the period                            | 38,921              | -                 |
| Voluntary redundancy                                     | 30,190              | 36,338            |
| Assignments to third parties                             | 7                   | 2                 |
|  | <b>198,139</b>      | <b>160,702</b>    |
|  | <b>268,558</b>      | <b>224,095</b>    |

## 19 Suppliers

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>09.30.2012</b>   | <b>12.31.2011</b> |
| Charges for use of grid system  | 81,877              | 79,795            |
| Energy supplies   | 379,850             | 316,262           |
| Materials and supplies  | 312,341             | 257,166           |
| Natural gas for resale  | 52,255              | 40,698            |
| Natural gas and supplies for the gas business - renegotiation Petrobras | 129,695             | 161,994           |
|   | <b>956,018</b>      | <b>855,915</b>    |
|   | <b>Current</b>      | <b>747,453</b>    |
|   | <b>Noncurrent</b>   | <b>108,462</b>    |

### 19.1 Main power purchase agreements

The table features the main power purchase agreements signed in the regulated power trading environment. These contracts are shown at original value and restated annually according to the IPCA inflation index.

|  | Supply period   | Energy purchased (annual average MW) | Auction date | Average purchase price (R\$/MWh) |
|--|-----------------|--------------------------------------|--------------|----------------------------------|
| <b>Auction of power from existing facilities</b> |                 |                                      |              |                                  |
| 1 <sup>st</sup> Auction - Product 2005           | 2005 to 2012    | 933.72                               | 12.07.2004   | 57.51                            |
| 1 <sup>st</sup> Auction - Product 2006           | 2006 to 2013    | 452.34                               | 12.07.2004   | 67.33                            |
| 1 <sup>st</sup> Auction - Product 2007           | 2007 to 2014    | 11.55                                | 12.07.2004   | 75.46                            |
| 2 <sup>nd</sup> Auction - Product 2008           | 2008 to 2015    | 69.02                                | 04.02.2005   | 83.13                            |
| 4 <sup>th</sup> Auction - Product 2009           | 2009 to 2016    | 44.13                                | 10.11.2005   | 94.91                            |
| 5 <sup>th</sup> Auction - Product 2007           | 2007 to 2014    | 157.17                               | 12.14.2006   | 104.74                           |
| 11 <sup>th</sup> Auction Adjust. P-12M           | Jan to Dec 2012 | 26.89                                | 09.30.2011   | 73.63                            |
|  |                 | <b>1,694.82</b>                      |              |                                  |
| <b>Auction of power from new facilities</b>      |                 |                                      |              |                                  |
| 1 <sup>st</sup> Auction - Product 2008 Hydro     | 2008 to 2037    | 3.61                                 | 12.16.2005   | 106.95                           |
| 1 <sup>st</sup> Auction - Product 2008 Therm     | 2008 to 2022    | 25.56                                | 12.16.2005   | 132.26                           |
| 1 <sup>st</sup> Auction - Product 2009 Hydro     | 2009 to 2038    | 3.26                                 | 12.16.2005   | 114.28                           |
| 1 <sup>st</sup> Auction - Product 2009 Therm     | 2009 to 2023    | 41.59                                | 12.16.2005   | 129.26                           |
| 1 <sup>st</sup> Auction - Product 2010 Hydro     | 2010 to 2039    | 66.31                                | 12.16.2005   | 114.57                           |
| 1 <sup>st</sup> Auction - Product 2010 Therm     | 2010 to 2024    | 64.30                                | 12.16.2005   | 121.81                           |
| 3 <sup>rd</sup> Auction - Product 2011 Hydro     | 2011 to 2040    | 57.66                                | 10.10.2006   | 120.86                           |
| 3 <sup>rd</sup> Auction - Product 2011 Therm     | 2011 to 2025    | 54.22                                | 10.10.2006   | 137.44                           |
| 4 <sup>th</sup> Auction - Product 2010 Therm     | 2010 to 2024    | 15.65                                | 07.26.2007   | 134.64                           |
| 5 <sup>th</sup> Auction - Product 2012 Hydro     | 2012 to 2041    | 52.50                                | 10.16.2007   | 129.14                           |
| 5 <sup>th</sup> Auction - Product 2012 Therm     | 2012 to 2026    | 74.77                                | 10.16.2007   | 128.37                           |
| 6 <sup>th</sup> Auction - Product 2011 Therm     | 2011 to 2025    | 15.48                                | 09.17.2008   | 128.42                           |
| 7 <sup>th</sup> Auction - Product 2013 Hydro     | 2013 to 2042    | 12.24                                | 09.30.2008   | 98.98                            |
| 7 <sup>th</sup> Auction - Product 2013 Therm     | 2013 to 2027    | 303.99                               | 09.30.2008   | 145.23                           |
| Santo Antonio                                    | 2012 to 2041    | 106.00                               | 12.10.2007   | 78.87                            |
| Jirau  | 2013 to 2042    | 141.51                               | 05.19.2008   | 71.37                            |
|  |                 | <b>1,038.65</b>                      |              |                                  |

## 20 Loans and Financing

| Consolidated            |                |               |                     | Current liabilities |                  | Noncurrent liabilities |  |
|-------------------------|----------------|---------------|---------------------|---------------------|------------------|------------------------|--|
|                         | Principal      | Charges       | 09.30.2012<br>Total | 12.31.2011          | 09.30.2012       | 12.31.2011             |  |
| <b>Foreign currency</b> |                |               |                     |                     |                  |                        |  |
| STN (20.1)              | 2,720          | 1,297         | 4,017               | 4,484               | 57,035           | 53,943                 |  |
| Eetrobrás               | 6              | -             | 6                   | 6                   | 8                | 12                     |  |
|                         | <b>2,726</b>   | <b>1,297</b>  | <b>4,023</b>        | <b>4,490</b>        | <b>57,043</b>    | <b>53,955</b>          |  |
| <b>Local currency</b>   |                |               |                     |                     |                  |                        |  |
| Banco do Brasil (20.2)  | 115,313        | 33,638        | 148,951             | 39,879              | 1,364,372        | 1,464,325              |  |
| Eetrobrás (20.3)        | 52,265         | 1,460         | 53,725              | 45,454              | 191,016          | 216,031                |  |
| Finep (20.4)            | 1,953          | 34            | 1,987               | 1,962               | 16,303           | 3,904                  |  |
| BNDES (20.5)            | 9,916          | 2,595         | 12,511              | 12,336              | 203,093          | 159,901                |  |
| Banco do Brasil         |                |               |                     |                     |                  |                        |  |
| Transfer BNDES (20.6)   | 6,726          | 2,653         | 9,379               | 12,318              | 162,858          | 159,869                |  |
| BNDES - Compagas        | -              | -             | -                   | 48                  | -                | -                      |  |
|                         | <b>186,173</b> | <b>40,380</b> | <b>226,553</b>      | <b>111,997</b>      | <b>1,937,642</b> | <b>2,004,030</b>       |  |
|                         | <b>188,899</b> | <b>41,677</b> | <b>230,576</b>      | <b>116,487</b>      | <b>1,994,685</b> | <b>2,057,985</b>       |  |

| Parent company          |              |              | Current liabilities |               | Noncurrent liabilities |                |
|-------------------------|--------------|--------------|---------------------|---------------|------------------------|----------------|
|                         | Principal    | Charges      | 09.30.2012<br>Total | 12.31.2011    | 09.30.2012             | 12.31.2011     |
| <b>Foreign currency</b> |              |              |                     |               |                        |                |
| STN (20.1)              | 2,720        | 1,297        | 4,017               | 4,484         | 57,035                 | 53,943         |
| <b>Local currency</b>   |              |              |                     |               |                        |                |
| Banco do Brasil (20.2)  | -            | 7,558        | 7,558               | 39,668        | 914,719                | 911,829        |
|                         | <b>2,720</b> | <b>8,855</b> | <b>11,575</b>       | <b>44,152</b> | <b>971,754</b>         | <b>965,772</b> |

**Breakdown of loans and financing by type of currency and index**

| Index and change in foreign currencies accumulated in the period (%) |            |            | Consolidated Composition of loans |                |                  |               |
|--|------------|------------|-----------------------------------|----------------|------------------|---------------|
|  | 09.30.2012 | 12.31.2011 | 09.30.2012                        | %              | 12.31.2011       | %             |
| <b>Foreign currency</b>  |            |            |                                   |                |                  |               |
| U.S. Dolar   | 8.26       | 12.56      | 61,066                            | 2.74           | 58,445           | 2.69          |
|  |            |            | <b>61,066</b>                     | <b>2.74</b>    | <b>58,445</b>    | <b>2.69</b>   |
| <b>Local currency</b>  |            |            |                                   |                |                  |               |
| TJLP   | 5.50       | 6.00       | 392,263                           | 17.63          | 350,302          | 16.11         |
| IGP-M  | 7.11       | 5.10       | 335                               | 0.02           | 475              | 0.02          |
| Ufir   | 0.00       | 0.00       | 117,582                           | 5.28           | 115,074          | 5.29          |
| Finel  | 1.38       | 1.01       | 127,159                           | 5.71           | 146,411          | 6.73          |
| UMBND  | 0.00       | 0.00       | -                                 | -              | 48               | 0.00          |
| CDI  | (32.28)    | 2.17       | 1,512,970                         | 68.00          | 1,503,717        | 69.16         |
| TR   | 0.29       | 1.21       | 3,544                             | 0.16           | -                | -             |
| Without indexer  | -          | -          | 10,342                            | 0.46           | -                | -             |
|  |            |            | <b>2,164,195</b>                  | <b>97.26</b>   | <b>2,116,027</b> | <b>97.32</b>  |
|  |            |            | <b>2,225,261</b>                  | <b>100.00</b>  | <b>2,174,472</b> | <b>100.00</b> |
|  |            |            | <b>Current</b>                    | <b>188,899</b> | <b>116,487</b>   |               |
|  |            |            | <b>Noncurrent</b>                 | <b>230,576</b> | <b>2,057,985</b> |               |

**Maturity of noncurrent installments**

|            | Foreign currency | Local currency   | Consolidated     |                  |
|------------|------------------|------------------|------------------|------------------|
|            |                  |                  | 09.30.2012       | 12.31.2011       |
| 2013       | 1,363            | 18,498           | 19,861           | 204,084          |
| 2014       | 1,364            | 744,330          | 745,694          | 729,022          |
| 2015       | -                | 580,936          | 580,936          | 549,593          |
| 2016       | -                | 254,986          | 254,986          | 243,894          |
| 2017       | -                | 42,294           | 42,294           | 34,201           |
| 2018       | -                | 41,384           | 41,384           | 33,292           |
| 2019       | -                | 38,636           | 38,636           | 30,544           |
| 2020       | -                | 35,261           | 35,261           | 27,949           |
| 2021       | -                | 27,570           | 27,570           | 22,849           |
| 2022       | -                | 27,565           | 27,565           | 22,844           |
| After 2022 | 54,316           | 126,182          | 180,498          | 159,713          |
|            | <b>57,043</b>    | <b>1,937,642</b> | <b>1,994,685</b> | <b>2,057,985</b> |



**Changes in loans and financing**

| Consolidated                            | Foreign currency |               | Local currency |                  | Total            |
|---|------------------|---------------|----------------|------------------|------------------|
|   | current          | noncurrent    | current        | noncurrent       |                  |
| <b>Balance as of January 1, 2012</b>    | <b>4,490</b>     | <b>53,955</b> | <b>111,997</b> | <b>2,004,030</b> | <b>2,174,472</b> |
| Funding                                 | -                | -             | -              | 69,914           | 69,914           |
| Charges                                 | 2,040            | -             | 105,746        | 35,787           | 143,573          |
| Monetary and exchange variations        | 153              | 4,358         | 209            | 1,343            | 6,063            |
| Transfers                               | 1,270            | (1,270)       | 173,432        | (173,432)        | -                |
| Amortization - principal                | (1,563)          | -             | (25,575)       | -                | (27,138)         |
| Amortization - interest and variation   | (2,367)          | -             | (139,256)      | -                | (141,623)        |
| <b>Balance as of September 30, 2012</b> | <b>4,023</b>     | <b>57,043</b> | <b>226,553</b> | <b>1,937,642</b> | <b>2,225,261</b> |

| Consolidated                            | Foreign currency |               | Local currency |                  | Total            |
|---|------------------|---------------|----------------|------------------|------------------|
|   | current          | noncurrent    | current        | noncurrent       |                  |
| <b>Balance as of January 1, 2011</b>    | <b>14,516</b>    | <b>51,412</b> | <b>68,579</b>  | <b>1,229,570</b> | <b>1,364,077</b> |
| Funding                                 | -                | -             | -              | 799,197          | 799,197          |
| Charges                                 | 1,875            | -             | 95,204         | 35,568           | 132,647          |
| Monetary and exchange variations        | 611              | 5,408         | 39             | 1,135            | 7,193            |
| Transfers                               | 2,236            | (2,236)       | 49,130         | (49,130)         | -                |
| Amortization - principal                | (6,393)          | -             | (30,463)       | -                | (36,856)         |
| Amortization - interest and variation   | (6,300)          | -             | (102,013)      | -                | (108,313)        |
| <b>Balance as of September 30, 2011</b> | <b>6,545</b>     | <b>54,584</b> | <b>80,476</b>  | <b>2,016,340</b> | <b>2,157,945</b> |

## 20.1 Secretaria do Tesouro Nacional - STN

| Type of bonus               | Number of installment | Final maturity | Amortization       | Annual rate a.a.<br>(interest + commission) | Principal | Consolidated      |               |
|-----------------------------|-----------------------|----------------|--------------------|---|-----------|-------------------|---------------|
|                             |                       |                |                    |   |           | 09.30.2012        | 12.31.2011    |
| <i>Debt Conversion Bond</i> | 17                    | 04.12.2012     | Semi Annual        | Libor Semi Annual+0.8750%+0.20%             | 14,012    | -                 | 1,412         |
| <i>Capitalization Bond</i>  | 21                    | 04.10.2014     | Semi Annual        | 8.0% + 0.20%                                | 12,225    | 5,643             | 6,392         |
| <i>Par Bond</i>             | 1                     | 04.11.2024     | Single installment | 6.0% + 0.20%                                | 17,315    | 22,507            | 29,935        |
| <i>Discount Bond</i>        | 1                     | 04.11.2024     | Single installment | Libor Semi Annual+0.8125%+0.20%             | 12,082    | 32,902            | 20,688        |
|                             |                       |                |                    |   |           | <b>61,052</b>     | <b>58,427</b> |
|                             |                       |                |                    |   |           | <b>Current</b>    | <b>4,017</b>  |
|                             |                       |                |                    |   |           | <b>Noncurrent</b> | <b>57,035</b> |
|                             |                       |                |                    |   |           |                   | <b>4,484</b>  |
|                             |                       |                |                    |   |           |                   | <b>53,943</b> |

Issue Date: 05.20.1998

### Collateral:

Company's centralized revenues account. For the Discount and Par Bonds, there are collateral deposits of R\$ 17,595 e R\$ 25,111, as of September 30, 2012 (R\$ 15,477 e R\$ 22,076 as of December 31, 2011), respectively (Note 5).

### Note:

The restructuring of medium and long-term debt in connection with the financing received under Law nº 4,131/62.

## 20.2 Banco do Brasil S.A.

| Contracts                 | Issue Date | Number of installment | Final maturity | Annual rate a.a.<br>(interest + commission) | Principal | Consolidated      |                  |
|---------------------------|------------|-----------------------|----------------|---|-----------|-------------------|------------------|
|                           |            |                       |                |   |           | 09.30.2012        | 12.31.2011       |
| Law 8.727/93 (a)          | 03.30.1994 | 240                   | 03.01.2014     | TJLP e IGP-M + 5.098%                       | 28,178    | 353               | 487              |
| 21/02155-4 (b)            | 09.10.2010 | 3                     | 08.15.2015     | 98.5% of average rate of CDI                | 350,000   | 423,668           | 396,295          |
| 21/02248-8 (c)            | 06.22.2011 | 1                     | 06.01.2015     | 99.5% of average rate of CDI                | 150,000   | 167,025           | 155,925          |
| Credit Note 330600129 (d) | 01.31.2007 | 1                     | 01.31.2014     | 106.5% of average rate of CDI               | 29,000    | 29,380            | 30,454           |
| Credit Note 330600132 (e) | 02.28.2007 | 1                     | 02.28.2014     | 106.2% of average rate of CDI               | 231,000   | 232,537           | 240,170          |
| Credit Note 330600151 (f) | 07.31.2007 | 1                     | 07.31.2014     | 106.5% of average rate of CDI               | 18,000    | 18,236            | 18,902           |
| Credit Note 330600156 (g) | 08.28.2007 | 1                     | 08.28.2014     | 106.5% of average rate of CDI               | 14,348    | 14,444            | 14,919           |
| Credit Note 330600157 (h) | 08.31.2007 | 1                     | 08.31.2014     | 106.5% of average rate of CDI               | 37,252    | 37,465            | 38,697           |
| Credit Note 330600609 (i) | 08.19.2011 | 3                     | 07.21.2016     | 109.41% of average rate of CDI              | 600,000   | 590,215           | 608,355          |
|                           |            |                       |                |   |           | <b>1,513,323</b>  | <b>1,504,204</b> |
|                           |            |                       |                |   |           | <b>Current</b>    | <b>148,951</b>   |
|                           |            |                       |                |   |           | <b>Noncurrent</b> | <b>1,364,372</b> |
|                           |            |                       |                |   |           |                   | <b>39,879</b>    |
|                           |            |                       |                |   |           |                   | <b>1,464,325</b> |

### Company:

Copel Distribuição: (a) (b) (c)

Parent Company: (d) (e) (f) (g) (h) (i)

### Annual installment

Along with the interest in proportion to the installments, the first amount of R\$ 116,666, maturing on 08.25.2013 and others of R\$ 116,667, maturing on 07.11.2014 and 08.15.2015: (b)

The first amount of R\$ 200,000, maturing on 07.21.2014 and other on 07.21.2015 and 21.07.2016: (i)

### Destination:

Private Credit Assignment Agreement with the Federal Government: (a)

Working capital: (b) (c)

Only purpose of paying the debts: (d) (e) (f) (g) (h) (i)

### Collateral:

Copel's accounts receivable: (a)

Pledge until 360 days: (b) (c)

## 20.3 Eletrobras - Centrais Elétricas Brasileiras S.A.

| Contracts   | Issue Date | Number of installment | Final maturity | Annual rate a.a. (interest + commission) | Principal | Consolidated      |                |                |
|-------------|------------|-----------------------|----------------|--|-----------|-------------------|----------------|----------------|
|             |            |                       |                |  |           | 09.30.2012        | 12.31.2011     |                |
| 1293/94 (a) | 09.23.1994 | 180                   | 06.30.2016     | 5.5% to 6.5% + 2.0%                      | 307,713   | 127,159           | 146,411        |                |
| 980/95 (b)  | 12.22.1994 | 80                    | 11.15.2018     | 8.0%                                     | 11        | 17                | 19             |                |
| 981/95 (c)  | 12.22.1994 | 80                    | 08.15.2019     | 8.0%                                     | 1,169     | 458               | 506            |                |
| 982/95 (d)  | 12.22.1994 | 80                    | 02.15.2020     | 8.0%                                     | 1,283     | 172               | 190            |                |
| 983/95 (e)  | 12.22.1994 | 80                    | 11.15.2020     | 8.0%                                     | 11        | 211               | 230            |                |
| 984/95 (f)  | 12.22.1994 | 80                    | 11.15.2020     | 8.0%                                     | 14        | 90                | 98             |                |
| 985/95 (g)  | 12.22.1994 | 80                    | 08.15.2021     | 8.0%                                     | 61        | 55                | 59             |                |
| 002/04 (h)  | 06.07.2004 | 120                   | 07.30.2021     | 8.0%                                     | 30,240    | 4,336             | 5,049          |                |
| 142/06 (i)  | 05.11.2006 | 120                   | 09.30.2018     | 5.0% + 1.0%                              | 74,340    | 22,247            | 24,562         |                |
| 206/07 (j)  | 03.03.2008 | 120                   | 08.30.2020     | 5.0% + 1.0%                              | 109,642   | 71,587            | 65,744         |                |
| 273/09 (k)  | 02.18.2010 | 120                   | 12.30.2022     | 5.0% + 1.0%                              | 63,944    | 16,525            | 16,443         |                |
| 2540/06 (l) | 05.12.2009 | 60                    | 10.30.2016     | 5.0% + 1.5%                              | 2,844     | 1,884             | 2,173          |                |
|             |            |                       |                |  |           | <b>244,741</b>    | <b>261,484</b> |                |
|             |            |                       |                |  |           | <b>Current</b>    | <b>53,725</b>  | <b>45,454</b>  |
|             |            |                       |                |  |           | <b>Noncurrent</b> | <b>191,016</b> | <b>216,030</b> |

**Company:**

Copel Geração e Transmissão: (a)

Copel Distribuição: (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l)

**Destination:**

Financial cover up to 29.14% of the total project of HPP Governador José Richa Implementation and transmission system: (a)

National Program for Watering - Proni: (b) (c) (d) (e) (f) (g)

Rural Electricity Program - Luz para Todos: (h) (i) (j) (k)

National Program for Efficient Public Lighting - ReLuz: cover 75% of the total cost of the Project for the City of Ponta Grossa: (l)

**Liberated funds:**

RGR R\$ 11,532 e CDE R\$ 8,649: (h)

RGR R\$ 36,056 e CDE R\$ 27,048: (i)

RGR R\$ 87,052 e CDE R\$ 14,510: (j)

RGR R\$ 16,443 e CDE R\$ 2,740: (k)

RGR R\$ 2,219: (l)

**Collateral:**

The guarantee is represented by the income, supported by power of attorney granted by a public instrument, and the issue of promissory notes equal to the number of installments falling due.

**Note:**

Final Grace Period: 30.12.2012 (k)

#### 20.4 Financiadora de Estudos e Projetos - Finep

| Contracts       | Issue Date | Number of installment | Final maturity | Anual rate a.a. (interest + commission) | Principal | Consolidated      |               |              |
|-----------------|------------|-----------------------|----------------|---|-----------|-------------------|---------------|--------------|
|                 |            |                       |                |   |           | 09.30.2012        | 12.31.2011    |              |
| 2070791-00 (a)  | 11.28.2007 | 49                    | 12.15.2014     | 0.37% above TJLP                        | 5,078     | 2,582             | 3,440         |              |
| 2070790-00 (b)  | 11.28.2007 | 49                    | 12.15.2014     | 0.13% above TJLP                        | 3,535     | 1,821             | 2,426         |              |
| 21120105-00 (c) | 05.17.2012 | 81                    | 10.15.2020     | 4.0%                                    | 35,095    | 10,341            | -             |              |
| 21120105-00 (c) | 05.17.2012 | 81                    | 10.15.2020     | 3.5% + TR                               | 17,103    | 3,546             | -             |              |
|                 |            |                       |                |   |           | <b>18,290</b>     | <b>5,866</b>  |              |
|                 |            |                       |                |   |           | <b>Current</b>    | <b>1,987</b>  | <b>1,962</b> |
|                 |            |                       |                |   |           | <b>Noncurrent</b> | <b>16,303</b> | <b>3,904</b> |

**Company:**

Copel Geração e Transmissão: (a) (b)  
Copel Telecomunicações: (c)

**Destination:**

Research and Development Project GER 2007: (a)  
Research and Development Project TRA 2007: (b)  
Projeto BEL - ultra wide band intranet service (*Ultra Wide Band - UWB*): (c)

**Collateral:**

Withhold the amounts from the checking account in which revenues are deposited : (a) (b) (c)

**Notes:**

(c) In replacement to the contract 2100567-00, signed on November 29, 2010. Credit of R\$ 52,198 to be offered in six installments and divided into subcredit "A" in the amount of R\$ 35,095 and subcredit "B" in the amount of R\$ 17,103. In contrast, the financed commits to participate in the costs of preparation with the minimum value of R\$ 8,324. The maturity of the 1st installment is February 15,2012.

#### 20.5 BNDES

| Contracts       | Issue Date | Number of installment | Maturity   |            | Anual rate a.a. (interest + commission) | Principal         | Consolidated   |                |
|-----------------|------------|-----------------------|------------|------------|---|-------------------|----------------|----------------|
|                 |            |                       | initial    | final      |   |                   | 09.30.2012     | 12.31.2011     |
| 820989.1 (a)    | 03.17.2009 | 179                   | 03.15.2013 | 01.15.2028 | 1.63% above TJLP                        | 169,500           | 172,102        | 172,237        |
| 1120952.1-A (b) | 12.16.2011 | 168                   | 05.15.2012 | 04.15.2026 | 1.82% above TJLP                        | 42,433            | 41,275         | -              |
| 1120952.1-B (c) | 12.16.2011 | 168                   | 05.15.2012 | 04.15.2026 | 1.42% above TJLP                        | 2,290             | 2,227          | -              |
|                 |            |                       |            |            |   | <b>215,604</b>    | <b>172,237</b> |                |
|                 |            |                       |            |            |   | <b>Current</b>    | <b>12,511</b>  | <b>12,336</b>  |
|                 |            |                       |            |            |   | <b>Noncurrent</b> | <b>203,093</b> | <b>159,901</b> |

**Company:**

Copel Geração e Transmissão: (a) (b) (c)

**Financial charges:**

It will be paid quarterly during the grace period and monthly after the first payment of the principal amount.

**Destination:**

Construction of the Mauá Hydroelectric Power Plant and its transmission system: (a)  
Implementation of transmission line between substations Foz do Iguaçu and Cascavel Oeste: (b)  
Purchase of machinery and equipment: (c)

**Collateral:**

Copel Geração e Transmissão has undertaken to assign to the BNDES the rights it holds under Concession Arrangement 027/2009-ANEEL, and to submit as a guarantee to the BNDES the credit rights deriving from the provision of energy transmission services stipulated in the Concession Arrangement (Transmission Services Agreement 09/2010, entered into on 01.19.2009 by Copel Geração e Transmissão and the National Electric System Operator (Operador Nacional do Sistema Elétrico or ONS), the transmission concession operators and the users of the transmission system, including the entire revenue deriving from the transmission services provided: (b) and (c)

## 20.6 Banco do Brasil - Distribution of Funds from BNDES

| Contracts  | Issue Date | Number of installment | Maturity   |            | Annual rate a.a.<br>(interest + commission) | Principal | Consolidated      |                |                |
|------------|------------|-----------------------|------------|------------|---|-----------|-------------------|----------------|----------------|
|            |            |                       | initial    | final      |   |           | 09.30.2012        | 12.31.2011     |                |
| 21/02000-0 | 04.16.2009 | 179                   | 03.15.2013 | 01.15.2028 | 2.13% above TJLP                            | 169,500   | 172,237           | 172,187        |                |
|            |            |                       |            |            |   |           | <b>172,237</b>    | <b>172,187</b> |                |
|            |            |                       |            |            |   |           | <b>Current</b>    | <b>9,379</b>   | <b>12,318</b>  |
|            |            |                       |            |            |   |           | <b>Noncurrent</b> | <b>162,858</b> | <b>159,869</b> |

**Company:**

Copel Geração e Transmissão

**Financial charges:**

It will be paid quarterly during the grace period and monthly after the first payment of the principal amount

**Destination:**

Construction of the Mauá Hydroelectric Power Plant and its transmission system, in consortium with Eletrosul

**Collateral:**

All the revenues from the sale of energy under Agreements for Energy Trade on the Regulated Power Market ("Contracts for the Sale of Energy in the Regulated Environment" or CCEARs) in connection with this project

## 20.7 Contracts with clauses for anticipated maturity

The Company and its subsidiaries have loan contracts which include clauses requiring that they maintain certain economic-financial indices within previously established parameters, as well as other conditions that have to be observed, such as: no alterations to the investment interest of the Company in the capital that represents a change in control, without prior notice; specifically for Copel Geração e Transmissão, no dividend distributions or payments for interest on own capital to be made, for which the amount, individually or together, exceeds the minimum compulsory amount, without prior and express authorization. Non compliance with these terms could result in the anticipated maturity of the debts.

At September 30, 2012 all of the terms were analyzed, and it was identified that all contractual covenants had been complied with.

## 21 Post-Employment Benefits

### 21.1 Benefit Pension Plan

The Company and its subsidiaries sponsor retirement and pension plans (Pension Plans I, II, and III) and a medical and dental care plan (Healthcare Plan) to both current and retired employees and their dependents.

The pension plans I and II are defined benefit plans for which the income is previously determined based on the salary level of each individual and the Pension Plan III is a defined contribution plan (CD).

The costs assumed by the sponsors for these plans are registered according to the actuarial evaluation prepared annually by independent actuaries in accordance with the rules established in

CVM Decision 600/09, which approved and made Technical Pronouncement CPC 33/IAS 19 and IFRC 14, issued by the Accounting Pronouncements Committee – CPC compulsory for public stock corporations, and refer to employee benefits, and correlated to IAS 19. The economic and financial assumptions and for purposes of the actuarial evaluation are discussed with the independent actuaries and approved by the sponsors' management.

### 21.2 Healthcare Plan

The Company and its subsidiaries allocate resources for the coverage of health-care expenses incurred by their employees and their dependents, within rules, limits, and conditions set in specific regulations. Coverage includes periodic medical exams and is extended to all retirees and pensioners for life.

### 21.3 Balance sheet and statement of income

Amounts recognized in the balance sheet, under Post-Employment Benefits, are summarized below:

|                        | <b>Consolidated</b> |                   |
|------------------------|---------------------|-------------------|
|                        | <b>09.30.2012</b>   | <b>12.31.2011</b> |
| Pension plan (21.1)    | 333                 | 14,410            |
| Healthcare plan (21.2) | 491,993             | 454,465           |
|                        | <b>492,326</b>      | <b>468,875</b>    |
|                        | <b>Current</b>      | <b>22,281</b>     |
|                        | <b>Noncurrent</b>   | <b>470,045</b>    |
|                        |                     | <b>36,037</b>     |
|                        |                     | <b>432,838</b>    |

The amounts recognized in the statement of income are shown below:

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| Pension plan (CD)                         | 42,160              | 35,963            |
| Pension plan (CD) - management            | 394                 | 414               |
| Healthcare plan - post employment         | 53,667              | 41,304            |
| Healthcare plan                           | 34,111              | 24,951            |
| Healthcare plan - management              | 42                  | 29                |
|   | <b>130,374</b>      | <b>102,661</b>    |
| (-) Transfers to construction in progress | (8,782)             | (5,330)           |
|   | <b>121,592</b>      | <b>97,331</b>     |

#### 21.4 Changes in the Post-Employment Benefits balance

| <b>Consolidated</b>                     | <b>Current liabilities</b> | <b>Noncurrent liabilities</b> | <b>Total</b>   |
|---|----------------------------|-------------------------------|----------------|
| <b>Balance as of January 1, 2012</b>    | <b>36,037</b>              | <b>432,838</b>                | <b>468,875</b> |
| Appropriation of actuarial calculation  | -                          | 53,667                        | 53,667         |
| Pension and healthcare contributions    | 76,707                     | -                             | 76,707         |
| Transfers                               | 16,460                     | (16,460)                      | -              |
| Amortizations                           | (106,923)                  | -                             | (106,923)      |
| <b>Balance as of September 30, 2012</b> | <b>22,281</b>              | <b>470,045</b>                | <b>492,326</b> |

| <b>Consolidated</b>                     | <b>Current liabilities</b> | <b>Noncurrent liabilities</b> | <b>Total</b>   |
|---|----------------------------|-------------------------------|----------------|
| <b>Balance as of January 1, 2011</b>    | <b>24,255</b>              | <b>384,208</b>                | <b>408,463</b> |
| Appropriation of actuarial calculation  | -                          | 41,304                        | 41,304         |
| Pension and healthcare contributions    | 61,357                     | -                             | 61,357         |
| Transfers                               | 12,021                     | (12,021)                      | -              |
| Amortizations                           | (73,092)                   | -                             | (73,092)       |
| <b>Balance as of September 30, 2011</b> | <b>24,541</b>              | <b>413,491</b>                | <b>438,032</b> |

#### 21.5 Actuarial valuation pursuant to CVM Ruling nº 600/2009

The Company, in compliance with CVM Decision 600/09, opted to prepare an annual actuarial report.

The information, prepared in accordance with the Actuarial Evaluation Report of December 31, 2011, is presented in note 21 to the Annual Financial Statements at December 31, 2011.

## 22 Regulatory Charges

|                                  | <b>Consolidated</b> |                   |
|----------------------------------|---------------------|-------------------|
|                                  | <b>09.30.2012</b>   | <b>12.31.2011</b> |
| Energy Development Account (CDE) | 23,706              | 20,718            |
| Global Reversal Reserve (RGR)    | 18,962              | 19,639            |
| Fuel Consumption Account (CCC)   | 17,189              | 30,154            |
|                                  | <b>59,857</b>       | <b>70,511</b>     |

## 23 Research and Development and Energy Efficiency

The concessionaries for public distribution, generation and transmission of electricity services are required to allocate 1% of their annual net operational income to research and development in the electrical sector and to energy efficiency programs, according to Law 9,991/00 and ANEEL Normative Resolutions 316/08 and 300/08.

#### 23.1 Balances registered to invest in R&D (Research and Development) and EEP (Energy efficiency program)

|   | Applied and unfinished | Balance to collect | Balance to apply  | Balance as of 09.30.2012 | Balance as of 12.31.2011 |
|---|------------------------|--------------------|-------------------|--------------------------|--------------------------|
| <b>Research and Development - R&amp;D</b> |                        |                    |                   |                          |                          |
| FNDCT                                     | -                      | 3,215              | -                 | 3,215                    | 3,018                    |
| MME                                       | -                      | 1,608              | -                 | 1,608                    | 1,510                    |
| R&D                                       | 18,767                 | -                  | 119,181           | 137,948                  | 120,936                  |
|   | <b>18,767</b>          | <b>4,823</b>       | <b>119,181</b>    | <b>142,771</b>           | <b>125,464</b>           |
| <b>Energy efficiency program - PEE</b>    | <b>39,633</b>          | -                  | <b>68,974</b>     | <b>108,607</b>           | <b>126,100</b>           |
|   | <b>58,400</b>          | <b>4,823</b>       | <b>188,155</b>    | <b>251,378</b>           | <b>251,564</b>           |
|   |                        |                    | <b>Current</b>    | <b>112,313</b>           | <b>156,915</b>           |
|   |                        |                    | <b>Noncurrent</b> | <b>139,065</b>           | <b>94,649</b>            |

### 23.2 Changes in balances for R&D and EEP

|   | FNDCT        |            | MME          |            | R&D           |                | PEE            |               | Consolidated   |
|---|--------------|------------|--------------|------------|---------------|----------------|----------------|---------------|----------------|
|   | current      | noncurrent | current      | noncurrent | current       | noncurrent     | current        | noncurrent    |                |
| <b>Balance as of January 1, 2012</b>    | <b>3,017</b> | -          | <b>1,510</b> | -          | <b>34,910</b> | <b>86,027</b>  | <b>117,478</b> | <b>8,622</b>  | <b>251,564</b> |
| Additions                               | 13,052       | 1,275      | 6,527        | 637        | 639           | 13,689         | -              | 19,119        | 54,938         |
| Performance agreement                   | -            | -          | -            | -          | -             | -              | -              | 12            | 12             |
| Selic interest rate                     | -            | -          | -            | -          | 91            | 7,000          | -              | 4,596         | 11,687         |
| Transfers                               | 1,275        | (1,275)    | 637          | (637)      | -             | -              | -              | -             | -              |
| Payments                                | (14,129)     | -          | (7,066)      | -          | -             | -              | -              | -             | (21,195)       |
| Concluded projects                      | -            | -          | -            | -          | (4,408)       | -              | (41,220)       | -             | (45,628)       |
| <b>Balance as of September 30, 2012</b> | <b>3,215</b> | -          | <b>1,608</b> | -          | <b>31,232</b> | <b>106,716</b> | <b>76,258</b>  | <b>32,349</b> | <b>251,378</b> |

|   | FNDCT        | MME          | R&D           |               | PEE            |               | Consolidated   |
|---|--------------|--------------|---------------|---------------|----------------|---------------|----------------|
|   | current      | current      | current       | noncurrent    | current        | noncurrent    |                |
| <b>Balance as of January 1, 2011</b>    | <b>2,686</b> | <b>1,344</b> | <b>40,333</b> | <b>68,728</b> | <b>111,628</b> | <b>22,004</b> | <b>246,723</b> |
| Additions                               | 13,017       | 6,508        | 1,239         | 11,808        | -              | 17,925        | 50,497         |
| Selic interest rate                     | -            | -            | 173           | 7,711         | -              | 6,121         | 14,005         |
| Transfers                               | -            | -            | (629)         | 629           | -              | -             | -              |
| Payments                                | (12,659)     | (6,328)      | -             | -             | -              | -             | (18,987)       |
| Concluded projects                      | -            | -            | (13,138)      | -             | (14,055)       | -             | (27,193)       |
| <b>Balance as of September 30, 2011</b> | <b>3,044</b> | <b>1,524</b> | <b>27,978</b> | <b>88,876</b> | <b>97,573</b>  | <b>46,050</b> | <b>265,045</b> |

## 24 Accounts Payable related to concession - Use of Public Property

These refer to concession charges for use of public property (UPP) incurred as of the start of operation of each project until the final date of the concession, with an opposite entry recorded under intangible assets.



| Consolidated                              | Current liabilities |               | Noncurrent liabilities |                |
|---|---------------------|---------------|------------------------|----------------|
|   | 09.30.2012          | 12.31.2011    | 09.30.2012             | 12.31.2011     |
| <b>Copel Geração e Transmissão</b>        |                     |               |                        |                |
| Mauá HPP (24.1.1)                         | 728                 | 615           | 11,912                 | 11,726         |
| Colider HPP (24.1.2)                      | -                   | -             | 14,564                 | 13,779         |
| <b>Elejor</b>                             |                     |               |                        |                |
| Fundão-Santa Clara Hydroelectric (24.2.1) | 44,041              | 44,041        | 373,577                | 344,937        |
|   | <b>44,769</b>       | <b>44,656</b> | <b>400,053</b>         | <b>370,442</b> |

For the period ended September 30, 2012, the amount of R\$ 61,670 (R\$ 61,696 for the same period in 2011) was registered as expenses to financial expenses and the amount of R\$ 6,098 (R\$ 6,064 for the same period in 2011) as amortization of intangible assets.

#### 24.1 Copel Geração e Transmissão

##### 24.1.1 Mauá Hydroelectric Power Plant (Note 16.6)

As compensation for the use of the public property under this concession contract, Copel shall pay to the Federal Government, from the facility's start of commercial operation until the 35<sup>th</sup> year of the concession, or as long as it runs the corresponding hydropower project, monthly installments equivalent to 1/12 of the annual proposed payment of R\$ 643 (51% of 1,262), pursuant to article 6 of Concession Contract n° 001/07 - MME – Mauá HPP.

These installments are restated annually or at the legally applicable intervals, according to the IPCA inflation index.

The calculation of present value was made taking into account an actual net discount rate of around 5.65% p.a., compatible with the estimated noncurrent rate and not related to the expected rate of return of the project.

The present value of the accounts payable related to concession - use of public property as of September 30, 2012, is R\$ 12,640 (R\$ 12,341, as of December 31, 2011).

##### 24.1.2 Colider Hydroelectric Power Plant (Note 16.7)

As compensation for the use of the public property under this concession contract, Copel shall pay to the Federal Government, from the facility's start of commercial operation until the 35<sup>th</sup> year of the concession, or as long as it runs the corresponding hydropower project, monthly installments equivalent to 1/12 of the annual proposed payment of R\$ 1,256, pursuant to article 6 of Concession Contract n° 001/11 - MME – HPP Colider.

These installments are restated annually or at the legally applicable intervals, according to the IPCA (Índice de Preços ao Consumidor Amplo or Wide Customer Price Index) inflation index.

The calculation of present value was made taking into account an actual net discount rate of around 7.74% p.a., compatible with the estimated noncurrent rate and not related to the expected rate of

return of the project.

The present value of the accounts payable related to concession - use of public property as of September 30, 2012 is R\$ 14,564 (R\$ 13,779, as of December 31, 2011).

## 24.2 Elejor

### 24.2.1 Fundão – Santa Clara Hydroelectric Energy Complex - HPPs Fundão and Santa Clara

As compensation for the use of the public property under this concession contract, Elejor shall pay to the Federal Government, from the 6<sup>th</sup> until the 35<sup>th</sup> year of the concession, or as long as it runs the corresponding hydropower projects, monthly installments equivalent to 1/12 of the annual proposed payment of R\$ 19,000, pursuant to the Bidding Confirmation and to article 6 of Concession Contract nº 125/01 – ANEEL – Fundão – Santa Clara Hydroelectric Energy Complex - HPPs Fundão and Santa Clara.

These installments are restated annually or at the legally applicable intervals, according to the IGP-M inflation index, starting in May 2001.

The main amount on the date of signature of the concession contract was R\$ 570,000. This amount, restated monthly according to the IGP-M inflation index minus the monthly payments already made, totaled R\$ 1,146,229 as of September 30, 2012 (R\$ 1,097,352 as of December 31, 2011).

The original amount on the date of signature of the contract was recorded at present value. On September 30, 2012, this amount was recorded under liabilities for R\$ 417,618 (R\$ 388,978 as of December 31, 2011), of which R\$ 44,041 were under current liabilities and R\$ 373,577 were under noncurrent liabilities.

The calculation of present value was made taking into account an actual net discount rate of around 11% p.a., compatible with the estimated noncurrent rate and not related to the expected rate of return of the project.

This concession was granted on October 23, 2001, the respective contract was signed on October 25, 2001, and it expires on October 25, 2036.

## 25 Other Accounts Payable

|   | <b>09.30.2012</b>  | <b>Consolidated<br/>12.31.2011</b> |
|---|--------------------|------------------------------------|
| Financial compensation for use of water resources | 21,395             | 19,332                             |
| Reimbursements to customer contributions          | 20,562             | 7,837                              |
| Consortium partners                               | 16,265             | 7,031                              |
| Customers   | 15,658             | 17,412                             |
| Public lighting fee collected                     | 14,444             | 14,875                             |
| Pledges in guarantee                              | 10,101             | 7,688                              |
| ANEEL inspection fee                              | 1,843              | 1,694                              |
| Other liabilities                                 | 27,237             | 10,860                             |
|   | <b>127,505</b>     | <b>86,729</b>                      |
|   | <b>Current</b>     | <b>86,676</b>                      |
|   | <b>Non current</b> | <b>53</b>                          |
|   | <b>127,490</b>     | <b>86,676</b>                      |
|   | <b>15</b>          | <b>53</b>                          |

## 26 Provision for Contingencies

The Company is a party to several labor, tax and civil claims filed before different courts. Copel's management, based on the opinion of its legal counsel, maintains a provision for contingencies in connection with lawsuits with probable chance of an unfavorable outcome.

### Changes in the provision

| Consolidated                          | Balance as of<br>January 1, 2012 | Additions      | (-) reversals   | Construction<br>cost | Additions to<br>fixed assets<br>in progress | Discharges      | Balance as of<br>September 30, 2012 |
|---------------------------------------|----------------------------------|----------------|-----------------|----------------------|---|-----------------|-------------------------------------|
| <b>Tax</b>                            |                                  |                |                 |                      |   |                 |                                     |
| Cofins (26.1.1)                       | 234,563                          | 8,568          | -               | -                    | -   | -               | 243,131                             |
| Others taxes                          | 47,374                           | 19,752         | (9,180)         | -                    | -   | (44)            | 57,902                              |
|                                       | <b>281,937</b>                   | <b>28,320</b>  | <b>(9,180)</b>  | -                    | -   | <b>(44)</b>     | <b>301,033</b>                      |
| <b>Labor</b>                          | <b>128,505</b>                   | <b>34,191</b>  | <b>(1,630)</b>  | -                    | -   | <b>(11,289)</b> | <b>149,777</b>                      |
| <b>Employee benefits</b>              | <b>58,089</b>                    | <b>29,350</b>  | <b>(149)</b>    | -                    | -   | <b>(11,266)</b> | <b>76,024</b>                       |
| <b>Civil</b>                          |                                  |                |                 |                      |   |                 |                                     |
| Suppliers (26.1.2)                    | 88,003                           | 2,179          | (20,813)        | -                    | -   | -               | 69,369                              |
| Civil and administrative law          | 112,059                          | 33,824         | (9,333)         | -                    | -   | (6,057)         | 130,493                             |
| Easements                             | 4,839                            | 808            | (176)           | -                    | -   | (15)            | 5,456                               |
| Condemnation and real estate (26.1.3) | 273,647                          | 28,502         | (93)            | 961                  | 3,274                                       | -               | 306,291                             |
| Customers                             | 5,493                            | 4,423          | (2,506)         | -                    | -   | -               | 7,410                               |
|                                       | <b>484,041</b>                   | <b>69,736</b>  | <b>(32,921)</b> | <b>961</b>           | <b>3,274</b>                                | <b>(6,072)</b>  | <b>519,019</b>                      |
| <b>Environmental claims</b>           | <b>104</b>                       | <b>82</b>      | <b>-</b>        | -                    | -   | -               | <b>186</b>                          |
| <b>Regulatory (26.1.4)</b>            | <b>48,147</b>                    | <b>220</b>     | <b>(160)</b>    | -                    | -   | <b>(38)</b>     | <b>48,169</b>                       |
|                                       | <b>1,000,823</b>                 | <b>161,899</b> | <b>(44,040)</b> | <b>961</b>           | <b>3,274</b>                                | <b>(28,709)</b> | <b>1,094,208</b>                    |

| <b>Consolidated</b>                   | <b>Balance as of<br/>January 1, 2011</b> | <b>Additions</b> | <b>(-) reversals</b> | <b>Additions to<br/>fixed assets<br/>in progress</b> | <b>Discharges</b> | <b>Balance as of<br/>September 30, 2011</b> |
|---------------------------------------|--|------------------|----------------------|--|-------------------|---|
| <b>Tax</b>                            |  |                  |                      |  |                   |   |
| Cofins (26.1.1)                       | 234,563                                  | -                | -                    | -  | -                 | 234,563                                     |
| Others taxes                          | 86,916                                   | 22,404           | (42,317)             | -  | (852)             | 66,151                                      |
|                                       | <b>321,479</b>                           | <b>22,404</b>    | <b>(42,317)</b>      | -  | <b>(852)</b>      | <b>300,714</b>                              |
| <b>Labor</b>                          | <b>146,348</b>                           | <b>6,597</b>     | <b>(4,163)</b>       | -  | <b>(11,670)</b>   | <b>137,112</b>                              |
| <b>Employee benefits</b>              | <b>53,245</b>                            | <b>10,812</b>    | <b>(550)</b>         | -  | <b>(12,404)</b>   | <b>51,103</b>                               |
| <b>Civil</b>                          |  |                  |                      |  |                   |   |
| Suppliers (26.1.2)                    | 86,101                                   | 1,921            | (176)                | -  | -                 | 87,846                                      |
| Civil and administrative law          | 73,237                                   | 29,734           | (1,004)              | -  | (8,412)           | 93,555                                      |
| Easements                             | 9,065                                    | 1,319            | (5,108)              | -  | (484)             | 4,792                                       |
| Condemnation and real estate (26.1.3) | 132,709                                  | 5,595            | -                    | 11,941   | -                 | 150,245                                     |
| Customers                             | 5,305                                    | 807              | (638)                | -  | (18)              | 5,456                                       |
|                                       | <b>306,417</b>                           | <b>39,376</b>    | <b>(6,926)</b>       | <b>11,941</b>  | <b>(8,914)</b>    | <b>341,894</b>                              |
| <b>Environmental claims</b>           | <b>42</b>                                | <b>62</b>        | -                    | -  | -                 | <b>104</b>                                  |
| <b>Regulatory (26.1.4)</b>            | <b>38,847</b>                            | <b>12,156</b>    | <b>(4,677)</b>       | -  | -                 | <b>46,326</b>                               |
|                                       | <b>866,378</b>                           | <b>91,407</b>    | <b>(58,633)</b>      | <b>11,941</b>  | <b>(33,840)</b>   | <b>877,253</b>                              |

| <b>Parent company</b>      | <b>Balance as of<br/>January 1, 2012</b> | <b>Additions</b> | <b>Reversals</b> | <b>Balance as of<br/>September 30, 2012</b> |
|----------------------------|--|------------------|------------------|---|
| <b>Tax</b>                 |  |                  |                  |   |
| Cofins (26.1.1)            | 234,563                                  | -                | -                | 234,563                                     |
| Others taxes               | 40,042                                   | 9,144            | (4,200)          | 44,986                                      |
|                            | <b>274,605</b>                           | <b>9,144</b>     | <b>(4,200)</b>   | <b>279,549</b>                              |
| <b>Civil</b>               | <b>9,929</b>                             | <b>8,267</b>     | -                | <b>18,196</b>                               |
| <b>Regulatory (26.1.4)</b> | <b>10,821</b>                            | -                | -                | <b>10,821</b>                               |
|                            | <b>295,355</b>                           | <b>17,411</b>    | <b>(4,200)</b>   | <b>308,566</b>                              |

| <b>Parent company</b>      | <b>Balance as of<br/>January 1, 2011</b> | <b>Additions</b> | <b>Reversals</b> | <b>Discharge</b> | <b>Balance as of<br/>September 30, 2011</b> |
|----------------------------|--|------------------|------------------|------------------|---|
| <b>Tax</b>                 |  |                  |                  |                  |   |
| Cofins (26.1.1)            | 234,563                                  | -                | -                | -                | 234,563                                     |
| Others taxes               | 45,718                                   | 2,110            | (10,943)         | (517)            | 36,368                                      |
|                            | <b>280,281</b>                           | <b>2,110</b>     | <b>(10,943)</b>  | <b>(517)</b>     | <b>270,931</b>                              |
| <b>Civil</b>               | <b>7,883</b>                             | <b>2,498</b>     | -                | -                | <b>10,381</b>                               |
| <b>Regulatory (26.1.4)</b> | <b>10,296</b>                            | -                | -                | -                | <b>10,296</b>                               |
|                            | <b>298,460</b>                           | <b>4,608</b>     | <b>(10,943)</b>  | <b>(517)</b>     | <b>291,608</b>                              |

#### 26.1 Lawsuits with Likelihood of Losses deemed as probable

Details of the nature of the claims defended by the Company as of September 30, 2012 are consistent with those reported in Note 26 of the Annual Financial Statements as of December 31, 2011.

#### 26.1.1 Contribution for the Financing of Social Security - COFINS

##### **Lawsuit nº 10980.004398/2010-09 – Curitiba Federal Revenue Service Office**

In the second half of 2010, the 4<sup>th</sup> District Federal Court's ruling favorable to the Federal Government in lawsuit nº 2000.04.01.100266-9 became final, overturning the ruling in lawsuit nº 95.0011037-7 which had recognized the Company's immunity from payment of COFINS tax.

As a result of this ruling, on December 7, 2010 the Federal Revenue Service Office in Curitiba issued Notice nº 9/2010 to Copel, requesting payment of COFINS tax from August 1995 to December 1996.

This charge results from the Federal Revenue Service's understanding that Copel had declared in its corporate tax liability statement to be liable for R\$ 40,678 in COFINS taxes due over the disputed period and that the Service's statute of limitations for collection of this debt had been suspended since the ruling in lawsuit nº 95.0011037-7, which recognized the Company's immunity from the levy of COFINS, became final – this ruling was, however, overturned by the 4<sup>th</sup> District Federal Court in lawsuit nº 2000.04.01.100266-9.

This understanding by the Federal Revenue Service and the complexity and peculiarity of the facts and of the legal matter involved have led the Chief Legal Office's to consider the principal amount of R\$ 40,678 a probable loss.

On the other hand, the Company argues in its defense that the declarations contained in its tax liability statements were not acknowledgements of debt, because the liabilities at hand were already under legal dispute (lawsuit nº 95.0011037-7), and that the Federal Revenue Service's right to collect had already lapsed.

In order to suspend the liability for this tax credit an injunction was filed, number 5005264-27.2011.404.7000, with the lower federal courts in Curitiba, for which a sentence was given against Copel, and which recognized the right of the Superintendency of the Federal Revenue Services to examine the rejection by the Company of Tax Summons number 09/2010, without the need to be subject to the regular proceedings for the administrative rejections of the tax entries, which have a suspension effect and which are governed by the Double degree of administrative jurisdiction. The Company strategically opted not to appeal the decision so that it could file a motion to stay execution at court, where the discovery phase is more detailed and all necessary types of evidence can be produced.

Since Summons number 09/2010 was judged as valid by the Supreme Court, with respect to the principal sum for the COFINS debt, of R\$ 40,678, for the period August 1995 to December 1996, the debt has been registered as enforceable debt under number 90 6 11 018367-09.

The federal government brought tax collection proceedings for the debt included in notification 09/2010, case records number 5015930-53.2010.404.7000 at the second federal court, in the amount of R\$ 48,814. Copel then posted a judicial bond for the tax debt being collected and filed a motion to stay execution (case records number 5022933-59.2012.404.7000), which caused proceedings to be suspended until the motion is decided.

The interest and fines being charged on this tax debt are the object of administrative process number 11453.720001/2011-23, which amounted to R\$ 131,611 as of September 30, 2012. This amount was classified by the company's senior management as a loss deemed as possible, since there are independent judicial defenses for the principal amount and for the charges amount, and that there are strong arguments for the defense of the values related to interest and penalties.

A recent decision was rendered under this administrative proceeding (11453-720.001/2011-23), whereby the Second Panel of the First Chamber of the Third Section of the Administrative Board of Tax Appeals – CARF granted by majority voting the administrative appeal filed by Copel. As a result, the assessment of interest and fine applicable to the COFINS debt owed for the period from 1995/1996 which is being discussed under proceeding number 10980.004398/2010-09, was considered groundless. The National Treasury is entitled to file a special appeal at the Higher Chamber of Tax Appeals.

**Lawsuit nº 10980.720458/2011-15 – Curitiba Federal Revenue Service Office.**

In the second half of 2010, the 4<sup>th</sup> District Federal Court's ruling favorable to the Federal Government in lawsuit nº 2000.04.01.100266-9 became final, overturning the ruling in lawsuit nº 95.0011037-7 which had recognized the Company's immunity from payment of COFINS tax.

As a result of this sentence, the Federal Revenue Services filed the assessment, through which it intends to demand payment of COFINS for the period from October 1998 to June 2001, as a result of rescission claim 2000.04.01.100266-9 being accepted as legally valid.

The Federal Revenue Services understands that the sentence for the Rescission Claim had suspended the liability period for constituting the aforementioned tax credit.

This understanding of the Federal Revenue Services, together with the complexity and peculiarity of both the facts and the legal question involved in the process, explains the Legal Director's decision to consider the principal amount of R\$ 194,317 as representing a probable loss.

Nevertheless, the Company has argued in its defense, that the Federal Government no longer has the right to constitute this tax credit, given the lack of timely constitution of the tax credit, to prevent the liability period from lapsing.

The interest and penalties related to the abovementioned tax debt amount to R\$ 504.113 as of September 30, 2012, and it was classified as a loss deemed as possible by the company's senior management, and based on the opinion of their legal advisors, since there are independent defense lines for the principal amount and for the charges amount, and that there are strong arguments for the defense related to the values of interest and penalties.

A recent decision was rendered whereby the Second Panel of the Third Section of the Administrative Board of Tax Appeals – CARF granted by majority voting the administrative appeal filed by Copel to recognize that the statute of limitations to assess COFINS run out. The enforcement of this judgment is waiting for a decision on the motion for clarification filed by the National Treasury. The National Treasury can also file a special appeal at the Higher Chamber of Tax Appeals.

#### 26.1.2 Rio Pedrinho Energética S.A. and Consórcio Salto Natal Energética S.A.

The companies Rio Pedrinho Energética S.A. and Consórcio Salto Natal Energética S.A. required the filing of the arbitration proceedings with the Chamber of Arbitrage of the Fundação Getúlio Vargas, through which they plead the payment of the overdue installment values, as well as the cancellation fines, related to the electric energy purchase and sale agreements signed with Copel Distribuição. The arbitration proceedings were judged to be valid and, consequently, Copel Distribuição was sentenced to pay the claimed amounts plus the attorney's fees. The Company has filed for a court order at the Superior Court of Justice making the arbitration ruling void.

Given that both companies have identified the pledged amounts (R\$ 35,913 on June 17, 2010, R\$ 22,823 on October 1, 2009 and R\$ 11,833 on February 03, 2010), the legal directors have continued to classify the action as representing a probable loss, highlighting that the same bank bond letters were presented as guarantee for the amounts identified. In addition to the legal discussion, at the end of 2011 the remaining balance of R\$ 27,438 was executed and as a result a bank account was blocked. This execution was challenged by Copel Distribuição, which is the reason why management decided to record a financial provision for the legal claims, for the original value of the debts corrected to September 30, 2012, which amounts to R\$ 89,025. Of this amount, R\$ 19,656 has been recorded to suppliers.

Copel does not accept there is an outstanding balance. However, the judge of the 3<sup>rd</sup> Public Finance Court ruled the amount of R\$ 22,162 is outstanding, and released the amounts of R\$ 12,790 and R\$ 9,371 to the enforcement creditors on December 04, 2012, via a bank guarantee. The matter is still under consideration and has been subject to an appeal.

#### 26.1.3 Ivaí Engenharia de Obras S.A.

In a lawsuit filed before the 1<sup>st</sup> Fiscal Court of Curitiba, Ivaí Engenharia de Obras S.A. won the right to receive credits from Copel Geração e Transmissão in connection with the execution of contract

D-01, which comprised the Jordão River diversion works. These credits were compensation for a supposed economic and financial imbalance in the contract. Based on this ruling, Ivaí filed a separate collection lawsuit before the 4<sup>th</sup> Fiscal Court of Curitiba and obtained a ruling ordering Copel to pay the amount of R\$ 180,917, as of October 31, 2005, plus restatement by the average between the INPC and IGP-DI inflation indicators, delinquent interest of 1% a month, and 3.2% as legal fees.

Copel then obtained a preliminary injunction, issued by Minister Castro Meira of the Superior Court of Justice (Tribunal Superior de Justiça or STJ) under n<sup>o</sup> 15,372-PR, suspending the collection suit and the provisional enforcement requested by Ivaí.

The appeal claim, currently in progress in the Superior Court of Justice (Superior Tribunal de Justiça or STJ), covers the absence of economic and financial imbalance in the contract, as well as the nullity of the calculation performed by the judicial expert, who used wrong parameters to obtain the value of condemnation, causing interest rates to be applied in duplicity (Selic rate + interest rate). Although the Justice Court has dismissed the duplicity in the incidence of interest from the elaboration of the expert report, it did not examine the appeal reasoning that showed that the calculation contained within the expert report was wrong.

The company is currently waiting for the outcome of the Special Appeal it filed in the collection suit, under n<sup>o</sup> 1,096,906, whose rapporteur is Minister Castro Meira, with the resume of voting by Ministers Mauro Campbell Marques and Humberto Martins, after the unfavorable vote by the Minister who is rapporteur of the Special Appeal, published in 2011 and which awaits return of the claim to the Plenary after Minister Herman Benjamin requested to view the process.

In view of the unfavorable vote and of the analysis of previous decisions ruled by the other Ministers that participated in the trial, the Company's senior management, through a conservative approach, proceeded to a detailed review of the process course over the last months of 2011 and decided to remeasure the value to be provisioned, from R\$ 125,000, which represented the original value of the debt in question, adjusted with legal interest and restated by inflation indexes allowed by the Company, to R\$ 271,564, once considered the form of adjustment of the debt, which is still under discussion, only dismissing the incidence of interest in the expert's calculation, and maintaining the charge of Selic rate, and, from that point, restating the value to present day based on the parameters fixed on the judgment by the Justice Court of the State of Paraná – TJPR (interest + monetary restatement). Thus, the value provisioned reflects the expectation of the Company in the event of an unfavorable closure to this claim.



The accumulation of interest, in this case, Selic interest rate plus interest on arrears, is a situation rejected by the Judiciary Power, and it was already denied by the Supreme Justice Court (STJ) in numerous precedents. For this reason, it is also a conservative approach to consider as a possible risk the loss of the difference in the value deemed as probable and the eventual total value of the condemnation, which is R\$ 230,668, as of September 30, 2012.

In addition, an unfavorable decision was rendered on the special appeal number 1.121.458 filed according to specific court regulations, which in turn was filed in connection with the writ of certiorari filed for at the Superior Court of Justice and whose reporting judge was Justice Arnaldo Esteves Lima and aiming at a review of the action filed to revise a civil action decision. Copel seeks the reversal of the deficiency assessment claiming that the Treasury has no right to claim the difference because accords were reached at the administrative level. In August 2012 the Company filed a motion for clarification of the judgment passed on the appeal.

#### 26.1.4 Regulatory Claims

The Company is disputing, both administratively and judicially, notifications issued by the regulatory agency in connection with supposed regulatory violations, including the charge of R\$ 35,535 in lawsuits involving Companhia Estadual de Energia Elétrica - CEEE and Dona Francisca Energética S.A., in which ANEEL ruling nº 288/2002 is being disputed. The probable success in these lawsuits will result in changes in CCEE (Spot Market) accounting, which would require the recording of a reserve for these amounts, since Copel would be required to pay off the amounts due.

#### 26.2 Lawsuits with losses deemed as possible

| <b>Consolidated</b> | <b>09.30.2012</b> | <b>12.31.2011</b> |
|---------------------|-------------------|-------------------|
| Tax (26.2.1)        | 1,182,561         | 1,246,954         |
| Civil (26.2.2)      | 769,372           | 542,386           |
| Labor               | 238,723           | 176,448           |
| Employee benefits   | 39,917            | 37,788            |
| Regulatory          | 18,640            | 12,907            |
|                     | <b>2,249,213</b>  | <b>2,016,483</b>  |

#### **Breakdown of the main lawsuits with losses deemed as possible:**

##### 26.2.1 Tax claims

- Lawsuit nº 11453.720001/2011-23 and nº 10980720458/2011-15, arose from the result of COFINS, Rescission Claim nº 2000.04.01.100266.9 in the value of R\$ 659,146. This value is related to interest and penalties whose main debt is provisioned in the financial statements due to its classification as a probable loss, however, in view of the strong arguments for the defense over the payment of these charges, it is classified as possible. Additional information on this process is described on item 26.1.1 in this same report;

- Fiscal requirements according to Fiscal Notification of Debt Record – NFLD nº 35.273.870-7, with approximate value of R\$ 181,014, authored by the National Institute of Social Security – INSS, against Copel, and related to the fiscal execution of social contribution;
- Fiscal requirements according to NFLD nº 35.273.876-6, with approximate value of R\$ 63,667 on September 30, 2012, authored by the INSS, against Copel, and related to the fiscal execution of social contribution levied upon labor transfer.

#### 26.2.2 Civil claims

- Civil claim related to the indemnification lawsuit nº 166-53.2011.8.16.0122, authored by Mineradora Tibagiana Ltda, and whose defendant is the Consórcio Energético Cruzeiro do Sul – CECS. Copel Geração e Transmissão bears 51% of the total risk of the lawsuit, which equals to R\$ 214,988, restated as of September 30, 2012. The author claims being the owner of a mining decree issued by the National Department of Mineral Production – DNPM, and defends that with the mining decree, it is the legitimate holder of ownership and control of the area around Tibagi River. The indemnification claimed refers to alleged losses in the company's mining operations due to the construction work of the Mauá Power Plant. The case records have been with the judge since July 24, 2012.
- Ivaí Engenharia de Obras S.A – Lawsuit which consists on the claim for compensation for an alleged imbalance in the financial economical equation in the contract signed with Copel. The company's senior management classified as a risk of possible loss for this lawsuit the value of R\$ 230,668. Additional information of this process is described in Note nº 26.1.3, in this same report.
- Vitor Cezar Jorge Medeiros filed a suit contesting the franchise agreement with Copel and applying for recognition of the subconcession, including transfer of the services and full pass-through of rates, amongst other amounts. In case records 5017789-75.2010.404.7000, the judge of the 4<sup>th</sup> Federal Court of Curitiba partially accepted the application and ruled the franchise agreement was invalid, transferring Copel's public service concession to the plaintiff between July 2001 and September 2005 in the municipalities and locations of Faxinal, Mauá da Serra, Rosário do Ivaí, Rio Branco do Ivaí, Grandes Rios, Cruzmaltina, Nova Amoreira and São José (Municipality of Marilândia do Sul), with Copel subsequently being ordered to pay the rates during the period, including interest and monetary restatement, in addition to returning the amounts improperly charged as a franchise fee, and the amounts deposited in the advertising fund, including interest and monetary restatement. Copel appealed the sentence at the Federal Regional Court of the Fourth Region – TRF4, whose ruling was fully favorable to the Company.

## **27 Shareholders' Equity**

### 27.1 Equity attributable to Parent Company

### 27.1.1 Stock Capital

As of September 30, 2012 (and December 31, 2011), Copel's paid-in share capital was R\$ 6,910,000. The different classes of shares (with no par value) and main shareholders are detailed below:

| Shareholders               | Common             |              | Classe A Preferred |               | Classe B Preferred |               | In shares<br>Total |               |
|----------------------------|--------------------|--------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
|                            |                    | %            |                    | %             |                    | %             |                    | %             |
| State of Paraná            | 85,028,598         | 58.63        | -                  | -             | 13,639             | 0.01          | 85,042,237         | 31.08         |
| BNDSPAR                    | 38,298,775         | 26.41        | -                  | -             | 27,282,006         | 21.27         | 65,580,781         | 23.96         |
| Eletrobras                 | 1,530,774          | 1.06         | -                  | -             | -                  | -             | 1,530,774          | 0.56          |
| Free Float:                |                    |              |                    |               |                    |               |                    |               |
| BM&FBOVESPA <sup>(1)</sup> | 19,509,165         | 13.45        | 129,467            | 33.91         | 60,361,791         | 47.07         | 80,000,423         | 29.23         |
| NYSE <sup>(2)</sup>        | 112,049            | 0.08         | -                  | -             | 40,460,206         | 31.55         | 40,572,255         | 14.83         |
| Latibex <sup>(3)</sup>     | -                  | -            | -                  | -             | 84,402             | 0.07          | 84,402             | 0.03          |
| Municipalities             | 178,393            | 0.12         | 9,326              | 2.44          | 3,471              | 0.00          | 191,190            | 0.07          |
| Other shareholders         | 373,326            | 0.25         | 243,017            | 63.65         | 36,970             | 0.03          | 653,313            | 0.24          |
|                            | <b>145,031,080</b> | <b>99.99</b> | <b>381,810</b>     | <b>100.00</b> | <b>128,242,485</b> | <b>100.00</b> | <b>273,655,375</b> | <b>100.00</b> |

<sup>(1)</sup> São Paulo Stock, Commodities, and Futures Exchange

<sup>(2)</sup> New York Stock Exchange

<sup>(3)</sup> Latin American Exchange in Euros, related to the Madrid Exchange

The market value of Company stock as of September 30, 2012, is shown below:

|                            | Number of shares in units | Market Value     |
|----------------------------|---------------------------|------------------|
| Common shares              | 145,031,080               | 4,030,385        |
| Class "A" preferred shares | 381,810                   | 14,944           |
| Class "B" preferred shares | 128,242,485               | 4,254,642        |
|                            | <b>273,655,375</b>        | <b>8,299,971</b> |

Each common share entitles its holder to one vote in the general shareholders' meetings. Preferred shares, which do not carry voting rights, are divided into classes A and B.

Class "A" preferred shares have priority in the reimbursement of capital and distribution of dividends of 10% p.a. (non cumulative), calculated proportionately to the capital represented by the shares of this class.

Class "B" preferred shares have priority in the reimbursement of capital and the right to the distribution of dividends, calculated as 25% of adjusted net income, pursuant to the corporate legislation and to the Company's by-laws, calculated proportionately to the capital represented by the shares of this class. Class "B" shareholders have priority only over the common shareholders in the distribution of mandatory dividends, which shall only be paid out of the remaining net income after the payment of priority dividends to class "A" shareholders.

According to Article 17 and following paragraphs of Federal Law 6,404/76, dividends paid to preferred shares must be at least 10% higher than those paid to common shares.

### 27.1.2 Equity Valuation Adjustments

The Company recognized the fair value adjustment of its property, plant and equipment of the date of the first-time adoption of the IFRSs. A counterpart entry to this adjustment, net of deferred income tax and social contribution, was recorded in the equity valuation adjustments account, under equity. The realization is accounted for in the retained earnings account, as depreciation and write-off of the property, plant, and equipment fair value adjustment are recorded to income.

The change in this account includes the adjustments resulting from changes in fair value of the financial assets classified as available for sale, which consist of other comprehensive income of the Company.

|  | Parent<br>Company | Consolidated     |
|--|-------------------|------------------|
| <b>Balance as of January 1, 2012</b>                                   | <b>1,457,081</b>  | <b>1,457,081</b> |
| Adjustment rel. to financial assets classified as available for sale:  |                   |                  |
| Financial Investments - Copel Geração e Transmissão (*)                | 1,273             | 1,928            |
| Taxes on gains on financial assets                                     | -                 | (655)            |
| Financial Investments - Copel Distribuição (*)                         | (6)               | (10)             |
| Taxes on gains on financial assets                                     | -                 | 4                |
| Accounts receivable related to the concession - Copel Distribuição (*) | (8,657)           | (13,116)         |
| Taxes on gains on financial assets                                     | -                 | 4,459            |
| Financial Investments Held for Sale - Copel                            | 148               | 148              |
| Taxes on gains on financial assets                                     | (51)              | (51)             |
| Realization of equity evaluation adjustments:                          |                   |                  |
| Cost assigned - Copel Geração e Transmissão (*)                        | (76,614)          | (116,081)        |
| Taxes on making adjustments  | -                 | 39,467           |
| Cost assigned - Dominó Holdings (*)                                    | (467)             | (707)            |
| Taxes on making adjustments  | -                 | 240              |
| <b>Balance as of September 30, 2012</b>                                | <b>1,372,707</b>  | <b>1,372,707</b> |

(\*) Equitily in the parent company, net of taxes

|  | Parent<br>Company | Consolidated     |
|--|-------------------|------------------|
| <b>Balance as of January 1, 2011</b>                                   | <b>1,559,516</b>  | <b>1,559,516</b> |
| Adjustment rel. to financial assets classified as available for sale:  |                   |                  |
| Accounts receivable related to the concession - Copel Distribuição (*) | (1,598)           | (2,421)          |
| Taxes on gains on financial assets                                     | -                 | 823              |
| Realization of equity evaluation adjustments:                          |                   |                  |
| Cost assigned - Copel Geração e Transmissão (*)                        | (61,601)          | (93,335)         |
| Taxes on making adjustments  | -                 | 31,734           |
| Cost assigned - Dominó Holdings (*)                                    | (1,052)           | (1,594)          |
| Taxes on making adjustments  | -                 | 542              |
| <b>Balance as of September 30, 2011</b>                                | <b>1,495,265</b>  | <b>1,495,265</b> |

(\*) Equitily in the parent company, net of taxes

27.1.3 Basic and diluted profit per share

|   | <b>Parent Company</b> |                    |
|---|-----------------------|--------------------|
|   | <b>09.30.2012</b>     | <b>09.30.2011</b>  |
| <b>Basic and diluted numerator</b>  |                       |                    |
| Basic and diluted net income per share category, attributable to parent company |                       |                    |
| Class "A" preferred shares  | 1,188                 | 1,453              |
| Class "B" preferred shares  | 397,006               | 480,427            |
| Common shares   | 408,169               | 493,951            |
|   | <b>806,363</b>        | <b>975,831</b>     |
| <b>Basic and diluted denominator</b>  |                       |                    |
| Weighted average number of shares (in thousands)                                |                       |                    |
| Class "A" preferred shares  | 383,736               | 388,140            |
| Class "B" preferred shares  | 128,240,559           | 128,236,155        |
| Common shares   | 145,031,080           | 145,031,080        |
|   | <b>273,655,375</b>    | <b>273,655,375</b> |
| <b>Basic and diluted earning per share attributable to Parent Company</b>       |                       |                    |
| Class "A" preferred shares  | 3.0959                | 3.7435             |
| Class "B" preferred shares  | 3.0958                | 3.7464             |
| Common shares   | 2.8144                | 3.4058             |

The weighted average amount of common shares used in the calculation of the basic earnings per share is reconciled with the weighted average amount of common shares used in the calculation of diluted earnings per share, since there are no financial instruments with diluting potential.

## 27.2 Equity attributable to non-controlling interest

| <b>Consolidated</b>                     | <b>Compagas</b> | <b>Elejor</b> | <b>UEG Araucária</b> | <b>Total</b>   |
|---|-----------------|---------------|----------------------|----------------|
| <b>Balance as of January 1, 2012</b>    | <b>101,175</b>  | <b>14,215</b> | <b>127,444</b>       | <b>242,834</b> |
| Interim dividends                       | -               | (1,192)       | -                    | (1,192)        |
| Results for the period                  | 7,365           | 6,780         | 3,501                | 17,646         |
| <b>Balance as of September 30, 2012</b> | <b>108,540</b>  | <b>19,803</b> | <b>130,945</b>       | <b>259,288</b> |

| <b>Consolidated</b>   | <b>Compagas</b> | <b>Elejor</b> | <b>UEG Araucária</b> | <b>Total</b>   |
|---|-----------------|---------------|----------------------|----------------|
| <b>Balance as of January 1, 2011</b>                        | <b>95,393</b>   | <b>41,464</b> | <b>128,846</b>       | <b>265,703</b> |
| Reimbursement of advance for future capital increase - AFAC | -               | (30,814)      | -                    | (30,814)       |
| Proposed dividends  | (6,334)         | -             | -                    | (6,334)        |
| Results for the period                                      | 12,634          | 90            | (465)                | 12,259         |
| <b>Balance as of September 30, 2011</b>                     | <b>101,693</b>  | <b>10,740</b> | <b>128,381</b>       | <b>240,814</b> |

## 28 Operating Revenues

| Consolidated   | Gross revenues   | PIS/Pasep & Cofins taxes | ICMS (VAT)         | Regulatory charges (28.5) | Service tax (ISSQN) | Net revenues      |
|--|------------------|--------------------------|--------------------|---------------------------|---------------------|-------------------|
|  |                  |                          |                    |                           |                     | <b>09.30.2012</b> |
| Electricity sales to final customers (28.1)              | 3,029,438        | (280,489)                | (850,673)          | (74,338)                  | -                   | 1,823,938         |
| Electricity sales to distributors (28.2)                 | 1,410,405        | (132,089)                | (195)              | (47,612)                  | -                   | 1,230,509         |
| Charges for the use of the main transmission grid (28.3) | 3,962,457        | (356,251)                | (920,898)          | (483,198)                 | -                   | 2,202,110         |
| Construction revenues                                    | 383,268          | -                        | -                  | -                         | -                   | 383,268           |
| Revenues from telecommunications                         | 120,469          | (6,320)                  | (21,351)           | -                         | (281)               | 92,517            |
| Distribution of piped gas                                | 304,480          | (27,993)                 | (36,865)           | -                         | -                   | 239,622           |
| Other operating revenues (28.4)                          | 154,664          | (16,542)                 | (3)                | -                         | (967)               | 137,152           |
|  | <b>9,365,181</b> | <b>(819,684)</b>         | <b>(1,829,985)</b> | <b>(605,148)</b>          | <b>(1,248)</b>      | <b>6,109,116</b>  |

| Consolidated   | Gross revenues   | PIS/Pasep & Cofins taxes | ICMS (VAT)         | Regulatory charges (28.5) | Service tax (ISSQN) | Net revenues      |
|--|------------------|--------------------------|--------------------|---------------------------|---------------------|-------------------|
|  |                  |                          |                    |                           |                     | <b>09.30.2011</b> |
| Electricity sales to final customers (28.1)              | 2,748,977        | (256,507)                | (733,388)          | (22,219)                  | -                   | 1,736,863         |
| Electricity sales to distributors (28.2)                 | 1,216,704        | (114,579)                | (296)              | (45,126)                  | -                   | 1,056,703         |
| Charges for the use of the main transmission grid (28.3) | 3,865,352        | (350,463)                | (955,923)          | (515,482)                 | -                   | 2,043,484         |
| Construction revenues                                    | 476,592          | -                        | -                  | -                         | -                   | 476,592           |
| Revenues from telecommunications                         | 112,835          | (6,892)                  | (18,347)           | -                         | (459)               | 87,137            |
| Distribution of piped gas                                | 254,791          | (23,200)                 | (31,964)           | -                         | (8)                 | 199,619           |
| Other operating revenues (28.4)                          | 99,425           | (9,553)                  | (1)                | (6,886)                   | (769)               | 82,216            |
|  | <b>8,774,676</b> | <b>(761,194)</b>         | <b>(1,739,919)</b> | <b>(589,713)</b>          | <b>(1,236)</b>      | <b>5,682,614</b>  |

### 28.1 Electric power sales to final customers by category

| Electric power supply                     | Gross income     |                  | Net income       |                  |
|---|------------------|------------------|------------------|------------------|
|   | 09.30.2012       | 09.30.2011       | 09.30.2012       | 09.30.2011       |
| Residential                               | 955,767          | 917,277          | 575,440          | 579,555          |
| Industrial                                | 1,052,329        | 921,684          | 633,577          | 582,340          |
| Commercial, services and other activities | 676,899          | 601,807          | 407,542          | 380,235          |
| Rural                                     | 127,840          | 116,786          | 76,969           | 73,788           |
| Public agencies                           | 81,451           | 77,112           | 49,039           | 48,721           |
| Public lighting                           | 68,158           | 56,440           | 41,036           | 35,660           |
| Public services                           | 66,994           | 57,871           | 40,335           | 36,564           |
|   | <b>3,029,438</b> | <b>2,748,977</b> | <b>1,823,938</b> | <b>1,736,863</b> |

### 28.2 Power sales to distributors

| Consolidated   | Gross income     |                  |
|--|------------------|------------------|
|  | 09.30.2012       | 09.30.2011       |
| Agreements for Power Trade on the Regulated Market - CCEAR (auction) | 975,438          | 936,284          |
| Bilateral contracts  | 203,798          | 176,021          |
| Electric Energy Trading Chamber - CCEE                               | 231,169          | 104,399          |
|  | <b>1,410,405</b> | <b>1,216,704</b> |

### 28.3 Use of the power grid by customer category

| Availability of grid<br>Consolidated               | Gross income     |                  | Net income       |                  |
|--|------------------|------------------|------------------|------------------|
|  | 09.30.2012       | 09.30.2011       | 09.30.2012       | 09.30.2011       |
| Residential  | 1,245,004        | 1,194,599        | 691,903          | 631,545          |
| Industrial   | 963,459          | 1,066,256        | 535,435          | 563,694          |
| Commercial, services and other activities          | 840,594          | 818,130          | 467,155          | 432,518          |
| Rural  | 174,001          | 158,037          | 96,700           | 83,549           |
| Public agencies                                    | 106,867          | 104,641          | 59,391           | 55,320           |
| Public lighting                                    | 82,126           | 81,216           | 45,641           | 42,936           |
| Public services                                    | 80,724           | 78,546           | 44,862           | 41,525           |
| Free consumers                                     | 153,748          | 152,644          | 85,444           | 80,698           |
| Basic Network, BN connections, and connection grid | 1,876            | 1,956            | 1,043            | 1,034            |
| Operation and maintenance (O&M) revenues           | 38,298           | 33,113           | 21,284           | 17,506           |
| Effective interest revenues                        | 275,760          | 176,214          | 153,252          | 93,159           |
|  | <b>3,962,457</b> | <b>3,865,352</b> | <b>2,202,110</b> | <b>2,043,484</b> |

### 28.4 Other operating revenues

| Consolidated                 | Gross income   |               |
|------------------------------|----------------|---------------|
|                              | 09.30.2012     | 09.30.2011    |
| Leases and rents (Note 32.2) | 111,009        | 66,475        |
| Revenues from services       | 35,702         | 28,103        |
| Charged service              | 5,993          | 3,641         |
| Other revenues               | 1,960          | 1,206         |
|                              | <b>154,664</b> | <b>99,425</b> |

### 28.5 Regulatory Charges

|   | Consolidated   |                |
|---|----------------|----------------|
|   | 09.30.2012     | 09.30.2011     |
| Fuel Consumption Account (CCC)  | 238,133        | 257,111        |
| Energy Development Account (CDE)  | 211,585        | 187,078        |
| Global Reversal Reserve (RGR)   | 89,021         | 84,275         |
| Research and Development and Energy Efficiency Programs - R&D and EEP (Note 23.2) | 54,938         | 50,497         |
| Other charges   | 11,471         | 10,752         |
|   | <b>605,148</b> | <b>589,713</b> |

## 29 Operating Costs and Expenses

Consolidated operating costs and expenses are as follows:

| Nature of costs and expenses                          | Costs of goods and/o services | Sales expenses  | General and administrative expenses | Other rev. (exp.), net | Total consolidated |
|---|-------------------------------|-----------------|-------------------------------------|------------------------|--------------------|
|   |                               |                 |                                     |                        | <b>09.30.2012</b>  |
| Electricity purchased for resale (29.1)               | (1,970,725)                   | -               | -                                   | -                      | (1,970,725)        |
| Use of main distribution and transmission grid (29.2) | (559,174)                     | -               | -                                   | -                      | (559,174)          |
| Personnel and management (29.3)                       | (606,951)                     | (6,515)         | (174,694)                           | -                      | (788,160)          |
| Pension and healthcare plans (Note 21)                | (94,193)                      | (672)           | (26,727)                            | -                      | (121,592)          |
| Materials and supplies (29.4)                         | (44,794)                      | (308)           | (7,394)                             | -                      | (52,496)           |
| Materials and supplies for power                      | (18,563)                      | -               | -                                   | -                      | (18,563)           |
| Natural gas and supplies for the gas business         | (183,088)                     | -               | -                                   | -                      | (183,088)          |
| Third-party services (29.5)                           | (222,909)                     | (28,258)        | (52,411)                            | -                      | (303,578)          |
| Depreciation and amortization                         | (384,079)                     | (31)            | (26,513)                            | (1,113)                | (411,736)          |
| Accruals and provisions (29.6)                        | -                             | 182             | -                                   | (113,976)              | (113,794)          |
| Construction cost (29.7)                              | (379,214)                     | -               | -                                   | -                      | (379,214)          |
| Other costs and expenses (29.8)                       | (4,248)                       | 4,136           | (63,283)                            | (114,103)              | (177,498)          |
|   | <b>(4,467,938)</b>            | <b>(31,466)</b> | <b>(351,022)</b>                    | <b>(229,192)</b>       | <b>(5,079,618)</b> |

| Nature of costs and expenses                          | Costs of goods and/o services | Sales expenses  | General and administrative expenses | Other rev. (exp.), net | Total consolidated |
|---|-------------------------------|-----------------|-------------------------------------|------------------------|--------------------|
|   |                               |                 |                                     |                        | <b>09.30.2011</b>  |
| Electricity purchased for resale (29.1)               | (1,611,531)                   | -               | -                                   | -                      | (1,611,531)        |
| Use of main distribution and transmission grid (29.2) | (473,562)                     | -               | -                                   | -                      | (473,562)          |
| Personnel and management (29.3)                       | (520,731)                     | (5,453)         | (151,242)                           | -                      | (677,426)          |
| Pension and healthcare plans (Note 21)                | (75,727)                      | (540)           | (21,064)                            | -                      | (97,331)           |
| Materials and supplies (29.4)                         | (51,467)                      | (519)           | (6,674)                             | -                      | (58,660)           |
| Materials and supplies for power                      | (20,149)                      | -               | -                                   | -                      | (20,149)           |
| Natural gas and supplies for the gas business         | (132,925)                     | -               | -                                   | -                      | (132,925)          |
| Third-party services (29.5)                           | (188,869)                     | (22,789)        | (63,805)                            | -                      | (275,463)          |
| Depreciation and amortization                         | (383,920)                     | (30)            | (22,917)                            | (1,113)                | (407,980)          |
| Accruals and provisions (29.6)                        | -                             | (32,513)        | -                                   | (48,907)               | (81,420)           |
| Construction cost (29.7)                              | (475,228)                     | -               | -                                   | -                      | (475,228)          |
| Other costs and expenses (29.8)                       | (692)                         | 2,986           | (57,068)                            | (169,127)              | (223,901)          |
|   | <b>(3,934,801)</b>            | <b>(58,858)</b> | <b>(322,770)</b>                    | <b>(219,147)</b>       | <b>(4,535,576)</b> |



The table below features the balances of costs and expenses of the Parent Company, breaking down by expense category:

| <b>Nature of costs and expenses</b> | <b>General and administrative expenses</b> | <b>Other rev. (exp.), net</b> | <b>Total parent company</b> |
|-------------------------------------|--|-------------------------------|-----------------------------|
|                                     |  |                               | <b>09.30.2012</b>           |
| Personnel and management (29.3)     | (6,859)                                    | -                             | (6,859)                     |
| Pension and healthcare plans        | (403)                                      | -                             | (403)                       |
| Materials and supplies              | (32)                                       | -                             | (32)                        |
| Third-party services                | (2,417)                                    | -                             | (2,417)                     |
| Depreciation and amortization       | -  | (566)                         | (566)                       |
| Accruals and provisions (29.6)      | -  | (13,211)                      | (13,211)                    |
| Other operating expenses            | (7,608)                                    | 467                           | (7,141)                     |
|                                     | <b>(17,319)</b>                            | <b>(13,310)</b>               | <b>(30,629)</b>             |

| <b>Nature of costs and expenses</b> | <b>General and administrative expenses</b> | <b>Other rev. (exp.), net</b> | <b>Total parent company</b> |
|-------------------------------------|--|-------------------------------|-----------------------------|
|                                     |  |                               | <b>09.30.2011</b>           |
| Personnel and management (29.3)     | (5,710)                                    | -                             | (5,710)                     |
| Pension and healthcare plans        | (443)                                      | -                             | (443)                       |
| Materials and supplies              | (37)                                       | -                             | (37)                        |
| Third-party services                | (3,225)                                    | -                             | (3,225)                     |
| Depreciation and amortization       | -  | (566)                         | (566)                       |
| Accruals and provisions (29.6)      | -  | 6,335                         | 6,335                       |
| Other operating expenses            | (8,541)                                    | 148                           | (8,393)                     |
|                                     | <b>(17,956)</b>                            | <b>5,917</b>                  | <b>(12,039)</b>             |

#### 29.1 Electricity purchased for resale

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| Itaipu Binational   | 364,616             | 338,208           |
| Contracts for the Sale of Energy in the Regulated Environment - CCEAR | 1,385,552           | 1,171,717         |
| Electric Energy Trading Chamber - CCEE                                | 166,164             | 25,355            |
| Bilateral contracts   | 150,092             | 142,121           |
| Program for incentive to alternative energy sources - Proinfa         | 107,512             | 84,789            |
| (-) PIS/Pasep/Cofins taxes on electricity purchased for resale        | (203,211)           | (150,659)         |
|   | <b>1,970,725</b>    | <b>1,611,531</b>  |

## Charges for use of transmission grid

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| System usage charges – basic network and connection         | 109,849             | 162,328           |
| System usage charges – distribution                         | 405,854             | 303,529           |
| Itaipu transportation charges                               | 33,491              | 31,183            |
| System Service Charges - ESS                                | 26,868              | 9,894             |
| Charge reserve energy - EER                                 | 40,226              | 10,486            |
| (-) PIS/Pasep/Cofins taxes on charges for use of power grid | (57,114)            | (43,858)          |
|   | <b>559,174</b>      | <b>473,562</b>    |

## 29.2 Personnel and Management Expenses

|   | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <b>09.30.2012</b>     | <b>09.30.2011</b> | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| <b>Personnel</b>  |                       |                   |                     |                   |
| Wages and salaries                                      | -                     | -                 | 542,761             | 439,878           |
| Social charges on payroll                               | -                     | -                 | 202,644             | 154,760           |
|   |                       |                   | <b>745,405</b>      | <b>594,638</b>    |
| Provisions for profit sharing                           | -                     | -                 | 40,228              | 69,912            |
| Meal assistance and education allowance                 | -                     | -                 | 60,515              | 50,268            |
| Compensation - Voluntary termination Program/retirement | -                     | -                 | 20,526              | 50,748            |
|   |                       |                   | <b>866,674</b>      | <b>765,566</b>    |
| (-) Transfers to construction in progress (a)           | -                     | -                 | (89,040)            | (96,233)          |
|   |                       |                   | <b>777,634</b>      | <b>669,333</b>    |
| <b>Management</b>                                       |                       |                   |                     |                   |
| Wages and salaries                                      | 4,102                 | 4,509             | 6,852               | 6,569             |
| Social charges on payroll                               | 1,404                 | 1,201             | 2,063               | 1,524             |
| Other expenses  | 1,353                 | -                 | 1,611               | -                 |
|   | <b>6,859</b>          | <b>5,710</b>      | <b>10,526</b>       | <b>8,093</b>      |
|   | <b>6,859</b>          | <b>5,710</b>      | <b>788,160</b>      | <b>677,426</b>    |

- a) Amount related to the allocation of construction in progress direct labor, not taking into account administrative expenses.

## 29.3 Materials

|                                   | <b>Consolidated</b> |                   |
|-----------------------------------|---------------------|-------------------|
|                                   | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| Fuel and vehicle parts            | 20,758              | 19,057            |
| Materials for the electric system | 11,438              | 17,925            |
| IT equipment                      | 2,166               | 1,080             |
| Other materials                   | 18,134              | 20,598            |
|                                   | <b>52,496</b>       | <b>58,660</b>     |

## 29.4 Services from third-parties

|  | <b>Consolidated</b> |                   |
|--|---------------------|-------------------|
|  | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| Maintenance of electrical system                   | 81,580              | 65,757            |
| Maintenance of facilities                          | 55,028              | 48,612            |
| Meter reading and bill delivery                    | 26,545              | 18,534            |
| Authorized and registered agents                   | 23,795              | 19,034            |
| Communication, processing and transmission of data | 33,152              | 39,525            |
| Consulting and audit                               | 19,339              | 21,688            |
| Other services                                     | 64,139              | 62,313            |
|  | <b>303,578</b>      | <b>275,463</b>    |

## 29.5 Accruals and provisions

|   | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <b>09.30.2012</b>     | <b>09.30.2011</b> | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| <b>Provisions (reversals) for doubtful accounts</b>           |                       |                   |                     |                   |
| Trade account receivable                                      | -                     | -                 | (668)               | 32,415            |
| Other receivables   | -                     | -                 | 485                 | 98                |
|   | -                     | -                 | <b>(183)</b>        | <b>32,513</b>     |
| <b>Provisions (reversals) for losses on taxes recoverable</b> | -                     | -                 | <b>(3,882)</b>      | <b>16,133</b>     |
| <b>Reserve (reversals) for risks (Note 26)</b>                |                       |                   |                     |                   |
| Cofins  | -                     | -                 | 8,568               | -                 |
| Tax   | 4,944                 | (8,833)           | 10,572              | (19,913)          |
| Labor   | -                     | -                 | 32,561              | 2,434             |
| Employee benefits   | -                     | -                 | 29,201              | 10,262            |
| Suppliers   | -                     | -                 | (18,634)            | 1,745             |
| Civil and administrative claims                               | 8,267                 | 2,498             | 24,491              | 28,730            |
| Easement of necessity   | -                     | -                 | 632                 | (3,789)           |
| Expropriation and equity                                      | -                     | -                 | 28,409              | 5,595             |
| Customers   | -                     | -                 | 1,917               | 169               |
| Environmental   | -                     | -                 | 82                  | 62                |
| Regulatory  | -                     | -                 | 60                  | 7,479             |
|   | <b>13,211</b>         | <b>(6,335)</b>    | <b>117,859</b>      | <b>32,774</b>     |
|   | <b>13,211</b>         | <b>(6,335)</b>    | <b>113,794</b>      | <b>81,420</b>     |

### 29.6 Cost of construction

The table below shows the balances of the cost of construction allocated to the respective types of expenditure:

|                          | <b>Consolidated</b> |                   |
|--------------------------|---------------------|-------------------|
|                          | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| Materials and supplies   | 174,020             | 276,258           |
| Third-party services     | 121,553             | 137,232           |
| Personnel and management | 54,032              | 48,059            |
| Other                    | 29,609              | 13,679            |
|                          | <b>379,214</b>      | <b>475,228</b>    |

### 29.7 Other operating costs and expenses

|  | <b>Consolidated</b> |                   |
|--|---------------------|-------------------|
|  | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| Financial compensation for use of water resources                                      | 77,329              | 94,254            |
| Indemnities  | 23,566              | 31,101            |
| Taxes  | 22,649              | 14,669            |
| Leases and rents (Note 32.1)   | 20,495              | 13,236            |
| ANEEL inspection fee   | 16,281              | 14,614            |
| Provision (reversals) for losses - receivables related to concession                   | 8,145               | 5,464             |
| Sports incentives, Rouanet Law and fund for the rights of children and teenagers - FIA | 7,528               | 2,510             |
| Advertising  | 5,812               | 3,173             |
| Losses in the decommissioning and disposal of assets                                   | 1,988               | 48,092            |
| Recovery of costs and expenses   | (34,951)            | (30,944)          |
| Other costs and expenses, net  | 28,656              | 27,732            |
|  | <b>177,498</b>      | <b>223,901</b>    |

### 30 Financial Income (Expenses)

|   | Parent Company |                 | Consolidated   |                |
|---|----------------|-----------------|----------------|----------------|
|   | 09.30.2012     | 09.30.2011      | 09.30.2012     | 09.30.2011     |
| <b>Financial income</b>   |                |                 |                |                |
| Monetary variation of CRC transfer (Note 7)                                   | -              | -               | 159,671        | 119,193        |
| Monetary variation of receivables related to concession                       | -              | -               | 157,346        | 79,951         |
| Penalties on overdue bills  | -              | -               | 97,041         | 50,305         |
| Return on financial investments held for trading                              | 1,444          | 3,063           | 69,468         | 167,790        |
| Return on financial investments held for sale                                 | 10             | 13              | 10,545         | 11,418         |
| Return on financial investments held until maturity                           | -              | -               | 777            | 2,636          |
| Interest and commissions on loan agreements                                   | 76,990         | 81,026          | -              | -              |
| Other financial income  | 7,904          | 8,762           | 29,127         | 28,909         |
|   | <b>86,348</b>  | <b>92,864</b>   | <b>523,975</b> | <b>460,202</b> |
| <b>(-) Financial expenses</b>   |                |                 |                |                |
| Fair value update of accounts receivable related to concession (Note 8.2)     | -              | -               | 245,991        | -              |
| Debt charges  | 66,784         | 94,706          | 95,716         | 115,184        |
| Monetary variation of payables related to concession - use of public property | -              | -               | 61,670         | 61,696         |
| Interest on R&D and EEP   | -              | -               | 11,687         | 14,005         |
| Monetary and exchange variations  | 9              | 1               | 11,418         | 19,104         |
| Other financial expenses  | 2,225          | 59,516          | 11,456         | 84,370         |
|   | <b>69,018</b>  | <b>154,223</b>  | <b>437,938</b> | <b>294,359</b> |
|   | <b>17,330</b>  | <b>(61,359)</b> | <b>86,037</b>  | <b>165,843</b> |

The costs of loans and financing capitalized during the year of 2012 amounted to R\$ 53,503, at an average rate of 8.14% p.a.

### 31 Operating Segments

#### 31.1 Products and services which generate revenues for the reportable segments

The Company operates in five reportable segments identified by management, through the Chief Executive Office and the chief offices of each business area, taking into consideration the regulatory environments, the strategic business units, and the different products and services. These segments are managed separately, since each business and each company requires different technologies and strategies.

In the quarter ended September 30, 2012 all sales were made within Brazilian territory.

We have not identified any customer who individually accounts for more than 10% of total net revenues during the nine-month period ended September 30, 2012.

The Group's reporting segments are:

**Power generation and transmission (GeT)** - this segment comprises the generation of electric energy from hydraulic, wind, and thermal projects, the transport and transformation of the power generated by the Company, and the construction, operation, and maintenance of all power transmission substations and lines. This segment operates through Copel Geração e Transmissão, Elejor, UEG Araucária, Centrais Eólicas do Paraná, Costa Oeste, Marumbi, Sul Brasileira, Cutia, Integração Maranhense, Matrinchã and Guaraciaba;

**Power distribution and sales (DIS)** - this segment comprises the distribution and sale of electric energy, the operation and maintenance of the distribution infrastructure, and related services. It operates through Copel Distribuição;

**Telecommunications (TEL)** - this segment comprises telecommunications and general communications services. It operates through Copel Telecomunicações;

**Gas** - this segment comprises the public service of piped natural gas distribution. It operates through Compagas; and

**Holding Company (HOL)** - this segment comprises participation in other companies. It operates through Copel and Dominó Holdings.

The Company evaluates the performance of each segment based on information derived from accounting records.

The accounting policies of the operational segments are the same as those described in Note 2 and record transactions between segments as transactions with third-parties, i.e., at current market prices.

### 31.2 Assets per reporting segment

| ASSETS  | GET               | DIS              | TEL            | GÁS            | HOL               | Eliminations        | Consolidated      |
|---|-------------------|------------------|----------------|----------------|-------------------|---------------------|-------------------|
| <b>09.30.2012</b>                             |                   |                  |                |                |                   |                     |                   |
| <b>ASSETS</b>                                 | <b>10,637,621</b> | <b>7,869,530</b> | <b>399,418</b> | <b>291,505</b> | <b>14,316,963</b> | <b>(13,606,212)</b> | <b>19,908,825</b> |
| <b>CURRENT ASSETS</b>                         | <b>1,290,194</b>  | <b>1,990,730</b> | <b>63,810</b>  | <b>92,736</b>  | <b>1,057,866</b>  | <b>(957,091)</b>    | <b>3,538,245</b>  |
| Cash and cash equivalents                     | 265,090           | 388,166          | 27,071         | 41,625         | 27,568            | -                   | 749,520           |
| Financial investments - securities and bonds  | 433,754           | 22,857           | -              | -              | 174               | -                   | 456,785           |
| Collaterals and escrow accounts               | 1,805             | 9,393            | -              | 1,094          | -                 | -                   | 12,292            |
| Trade accounts receivable                     | 308,235           | 1,143,876        | 17,674         | 40,067         | -                 | (52,638)            | 1,457,214         |
| Dividends to receive                          | -                 | -                | -              | -              | 912,385           | (904,043)           | 8,342             |
| CRC transferred to State Government of Paraná | -                 | 73,018           | -              | -              | -                 | -                   | 73,018            |
| Receivable related to concession              | 114,631           | -                | -              | -              | -                 | -                   | 114,631           |
| Other receivables                             | 128,429           | 102,713          | 1,945          | 555            | 343               | (410)               | 233,575           |
| Inventories                                   | 27,749            | 80,299           | 9,985          | 919            | -                 | -                   | 118,952           |
| Income tax and social contribution            | 3,829             | 90,219           | 4,230          | -              | 117,385           | -                   | 215,663           |
| Other current recoverable taxes               | 3,026             | 66,172           | 2,441          | 8,388          | 11                | -                   | 80,038            |
| Prepaid expenses                              | 3,646             | 14,017           | 464            | 88             | -                 | -                   | 18,215            |
| <b>NONCURRENT ASSETS</b>                      | <b>9,347,427</b>  | <b>5,878,800</b> | <b>335,608</b> | <b>198,769</b> | <b>13,259,097</b> | <b>(12,649,121)</b> | <b>16,370,580</b> |
| <b>Long term assets</b>                       | <b>1,347,861</b>  | <b>4,547,692</b> | <b>19,263</b>  | <b>19,725</b>  | <b>1,558,969</b>  | <b>(1,144,169)</b>  | <b>6,349,341</b>  |
| Financial investments - securities and bonds  | 69,264            | 30,687           | -              | -              | -                 | -                   | 99,951            |
| Collaterals and escrow accounts               | 30,105            | 42,706           | -              | -              | -                 | -                   | 72,811            |
| Trade accounts receivable                     | -                 | 31,650           | 89             | 6,584          | -                 | (6,584)             | 31,739            |
| CRC transferred to State Government of Paraná | -                 | 1,319,965        | -              | -              | -                 | -                   | 1,319,965         |
| Judicial deposits                             | 22,763            | 261,820          | 1,039          | 302            | 271,935           | -                   | 557,859           |
| Receivable related to concession              | 1,165,803         | 2,405,618        | -              | -              | -                 | -                   | 3,571,421         |
| Advances to suppliers                         | -                 | -                | -              | 12,647         | -                 | -                   | 12,647            |
| Other noncurrent receivables                  | 6,313             | 2,852            | -              | -              | -                 | -                   | 9,165             |
| Income tax and social contribution            | 20,209            | -                | -              | -              | -                 | -                   | 20,209            |
| Other noncurrent recoverable taxes            | 4,848             | 62,545           | 8,022          | -              | -                 | -                   | 75,415            |
| Deferred Income tax and social contribution   | 28,556            | 389,849          | 10,113         | -              | 138,904           | -                   | 567,422           |
| Prepaid expenses                              | -                 | -                | -              | 192            | -                 | 10,545              | 10,737            |
| Receivable from other related parties         | -                 | -                | -              | -              | 1,148,130         | (1,148,130)         | -                 |
| <b>Investments</b>                            | <b>414,566</b>    | <b>4,012</b>     | <b>-</b>       | <b>-</b>       | <b>11,700,124</b> | <b>(11,528,485)</b> | <b>590,217</b>    |
| <b>Property, plant and equipment, net</b>     | <b>7,326,869</b>  | <b>-</b>         | <b>294,524</b> | <b>-</b>       | <b>4</b>          | <b>-</b>            | <b>7,621,397</b>  |
| <b>Intangible assets</b>                      | <b>258,131</b>    | <b>1,327,096</b> | <b>21,821</b>  | <b>179,044</b> | <b>-</b>          | <b>23,533</b>       | <b>1,809,625</b>  |

### 31.3 Liabilities per reporting segment

| LIABILITIES  | GET               | DIS              | TEL            | GÁS            | HOL               | Eliminations        | Consolidated      |
|--|-------------------|------------------|----------------|----------------|-------------------|---------------------|-------------------|
| <b>09.30.2012</b>                                      |                   |                  |                |                |                   |                     |                   |
| <b>TOTAL LIABILITIES</b>                               | <b>10,637,621</b> | <b>7,869,530</b> | <b>399,418</b> | <b>291,505</b> | <b>14,316,963</b> | <b>(13,606,212)</b> | <b>19,908,825</b> |
| <b>CURRENT LIABILITIES</b>                             | <b>1,179,350</b>  | <b>1,852,323</b> | <b>35,146</b>  | <b>63,497</b>  | <b>112,660</b>    | <b>(961,087)</b>    | <b>2,281,889</b>  |
| Payroll and labor provisions                           | 68,400            | 177,795          | 17,161         | 4,950          | 252               | -                   | 268,558           |
| Suppliers  | 273,673           | 595,114          | 12,946         | 53,469         | 1,642             | (52,917)            | 883,927           |
| Income tax and social contribution                     | 194,420           | 875              | 954            | 3,140          | -                 | -                   | 199,389           |
| Other taxes  | 22,999            | 217,544          | 3,019          | 1,788          | 206               | (110)               | 245,446           |
| Loans and financing                                    | 60,328            | 162,666          | 24             | -              | 11,575            | (4,017)             | 230,576           |
| Dividends payable                                      | 435,840           | 457,063          | -              | -              | 98,423            | (904,043)           | 87,283            |
| Post employment benefits                               | 5,935             | 15,570           | 776            | -              | -                 | -                   | 22,281            |
| Customer charges payable                               | 7,756             | 52,101           | -              | -              | -                 | -                   | 59,857            |
| Research and development and energy efficiency         | 15,487            | 96,826           | -              | -              | -                 | -                   | 112,313           |
| Payable related to concession - use of public property | 44,769            | -                | -              | -              | -                 | -                   | 44,769            |
| Other accounts payable                                 | 49,743            | 76,769           | 266            | 150            | 562               | -                   | 127,490           |
| <b>NON CURRENT LIABILITIES</b>                         | <b>2,415,637</b>  | <b>2,236,603</b> | <b>34,014</b>  | <b>6,498</b>   | <b>1,280,320</b>  | <b>(1,146,313)</b>  | <b>4,826,759</b>  |
| Associated and subsidiary companies                    | 249,018           | 833,676          | -              | -              | -                 | (1,082,694)         | -                 |
| Suppliers  | 78,675            | -                | -              | -              | -                 | (6,584)             | 72,091            |
| Deferred Income tax and social contribution            | 652,969           | -                | -              | 3,628          | -                 | -                   | 656,597           |
| Loans and financing                                    | 459,076           | 607,028          | 13,862         | -              | 971,754           | (57,035)            | 1,994,685         |
| Post employment benefits                               | 128,063           | 320,809          | 19,507         | 1,666          | -                 | -                   | 470,045           |
| Research and development and energy efficiency         | 43,415            | 95,650           | -              | -              | -                 | -                   | 139,065           |
| Payable related to concession - use of public property | 400,053           | -                | -              | -              | -                 | -                   | 400,053           |
| Other accounts payable                                 | 15                | -                | -              | -              | -                 | -                   | 15                |
| Provisions for legal claims                            | 404,353           | 379,440          | 645            | 1,204          | 308,566           | -                   | 1,094,208         |
| <b>EQUITY</b>  | <b>7,042,634</b>  | <b>3,780,604</b> | <b>330,258</b> | <b>221,510</b> | <b>12,923,983</b> | <b>(11,498,812)</b> | <b>12,800,177</b> |
| Capital  | 4,269,343         | 2,624,841        | 240,398        | 135,943        | 7,023,368         | (7,383,893)         | 6,910,000         |
| Equity valuation adjustments                           | 1,365,404         | (6)              | -              | -              | 1,376,190         | (1,368,881)         | 1,372,707         |
| Legal reserve  | 212,887           | 135,294          | 5,306          | 16,258         | 552,734           | (386,292)           | 536,187           |
| Profit retention reserve                               | 600,434           | 883,575          | 62,685         | 46,458         | 2,838,551         | (1,813,060)         | 2,618,643         |
| Unrealized income reserve                              | -                 | -                | -              | 7,821          | 212,087           | -                   | 219,908           |
| Accumulated income (losses)                            | 594,566           | 136,900          | 21,869         | 15,030         | 921,053           | (805,974)           | 883,444           |
| <b>Attributable to non controlling interest</b>        |                   |                  |                |                |                   | <b>259,288</b>      | <b>259,288</b>    |

### 31.4 Statement of income per reporting segment

| STATEMENT OF INCOME                              | GET              | DIS                | TEL             | GÁS              | HOL             | Eliminations     | Consolidated       |
|--|------------------|--------------------|-----------------|------------------|-----------------|------------------|--------------------|
| <b>09.30.2012</b>                                |                  |                    |                 |                  |                 |                  |                    |
| <b>Gross profit</b>                              | <b>1,907,046</b> | <b>4,164,053</b>   | <b>126,818</b>  | <b>259,526</b>   | <b>-</b>        | <b>(348,327)</b> | <b>6,109,116</b>   |
| <b>Operational expenses</b>                      | <b>(983,740)</b> | <b>(4,075,767)</b> | <b>(97,140)</b> | <b>(239,720)</b> | <b>(31,624)</b> | <b>348,373</b>   | <b>(5,079,618)</b> |
| Electricity purchased for resale                 | (77,685)         | (2,118,201)        | -               | -                | -               | 225,161          | (1,970,725)        |
| Charges for the use of the power grid            | (175,234)        | (464,917)          | -               | -                | -               | 80,977           | (559,174)          |
| Personnel and management                         | (195,857)        | (524,423)          | (45,915)        | (15,079)         | (6,886)         | -                | (788,160)          |
| Pension and healthcare plans                     | (30,479)         | (83,244)           | (6,032)         | (1,434)          | (403)           | -                | (121,592)          |
| Materials and supplies                           | (13,539)         | (36,697)           | (1,322)         | (906)            | (32)            | -                | (52,496)           |
| Raw materials and supplies for generation        | (18,563)         | -                  | -               | -                | -               | -                | (18,563)           |
| Natural gas and supplies for gas business        | -                | -                  | -               | (183,088)        | -               | -                | (183,088)          |
| Third party services                             | (79,587)         | (239,872)          | (12,283)        | (10,339)         | (2,798)         | 41,301           | (303,578)          |
| Depreciation and amortization                    | (237,701)        | (142,346)          | (20,299)        | (10,277)         | (1,113)         | -                | (411,736)          |
| Provisions and reversals                         | (8,649)          | (87,504)           | (3,544)         | (886)            | (13,211)        | -                | (113,794)          |
| Construction cost                                | (41,009)         | (323,407)          | -               | (14,798)         | -               | -                | (379,214)          |
| Other operating costs and expenses               | (105,437)        | (55,156)           | (7,745)         | (2,913)          | (7,181)         | 934              | (177,498)          |
| <b>EQUITY IN RESULTS SUBSIDIARIES</b>            | <b>10,236</b>    | <b>-</b>           | <b>-</b>        | <b>-</b>         | <b>836,647</b>  | <b>(794,354)</b> | <b>52,529</b>      |
| <b>PROFIT BEFORE FINANCIAL RESULTS AND TAKES</b> | <b>933,542</b>   | <b>88,286</b>      | <b>29,678</b>   | <b>19,806</b>    | <b>805,023</b>  | <b>(794,308)</b> | <b>1,082,027</b>   |
| Financial income (expenses)                      | (52,785)         | 115,826            | 2,642           | 3,899            | 16,501          | (46)             | 86,037             |
| <b>OPERATING INCOME (LOSSES)</b>                 | <b>880,757</b>   | <b>204,112</b>     | <b>32,320</b>   | <b>23,705</b>    | <b>821,524</b>  | <b>(794,354)</b> | <b>1,168,064</b>   |
| Income tax and social contribution               | (291,541)        | (119,895)          | (12,253)        | (10,164)         | -               | -                | (433,853)          |
| Deferred income tax and social contribution      | 3,249            | 52,683             | 1,802           | 1,489            | 30,575          | -                | 89,798             |
| <b>NET INCOME (LOSSES) FOR THE YEAR</b>          | <b>592,465</b>   | <b>136,900</b>     | <b>21,869</b>   | <b>15,030</b>    | <b>852,099</b>  | <b>(794,354)</b> | <b>824,009</b>     |



## 32 Operating Lease Agreements

### 32.1 The Group as a lessee

|  | <b>Consolidated</b> |                   |
|--|---------------------|-------------------|
|  | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| <b>Lease and rental costs and expenses</b> |                     |                   |
| Real estate                                | 16,380              | 12,128            |
| Photocopiers                               | 926                 | 1,105             |
| Others                                     | 4,299               | 983               |
| (-) Pis and Cofins tax credits             | (1,110)             | (980)             |
|  | <b>20,495</b>       | <b>13,236</b>     |

Copel's estimate for expenses for the next fiscal years is basically the same as 2011, plus contractual monetary restatement rates, and there are no risks in connection with contract rescission.

Out of the total R\$ 16,380 spent in rental properties, R\$ 7,568 refer to the rental of the km 3 Center facilities, signed by Copel and the Fundação Copel, and which is the most significant rental agreement held by the Company. In future periods, this amount will be restated according to a real estate appraisal of the property.

The Company has not identified any operating lease commitments which are non cancelable.

### 32.2 The Group as a lessor

|                                | <b>Consolidated</b> |                   |
|--------------------------------|---------------------|-------------------|
|                                | <b>09.30.2012</b>   | <b>09.30.2011</b> |
| <b>Lease and rental income</b> |                     |                   |
| Equipment and facilities       | 49,266              | 40,636            |
| Araucária Thermal Power Plant  | 60,541              | 24,614            |
| Real estate                    | 571                 | 630               |
| Facilities sharing             | 631                 | 595               |
|                                | <b>111,009</b>      | <b>66,475</b>     |

Operating leases refer to revenues from rental of Copel property; lessees do not hold an option to purchase these assets upon expiration of the lease.

The Company has not identified any operating lease receivables which are non cancelable.

The leases of equipment and structures refer to operating leases of predetermined attachment points in utility poles for the installation of cabling, accessories, and telecommunications equipment, with monthly payment, pursuant to article 73 of Law nº 9,472/1997 (General Telecommunications Law), to ANEEL/ ANATEL/ ANP Joint Resolution nº 001/1999, and to ANEEL Resolution nº 581/2002. They are also aimed at lowering costs of implementation of infrastructure to the power and telecommunications sector operators, optimizing the use of poles, and obtaining margins which contribute to more competitive tariffs (lower electric energy tariffs).

On December 28, 2006, UEG Araucária signed an agreement with Petróleo Brasileiro S.A. - Petrobras, a minority shareholder, leasing the Araucária Thermal Power Plant for a period of one year, ended on December 31, 2007 and extended a few times until December 31, 2012, subject to early termination should UEG Araucária successfully participate at ANEEL - sponsored power auctions. The lease provides for the use of the Araucária Power Plant for power generation by Petrobras, at its own expense; UEG Araucária is entitled to lease payments comprising a fixed and a variable portion, pursuant to the lease agreement.

### 33 Financial Instruments

#### 33.1 Fair value and rating level for assessment of fair value of financial instruments

| Consolidated   | Level | Book value |            |
|--|-------|------------|------------|
|  |       | 09.30.2012 | 12.31.2011 |
| <b>Financial assets</b>  |       |            |            |
| Cash and cash equivalent (Note 3)                                | -     | 749,520    | 1,049,125  |
| Securities and bonds (Note 4.1)                                  | 1     | 335,306    | 438,310    |
| Securities and bonds (Note 4.1)                                  | 2     | 221,430    | 206,298    |
| Collaterals and escrow accounts (Note 5)                         | -     | 85,103     | 40,221     |
| Trade accounts receivable (Note 6)                               | -     | 1,488,953  | 1,400,818  |
| CRC transferred to state of Paraná (Note 7)                      | -     | 1,392,983  | 1,346,460  |
| Receivable related to concession (Note 8)                        | 3     | 3,686,052  | 3,317,100  |
| Other investments (Note 15)                                      | 1     | 17,863     | 17,714     |
| <b>Financial liabilities</b>                                     |       |            |            |
| Loans and financing (Note 20)                                    | -     | 2,225,261  | 2,174,472  |
| Payable related to concession - use of public property (Note 24) | -     | 444,822    | 415,098    |
| Eletrobras - Itaipu  | -     | 106,724    | 76,533     |
| Petrobras - Compagas   | -     | 52,255     | 40,698     |
| Other suppliers  | -     | 797,039    | 738,684    |
| Derivatives  | 1     | 63         | 39         |

Level 1: obtained from prices quoted (not adjusted) on active markets for identical assets or liabilities

Level 2: obtained from other variables other than prices quoted included in level 1, which can be observed for assets or liabilities

Level 3: obtained through evaluation techniques that include variables for the asset or liability, but are not based on observable market data

Fair value are calculated considering the market value to all financial instruments with an active market. For other instruments whose market values are not available, their fair values calculated according to the present value of their future cash flows expected.

#### 33.1.1 Non-derivative financial assets

Cash and cash equivalents, trade accounts receivable and receivables from government agencies have fair values that are approximate to their book values, due to their nature and realization schedules.

The CRC transferred to the State of Paraná has fair value of R\$ 1,634,687 as of September 30, 2012. Company based its calculation on the comparison with a noncurrent, variable interest rate National Treasury bond (NTN-B), which yields approximately 3.69% p.a. plus the IGP-DI inflation index.

Bonds and Securities have fair values of R\$ 556,736 as of September 30, 2012. The fair values have been calculated according to information made available by the financial agents for each security and to the market values of the bonds issued by the Brazilian government.

Collaterals and escrow accounts have fair values of R\$ 81,974 as of September 30, 2012. The fair value of collaterals and escrow bound to STN (Note 5.1) on the amount of R\$ 39,577 have been calculated based on the cost of the last issue by the Company, 109.41% of the CDI variation.

Accounts receivable related to concession have their detailed composition in Note 8, as follows:

- A table reconciling initial and final balances, with a separate breakdown of additions, disposals, transfers, losses, monetary variation, and fair value adjustments;
- Criteria for identification and measurement; and
- Assumptions adopted by Company management to restate the recoverable amount.

The other investments have a fair value of R\$ 17,862. The fair value of the investment in Investco S.A., of R\$ 9,111, was calculated by applying the ownership percentage to its equity. The fair value of the investments in Finam (Amazon Investment Fund) and Finor (Northeast investment Fund), of R\$ 1,901 was adjusted according to the average price quoted at the trading sessions of the São Paulo Stock Exchange (BM&FBOVESPA) in December 2011 and 2010. Investments in public companies had their fair value of R\$ 6,850 measured according to the value of those shares on June 29, 2012. The other investments were kept at historical cost, due to the impossibility of fair values being reliably measured.

#### 33.1.2 Non-derivative financial liabilities

The Company's loans and financing have fair value of R\$ 2,195,516 as of September 30, 2012. The fair value was calculated based on the cost of the last issue by the Company, 109.41% of the CDI variation.

Accounts payable related to concession - use of public asset have fair value of R\$ 555,868 as of

September 30, 2012, calculated based on the rate of return for the last project auctioned by ANEEL and won by the Company.

Liabilities to Eletrobras – Itaipu, Petrobras, and other suppliers have fair values that are approximate to their book values, due to their nature and maturity.

### 33.1.3 Derivative Financial Assets and Liabilities

The other obligations - DI Adjustment Future - Liability derivatives have a fair value of R\$ 63 at September 30, 2012 (R\$ 39 as of December 31, 2011) and are classified under financial instruments held for trading.

### 33.2 Financial instruments by category

| <b>Consolidated</b>                                    | <b>Book value</b> |                   |
|--|-------------------|-------------------|
|  | <b>09.30.2012</b> | <b>12.31.2011</b> |
| <b>Financial assets</b>                                |                   |                   |
| <b>Held for trading</b>                                |                   |                   |
| Cash equivalents - open market investments             | 687,723           | 1,014,044         |
| Bonds and securities                                   | 156,122           | 60,022            |
| <b>Loans and receivables</b>                           |                   |                   |
| Cash and cash equivalent                               | 61,797            | 35,081            |
| Trade accounts receivable                              | 1,488,953         | 1,400,818         |
| CRC transferred to state of Paraná                     | 1,392,983         | 1,346,460         |
| Receivables related to concession                      | 1,280,434         | 1,091,897         |
| Collaterals and escrow accounts                        | 85,103            | 40,221            |
| <b>Available for sale</b>                              |                   |                   |
| Receivables related to concession                      | 2,405,618         | 2,225,203         |
| Securities   | 388,648           | 567,429           |
| Other investments                                      | 17,863            | 17,714            |
| <b>Held to maturity</b>                                |                   |                   |
| Securities   | 11,966            | 17,157            |
| <b>Financial liabilities</b>                           |                   |                   |
| <b>Fair value through profit or loss</b>               |                   |                   |
| <b>Held for trading</b>                                |                   |                   |
| Other liabilities - derivatives                        | 63                | 39                |
| <b>Other financial liabilities</b>                     |                   |                   |
| Loans and financing                                    | 2,225,261         | 2,174,472         |
| Payable related to concession - use of public property | 444,822           | 415,098           |
| Eletrobras - Itaipu                                    | 106,724           | 76,533            |
| Petrobras - Compagas                                   | 52,255            | 40,698            |
| Other suppliers  | 797,039           | 738,684           |

### 33.3 Summary of bonds and securities held to maturity

| Consolidated |           |            |            |                |            |            | Fair value |            | Net book value |  |
|--------------|-----------|------------|------------|----------------|------------|------------|------------|------------|----------------|--|
| Description  | Rate p.a. | Issue date | Maturity   | Type           | 09.30.2012 | 12.31.2011 | 09.30.2012 | 12.31.2011 |                |  |
| LFT          | SELIC     | 07.14.2009 | 03.07.2012 | Amortized cost | -          | 5,919      | -          | 5,920      |                |  |
| LF Caixa     | CDI       | 11.03.2011 | 11.07.2013 | Amortized cost | 5,442      | 5,089      | 5,442      | 5,089      |                |  |
| LF Caixa     | CDI       | 11.07.2011 | 11.08.2013 | Amortized cost | 6,524      | 6,101      | 6,524      | 6,100      |                |  |

### 33.4 Risk Factors

The Company holds mechanisms aiming to manage risk in the corporate areas and the company subsidiaries. The risks are classified as critical, high, moderate, low or minimum according to their final exposure, which considers the following impacts: financial, operational and image; and also the frequency and occurrence of the risk.

Main risk factors inherent to the Company's activities are identified and measured to their potential negative impacts, in range of the strategic, process and projects goals.

#### 33.4.1 Credit risk

Credit risk is defined as the possibility of the occurrence of losses related to non-compliance by a client or counterpart to a financial instrument with their respective obligations under the terms agreed on. Risk basically arises from trade accounts receivable and financial instruments as shown below:

| Consolidated                               |                  | Book value       |  |
|--|------------------|------------------|--|
|  | 09.30.2012       | 12.31.2011       |  |
| <b>Financial Assets</b>                    |                  |                  |  |
| Cash and equivalents - (a)                 | 749,520          | 1,049,125        |  |
| Bonds and securities (a)                   | 556,736          | 644,608          |  |
| Collaterals and escrow accounts (a)        | 85,103           | 40,221           |  |
| Customers (b)                              | 1,488,953        | 1,400,818        |  |
| CRC transferred to the State of Paraná (c) | 1,392,983        | 1,346,460        |  |
| Receivables related to concession (d)      | 3,686,052        | 3,317,100        |  |
| <b>Total</b>                               | <b>7,959,347</b> | <b>7,798,332</b> |  |

#### a) Cash and cash equivalents and short-term investments

Company management manages the credit risk of its assets recorded as cash, cash equivalents and short-term investments in accordance with the Group's policy of investing virtually all of its funds in federal banking institutions. As a result of legal and/or regulatory requirements, in exceptional circumstances the company may invest funds in prime private banks.

**b) Trade accounts receivable**

The risk arises from the possibility of the Company incurring losses resulting from problems in receiving amounts invoiced to its clients, consumers, concession operators and licensees. This risk is closely related to internal and external factors of Copel. To mitigate this type of risk the Company manages its accounts receivable, detecting consumer groups that pose the greatest risk of default, cutting off energy supplies and implementing specific collection policies, supported by guarantees whenever possible.

Doubtful accounts are adequately covered by an allowance to cover any realization losses.

**c) CRC pass-through to the Paraná State government**

Company management believes the CRC poses a minimal credit risk, as the amortizations are guaranteed by dividends, and the State Government is paying the renegotiated amounts in accordance with the fourth amendment.

**d) Accounts receivable linked to the concession**

Consists of indemnification stipulated in the public energy transmission and distribution concession agreements and accounts receivable under the transmission concession agreements to be realized as annual permitted revenue - RAP.

Based on the Company's understanding that the signed agreements establish the unconditional right to receive cash at the end of the concession, from the concession authority, (ANEEL) for the investments made in assets that have not been recovered through rates by the end of the concession and specifically regarding energy transmission, as RAP is guaranteed revenue, and therefore not subject to the risk of demand.

**33.4.2 Foreign currency risk (US Dolar)**

This risk comprises the possibility of losses due to fluctuations in exchange rates, which may reduce assets or increase liabilities denominated in foreign currencies.

The Company's foreign currency indebtedness is not significant and it is not exposed to foreign exchange derivatives. The Company monitors all relevant exchange rates.

The effect of the exchange rate variation resulting from the power purchase agreement with Eletrobras (Itaipu) is passed on to customers in Copel Distribuição's next rate review.

The exchange rate variation resulting from the purchase of gas from Petrobras by Compagas has a direct impact on the Company's results, Compagas continually negotiates with its customers, trying whenever possible to pass these costs on to them.

The Company's exposure to foreign currency (US dollar) risk is shown below:

|   | Asset         | Liability        | Net exposure      |
|---|---------------|------------------|-------------------|
|   |               |                  | <b>09.30.2012</b> |
| Collaterals and escrow accounts (STN)     | 42,706        | -                | 42,706            |
| Loans and financing                       | -             | (61,066)         | (61,066)          |
| Suppliers                                 |               |                  |                   |
| Eletrobrás (Itaipu)                       | -             | (106,724)        | (106,724)         |
| Petrobras (acquisiton of gas by Compagas) | -             | (52,255)         | (52,255)          |
|   | <b>42,706</b> | <b>(220,045)</b> | <b>(177,339)</b>  |

### Sensitivity analisys

The Company has developed a sensitivity analysis in order to measure the impact of the devaluation of the U.S. dollar on its loans and financing subject to exchange risk.

The baseline takes into account the existing balances in each account as of September 30, 2012 and the likely scenario takes into account the balances subject to the exchange rate variations – end of period (R\$/US\$ 2.00) estimated as market average projections for 2012 according to the Focus Report issued by the Brazilian Central Bank as of October 11, 2012. For the adverse and remote scenarios, deteriorations of 25% and 50%, respectively, were considered for the main risk factor for financial instruments compared to the rate used for the likely scenario.

| Foreign currency risks                    | Risk             | Baseline         | Projected scenarios - Dec.2012 |                  |                  |
|---|------------------|------------------|--------------------------------|------------------|------------------|
|   |                  | 09.30.2012       | Probable                       | Adverse          | Remote           |
| <b>Financial assets</b>                   |                  |                  |                                |                  |                  |
| Collaterals and escrow accounts           | USD appreciation | 42,706           | 42,062                         | 52,578           | 63,094           |
|   |                  | <b>42,706</b>    | <b>42,062</b>                  | <b>52,578</b>    | <b>63,094</b>    |
| <b>Financial liabilities</b>              |                  |                  |                                |                  |                  |
| Loans and financing                       |                  |                  |                                |                  |                  |
| STN                                       | USD appreciation | 61,052           | 60,132                         | 75,165           | 90,198           |
| Eletrobrás                                | USD appreciation | 14               | 14                             | 17               | 21               |
|   |                  | <b>61,066</b>    | <b>60,146</b>                  | <b>75,182</b>    | <b>90,219</b>    |
| Suppliers                                 |                  |                  |                                |                  |                  |
| Eletrobrás (Itaipu)                       | USD appreciation | 106,724          | 105,116                        | 131,395          | 157,674          |
| Petrobras (acquisiton of gas by Compagas) | USD appreciation | 52,255           | 51,468                         | 64,334           | 77,201           |
|   |                  | <b>158,979</b>   | <b>156,584</b>                 | <b>195,729</b>   | <b>234,875</b>   |
| <b>Net exposure</b>                       |                  | <b>(177,339)</b> | <b>(174,668)</b>               | <b>(218,333)</b> | <b>(262,000)</b> |
| <b>Expected effect in the result</b>      |                  |                  | <b>2,671</b>                   | <b>(40,994)</b>  | <b>(84,661)</b>  |

In addition to the sensitivity analysis required by CVM Resolution nº 475/08, the Company evaluates its financial instruments considering the possible effects on profit or loss and shareholders' equity of the risks evaluated by Company management on the reporting date for the financial instruments, as recommended by CPC 40 and IFRS 7. Based on the equity position and the notional value of the financial instruments held as of September 30, 2012, it is estimated that these effects will approximate the amounts stated in the above table in the column for the forecast probable scenario, since the assumptions used by the Company are similar to those previously described.

### 33.4.3 Interest rate and monetary variation risk

This risk comprises the possibility of losses due to fluctuations in interest rates or other indicators, which may reduce revenues or increase financial expenses in connection with assets and liabilities on the market.

The Company has not engaged in transactions with derivatives to cover this risk, except for the exclusive investment funds (33.4.9), but it has continually monitored interest rates and market indicators, in order to assess the potential need for such transactions for protection for interest rate risks.

The Company's exposure to interest rate and monetary variation risks is shown below:

|  | Asset            | Liability          | Net exposure      |
|--|------------------|--------------------|-------------------|
|  |                  |                    | <b>09.30.2012</b> |
| Financial investments - cash equivalents | 687,723          | -                  | 687,723           |
| Bonds and securities                     | 556,736          | -                  | 556,736           |
| Collaterals and escrow accounts          | 42,397           | -                  | 42,397            |
| CRC transferred to the State of Paraná   | 1,392,983        | -                  | 1,392,983         |
| Receivables related to concession        | 3,686,052        | -                  | 3,686,052         |
| Loans and financing                      | -                | (2,164,195)        | (2,164,195)       |
|  | <b>6,365,891</b> | <b>(2,164,195)</b> | <b>4,201,696</b>  |

### **Sensitivity analysis**

The Company has developed a sensitivity analysis in order to measure the impact of variable interest rates and monetary variations on its financial assets and liabilities subject to these risks.

The baseline takes into account the existing balances in each account as of September 30, 2012 and the likely scenario takes into account the indicators (CDI/Selic of 7.25%, IGP-DI of 8.81%, IGP-M of 8.49% e TJLP of 5.50%) estimated as market average projections for 2012 according to the Focus Report issued by the Brazilian Central Bank as of October 11, 2012. For the adverse and remote scenarios, deteriorations of 25% and 50%, respectively, were considered for the main risk factor for the financial instrument compared to the rate used in the likely scenario.



| Operation                                | Risk          | Baseline         | Projected scenarios - Dec.2012 |                  |                  |
|--|---------------|------------------|--------------------------------|------------------|------------------|
|  |               | 09.30.2012       | Probable                       | Adverse          | Remote           |
| <b>Financial assets</b>                  |               |                  |                                |                  |                  |
| Financial investments - cash equivalents | Low CDI/SELIC | 687,723          | 699,960                        | 696,955          | 693,930          |
| Bonds and securities                     | Low CDI/SELIC | 556,736          | 566,643                        | 564,211          | 561,762          |
| Collaterals and escrow accounts          | Low CDI/SELIC | 42,397           | 43,151                         | 42,966           | 42,780           |
| CRC transferred to the State of Paraná   | Low IGP-DI    | 1,392,983        | 1,410,371                      | 1,381,823        | 1,353,274        |
| Receivables related to concession        | Low IGP-M     | 3,686,052        | 3,734,084                      | 3,661,030        | 3,587,977        |
|  |               | <b>6,365,891</b> | <b>6,454,209</b>               | <b>6,346,985</b> | <b>6,239,722</b> |
| <b>Financial liabilities</b>             |               |                  |                                |                  |                  |
| Loans and financing                      |               |                  |                                |                  |                  |
| Banco do Brasil                          | High CDI      | 1,513,323        | 1,540,036                      | 1,546,502        | 1,552,888        |
| Eletrobrás - Finel                       | High IGP-M    | 127,159          | 127,509                        | 128,041          | 128,573          |
| Eletrobrás - RGR                         | No Risk (1)   | 117,582          | 117,582                        | 117,582          | 117,582          |
| Finep                                    | High TJLP     | 18,290           | 18,536                         | 18,597           | 18,656           |
| BNDES - Copel Geração e Transmissão      | High TJLP     | 215,604          | 218,509                        | 219,218          | 219,920          |
| Banco do Brasil – Transfer BNDES funds   | High TJLP     | 172,237          | 174,558                        | 175,124          | 175,684          |
|  |               | <b>2,164,195</b> | <b>2,196,730</b>               | <b>2,205,064</b> | <b>2,213,303</b> |
| <b>Net exposure</b>                      |               | <b>4,201,696</b> | <b>4,257,479</b>               | <b>4,141,921</b> | <b>4,026,419</b> |
| <b>Expected effect in the result</b>     |               |                  | <b>55,783</b>                  | <b>(59,775)</b>  | <b>(175,277)</b> |

(1) Loan indexed to UFIR

In addition to the sensitivity analysis required by CVM Resolution nº 475/08, the Company evaluates its financial instruments considering the possible effects on profit or loss and shareholders' equity of the risks evaluated by Company management on the reporting date for the financial instruments, as recommended by CPC 40 and IFRS 7. Based on the equity position and the notional value of the financial instruments held as of September 30, 2012, it is estimated that these effects will approximate the amounts stated in the above table in the column for the forecast probable scenario, since the assumptions used by the Company are similar to those previously described.

#### 33.4.4 Accelerated maturity risk

This risk results from the potential noncompliance with contract covenants, such as those contained in the loan, financing, and debenture agreements of the Company, which usually require that certain economic and financial indicators, which are calculated and analyzed periodically for compliance, be kept at determined levels (financial covenants).

As of September 30, 2012 all of the conditions were analyzed and it was identified that all of the levels provided in the contracts had been complied with.

#### 33.4.5 Environmental Risks

The activities of the energy sector could have significant negative impacts and damage on the environment. The applicable legislation imposes on those who directly or indirectly cause environmental harm the duty to repair or compensate for the damages to the environment and to affected third-parties, regardless of culpability (strict liability). The costs of environmental recovery of compensation may force the Company to delay or redirect investments in other areas and may have an adverse effect on the Company. The Company ensures the balance between environmental conservation and the operation of its business by establishing guidelines and practices to be observed in all operations, in order to reduce environmental impact, focusing on the sustainable development of its business.

#### 33.4.6 Power shortage risk

This risk results from the possibility of periods with low levels of rainfall, since Brazil relies heavily on hydroelectric sources, which depend on the water levels in their reservoirs to operate.

A long period of drought may reduce the water levels in power plant reservoirs and result in losses due to reduced revenues if a new rationing program is implemented.

According to the Annual Plan for Electricity Operation - PEN 2012, published annually on the website: [www.ons.org.br](http://www.ons.org.br), the conditions for attending the electricity load are considered satisfactory for the time horizon 2013/2016, and also considering that there is excess electricity guaranteed with SIN during this period, the sensitivity analysis in relation to market growth under the structural aspect, can be concluded that the planned expansion until 2016, retaining the timetables programmed in PEN 2012, average annual growth in the electricity load of up to 6.1 % p.a., approximately 77 GWmed in 2016 can be tolerated, compared to the 4.6% p.a. from the Reference Scenario, approximately 72 GWmed in the same year. This means that even with anticipation of a little more than one year in the increase in the electricity load, as from 2014, it will still be possible to maintain the conditions to attend the market within the guarantee criteria postulated by CNPE (risk of deficit not higher than 5%).

#### 33.4.7 Risk of non-renewal of concessions

Copel holds concessions for power generation, transmission, and distribution services, with the expectation that they will be postponed by the Ministry of Mines and Energy (MME) with the support of ANEEL. If the extension of these concessions is not approved by the regulatory authority or even if it occurs at additional costs to the Company ("onerous concession"), current profitability and activity levels may be affected.

|  | Maturity date<br>of concessions/authorizations |
|--|--|
| <b>Concessions - Copel Geração e Transmissão</b>   |  |
| <b>Hydroelectric Power Plants</b>  |  |
| <b>Generation Concession - 045/1999</b>  |  |
| Gov. Bento Munhoz da Rocha Netto (Foz do Areia)  | 05.23.2023                                     |
| Gov. Ney Aminthas de Barros Braga (Segredo)  | 11.15.2029                                     |
| Gov. José Richa (Caxias)   | 05.04.2030                                     |
| Gov. Pedro Viriato Parigot de Souza <sup>(d) (e)</sup>   | 07.07.2015                                     |
| Guaricana  | 08.16.2026                                     |
| Chaminé  | 08.16.2026                                     |
| Apucarantina   | 10.12.2025                                     |
| Mourão <sup>(d) (e)</sup>  | 07.07.2015                                     |
| Derivação do Rio Jordão  | 11.15.2029                                     |
| Marumbi  | - <sup>(a)</sup>                               |
| São Jorge  | 12.03.2024                                     |
| Chopim I <sup>(d) (e)</sup>  | 07.07.2015                                     |
| Rio dos Patos <sup>(b) (e)</sup>   | 02.14.2014                                     |
| Cavernoso  | 01.07.2031                                     |
| Melissa  | - <sup>(c)</sup>                               |
| Salto do Vau   | - <sup>(c)</sup>                               |
| Pitangui   | - <sup>(c)</sup>                               |
| <b>Generation Concession - 001/2007</b>  |  |
| Mauá - 51% da Copel  | 07.02.2042                                     |
| <b>Generation Concession - 001/2011</b>  |  |
| Colider <sup>(h)</sup>   | 01.16.2046                                     |
| <b>Authorization</b>   |  |
| Cavernoso II <sup>(h)</sup>  | 02.27.2046                                     |
| <b>Thermal Power Plant</b>   |  |
| <b>Generation Concession - 045/1999</b>  |  |
| Figueira   | 03.26.2019                                     |
| <b>Authorization</b>   |  |
| UEG Araucaria  | 12.22.2029                                     |
| Palmas   | 09.28.2029                                     |
| <b>Transmission Lines and Substations</b>  |  |
| Contract 060/01 - Transmission facilities <sup>(d) (e)</sup>                                     | 07.07.2015                                     |
| Contract 075/01 - Transmission line Bateias - Jaguariaíva  | 08.16.2031                                     |
| Contract 006/08 - Transmission line Bateias - Pilarzinho   | 03.16.2038                                     |
| Contract 027/09 - Transmission line Foz do Iguçu - Cascavel Oeste                                | 11.18.2039                                     |
| Contract 010/10 - Transmission line Araraquara 2 - Taubaté <sup>(h)</sup>                        | 10.05.2040                                     |
| Contract 015/10 - Sub-station Cerquillo III <sup>(h)</sup>                                       | 10.05.2040                                     |
| Contract 001/12 - Transmission line Cascavel Oeste - Umuarama - 51% Copel GeT <sup>(h)</sup>     | 01.11.2042                                     |
| Contract 004/12 - Transmission line Nova Santa Rita - Camaquã 3 - 20% Copel GeT <sup>(h)</sup>   | 05.09.2042                                     |
| Contract 007/12 - Transmission line Umuarama - Guaira - 49% Copel GeT <sup>(h)</sup>             | 05.09.2042                                     |
| Contract 008/12 - Transmission line Curitiba - Curitiba Leste - 80% Copel GeT <sup>(h)</sup>     | 05.09.2042                                     |
| Contract 011/12 - Transmission line Açailândia - Miranda II - 49% Copel GeT <sup>(h)</sup>       | 05.09.2042                                     |
| Contract 012/12 - Transmission line Paranaíta - Ribeirãozinho - 49% Copel GeT <sup>(h)</sup>     | 05.09.2042                                     |
| Contract 013/12 - Transmission line Ribeirãozinho - Marimbondo II - 49% Copel GeT <sup>(h)</sup> | 05.09.2042                                     |
| Contract 022/12 - Transmission line - Foz do Chopim - Salto Osorio C2 <sup>(h)</sup>             | 08.26.2042                                     |
| <b>Concession - Copel Distribuição</b>   |  |
| Contract 046/99 - Distribution Facilities <sup>(f) (g)</sup>                                     | 07.07.2015                                     |
| <b>Concession - Elejor</b>   |  |
| Contract 125/2001 - HPP Fundão e Santa Clara   | 10.24.2036                                     |
| <b>Authorization - Elejor</b>  |  |
| PCH Fundão I e PCH Santa Clara I   | 12.18.2032                                     |
| <b>Concession - Dona Francisca Energética</b>  |  |
| Contract 188/1998 - HPP Dona Francisca   | 08.27.2033                                     |
| <b>Concession - Compagas</b>   |  |
|  | 07.06.2024                                     |

(a) In progress for homologation from ANEEL

(b) Sent on January 27, 2011 requesting extension of concession (art.19 of law 9,074/95)

(c) at plants with capacity of less than 1 MW, only register with ANEEL

(d) Sent on May 14, 2012 requesting extension of concession

(e) Sent on October 09, 2012 ratification of the requesting extension of concession (PM 579/2012)

(f) Sent on May 31, 2012 requesting extension of concession

(g) Sent on October 11, 2012 ratification of the requesting extension of concession (PM 579/2012)

(h) Enterprise under construction

As far as potential reimbursements at the end of the concession, there is uncertainty regarding how to measure the amounts to be paid for reversal of concession assets to the granting authority.

#### 33.4.8 Gas shortage risk

This risk involves potential periods of shortage of natural gas supply to meet the Company's gas distribution and thermal generation business requirements.

Long periods of gas shortage could result in losses due to lower revenues by subsidiaries Compagas and UEG Araucária.

#### 33.4.9 Derivative financial instruments

### **Copel Geração e Transmissão**

The Company employs derivative financial instruments with the sole purpose of protecting itself against variable interest rate volatility.

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>09.30.2012</b>   | <b>12.31.2011</b> |
| <b>Derivative Financial Instruments</b>   |                     |                   |
| Future DI Daily Adjustments - assets      | -                   | 1                 |
| Future DI Daily Adjustments - liabilities | (63)                | (39)              |
| <b>Current portion</b>                    | <b>(63)</b>         | <b>(38)</b>       |

In order to protect against the effects of volatility on active exposures (DI interest rates) of bonds and securities, the Company hired future DI rate operations, negotiated at BM&FBOVESPA and registered at CETIP, whose nominal balances and conditions are as follows:

For the nine-month period ended September 30, 2012, the result of operations with derivative financial instruments on the futures market was a loss of R\$ 3,838 (loss of R\$ 2,726 on 2011).

Contracts are adjusted daily in accordance with the future DI rates published by BM&FBOVESPA. The reference (national) values of these outstanding contracts as on September 30, 2012 corresponded to R\$ 95,063 (R\$ 88,135 as of December 31, 2011).

On September 30, 2012, a share of the Company's federal bonds in the amount of R\$ 6,326 (R\$ 5,930 as of December 31, 2011), was deposited as collateral for transactions at BM&FBOVESPA S.A.

In order to measure the effects of the variations in the indices and rates tied to the derivative operations, the following sensitivity analysis table was prepared in accordance with the terms provided by CVM Resolution nº 475/08, which includes a scenario considered probable by Company management, a situation considered adverse of at least a 25% deterioration in the variables used and a situation considered remote, with a deterioration of at least 50% in the risk variables. The base scenario took into account the existing balances as of September 30, 2012 and

the probable scenario for balances with changes in the BM&FBOVESPA preferential rate for LTN (National Treasury Bills) maturing on January 01, 2013.

| Risk of derivative                    | Risk                | Baseline<br>09.30.2012 | Forecast scenarios - December 2012 |              |              |
|---------------------------------------|---------------------|------------------------|------------------------------------|--------------|--------------|
|                                       |                     |                        | Probable                           | Adverse      | Remote       |
| <b>Financial assets (liabilities)</b> |                     |                        |                                    |              |              |
| Derivatives - liabilities             | Decrease in DI rate | (63)                   | (165)                              | (579)        | (999)        |
|                                       |                     | <b>(63)</b>            | <b>(165)</b>                       | <b>(579)</b> | <b>(999)</b> |
| <b>Expected effect in the result</b>  |                     |                        | <b>(102)</b>                       | <b>(516)</b> | <b>(936)</b> |

### UEG Araucária

| Risk of derivative   | Risk                        | Baseline<br>09.30.2012 | Forecast scenarios - December 2012 |              |                |
|--|-----------------------------|------------------------|------------------------------------|--------------|----------------|
|  |                             |                        | Probable                           | Adverse      | Remote         |
| <b>Interbank deposit futures market -daily adjustments – liabilities</b> |                             |                        |                                    |              |                |
| DI Future BMF  | Decrease in DI rate         | (5)                    | (6)                                | (6)          | (8)            |
| <b>Expected effect in the result</b>                                     |                             |                        | <b>(1)</b>                         | <b>(1)</b>   | <b>(3)</b>     |
| <b>purchase of stock purchase options – call option</b>                  |                             |                        |                                    |              |                |
| Premium amount (expense)   | A drop in stock prices      | (10)                   | (10)                               | (10)         | (10)           |
| <b>Expected effect in the result</b>                                     |                             |                        | <b>(10)</b>                        | <b>(10)</b>  | <b>(10)</b>    |
| <b>Sales of stock purchase options – put option</b>                      |                             |                        |                                    |              |                |
| Premium amount (revenue)   | An increase in stock prices | 191                    |                                    |              |                |
| Assets   | An increase in stock prices | 3,234                  | 3,234                              | 4,042        | 4,851          |
| <b>Expected effect in the result</b>                                     |                             |                        | <b>191</b>                         | <b>(617)</b> | <b>(1,426)</b> |

The sensitivity analysis was conducted based on the expected yield and losses, considering the risk of a possible contribution in the event of share devaluation, including a scenario considered probable by Company Management, a situation considered adverse of at least a 25% deterioration in the variables used and a situation considered remote, with a deterioration of at least 50% in the risk variables.

The purpose of the risk management policy adopted for derivative financial instruments of UEG Araucária is to contribute towards striking a proper balance between the company's growth and return goals and its risk exposure level.

Accordingly, derivative transactions are usually medium-term. The purpose of the main derivative transactions conducted by UEG Araucária is to ensure the expected results from stock deals at BOVESPA, futures markets and to hedge against the risks of fluctuations in the indexes and rates applied to these transactions.

These assets are measured at fair value and variations are recorded against the year's income.

### 33.5 Indebtedness index

| Debt  | Parent Company |                | Consolidated     |                |
|---|----------------|----------------|------------------|----------------|
|   | 09.30.2012     | 12.31.2011     | 09.30.2012       | 12.31.2011     |
| Debt - loans and financing                          | 983,329        | 1,009,924      | 2,225,261        | 2,174,472      |
| Cash and cash equivalents and financial investments | 23,786         | 27,922         | 1,215,097        | 1,633,812      |
| <b>Net indebtedness</b>                             | <b>959,543</b> | <b>982,002</b> | <b>1,010,164</b> | <b>540,660</b> |
| Shareholder's                                       | 12,540,889     | 11,826,694     | 12,800,177       | 12,069,528     |
| <b>Net indebtedness ratio</b>                       | <b>7.65%</b>   | <b>8.30%</b>   | <b>7.89%</b>     | <b>4.48%</b>   |

### 33.6 Financing lines

Copel does not employ financing lines such as: non-guaranteed overdraft accounts; non-guaranteed bills of exchange; guaranteed overdraft accounts; and guaranteed bank credit lines.

### 33.7 Liquidity and interest table

The tables below denote the expected settlement amounts for each time range. The projections were made based on financial indicators underlying the respective financial instruments, as forecast by the central bank's Focus Report, which provides market analysts' average expectations for such indicators in the current year and next year. The indicators for 2014 were used from 2013 to the end of the projection period, except for the dollar, which is determined by US inflation.

| Assets                                 | Interest (1)                       |                   |                |                   |                  |                   | Consolidated      |
|--|------------------------------------|-------------------|----------------|-------------------|------------------|-------------------|-------------------|
|  |                                    | Less than 1 month | 1 to 3 month   | 3 month to 1 year | 1 to 5 years     | More than 5 years | Total             |
| <b>09.30.2012</b>                      |                                    |                   |                |                   |                  |                   |                   |
| Cash and cash equivalent               | -                                  | 749,520           | -              | -                 | -                | -                 | 749,520           |
| Customers                              | 0.82%                              | 37,798            | 11,589         | 27,302            | 34,508           | 280               | 111,477           |
| CRC transferred to the State of Paraná | 6.65% p.a. + IGP-DI                | 12,572            | 25,144         | 122,223           | 712,380          | 1,858,473         | 2,730,792         |
| Bonds and securities + exclusive funds | 99.9% of CDI                       | 262,737           | 95,800         | 18,548            | 159,032          | 68,478            | 604,595           |
| Collaterals and escrow accounts        | TR e Dolar <sup>(3)</sup>          | -                 | -              | -                 | -                | 109,769           | 109,769           |
| Receivables related to concession      | WACC+Rate of return <sup>(2)</sup> | 35,717            | 71,823         | 331,994           | 5,456,941        | 2,137,480         | 8,033,955         |
|  |                                    | <b>1,098,344</b>  | <b>204,356</b> | <b>500,067</b>    | <b>6,362,861</b> | <b>4,174,480</b>  | <b>12,340,108</b> |
| <b>12.31.2011</b>                      |                                    |                   |                |                   |                  |                   |                   |
| Cash and cash equivalent               | -                                  | 1,049,125         | -              | -                 | -                | -                 | 1,049,125         |
| Derivatives                            | Future DI                          | 1                 | -              | -                 | -                | -                 | 1                 |
| Customers                              | 0.75%                              | 33,536            | 9,400          | 28,577            | 40,847           | 417               | 112,777           |
| CRC transferred to the State of Paraná | 6.65% p.a. + IGP-DI                | 12,572            | 25,144         | 113,148           | 685,922          | 1,965,058         | 2,801,844         |
| Bonds and securities + exclusive funds | 99.9% of CDI                       | 2,645             | 11,580         | 106,718           | 110,318          | -                 | 231,261           |
| Collaterals and escrow accounts        | TR e Dolar <sup>(3)</sup>          | -                 | -              | -                 | -                | 100,387           | 100,387           |
| Receivables related to concession      | WACC+Rate of return <sup>(2)</sup> | 35,689            | 72,430         | 305,980           | 5,383,147        | 1,948,720         | 7,745,966         |
|  |                                    | <b>1,133,568</b>  | <b>118,554</b> | <b>554,423</b>    | <b>6,220,234</b> | <b>4,014,582</b>  | <b>12,041,361</b> |

(1) Effective interest rate - weighted average

(2) WACC regulatory + rate of return from enterprise

(3) National currency TR; Foreign currency: see Note 20

| Liabilities  |                                 |                   |                  |                   |                   |                   | Consolidated      |  |
|--|---------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|--|
|  | Interest (1)                    | Less than 1 month | 1 to 3 month     | 3 month to 1 year | 1 to 5 years      | More than 5 years | Total             |  |
| <b>09.30.2012</b>                                    |                                 |                   |                  |                   |                   |                   |                   |  |
| Loans and financing                                  | Note 20                         | 21,681            | 16,751           | 317,913           | 2,003,916         | 530,030           | 2,890,291         |  |
| Derivatives  | Future DI                       | 63                | -                | -                 | -                 | -                 | 63                |  |
| Payables related to concession - use of public asset | Rate of return + IGP-M and IPCA | 3,966             | 8,078            | 36,350            | 222,015           | 2,029,699         | 2,300,108         |  |
| Eletrobrás - Itaipu                                  | Dolar                           | -                 | 90,542           | 408,990           | 2,766,338         | 5,869,575         | 9,135,445         |  |
| Petrobras - Compagas                                 | 100% of CDI                     | 4,613             | 9,327            | 43,500            | 112,370           | -                 | 169,810           |  |
| Other suppliers                                      | -                               | 661,150           | 124,709          | 2,615             | 36,073            | -                 | 824,547           |  |
| Post employment benefits                             | 7.30%                           | 28,485            | 56,969           | 256,361           | 1,281,669         | 2,109,550         | 3,733,034         |  |
| Purchase liabilities                                 | IGP-M and IPCA                  | -                 | 598,257          | 2,623,005         | 10,107,081        | 45,811,864        | 59,140,207        |  |
|  |                                 | <b>719,958</b>    | <b>904,633</b>   | <b>3,688,734</b>  | <b>16,529,462</b> | <b>56,350,718</b> | <b>78,193,505</b> |  |
| <b>12.31.2011</b>                                    |                                 |                   |                  |                   |                   |                   |                   |  |
| Loans and financing                                  | Note 20                         | 15,895            | 55,795           | 143,838           | 2,312,045         | 524,717           | 3,052,290         |  |
| Derivatives  | Future DI                       | 39                | -                | -                 | -                 | -                 | 39                |  |
| Payables related to concession - use of public asset | Rate of return + IGP-M and IPCA | 3,741             | 7,481            | 34,129            | 207,996           | 2,040,876         | 2,294,223         |  |
| Eletrobrás - Itaipu                                  | Dolar                           | -                 | 164,062          | 350,491           | 2,426,301         | 6,338,176         | 9,279,030         |  |
| Petrobras - Compagas                                 | 100% of CDI                     | 4,499             | 9,117            | 42,928            | 131,262           | -                 | 187,806           |  |
| Other suppliers                                      | -                               | 555,708           | 116,041          | 44,494            | 140,059           | -                 | 856,302           |  |
| Post employment benefits                             | 7.17%                           | 28,485            | 56,969           | 256,361           | 1,281,669         | 2,109,550         | 3,733,034         |  |
| Purchase liabilities                                 | IGP-M and IPCA                  | -                 | 994,393          | 2,646,662         | 11,395,780        | 50,070,240        | 65,107,075        |  |
|  |                                 | <b>608,367</b>    | <b>1,403,858</b> | <b>3,518,903</b>  | <b>17,895,112</b> | <b>61,083,559</b> | <b>84,509,799</b> |  |

(1) Effective interest rate - weighted average

## 34 Related Party Transactions

### 34.1 Parent Company

| Related parties / Nature of operation      | Parent company |            |            |            |
|--|----------------|------------|------------|------------|
|  | Liabilities    |            | Results    |            |
|  | 09.30.2012     | 12.31.2011 | 09.30.2012 | 12.31.2011 |
| <b>Controlling shareholders</b>            |                |            |            |            |
| <b>State of Paraná</b>                     |                |            |            |            |
| Dividends payable (1)                      | 54,855         | 57,855     | -          | -          |
| <b>Entities with significant influence</b> |                |            |            |            |
| <b>BNDESPAR (4)</b>                        |                |            |            |            |
| Dividends payable (1)                      | -              | 46,473     | -          | -          |
| <b>Key management personnel</b>            |                |            |            |            |
| Fees and related charges (Note 29.3)       | -              | -          | (6,859)    | (5,710)    |
| Pension plans and health care              | -              | -          | (403)      | (443)      |

The balances of transactions between the Company and its investees and subsidiaries are shown in Note 14 and Note 15.

In 2002, the Company became guarantor of the loans signed by its investee Dona Francisca Energética S.A. with the National Economic and Social Development Bank (BNDES) (joint debtor), and with Bradesco (joint debtor). As of September 30, 2012, the outstanding debt was R\$ 16,754 and R\$ 9,899, respectively.

## 34.2 Consolidated

| Related parties / Nature of operation  | Assets     |            | Liabilities |            | Consolidated Results |            |
|--|------------|------------|-------------|------------|----------------------|------------|
|  | 09.30.2012 | 12.31.2011 | 09.30.2012  | 12.31.2011 | 09.30.2012           | 12.31.2011 |
| <b>Controlling shareholders</b>  |            |            |             |            |                      |            |
| <b>State of Paraná</b>   |            |            |             |            |                      |            |
| Dividends payable (1)  | -          | -          | 54,855      | 57,855     | -                    | -          |
| "Luz Fraterna" program (2)   | 55,744     | 38,763     | -           | -          | -                    | -          |
| Remuneration and employ. social security charges assigned (3)                        | 1,670      | 2,062      | -           | -          | -                    | -          |
| CRC (Note 7)   | 1,392,983  | 1,346,460  | -           | -          | 159,671              | 119,193    |
| ICMS (Note 11.3)   | 114,454    | 117,011    | 203,412     | 193,960    | -                    | -          |
| <b>Entities with significant influence</b>   |            |            |             |            |                      |            |
| <b>BNDES (4)</b>   |            |            |             |            |                      |            |
| Financing HPP Mauá and system for associated transmission (Note 20.5)                | -          | -          | 172,102     | 172,237    | (9,735)              | (5,142)    |
| Financing Transmission Line between SEs Foz do Iguaçu and Cascavel Oeste (Note 20.5) | -          | -          | 43,502      | -          | (1,743)              | -          |
| <b>BNDESPAR (4)</b>  |            |            |             |            |                      |            |
| Dividends payable (1)  | -          | -          | -           | 46,473     | -                    | -          |
| <b>Associated companies</b>  |            |            |             |            |                      |            |
| <b>Dona Francisca Energética</b>   |            |            |             |            |                      |            |
| Purchase of energy (5)   | -          | -          | 5,418       | 5,600      | (49,493)             | (46,494)   |
| Dividends receivable by Copel (Note 14)  | -          | 2,303      | -           | -          | -                    | -          |
| <b>Sanepar</b>   |            |            |             |            |                      |            |
| Dividends receivable by Dominó Holdings (Note 14)                                    | 8,342      | 15,603     | -           | -          | -                    | -          |
| <b>Foz do Chopim Energética Ltda.</b>  |            |            |             |            |                      |            |
| Operation and maintenance (6)  | 5          | 131        | -           | -          | 1,196                | 999        |
| <b>Sercomtel S.A. Telecomunicações</b>   |            |            |             |            |                      |            |
| Sharing poles (7)  | 179        | 169        | -           | -          | 1,604                | 1,524      |
| <b>Key management personnel</b>  |            |            |             |            |                      |            |
| Fees and related charges (Note 29.3)   | -          | -          | -           | -          | (10,526)             | (8,093)    |
| Pension plans and health care (Note 21)  | -          | -          | -           | -          | (436)                | (443)      |
| <b>Other related parties</b>   |            |            |             |            |                      |            |
| <b>Petrobras</b>   |            |            |             |            |                      |            |
| Rental plant UTE Araucária (Note 32.2)   | 15,858     | 2,730      | -           | -          | 60,541               | 24,614     |
| Supply and transport of gas (8)  | 320        | 283        | -           | -          | 11,173               | 4,116      |
| Acquisition of gas for resale (8)  | -          | -          | 52,255      | 40,698     | (182,987)            | (132,852)  |
| Advances to suppliers (8)  | 12,697     | 11,982     | -           | -          | -                    | -          |
| Dividends payable (8)  | -          | -          | -           | 1,887      | -                    | -          |
| <b>Mitsui Gás e Energia do Brasil Ltda. (9)</b>                                      |            |            |             |            |                      |            |
| Dividends payable  | -          | -          | -           | 1,887      | -                    | -          |
| Remuneration and employ. social security charges assigned (4)                        | -          | -          | -           | 27         | -                    | -          |
| <b>Paineira Participações S.A. (10)</b>  |            |            |             |            |                      |            |
| Dividends payable  | -          | -          | -           | 1,110      | -                    | -          |
| <b>Fundação Copel</b>  |            |            |             |            |                      |            |
| Rental of administrative real estate   | -          | -          | -           | -          | (7,951)              | (6,698)    |
| Private pension and health plans (Note 21)   | -          | -          | 492,326     | 468,875    | -                    | -          |
| <b>Instit. de Tecnol. p/ o Desenvolvimento - Lactec (11)</b>                         |            |            |             |            |                      |            |
| Services rendered and research and development                                       | 18,664     | 15,400     | 1,029       | 371        | (3,286)              | (6,511)    |



The amounts resulting from the operating activities of Copel Distribuição involving related parties are billed at the rates approved by ANEEL, and those of Copel Telecomunicações are accounted for according to terms and conditions similar to those in effect in transactions with independent parties.

- 1) In 2011, out of the total dividends proposed to the Government for the State of Paraná and to BNDESPAR, for the amounts of R\$ 124,872, and R\$ 100,309, the Company made advance payments during 2011, of R\$ 67,017 and R\$ 53,836, respectively. The amount due to BNDESPAR was fully repaid on May 29, 2012. The amount due to the State of Paraná, was paid a share of R\$ 3,000 on May 30, 2012, resulting in a balance to pay of R\$ 54,855.
- 2) The Luz Fraterna Program, created under Law nº 491, dated September 11, 2003, allows the State Government to pay for the electricity bills of low income families in Paraná – which have duly applied for the program – provided their consumption does not exceed 100 kWh a month. This benefit is available to residential customers with single phase connections, rural customers with single phase connections or two phase connections with circuit breakers of up to 50 ampères. Applicants must not have more than one electricity bill under their names and must not have any pending debts to Copel.
- 3) Reimbursement of wages and social charges for employees transferred to the Paraná State Government. The Company set aside a provision in the amount of R\$ 1,287 in connection as of September 30, 2012 and the amount of R\$ 1,307 as of December 31, 2011.
- 4) BNDESPAR holds 23.96% of the share capital of the Company (26.41% of the common shares and 21.27% of preferred shares) and the shareholders' agreement, has the right to appoint two members of the Board of Directors. BNDESPAR is a wholly owned subsidiary of BNDES, with which the Company has financing agreements described in Note 20.
- 5) Power purchase and sale agreement signed by Dona Francisca Energética and Copel Geração e Transmissão, expiring on October 6, 2015.
- 6) Operation and maintenance services agreement, signed between Foz do Chopim Energética Ltda. and Copel Geração e Transmissão, expiring on May 24, 2015.
- 7) Light Post sharing agreement, signed between Sercomtel S.A Telecomunicações and Copel Distribuição, expiring on August 20, 2013.
- 8) Petrobras holds a 24.5% of the share capital of Compagas. Petrobras Distribuidora S.A, - BR and Petrobras Gás S.A. - Gaspetro maintained relationships with Compagas.

The supply and transport of piped gas and the purchase of gas for resale are conducted at market prices and conditions.

Advance payments to suppliers refer to the gas purchase contract covering guaranteed volumes and transport capacity, higher than those actually consumed and used, which contains

a future compensation clause. Compagas has the right to receive unused gas in subsequent months, and it may offset amounts under contract but not consumed over a period of up to 10 years. In light of the prospects of increased consumption by the market, Compagas management believes it will consume the accumulated gas volumes as of September 30, 2012 in the next fiscal years.

- 9) Mitsui Gás e Energia do Brasil Ltda. holds 24.5% of Compagas's share capital.
- 10) Paineira Participações S.A. holds 30% of Elejor share capital.
- 11) The Institute of Technology for Development (Lactec) was constituted on February 6, 1997 as a not for profit organization whose goal is to promote economic, scientific, technological, and social development and the sustainable conservation of the environment. In 2000, it was qualified by the Ministry of Justice, based on Law nº 9,970, as a Public Interest Civil Society Organization (OSCIP), which allows it, among other things, to enter partnerships with government agencies with no need for competitive bidding. Its members are: Copel, the Federal University of Paraná (UFPR), the Engineering Institute of Paraná (IEP), the Paraná Federation of Industries (FIEP), and the Commercial Association of Paraná (ACP).

Lactec has service and R&D contracts with Copel Geração e Transmissão and Copel Distribuição, which are subject to prior or later control and approval by ANEEL.

The asset balances refer to Energy Efficiency and R&D programs, recorded under current assets, in service in progress, until the respective projects are concluded, pursuant to ANEEL.

## **35 Insurance**

The specifications by type of risk and maturity dates for the Company's main insurance is reported in Note 35 of the Annual Financial Statements as of December 31, 2011.

## **36 Compensation Account for "Part A"**

As a result of adopting international accounting Standards, the Company no longer registers regulatory assets and liabilities, and reversed the existing balances.

These assets and liabilities continue to be registered in the regulatory records, introduced by ANEEL Normative Resolution 396.

The Compensation Account for Variations in Items from "Part A" - CVA accompanies the variations reported between the amounts homologated for tariff adjustments, and the amounts actually incurred during the tariff period, from the following cost components of "Part A": Purchase of electric power (Bilateral, Itaipu and Auctions), Energy Transportation Cost (Transport from Itaipu and the Basic Grid) and Sector Charges (Fuel Consumption Account - CCC; Energy Development Account -

CDE; System Service Charges - ESS and Incentive Program for Alternative Energy Sources - Proinfa).

ANEEL authorized Copel Distribuição, through Homologatory Resolution 1,296, of June 19, 2012, to adjust its supply tariffs as from June 24, 2012, by an average rate of -0.81%, with -0.11% that refers to the tariff adjustment index and -0.70% for the pertinent financial components, of which, CVA, represents a total of R\$ (41,622), consisting of 2 parts: CVA being processed, for the tariff year 2011-2012, for the amount of R\$ (42,525), and the balance to compensate for CVA from prior years for the amount of R\$ 903.

If the regulatory assets and liabilities had been registered, the Company would have reported the following balances in its quarterly information:

#### Composition of balances for CVA

| Consolidated  | Current Assets |               | Noncurrent Assets |               |
|---|----------------|---------------|-------------------|---------------|
|   | 09.30.2012     | 12.31.2011    | 09.30.2012        | 12.31.2011    |
| <b>CVA recoverable tariff adjustment 2011</b>       |                |               |                   |               |
| CCC   | -              | 6,588         | -                 | -             |
| CDE   | -              | 4,023         | -                 | -             |
| Transport of energy purchased (Itaipu)              | -              | 1,111         | -                 | -             |
|   | -              | <b>11,722</b> | -                 | -             |
| <b>CVA recoverable tariff adjustment 2012</b>       |                |               |                   |               |
| CCC   | -              | 75            | -                 | 75            |
| Charges for use of transmission system (basic grid) | 21,272         | 18,081        | -                 | 18,081        |
| CDE   | 8,784          | 3,074         | -                 | 3,074         |
| Proinfa   | 8,348          | -             | -                 | -             |
| Transport of energy purchased (Itaipu)              | 2,034          | 1,106         | -                 | 1,106         |
|   | <b>40,438</b>  | <b>22,336</b> | -                 | <b>22,336</b> |
| <b>CVA recoverable tariff adjustment 2013</b>       |                |               |                   |               |
| CCC   | 800            | -             | 2,403             | -             |
| Charges for use of transmission system (basic grid) | 7,731          | -             | 23,192            | -             |
| ESS   | 5,159          | -             | 15,475            | -             |
| CDE   | 1,573          | -             | 4,719             | -             |
| Proinfa   | 482            | -             | 1,445             | -             |
| Transport of energy purchased (Itaipu)              | 415            | -             | 1,246             | -             |
|   | <b>16,160</b>  | -             | <b>48,480</b>     | -             |
|   | <b>56,598</b>  | <b>34,058</b> | <b>48,480</b>     | <b>22,336</b> |

| Consolidated  | Current liabilities |                | Noncurrent liabilities |               |
|---|---------------------|----------------|------------------------|---------------|
|   | 09.30.2012          | 12.31.2011     | 09.30.2012             | 12.31.2011    |
| <b>CVA compensable tariff adjustment 2011</b>       |                     |                |                        |               |
| Charges for use of transmission system (basic grid) | -                   | 4,235          | -                      | -             |
| Energy purchased for resale (Itaipu)                | -                   | 10,414         | -                      | -             |
| ESS   | -                   | 12,896         | -                      | -             |
| Proinfa   | -                   | 649            | -                      | -             |
| Energy purchased for resale (CVA Energ)             | -                   | 23,828         | -                      | -             |
|   | -                   | <b>52,022</b>  | -                      | -             |
| <b>CVA compensable tariff adjustment 2012</b>       |                     |                |                        |               |
| CCC   | 545                 | -              | -                      | -             |
| Energy purchased for resale (Itaipu)                | 26,807              | 17,273         | -                      | 17,273        |
| ESS   | 28,473              | 16,696         | -                      | 16,696        |
| Proinfa   | -                   | 166            | -                      | 166           |
| Energy purchased for resale (CVA Energ)             | 14,518              | 27,350         | -                      | 27,350        |
|   | <b>70,343</b>       | <b>61,485</b>  | -                      | <b>61,485</b> |
| <b>CVA compensable tariff adjustment 2013</b>       |                     |                |                        |               |
| Energy purchased for resale (Itaipu)                | 2,424               | -              | 7,272                  | -             |
| Energy purchased for resale (CVA Energ)             | 10,277              | -              | 30,832                 | -             |
|   | <b>12,701</b>       | -              | <b>38,104</b>          | -             |
|   | <b>83,044</b>       | <b>113,507</b> | <b>38,104</b>          | <b>61,485</b> |

### Changes in CVA

|   | Balance as of  | Differ.         | Amortiz.        | Correction     | Transf.         | Balance as of  |
|---|----------------|-----------------|-----------------|----------------|-----------------|----------------|
|   | 01.01.2012     |                 |                 |                |                 | 09.30.2012     |
| <b>Ativo</b>  |                |                 |                 |                |                 |                |
| CCC   | 6,738          | 2,966           | (6,958)         | 457            | -               | 3,203          |
| Charges for use of transmission system (basic grid) | 36,162         | 23,724          | (7,394)         | (297)          | -               | 52,195         |
| ESS   | -              | 20,391          | -               | 243            | -               | 20,634         |
| CDE   | 10,171         | 12,047          | (7,321)         | 179            | -               | 15,076         |
| Proinfa   | -              | 13,000          | (2,902)         | 177            | -               | 10,275         |
| Transport of energy purchased (Itaipu)              | 3,323          | 2,201           | (1,887)         | 58             | -               | 3,695          |
|   | <b>56,394</b>  | <b>74,329</b>   | <b>(26,462)</b> | <b>817</b>     | -               | <b>105,078</b> |
| <b>Current</b>                                      | <b>34,058</b>  | <b>7,516</b>    | <b>(26,462)</b> | <b>(384)</b>   | <b>41,870</b>   | <b>56,598</b>  |
| <b>Noncurrent - NC</b>                              | <b>22,336</b>  | <b>66,813</b>   | -               | <b>1,201</b>   | <b>(41,870)</b> | <b>48,480</b>  |
| <b>Liabilities</b>                                  |                |                 |                 |                |                 |                |
| CCC   | -              | 726             | (188)           | 7              | -               | 545            |
| Charges for use of transmission system (basic grid) | 4,235          | -               | (4,525)         | 290            | -               | -              |
| Transport of energy purchased (Itaipu)              | 44,960         | 12,266          | (20,408)        | (315)          | -               | 36,503         |
| ESS   | 46,288         | 5,538           | (23,547)        | 194            | -               | 28,473         |
| Proinfa   | 981            | (316)           | (695)           | 30             | -               | -              |
| Energy purchased for resale (CVA Energ)             | 78,528         | 8,076           | (30,338)        | (639)          | -               | 55,627         |
|   | <b>174,992</b> | <b>26,290</b>   | <b>(79,701)</b> | <b>(433)</b>   | -               | <b>121,148</b> |
| <b>Current</b>                                      | <b>113,507</b> | <b>(25,727)</b> | <b>(79,701)</b> | <b>(1,542)</b> | <b>76,507</b>   | <b>83,044</b>  |
| <b>Noncurrent - NC</b>                              | <b>61,485</b>  | <b>52,017</b>   | -               | <b>1,109</b>   | <b>(76,507)</b> | <b>38,104</b>  |

## **37 Subsequent Events**

### 37.1 Executive Act 579/2012

On September 11, 2012 the Federal Government, with the purpose of reducing electricity costs for consumers, introduced Executive Act 579 (“MP 579”). On September 14, 2012, Presidential Decree 7,805 was issued, establishing some of the operational procedures to enforce the provisions of MP 579. This Executive Act allowed concessionaires whose agreements will mature between 2015 and 2017 to opt for an earlier extension of the terms of the agreements by meeting the specific conditions set forth by the Act.

As informed by the administration, the act will cause electricity rates to be cut by 20.2% on average (16.2% for residential consumers and 19.7% and 28% for industrial consumers) and consists of the following:

- i. Eliminating/ reducing some industry charges, which will help to reduce final rates by 7% and;
- ii. Setting out new conditions for extending generation, transmission and distribution concessions which mature between 2015 and 2017, with an average impact of 13.2% on final fees.

Under MP 579, as from January 1, 2013 electricity rates for distribution concessionaires will be reduced by eliminating/reducing some industry charges. As from February 2013, the rates will undergo an extraordinary adjustment to reflect the reduction in generation and transmission rates. The reduction will also be made possible on account of the possible effects of the reallocation of the energy quotas of the generation companies whose agreements were extended. For generation concessionaires, the main conditions relate: to the change in the pricing method, from the price system to the allowed revenue system, with periodic reviews; to the allocation of the physical guarantee of energy and power of the power plants covered by MP 579, under a quota regime, to distributors (Regulated Procurement Environment); and upon the extension to the indemnity paid for residual assets at the replacement value – VNR. Future investments should be previously submitted to the regulatory agent for approval.

Power plants which have entered into sales agreements at the Free Marketing Environment after 2012 should recoup this energy by making a purchase in the same environment.

For transmission concessionaires, the main conditions consist of a reduction in the Annual Allowed Revenue (RAP) and the non-payment of indemnity for transmission facilities authorized by ANEEL (Brazilian Electricity Regulatory Agency) by May 31, 2000. Upon the extension of the concession, indemnity will be paid for assets authorized as from June 1, 2000 in the new replacement amount. Future investments should be previously submitted to the regulatory agent for approval.

As required by MP 579, on October 9, 2012, the Company filed its request for the extension of distribution concession agreement number 046/99, transmission concession agreement number 060/01 and of the concession for hydroelectric power plants of Gov. Pedro Viriato Parigot de Souza, Mourão, Chopim I and Rio dos Patos. The Company will have thirty days after the disclosure of the extension conditions to sign the amendment to the concession agreement. If this term is not complied with, the concessionaire may not extend the concession, at any time. Therefore, the Company can choose not to extend the concession agreements due to the conditions that may be introduced by the concession authority and regulatory agents. As a result, these concessions will be made available to the concession authority for new competitive biddings.

As set forth by Presidential Decree number 7,805, the Ministry of Mines and Energy issued Administrative Rulings numbers 578 and 579 on October 31, 2012 disclosing on November 1, 2012, the electricity generation and transmission rates applicable to the above-mentioned agreements. The Ministry of Mines and Energy and Ministry of Finance issued Administrative Ruling number 580 on November 1, 2012, disclosing the indemnities and providing to the companies the new amendments to the concession agreements.

Only on November 6, 2012 did the Company become aware, through the disclosure of the technical notes, of the methodology used to calculate the initial electricity generation rate, the initial revenue of transmission companies and the indemnity amounts to be paid to generation and transmission concessionaires, which were respectively included in the Ministry of Mines and Energy's Administrative Rulings number 578 and 579, both of which were issued on October 31, 2012 and the Administrative Ruling number 580 issued on November 1, 2012 by the Ministry of Mines and Energy and Ministry of Finance.

#### 37.1.1 Distribution Concession – Concession Agreement 046/1999

The rate reduction established by MP 579 is not expected to cause major impacts on the distribution segment, considering that the changes will affect only the cost of energy purchase and transportation and industry charges which are fully passed on to the consumer by charging higher rates.

MP 579 and Presidential Decree 7,805 did not set a schedule of dates to disclose the conditions for extending distribution concession agreements. To date there is no information about these distribution agreements regarding new agreement and operational conditions that come to be introduced by public agents.

#### 37.1.2 Generation Concessions – Concessions Agreement 045/1999

The rates proposed for hydroelectric power plants consider regulatory operation, maintenance, management and other costs. The table below shows the rates disclosed by the concession authority for its projects:

| <b>Hydroelectric Power Plants</b>                               | <b>Power for the purpose of defining the GAG (MW)</b> | <b>Rate (R\$/kW.year)</b> |
|---|---|---------------------------|
| Governador Pedro Viriato Parigot de Souza (Capivari/ Cachoeira) | 260.00  | 57.10940                  |
| Mourão I  | 8.20  | 163.57187                 |
| Chopim I  | 1.98  | 249.13342                 |
| Rio dos Patos   | 1.72  | 237.48997                 |

The Concession Authority did not consider that the Company is entitled to an indemnity for the projects above. These power plants account for five percent of installed capacity and do not have energy procured in a Free Marketing Environment – ACL after 2012.

The amounts recorded in the financial statements of Copel Geração e Transmissão as property, plant and equipment on September 30, 2012 total R\$ 6,397,422, according to note 16.2. The book value of the above-mentioned projects is R\$ 133,890.

The estimated annual revenue of these power plants for 2012 is R\$ 100,322. Considering proposed rates, annual revenue would be R\$ 26,532.

### 37.1.3 Transmission Concessions – Concession Agreement 060/2001

The Annual Allowed Revenue is R\$ 116,094 for transmission agreement 060/2001 and the disclosed indemnity is R\$ 893,923.

The total assets linked to this agreement, including facilities authorized by ANEEL and which are in progress, amount to R\$ 1,072,272 as of September 30, 2012.

The Annual Allowed Revenue approved by ANEEL in July 2012 for this rate cycle – from July 2012 to July 2013 – is R\$ 304,827. Transmission agreements to be renewed in 2011's annual revenue of the generation and transmission industries account for approximately 16.8% of net operating revenue.

The Company's Management is analyzing the conditions set out for extending the concession term and the potential economic, financial and tax effects on indemnity amount and rates. It is also conducting several internal studies to reach a conclusion on the approval of the extension of the concession term, whose final answer is due by December 4, 2012. Therefore, after Management's decision, the related accounting effects and necessary disclosures will be recognized.

The Company will also analyze proposed rates and other agreement conditions in order to adapt operational and structure costs to the new regulatory scenario.

The Company called its shareholders for an extraordinary meeting on November 30, 2012 to decide on the extension of the generation and transmission concessions covered by MP 579.

In addition, MP 579 is being analyzed by the Brazilian Congress and may be changed. With the purpose of putting forth its understanding of what is technically and legally correct in compliance with laws and regulations in effect which have not been changed by MP 579, the Company is monitoring and interacting with regulatory authorities about the industry rules. The purpose is to improve the rules, signal predictability to the industry and maintain the companies' investment capacity.

### 37.2 Issue of debentures

On October 22, 2012, the first issue in a single series of unsecured nonconvertible debentures of Copel Distribuição S.A. was approved for public distribution with restricted offering efforts, pursuant to CVM (Brazilian Securities and Exchange Commission) amended Instruction 476/09, in the amount of R\$ 1,000,000.

One hundred thousand (100,000) debentures, whose par value per unit is R\$ 10, were issued to mature on October 30, 2017. The unit value of debentures will not be monetarily adjusted.

Debentures will bear interest of one hundred percent (100%) of the daily average percentage rates of one-day extra group interbank deposits daily calculated and disclosed by CETIP (Clearing House for the Custody and Financial Settlement of Securities), plus an annual spread of point ninety-nine percent.

Debentures will be secured by Copel.

The funds raised by the offering will be used for the issuer's working capital and investment purposes.



## **COMMENTS ON PERFORMANCE FOR THE PERIOD**

(Amounts expressed in thousands of reais, except when stated otherwise)

### **1 Distribution**

**Compact Grids** - Copel has implemented compact networks in urban areas with significant urban forestry close to the distribution grids. This technology avoids having to prune and cut trees and improves the quality of the supply, since it reduces the number of disconnections. At the end of September 2012, the extension of the compact grids installed was 3,880 km (2,502 km at September 2011), the extension of the compact grids installed was 1,378 km in 12 months, a variation of 55.1%.

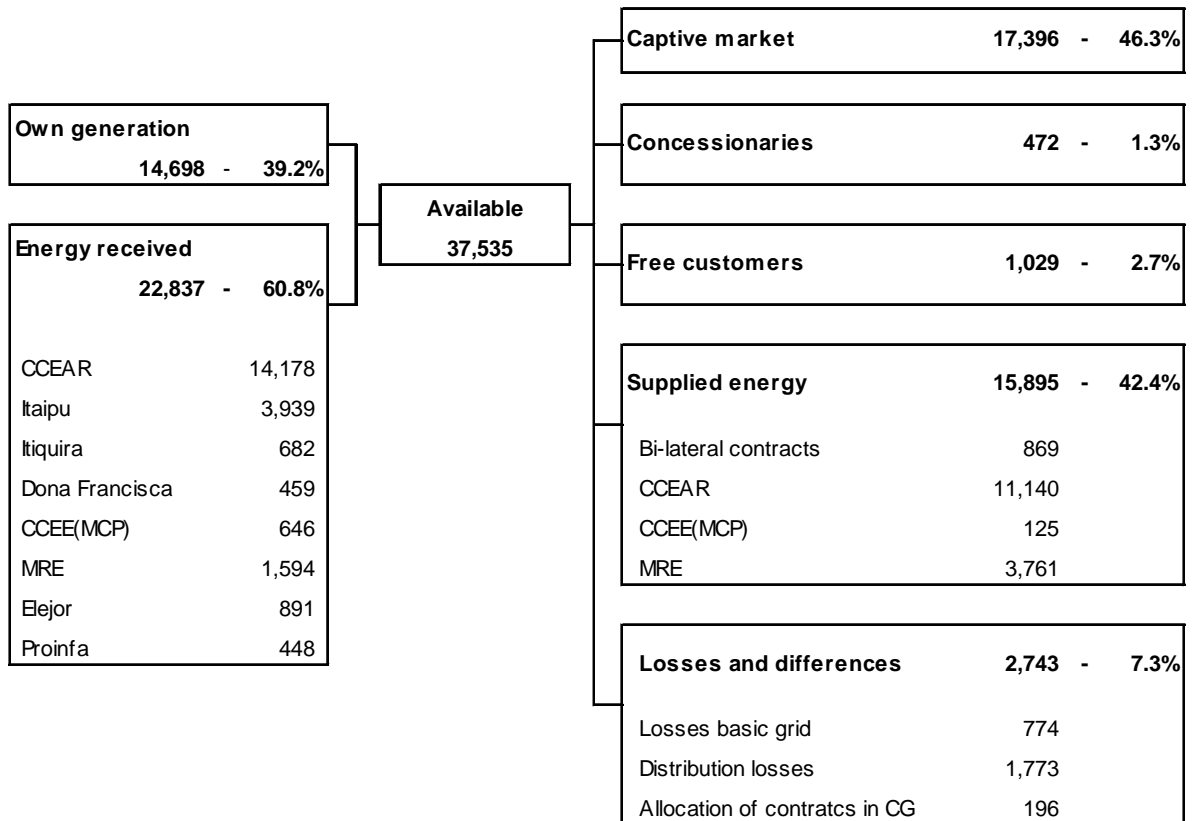
**Isolated Secondary Grid** - Copel is also investing in secondary isolated grids for low voltage (127/220 V), which provide significant advantages compared to the conventional aerial grid, such as: improvement in the DEC and FEC indices, increased difficulty for electric energy stealing, improvement in the environmental conditions and reduction to the pruned area, increased safety, reduction to the drops in voltage throughout the network, and increased useful life of the transformers from the decrease in the number of short circuits in the network, amongst others. By the end of September 2012, the extent of the installed secondary isolated distribution grids was 8,622 km (7,288 km in September 2011), representing an increase of 1,334 km in the previous 12 months, variation of 18.43%.

### **2 Energy Market**

**Market behavior** - The energy generated by Copel during the first nine months of 2012 was 14,698 GWh (19,449 GWh in the same period for 2011). The energy purchased from CCEAR (auctions) was 14,178 GWh (13,655 GWh in the same period for 2011) and from Itaipu it was 3,939 GWh (3,949 GWh in the same period for 2011), as demonstrated in the following flow chart:

**Energy flow (GWh) <sup>(a) (b)</sup>**

**January to September de 2012**



(a) The energy negotiated between the subsidiaries Copel has been included.

(b) Subject to alterations after closing by CCEE

CCEAR= Contracts for sale of Energy on Regulated Environment

CCEE(MCP)= Electric Power Trade Chamber (Short term market)

MRE= Mechanism for relocation of energy

CG = Center of gravity of submarket (difference between energy contracted and received in CG - established in the contract).

**Sale of energy (MWh)** - The following table presents total energy sales by Copel between Copel Distribuição and Copel Geração e Transmissão:

| Class  | In MWh                    |                           | Variation     |
|--|---------------------------|---------------------------|---------------|
|  | January to September 2012 | January to September 2011 |               |
| <b>Copel Distribuição</b>                    |                           |                           |               |
| <b>Captive market</b>                        | <b>17,396,285</b>         | <b>16,857,977</b>         | <b>3.2%</b>   |
| Industrial                                   | 5,632,518                 | 5,604,261                 | 0.5%          |
| Residential                                  | 4,867,305                 | 4,690,047                 | 3.8%          |
| Commercial                                   | 3,748,641                 | 3,578,079                 | 4.8%          |
| Rural  | 1,512,177                 | 1,400,686                 | 8.0%          |
| Others                                       | 1,635,644                 | 1,584,904                 | 3.2%          |
| <b>Concessionaries and permission holder</b> | <b>472,269</b>            | <b>446,953</b>            | <b>5.7%</b>   |
| <b>CCEE (MCP)</b>                            | <b>36,510</b>             | <b>241,864</b>            | <b>-84.9%</b> |
| <b>Total Copel Distribuição</b>              | <b>17,905,064</b>         | <b>17,546,794</b>         | <b>2.0%</b>   |
| <b>Copel Geração e Transmissão</b>           |                           |                           |               |
| CCEAR (Copel Distribuição)                   | 985,341                   | 987,441                   | -0.2%         |
| CCEAR (other concessionaries)                | 10,154,623                | 10,463,955                | -3.0%         |
| Free customers                               | 1,029,060                 | 690,310                   | 49.1%         |
| Bi-lateral contracts                         | 869,490                   | 791,295                   | 9.9%          |
| CCEE(MCP)                                    | 87,789                    | 113,264                   | -22.5%        |
| Sale MRE                                     | 3,760,769                 | 6,605,202                 | -43.1%        |
| <b>Total Copel Geração e Transmissão</b>     | <b>16,887,072</b>         | <b>19,651,467</b>         | <b>-14.1%</b> |
| <b>Total</b>                                 | <b>34,792,136</b>         | <b>37,198,261</b>         | <b>-6.5%</b>  |

P.S. Does not include energy available through MRE (Mechanism for reallocation of energy)

CCEE(MCP): Electric Power Trade Chamber (Short term market)

CCEAR: Contracts for sale of Energy on Regulated Environment

**Captive market of Copel Distribuição** – The captive market increased 3.2% and was responsible for the consumption of 17,396 GWh between January and September.

The industrial class, equivalent to 32.4% of the captive market of Copel, increased 0.5%, amounting to 5,632 GWh in the nine months period ended September 30, 2012. This result was influenced basically by increasing the number of consumers. At the end of September, 84,887 industrial customers were attended.

Consumption by the residential class was of 4,867 GWh, registering growth of 3.8%, due to the continued movement of credit expansion and income. By the end of September, 2012, this class represented 28.0% of consumption of Copel's captive market, with 3,169,888 residential customers.

The commercial class consumed 3,749 GWh, representing an increase of 4.8%, influenced by the growth of retail sales in the concession area. At the end of September, 2012, this class represented 21.6% of consumption of Copel's captive market, with 326,225 customers attended.

The rural class consumed 1,512 GWh registering an increase of 8.0%, due mainly to the increase in exports of agribusiness. At the end of September, 2012, this class represented 8.7% of consumption of Copel's captive market, with 374.759 customers attended.

The other classes (Government agencies, public lighting, public services and own consumption) consumed 1,636 GWh, an increase of 3.2%. At the end of September, 2012, these classes represented 9.3% of consumption by Copel's captive market, with 53,507 customers.

**Number of consumers** - The number of end customers (captive from Copel Distribuição plus free customers from Copel Geração e Transmissão) billed in September 2012 was 4,009,281, representing an increase of 3.2% compared to the same month in 2011.

| Class  | Customers        |                  |             |
|--|------------------|------------------|-------------|
|  | September 2012   | September 2011   | Variation   |
| Industrial                                   | 84,887           | 78,107           | 8.7%        |
| Residential                                  | 3,169,888        | 3,065,136        | 3.4%        |
| Commercial                                   | 326,225          | 325,862          | 0.1%        |
| Rural  | 374,759          | 364,308          | 2.9%        |
| Others                                       | 53,507           | 51,076           | 4.8%        |
| <b>Total Captive</b>                         | <b>4,009,266</b> | <b>3,884,489</b> | <b>3.2%</b> |
| Free customers - Copel Geração e Transmissão | 15               | 8                | 87.5%       |
| <b>Total</b>                                 | <b>4,009,281</b> | <b>3,884,497</b> | <b>3.2%</b> |

### 3 Administration

**Number of employees** – At the end of September, 2012, Copel ended with a total of 9,502 employees distributed between the Company's wholly owned subsidiaries and 156 employees distributed between companies controlled by Copel, as follows:

|                             | Employees      |                |
|-----------------------------|----------------|----------------|
|                             | September 2012 | September 2011 |
| <b>Owned subsidiaries</b>   |                |                |
| Copel Geração e Transmissão | 1,859          | 1,853          |
| Copel Distribuição          | 7,179          | 7,039          |
| Copel Telecomunicações      | 464            | 504            |
|                             | <b>9,502</b>   | <b>9,396</b>   |
| <b>Subsidiaries</b>         |                |                |
| Compagas                    | 138            | 129            |
| Elejor                      | 7              | 7              |
| UEG Araucária               | 11             | 10             |
|                             | <b>156</b>     | <b>146</b>     |

## 4 Market relations

From January to September 2012, the nominative ordinary shares (ON - code CPLE3) and the nominative preference shares class B (PNB - code CPLE6) of Copel were present on 97% and 100%, respectively, of the floors of the Stock, Futures and Commodities Exchange, (BM&FBOVESPA).

The shares for trading amounted 45% of the Company's capital. At the end of September 2012, the market value of Copel, considering quotations from all of the markets, was R\$ 8,300. Of the 68 securities that comprise the theoretical portfolio of Ibovespa, the PNB shares in Copel participated with 0.64% and with a Beta index of 0.437. In the IEE portfolio (Index for the Energy Sector), Copel participated with 6.7%. Copel's participation in the Business Sustainability Index BM&FBOVESPA (ISE) was 0.8%.

On the BM&FBOVESPA, the ordinary shares closed the quarter quoted at R\$ 27.79 and the preference shares at R\$ 33.10, recording negative variations de 15.8% e 14.9%, respectively. During the same period the IBOVESPA reported a positive variation of 4.3%.

On the New York Stock Exchange (NYSE), the preference shares are traded at "Level 3" in the form of ADS's, under the code ELP, which were present on 100% of the floors, closing the period quoted at US\$ 16.42 with a negative variation of 21.7%. During the same period the DOW JONES index reported a positive variation of 10.0%.

On the LABITEX (Latin American Exchange Market in Euros) tied to the Madrid Stock Exchange, the Company's PNB shares are traded under the code XCOP, and were present on 98% of the floors, closing the quarter quoted at € 12.71 representing a negative variation of 21.5%. During the same period the LABITEX All Shares reported a negative variation of 4.3%.

The following table summarizes the behavior of Copel's shares in the first nine-month:

| Share performance - January to September 2012 | ON        |               | PNB         |               |
|---|-----------|---------------|-------------|---------------|
|   | Total     | Daily average | Total       | Daily average |
| <b>Bovespa</b>                                |           |               |             |               |
| Traded  | 4,490     | 25            | 495,142     | 2,648         |
| Quantity                                      | 2,765,200 | 15,227        | 114,118,500 | 610,259       |
| Volume (R\$ thousand)                         | 95,115    | 525           | 4,645,519   | 24,842        |
| Presence on ex changes                        | 181       | 97%           | 187         | 100%          |
| <b>Nyse</b>                                   |           |               |             |               |
| Quantity                                      | 26,019    | 667           | 104,092,387 | 553,683       |
| Volume (US\$ thousand)                        | 472       | 12            | 2,231,574   | 11,870        |
| Presence on ex changes                        | 39        | 21%           | 188         | 100%          |
| <b>Latibex</b>                                |           |               |             |               |
| Quantity                                      | -         | -             | 178,233     | 958           |
| Volume (€ thousand)                           | -         | -             | 2,840       | 15            |
| Presence on ex changes                        | -         | -             | 186         | 98%           |

## 5 Tariffs

### Energy Supplies

In September 2012, the average tariff for energy supply was R\$ 243.80 /MWh representing an decrease of 3.3% compared to September of the previous year.

The average tariffs for energy supply are presented in the following table:

| Average supply tariffs <sup>(a)</sup> | R\$/MWh        |                |              |
|---------------------------------------|----------------|----------------|--------------|
|                                       | September 2012 | September 2011 | Variation    |
| Industrial <sup>(b)</sup>             | 220.63         | 226.78         | -2.7%        |
| Residential                           | 286.62         | 300.96         | -4.8%        |
| Commercial                            | 263.87         | 271.06         | -2.7%        |
| Rural                                 | 178.69         | 177.85         | 0.5%         |
| Others                                | 208.03         | 209.04         | -0.5%        |
|                                       | <b>243.80</b>  | <b>252.17</b>  | <b>-3.3%</b> |

(a) Without ICM S

(b) Does not included free customers

### Purchasing Energy

Copel's main tariffs for purchasing energy are demonstrated in the following table:

| Tariffs for purchase of energy                     | R\$/MWh        |                |           |
|--|----------------|----------------|-----------|
|  | September 2012 | September 2011 | Variation |
| Itaipu   | 110.19         | 100.53         | 9.6%      |
| Auction - CCEAR 2005-2012                          | 83.35          | 79.35          | 5.0%      |
| Auction - CCEAR 2006-2013                          | 97.48          | 92.76          | 5.1%      |
| Auction - CCEAR 2007-2014                          | 108.21         | 102.46         | 5.6%      |
| Auction - CCEAR 2007-2014 (A-1)                    | 139.38         | 132.75         | 5.0%      |
| Auction - CCEAR 2008-2015                          | 117.25         | 111.58         | 5.1%      |
| Auction - CCEAR 2008-H30                           | 146.79         | 139.79         | 5.0%      |
| Auction - CCEAR 2008-T15 (a)                       | 181.53         | 172.91         | 5.0%      |
| Auction - CCEAR 2009-2016                          | 131.65         | 125.08         | 5.3%      |
| Auction - CCEAR 2009-H30                           | 156.85         | 149.40         | 5.0%      |
| Auction - CCEAR 2009-T15 (a)                       | 177.41         | 168.98         | 5.0%      |
| Auction - CCEAR 2010 - H30                         | 157.25         | 149.78         | 5.0%      |
| Auction - CCEAR 2010 - T15 (a)                     | 167.19         | 159.24         | 5.0%      |
| Auction - CCEAR 2011 - H30                         | 162.11         | 154.40         | 5.0%      |
| Auction - CCEAR 2011 - T15 (3rd new power auction) | 184.34         | 175.58         | 5.0%      |
| Auction - CCEAR 2011 - T15 (6rd new power auction) | 156.17         | 148.75         | 5.0%      |
| Auction - CCEAR 2012 - T15 (5rd new power auction) | 165.37         | -              | -         |
| Auction - 11º of adjustment                        | 73.63          | -              | -         |
| Itiquira   | 148.84         | 143.90         | 3.4%      |
| Elejor   | 175.30         | 169.13         | 3.6%      |

(a) Average auction price fixed by the IPCA. In practice the price is comprised of three components: a fixed portion, a variable portion and expense in the CCEE. The costs of the last two items depends on the order of plants as programming of National System Operator - ONS

## Supply of power

Copel's main tariffs for the supply of energy are presented in the following table:

| Tariffs for the supply of energy           | R\$/MWh        |                |           |
|--|----------------|----------------|-----------|
|  | September 2012 | September 2011 | Variation |
| Auction - CCEAR 2005-2012                  | 82.89          | 78.65          | 5.4%      |
| Auction - CCEAR 2006-2013                  | 97.23          | 92.17          | 5.5%      |
| Auction - CCEAR 2007-2014                  | 108.60         | 102.85         | 5.6%      |
| Auction - CCEAR 2008-2015                  | 115.40         | 109.37         | 5.5%      |
| Auction - CCEAR 2009-2016                  | 132.51         | 125.71         | 5.4%      |
| Concessionaries within the State of Paraná | 147.51         | 137.40         | 7.4%      |

## 6 Economic Financial Results

### Income (Note 28)

At September, 2012, the net income from sales and services reached R\$ 6,109,116, an increase of 7.5% compared to the amount of R\$ 5,682,614 registered to September 2011.

This variation was due mainly to the following factors:

- increase of 5.0% in income from the supply of energy due to consumption by the captive market of 3.2% from January to September 2012 in relation to the same period of 2011;
- a increase of 25.0% in income from the supply of energy, mainly due to the increase in the income earned from the Contracts for the Sale of Energy in the Regulated Environment – CCEAR, the amount of R\$ 39,154 and the Câmara de Comercialização de Energia Elétrica - CCEE, the amount of R\$ 126,770;
- increase in the availability of the energy grid 7.8% due mainly to the increase in interest income of transmission assets and to the market growth; and
- increase of 66.8% in other operating income, mainly due to higher revenue value of leases and rents of UEG Araucária.

### Operational costs and expenses (Note 29)

At the end of September 2012, total operational costs and expenses amounted to R\$ 5,079,618, which represented an increase of 12.0% compared to the R\$ 4,535,576 registered in the same period for 2011. The main highlights are as follows:

- Increase of 22.3% to the account for energy purchased for resale due mainly to (i) the increase in the CCEAR, in the amount of R\$ 263,328 and (ii) higher value of energy purchased in Câmara de Comercialização de Energia — CCEE, the value R\$ 140,809;

- b) increase of 18.1% in charges for the use of the main transmission grid due mainly to higher value of Charge reserve energy – EER, R\$ 29,740, and to higher value of Charges of distribution system, R\$ 102,325, offset by decreased charges of using the system and basic network connection, de R\$ 52,479;
- c) the balance presented as personnel and officers registered an increase of 16.3% compared to the same period of 2011, mainly due to pay rises, as per the collective bargaining agreement implemented in October 2011 and the upsized headcount;
- d) increase of 24.9% in the pension and healthcare plans resulting mainly from the effects of the actuarial valuation, calculated by a contracted actuary.
- e) increase of 10.2% in third party services, which is due mainly to the increase in power system maintenance expenses and reading of invoices and delivery; and
- f) Increase of 39.8% in provisions and reversals due mainly to increased provisions for labor claims, R\$ 30,127, tax disputes, R\$ 39,053, foreclosures and property, R\$ 22,814.

### Financial results (Note 30)

The decrease of 48.1% in financial income/loss was mainly due to higher financial expenses of 48.8% due to recognition of the effects arising from the third cycle electricity rate adjustment and the effects of changes in depreciation rates on ANEEL Normative Resolution 474/2012.

### Ebitida - adjusted

Adjusted Ebitda (earnings before interest, taxes, depreciation and amortization) reached R\$ 1,441,234 in September 2012, 7.32% less than that reported for the same period of the previous year, as demonstrated below:

| Calculation of Lajida/Ebitda     | 09.30.2012       | Consolidated<br>09.30.2011 |
|----------------------------------|------------------|----------------------------|
| Net income for the period        | 824,009          | 988,090                    |
| Deferred IRPJ and CSLL           | (89,798)         | (151,611)                  |
| Provision for IRPJ and CSLL      | 433,853          | 524,501                    |
| Equity in income of subsidiaries | (52,529)         | (48,099)                   |
| Financial expenses (income), net | (86,037)         | (165,843)                  |
| <b>Lajir/Ebit</b>                | <b>1,029,498</b> | <b>1,147,038</b>           |
| Depreciation and amortization    | 411,736          | 407,980                    |
| <b>Lajida/Ebitda - adjusted</b>  | <b>1,441,234</b> | <b>1,555,018</b>           |
| Net operational results - ROL    | 6,109,116        | 5,682,614                  |
| <b>Ebitda% (Ebitda ÷ ROL)</b>    | <b>23.6%</b>     | <b>27.4%</b>               |



## OTHER INFORMATION THAT THE COMPANY UNDERSTANDS TO BE RELEVANT

In compliance with the Rules of Differentiated Practices of Level 1 Corporate Governance of BOVESPA, we present the shareholding position of holders of more than 5% of the shares of each type and class of the Company and the consolidated shareholding position of the controllers and administrators of outstanding shares:

| COMPANHIA PARANAENSE DE ENERGIA - COPEL   |                                     |                    |               |                          |               |                          |               | As of September 30, 2012<br>(in shares) |               |
|---|-------------------------------------|--------------------|---------------|--------------------------|---------------|--------------------------|---------------|---|---------------|
| SHARE HOLDING POSITION OF THE HOLDERS OF MORE THAN 5% OF EACH CLASS OF STOCK (ENTITIES AND INDIVIDUALS) |                                     |                    |               |                          |               |                          |               |   |               |
| SHAREHOLDERS  |                                     | Common shares      |               | Class A Preferred Shares |               | Class B Preferred Shares |               | Total                                   |               |
|   |                                     | Shares             | %             | Shares                   | %             | Shares                   | %             | Shares                                  | %             |
| CONTROLLING SHAREHOLDERS  | STATE OF PARANÁ                     | 85,028,598         | 58.63         | -                        | -             | 13,639                   | 0.01          | 85,042,237                              | 31.08         |
|   | BNDES PARTICIPAÇÕES S.A. - BNDESPAR | 38,298,775         | 26.41         | -                        | -             | 27,282,006               | 21.27         | 65,580,781                              | 23.96         |
| GOVERNMENT OF SINGAPORE   |                                     | -                  | -             | -                        | -             | 5,317,694                | 4.15          | 5,317,594                               | 1.94          |
| THE MONETARY AUTHORITY OF SINGAPORE   |                                     | -                  | -             | -                        | -             | 1,254,671                | 0.98          | 1,254,671                               | 0.46          |
| OTHER SHAREHOLDERS  |                                     | 21,703,707         | 14.96         | 381,810                  | 100.00        | 94,374,275               | 73.59         | 116,459,992                             | 42.56         |
| <b>TOTAL</b>  |                                     | <b>145,031,080</b> | <b>100.00</b> | <b>381,810</b>           | <b>100.00</b> | <b>128,236,398</b>       | <b>100.01</b> | <b>273,655,375</b>                      | <b>100.00</b> |

P.S.: BNDES Participações S.A. - BNDESPAR is a public company, wholly-owned by Banco Nacional de Desenvolvimento Social - BNDES, which is 100% owned by the Federal Government. It holds a shareholders' agreement with the State Government.

| COMPANHIA PARANAENSE DE ENERGIA - COPEL   |                                     |                    |               |                          |               |                          |               | As of September 30, 2011<br>(in shares) |               |
|---|-------------------------------------|--------------------|---------------|--------------------------|---------------|--------------------------|---------------|---|---------------|
| SHARE HOLDING POSITION OF THE HOLDERS OF MORE THAN 5% OF EACH CLASS OF STOCK (ENTITIES AND INDIVIDUALS) |                                     |                    |               |                          |               |                          |               |   |               |
| SHAREHOLDERS  |                                     | Common shares      |               | Class A Preferred Shares |               | Class B Preferred Shares |               | Total                                   |               |
|   |                                     | Shares             | %             | Shares                   | %             | Shares                   | %             | Shares                                  | %             |
| CONTROLLING SHAREHOLDERS  | STATE OF PARANÁ                     | 85,028,598         | 58.63         | -                        | -             | 13,639                   | 0.01          | 85,042,237                              | 31.08         |
|   | BNDES PARTICIPAÇÕES S.A. - BNDESPAR | 38,298,775         | 26.41         | -                        | -             | 27,282,006               | 21.27         | 65,580,781                              | 23.96         |
| OTHER SHAREHOLDERS  |                                     | 21,703,707         | 14.96         | 384,150                  | 100.00        | 100,944,657              | 78.72         | 123,032,357                             | 44.96         |
| <b>TOTAL</b>  |                                     | <b>145,031,080</b> | <b>100.00</b> | <b>384,150</b>           | <b>100.00</b> | <b>128,240,302</b>       | <b>100.00</b> | <b>273,655,375</b>                      | <b>100.00</b> |

P.S.: BNDES Participações S.A. - BNDESPAR is a public company, wholly-owned by Banco Nacional de Desenvolvimento Social - BNDES, which is 100% owned by the Federal Government. It holds a shareholders' agreement with the State Government.

| COMPANHIA PARANAENSE DE ENERGIA - COPEL  |                    |               |                          |               |                          |               | As of September 30, 2012<br>(in shares) |               |
|--|--------------------|---------------|--------------------------|---------------|--------------------------|---------------|---|---------------|
| CONSOLIDATED SHAREHOLDING POSITION OF THE MAJORITY SHAREHOLDERS AND SENIOR MANAGEMENT OF THE COMPANY AND FREE FLOATING STOCK |                    |               |                          |               |                          |               |   |               |
| SHAREHOLDERS   | Common shares      |               | Class A Preferred Shares |               | Class B Preferred Shares |               | Total                                   |               |
|  | Shares             | %             | Shares                   | %             | Shares                   | %             | Shares                                  | %             |
| MAJORITY SHAREHOLDER   | 123,327,373        | 85.04         | -                        | -             | 27,295,645               | 21.28         | 150,623,018                             | 55.04         |
| S. MANAGEMENT  | BOARD OF DIRECTORS | 9             | 0.00                     | -             | -                        | -             | 9                                       | 0.00          |
|  | BOARD OF OFFICERS  | 3             | 0.00                     | -             | -                        | 2,500         | 2,503                                   | 0.00          |
| OTHER SHAREHOLDERS   | 21,703,597         | 14.96         | 381,810                  | 100.00        | 100,944,340              | 78.71         | 123,032,247                             | 44.96         |
| <b>TOTAL</b>   | <b>145,031,080</b> | <b>100.00</b> | <b>381,810</b>           | <b>100.00</b> | <b>128,242,485</b>       | <b>100.00</b> | <b>273,655,375</b>                      | <b>100.00</b> |
| <b>FREE-FLOAT</b>  | <b>21,703,695</b>  | <b>14.96</b>  | <b>381,810</b>           | <b>100.00</b> | <b>100,944,340</b>       | <b>78.71</b>  | <b>123,029,845</b>                      | <b>44.96</b>  |

| COMPANHIA PARANAENSE DE ENERGIA - COPEL  |                    |               |                          |               |                          |               | As of September 30, 2011<br>(in shares) |               |
|--|--------------------|---------------|--------------------------|---------------|--------------------------|---------------|---|---------------|
| CONSOLIDATED SHAREHOLDING POSITION OF THE MAJORITY SHAREHOLDERS AND SENIOR MANAGEMENT OF THE COMPANY AND FREE FLOATING STOCK |                    |               |                          |               |                          |               |   |               |
| SHAREHOLDERS   | Common shares      |               | Class A Preferred Shares |               | Class B Preferred Shares |               | Total                                   |               |
|  | Shares             | %             | Shares                   | %             | Shares                   | %             | Shares                                  | %             |
| MAJORITY SHAREHOLDER   | 123,327,373        | 85.04         | -                        | -             | 27,295,645               | 21.29         | 150,623,018                             | 55.04         |
| S. MANAGEMENT  | BOARD OF DIRECTORS | 8             | 0.00                     | -             | -                        | -             | 8                                       | 0.00          |
|  | BOARD OF OFFICERS  | 102           | 0.00                     | -             | -                        | 2,500         | 2,602                                   | 0.00          |
| OTHER SHAREHOLDERS   | 21,703,597         | 14.96         | 384,150                  | 100.00        | 100,942,000              | 78.71         | 123,029,747                             | 44.96         |
| <b>TOTAL</b>   | <b>145,031,080</b> | <b>100.00</b> | <b>384,150</b>           | <b>100.00</b> | <b>128,240,145</b>       | <b>100.00</b> | <b>273,655,375</b>                      | <b>100.00</b> |
| <b>FREE-FLOAT</b>  | <b>21,703,695</b>  | <b>14.96</b>  | <b>384,150</b>           | <b>100.00</b> | <b>100,942,000</b>       | <b>78.71</b>  | <b>123,029,845</b>                      | <b>44.96</b>  |

## GROUPS IN CHARGE OF GOVERNANCE

### BOARD OF DIRECTORS

Chairman: MAURICIO SCHULMAN  
Executive Secretary: LINDOLFO ZIMMER  
Members: CARLOS HOMERO GIACOMINI  
FABIANO BRAGA CÔRTEZ  
JOSE RICHÁ FILHO  
PAULO PROCOPIAK DE AGUIAR  
PEDRO LUIZ CERIZE  
NILTON CAMARGO COSTA  
NEY AMILTON CALDAS FERREIRA

### AUDIT COMMITTEE

Chairman: CARLOS HOMERO GIACOMINI  
Members: JOSE RICHÁ FILHO  
FABIANO BRAGA CÔRTEZ

### FISCAL COUNCIL

Chairman: JOAQUIM ANTONIO GUIMARÃES DE OLIVEIRA PORTES  
Full Members: LUIZ EDUARDO DA VEIGA SEBASTIANI  
JOSÉ TAVARES DA SILVA NETO  
WANCLER FERREIRA DA SILVA  
CARLOS EDUARDO PARENTE DE O. ALVES  
Alternate Members: OSNI RISTOW  
ROBERTO BRUNNER  
VACANCY  
JOSÉ LUIZ MONTANS ANACLETO JR.  
CLÁUDIO JOSÉ CARVALHO DE ANDRADE

### BOARD OF DIRECTORS

Chief Executive Officer LINDOLFO ZIMMER  
Chief Corporate Management Officer YÁRA CHRISTINA EISENBACH  
Chief Distribution Officer PEDRO AUGUSTO DO NASCIMENTO NETO  
Chief Engineering Officer JORGE ANDRIGUETTO JUNIOR  
Chief Financial and Investor Relations Officer RICARDO PORTUGAL ALVES  
Chief Generation, Transmission and Telecommunications Officer JAIME DE OLIVEIRA KUHN  
Chief Environment and Corporate Citizenship Officer GILBERTO MENDES FERNANDES  
Chief Legal Officer JULIO JACOB JUNIOR  
Chief New Energy Officer HENRIQUE JOSÉ TERNES NETO

### ACCOUNTANT

Accountant - CRC-PR-045809/0-2 ADRIANO FEDALTO

### INFORMATION ON THIS REPORT

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## **INDEPENDENT AUDITORS' REVIEW REPORT**

To the Shareholders and Management  
Companhia Paranaense de Energia - COPEL  
Curitiba - PR

### **Introduction**

1. We have reviewed the individual and consolidated interim financial information of Companhia Paranaense de Energia - COPEL included in the Quarterly Information Forms, for the quarter ended September 30, 2012, which include the balance sheet at September 30, 2012 and related statements of income and comprehensive income for the three-month and nine-month periods then ended, and the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, including a summary of the significant accounting practices and other notes to the financial statements.

2. Management is responsible for preparing and presenting the individual and consolidated interim financial statements in accordance with Technical Pronouncement CPC 21 (R1) – Interim Statements and consolidated interim financial statements and with the international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, and for presenting this information in a manner consistent with the norms issued by the Securities and Exchange Commission (CVM), applicable for preparing Quarterly Information - ITR. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### **Extent of our review**

3. We performed our review in accordance with Brazilian and international standards for reviewing interim information (NBC TR 2410 – Review of Interim Information Performed by the Entity's Auditors and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making enquiries, mainly of persons responsible for financial and accounting issues and applying analytical procedures and other review procedures. The extent of our review is significantly less than that for an audit undertaken in accordance with auditing standards and consequently, did not enable us to obtain assurance that we were informed of all of the significant issues that could be identified during an audit. Therefore, we do not express an audit opinion.

### **Basis for a qualified opinion**

4. As informed in note 37 to the quarterly information, on September 11, 2012 Executive Act 579 (MP 579) was issued. It regulates the extension of electricity generation, transmission and distribution concessions granted before the enactment of Law 8,987 of 1995 and covered by Law 9,074 of 1995. On September 14, 2012 Decree 7,805 was published to regulate MP 579. Under MP 579/12, companies whose generation, transmission and distribution concession agreements mature between 2015 and 2017 may extend concession terms, at the discretion of the concession authority a single time for 30 years at most, provided they accept an earlier maturity of their current agreements in December 2012. Extension depends on the concessionaire's acceptance of certain conditions set out by the concession authority, such as: i) revenue established according to the criteria set by ANEEL (Brazilian Electricity Regulatory Agency); ii) compliance with service quality standards set by ANEEL; and, iii) agreement on the amounts calculated as indemnity for the assets linked to the concession. On October 9, 2012, the Company showed its preliminary intention of accepting the extension of concession terms for the Transmission Agreement 060/01 and hydroelectric power plants of Gov. Pedro Viriato Parigot de Souza, Mourão, Chopim I and Rio dos Patos. On November 1, 2012 the Ministry of Mines and Energy issued Administrative Rulings numbers 578, 579 and 580 disclosing the new rates applicable as from January 1, 2013 to those hydroelectric power plant concessions and transmission agreement described on that note. The Ministry also disclosed the indemnity of R\$ 893,923 thousand the Company is entitled to under the transmission agreement and informed the Company that it is not entitled to any indemnity for the generation assets. On September 30, 2012, the Company had a property, plant and equipment balance of R\$ 133,890 thousand for these hydroelectric power plants, which accounts for approximately two percent of the total consolidated property, plant and equipment, and a financial assets

balance of R\$ 1,072,272 thousand for the transmission concession. The Company's Management is analyzing the conditions set out for extending the concession term and the potential economic, financial and tax effects on indemnity amounts and rates. It is also conducting several internal studies and making projections to reach a conclusion on the approval of the extension of the concession term, whose final answer is due by December 4, 2012. Only after those analysis are made will Management make a decision on the possible recognition of related accounting effects and necessary disclosures. Therefore, we were unable to reach a conclusion, both in the separate and the consolidated financial information, about the realization of the related assets, net of tax effects, and possible other accounting impacts of the acceptance or the nonacceptance of the conditions set out by the Ministry of Mines and Energy and ANEEL for the renewal of the concession terms mentioned above.

#### **Qualified opinion on the separate interim financial information**

5. Based on our review and except for the possible effects, if any, of the matter described in paragraph four, basis for a qualified opinion, we are not aware of any fact that would lead us to believe that the separate interim financial information included in the quarterly information referred to above, have not been prepared, in all material respects, according to CPC Pronouncement 21(R1) applicable to the preparation of quarterly information or have not been disclosed in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

#### **Qualified opinion on the consolidated interim financial information**

6. Based on our review and except for the possible effects, if any, of the matter described in paragraph four, basis for a qualified opinion, we are not aware of any fact that would lead us to believe that the consolidated interim financial information included in the quarterly information referred to above, have not been prepared, in all material respects, according to CPC Pronouncement 21(R1) and IAS 34 applicable to the preparation of quarterly information or have not been disclosed in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

#### **Other issues**

##### ***Interim statements of added value***

7. We also reviewed the individual and consolidated interim statements of added value, for the nine-month period ended September 30, 2012, which are management's responsibility and presentation of which in the interim statements is required according to the norms issued by the Securities and Exchange Commission, applicable for preparing Quarterly Information - ITR and considered supplementary information by the IFRS, which do not require a statement of added value to be reported. These statements were subject to the same review procedures described previously, and based on our review, except for the possible effects, if any, of the matter described in paragraph four, basis for qualified opinion, we are not aware of any fact that would leads us to believe that they were not prepared, in all material respects, in accordance with the interim individual and consolidated financial information taken as a whole.

Curitiba, November 13, 2012

KPMG Auditores Independentes  
CRC 2SP014428/O-6-F-PR

*A free translation of the original signed in Portuguese*

José Luiz Ribeiro de Carvalho  
Accountant - CRC 1SP141128/O-2-S-PR

João Alberto Dias Panceri  
Accountant - CRC PR048555/O-2