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Clarification Note

Copel's Finance and Investor Relations Office, with regard to the news disclosed by the media today discussing our revenues, hereby clarifies and details some of the information published.

At the interview granted, the executive officer estimated that the conversion of the fee readjustment (average of 25.27%) into discount to clients in good stand did not have a significant impact on Copel's revenue, since the incentive to regularity (essential requisite to be granted the discount) resulted in a recovery practically equal to past due revenues, allowing many clients to settle their debts with the Company.

Discussing the effects of this measure, the Finance Officer stated that the amount of past due bills, of R\$ 187 million in June, could turn to approximately R\$ 250 million if no action was taken.

He also added that this calculation excludes the effects that the readjustment itself could have on future consumption, a fact that could worsen and increase the problem even more. Additionally, the delinquency harms Copel twice, as Copel has already paid the ICMS tax over the energy consumed and not paid.

In his statements, the Executive Officer confirmed that the delinquency amount registered in June has been reduced by 35% (to R\$ 122 million) by the end of September, as known by the market and, following this rhythm, it is possible to achieve total delinquency of R\$ 87 million by the end of this year.

The full recovery of these debts and its' incorporation to Copel's revenues, as could be conveyed by the published article, were neither considered nor declared at that opportunity.

Lastly, it is important to highlight the importance of this and other measures taken by the State of Paraná Governor, Roberto Requião, to defend Copel's interests and strengthen the Company. Among them, the negotiation of the contracts with Cien, Itiquira power plant and UEG Araucária, and its active participation in the proposal for the definition of the new model for the Brazilian electric power sector, presented by Copel to the Mines and Energy Ministry

Curitiba, November 4, 2003.

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