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Copel wins new transmission works auction

On September 30, Copel was the winner of the auction conducted by the Brazilian Electricity Regulatory Agency ANEEL at the São Paulo Stock Exchange for the concession of two construction lots that will reinforce the electric power transmission system in the State of Paraná and the Brazilian South Region.

These works are essential to guarantee the reliance of the energy supply for the West and North regions of the State of Paraná, reducing the probability of breakdown or supply limitation during contingency situations. Such works will also mean a substantial reinforcement of the consumer supply capacity, allowing the connection of new establishments, generating jobs, income and life quality to the people.

The two lots were auctioned separately. In one of them, Copel participated with Eletrosul, having a major stake (80%, against 20% from Eletrosul) and obtained the right to build the Cascavel Oeste/Foz do Iguaçu Norte transmission line, with an extension of 115 Km (230 thousand volts), including the construction of a new substation in Foz do Iguaçu, with a 150 MVA capacity.

The consortium led by Copel offered annual remuneration of R\$ 11.06 million, representing a 0.59% discount from the maximum annual compensation allowed by Aneel (of R\$11.13 million). The works should be ready within 20 months, maximum, starting from the Concession Agreement signature date, expected to take place at the end of this year. The investments required are estimated at R\$ 55 million.

On the other auction lot, also with Eletrosul, but with a minor participation of 5%, Copel was part of a consortium to build a 525 thousand volts circuit integrating Ivaiporã and Londrina.

This new line, with an extension of 120 Km, will be essential to ensure full reliance on the supply for Londrina (the second largest city in the State of Paraná) and the nearby region, which are nowadays strongly depended on only one circuit of 525 thousand volts. In the future, with the construction already planned by Aneel of a new substation with the same voltage in the State of São Paulo, this transmission line will also reinforce the integration of the for South and Southeast submarkets electric system.

The investments are estimated at R\$ 100 million and the works should be concluded within 18 months, maximum, from the signature of the Concession Agreement. For the concession, the consortium proposed an annual remuneration of R\$ 14.37 million, a 27.5% discount in comparison to the maximum remuneration allowed by Aneel (R\$ 19.8 million).

Besides Copel, Eletrosul (44%), Cymi Contról y Montajes Industriales (31%) and Santa Rita Engenharia (20%) are the participants of the Consortium.

Sincerely,

Rubens Ghilardi
CFO and Investor Relations Officer

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