



IR COPEL 14/06 - 12/11/2006

**Moody's upgrades COPEL's rating**

The company hereby announces that today, Moody's America Latina (Moody's) upgraded the corporate family rating of Copel from A3.br to Aa2.br on its Brazilian national scale.

Regarding Moody's press release:

"... The upgrade reflects Moody's view of Copel's improved credit risk profile based on sustainable cash flow metrics..."

"...Copel has reported consistent improvements in debt protection and liquidity metrics on a consolidated basis in the past years following the energy rationing in 2001 — 2002, reflecting the recovery of energy demand and tariff adjustments, combined with a prudent financial management."

"...Copel has maintained a substantial cash position that when combined with historically strong free cash flows has provided adequate financial flexibility. Refinancing needs for 2007 have already been addressed through the issuance in October 2006 of R\$600 million debentures due in 2011."

Curitiba, December 11, 2006

Sincerely,

Paulo Roberto Trompczynski

CFO and Investor Relations Officer