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**Copel Analyzes Participating in a Hydroelectric Project**

Companhia Paranaense de Energia – Copel, in accordance with CVM Instruction 358/2002, informs the market that, in view of the fact that it already operates three large hydroelectric projects on the Iguaçu River in the State of Paraná, it considers as strategic analyzing its potential participation in the Baixo Iguaçu Hydroelectric project. The project was offered at the 7<sup>th</sup> new energy auction held on September 30, 2008, and will have installed capacity of 350 MW.

Copel will move forward with its analysis if it believes the project's conditions are favorable.

Curitiba, February 9, 2011.

Sincerely,  
Ricardo Portugal Alves  
CFO and Investor Relations Officer