

## **IR 14 - Copel Distribuição – Economic Sustainability Plan**

Companhia Paranaense de Energia - COPEL, pursuant to CVM Rule 358/2002, informs its shareholders and the market that submitted to the Brazilian Electricity Regulatory Agency (Aneel) its Plan justifying the financial re-breakeven and the economic sustainability of the Distribution segment concession.

The Plan filed submitted to Aneel includes Copel Distribuição reducing PMSO expenses (personnel, materials, services and others) by 6% p.a., between 2013 and 2017, and a R\$300 million reduction is expected in operating expenses until 2015. The most relevant contribution to such reduction will derive from (i) the voluntary dismissal plan which will cut nearly 1,000 jobs until 2016, 600 jobs in 2013, as disclosed by the Company last quarter, and (ii) the restructuring implemented by COPEL Distribuição as of April 2013, which cut 163 managerial positions, or a 60% reduction. Besides reducing personnel expenses, the Company has already recorded 400 initiatives to decrease MSO expenses, this represents savings of R\$30 million in 2013.

In addition, in order to improve Copel Distribuição's capital structure, COPEL Board of Directors approved to transfer CRC credits (memorandum account) Copel Distribuição held with the state government of Paraná to COPEL (Holding). This action allowed to paying the loan between Copel Distribuição and COPEL (Holding) and transfer funds to distribution company's cash, thus, ensuring a solid capital structure for the subsidiary over the upcoming years, in compliance with Aneel's recommendation.

Finally, we point out our commitment to the concession economic sustainability and continued investments aiming at assuring the quality of services, which are recognized through several awards Copel Distribuição has won over these years.

Curitiba, October 4, 2013

Luiz Eduardo da Veiga Sebastiani

Chief Financial, Investor Relations and Shareholding Control Officer