

Copel Distribuição's Captive Market grows 7.1% in 1Q14

This report analyzes the performance of Copel's electricity market between January and March 2014 and all comparisons refer to the same period in 2013.

Copel Distribuição

Captive Market

Electricity sales to Copel Distribuição's captive market came to 6,184 GWh in 1Q14, up 7.1% in comparison with 1T13. The table below breaks down electricity sales by customer segment:

	Number of Customers			1Q14	1Q13	Var. %
	Mar/14	Mar/13	Var. %			
Residential	3,354,777	3,223,968	4.1	1,923	1,726	11.5
Industrial	92,978	88,533	5.0	1,585	1,602	(1.0)
Commercial	342,723	330,281	3.8	1,447	1,324	9.2
Rural	373,136	372,888	0.1	639	572	11.8
Other	56,297	54,569	3.2	590	552	6.8
Captive Market	4,219,911	4,070,239	3.7	6,184	5,776	7.1

The residential segment consumed 1,923 GWh, 11.5% up, due to the 4.1% increase in the customer base and the upturn in average consumption in the period, as a result of the increase in temperatures and favorable income conditions and employment level. At the end of March 2014 this segment accounted for 31.1% of captive market, totaling 3,354,777 residential customers.

The industrial segment consumed 1,585 GWh in 1Q14, 1.0% down, due to the migration of large industrial customers to the free market. At the end of the period, this segment accounted for 25.6% of captive market, with the company supplying power to 92,978 industrial customers.

The commercial segment consumed 1,447 GWh, 9.2% higher than 1Q13, mainly due to higher temperatures in the period and the expansion of the segment. At the end of 1Q14, this segment accounted for 23.4% of captive market, with the company supplying power to 342,723 customers.

The rural segment consumed 639 GWh, growing by 11.8%, mainly due to the strong performance of agribusiness in the State of Paraná and high temperatures in the period. At the end of March, this segment accounted for 10.3% of captive market, with the company supplying power to 373,136 rural customers.

Other segments (public agencies, public lighting, public services and own consumption) consumed 590 GWh, 6.8% up in the period. These segments jointly account for 9.6% of captive market, totaling 56,297 customers at the end of the period.

(*) Amounts subject to rounding adjustments.

Grid Market (TUSD)

Copel Distribuição's grid market, comprising the captive market, concessionaires and licensees in the State of Paraná, and all free consumers within the Company's concession area, grew by 8.3%, as shown in the following table:

	Number of Customers/agreements			Energy Sold (GWh)		
	Mar/14	Mar/13	Var%	1Q14	1Q13	Var. %
Captive Market	4,219,911	4,070,239	3.7	6,184	5,776	7.1
Concessionaries and Licensees	4	4	-	168	157	6.9
Free Customers*	130	110	18.2	1,095	946	15.7
Grid Market	4,220,045	4,070,353	3.7	7,447	6,879	8.3

* All free customers served by Copel GeT and other suppliers at the Copel DIS concession area.

Copel's Consolidated Market

Electricity Sales

Copel's electricity sales to final customers, comprising Copel Distribuição's sales in the captive market and Copel Geração e Transmissão's sales in the free market, increased by 6.6% between January and March.

The main contribution to this result are sales to Copel Distribuição's captive market, led by the 11.5% growth in electricity sales to the residential segment and 11.8% growth in the rural segment, due to higher temperatures and the increase in costumers in the period.

Copel Geração e Transmissão sales in the Free Market came to 1,047 GWh in the 1Q14, up 3.7% in comparison with the same period last year.

The table below breaks down electricity sales by customer segment:

Segment	Market	Energy Sold (GWh)		
		1Q14	1Q13	Var. %
Residential		1,923	1,726	11.5
	Total	2,629	2,608	0.8
Industrial	Captive	1,585	1,602	(1.0)
	Free	1,044	1,007	3.7
	Total	1,450	1,327	9.2
Commercial	Captive	1,447	1,324	9.2
	Free	3	3	-
Rural		639	572	11.8
Other		590	552	6.8
Energy Supply		7,231	6,785	6.6

(*) Amounts subject to rounding adjustments.

Total Electricity Sold

Copel's electricity sales, comprising Copel Distribuição and Copel Geração e Transmissão's sales in all the markets, declined by 6.8% from January to March, mainly due to the decline in Copel Geração e Transmissão's sales in the short-term market (MCP) in 1Q14, as a result of the allocation strategy adopted in 2013, when short-term sales were concentrated in the first quarter.

The following table shows Copel's total electricity sales broken down between Copel Distribuição and Copel Geração e Transmissão:

	Number of Customers/ Agreements			Energy Sold (GWh)		
	Mar/14	Mar/13	Var. %	1Q14	1Q13	Var.%
Copel DIS						
Captive Market	4,219,911	4,070,239	3.7	6,184	5,776	7.1
Concessionaries and Licensees	4	3	33.3	168	157	6.9
CCEE (MCP)	-	-	-	-	-	-
Total Copel DIS	4,219,915	4,070,242	3.7	6,352	5,933	7.1
Copel GeT						
CCEAR (Copel DIS)	1	1	-	103	231	(55.4)
CCEAR (other concessionaries)	39	36	8.3	1,240	1,684	(26.3)
Free Customers	28	29	(3.4)	1,047	1,009	3.7
Bilateral Agreements *	33	22	50.0	1,993	1,400	42.4
CCEE (MCP)	-	-	-	494	1,789	(72.4)
Total Copel GeT	101	88	14.8	4,877	6,113	(20.2)
Total Copel Consolidated	4,220,016	4,070,330	3.7	11,229	12,046	(6.8)

Note: Not considering the energy from MRE (Energy Relocation Mechanism).

CCEE: Electric Power Trade Chamber

CCEAR: Energy Purchase Agreements in the Regulated Market

MCP: Short Term Market

*Includes Short Term Sales Agreements

Curitiba, May 8, 2014.

Antonio Sergio de Souza Guetter
 Chief Financial and Investor Relations Officer

(*) Amounts subject to rounding adjustments.