



Notice to the Market– IR 16/15

Generation Auction – Copel GeT Acquires Lot B1

Companhia Paranaense de Energia - Copel, pursuant to CVM Instruction 358/2002, hereby informs its shareholders and the market in general that Copel Geração e Transmissão acquired Lot B1 of the Hydroelectric Plant Concession Contracting Auction under the Allocation of Assured Energy and Power Quotas regime, held today.

With a granting fee of R\$574.8 million, Lot B1 refers to the Gov. Pedro Viriato Parigot de Souza Hydroelectric Power Plant (installed capacity of 260.0 MW and assured energy of 109.0 average MW), whose concession belonged to Copel GeT and which expired on July 7, 2015. The undertaking was acquired with no discount, representing service provision revenue of R\$130.9 million per year, comprising R\$46.0 million in generation asset management costs (GAG), including improvements to be executed during the concession period, and R\$84.9 million as the return from the granting fee (RBO), as detailed in the table below.

Lot	Plant	Installed Capacity (MW)	State	GAG ¹ (R\$ million/year)	RBO ¹ (R\$ million/year)	Service Provision Revenue ¹ (R\$ million/year)	Granting Fee (R\$ million)
B1	GPS (Capivari/Cachoeira)	260	PR	46,0	84,9	130,9	574,8

GAG: Generation Asset Management Costs

RBO: Return from Granting Fee

¹ Amounts adjusted annually by the IPCA consumer price index.

The granting fee will be paid in two installments, the first of which, in the amount of R\$373.6 million, by December 30, 2015 and the second, in the amount of R\$201.2 million, in up to 180 days as of signature of the agreement, updated by the variation in the Special Settlement and Custody interest rate (SELIC) between the payment dates of the first and second installments.

One hundred percent of the energy generated will be allocated to the assured energy quota regime in 2016, falling to 70% as of January 1, 2017. In regard to this portion of energy, Copel GeT will not cover the hydrological risk and the financial results of the Energy Reallocation Mechanism (MRE) associated with the plant.

Curitiba, November 25, 2015.

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