



Notice to the Market – IR 03/16

Aneel accepts the renegotiation of Copel GeT's hydraulic risk

Companhia Paranaense de Energia - Copel, pursuant to CVM Instruction 358/2002, hereby informs its shareholders and the market in general that the Brazilian Electricity Regulatory Agency – Aneel, through Dispatch No. 84/16 and 43/16, approved the requirement to adhere to the renegotiation of Copel Geração e Transmissão S.A.'s hydraulic risk for HPP Foz Do Areia (100% Copel GeT) and Mauá (51% Copel GeT and 49% Eletrosul), and of Elétricas do Rio Jordão S.A. – Elejor (70% Copel and 30% Paineiras Participações S.A.), referring to the projects HPP Santa Clara and HPP Fundão.

The renegotiation terms include the adherence of Copel GeT (324.1 average MW) and Elejor (134.3 average MW) to the SP100 product in the regulated environment, through which the generator transfers its entire hydrologic risk inherent to the Regulated Agreements related to said plants, considering a risk premium counterparty of R\$ 9.50/MWh together with the assignment of rights and obligations to Centralized Account for Tariff Flag Funds – CCRBT, effective from January 1, 2015.

HPP Mauá's 2015 results will be fully refunded through the postponement of the premium payment, while for HPP Foz do Areia, Santa Clara and Fundão the remaining term of sale contract is below the time needed for the refund through postponement of payment the prize, resulting in an extension of the grant to pay off the balance with the option to recontract the energy sold in the Regulated Contracting Environment (ACR), as follows:

Plants	Amount eligible for renegotiation (average MW)	Product	Premium (R\$/MWh)	Refund 2015 (R\$/MWh)	Postponement of the Premium payment	Extension grant in days ¹
HPP Mauá ²	97.4	SP100	9.50	33.55	4 years and 6 months	-
HPP Foz do Areia ³	226.7	SP100			1 year	117
Elejor ⁴ HPP Santa Clara HPP Fundão	134.3	SP100			4 years and 6 months	216

¹ The granting of extension of term considers the energy of recontracting in ACR and the full amount of the physical guarantee in the center of gravity. In the grant of the extension period will be taken in the risk premium of R\$ 9.50 / MWh, duly adjusted.

² Proportional to the participation of Copel GeT in the project. The assignment of rights and obligations associated with the hydrological risk to CCRBT occur between Jan.2016 and Dec.2040 (end of CCEAR).

³ The assignment of rights and obligations associated with the hydrological risk to CCRBT occur in the year 2016 and the postponement period of the grant.

⁴ The assignment of rights and obligations associated with the hydrological risk to CCRBT occur between Jan.2016 and Apr.2019, and the postponement period of the grant.



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According to the Normative Resolution No. 684/2015, the generator has until January 25, 2016 to sign the renegotiation terms, with cancellation of legal proceedings.

The Company will keep the market informed of further developments regarding this matter.

Curitiba, January 18, 2016.

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For additional information, please contact Copel's Investor Relations team:

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