



COMPANHIA PARANAENSE DE ENERGIA - COPEL
Corporate Taxpayers' ID # 76.483.817/0001-20
Publicly-held Company - CVM 1431-1

RELEVANT NOTICE

Companhia Paranaense de Energia – Copel, under the terms of the Instruction 358/2002 issued by CVM (Brazilian Securities and Exchange Commission), announces to the market that entered, on February 17, 2006, into a Letter of Intent with El Paso Energy Araucária Company resulting from the negotiations regarding Araucária Power Plant, located in the State of Paraná, with a total installed capacity of 484 MW.

The main items settled in the negotiation were:

- a) Copel acquires El Paso's stake in the Araucária Power Plant, which represents 60% of the total capital stock, for the amount of US\$ 190 million;
- b) This amount will be fully paid after the signature of the definitive agreement, what should happen until April 30, 2006;
- c) The fulfillment of this Letter of Intent is subject to the approval of the Brazilian Electricity Regulatory Agency – ANEEL, the State of Paraná's House of Representatives and administrative bodies from El Paso;
- d) In addition, pending Petrobras' formal approval, El Paso and Copel, as co-owners with Petrobras of the plant, agreed that legal proceedings which currently exist in the courts of Brazil and in the international arbitration will be suspended.

Curitiba, February 17, 2006

PAULO ROBERTO TROMPCZYNSKI
Chief Finance and Investor Relations Officer

