



COMPANHIA PARANAENSE DE ENERGIA - COPEL
Corporate Taxpayer's Id (CNPJ): 76.483.817/0001-20
PUBLICLY-HELD COMPANY
CVM Registration N° 1431-1
SEC (CUSIP) Registration 20441B407 – Class “B” Preferred Shares
SEC (CUSIP) Registration 20441B308 – Common Shares
LATIBEX 29922 Registration – Class “B” Preferred Shares

**NOTICE TO SHAREHOLDERS
GROUPING OF SHARES**

We hereby inform our shareholders that the 169th Extraordinary Shareholders Meeting of the *Companhia Paranaense de Energia - Copel*, held on July 2, 2007 approved the grouping of all the shares of the Company, pursuant to Art. 12 of Law 6404/76, with the following characteristics:

- **Ratio:** shares will be grouped at the ratio of 1000 (one thousand) shares for 1 (one) share after which the capital stock will be represented by 273,655,375 shares with no-par value, comprising 145,031,080 common shares and 128,624,295 preferred shares. Of the preferred shares, 399,247 are class “A” shares and 128,225,048 are class “B” shares. The value of COPEL’s capital stock remains unchanged. The numbers of class “A” and class “B” shares are merely indicative as they may still be adjusted based on requests for conversion of class “A” shares to class “B” shares as per the rights laid down in § 1, Art. 7 of the Company’s Bylaws;
- **Objective:** the grouping is for the purpose of: (i) adjusting the unit value of shares to a standard that is better suited to the market conditions as since the quotation per share in Brazilian Reais provides greater visibility than a quotation per lot of 1,000 (thousand) shares; (ii) standardizing the base for quotation of shares in the Brazilian markets, in compliance with the initiative taken by the São Paulo Stock Exchange (BOVESPA); (iii) reducing the operating costs and streamlining the system of registering information; and (iv) reducing the possibility of erroneous information, and improving the services offered to the Company’s shareholders.
- **Procedure for Adjustment of the Shareholding Position:** shareholders are given a period of 31 (thirty-one) days, starting on July 4, 2007 and ending on August 3, 2007, to adjust at their free and sole criterion, their shareholding by type and class, in multiples of 1000, by trading on the BOVESPA using a brokerage of their choice,.
- **Auction:** after termination of the period for adjustment of the shareholding position, on August 3, 2007, the remaining shares will be separated, grouped in whole numbers and sold at the Special Auction to be held at the São Paulo Stock Exchange on August 17, 2007;
- **Payment to Shareholders:** the net amounts arrived at during the divestiture will be made available to Shareholders after the final settlement of the sale expected on August 31, 2007, in the following manner: (i) credit for Shareholders whose records are up-to-date with COPEL will be made to their checking account; (ii) for shareholders whose shares are in the custody of the Brazilian Clearing and Depository Corporation (CBLC), the amounts will be credited directly to company, which will pass them on to the shareholders through the depository institutions; and (iii) for Shareholders, whose records are not up-to-date, the amount will be retained by COPEL and paid out upon submission of their bank details (bank, branch and checking account) to the Shareholders’ Assistance Department of COPEL;
- **Trading at the stock exchange:** starting August 6, 2007, the Company’s shares will be traded exclusively as grouped shares and quoted in Brazilian Reais (R\$) per share;
- **Stock Certificates:** the Company will not issue “Stock Certificates” between July 3, 2007 and August 8, 2007, and those issued before July 3, 2007 may be exchanged at the Shareholders’ Assistance Department of COPEL from September 3, 2007;
- **Shares traded abroad:** concurrent to the grouping, the ratio of shares traded in other stock exchanges will be changed in the following manner:
 - a. shares traded at the New York Stock Exchange (NYSE) through the American Depositary Receipts (ADR) program under the codes ELPVY and ELP will have the parity changed from 1 ADR per 1,000 shares to 1 ADR per share; and
 - b. shares traded at the Market For Latin-American Stocks In Euros (LATIBEX) under the code XCOP will have their parity changed from 1 XCOP per 1,000 shares to 1 XCOP per share.

Further information about this operation may be obtained directly from the Shareholders’ Assistance Department of COPEL at Rua Coronel Dulcídio, 800 – 2º andar – Curitiba – PR – CEP: 80420-170, 9:00 am to 5:00 pm, Monday through Friday, or through the following exclusive Shareholders’ Assistance channels:

SAA: 0800 41 2772 - e-mail: acionistas@copel.com - Fax: 41 3331-2916

Curitiba, July 2, 2007
PAULO ROBERTO TROMPCZYNSKI



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CFO and Investor Relations Officer

