



Material Fact - 03/17

## Evaluation Report of the Transmission Assets - RBSE and RPC

Companhia Paranaense de Energia – COPEL, a company that generates, transmits, distributes and sells electric energy, with shares listed on BM&FBovespa (CPLE3, CPLE5, CPLE6), NYSE (ELPVY, ELP) and LATIBEX (XCOP), announces to its shareholders and to the market in general that, at meeting held today, the executive board of the Brazilian Electricity Regulatory Agency - Aneel approved the result of the inspection of the evaluation report of the electricity transmission assets existing on May 31, 2000 (Existing System Basic Network - RBSE and Other Transmission Facilities - RPC) related to the concession agreement No. 060/2001 of Copel Geração e Transmissão S.A., and recognized the amount of R\$667.6 million as the net value of the assets for the purposes of indemnification as of December 31, 2012.

Until December 31, 2016, based on the information available in Decree No. 120/2016 and in the Tariff Adjustment Procedure (PRORET), the Company, based on its best estimate, had already recognized in its financial statements the amount of R\$580.7 million at the base-date of December 31, 2012 and the respective reevaluation of the estimated cash flow, which represented a balance of the asset of R\$1,187.0 million, of which R\$809.7 million had as counterpart the operating income and affected the result of 2016.

The change in the revaluation of the asset based on the amount approved by Aneel will have an impact of R\$224.6 million in the Company's operating revenues in the first quarter of 2017.

The evaluation report of Copel GeT's RBSE-related assets was submitted to Aneel on March 31, 2015 and had a value of R\$ 882.9 million as compensation basis, a value of R\$ 215.3 million lower than that approved by Aneel. The main discount (R\$ 196.3 million) relates to the assets of the Salto Caxias' Substation SF6.

Curitiba, May 9, 2017.

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