



Notice to the Market – 16/17

Clarifications on CVM/Bovespa queries

Companhia Paranaense de Energia - Copel, a company that generates, transmits, distributes and sells power, with shares listed on the B3 (CPLE3, CPLE5, CPLE6), the NYSE (ELP) and the LATIBEX (XCOP), hereby provides clarifications on the news item published by the “Blog da Governança”, on June 10, 2017, under the title “The cash belongs to the company or to the shareholders?” (O caixa é da companhia ou do acionista?), requested through Official Letter 238/2017/CVM/SEP/GEA-1, sent on June 20, 2017 by the Brazilian Securities and Exchange Commission (CVM), which is transcribed below:

“Official Letter No. 238/2017/CVM/SEP/GEA-1

Rio de Janeiro, June 20, 2017

To Mr.

Adriano Rudek de Moura

Investor Relations Officer of Companhia Paranaense de Energia

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Subject matter: **Request for clarification on news article.**

Dear Sir,

1. We refer the news article published on June 10, 2017, in the media “Blog da Governança” (Governance Blog), under the title “The cash belongs to the company or to the shareholders?” which includes the following statements:

The provocative question, made by Valor's columnist Andre Rocha on March 29, 2017, is a warning on the influence of the dividend policy on the price of the shares (available at <http://www.estrategista.net/o-caixa-e-da-companhia-ou-do-acionista>), makes us think on the recent case of COPEL, a state-owned company from Paraná.

The withdrawal of highly renowned “independent” members of the board of directors, due to their discontent with the grotesque dismissal of the chief financial officer, who defended the minimum legal dividend





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(<http://www.valor.com.br/empresas/4970670/copel-demite-diretor-que-defendia-pagamento-menor-de-dividendos>), and the subsequent issue of shares worth R\$4 billion to reduce its huge short-term debt of R\$2.7 billion, look like a warning to the investors (<http://www.valor.com.br/financas/4996798/copel-prepara-oferta-de-acoes-de-r-4-bi>).

2. Given the foregoing, we requested a statement from the company regarding the possible issue of shares, considering the decision to increase the distribution of interest on own capital, approved at the Annual Shareholders' Meeting of April 28, 2017.

3. This statement must take place through the Empresa.NET system, category: Notice to the Market, type: Clarifications of CVM/BOVESPA Requests, subject: News Article Disclosed by the Press, and should include a transcription of this Official Letter.

4. We caution that, as established by the Corporate Relations Department, in compliance with its legal duties and based on Item II of Article 9 of Law 6385/76 and on CVM Instruction No. 452/07, a punitive fine in the amount of R\$1,000.00 (one thousand reais) will be applied, without prejudice to other administrative fines, in case of non-compliance with the requirements in this official letter, exclusively sent by email, up until June 22, 2017.

Best regards,

Document electronically signed by Nilza Maria Silva de Oliveira, Manager, on June 20, 2017, at 5:58 pm, pursuant to Article 1, Paragraph III, Item "b", of Law 11419/2006."

In response, Copel clarifies that, as informed in Material Fact 04/17 filed on June 8, 2017, a possible subsequent offering of shares compose a comprehensive cash optimization study of the Company's management to support the Copel's strategic sustainable growth plan, and this possible transaction is not related to the deliberation held at the Annual Shareholders' Meeting on April 28 of that year.

The Company will keep the market informed of any relevant updates related to the matter.

Curitiba, June 22, 2017.

Adriano Rudek de Moura
Chief Financial and Investor Relations Officer

For further information, please contact our Investor Relations team:
ri@copel.com or (41) 3222-2027