



Notice to the Market - 17/20

Tariff adjustment – Copel Distribuição

Companhia Paranaense de Energia – COPEL, a company that generates, transmits, distributes and sells power, with shares listed on the NYSE (ELPVY, ELP), B3 (CPLE3, CPLE5, CPLE6) and the LATIBEX (XCOP), in compliance with the provisions of CVM Instruction no. 358/2002, hereby informs its shareholders and the market in general that the Brazilian Electricity Regulatory Agency (Aneel) authorized, in its 22nd Ordinary Public Meeting of 2020 held today, an average tariff adjustment of 0.41% for consumers served by Copel Distribuição.

The adjustment already considers the impact of the so-called "Covid Account", created by Decree no. 10,350/2020 and regulated by Aneel, through Normative Resolution no. 885/2020.

Pursuant to the Normative Resolution mentioned above, and in response to Aneel's Official Letter no. 143/2020, Copel Distribuição has requested R\$ 536,358,882.18 (five hundred and thirty-six million, three hundred and fifty-eight thousand, eight hundred and eighty-two reais and eighteen cents) in funding from the Covid Account. The amount is below the limit established for Copel Distribuição, according to Appendix II of said resolution. The resources will be provided to power distributors under the coordination of the Chamber of Electric Energy Commercialization ("CCEE").

Tariff Adjustment Composition

Considering all consumers, the average perceived effect will be 0.41%, composed of the following items:

Item	Adjustment Composition (%)
Adjustment of Portion B	0.79
Adjustment of Portion A	7.82
Inclusion of Financial Components	1.81
Withdrawal of Financial Components from the Previous Tariff Adjustment Process	-10.01
Average Effect	0.41

Portion B, which includes operating costs, annual fees, remuneration and depreciation, represented 0.79% of the tariff adjustment composition, and reflects mainly the adjustment by the IPCA (Brazilian Consumer Price Index) for the period (1.88%) in addition to the positive effect of 1.26% of the "X Factor".

Portion A, which includes charges, transport and power costs, represented a 7.82% rise in the tariff adjustment composition, particularly due to increased costs of energy supplied by Itaipu, which were impacted by the dollar exchange rate rise.

Consequently, tariffs will be reduced by 0.95% for residential consumers; by 0.83% for low-tension commercial consumers; and by 0.93% for public lighting. The tariff for clients served at high tension will rise by 1.13%. The adjustment will be applied in full to Copel Distribuição's tariffs retroactively to June 24, 2019.

Curitiba, June 25, 2020.

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