



2011 ANNUAL MANAGEMENT AND SUSTAINABILITY REPORT





Companhia Paranaense de Energia - Copel
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OVERVIEW



1.1. Message from the CEO (GRI 1.1, 1.2, 3.10)

We are happy and proud to present Copel's Annual Management and Sustainability Report for the fiscal year of 2011 — the first year of the State of

Paraná's new government, led by Governor Beto Richa. The report was prepared based on the strategic guidelines, and on the sustainability commitments that the Company has made as a signatory of UN's Global Compact, as a participant in the Global Reporting Initiative - GRI, and as an associate of the Brazilian Institute of Corporate Governance (Instituto Brasileiro de Governança Corporativa - IBGC).

When designing Copel's routes, we have established the implementation of corporate management as a priority, always in compliance with the need to achieve the best practices in sustainability, thus seeking to align efforts to reach and guarantee, based on the Company's values and on the optimized management of processes, results in the economic, social and environmental spheres in a harmonious manner for all stakeholders, as well as the Company's development and sustainable growth, seeking to adjust to international governance, transparency and sustainability standards, in accordance with the commitment renewed with the Global Compact of the United Nations - UN, of which Copel has been a signatory since 2000.

All actions taken by Copel are based on a management substantiated by the principles established in the Sustainability and Corporate Citizenship Policy (available at the Company's website) and is completely in line with the seven values expressed in the corporate strategic benchmarking, the eight Millennium Development Goals and the ten principles of the UN's Global Compact.

Therefore, the Principles of the Sustainability and Corporate Citizenship strengthen the management of sustainability, guiding all of the Company's decisions and actions, seeking ethics in the conduction of its business,

respect and transparency towards all stakeholders, and broad promotion of diversity; these values are also highlighted in our Code of Conduct.

In 2011, the Company maintained its efforts in seeking results to meet its two great strategic challenges: Operational Excellence and Sustainable Growth, among which the following Corporate Strategic Guidelines were established:

- Valuing the workforce.
- Retaining talents and knowledge.
- Expanding the business in a sustainable and profitable manner.
- Achieving excellence in costs, processes and quality.
- Promoting synergy among the various areas of the company.
- Investing in Research, Development and Innovation, always adding value.

Guided by the commitment of adding value to the Company, established with the people of Paraná, with its shareholders and employees, Copel initiated in 2011 the consolidation process of its presence in other States, starting the construction works of Colíder Hydropower Plant, located in the North region of the State of Mato Grosso, as well as the development undertakings of the Araraquara - Taubaté Transmission Line, and the substation Cerquilha III, both of which are located in the inland region of the

State of São Paulo.

Copel has formalized its presence in four wind farms that are being installed in the inland region of the State of Rio Grande do Norte. We have also obtained, in consortium, four of the lots that were available for the auctions for new transmission works, promoted by the Brazilian National Electric Energy Agency (Aneel), totaling 1,327 km of lines, and four substations across the States of Paraná, Santa Catarina, Rio Grande do Sul and Maranhão. In the Northwest of the State of Paraná, Copel obtained the connection of the Umuarama region to the large scale electric system installed in the West.

With a magnificent performance across other parts of



Brazil, Copel has never stopped focusing on the population of the State of Paraná. The setup of centers and bureaus for face-to-face customer service has ended the year by covering 100% of the 393 municipalities that comprise the Company's concession area, one of which is located in Santa Catarina. Similarly, the expansion of the fiber optic telecommunication system has moved forward, supporting the goal of reaching all 339 municipalities of the State of Paraná by the end of 2012.

In the field of generation, we have followed on with the construction of the Hydropower Plant - Mauá HPP, located at the Tibagi river. We have also started the construction works of the Small Hydropower Plant (SHP) Cavernoso II, located in the Middle-South region of the State. As for the transmission field, the highlight is the completion of the civil works, as well as the operational start of the transmission line with 525 kV, connecting the Furnas substation to the Cascavel Oeste substation through a 116-km extension. This work is strategically important to the three States of the country's South region, for it serves as an express connection of its electric system to the one at the Itaipu Plant.

Supported by its solid commitment to sustainability, Copel has been investing in programs that aim at meeting such premise in all of its dimensions, which is something that has helped the Company keep its actions within the Bovespa's Corporate Sustainability Index (ISE) during 2012.

One example of such accomplishment is the Company's total sponsorship of the design and construction project of the Paraná Hydrographic Basis, the first project of the kind in Brazil to be approved by the National Water Agency (ANA), which is an effort to thoroughly identify all of the more than 976 thousand watercourses of all sizes in the State.

Relying on the capacity, talent and willingness of its staff, Copel will do even more in 2012, when the Company plans to carry out the greatest investment of its history. A total of R\$ 2.3 billion, half of which (R\$ 1.1 billion) will be invested in the field of distribution, an area which approaches the quality of services rendered to client in a more direct manner.

We would like to respectfully thank the Governor of Paraná, Beto Richa, as a representative of the Company's controlling shareholder, for his safe guidance and for

trusting not only in Copel's management, but also in the commitment of those who work here.

We equally thank the other members of the Executive Board, the Board of Directors, and the Fiscal Council, whose dedication in the search for Copel's enrichment and growth has inspired and motivated us.

Finally, we offer special thanks to all Copelianos, who restlessly demonstrate their commitment to the Company's goals on a daily basis.

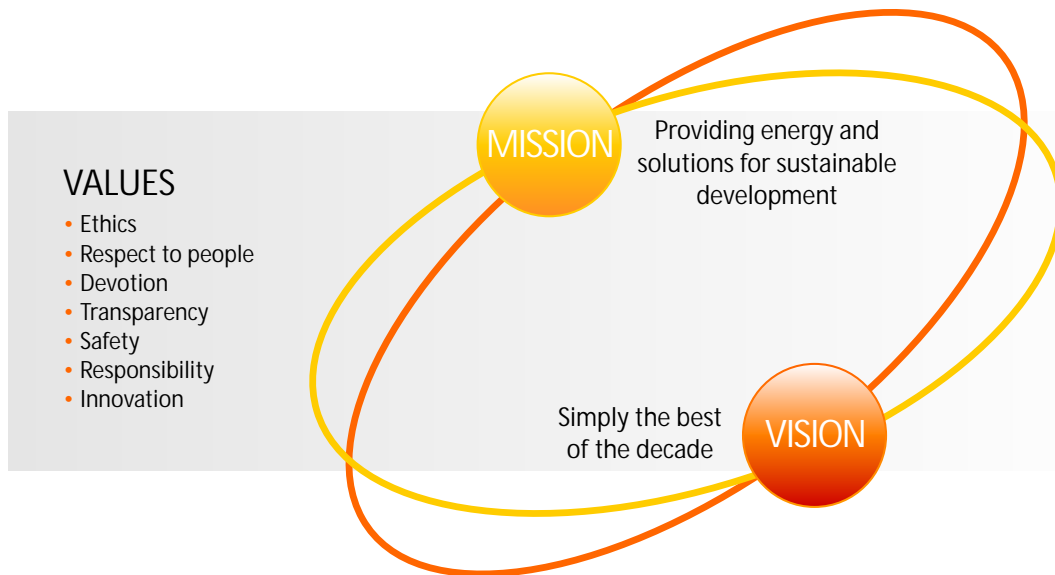
We also thank all the stakeholders for their participation in setting the guidelines of our Report. The careful reading of its content will certainly bring a very positive and optimistic view of the future that Copel is building.

Curitiba, June, 2012.

Lindolfo Zimmer
CEO

1.2. Strategic Benchmarking

Copel's strategic, organizational and people management is based on the following strategic benchmarking, which guides all of its internal and external actions and decision, and those of its members:



1.3. Highlights

Technological Modernization

Two new systems have been implemented: the Integrated Consumer Management System - CIS and the Integrated Corporate Management System - ERP, which consist in tools for the management and control of all administrative, financial and commercial processes, providing for the optimization and agility of internal processes, thus guaranteeing compliance with the regulation of the Energy and Telecommunication Sector.

Integrated Consumer Management System - CIS

In May 2011, the Integrated Consumer Management System - CIS started operating, allowing for the integration of Copel's consumer databases and the improvement of the processes involved in its management – such as customer care, service, reading, earnings, billing and collection – enhancing the integration of processes, systems and services, and the quality of management, financial and accounting information.

Integrated Corporate Management System - ERP

In January 2012, the Integrated Corporate Management System - ERP SAP started operating, integrating and facilitating the flow of information among administrative activities, such as the acquisition of materials and services, control of stocks, assets and inventories, interaction with suppliers, management of accounts payable and receivable, accounting and financial information, management of human resources and tax management.

Technological Upgrade

In 2011 and early 2012, the Company carried out the technological upgrade of its work stations, which went from 82% desktops and 18% laptops to 60% desktops and 40% laptops, increasing productivity due to the mobility required by certain processes and functions. There was also a significant improvement in the specification of equipment, with a focus on the more efficient use of power.

Copel Agenda for Climate Change

In June 2011, the Copel Agenda for Climate Change was approved and published on our website, presenting the commitments taken by the Company for the coming years in terms of climate change, and providing means to encourage practices and projects to mitigate and offset carbon credits.

Floods on the coast

The difficult access to re-establish the services in the rural communities of Rasgadinho and Limeira (in Morretes) and Floresta (in Paranaguá), hit by a storm in March 2011, was the main challenge faced by the Company's team.

For the families living in these areas, Copel suspended the payment of monthly power bills of homes that were damaged by the rain, for up to six months.

Through the EletriCidadania Volunteering Program, the Company introduced the 2011 Easter Campaign, seeking to provide services to the municipality of Antonina, the most damaged city on the coast. More than 300 kilograms of chocolate were collected, in addition to lollipops, candy and popcorn, which were included in the kit delivered to all children. Therefore, in addition to the school, other entities in Antonina, Morretes and Paranaguá, have received donations. In addition to candy, the Olympia Breyer school also received a snack kit, and the volunteers prepared recreational activities, including painting the children's faces, lectures about the safe use of energy and a musical performance.

Award to the Migrageo project

The program to modernize and migrate the geo-processing information systems in the Distribution Office – Migrageo is comprised of 53 projects, and has been in progress since 2005. Two rounds of the Pilot Project were carried out in the first half of the year for the applications of Cartography, Registration and Management of Networks and Network Projects.

In 2011, approximately 450 employees were trained to use the application for consulting geo-referenced information about Copel's distribution – WEBGEO -, and these employees will help disclosing the new functions. There are more than 3,500 users currently using this system throughout Copel.

In July, Copel received an international award for a special achievement in Geo-processing - SAG Award - Special Achievement in GIS (USA).

For 2012, the Company expects to maintain the program by developing and implementing other modules of the program, such as, for instance: Management of Transformers, Elimination of the GEDIS and VISION Systems, Inventory of Networks, Data Extraction, and others.

New participations: wind power generation and electric energy transmission

In November 2011, Copel acquired a 49.9% interest in the company São Bento Energia S.A., in four wind power stations, which are Special Purpose Entities – SPEs (GE Olho d'Água, GE Boa Vista, GE Farol and GE São Bento do Norte) located in the state of Rio Grande do Norte. When completed, these stations, which will generate power from wind, will have a consolidated installed capacity of 94 MW, enough to meet the consumption demand of a city with approximately 200,000 inhabitants.

Also in November 2011, Copel acquired a 49.9% interest in the company Cutia Empreendimentos Eólicos S.A., with the purpose of participating in the development of projects for five wind power stations located in the State of Rio Grande do Norte (Maria Helena, Jangada, Pedra Grande, Cutia and Guajiru), with an indicated capacity of 137.4 MW. The project is its initial development phase, and there is currently no estimated date for the start-up of the wind power stations.

Still in 2011, by means of a bid through auctions promoted by the National Electric Energy Agency - Aneel, Copel acquired interests in the companies Costa Oeste Transmissora de Energia S.A., Caiuá Transmissora de Energia S.A., Transmissora Sul Brasileira de Energia S.A., Marumbi Transmissora de Energia S.A. and Integração Maranhense Transmissora de Energia S.A., owners of concessions of public service for the implementation, operation and exploration of installations for the transmission of power within the scope of the Basic Network of the National Interconnected System - SIN.

The companies Caiuá Transmissora de Energia S.A. and Integração Maranhense Transmissora de Energia S.A. were established in 2012, and company São Bento Energia S.A. was classified as an advance for a future investment.

In March 2012, Copel (49%), together with the State Grid Brazil Holding (51%), acquired Batches A and B of the Transmission Auction no. 02/2012, held by Aneel. The batches total 1,605 km of transmission lines and 4 substations in the states of Mato Grosso, Goiás and Minas Gerais. The construction term is 32 months after the signature of the concession agreement. The total RAP is R\$ 199.5 million, of which R\$ 126.4 million refers to batch A and R\$ 73.1 million refers to batch B (historical values). All development undertakings are expected to start up in 2014.

Plant nursery of the Mauá HPP

In June 2011, the Caviúnas Plant Nursery was launched in the municipality of Ortigueira, close to the construction site of the Mauá HPP.

The purpose of the plant nursery is to preserve and reproduce various species collected during the vegetable suppression process to form the plant's reservoir, which will be used in Copel's reforestation programs, both in areas of environmental conservation in the surrounding areas of the reservoir and to meet compensatory measures in the region. In 2011, approximately 50,000 were produced in this nursery.

In addition to seedlings and tree seeds, plants recovered from the areas of suppression for the reservoir being relocated to this nursery, including epiphytes, such as orchids and bromeliads, as well as herbaceous, shrubby and climbing plants.

Abradee Survey

According to the 13th Residential Customer Satisfaction Survey conducted by the Abradee - Associação Brasileira de Distribuidoras de Energia Elétrica [Brazilian Association of Power Distributors], through Instituto Innovare [Innovare Institute], power consumers served by Copel are the most satisfied in Brazil with the quality of supply and with the services provided by their concessionaire.

Paraná's Olympic Talent - TOP 2016

Copel has been participating in the Paraná's Olympic Talent program - TOP 2016, in partnership with Instituto Paranaense de Ciência do Esporte – IPCE [the Paraná Institute of Sports Science], in line with the State Government, federations, paralympic entities and regional education centers, seeking to implement programs that will provide the opportunities of revealing athletes and para-athletes, enabling social inclusion through sports, health and educational development. Copel started sponsoring athletes from Paraná with potential to compete for medals in the 2016 and 2020 Olympic and Paralympic Games through athletic scholarships for training, serving 250 athletes in 2011 and with the purpose of expanding to 920 athletes in 2012, in addition to morphofunctional analysis of the technical and physical excellence of these talents. The scholarships are provided to athletes who stand out in municipal, state, federal and international competitions. In order to monitor the athletes, 80 coaches, also with scholarships and qualification programs, will directly work on the management and monitoring of those benefiting from the program. The scope of this initiative is for athletes between 11 and 21 years old and sports coaches; Direct beneficiaries: 1,000 people. Direct beneficiaries: 3,500 people.

Foz do Iguaçu TL — Cascavel Oeste

In 2011, the new TL started operating at 525 kV, connecting the Foz do Iguaçu substation — owned by company Furnas Centrais Elétricas — and the Cascavel Oeste substation, which is owned by Copel. The development undertaking, which is almost 116 km long, required investments of nearly R\$ 100.0 million.

Susie Pontarolli Award

After reaching a level of maturity and having its initiatives recognized by the market and by society as sustainable, Copel is launching an award to highlight, among its employees and suppliers, projects linked to volunteer work, accessibility, human rights, environmental practices and sustainable development.

The first edition of the Susie Pontarolli Award was introduced on May 2, and registration was open to the 10,000 employees of the state-run company and to suppliers. The purpose of this award is to find, encourage and acknowledge the best practices and the practices that come closer to the values executed by Copel.

Copel University - Unicopel

The Copel University – Unicopel was created on April 27, 2012, with the purpose of building a new educational scenario for the extended development of people and skills in line with the corporate strategic commitments, generating corporate value to the Company's business and to the community of Paraná.

The purpose of Unicopel is to work in activities of knowledge that generate value to Copel, guaranteeing the extended development of people and the organization, in addition to contribute to the improvement and expansion of its execution capacity; to the incubation and operation of new development undertakings of technological basis; to innovation; to culture and co-related contexts that add value to the Company.



Creation of the New Energy Office

In April 2012, Copel created the New Energy Office, which will focus on developing new sources to generate power in Copel's headquarters.

Within the short and medium terms, the work performed by this new office will be focused on enabling wind power development undertakings. However, other sources, such as solar, gas and biomass energy, will also be explored. Great emphasis will be given to research, development and innovation projects, as well as to prospecting non-traditional technology businesses at Copel.

In the long run, emphasis will be given on pursuing technologies that have already been development, and on developing new technologies that allow for the implementation of new energy projects that will result in a competitive edge for Copel.

Gender and Ethnicity Pro-equality Program

The Ceremony for Signature of the Statement of Commitment of the 4th Edition of the Gender and Ethnicity Pro-equality Program was held in Brasilia on May 22, 2012, as an initiative by the Department of Policies for Women, in partnership with the NGO Mulheres and the International Labour Organization - ILO. The event gathered companies and institutions that adhered to the 4th edition of the Program, which has the purpose of consolidating and expanding the scope of policies for women in the job market and promoting equal opportunities and treatment to men and women in the organizations and institutions, by developing new conceptions in people management and organizational structure.

1.4. About the Annual Management and Sustainability Report (GRI 3.1, 3.2, 3.3, 3.5, 3.6, 3.7, 3.9, 3.10, 3.11, 3.13 and 4.17)

Through its Annual Management and Sustainability Report, Copel reports its actions and economic and financial, social and environmental results, following the guidelines on transparency and social-environmental responsibility:

- from the National Electric Energy Agency, which through Dispatch no. 3034, dated 12.21.2006, provides concessionaires and licensees of the energy sector with a model of an annual reporting of its activities, in terms of General Scope, Corporate, Economic-financial, Social, Sector and Environmental Governance, focusing on providing a socially responsible public service, respecting society's needs and meeting conditions of regularity, continuity, efficiency, safety and moderateness of energy fees;
- from the Global Reporting Initiative - GRI (version GRI/G3), an organization created in 1997, linked to the United Nations Environment Programme (UNEP);
- from GRI guidelines in the publication entitled "Making the connection - using GRI's G3 guidelines for the COP";
- from Instituto Brasileiro de Análises Sociais e Econômicas - Ibase [the Brazilian Institute of Social and Economic Analysis];
- from the Brazilian Accounting Standard - NBC T15; and
- from the Brazilian Securities and Exchange Commission - CVM.

Scope

This report covers information regarding the fiscal year of 2011, comparing them to information provided in the previous annual report, and is also available in Portuguese and Spanish. Relevant actions and facts occurred up to June/2012 were also reported.

Stakeholders

The main stakeholders that the Company expects to use this report are the internal public, customers, suppliers, the government, shareholders, the society and the community.

GRI/G3 Indicators

The essential and additional GRI/G3 indicators deemed as non-material for the Company's business and stakeholders, are recorded at the location and co-relation matrix as such. Material indicators whose information was not available due to the non-fulfillment of their systematic collection have so far been treated as a goal for inclusion in future reports. Except for the financial statements and the economic-financial performance, which follow the Brazilian law, all other environmental and social indicators followed the parameters and calculation bases established by the GRI/G3 protocols.

The financial statements, including the Balance Sheet, also consolidate the performance of Companhia Paranaense de Gás - Compagas, Centrais Elétricas do Rio Jordão S.A. - Elejor, Copel Empreendimentos, UEG Araucária and Centrais Eólicas do Paraná, companies in which Copel is a majority shareholder, and since 2008, Dominó Holdings S.A. (a jointly-owned subsidiary with other shareholders). (GRI 3.6)

In terms of the Descriptions about the Management Methods of each group of indicators established in the GRI/G3 guidelines, they are distributed in this report as follows:

- Description about the Economic and Financial Performance Management Method - chapter 3
- Description about the Environmental Performance Management Method - chapter 5
- Description about the Social Performance Management Method - chapter 4
- Labor Practices and Decent Labor - chapter 4
- Human Rights - chapter 4
- Society - capítulo 4
- Responsibility for the Product - chapter 4

The means through which stakeholders can obtain additional information about Copel's economic and financial, environmental and social aspects, as well as comment on or suggest improvements for the following edition of the report, are listed in item 8, related to the Composition of Groups Responsible for Governance.

Comparability

In order to enable the comparison of data, and in compliance with the provisions of the Aneel Dispatch no. 3.034, we are disclosing historical series of three years for the operating indicators, as well as productivity, social and environmental indicators. Economic items are recorded in series of two years for the Balance Sheet.

Reliability (GRI 3.11)

We submit all social-environmental data of the Annual Management and Sustainability Report to external verification, in order to guarantee more transparency and reliability of the information reported, with the publication of a relevant opinion.



1.5. Organizational profile (GRI 2.1,2.2,2.4,2.5,2.6,2.7,2.8)

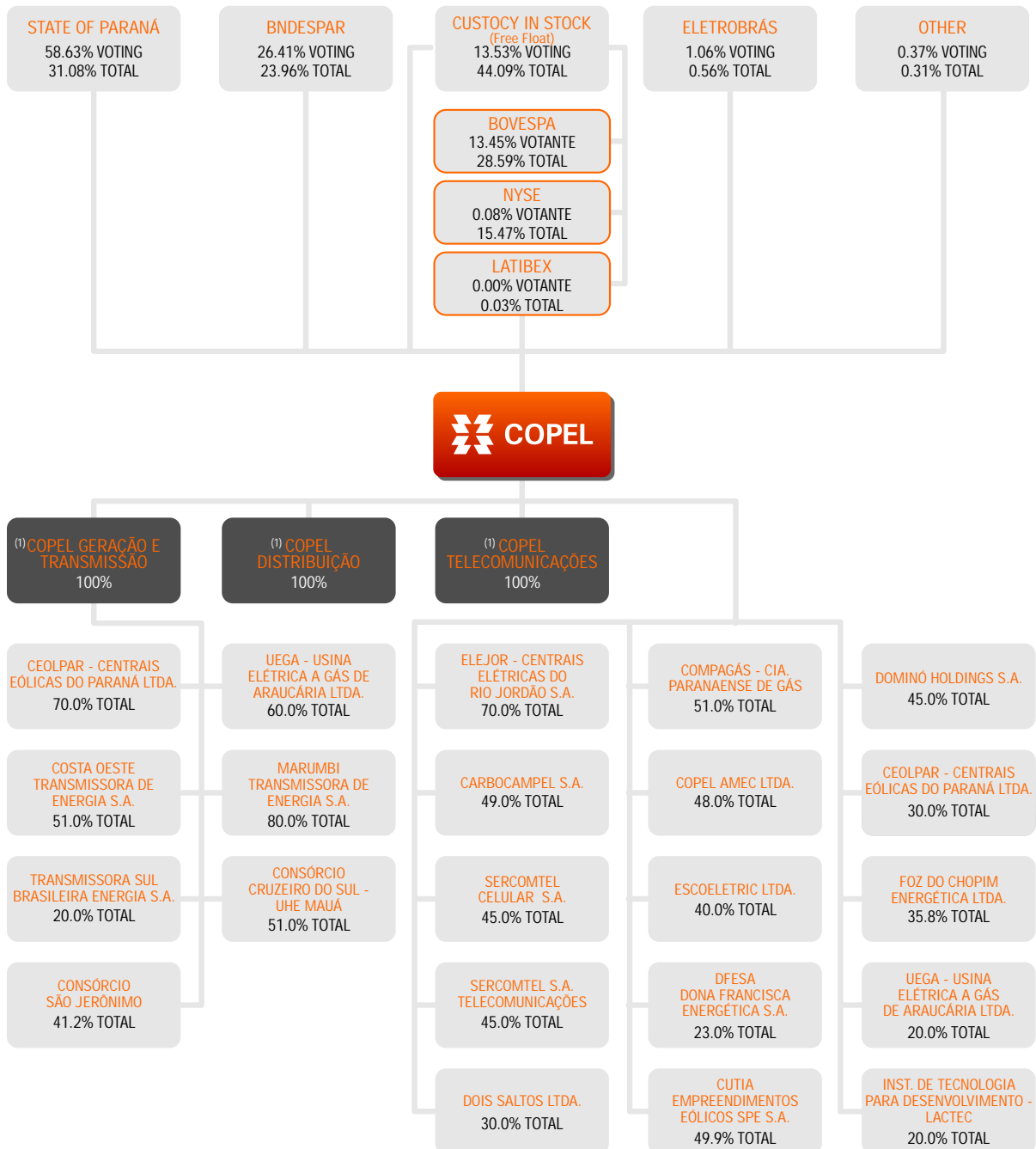
Companhia Paranaense de Energia - Copel, headquartered at Rua Coronel Dulcídio nº 800, bairro Batel, CEP 80420-170, in Curitiba - PR, is a joint-stock, publicly-held company, established as a mixed investment company, controlled by the Government of the State of Paraná, and focused on, through its subsidiaries, researching, studying, planning, building and exploring the production, transformation, distribution, commercialization and transport of energy, in any of its forms, especially electric energy, also having interests, together with public or private consortium companies, in companies and corporations with the purpose of developing activities related to energy, telecommunications and natural gas.

Main Results Achieved in 2011	
Economic Indicators (in millions of reais)	
Gross Revenue: R\$	R\$ 11,911.3
Net Revenue:	R\$ 7,776.2
EBITDA:	R\$ 1,856.7
Net Profit consolidated:	R\$ 1,176.9
Financial Indicators (in millions of reais)	
Total Assets:	R\$ 19,121.7
Shareholders' Equity:	R\$ 11,826.7
Investments in Concession:	R\$ 1,429.8
Net Debt: (Loans + Financing + Debentures – Cash Available and Financial Investments (securities - CP))	R\$ 540.7
Market	
Installed Power Capacity:	4,549.6 MW
Power Generated:	25,789 GWh
Power Distributed (captive + licensee + concessionaires + spot market):	23,398 GWh
Power Traded (captive + free + licensee + concessionaires):	23,973 GWh
Total Consumers Billed (captive + free of Copel GeT + licensee + concessionaires):	3,916,946
Staff	
Total employees (including subsidiaries):	9,545

1.5.1. Organization chart of interests and shareholding structure (GRI 2.3,3.8)

ORGANIZATION CHART – CORPORATE ORGANIZATION

POSITION AS OF 12/31/2011



(1) Wholly owned company
 Note: Copel has 0.82% of total capital of INVESTCO S.A. (UHE Lajeado).

Commercial and Institutional Marketing

The Company seeks economic, social and environmental balance, pursuing corporate sustainability, as well as good corporate governance practices, in order to meet the objectives of its strategic planning. In compliance with the corporate strategies, the Company develops marketing and communication plans.

Corporate communication seeks to highlight the importance of the Company's mission to develop the State, its business and services in power generation, transmission and distribution, in addition to telecommunication. Together with the communication plan for sustainability, it discloses actions developed by Copel for environmental preservation, the studies of alternative energies, social investments made in education, culture, sports and health, benefiting thousands of people in the whole state of Paraná, and the Company's performance and economic outlook. As a final result, it strengthens Copel's image before the public.

The constant concern about communicating with all stakeholders reinforces the importance of the relationship channels provided to them and service channels made available to all consumers, and, through periodical surveys, these channels are evaluated and improved, favoring communication, interaction of institutional and market issues, and consolidation of communication as a strategic component within the organization.

Marketing communication is responsible for allowing all customers of the company to know information about its products, services and service channels, with the purpose of increasing customer satisfaction and perceiving the value delivered by Copel. The main goal of this communication is to provide agility and quality to customer care, products and services, in addition to useful information about the safe and efficient use of electric energy. It also reinforces the alignment of technical, operational and commercial guarantees to the corporate positioning on sustainability and corporate governance. (GRI PR6)

The internal communication channels are also used to prepare the staff with the same quality as in relationships with stakeholders.

All internal and external communication channels disclose the same content in their messages, reinforcing an integrated marketing communication.

Given that some of Copel's customers have special needs, specific channels are also provided. In order to care for customers with visual impairment, invoices are made available in Braille, and the Company's website is accessible since 2008. Agency staff has been trained to care for customers with hearing impairment in the Brazilian Sign Language (Libras). Agencies and service stations are being adjusted to welcome customers with physical disabilities or difficulty walking. (GRI EU24)

Every two years, Copel conducts a survey about its image before stakeholders, in order to evaluate the Company's brand and image, employing qualitative (in-depth interviews and discussion groups) and quantitative (one-on-one interviews) techniques. The qualitative technique allows interviewees — suppliers, shareholders, the government, members of the Company's Board of Directors, regulatory agencies, the community (district associations in urban areas), the society (NGOs representing the environmental, cultural and social segments), the media (radio broadcasters, TV channels, newspapers, advertising agencies) and customers (free, residential, industrial, commercial, services, Copel employees and outsourced workers) — to express their opinion in a non-structured manner, enabling a better understanding of the reasons and motivations that are adjacent to the Company's brand and image.

Rational and safe use of energy: communication initiatives

Campaigns to educate the society on the safe use of electric energy to avoid accidents, a constant concern of the Company, has evolved to a more sustainable action, incorporating concepts of citizenship and care with the environment. The program entitled Kit Escola [School Kit], is one of the main means of communication used for this purpose, consisting in lectures provided by safety technicians and 650 volunteers throughout Paraná, with distribution of materials related to the subject.

Another efficient way of informing the population about the safe use of electric energy consists in messages announced by radio broadcasters, through a partnership with the AERP - Associação de Radiodifusão do Paraná [Paraná's Radio Broadcasting Association], with 309 broadcasters. Each broadcaster announces eleven messages per day, from Monday to Saturday, representing 3,399 messages per day and 88,374 per month. (GRI EU7)

The National Week of Electric Energy Safety – held every year – also helps disseminating information among schools, civil construction companies and consumers, at public places like parks, supermarkets, bus stations and shopping malls.

In accordance with a pre-established annual calendar, the divisions of all different regional branches in the State hold lectures at companies, rural cooperatives, construction sites, class associations and the community in general, and participate in regional fairs and events.

Customers also receive messages in their energy bills and envelopes. Customers residing in rural regions receive the rural calendar for power consumption self-reading, which provides information about the safe use of energy and other concepts regarding sustainability.

Collecting agents

Since 1985, Copel maintains a partnership with the network of collecting agents. The Company is a pioneer in establishing this alternative channel for the payment of energy bills. Currently comprising 1,657 establishments in Paraná, both in the urban and rural regions, the network of collecting agents is responsible for receiving the payment of 31% of the energy bills, corresponding to one million and 200 thousand energy bills/month. The partnership also includes the distribution of informative materials on the safe and efficient use of power to customers.

Mobile Service Stations - MSS

The Company has thirteen mobile units used to meet the needs of its customers, providing access to commercial services, instructions about the safe and efficient use of energy, rights, duties and social programs. This year, Copel is acquiring another five VAN units, with the purpose of modernizing its fleet and providing customers with more comfort, speed in service and a better presentation of its brand. These units will be endowed with the most modern equipment available in the technology segment, with the implementation of data transmission through optical fiber and use of equipment with a high level of energy efficiency.



1.6. Operational Structure (GRI 2.7,EU12,EU30)

1.6.1. Generation (GRI 2.2,EU1, EU2,EU6)

In order to expand generation based on water source development undertakings, Copel maintains the following priority strategies:

- participating in electric energy auctions, particularly in the State of Paraná; and
- investing in projects of Small Hydropower Plants - SHP, individually and in partnerships with private enterprises, so as to promote sustainable development by implementing projects that will encourage regional development.

Within the scope of operation and maintenance of Copel's generating station, constructions and projects are under development to guarantee more reliability to the electric system as a whole. The following stand out:

- Modernization of the Salto do Vau Hydropower Plant (União da Vitória), including automation, so as to enable the remote operation through the Generation Operation Center in Curitiba.
- Development of the project for the new Generation Operation Center.
- Development of a project and acquisition of equipment and material to modernize the Gov. Parigot de Souza (Antonina) HPP, expected to begin in 2012.
- Technical coordination and commissioning of the Mauá Hydropower Plant and substations Figueira, Mauá and Jaguariaíva.
- Emergency services to reestablish the operating conditions of the Chaminé (São José dos Pinhais), São Jorge and Pitangui (Ponta Grossa) plants, seeking to recover damages caused by floods occurred in 2011.
- Continuity of the revitalization process of elevator transformers of the Gov. Ney Braga HPP.
- Development of the project to adjust the plant protection systems against atmospheric discharges.
- Painting of hydromechanic equipment of the Pitangui plant for the celebration of the plant's 100-year birthday in 2011.
- Slope contention, drainage, recovery and paving of the main access of the Gov. Bento Munhoz da Rocha Netto plant.
- Beginning of the development of the modernization project of the Gov. Bento Munhoz da Rocha Netto plant, including the project to install plants 5 and 6, and modernize the lifting and transport equipment — bridges and hall cranes.
- Replacement of the digital system to control the gas turbines and the digital system to control the ancillary equipment of the Araucária Thermal Power Plant.

Renewable Energy

Another initiative that stands out is increasing the Company's participation in alternative sources of renewable energy, in a profitable and sustainable manner, one of the most important strategic guidelines established for Copel's generation business. In this sense, the Company has been researching and prospecting new businesses related to these energy sources. The main projects and actions are:

Increasing the wind potential

Project to implement a climate model of mesoscale, in a high-performance computer, which already allows Copel to develop wind maps to identify the most promising areas for the installation of future wind power stations.

Photovoltaic solar projects

In August 2011, Aneel published Call no. 13/2011 for the Strategic Project: "Technical and Commercial Arrangements for Inserting Photovoltaic Solar Generation in the Brazilian Energy Matrix." Copel is leading in this front, and submitted two projects to Aneel's approval: "Application of Photovoltaic Cells in National Manufacture for Electric Energy Generation Interconnected to the Distribution Network in the Stadium where the 2014 Fifa World Cup will be held," with an installed capacity of 1.0 MW-peak and "Comparison between Electric Energy Generation from a Photovoltaic Solar Source and its Availability in the Distribution Network, With and Without Accumulation of Energy in a Vanadium Battery Bank of a Limited Cycle," with an installed capacity of 3.0 MW-peak, and is participating, with cooperation, in three projects, led by other companies in the sector. The approved photovoltaic solar plants are expected to start operating in early 2013.

Polyduct

Negotiations for the continuity of studies that will analyze the feasibility of building a polyduct connecting the municipality of Sarandi to the municipality of Paranaguá, passing through Araucária, have been resumed. The purpose is to provide the State with a modern logistics infrastructure to transport ethanol and improve the state's exporting conditions. In the previous stage of the works, a Public Utility Decree was published with regard to the basic layout, and a new Protocol of Intentions will soon be signed between the State of Paraná, Copel, Compagas, Alcopar, CPL and CPLPAR, for the development of environmental licensing studies.

Microalgae

This R&D project started in 2009, and has the purpose of promoting the research and development of large-scale microalgae cultivation processes for oil extraction as an energy source for the production of biodiesel and energy. The project is currently in the process of completing the morphological characterization of native strains collected in Paraná, and the open cultivation system (raceway) is currently under installation in a pilot scale, in the IAPAR lab. It is expected to produce the first liters of cure microalgae oil up to the end of 2012.

Urban Solid Waste - USW

The R&D project provides for the construction of a pilot plant for the gasification of urban solid waste, structuring of a center of excellence in USW studies, and development of an USW processing plant for small and medium municipalities, which is expected to produce energy, recycled products and recyclable products without needing landfills or generating any environmental liability.



Concession Agreement no. 045/1999

Type	Plant	Granting act	Final term	Extension act	New final term
Hydropower plant	Gov. Bento Munhoz da Rocha Netto (Foz do Areia)	Dec. nº 72.293, dated 05/24/1973	05/24/2003	MME Official Letter no. 22, dated 1/25/2001	5/23/2003
Hydropower plant	São Jorge	Dec. nº 75.033, dated 12/04/1974	12/12/2004	MME Official Letter no. 249, dated 4/17/2003	12/3/2024
Hydropower plant	Apucarantina	Dec. nº 76.432, dated 10/13/1975	10/13/2005	MME Official Letter no. 249, dated 4/17/2003	10/12/2025
Hydropower plant	Guaricana	Dec. nº 78.238, dated 8/13/1976	8/15/2006	MME Official Letter no. 367, dated 8/18/2005	8/16/2026
Hydropower plant	Chaminé	Dec. nº 78.238, dated 8/13/1976	8/15/2006	MME Official Letter no. 367, dated 8/18/2005	8/16/2026
Hydropower plant	Gov. Ney Aminthas de Barros Braga (Segredo)	Dec. no. 84.209, dated 11/14/1979	11/15/2009	MME Official Letter no. 331, dated 9/2/2009	11/15/2029
Hydropower plant	Derivação do Rio Jordão	(i) Dec. no. 84.209, dated 11/14/1979 (ii) DNAEE Official Letter no. 476, dated 06/07/1994	11/15/2009	MME Official Letter no. 331, dated 9/2/2009	11/15/2029
Hydropower plant	Gov. José Richa (Salto Caxias)	Dec. no. 84.680, dated 5/2/1980	5/4/2010	MME Official Letter no. 331, dated 9/2/2009	5/4/2030
Hydropower plant	Cavernoso	Dec. no. 85.628, dated 1/7/1981	1/7/2011	MME Official Letter no. 331, dated 9/2/2009	1/7/2031
Hydropower plant	Rio dos Patos	Dec. no. 89.378, dated 2/14/1984	2/14/2014	possible	*
Hydropower plant	Gov. Parigot de Souza (Capivari/Cachoeira)	(i) Dec. no. 56.027, dated 4/23/1965 (ii) Dec. no. 69.475, dated 10/5/1971	5/25/1995	MME Official Letter no. 195, dated 6/22/1999	7/7/2015
Hydropower plant	Mourão	Dec. no. 53.419, dated 1/20/1964	1/26/1994	MME Official Letter no. 195, dated 6/22/1999	7/7/2015
Hydropower plant	Chopim I	Dec. no. 53.770, dated 3/20/1964	3/24/1994	MME Official Letter no. 195, dated 6/22/1999	7/7/2015
Thermal power plant	Figueira	(i) Dec. no. 64.258, dated 3/21/1969 (ii) Dec. no. 68.757, dated 6/16/1971	3/26/1999	MME Official Letter no. 195, dated 6/22/1999	3/26/2019

*Extension of the concession under analysis at Aneel

In addition, with regard to Copel's two development undertakings under construction, we have the following:

Type	Plant	Granting act	Final term	Extension
Hydropower plant	Colíder	Concession Agreement no. 001/2011; Decree n/n, dated 12/29/2010	12/30/2045	no legal provision in the current legislation
SHP	Cavernoso II	Authorization - Official Letter no. 133 of February 25, 2011	2/28/2046	no expectation

Below we provide information on the concession agreements of generation development undertakings in which the Company holds an interest:

Concession Agreement no. 188/98					
Type	Plant	Consortium	Granting act	Final term	Extension
Hydropower plant	Dona Francisca	Dona Francisca Energética S.A. - Dfesa	Dec. no. 83.767, dated 7/24/1979 Dec. Dated 8/8/1997 Dec. Dated 6/15/1998	8/27/1933	possible

Concession Agreement no. 125/01					
Type	Plant	Consortium	Granting act	Final term	Extension
Hydropower plant	Santa Clara	Centrais Elétricas do Rio Jordão - Elejor	Dec. Dated 10/23/2001	10/24/1936	possible
	Fundão				

Concession Agreement no. 001/07					
Type	Plant	Consortium	Granting act	Final term	Extension
Hydropower plant	Mauá	Consórcio Energético Cruzeiro do Sul	Dec. Dated 6/28/2007	7/2/1942	not possible

Aneel Resolution no. 278/99					
Type	Plant	Consortium	Final term	Extension	
Wind power	Palmas	Centrais Eólicas do Paraná Ltda.	9/28/2029	possible	

Aneel Resolution no. 351/99					
Type	Plant	Consortium	Final term	Extension	
Thermal power plant using natural gas	Araucária	UEG Araucária Ltda.	12/22/2029	possible	

Aneel Resolution no. 114/00					
Type	Plant	Consortium	Final term	Extension	
SHP	Foz do Chopim	Foz do Chopim Energética	4/23/1930	possible	

Aneel Resolution no. 753/02				
Type	Plant	Consortium	Final term	Extension
SHP	Fundão I	Centrais Elétricas do Rio Jordão - Elejor	12/18/1932	possible

Aneel Resolution no. 757/02				
Type	Plant	Consortium	Final term	Extension
SHP	Santa Clara I	Centrais Elétricas do Rio Jordão - Elejor	12/18/1932	possible

Chart presenting the installed capacity and net energy production (GRI EU1, EU2):

Own Generation YTD From January to December, 2011				
Plants	Installed Capacity (MW)	Assured Energy (MWmed)	Verified Generation	
			GWh	MWmed
Hydropower plants	4,529.61	1,948.33	25,717.14	2,935.75
Gov. Bento Munhoz da Rocha Netto	1,676	576	8,195.18	935.52
Gov. Ney Aminthas de B. Braga	1,260	603	7,661.72	874.63
Gov. José Richa	1,240	605	7,762.94	886.18
Gov. Pedro V. Parigot de Souza	260	109	1,586.35	181.09
Guaricana	36	16.08	178.46	20.37
Chaminé	18	11.6	87.64	10.00
Apucarantina	10	6.71	63.05	7.20
Mourão	8.2	5.3	58.12	6.63
Derivação do Rio Jordão	6.5	5.85	50.02	5.71
Marumbi	4.8	2.96	23.43	2.68
São Jorge	2.3	1.62	12.25	1.40
Chopim I	1.98	1.48	13.78	1.57
Rio dos Patos	1.72	1.02	9.01	1.03
Cavernoso	1.3	0.96	5.45	0.62
Melissa	1	0.64	6.09	0.69
Salto do Vau	0.94	0.6	3.33	0.38
Pitangui	0.87	0.51	0.33	0.04
Thermal power plant	20.00	10.30	71.75	8.19
Figueira	20.00	10.30	71.75	8.19
TOTAL	4,549.61	1,958.63	25,788.89	2,943.94

Generation from Partners YTD From January to December, 2011				
Plants	Installed Capacity (MW)	Physical Guarantee (MWmed)	Verified Generation	
			GWh	MWmed
Hydropower plants				
SANTA CLARA	120.18	69.6	743.91	84.92
FUNDÃO	120.16	65.8	686.72	78.39
TOTAL	240.34	135.4	1,430.64	163.31
PCH SANTA CLARA I SHP	3.40	2.9	26.28	3.00
FUNDÃO I SHP	2.47	2.25	19.68	2.25
TOTAL	5.87	5.15	45.96	5.25
FOZ DO CHOPIM LÍQUIDA	27.60	21.46	213.78	24.40
TOTAL	27.60	21.46	213.78	24.40
Plants	Installed Capacity (MW)	Physical Guarantee (MWmed)	Verified Generation	
Thermal power plant				
ARAUCÁRIA	484.15	*	0.54	0.06
TOTAL	484.15	*	0.54	0.06
Wind Power Plants				
WIND POWER (PALMAS)	2.50	*	4.38	0.50
TOTAL	2.50	*	4.38	0.50

* Does not apply to these energy sources

1.6.2. New generation projects (GRI EU6)

In line with the generation expansion strategy, Copel is preparing to participate in energy auctions for yield concessions in the interest of all regions of Brazil, particularly yields located in the State of Paraná and rivers of the Tapajós Basin, the current border of the hydropower generation expansion in Brazil.

With the purpose of achieving competitive edge when participating in auctions where these undertakings are subject to bids, the Company is developing the feasibility studies of four yields in development the Piquiri river and contracting studies for five yields in the Tibagi river: Tibagi Montante HPP - 32.0 MW, Santa Branca HPP - 58.0 MW, Telémaco Borba HPP - 109.0 MW, Cebolão Médio HPP - 120.0 MW and Limoeiro HPP - 142.0 MW.

The Brazilian Ministry of Mines and Energy has already scheduled an energy auction for August 2012, for the contracting of energy generated from hydropower plants. The expectation is to auction plants that did not receive the preliminary environmental license in time in the previous auction, held in December.

Mayá Hydropower Plant - With constructions beginning in the second half of 2008, the Mauá Hydropower Plant - Mauá HPP will incorporate 361 MW of installed power to Copel's and Eletrosul's generating stations, which will be enough to provide for nearly one million inhabitants. The development undertaking is being implemented through Consórcio Energético Cruzeiro do Sul - CECS [Cruzeiro do Sul Energy Consortium], with the participation of Copel (51%) and Eletrosul (49%), and relies on an investment of around R\$ 1.25 billion. The Mauá HPP, located in the middle section of the Tibagi river, on the border of the municipalities of Telémaco Borba and Ortigueira, in the Center-eastern region of the State of Paraná, is the largest construction in progress in the state, and will start commercial operations in 2012.

Cavernoso II SHP - The Cavernoso II SHP, with an installed power of 19 MW, had its energy traded by Copel in the Energia Nova Auction, promoted by Aneel in August 2010. It is located in the Cavernoso river, between the municipalities of Virmond and Cândói in the State of Paraná. The implementation works began in April 2011, and commercial operations are expected to begin in late 2012. The Project has a total expected investment of R\$ 120 million.

São Jerônimo Hydropower Plant - The project comprises the future hydropower yield of São Jerônimo, located in the Tibagi River, in Paraná. The plant will have an installed capacity of approximately 331 MW, with guaranteed energy of 165.5 MW-average. The development undertaking implementation will be based on the concession of use of a public asset to explore the hydropower yield of São Jerônimo, with an expected investment of around R\$ 1.1 billion.

Colíder Hydropower Plant - The Concession of the Colíder HPP development undertaking, with an installed capacity of 300 MW, was acquired in an auction on 07.30.2010 by Copel. It is located in the Teles Pires river, in the municipalities of Nova Canaã do Norte, Itaúba, Colíder and Cláudia, in the State of Mato Grosso. The Concession Agreement no. 001/2011 – MME – Colíder HPP was executed on 01.17.2011, and the project has a total expected investment of around R\$ 1.57 billion. Construction began in March 2011, and commercial generation is expected to begin in December 2014.



1.6.3. Transmission (GRI EU6)

The segment's main attribution is to provide electric energy transport and transformation services, being responsible for the construction, operation and maintenance of substations, as well as the lines used for energy transmission. Copel holds and operates 2,029 km of transmission lines and 31 substations of the Basic Network, with a transformation power of around 10,000 MVA.

Works in Substations - SS and Transmission Lines - TL are targeted at expanding and strengthening the National Interconnected System - SIN (basic network). They comprise the development undertakings acquired in auctions promoted by Aneel, constructions authorized by Authorizing Resolutions, and constructions included in the Modernization Plan for Installations of Systemic Interest. In 2011, amounts higher than R\$ 112.0 million were invested in this set of projects.

The milestone that stood out was the completion, on 12.04.2011, of the construction project of the transmission line connecting the substations of Foz do Iguaçu and Cascavel Oeste, 115.7 km, at 525 kV, with an investment of around R\$ 100 million. A work integrating the Growth Acceleration Plan, it is critical for Paraná and strategic for Copel, which will start transporting the energy production quota of the Itaipu Plant to the three Southern States, representing an increase of R\$ 8.45 million in the Company's annual revenues.

As for the operation and maintenance activities of Copel's installations in the Basic Network (more than 230 kV), the strict and continuous improvement work was carried on, seeking to guarantee the availability levels of the transmission system under the Company's responsibility.

In this context, the following stood out in 2011:

- Availability level of substations and transmission lines above 99.9%;
- conduction of improvement works in many SS, with no accidental downtime, which represents an appropriate planning of the interventions; and
- contracting of a pilot project for a detailed inspection of transmission lines through footage and HD pictures, without requiring technicians to go on long helicopter flights.

1) Development undertakings with Concession or Authorization for 2011.

Many expansion works authorized by Aneel have been executed in 2011, including the installation of new transformers. Highlights for the completion of the installation of new transformers in the substations of Guaira (150 MVA/230 kV), Posto Fiscal (150 MVA/230 kV), Foz do Chopin (150 MVA/230 kV) and the Industrial District of São José dos Pinhais (2x150 MVA/230 kV). The completion of these projects generated an increase of R\$ 8.1 million in the Annual Revenue Allowed - RAP for Copel.

Umuarama TL — Cascavel Oeste and Umuarama SS

Costa Oeste Transmissora de Energia S.A. was created after the Costa Oeste Consortium, comprising Copel (51%) and Eletrosul (49%), acquired, in September 2011, in an auction promoted by Aneel, the concession to build and operate a transmission system comprised of:

- 230 kV Cascavel Oeste TL — Umuarama, 143 km and
- 230/138 kV Umuarama SS, 300 MVA.

LT connecting the states of Paraná, Santa Catarina and Rio Grande do Sul

In 2011, the Sul Brasileiro Consortium, comprising Copel (20%) and Eletrosul (80%), acquired the concession to build and operate the transmission system comprised of:

- 230 kV Nova Santa Rita TL — Camaquã 3, 140 km;
- 230 kV Camaquã 3 TL — Quinta, 163 km;
- 525 kV Salto Santiago TL — Itá, 190 km;
- 525 kV Itá TL — Nova Santa Rita, 305 km and
- 230 kV Camaquã 3 SS, 166 MVA.

TL and substations at 230 kV in Paraná

In 2011, the Caiuá Consortium, comprising Copel (49%) and Elecnor (51%), acquired the concession to build and operate the transmission system comprised of:

- 230 kV Umuarama TL — Guaíra, 105 km;
- 230 kV Cascavel Oeste TL — Cascavel Norte, 31 km;
- 230 kV Santa Quitéria SS, 400 MVA and
- 230 kV Cascavel Norte SS, 300 MVA.

Curitiba Leste TL and Substation

In 2011, the Marumbi Consortium, comprising Copel (80%) and Eletrosul (20%), acquired the concession to build and operate the transmission system comprised of:

- 525 kV Curitiba TL — Curitiba Leste, 28 km;
- 525/230 kV Curitiba Leste SS, installation of (3 + 1 res.) x 224 MVA

Açailândia TL — Miranda II, in Maranhão

The Linha de Transmissão Integração Maranhense Consortium, comprising Copel (49%) and Elecnor (51%), acquired, in December 2011, the concession to build and operate a transmission system comprised of the 500 kV Açailândia TL — Miranda II, 365 km (State of Maranhão).

Transmission Concessions

The Company operates transmission assets (basic network) through the following documents: Concession Agreement no. 060/2001, de 20.06.2001; Concession Agreement no. 075/2001, dated 08.17.2001; Concession Agreement no. 006/2008, dated 03.17.2008 and Concession Agreement no. 027/2009, signed on 11.19.2009, referring to the 500 kV Cascavel Oeste Transmission Line — Foz do Iguaçu.

In addition to these, the transmission development undertakings (basic network) subject to Concession Agreement no. 010/2010, dated 10.06.2010, referring to the 500 kV Araraquara Transmission Line — Taubaté; and the Concession Agreement no. 015/2010, signed on 10.06.2010, referring to substation 230/138 kV Cerquilha III, are under construction.

As it is the case of large transmission lines in the electric sector, most of Copel's transmission installations are included in Concession Agreement no. 60/2001, already extended by Circular Letter no. 185/2001 for another 20 years, maturing on 07.07.2015. A new extension will depend on changes in the regulatory scenario, which is currently under discussion by the Granting Authority. Other concession agreements can be renewed for another 30 years.

In addition, with regard to Copel's development undertakings under construction, we have the following:

SPE/Consortium	Development Undertaking	Granting act	Final term	Extension
Marumbi Transmissora de Energia S.A.	Curitiba - Curitiba Leste TL, Simple Circuit, at 525 kV, and Curitiba Leste SS, 525 kV	Decree dated 4/16/2012	To take place in 2042*	there is a forecast
Transmissora Sul Brasileira de Energia S.A.	I - Nova Santa Rita TL - Camaquã 3, at 230 kV, in RS; II - Camaquã 3 TL - Quinta, at 230 kV, in RS; III - Salto Santiago TL - Itá, at 525 kV, in the states of PR and SC; IV - Itá TL - Nova Santa Rita, at 525 kV, in the states of SC and RS; and V - Camaquã 3 SS, 230 kV, in RS.	Decree dated 4/16/2012	To take place in 2042*	there is a forecast
Caiuá Transmissora de Energia S.A.	I - Umuarama TL - Guaira, at 230 kV; II - Cascavel Oeste TL - Cascavel Norte, at 230 kV; III - Santa Quitéria SS, 230 kV; and IV - Cascavel Norte SS, 230 kV.	Decree dated 4/16/2012	To take place in 2042*	there is a forecast
Integração Maranhense Transmissora de Energia S.A.	Açailândia TL - Miranda II, at 500 kV	Decree dated 4/16/2012	To take place in 2042*	there is a forecast

* The final term will be defined after signature of the concession agreement already in progress in the MME.

Transmission Revenues – Fee Adjustments

Through Approving Resolution no. 1,171/2011, Aneel established the RAP for the fee cycle of July/2011 to June/2012 to make available the transmission installations integrating the basic network and other transmission lines.

The table below shows the increase in Annual Revenue Allowed - RAP from transmission in the period.

Cycle/Resolution	Basic network	Connections	Total
2010-11 - Res. 1021/2010	225,775,116.98	34,007,423.64	259,782,540.62
2011-12 - Res. 1171/2011	250,055,524.24	39,867,804.03	293,544,721.08
Difference in reais	24,280,407.26	5,860,380.39	33,762,180.46
Percentage difference	10.8%	17.2%	13.0%

Copel Geração e Transmissão S.A. holds six transmission concession agreements, of which four are under commercial operation, already entitled to receiving revenues, and the other two are under construction (Araraquara 2 TL – Taubaté and Cerquillo III SS, expected to start operating in October 2012). Revenue adjustments were made as presented in the previous table, which was established in each agreement.

Concession Agreement no. 060/2001, which covers the transmission installations of the existing system and expansions authorized by Aneel, and Concession Agreement no. 075/2011, referring to the Bateias/Jaguariaíva TL, were adjusted according to the IGP-M accumulated in the period, at 9.77%.

On the other hand, Concession Agreements no. 006/2008, referring to the Bateias TL—Pilarzinho, and no. 027/2009, for the Cascavel Oeste TL — Foz do Iguaçu, were adjusted at the IPCA accumulated in the period, at 6.55%. For these agreements, Aneel authorized an additional adjustment of 2.60% to offset the effect of the extension of the RGR up to the end of 2035, according to the Preliminary Measure no. 571/2010.

Transmission Revenues – Fee Revision

In 2009, a second fee revision was expected to be applied to transmission concessionaires. However, since Aneel did not timely approve the methodology, the process was postponed to 2010. 9.

In 2010, through Approving Resolution no. 1,008/2010, Aneel approved the temporary result of the second periodical revision of Copel Geração e Transmissão S.A., establishing the fee repositioning to be applied to RBNI installments (an RAP installment corresponding to the new installations comprising the Basic Network) and RCDM (an RAP installment corresponding to the new DITs), in force in June 2009, of -22.88%.

In response to an appeal filed by Copel, Aneel reconsidered the revision calculations with regard to the means of considering asset depreciation. Therefore, in 2011, through Approving Resolution no. 1152/2011, it approved the final result of the revision, establishing the fee repositioning to be applied at -19.94%. As a result, there was an additional R\$ 9.9 million in the RAP in the 2011-2012 cycle.

1.6.4. Distribution (GRI EU3,EU4,EU6,EU26)

Under the scope of power distribution, Copel's main activities consist in providing, operating and maintaining the infrastructure, as well as providing co-related services. These activities seek to provide services to more than 3.9 million energy consumers, in 1,117 locations in 396 municipalities in Paraná, and in the municipality of Porto União, in the state of Santa Catarina. The municipalities of Guarapuava, Coronel Vivida and Rio Negro are partially served. In addition to operating and maintaining the installations at voltage levels of up to 34.5 kV, Copel Distribuição also operates in installations with voltage levels of 69 and 138 kV.

Copel maintains its challenge of executing a bold construction program of transmission lines and substations in the electric energy distribution area, establishing continuous records of new development undertakings in this segment.

In 2011, 11 new substations were connected, and 5 new high-voltage lines were completed, strengthening the electric distribution system, improving energy quality and increasing the availability of power to consumers.

These investments reflect Copel's commitment to the population of Paraná, contemplating all regions of the state with various projects, including substations and high-voltage lines of 69 kV and 138 kV.

Substation construction projects completed in 2011 include:

- Novo Mundo Substation, at 41 MVA/69 kV, in Curitiba;
- Tangará Substation, at 41 MVA/138 kV, in Arapongas;
- Portal Substation, at 20 MVA/138 kV, in Foz do Iguaçu;
- Tunas Substation, at 25 MVA/69 kV, in Tunas do Paraná;
- Prudentópolis Substation, at 20 MVA/138 kV, in Prudentópolis;
- Barbosa Ferraz Substation, at 20 MVA/138 kV, in Barbosa Ferraz;
- Marialva Substation, at 20 MVA/138 kV, in Marialva;
- Arapoti Substation, at 20 MVA/138 kV, in Arapoti;
- Santa Helena Substation, at 20 MVA/138 kV, in Santa Helena;
- Coroados Substation, at 7 MVA/34.5 kV, in Guaratuba;
- Areia Branca dos Assis Substation, at 4 MVA/34.5 kV, in Mandirituba.

In addition to these constructions, the Olímpico (Cascavel) and Mercês (Curitiba) substations were expanded, with the installation of new transformers at 41 MVA.

New High-voltage lines at 69 kV and 138 kV, which were completed:

- 138 kV Barbosa Ferraz — Ivaiporã, 42.14 km-long;
- 138 kV Campo Mourão — Barbosa Ferraz, 37.97 km-long;
- 69 kV Santa Mônica — Pinhais, 14.20 km-long; and
- 69 kV Santa Mônica — Quatro Barras, 7.83 km-long.

As a whole, these development undertakings added, in 2011, 369 MVA to the distribution system, and 115.1 km in new transmission lines of 69 or 138kV.

Distribution Lines

The table below shows the number of kilometers of Copel's distribution lines:

Distribution Lines	Extension (in km)
13.8 kV	97,981.0
34.5 kV	80,662.2
69 kV	1,003.5
138 kV	4,705.3
230 kV	66.1
Total	184,418.1

Compact Networks

Copel has been implementing compact lines in urban areas with a high level of trees in the surrounding areas of the distribution networks. This technology avoids cutting and lopping trees, and improves the quality of supply, as it reduces the level of downtime. At the end of 2011, the compact distribution networks installed were 2,730 km-long.

Isolated Secondary Networks

Copel is also investing in isolated secondary networks with low voltage (127/220 V), which have significant advantages in relation to the conventional aerial network, such as: improving the DEC (duration equivalent to interruptions per consumer) and FEC (equivalent frequency of interruptions per consumer) indicators, making it difficult to steal energy, improving environmental conditions, and reducing the lopping area, increasing safety, reducing voltage drops throughout the network, and increasing the useful life of transformers by reducing the number of short-circuits in the network, among others. At the end of 2011, the isolated secondary distribution networks installed were 7,743 km-long.

Substations

The table below shows Copel's distribution substation park, according to the voltage:

Distribution Lines	Extension (in km)
13.8 kV	97,981.0
34.5 kV	80,662.2
69kV	1,003.5
138 kV	4,705.3
230 kV	66.1
Total	184,418.1



Market share and market growth

From January to December 2011, the total billed market, which includes the captive market, free consumers served by Copel Geração, supply to the concessionaires and licensees increased by 4.6%, reaching 23,974 GWh versus 22,926 GWh in 2010. The captive market, which accounted for 93.7% of the billed market, recorded a 5.4% growth in 2011.

The number of consumers billed by Copel in December 2011 showed a variation of 4.2% when reaching 3,916,946 consumers. From January to December this year, 157,535 consumers were added to the captive market.

The residential class, which accounted for 26.0% of the total market, showed an increase of 5.0% in 2011, reaching 6,224 GWh versus 5,925 GWh in 2010. The average residential consumption in 2011 recorded a 0.8% variation when reaching 167.9 kWh/month. The accelerated job market, the development of the payroll, and the improvement in credit are factors that have contributed to the performance of the class in 2011.

The billed industrial consumption, which accounts for 34.9% of total consumption, showed an increase of 2.8% in 2011. This variation results from the combination of the performance of the free market served by Copel Geração, which decreased by 13.6%, and the industrial captive market, which grew by 5.3%. The indicators of the industry's physical production in Paraná reflected the very positive results of 2011, according to data from IBGE. The Paraná industry grew by 7.0% in the period between January and December 2011, versus a national average of 0.3%. In this period, the "automotive vehicles (29.9%)" and "oil refining and alcohol production (12.1%)" segments stood out. In the quarterly comparison, the industry of the state of Paraná once again grew in production, going from 9.5% in the third quarter of 2011 to 15.1% in the fourth quarter.

The commercial class, which accounted for 19.9% of Copel's market, showed a 7.0% variation, reaching 4,778 GWh YTD. This performance is due to the good moment of the trade and service segments, together with the accelerated job market and an increase in consumer credit. According to IBGE, sales in Paraná's extended retail trade grew by 8.8% in 2011 – in relation to the previous year –, a stronger performance when compared to the national average (6.6%) and to other states in the Southern region (7.8% in Santa Catarina and 6.2% in Rio Grande do Sul).

The rural class consumed 1,872 GWh and grew by 5.5%. This class accounts for 7.8% of Copel's billed market. Average rural consumption reached 416.1 kWh/month, a 3.2% increase over 2010.

Other consumption classes, Public Authorities, Public Lighting, Public and Own Services, complement Copel's electric energy market. With an 8.9% share, these classes accounted for a 3.7% in the YTD result, consuming 2,122GWh.

The chart below summarizes Copel's market share and market growth in 2011 (GRI 4.5, EU3):

Captive Market - Copel Distribuição - Jan.Dec/11						
	No. of consumers			Energy sold (GWh)		
	Dec/11	Dec/10	%	2011	2010	%
Residential	3,089,619	2,964,805	4.2	6,224	5,925	5.0
Industrial	80,771	69,198	16.7	7,467	7,092	5.3
Commercial	319,667	308,987	3.5	4,769	4,466	6.8
Rural	374,819	366,694	2.2	1,871	1,774	5.5
Other	52,058	49,715	4.7	2,123	2,047	3.7
Captive Market	3,916,934	3,759,399	4.2	22,454	21,304	5.4

Retail Wheeling Market - Copel Distribuição - Jan.Dec/2011

	No. of consumers/agreements			Energy distributed (GWh)		
	Dec/11	Dec/10	%	2011	2010	%
Captive Market	3,916,934	3,759,399	4.2	22,454	21,304	5.4
Concessionaires and Licensees	4	4	-	600	568	5.7
Free Consumers ⁽¹⁾	31	29	6.9	3,139	3,211	-2.2
Retail Wheeling*	3,916,969	3,759,432	4.2	26,193	25,083	4.4

⁽¹⁾ Total free consumers served by Copel GET and other suppliers under the concession area of Copel DIS.

*Free consumers choose their electricity supplier paying a rate for using the distribution or transmission grids.

Copel follows the percentage of population served in the State based on the data provided by the National Research per Domicile Sample - PNAD, promoted by Instituto Brasileiro de Geografia e Estatística - IBGE [the Brazilian Institute of Geography and Statistics]. The latest data available in Paraná, where the Company operates in 392 of the State's 399 municipalities, are from 2010, showing that the service rate in the urban area is 99.8%, and the service rate in the rural area is 97.9%.

Service Rate (%)	2006	2007	2008	2009	2010
Total	99.1	99.2	99.2	99.6	99.6
Urban	99.8	99.8	99.8	99.9	99.8
Rural	95.3	96.0	95.9	97.5	97.9

Source: IBGE - National Research per Domicile Sample

Fees

In June this year, through Resolution no. 1,158/2011, Aneel approved the result of the 2011 annual fee adjustment regarding the power supply and provision fees, determined the Distribution System Utilization Fees - TUSD, established the annual revenue of connection installations, and determined the annual value of the Electric Energy Service Inspection Fee - TFSEE referring to distribution. Electric energy fees were, in average, adjusted at 5.55%, with 5.77% related to the annual economic fee adjustment, and a negative 0.22% referring to the pertinent financial components, corresponding to an average effect of 2.99% to be perceived by captive consumers.

Copel maintained the Night Rural Fee Program, which has the purpose of granting fee benefits, according to Aneel Resolution no. 207/2006, for all rural consumers of Group B between 09:30 p.m. and 6:00 a.m., thus encouraging the utilization of electrical equipment late at night, moving the load away from the peak hours.

Specific Organizational Profile of the Electrical Sector

Under the scope of power distribution, Copel's main activities consist in providing, operating and maintaining the infrastructure, as well as providing co-related services. These activities have the purpose of serving the more than 3.9 million energy consumers, in 1,117 locations in 392 of the 399 municipalities of Paraná, in addition to the municipality of Porto União, in the state of Santa Catarina. In addition to operating and maintaining the installations at voltage levels of up to 34.5 kV, given the spin-off of Copel Transmissão (Aneel Resolution no. 1.120/2007), Copel Distribuição took over these activities also in installations of voltage levels between 69 and 138 kV, which used to be under the responsibility of an extinct Company.

Fee revision of Copel Distribuição S.A.

The periodical fee revision process has the main purpose of analyzing, after a pre-determined period established in the concession agreement (usually 4 years), the concession's economic and financial balance. It is worth pointing out that, whereas the "Portion B" of revenue in the annual fee adjustments is monetarily restated at the IGP-M, in the periodical fee revision there is a calculation of the revenue required to cover efficient operating costs and the appropriate compensation about the investments made.

The periodical fee revision is conducted by calculating the fee repositioning and by establishing the X Factor. In the first stage of this process, fees compatible with the coverage of efficient operating costs and with a fair and appropriate compensation on investments made are established, with due discretion. In the second stage, the X Factor is established, with the purpose of sharing the scale gain with consumers, and as of the third stage of revisions, incentive to improving the quality of the service provided by distributed.

Copel's last fee revision took place in 2008, through Approving Resolution no. 663, of 06.23.2008, which temporarily established the new electric energy supply fees as of 06.24.2008, considering the total average negative adjustment of 3.35%. This rate incorporated the percentages of the negative Fee Repositioning Rate of 7.17% and the financial components not pertaining to the periodical fee revision, of 3.82%. It is important to point out that due to the elimination of a negative financial component of 3.27% from the fee basis, which had been added to the 2007 annual adjustment, the consumer perceived an average increase of 0.04% in the period between 06.24.2008 to 06.23.2009.

In the second stage, the X Factor was calculated, which is the establishment of efficiency goals for the second fee period, expressed in the fee. Based on the methodology established by Resolution no. 234/2006, the preliminary calculation of this factor resulted in 2.09% for Copel.

Approving Resolution no. 826/2009 approved the final result of the second periodical fee revision, establishing the fee repositioning to be applied to electric energy supply fees and Distribution System Utilization Fees - TUSD. The former were repositioned at -7.49%. Revenue variation, resulting from the difference between the temporary repositioning established in Approving Resolution no. 663/2008, and the final repositioning was considered in the annual fee adjustment of 06.24.2009.

Fee adjustment of Copel Distribuição S.A.

Approving Resolution no. 839/2009 approved the result of the annual fee adjustment on electric energy supply fees, established the Distribution System Utilization Fees - TUSD, and the electric energy supply fees for companies Companhia Campolarguense de Energia - Cocol, Companhia Força e Luz do Oeste - CFLO e Força and Luz Coronel Vivida - Forcel. Copel Distribuição's electric energy fees were, in average, adjusted at 18.04%, with 11.42% related to the annual fee adjustment, and 6.62% related to the pertinent financial components, corresponding to an average effect of 12.98% to be perceived by captive consumers.

At the time, Copel requested the deferral of financial components, given the impact of the adjustment to consumers, who were already suffering from the impact of the financial crisis, seeking maintenance of the market and of the non-default rate, but Aneel denied the request.

Due to Aneel's decision in the 176th Special Shareholders' Meeting, Copel decided to apply a discount equivalent to the average increase in the respective consumption class for all final captive consumers that were not in default.

On 06.22.2010, through Resolution no. 1015/2010, Aneel approved the result of the 2010 annual fee adjustment regarding the power supply and provision fees, determined the Distribution System Utilization Fees - TUSD, established the annual revenue of connection installations, and determined the annual value of the Electric Energy Service Inspection Fee - TFSEE referring to Copel Distribuição S.A. Copel Distribuição's electric energy fees were, in average, adjusted at 9.74%, with 6.88% related to the annual economic fee adjustment, and 2.86% referring to the pertinent financial components, corresponding to an average effect of 2.46% to be perceived by captive consumers.

In this case, Copel chose not to maintain the fee discount policy that was being practiced since 2004 with non-delinquent consumers.

On 06.21.2011, through Resolution no. 1158/2011, Aneel approved the result of the 2010 annual fee adjustment regarding the power supply and provision fees, determined the Distribution System Utilization Fees - TUSD, established the annual revenue of connection installations, and determined the annual value of the Electric Energy Service Inspection Fee - TFSEE referring to Copel Distribuição S.A. Copel's fees were, in average, adjusted at 5.55%, with 5.77% related to the annual economic fee adjustment, and -0.22% referring to the pertinent financial components, corresponding to an average effect of 2.99% to be perceived by captive consumers.

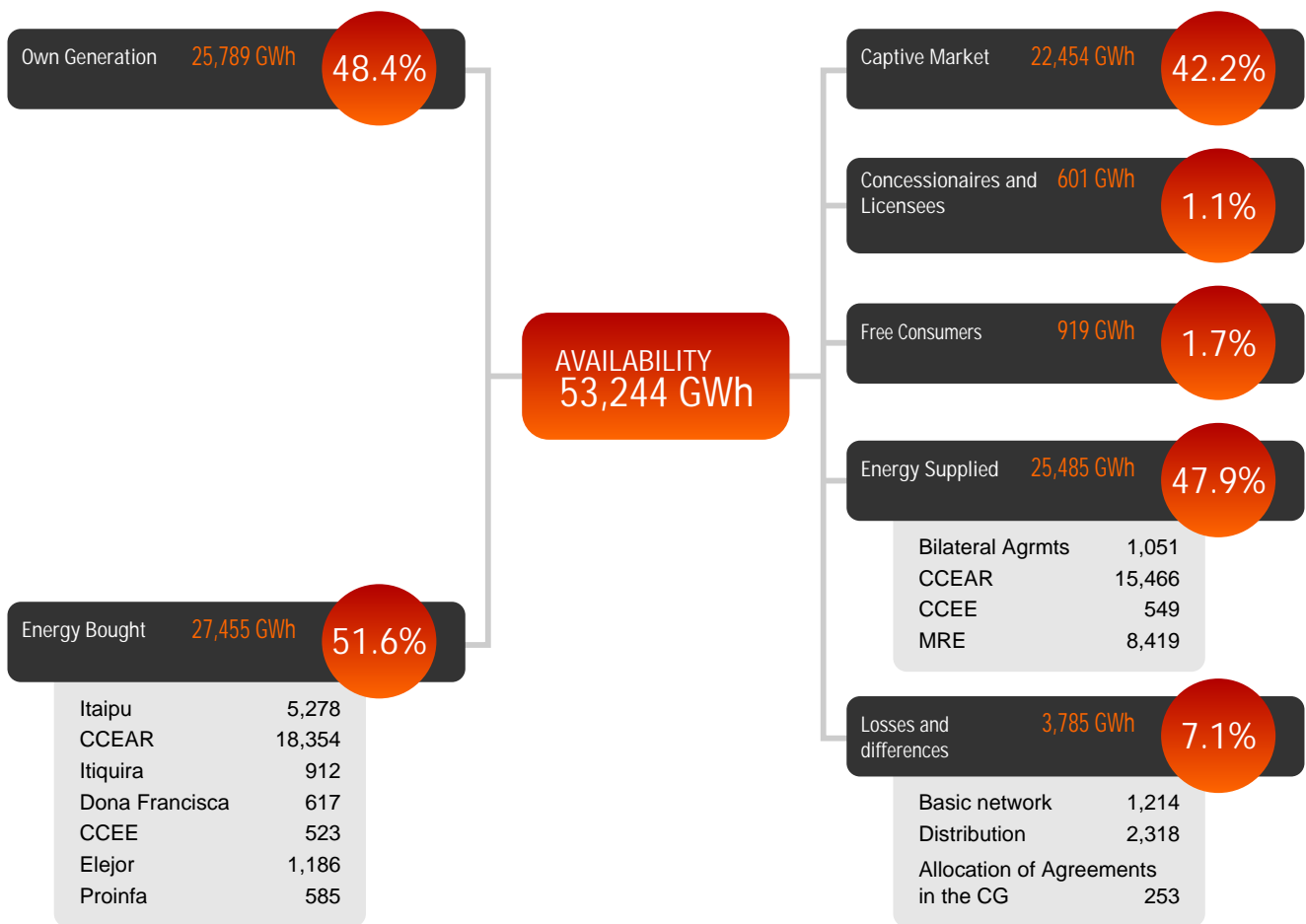
Distribution Concession

The Company operates its distribution business according to the Concession Agreement no. 46/1999, established in 06.24.1999. The concession term was extended by Official Letter MME no. 196, dated 06.22.1999, up to 07.07.2015. The agreement provides for the possibility of extension for another 20 years, at the discretion of the Granting Authority. The term to submit the request and documentation for extension is 07.07.2012.

In March 2010, Copel signed an addendum to the distribution concession agreement, in order to neutralize the revenue gains and losses arising from market variations applied to the Sector Charges item of Portion A. As a result, the following fee adjustments made by Copel should be lower, resulting in an average annual reduction of 0.5% in Distribution revenues.

Energy Flow (GRI EU12)

The Energy Flow shows a summary of all the energy traded by the Company in 2011. The Company's full availability is comprised of own generation, agreements established in the regulated environment, the Itaipu quota, the energy accounted for in the short term (CCEE), and other agreements with Itiquira, Dona Francisca, among others, totaling 53,244 GWh in 2011. Own generation and Agreements for Energy Trading in the Regulated Environment (CCEAR) alone accounted for almost 83% of the Company's total offer. Out of all the power available, 42.2% was allocated to the captive market, 29% to Agreements for Electric Energy Trading in the Regulated Environment of Copel Geração, and the remainder to other bilateral agreements, supplies, energy relocation mechanisms, free consumers and energy accounted for in the short term. Losses accounted for 7.1% of the total available, sub-dividing into the basic network, distribution and allocation of agreements in the sub-market's gravity center. The flow below shows the division of the Company's supply and demand:



Amounts subject to changes after the CCEE closing

CCEAR = Agreement for Energy Trading in the Regulated Environment

MRE = Energy Relocation Mechanism

CCEE = Electric Energy Trading Chamber

CG = Sub-market's Gravity Center (difference between billed energy and energy received in the GC)

Energy trading in 2011

In 2011, Copel's market was fully served by the energy acquired through auctions, bilateral agreements and Itaipu. In order to complement the agreements comprising the framework of Distribution this year, monthly energy was acquired in the Surplus and Deficit Compensation Mechanisms - MCSDs in February, as well as free exchanges in March, June and July, and in the 2011 Adjustment Auction.

1.6.5. Telecommunication

In compliance with Act no. 31.337 from the National Telecommunication Agency - Anatel, Copel provides telecommunication and general communication services, developing specific studies and projects, in compliance with the legislation in force. The exploration of these services is conducted for an undetermined period, with no exclusivity, nationally and internationally. The Company has been operating a multimedia communication service since 2002.

Optical fiber network: relevant investments

In 2011, the 3,036 km increase in optical cables for urban access (totaling 14,306 km at the end of the year) significantly increased the capillarity of Copel's optical network. 302 municipalities are served in Paraná, and 2 are served in the state of Santa Catarina, through 7,510 km of inter-urban optical cables. Through this network, Copel provides speed and reliability to 1,442 companies investing in Paraná and relying on its services. A recent survey has revealed that 97% of these customers have expressed to be satisfied or very satisfied with the Company, whose portfolio includes customers from various segments of operation, using high-end technologies in optical fiber.

Paraná Digital - State Education Department - SEED

Paraná Digital is a digital inclusion project implemented in public schools (2,100 schools, including rural schools) in the state of Paraná. It is based on the availability of educational methods through computers and the Internet, with the purpose of improving the quality of education. The purpose is to provide teachers and students in the state education network with access to the Dia a Dia Educação portal.

PEBL - Bandwidth State Plan

The Bandwidth State Plan has the purpose of spreading inexpensive access to the Internet, to all municipalities in Paraná, having as incentive the deferment of ICMS when contracting the telecommunication services used for this purpose. With this Plan, Copel Telecomunicações will sell communication services to Providers and City Governments that adhere to the plan and, in consideration, and respectively, they must undertake to provide popular services of Internet access and provide Internet access in their facilities. End users can only contract the services directly from the providers of their cities.



1.6.6. Equity interests

Copel has equity interests in many companies, as well as in consortia and other institutions operating in various sectors, such as electric energy, telecommunications, sanitation, gas, engineering services and research & development.

In the energy sector, the Company has interests in energy generation and transmission development undertakings, as shown below:

Generation sector

Development Undertaking	Total Installed Potential (MW)	Copel's Interest
Dona Francisca S.A.	125.0	Copel - 23.03%
Centrais Eólicas do Paraná. ⁽¹⁾	2.5	Copel - 30% Copel GeT - 70%
Foz do Chopim Ltda.	29.1	Copel - 35.77%
Dois Saltos Ltda.	25.0	Copel - 30%
UEG Araucária Ltda.	484.1	Copel - 20% Copel GeT - 60%
Elejor - Centrais Elétricas do Rio Jordão S.A.	246.4	Copel - 70%
Cutia Empreendimentos Eólicos SPE S.A. ⁽²⁾	137.4	Copel - 49.9%
Consórcio Cruzeiro do Sul - UHE Mauá	361.0	Copel GeT - 51%
Consórcio São Jerônimo (Projeto)	331.0	Copel GeT - 41.2%
UHE Lajeado (Investco S.A.) ⁽³⁾	902.5	Copel - 0.82%

⁽¹⁾ Under merging process to Copel Geração e Transmissão S.A.

⁽²⁾ Five Wind power projects

⁽³⁾ The assets of UHE Lajeado are leased to the other concessionaires of this UHE in ideal fractions of the existing assets.

Transmission sector

The projects below are part of special purpose entities established with Eletrosul.

Development	Company	Copel GeT's Interest
Transmission Line (SIN) Cascavel Oeste — Umuarama - circuit 230 kV and Substation (SIN) Umuarama 230/138 kV	Costa Oeste Transmissora de Energia S.A.	51%
Transmission Line (SIN) Nova Santa Rita — Camaquã 3, 230 kV Transmission Line (SIN) Camaquã — Quinta, 230kV Transmission Line (SIN) Salto Santiago — Ita, 525 kV; Transmission Line (SIN) Ita — Nova Santa Rita, 525 kV Substation (SIN) Camaquã 3 2x83 MVA, 230/69/13,8 kV	Transmissora Sul Brasileira de Energia S.A.	20%
Transmission Line (SIN) Curitiba — Curitiba Leste, 525 kV, CS, 28 km Substation (SIN) Curitiba Leste 525/230 kV (3 +1 res.) x 224 MVA	Marumby Transmissora de Energia S.A.	80%

Other sectors

Sector	Development	Copel's Interest
Gas	Compagas S.A.	51%
Telecommunications	Sercomtel S.A. Telecomunicações	45%
Telecommunications	Sercomtel S.A. Celular	45%
Sanitation	Dominó Holdings S.A.	45%
Utilities	Escoeletric Ltda.	40%
Utilities	Copel-Amec Ltda. ⁽¹⁾	48%
Coal Exploitation	Carbocampel S.A.	49%
Research and Development	Instituto de Tecnologia para o Desenvolvimento - Lactec	20%

⁽¹⁾ Under settlement stage

1.7. Copel's Products: market share (GRI 2.5, 2.7)

Main products (%)	Brazil	Southern Region	Paraná
Electric energy generation ⁽¹⁾	5.2	⁽²⁾ 27.8	^{(2) (3)} 61.9
Electric energy transmission ⁽⁴⁾	2.5	14.7	41.5
Electric energy distribution ⁽⁵⁾	⁽⁶⁾ 6.0	⁽⁶⁾ 35.3	⁽⁷⁾ 97.3
Gas distribution	2.3	22.7	99.9

⁽¹⁾ Not including Copel's interests

⁽²⁾ Not including the Itaipu Plant

⁽³⁾ Not including the Paranapanema river plants

⁽⁴⁾ Refers to the Annual Revenue Allowed - RAP

⁽⁵⁾ Share in service in the captive/free market

⁽⁶⁾ Source: Energy Research Company - EPE

⁽⁷⁾ Estimated data

1.8. Responsibility and engagement with interested parties (GRI 4.14, 4.15, 4.16)

An important part of the production chain, suppliers consider Copel as a business partner that is attentive to their needs in order to better provide services and strengthen communication to improve the services provided to customers.

As soon as it contracts the suppliers of a certain product, Copel holds integration meetings before starting the services, discussing issues regarding workplace safety and health practices required by the Company, issues related to the environment and social responsibility, as well as the clauses included in Copel's Code of Conduct.

Special and decentralized meetings are other occasional discussions, open to the participation of suppliers qualified to provide Engineering services in the Distribution business, coordinated and carried out by the Regional managements, located in the State's hub cities. The purpose is to bring the reality of the local market closer to Copel's minimum requirements, maintaining a standard of quality and principles of health, safety and ethics taken by the Company.

In the Distribution business, periodical meetings are held with the unions of electricity companies in Paraná (which represent 80% of the service providers) to discuss matters of common interest in the construction and engineering services segment.

Thus, Copel seeks to strengthen its relationship with suppliers and increase the level of knowledge and engagement throughout the production chain.

Communication Channels

The response to questions submitted to the Company through the Contact Us channel is also available on our website, through email address copel@copel.com. In this channel, the assumption is to promptly respond to all questions received, which has been resulting in an increase of its use by stakeholders. The complete matrix of Copel's communication channels is also available on our website, www.copel.com.

Communication with the Internal Public (GRI HR5) (DGC)

As a direct communication channel with all of its employees, Copel promotes the Employee Opinion Survey - POE, conducted on an annual basis. In 2011, the survey round included a mixed study (both qualitative and quantitative) to deepen the understanding of the employee's perception of the company, within the scopes of the individual, the work environment and the company. The qualitative stage, of an exploratory nature, uses techniques known as Focus Groups, and the quantitative stage, which is conclusive, was applied through sampling. The survey identified that 85.9% of the employees believe that Copel is a good or great company to work for. Opportunities for improvement observed with regard to corporate work were, respectively: professional acknowledgment and valuing, possibility of professional growth, training and qualification and compensation courses related to the job.

Under the scope of the Program for Promoting Diversity, in the period between 2007 and 2009, many discussions were carried out with groups that present specific needs and characteristics in the Company.

The most critical issues were raised by the group of People with Disabilities - PcDs, mostly regarding the inadequacy of the physical and architectonic structure, the lack of translation at events, the lack of audiovisual materials for the hearing impaired and printed materials for the visually impaired, the lack of preparation of the workforce to effectively integrate these professionals and use their full potential. These issues will be addressed in specific action plans. One of them will target the promotion of diversity, and the other will specifically target accessibility issues.

Communication with Customers and Consumers (DDI/DGT/DGC)

Customers served by Copel have many access channels at their disposal to make requests, suggestions and complaints. One of the channels that stand out the most in service volume is the Call Center (0800 51 00116), which is toll-free for customers. In addition to its own employees, the call center service contracts outsourced professionals with special needs, directly from various associations for people with physical disabilities in Paraná.

In 2011, Copel's Call Center responded to an average of 576,000 monthly calls, accounting for 46% of the Company's care services.

Copel's website (www.copel.com) currently has approximately 2 million visitors per month. There were 409,000 monthly consultations and services requested through the "Online Services" option.

In 2001, 256 new custom service stations were launched by Copel, totaling 409 units distributed throughout the concession area. They provide an average of 214,000 care services per month. The address of each station can be checked on Copel's website, making it easier for customers to find that information.

Still in 2011, a chat room was implemented on Copel's website, another online care center, which received a total of 123,000 online accesses throughout the year, requesting clarifications and services. There was also an integration between emails submitted by customers to the telephone system, enabling the care center to know the number of emails received, in real time, making it easier to manage the people that analyze documents and respond to customers, with 66,000 documents received throughout the year.

In February 2012, the procedure of the Emergency Audible Response Unit - URA was changed, and it now informs the protocol number for the request in the beginning of the call. The Reconnection URA is undergoing tests, with the purpose of allowing customers to make reconnection requests online, with no human interaction, optimizing calls in the call center, and it is expected to start up in 2012.

Registration of power outage via SMS were made at an average of 5.4 thousand times per month in 2011. In order to use this service, it is enough for the customer to send a message to number 28593 with the acronym "SL" and the number of the consumer unit informed in the energy bill.

The Company also has 15 mobile service stations, which travel around districts in large cities and take part in fairs, events and lectures at schools or companies, in addition to disclosing information about the efficient and safe use of power.

In addition, at Post Offices throughout the State, Copel offers pre-paid envelopes for customers to submit documents and requests to the Company.

In addition, Copel has an Ombudsman service and a Consumer Council as means to improve its relationship with customers.

For customers of Copel Telecomunicações, free telephone service has been made available since September 2010, at 0800 414 181. The division has a team of eight operators, who work in a 6-hour regime, and 2 support analysts, receiving calls from external customers of Copel Telecomunicações and demands from other divisions of Copel.

Copel Telecomunicações also has another specialized service channel: the Telecommunication Hot Line (0800 643 7777), which is available 24/7, at the Operation Center. This channel relies on technical teams for the operation of systems, equipment and services. This guarantees fast service and good technical support for customers.

Communication with Suppliers

An important part of the production chain, suppliers consider Copel as a business partner that is attentive to their needs in order to better provide services and strengthen communication in order to improve the services provided to customers.

As soon as it contracts the suppliers of a certain product, Copel holds integration meetings before starting the services, discussing issues regarding workplace safety and health practices required by the Company, issues related to the environment and social responsibility, as well as the clauses included in Copel's Code of Conduct.

In the Distribution business, periodical meetings are held with the unions of electricity companies in Paraná (which represent 80% of the service providers) to discuss matters of common interest in the construction and engineering services segment.

Thus, Copel seeks to strengthen its relationship with suppliers and increase the level of knowledge and engagement throughout the production chain.

Communication with Shareholders and Investors

Copel maintains an effective communication channel with its shareholders and investors through the investor and shareholder relations department and the custody department, its website (www.copel.com/ri), e-mails (ri@copel.com and acionistas@copel.com), its call center (0800-41-2772), and printed newsletters "Copel IR Newsletter" and "Quarterly Newsletter," among other notices and reports sent to capital market professionals and shareholders, and also made available on the Company's website. Since 2009, the communication channel was extended to minority shareholders (acionistas@copel.com), which now have a direct communication with Copel's Board of Directors.



1.9. 1.8. Main certifications and awards (GRI 2.10)

Among the main certifications and awards achieved in 2011, the following stand out:

Awards and Certifications	Certifier
SESI Award of Quality at Work (PSQT) - 2 nd Place - For its Accessibility Program	SESI Paraná – Industry Social Service.
Abradee Award – More satisfaction for customers among the largest Energy Distribution companies in Brazil.	Abradee
Special Achievement in GIS International Award (Geographic Information System) – SAG - Migrageo Project	Esn Companies in San Diego, US.
Sport Award – “Most Sports-friendly Company in the State” Category.	Ministry of Sports
As Melhores do Dinheiro – 3rd Best Brazilian Company in the Energy Sector	IstoéDinheiro Magazine
Platt Top 250 Global Energy Company – 250 largest and best energy companies in the world - Platts Top 250 – Copel was included among the top 250	Evaluation Agency of the Platt Market, a division of McGraw-Hill Companies
CIER Award of Quality and Customer Satisfaction – Ouro Ouro Category, among companies with more than 500,000 consumers	Comisión de Integración Energética Regional - Cier América Latina
Grandes e Líderes [Great Leaders] – 500 maiores do Sul [Top 500 in the South] – Copel and subsidiaries, largest company in the energy sector	Amanhã Magazine
Grandes e Líderes [Great Leaders] – 500 maiores do Sul [Top 500 in the South] – Copel and subsidiaries, largest shareholders' equity in Paraná	Amanhã Magazine
Grandes e Líderes [Great Leaders] – 500 maiores do Sul [Top 500 in the South] – Copel and subsidiaries, 2nd Largest company in Paraná, and 4th Place among the top 500 in the South	Amanhã Magazine
Top Of Mind – 1st Place in Paraná as the “most remembered” brand, in the Large Companies category	Amanhã Magazine and Instituto Bonilha de Pesquisas
Top Of Mind – Company you would like to work for (for the 5th consecutive time).	Amanhã Magazine and Instituto Bonilha de Pesquisas
Top Of Mind – Efficient public company	Amanhã Magazine and Instituto Bonilha de Pesquisas
Empresa Cidadã [Citizen Company] – For information provided in the 2010 Balance Sheet	Rio de Janeiro Regional Accounting Council, Firjan Service and Fecomércio
Honorífica Ordem do Pritaneu Award – Avelino Vieira Award – 1st Edition	Rotary Club of Western Curitiba
Join Award – (Integration and inclusion games of Curitiba) Sponsored by Copel, together with the City Government, to promote the integration and inclusion games of Curitiba.	Municipal Department of Sports, Leisure and Youth
ISA Award – Patrono Bronze ISA	International Society of Arboriculture - ISA
SESI Award of Quality at Work (PSQT) – For its Accessibility program	SESI Paraná – Industry Social Service.
XI Empresa Cidadã Cotolengo Award 2011	Instituição Pequeno Cotolengo do Paraná

Today, COPEL has 11 processes that are externally certified or accredited, according to the management standard:

Process	Standard
DDI - Customer Service	NBR ISO 9001:2008 Certification
DDI - Revenue Function	
DDI - Measurement Function	
DDI - Operation	
DDI - Electric System Operation (COS)	
DDI - Projects and Constructions	
DDI - Services and Maintenance	
DEN - Engineering Development Undertakings	
DGT - Transmission Development Undertakings	
DGT - O&M Energy Generating Plants	
DDI - PEA (Posto de Ensaio Autorizado)	NBR ISO-IEC 17025:2005* Accreditation

* General requirements for the competence of test and calibration laboratories.

Copel, in its process entitled “Operating and Maintaining the Energy Generation Infrastructure,” is preparing to implement the integrated system of standards NBR ISO 9001 - Quality Management System, NBR ISO 14001 - Environmental Management System, and OHSAS 18001 - Workplace Health and Safety Management System.

2

CORPORATE GOVERNANCE SCOPE

Copel is constantly seeking to improve the application of good practices of corporate governance, and uses the model proposed by Instituto Brasileiro de Governança Corporativa - IBGC [Brazilian Institute of Corporate Governance] as a parameter, pursuant to its Code of Best Practices. Thus, directors seek to contribute to the Company's survival, with a long-term outlook in the pursuit of economic, social and environmental sustainability; improve its relationship and communication with all stakeholders; mitigating strategic, operating and financial risks; and increasing the Company's value, enabling the strategy of raising funds.

The Company adopts internal regulations for all of its collegiate bodies, with guidance to handle any conflicts of interest, an issue that is also addressed in its Code of Conduct.

With the adhesion to the BM&FBovespa's Level 1 of Corporate Governance, Copel reinforced its commitments to meet the principles of transparency with the capital markets.

In 2011, Copel's commitment to ethical and transparent conduct, and to the best practices of corporate governance, was recognized, and the Company maintained its shares in the Corporate Sustainability Index of São Paulo Stock Exchange (ISE Bovespa).

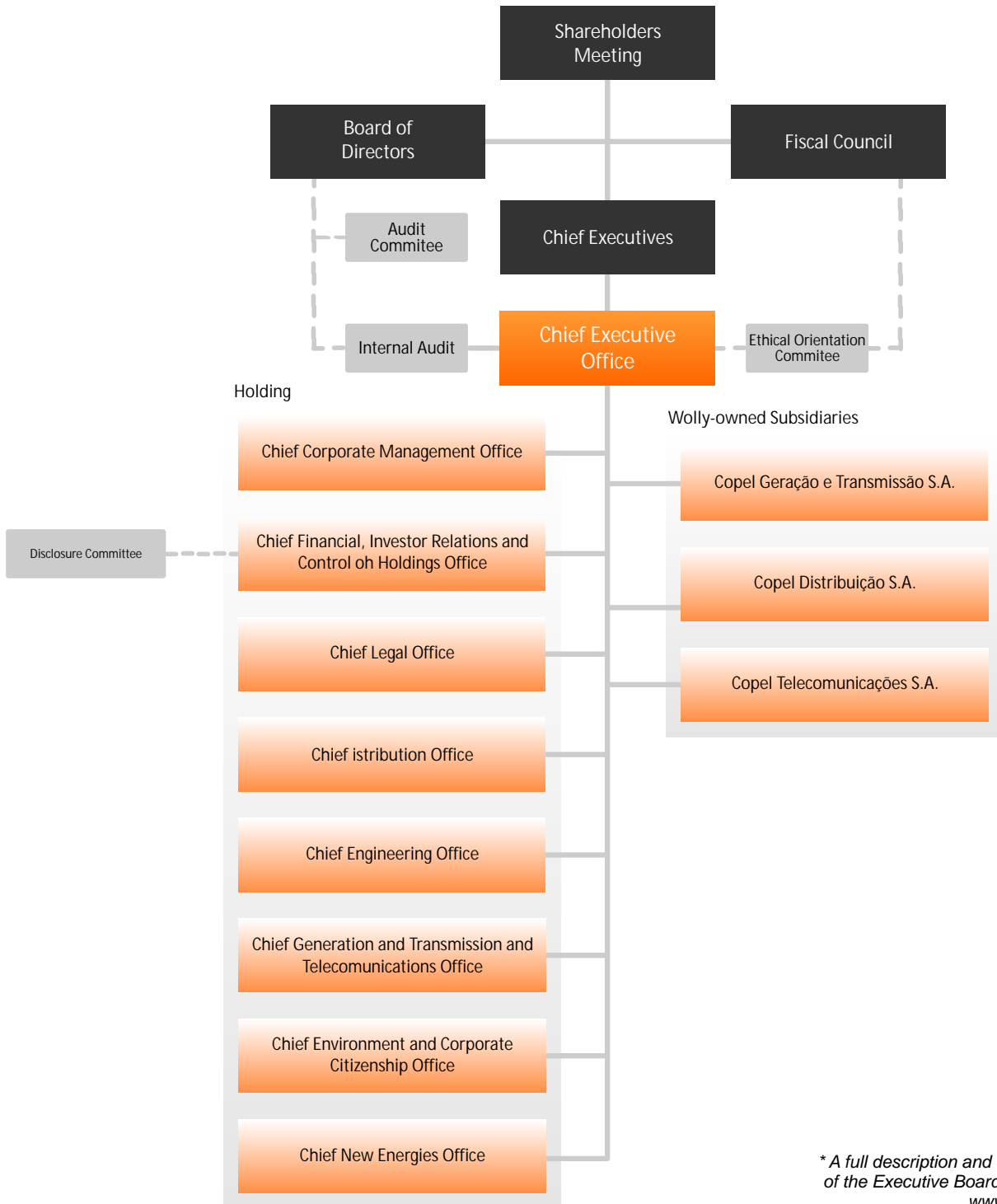
Copel's commitment to the ten principles of the UN's Global Compact is permanently reaffirmed and revalidated by the Company's practices, focused on protecting and guaranteeing dignity at work, transparency in management, accuracy of financial issues and environmental protection. At the same time, Copel contributes to the disclosure and compliance with the Millennium Development Goals - MDGs, which have the purpose of fighting poverty, hunger, illness, illiteracy, environmental degradation and discrimination against women. (GRI 4.12)



2.1. Governance structure and good practices (GRI 4.1,4.5,4.6,4.9 e 4.10)

Copel guarantees tag along rights to its minority common shares, ensuring to its shareholders a minimum price of 80% of the amount paid for shares integrating the control block.

The organization chart below shows the Company's organization structure, with three wholly-owned subsidiaries, committees and official councils:



* A full description and composition of the Executive Board is provided www.copel.com

Compensation

In Shareholders' Meetings, the Company specifies the interest in the corporation's capital and the individual or collective compensation of directors, highlighting the changes occurred in such interest throughout the year, and pointing out the mechanisms of variable compensation and, when applicable, their impact on result.

Internal controls

The Audit Committee is responsible for revising and supervising the Company's internal controls and risk management systems, and the effectiveness of these systems is revised on an annual basis, at least.

2.2. Shareholders' Meeting

The Shareholders' Meeting is the forum where shareholders have powers to decide on all businesses related to the Company's purpose, and make the resolutions deemed convenient with regard to its defense and development.

The Annual Shareholders' Meeting is held in the first four months of each year, and shareholders may meet occasionally, whenever deemed necessary, at any date, with Special Shareholders' Meetings held twice a year, as a rule.

2.3. Board of Directors - BOD (GRI 4.2,4.7)

The functioning and competences of the BOD are established in its internal regulation, in the Bylaws and in the Brazilian Corporate Law. BOD members have a unified tenure of two years, and can be re-elected. Among its members, one is a Company employee appointed by other employees, and another two are appointed by shareholder BNDES Participações S.A. - BNDESPAR, under the shareholders' agreement. As for members of Copel's Executive Board, only the CEO is a member of the Board of Directors, working as the Body's executive secretary. The positions of Chairman of the Board of Directors and CEO of the Company are not occupied by the same person.

Among the nine members of the current tenure of Board of Directors, five are considered independent, pursuant to the Sarbanes-Oxley Act, and one of them is a financial expert and Chairman of the Audit Committee, a consulting and permanent body directly linked to the BOD.

In the period between 2010-2011, the BOD's formal process of periodical self-evaluation and individual evaluation of its members was resumed. There is no standard or specific requirement related to economic, environmental and social opportunities. The Company's management analyzes these aspects in its decisions and subjects of more relevance, and based on the matter or value involved, they are submitted to the BOD's resolution.

2.4. Audit Committee (GRI 4.3)

The Audit Committee is comprised of three members, independent and integrating the Board of Directors, pursuant to the Sarbanes-Oxley Act, with a two-year tenure. Its competences established in said Act and in the Committee's internal regulation include the revision and supervision of the development processes of quarterly and annual financial statements, internal controls and risk management, as well as protection of the quality and efficiency of these processes. In this activity, the Committee must communicate to the Company's Board of Directors any non-compliance with legal and regulatory standards that might put the continuity of Copel's business at risk.

Since 2007, members of the Audit Committee conduct an annual self-evaluation of the body's activities and its members, individually.

On a quarterly basis, the Audit Committee holds meetings with the Fiscal Council, with the purpose of analyzing the Company's financial statements. The Committee's ordinary meetings are held on a bi-monthly basis, but its members may, during the year and at any time deemed necessary, summon meetings, which, as a rule, have been held 10 times a year, with the Company's executive offices, independent auditors and the internal audit, with the purpose of verifying the compliance with its recommendations or clarifying any doubts, including with regard to the planning of audit works, the adjustment of funds required for such, and discussing all matters deemed relevant.

2.5. Fiscal Council

The Fiscal Council - FC is also elected in a Shareholders' Meeting. It is permanent and comprised of five effective members and five deputies, for a one-year tenure, of which three members are appointed by the controlling shareholder, one by minority shareholders of common shares, and another by minority shareholders of preferred shares. Its functioning and competences are established in the Bylaws, in the internal regulation and in the Brazilian Corporate Law. The Fiscal Council meets on a quarterly basis to fulfill its main function of analyzing and issuing an opinion on the Company's quarterly and annual financial statements. Exceptionally, it may gather to address other matters under its competence, whenever necessary, as per a call notice issued by the Chairman. Members of this Council, or at least one of them, participate in the Shareholders' Meetings, meetings of the Board of Directors, and meetings of the Audit Committee regarding matters under its competence.

2.6. Executive Board (GRI 4.5)

The executive board is elected by the Board of Directors, and is comprised of nine members with a three-year tenure. It is responsible for Copel's executive functions, with the private attribution of representing the Company. Its attributions, duties and individual responsibilities are established in the Bylaws, and the means of operation is provided in internal regulations. The Board holds ordinary meetings on a weekly basis, and extraordinary meetings when summoned by the CEO, at his discretion or upon request from another Officer. The Company does not link the compensation of executives to the achievement of financial and non-financial goals.

Since 2007, the Company's Officers conduct an annual self-evaluation of the Executive Board's activities and its full members, individually.

2.7. Code of Conduct (GRI 4.6, 4.8 e 4.9)

In 2003, Copel introduced its Code of Conduct, based on the corporate values and its corporate culture, also respecting the international principles of the Sarbanes-Oxley Act. This instrument has been consolidating dynamically, so as to reflect the integrity of its procedures in all relationships, either internal, with employees, or with all other stakeholders related to the business. Its content has been revised and updated, including upon public consultation with all stakeholders, engaging directors, employees, suppliers, customers, shareholders and consumers. As a means to guarantee the knowledge of the Code of Conduct, each employee of the Company received a printed copy of the Code, upon signing a term of receipt and knowledge of its content. In addition, all employees can access the Code through the corporate portal on the intranet or, for other interested parties, on Copel's website.

2.8. Ethical Orientation Committee (GRI 4.8)

The Ethical Orientation Committee has the purpose of discussing, guiding Copel's actions and analyzing cases presented to it, making recommendations in the sense that the Company's operation is permanently conducted by moral principles in the development of its business, ensuring the disclosure and effective application of the Code of Conduct to Copel's employees. The Committee is comprised of nine members, of which eight are Company employees, coordinated by a representative of civil society, guaranteeing more transparency and the participation of stakeholders in the process.

Among the cases taken to the Ethical Orientation Committee in 2011, there was one case of non-compliance with the Code of Conduct which resulted in the dismissal of two employees of the Company.

Even though it has wholly-owned subsidiaries, the Company is operating in a decentralized manner, under the same scope of internal rules and procedures. GRI (SO2)

In addition, Copel has a Commission to Analyze Reports of Psychological Harassment – Cadam. This commission established on 05/18/2010, elaborated by the members themselves. It has autonomy for analysis not linked to hierarchic subordination which, although it does not intend to judge people, analyzes the reports and makes recommendations with the purpose of achieving harmony in the work environment, with guaranteed confidentiality for informers. It is comprised of seven members, three of which are elected among employees, three are appointed by the executive board, and a coordinator representing civil society.

Copel provides constant guidance, through lectures, training, articles, and even a Primer, specifically about psychological harassment, contributing to raise awareness about individual rights, recognizing the importance of respecting dignity.

Anti-corruption (GRI 4.9, SO3)

The Company does not approve corruption in any of its ways. Copel's Code of Conduct establishes this principle, and is received by all employees of the Company, being published on the intranet and the company's website. In addition, the company has instruments and tools that comprise the integrity system, such as: Confidential communication channel, ombudsman, internal audit and Ethical Orientation Committee.

2.9. Confidential Communication Channel (GRI 4.4 and 4.9)

Seeking to consolidate strong management instruments, since 2003 Copel maintains an Ombudsman in its organizational structure, with a policy defined for the function, in line with the purposes of the planning model for sustainability and with the need to exercise the best practices in Corporate Governance, and also in line with the requirements of the regulatory agency of the energy sector.

The Ombudsman operates as a communication channel to develop an ethical, respectful and transparent relationship between Copel and all its stakeholders. This instrument expands the potentials of the ombudsman institution, and turns it into a component of an integrity, monitoring and control system for the Company, shareholders, employees and the society in general.

Copel's Ombudsman can be accessed by phone (0800-647-0606), mail (P.O. Box 5505 - CEP 80231-970 - Curitiba - PR), e-mail (ouvidoria@copel.com) or in person, at Rua Visconde do Rio Branco, 1.680 - Centro, in Curitiba - PR.

2.10. Permanent Committee for Disclosure of Material Acts and Facts

The Permanent Committee for Disclosure of Material Acts and Facts was implemented with the purpose of preserving Copel's image and credibility with shareholders, investors, analysts and capital market professionals. The Committee is comprised of at least two representatives of the Finance, Investor Relations and Interest Control Office, two representatives of the Presidency, one representative of the Legal Office, and one coordinator. The main attribution of the Committee is to advise the Finance, Investor Relations and Interest Control Officer in applying Copel's Disclosure Policy, and its members are responsible for revising and approving the information to be disclosed to the capital markets in any media.

2.11. Relationship with shareholders and investors (GRI 4.4)

At the end of 2011, 25,402 shareholders participated in Copel's capital stock, corresponding to R\$ 6,910.0 million, represented by 273,655 thousand shares, with no par value.

Throughout 2011, the Finance, Investor Relations and Interest Control Office was contacted by a significant number of shareholders, investors and national/international capital market analysts, in addition to participating in conferences, seminars and meetings and conducting road shows in the main financial hubs of Brazil, Europe and North America. Based on Law no. 9,249/1995, Copel has been adopting the policy of distributing interest on own capital as a replacement of dividends, fully or partially. The amount of dividends distributed is, at least, 25% of the adjusted net income, according to article 202 and its paragraphs of Law no. 6,404/1976.

2.12. Shareholders' Agreement

The shareholders' agreement executed between the State of Paraná and BNDES Participações S.A. - BNDESPar is in force at the Company, with the main purpose of ensuring to BNDESPar the appointment of two members for Copel's Board of Directors, and obtaining prior knowledge of the corporate matters submitted to the appreciation of the Company's Board of Directors and Shareholders' Meetings.

2.13. Markets where Copel trades its shares

Copel went public in 1994 (on BM&FBOVESPA) and, in July 1997, it became the first company in the Brazilian energy sector to be listed in the New York Stock Exchange. The Copel brand is also present in Europe since June 2002, when it joined the Latibex – the Latin-American branch of the Madrid Stock Exchange. In May 2008, Copel adhered to BM&FBovespa's level 1 of Corporate Governance.

The securities issued by Copel integrate the following indexes measured by BM&FBovespa:

- Ibovespa: the most important indicator of the average performance of share prices in the Brazilian stock market. Its relevance is due to the fact that the index represents the behavior of the main securities traded on Bovespa. This index has maintained the integrity of its historical series and did not suffer any methodology change since its implementation, in 1968.
- ISE: it has the purpose of reflecting the return of a portfolio comprised of shares from companies with known commitment to social responsibility and corporate sustainability, and also to acting as a disseminator of good practices in the Brazilian corporate environment.
- IEE: Bovespa's first sector index, the Electric Energy Index - IEE was introduced in August 1996, with the purpose of measuring the electric energy sector's performance, consisting in an instrument that allows for the evaluation of the performance of portfolios specialized in this sector.

In addition, the Company's securities integrate the following indexes measured by the Latinoamerica en Euros - Latibex of the Madrid Stock Exchange:

- FTSE Latibex All share: all shares listed on Latibex;
- FTSE Latibex Brasil: covers the most liquid Brazilian shares on Latibex; and
- FTSE Latibex TOP: covers the 15 most liquid shares on Latibex.



2.14. Audits

Internal Audit

The Company's Internal Audit — using the best practice recommended by the International Standards for the Professional Practice of Internal Auditing, recommended by The Institute of Internal Auditors — is governed by a regulation approved by the High Management (Executive Board, Audit Committee and Board of Directors), is subordinated to the Board of Directors, according to the Bylaws, functionally reports to the Audit Committee of the Board of Directors, and administratively reports to the Presidency. (GRI SO2)

Its operation is centralized, with free and unrestricted access to all administrative units, records, files, documents, internal and external information in the Company's interest. With the application of an independent, systematic and disciplined approach, it evaluates the efficiency of the risk management processes, internal controls and corporate governance, issuing recommendations to achieve an efficient performance in the divisions, helping the Company to organize and achieve its goals.

The Internal Audit is also responsible for conducting a preliminary evaluation of all manifestations received by the Confidential Communication Channel and sent to the Audit Committee, providing instructions, based on the risks assessed, regarding the responsibility for actions related to the determination of the facts presented.

Its institutional role is to develop an independent and objective activity that provides evaluation and consulting services, and it has the purpose of adding value and improving the organization's operations. The Internal Audit helps the organization to achieve its goals by applying a systematic and disciplined approach to the evaluation and improvement of the efficiency of risk, control and corporate governance management processes.

With regard to the management of risks and controls, it works on improving the risk and control management systems, as well as maintaining effective controls, evaluating their effectiveness and efficiency, and promoting continuous improvement.

With regard to Corporate Governance, the Internal Audit must evaluate and make appropriate recommendations of improvements to the process, notably in terms of the efficient performance of the organization's various divisions, through a risk-oriented approach.

The works to be developed throughout the year will be selected based on risks, concerns of the high management, legal and regulatory drivers for the evaluation, in addition to the history of works developed. The Annual Activity planning is approved by the Audit Committee and the Board of Directors, being monitored on a monthly basis by the Audit Committee.

External audit (GRI 3.13)

Pursuant to CVM Instruction no. 381/2003, the Company and its wholly-owned subsidiaries contracted KPMG Auditores Independentes to provide auditing services on the financial statements. Since the company's contracting, only services related to independent auditing were provided. The Company has a major principle of not contracting other consultancy services that may interfere in the independence of external auditing works.

Since 2005, in order to meet the requirements of the Sarbanes-Oxley Act, the main controls of cycles that may cause faults or errors in the financial statements above the materiality level are tested by the internal and external audits.

As a governance measure, the internal audit procedures are made available for evaluation by external auditors.

2.15. Risk management (GRI EC2)

The Integrated Corporate Risk Management process was first implemented at Copel with the purpose of following the risk management in corporate divisions and wholly-owned subsidiaries, seeking to maximize, in a consistent and permanent manner, economic, social and environmental values to all stakeholders.

The Risk Management Policy and Model were implemented in 2009, defining the principles and guidelines for the Company's operations. The guiding principles include the classification and method of risk evaluation, the determination of parameters of risk appetite, as well as the Principle of Precaution, since the Company does not only provide for the probability of damage, but also promotes risk mitigation mechanisms.

Due to the intrinsic uncertainty of the risks, Copel also considers qualitative impacts, in addition to the financial impacts. Moreover, the Company analyses risk mitigation measures, adopting controls, indicators and action plans that lead to the prioritization of risks and supports the decision making process.

The strategy adopted by Copel allows it to consider risks in its decision making process, according to the following levels of approach:

- Key business risks: these are the risks associated to the Company's strategic purposes, therefore the management is under the responsibility of High Management (BOD, Executive Office and Risk Committee).
- Key process risks: risks related to processes, under the responsibility of process managers.
- Key project risks: risks linked to strategic projects, whose management is under the responsibility of project managers.

In 2011, the Company resumed the monitoring of key business risks and intensified all actions targeted at the evaluation of risks related to the composition of new businesses and to the participation in auctions promoted by Aneel, given the strategic interest in such development undertakings.

Contingency planning (GRI EU21)

Development undertakings under construction carried out by the Company have a document entitled Implementation Plan, which establishes all procedures required by different scenarios, such as natural disasters, workplace accidents, strikes, information technology or telecommunication collapse, endemic diseases, among others. For plants that have already been completed and are operational, the document is entitled Emergency Action Plan - PAE, and was established with the same purpose.

3

ECONOMIC
AND FINANCIAL
PERFORMANCE

3.1. Net Operating Revenue

In 2011, the Net Operating Revenue increased by R\$ 875.1 million, representing a 12.7% increase in relation to 2010. This variation is mainly due to:

1) A R\$ 117.4 million increase in Electric Energy Supply, due to the following factors:

- a 5.4% increase in the captive market of electric energy, representing an increment of 1,150.2 GWh in the energy supplied, particularly in the commercial, rural, industrial and residential classes.
- a 4.2% increase in the number of consumers;
- average cost transfer of 2.99%, as of 06.24.2011, according to Aneel Resolution no. 1,158/2011.

2) Increase in the Revenue of Electric Energy Availability by R\$ 489.9 million, mainly due to the fee adjustment of 06.24.2011.

3) Increase in Construction Revenue by R\$ 78.2 million. The Company accounts for revenues related to construction services or improvement of the infrastructure used in the provision of electric energy distribution and transmission services, which totaled R\$ 741.7 million in 2011 and R\$ 663.5 million in 2010. The respective costs are recognized in the statement of income for the period, as construction cost, when incurred.

4) Increase in the Telecommunication Revenue by R\$ 19.2 million, mainly due to the increase in the number of customers, by 47.1%.

5) Increase in the Revenue from Piped Gas Distribution by R\$ 36.7 million, mainly due to the higher volume of gas sold and to the fee restatement, as of August, by 8.5%.

3.2. Operating Costs and Expenses

Operating costs and expenses increased by R\$ 504.5 million in 2011, accounting for an 8.5% increase, mostly influenced by:

1) A R\$ 180.3 million increase in Electric Energy Bought for Resale, mainly due to the increase in the energy acquired at an Auction, by R\$ 199.4 million;

2) A R\$ 39.8 million increase in Charges for Network Use deriving from contractual adjustments in the period;

3) A R\$ 171.1 million increase in Personnel and Directors, mainly due to the revision of the position and salaries plan, the salary adjustment, according to the collective agreement that took force in October 2011, and the Permanent Program for Succession and Resignation - PSDV.

4) A R\$ 40.5 million increase in Expenses with Outsourced Services, particularly due to the increase in civil maintenance, by R\$ 6.7 million, maintenance of equipment and furniture, by R\$ 4.2 million, travel by R\$ 5.0 million, phone by R\$ 3.5 million, services in green and lopping services by R\$ 4.8 million, and data processing by R\$ 3.0 million;

5) A R\$ 26.6 million increase in the Social Security and Assistance Plans, mainly due to the amounts appropriated as expense in the Post-employment Assistance Plan, established by the 2011 actuarial report;

6) A R\$ 5.2 million decrease in Other Operating Expenses, mainly due to lower expenses with other maintenance costs.

3.3. EBITDA (GRI EC3)

EBITDA Calculation (Profit before interest, taxes, depreciation and amortization) – In thousands of R\$		Consolidated
	2011	2010
Net profit assigned to the shareholders of the parent company	1,157,690	987,807
Net Income assigned to non-controlling shareholders	19,164	22,474
IRPJ and CSLL deferred	(204,539)	(127,517)
IRPJ and CSLL Forecast	611,601	497,968
Equity Accounting Result	(55,654)	(99,337)
Financial Expenses (revenue), net	(224,768)	(348,425)
Ebit	1,303,494	932,970
Depreciation and Amortization	503,165	542,992
EBITDA	1,856,659	1,475,962
Net Operating Income - NOI	7,776,165	6,901,113
EBITDA Margin % (Ebitda - NOI)	23.9%	21.4%

3.4. Financial Result

Financial result decreased by R\$ 123.7 million, 35.5% lower than in 2010, due to:

7) Financial Revenue - decreased by R\$ 74.7 million, mainly due to:

- A R\$ 72.1 million decrease in Monetary Variations on the CRC transfer, restated by the IGP-DI, an index which, in the period between January and December 2011, had a positive variation of 5.02%, whereas in the same period of 2010, there was a positive variation of 11.29%; and
- A R\$ 50.8 million decrease in monetary variation on the accounts receivable for concession, restated by the IGP-M, an index which, in the period between January and December 2011, had a positive variation of 5.08%, whereas in the same period of 2010, there was a positive variation of 11.33%;
- Offset by the R\$ 60.8 million increase in revenues from financial investments, mainly due to the increase in invested capital, interest rates and portfolio profitability.

8) Financial Expenses - increased in relation to 2010, mostly influenced by the increase in debt charges, in the amount of R\$ 36.2 million, mostly deriving from charges related to the input of the Industrial Credit Bill - NCI and Fixed Credits.

3.5. Indebtedness

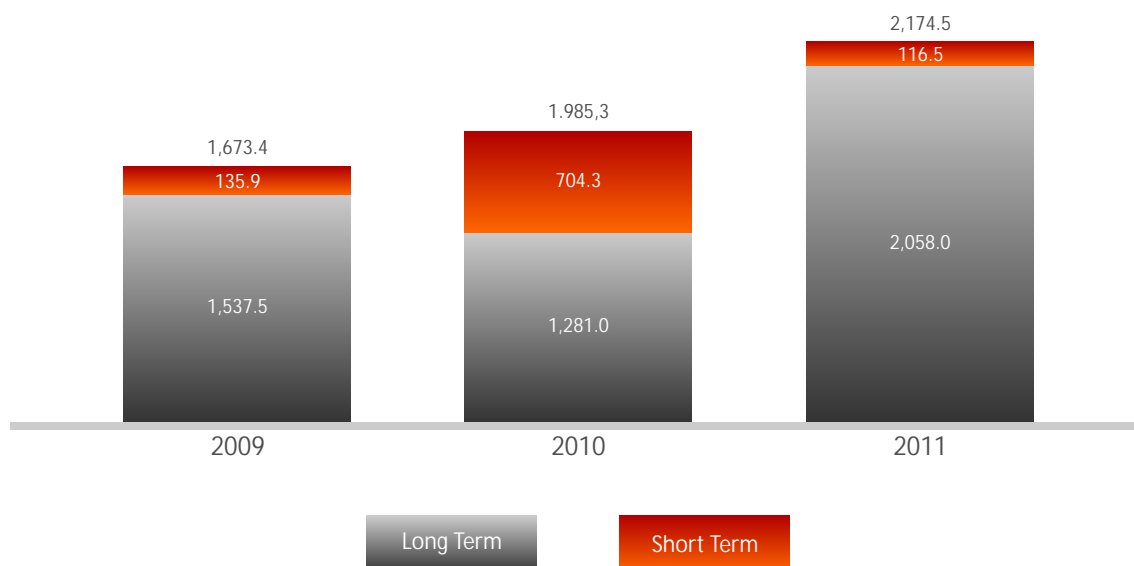
The variations of short and long-term debt referring to loans and financing mainly derived from the following inputs of funds:

- R\$ 150.0 million referring to the Fixed Credit Opening Agreement with Banco do Brasil;
- R\$ 64.2 million related to agreements with Banco do Brasil and BNDES to build the Mauá HPP;
- R\$ 2.2 million referring to the agreement with Eletrobrás to apply the program “Luz para Todos” [Light for All]; and
- R\$ 600.0 million referring to the Industrial Credit Bill with Banco do Brasil;

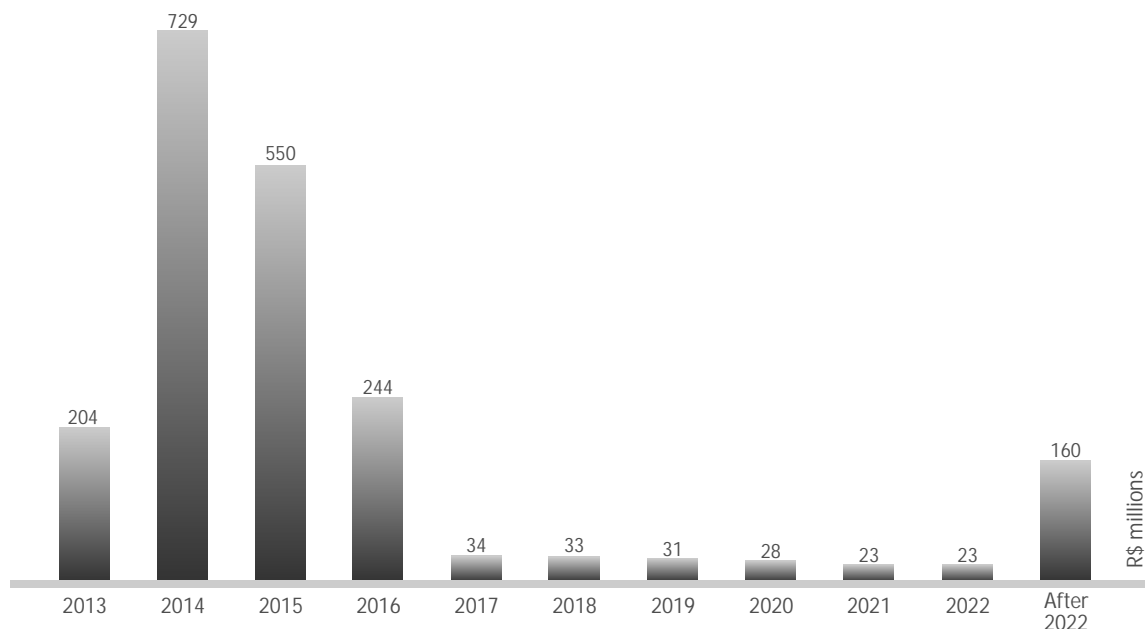
Payments made in the year totaled R\$ 843.1 million, and a breakdown is provided in the chart below:

Amortizations - 2011 (In millions of R\$)	Principal	Fees	Total
Loans and Financings	48.6	125.3	173.9
Debentures	600.0	69.2	669.2
Total	648.6	194.5	843.1

The graph below shows the breakdown of loans, financing and debentures in the short and long terms:



The graph below shows the maturity of the installments of loans and financing in the long term, position on December 31, 2011:



3.6. Net Income

In 2011, the Holding Company recorded a net income of R\$ 1,157.7 million, of which 17.2% was higher than the amount recorded in the previous year, of R\$ 987.8 million.

Dividend distribution and interest on own equity							
(in thousands of R\$)	2011			2010			2009
	Total	2 nd Installment	1 st Installment	Total	2 nd Installment	1 st Installment	
Deliberation in AGO	04/26/12	04/26/12		04/28/11	04/28/11		04/27/10
Deliberation in BOD	03/21/12	03/21/12	08/11/11	03/23/11	03/23/11	08/17/10	03/17/10
Payment due on	05/29/12	05/29/12	09/15/11	05/23/11	05/23/11	09/20/10	05/25/10
Adjusted Net Income	1,203,177	557,993	645,184	1,041,534	681,880	359,654	1,026,433
Amount for Nominal Common Shares	212,954	98,665	114,289	142,170	99,151	43,019	126,126
Amount for Nom. Pref. Shares Class A	970	637	333	984	855	129	644
Amount for Nom. Pref. Shares Class B	207,167	95,975	111,192	138,306	96,460	41,852	122,689
Total Distributed	421,091	195,277	225,814	281,460	196,460	85,000	249,459

Note: For the first installment, 2011, Adjusted Net Income refers to results of the first semester, 2011

The distribution of dividends and interest on own equity of the 1st installment of 2011 is in line with the advance of the payment of interest on own equity by the holding to its shareholders, as proposed in the 1,959th Meeting, held on 07.25.2011, authorized in the Minutes of the One Hundred-Second Extraordinary Meeting of the Board of Directors held on 08.11.2011, considering the results obtained by the Company up to June 30 of the current year, as well as the opportunity arising from the availability of funds in cash, the administrative convenience of the measure, the tax benefit from Federal Law no. 9,249/1995, and the procedure provided by Federal Law no. 6,404/76 (Brazilian Corporate Law) and the Company's Bylaws. The BOD approved the proposal to advance the payment of Interest on Own Equity, replacing 2011 dividends, and payment will begin on 09.15.2011 to shareholders with position up to 08.18.2011, pursuant to Law no. 9,249/95, the amount of which will be offset when defining the annual dividends for the year, as follows:

9) gross amount: R\$ 225.8 million;

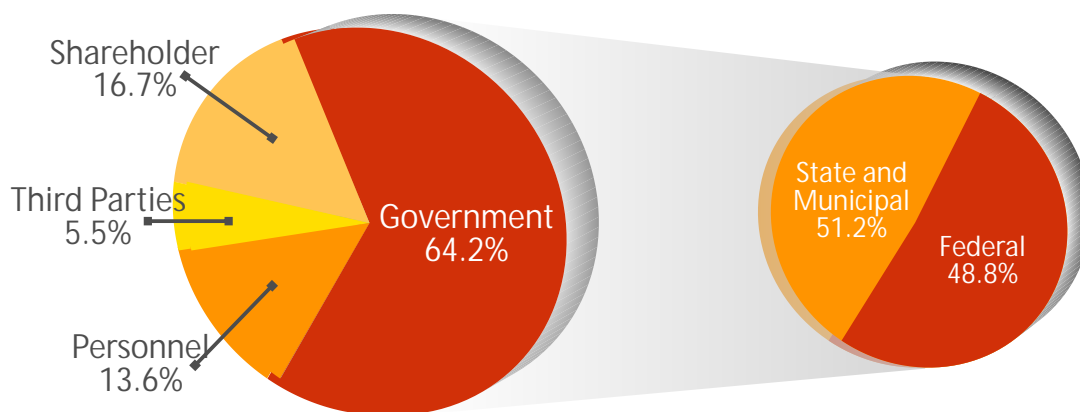
10) amount of the earnings per share:

- for common shares R\$ 0.78803;
- for class A preferred shares R\$ 0.86706;
- for class B preferred shares R\$ 0.86706;

The second installment will be paid within 60 days after the General Shareholders' Meeting.

3.7. Value Added (GRI EC1)

In 2011, Copel determined a Total Value Added of R\$ 7,033.5 million, 14.8% higher than in the previous year, which corresponds to R\$ 904.2 million. The following is a graphic representation of the Value Added Distribution. The full statement is included in the Company's Financial Statements.



3.8. Share Price Performance

Quotations		2011	2010	Variation % 2011 - 2010
Bovespa	Nominative Common	R\$ 33.02	R\$ 38.00	(13.1)
	Average Nominative Common	R\$ 35.53	R\$ 35.95	(1.2)
	Nominative Preferred Shares Class A	R\$ 39.14	R\$ 42.01	(6.8)
	Average Nominative Preferred Shares Class A	R\$ 39.43	R\$ 30.29	30.2
	Nominative Preferred Shares Class B	R\$ 38.90	R\$ 41.50	(6.3)
	Average Preferred Shares Class B	R\$ 39.29	R\$ 38.09	3.2
	Ibovespa	56,754	69,304	(18.1)
	Power Index	32,613	27,242	19.7
NYSE	Nominative Common (ELPVY)	US\$ 16.23	US\$ 21.80	(25.6)
	Average Nominative Common	US\$ 19.77	US\$ 20.43	(3.2)
	Nominative Preferred Shares Class B (ELP)	US\$ 20.98	US\$ 25.17	(16.6)
	Average Nominative Preferred Shares Class B	US\$ 23.81	US\$ 21.89	8.8
	Dow Jones Index	12,217.56	11,577.51	5.5
Latibex	Nominative Preferred Shares Class B (XCOP)	€ 16.20	€ 18.65	(13.1)
	Average Nominative Preferred Shares Class B	€ 16.83	€ 16.43	2.4
	Latibex Index	2,905.60	3,787.80	(23.3)

3.9. Economic Value Added - EVA

The Economic Value Added represents the economic profit, i.e. the amount added by the Company as wealth with the capital used in its operations, after compensating such capital.

STATEMENT OF ECONOMIC VALUE ADDED - EVA		
As of December 31, and 2010		
Net amounts of non-controlling shareholders – In millions of R\$	Consolidated	
	2011	2010
1. Net operating income	7,568.6	6,706.5
2. Operating costs and expenses	(6,318.8)	(5,833.4)
3. Equity accounting result	55.7	99.3
4. Financial revenue	570.1	644.1
5. IT and SC on profit generated by assets	(479.2)	(430.4)
6. Operating profit generated by assets net of fees	1,396.4	1,186.1
7. Operating margin (6 ÷ 1)	0.1845	0.769
8. Third party capital	2,174.4	1,982.1
9. Own capital	10,365.8	10,384.3
10. Investment to return (8 + 9)	12,540.2	12,366.5
11. Investment turnover (1 + 10)	0.6035	0.5423
12. Operating return on investments - ROI (7 x 11) or ROI in millions of R\$	11.13% 1,395.7	9.59% 1,185.9
13. Weighted average rate of third party capital return	10.27%	9.87%
14. Third party capital interests (8 ÷ 10)	17.34%	16.03%
15. Own capital return rate Considered as beta 0.4298 in 2010 and 0.3717 in 2011	12.00%	12.00%
16. Own capital interest (9 ÷ 10)	82.66%	83.97%
17. Capital weighted average cost – CMPC or wacc (13 x 14 + 15 x 16) or CMPC in millions of R\$	11.70% 1,467.2	11.66% 1,441.9
18. Net operating asset	17,167.8	16,711.0
19. Operation liability	(4,627.6)	(4,344.5)
20. Investment to return	12,540.2	12,366.5
EVA ((12 - 17) X 20)	(71.5)	(256.0)
EVA improvement in 2011	184.5	

3.10. Investments in Concession

The 2012 investment program was approved on 12.13.2011 by the 135th ordinary meeting of the Board of Directors. Investments made and expected for 2012 are shown below:

Copanies (in millions of R\$)	Realized		Variation % 2011 - 2010	Forecast for 2012
	2011	2010		
Copel Geração e Transmissão	635.6	106.9	494.6	980.8
Copel Distribuição	516.4	676.3	(23.6)	1,105.0
Copel Telecomunicações	71.9	75.4	(4.6)	82.5
Consórcio Energético Cruzeiro do Sul (UHE Mauá)	205.9	168.7	22.1	89.1
Total	1,429.8	1,027.3	39.2	2,257.4

3.11. Consumer Default

As of the accounting period of 2003, Copel started calculating the default rate of the electric energy supply product, using the following calculation method:

$$\text{Default (\%)} = \frac{\text{Overdue debts > 15 days 360 days}}{\text{Earnings over a 12-month period}}$$

The calculation considers delinquent all consumers with debts overdue for more than 15 days for up to 360 days, according to the term of maturity notice (Aneel Resolution no. 456/2000), and excludes the recognition of losses of matured debts.

In December 2011, Copel's consumer default was R\$ 143.7 million, equivalent to 1.8% of the earnings.

4

SOCIAL AND
SECTORIAL
SCOPE

4.1. Performance in the cultural and social areas (GRI 4.12, 4.13)

Incorporation of the Global Compact Principles

The Company declares to be committed to the United Nations Global Compact since its introduction in 2000. Reinforcing its commitment, in 2011 Copel took over the coordination of the Governance Task Force of the Brazilian Committee of the Global Compact, also participating in task-forces for the Environment and Human Rights. Copel is constantly seeking to align its corporate initiatives and policies with the Principles of this Compact, as a global ethical reference for its everyday activities, making the Company divide its efforts into three significant lines of action.

The first one is related to the organization's internal scope, consisting in the constant improvement of management systems and corporate policies. The second, considered to be structuring, is focused on external actions and is related to support the development, implementation and improvement of inclusive public policies that will promote more sustainability in society as a whole. The third one is about the direct operation, in partnership with other companies, institutions or organizations, in social and environmental projects and initiatives.

Divided for clarity purposes, the three lines are treated as strategically synergetic and complementary, as shown in the chart below

Chart showing the co-relation between corporate initiatives and policies implemented in the three lines of action and the Principles of the Global Compact

Incorporation of the Global Compact Principles: key					
1	Respecting and protecting human rights	5	Eliminating child labor	9	Encouraging technologies that do not harm the environment
2	Preventing violations of the human rights	6	Eliminating discrimination in the workplace	10	Fighting corruption in all of its ways, including extortion and bribery
3	Supporting free association at work	7	Supporting the preventive approach to environmental challenges	*	Undetermined
4	Eliminating forced labor	8	Promoting social responsibility		

Projects/programs/management systems/internal participation and policies	Principles of the Global Compact to which they respond	Beginning	End
Management policies and system			
Program for communication and development of suppliers, focused on the implementation of practices to evaluate suppliers of materials and audits on the first level of the chain of this group of suppliers	All	2008	2010
Supply chain management program	All	2010	*
Installation of an internal commission and action plan to promote human rights	1,2,3,4,5,6,7,8	2008	2011
Institution of the Gender and Ethnicity Pro-equality Committee	1,2,3,4,5,6,7,8	2011	*
Corporate Accessibility Program (for accessibility in architecture, communication, attitude and urban scenario)	1,2,6	2007	2010
"Copel de Portas Abertas para Você" [Copel's Doors are Open to You]: communication with stakeholders, in the form of a public hearing, with participation of the high management.	All	2006	2011
Copel University - UNICOPEL	1,2,6,7,8,9,10	2012	*
Sustainability Reference Centers	1,2,5,7,8,9,10	2010	*
Support to public policies and management improvement			
Participation in the Brazilian Committee of the Global Compact	All	2000	*
Participation in organizations of the electric sector discussing and promoting energy efficiency and environmental improvements: Brazilian Association of Electric Energy Concessionaires - ABCE, Energy Planning Company - EPE, Association of Independent Energy Producers - APINE, CIGRE's Environment Committee, Brazilian Association of Energy Generators - ABRAGE, Brazilian Committee for Large Dams - CBDB	All	Sundry	*
Participation in associations discussing and promoting environmental improvements: Agenda 21, a Permanent Thematic Council of Infrastructure and Environment of Federação das Indústrias do Estado do Paraná - FIEP-PR [Federation of Industries of the State of Paraná], Inter-institutional Commission of Environmental Education of the National Program for Environmental Education - PRONEA, Committees of Basins of rivers Iguaçú and Tibagi, Consortium for Environmental Protection of the Basin of Tibagi river - COPATI, Paraná's Technical Chamber of Cartography and Geo-processing	7,8,9	Sundry	*
Participation in the State Council for Food and Nutritional Safety - CONSEA - PR	1,2,3,4,5,6,7,8,9	1995/2003	*
Participation in the Paraná Council for Corporate Citizenship - CPCE, for joint promotion of social responsibility in the State of Paraná	All	2005	*
Volunteer participation in the Competitive Paraná Movement and panels examining the following awards: National Quality Award, Public Service Quality Award, MPE Brasil and Paraná Management Quality Award	All	2000	*
Participation in GESPÚBLICA, in the State of Paraná: a system that seeks to promote excellent, ethical, transparent, participative, decentralized public management, with social control and citizen-oriented	All	2003	2010
Participation in Copel's Integrated Environmental Management Program - PGAI, Sanepar and State Departments, in order to create a synergy of actions conducted, in their scope of operations, in the context of water micro-basins, with the purpose of promoting quality improvement and water availability by enhancing the use, handling and proper conservation of the ground, water and forests.	1,2,7,8,9	2008	2011
Participation in the Integrated Water and Ground Management - Copel, Sanepar and State Departments, in order to create a synergy of actions conducted, in their scope of operations, in the context of water micro-basins, with the purpose of promoting quality improvement and water availability by enhancing the use, handling and proper conservation of the ground, water and forests.	1,2,7,8,9	2011	*

Projects/programs/management systems/internal participation and policies	Principles of the Global Compact to which they respond	Beginning	End
Participation in the Paraná Benchmarking Committee.	All	2008	*
Participation in the Sustainability Committee of FEMIPA – Federação das Santas Casas de Misericórdia e Hospitais beneficentes do estado do Paraná [Federation of Mercy and Charity Hospitals in the State of Paraná], with the purpose of discussing Sustainability issues in the hospital sector	All	2011	*
Programs, projects, social and environmental initiatives: most important highlights			(GRI EC8)
Program for the collection of donations to non-profit assistance entities and social service institutions of collective interest, through energy bills, whose policy currently benefits a total of 86 entities. In order to be a candidate, the entity must have a character of assistance or collective interest, non-profit, and provide the required documentation.	All	1999	*
Annual donation, through tax incentive, to the Fund for the Rights of Children and Adolescents [Fundo dos Direitos da Infância e Adolescência - FIA].	1,2,5	2006	*
Corporate Volunteer Program - EletriCidadania: employees using up to four hours/month to provide volunteer services	1,2	2001	*
Literacy Project for Youths and Adults Luz das Letras - Phase II, under coordination of SEED-PR	1,8	2009	*
Fraternal Light Program [Luz Fraternal]: partnership with the State Government to exempt payment for low-income consumers using up to 100 kWh/month.	1,2,4,5,10	2005	*
Energy Universalization - "Luz para Todos" (Light for All) Program - connection of the State's entire rural population to the Company's network.	1,2,4,5,10	2003	*
Apprentice Program: a state education program for teenagers of both sexes, aged between 14 and 18, subject to social-educational measures or benefited with remission. The Program is coordinated by the State Department of Children and Adolescents, and relies on the participation of direct and indirect public administration agencies, qualification institutions and measure executing agencies.	1,2,4,5,10	2003	2012
Night Rural Fee Program [Tarifa Rural Noturna]: incentive to agricultural production through a discount in energy bills of consumer units classified as rural, served at low voltage.	1,2,8	2007	2012
Night Irrigation Program [Irrigação Noturna]: incentive to the use of irrigation to increase agricultural production and improve the quality of life in the rural region. Fee and equipment subsidized to rural consumers.	1,2,8	2003	*
Luz Legal Program [Luz Legal]: installation of service entries and adjustment of the energy supply, seeking to provide safety to the use of energy in areas of invasion, urbanized and regulated by Companhia de Habitação do Paraná - Cohapar.	1,2	2003	*
Night Aviculture Program [Avicultura Noturna]: incentive to the production and export of chicken meat through a discount in energy bills of rural consumer units classified as aviculture, served at low voltage.	1,2,4,5	2007	2012
Paraná in Action [Paraná em Ação]: a program promoted by the Special Department of Community Relations, with the purpose of providing free services to promote citizenship and social inclusion. Copel participates by providing commercial services and guidance about the safe and efficient use of electric energy.	1,2	2003	*
Digital Paraná [Paraná Digital]: digital inclusion in public education, by connecting state schools to the Internet.	1,2,4,5,6,10	2003	*
PEBL - State Bandwidth Plan: it aims to spread inexpensive access to the Internet in all municipalities of Paraná - selling communication services to providers and city governments that adhere to the plan and, in consideration, will take the commitment to provide popular services of Internet access	1,2,4,5,6,10	2011	*
Social fee for social entities that meet the criteria established by Copel, and low-income consumers, which can obtain a discount of up to 65% in the fee if the average monthly consumption is up to 220 kWh.	1,2,4,5,10	2003	*

Projects/programs/management systems/internal participation and policies	Principles of the Global Compact to which they respond	Beginning	End
Tribute to Water Program [Tributo às Águas]: support to the sustainable development of communities in the surrounding areas of the reservoirs of Copel's plants	1,2,5,7,8,9,10	2004	2011
Waste Corporate Management Program: reducing, reusing and recycling all waste generated by the Company	7,8,9,10	2005	*
Energy Efficiency Program: targets the efficient use of electric energy in residential, industrial, commercial and public installations located in Copel's concession area	7,8,9	2000	*
Programs of the Experimental Station for Ichthyological Studies: monitoring and repopulation of the rivers and reservoirs of Paraná.	7,8,9	2005	*
Control of invading species: monitoring of the entry of <i>Limnoperna fortunei</i> and other species.	7,8,9	2000	2011
Recovery of degraded areas: production and reposition of native vegetation in degraded and preservation areas.	7,8,9	1999	*
Master plan of the use of reservoirs and their surrounding areas: it defines actions to manage the use and occupation of a 1000-meter section	7,8,9	1993	*
Environmental Education for Sustainability Program	7,8,9,10	2003	2011
Education for Sustainability Program	7,8,9,10	2011	*
Social-environmental Program for Urban Forestry: it helps municipalities to adjust their forestry activities, seeking a peaceful interaction between trees and the distribution networks	7,8,9	1992	*
Program for the Corporate Management of Greenhouse Gases: in order to make an inventory of emissions and propose mechanisms for reduction/neutralization, with subsequent development undertakings	7,8,9	2007	*

4.2. Social Project and Corporate Programs (GRI 4.12)

Under Lines Program [Sob Linhas]

This Program has significant social importance, as it disciplines the multiple use and occupation, by communities, of the surrounding areas of transmission lines, for the production of food and seedlings, in compliance with the applicable law. It also has the purpose of reducing lawsuits to fight undue occupations, address safety issues in the right of way of transmission lines, as well as avoid interruptions in the electric system's operation and facilitate the maintenance of electric energy networks with regard to the cleanliness of the right of way. In 2011, Aneel approved the pilot project for the municipality of Maringá, to be implemented throughout 2012.

São Bernardo Project

In 2010, a data verification was conducted, along with the monitoring of the situation of families irregularly occupying a Permanent Preservation Area - APP under Copel's responsibility, in São Bernardo, which is located in the municipality of União da Vitória - PR. In 2011, in addition to continuing with the monitoring, a diagnosis was provided about the current situation, substantiating the project that, in partnership with public authorities, provides for the removal of trash-picking families occupying this area and living in constant risk of flood. The next stage provides for the recovery of the Riparian forest. The benefits of this Project will consist in the recovery of the Riparian forest surrounding the reservoir, covering the urban perimeter of the municipality of União da Vitória; the implementation of leisure areas/ the engagement of local social agents in making the action effective; and the improvement in interaction between the Company and the community.

By removing the families, it will be possible to retrieve, recover and preserve the APP and ensure more safety and health for them, since the area is under constant risk of flood, favoring the dissemination of illness vectors.

EletriCidadania Program - Corporate Volunteering

Established in 2004, EletriCidadania encourages volunteer work and the development of citizenship and social responsibility initiatives. The Program allows employees to use up to 4 monthly working hours to participate in volunteer and spontaneous communitarian actions. During 2011, many training programs were carried out in all of Copel's regional branches, seeking to promote adherence to the Program, disseminate basic knowledge of volunteer work and promote the sharing of experiences.

In 2011, 170 employees adhered to the program, totaling 2,152 hours of volunteer work and enabling the development of the following initiatives:

- Promotion of the collection and donation of different items for assistance entities: Campanha do Agasalho [Winter Campaign]; Campanha do Livro [Book Campaign]; Campanhas de Páscoa [Easter Campaigns]; and Campanha de Natal [Christmas Campaign].
- Tricopel: manufacture of crochet and knitted items to be donated to social entities.
- Tecla Social (Social Key): promotes the collection, recovery and reuse of electronic equipment, sending them to public schools and families in a situation of social vulnerability. When it is not possible to recover the equipment, they are correctly disposed of.
- Reforço Escolar (School Reinforcement): offers tutoring classes to students in the municipal education network.
- Oficina do Brinquedo (Toy Workshop): collects and recovers toys that are distributed to children and social entities.
- Programa Luz na Escola (Light in the School Program): promotes educational initiatives at schools, as well as student visitation to the Company's plants.

Also in 2011, the planning of a computerized system to manage Volunteers began, with the purpose of creating a communication channel among the certified non-profit institutions and volunteer activity, by making available a bank to offer and register job opportunities for employees and monitoring and management resources on a corporate level.

Corporate Accessibility Program

The Corporate Accessibility Program has the purpose of making the Company adapt to the needs of people with disabilities or reduced mobility. This happens through renovations, architecture and urban projects, implementation of technological resources, application of training and educational campaigns, so that its employees, customers and other stakeholders have the required access to its main facilities, information and services, enabling the participation of everyone in the activities provided by the Company, in addition to broadly promoting social inclusion.

The Program has four large work groups: Architecture, Attitude, Communication and Urban Solutions.

The Program is a process of disseminating the inclusive culture, which covers information about accessibility, inclusion and the rights of people with disabilities, conducted through many training and communication actions.

The most innovative initiative in this front is the promotion of "Accessibility Seminars - Follow This Idea," in partnership with the CREA-PR, covering many of the Company's installations with lectures about issues related to the care required when dealing with people with disabilities, the rules in force, technological novelties and, mostly, raising awareness through experience, where members are invited to experience the problems faced by people with disabilities, using canes, blindfolds, wheelchairs and weight on their legs, etc.

In 2011, the Seminar qualified 294 new knowledge replicators. This demand tends to increase with the inclusion of accessibility as a criterion for certification in the 5S Program of Quality Management.

Also in 2011, a pioneering quantitative opinion survey was contracted in the electric sector, evaluating the Company's level of accessibility among 600 customers with three types of disability: physical, hearing and visual. The results of the survey will guide the Company's actions. (

Communicational accessibility, one of the great challenges to be overcome to turn Copel into a truly inclusive and accessible company, has been pursued in the Information Technology and Marketing divisions. Solutions and adjustments for Copel's communication channels are researched, both for employees and the external public, such as the issuance of energy bill statements in Braille and the accessible website for the hearing impaired. News about the subject is frequently broadcast in the Company's internal newsletter, and all internal communications need to be fully accessible.

With regard to architectural and urban accessibility, Copel contracted the development of technical specifications for projects to eliminate architectural barriers in many of its installations. For agencies and service units, a standardization guide was developed, and the adjustments are under implementation, systematically, with more than 50% already adjusted, according to the chart.

Statement of adapted agencies and service stations

	2009	2010	2011	2012*	2013*
No accessibility	97	87	73	26	0
With accessibility	55	66	80	127	153
TOTAL	152	152	152	153	153

* forecast for 2012 and 2013

Luz para Todos Program

The Light for All Program [Luz Para Todos] - LPT completed more than 76,000 connections in the period between 2004 and 2011, exceeding the initially established goal. Among these, approximately 10,000 connections are deemed as priority, since they provide services to settlements, remaining quilombo communities, indigenous communities and rural schools.

The table below shows the connections made up to December 2011.

	2004	2005	2006	2007	2008	2009	2010	2011	Total
No. of Connections	4,006	7,204	9,860	8,877	11,797	15,124	14,166	4,977	76,011

The Federal Government, through Decree no. 7,520/2011, has established a new LPT Program for the period between 2011 and 2014, targeted at providing exclusive services to priority families, i.e.: living in the Citizenship Territories, rural settlements, indigenous and quilombo communities, as well as schools, health stations and community water wells.

For 2012, Copel forecasts connections in isolated communities of the State, mainly located on the islands and the coast, through special networks and a photovoltaic solar system. For these communities, in addition to the benefits of the LPT Program, each family will receive a fridge, a solar heating system for water and LED light bulbs, paid by Copel's Energy Efficiency Program - PEE.

Aneel, in a resolution that is currently undergoing a public hearing, is likely to extend to 2014 the limit year to universalize the access to the electric energy service in the rural region.

Given the new facts, Copel will give continuity to the program with the purpose of providing restricted service to priority families.

Programa Nacional de Iluminação Pública Eficiente – Reluz [National Program for Efficient Public Lighting]

Reluz has the purpose of promoting the development of efficient public lighting systems, contributing to improve the public safety conditions and life quality in Brazilian cities, in addition to contributing to the optimization of the electric system and extension of investments in generation, transmission, distribution and electric energy.

The Program is executed through financing agreements executed between Copel and Eletrobrás and between Copel and the Municipality. Eletrobrás finances the concessionaire up to the limit of 75% of the Project's value, which, on its turn, finances the work conducted by the Municipality, accounting for at least 25% of the project's value (consideration).

In 2011, the Municipality of Carambeí presented an expansion project of the public lighting system, which is under analysis at Eletrobrás, to enable a financing agreement using the resources from Reluz.

The project provides for the following initiatives:

- Expansion of 366 points of public lighting;
- Extension of the network by approximately 7km; and
- Expected investment of R\$ 549.0 thousand.

Legal Light Program [Luz Legal]

The Luz Legal Program [Luz Legal] is a social development undertaking, implemented through a partnership executed between the State Government, Companhia de Habitação do Paraná - Cohapar and Copel, enabling an easier installation of service entries in single-phase residential consuming units in urban regions expanded due to invasion, offering opportunities for better life conditions, citizenship and safety to hundreds of families that use energy in an irregular and unsafe manner.

The selection of communities and families to receive the services is made by Cohapar, which promotes the adjustment and urbanization of land areas and the construction of homes in the areas involved.

Contractors hired by Copel build the entrance roads, which are paid by consumers in 24 times with no interest or restatement, and installments included in the energy bill for payment.

In 8 years, the Program has provided services to 6,460 families, whereas in 2011 this figure was 1,076.

Night Irrigation Program [Irrigação Noturna]

Conducted in a partnership with the State Department of Agriculture and Supply, with Instituto Paranaense de Assistência Técnica e Extensão Rural – Emater [Paraná Institute of Technical Assistance and Rural Extension], the State Department of Environment, among other entities, the program has the purpose of encouraging the increase in agricultural production through a discount in electric energy used at night — which varies between 60% and 70% in the period between 09:30 p.m. to 6:00 a.m. — for the activation of irrigation systems, resulting in an increase in the income and quality of life of rural producers.

Up to 2011, 2,947 farmers benefited from this special irrigation fee.

Night Rural Fee Program [Tarifa Rural Noturna]

The program has the purpose of encouraging rural producers in Paraná, classified as rural consumers from Group B, to use electric energy in the period between 9:30 p.m. and 6:00 a.m., with a 60% discount on their energy bill, reducing costs and increasing rural production in the State of Paraná.

Up to 2011, 5,407 properties benefited from this special night fee.

Luz Fraterna Program [Luz Fraterna]

A Program established in a partnership with the Paraná State Government, through which consumer units classified as low-income residential or rural residential, consuming up to 100 kWh, receive full bill exemption, and the debt is incurred by the State Government.

Copel's total consumers (monthly average) benefited by the Program in 2011 was 225,243, versus 210,929 in 2010.

Energy Efficiency Program – PEE

On an annual basis, Copel develops the Energy Efficiency Program – PEE, in compliance with the concession agreement for electric energy distribution, and with Law no. 9,991/2000, through which financial resources are invested in projects aiming at promoting energy efficiency in the end use of electric energy.

The investment criteria and types of projects allowed are established by Aneel and cover customers in the residential, industrial and commercial segments, as well as public authorities, with initiatives focused on energy efficiency in the main end uses of electric energy, such as lighting, driving force, refrigeration and air conditioning.

In 2011, nearly R\$ 25.4 million were invested in initiatives targeting the improvement of energy efficiency in installations of low-income residential consumers, indigenous communities, non-profit hospitals, public buildings, commercial establishments, traffic light signaling.

Type	Investment (thousands of R\$)	Energy Saved (MWh/year)	Demand Decrease at End (kW)
Low Income Residential	11,049.6	21,403.5	11,772.6
Commercial	3,445.3	4,414.6	1,010.5
Public Power	9,808.1	1,731.3	400.3
Power Management	2.6	-	-
Education	58.0	-	-
Other	1,029.8	-	-
Total	25,393.4	27,639.4	13,183.4

Copel is included in the inter-departmental work group, with the presence of institutions of the Federal government, for implementation of the Brasil Quilombola Program in the State, seeking to enforce public policies for Quilombo communities in the State of Paraná, as well as the commitment of each Department as manager of this policy. Quilombo communities in Paraná still face significant problems in relation to public safety, housing, basic sanitation, education, health, and other public policies that are critical for their material and symbolic existence.

Copel has already conducted a survey in the region of Vale da Ribeira to finalize the process of electrical installation in Quilombo communities that still do not have access to electric energy.

In order to comply with this program, it developed the following stages:

1 - Copel will end the PLPT in December this year, and new requests will be net for universalization, in compliance with the legal terms established by Resolution 414/2010. It is important to point out that, considering the characteristics of services provided to these communities, the extension of the network will continue to not be incurred by the stakeholder, and it is the stakeholder is responsible for the installation inside the residence and for the Service Entry.

2 - Service to the communities located in Parque das Lauráceas, totaling approximately 114 consumer units (this figure will always be updated), will be provided through PLPT, since the request took place during the validity of the PLPT. The works will be completed in 2012, and part of the connections depends on negotiations with Elektro to connect into its distribution system, and another part (Areia Branca community) will be served by photovoltaic systems, together with island contracting.

3 – Copel makes its structure available to respond to any connection requests in communities through universalization, providing that the requests are submitted to Copel, with no need for any special planning.

Copel has been renovating the electric installations, changing the whole internal wiring of residences in various Quilombo Communities, a work started in Palmas and already under implementation in Vale da Ribeira.

The institutionalization of this work group for the PBQ (Brasil Quilombola Program) was made through Joint Resolution 01/2012 CC/SERC, signed by state departments comprising the foundation of the work of program implementation, an agreement already signed between the State and Federal Governments.

Education for Sustainability Program

The Program seeks to develop competences through continuous learning, focusing on raising awareness and qualifying its leaders, workforce and suppliers for issues related to sustainability.

The Program has the following objectives:

- Improving the management of leaders, both formal and informal, focusing initiatives and practices on strengthening corporate sustainability, based on the indicators of national and international platforms;
- Qualifying informal leaders to promote social networks as articulators of engagement and communication with the Company's stakeholders;
- Employing awareness and mobilization activities with everyone involved in the supply chain;
- Raising awareness and mobilizing employees with regard to sustainable development, seeking to insert the variables of sustainability into the corporate processes and projects;
- Developing specific initiatives for each of the stakeholders mapped by the Company, enabling them to share information on sustainability, change values, develop and improve abilities in sustainability-related issues.

It started in 2011, with the conduction of the 1st Executive Meeting on Management for Corporate Sustainability, with the participation of Copel's Officers and representatives of its Board of Directors.

Qualification in Sustainability

Summary of the courses held in 2011 with a focus on Sustainability - Environment and Corporate Citizenship

Event	Hours	Classes	Participants
Mechanical Process - Forest Biomass - Urban Tree Lopping	8	1	29
World Water Day	8	1	19
Design for Sustainability	100	1	2
Management of Effluent Waters in the Industry	64	1	1
Educação GAIA -Design for Sustainability	192	1	2
5 South-American Symposium for Fire Prevention and Fighting	16	1	5
Operation Procedure - Management of Contaminated Areas	40	1	1
Management of Solid Waste from Civil Construction	16	1	1
Environmental Licensing	40	1	1
Bee Handling and Control	32	1	19
CICI 2011 - Conf Int of Innovative Cities	40	1	26
Qualification Course in the Carbon Market	24	1	1
Management of Social-environmental Conflicts	184	1	3

Summary of the courses held in 2011
with a focus on Sustainability - Environment and Corporate Citizenship

Event	Hours	Classes	Participants
IHA World Congress Advancing Sustainable Hydropower	32	1	12
Environmental Management in Hydro-power Development Undertakings	16	1	2
Environmental Impact Assessment	24	1	2
Environmental Licensing	16	1	2
Program for the Qualification of Copel's Local Development Agents	4	1	22
2011 Ethos Conference	8	1	7
Environmental Education and Public Policies	24	1	3
Prevention and Control of Pollution - Soil and Underground Water	40	1	1
Response to Chemical Emergencies	40	1	1
Basic Understanding of Volunteer Work	4	5	134
Paraná Digital Cities-3rd Congress on Network Participation	8	1	1
XIV World Water Congress	40	1	10
4 th International Congress on Sustainable Development - CEBDS	24	1	4
Latin-American Congress on Pig Breeding - Colassa	24	1	2
The Foundation of Fish Farming in Re-circulation Systems	16	1	3
Solid Waste Management Program	2	2	9
Iberian-American Congress on Urban Forestry	40	1	3
Simulation Programs for Energy Efficiency Projects	40	1	1
2011 Hydro Environment Forum	16	1	3
II COPEL Seminar on Good Social-environmental Practices	16	1	129
Environmental Law Applied to the Energy Sector	16	1	1
Total	1218	39	462

Network of Agents for Sustainability (HR3)

It seeks to promote and stimulate the individual's broad perception of its systemic connection with the environment where they live in, and their role in history, inspiring responsible and socially sustainable behaviors in the company and in society. The Copel Network of Agents for Sustainability works on mobilizing and raising awareness of the internal public with regard to issues related to sustainability, according to the Company's strategic benchmarking.

Throughout 2011, approximately 300 employees became aware of social-environmental issues with the publication of the digital newsletter entitled "Sharing News," published every two weeks and exclusively created for the purposes of information, articulation and mobilization towards volunteer work in the Network, promoting the implementation of social and environmental projects and incentive to employees for proactive actions of good social-environmental practices. In addition, nine promotions of the course "Acting in a sustainable manner" were conducted for the internal public, with the purpose of disseminating the Sustainability and Corporate Citizenship Policy.

With the purpose of giving visibility and disseminating the social-environmental projects and practices developed by Copel and replicate them, the 2nd Copel Seminar on Good Social-environmental Practices was held, which achieved an evaluation of approximately 90% of satisfaction among its participants.

4.3. Corporate citizenship

Gender and Ethnicity Pro-equality Program

We live in a time that represents one of the greatest revolutions of humanity, which even transcends technological revolutions. It is a change in values and practices with no precedents in history. The world finally knows that those who live on this planet, where, naturally, the "sun rises for all," can and should expect that society will offer "a place in the sun" for all.

Practicing equality means to not restrict access to assets, services or any other rights due to differences of gender, ethnicity, color, religion, generations, social class, and others. Understood as such, equality in diversity enables the expression of differences, knowing that they will be respected, and learning to live without discrimination.

The gender equality policy started at Copel in 2007, with the Diversity Promotion Program. At the time, a Commission was created to manage the Program. In 2010, the Pro-equality of Gender Committee was established, and in the same year Copel received, for the first time, the Gender Pro-equality Seal, a certification from the Department of Policies for Women, of the Federal Government.

In June 2011, Copel adhered to the Program developed by the Department of Policies for Women with the purpose of creating a corporate culture of incentive to the equality of gender and ethnicity, which is the foundation of diversity in an organization.

In order to cover ethnicity, which was included in the 4th Edition of the Program, in 2012 Copel revised the composition and attributions of the Committee in charge of raising awareness, mobilizing and coordinating the program at COPEL, working, building and managing the process in a collective manner, and also enabling, through its permanent operation, that equality among men and women - gender and ethnicity be included in the everyday activities of management and workforce, creating mechanisms, instruments and providing financial and human resources to enable its operation with the commitment taken by the Company with the Gender and Ethnicity Pro-equality Program of the Department of Policies for Women.



Corporate Program of Food Safety and Sustainable Development of the Community

As a permanent member of the State Council for Food Safety - Consea, Copel is developing a pilot project for Food Safety with an Organic Basis. The project does not only seek to change the current meal system of employees and their families, but also strengthen the Company's commitments to sustainability, encouraging organic family agriculture in favor of better quality of life, and promoting social inclusion through job generation. Implemented in the first half of 2008 at the Araucária Thermal Power Plant, the project relied on the participation of organic producers, Copel employees, outsourced employees, food handlers, families in the surrounding areas, and managers, who will disseminate the concepts to the remainder of the Company.

The initiatives are based on the Organic Law on Food and Nutritional Safety - Losan, a milestone in civil society, which discussed and created the Law, approved by the House of Representatives and the Federal Senate, with no reservations.

4.4. Support to Public Policies (GRI EU23, SO5)

Historically, Copel, as a fomenter of the social and economic development of the State of Paraná, participates in and supports many collective movements with government bodies, Non-governmental Organizations - NGOs, and other entities, for the broad promotion of citizenship, especially with underprivileged communities.

Copel has transformed the practice of donation through tax incentive into a policy, and encourages both partner companies and suppliers to do the same. The Company leverages, as much as possible, the use of resources deductible from Cultural Incentives (Rouanet Act), Sports Incentive and the Fund for the Rights of Children and Adolescents - FIA, based on annual estimates of taxes payable.

Contributions under the Rouanet Act in 2011 were made for projects duly approved by the Ministry of Culture, totaling R\$ 9.8 million. The Light Party Project [Festa da Luz] received most of the investment, amounting to R\$ 1.5 million.

The Company allocated the amount of R\$ 2.5 million to projects enrolled in the FIA, and the largest investment was for the Reforma do Lar Marília Barbosa Project, totaling R\$ 0.7 million.

Through the Sports Incentive Act, Copel allocated R\$ 2.5 million. The principal amount was allocated to the project of Optimization of the Qualification Center for Non-professional Athletes of Instituto Pratique Esporte, totaling R\$ 0.7 million. (GRI EC4, EC8)

Agent for Indigenous Contact (SO1)

In 2011, the basis to develop a volunteer corporate program to support indigenous communities was built, seeking to provide instruments to enhance electric energy supply. The program provides for the contracting of a bilingual native Indian in each Indigenous Land in the State of Paraná, to help families maintain their records up-to-date, request services to the concessionaire, learning about economics and safety concepts in the use of electrical equipment in the domestic environment. The program is expected to lead to a significant reduction in the number of domestic accidents involving electric energy in the homes of indigenous consumers, as well as establish a permanent communication channel.

Management of the TAC of Indigenous Community Kaingang Apucarantina (HR9)

In 2011, a Social-economic, Environmental and Cultural Diagnosis was conducted for the Population of Indigenous Community Apucarantina, located in the Municipality of Tamarana, Paraná, and the Program to Generate Projects of Social-economic and Environmental Sustainability was proposed for the community. These actions result from the Conduct Adjustment Term executed by Copel Geração e Transmissão S.A. with the Indigenous Community of Apucarantina, the Federal Public Attorney's Office, and Fundação Nacional do Índio, on 12/01/2006. The diagnosis had the participation of specialized teams from the State Universities of Londrina and Maringá, and resulted in the creation of the Program that will be responsible for implementing several projects targeting sustainability of the indigenous community, expected to begin in 2012. These actions will be subsidized with resources from the indemnity fund paid by Copel upon execution of the agreement.

4.5. Community (GRI EU19)

Sustainability Reference Centers - CERES (S01)

These are centers for communication and promotion of social-environmental education, with the purpose of supporting actions in sustainability, corporate citizenship and the environment with the communities surrounding the Company's development undertakings and installations.

Seeking to support and promote the implementation of actions targeting the sustainable development of municipalities surrounding Copel's development undertakings, it establishes technical cooperation terms in the pursuit of joint actions, with the purpose of building social assets and strong local capacities, supporting the structuring of an articulated local governance, focused on constantly improving public policies, with income generation, for the full exercise of citizenship and better quality of life in the communities involved.

The purposes of these centers are:

- Developing actions that will address critical issues of interest for the mitigation and/or reduction of risks and negative impacts, and leveraging of positive impacts on the business;
- Changing COPEL's positioning before the community, from a provider to a partner
- Increasing COPEL's representativeness in the municipalities surrounding its development undertakings;
- Strengthening the engagement with communities in the Company's areas of influence and reach;
- Opening a communication channel with local population of the municipalities surrounding the Company's generation development undertakings, in order to meet the needs related to its operation;
- Fostering the sustainable development of municipalities, using actions focused on qualification, promotion of productive arrangements, structuring local projects and strengthening institutional partnerships;
- Developing social-environmental education actions and supporting communication actions in order to meet the conditions of operation licenses (OLs).
- Encouraging the implementation and development of COPEL's programs that may be applied in the region.

Preservation and Education of the Historical and Cultural Heritage (S01 – EN26)

With the purpose of empowering the community to comprehend the world around it, leading them to perceive and understand the socio-cultural universe, as well as the historical and temporal trajectory which it is a part of, Copel provides the society of Paraná with museums that have exhibits on energy, and that were created through the programs for scientific use of the flora and fauna, rescue of cultural memory, and archaeological recovery of the development undertakings.

Copel's memory is materialized in the Museum of Energy, located in Curitiba. Created in October 1984, the museum presents Copel's trajectory, which blends into the expansion of electric energy supply in Paraná. More than 100,000 people have already experience this history through documents of the time, historical photos and objects that were part of technological evolution of the production, transmission and distribution of electric energy. Accompanied by a guide, visitors also learn about the safe and efficient use of energy, conscious consumption, and inter-relations between energy and the environment. The Regional Museum of Iguaçu, located in the Hydropower Plant of Governador Ney Braga, which has a significant collection related to the fauna, flora and people of the middle section of Iguaçu. The exhibitions are monitored by environmental educators, and it is possible to learn aspects of the history of the Iguaçu River. The Museum also provides social-environmental education works with the schools of the region and visitors. In 2011, it received 3,654 students and 11,450 spontaneous visitors.

4.6. Government and society

The Copel Program for Social Investments seeks to promote human rights, citizenship, and social-environmental responsibility by transferring resources, in a planned and conscious manner, to initiatives that promote social transformation, in favor of sustainable development, with a return to the society of Paraná. Therefore, Copel is focused on guaranteeing that investments will contribute to the Millennium Development Goals - MDGs and principles of the Global Compact, in addition to being consistent with the Company's strategic objectives.

The table below summarizes the Company's performance, in the period between 2008 and 2010, with regard to its operation with the government and society (GRI EC4):

Copel's operation in social issues	2011	2010	2009
Government and Society: application of Copel's resources in campaigns and programs			
Advertising resources allocated to institutional campaigns for the development of citizenship (in thousands of R\$)	4,982	4,340	3,490
Resources invested in the programs that use tax incentives/total resources targeted at social investments (in thousands of R\$)	14,800	7,099	5,897

4.7. Customers

With many access channels listed on the Company's website (www.copel.com) for the various segments of its customer portfolio, Copel adds quality and speed to the provision of instructions and response to requests, suggestions and complaints.

For specific segments, such as high-voltage customers, the Company provides a distinguished service, with specialized operators (0800-643-7575). The main access channel for large industrial and commercial customers consists in commercial analysts, who are qualified to provide customized commercial and technical service, and the Distribution Operation Center - COD, for emergencies related to energy supply.

Customers are represented by the Consumer Council, implemented in November 1993 with the attributions of analyzing issues related to electric energy supply, fees, adjustment of the services provided to the end consumer, and suggestions to improve the Company's relations with its consumers and the community in general. The Council is comprised of representatives of the classes of residential, commercial, rural, public authorities and industrial customers, in addition to a representative of the State Coordination Group for Consumer Protection and Defense - Procon.

Copel's 409 on-site service stations receive an average of 215,000 people per month. At these sites, Copel relies on a structure of more than 550 operators trained in the legal procedures and standards that govern the energy sector. Among all consumers seeking on-site service, 90% are received with a waiting time of less than 10 minutes.

The Company's website had more than 8.8 million accesses in 2011. The virtual content is extensive, showing Copel's history since its foundation, going through the main news about the Company's everyday activities, information on energy efficiency and electric energy safety, in addition to communications to shareholders, investors and financial market professionals. However, the focus is to offer capabilities to customers who want to contact the Company, and through the 'Agência Virtual', it enables, with no extra cost to consumers, the issuance of a second copy of the energy bill, inquiries on the history of consumption and payments, inquiries to request protocols, change to the due date of energy bills, information of the monthly reading of the meter, update of registry data, such as phone numbers and e-mail addresses, customer unit disconnection request, verification of technical disconnections scheduled for the region, on-site service stations address verification, energy bills payment site verification, dynamic simulation of energy costs in a home or for certain equipment, as well as the possibility of having real-time service via CHAT with a company employee. The content of Copel's website can also be accessed by mobile devices, such as smartphones and tablets, and also contains accessibility capabilities for the visually impaired.

Customer needs, satisfaction and complaints

In 2011, many opinion surveys were conducted to determine the needs of the Company's customers, in addition to assessing their satisfaction in relation to the services provided by Copel in energy distribution and telecommunications.

With regard to energy distribution, the following surveys were conducted:

- Abradee Residential Customer Satisfaction Survey;
- Aneel Customer Satisfaction Survey;
- City Government Satisfaction Survey;
- Survey on Consumption Habits and Ownership of Equipment;
- Satisfaction Survey on Copel's Accessibility for People with Disabilities.

Copel is the best energy distribution company in terms of customer care in Latin America, according to the Regional Energy Integration Commission – CIER. The level of residential customer approval reached 94.4% of satisfied consumers in 2011.

In order to maintain the high level of satisfaction of its customers, and by determination of the sector's regulatory agency, Anel, Copel has extended its service network even further. The Company opened 256 new service stations in 2011 alone. This increase resulted in Copel's physical presence in all municipalities of its concession area.

Electronic service channels were diversified, and in addition to the virtual branch, service through SMS was introduced. This channel enables customers to register power outage in a quick and efficient manner, by sending an SMS to 28593. As soon as the message is received, the system will automatically register the request, open a service order, and send the service protocol via SMS. During the first year of activity of this channel, the request volume reached 87,000 services registered.



Customer satisfaction	2011	2010	2009
Satisfaction rates obtained in the IASC Survey - Aneel	*	62.22	69.9
ISC - Customer Satisfaction Rate (price and quality)	59.2	63.9	64.4
ISQP Satisfaction Rate with Perceived Quality	88.1	90.2	89.9
IAC – Customer Approval Rate	94.4	85.7	88.7
Total calls answered (call center)	6,386,651	7,231,453	6,371,942
No. of services in regional offices	2,571,199	2,127,185	1,721,112
Complaints in relation to total services (%)	2.12	1.53	1.75
Average waiting time until the beginning of the phone service (sec.)	31''	14''	70''
Average service time (min.)	3'33''	3'14''	3'18''
No. of consumer complaint escalations	2011	2010	2009
To the Company	190,252	142,822	141,764
To Procon		1,028	358
To Justice		1,302	1,588
Complaints: main reasons (%)	2011	2010	2009
No. of consumer complaint escalations to the Ombudsman	5,987	5,134	6,859
Main reasons of complaints to the Ombudsman: (in %)	2011	2010	2009
Irregular procedure: includes self-reconnection, energy deviation and modified measurement	7.0	14.9	9.4
Customer service: includes waiting time, return/response, respect/politeness	9.8	10.5	15.1
Energy bill total cost: includes reading of the energy consumption, fee and pending debts.	17.3	3.8	20.4
Connection/reconnection: includes the collection of fess, term, inspection of the service entry, small light station.	13.8	12.4	10.2
Others: of administrative nature and about registrations	7.4	2.5	23.3
Interruption in supply: includes non-programmed/programmed/ requested interruption, duration and frequency	1.7	9.6	7.4
Bill: includes the issuance of a 2nd copy, direct debit, payments, deliveries and linked accounts.	13.5	15.6	3.6
Network/line: about the increase in the load/strengthening of the network, extension works and terms	4.3	5.9	4.5
Refund: includes material, psychological and physical damages, loss of properties and terms	12.8	17.1	7.8
Voltage: includes the level of variation/fluctuation	1.3	2.4	2.3
Main reasons of complaints to the Ombudsman: (in %)	2011	2010	2009
Public lighting: about light bulbs/lamps, collection and terms	1.2	1.1	1.4
Environment: includes the lopping/cutting of trees, works/construction	1.3	1.7	1.6
Suspension in supply: includes complains about technical deficiency, lack of payment and undue suspension	8.3	2.2	2.4
Social program: about the registration, universalization and terms	0.3	0.3	0.6
Complaints considered to be valid in relation to finalized cases	44.4	40.6	43.0

*Numbers of the IASC 2011 still not disclosed

4.7.1. Rational and safe use of energy: communication initiatives

Another efficient way of informing the population about the safe use of electric energy consists in messages announced by radio broadcasters, through a partnership with Associação de Radiodifusão do Paraná [Paraná's Radio Broadcasting Association], with 240 broadcasters. Each broadcaster announces eight messages per day, representing 1,920 messages per day and 57,600 per month. (GRI EU7)

Technical quality and continuity of the services provided: indicators

The chart below shows technical quality data related to the services provided between 2009 and 2011 (GRI EU28):

Technical quality of the services provided	2011	2010	2009
Equivalent Duration of Interruption per Consumer Unit (DEC): (1) overall for Copel (value determined)	10.64	11.46	12.91
Equivalent Duration of Interruption per Consumer Unit (DEC): overall for Copel (limit)	13.53	14.01	14.01
Equivalent Frequency of Interruption per Consumer Unit (FEC): (2) overall for Copel (value determined)	8.26	9.46	11.04
Equivalent Frequency of Interruption per Consumer Unit (FEC): overall for Copel (limit)	11.94	12.80	13.50

(1) The DEC represents the average time interval during which each consumer of the group under analysis was prevented from receiving electric energy supply, in the observation period, considering interruptions of three minutes or more.

(2) The FEC represents the average number of interruptions to which each consumer of the group under analysis was subject to, in the observation period, considering interruptions of three minutes or more.

Customer and consumer health and safety

In the sense of mitigating risks to society, Copel develops practices such as sectioning and landing of rural fences and grounding of transformers to avoid accidents under rural distribution lines; the program to prevent energy-related accidents with the population, entitled Kit Escola [School Kit], through which employees have been giving lectures to 4th grade students in all state schools, distributing several materials, such as rulers, notebooks and rubbers, since 1998; the national campaign for electric energy safety, promoted by Abradee since 2006, aims at establishing direct contact with consumers, delivering educational materials in the streets, showing the potential risks and means of prevention that can help the population not to use energy erroneously, which may lead to accidents.

In 2011, 17 casualties were registered due to poor utilization of electric energy in the entire concession area of Copel. However, there are no lawsuits against the Company claiming illness related to electric energy. (GRI EU25)

Employee and community health and safety (GRI LA8, LA9)

At Copel, Workplace Health and Safety is comprised of Workplace Safety Technicians, Safety Engineers, Workplace Doctors, Workplace Nurses, and Workplace Nursing Assistants. Copel has 49 Cipas [Internal Commission for Accident Prevention] distributed throughout the State. The means of operation is based on the requirements of Regulatory Standards no. 4 and 5 of the Ministry of Labor and Employment, as well as the Company's specificities. Health and safety professionals are regionally allocated, instructed by standards and procedures issued by the Workplace Safety Coordination Group and the Occupational Health Department, in the corporate scope, developing Programs for Environmental Risk Prevention - PPRA, Program for Medical Control and Occupational Health - PCMSO, technical specifications for individual protection equipment, issuing reports, coordinating campaigns, and guiding the activities of workplace health and safety professionals and Cipas, under the whole scope of the Company. In order to contribute even further to the prevention of accidents with transport equipment, Copel maintains Accident Analysis Commissions - CAA, with the purpose of determining responsibilities, in the case of accidents, and awarding employees for their good performance in the conduction and maintenance of the Company's vehicles. The CAA has regional commissions and a central one. Each commission is comprised of members appointed by the Company and elected employees. Both the commissions and the workplace health and safety professionals follow the corporate guidelines established by a Workplace Health and Safety Policy.

The analysis and control of risks related to the safety and health of employees are integrated to all stages of Copel's activities, through joint actions of the workplace safety, occupational health, social service, training and environment divisions, with the direct involvement of managers and employees, as established by the Workplace Safety Policy. The workforce participates in the identification of factors that influence health and safety through an application entitled Caça ao Risco [Risk Hunt], Safety Sector Meetings, meetings and actions of the Cipas, training, Preliminary Risk Analysis, events analysis, campaigns and inspections, which address specific problems. Communication about health and safety to employees is made through the Intranet, in the Workplace Health and Safety portal, which can be accessed by all employees and provides information and interactivity.

Accidents with the community are prevented through training at schools, companies and community meetings, using standard didactic materials with qualified instructors, interviews in radio stations throughout the State of Paraná, in partnership with the State Health Department, direct arrangements with broadcasters for a daily disclosure of information about the safe use of electricity, and monthly messages on electric energy bills sent to all customers. Health and safety actions for contracted employees are established in a specific manual that integrates the service provision agreement. The Company holds integration lectures every time a new agreement is signed, addressing risk activity standards focused on workplace safety, in addition to monitoring compliance with legal requirements through periodical inspections. The control of the compulsory minimum training in electricity works is made through a specific application, which contains information about the employees of contractors and the agreements executed by them. (GRI PR1)



4.8. Suppliers

Copel contracts materials and services in compliance with Law no. 8,666/93 (Bidding Law) and other legal instruments applicable, and it is not possible for them to establish criteria that aim at regionally selecting suppliers. The Law provides for isonomy to participants in the bid, and the management is responsible for establishing the technical and commercial requirements and for publishing the process. In 2011, approximately 45.68 % of the total amount of agreements for materials and services established by Copel were related to suppliers in the State of Paraná, 54.08 % to suppliers from other Brazilian states, and 0.24 % to foreign suppliers. (GRI EC6)

In the processes of supplier registration and stages of qualification of participants in the bids, the Company is required to present a statement, signed by a duly identified partner, owner or officer, that the registered or bidding company does not contract night, hazardous or unhealthy work to individuals under 18 years old, and that it does not contract any type of work from individuals under 16 years old. Companies are also required to inform in the statement whether they employ any minor as of 14 years old in the condition of apprentice. In the qualification of suppliers, which are classified according to the specificity of the service and its size, there is an evaluation of aspects related to issues of legal, tax regulation, economic-financial, and technical nature, the qualified companies receive a Registry Certificate, which is used to qualify them in the Company's bidding processes. (GRI HR6)

All material and service agreements executed by Copel with its suppliers include a clause related to social responsibility and human rights issues, in which the parties to the agreement undertake to (GRI HR1, HR2):

Not allow the practice or maintenance of discrimination that limits access in employment relations, or negative discrimination in relation to gender, origin, ethnicity, color, physical condition, religion, marital status, age, family situation or pregnancy, as well as implement efforts in this sense together with the respective suppliers.

These agreements also include specific clauses regarding the condition of child, slave or analogous work, in which the parties to the agreement undertake to:

Not allow the practice of work analogous to slavery or any other means of illegal work, as well as implement efforts together with the respective suppliers of products and services in order for them to make the same commitment.

Similarly, concern with the environment stands out in a clause under which the parties undertake to:

Protect and preserve the environment, as well as prevent and eradicate damaging practices, exercising their activities in compliance with legal, regulatory and administrative acts regarding the environment and related areas, issued in the Federal, State and Municipal scopes, including, but not limited to compliance with Federal Law no. 6,938/81 (National Environmental Policy) and Law no. 9,605/98 (Environmental Crime Law), also implementing efforts in this sense together with their respective suppliers.

The contractual conditions for materials and services also establish that Copel may, at any time, inspect the compliance with obligations granted to the contracted supplier, with visits allowed to any facilities of the supplier. These agreements executed by Copel and its suppliers are managed by agreement managers available in all of the Company's units, responsible for the continuous and broad monitoring, inspection and control of its object and contractual conditions established between the parties until its termination, in accordance with the Company's technical and administrative standards and guides.

In industrial evaluation inspections, there are specific verification items related to environmental risks, the occurrence of discrimination, child labor or labor in analogous conditions to slavery or similar.

In 2011, COPEL signed the Pact for the Eradication of Slave Labor, complementing this clause with regard to compliance with the obligations established in the commitment to fight slavery, promoted by the Ministry of Labor and Employment - MTE, through Circular Letter no. 540, dated 10.15.2004, and with the purpose of incorporating the Principles of the Global Compact into management, through its suppliers.

Employees (GRI HR5, EC7) – Internal Public

Labor relations are governed by the CLT [Consolidation of Labor Laws], and employees are represented by nineteen unions. Since it is a mixed-economy company, the contracting of employees can only take place through a civil service examination, mainly for basis positions, with many possibilities of participation for native or naturalized Brazilians, regardless of their gender, ethnicity or belief. Copel allocates vacancies in its civil service examination to candidates with special needs and afro-descendants. Copel also has interns, who are not computed in the calculation of its workforce, since the law that governs such activity defines it as a complement of educational qualification.

Thus, in addition to its employees, the Company's workforce is comprised of third-parties linked to companies providing services to Copel, in the following activities: Customer care, Emergency care, Construction of Distribution Lines and Networks, Maintenance of the electric system, Connection, Suspension and Reconnection, Reading of Low-voltage Meters, Janitor activities, Surveillance, Building maintenance, among others. Copel is not responsible for directly coordinating the execution of such activities, but rather for managing agreements executed with service providing companies. All contacts required (transfer of information, correction of occasional problems, among others) are made directly to the appointed agents to act as representatives of the service providers before Copel. By doing so, the company complies with the legislation related to the contracting of employees and seeks to avoid any labor lawsuits that may require equivalence with Copel's workforce.

Workforce is distributed based on educational level and career. The needs and expectations identified among employees are opportunities for growth and professional development, fair salaries, appropriate work conditions, acknowledgment by managers, workplace safety, training programs and recognition of the company by society.

Professional Development (GRI EU14)

The identification of qualification and development needs is based on the methodology of Diagnosis of the Need to Develop, carried out on an annual basis in all divisions.

In 2011, 3,026 training and development sessions were held (courses and events), of which 2,061 were internal, 963 external in the country, and 2 abroad, totaling 38,296 participants. The annual average was 68.1 hours/employee.

With regard to Sustainability training and development, 1,743 employees from various divisions of the Company participated in these activities in 2011, in which R\$ 300,000 were invested.

There are also courses provided by Copel to contracted parties, such as those required by NR-10, commercial measurement, network and substation operation, and others established by contract. These training sessions are controlled by the Contractor Employee Registration system.

All professionals working in the Company's corporate safety division are subject to training involving aspects related to human rights. (GRI HR8)

Outsourced employees participate in the integration program, where issues on workplace health and safety are addressed. (GRI EU18)

Salary policy

Compensation, acknowledgment and incentive practices are based on the compensation model structured by the Company, supported by two pillars: fixed compensation (comparison between market and merit) and variable compensation (Employee Profit Sharing - PLR). The PLR for employees of Copel takes place according to Federal Law no. 10.101/2000, State Decree no. 1978/2007, and State Law no. 16560/2010.

Copel's Career and Compensation Framework, conceived with the purpose of reflecting the Company's occupational reality, serves as a reference for fixed compensation and seeks to compare salaries paid by Copel to market values, and apply a salary policy. The proportion between the lowest salary practiced by the Company in December 2011 (R\$ 1,180.19) and the national minimum wage on that date (R\$ 545.00) was 2.17 times, with no difference in the same period with regard to the base-salary proportion between men and women.

The achievement of high-performance goals and the culture of excellence are encouraged by the compensation model comprised of fixed and variable portions. Fixed compensation is established according to the employee's qualification under the Career and Compensation Framework. Upgraded in 2011, with the adoption of career concepts (professionals of average level, technical professional of average level, and professional of higher level), positions and functions, considering the demands of the main processes and supporting demands, and in line with the processes established in the People Management Model, the Career and Compensation Structure guides the evolution of employees in terms of salary and function, based on the best market practices. The evolution of functions is based on characteristics that include multi-functionality, complexity, flexibility, initiative and creativity in careers. This evolution is a means of acknowledging the performance of employees, in addition to increasing the potential of salary increase.

The Career and Compensation Framework provides managers with information on the jobs and functions for a better use of the capacities of employees in the conduction of their activities, encouraging the achievement of high-performance goals and the culture of excellence, in addition to allowing employees to have a clear vision of their position and career outlooks. Also in 2011, the salary ranges were revised, and in 2012 the career framework is under revision, with the revaluation and reclassification of the levels of some administrative and operating functions, ensuring an appropriate position of these functions in relation to the complexity and other requirements of the activities. (GRI LA11)

Since 2003, percentages varying from 1 to 3.8% of the nominal payroll are distributed, on an annual basis, to high-performance employees or to correct salaries in relation to market salaries. Based on the employee's performance, managers determine individual salary promotions. The comparison between salaries in relation to the market is obtained through a survey carried out every year with companies in the electric sector and the market in general, acquired from specialized consultancy firms. The sample is comprised of state and national organizations of the same size. (GRI EC5)

Seeking to value the acknowledgment of performance and guarantee transparency and isonomy in the promotion of employees to senior professional stages and consultants, a formal evaluation process of higher-education employees with the necessary requirements is conducted annually. Employees have a standard CV, with information about their education, training courses taken, results obtained, works performed in the company, among others. The variable compensation component occurs based on two practices: salary discount granted on the reference date of the Collective Labor Agreement - ACT, in October of each year, and through a specific ACT, the distribution of Profit Sharing - PLR, in May of each year. (GRI LA5)

The results indicators and goals to be considered for the PLR distributions are negotiated, since 1996, between the company and an employee commission specifically installed for this purpose, comprised of six elected employees and eight representatives of union entities. Currently, the amount to be distributed as PLR considers the results of thirteen indicators associated to the financial, operating, workplace safety and customer satisfaction goals of the strategic map. As of 2012, the final amount of the PLR started being equally distributed to all employees of the Company, in compliance with State Law no. 16650/2010 of August 9, 2010.

Other means of acknowledgment that promote employee motivation include: homage paid to employees completing 10, 15, 20, 25 and 30 years at the company, during a celebratory event (usually lunch or dinner); award for safety in traffic granted to employees who use Copel's vehicles when they reach 10,000, 50,000, 100,000 and 150,000 kilometers without getting involved in any accident, exceeding speed limits or getting fined; leisure trip with the family to employees who reach 200,000 kilometers with no accidents; complimentary letters for material acts; acknowledgment among the internal public with articles on Copel Online and in the Copel Informações Magazine for material acts or facts; credits for courses or events for the winning projects of Copel Inovações; and participation in national and international events as a result of the R&D+i projects.

Benefits

Among the benefits directly granted by the Company to all employees, in addition to those provided by law, the following stand out: educational and foreign language support, vacation payment advance, food and meal support, day-care support, support to people with disabilities and complementary illness support, and others enabled by the partnership established between Copel and the Instituto Nacional de Seguridade Social – INSS [National Institute of Social Security].

The educational support program seeks to contribute to the growth and development of employees, stimulating self-development as a means to improve Copel's performance. The employee is subsidized with 60% of the monthly fee for the course, which can be a technical, undergraduate or graduate course. In this program, employees have freedom of choice, being able to choose any qualification area of their interest, regardless of the company's immediate needs.

Incentive to foreign language training provides for reimbursement of part of the monthly fee for the course.

Vacation payment advance consists in an option for employees to receive their compensation in the month before their vacation, added to their regular monthly compensation, to be returned in up to 10 fixed installments, with no interest. In addition, in order for employees to be able to use their vacation period with tranquility, Copel also provides an additional payment of 1/3 of compensation, as well as the mandatory amounts determined by law.

Food and meal support provided by Copel upon its enrollment in the Federal Government's Employee Food Program – PAT helps employees with food and meal expenses. COPEL maintains this benefit to employees during the vacation period, and also grants extra credit in December, based on the Christmas bonus payment, in the same amount as other installments.

Day-care support benefits, support to people with disabilities and support to complementary illness contribute to improving the quality of life of employees and their dependents.

Through Fundação Copel de Previdência e Assistência Social [Copel Foundation for Private Pension and Social Assistance], which is maintained by Copel, the Company grants a private pension plan, in addition to the official social security amount, with the purpose of offering security and protection to participants, ensuring income complementation in the case of retirement, illness or impairment, and broad health and dental care plans, among the best offered in the market, promoting and protecting the health of its participants and beneficiaries. (GRI EC3)

Fundação Copel manages a private health care plan entitled Prosaúde, under a self-management model. The functioning of the plan is authorized by Agência Nacional de Saúde Suplementar [National Supplementary Health Agency] under no. 35515-1. Prosaúde represents a medical and social instrument that enables resources targeted at covering the health expenses of its participants and their dependents, with accredited resources and services, or chosen freely (through refund).

The health plan operated by the foundation is one of the best ranked by the Performance Index of Supplementary Health by the National Health Agency. It is acknowledged for providing participants with the most recent advances in medical and hospital care, as well as dental care, covering a broad range of procedures.

Another benefit provided by Prosaúde is pharmaceutical assistance. Its purpose is to grant benefits of a pharmaceutical nature to all of its participants and dependents enrolled in the Medical, Hospital and Dental Module and this plan, providing refund for expenses with medication, according to the coverage provided by the plan.

Fundação Copel also provides a loan portfolio to its participants, complying with the legal provisions that govern investments of reserves of the social security fund.

Freedom of collective association and negotiation (GRI LA4)

The totality of Copel employees is represented in the work relations with the Company through independent unions which, in compliance with Brazilian law, can be organized by category and territorial basis (municipality).

Copel maintains a strict relationship with all 19 entities representing employees: unions of base categories (electric workers) and professional and/or distinguished categories. Union management has free access to local managers and all of the Company's facilities, in order to deliver communications in the interest of employees, in addition to having a formal direct channel with the human resources division.

The participation of employees in negotiations performs a key role, and includes attendance in union meetings for the development of a claim agenda, and category resolution for the acceptance or refusal of proposals from the Company. Copel also encourages employee participation in councils, class entities and professional associations, among other entities.

In addition, the Company makes efforts in the sense of providing previous knowledge to employees on significant changes in its operations, always with as much advance notice as possible, and with the participation of union entities, when applicable.

Workplace Health and Safety (GRI EU16)

Considering the context of the specialized service in workplace health and safety engineering and the monitoring and control of occupational health, Copel relies on workplace doctors, distributed among the Company's main regions, a nursing team and administrative support. These professionals carry out not only legal and mandatory medical tests, but also a series of health prevention programs.

It also maintains statistical control of the indexes and causes of lost time at work due to illness, in addition to monitoring Social Security processes when long lost time is required, through a specific partnership with the Social Security Institution.

Whenever the labor capacity is compromised by any factor, a study is conducted, together with the required readjustment to guarantee that the professional exercise is as safe and appropriate as possible, with the participation of the multi-disciplinary team.

Copel also provides advisory to CIPAs on various segments, with lectures about health issues, including first-aid training, spreading information to the Company's staff and promoting quality of life.

The Copel Program for Quality of Life, implemented in 1998, has the purpose of arousing the interest of employees in the constant pursuit of improving quality of life and consolidating actions developed on an annual basis at Copel. Many programs are developed for that purpose, including: Health Promotion Program, which is comprised of Personal Health Management; periodical medical tests; social assistance and social security benefits; drug abuse program; absenteeism-illness program; *Dê Preferência à Vida* [Choose Life] Campaign; *Valorizando a Vida* [Valuing Life] Campaign; *Caça ao Risco* [Risk Hunt] Program, and *Minuto da Segurança* [Safety Minute]. In addition, complementary actions are offered, such as the Health Meal Program (meals offered inside the Company), Health Week, vaccine campaigns and health newsletters on Copel Online.

In order to improve social relations at work, the Company conducts care and social relations programs, the *EletriCidadania* Social Responsibility Program, and also discloses and promotes the understanding of the Code of Conduct. Celebratory programs are promoted on Copel's birthday, Copel's employees are honored on their birthdays (date of hiring), and messages are sent on commemorative dates (hiring birthday, actual birthday, profession day, among others).

In order to improve the personal and family lifestyle of employees, the Company offers the following educational actions: Retirement Preparation Program; Financial Management Program; Energy and Health Program (labor gymnastics activities, physical fitness and anti-stress activities); Copel Internal Games; Sesi Games; and Educational Support Program.

With regard to the formal health and safety committees, Copel maintains the following staff, which, from a total of 9,400, amounts to 7.7%: (GRI LA6)

- 65 Workplace Safety Technicians;
- 05 Workplace Safety Engineers;
- 05 Workplace Doctors;
- 01 Doctor;
- 03 Workplace Nurses;
- 03 Nurses;
- 01 Nursing Assistant;
- 03 Workplace Nursing Assistants;
- 01 Workplace Nursing Technician;
- 06 Nursing Technicians;
- 630 CIPA Members.



4.9. Employability indicators

The table below shows data related to the employability of Copel's employees and directors between 2009 and 2011 (GRI LA1, LA7, LA8, EU14, EU15)

Employability indicators	2011	2010	2009
Employees up to 30 years old (%)	22.33	22.49	21.37
Employees between 30 and 44 years old (%)	39.68	40.00	39.60
Employees over 45 years old (%)	37.99	37.52	39.03
No. of women in relation to the total employees (%)	20.5	20.5	19.18
Women in management positions in relation to the total management positions (%)	18.91	17.36	15.14
Black and brown (pardo) employees in relation to the total employees (%)	11.32	10.85	10.16
Black and brown (pardo) employees in management positions in relation to the total management positions (%)	5.28	4.52	3.98
Interns in relation to total employees (%)	3.36	9.36	8.79
Employees in the apprentice program (*) (%)	0.81	0.83	0.93
Employees with disabilities	92	89	81
Compensation (YTD in thousands of R\$)			
Compensation to directors	9,652	8,900	8,496
Compensation to employees	715,967	560,267	528,962
Gross payroll	982,653	811,514	810,051
Compulsory social charges	223,091	188,000	173,089
Benefits	321,194	237,664	245,605
Education	3,398	2,818	2,580
Meals	93,273	81,852	67,955
Health	107,132	79,411	62,854
Foundation	51,119	52,271	54,139
Labor indemnities	64,442	19,737	56,852
Other (complementary illness support, insurance, extended maternity leave, impairment support and accidental death)	511	918	740

(*) Copel is included in the scope of State Decree no. 3492/2004, which addresses the Teenager Insertion Program, which helps teenagers enter the job market. Minors are hired for one year, and their contract can be extended for an equal period, with a total of four working hours per day, from Monday to Friday.

Profit sharing (YTD)	2011	2010	2009
Total investment in Copel's profit sharing program (thousands of R\$)	49,068	66,068	64,994
Amounts distributed in relation to the gross payroll (%)	4.89	8.15	8.02
Copel's Shares held by employees (%)	0.01	0.01	0.01
Highest compensation divided by the lowest compensation, in cash, paid by Copel (includes profit sharing and bonus)	26	27.0	27.0
Lowest compensation paid by Copel divided by the minimum wage in force (includes profit sharing and bonus program)	2.2	1.8	1.9

Compensation profile [% of employees in each salary range (in thousands of R\$): December/2011 data]	2011	2010	2009
Up to 2,000.00	34.11	38.41	42.76
From 2,001 to 4,000	40.69	39.98	38.72
From 4,001 to 6,000	15.57	13.28	10.76
Above 6,000	9.62	8.33	7.77
<i>Per category (average salary in the current year) (in thousands of R\$)</i>			
Management positions	8,509	8,634	7,608
Administrative positions	2,100	2,893	1,805
Production positions	3,380	2,670	2,668



Average salary of employees, in management positions or not (Average nominal salary in R\$: December/2011 data)			
Employability Indicators	2011	2010	2009
Non-manager women	2,968	2,560.67	2,316.77
Manager women	7,428	6,734.06	6,060.34
Non-manager men	3,902	2,804.88	2,459.80
Manager men	8,761	9,036.68	8,023.50
Workplace Health and Safety (YTD)	2011	2010	2009
Total no. of work accidents with employees	170	145	158
Total no. of work accidents with third parties/contracted parties	136	94	167
Average work accidents per employee/year	0.018	0.018	0.018
Accidents with lost time involving employees and/or service providers (%)	69.4	65.7	68.3
Accidents resulting in mutilation or other damages to the physical integrity of employees and/or service providers, with permanent dismissal from the position, including LER (%)	0	0.0	0.0
Accidents resulting in the death of employees and/or service providers (%)	1.76	0.0	0.0
Copel's Frequency Rate - FR Index in the period for employees	5.09	4.38	5.57
Absenteeism	3.06	3.03	2.91
Investments in specific programs for HIV carriers (in thousands of R\$)	NA ⁽¹⁾	NA ⁽¹⁾	NA ⁽¹⁾
Investments in programs for drug and alcohol abuse prevention and treatment (in thousands of R\$)	26	50	10
Education and professional development (December/2011 data): % in relation to the total employees	2011	2010	2009
Primary school	3.38	3.90	4.84
High school	54.77	54.60	54.43
Higher education	41.85	27.59	40.73
Graduate degree: specialization/master's/doctor's	13.88	14.05	13.28
Illiterates in the workforce.	0	0	0
Amount invested in professional development and education	13.85	11.04	8.92
Number of hours spent in professional development per employee/year	68.34	69.0	67.4
Behavior considering dismissals (YTD)	2011	2010	2009
No. of employees at the end of the period	9,400	9,041	8,682
No. of admissions during the period	1,036	1,153	824
Labor claims	2011	2010	2009
Total in the period ⁽¹⁾	450	598	432
Amount claimed in lawsuits (in thousands of R\$) ⁽²⁾	382,497	254,275	120,022
Amount provisioned in liabilities (in thousands of R\$) ⁽³⁾	108,615	95,343	85,348
No. of existing proceedings ⁽⁴⁾	2,625	2,319	2,199
No. of employees linked to proceedings ⁽⁵⁾	450	598	432
Outsourced workers (accumulated amounts in December/2011) ⁽¹⁾	2011	2010	2009
No. of outsourced/contracted workers	5,212	5,044	5,089

Employees entitled to retirement in the next 5 to 10 years (considering that men retire at 65 years old, and women retire at 60 years old)						
	2011		2010		2009	
	Women	Men	Women	Men	Women	Men
Operational	0	8	17	102	18	72
Administrative	167	122	173	58	172	65
Technical	7	44	5	37	5	36
Professional with a higher education degree	29	70	30	39	32	80
Manager	37	43	27	41	22	35
TOTAL	240	287	252	277	249	288
Percentage per total employees	2.55	3.05	2.83	3.11	2.91	3.36

Average time of operation of employees dismissed from the company						
Dismissed for time of employment	2011		2010		2009	
	Women	Men	Women	Men	Women	Men
up to 5 years	76	185	58	75	204	247
5 to 10 years	16	47	11	7	32	42
10 to 20 years	4	9	5	2	18	27
Employability indicators	2011		2010		2009	
	Fem	Masc	Fem	Masc	Fem	Masc
above 20 years	27	128	58	67	272	353
Total	123	369	132	151	526	669

Turnover																		
Age range	Dismissed						Hired						Turnover					
	Women			Mem			Women			Mem			Women			Mem		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
up to 29 years	48	57	62	186	212	163	132	180	190	330	525	464	2.75	3.16	3.06	1.77	2.48	2.85
30 to 49 years	29	39	39	80	109	76	121	106	86	209	320	221	4.17	2.72	2.91	1.61	2.94	2.91
50 years and more	55	55	24	260	348	129	5	3	1	12	19	14	0.09	0.05	0.11	0.05	0.05	0.11
Total	132	151	125	526	669	277	258	289	277	551	864	699	1.95	1.91	1.90	1.05	1.29	1.90

(1) Proceedings received at Copel from active and inactive employees registered with the CPJ (528 in progress)

(2) Estimated restated amounts of proceedings filed by former employees (rel. to liabilities)

(3) Provision (probable amounts)

(4) Number of proceedings, excluding those to be terminated or suspended by judicial agreement, as well as those classified as accounting assets

(5) Considering one per proceeding, excluding unions

(*) Since Copel engages outsourced workers through service providing companies, it does not have a registry of data related to the compensation profile, level of education and Criticality Rate Index - TG of its outsourced/contracted workers

Employability indicators	2011	2010	2009
No. of employees benefiting from the complementary social security plan	6,633	8,852	9,569
No. of employees benefiting from the retirement preparation program	268	279	310

With regard to compensation to the Company's directors, we inform that each active member of the Board of Directors and Fiscal Council receives a monthly compensation equivalent to 15% of the average compensation attributed to each Officer, including Christmas bonus, in compliance with article 11 of the Regulation approved by State Decree no. 6,343/1985.

5

ENVIRONMENTAL
SCOPE

5.1. Environmental impact control (GRI 1.2, EN26)

Copel seeks to align efforts in order to guarantee compliance with the economic, social and environmental results in a balanced manner for stakeholders, in addition to sustainable development.

All projects, programs and actions developed by the Company are guided by the Sustainability and Corporate Citizenship Policy, available at www.copel.com.

5.1.1. Integrated Management System

In September 2009, aiming at the continuous improvement of its social-environmental performance, works related to the implementation of the Integrated Management System - SGI in plants operated by Copel were initiated. With the SGI, Copel seeks to obtain ISO 14.001 and OSHAS 18.001 certifications, and its integration with the previously acquired ISO 9.001:2008 certification.

In 2011, the activities were focused on the execution of Internal Audits at the plants to identify improvement opportunities, as well as execute action plans. The Company expects to carry out internal audits in all development undertakings controlled by the SGI throughout 3 years.

5.1.2. Social-environmental Management of new development undertakings

- Implementation of the Basic Environmental Project - PBA of the Mauá HPP

The PBA of the Mauá HPP is comprised of 21 environmental programs and 13 sub-programs, the development of which will allow the prevention, mitigation and compensation of negative impacts arising from its construction, as well as boosting and optimizing positive impacts.

In 2011, the following actions stood out:

Storage basin cleaning program

Deforestation sub-program of the storage basin: vegetation suppression activities in the area where the future reservoir of the Mauá HPP will be located started in January 2011, and were divided into four stages: felling; tracing (separation of the material with commercial use of the waste); removal of the material, with commercial use outside the reservoir area; and finalization (burying of plant waste).



Flora and fauna conservation program

Sub-program to recover and assemble the riparian forest protection area: throughout 2011, the Caviúnas Plant Nursery was created, where more than 140 kg of seeds were processed, and around 87 species were sown, which produced 25,862 seedlings of 50 species.

Flora Recovery Sub-program: it comprises the collection of seeds, epiphyte, and vegetable propagule found in the region of the reservoir during vegetable suppression and future filling. In 2011, 152,706 individuals were recovered belonging to 264 species. The recovery of seeds totaled 594.5 kg of 36 families. In relation to the material collected to comprise scientific collections, 172 logs from 17 families have been recovered so far, and individuals representing 37 species for the Xylotheque, from 46 families and 110 species for the Carpotheque, and from 75 families and 264 species for the Herbarium.

Sub-program of Recovery and Scientific Salvage of Fauna: it comprises the recovery of wild animals in the reservoir area during vegetation suppression and future filling. In 2011, 3,336 captures/collections of animals were recorded in areas of suppression, construction sites and access ways, 162 species confirmed.

Sub-program of Fauna Monitoring and Conservation: Through this program, previously unknown species were recorded in the region of the development undertaking. The species recorded, the occurrence of which has already been published in scientific magazines and periodicals, are the following: *Urostrophus vautieri*; *Echinanthera cyanopleura*; *Trachycephalus dibernardoii*; and *Ischnocnema henselii*.

Sub-program to Recover Native Bees: pioneering effort in Brazil to protect species of native bees under threat of extinction and of commercial interest. It consists in the recovery of beehives in the reservoir region during the vegetation suppression and future filling. Throughout 2011, 1041 nests of 15 species were recovered.

Program to recover the archaeological heritage: 83 archaeological sites were recovered; Heritage Education activities and workshops were carried out with the local community and schools. Systematic integration activities about Archaeological Heritage were also carried out with all employees contracted for the project.

The Heritage Education and Social Inclusion Program began, engaging all 8 Indigenous Lands of the Tibagi River basin.

In partnership, Copel and Eletrosul, through the Cruzeiro do Sul Consortium-CECS, IPHAN, MPF and IAP, developed the Conduct Adjustment Term – TAC for Archaeology, seeking to preserve and spread the historical, cultural and archaeological heritage of the middle section of the Tibagi River.

- Implantation of the Basic Environmental Project - PBA of the Colider HPP

The purpose of this PBA is to give continuity to the environmental licensing process, complying with the instructions from the Mato Grosso State Department for the Environment - Sema - MT, expressed in the Preliminary License, and mainly consolidate the environmental programs proposed in the Environmental Impact Study - EIS, as a means to guarantee that the implementation of the development undertaking will result in social-environmental gains capable of offsetting and mitigating the negative impacts caused to the social and natural environment in the region affected by the construction project.

This PBA includes 32 programs, contemplating the physical, biotic and social-economic mediums. In 2011, 14 environmental programs started being executed. Other programs are in the process of planning, contracting or negotiation with local institutions.

- Implementation of the Cavernoso II SHP PBA

The project for the Cavernoso II SHP began in April 2011. In order to meet the conditions established by the environmental agency for the project's licensing, the PBA was developed, comprising 16 social-environmental programs, which are being implemented according to a schedule.

During the vegetation suppression activities, fauna and flora recovery was conducted. In flora recovery, the species collected were duly stored in a greenhouse at the plant nursery of the Segredo HPP, and part of this material will return to the Cavernoso II SHP area to recompose the APP of the future reservoir.

The programs to support the migrating population and public health are being carried out through a partnership with the municipal government of Virmond.

All interventions in the land were accompanied by archaeological prospecting and recovery, when necessary.

During construction of the development undertaking, environmental inspections have been conducted since June 2011, in order to evaluate aspects such as mitigation of the induction of erosive processes, carrying of sediments, contamination and management of solid waste.

Based on the results of the monitoring of water quality, the following stands out: the IQA result indicated good quality in the waters of the Cavernoso River, in the future region of the Cavernoso II SHP;

During the floristic survey of macrophytes, 12 species belonging to 9 different families of the angiosperm group were found. No free or fixed submerged species were found.

- Araraquara II — Taubaté Transmission Line - TL

The project to implement the Araraquara II — Taubaté TL, with a 500 kV voltage, is focused on increasing the availability of energy in the Southeastern region of Brazil. This transmission line will cross 28 municipalities of the State of São Paulo, to interconnect the Araraquara II Substation, located in the municipality of Araraquara (SP), where the energy provided in the Hydropower Complex of the Madeira River will be distributed, in the State of Rondônia, to the Taubaté Substation, in Taubaté – SP. This development undertaking is considered to be one of the priority projects for the Federal Government's Growth Acceleration Program - PAC.

Main actions conducted in 2011:

- Development of the EIS/EIR and request for a Preliminary License;
- Field inspections to analyze the selected tracing;
- Public hearings about the EIS/EIR for the TL in five cities: Campinas, São José dos Campos, São Carlos, Bragança Paulista and Limeira;
- Monitoring of the inspection conducted by the technical body of CETESB to evaluate the tracing; and
- Contracting of Studies of Impact on the Surroundings - SIS, developed to meet the pre-requisite for the issue of a letter of no obstacle to the development undertaking.

- Cascavel Oeste — Foz do Iguaçu Transmission Line - LT

The PBA for the Cascavel Oeste TL — Foz do Iguaçu is comprised of eight environmental programs, seeking to prevent, mitigate and offset the negative social-environmental impacts caused by the construction of the transmission line, as well as the boosting and optimization of positive impacts.

Throughout 2011, the six social-environmental programs provided in the PBA were implemented. The Operating License - OL was obtained in November 2011, and is valid for six years.

Due to the interference in the Iguaçu National Park, Environmental Compensation Commitment Terms were executed with the IAP and Instituto Chico Mendes de Conservação da Biodiversidade - ICMBio, in order to mitigate the environmental impacts caused by the implementation of this development undertaking.

5.1.3. Significant fines and the total number of non-monetary sanctions resulting from non-compliance with the environmental laws and regulations. (GRI EN28)

In 2011, Copel received 3 notifications of environmental infringement, totaling R\$35,695.00. For non-monetary sanctions, the Company executed the Term of Commitment with Instituto Ambiental do Paraná - IAP to offset the environmental interferences caused by a renovation in an office located at Ilha do Mel – PR.



5.2. Social-environment Management of Reservoirs

It consists in the implementation of a Company reservoir management process, in order to analyze the risks and propose alternatives for the decision-making process. It also has the purpose of developing projects and actions by means of environmental management through water basins, seeking to increase the water quality and availability in the reservoirs of Copel's HPPs, as well as providing for their multiple uses.

Throughout 2011, the following actions were carried out:

- Breakdown and structuring of the reservoir management process;
- Formalization of the Local Commission of the Curitiba Production Plant - UPTCA;
- Beginning of implementation of the process in the GPS HPP's reservoir, coordinated by UPCTA;
- Conduction of a survey of events in sectors 01 and 02 of the reservoirs of the GPS HPP;
- Development of the service contracting call notice to verify any events in the reservoir of the GPS HPP;
- Beginning of the development of the Social-environmental Geo-referenced Information System for Reservoir Management - SIG-SAM-GR, a geo-referenced application to support reservoir management activities; and the Implementation of data dictionaries in GPS equipment to computerize inspection works.

5.2.1. Control of reservoir water quality

With the purpose of understanding the phenomena related to the functioning of the reservoir and substantiating the necessary actions to preserve water quality and ensure its multiple uses, in addition to compliance with legal requirements, Copel conducts a quarterly monitoring of the water in its reservoirs by collecting and analyzing upstream and downstream water, and water in the reservoir of hydropower plants, in addition to measuring the dissolved oxygen profile and temperature. The samples collected are submitted to certified laboratories for physical, chemical, micro-biological and phytoplankton analyses. The data obtained are used in the development of reports about water quality in the reservoirs, which are annually submitted to the environmental agency.

Some reservoirs, due to their distinct conditions, require more specific actions, which is the case of the Governador Bento Munhoz da Rocha Neto Hydropower Plant (GBM HPP), where bi-monthly analyses have been conducted since 2009 in upstream, downstream and reservoir points. In addition to this more frequent monitoring, a bi-monthly analysis of the DBO, nitrogen and phosphorus loads originated from the eleven main tributaries of the reservoir is conducted.

5.2.2. Algae monitoring and control program in reservoirs

Eutrophication is the over-concentration of nutrients in a body of water. This is an environmental problem, originating mainly from sewage unloading in large volume in the contribution basin, as well as fertilizers, manure and certain pesticides carried by the rain into the basin. Eutrophication, together with high temperatures and the great lighting provided by the sun in large reservoirs, unleashes the exaggerated growth of algae populations, especially cyanobacteria (blue algae), in a process known as algal bloom. (GRI EN13)

When in excess, cyanobacteria may cause unpleasant taste and odor in water, and unbalance water ecosystems. Some cyanobacteria are capable of releasing toxins, and can cause serious consequences to people and animals that ingest or have any direct contact with the contaminated water.

Therefore, the reservoirs of Hydropower Plants operated by Copel are monitored on a quarterly basis, with an evaluation of physical and chemical parameters, as well as of algae concentration, discriminating the count of cyanobacteria and potentially toxic cyanobacteria.

For the reservoir of the GBM HPP, which has problems related to eutrophication, monitoring is conducted on a bi-monthly basis.

In 2011, in addition to the monitoring of the five points sampled on a bi-monthly basis, other measures were adopted, seeking to determine the loads of nutrients that reach the reservoir. Studies in partnership with Lactec and Associação Instituto Internacional de Ecologia e Gerenciamento Ambiental - AIIEGA [International Institute Association for Ecology and Environmental Management] sought to estimate the sources of the largest loads of nutrients, seeking to promote actions to minimize the problem. Since these actions are conducted in the long run and depend on the mobilization of Public Authorities, companies and the population, Copel seeks to engage all of these segments through environmental programs, such as Riparian Forests and Social-environmental Management of Reservoirs.

For plants under implementation, which is the case of the Mauá HPP, Copel conducted the monitoring of algae in eight stations, with a monthly collection frequency. Copel is negotiating with other institutions, such as: Sanepar, Emater, Department of Agriculture, among others, with the purpose of promoting actions to improve the environmental quality in the water basin, and mitigate the possibility of eutrophication of the future reservoir.

5.2.3. Monitoring program and Ichthyofauna repopulation (GRI EN15)

One of the most important actions developed by the Company, seeking balance among the ecosystems, is the repopulation of reservoirs with native fish species, some under risk of extinction, which is the case of *Steindachneridion melanodermatum* from the Iguaçú River, the biggest fish in the river. The need for studies about the reproductive behavior and the biology of fish species migrating from their natural habitat, after the construction of dams, as well as the definition of conducts for repopulation of the reservoirs, have been a constant concern of Copel.

Copel's Experimental Station for Ichthyological Studies - EEEI, located at the GNB HPP, is a center dedicated to research on native species of the Iguaçú River, and reproducing them in large scale, contributing to maintain the environmental balance of the entire basin. Using enhanced scientific methods and the most modern equipment, the station accounts for the conduction of major research focused on the Iguaçú's Ichthyofauna.

EEEI relies on a flooded area of 6,250 m², distributed into 10 tanks. It produces an annual average of approximately one million alevins, and started producing fish for repopulation in 1996.

In 2011, the production of native species alevin reached 955,100 individuals, a similar production to the one recorded in 2010. Repopulation actions included 19 reservoirs, in which 498,000 alevins of native species from the water basins were released. From the remainder, 30,000 were transferred to Sanepar, 310,000 to IBAMA, 20,000 to EMATER, and 92,500 to city governments, to be used in environmental education programs and events for environmental recovery and education. Also, 4,600 alevins were transferred to universities in the region, to be used in the qualification of professionals in research activities in biology, fish-farming and other co-related activities.

Another activity developed by EEEI technicians is the recovery of fish stuck to the turbines, closing of the spillway, and SHP maintenance works. 30,112 fish were recovered, 29,108 of which were alive and immediately released downstream from the plant.

Research carried out in 2010 allowed for the cryopreservation of the semen of the Iguaçú's *Steindachneridion melanodermatum*, in addition to the full expertise in controlled reproduction of *Astyanax* sp B, both native of Iguaçú. The Iguaçú's *Steindachneridion melanodermatum* in the lower sections of the river, and most samples reach between 12 and 15 kg in their natural habitat. *Astyanax* sp B is the largest of this type in the Iguaçú river.

Actions of the repopulation program are being reassessed, based on new research, with the purpose of expanding the conservation of fish communities subject to the program.

5.2.4. Riparian Forest Program (GRI EN13)

The main purpose of the Program is the recovery of natural environments surrounding the reservoirs of plants that, according to the phyto-ecological position of most of them, should be essentially conducted through forest planting. The work is conducted at Copel's properties, as well as third-party properties whose owners are interested in adhering to the Program. Depending on the region's natural characteristics, local rehabilitation will also be linked to the closing of artificial drains in plain areas, the planting of herbaceous species on sites that used to be fields, and the structural strengthening in areas subject to strong erosive processes.

In 2011, 71,861 seedlings were planted in Copel's properties, corresponding to a recovered area of 70.43 hectares. 25,872 meters of fences were also installed to protect the reforestation areas.



In addition to the recovery of the Company's own areas, through the Forestry Cooperation Project, the environmental recovery of permanent preservation areas is also supported in third-party properties voluntarily adhering to the project. This action is important because most of the marginal areas of reservoirs do not belong to Copel. In 2011, recovery works in approximately 200 hectares of permanent preservation areas stood out, located in the micro-basins of the Cruz Machado region, in rivers that directly flow into the reservoir of the Governador Bento Munhoz da Rocha Neto HPP (Foz do Areia).

5.3. Social-environmental management of energy transmission and distribution assets

5.3.1. Sustainable handling of vegetation on transmission lines

The environmental impacts of the implementation of new Transmission Lines - Tls are mitigated through several actions, from the design phase to the construction phase. The tracing of the line prioritizes agricultural areas, pasture, brush land or vegetation of less preservation interest, even if that results in additional cost for the inclusion of successive vertexes and higher towers. When it is not possible to prevent the TL from crossing small sections of forest coverage, the forest inventory conducted in the topographic survey phase supports mitigating actions. In this stage, higher towers may be defined to enable the passage of cables over the vegetation and minimize interferences. Towers eventually inserted in the preservation area occupy a minimum area corresponding to the area of the tower base, increased by a surrounding area required for construction and maintenance. As a compensatory measure, seedlings are planted to recover the deforestation area.

5.3.2. Social-environmental program for urban forestry

Program for cooperation with city governments to improve the management of urban forestry, conceived based on the understanding that it will only be possible to maximize the benefits from power distribution networks and urban forestry if both fronts are addressed in an integrated manner. In addition, the program seeks to promote safety, mitigation of impacts caused by the lopping of trees and improvement in the continuity of electric energy supply.

With that purpose, Copel establishes partnerships with city governments to replace trees that pose risks to the electric systems, as well as for the supply of seedlings. In 2011, partnerships were established with the municipalities of Cafelândia, Campo Bonito, Florestópolis, Ibitiporã, Irati, Mandaguaçu, Marmeleiro, Paranavaí, Pitanga, Porecatu, Prudentópolis, Porto Vitória, Santa Fé, Santo Antônio do Paraíso, Vera Cruz do Oeste and Wenceslau Braz. The Company also started partnerships with the Municipal Governments of Leopoldina, Quedas do Iguaçu and São João do Triunfo, and executed partnerships with the municipalities of Atalaia, Floresta, Jandaia do Sul and Jaguapitã. In 2011, 2006 trees that posed risks for the energy networks were removed, and 6154 seedlings were supplied, in standard size, for planting on the sidewalks of partner municipalities.

Copel has been a member of the International Society of Arboriculture - ISA since 2008, and of Sociedade Brasileira de Arborização Urbana - SBAU [Brazilian Society of Urban Forestry], seeking to prospect the most modern techniques in the management of urban forestry and to include them in its processes.

5.3.3. Technologies of energy distribution networks

The most significant social-environmental impacts of distribution networks are: risks of accidents with third parties, conflicts with arboriculture and visual pollution. In order to mitigate these impacts, places with trees or rural areas with vegetation protected by law, Copel adopts technologies that replace naked networks, such as the protected compact network, the isolated secondary network, the isolated network and the underground network.

- Protected Compact Distribution Network - RDC and Isolated Secondary Distribution Network - RSI

The RDCs reduce the areas of interference with vegetation and the need to lop trees. RSIs allow for more proximity to tree branches, without the risk of causing interruptions in the case of occasional and non-permanent contact with conductors.

Together, the RDCs and RSIs account for 85.5% and 11.0% of the total networks built in 2011, in the urban and rural areas, respectively.

- Underground Network

Today, the Company has approximately 104.5 km of medium-voltage network, 212 km of low-voltage network, and 2,054 inspection boxes and wells. Many development undertakings are under implementation (projects, studies and construction), such as: the Iguaçu National Park (13 km) and service to the communities on the coast of Paraná (35 km).

In partnership with designers, entrepreneurs and suppliers, Copel also studies and provides for the implementation of underground networks inside residential condominiums.

- Isolated network

Another network technology that has been studied by Copel is the isolated area network. This technology consists in isolated cables that allow for permanent contact with trees. This network type makes it virtually unnecessary to lop trees.

- Replacement of insulating mineral oil with vegetable oil

Copel has been conducting studies and surveys on transformers and distribution circuit breakers through the gradual implementation of equipment isolated with insulating vegetable oil, as shown below:

Municipality	Equipment	Amount	Electrical Potential / Apparent Power	Location
Foz do Iguaçu	Transformers	21	15 kV / 500 kVA	Underground Network
Cascavel	Transformers	17	15 kV / 112.5 kVA	Aerial Network surrounding the municipal lake
		5	15 kV / 75 kVA	Aerial Network in the Tarquinio Park
	Circuit breakers	4	15 kV / 34.5 kVA	Substations
Maringá	Transformers	18	15 kV / 500 kVA	Underground Network
Curitiba	Transformers	2	15 kV / 500 kVA	Aerial Network of Copel's Central Storeroom
	Voltage Regulators	3	34.5 kV / 400 kVA	

5.4. Natural resource management

5.4.1. Materials (GRI EN1)

With regard to the acquisition of materials, Copel has actions directly connected and aligned to its Sustainability and Corporate Citizenship Policy. In the Supplier Registration - CDF system, which started being used 30 years ago, the supplier is identified and classified, considering as criteria the technical, legal, tax compliance, social responsibility, environmental, economic and financial aspects, helping guarantee the availability of supply in the long run.

Copel develops its material and equipment suppliers through industrial evaluations and approval of materials. In industrial evaluations, which are part of the supplier registration process since 1985, the person responsible for the evaluation carries out this activity indicating improvement opportunities in installations and processes of the supplier in question, thus establishing a cycle of improvement that allows for its development and for the extension of the chain's supply and sustainability.

- Recycling and reuse of materials (GRI EN2, EN7)

In 2005, Copel implemented a decontamination and recycling program of burnt light bulbs containing mercury in their composition, which are disposed of in an environmentally correct manner. In 2011, 122,000 light bulbs were decontaminated.

Transformers removed from the electrical system are subject to technical evaluation and sorting of unserviceable and recoverable parts. After the recovery, the equipment is reincorporated into the company's inventories. In 2011, 3,700 transformers, both single- and three-phased, were recovered.

Another initiative related to the reuse of materials is the recovery of damaged meters removed from consumer units. Small repairs are conducted internally, and meters whose technical need requires more significant repairs and replacement of parts are sent to companies specialized in recovering them. In the following stage, the meters are sent to the test stations, authorized by Instituto Nacional de Metrologia, Normalização e Qualidade Industrial - Inmetro [National Institute of Metrology, Standardization and Industrial Quality], existing at Copel, where metrological tests and technical verifications are conducted for the subsequent release and reuse of the meters. In 2011, 83,250 meters were decontaminated.

- Paper Consumption (GRI EN7)

In 2011, approximately 58.2 million paper sheets were used. Total paper consumption had an 8% reduction in relation to 2010, mostly due to the self-enveloping of bills, a practice implemented in the second half of 2010.

5.4.2. Water Consumption

In 2011, consumption of water deriving from the public supply network reached 169,543 m³, showing an increase of 3.27% in relation to consumption in 2010, which was 164,182 m³.

Since 2010, the building of the North Transmission Plant, in Londrina, is adapted to use rain water in activities that do not require the use of treated water, resulting in significant savings. Another three branches in the region of Ponta Grossa have already installed the rain water capturing and storage system: Telêmaco Borba, Castro and Jaguariaíva. (GRI EN10)

Copel's activities do not interfere with the humid areas listed by the Ramsar Convention (1971), which addresses the conservation and rational use of humid zones, and water consumption does not significantly affect ecosystems and natural habitats.

The process of electric energy generation simply consists in the sending the water in reservoirs to turbines, therefore not considering the water consumed.

At the plants, the cooling system uses gross water from superficial bodies of water, taking place in an open circuit, with no recirculation, except in the Araucária Electric Gas Plant - UEGA. Copel does not recycle the water used in its administrative units. (GRI EN9)

5.4.3. Energy (GRI EN3)

Own consumption of electrical energy refers to the functioning of administrative offices and substation support points. The amount consumed in 2011 was 25,243 MWh. Energy consumption per employee was 2,685,4 kWh in 2011, versus 2,778.4 kWh in 2010. (GRI EN4)

The Company's generation park has two plants using non-renewable fuel: the Figueira Thermal Power Plant, which uses mineral coal, and UEGA, which generates energy from natural gas in a combined cycle system.

The table below shows the consumption of non-renewable fuels in these plants between 2009 and 2011 (GRI EN3):

Direct energy produced – Thermal Power Plants

Figueira Thermal Power Plant				
Energy from Primary Sources	2011	2010	2009	2008
Mineral coal (t)	77,973	80,312	80,216	70,618
Mineral coal (GJ)	2.03 x 10 ⁶	2.09 x 10 ⁶	2.01 x 10 ⁶	2.80 x 10 ⁵
Araucária Thermal Power Plant				
Energy from Primary Sources	2011	2010	2009	2008
Natural gas (m ³)	501,402	273,056,374	195,644,368	149,429,548
Natural gas (GJ)	19.6 x 10 ³	10.65 x 10 ⁶	7.69 x 10 ⁶	5.83 x 10 ⁶

The vehicle fleet used in operating activities and to transport people at the Company's service is acquired with priority for models that use alcohol as fuel. Whenever it is necessary to acquire a model that uses diesel, it is recommended to verify compliance with the legal requirements regarding the emission pollutants. At Copel, the transport section and other areas that use the company's vehicles deploy operating, preventive and corrective maintenance practices, especially with regard to the catalyst and the exhaust system to control the emission of pollutants. (GRI EN29)

The consumption of fuels by the Company's fleet is shown in the table below:

Consumption of fuel by the Company's own fleet

Fuel	2011		2010		2009	
	Amount	Energy (GJ)	Amount	Energy (GJ)	Amount	Energy (GJ)
Gasoline (l)	1,914,369	63.47 x 10 ⁶	1,427,331	47.32 x 10 ⁶	1,356,964	44.98 x 10 ⁶
Alcohol (l)	386,813	9.29 x 10 ⁶	1,038,429	24.94 x 10 ⁶	1,190,769	28.60 x 10 ⁶
Natural gas (m ³)	191,9	7.49	227.4	8.87	47,8	1.86
Diesel (l)	4,489,045	16.53 x 10 ⁷	4,344,142	16.00 x 10 ⁷	4,460,271	16.42 x 10 ⁷

5.5. Emissions

5.5.1. Greenhouse Gas – GHG Emissions (GRI EN16)

Copel conducts an annual inventory of greenhouse gases - GHG, based on the calculation model of the GHG Protocol Brazil. When developing the inventory of emissions, the Company chose to report its emissions based on the approach for operating control.

According to the inventory, Copel's main sources of emission are the Figueira Thermal Power Plant and the company's fleet.

The table below shows the Company's GHG emissions, according to the inventories conducted from 2009 to 2011:

GHG Emissions per scope

Year	Emissions (tCO ₂ e)	
	Scope 1	Scope 2
2009	208,134.36	582.20
2010	212,070.80	100,242.08
2011	208,992.9	103,878.9

5.5.2. Other indirect emissions of greenhouse gases (GRI EN17)

Emissions regarding energy acquisition are published in the Company's inventory of GHG emissions. Other indirect emissions of gases that cause the greenhouse effect are not deemed as significant by Copel.

5.5.3. Initiatives to reduce greenhouse gas emissions (GRI EN18)

In 2008, Copel was one of the companies that adhered to the Brazilian GHG Protocol Program. The program seeks to promote the measurement and voluntary management of GHG emissions, providing participants with access to international quality instruments and standards to account for and develop GHG reports. The Program also intends to constitute a national platform to publish corporate and organizational GHG inventories.

The Program is implemented through a partnership between the Brazilian Ministry of the Environment, the Center of Sustainability Studies from Fundação Getulio Vargas - FGV, the Brazilian Corporate Council for Sustainable Development - CEBDS, the World Resources Institute - WRI, and the World Business Council for Sustainable Development - WBSCD.

Copel also carries out the following activities:

- Development and disclosure on the company's website of the corporate inventory of greenhouse gases, in accordance with the initial definitions of the GHG Protocol Brazilian Program;
- Publication of information about GHG emissions in the Carbon Disclosure Project (CDP).
- Participation, together with other companies in the electric sector, in the R&D project, to determine a methodology to measure GHG emissions of hydropower plant reservoirs;
- Conduction of the R&D project, along with Lactec, to measure GHG emissions in the storage basin of the Mauá HPP's reservoir, in the phases of formation of the reservoir, i.e. before, during and after its filling. The project has been approved, and the study, designing and lab test phases have already shown results. This study will enable the energy sector, and therefore the Company, to analyze the formation of GHG in the reservoirs, enabling the evaluation of questions arising in the last few years about the volume of emissions caused by the reservoirs.

The Company also adopts meetings through conference calls and video calls between its many units as a means to reduce physical travel and the use of vehicles, saving fuels and reducing GHG emissions.

5.5.4. Carbon Efficient Index – ICO2

Investors increasingly more concerned about environmental issues believe that companies should adopt transparent practices with regard to their GHG - greenhouse gas emissions, and policies related to climate change, preparing to operate in a "low-carbon" economy.

In order to meet this expectation of investors, BM&FBOVESPA and BNDES, in a joint initiative, have developed the Carbon Efficient Index (ICO2), which seeks to measure the return of a theoretical portfolio comprised of IBrX-50 securities, re-weighted according to the level of efficiency of GHG emissions of the companies.

The ICO2 was introduced in December 2010 with excellent repercussion, both in Brazil and abroad, with the purpose of encouraging the Brazilian corporate environment to measure GHG emissions of companies, seeking to mitigate them later and providing investors with an additional measurement instrument.

Since Copel is a member of IBrX-50, it was invited to participate in the evaluation process for the last four months of 2011, taking on the challenge by formalizing its adhesion and submitting its GHG inventory for verification by Trucost (a consultancy firm contracted by BM&FBOVESPA).

After the process of verification of GHG emission data, Copel started integrating the theoretical portfolio of the ICO2 between September and December.

Copel's entrance in the ICO2 portfolio in 2011 makes it clear that the development of its sustainable practices is in line with the interests of shareholders and the strategic benchmarking.

5.5.5. Emissions of sulfur and nitrogen oxides

Emissions of nitrogen oxides - NOx and sulfur dioxides - SO2 at the Figueira and Araucária Thermal Power Plants are shown in the table below. The amounts were obtained by means of an analysis conducted in these plants, reported to Instituto Ambiental do Paraná - IAP. (GRI EN20)

Nox and SO2 Emissions

Atmospheric emissions	2011	2010	2009
No _x (t)	437.4	141	414
SO ₂ (t)	3721.3	1,822	3,908

5.5.6. Emissions of Particulate Material - MP

As emissões de material particulado de fontes fixas ocorrem na Usina Termelétrica Figueira e são monitoradas semestralmente. Em 2011, o volume gerado foi de 77,4 toneladas.

5.5.7. Use of Ozone-depleting Substances – ODS (GRI EN19)

Copel uses ozone-depleting gases only in the operation and maintenance of air-conditioners at its facilities. The company does not have these substances in stock, because their replacement, when necessary, is made by companies contracted to conduct this service. With that purpose, Copel has a Federal Technical Registration with IBAMA, and issues an annual consolidated report of substances controlled by the Montreal Protocol.

5.6. Effluents (GRI EN21)

In 2011, revamp works at Effluent Treatment Stations of HPPs were resumed, diagnosis reports for most of the plants were completed, and improvements in priority systems were implemented, all through the Effluent Management Program.

At the Company's plants, the raw water from superficial bodies of water used in the cooling systems is returned to the source, downstream, with quality similar to the original. The volume disposed of is virtually the same volume removed from the source, since there are only a few losses through evaporation. In 2011, the volume of effluents generated in the cooling process was 138,994 million m³, showing a 5% increase in relation to the volume generated in 2010.

Domestic effluent generated in the Company's administrative units is allocated to the municipal sewage collection system.

Effluents from the Araucária Thermal Power Plant are monitored on a bi-weekly basis by Lactec, which issues bi-annual reports on the quality of effluents. At the Figueira Thermal Power Plant, monitoring is conducted by the company itself. Physical-chemical and microbiological parameters are assessed with the purpose of evaluating compliance with release standards established by law.

Therefore, the removal of water and disposal of Company effluents do not have a significant impact on bodies of water and related habitats. (GRI EN25)

5.7. Waste

In 2011, in the scope of the Corporate Waste Management Program, the publication of corporate standards for appropriate handling of the following waste stands out: lead-acid batteries, fluorescent and gas-releasing light bulbs, materials with amiantus, portable batteries, tires, civil construction waste, smoke detectors and lightning arresters.

Still in 2011, the development and implementation of Solid Waste Management Plans - PFRS was resumed at 45 installations of the Company subject to contracting in 2010. In addition, the conclusion of the development of a waste management tool stood out (Corporate Waste Registry - RCR) with implementation expected for 2012.

With regard to the handling of Polychlorinated Biphenyl - PCBs (Ascarel), 32,000 liters of insulating mineral oil contaminated with PCB were decontaminated. (GRI EN1-EU)

It is important to point out that the hazardous waste generated by the Company is sent to companies specialized in their treatment and final disposal, duly licensed to carry out these activities. The table below shows data on the treatment and final disposal of hazardous waste generated in the Company in 2011 (GRI EN22):

Waste	Unit	Amount			Treatment method/ final disposal	2011 Cost (in thousands of R\$)
		2011	2010	2009		
Insulating mineral oil	l	359,852.0	259,958.0	201,770.0	Regeneration	142.5
Solid and liquid waste contaminated by oils and solvents	t	49.98	38.5	21.3	Co-processing in furnaces of cement industries	73.47
Cloths contaminated by oils	un	26,667.0	49,800.00	56,160.0	Reuse after industrial washing	6.8
Soil contaminated by oils	t	15.0	8.00	-	Industrial grounding class I	15.3
Fluorescent light bulbs (mercury steam and mixed)	un	126,170.0	182,272.0	-	De-mercurization and recycling	56.8
Batteries	kg	7,425	-	-	Recycling	7.35

Copel does not export or import waste, pursuant to the Basel Convention. The waste is transferred by a contracted company (bidding) for transportation and final disposal in the country. (GRI EN24)

5.8. Ascarel Elimination – environmentally-appropriate handling and final disposal (GRI EN1 EU)

Copel has developed an inventory of electrical equipment isolated by PCB. All PCB equipment is sent to final disposal by a contracted company licensed to decontaminate and recycle waterproof metal carcass of equipment and incinerate contaminated oil and permeable solids.

Copel currently has nine power transformers isolated by PCB in operation, and the total weight of equipment is 29,970 kg, whereas the total volume total of this fluid is 10,410 liters. This equipment is located at the Figueira Thermal Power Plant and will be properly allocated upon the Plant's modernization.

Copel has been progressively developing the inventory of electrical equipment isolated by mineral oil that may be contaminated by PCB. Up to 2011, analyses of the PCB level in insulating mineral oil was conducted as per standard ABNT NBR 13882 - Electrical Insulating Liquids - Determination of the Level of Polychlorinated Biphenyl (PCB), in the Company's power transformers. The results of this inventory are shown in the table below.

Equipment isolated by insulating mineral oil contaminated by PCB (PCB - low level)

	Copel Distribuição S.A.	Copel Geração e Transmissão S.A.
Total power transformers isolated by mineral oil	645	206
Total power transformers analyzed regarding the level of pcb in the insulating oil	588	133
Total power transformers analyzed presenting a level of pcb of more than 50 mg/kg	107	10
Volume of insulating mineral oil with a pcb level of less than 50 mg/kg in liters	520,937	108,240

Expectation is that, in 2012, the analysis of the PCB level in insulating mineral oil will be resumed, as per standard ABNT NBR 13882 - Electrical Insulating Liquids - Determination of the Level of Polychlorinated Biphenyl - PCB, in electrical equipment that did not undergo oil analysis yet.

5.9. Significant Spillage (GRI EN23)

In 2011, there was no significant spillage in Copel's operations, only small leakage of insulating mineral oil due to the theft of transformers and faults in oil-insulated equipment.

In November 2011, a transformer of the Governador Bento Munhoz – GBM HPP exploded. Virtually all the oil that leaked, approximately 400 liters, was retained in the power house.

5.10. Biodiversity Management Program (GRI EN11)

With the purpose of actively contributing to the preservation of biodiversity in Paraná, Copel implemented the Biodiversity Management Program, which includes the following strategies: a) using the potential of well-preserved natural areas belonging to the Company that are not areas of permanent preservation or legal reserve; b) encouraging the environmental recovery of natural areas belonging to the Company, representing the various phytogeographic regions of the State, located in administrative and operating spaces; as well as the preservation of biodiversity in water basins forming Copel's reservoirs; c) implementing actions to contribute to the establishment of biodiversity corridors in Paraná; d) encouraging the Company's construction and maintenance divisions to adopt methods to reduce impacts on biodiversity in its projects; and e) promoting synergy with already existing corporate programs.

5.10.1. Biodiversity recovery in degraded areas (GRI EN12, EN14)

The main recovery work in degraded areas is focused on the construction sites of Copel's hydropower plants. These areas hosted civil structures at the time of the construction of these development undertakings. The final purpose is to recover the ecosystem, so that it will return to its original aspect. In transmission line installations, vegetation recovery is conducted with hydroseeding, seeking to recover sites with exposed soil, avoiding erosive processes.

As for substations, forestry seedlings are planted in their surroundings, seeking to adjust the landscape and reduce the visual impacts of the development undertaking.

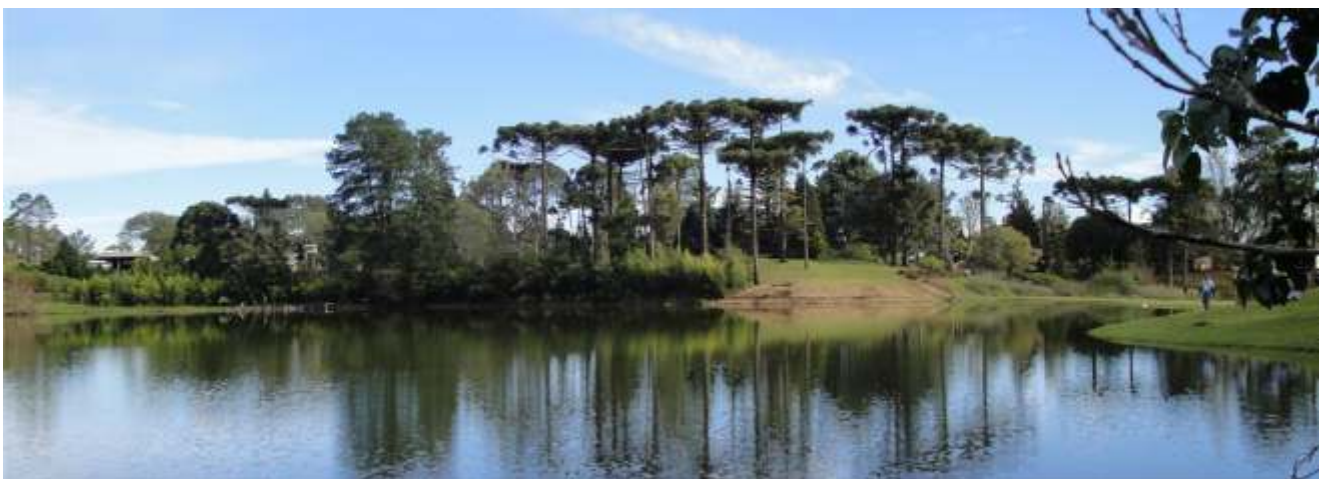
With that purpose, Copel produces tree/bush species in its Plant Nurseries in 2011, totaling 330,000 seedlings. Seeking to meet the demand for seedlings in the entire State, and considering the importance of obtaining local seeds to maintain the genetic variability of each ecosystem, Copel has six plant nurseries, covering all phytogeographic units in the state of Paraná, namely:

Plant nurseries and their respective phytogeographic units

Copel's forestry plant nurseries	Phytogeographic unit
GPS HPP	Dense ombrophil forest (Atlantic Forest)
GBM HPP	Ecotone Semideciduous Seasonal Forest and Mixed Ombrophil Forest
GNB HPP	Mixed Ombrophil Forest (Forest with Araucária)
GJR HPP	Semideciduous Seasonal Forest
MUA HPP	Ecotone Semideciduous Seasonal Forest and Mixed Ombrophil Forest
Mourão HPP	Semideciduous Seasonal Forest with the occurrence of Savannah spots (Cerrado)

The Faxinal do Céu Nursery of the GBM HPP is categorized as a Botanical Garden due to its landscape characteristics and *ex-situ* preservation of the species.

The seedlings produced are used in the landscape adjustment of green areas of the Plants, the Company's administrative areas, as well as actions for the environmental recovery of Permanent Preservation Areas of the surroundings of the reservoirs. In addition, seedlings are made available for the environmental compensation of deforestation deriving from the opening of a section for Transmission and Distribution Lines, and the transfer of seedlings for urban forestry for partner city governments.



5.10.2. Preservation of species under threat in the Mauá HPP (GRI EN15)

The Mauá HPP and its reservoir will cover a total area of 9,000 hectares, of which 3,000 are currently covered by forests in many successive stages. The vegetation survey conducted in the EIS/EIR and the forest inventory for suppression have identified the occurrence of 4 species included in IBAMA's list of species under threat of extinction (federal list) and 20 species included in the IAP's list of species under threat of extinction (state list), whereas 3 have the "In danger" status, and 17 have the "Rare" status.

The nursery of the Mauá HPP is producing seedlings of 33 species, whereas 6 of these are present in the IAP's list of species threatened of extinction.

5.10.3. Mapping of Permanent Preservation Areas in the State of Paraná

Paraná does not have an official map of the State's Permanent Preservation Areas - APP. As an energy concessionaire, Copel cannot make light connections in these areas. This need led to the constitution of an official work group in the State, coordinated by the State Department for the Environment – SEMA, and with representatives of Instituto Ambiental do Paraná – IAP, Instituto das Águas, Instituto de Terras, Cartografia e Geociências – ITCG and Copel.

The SEMA Resolution no. 042/2011 made the group official, which has the purpose of developing and defining concepts for the development of the Official Maps of the State's urban and rural APPs.

5.10.4. Research and Development – R&D Projects focused on the environment (GRI EU8)

- Evaluation of Greenhouse Gases (GHG) in the area of influence of reservoirs under construction – Case Study: Mauá.

Duration: 2010-2013.

Purpose: studying GHG emissions in reservoirs under construction.

About the project: Determining the contribution of the reservoir formation in the Mauá HPP in relation to GHG emissions through the modeling of the reservoir and determination of measurement points in the region to be flooded. The modeling of conductions based on which the reservoirs will suffer contributing effects will be conducted: settling, climatology, hydrology, and other research areas. With this information the points of collection will be selected. Measurements will be carried out before, during and after the filling of the reservoir, evaluating the formation of greenhouse gases.

Investment: R\$ 2,404,376.00

5.11. Social-environmental indicators

Environmental scope						
Environmental indicators						
Recovery of degraded areas	2011	2010	2009	2008	2007	Important observations
Isolated protected network (eco-friendly or green line) in the urban area (in km)	2019	8453	5694	4590	3442	
Percentage of the isolated/total protected area of the distribution network in the urban area (%)	85.5	79.2	10.8	8.9	6.5	
Environmental impact management costs (arboriculture, sustainable handling, with protected equipment and networks) (in thousands of R\$)	116,033	90,796	78,781	74,560	21,283	
Number of infringement notices and/or fines for violation of environmental rules	3	0	3	4	4	
Amount incurred in infringement notices and/or fines for violation of environmental rules (in thousands of R\$)	35.7	0	33	278	37	(1)
(1) Amounts referring to fines applied in the year, not to the amounts paid.						
Handling of hazardous waste						
	2011	2010	2009	2008	2007	Important observations
Percentage of equipment replaced with insulating mineral oil with no PCB (ascarel) in the process of energy distribution	100	100	100	100	100	(2)
Percentage of equipment replaced with insulating mineral oil with no PCB (ascarel) in the process of energy generation (%)	77	72	72	72	27	(3)
Percentage of decontaminated light bulbs in relation to the total replaced in the Company	100	100	100	100	100	
Percentage of decontaminated light bulbs in relation to the total replaced in consumer units	ND	ND	ND	ND	ND	
Expenses with treatment and allocation of toxic waste (incineration, landfill, bio-treatment, etc.) (R\$)	227,452.96	393,528.35	229,036.42	656,755.11	1,368,390.61	
(2) All of the equipment registered, insulated by PCB (ascarel), was replaced in 2006.						
(3) Accumulated amount. The percentage informed refers to the waste disposed, not only to the removal of the equipment.						

Use of resources in the production process and in the organization's management processes						
	2011	2010	2009	2008	2007	Important observations
Total energy consumption (in kWh)	25,243,000	24,748,000	23,864,606	23,028,866	23,400,610	
Energy consumption per kWh distributed (sold)	0.0010530	0.0010176	0.001094	0.001081	0.001144	
Water consumption (in m3):						
	2011	2010	2009	2008	2007	Important observations
Supply water consumption (public network)	169,543	163,228	151,589	545,905	556,875	
Water consumption per employee (in m3)	17.98	18.33	17.71	64.95	66.72	
Environmental education and awareness						
<i>Technical and higher education</i>	2011	2010	2009	2008	2007	Important observations
Number of technical and higher education units served	10	14	8	11	5	
Number of students served	527	652	120	520	110	

6

SOCIAL
REPORT

BALANCE SHEET
As of December 31, 2011 and 2010
(In millions of reais, except when indicated otherwise)

				Consolidated	
		2011		2010	
1 - CALCULATION BASIS					
EN 28	Net Revenue - NR	7,776,165		6,901,113	
2 - INTERNAL SOCIAL INDICATORS					
		% On NR		% On NR	
EN 29.3	Administrators' compensation	9,652	0.1	8,922	0.1
	Employees' compensation	715,967	9.2	560,267	8.1
	Meals (Meal support and others)	93,273	1.2	81,852	1.2
EN 29.3	Compulsory social fees	223,091	2.9	188,001	2.7
EN 21.3	Pension plan	51,119	0.7	52,272	0.8
EN 21.3	Health (Health insurance)	107,132	1.4	79,412	1.2
	Safety and occupational medicine	6,435	0.1	6,519	0.1
	Education	3,398	-	2,818	-
	Culture	1,593	-	3,195	-
	Professional training and development	14,915	0.2	12,448	0.2
	Child day care support	1,085	-	829	-
EN 29.3	Profit-Sharing Plan	48,068	0.6	66,151	1.0
EN 29.3	Labor indemnities	64,442	0.8	19,737	0.3
(1)	Other benefits	1,830	-	1,575	-
	Total	1,342,000	17.3	1,083,998	15.7
3 - EXTERNAL SOCIAL INDICATORS					
		% On NR		% On NR	
	Sport and Culture	12,622	0.1	5,873	0.1
EN 29.8	Sport incentive act	2,456	-	975	-
EN 29.8	Various cultural projects - Rouanet Act	10,059	0.1	4,882	0.1
	Various cultural projects - ISS	107	-	16	-
	Programs	133,305	1.6	201,790	2.9
	Family Resettlement Program	59,613	0.8	39,006	0.6
	Luz Para Todos (Light for All) Program	34,645	0.4	102,727	1.5
	Power Efficiency Program - PEE	25,393	0.3	46,052	0.7
	Nocturnal Rural Fee and Irrigation Program	6,085	0.1	5,911	0.1
	Indemnity for indigenous communities	2,987	-	2,720	-
EN 29.8	Fund for the children and adolescents' rights	2,905	-	1,226	-
	IBAB Partnership - Guardião das águas	543	-	919	-
	Luz Legal (Legal Light) Program	475	-	931	-
	Accessibility Program	454	-	2,200	-
	Community relationship program	162	-	-	-
	Socio-environmental education	25	-	5	-
	Other programs	18	-	93	-
	Total contributions to the society	145,927	1.7	207,663	3.0
	Taxes (except social fees)	4,337,671	55.8	3,873,465	56.1
EN - Explanatory note	Total	4,483,598	57.5	4,081,128	59.1

				Consolidated			
		2011		2010			
		% On NR		% On NR			
4 - ENVIRONMENTAL INDICATORS							
Investment related to the company's operations							
		197,266	2.5	133,800	1.9		
	Research and Development - P&D	38,129	0.5	32,485	0.5		
	Compact network	116,033	1.5	90,796	1.3		
	Fauna and flora protection programs	40,859	0.5	7,422	0.1		
	Waste management	2,245	-	3,097	-		
Investments on foreign programs and/or projects							
		1,264	-	932	-		
(2)	Environmental Education and Reg. Iguazu Museum	469	-	344	-		
(3)	Carbon credits audit	118	-	165	-		
	Reservoirs Socio-environmental Management	649	-	400	-		
	Other Programs	28	-	23	-		
Total		198,530	2.5	134,732	1.9		
(4)	Number of environmental sanctions	3		2			
	Amount of environmental sanctions (Thou R\$)	41		-			
5 - FUNCTIONAL BODY INDICATORS (including subsidiaries)							
	Employees by the end of term	9,545		9,040			
	Contractions during term	1,057		1,171			
Employees' education level		Total	Men	Women	Total	Men	Women
	Total Superior education and university extension courses	4,018	2,851	1,167	3,784	2,693	1,091
	Total 2 nd Degree	5,206	4,425	781	4,906	4,211	695
	Total 1 st Degree	321	297	24	351	325	26
Age range of employees:							
	Younger than 18 years old	66		66			
	From 18 to 30 years old (exclusive)	2,069		1,966			
	From 30 to 45 years old (exclusive)	3,804		3,616			
	From 45 to 60 years old (exclusive)	3,557		3,352			
	Older than 60	49		40			
	Women working in the company	1,972		1,812			
% of women in managerial positions:							
	proportionally to the total amount of women	5.7		5.4			
	proportionally to the total amount of managers	18.8		17.5			
	Black people working in the company	1,066		981			
% of black employees in managerial positions:							
	proportionally to the total amount of black employees	2.9		2.5			
	proportionally to the total amount of managers	5.1		4.5			
	Special needs' employees	93		89			
	Dependents	15,994		19,166			
	Interns	323		845			
(5)	Third party	5,220		5,225			
(6)	No. of labor proceedings in progress by the end of fiscal year	2,625		2,319			
	No. of labor proceedings closed by the end of fiscal year	481		863			

(continuation)	2011	Consolidated 2010
6 - RELEVANT INFORMATION CONCERNING THE PRACTICE OF CORPORATE CITIZENSHIP		
Ration between the highest and the lowest compensation amount in the company		
	26	35
Total Workplace Accidents (including accidents involving contractors)		
	244	239
Socio-environmental projects developed by company were defined by:	higher management and directors	higher management and directors
Salubrity and safety standards in the workplace were define by:	all + Cipa	all + Cipa
As for union freedom, collective bargaining right, and internal representation of employees, the company:	supports and abides by the ILO	supports and abides by the ILO
Private pension plans is applicable to:	all	all
Profit sharing is applicable to:	all	all
When selecting suppliers, the same ethical and social-environmental responsibility standards adopted by the company:	are required	are required
As for the participation of employees in volunteering programs, the company:	supports and encourages	supports and encourages
(7) Total amount of customer complaints and criticisms:		
in the company	113,115	110,520
at Procon	479	411
in Court	1,600	1,302
(7) % of solved complaints and criticisms:		
in the company	100.0%	100.0%
at Procon	93.9%	89.5%
in Court	39.6%	21.9%
7- WEALTH GENERATION AND DISTRIBUTION		
Total value added to distribute	7,033,497	6,129,292
Value Added Distribution (DVA):		
Third Parties	5.5%	5.0%
Personnel	13.6%	12.9%
Government	64.2%	65.6%
Shareholders	6.0%	4.6%
Withheld	10.7%	11.9%

8 - OTHER INFORMATION

• As of 2010, the Brazilian Institute of Social and Economic Analysis (Instituto Brasileiro de Análises Sociais e Econômicas - IBASE) no longer prescribes its standard model of Balance Sheet, because it understands that such tool and methodology are widely spread among companies, consulting companies and institutes that promote corporate social responsibility in Brazil. Therefore, Copel, which had been implementing this model since 1999, has decided to improve its Balance Sheet statement, based on Ibase's guidance, and approach all information required by the NBCT 15, aiming at providing transparency to its information.

• All explanatory notes - ENs - are an integral part of the Financial Statements, and contain other information of socio-environmental nature not contemplated in this Balance Sheet.

• This Balance Sheet contemplates information of subsidiaries Compagas, Elejor S.A., UEG Araucária Ltda., Copel Empreendimentos Ltda., Centrais Eólicas do Paraná Ltda. - Ceolpar, Costa Oeste Transmissora de Energia S.A., Transmissora Sul Brasileira Energia S.A., Marumbi Transmissora Energia S.A. and Dreen Cutia Empreendimentos Eólicos SPE S.A., due to the consolidation of their results with Copel, except when indicated otherwise.

(1) Item Other benefits is comprised of: Complementary illness support, Extended maternity support, Insurances, Exceeding transportation support, Disablement support, and Accidental death.

(2) These amounts refer only to Environmental Education of the community. Internal audience amounts are included in Professional Training and Development.

(3) These amounts refer to expenses of the Carbon Credits Validation Contract carried out by Elejor.

(4) Such information refers to socio-environmental fines and notices of the following wholly-owned subsidiaries of Copel: Copel Distribuição, Copel Geração e Transmissão and Copel Telecomunicações.

Amounts related to the Commitment Terms - TCs, and Conduct Adjustment Terms - TACs are recorded under foreign or environmental socials, depending on the nature.

(5) This amount corresponds to the total third party employees contracted in the period, regardless of the amount of hours worked, It does not represent the amount of third party jobs.

(6) This information refers only to the following wholly-owned subsidiaries of Copel: Copel Distribuição, Copel Geração e Transmissão and Copel Telecomunicações.

(7) This information refers only to wholly-owned subsidiary Copel Distribuição.

Explanatory notes (NE) available in www.copel.com

7

MATRIX OF
LOCALIZATION AND
CO-RELATION OF
INDICATORS AND
CERTIFICATION

7.1. Matrix of localization and co-relation of indicators

The table below shows a co-relation effort between the GRI/G3/ EU sector indicators (electric utility) and the Global Compact Principles, the latter being considered by the Company as a large platform for the contextualization of its results in terms of global sustainability. The Compact consists in the most consistent and diffused platform for broad promotion of corporate sustainability there is today. It is important to emphasize that the result is under the Company's full responsibility, and reflects its internal vision on management and the testing process of the tool entitled "Making the connection - using GRI's G3 guidelines for the COP."

Essential indicators
 Additional indicators
 EU (sector ind.)

GRI G3	Theme	Global Compact	2011 Annual Report correlation - items
1 STRATEGY AND ANALYSIS			
1.1	Statement from the CEO about the relevance of sustainability for the organization and its strategy.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	1.1
1.2	Description of the main impacts, risks and opportunities relative to sustainability and its effects on stakeholders.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	1.1; 1.5.1; 1.5.2; 2.16 and 2.17
2 ORGANIZATIONAL PROFILE			
2.1	Organization name.		1.5
2.2	Main brands, products and/or services.		1.5; 1.6.1
2.3	Organization's operating structure, including major divisions, operating units, subsidiaries and joint ventures.		1.5.1
2.4	Location of the organization's headquarters.		1.5
2.5	Number of countries where the organization operates and name of the countries where most of the operations are located, or that are specifically relevant to the sustainability problems addressed in the report.		1.5 and 1.7
2.6	Type and legal nature of the property.		1.5
2.7	Markets served.		1.5; 1.6 and 1.7
2.8	Organization's size.		1.5; 3.1 and 4.9
2.9	Main changes during the period covered by the report referring to the size, structure and equity interest.		1.4
2.10	Awards received in the period covered by the report.		1.9

SPECIFIC ORGANIZATIONAL PROFILE OF THE ELECTRICAL SECTOR			
EU.1	Installed capacity, discriminated by primary energy source and regulatory system.		1.6.1
EU.2	Net energy production, discriminated by primary energy source and regulatory system.		1.6.1
EU.3	Number of residential, industrial, institutional and commercial consumer units.		1.6.4
EU.4	Length of the aerial and underground transmission and distribution lines, discriminated by regulatory system.		1.6.4
EU.5	Allocation of allowances of emissions of CO2 equivalents, discriminated by structure of the carbon credits market.		The Company is conducting a study to obtain carbon credits.
3 PARAMETERS FOR THE REPORT			
Profile of the Report			
3.1	Period covered by the report (for instance: fiscal or civil year) for the information presented.		1.4
3.2	Date of the latest report (if any).		1.4
3.3	Reporting cycle (annual, bi-annual, etc.)		1.4
3.4	Contact information in case of questions related to the report and its content.		8
Scope and Limit of the Report			
3.5	Process to define the content of the report.		1.4
3.6	Limit of the report (for example: countries, divisions, subsidiaries, leased installations, joint ventures, suppliers). See GRI Boundary Protocol for additional guidance.		1.4
3.7	Statement about any specific limitations regarding the scope or limit of the report. (see the principle of exhaustive information to explain the scope).		1.4
3.8	Based on the development of the report on joint ventures, subsidiaries, leased installations, outsourced operations and other entities that may have a significant impact on the comparability between periods and/or between organizations.	1, 2, 10	1.5.1
3.9	Data measurement techniques and calculation bases, including hypotheses and subjacent techniques to the estimates applied to the compilation of indicators and other information contained in the report. Explain any decisions to not apply or substantially diverge from the GRI Indicator Protocols.		1.4
3.10	Explanation of the consequences of any reformulation of information contained in previous reports, as well as the reasons for such reformulation (for example: mergers/acquisitions, change of reference years/periods, nature of the business, measurement methods).	1, 2, 10	1.1 and 1.4
3.11	Significant changes in scope, limits or methods of measurement applied in the report when compared to previous years.		1.4
GRI/G3 Content Summary			
3.12	Table of identification of the standard disclosures location in the report.		7
Verification			
3.13	Current policy and practice related to the search for external verification for the report.		1.4 and 2.15

4 GOVERNANCE, COMMITMENTS AND ENGAGEMENT			
Governance			
4.1	Corporate governance structure, including committees under the highest governance body responsible for specific tasks, such as definition of the strategy or supervision of the organization.	1, 2, 10	2.1
4.2	Indication of whether the Chairman of the highest governance body is also an executive officer.	1, 2, 10	2.3
4.3	For organizations with a single management structure, statement of the number of members of the highest governance bodies, independent and/or non-executive.	1, 2, 10	2.3 and 2.4
4.4	Mechanisms for shareholders and employees to make recommendations or provide guidance on governance.	1, 2, 10	2.9 and 2.11
4.5	Relationship between compensation to members of the highest governance body, senior managers and executives (including decision agreements) and the organization's performance (including social and environmental performance).	1, 2, 10	2.1 and 2.6
4.6	Proceedings in force at the highest governance body to ensure that conflicts of interest be avoided.	1, 2, 10	2.1 and 2.7
4.7	Process to determine the qualifications and skills required from governance members to determine the organization's strategy regarding economic, environmental and social issues.	1, 2, 10	2 and 2.3
4.8	Statement of mission and values, codes of conduct, relevant internal principles for the economic, environmental and social performance, and the status of implementation.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	1.2; 2.7 and 2.8
4.9	Governance procedures to oversee the identification and management, by the organization, of economic, environmental and social performance, including relevant risks and opportunities and adherence or compliance with standards, codes of conduct, and internationally-agreed principles.	1, 2, 10	2; 2.1; 2.7 and 2.9
4.10	Processes for self-evaluation of governance performance, especially regarding economic, environmental and social performance.	1, 2, 10	2.1
Commitments to External Initiatives			
4.11	Explanation of whether and how the organization applies the principle of precaution.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	2.16
4.12	Letters, principles and other voluntary initiatives developed externally, of economic, environmental and social nature that the organization endorses or endorses.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	2; 4.1 and 4.2
4.13	Significant participation in associations (such as industry federations) and/or national/international defense organisms in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Contributes to substantial financing exceeding normal obligations of participants; or * Sees its participation as a member as strategic.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	4.1 and 4.4
Engagement of Stakeholders			
4.14	Relationship between stakeholder groups involved for the organization.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	1.8
4.15	Basis to identify and select the stakeholders to get involved.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	1.8
4.16	Approaches to engage stakeholders, including the frequency of engagement by type and stakeholder groups.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	1.8
4.17	Main questions and concerns raised by means of engaging stakeholders, and measures adopted, including through reporting.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	1.8
EU19	Participation of stakeholders in decision-making processes related to the energy planning for infrastructure development	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	4.5

DMA	Description about the Economic Performance Management Method	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	3
Economic Performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other investments in the community, retained profits and payments to capital providers and governments.		3.7
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate changes.	7, 8, 9	2.15
EC3	Coverage of pension plan obligations offered by the organization.	1	3.3 and 4.9
EC4	Significant financial aid received from the government.		4.4 and 4.6
Market Presence			
EC5	Variation in the proportion of the lowest salary compared to the local minimum wage in important operating unit.	1, 2, 6	4.9
EC6	Policies and practices, as well as the proportion of costs with local suppliers in important operating units.		4.8
EC7	Procedures for local contracting and proportion of high management costs recruited in the community at significant places of operation.	6	4.9
Indirect Economic Impacts			
EC8	Development and impact of investments in infrastructure and services offered, especially public benefit, through commercial engagement, in cash or pro bono activities.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	4.1 and 4.3
EC9	Identification and description of significant indirect economic impacts, including the extension of such impacts.	1, 7, 8, 9	4.5
Management method in the electric sector – economic performance indicators¹⁶ System availability and reliability			
EU6	Management method to ensure the availability and reliability of electricity supply in the short and long term.		1.6.1; 1.6.2; 1.6.3; 1.8.4
EU10	Planned capacity when compared to the expected demand for electricity in the long term, discriminated by energy source and regulatory system.		Indicator not reported, because the planning of generation expansion is conducted by Empresa de Pesquisa Energética – EPE, considering the entire load of the National Interconnected System – SIN.
Demand management			
EU7	Demand management programs, including residential, commercial, institutional and industrial programs.		4.9
	System efficiency Research and development		
Research and development (R&D)		Pacto Global	Relatório Anual 2011: correlação - itens
EU8	Activities and expenses related to research and development, seeking reliability in electricity supply and promotion of sustainable development		5.11 and 5.12
Decommissioning of plants			
EU9	Provisions for decommissioning of nuclear plants.		Considered as not applicable to our Company, as we have no supply agreement directly executed with a nuclear plant.

System efficiency			
EU11	Average generation efficiency of thermal power plants, discriminated by energy source and regulatory system.		Indicator not reported, because the Company adopts the same monitoring criteria used in hydropower plants
EU12	Percentage of transmission and distribution loss in relation to the total energy		1.6
DMA	Description about the Environmental Performance Management Method	7, 8, 9	
Materials			
EN1	Materials used by weight or volume. ¹	8	5.3.4; 5.5.1; 5.5.6
EN2	Percentage of materials used originating from recycling.	8, 9	5.5.1
Energy			
EN3	Direct energy consumption discriminated by primary energy source.	8	5.5.2
EN4	Indirect energy consumption, discriminated by primary source.	8	5.5.2
EN5	Energy saved due to improvements in preservation and efficiency.	8, 9	5.3.5
EN6	Initiatives to provide products and services with low energy consumption, or that use energy generated by renewable resources, as well as reduction in the need for energy as a result of these initiatives.	8, 9	5.11
EN7	Initiatives to reduce indirect energy consumption and reductions obtained.	8, 9	5.5.1
Water			
EN8	Total water removal by source. ²	8	5.5.1
EN9	Water sources significantly affected by water removal.	8	5.5.1
EN10	Percentage and total volume of recycled and reused water	8, 9	5.5.1
Biodiversity			
EN11	Location and size of the area owned, leased or managed within protected areas, or adjacent to them, and areas with a high level of biodiversity outside protected areas.	8	5.9; 5.9.1 and 5.9.2
EN12	Description of the significant impacts on the biodiversity of activities, products and services in protected areas and areas with a high level of biodiversity outside protected areas. ³	8	5.9.1
EN13	Protected or restored habitats	8	5.1.2; 5.2.3 and 5.2.5
EN14	Strategies, measures in force and future plans to manage biodiversity impacts. ⁴	8	5.9.1
EN15	Number of species included in the IUCN's Red List, and in national conservation lists with habitats in areas affected by operations, discriminated by their high level of extinction.	8	5.1.2; 5.2.4; 5.9.3 and 5.9.5
EU13	Biodiversity of replacement habitats when compared to the biodiversity of the affected areas.		5.9.2

Emissions, Effluents and Waste			
EN16	All direct and indirect emissions of greenhouse gases by weight. ⁵	8	5.5.1
EN17	Other relevant indirect emissions of greenhouse gases by weight.	8	5.5.2
EN18	Initiative to reduce greenhouse gas emissions and reductions achieved.	8, 9	5.5.1; 5.5.2
EN19	Emissions of ozone-depleting substances' by weight.	8	5.5.6
EN20	Nox and SOx and other significant atmospheric emissions by type and weight. ⁶	8	5.5.4
EN21	Total water unloading by quality and destination. ⁷	8	5.5.1 and 5.5.7
EN22	Total weight of waste by type and disposal method. ⁸	8	5.6
EN23	Number and total volume of significant spillage.	8	5.8
EN24	Weight of transported, imported, exported or treated waste considered as hazardous pursuant to the Basel Convention - Attachments I, II, III and VIII, and the percentage of waste loads transported internationally.	8	5.6
EN25	Identification, size, status of protection and biodiversity level in bodies of water and habitats listed, significantly affected by water unloading and drainage conducted by the reporting organization.	8	5.5.1 and 5.5.7
Products and Services			
En26	Initiatives to mitigate the environmental impacts of products and services, and the extension of the reduction of such impacts.	8,9	5.1
EN27	Percentage of products and their packaging recovered in relation to the total products sold, by product category.	8,9	Considered as not applicable to Copel, considering that the Company's product is energy, therefore it is not subject to evaluation under this category.
Compliance			
EN28	Monetary amount of significant fines and the total number of non-monetary sanctions resulting from non-compliance with the environmental laws and regulations.	8	5.1.5
Transportation			
EN29	Significant environmental impacts of the transportation of products and other assets and materials used in the organization's operations, as well as transportation of workers.	8	5.13
General			
EN30	Total investments and expenses related to environmental protection, by type.	7, 8, 9	6
DMA	Description about the Social Performance Management Method	1, 2, 3, 4, 5, 6	4
DMA	Description about the Management Method Referring to Labor Practices	1, 2, 3, 4, 5, 6	4

Employment			
LA1	Total workers by type of employment, employment agreement and region. ⁹		4.9
LA2	Total number and turnover rate of employees by age range, gender and region. ¹⁰	1, 2, 3, 4, 5, 6	4.9
LA3	Benefits offered to full-time employees that are not offered to temporary or half-time employees, discriminated by main operations.	6	4.9
EU14	Programs and processes that ensure the availability of qualified workforce.		4.9
EU15	Percentage of employees entitled to retirement in the next five to ten years, discriminated by functional category and region.		4.9
EU16	Policies and requirements regarding the health and safety of employees and outsourced workers and sub-contracted parties.		4.9
EU17	Days worked by outsourced workers and sub-contracted parties involved in construction, operation and maintenance activities,		Due to the specificity of each agreement, the outsourced worker management system does not include hours spent by outsourced workers. The possibility of adding more data into the system is under analysis.
EU18	Percentage of outsourced workers and sub-contracted parties subject to relevant training on health and safety.		4.9
Relationships between Workers and Governance			
LA4	Percentage of employees covered by collective bargaining agreements. ¹¹	1, 2, 3	4.9
LA5	Minimum term for prior notification of operating changes, including whether the procedure is specified in collective bargaining agreements.	1, 2, 3	4.9
Workplace Health and Safety			
LA6	Percentage of employees represented in formal health and safety committees, comprised of managers and workers, helping in the monitoring and advising on workplace health and safety programs.	1	4.9
LA7	Injury, occupational illness, lost time, absenteeism and work-related death rates by region. ¹²	1	4.9
LA8	Education, training, counseling, and risk prevention and control programs in progress to provide assistance to employees, their family, or members of the community, in relation to serious illnesses.	1	4.9
LA9	Themes related to health and safety covered by formal agreements with unions.	1	4.9
Training and Education			
LA10	Average training hours per year, per employee, discriminated by functional category.	1	Indicator not reported yet, as it will only be possible to gather these data after the implementation of the new human resources management system, in progress at the Company.
LA11	Skill management and continuous education programs supporting the continuity of employees' employability, and to manage the end of careers.	1	4.9
LA12	Percentage of employees regularly receiving analyses of performance and career development.		Indicator not reported yet, as it will only be possible to gather these data after the implementation of the new human resources management system, in progress at the Company.
Diversity and Equal Opportunities			
LA13	Composition of the groups responsible for corporate governance and discrimination of employees by category, according to the gender, age range, minorities, among other diversity indicators.	1, 2, 6	4.9.1 and 8
LA14	Proportion of basic compensation between men and women by functional category.	1, 2, 6	4.9

DMA	Description about the Management Method Referring to Human Rights	1, 2, 3, 4, 5, 6	4
Investment Practices and Purchase Processes			
HR1	Percentage and total number of significant investment agreements that include clauses on, or were subject to evaluations referring to human rights.	1, 2, 4, 5, 6	4.8
HR2	Percentage of contracted companies and critical suppliers subject to evaluations referring to human rights and the measures taken.	1, 2, 4, 5, 6	4.8
HR3	Total training hours of employees in policies and procedures related to human rights aspects that are relevant to the operations, including the percentage of employees trained.	1, 2, 3, 4, 5, 6, 10	4.2
Non-discrimination			
HR4	Total number of cases of discrimination and measures taken.	1, 2, 6	2.8
Freedom of Association and Collective Bargaining			
HR5	Operations identified, in which the right to exercise freedom of association and collective bargaining may be at significant risk, and the measures taken to support this right. ¹³	1, 2, 3	1.10 and 4.9
Child Labor			
HR6	Operations identified as having significant risk of child labor occurrence, and the measures taken to contribute to the abolition of child labor.	1, 2, 5	4.8
Forced Labor or Analogous to Slave Labor			
HR7	Operations identified as having significant risk of forced labor or activities analogous to slave labor, and the measures taken to contribute to the eradication of forced labor or activities analogous to slave labor.	1, 2, 4	4.8
Safety Practices			
HR8	Percentage of the security personnel subject to training under the organization's policies and procedures related to human rights.	1, 2	4.7
Indigenous Rights			
HR9	Description of policies, guidelines and procedures to address indigenous needs. Total number of cases of violation of the rights of indigenous people and the measures taken.	1, 2	4.4
DMA	Description about the Management Method Referring to Society	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	4
Community			
SO1	Nature, scope and efficiency of any programs and practices to evaluate and manage the impacts of operations on the communities. ¹⁴ including the entrance, operation and exit.	1, 7	4.5
EU20	Approach to manage displacement impacts	1, 7	4.5
EU21	Measures for contingency planning, management plan and training programs for disasters/emergencies, in addition to recovery/restoration plans.	1, 7	4.7
EU22	Number of people physically and economically displaced, and indemnity, discriminated by project type.	1, 7	4.5
Corruption			
SO2	Percentage and the total number of business units subject to evaluations of risks related to corruption.	10	2.8
SO3	Percentage of employees trained in the organization's anti-corruption policies and procedures,	10	2.8

SO4	Measures taken in response to corruption events.	10	2.8
Public Policies			
SO5	Positions on public policies and participation in the elaboration of public policies and lobbies.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	4.4
SO6	Total amount of financial and cash contributions to political parties, politicians or related institutions, discriminated by country.		Considered as not applicable, since the Company is legally prevented from making this type of contribution.
Unfair Competition			
SO7	Total number of lawsuits due to unfair competition, trust and monopoly practices and their results.		Considered as not applicable, since the Company is not involved in this type of lawsuit
Compliance			
SO8	Monetary amount of fines (significant ones) due to non-compliance with laws and regulations related to the supply and use of our products and services.	1	5.1.5
DMA	Description about the Management Method Referring to Society	1, 8	4
Customer Health and Safety			
PR1	Phases of the life cycle of products and services in which the impacts on health and safety are evaluated seeking improvement, and the percentage of the main product and service categories subject to such procedures.	1	4.7
PR2	Total number of cases of non-compliance with voluntary regulations and codes related to the impacts caused by products and services on health and safety during the life cycle.	1	We still have no control to come to a response to this indicator.
EU25	Number of accidents and deaths of service users involving the company's assets, including legal decisions and agreements, in addition to pending lawsuits related to illness.	1	4.7
Product and Service Labeling			
PR3	Type of information on products and services required by labeling procedures, and the percentage of products and services subject to such requirements.	1,8	Considered as not applicable, since the Company, since energy distribution and telecommunication services do not allow for labeling.
PR4	Total number of cases of non-compliance with voluntary codes and regulations related to labeling information of products and services, discriminated by type of result	1,8	Considered as not applicable, since the Company, since energy distribution and telecommunication services do not allow for labeling.
PR5	Practices related to customer satisfaction, including the results of surveys that measure satisfaction.		4.7
Access to services and customer care			
EU23	Programs, including those in partnership with the government, seeking to improve or maintain the access to electricity and assistance service to consumer.	1	4.4; 4.5 and 4.6
EU26	Percentage of the population that does not receive services in areas with regulated distribution or service.	1	1.6.4
EU27	Number of residential disconnections due to lack of payment, discriminated by duration of the disconnection and by regulatory system.	1	3.11
EU28	Frequency of interruptions in power supply.	1	4.7
EU29	Average duration of interruptions in power supply.	1	4.7
EU30	Average availability factor of the plant, discriminated by energy source and regulatory system.	1	1.6

Marketing Communication			
PR6	Programs of adherence to the laws, standards and voluntary codes related to marketing communication, including advertisement, promotions and sponsorship.	1	4.9
PR7	Total number of cases of non-compliance with voluntary codes and regulations related to marketing communication, including advertisement, promotions and sponsorship, discriminated by result type.	1	No cases of non-compliance with voluntary regulations and codes in marketing communication were identified.
EU24	Practices to tackle barriers related to language, culture, lower education level and special needs that hinder the access to electricity and assistance services for consumers, as well as its safe use.	1	4.9
Customer Privacy			
PR8	Total number of proven complaints related to privacy violation and loss of customer data.	1	4.9
Compliance			
PR9	Monetary amount of fines (significant ones) due to non-compliance with laws and regulations related to the supply and use of our products and services.	1	5.1.5

7.2. Certification

7.2.1. Self-reporting

Companhia Paranaense de Energia - Copel issues its 2011 Management and Sustainability Report, level A of application to the guidelines of the Global Reporting Initiatives - GRI, as it understands that it has satisfactorily met all requirements requested by the indicators in version G3, in force in 2011.

7.2.2. Letter of Assurance from KPMG

Undergoing assurance.

7.2.3. Verification of the Level of GRI Application

Undergoing check.



COMPOSITION
OF GROUPS
RESPONSIBLE FOR
GOVERNANCE

BOARD OF DIRECTORS

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 Executive Secretary: LINDOLFO ZIMMER
 Members: CARLOS HOMERO GIACOMINI
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 JOSÉ RICHA FILHO
 NEY AMILTON CALDAS FERREIRA
 NILTON CAMARGO COSTA
 PAULO PROCOPIAK DE AGUIAR
 PEDRO LUIZ CERIZE

AUDIT COMMITTEE

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 Members: FABIANO BRAGA CÔRTEZ
 JOSÉ RICHA FILHO

FISCAL COUNCIL


Chairman: JOAQUIM ANTONIO GUIMARÃES DE OLIVEIRA PORTES
 Sitting Members: LUIZ EDUARDO DA VEIGA SEBASTIANI
 JOSÉ TAVARES DA SILVA NETO
 WANCLER FERREIRA DA SILVA
 CARLOS EDUARDO PARENTE DE OLIVEIRA ALVES
 Deputy Members: OSNI RISTOW
 ROBERTO BRUNNER
 (VACANT - POSITION IN JUNE/2012)
 JOSÉ LUIZ MONTANS ANACLETO JR.
 CLÁUDIO JOSÉ CARVALHO DE ANDRADE

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 Chief Environment and Corporate Citizenship Officer GILBERTO MENDES FERNANDES
 Chief New Energies Officer JOSÉ HENRIQUE TERNES NETO

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Detailed information about Copel's economic and financial performance, corporate documents, corporate governance, reports, annual and quarterly balances, among others, are available on the Company's website. The Investor Relations section is available in Portuguese, Spanish and English.