

**CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA
PAULISTA**

CNPJ/MF 02.998.611/0001- 04 - NIRE 35300170571

NOTICE TO SHAREHOLDERS

DISTRIBUTION OF DIVIDENDS

At a meeting held on May 29, 2017, the Board of Directors of CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA approved the following proposal of the Executive Board:

- A credit to the shareholders in the form of **dividends** in the amount of **R\$ 135,000,082.64** corresponding to **R\$ 0.819569** per share of both types with financial settlement on June 13, 2017.

The record date shall be June 1, 2017 and the shares shall trade ex-rights to payment on June 2, 2017.

1. CREDIT INSTRUCTIONS

1.1. For those shareholders with custody at Banco Itaú S.A., the credit will be made on June 13, 2017, directly to current account for the bank's own account holders, and through electronic transfer via DOC/TED to the account holders of other banks.

1.2. On the same date, the Company will place the amounts at the disposal of shareholders with custody at the Stock Exchanges, the latter taking responsibility for transferring the said amounts to the depository brokers in order that the latter may effect the respective credits to the shareholders entitled thereto.

1.3. Address for more clarifications or for sending of documents:

Investor Relations

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São Paulo, May 29, 2017

Rinaldo Pecchio Jr

Chief Financial and Investor Relations Officer