



CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA

CNPJ/MF nº 02.998.611/0001-04

NIRE 35300170571

NOTICE TO THE MARKET

Obtainment of Installation Licenses

CTEEP – Companhia de Transmissão de Energia Elétrica Paulista (“ISA CTEEP”, “Company”) wishes to announce that it has received the Installation License (“LI”) issued by the Brazilian Institute of the Environment and Natural Resources (“IBAMA”) for the installations of Interligação Elétrica Paraguaçu (“IE Paraguaçu”) and the LI issued by the Paraná Environmental Protection Agency (“IAP”) regarding substation Paranavaí Norte, which belongs to Interligação Elétrica Ivaí (“IE Ivaí”).

IE Paraguaçu is the project involved in the construction of lot 3 acquired at the transmission auction nº 013/2015 that took place in October of 2016 and IE Ivaí is the project involved in the construction of lot 1 acquired at the transmission auction nº 005/2016 that took place in April of 2017. The Company participates in both of these projects in partnership with Transmissora Aliança de Energia Elétrica S.A. (“Taesa”), with equal stakes of 50%.

IE Paraguaçu is located in the states of Bahia and Minas Gerais and is formed by the implementation of a 500 kV (338 km) transmission line which will link the Poções III and Padre Paraíso 2 substations, constituting a second circuit between these substations. The predicted investment for the project is of BRL 510 million (Capex ANEEL) and the Annual Allowed Revenue (RAP) is of BRL 113 million for cycle 2018/2019. The deadline stipulated by ANEEL for the startup is in February of 2022.

The LI obtained by IE Ivaí is regarding its substation Paranavaí Norte of 230/138 kV that will be installed in the municipality of Paranavaí, in the State of Paraná. The project is located in the state of Paraná with 600 km of transmission lines of double circuit and 3 new substations, totaling an investment of BRL 1.9 billion (Capex ANEEL) and Annual Allowed Revenue (RAP) of BRL 281 million for cycle 2018/2019. The deadline stipulated by ANEEL for the startup is in August of 2022.

The Company reiterates its commitment for the creation of value with projects which will contribute to the expansion of the electric energy transmission system in Brazil.

São Paulo, May 9, 2019

Reynaldo Passanezi Filho

Chief Executive Officer and Chief Financial and Investor Relations Officer