

CONFORMED COPY

LOAN NUMBER 7292-DO

Loan Agreement

(Programmatic Power Sector Reform Loan)

between the

DOMINICAN REPUBLIC

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated May 12, 2005

LOAN NUMBER 7292-DO

LOAN AGREEMENT

AGREEMENT, dated May 12, 2005, between the DOMINICAN REPUBLIC (the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Bank has received from the Borrower a letter, dated March 23, 2005, describing a program of actions, objectives and policies designed to achieve structural adjustment of the power sector of the Borrower's economy (hereinafter called the Program), declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during the execution thereof; and

(B) on the basis, *inter alia*, of the foregoing, the Bank has decided in support of the Program to provide such assistance to the Borrower by making the Loan in three tranches as hereinafter provided;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements for Fixed-Spread Loans" of the Bank dated September 1, 1999 (as amended through May 1, 2004), with the modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) Section 2.01, paragraph 41, is modified to read:

"'Project' means the program, referred to in the Preamble to the Loan Agreement, in support of which the Loan is made.";

(b) Section 3.08 is modified to read:

"Each withdrawal of an amount of the Loan from the Loan Account shall be made in the Loan Currency of such amount. If the Loan Currency is not the currency of the deposit account specified in Section 2.02 of the

Loan Agreement, the Bank, at the request and acting as an agent of the Borrower, shall purchase with the Loan Currency withdrawn from the Loan Account the currency of such deposit account as shall be required to deposit the withdrawn amount into such deposit account.”

- (c) Section 5.01 is modified to read:

“The Borrower shall be entitled to withdraw the proceeds of the Loan from the Loan Account in accordance with the provisions of the Loan Agreement and of these General Conditions.”;

- (d) the last sentence of Section 5.03 is deleted;

- (e) Section 9.07 (c) is modified to read:

“(c) Not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Bank, the Borrower shall prepare and furnish to the Bank a report, of such scope and in such detail as the Bank shall reasonably request, on the execution of the program referred to in the Preamble to the Loan Agreement, the performance by the Borrower and the Bank of their respective obligations under the Loan Agreement and the accomplishment of the purposes of the Loan.”; and

- (f) Section 9.05 is deleted and Sections 9.06, 9.07 (as modified above), 9.08 and 9.09 are renumbered, respectively, Sections 9.05, 9.06, 9.07 and 9.08.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) “Action Plan” means Resolution No. 1-2005, dated January 6, 2005, issued by the Borrower’s *Comité de Recuperación del Sector Eléctrico* for the recovery of the Borrower’s power sector, which shall be updated from time to time in agreement with the Bank, and the subsequent plans (agreed with the Bank) to be issued by said committee for the following years of the implementation of the Program;

(b) “CDEEE” means *Corporación Dominicana de Empresas Eléctricas Estatales*, the Borrower’s Conglomerate of Electric Companies;

(c) “CNE” means *Comisión Nacional de Energía*, the Borrower’s National Energy Commission;

(d) “*Comité de Recuperación del Sector Eléctrico*” means the committee created by Presidential Decree No. 405, which has an executive board comprised by SIE, CNE, CDEEE, and the Presidential Advisory Unit for Energy under the coordination of the Borrower’s Secretary of State of the Presidency;

(e) “Contingency Plan” means the plan set forth in the letter from the Borrower’s President dated March 1, 2005;

(f) “CRI” means Cash Recovery Index, which is calculated monthly on a cumulative basis, using the data for the month of the calculation and the five months immediately prior to said calculation date, and using the following formula excluding PRA:

(energy billed by the Distribution Companies/energy purchased by the Distribution Companies)

Multiplied by

(bills paid by consumers to the Distribution Companies/total billing of the Distribution Companies to consumers).

For purposes of this paragraph the data used to calculate said CRI, means data, provided by the Distribution Companies, which shall have been audited on a quarterly basis, by independent auditors acceptable to the Bank, in accordance with appropriate auditing principles consistently applied, for which audits the Borrower shall have furnished to the Bank as soon as available, but in any case not later than 25 days after the close of each month, beginning with the first month following the Effective Date, a certified copy of the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested;

(g) “Deposit Account” means the account referred to in Section 2.02 (b) of this Agreement;

(h) “Distribution Companies” means EDESTE, EDESUR and EDENORTE;

(i) “EDENORTE” means *Empresa Distribuidora de Electricidad del Norte S.A.*;

(j) “EDESTÉ” means *Empresa Distribuidora de Electricidad del Este S.A.*;

(k) “EDESUR” means *Empresa Distribuidora de Electricidad del Sur S.A.*;

(l) “Floating Tranche A” means the portion of the Loan not exceeding \$50,000,000 to be released by the Bank, for disbursement to the Borrower, upon fulfillment of the conditions set forth or referred to in Section 2.02 (d) of this Agreement;

(m) “Floating Tranche A Release Date” means the date on which the Bank sends the Borrower a notice to the effect that the conditions set forth or referred to in Section 2.02 (d) of this Agreement have been met;

(n) “Floating Tranche B” means the portion of the Loan not exceeding \$50,000,000 to be released by the Bank, for disbursement to the Borrower, upon fulfillment of the conditions set forth or referred to in Section 2.02 (e) of this Agreement;

(o) “Floating Tranche B Release Date” means the date on which the Bank sends the Borrower a notice to the effect that the conditions set forth or referred to in Section 2.02 (e) of this Agreement have been met;

(p) “Flow of Funds Audit” means the audit of the transfer of funds referred to in paragraphs 1 (b) of Schedules 3 and 4 to this Agreement, which shall be carried out quarterly, or at any other period agreed by the Borrower and the Bank, by independent auditors acceptable to the Bank in accordance with appropriate auditing principles consistently applied;

(q) “National Budget” means the Borrower’s annual budget approved by the Borrower’s Congress which shall be applicable and binding as of the Floating Tranche A Release Date (for purposes of Schedule 3 to this Agreement) or the Floating Tranche B Release Date (for purposes of Schedule 4 to this Agreement);

(r) “*No Cortables*” means the Borrower’s agencies and other entities, set forth in the Annexes I and II to the contract entered into by the Borrower’s Secretary of Finance and CDEEE with EDESTÉ, EDESUR and EDENORTE, dated January 12, 2005;

(s) “PRA” means *Programa de Reducción de Apagones*, the Borrower’s Blackout Reduction Program, created pursuant Presidential Decree No. 1080-01, dated November 3, 2001 and modified by Presidential Decree No. 1554, dated December 13, 2004;

(t) “SEMA” means *Secretaría de Estado de Medio Ambiente y Recursos Naturales*, the Borrower’s Ministry of Environment and Natural Resources; and

(u) “SIE” means *Superintendencia de Electricidad*, the Borrower’s Office of the Superintendent of Electricity.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount equal to one hundred fifty million Dollars (\$150,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.09 of this Agreement.

Section 2.02. (a) Subject to the provisions of paragraphs (b), (c), (d) and (e) of this Section, the Borrower shall be entitled to withdraw the amount of \$149,250,000 from the Loan Account in support of the Program.

(b) The Borrower shall open, prior to furnishing to the Bank the first request for withdrawal from the Loan Account, and thereafter maintain in its central bank, a deposit account in Dollars on terms and conditions satisfactory to the Bank. All withdrawals from the Loan Account shall be deposited by the Bank into the Deposit Account.

(c) The Borrower undertakes that the proceeds of the Loan shall not be used to finance expenditures excluded pursuant to the provisions of Schedule 1 to this Agreement. If the Bank shall have determined at any time that any proceeds of the Loan shall have been used to make a payment for an expenditure so excluded, the Borrower shall, promptly upon notice from the Bank: (i) deposit into the Deposit Account an amount equal to the amount of said payment; or (ii) if the Bank shall so request, refund such amount to the Bank. Amounts refunded to the Bank upon such request shall be credited to the Loan Account for cancellation.

(d) No withdrawals shall be made from the Loan Account in respect of the Floating Tranche A unless, the Bank shall be satisfied, after an exchange of views as described in Section 3.01 of this Agreement based on evidence satisfactory to the Bank:

(i) with the progress achieved by the Borrower in the carrying out of the Program;

- (ii) that the macroeconomic policy framework of the Borrower is satisfactory;
- (iii) that the Flow of Funds Audit is satisfactory to the Bank; and
- (iv) that the actions described in Schedule 3 to this Agreement have been taken.

If, after said exchange of views, the Bank is not so satisfied, the Bank may give notice to the Borrower to that effect and, if within 90 days after such notice, the Borrower shall not have taken steps satisfactory to the Bank, in respect of (i), (ii), (iii) and (iv) above, as the case may be, then the Bank may, by notice to the Borrower, cancel the unwithdrawn amount of the Loan or any part thereof.

For purposes of this paragraph, the Borrower shall furnish to the Bank as soon as available, but in any case not later than one month after each full quarter beginning with the quarter following the Effective Date, a certified copy of the Flow of Funds Audit report, of such scope and in such detail as the Bank shall have reasonably requested, including detail regarding the disbursement of the funds from CDEEE to each of the Distribution Companies.

(e) No withdrawals shall be made from the Loan Account in respect of the Floating Tranche B unless, the Bank shall be satisfied, after an exchange of views as described in Section 3.01 of this Agreement based on evidence satisfactory to the Bank:

- (i) with the progress achieved by the Borrower in the carrying out of the Program;
- (ii) that the macroeconomic policy framework of the Borrower is satisfactory;
- (iii) that the Flow of Funds Audit is satisfactory to the Bank; and
- (iv) that the actions described in Schedule 4 to this Agreement have been taken in form and substance satisfactory to the Bank.

If, after said exchange of views, the Bank is not so satisfied, the Bank may give notice to the Borrower to that effect and, if within 90 days after such notice, the Borrower shall not have taken steps satisfactory to the Bank, in respect of (i), (ii), (iii) and (iv)

above, as the case may be, then the Bank may, by notice to the Borrower, cancel the unwithdrawn amount of the Loan or any part thereof.

For purposes of this paragraph, the Borrower shall furnish to the Bank as soon as available, but in any case not later than one month after each full quarter beginning with the full quarter following the Effective Date, a certified copy of the Flow of Funds Audit report, of such scope and in such detail as the Bank shall have reasonably requested, including detail regarding the disbursement of the funds from CDEEE to each of the Distribution Companies.

Section 2.03. The Closing Date shall be June 30, 2007 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay to the Bank a front-end fee in an amount equal to one percent (1%) of the amount of the Loan, subject to any waiver of a portion of such fee as may be determined by the Bank from time to time. On or promptly after the Effective Date, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amount of such fee.

Section 2.05. The Borrower shall pay to the Bank a commitment charge on the principal amount of the Loan not withdrawn from time to time, at a rate equal to: (i) eighty five one-hundredths of one per cent (0.85%) per annum from the date on which such charge commences to accrue in accordance with the provisions of Section 3.02 of the General Conditions to but not including the fourth anniversary of such date; and (ii) seventy five one-hundredths of one per cent (0.75%) per annum thereafter.

Section 2.06. The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, in respect of each Interest Period at the Variable Rate; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the Borrower shall, during the Conversion Period, pay interest on such amount in accordance with the relevant provisions of Article IV of the General Conditions.

Section 2.07. Interest and commitment charges shall be payable semiannually in arrears on April 15 and October 15 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Loan in accordance with the provisions of Schedule 2 to this Agreement.

Section 2.09. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management:

- (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency;
- (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan from a Variable Rate to a Fixed Rate, or vice versa; and
- (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Variable Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in Section 2.01(7) of the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III

Particular Covenants

Section 3.01. (a) The Borrower and the Bank shall from time to time, at the request of either party, exchange views on the progress achieved in carrying out the Program and the actions specified in Schedule 3 and/or Schedule 4 to this Agreement.

(b) Prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request.

(c) Without limitation upon the provisions of paragraph (a) of this Section, the Borrower shall exchange views with the Bank on any proposed action to be taken after the disbursement of the Loan which would have the effect of materially reversing the objectives of the Program, or any action taken under the Program including any action specified in Schedule 3 and/or Schedule 4 to this Agreement.

Section 3.02. Upon the Bank's request, the Borrower shall:

(a) have the Deposit Account audited in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;

(b) furnish to the Bank as soon as available, but in any case not later than four months after the date of the Bank's request for such audit, a certified copy of the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and

(c) furnish to the Bank such other information concerning the Deposit Account and the audit thereof as the Bank shall have reasonably requested.

ARTICLE IV

Additional Event of Suspension

Section 4.01. Pursuant to Section 6.02 (p) of the General Conditions, the following additional events are specified:

(a) A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

(b) The Borrower's macroeconomic policy framework has become unsatisfactory in the opinion of the Bank.

(c) An action has been taken or a policy has been adopted to reverse any action or policy under the Program in a manner that would, in the opinion of the Bank, adversely affect the achievement of the objectives of the Program.

(d) Unless otherwise agreed with the Bank, the Borrower, its agencies and other entities owned or controlled by the Borrower, have incurred in future contingent liabilities or have provided guarantees in the Borrower's power sector.

(e) An action has been taken or a policy has been adopted to reverse any action listed in Schedule 3 and/or Schedule 4 to this Agreement.

ARTICLE V

Termination

Section 5.01. The date August 10, 2005 is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VI

Representative of the Borrower; Addresses

Section 6.01. The Secretary of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Secretaría de Estado de Finanzas
Avenida México # 45
Santo Domingo, República Dominicana

Facsimile: (809) 682-2353

For the Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423 (MCI) or
64145 (MCI)

(202) 477-6391

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

THE DOMINICAN REPUBLIC

By /s/ Juan Temístocles Montás
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Pamela Cox
Authorized Representative

SCHEDULE 1

Excluded Expenditures

For purposes of Section 2.02 (c) of this Agreement, the proceeds of the Loan shall not be used to finance any of the following expenditures:

1. expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower;
2. expenditures for goods or services supplied under a contract which any national or international financing institution or agency other than the Bank or the Association shall have financed or agreed to finance, or which the Bank or the Association shall have financed or agreed to finance under another loan or a credit;
3. expenditures for goods included in the following groups or subgroups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Bank by notice to the Borrower:

<u>Group</u>	<u>Subgroup</u>	<u>Description of Items</u>
112	-	Alcoholic beverages
121	-	Tobacco, unmanufactured, tobacco refuse
122	-	Tobacco, manufactured (whether or not containing tobacco substitutes)
525	-	Radioactive and associated materials
667	-	Pearls, precious and semiprecious stones, unworked or worked

718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971	-	Gold, non-monetary (excluding gold ores and concentrates)

4. expenditures for goods intended for a military or paramilitary purpose or for luxury consumption;

5. expenditures for environmentally hazardous goods (for purposes of this paragraph the term “environmentally hazardous goods” means goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party);

6. expenditures on account of any payment to persons or entities, or any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

7. expenditures under a contract in respect of which the Bank determines that corrupt or fraudulent practices were engaged in by representatives of the Borrower or of a beneficiary of the Loan during the procurement or execution of such contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation.

SCHEDULE 2

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<u>Payment Date</u>	<u>Installment Share</u> <u>(Expressed as a %)</u>
On each April 15 and October 15 Beginning October 15, 2010 through October 15, 2021	4.17%
On April 15, 2022	4.09%

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Withdrawals made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of subparagraph (a) of this paragraph 3, if at any time the Bank shall adopt a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such subparagraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by the Bank under the Currency Hedge Transaction relating to said Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 3

Actions Referred to in Section 2.02 (d) of this Agreement

1. (a) The Borrower's *No Cortables* agencies are not in arrears (as of twenty five (25) days prior to the Floating Tranche A Release Date) in their payments of electricity bills issued by power distribution companies operating in the Borrower's territory; and (b) the Borrower has transferred funds to CDEEE, under budgetary allocation for the power sector as set forth in the Borrower's National Budget, and CDEEE has transferred part of said funds to the Distributions Companies in the amounts and as set forth in the Action Plan.
2. The Borrower has increased the CRI to 55% as of the two calendar months prior to the Floating Tranche A Release Date.
3. The Borrower continues to apply the formula for the automatic adjustment of electricity retail tariffs modified in SIE's Resolutions No. 14-2005, dated February 28, 2005, and No. 23-2005, dated March 21, 2005, which take into account variations in exchange rate, fuel prices and inflation.
4. CNE has entered into an agreement with SEMA to: (a) carry out a strategic environmental assessment for the energy sector; (b) establish streamlined procedures for environmental licensing; (c) reduce licensing backlog; and (d) establish the practice of carrying out environmental audits.
5. The Borrower has created, from within CDEEE's existing holdings, a hydroelectric generation company and an electricity transmission company, each of which has its own: (i) legal personality separate from that of CDEEE; (ii) capital; and (iii) bylaws, as evidenced by a presidential decree.

SCHEDULE 4

Actions Referred to in Section 2.02 (e) of this Agreement

1. (a) The Borrower's *No Cortables* agencies are not in arrears (as of twenty five (25) days prior to the Floating Tranche B Release Date) in their payments of electricity bills issued by power distribution companies operating in the Borrower's territory; and (b) the Borrower has transferred funds to CDEEE, under budgetary allocation for the power sector as set forth in the Borrower's National Budget, and CDEEE has transferred said funds to the Distributions Companies, in the amounts and as set forth in the Action Plan.
2. The Borrower has increased the CRI to 60% as of the two calendar months prior to the Floating Tranche B Release Date.
3. The Borrower continues to apply the formula for the automatic adjustment of electricity retail tariffs modified in SIE's Resolutions No. 14-2005, dated February 28, 2005, and No. 23-2005, dated March 21, 2005, which take into account variations in exchange rate, fuel prices and inflation.
4. The Borrower has selected and publicly announced an option, and its commitment thereto, for the participation of the private sector in the distribution of electricity.