

**EFFECT OF IMPLEMENTATION OF PRIVATIZATION ON POWER SECTOR FOR
QUALITY POWER SUPPLY IN THE FEDERAL CAPITAL TERRITORY (FCT)**

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ABSTRACT

Reliable electricity supply is critical for economic growth, industrialization, and improved living standards. In Nigeria's Federal Capital Territory (FCT), Abuja, electricity demand has surged due to rapid urbanization, population growth, and expanding industries. To address long-standing challenges of power instability, Nigeria implemented reforms in its power sector most notably the Electric Power Sector Reform Act (EPSRA) of 2005 and the privatization of the Power Holding Company of Nigeria (PHCN). The main objective of the study is that it examines the effects of the implementation of privatization on power sector for quality power supply in the Federal Capital Territory (FCT). The study utilized both primary and secondary methods of data collection. The theory adopted for this study is the rational choice theory. The relevance of the rational choice theory is that individuals or government perform a cost-benefit analysis to determine whether an option is right for them or not. In this case, privatization of the power sector is the rational choice of the government. The study found that the factors hindering performance of the power sector in ensuring power supply in the Federal Capital Territory among others is generation-related factors such as low generation capacity compared to national demand, gas supply disruptions and pipeline vandalism affecting gas-fired plants, poor maintenance of power plants and limited use of renewable energy (solar, hydro, wind) despite Abuja's potential. It was recommended that to overcome the factors hindering the performance of the power sector in ensuring power supply in the FCT, the Metre Asset Programme (MAP) should be implemented with immediate effect to ensure customers pre-paid metering and subsequently, nip the problem of billing and high debt profile in the bud. In addition, other challenges such as generation-related factors, transmission constraints, distribution challenges, financial problems regulatory and policy issues and socio-economic and demographic pressures should be fixed immediately.

Key Words: Federal Capital Territory, Implementation, Policy, Power Sector, Privatization

INTRODUCTION

From a global perspective, the movement to reform of power sectors appears to be sweeping across the developing world at a rate similar to that in the industrialized world (Bacon and Besant-Jones, 2002). The commencement of Power sector reforms can be traced back to Chile (1981), England and Wales (1990), and Norway (1991). In recent years, international financial institutions have been advocating reforms in developing countries as a lending pre-condition. Driven by ideology, economic reasoning and early success stories, vast amounts of financial resources and effort have been spent on reforming infrastructure industries in developing countries (Jamash, 2005).

In many developing countries especially Africa and some Southeast Asia countries, power supply is generally known for its unreliability and high disruption costs which affect production efficiency and competitiveness. Africa is indeed endowed with the widest possible range of energy resources for electricity generation such as coal, natural gas, petroleum, solar, hydro, geothermal, nuclear, etc. but the continent's power sector remains severely underdeveloped and the energy consumption in general and electricity consumption in particular are relatively low (Mayo, 2022). The 2021 Electricity Regulatory Index, an annual report covered 43 countries, up from 36 in the previous edition, and assessed their impact on the performance of their electricity sector. The index covered 3 countries in North African region; 14 in West Africa; 6 in Central Africa; 7 in East Africa; and 13 in the Southern Africa region. Nigeria placed 23rd on the ranking, beaten by South Africa (10th) and Ghana (17th) (Mojeed, 2021).

In 1999, when Nigeria returned to democratic rule the government embarked on various infrastructural rehabilitation and expansion of development programmes. It is within these rehabilitation and expansion moves that involves the reforms in the power sector. The power sector as at that time was characterized by myriads of challenges even as it is now. These challenges include limited access to infrastructure, low connection rates, inadequate generation and usage of power capacity, ineffective regulation, high technical losses and vandalism, insufficient transmission and distribution facilities etc. In response to this alarming situation of Power generation between 1999 and 2000, the Federal Government of Nigeria (FGN) undertook aggressive rehabilitation of power infrastructures between 1999 and 2004 which Lawal (2008) referred to as the Infrastructure Rehabilitation phase of the reform.

The Electricity (Amendment) Decree of 1998 and the NEPA (Amendment) Act of 1998 initiated the reforms by ending NEPA's monopoly and paving the way for private sector involvement. The main objectives of power sector reforms in Nigeria are to improve the efficiency, reliability, and affordability of electricity supply, attract private sector investment, and create a more sustainable and commercially viable power industry. These reforms aim to transition the power sector from a state-dominated, inefficient system to a competitive market with private sector participation driving investment and innovation. The objectives can be summarized as follows:

- i. **Improve Efficiency and Reliability:** Reform efforts focus on upgrading and expanding infrastructure, optimizing operations, and implementing better management practices to reduce losses, improve power quality, and ensure a more consistent supply of electricity.
- ii. **Attract Private Sector Investment:** A key goal is to create an enabling environment for private investors to participate in generation, transmission, and distribution, bringing in capital, expertise, and new technologies.
- iii. **Promote Competition:** The reforms aim to introduce competition into the power sector by unbundling the former state-owned monopoly, NEPA (now PHCN), into separate generation, transmission, and distribution companies.
- iv. **Establish a Sustainable Regulatory Framework:** The establishment of the Nigerian Electricity Regulatory Commission (NERC) is crucial for setting tariffs, enforcing rules, and ensuring fair competition among market participants.
- v. **Ensure Affordability:** While attracting private investment, the reforms also aim to ensure that electricity remains affordable for consumers, balancing commercial viability with social needs.
- vi. **Reduce Government Control:** The reforms aim to reduce the government's direct involvement in the day-to-day operations of the power sector, allowing private sector players to take a more active role in driving efficiency and growth.

In the case of the Federal Capital Territory (FCT), Abuja, the continuous poor electricity supply has crippled commercial activities in the six area councils of Abuja Municipal Area Council (AMAC), Abaji, Bwari, Gwagwalada, Kwali and Kuje. Many businesses such as hair dressing, barbing saloon, laundry services providers and hotels, government institutions and higher institutions are facing serious setback due to epileptic power supply by the Abuja Electricity Distribution Company (AEDC). Most residences in the area have resulted into the use of generator for domestic and commercial purposes. Items such as battery, candle, kerosene, diesel and Petroleum Motor Spirit (PMS) are in high demand.

From the above, it is clear that inadequate power supply in a country's development is worthy of study. Hence, considering this scenario and aiming to shed light on the above stated aspects, this study intends to examine how the implementation of privatization of power sector has led to quality power supply in the Federal Capital Territory (FCT).

Statement of the Problem

The study is an analysis of implications of the implementation of privatization of power sector for quality power supply in the Federal Capital Territory (FCT). The government of Nigeria has made several efforts such as privatisation of the power sector in the quest to ensure that power supply is improved. However, despite these efforts, decreasing level of power sector in the FCT indicates that there are constraints associated with the success of the privatisation of the power sector due to what scholars such as Asore (2021) and Adekeye (2024) attributed to corruption and lack of investment in power infrastructure. Some other scholars such as Anyebe (2021) and Ajenikoko (2022) have ascribed the endemic problem of power supply to faulty regulatory/legal framework, dilapidated/old equipment, poor transmission network, electricity theft, vandalism

and inadequate funding. These constraints have led to low level of industrialization and increase in unemployment rate. From the litany of literature examined like Obioma (2022); Mojeed (2021) & Lawal (2008) attention does not seem to focus on poor implementation of the privatisation Act. It is against this background that this study examines how the 2005 privatisation Act has been implemented.

According to the NBS (2013 and 2023), in 2013 around 60.5% of the population in the FCT had access to electricity because of the numerous grid collapses, disrupting power supply. While in 2025, around 61.2% of the population in the FCT had access to electricity, a slight increase from 2013, electricity generation saw a modest increase, with over 40 terawatt hours generated, the daily average generation was 17.82% higher than in 2015 (which was likely similar to 2013), despite the improvements, the majority of citizens in the FCT still experienced limited hours of electricity per day, with only 1% reporting 24-hour access and electricity sector continued to face challenges related to inadequate infrastructure, gas shortages, and distribution inefficiencies.

Research Questions

In effort towards addressing the research problem of this study, the following questions are considered fundamental:

- i. What are the factors hindering performance of the power sector in ensuring power supply in the Federal Capital Territory?
- ii. How has implementation of the privatisation of power sector positively affected quality of power supply in the Federal Capital Territory?

Objectives of the Study

The main objective of the study is to assess the extent to which the implementation of privatisation of the power sector has affected quality of power supply in the Federal Capital Territory (FCT), Abuja. But the specific objectives are as follows:

- i. To analyse the factors hindering performance of the power sector in ensuring power supply in the Federal Capital Territory.
- ii. To examine how implementation of privatisation policy has positively affected the quality of power supply in the Federal Capital Territory.

LITERATURE REVIEW

This segment focuses on issues relating to subject of investigation starting with conceptual framework, empirical review and theoretical framework.

Conceptual Framework

The conceptual framework is the review of literature pertaining the various concepts identified in this study such as the concept of privatization and power supply.

Implementation

Higgings (2015:34) argue that implementation is a process of putting into practice of an idea, program, or set of new activities for others in achieving or expecting a change, and as for some notions of implementation as follows. Ogunleye (2017) opines that implementation is defined as

a specified set of activities designed to put into practice an activity or program of known dimensions. According to this definition, in my view, implementation processes are purposeful and are described in sufficient detail such that independent observers can detect the presence and strength of the “specific set of activities” related to implementation.

In addition, the activity or program being implemented is described in sufficient detail so that independent observers can detect its presence and strength. As noted earlier, when thinking about implementation the observer must be aware of two sets of activities (intervention-level activity and implementation-level activity) and two sets of outcomes (intervention outcomes and implementation outcomes).

Privatization

According to Ezeani (2014), privatization is a deliberate government policy of stimulating economic growth and efficiency by reducing state interference and broadening the scope of private sector activity through one or all of the following strategies. In my view, privatization is the transfer of state-owned assets to private ownership through the sales of shares, private control or management of state-owned assets, encouraging private sector involvement in former public activity and shifting decision making to agents operating in accordance with market indicators. Solanke (2012) sees it as involving the sale of operation, granting vouchers to serve recipient or contracting out which ever ways it is defined the main idea is the changing of business status service, industry from government or state or public to private ownership or control. In my view, privatization could be full or partial. Full or complete privatisation would mean the complete transfer of ownership and control of a government enterprise or assets to the private sector.

Comprehensively, the view of Ezeani (2014) which is the working definition is in line with my view, privatization involves the transfer of ownership and control of public assets or services from the government to the private sector partially or completed to make profit. It typically entails the sale of public enterprises or assets to private investors or companies. In privatization, the private sector assumes full responsibility for the provision, management, and financing of the services or assets. The government’s role is limited to regulation and oversight.

Power Supply

Jones (2019) defines power supply as the distribution of electricity and a set of physical phenomena associated with the presence and motion of matter that has a property of electric charge. He further asserts that electricity is related to magnetism, both are part of the phenomenon of electromagnetism. Again, he asserts that the presence of an electric charge, which can be either positive or negative, produces an electric field. The movement of electric charges is an electric current and produces a magnetic field. In my opinion, electric current can consist of any moving charged particles; most commonly these are electrons, but any charge in motion constitutes a current. Again, in my view, when a charge is placed in a location with a non-zero electric field, a force will act on it, and if the charge moves, the electric field would be working on the electric charge.

The definition of power supply according to Jones (2019) which is the working definition is in line with my view, power supply is the flow of electrical power or charge. It is a secondary

energy source which means that we get it from the conversion of other sources of energy, like coal, natural gas, oil, nuclear power and other natural sources, which are called primary sources. The energy sources we use to make electricity can be renewable or non-renewable, but electricity itself is neither renewable or non-renewable.

Empirical Review

Ohajianya and Owate (2014) conducted a study titled: “Erratic Power Supply in Nigeria: Causes and Solutions”. Through the use of secondary method of data collection, the study shows that, the factors of erratic power supply in Nigeria include government’s inconsistent and misguided power reform policies; inefficiency in power generation, transmission, distribution and consumption, and incompetent work force of the energy companies. Recommendations towards the erratic power supply problem were proffered. One of them is to encourage shift from the use of energy inefficient electric devices like incandescent bulbs, old model refrigerators, computers and televisions, to the use of energy efficient LED bulbs, modern refrigerators, computers and televisions recommendations is the adoption of energy conservative policies such as policies.

Other recommendations include the immediate discontinuation of default or estimated billing system adopted by the power distribution companies, upgrading of power distribution and transmission equipment, and the immediate engagement of competent and qualified work force by the electric power companies. However, gaps were observed in the area of independent variable which is the “privatization of power sector”, periodic and geographical coverage. In my view, in all, there is a need to address these gaps identified by exploring the factors hindering effective performance of privatization of the power sector in ensuring power supply in the FCT from 2013-2025.

Ugochukwu and Bello (2020) conducted a study titled: “Challenges of Privatization and the Performance of Abuja Electricity Distribution Company (AEDC) in the Federal Capital Territory (FCT)”. The study adopted a survey research approach where both primary and secondary sources of data were used. The major finding revealed that, “Federal government’s privatization exercise negatively affects the performance of AEDC in the areas of general customer services such as electricity supply, electricity tariff and provision of critical electricity infrastructure”. The study found out the main reason for the insignificant performance is as a result of internal and external environmental constraints confronting AEDC such as poor funding, corruption, Federal Government’s Interference, vandalism of its equipment, fraud, shady dealings, poor maintenance, ecological problems, and low rainfall which resulted to low megawatt generation that affected the general quality of electricity supply in the FCT in particular and the country at large.

The study concludes that privatization of the Nigerian power sector has not proven to be the solution to the continuous Nigeria’s power problem as Electricity Distribution Companies are still grappling with how to ensure steady and constant power supply in spite of the huge investment, indiscriminate high tariff and federal government’s assurances that the privatization of the power sector will address the country’s electricity problems. It was recommended that AEDC management should be working round the clock to improve on the quality of their

services to ensure constant electricity supply in the FCT which will in turn reduces the cost of doing business that will subsequently, lower prices of goods and services for the benefit of both Organization and customers. The study is very relevant to the current study as it tried in providing explanation for the main reason for the insignificant performance of the privatization exercise in the power sector.

Ugochukwu and Bello (2020) worked on the study titled: “Effect of Privatization on the Quality of Performance by the Abuja Electricity Distribution Company”. The study was conducted on consumers and employees of Abuja electricity distribution Company. A self-administered questionnaire was used as a data collection instrument and data collected was analyzed using SPSS version 18. The study aimed at investigating the effect of privatization on organization performance with a particular reference to Abuja Electricity Distribution Company (AEDC). It was found that power is considered as a major instrument and driver for economic development. A nation that cannot generate enough electricity to power its nascent industries will remain at the fulcrums of economic quagmires. The study revealed that Abuja Electricity Distribution Company (AEDC) has not significantly improved power supply to its customers. It was recommended that the management of AEDC should provide their customers with transformers and meters in order to improve the supply of electricity. The only weakness of the study in my view, is that it made no reference to power supply in the FCT.

Theoretical Framework: Rational Choice Theory

The theory adopted in this study is the rational choice theory. Rational choice theory originated in the eighteenth century, can be traced back to political economist and philosopher, Adam Smith (Boudon, 2023). The theory refers to a set of guidelines that help understand economic, politics and social behavior. It also suggests that an individual’s self-driven rational actions will help better the overall economy. The theory postulates that an individual will perform a cost-benefit analysis to determine whether an option is right for them or not. Rational choice theory looks at three concepts: rational actors, self-interest and the invisible hand (Gary and Frank, 2020).

The criticism of the rational choice theory is that lays so much emphasis on individual preferences decision as basic to situations. Individual preference decision may have negative effect on the outcome to the general population. It is generally based on the assumption that decision-making is a conscious and reflective process based on thoughts and beliefs. It presumes that people decide on the basis of calculation and deliberation. However, cumulative research in neuroscience suggests that only a small part of the brain’s activities operate at the level of conscious reflection. The vast majority of its activities consist of unconscious appraisals and emotions

In spite of the critique of the theory, the rational choice theory is still relevant to this study in that both individual and government perform a cost-benefit analysis to determine whether an option is right for them or not, the rational choice suggests that an individual is guided by self-driven rational actions which in a long run will help better the overall economy of the society. The

intervention policies of government to support the privatization of the power sector for improvement of power supply in the FCT was embarked upon due to poor performance of the sector. The individual actors in the field assumed that legal baking should be given to enable unbundle of the sector for cost efficiency and effectiveness. Such decision was taken after due consultation and careful analysis, actors in the power sector have weighed the cost benefit and took the preference action. Rational choice theory suggests that individual actors decide on action they most prefer after proper evaluation of the action in terms of costs and benefits, the choice with the maximum net benefit will be chosen by the rational individual.

Research Methodology

Research design: The study adopted mixed research design. The mixed research design as used in this research involves analysis of data quantitative data from questionnaire and quantitative data such as literature, reports, time series and other written sources. The rationale for using mixed research design is to get in-depth information from relevant sources.

Population of the study: The FCT population according to NBS (2025) is 4,209,940. Out of this population, those who are 18 years and above and who have access to electricity are 3,067,500 comprising Abaji 127,900, AMAC 1,693,400, Bwari 500,100, Gwagwalada 346,000, Kuje 212,100 and lastly Kwali 188,000. Among the above population are electricity consumers/customers, Abuja Electricity Distribution Company (AEDC) Staff in the FCT, Nigeria Electricity Regulatory Commission (NERC) Staff in the FCT and Transmission Company of Nigeria (TCN) Staff in the FCT.

Sample size of the study: The sample size representative of the target population in this study is 400. It is determined using Taro Yamane formula as follows.

$$n = \frac{N}{1 + N(e)^2}$$

Where N= population

e= level of significance. This is a constant figure of 0.05

In applying the formula to determine the sample size, this process is followed

$$n = \frac{3,067,500}{1 + 3,067,500 (0.05)^2}$$

$$n = \frac{3,067,500}{3,067,501 \times 0.0025}$$

$$n = \frac{3,067,500}{7,668.7525}$$

$$n = 400 \text{ (Sample Size)}$$

Methods of data collection: The method of data collection adopted for this study is both primary method, involving questionnaire and interview and secondary method of data collection. Out of the 400 respondents, 394 were given questionnaire while 6 persons were interviewed. Secondary data entailed Report on privatization of the government intervention policies on privatization of power sector to improve power supply in the FCT. In carrying out this research, data analytical tool used was the use of simple percentages and table and content analysis for the secondary data. This choice of methodology used in the study enabled the researcher to get objective information about the subject matter. The information generated from the secondary sources, content or textual analytical tool was used to analyse the data.

Data Presentation

Below is the analysis of responses as well as the data supplied through the questionnaire distributed and interview questions administered to the respondents.

Table 1.1 Showing Number of Questionnaire Returned

S/n	Name of Institution	Questionnaire Distributed	Questionnaire Returned	Questionnaire Not Returned
	Abaji Area Council (Staff of AEDC)	90	90	0
	Abuja Municipal Area Council (Staff of AEDC, TCN & NERC)	120	118	2
	Bwari Area Council (Staff of AEDC)	51	51	0
	Gwagwalada Area Council (Staff of AEDC)	16	16	0
	Kuje Area Council (Staff of AEDC)	58	58	0
	Kwali Area Council (Staff of AEDC)	59	59	0
		394	392	2

Source: Field Survey, December, 2025

Table 1.1 above explains that for Abaji Area Council, the questionnaire distributed were 90 and all were returned. For Abuja Municipal Area Council, the questionnaire distributed is 120, questionnaire returned is 118 and those not returned were 2. For Bwari Area Council, 51 questionnaires were distributed and all were returned. For Gwagwalada Area Council, the questionnaire distributed were 16, questionnaire returned is 16. For the Kuje Area Council, the questionnaire distributed were 59 and all the questionnaire were returned. For the Kwali Area Council, the questionnaire distributed were 59 and all the questionnaire were returned.

Table 1.2: Factors hindering performance of the power sector in ensuring power supply in the FCT

		S.D	D	Neutral	S.A	A
1.	One of the greatest challenges of power sector in ensuring power supply in the FCT is energy theft	16 4%	40 10%	16 4%	248 62%	60 20%
2.	Corruption is a great challenge of power sector in ensuring power supply in the FCT	48 12%	58 14.5%	48 12%	218 56.5%	18 4.5%
3.	Lack of transmission of enough energy to be distributed is a challenge of power sector in ensuring power supply in the FCT	42 10.5%	87 23.75%	73 17.75%	120 30%	70 17.5%
4.	Lack of generation of enough energy for distribution is another challenge of power sector in ensuring power supply in the FCT	58 14.5%	18 4.5%	48 12%	198 52%	68 17%
5.	High tariff is another challenge of power sector in ensuring power supply in the FCT	16 4%	40 10%	16 4%	248 67%	60 15%

Source: Field Survey, December, 2025

For objective one, in an attempt to examine the factors hindering the performance of the power sector in ensuring power supply in the FCT. The study shows that 82% of the respondents were of the impression that one of the greatest challenges hindering the performance of the power sector in ensuring power supply in the FCT is energy theft, 14% of the respondents were of a different impression while the remaining 4% were indifferent. Therefore, a conclusion can be made that one of the greatest challenges hindering performance of the power sector in ensuring power supply in the FCT is energy theft.

Also, it was discovered that 61% of the respondents were of the notion that corruption is a great challenge hindering the performance of the power sector in ensuring power supply in the FCT, 16.5% of the respondents were of a different notion while the remaining 12% were indifferent. Invariably, it can be concluded that corruption is a great challenge hindering the performance of the power sector in ensuring power supply in the FCT.

Furthermore, it was gathered that 47.5% of the respondents agreed to the fact that lack of transmission of enough energy to be distributed is a challenge hindering the performance of the power sector in ensuring power supply in the FCT, 34% of the respondents disagreed to this fact while the remaining 17.5% were indifferent. Therefore, a conclusion can be made that lack of transmission of enough energy to be distributed is a challenge hindering the performance of the power sector in ensuring power supply in the FCT.

From the information, 69% of the respondents agreed to the fact that lack of generation of enough energy for distribution is another challenge hindering the performance of the power

sector in ensuring power supply in the FCT, 17.0% of the respondents disagreed while the remaining 12% were neutral. Therefore, it can be concluded that majority of the respondents agreed that lack of generation of enough energy for distribution is another challenge hindering the performance of the power sector in ensuring power supply in the FCT.

Furthermore, the study shows that 82% of the respondents were of the impression that high tariff is another challenge hindering the performance of the power sector in ensuring power supply in the FCT, 14% of the respondents were of a different impression while the remaining 4% were indifferent. Therefore, a conclusion can be made that high tariff is another challenge hindering the performance of the power sector in ensuring power supply in the FCT.

The selected participants were asked, during the key informant interview on the factors hindering performance of the power sector in ensuring power supply in the Federal Capital Territory;

According to Mohammed Garuba a staff of Nigeria Electricity Regulatory Commission (NERC):

The factors hindering performance of the power sector in ensuring power supply in the Federal Capital Territory among others is generation-related factors such as low generation capacity compared to national demand, gas supply disruptions and pipeline vandalism affecting gas-fired plants, poor maintenance of power plants and limited use of renewable energy (solar, hydro, wind) despite Abuja's potential.

In line with the point made by Garuba above, Bangbose Alake an AEDC staff is of the view that:

Another challenge hindering performance of the power sector in ensuring power supply in the Federal Capital Territory is transmission constraints including aging and weak transmission infrastructure managed by the Transmission Company of Nigeria (TCN), frequent grid collapses leading to nationwide blackouts that affect Abuja, transmission bottlenecks that limit evacuation of generated power to the FCT and inadequate expansion to match Abuja's rapid urban growth.

Another view that was pushed forward by Emeka Nwankwo a business operator and a consumer/customer is that:

The major factor hindering performance of the power sector in ensuring power supply in the Federal Capital Territory is distribution challenges including but not limited to high technical losses (old lines, overloaded transformers) and commercial losses (energy theft, illegal connections), incomplete metering coverage, leaving many customers on estimated billing, insufficient investment in distribution infrastructure to keep pace with new estates and satellite towns (e.g., Lugbe, Kubwa, Gwagwalada) and low fault response time in some parts of the city.

However, Margaret Anunobi a staff of Transmission Company of Nigeria (TCN), Nurudeen Adebayo a consumer/customer and Hasana Lukas a consumer/customer are of the view as follows.

For Anunobi:

One of the factors hindering the performance of the power sector in ensuring power supply in the Federal Capital Territory is financial problems. These problems include but not limited to tariffs often below cost-reflective levels, making investment unattractive, huge debts across the electricity value chain (DisCos owing GenCos, GenCos owed by NBET), poor revenue collection due to electricity theft and non-payment (including by some government agencies in Abuja) and dependence on government bailouts, creating financial instability.

In his view, Lukas argues that:

Another factor hindering the performance of the power sector in ensuring power supply in the Federal Capital Territory is regulatory and policy issues. These issues comprise of weak enforcement of performance standards by the Nigerian Electricity Regulatory Commission (NERC), monopoly of Abuja Electricity Distribution Company (AEDC), leaving consumers with no alternatives, policy inconsistency, tariff freezes, subsidy reversals, and frequent changes in government intervention programs and corruption and mismanagement in parts of the sector.

Lastly, Adebayo enthused that:

A factor hindering the performance of the power sector in ensuring power supply in the Federal Capital Territory is socio-economic and demographic pressures. These factors are; rapid population growth in Abuja increasing electricity demand beyond supply growth, expansion of new estates, industrial clusters, and informal settlements that strain the grid and widespread reliance on alternative power (generators, inverters, solar), which masks the urgency of fixing the grid.

Table 1.3: Effect of implementation of privatization policy on the quality of power supply in the Federal Capital Territory

		S.D	D	Neutral	S.A	A
6.	The privatization of the power sector does not have much effect because the unbundling of the Power Holding Company of Nigeria (PHCN) into generation companies (GenCos), distribution companies (DisCos), and the Transmission Company of Nigeria	38 9.5%	11 2.75%	61 15.50%	250 62.5%	32 8%
7.	The Abuja Electricity Distribution Company (AEDC) was granted the mandate to distribute power to the FCT and parts of Niger, Kogi, and Nasarawa states, yet power supply is	20 5.10%	7 1.75%	74 18.5%	270 64.25%	21 5.25%

	still epileptic					
8.	The key objective of privatisation was to improve efficiency, attract investment, reduce power shortages and enhance service delivery to households and businesses but this objective has not been achieved yet	44 11%	41 10.5%	72 18%	213 53.25%	22 5.5%
9.	Cost-reflective tariffs have been introduced, but many consumers complain of rising electricity bills without commensurate improvement in supply	16 4%	12 3%	77 19.25%	270 64.25%	17 4.25%
10.	While prepaid meters are available, many consumers in the FCT are still subjected to estimated billing	30 7.7%	11 2.75%	69 17.25%	250 62.5%	32 8%
11.	The privatisation of Nigeria's power sector, as implemented in the FCT, has yielded modest infrastructural improvements but has largely failed to deliver reliable, affordable and high-quality power supply	28 7%	7 1.75%	74 18.5%	270 64.25%	21 5.25%

Source: Field Survey, December, 2025

For objective two, in an attempt to examine whether the implementation of privatisation policy has affected the quality of power supply in the Federal Capital Territory, the study shows that 70.5% of the respondents were of the impression that the privatization of the power sector does not have much effect because the unbundling of the Power Holding Company of Nigeria (PHCN) into generation companies (GenCos), distribution companies (DisCos), and the Transmission Company of Nigeria, while the remaining 12% of the respondents were of a different impression and 15% of the respondent were neutral. Therefore, a conclusion can be made that the privatization of the power sector does not have much effect because the unbundling of the Power Holding Company of Nigeria (PHCN) into generation companies (GenCos), distribution companies (DisCos), and the Transmission Company of Nigeria.

Also, it was discovered that 69.5% of the respondents were of the notion that the Abuja Electricity Distribution Company (AEDC) was granted the mandate to distribute power to the FCT and parts of Niger, Kogi, and Nasarawa states, yet power supply is still epileptic, while 6.85% of the respondents were of a different notion and 18.5 of the respondents were neutral. Invariably, it can be concluded that the Abuja Electricity Distribution Company (AEDC) was

granted the mandate to distribute power to the FCT and parts of Niger, Kogi, and Nasarawa states, yet power supply is still epileptic.

Furthermore, it was gathered that 58.75% of the respondents agreed to the fact that the key objective of privatisation was to improve efficiency, attract investment, reduce power shortages and enhance service delivery to households and businesses but this objective has not been achieved yet, 20.5% of the respondents disagreed to this fact and the remaining 18% were neutral. Therefore, a conclusion can be made that the key objective of privatisation was to improve efficiency, attract investment, reduce power shortages and enhance service delivery to households and businesses but this objective has not been achieved yet.

Also, the study shows that 68.5% of the respondents were of the impression that cost-reflective tariffs have been introduced, but many consumers complain of rising electricity bills without commensurate improvement in supply, 4.0% of the respondents were of a different impression while the remaining 19.25% were neutral. Therefore, a conclusion can be made that cost-reflective tariffs have been introduced, but many consumers complain of rising electricity bills without commensurate improvement in supply.

Furthermore, it was gathered that 70.5% of the respondents were of the notion that while prepaid meters are available, many consumers in the FCT are still subjected to estimated billing, 10.2% of the respondents were of a different notion while the remaining 17.25% were indifferent. Therefore, a conclusion can be made that while prepaid meters are available, many consumers in the FCT are still subjected to estimated billing.

Finally, it was gathered that privatisation of Nigeria's power sector, as implemented in the FCT, has yielded modest infrastructural improvements but has largely failed to deliver reliable, affordable and high-quality power supply. On the basis of the above, 69.5% of the respondents agreed, 8.75% of the respondents were of a different perception while the remaining 18.5% were neutral. Therefore, it can be concluded that privatization of Nigeria's power sector, as implemented in the FCT, has yielded modest infrastructural improvements but has largely failed to deliver reliable, affordable and high-quality power supply.

The selected participants were asked, during the key informant interview, whether or not the implementation of privatization of power sector has ensured quality of power supply in the Federal Capital Territory;

Reacting to the aforementioned, Mahammed Garuba argues that:

The Abuja Electricity Distribution Company (AEDC) has invested in new substations, transformers, and distribution lines, especially in fast-growing satellite towns like Kubwa, Lugbe, and Gwagwalada. Introduction of prepaid meters has reduced estimated billing and given consumers more control over electricity usage. Privatization introduced complaint resolution platforms, digital bill payments, and service centres, which improved responsiveness compared to PHCN. Some areas in Abuja now benefit from automated fault detection, smart meters, and digital monitoring systems. While still unstable, average daily supply in Abuja is

better than pre-2013 levels in some districts (Central Business District, Maitama, Wuse).

Bangbose Alake notes that:

Despite privatisation, outages and load shedding remain common, especially in satellite towns like Nyanya, Kuje, and Karu. Electricity tariffs have risen significantly, yet many consumers feel supply quality has not improved in line with costs. Large numbers of customers are still on estimated billing, leading to disputes. Since the Transmission Company of Nigeria remains government-owned, frequent grid collapses continue to disrupt supply in the FCT. Unlike telecoms, where privatisation created competition, Abuja residents rely solely on AEDC, meaning there is no consumer choice.

On his part Emeka Nwankwo is argues that:

The privatisation policy has produced incremental improvements in infrastructure, metering, and customer service, but it has not fundamentally solved the problem of unreliable power supply in Abuja. Quality of supply has improved slightly in wealthier and high-demand areas (e.g., Maitama, Asokoro, CBD), but in many satellite towns and low-income areas, residents still depend heavily on generators, solar panels, and inverters.

Responding to the question on whether or not implementation of the privatisation of power sector positively affected quality of power supply in the Federal Capital Territory, Margaret Anunobi, Nurudeen Adebayo and Hasana Lukas are of the view that privatisation has partially improved the quality of power supply in the FCT, but the gains have been uneven, slow, and overshadowed by persistent issues of inadequate generation, weak transmission, and lack of competition.

For Anunobi:

Privatisation has partially improved the quality of power supply in the FCT, but the gains have been uneven, slow, and overshadowed by persistent issues of inadequate generation, weak transmission, and lack of competition”.

Lukas argues that:

The implementation of privatization in the FCT has had positive impacts in terms of infrastructure expansion, improved billing systems, digital customer engagement and modest improvement in supply reliability. However, the progress is slower than expected because of transmission bottlenecks, financial constraints, and regulatory weaknesses.

In line with views of the two respondents above, Adebayo argued that:

The privatisation of Nigeria’s power sector, as implemented in the FCT, has yielded modest infrastructural improvements but has

largely failed to deliver reliable, affordable and high-quality power supply. While privatisation created opportunities for private investment, structural challenges (transmission bottlenecks, regulatory weaknesses, inadequate generation) continue to undermine service delivery.

Discussion of Findings

The study examined implications of government intervention policies for privatization of power sector in the Federal Capital Territory (FCT). The discussion will be done with the headings below:

Factors hindering performance of the power sector in ensuring power supply in the FCT

The first objective of the study is to examine the factors hindering performance of the power sector in ensuring power supply in the FCT. It can be seen from data collected from the field that the factors hindering performance of the power sector in ensuring power supply in the Federal Capital Territory among others is generation-related factors such as low generation capacity compared to national demand, gas supply disruptions and pipeline vandalism affecting gas-fired plants, poor maintenance of power plants and limited use of renewable energy (solar, hydro, wind) despite Abuja's potential. Other factors include but not limited to generation-related factors, transmission constraints, distribution challenges, financial problems regulatory and policy issues and socio-economic and demographic pressures.

This was corroborated by Ohajianya and Owate (2014) conducted a study titled: "Erratic Power Supply in Nigeria: Causes and Solutions". Through the use of secondary method of data collection, the study shows that, the factors of erratic power supply in Nigeria include government's inconsistent and misguided power reform policies; inefficiency in power generation, transmission, distribution and consumption, and incompetent work force of the energy companies. Recommendations towards the erratic power supply problem were proffered. One of the ways to encourage shift from the use of energy inefficient electric devices like incandescent bulbs, old model refrigerators, computers and televisions, to the use of energy efficient LED bulbs, modern refrigerators, computers and televisions recommendations is the adoption of energy conservative policies such as policies.

Effect of implementation of privatisation policy on the quality of power supply in the Federal Capital Territory

The second objective of the study is on the effect of implementation of privatisation policy on the quality of power supply in the Federal Capital Territory. It was noticed from the research that the privatisation of Nigeria's power sector, as implemented in the FCT, has yielded modest infrastructural improvements but has largely failed to deliver reliable, affordable and high-quality power supply. While privatisation created opportunities for private investment, structural challenges (transmission bottlenecks, regulatory weaknesses, inadequate generation) continue to undermine service delivery.

Corroborating the findings above, Ugochukwu and Bello (2020) worked on the study titled: "Effect of Privatization on the Quality of Performance by the Abuja Electricity Distribution

Company”. The study was conducted on consumers and employees of Abuja electricity distribution Company. A self-administered questionnaire was used as a data collection instrument and data collected was analyzed using SPSS version 18. The study aimed at investigating the effect of privatization on organization performance with a particular reference to Abuja Electricity Distribution Company (AEDC). It was found that power is considered as a major instrument and driver for economic development. A nation that cannot generate enough electricity to power its nascent industries will remain at the fulcrums of economic quagmires. The study revealed that Abuja Electricity Distribution Company (AEDC) has not significantly improved power supply to its customers. It was recommended that the management of AEDC should provide their customers with transformers and meters in order to improve the supply of electricity. The only weakness of the study in my view, is that it made no reference to power supply in the FCT.

The findings can be summarized thus: From the analysis of data presented, it can be seen that transmission constraints including aging and weak transmission infrastructure managed by the Transmission Company of Nigeria (TCN), frequent grid collapses leading to nationwide blackouts that affect Abuja, transmission bottlenecks that limit evacuation of generated power to the FCT and inadequate expansion to match Abuja’s rapid urban growth. Other factors include but not limited to generation-related factors, transmission constraints, distribution challenges, financial problems regulatory and policy issues and socio-economic and demographic pressures. Another finding is that the implementation of privatization in the FCT has had positive impacts in terms of infrastructure expansion, improved billing systems, digital customer engagement and modest improvement in supply reliability. However, the progress is slower than expected because of transmission bottlenecks, financial constraints, and regulatory weaknesses.

Recommendations

This research therefore considers it imperative to strengthen the reform through the discussed recommendations below.

- i. To overcome the factors hindering the performance of the power sector in ensuring power supply in the FCT, the Metre Asset Programme (MAP) should be implemented with immediate effect to ensure customers pre-paid metering and subsequently, nip the problem of billing and high debt profile in the bud. In addition, other challenges such as generation-related factors, transmission constraints, distribution challenges, financial problems regulatory and policy issues and socio-economic and demographic pressures should be fixed immediately.
- ii. Government should consolidate on the gains in the power sector as a result of the implementation of the privatization policy. These gains include infrastructure expansion, improved billing systems, digital customer engagement and modest improvement in supply reliability.

- iii. Continuous monitoring and evaluation mechanisms should be institutionalized to assess policy outcomes, while consumer awareness and engagement should be strengthened to enhance accountability.
- iv. Above all, strong political will and policy consistency are essential to sustain reforms, eliminate corruption, and achieve lasting improvement in Nigeria's power sector.

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