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THE IMPACT OF PRIVATIZATION REFORM ON ABUJA ELECTRICITY DISTRIBUTION COMPANY (AEDC) IN FCT ABUJA NIGERIA, 2015 - 2025

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Abstract

Public administration in Nigeria has undergone many changes, reforms, and restructuring, prominent among them is the privatization policy. The aim of all the reforms is to foster better service delivery. The privatization of Abuja Electricity Distribution company (AEDC) in the Federal Capital Territory (FCT) was intended to improve efficiency and enhance consistent quality of power supply to the consumers. The study evaluates the impact of privatization reform on AEDC. The FCT electricity consumers continue to experience some challenges despite the privatization of electricity. Such challenges include poor management, high tariffs, estimated billing, poor customer service, epileptic supply, infrastructural deficits, among others. This study adopts New Public Management Theory as its theoretical framework and makes use of secondary data. It is a descriptive research survey. The study examines the extent to which privatization has influenced AEDC operations and services, including power supply and distribution, revenue collection and generation, customer services and relations, financial performance, and its operations. Findings from the study revealed that privatization has led to improvement in managerial efficiency, private investment, and operational efficiency. However, revenue collection and distribution are still affected by institutional and operational constraints. The privatization of AEDC is faced with poor infrastructure, high energy costs, revenue shortfalls, poor metering, billing difficulties, inconsistent power supply, and a high level of customer dissatisfaction. From the ongoing reforms, there are challenges. Consequently, the survey concluded that privatization as a reform policy has not solved the challenges of electricity in the FCT. Hence, the following recommendations were made to complement privatization: the establishment of a strong regulatory body that must be functional; improved metering systems; improved funding in infrastructural facilities and digitalization of its operations; better tariff administration; customer engagement; and better transmission and distribution processes that will enhance the availability of steady power supply that is customer-friendly and reliable.

Keywords: Privatization Reform; Abuja Electricity Distribution Company; Service Delivery; Customer Satisfaction; Power Sector.

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Introduction

Nigerian public sector over the years has had a series of challenges that have necessitated changes in policy, reforms, and restructuring, among all is the privatization policy. The importance of steady, affordable, and quality electricity cannot be undermined. Electricity is needed by all and sundry, so the steady supply, affordable and quality supply will have a multiplier effect not only on the economy but on the society in general. Namely, manufacturing industries, production, economic growth, small and medium-sized enterprises, healthcare, security, education, and other activities due to household usage.

From available data over the years, electricity supply in Nigeria has been plagued with the following: poor distribution, epileptic and erratic supply, poor infrastructural facilities, poor metering, distribution network challenges, technical challenges, commercial losses, and theft. Lack of funds and poor service delivery, as seen from customers' reactions and unsatisfactory services, are the general outcomes.

The above-mentioned challenges have prevented and affected electricity supply and distribution by companies in Nigeria from adequately providing quality, stable, and affordable supply of power to the masses. It is important to note at this point that privatization of electricity gave birth to other electricity distribution companies. Electricity was purely on the exclusive list, handled only by the Federal Government through Power Holding Company of Nigeria (PHCN), which came from National Electric Power Authority (NEPA). NEPA as a public corporation was characterized with the following challenges, which include poor accountability, poor administration, inadequate funds, poor maintenance culture, poor revenue collection, corruption, estimated billing that was astronomical, and epileptic supply of power that led to poor service delivery and customer dissatisfaction.

To curb the above-mentioned challenges, the Federal Government came up with the privatization policy as a reform to liberalize and privatize the power sector, all to improve service delivery. This liberalization led to the establishment of Abuja Electricity Distribution Company under the Electric Power Sector Reform Act of 2005, Federal Republic of Nigeria (2005).

The privatization reform programme involved generation, transmission, and distribution of electricity to private investors. AEDC came on board and became responsible for electric supply and distribution in FCT, Abuja, Niger, and Nasarawa State. In 2005, the Electric Power Sector Reform Act (EPSRA) gave legal framework and operations for restructuring in the electricity industry, which enhanced and encouraged private-sector participation. Subsequently, Power Holding Company of Nigeria (PHCN) in 2013 gave birth to AEDC. It was generally assumed that private ownership would enhance and improve operational services, attract investment, reduce technical errors, improve service delivery and better customer satisfaction, improve revenue, reduce corruption, and improve the quality of power supply.

This research centered on assessing whether privatization has achieved its desired goal. Specifically, has AEDC operations been able to translate into measurable objectives?

The introduction of new meters and new tariffs. The study seeks to critically examine the impact of privatization reform on AEDC in Abuja from 2015–2025. It evaluates its operational efficiency and

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otherwise in distribution, generation, and infrastructural development, revenue generation, power purchase, metering, customers' service, and the general service delivery. The survey examined to what extent privatization policy has been achieved, identifying its major challenges.

The gap between electricity demand and supply is one of the major problems. Population increase in Abuja has been on the increase while power supply in Abuja is static and retrogressing. The issue of outdated, obsolete, and overused transformers, overloaded feeders, technical challenges, insufficient investment, and poor service delivery.

The issues of metering and billing, mostly estimated bills, lack of adequately prepared meters, create problems between customers and the company. The revenue collection model and commercial losses are on the increase.

Objectives of The Study

- The study examines the impact of privatization reform on AEDC from 2015–2025.
- Examine the influence of privatization on operational efficiency, facilities and infrastructural development, investment, and maintenance.
- Assess the impact on revenue generation, collection, and other financial issues.
- Examine the effect of privatization on metering and billing operations in FCT.
- Finally, identify the challenges faced by AEDC and proffer solutions to them.

Research Questions

The research is guided by the following research questions:

- Has privatization reform influenced the operational efficiency in AEDC within the period under review?
- What effect has privatization contributed to facilities and infrastructural development and investment in AEDC?
- What impact has privatization reform had on revenue generation, metering and billing, collection, and other commercial losses?
- What are the challenges faced by AEDC, and how can they be curbed?

Conceptualization

1. Privatization Reform

Nigeria's public sector was faced with general challenges, largely involving poor service delivery and poor customer satisfaction. In an attempt to better public service and improve service delivery, the Federal Government adopted privatization as one of its reforms.

Okoh (2025) and Udoyin (2025) stated that privatization reform represents a multi-decade policy effort to transfer ownership and control of state-owned enterprises to the private sector. It is driven by economic realities and the pursuit of efficiency.

Privatization as a policy started in the 1980s from the Structural Adjustment Programme (SAP) via proposed sectoral liberalization in the telecommunications and power industries. It simply means a diametric shift from direct exclusive control of government ownership and management of productive enterprises to private ownership, management under perfect market competition.

Saa'd & Ayilara (2024) stated that privatization, as both an economic and institutional reform, is intended to improve efficiency, accountability, investment, and

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service delivery. It involves the sale or transfer of government ownership of public enterprises to private investors. It involves restructuring, deregulation, commercialization, competition, and a shift to market orientation, management, and maximization of profit.

Privatization is the transfer of legal rights of ownership and control of a business sector, agency, or public enterprise from the state to the private sector (Obanu, 2023). He stated that privatization might not only entail total sale; it could be through leases, concessions, or mechanisms such as the sale of shares of government-owned properties to private individuals.

Saa'd & Ayilara (2024) strongly argued that privatization, commercialization, and liberalization were all intended to encourage private participation, improve management, establish performance discipline, increase accountability, and improve the performance of publicly owned enterprises.

Adejuwon, Amodu, & Majekodumi (2024) defined privatization as a public-sector reform strategy involving greater private-sector participation in the ownership, management, and operation of enterprises previously controlled by the government.

The history of privatization in Nigeria dates back to 1988. Privatization and Commercialization Decree No. 25 of 1988 led to the establishment of the Technical Committee on Privatization and Commercialization (TCPC). The establishment and role of the Bureau of Public Enterprises (BPE) cannot be undermined in studying privatization policy in Nigeria. The Public Enterprises Privatization and Commercialization Act of 1999 and the National Council on Privatization were established.

The telecommunication sector and power sector had their share of privatization. The study is focused on the power sector.

The privatization of the power sector through the Electric Power Sector Reform Act (EPSRA) 2005 laid the legal and operational framework for the unbundling, sale, and restructuring of the power sector. Power Holding Company of Nigeria (PHCN) was unbundled into several components, namely, generation, transmission, and regulatory structures. Six (6) companies were established for generation, while companies were established for distribution. Transmission Company of Nigeria (TCN), Nigerian Electricity Regulatory Commission (NERC), and Nigerian Bulk Electricity Trading Company (NBET) were also established.

The establishment of all these was for the smooth take-off and implementation of the privatization reform. All were geared towards attracting private investment, improving services and customer satisfaction, reducing operational challenges, modernizing obsolete equipment/facilities, and reducing government financial waste or burden on them.

Privatization Reforms Have The Following Objectives

Privatization is to help improve efficiency and reduce all forms of administrative, structural, technical, electrical, and mechanical challenges faced by PHCN.

To reduce government financial expenses on public enterprises without results.

Privatization will promote economic sustainable development by encouraging investors to invest in Nigeria. This will lead to the establishment of companies, and employment opportunities will crop up.

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Privatization will destroy or reduce state monopoly and control. The economy is driven by positive competition in a capitalist state. As privatization goes with deregulation and liberalization, this reduces state monopoly.

Above all, privatization improves service delivery.

It increases government revenue.

Another objective of privatization is to improve accountability.

To reduce political interference is one of the objectives.

The above are the objectives of privatization reforms. Hence, this study will reveal to us to what extent these objectives are achieved within the study period.

2. Abuja Electricity Distribution Company

Abuja Electricity Distribution Company (AEDC) is one of the major Nigerian electricity distribution companies that came into existence through the privatization legal and operational framework of the power-sector reform. The company is involved in electricity distribution as a service provider for Niger, Kogi, Nasarawa, and the Federal Capital Territory, Abuja. The company covers the electricity value chain from supply to transmission to distribution network and supply to the network of residents in Abuja (AEDC, 2024).

The electricity sector privatization reform culminated in the unbundling of Power Holding Company of Nigeria (PHCN) into separate units, namely generation, transmission, and distribution, with AEDC emerging as one of the distribution companies in 2013. The privatization reform transferred the management, control, and ownership of to private investors, with the Federal Government retaining minority interest.

AEDC (2024), since 2013, has witnessed some restructuring and changes in the following areas: management, institutional, structural, financial, regulatory, and transformative, including changes in ownership and corporate governance.

AEDC was incorporated on 8th November 2005 as a public limited liability company. Its core objective is basically to take over the electricity distribution activities and related businesses of PHCN within the FCT, Niger, Kogi, and Nasarawa (AEDC, 2024). AEDC's corporate incorporation took place in 2005, while its privatization and transfer to private investors occurred in 2013.

AEDC is under the supervision of the Nigerian Electricity Regulatory Commission. This body regulates and formulates the operational framework for other private electricity companies. AEDC has a concession license to construct, operate, and maintain an electricity distribution system for the supply of electricity to customers (NERC, 2024).

The license issued to AEDC on 1st November 2013 thereby transferred ownership, control, and management of AEDC to private investors as part of the privatization reforms in the power sector.

It was fashioned to shift electric distribution from direct government management to private-sector management and investment. The expected benefits of this reform are as follows:

- Greater improvement in management efficiency and effectiveness.
- Investment in power distribution and infrastructure management.

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- Improved metering.
- Reduction in waste and technical losses.
- Better revenue management and generation.

Above all, improved service delivery and better customer service with better customer satisfaction.

3. Power Sector Reform in Nigeria

Right from the colonial era, Nigeria had a system responsible for power and energy production, supply, and distribution. In the colonial era, electricity supply was very small and limited to cities of administration, as established by the colonial masters. Mining companies and other private individuals provided power to government offices, commercial and industrial areas, including residential places. In Lagos, by 1898, an electric-generating plant was established. As events progressed, other power-generating plants rapidly extended to major areas in Nigeria, like Port Harcourt, Kaduna, and Kano, with different organizational ownership and management for the generation and distribution of electricity.

There was a major positive paradigm shift and development in 1951 in the power sector, which was a major institutional development. It was the establishment of the Electricity Corporation of Nigeria (ECN). This organization became responsible for the generation, transmission, and distribution of electricity to many parts of the country. Another major development in Nigeria's power sector came up in 1968 when another organization was established called the Niger Dams Authority (NDA).

The NDA was responsible solely for the building and development of dams and hydroelectric power projects. It was responsible for building the Kainji Dam project.

There were minor challenges noted in the operations of the two companies that led to the amalgamation in 1972. The Electricity Corporation of Nigeria (ECN) and the Niger Dams Authority (NDA) were merged for a simple purpose and to make for uniformity into what is called the National Electric Power Authority (NEPA).

The merger of the two electricity power organizations was to provide quality supply, distribution, and management of power to improve service delivery. The merger was geared towards providing a more robust, coordinated national electricity system for the nation.

From 1972, after the merger of ECN and NDA, NEPA took over electricity as the only body responsible for power generation, transmission, and distribution. The first two companies were faced with challenges of limited generation capacity, epileptic supply, deficits in transmission, infrastructural challenges, and unequal access between urban and rural communities.

The establishment of NEPA was a welcome development, as NEPA was charged with broad responsibilities for robust basic electricity generation, transmission, and distribution.

NEPA, as a government-owned enterprise, was expected to do the following:

- Expand electricity-generating capacity.
- Develop a national transmission network.
- Extend electricity to rural and urban communities.
- Improve electricity distribution.
- Support industrial and economic development.
- Provide electricity at affordable prices.

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From 1972–1980, under the supervision of NEPA, Nigeria invested much in electricity infrastructure by building hydroelectric and thermal power plants.

The following projects were embarked upon to boost the power sector by NEPA:

- Kainji Hydroelectric Power Station.
- Jebba Hydroelectric Power Station.
- Shiroro Hydroelectric Power Station.
- Egbin Thermal Power Station.

Other gas-fired and thermal generating stations were built to boost power supply and improve service delivery.

Despite the significant amount of money and other logistics put into the power/electricity sector, it was faced with several challenges. The gap between electricity demand and its availability was a recurrent problem.

The challenges include:

- Poor transmission facilities.
- Power generation problems.
- Distribution challenges.
- Poor maintenance.
- Lack of funds.
- Bureaucratic/administrative challenges.
- Urban/rural differences.
- Gas supply issues.
- Corruption.
- Mismanagement and lack of accountability and transparency.

From the 1990s, it was obvious that NEPA had failed woefully in its fundamental responsibilities.

The monopoly enjoyed by NEPA was unable to meet the nation's demand for stable, quality, and standard power supply. This led to another reform and restructuring that ensured private-sector participation, competition, commercialization, and commercial business principles. To achieve the above came:

- National Electric Power Policy and Reform Commission.
- Independent Power Producers (IPPs).
- The National Electric Power Policy of 2001.
- The establishment of Nigerian Electricity Regulatory Commission (NERC).
- Electric Power Sector Reform Act of 2005.

The Electric Power Sector Reform Act (EPSRA) 2005 was highly instrumental in what we have today in the power sector. It unbundled NEPA into different segments: generation, transmission, and distribution.

- Establishment of Power Holding Company of Nigeria (PHCN).
- Creation of Nigerian Electricity Regulatory Commission.
- Encouragement of private-sector participation and partnership.
- Introduction of greater competition into electricity generation and distribution.
- Promotion of more commercially oriented electricity utilities.

All these developments gradually snowballed into the establishment of Abuja Electricity Distribution Company.

Theoretical Framework

New Public Management Theory

The study is anchored on New Public Management Theory as the theoretical framework. New Public Management, as the name implies, is a new theory in public administration and political science that came up in the 1980s in Western

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developed countries like the USA, New Zealand, UK, and Australia.

The theory argued that government of any nation will achieve more in terms of effective and efficient service delivery if its operations and business are run like private business. That efficiency, accountability, and transparency will be achieved if government business is run like private business.

This theory came as a reaction against bureaucracy and old traditional public administration, which runs with bureaucratic, rule-bound, and input-focused principles.

This theory came to replace challenges faced with traditional bureaucracy. To change positively people's view, orientation, and management about government businesses. The application of private-sector administrative principles and policies in public administration. The application of private-sector management techniques and market mechanisms to government business.

The New Public Management has the following features and lays emphasis on the following:

- Privatization and commercialization of public enterprises.
- The introduction and use of private-sector management practices.
- Market-oriented and price competition, shifting from monopoly.
- Performance measurement and emphasis on efficiency and productivity.
- Reduction of direct government control.
- Focus on accountability, transparency, and improved service delivery.
- Discipline in expense management and personnel.
- Customer orientation and punctual service delivery.
- Flexibility, innovation, and speedy quality response.

The NPM theory posited that government should stop being a service provider and become a service

Relevance of New Public Management Theory

The relevance of New Public Management cannot be overemphasized in this survey. It is suitable and relevant because it provides a better lens and insight into evaluating AEDC performance and its impact during the period under review.

The theory, with its principles and core characteristics, assumes that the introduction of private-sector management theory to public administration and government-owned businesses will not only lead to development but improve service delivery and customer satisfaction.

Introducing private-sector management principles, ethics, and values will improve organizational efficiency, financial prudence, better cost, and, above all, excellent and effective service delivery.

New Public Management Theory can be easily used to assess the performance of AEDC within the stipulated review period. Has AEDC improved in terms of electricity generation, transmission, and distribution? Has AEDC improved in service delivery, reliable power supply, customer service, revenue, and infrastructure investment in FCT?

The privatization reform had gradually snowballed into the unbundling of Power Holding Company of Nigeria (PHCN), which gave birth to AEDC. The core issue under study is to find out if privatization

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reform has produced the expected result in terms of organizational operations, performance, and service delivery. The NPM provides the theoretical logic for assessment and evaluation of the impact.

Empirical Review of Literature

Fardwad (2024), in his study, stated that privatization of the electricity industry in Nigeria has not translated to significant improvement in power supply in Port Harcourt metropolis and has led to a fair reduction of the electricity consumption rate in the metropolis. That AEDC.

NERC (2022) market report showed that the electricity distribution subsector continued to experience challenges in metering and revenue collection. The existence of estimated billing and inadequate billing approaches affects both customers and distribution companies, leading to low power supply to the consumers and disputes over electricity billing. As a result of urban population explosion in Abuja, AEDC.

NERC (2023) report further revealed that expensive electricity market demand is affected by financial and operational constraints. Distribution companies are faced with challenges relating to energy accountability, revenue collection, tariff adequacy, and affordability within the electricity market. This further indicates that post-privatization problems were not only that of ownership but included institutional and financial viability, capacity, and sustainability. This opens another chapter, compelling us to prioritize improvement in operational performance rather than ownership.

The International Energy Agency (2022) pointed out that Nigeria continued to face electricity system reliability challenges arising from insufficient generation, transmission constraints, and weaknesses in distribution infrastructure. World Bank (2020) reported that electricity supply remained unreliable and that weaknesses across the electricity value chain constrained improvements in service delivery. NERC's regulatory reports from 2021–2022 indicated that electricity supply and distribution remained affected by system constraints, energy shortages, network limitations, and market liquidity problems.

All the empirically reviewed works on power/electricity were not directly done or focused specifically on AEDC in FCT between 2013–2023. Hence, this study is used to critically examine and evaluate whether privatization reform has produced remarkable improvement in electricity distribution performance and service. The study also examines how the reforms have affected the operational

Methodology

The paper is a descriptive research design. Data were collected from secondary sources, which include journals, textbooks, gazettes, and other related literature. The data were analyzed through content analysis using a thematic approach.

Data Presentation

Privatization Reform and Operational Efficiency of AEDC from 2015-2025

AEDC (2024) in terms of operational efficiency reported that there was an increase and improvement in the operational system not a total complete turnaround. It is obvious that the privatization reform helped in so many things. AEDC was moved from state control to private-sector ownership and management. This movement created room for better management, performance and operations. It also affected the billing system and customer engagement.

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Privatization reforms created room for improved governance and administration. AEDC (2024). Privatization model created the basis for private management, but the real reform work has been continuous, improving governance, tightening financial discipline, raising collection rates and redesigning the company to fit Nigeria's changing electricity regulatory environment. AEDC (2026). The clearest sign is that AEDC sees operational efficiency as inseparable from regulatory flexibility and decentralized market structure.

From 2022–2024 AEDC's reform agenda had become more visible, tied to performance management and financial discipline. AEDC (2024) Financial Statement shows a sharp rise in revenue to ₦601.6 billion in 2024 from ₦250.5 billion in 2023. An operating profit of ₦33.1 billion in 2024 which is an indication of better commercial performance. This improvement in revenue does not eliminate challenges; they are still pressing issues to be handled by AEDC.

In terms of electricity distribution performance, there is an improvement within FCT areas. As part of the restructuring in 2026, it was decentralized as Niger Electricity Distribution Company and Kogi Electricity Distribution Company, came up, aligning with the Electricity Act 2023. Operational efficiency can also be measured in terms of revenue performance and collection effectiveness. There was improvement. NERC (2026) indicated that AEDC billed 84.05% of energy received and achieved 85.35% collection efficiency in October 2025. This is a meaningful commercial financial improvement.

Privatization Reform, Infrastructural Development, Investment, Metering, and Billing in AEDC

AEDC (2024) report indicated that the Company improved its metering rollout, strengthened feeder governance, increased capital expenditure, and drew on intervention funding to support transformers, substations, and network rehabilitation.

Despite this positive development, there is a need for continued tariff support, service-band regulation, and regulatory enforcement. It showed that infrastructure reform remains incomplete by 2025 (AEDC, 2026).

The issue of transformer and distribution investment is very crucial to AEDC as one of its core infrastructural developments, as power supply and delivery depends largely on the capacity and quality of the local distribution assets and equipment.

AEDC (2023) Financial Report posited that land, building, and distribution network assets are measured at the revalued amount, and the company recognized capital-in-progress and distribution assets as major property, plant, and equipment categories.

There was major improvement on transformers, feeders, and distribution. Maintenance culture was inculcated and improved.

On metering, in its 2022–2023 annual report, stated that the Company used the National Mass Metering Programme and Central Bank of Nigeria facilities to pay meter asset providers with other funds for other operational needs.

There was improved customer relations with both post paid and prepaid customers. Estimated billing was reduced with the use of meters, improving revenue assurance and supporting better demand management.

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AEDC within the period under review had expanded its network of operation. Network expansion at AEDC between 2015-2025 was impressive through a combination of internal investment tariff support, and public intervention funds.

AEDC (2026) evidence from 2022 to 2026 showed that AEDC's privatization reform was increasingly infrastructure-driven. Transformers, feeders, meters, maintenance and network expansion were all connected to the larger challenge of making the company efficient and sustainable.

Privatization, Reform, and Revenue Generation, Collection and Commercial Losses

AEDC (2025). The privatization reform of AEDC within the period under review indicated that there was a mixed record of commercial improvement and continuing structural weakness. There was improvement in revenue generation and collection, but commercial losses remained high because of estimated billing, weak metering coverage, debt pressures and persistent sector-wide inefficiencies.

Revenue generation was improved; however, commercial losses were increasing because of estimated billing, meter bypass, theft, weak enforcement and poor customer payment behavior.

AEDC, Customer Service Delivery and satisfaction after privatization from 2015-2025. Adekeye (2024) posited that privatization was expected to improve responsiveness, billing accuracy, complaint resolution, and overall customer satisfaction. AEDC's performance within the period under review reflects a modest improvement alongside persistent dissatisfaction, rooted in metering gaps, estimated billing, power supply unreliability and weak service communication.

The issue of customer dissatisfaction has remained a recurring challenge in AEDC.

Adekeye (2024): These problems weaken public trust in the company and made the company's service delivery appear unresponsive to household and business needs. Customers without meters are billed on estimation.

According to Adekeye (2024), customer satisfaction includes how fairly and efficiently the company interacted with users, not only on basic electricity availability.

He further posited that AEDC service delivery between 2021-2026 can best be described as incremental improvement without full restoration of customer confidence.

Challenges of Privatization in AEDC

Privatization reform came as a policy to reorganize and restructure the economy of the modern country.

AEDC has been plagued with the following challenges since its privatization. Privatization reform was to transfer government ownership and control to private companies with the aim of a better service delivery and output.

It was observed with AEDC that the privatization reform had some inherent challenges which made it difficult to achieve its desired goal till date. The AEDC inherited outdated, fragile equipment, assets, and low customer trust.

Adekeye (2024) These constraints make the privatization process more difficult than policymakers initially expected. (AEDC, 2025).

There were so many challenges which included bad structure and institutional weakness and failures already inherited. The electricity climate had deep structural

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imbalances characterized by inadequate infrastructure, low revenue recovery, inconsistent regulatory and financial support.

AEDC (2025) privatization improved commercial discipline only marginally and did not resolve the underlying system failures that continue to hinder performance.

Poor, weak infrastructure, and asset decay.

The poor distribution network, transmission losses as well as old equipment were almost all in bad condition.

AEDC faces intense poor funding and debt problems. The issue of poor funding limited its operational efficiency and service delivery. The company relied on tariff adjustment, intervention funds and broader sector support to stabilize operations which has never been adequate to meet their current needs. Poor liquidity reduced AEDC's capacity in terms of its operations for effective service delivery.

The issue of debt burden on the company compounded its financial challenges. NERC (2023). Such financial pressure made the reform less transformative than expected.

NERC (2023) has identified weak network limitations, technical losses, inadequate infrastructure and constraints in distribution capacity as significant problems affecting distribution companies in the country including AEDC.

Technical and Commercial Losses.

The issue of technical and commercial losses must be mentioned. These commercial and technical losses arise from electricity theft, vandalization, illegal connections, bypassing of meters, inaccurate customer records, and other forms of electricity deficiencies. AEDC's continuing losses constitute a serious challenge.

Inadequate metering and estimated billing.

Another challenge is that of inadequate metering and estimated bills. There are so many customers without prepaid meters, they are billed through estimated billing system. This system is unfair and fuels distrust, increases customer resistance and weakens the company's collection performance.

(NEHC, 2023; Adeleke, 2024) estimated billing makes this a major challenge and a big setback to privatization reform.

Poor customer trust and resistance.

Customers are not willing to pay because of perceived overbilling, unfair billing system, poor power supply.

NERC (2025). The gap between expectations and performance became one of the most enduring problems of the privatization reform era.

Revenue collection and liquidity challenge

Inadequate collection, energy losses.

Tariff and cost-recovery problem: As a private company, profit maximization is prioritized, in attempt to make a profit the burden is transferred to end customers

Institutional and regulatory issues challenges.

The company operates under very stringent conditions involving:

Federal government, NERC, GenCos, TCN, transmission companies, market institutions and other stakeholders.

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AEDC operations were supervised because there are external bodies to monitor and checkmate its operations.

World Bank (2020), noted that Nigeria's electricity sector problems are interconnected across generation, transmission, regulation, and market institutions.

Poor quantity/quality of power supply.

It must be stated in clear that distribution companies do not generate the electricity they distribute to final consumers.

The ability and capacity of AEDC to supply quality and reliable electricity is dependent on the quantity/quality made available to them through the national electricity market.

IEA (2022) posited that Nigeria continues to face significant electricity access and reliability challenges despite its substantial energy reserves.

Other challenges include,

- Investment requirement and access to finance

Macroeconomic pressures and foreign exchange

- Human capacity and technological challenges

Discussion of Findings

The study is a critical examination of the impact of privatization reform on AEDC in FCT, Nigeria from 2015–2025. The discussion of the findings was organized in line with the research questions, research objectives, and the relevance was interpreted and linked with the theoretical framework, which is New Public Management.

From the available data gathered, it is obvious that privatization has ushered in some positive changes in terms of managerial efficiency and operations, put in private-sector investment and operational orientation.

These positive advantages have not yet been successfully and sufficiently translated into quality, consistent, constant dependable power supply to customers. These findings has not in any way eradicated epileptic power supply, poor revenue collection, poor metering facilities, and customer dissatisfaction. Findings from the study revealed that privatization has not positively achieved its goals.

This finding is in line with other studies which show electricity privatization in Nigeria has not translated into substantial improvement in service delivery.

NERC (2023) posited that continuing operational and financial constraints within Nigeria's electricity distribution subsector, particularly in relation to energy accountability, revenue collection, tariff adequacy and affordability.

IEA (2022) identified inadequate generation, transmission constraints and weaknesses in distribution infrastructure as continuing barriers to electricity system reliability.

Privatization influenced AEDC operations positively but not to the desired goals and objectives of privatization.

The New Public Management theory has set in, private-sector management has led to managerial and operational improvement.

Privatization, Infrastructure development and private investment.

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Findings from the study revealed that privatization has encouraged private-sector participation and orientation.

The second objective of the research.

The second objective and research question is on the effect of privatization on infrastructural development and investment in AEDC. The finding showed that privatization has enhanced private sector participation and investment. This resulted in organizational restructuring. There are still issues of overused, obsolete equipment. Therefore, privatization has created employment opportunities and investment opportunities.

The finding indicated that privatization reform has improved the commercial orientation of AEDC and placed much emphasis on revenue generation and collections. Despite this, the issues of poor metering, inadequate metering, estimated billing, commercial electricity theft, tariff-related attitudes are weaknesses. There is improved commercial orientation of AEDC without achieving financial sustainability.

Findings show that metering and billing remain one of the major challenges with AEDC. NERC (2022) reported persistent challenges relating to metering and revenue collection in the electricity distribution subsector.

On the issue of privatization reform and customer satisfaction and service delivery*

The study revealed that customer satisfaction is still a mirage as consumers are faced with poor service delivery, epileptic power supply, inadequate metering, high tariff and other customer services, infrastructural deficits, estimated billing.

Findings from the study state that customer satisfaction is one of the indicators for assessing the electricity privatization reform.

Summary of Findings

1. Improved operational and managerial efficiency, stimulate private sector participation, and profit-driven principles and orientation in AEDC coupled with improved managerial efficiency and improved operational credibility.

2. The privatization reform has encouraged private sector participation and proper reorganization.

3. There is private sector participation which has led to an increase in investment. Infrastructural facilities were also improved and maintained.

4. It has created employment opportunities via increase in investment.

5. Privatization has improved revenue generation and collection.

6. The study discovered that the issue of metering, revenue collection, and estimated billing is still ravaging AEDC in her operations coupled with epileptic power supply.

7. The issue of Customer Satisfaction is still a mirage as power supply is epileptic, coupled with over billing, poor infrastructural facilities, lack of meters.

8. Privatization reform as it relates to AEDC is still plagued with pockets of challenges as mentioned and discussed in the findings of the study

Summary

The survey examined impact of privatization reform on AEDC from 2015-2025. The paper was anchored on New Public Management Theory, as a descriptive research design data were gathered through secondary sources and

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thematic content analysis used to analyze data. The study critically focused on AEDC managerial operations and efficiency, infrastructural facilities and development, revenue generation, metering and billing project, service delivery and customer dissatisfaction.

Findings from the study indicated that privatization has improved managerial system and administrative efficiency, ushered in private sector participation and orientation, profit-driven and infrastructure improvement and development, revenue collection.

Despite these, the study also identified some endemic, persistent pockets of challenges which include epileptic, unreliable power supply, inadequate metering, estimated billing, technical and structural challenges, commercial losses, tariff hike, and customer dissatisfaction in terms of service delivery.

Consequently, the study concluded that privatization only is not the only remedy for AEDC optimal performance and effective service delivery. There are other technical, structural and operational obstacles. To ensure optimal service delivery, AEDC requires a concerted meticulous effort of effective regulation, improved infrastructure and investment, better metering and billing, robust dynamic strategy, revenue management, concerted customer engagement and general review and overhauling of all deficient areas for optimal performance.

Conclusion

The survey concluded that privatization reform had both positive and negative impacts on AEDC in Abuja (FCT). There was improvement in managerial and operational system, infrastructural facilities development, improved, private-sector-driven orientation and operations, improved revenue generation and better customer service engagement. All these are reflections of the New Public Management theory which is yet to address fully the endemic challenges that have characterized the operation of the power sector before privatization. These pockets of challenges mentioned in previous pages are still there unabated.

Privatization as a concept or reform cannot and will not solve the endemic power sector challenges faced by AEDC. There is an imperative need to look beyond the concept of privatization and the operations, which must focus on addressing those challenges identified in previous pages.

Recommendations

The following recommendations were made based on the findings from the study:

1. There should be a strong dynamic regulatory body to oversee the operation of AEDC particularly to assess their activities. Nigerian Electricity Regulatory Commission (NERC) should ensure effective monitoring, coordination and proffer solutions to challenges when needs be.

2. There should be improvement on metering, prepaid meters should be installed for customers. Good metering will enhance customer satisfaction. Estimated bill should be stopped, this will reduce strife and boost trust and confidence.

3. Equipment, tools, and outdated assets should be replaced to boost constant power supply. Investment in transformers, feeders, substations, distribution lines, protection of equipment and assets

4. AEDC should adopt and employ a better, stronger measures to reduce vandalization, theft, illegal connection, meter bypass, inaccurate records and other

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technical & commercial losses. AEDC should leverage on digital technology in this regard including customer sensitization and education.

5. AEDC should develop a more robust dynamic easy way of revenue collection and financial accountability and transparency within it and among their customers.

6. AEDC should strengthen her customer-service relations improve conflict resolution, complaint handling, communicate transparency, billing, better customer information, respond to challenges and reported issues on time.

7. There should be periodic assessment and evaluation of the company.

8. Their operations should all be digitalized.

9. There should be strong synergy and collaboration with AEDC company and generation company.

10. Government, corporate organization and individual can invest for better service delivery via provision of enough needed funds.

11. Customer service relations be enhanced through campaigns and sensitization.

12. Tariff should be fixed with consideration for consumer interest. Better tariff system should be transparent and accountable.

13. Revenue collection and financial transparency culture should be introduced.

14. AEDC should focus more on service delivery rather than on ownership alone.

15. AEDC should seek government support and services. They should have stronger synergy with government.

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