

**POST-PRIVATISATION PERFORMANCE OF ELECTRICITY DISTRIBUTION
COMPANIES IN NIGERIA (2005-2018)**

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SEPTEMBER, 2020

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COMPANIES IN NIGERIA (2005-2018)**

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**A THESIS SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES IN
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DEPARTMENT OF POLITICAL SCIENCE AND INTERNATIONAL RELATIONS,
COLLEGE OF LEADERSHIP DEVELOPMENT STUDIES, COVENANT
UNIVERSITY, OTA.**

SEPTEMBER, 2020

ACCEPTANCE

This is to attest that this thesis is accepted in partial fulfillment of the requirements for the award of the degree of Doctor of Philosophy in Political Science in the Department of Political Science and International Relations, College of Leadership Development Studies, Covenant University, Ota, Nigeria

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DECLARATION

I, **IDOWU, SAMUEL SUNDAY, (14PAI00870)**, declare that this research was carried out by me under the supervision of Prof. Ayo Olukotun of the Department of Political Science, Faculty of Social Science, Olabisi Onabanjo University, Ago Iwoye, Nigeria and Dr. Jide Ibieta of the Department of Political Science and International Relations, College of Leadership Development Studies, Covenant University, Ota Nigeria. I attest that the thesis has not been presented, either wholly or partially, for the award of any degree elsewhere. All sources of data and scholarly information used in this thesis are duly acknowledged.

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Signature and Date

CERTIFICATION

We certify that the thesis titled “**Post-Privatisation Performance of Electricity Distribution Companies in Nigeria, (2005-2018)**” is an original work carried out by **IDOWU, SAMUEL SUNDAY, (14PAI00870)** in the Department of Political Science and International Relations, College of Leadership and Development Studies, Covenant University, Ota, Ogun State, Nigeria under the supervision of Prof. Ayo Olukotun and Dr. Jide Ibietan. We have examined and found this work acceptable as part of the requirements for the award of Doctor of Philosophy (Ph.D) degree in Political Science

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DEDICATION

This thesis is dedicated to Almighty God for giving me the grace to complete this research against all odds. All praise, adoration and glory belong to YAHWEH.

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ABBREVIATIONS

BPE	Bureau of Public Enterprises
CBN	Central Bank of Nigeria
CREN	Council for Renewable Energy of Nigeria
CREN	Council for Renewable Energy in Nigeria
DECC	Department of Energy and Climate Change
DISCOs	Distribution Companies
ECN	Energy Commission of Nigeria
ECN	Electricity Company of Nigeria
FDI	Foreign Direct Investment
GBCN	Green Building Council of Nigeria
GENCO	Generation Company
IBEDC	Ibadan Electricity Distribution Company
IDI	In-Depth Interview
IFC	International Finance Corporation
IKEDC	Ikeja Electricity Distribution Company
IMF	International Monetary Fund
IPO	Interim Public Order
MYTO	Multi Year Tariff Order
NAPTIN	National Power Training Institute of Nigeria
NBPI	Nigerian Bio-fuel Policy and Incentives
NCP	National Council for Privatisation
NDA	Niger Delta Authority
NEEDS	National Economic Empowerment and Development Strategy
NEP	National Energy Policy
NEPA	National Electric Power Authority

NEPP	National Electric Power Policy
NERC	Nigeria Electricity Regulatory Commission
NGMP	Nigerian Gas Master Plan
NIAF	Nigeria Infrastructure Advisory Facility
NNPC	Nigerian National Petroleum Corporation
NREEEP	National Renewable Energy and Energy Efficiency Policy
PE	Public Enterprise
PHCN	Power Holding Company of Nigeria
PSRB	Power Sector Reform Bill
PTFP	Presidential Taskforce on Power
REAN	Rural Electrification Agency of Nigeria
REAP	Renewable Energy Action Programme
REEP	Renewable Energy Education Program
RPSR	Roadmap for Power Sector Reform
SAP	Structural Adjustment Programme
SOE	State Owned Enterprise
SON	Standard Organisation of Nigeria
TCN	Transmission Company
TCPC	Technical Committee on Privatisation
UK	United Kingdom
UNIDO	United International Development Organisation

ABSTRACT

This study investigated post-privatisation performance of power sector in Nigeria between 2005 and 2018. The distribution end of the sector's value chain focused on Ibadan and Ikeja distribution companies (DISCOs) in this study. The electricity sector is strategic to Nigeria's realization of socio-economic development aspiration. However, few years after the privatisation of DISCOs, concerns about the DISCOs' performance and sanctity of the process they emerged from were expressed, especially by the legislative arm of government and some interest groups. Politicisation, non-transparency of government in handling of the sector's privatisation exercise and ineffective discharge of duty by DISCOs are among the issues raised. Thus, the study examined the post-privatisation performance of the DISCOs. It also investigated the impact of political considerations on post-privatisation performance of DISCOs and proceeded further to find out whether Nigeria Electricity Regulatory Commission, the regulatory institution, improves the post-privatisation performance of DISCOs as well. Public choice and elite theories were adopted as frameworks for the study. Cross-sectional survey design was used for the conduct of the research. To achieve the objectives of the study, 881 copies of questionnaire were administered on some of the residential and commercial customers of Ibadan and Ikeja DISCOs and interviews conducted were used to obtain data from managers of NERC and DISCOs. In addition, secondary data were obtained from journals, books, official publications and internet. The quantitative data obtained were presented in tables and figures, and descriptively analyzed, while qualitative data were thematically presented. With an above average mean score of between 2.51-3.25 (moderate) for a four Likert-scale measurement - of respondents affirming or disagreeing with almost all the questions posed alongside corroborating striking statements from the interviewees, the findings show that privatisation did not improve the performance of electricity distribution by DISCOs; political considerations impacted adversely on post-privatisation of DISCOs performance; and, government regulatory agency add little value to the post-privatisation performance of DISCOs. The non-performance of DISCOs is as a result of inadequate funding and technical incompetence that are not thoroughly scrutinised because of the parochial interest of the policymakers during the privatisation process, which makes IBEDC and IKEDC appear as not the most qualified for the business amongst bidders. In addition, political interference in the regulatory agency's discharge of duty in the post-privatisation regime relatively affected an effective regulatory environment. The study concludes that the bane of post-privatisation's non-performance of the DISCOs was the politicisation of the privatisation process coupled with political interference in the post-privatisation regulatory management. The study recommends that DISCOs should access funding from the capital market, upgrade existing obsolete infrastructure and regulatory agency must be allowed to operate as autonomous entity, amongst others.

Keywords: Distribution companies, performance, power sector, privatisation, Nigeria.