FORM ECSRC - Q

QUARTERLY REPORT
For the period ended March 31st 2009

Issuer Registration Number: DOMLEC30041975DM

DOMINICA ELECTRICITY SERVICES LIMITED
(Exact name of reporting issuer as specified in its charter)

DOMINICA
(Territory or jurisdiction of incorporation)

P.O. BOX 1593, 18 CASTLE STREET, ROSEAU, DOMINICA
(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): (767) 255 6000

Fax number: (767) 448 5397

Email address: domlec@domleconline.com

1. Financial Statements

DOMINICA ELECTRICITY SERVICES LIMITED
UN-AUDITED BALANCE SHEET
AS AT MARCH 31, 2009
(expressed in Eastern Caribbean Dollars)

	March 2009 $	March 2008 $	December 2008 $
Assets			
Current assets			
Cash and cash equivalents	2,151,871	177,536	2,325,808
Receivables and prepayments	13,862,752	16,297,482	17,691,802
Inventories	10,622,367	10,085,386	12,089,878
	26,636,989	26,560,404	32,107,488
Capital work in progress	24,449,282	2,915,168	21,383,638
Property, plant and equipment	88,137,773	86,183,652	90,355,644
	139,224,044	115,659,224	143,846,770
Liabilities			
Current liabilities			
Borrowings	8,209,491	5,549,756	7,890,284
Accounts payable and accruals	8,659,305	10,037,065	14,106,263
Due to related party	0	0	295,279
Income tax Payable	469,470	278,951	1,508,967
	17,338,266	15,865,772	23,800,794
Borrowings	43,322,807	28,159,458	43,327,622
Deferred tax liability	14,800,540	14,822,934	14,501,636
Other liabilities	7,476,788	6,937,358	7,270,453
Capital grants	1,412,413	1,705,307	1,484,131
	84,350,815	67,490,830	90,384,636
Shareholders' Equity			
Share capital	10,417,328	10,417,328	10,417,328
Retained earnings	44,455,901	37,751,066	43,044,805
	54,873,229	48,168,394	53,462,133
	139,224,044	115,659,224	143,846,770

DOMINICA ELECTRICITY SERVICES LIMITED
UN-AUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED MARCH 31, 2009
(expressed in Eastern Caribbean Dollars)

	March 2009 $	March 2008 $	December 2008 $
Revenue			
Energy sales	12,310,509	11,645,749	50,265,339
Fuel surcharge	3,925,189	8,383,880	40,600,738
Other revenue	870,506	152,523	658,534
	17,106,204	20,182,152	91,524,611
Direct expenses			
Operating	3,508,384	2,830,917	13,601,257
Maintenance	1,217,918	1,368,060	4,787,848
Depreciation	1,878,536	2,106,915	7,295,113
Fuel	5,320,034	9,853,983	47,254,920
	11,924,872	16,159,875	72,939,138
Gross profit	5,181,332	4,022,277	18,585,473
Administrative expenses	2,322,983	2,323,777	9,213,438
Net operating income	2,858,349	1,698,500	9,372,035
Other expenses/(income)			
Amortization of capital grants	(115,128)	(107,664)	(439,432)
Foreign exchange losses/(gains)	(35,047)	25,206	(67,134)
Loss/(Gain) on disposal of plant and equipment	(38,458)	0	(1,934,127)
	(188,632)	(82,459)	(2,440,692)
Net income before finance	3,046,982	1,780,958	11,812,728
Finance charges	(732,697)	(547,282)	(2,434,739)
Net income before tax	2,314,285	1,233,676	9,377,988
Income tax	(903,189)	(485,757)	(1,773,731)
Net income/(loss) for the period	1,411,096	747,919	7,604,257
Earnings/(loss) per share	0.14	0.07	0.73

DOMINICA ELECTRICITY SERVICES LIMITED
UN-AUDITED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE QUARTER ENDED MARCH 31, 2009
(expressed in Eastern Caribbean Dollars)

	March 2009 $	March 2008 $	December 2008 $
Share capital			
Ordinary shares, beginning and end of period	10,417,328	10,417,328	10,417,328
Retained earnings			
At beginning of period	43,044,805	37,003,147	37,003,147
Net income/(loss) for the period	1,411,096	747,919	7,604,257
Ordinary dividends (declared)			(1,562,599)
At end of period	44,455,901	37,751,066	43,044,805
Shareholders' equity, end of period	54,873,229	48,168,394	53,462,133

DOMINICA ELECTRICITY SERVICES LIMITED
UN-AUDITED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED MARCH 31, 2009
(expressed in Eastern Caribbean Dollars)

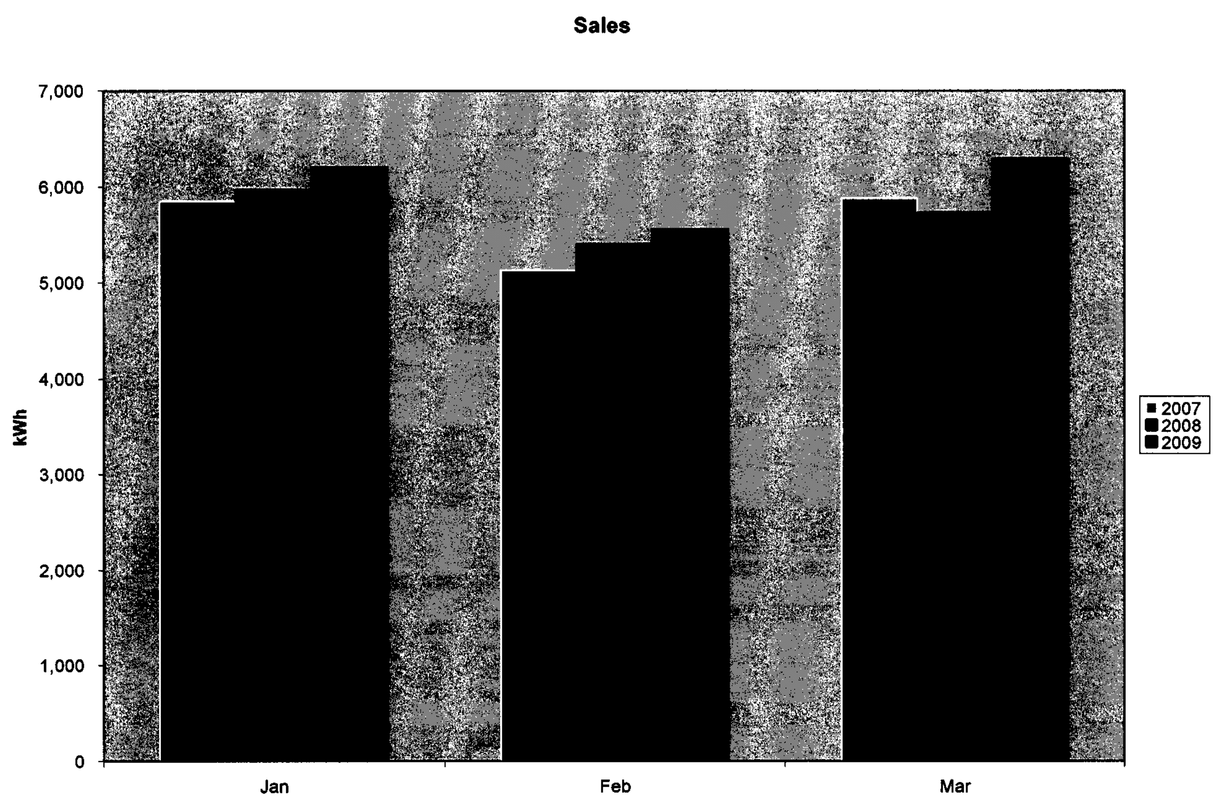
	March 2009 $	March 2008 $	December 2008 $
Cash flows from operating activities			
Net income/(loss) before tax	2,314,285	1,233,676	9,377,988
Adjustments for:			
Depreciation	1,878,536	2,106,915	7,295,113
Loss/(Gain) on disposal of property, plant and equipment	(38,458)	0	(1,934,127)
Exchange (gains)/Loss	(31,048)	12,373	(59,469)
Amortization of capital grants	(115,128)	(107,664)	(294,902)
Interest expense	732,697	547,282	2,434,739
Operating profit before working capital changes	4,740,884	3,792,583	16,819,342
Decrease (Increase) in receivables and prepayments	3,829,050	(1,280,229)	(2,674,549)
Decrease/(increase) in inventories	1,467,511	(1,474,442)	(3,478,932)
Increase/(decrease) in accounts payable and accruals	(5,446,958)	3,010,277	7,079,474
Increase/(decrease) in due to related party	(295,279)	(171,747)	123,532
Cash generated from operations	4,295,207	3,876,442	17,868,867
Interest paid	(684,528)	(487,398)	(2,522,120)
Income tax paid	(1,643,782)	(939,799)	(1,319,054)
Net cash from operating activities	1,966,897	2,449,245	14,027,693
Cash flows from investing activities			
Purchase of property, plant and equipment	(2,716,267)	(2,052,894)	(31,891,071)
Proceeds on disposal of property, plant and equipment	45,750	0	3,938,320
Net cash used in investing activities	(2,670,517)	(2,052,894)	(27,952,751)
Cash flows from financing activities			
Proceeds from borrowings	0	0	21,804,827
Repayment of borrowings	(1,569,719)	(815,428)	(3,352,905)
Dividends paid	0	0	(1,562,599)
Increase in other liabilities	206,335	207,105	540,204
Increase in Capital grants	0	0	0
Net cash generated from/(used in) financing activities	(1,363,384)	(608,323)	17,429,527
Net increase/(decrease) in cash and cash equivalents	(2,067,004)	(211,972)	3,504,469
Cash and cash equivalents, beginning of period	1,175,321	(2,329,148)	(2,329,148)
Cash and cash equivalents, end of period	(891,682)	(2,541,120)	1,175,321

2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net profit for the first quarter ended March 31st 2009 was EC$1.411 million, compared to EC$0.748 million for the comparable period of 2008, an increase of 89% or EC$0.663 million.

While total revenue for the quarter has decreased EC$3.076 million from the same period in 2008, revenue from electricity sales has grown 5.7% to EC$12.311 million. In fact it is the reduction in the cost of fuel and the subsequent fall in fuel surcharge that has resulted in the overall decrease in total revenue. Fuel surcharge in this quarter totalled EC$3.925 million compared to EC$8.384 million for the first quarter of 2008.

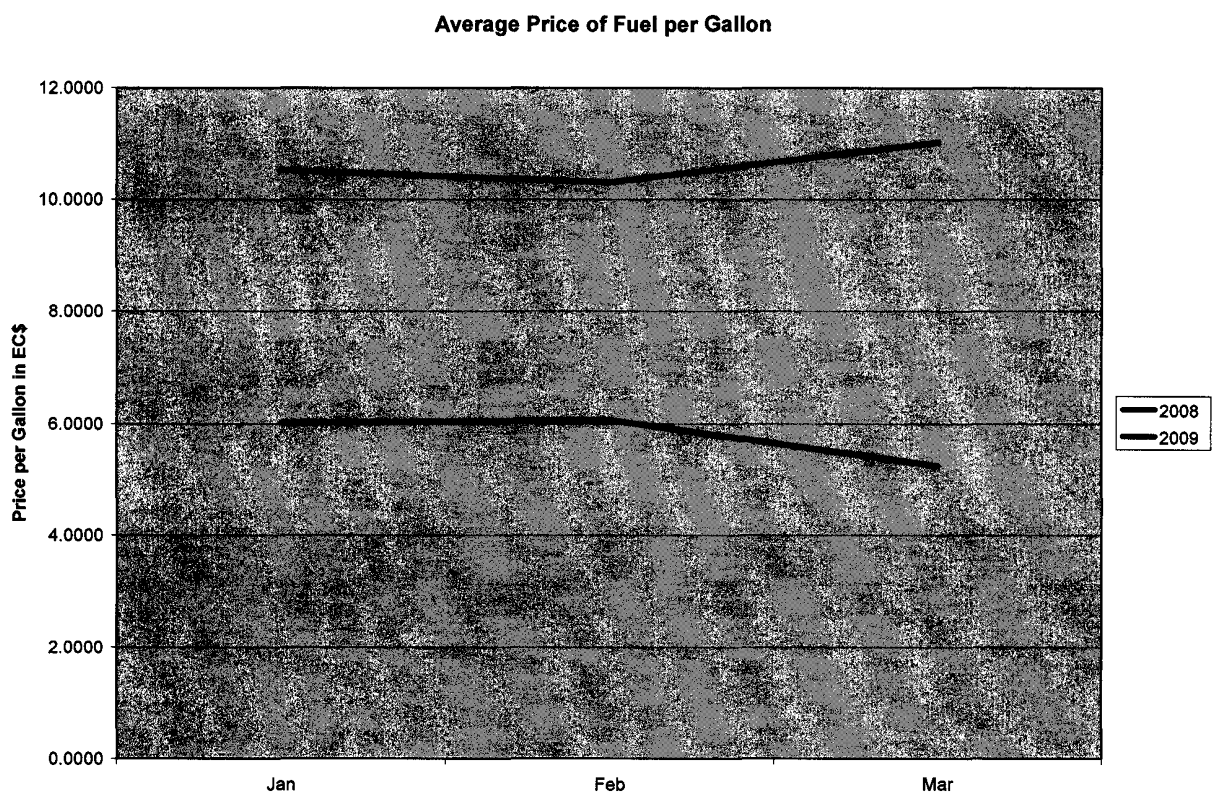
The growth in revenue from electricity sales has been driven by above average growth in all sectors. The Hotel and Industrial sectors have shown the most improvement, growing by 14.6% and 29.4% respectively. Sales to Commercial customers grew 4%, while sales within the Domestic sector increased 2.6%. Overall sales growth in this first quarter totalled 5.6% and was driven mainly by lower energy costs brought on by lower fuel prices coupled with an improvement in reliability which allowed the company to serve existing demand.



During the first quarter of 2009, 877,535 imperial gallons of diesel was used in the generation on electricity, a 6.6% decrease from 2008. This reduction in the number of gallons used, coupled with an average price of diesel that is 42% lower than last year's at EC$6.06, have combined to result in total fuel costs falling 46% to EC$5.320 million.

Generation of energy was primarily by diesel generation in the first quarter, with 72% of all energy generated coming from this means. This however represents a reduction from 2008, when 77% of total energy generated was through diesel generation.

The reduction in diesel generation was possible in this quarter, even with increased sales, for two reasons. Firstly, energy produced from the Hydro increased 25% to 5,863,244 kWh in this first quarter. This is mainly because of increased rainfall in the earlier part of the quarter compared to 2008. Secondly, system losses have continued to improve in this quarter and currently stand at 12.0% compared to 13.7% a year ago. The company remains committed to the reduction of system losses.



Direct Expenses decreased EC$4.235 million mainly as a result of the dramatic fall in the cost of fuel. Direct expense net of fuel costs increased slightly (5%) to EC$6.605 million in this first quarter.

DOMLEC IN THE FIRST QUARTER OF 2009

Operating Highlights	2009	2008
Number of customers	34,361	34,774
Hydro generation (1,000 kWh)	5,863	4,692
Diesel generation (1,000 kWh)	15,187	15,873
Units sold (1,000 kWh)	18,052	17,102
Fuel efficiency(kWh per IG)	17.31	16.90
System losses	12.0%	13.7%

(a) **Liquidity**

The company has experienced marginal improvement in the collection of receivables in the first quarter of 2009 compared to the same period of 2008. Trade receivables (excluding unbilled sales) stood at EC$9.792 million at the end of this quarter compared to EC$12.288 a year ago. The lower receivables balance is in part because of a slight improvement in collections, but is mainly due to lower average debt per customer because of the reduced fuel surcharge costs this year.

For the quarter just ended, debt within the Commercial sector represented the major portion of collectibles, amounting to 36% of gross receivables, while government debts accounts for 31% of all debt receivable, up from 27% at the end of the first quarter of 2008.

The company remains in a stable liquid position at the end of the first quarter of the year.

(b) **Capital Resources**

The company has committed $2.9 million during the period to acquire fixed assets and has spent EC$2.8 million to date. This capital commitment was funded from internal funds. However, the company has access to funding from a previously negotiated facility from a local financial institution to fund its' continuing capital programme throughout 2009

3. DISCLOSURE OF RISK FACTORS.

Financial assets, which potentially subject the Company to concentrations of credit risk, consist principally of bank deposits, available-for-sale financial assets and trade receivables. The Company's bank deposits are placed with high credit quality financial institutions. Trade receivables are presented net of the provision for impairment of receivables. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Company's customer base and their dispersion across different economic sectors. Management performs periodic credit evaluations of its customers' financial condition and does not believe that significant credit risk exists at March 31st 2009.

The most significant risk to which the company is exposed is the continuing uncertainty in the Company's regulatory environment occasioned by the absence of rules and regulations to govern crucial aspects of the Company's operations such as licensing and tariffs. This environment has posed a great challenge in managing operations and the establishment of long term plans. There have been several consultative meetings between the Independent Regulatory Commission (IRC) and the Company about tariff, licensing and quality of service standards. To date no regulations have been sent by the IRC to parliament for passage into law and there continues to be fluidity in the regulatory environment as a plethora of consultants continues to advise the IRC. The Company has committed to work in good faith with the IRC in establishing a framework that will provide for a stable and viable supply of electricity to Dominica.

Secondly, the current economic turmoil facing the world is expected to have an adverse impact on economic activity on the island. A likely consequence is the impact that a slowdown in the national economy, particularly in productive sectors like tourism and manufacturing, will have on Domlec's business. During 2009, energy sales are expected to be affected by this situation.

However with the installation of the three new medium speed engines, it is expected that the company will be better able to meet existing customer demand, eliminating the need for load shedding and resulting in marginal growth in energy sales compared with 2008 levels despite the expected slowing of the economy. Management remains very cognizant of the ongoing financial crisis and is prepared to act quickly to respond to any changes in sales and revenue growth projections. As the full scope and depth of the possible economic problems remain somewhat nebulous this represents a major area of business risk and uncertainty for the utility in the coming year.

Finally, the company continues to explore options for self insurance of its Transmission & Distribution (T&D) assets against Hurricane damage. The risk of a storm and the wind related damage to T & D assets is relatively high in this region. While details of the self insurance scheme are being finalised, Domlec has made arrangements with a local commercial bank for an emergency facility if it is ever needed. However, the company has not transferred the risk of loss on T & D assets and appropriate insurance coverage is a priority for this fiscal year.

4. LEGAL PROCEEDINGS.

None

5. CHANGES IN SECURITIES AND USE OF PROCEEDS.

None

6. DEFAULTS UPON SENIOR SECURITIES.

There have been no defaults on the payment of securities during the period under review.

7. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

CLASS	NUMBER
Common	10,417,328

SIGNATURES

Name of Chief Executive Officer:

Collin Cover

Signature

28th April 2009

Date

Name of Director:

Grayson Stedman

Signature

29/4/09

Date