Schedule 3
FORM ECSRC - Q

Quarterly Report:
For the period ended September 30th 2007

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 5395

Email address: domlec@domleconline.com

1. FINANCIAL STATEMENTS

DOMINICA ELECTRICITY SERVICES LIMITED
UN-AUDITED BALANCE SHEET
AS AT SEPTEMBER 30, 2007
(expressed in Eastern Caribbean Dollars)

	September 2007 $	September 2006 $	December 2006 $
Assets			
Current assets			
Cash and cash equivalents	135,598	277,914	377,921
Receivables and prepayments	12,319,101	15,806,201	15,494,602
Inventories	9,197,627	9,162,222	9,590,510
	21,652,326	25,246,337	25,463,033
Capital work in progress	11,638,859	7,144,180	2,929,657
Property, plant and equipment	77,381,774	77,695,166	83,127,186
	110,672,958	110,085,685	111,519,876
Liabilities			
Current liabilities			
Borrowings	1,691,847	2,447,953	6,042,019
Accounts payable and accruals	7,835,172	9,509,131	8,477,916
Due to related party	0	0	131,201
Income tax Payable	636,281	1,094,932	1,136,676
	10,163,300	13,052,016	15,787,812
Borrowings	31,383,109	34,746,052	30,220,636
Deferred tax liability	15,003,862	14,851,280	14,671,384
Other liabilities	6,308,767	3,739,381	5,719,379
Capital grants	1,888,427	2,043,558	2,216,539
	64,747,464	68,432,287	68,615,750
Shareholders' Equity			
Share capital	10,417,328	10,417,328	10,417,328
Retained earnings	35,508,166	31,236,070	32,486,798
	45,925,494	41,653,398	42,904,126
	110,672,958	110,085,685	111,519,876

DOMINICA ELECTRICITY SERVICES LIMITED
UN-AUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2007
(expressed in Eastern Caribbean Dollars)

	September 2007	September 2006	December 2006
	$	$	$
Revenue			
Energy sales	37,191,210	35,255,305	47,383,773
Fuel surcharge	20,934,516	19,000,112	26,063,337
Other revenue	534,168	410,157	527,763
	58,659,895	54,665,574	73,974,873
Direct expenses			
Operating	9,180,684	9,472,054	12,941,884
Maintenance	2,747,572	2,741,218	3,681,294
Depreciation	5,558,321	5,588,890	6,770,238
Fuel	26,113,416	22,504,051	30,970,742
	43,599,992	40,306,212	54,364,158
Gross profit	15,059,904	14,359,363	19,610,715
Administrative expenses	7,922,254	6,639,049	9,134,055
Net operating income	7,137,650	7,720,313	10,476,660
Other expenses/(income)			
Amortization of capital grants	(394,178)	(473,851)	(764,012)
Foreign exchange losses/(gains)	101,354	314,979	291,761
Loss/(Gain) on disposal of plant and equipment	(34,597)	(38,919)	(43,418)
	(327,421)	(197,790)	(515,669)
Net income before finance	7,465,071	7,918,104	10,992,329
Finance charges	(1,721,911)	(1,980,538)	(2,377,924)
Net income before tax	5,743,160	5,937,565	8,614,405
Income tax	(1,940,493)	(1,970,868)	(2,615,680)
Net income/(loss) for the year	3,802,667	3,966,698	5,998,725
Earnings/(loss) per share	0.37	0.38	0.58

DOMINICA ELECTRICITY SERVICES LIMITED
UN-AUDITED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2007
(expressed in Eastern Caribbean Dollars)

	September 2007 $	September 2006 $	December 2006 $
Share capital			
Ordinary shares, beginning and end of year	10,417,328	10,417,328	10,417,328
Retained earnings			
At beginning of year	32,486,798	28,050,672	28,050,672
Net income/(loss) for the year	3,802,667	3,966,698	5,998,725
Ordinary dividends rescinded (declared)	(781,300)	(781,300)	(1,562,599)
At end of year	35,508,166	31,236,070	32,486,798
Shareholders' equity, end of year	45,925,494	41,653,398	42,904,126

DOMINICA ELECTRICITY SERVICES LIMITED
UN-AUDITED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED SEPTEMBER 30, 2007
(expressed in Eastern Caribbean Dollars)

	September 2007 $	September 2006 $	December 2006 $
Cash flows from operating activities			
Net income/(loss) before tax	5,743,160	5,937,565	8,614,405
Adjustments for:			
Depreciation	5,558,321	5,588,890	6,770,238
Loss/(Gain) on disposal of property, plant and equipment	(34,597)	(38,919)	(43,418)
Exchange (gains)/Loss	94,785	257,777	206,932
Amortization of capital grants	(394,178)	(473,851)	(731,078)
Interest expense	1,721,911	1,980,538	2,377,924
Operating profit before working capital changes	12,689,402	13,252,001	17,195,001
Decrease (Increase) in receivables and prepayments	3,175,501	(3,830,321)	(3,518,722)
Decrease/(increase) in inventories	392,883	(1,503,740)	(1,932,028)
Increase in accounts payable and accruals	(642,745)	1,353,764	901,910
Increase/(Decrease) in due to related party	0	0	131,201
Cash generated from operations	15,615,042	9,271,704	12,777,362
Interest paid	(1,611,984)	(1,678,361)	(2,361,303)
Income tax paid	(2,108,411)	(1,578,339)	(2,602,612)
Net cash from operating activities	11,894,647	6,015,003	7,813,447
Cash flows from investing activities			
Purchase of property, plant and equipment	(8,728,817)	(7,327,538)	(9,240,692)
Proceeds on disposal of property, plant and equipment	34,600	42,600	44,600
Net cash used in investing activities	(8,694,217)	(7,284,938)	(9,196,092)
Cash flows from financing activities			
Proceeds from borrowings	2,375,605	3,450,000	3,439,395
Repayment of borrowings	(4,428,376)	(3,643,583)	(5,084,366)
Dividends paid	(781,300)	(781,300)	(1,562,599)
Increase in other liabilities	589,388	196,727	1,392,539
Increase in Capital grants	0	0	430,211
Net cash generated from/(used in) financing activities	(2,244,683)	(778,156)	(1,384,820)
Net increase/(decrease) in cash and cash equivalents	955,747	(2,048,091)	(2,767,465)
Cash and cash equivalents, beginning of year	(1,545,795)	1,221,670	1,221,670
Cash and cash equivalents, end of year	(590,048)	(826,421)	(1,545,795)

1 General Information

Dominica Electricity Services Limited (the Company) was incorporated as a public limited liability company in the Commonwealth of Dominica on April 30, 1975. The Company is licensed under the Electricity Supply Act, the new Electricity Supply Act No. 10 of 2006 and is regulated by the Independent Regulatory Commission established by the Act. The Company is listed on the Eastern Caribbean Securities Exchange and falls under the jurisdiction of the Eastern Caribbean Securities Regulatory Commission.

Dominica Private Power Ltd. (thereafter "DPP"), a company incorporated in the Turks and Caicos Islands owns 52% of the issued shares capital of the Company, the Dominica Social Security owns 21% and 27% is held by the general public.

The registered office and principal place of business of the Company is located at 18 Castle Street, Roseau, Commonwealth of Dominica.

Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements of Dominica Electricity Services Limited have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdraft. The bank overdraft is shown within borrowings in current liabilities on the balance sheet.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the asset's carrying amount and the future collectible amount. The amount of the provision is recognised in the income statement.

Summary of Significant Accounting Policies*…continued*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made for obsolete, slow-moving and damaged goods.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. No depreciation is provided on work-in-progress until the assets involved have been completed and are put into use. Depreciation on other assets is calculated using the straight- line method to allocate their cost to their residual lives over their estimated useful lives, as follows:

Buildings, headworks and pipelines	2.5 – 3 1/3%
Generator transmission and distribution	4 - 10%
Motor vehicles	14 – 20%
Furniture and fittings	12 1/2 - 33 1/3%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Summary of significant accounting policies…*continued*

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Interest expense is recorded on an accrual basis over the period it becomes due. Borrowing cost is recognized as an expense in the period in which they are incurred.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Deferred taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The principal temporary difference arises from depreciation on plant and equipment.

Capital work in progress

Capital work in progress is recorded at cost less impairment losses. The cost of completed work is transferred to property, plant and equipment upon completion.

Summary of significant accounting policies…*continued*

Consumer contributions
In certain specified circumstances, consumers requiring line extensions are required to contribute the estimated capital cost of the extension. These contributions are recorded as deferred revenue and the actual cost incurred is capitalized in property, plant and equipment.

Customer deposits
Given the long-term nature of the customer relationship, customer deposits are shown in the balance sheet as non-current liabilities (i.e. not likely to be repaid within twelve months of the balance sheet date).

Leases
Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Capital grants
Capital grants represent the fair value of fixed assets donated to the Company. The amount is amortised over the estimated useful lives of the respective assets.

Share capital
Ordinary shares are classified as equity.

Dividends
Dividends on ordinary shares are recorded in the Company's financial statements in the same period that it is declared by the Board of Directors.

Revenue recognition
Revenues comprise the fair value for the sale of energy. Revenue is recognized as follows:

Sale of energy
Revenue from energy sales is based on meter readings which are carried out on a rotational basis throughout each month. A provision based on number of day's unbilled accounts of the current month's billings, excluding the fuel surcharge is made to record unbilled energy sales at the end of each month. The provision for unbilled sales is included in accrued income.

In addition to the normal tariff rates charged for energy sales, a fuel surcharge is calculated which is based on the difference between the actual cost of fuel per unit used to generate energy sales in the current month and the statutory established base price of fuel per unit. The surcharge is recovered by applying the month's surcharge rate to units billed in the following month. The provision for unbilled fuel surcharge is included in accrued income.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

Summary of significant accounting policies…*continued*

Employee benefits

<u>(a) Pension</u>

The Company contributes to a defined contribution plan for all employees subscribing to the Plan. The assets of the Plan are held separately. The pension plan is funded by payments from participating employees and the Company. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Company contributes 3% of each of the individual employee's monthly salary while the employee contributes a minimum of 3% of his/her monthly salary.

The Company pays its contribution to a privately administered pension insurance plan on a contractual basis. The Company has no further payment obligation once the contribution has been paid. The contributions are recognised as employee benefit expenses when they are due.

<u>(b) Termination benefits</u>

Termination benefits are payable when employment is terminated prior to the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Foreign currency translation

<u>Functional and presentation currency</u>

Items in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Eastern Caribbean dollars, which is the Company's functional and presentation currency.

<u>Transactions and balances</u>

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Financial Risk Management

The Company's activities expose it to a variety of financial risk: foreign exchange risk, liquidity risk and interest rate risk and price risk.

Foreign exchange risk

The Company trades internationally. Such transactions are primarily in United States dollars. The exchange rate of the Eastern Caribbean dollar (EC$) to the United States dollar (US$) has been formally pegged at EC$2.70 = US$1.00 since July 1976. As at September 30th 2007, the company held loans denominated in foreign currencies (other than US$) amounting to EC$1,117,514 comprised as follows: Euro €299,357. The company does not believe that there is significant foreign exchange risk for loans denominated in US$.

<u>Liquidity risk</u>

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Management does not believe significant liquidity risk exists at September 30th, 2007.

<u>Credit risk</u>

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 September 30th, 2007.

<u>Interest rate risk</u>

Differences in contractual reprising or maturity dates and changes in interest rates may expose the Company to interest rate risk.

<u>Fair value estimation</u>

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists.

Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management does not consider that there are estimates and assumptions that will have a significant risk, causing a material adjustment to the carrying amounts of assets and liability within the next financial year.

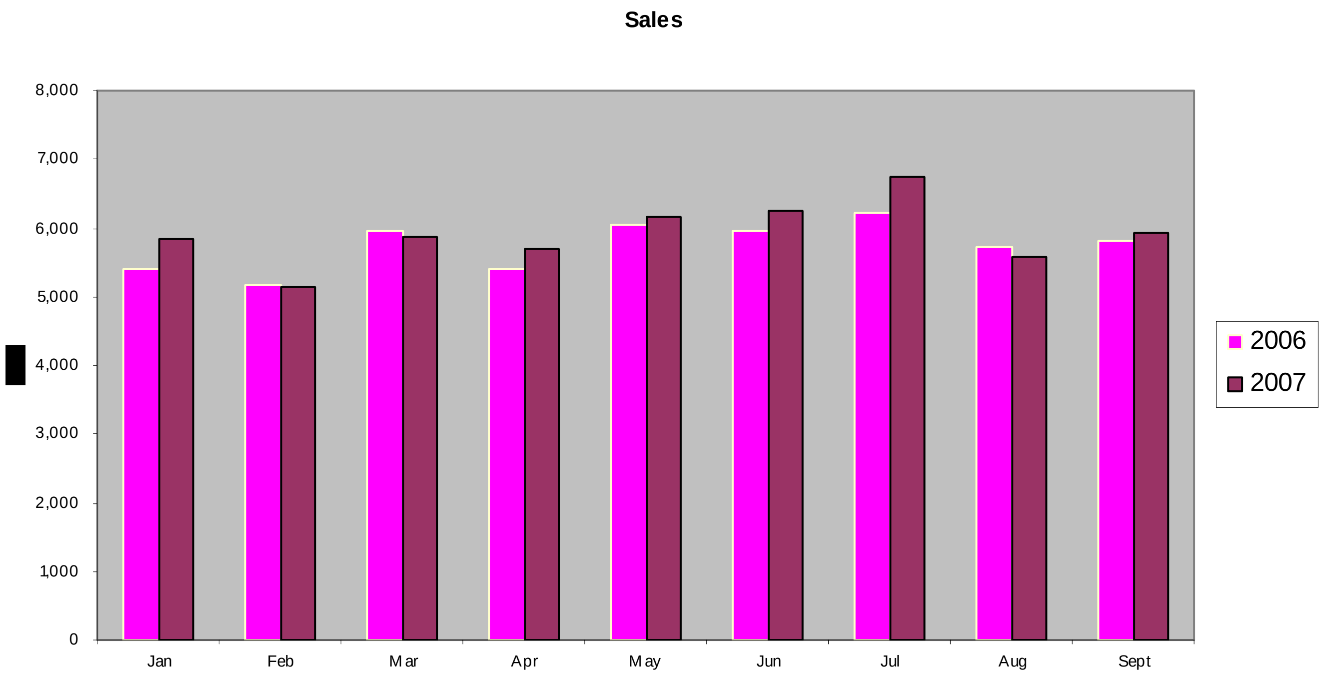
2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

At the end of the third quarter ended September 30, 2007 the company had recorded a net profit after taxes of EC$3.803 million, compared to a profit of EC$3.967 million over the corresponding period of 2006.

Electricity sales for the period under review amounted to 53,217,658 kWh and generated income of EC$58.660 million, an increase of EC$3.994 million or 7% over the corresponding period of 2006. This is accounted for by an increase of EC$1.936 million in energy sales and EC$1.934 million in fuel surcharge. Effective September 1st 2007, the company reduced its basic tariff across all sectors by EC$0.02 per kWh. This is part of an agreement with the Government of the Commonwealth of Dominica to reduce the cost of electricity to customers on the island. The Government has also agreed, effective that same day, to reduce the excise tax paid on diesel used in electricity generation by 50% to EC$1.19 per Imperial Gallon. By reducing the basic tariff by 2 cents the company will forego about EC$1.4 million dollars a year in revenue. However, with expected growth in the productive sectors, it is expected that overall revenue will remain fairly constant as unit sales increase.

Overall, year to date unit sales have exceeded sales for the same period of 2006 by 1,587,244 kWh, that is, 3%. This growth has been lead by above average growth in the Commercial sector of more than 9% and growth in the Industrial sector of 3.3%. Sales within the domestic sector has declined slightly this year, while sales in the hotel sector has declined more than 18% as major customers within this sector have opted to self generate. This dramatic decline has not had as great an impact on the company's overall fiscal position as the hotel sector represents only about 3% of total unit sales. Growth in the much larger Commercial and Industrial sectors has thus tempered any major financial loss from the decline in this sector. In fact, demand within the Industrial Sector is expected to remain strong throughout the year with anticipated expansion in the mining and quarrying industry on the island.

The passage of Hurricane Dean near the island of Dominica in mid August has impacted negatively on, and to some extent has slowed down growth across many sectors. It is expected though that this trend will not continue and there are signs that demand for power has returned to normal since the passage of the storm more than six weeks ago.



Fuel prices have continued their upward trend this year as new highs have been realised per barrel in international trading. The effect is that the price paid for diesel fuel this year has exceeded that paid for the comparable period of 2006 by about EC$0.30 per gallon. As discussed above, the price paid for diesel was effectively lowered from September 1st 2007 when the Government of Dominica decreased the excise tax on diesel used in electricity generation by EC$1.19

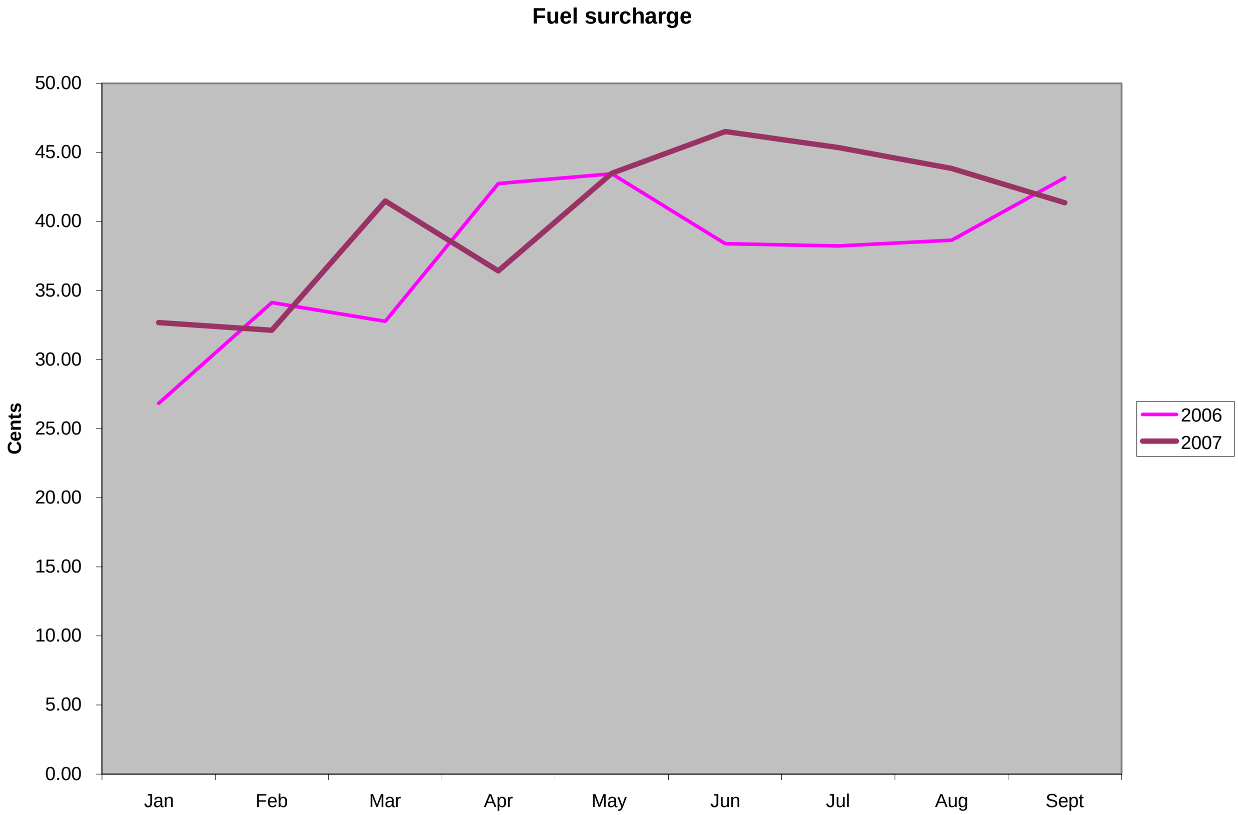
Overall, fuel cost to date stands at EC$26.113 million compared to EC$22.504 million at the same period in 2006, an increase of more than EC$3.609 million (16%). This increase has been lead by higher costs for diesel and the fact that diesel generation has increased in this fiscal year.

To date, units generated from diesel generation has increased over 2006 levels by 9.2% to 47,365,151 kWh and has represented 74% of total power generated. The dependence on diesel generation in this year has been necessary as hydro generation has been lower than that of the same period of 2006.

At the end of September 2006, units from hydro generation totalled 20,031,440 kWh, while to date hydro has produced only 16,962,570 kWh, a decrease of 15.3%. Hot and dry weather condition in the early part of the year resulted in hydro output being much lower than normal. Furthermore, during the passage of Hurricane Dean in August, the Padu generating plant was severely damaged and has not been in operation since. It is not expected to be operational for the rest of this financial year.

The obvious consequence of this has been the reliance on diesel generation which has resulted in a total of 298,785 or 12% more gallons of fuel being utilized in this year than what was consumed in the corresponding period of 2006.

Due to the increased utilization of diesel fuel for generation, fuel cost net of fuel surcharge recovery increased over the corresponding period of 2006 by EC$1.675 million or 47%.



Direct expenses net of fuel cost at the end of the third quarter ended September 2007 was virtually on par with the previous year, lower than that of 2006 by just EC$0.316 million or 2%. This is in spite of the increased costs incurred to date to restore power to customers and to conduct a comprehensive clean up after the passage of Hurricane Dean.

DOMLEC IN THE THIRD QUARTER OF 2007

Operating Highlights	2007	2006
Number of customers	35,390	32,267
Hydro generation (1,000 kWh)	16,963	20,031
Diesel generation (1,000 kWh)	47,365	43,383
Units sold (1,000 kWh)	53,218	51,630
Fuel efficiency(kWh per IG)	16.73	17.13
System losses	14.4%	17.2%

(a) **Liquidity**

The company has seen much improvement in this quarter with the level of trade receivables, particularly with amounts owing by the government. In July 2007, the Government settled most of its outstanding debt and at present most of its outstanding amounts are less than 60 days. Overall, debtor days across all customers now stand at 60 days, compared to 79 days at this point in 2006. This has resulted in improved short term liquidity.

(b) **Capital Resources**

The company has committed $8.6 million during the period to acquire fixed assets. This capital commitment was funded partly from internal funds and the balance from already negotiated funds from a local financial institution.

(c) **Results of Operation.**

Overall sales performance remains satisfactory.

3. DISCLOSURE OF RISK FACTORS

The greatest risk with which the company is faced at this time is the uncertainties brought about by the liberalisation of the sector under the new Electricity Supply Act. The possibility of market erosion remains a fundamental concern. The company expects that through continued consultations with the Independent Regulatory Commission the more fundamental licensing and tariff regulation issues will be satisfactorily addressed.

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

8. OTHER INFORMATION

None

CLASS	NUMBER
Ordinary	10,417,328

SIGNATURES

Name of Chief Executive Officer:

Signature

Date

Name of Director:

Signature

Date