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SECURITIES ACT 2001

SECURITIES (ACCOUNTING AND FINANCIAL REPORTS) RULES NO. 1 OF 2002

IN EXERCISE of the powers conferred on it by sections 98, 161 (a) and 162 of the Securities Act 2001, the Commission makes the following procedural rules and specifies the form of annual reports and periodic reports to be filed by reporting issuers.

CITATION AND COMMENCEMENT

1. These Rules may be cited as the Securities (Accounting and Financial Reports) Rules No.1 of 2002 and shall come into force on the date issued by the Commission.

ANNUAL REPORTS

2. **Quarterly Reports to be submitted to the Commission**

- (1) The Commission may require a reporting issuer to submit a quarterly financial report within thirty days of the end of each of the first three quarters of the financial year. Included in this report shall be the financial statement schedules, exhibits and all other papers and documents.
- (2) At the request of the reporting issuer the Commission may extend, from time to time, the period within which such reporting issuer is, in accordance with the provisions of the Securities Act 2001, obliged to furnish any document or information.
- (3) This report shall be in form ECSRC – Q as specified in Schedule 3. It must contain the information specified in paragraphs 1-8 of Schedule 3.

Reporting issuer's:
Telephone number 1-758-457-4400
Fax number: 1-758-457-4409
Email address: lucelec@csndw.lc

(Former name, former address and former financial year, if changed since last report)

Schedule 3
FORM ECSRC - Q

(Select One)

Quarterly Report

For the period ended: 31st March, 2009

or

TRANSITION REPORT

N/A

(Applicable where there is a change in reporting issuer's financial year)

For the transition period from _____ to _____

Issuer Registration Number: LUCELEC09091964SL

St. Lucia Electricity Services Limited

(Exact name of reporting issuer as specified in its charter)

Saint Lucia

(Territory or jurisdiction of incorporation)

John Compton Highway, Sans Soucis. Castries. Saint Lucia

(Address of principal executive Offices)

Reporting issuer's:

Telephone number 1-758-457 4400

Fax number: 1-758-457-4409

Email address: lucelec@candw.lc

N/A

(Former name, former address and former financial year, if changed since last report)

INFORMATION TO BE INCLUDED IN THE REPORT

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

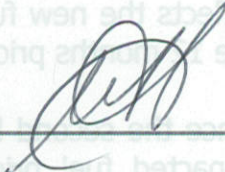
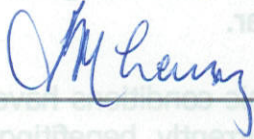
CLASS	NUMBER
Ordinary Shares	11,200,000
Non-voting Ordinary Shares	520,000

SIGNATURES

Name of Chief Executive Officer:

Name of Director: MATTHEW L. MATHURIN

Trevor Louisy



Signature

Signature

22nd April 2009

22nd April 2009

Date

Date

INFORMATION TO BE INCLUDED IN THE REPORT

1. Financial Statements

Condensed Balance Sheet as at 31st March, 2009 is attached.

- (a) Condensed Statement of Income for the Three Months Ended 31st March, 2009 and the corresponding period in the previous financial year are attached.

- (b) Condensed Statement of Cash Flows for the Three Months Ended 31st March, 2009 and the corresponding period in the previous financial year.

2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(a) Liquidity

Under the provisions of the Electricity Supply Act No. 10 of 1994 (as amended), the Company implemented a tariff fuel adjustment of EC\$0.1608 which took effect from February, 2009. This adjustment reflects the new fuel "base price" computed as the average fuel price for the 12 months prior to 1st January of each year.

Since the second half of 2008 global economic conditions have positively impacted fuel prices and customers are currently benefiting from the correspondingly lower electricity prices. During the quarter the average price paid for fuel was EC\$4.83 per gallon compared to EC\$9.57 for the similar period in 2008. As a result the fuel cost adjustment factor has changed from a charge of EC12.26 cents per unit, in the first quarter of 2008, to a reduction of EC23.03 cents per unit for the same period this year.

An overall growth rate of 2.8% was recorded in energy unit sales over the corresponding period in 2008 which was attributable to increases in the Commercial (4.3%), Hotel (3.1%) and Industrial sectors (8.0%)

Debt management continues to be critical during this period of reduced economic activity and overall debt quality has improved.

There has been no material shift in the Company's liquidity.

(b) **Capital Resources**

The Automated Metering Initiative (AMI) is progressing on schedule and currently a total of 4,000 "smart meters" have been installed in the north of the island. This initiative will provide benefits to the Company in terms of savings in meter reading costs, loss reduction, system efficiency, more timely and accurate meter readings, automatic reconnection and disconnection and greater level of information on customer usage patterns.

Work on the new Customer Information System (CIS) continued during the quarter as the project team attended presentations by various vendors in response to the Company's Request for Proposals sent out earlier. A supplier will be selected by mid year and efficiencies and reduced costs are also expected to be realised when the system becomes fully operational in 2010.

After the successful completion of the dedicated 6MW power supply (including 2MW at 60Hz) to the Rodney Bay Marina, officials of LUCELEC witnessed the official opening of the facility during the quarter. The Marina, which now boasts a highly reliable power supply, was home to the world renowned Atlantic Rally for Cruisers (ARC), and has a capacity to accommodate up to 238 vessels.

The latest draft of Statutory Regulations in relation to the Company's Self Insurance Fund has been received from the Attorney General's Chambers; in this regard the Company has submitted comments and recommendations for amendments. The eventual passing of this amendment is imminent and will allow the Company to institute the various legal measures for the governance structure of the fund.

The Company is covenanted to its financiers to a 1:1 debt/equity gearing for which there are no potential violations. The comparable positions for this year and last year are indicated below.

	31 st March, 2009 EC\$ 000s	31 st March, 2008 EC\$ 000s
Borrowings		
Current	15,711	18,764
Long Term	109,622	107,288
TOTAL	125,333	126,052
Shareholders' Equity		
Share Capital	80,163	80,163
Retained Earnings	70,841	65,609
TOTAL	151,004	145,772

Results of Operations

In addition to different and cheaper fossil based fuels, technical and financial evaluations are being carried for the inclusion of environmentally friendly energy sources such as wind, solar, natural gas and geothermal as part of the Company's new generation requirements. The government recently secured a site in the south of the island for the use of the development of a wind farm.

The company is in the early stages of implementing a pilot fuel price hedging programme with the aim of reducing the current volatility due to the spot price purchasing system that currently exists. The results of this pilot programme will guide the Company towards a full hedging programme at a later date.

Total revenues were down by 24.6%, when compared to the same period last year. The increase from higher unit sales was offset by lower fuel prices and a reduction in estimated unbilled revenues.

Unit sales recorded a 2.8% growth compared to the corresponding period last year and are 1% over this year's expectations.

Gross profit of EC\$17.6M, recorded an increase of 9.4% over last year's position of EC\$16.1M. Profit before tax was EC\$9.4M, recorded an 18.6% increase over the corresponding period last year (\$7.9M) and this was as a direct result of the increase in unit sales.

Overall, results are ahead of expectations and efforts will continue to achieve targets despite the challenging global economic environment.

System reliability performance for the quarter was 1.59 hours which compares unfavourably to the same period in 2008 (1.22 hours). This situation is being closely monitored with a view to improving performance during the year.

A peak demand of 50.5 MW was recorded on January 20th, 2009 at 1845 hours and again on February 17th, 2009 at 1330 hours. The all time maximum demand of 54.1MW was recorded on May 26, 2008 at 1425 hours.

Average fuel efficiency for the quarter increased to 20kWh per gallon from 19.60 kWh per gallon over the same period last year. The improved efficiencies realized thus far are attributable to the effective use of the newer more efficient plant.

System losses were recorded at 9.79% at the end of the quarter against 10.02% recorded in the same period last year. A Loss Reduction Working Group has been instituted to review all matters related to losses and make recommendations for improvements in the short, medium and long term.

3. Disclosure of Risk Factors.

The Company continues to monitor the local, regional and international economic climate to determine its impact on the business and, where necessary to take the relevant corrective actions. Some businesses (primarily the hotel and retail sector) have retrenched staff due to lower business activity. An upside to the local economy has been the reduction in energy rates which will tame inflation and cushion other negative activities.

The Company served notice on CLICO, the Fund Manager for its Grade 2 Pension Scheme to withdraw the fund balance of approximately EC\$10M in accordance with the terms of the agreement between the parties. Accordingly the funds will begin to be repatriated to the new Fund Manager in the second quarter.

Discussions have commenced with regional stakeholders on a proposed

new regulatory regime for the energy sector. This is being driven by the World Bank And the OECS Secretariat on behalf of the countries of the Eastern Caribbean.

Work has continued on the company's initiative to convert some of its more efficient generating plant to utilize cheaper Heavy Fuel Oil (HFO) instead of the more expensive Light Fuel Oil (LFO) currently being used.

4. Legal Proceedings

There are currently no legal proceedings that would have a material effect on the Company's financial position.

5. Changes in Securities and Use of Proceeds

(a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

NOT APPLICABLE

(b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)
- Offer closing date (provide explanation if different from date disclosed in the registration statement)
- Name and address of underwriter(s)
- Amount of expenses incurred in connection with the offer
- Net proceeds of the issue and a schedule of its use
- Payments to associated persons and the purpose for such payments

NOT APPLICABLE

(c) Report any working capital restrictions and other limitations upon

the payment of dividends.

NOT APPLICABLE

6. Defaults Upon Senior Securities

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 percent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

NONE

- (b) If any material arrears in the payment of dividends has occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

NONE

ST LUCIA ELECTRICITY SERVICES LIMITED
BALANCE SHEET
AS AT MARCH 31, 2009

	Unaudited March 31 2009 EC\$ 000s	Audited Dec 31 2008 EC\$ 000s
Assets		
Non-Current		
Property, plant and equipment	295,223	298,775
Intangible Assets	3,456	3,724
Retirement benefit asset	8,847	8,847
Available-for-sale financial asset	7,312	5,642
Total non-current assets	<u>314,838</u>	<u>316,988</u>
Current		
Inventories	17,059	15,740
Income tax refundable	676	0
Trade and other receivables	37,527	41,940
Cash and cash equivalents	15,841	10,843
Total current assets	<u>71,103</u>	<u>68,523</u>
TOTAL ASSETS	<u>385,941</u>	<u>385,511</u>
Equity and liabilities		
Shareholders' equity		
Stated capital	80,163	80,163
Retained earnings	70,841	64,462
Total equity attributable to equity holders	<u>151,004</u>	<u>144,625</u>
Retirement benefit reserve	8,847	8,847
Total shareholders' equity	<u>159,851</u>	<u>153,472</u>
Liabilities		
Non-Current		
Borrowings	109,622	110,754
Consumer deposits	11,922	11,682
Deferred tax liabilities	28,695	28,695
Consumer contributions	28,014	28,428
Total non-current liabilities	<u>178,253</u>	<u>179,559</u>
Current		
Borrowings	15,711	16,739
Trade and other payables	23,876	25,749
Income tax payable	0	1,741
Dividends payable	8,250	8,251
Total current liabilities	<u>47,837</u>	<u>52,480</u>
Total liabilities	<u>226,090</u>	<u>232,039</u>
TOTAL EQUITY & LIABILITIES	<u>385,941</u>	<u>385,511</u>

Director

Director

ST LUCIA ELECTRICITY SERVICES LIMITED
STATEMENT OF INCOME
FOR THE 3 MONTHS ENDED MARCH 31, 2009

	Unaudited March 31 2009 EC\$000s	Unaudited March 31 2008 EC\$000s
Revenue		
Energy Sales	51,616	59,539
Fuel Surcharge Recovered	11	8,959
Other Revenue	160	193
	<u>51,787</u>	<u>68,691</u>
Operating Expenses		
Diesel Generation	26,603	36,283
Transmission and Distribution	7,537	7,333
Fuel Surcharge	0	8,946
	<u>34,140</u>	<u>52,562</u>
Gross Income	17,647	16,129
Administrative Expenses	<u>6,034</u>	<u>5,960</u>
Operating Profit	11,613	10,169
Other (Losses)/gains	<u>(9)</u>	<u>41</u>
Profit Before Finance Costs and Taxation	11,604	10,210
Finance Costs	<u>2,223</u>	<u>2,302</u>
Profit Before Taxation	9,381	7,908
Taxation	<u>3,002</u>	<u>1,977</u>
Net Profit for the Period	<u><u>\$ 6,379</u></u>	<u><u>\$ 5,931</u></u>
Earnings Per Share (Annualised)	<u><u>\$ 2.18</u></u>	<u><u>\$ 2.02</u></u>

ST LUCIA ELECTRICITY SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE 3 MONTHS ENDED MARCH 31, 2009

	Unaudited March 31 2009	Unaudited March 31 2008
	EC\$ 000s	EC\$ 000s
Cash flows from Operating Activities		
Net Income Before Tax	9,381	7,908
Adjustments for		
Depreciation	7,563	7,159
Amortization of intangible assets	268	252
Finance Charges	2,223	2,276
Gain on Disposal of Property, Plant and Equipment	0	(54)
Amortization of Consumer Contributions	(358)	(425)
Operating Income before Working Capital Changes	<u>19,077</u>	<u>17,116</u>
Decrease/(increase) in Accounts Receivable and Prepayments	4,413	(249)
Increase in Inventories	(1,319)	(2,881)
(Decrease)/increase in Trade and Other Payables	(1,874)	6,465
Cash Generated from Operations	<u>20,297</u>	<u>20,451</u>
Interest Received	56	26
Interest Paid	(1,030)	(867)
Income Tax Paid	(5,419)	(4,345)
Net Cash from Operating Activities	<u>13,904</u>	<u>15,265</u>
 Cash Flows from Investing Activities		
Purchase of available for sale financial asset	(1,600)	0
Purchase of Property, Plant and Equipment	(3,965)	(2,817)
Proceeds on Disposal of Property, Plant and Equipment	0	54
Purchase of intangible assets	(47)	(256)
Net Cash from Investing Activities	<u>(5,612)</u>	<u>(3,019)</u>
 Cash Flows from Financing Activities		
Repayment of Borrowings	(3,426)	(2,373)
Consumer Contributions Received net of adjustments	(75)	568
Consumer Deposits Received net	207	245
Net Cash used in Financing Activities	<u>(3,294)</u>	<u>(1,560)</u>
Increase in Cash and Cash Equivalents	<u>4,998</u>	<u>10,686</u>
Cash and Cash Equivalents, Beginning of Period	<u>10,843</u>	<u>767</u>
Cash and Cash Equivalents, End of Period	<u>\$ 15,841</u>	<u>\$ 11,453</u>

