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.

Schedule 3
FORM ECSRC - Q

(Select One)

Quarterly Report
For the period ended: 31st March 2012

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)

(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	22,400,000
Non-voting Ordinary Shares	520,000

SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Quarterly Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

TREVOR M. LOWRY

Signature

24th APRIL, 2012

Date

Name of Director:

MATTHEW L MATHURIN

Signature

20th April 2012

Date

Name of Chief Financial Officer:

EARL JR ESTRADO

Signature

April 24, 2012

Date

INFORMATION TO BE INCLUDED IN THE REPORT

1. Financial Statements

Condensed Balance Sheet as at 31st March, 2012 is attached

(a) Condensed Statement of Income for the Three Months Ended 31st March, 2012 and the corresponding period in the previous financial year are attached.

(b) Condensed Statement of Financial Position and Statement of Cash Flows for the Three Months Ended 31st March, 2012 and the corresponding period in the previous financial year are attached.

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

(a) Liquidity

Under the provisions of the Electricity Supply Act (ESA) Cap 9.02 Revised Laws of Saint Lucia 2001 (as amended), the base tariffs for 2012 were increased by EC$0.118 to reflect the new average fuel price of the previous 12 months, increasing the average tariff from EC$0.882 to EC$1.00. This increase reflected the market prices that were realised during 2011.

Being a "pass-through" cost to its customers, managing fuel price risk is an essential strategic aspect of LUCELEC's operations. The Company is acutely aware that managing fuel price risk is critical to maintaining customer confidence and loyalty, as well as ensuring that electricity prices have as minimal an impact on inflation as possible. In this regard the Board approved the continuation of the Fuel Price hedging programme which commenced in 2009, on a rolling 12 month basis based on 75% of estimated volumes. The purpose of this strategic initiative is to reduce tariff volatility caused by the Company's purchasing of its physical fuel supplies at spot prices. For 2011 and the first quarter of the 2012 this objective was achieved.

The Company's sales were higher than the same period last year by 1.9%, however, this should be viewed in the context that the comparable period last year had been impacted by relatively low demand following the passage of Hurricane Tomas at the end of October, 2010.

The St. Lucia Tourist Board reported double digit growth in stay over arrivals from major source markets in the Tourism sector for the first two months of the quarter, a performance that, if maintained will boost the overall economy.

There was no material shift in the Company's liquidity.

(b) **Capital Resources**

In December 2011, the company received approval from the Board of Directors for its 2012 Capital programme of EC$94.5 Million.

The Company drew down an additional sum of EC$10 Million during the quarter from the new long-term loan facility of EC$100 million. The loan had been secured during 2011 for the procurement of additional generation capacity relating to the Board approved short, medium and long term generation expansion programmes. The commissioning exercise for the two high speed units (2.4 MW) was completed in December, 2011.

The medium term generating strategy involves the purchase of a new Wartsila 10.2MW generating unit to be installed at the Company's existing generating site at Cul De Sac; commissioning is targeted for late 2012. Work related to this medium term expansion project includes the construction of an extension to Station C. During the quarter, the company received approval in principle from the Development Control Authority for the project following which site preparatory works for the execution of civil works commenced.

Geotechnical studies continued with respect to a long term solution for electricity generation, which the Company estimates will be required by 2016. Project viability will be impacted by significant factors such as optimal fuel source, proposed changes to the regulatory environment, project costs and environmental considerations. The Company is critically examining each of these and other factors prior to proceeding to secure capital financing.

Work continued on the implementation of a new Customer Information System (CIS). Execution of the project is being undertaken by a dedicated project team comprising staff and contracted external resources. The project has an expected *Go Live date* of July, 2012.

The company completed an overhaul on one of its Wartsila generators during the quarter. This planned overhaul forms part of the scheduled maintenance programme of the Company and ensures a reliable supply of electricity as well as contributes to expanding the expected life cycle of the generators.

Deployment of the electronic Automatic Meter reading Infrastructure (AMI) meters continued during the first quarter of the year. It is expected that on completion AMI will result in:-

1. significant costs savings,
2. reduction in system losses,
3. enhanced customer care and
4. set the platform for new services and the implementation of more sophisticated tariff structures.

During the quarter, work continued on the rebuilding and refurbishing of a portion of the transmission and distribution line in the south eastern quadrant of the island.

The Company is covenanted to its financiers to a 2:1 debt/equity gearing. The comparable positions for the current and prior year are indicated below.

	31st March 2012 EC$ 000s	31st March 2011 EC$ 000s
Borrowings		
Current	11,367	13,358
Long Term	133,396	94,709
TOTAL	**144,763**	**108,067**
Shareholders' Equity		
Share Capital	80,163	80,163
Retained Earnings	89,663	82,070
TOTAL	**169,826**	**162,233**

The Company does not foresee potential violation of those covenants.

Results of Operations

As a result of its Fuel Price hedging programme the Company was able to meet its strategic objective of reduced volatility and price stability; this against a backdrop of increasing price uncertainties in the global arena. Hedging contracts were concluded in December 2011 for partial placements in respect of the maximum allowed volumes for the first and second quarters of this year.

There was an increase of 14.4% in total revenues from EC$72.7M in the first quarter of 2011 to EC$83.1M for the quarter under review. This was attributable to the increase in unit sales of 1.9% and the increased fuel costs included in the base tariff.

Sales of 80.8 MWh for the first quarter were higher by 1.9% when compared to 79.3 MWh sold for the same period last year. Increases were recorded in all sectors, with significant increases recorded in the Commercial, Industrial and Street Lightning sectors of 3.6%, 4.7% and 2.8%. Marginal increases were recorded in the Domestic and Hotels sectors of 0.5% and 0.4%, respectively.

Gross profit of EC$16.1M, recorded an increase of 5.5% over last year's achievement of EC$15.3M. Profit before tax was EC$7.3M, an increase of 3.7% over the corresponding period last year (EC$7.1M) all as a direct result of the increased sales and reduced costs.

System reliability performance of 2.13 hours improved compared to the same period in 2011 (2.86 hours) but deteriorated against the target of 1.875 hours for the quarter. The poor performance against the budget was mainly due to equipment failures. Going forward focus will be placed on improving fault finding methods.

Year to date fuel efficiency was 4.34 kWh per litre an improvement when compared to 4.31 kWh per litre over the same period last year but compared favorably to the target of 4.29 kWh per litre.

System losses of 8.94% at the end of the period, compared favorably to 9.76% recorded in the same period last year and a target of 9.5% for the year.

3. Disclosure of Risk Factors

The Government announced its intention to implement VAT effective September 1st 2012. In the initial phase of the programme, electricity sales will be zero- rated. There will however be cash flow implications relating to items imported for operations, on-going contracts for equipment and services, among others. A thorough analysis will be conducted on the overall impact on our operations and discussions will be held with the VAT office which is managing the transition process.

During the final month of the quarter, a poll was conducted among the Grades 4 to 9 staff to determine whether the National Workers Union (NWU) had the support of the staff requesting recognition. This group of staff comprises Supervisors and Section Heads, and the Union secured the required votes to be formally recognised as the bargaining unit for the group.

The Company has been battling with increasing system losses, a portion of which is associated with electricity abstraction. A programme for an island-wide investigation of such cases will be undertaken along with the necessary authorities.

The slow march to any semblance of sustained economic improvements has made it increasingly difficult for customers to service their debts in a timely manner, thus the Company will continue to monitor its level of receivables, and work with customers on a case by case basis in order to enhance a mutually beneficial relationship. A significant payment was received at the end of the quarter from one of the Company's largest debtors and it is anticipated that this positive trend will continue in the second quarter.

Plans are being finalised for the implementation of a dedicated and resourced Credit Management section that will be fully operational during the second quarter.

Various initiatives are being advanced at ensuring that the Company has sufficient generating capacity in order to meet future demand as well as ensuring adherence to the legal requirements established under the ESA and also the National Energy Policy which was adopted in 2010.

The 2012 hurricane season will start on June 1st 2012 and the Company continued its preparatory work during the quarter at ensuring that all infrastructure is designed and maintained to minimize any adverse impacts which may result from the passage of any weather system.

Annual contributions of EC$3M to the Self Insurance Fund (the "Fund") continued to be made in accordance with the Board directive. During 2011 the Company also received formal notification from the Registrar of Insurances of approval in principle, subject to certain conditions, for the registration of the Fund under the aegis of the Insurance Act (as amended) Cap 12.08 Revised Law of Saint Lucia 2001. Upon representation to the Registrar, approval was given for the Fund to be managed by a separate subsidiary Company as a preferred option to a Trust Deed arrangement which had been initially considered.

LUCELEC continued making preparations for proposed changes to the regulatory environment for the electricity sector. It has been confirmed to management that the new Regulatory framework is planned to be in place by March, 2014.

4. Legal Proceedings

There were no legal proceedings during the quarter under review that would have had 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 per cent 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 have 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
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

	Unaudited March 31, 2012 EC$ 000s	Unaudited March 31, 2011 EC$ 000s	Audited Dec 31, 2011 EC$ 000s
Assets			
Non-Current			
Property, plant and equipment	287,845	282,068	291,178
Intangible Assets	10,824	5,370	9,822
Retirement benefit asset	9,135	9,017	9,135
Investments	167	164	166
Total non-current assets	307,971	296,619	310,301
Current			
Inventories	20,098	18,758	21,252
Income tax refundable	3,137	1,914	830
Trade, other receivables and prepayments	70,659	62,767	74,525
Cash and cash equivalents	48,869	19,062	28,035
Total current assets	142,763	102,501	124,642
TOTAL ASSETS	**450,733**	**399,121**	**434,943**
Equity and liabilities			
Shareholders' equity			
Stated capital	80,163	80,163	80,163
Retained earnings	89,663	82,070	84,374
Total equity attributable to equity holders	169,826	162,233	164,537
Retirement benefit reserve	9,135	9,017	9,135
Total shareholders' equity	178,961	171,250	173,672
Liabilities			
Non-Current			
Borrowings	133,396	94,709	123,395
Consumer deposits	14,178	13,551	13,871
Deferred tax liabilities	22,826	24,619	22,826
Consumer contributions	31,736	30,004	31,534
Retirement benefit liability	1,240	1,156	1,240
Total non-current liabilities	203,376	164,039	192,866
Current			
Borrowings	11,367	13,358	11,965
Trade and other payables	45,750	39,252	45,106
Income tax payable	-	-	
Dividends payable	11,279	11,222	11,334
Total current liabilities	68,396	63,832	68,405
Total liabilities	271,772	227,871	261,271
TOTAL EQUITY & LIABILITIES	**450,733**	**399,121**	**434,943**

Director

Director

ST LUCIA ELECTRICITY SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2012

	Unaudited March 31, 2012 EC$ 000s	Unaudited March 31, 2011 EC$ 000s	Audited Dec 31, 2011 EC$ 000s
Cash flows from Operating Activities			
Net Income Before Tax	7,346	7,084	36,274
Adjustments for			
Depreciation	7,825	8,700	33,268
Amortization of intangible assets	(101)	-	997
Written off accumulated depreciation	(14)		
Finance Charges	2,222	1,933	8,761
Gain on Disposal of Property, Plant and Equipment	-	(10)	(85)
Amortization of Consumer Contributions	(133)	(264)	(1,065)
Post-retirement benefits	-	-	(226)
Gain on cash flow hedge	-	-	-
Operating Income before Working Capital Changes	17,145	17,443	77,924
Increase in Trade and Other Receivables	3,866	(2,984)	(14,742)
Decrease/(increase) in Inventories	1,154	1,227	(1,267)
Increase in Trade and Other Payables	644	(2,463)	3,389
Cash Generated from Operations	22,809	13,223	65,304
Interest Received	132	112	483
Finance costs paid	(1,999)	(1,212)	(8,906)
Income Tax Paid	(4,364)	(6,122)	(14,850)
Net Cash from Operating Activities	16,578	6,001	42,030
Cash Flows from Investing Activities			
Acquisition of Available for Sale Financial Asset	-	-	
Acquisition of Property, Plant and Equipment	(4,477)	(6,263)	(38,544)
Sale of Available for Sale Financial Asset	-	-	
Proceeds on Disposal of Property, Plant and Equipment	-	12	87
Acquisition of intangible assets	(901)	-	(6,845)
Net Cash used in Investing Activities	(5,378)	(6,251)	(45,302)
Cash Flows from Financing Activities			
Proceeds from borrowings	10,000	-	40,000
Repayment of borrowings	(1,028)	(1,060)	(13,158)
Dividends paid	(55)	-	(17,885)
Transfer of tariff reduction rebate	-	-	(558)
Consumer Contributions Received	334	392	2,724
Consumer Deposits Received net	383	97	302
Net Cash used in Financing Activities	9,634	(571)	11,425
Decrease in Cash and Cash Equivalents	20,834	(821)	**8,153**
Cash and Cash Equivalents, Beginning of Period	**28,035**	**19,881**	**19,882**
Cash and Cash Equivalents, End of Period	**48,869**	**19,062**	**28,035**

ST LUCIA ELECTRICITY SERVICES LIMITED
STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2012

	Unaudited March 31, 2012 EC$000s	Unaudited March 31, 2011 EC$000s	Audited Dec 31, 2011 EC$000s
Revenue			
Energy Sales	75,673	66,223	280,177
Fuel Surcharge Recovered	7,059	6,089	39,185
Other Revenue	413	371	1,657
	83,145	72,683	321,019
Operating Expenses			
Diesel Generation	51,900	43,908	172,390
Transmission and Distribution	8,010	8,953	35,571
Fuel Surcharge	7,133	4,617	40,335
	67,043	57,478	248,296
Gross Income	16,102	15,205	72,723
Administrative Expenses	(6,535)	(6,192)	(27,754)
Operating Profit	9,567	9,013	44,969
Other Gains	1	4	66
Profit Before Finance Costs and Taxation	9,568	9,017	45,035
Finance Income		114	-
Finance Costs	(2,222)	(2,046)	(8,761)
Profit Before Taxation	7,346	7,084	36,274
Taxation	(2,057)	(1,983)	(10,003)
Net Profit for the Period from continuing operations	**5,289**	**5,101**	**26,271**
Other comprehensive income:			
Actuarial losses on defined benefit plans	-	-	(192)
Other comprehensive income for the year	-	-	(192)
Total comprehensive income for the year	5,289	5,100	26,079
Earnings Per Share	**0.23**	**0.22**	**1.15**