Schedule 2
FORM ECSRC - Q

(Select One)

Quarterly Report
For the period ended **_June 30, 2009____**

or

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

For the transition period from _________ to _______________

Issuer Registration Number: ____

__Grenada Electricity Services Ltd. ____
(Exact name of reporting issuer as specified in its charter)

_Grenada W.I.____
(Territory or jurisdiction of incorporation)

_Halifax Street, St. George's, P.O. Box 381 ____
(Address of principal executive Offices)

Reporting issuer's:

Telephone number (including area code): **_(473) 440-3391______________________________**

Fax number: **_(473) 440-4106______________________________**

Email address: **_mail@grenlec.com__________________________**

____
(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	**19,000,000**

SIGNATURES

Name of Director:

Arthur Campbell

Signature

Date

Name of Director:

Alfred Logie

Signature

Date

INFORMATION TO BE INCLUDED IN THE REPORT

1. Financial Statements

(a) Included herewith are the following unaudited Financial Statements:

1. Balance Sheet as at June30, 2009.
2. Statement of Income for the six months to June 30, 2009.
3. Statement of Cash Flow for the six months to June 30, 2009.

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

(a) Liquidity

The cash position of $17.72M at the end of the second quarter reflected little movement from that of $17.62M at the end of the previous quarter. However, there was a decline in the current ratio from 1.77 in March to 1.69 in June. This drop in the current ratio was driven mainly by an increase in current liabilities which moved from $12.12M to $13.64M. Given that the current ratio continues to be well above the covenanted 1.50 the company's liquidity position is healthy and we are well placed to meet all of our short term commitments.

Cash generated from operating activities in the second quarter was $5.62m which brought the total for 2009 to $21.99M which exceeds that of $19.17M for the entire year 2008. This has been mainly based on a reduction in receivables of $9.04M and a good financial performance during the first half of 2009.

During the quarter, principal and interest repayments of $2.80M and $1.70M respectively were made for the Grenlec Bond, National Insurance Scheme (NIS) and both EIB loans II and III. All of these commitments were made as per schedule bringing total principal payments for the year to $4.31M and interest to $2.65M. Additionally, a dividend of $2.09M was declared for the second quarter of 2009 as the financial performance continued to exceed the budgeted projections.

(b) Capital Resources

During the quarter $1.86M was expended on capital items that related to the general operations of the company. Capital expenditure relating to the still incomplete Transmission Project was minimal leaving $4.41M still to be paid on the contract.

The financing of the Transmission Project was done through the Grenlec Bond and the funds for this outstanding balance are in place. Regular capital expenditure is financed from internally generated funds and we foresee no difficulty in meeting budgeted commitments in this regard.

c) Results of Operation

Non fuel sales growth in the second quarter dipped as compared to that of the first leading to an overall increase compared to 2008 of 4.42%. This is a decline from the 6.28% in the period to March. Given an increase in the non fuel rates of 4.29% which was fully effected in June we will expect to see relatively strong sales growth as compared to 2008 over the balance of the year.

World fuel prices which fell to as low as USD 30 per barrel in the first quarter steadily increased during the second peaking at just over USD 70 per barrel. This increase in world fuel prices had a negative impact on the company's net fuel revenue. Whereas during the first quarter there was a positive net fuel revenue of 146.88% this fell to 114.88% by the end of June 2009. The fuel benefit over the six months of $3.94M while still significant can be eroded if fuel prices continue to increase. However, we view this as unlikely to occur in 2009 given the world economic downturn.

Non fuel operating and administrative expenses when compared to the first six months of 2008 increased by 12.88%. However, this was only 2.16% over the budgeted expenditure and it is expected that timing differences in particular as it relates to overhauls will mean that this variance will be reduced by year end.

Grenlec's profit before taxes in the second quarter was $1.05M which was drastically below the $6.08M for that of the first. The reversal of the net fuel revenue resulting from increased fuel prices and higher expenses relating to overhauls in Production is primarily responsible for this comparative performance. Profit before taxes in 2009 are not expected to equal that of 2008 given the net fuel impact after the dramatic decline in world fuel prices. However, we are likely to see profits in keeping with budget which will make the year 2009 the second best financial performance on record.

The company's financial position is strong with total assets of $190.45M which is a marginal decline on the $191.90M as at March 31, 2009. Most importantly all of the financial covenants set by the lending institutions continue to be exceeded by the company. The table below reflects the targets and actual for the second and first quarters.

Covenant Table

	Covenant Ratio	June	March
Current Ratio	>= 1.50:1	1.69	1.77
Interest Coverage Ratio	>= 2:1	7.11	9.15
Debt Service Coverage Ratio	>= 1.50	2.66	4.24
Bank Borrowing to Equity Ratio	<= 1.25:1	0.97	0.99
Capital to Total Assets	>= 30%	36.28%	36.71%

3. Disclosure of Risk Factors.

With each passing period the hurricane reserve improves and presently stands at $7.0M.which reduces the main risk exposure associated with post-hurricane recovery. The major risk factors facing the Company continue to be as follows:

- Hurricanes - as clearly established after Hurricane Ivan in 2004 when approximately 90% of our distribution system was affected. This continues to be the most immediate and significant risk being faced. This has been partially offset by the strengthening of the distribution system which has been made more robust in the rebuilding period after hurricanes Ivan and Emily.

- A New Electricity Supply Act – this has been proposed for sometime now without becoming a reality but it is still important to note that an adverse change in this Act can change the landscape in which the Company operates if it allows competition into the market.

4. Legal Proceedings.

None.

5. Changes in Securities and Use of Proceeds.

No change in securities during the period.

6. Defaults Upon Senior Securities.

(a) Payments of principal and interest to the ECSE on the Grenlec Bond, and the EIB and NIS on loans have been made during the quarter as per existing agreements.

(b) No arrears in the payment of dividends have occurred and there are no restrictions.

7. Submission of Matters to a Vote of Security Holders.

(a) Appointment of Directors occurred at the Annual General Meeting held on May 13th 2009. The retiring Directors were Messrs Allan Bierzynski, Ambrose Phillip, Arthur Campbell and Alfred Logie.

The elected Directors were:

Mr. Raymond Gittens
Mr. Arthur Campbell
Mr. Alfred Logie
Miss Claudette Joseph

8. Other Information.

None.

Part D

Relevant Financial Data Items for Public Utility and Utility Holding Companies

Item Descriptions

- total net utility plant
- other property and investments
- total current assets
- total deferred charges
- balancing amount for total assets
- total assets
- common stock
- capital surplus, paid in,
- retained earnings
- total common stockholders equity
- preferred stock subject to mandatory redemption
- preferred stock not subject to mandatory redemption
- long term debt, net
- short term notes
- notes payable
- commercial paper
- long term debt-- current portion
- preferred stock-- current portion
- obligation under capital leases
- obligation under capital leases--current portion
- balancing amount for capitalisation and liabilities
- total capitalisation and liabilities
- gross operating revenue
- other operating expense
- total operating expense
- operating income (loss)
- other income (loss), net
- income before interest charges
- total interest charges
- net income
- preferred stock dividends
- earnings available for common stock
- common stock dividends
- total annual interest charges on all bonds
- cash flow from operations
- earnings per share –primary
- earnings per share -fully diluted