

ADD 108155  
OIL TANK LINES #1  
Philly 2/7/89

RECEIVED

FEB 10 1989

SECRETARY'S OFFICE  
Public Utility Commission

EXHIBIT

In Re: CENTRAL TRANSPORT, INC., A. 108155

STIPULATION OF COUNSEL

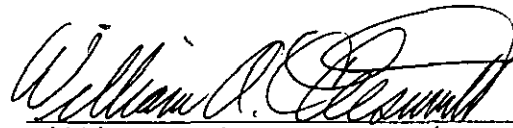
IT IS STIPULATED, by and between counsel for Applicant, Central Transport, Inc., and counsel for Oil Tank Lines, Inc., a protestant, as follows:

1. This Stipulation is entered into due to the unavailability of the witness for Oil Tank Lines, Inc. at the hearings currently scheduled in this matter.

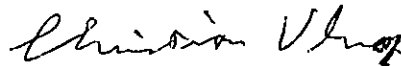
2. This Stipulation, to which there is attached the operating authority of Oil Tank Lines, Inc. and the Answers to the Interrogatories propounded by Applicant, may be received in evidence as an exhibit.

3. Due to the fact that Applicant's counsel will not have the opportunity to cross-examine a witness, Protestant Oil Tank Lines, Inc., through its counsel, agrees that no Brief will be filed by Oil Tank Lines, Inc.

Respectfully submitted,



William A. Chesnutt, Esquire  
Counsel for Central Transport, Inc.



Christian V. Graf, Esquire  
Counsel for Oil Tank Lines, Inc.

DOCUMENT  
FOLDER

DOCKETED  
FEB 15 1989

January 25, 1989

OIL TANK LINES, INC.

ITEM 50

The rates, rules, and regulations named in this tariff are applicable on PA intrastate transportation only to the extent of the operating authority set forth below:

IN APPLICATION DOCKET NO. A-00096256

1. To transport, as a Class D carrier, petroleum products, in bulk, in tank vehicles, from the facilities of Pennzoil Company, in the boroughs of Rouseville and Sugar Creek, Venango County, to points in the borough of Freedom, Beaver County, the city of Pittsburgh, Allegheny County, and the city and county of Philadelphia and within an airline distance of twenty (20) statute miles of the limits of said city and county of Philadelphia, and vice versa.

2. To transport, as a Class D carrier, petroleum, oils and wax, in bulk, in tank vehicles, from the facilities of Pennzoil Company, in the boroughs of Rouseville and Sugar Creek, Venango County, to the plant of International Paper Company in the borough of York Haven, York County.

3. To transport, as a Class D carrier, petroleum products, in bulk, in tank vehicles, for Pennzoil Company, from points in the borough of Rouseville, Venango County, to the plant site of ICI American in Walker Township, Schuylkill County.

IN APPLICATION DOCKET NO. A.00096256 F.2 - Am-B

To transport, as a Class D carrier, petroleum products, in bulk, in tank vehicles, from the facilities of Witco Chemical Corporation located in the borough of Petrolia, Butler County, and the city of Bradford, McKean County, to points in the city and county of Philadelphia, and to points within an airline distance of thirty (30) statute miles of the limits of the said city and county, and vice versa.

IN APPLICATION DOCKET NO. A.00096256 F.2 - Am-C @1

To transport as a Class D carrier for the account of the Sun Refining and Marketing Co., petroleum oils (except petro chemicals, heating oils, diesel fuel, gasoline and jet fuel) in bulk, in tank type vehicles, between points in Pennsylvania.

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17120

Public Meeting held December 8, 1988

Commissioners Present:

Bill Shane, Chairman  
William H. Smith, Vice-Chairman  
Linda C. Taliaferro  
Joseph Rhodes, Jr.  
Frank Fischl

Application of Oil Tank Lines, Inc., Darby,  
Delaware County, a corporation of the  
Commonwealth of Pennsylvania, for amendment  
to its common carrier certificate, which grants  
the right, inter alia, to transport, by motor  
vehicle, for the account of the Sun Refining  
and Marketing Co., petroleum oils (except  
petrochemicals, heating oils, diesel fuel,  
gasoline and jet fuel) in bulk, in tank  
type vehicles, between points in Pennsylvania:  
SO AS TO PERMIT the transportation of  
petroleum products (except petrochemicals,  
heating oils, diesel fuel, gasoline and jet  
fuel), in bulk, in tank type vehicles, from  
the Pennsylvania facilities owned or used  
by the Sun Refining & Marketing Company,  
to points in Pennsylvania, and vice versa.

A-00096256  
F. 2  
Am-D

---

Abrahams, Loewenstein, Bushman & Kauffman, by Alan Kahn,  
for the applicant.  
Peter G. Loftus for the protestant, Seaboard Tank Lines, Inc.  
Kenneth A. Olsen for the protestant, Marshall Service, Inc.

---

O R D E R

BY THE COMMISSION:

This matter comes before the Commission on an application filed  
January 19, 1988. Public notice of the application was given in the  
Pennsylvania Bulletin of February 6, 1988. Two protests were filed but  
withdrawn without restrictive amendment. The now unopposed application is

certified to the Commission for its decision without oral hearing. The record consists of verified statements filed on behalf of the applicant and the shipper.

Oil Tank Lines, Inc. (OTL or applicant), is a Pennsylvania corporation, with its principal place of business in Darby, Delaware County. The applicant was initially issued a contract carrier permit in 1971; a certificate of public convenience was issued in lieu of the permit in 1980 and OTL currently operates under five paragraphs of authority. By this application, OTL seeks authority to transport petroleum products from the facilities of the Sun Refining & Marketing Company.

OTL operates out of a terminal located in Darby, which includes office, maintenance and parking facilities. A fleet of fourteen tractors and fifteen tank trailers is available to perform the proposed service, additional equipment will be obtained if needed to meet shipper demands. As a currently operating carrier, a comprehensive safety program for drivers and vehicles is in operation. As evidence of its financial capacity to perform the additional service, the applicant reports assets of \$1,449,228, with liabilities of \$969,823, leaving a shareholders' equity of \$479,405. Gross intrastate operating revenue was \$256,589 in 1987.

William Marsden, manager of bulk transportation for Sun Refining & Marketing Company (Sun) submitted a verified statement in support of the application. Sun ships approximately 2,500 truckloads of petroleum products per year from its various facilities in Pennsylvania to customers located throughout the state. Currently, OTL serves Sun under an authority which allows transportation "for the account of the Sun Refining and Marketing Co." (Folder 2, Amendment C, adopted January 29, 1986). Some shipments, however, are not paid for by Sun but are shipped collect. The intent of this application is to allow transportation from the Pennsylvania facilities of Sun regardless of who pays the freight. While not paying for the transportation, Sun will retain the right to select the carrier.

After a complete review of the record before us, we find:

1. That the applicant has shown that there is a public need for the proposed service.
2. That the applicant possesses the necessary equipment, experience, and financial capacity to perform the proposed service.
3. That approval of the application is necessary for the accommodation and convenience of the public; THEREFORE,

IT IS ORDERED: That the application be and is hereby approved and that the certificate issued to the applicant on April 14, 1980, as amended, be further amended to include the following right:

To transport, as a Class D carrier, petroleum products (except petrochemicals, heating oils, diesel fuel, gasoline and jet fuel), in bulk,

in tank type vehicles, from the facilities of Sun Refining & Marketing Company, to points in Pennsylvania, and vice versa.

IT IS FURTHER ORDERED: That the applicant shall not engage in any transportation granted herein until it shall have complied with the requirements of the Pennsylvania Public Utility Code and the rules and regulations of the Commission relative to the filing and acceptance of a tariff establishing just and reasonable rates.

IT IS FURTHER ORDERED: That the authority granted herein to the extent that it duplicates authority now held by or subsequently granted to the applicant, shall not be construed as conferring more than one operating right.

IT IS FURTHER ORDERED: That in the event said applicant has not, on or before sixty (60) days from the date of the service of this order, complied with the requirements hereinbefore set forth, the application shall be dismissed without further proceedings.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Jerry Rich", is written over the printed name and title.

Jerry Rich  
Secretary

(SEAL)

ORDER ADOPTED: December 8, 1988

ORDER ENTERED: DEC 14 1988

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY  
COMMISSION

APPLICATION OF :  
CENTRAL TRANSPORT, INC. : DOCKET NO. A-108155  
:

ANSWER TO WRITTEN INTERROGATORIES  
OF  
APPLICANT CENTRAL TRANSPORT, INC.  
TO  
PROTESTANT, OIL TANK LINES, INC.

1. State the name and the position with Protestant of the person answering these interrogatories.

R. H. Davis, President.

2. Supply the name(s), title(s), and business address(es) of all employees or representatives which Protestant expects to call as witnesses in this proceeding and, for each, provide a synopsis of the content of his testimony.

There is a possibility that Mr. Davis' son, R. H. Davis, Jr., may also be called. His business address is P.O. Box 190, Darby, Pennsylvania 19023.

3. Supply the name(s), title(s), business address(es) and employment affiliation of all other witnesses that Protestant expects to call in this proceeding and, for each, provide a synopsis of the content of testimony to be presented.

As of the date hereof, no other witnesses are contemplated to be called.

Should this change, we will advise.

4. State how long each witness named in answers 2 and 3 above has been employed by his or her company, how long each witness has held his or her present position, and the duties and responsibilities of that position.

R. H. Davis, President, has been employed since the business was started forty-two (42) years ago. As the founder of the company, he has been the chief operating officer for 42 years.

5. State the following with regard to Protestant and each affiliated, parent or subsidiary corporation:

(a) Names and titles of all officers;

President	-	R. H. Davis
Vice-President	-	J. C. Davis
Treasurer	-	M. C. Davis
Secretary	-	A. J. Burke

(b) Names of all directors:

R. H. Davis  
J. C. Davis  
M. C. Davis  
A. J. Burke

Names of all stockholders:

R. H. Davis and/or M. C. Davis of Drexel Hill, PA - 5 shares  
J. C. Davis of Drexel Hill, PA - 1 share  
R. H. Davis, Jr. of Springfield, PA - 1 share  
Treasurer Stock - 3 shares

6. With regard to vehicular equipment:

(a) List the type of equipment and number of each type that Protestant owns:

See Attachment 6(a).

(b) List the type of equipment and number of each type of equipment that Protestant leases and furnish a copy of each variation of lease agreement covering such equipment.

See Attachment 6(a) for equipment. None of this equipment is leased.

(c) With respect to each unit of power equipment identified in response to 6(a) and (b), supply the following information:

(i) Model year and make;  
(ii) In-service date with Protestant;  
(iii) Terminal where unit is stationed.

See Exhibit 6(a).

The equipment is based at Darby terminal.

(d) With respect to each unit of trailer equipment identified in response to 6(a) and (b), supply the following information:

- (i) Model year and make;
- (ii) In-service date with Protestant;
- (iii) Terminal where unit is stationed;
- (iv) DOT model number;
- (v) Capacity;
- (vi) Number of compartments.

See Attachment 6(a).

7. Identify by geographical address each terminal facility operated by Protestant in Pennsylvania, and with respect to each terminal, furnish or describe: Darby, PA.

(a) acreage;

2½ acres.

(b) structures and facilities;

3-bay shop and one office.

(c) personnel;

21 drivers, 5 shop employees, 9 office personnel.

(d) equipment available for cleaning of tank trailers.

A complete, approved cleaning facility exists at the Darby Terminal and this equipment cleaning facility has been licensed and approved by EPA, DER. Delcora has given Oil Tank Lines, Inc. a permit to treat its own waste water and discharge it into the sewage system.

8. Indicate the number of employees employed by Protestant as of Sept. 30, 1988, divided into category of employment (i.e., drivers, maintenance, office, etc.)

See 7(c) above.

9. Indicate, for each category of employee listed in response to Interrogatory 8 above, how many are full-time employees and how many part-time. As part of your response describe the basis upon which you distinguish full-time and part-time employees.

The driver-employees listed above are full-time though there may be an occasional need for part-time employees.

10. Indicate the number of independent contractors or other non-employees who work for Protestant on a regular basis (i.e., an average of 2 or more days per week), and the nature of their job(s).

None.



11. Describe the procedures utilized by Protestant in hiring and training drivers - both full and part-time employee drivers and independent contract drivers.

A full training program exists for full-time driver employees consisting of a check of safety records, familiarity with DOT safety regulations and rules of the road; familiarity with the products to be transported and with the equipment used in transporting it. Safety records are checked and generally the program concludes with review of company rules and regulations and, if necessary, a driver-training period.

12. Describe in detail Protestant's training program relative to hazardous materials transportation.

Where hazardous materials are concerned, review of applicable regulations is stressed and methods of handling are also covered.

13. For calendar year 1987, identify the number of shipments handled and revenue derived therefrom by Protestant with respect to shipments:

- (a) having a Pennsylvania origin and an out-of-state destination;

Records are not kept in that particular fashion, though an effort will be made to supply it by the date of the hearing.

- (b) having a Pennsylvania destination and an out-of-state origin;

See answer to 13(a).

- (c) having both a Pennsylvania origin and a Pennsylvania destination;

See answer to 13(a).

14. Provide the same information requested in Interrogatory 13 for the period January 1 to June 20, 1988.

See answer to 13(a), (b) and (c).

15. Provide copies of the Balance Sheet of Protestant as of (a) Dec. 31, 1986, (b) Dec. 31, 1987 and (c) June 30, 1988.

See Attachment 15 for 1986 and 1987.

As to June 30 statement, currently not available.

An effort will be made to produce it by hearing date.

16. Provide copies of the Income Statement of Protestant for the periods ending (a) December 31, 1986, (b) December 31, 1987 and (c) June 30, 1988.

See Attachment 16 for 1986 and 1987.

As to June 30 statement, currently not available.

An effort will be made to produce it by hearing date.

17. Since January 1, 1986, has Protestant received any complaints, warnings, Notices of Claim or citations from the Pennsylvania Public Utility Commission, the Pennsylvania Department of Environmental Resources, the United States Environmental Protection Agency, the United States Department of Transportation, the Federal Bureau of Investigation, or any other governmental agencies of the Commonwealth of Pennsylvania or of the state (other than Pennsylvania), in or through which Protestant's vehicles operated the most miles during 1986 and 1987, in connection with alleged violations involving or affecting transportation.

- (a) Date of alleged violation.
- (b) Origin(s) and destination(s) of service being rendered or location of violation.
- (c) Commodity or commodities being transported, or nature of service being rendered.
- (d) Type of vehicle utilized, if any.
- (e) Nature of the incident or problem which formed the basis for the complaint, warning, Notice of Claim, etc.

In 42 years Oil Tank Lines, Inc. has never received complaints, warnings or citations from the ICC or PA PUC. The same applies to DER, EPA, DOT, FBI or any other government agencies, including the Coast Guard.

18. For each instance identified in response to Interrogatory 14, identify and produce all document(s) which pertain(s) to the incident including all document(s) issued by any of the agencies listed in said Interrogatory.

See answer to No. 17.

19. Were there any instances during 1986, 1987 and 1988 (through Sept. 30) in which protestant transported traffic between points in Pennsylvania, in which the moves were subject to the jurisdiction of the Pennsylvania Public Utility Commission, but were not authorized by certificates of public convenience issued to Protestant by the Pennsylvania Public Utility Commission?

Oil Tank Lines, Inc. does not conduct unauthorized operations.

20. For each instance identified in answer to Interrogatory 19 herein, identify and produce all documents which pertain to the service performed.

Not Applicable.

August 10th, 1988

OIL TANK LINES, INC. - EQUIPMENT LIST

<u>Unit No.</u>	<u>Manufacturer</u>	<u>Year</u>	<u>Description</u>
<u>TRACTORS</u>			
531	Ford	1983	Twin Screw, Diesel, A/C, Conventional, Product Pump
532	Ford	1983	" " " " " " " "
535	Ford	1984	" " " " " " " "
536	Ford	1984	" " " " " " " "
538	Ford	1984	" " " " " " " "
539	Ford	1985	" " " " " " " "
540	Ford	1985	" " " " " " " "
541	Ford	1984	" " " " " " " "
542	Ford	1986	" " " " " " " "
543	Ford	1986	" " " " " " " "
544	International	1986	" " " " " " " "
545	International	1986	" " " " " " " "
546	Ford	1987	" " " " " " " "
547	Freightliner	1988	" " " " " " " "

SERVICE VEHICLES AND AUTOMOBILES

20	Ford	1985	Ford Utility, Diesel, Tow and Plow Rigged
40	Ford	1987	2 1/2 T, Mobil Complete Road Shop, Van
-	Benz	1980	Diesel Sedan Used Safety Road Checking
-	Jaguar	1987	Diesel Sedan for Sales Director

TRAILERS

603	Fruehauf	1979	7600, Tandem, Insul., Alum Tank - 1 compartment
614	Lubbock	1980	" " " " " " - " "
615	Lubbock	1980	" " " " " " - 3 compartment
616	Lubbock	1980	" " " " " " - 1 compartment
617	Lubbock	1980	" " " " " " - " "
621	Lubbock	1980	" " " " " " - 3 compartment
622	Lubbock	1980	" " " " " " - " "
625	Lubbock	1980	" " " " " " - 1 compartment
626	Fruehauf	1983	" " " " " " - " "
627	Fruehauf	1986	" " " " S/S " - " "
628	Fruehauf	1986	" " " " " " - " "
629	Polar	1986	" " " " " " - " "
630	Fruehauf	1987	" " " " " " - 3 compartment
631	Fruehauf	1987	" " " " " " - " "
632	Fruehauf	1987	" " " " " " - 1 compartment

OIL TANK LINES, INC.

FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION

YEARS ENDED DECEMBER 31, 1987 AND 1986

OIL TANK LINES, INC.  
YEARS ENDED DECEMBER 31, 1987 AND 1986

Contents

<u>Exhibit</u>	<u>Page</u>
Accountants' Review Report	1
Financial Statements	
Balance Sheets	2
Statements of Income and Retained Earnings	3
Statements of Changes in Financial Position	4
Notes to Financial Statements	5-8
Supplemental Information	
Schedules of Direct and Administrative Expenses	9

Officers and Directors  
Oil Tank Lines, Inc.

We have reviewed the accompanying balance sheets of OIL TANK LINES, INC. as of December 31, 1987 and 1986, and the related statements of income and retained earnings and changes in financial position for the years then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of OIL TANK LINES, INC.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As disclosed in Note 2 to the financial statements, generally accepted accounting principles require that I.C.C. rights be stated at cost. Management has informed us that the Company has stated its I.C.C. rights at appraised value and that if generally accepted accounting principles had been followed, the I.C.C. rights and shareholders' equity would have decreased by \$149,400.

The supplemental information, contained on page 9, accompanying the financial statements, is presented only for supplementary analysis purposes and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements. We are not aware of any material modifications that should be made to such data.

*Shelby Miller & Gleason, P.C.*  
Certified Public Accountants

January 7, 1988

OIL TANK LINES, INC.  
BALANCE SHEETS  
DECEMBER 31, 1987 AND 1986  
(SEE ACCOUNTANTS' REVIEW REPORT)

	ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY	
	1987	1986		1987	1986
<b>Current assets</b>			<b>Current liabilities</b>		
Cash	\$ 12,464	\$ 6,450	Note payable, bank (Note 3)	\$ 160,000	\$ 130,000
Receivables			Current portion of long-term debt		
Trade (Notes 3 and 4)	96,180	80,585	(Note 4)	167,406	134,380
Other	30,704	-	Due to officers	60,000	5,360
Inventory (Notes 3 and 4)	142,245	146,435	Accounts payable	32,504	2,640
Prepaid expenses	76,663	35,277	Accrued payroll	4,836	5,510
	358,256	268,747	Payroll taxes payable	22,106	22,540
				446,852	310,450
<b>Revenue producing assets (Notes 3 and 4)</b>			<b>Long-term debt, net of current portion</b>		
Transportation equipment	1,809,736	1,599,631	(Note 4)	507,617	537,540
Less accumulated depreciation	955,033	779,945			
	854,703	819,686	<b>Deferred income taxes payable</b>	15,354	13,050
<b>Equipment (Notes 3 and 4)</b>					
Transportation equipment	38,640	51,659	<b>Commitments (Note 7)</b>		
Office and shop equipment	167,476	152,153			
	206,116	203,812	<b>Shareholders' equity</b>		
Less accumulated depreciation	120,197	106,896	Common stock		
	85,919	96,916	\$100 par value	1,000	1,000
<b>Other assets</b>			Authorized and issued - 10 shares	149,400	149,400
I.C.C. and P.U.C. rights, net of accumulated amortization of \$23,870, 1987 and 1986 (Note 2)	149,400	149,400	Appraisal surplus (Note 2)	371,505	346,700
Deposit	950	950	Retained earnings	521,905	497,100
	150,350	150,350	Less 3 shares of treasury stock, at cost	( 42,500)	( 22,500)
	\$1,449,228	\$1,335,699		479,405	474,600
				\$1,449,228	\$1,335,600

See notes to financial statements.

OIL TANK LINES, INC.  
 STATEMENTS OF INCOME AND RETAINED EARNINGS  
 YEARS ENDED DECEMBER 31, 1987 AND 1986  
 (SEE ACCOUNTANTS' REVIEW REPORT)

	<u>1987</u>	<u>1986</u>
Net sales	<u>\$1,282,966</u>	<u>\$1,170,066</u>
Cost of operations		
Inventory, beginning (net of items capitalized)	146,435	102,925
Direct expenses	625,475	649,595
Depreciation on revenue producing assets	<u>179,888</u>	<u>140,022</u>
	951,798	892,542
Less inventory, ending	<u>142,245</u>	<u>146,435</u>
	<u>809,553</u>	<u>746,107</u>
Income from operations	<u>473,413</u>	<u>423,959</u>
Administrative expenses		
Interest	78,948	72,962
Other	<u>369,412</u>	<u>348,507</u>
	<u>448,360</u>	<u>421,469</u>
Income before gain on sale of transportation equipment	25,053	2,490
Gain on sale of transportation equipment	<u>2,000</u>	<u>9,000</u>
Income before income taxes and the cumulative effect of change in accounting principle	27,053	11,490
Income taxes (Note 5)	<u>2,300</u>	<u>1,092</u>
Income before the cumulative effect of change in accounting principle	24,753	10,398
Cumulative effect on prior years (to December 31, 1985) of changing to a different depreciation method (Note 6)	<u>-</u>	<u>153,255</u>
Net income	24,753	163,653
Retained earnings, beginning	<u>346,752</u>	<u>183,099</u>
Retained earnings, ending	<u>\$ 371,505</u>	<u>\$ 346,752</u>

See notes to financial statements.



OIL TANK LINES, INC.  
 STATEMENTS OF CHANGES IN FINANCIAL POSITION  
 YEARS ENDED DECEMBER 31, 1987 AND 1986  
 (SEE ACCOUNTANTS' REVIEW REPORT)

	<u>1987</u>	<u>1986</u>
<b>Sources of working capital</b>		
Income before the cumulative effect of change in accounting principle	\$ 24,753	\$ 10,398
<b>From operations</b>		
Add (deduct) items not requiring outlay of working capital		
Depreciation	200,283	159,962
Gain on sale of transportation equipment	( 2,000)	( 9,000)
Increase in deferred income taxes payable	<u>2,300</u>	<u>1,092</u>
Working capital provided by operations	225,336	162,452
Additions to long-term debt	155,000	260,000
Proceeds from sale of transportation equipment	<u>3,125</u>	<u>9,000</u>
	<u>383,461</u>	<u>431,452</u>
<b>Uses of working capital</b>		
Purchase of equipment	225,428	374,894
Reduction of long-term debt	184,926	135,707
Increase in deposit	-	600
Purchase of treasury stock	<u>20,000</u>	<u>-</u>
	<u>430,354</u>	<u>511,201</u>
Decrease in working capital	<u>(\$ 46,893)</u>	<u>(\$ 79,749)</u>
<b>Changes in elements of working capital</b>		
Increase (decrease) in current assets		
Cash	\$ 6,014	(\$ 2,391)
Receivables		
Trade	15,595	26,245
Officers and employees	-	( 25,282)
Other	30,704	-
Inventory	( 4,190)	( 13,990)
Prepaid expenses	<u>41,386</u>	<u>917</u>
	<u>89,509</u>	<u>( 14,501)</u>
Increase (decrease) in current liabilities		
Loans payable, bank	30,000	20,000
Current portion of long-term debt	33,020	29,386
Due to officers	54,633	5,367
Accounts payable	19,864	5,432
Accrued payroll	( 676)	1,373
Payroll taxes payable	<u>( 439)</u>	<u>3,690</u>
	<u>136,402</u>	<u>65,248</u>
Decrease in working capital	<u>(\$ 46,893)</u>	<u>(\$ 79,749)</u>

See notes to financial statements.

OIL TANK LINES, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1987 AND 1986  
(SEE ACCOUNTANTS' REVIEW REPORT)

Note 1 Summary of Significant Accounting Policies

Reclassification

Certain amounts in the 1986 financial statements have been restated to conform with classifications adopted in 1987.

Inventory

Inventory is stated at the lower of cost or market, with cost being determined principally using the first-in, first-out method.

Revenue Producing Assets and Depreciation

Revenue producing assets are stated at cost. Depreciation is provided by the use of the straight-line method over the estimated useful lives of the assets.

Equipment and Depreciation

Equipment is stated at cost. Depreciation is provided by the use of the straight-line and accelerated methods over the estimated useful lives of the assets.

Investment Tax Credits

Investment tax credits are accounted for on the "flow-through" method, as a reduction of income tax expense in the years they are available for use.

Deferred Income Taxes

Deferred income taxes result from timing differences in recognizing depreciation on transportation equipment by using the straight-line method for financial reporting purposes and the accelerated method for tax purposes.

Note 2 I.C.C. and P.U.C. Rights

Management has recorded \$149,400, representing additional fair market value of I.C.C. and P.U.C. rights as determined by an independent appraisal.

OIL TANK LINES, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 1987 AND 1986  
 (SEE ACCOUNTANTS' REVIEW REPORT)

Note 2 I.C.C. and P.U.C. Rights (Continued)

The Company amortized the original cost of the I.C.C. and P.U.C. rights of \$23,870 over sixty months commencing in 1980, in accordance with Internal Revenue and I.C.C. and P.U.C. regulations regarding the regulation of these rights.

Note 3 Note Payable, Bank

The Company has available a \$200,000 bank line of credit, with interest on outstanding borrowings at the bank's prime rate, payable on demand, collateralized by equipment, inventory, receivables and the personal guarantees of the Company's officers. As of December 31, 1987 and 1986, the outstanding borrowings against this line of credit were \$160,000 and \$130,000, respectively.

Note 4 Long-Term Debt

	Interest Rate	Monthly Principal Payment	<u>1987</u>	<u>1986</u>	<u>Maturity</u>
Installment notes payable	Prime plus 3/4%	\$11,367	\$535,523	\$671,929	1991
	Prime plus 3/4%	1,250	67,500	-	1992
	Prime plus 3/4%	1,333	<u>72,000</u>	-	1992
			<u>675,023</u>	<u>671,929</u>	
Less current portion			<u>167,406</u>	<u>134,386</u>	
			<u>\$507,617</u>	<u>\$537,543</u>	

The above loans are collateralized by equipment, inventory, receivables and personal guarantees of the Company's officers.

OIL TANK LINES, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1987 AND 1986  
(SEE ACCOUNTANTS' REVIEW REPORT)

Note 4 Long-Term Debt (Continued)

Annual maturities on long-term debt are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
1988	\$167,406
1989	167,406
1990	167,406
1991	157,304
1992	<u>15,501</u>
	<u>\$675,023</u>

Note 5 Income Taxes

The Company has unused investment tax credits of approximately \$46,000 for financial reporting purposes and \$68,000 for income tax purposes, the majority of which expires in 1999, to offset future income tax liabilities.

Note 6 Change In Depreciation Method For Transportation Equipment

Depreciation of transportation equipment has been computed by the straight-line method over seven years in 1986. Depreciation of transportation equipment in prior years, beginning in 1983 was computed by the accelerated method over five years. The new method of depreciation was adopted to recognize, both the increased longevity of the equipment as well as the Company's client base changing to more localized deliveries from long haul deliveries, and has been applied retroactively to equipment acquisitions of prior years. The effect of the change, assuming that the accounting change had been applied retroactively to each year affected, would have been to increase income by approximately \$129,000 in 1986. The adjustment of \$153,255 (after reduction for deferred income taxes of \$11,962) for periods through December 31, 1985, to apply the new method is included in income during 1986.

OIL TANK LINES, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1987 AND 1986  
(SEE ACCOUNTANTS' REVIEW REPORT)

Note 7 Related Party Transaction

The Company leases its facility under a lease which expires December 31, 2002 from a shareholder.

In addition, the Company has the option to purchase the property at the fair market value at the end of the lease term.

Minimum lease commitment under the noncancellable operating lease is as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
1988	\$ 90,000
1989	90,000
1990	90,000
1991	90,000
1992-1996	450,000
1997-2001	378,000
2002	<u>18,000</u>
	<u>\$1,206,000</u>

Rent expense for the years ended December 31, 1987 and 1986 was \$90,000 and \$81,250, respectively.

Marshall #1  
A00101153  
Philly 2/17/89 see

**DOCKETED**  
FEB 15 1989

OPERATING AUTHORITY  
OF  
MARSHALL SERVICE, INC.

**RECEIVED**

NO. A-00101153

**FEB 10 1989**

To transport, as a Class D carrier, gasoline and fuel oil, in bulk, in tank vehicles, from the facilities of Mobil Oil Corporation in the borough of Malvern and the township of East Whiteland, Chester County, to points within an airline distance of thirty-five (35) statute miles of the limits of the borough of Malvern.

SECRETARY'S OFFICE  
Public Utility Commission

No. A-00101153, FOLDER 1, Am-A

To transport, as a Class D carrier, lubricating oil, methanol, glycol and antifreeze, in bulk, in tank vehicles from the facilities of Sun Oil Company, located in the borough of Marcus Hook, Delaware County, to the facilities of Pioneer Oil Company, Inc.; Pennsylvania Petroleum Products Company, Inc.; Sovereign Oil Company, Inc., all located in the city and county of Philadelphia; Oil Distributors of Philadelphia, Inc., located in the borough of West Conshohocken, Montgomery County; Dryden Oil Company of Pennsylvania, Inc., located in the township of Warminster, Bucks County; and L & M Construction Chemicals, Inc., located in the township of Falsington, Bucks County.

To transport, as a Class D carrier, lubricating oil, methanol, glycol and antifreeze in bulk, in tank vehicles, from the city and county of Philadelphia, to the facilities of Pioneer Oil Company, Inc., located in the city and county of Philadelphia; and Dryden Oil Company, Inc., located in the township of Warminster, Bucks County.

(Concluded on next page)

**DOCUMENT  
FOLDER**

OPERATING AUTHORITY  
OF  
MARSHALL SERVICE, INC. (Concluded)

NO. A-00101153, FOLDER 1, Am-C

To transport, as Class D carrier, Petroleum Products, in bulk, in tank vehicles, between points in the City and County of Philadelphia, and within an airline distance of thrity-five (35) statute miles of the limits thereof;

with the right immediately above subject to the two following conditions:

- (1) That no right, power or privelege is granted to transport gasoline, jet fuel, kerosene, asphalt, and Nos. 2,4,5 and 6 fuel oils (except No. 6 fuel oil for Haab Oil Company and Sun Refining & Marketing Company).
- (2) That no right, power or privilege is granted to transport trans- former oil,napthas, specialty oils, and lubricating oil for Sun Refining and Marketing Company.

NO. A-00101153, FOLDER 1, Am-D

To transport, as a Class D carrier, property, excluding household goods in use, between points in the city and county of Philadelphia.

Subject to the following conditions:

- (A) That no right, power or privilege is granted to transport safes, pianos, heavy machinery and materials requiring rigging, skidding, or special handling.
- (B) That no right, power or privilege is granted to transport iron and steel articles.
- (C) That no right, power or privilege is granted to transport heavy machinery and metal property requiring special rigging.



MARSHALL SERVICE, INC.  
TRANSPORTATION OF PETROLEUM PRODUCTS  
PEARL STREET  
NEWFIELD, NEW JERSEY 08344

McWhell #2  
A00108155  
Philly 2/18/89 see  
AREA CODE 609  
PHONE: 692-9200  
697-2800

RECEIVED

FEB 10 1989

SECRETARY'S OFFICE  
Public Utility Commission

LIST OF TRACTORS 2/16/88

<u>CO. #</u>	<u>YR/MAKE</u>	<u>Serial #</u>	<u>N.J. License #</u>
36	77 Mack	R685ST 65206	XUH 32P
63	85 Mack	1M2AR06Y9FM 007579	XG 81YC
64	86 Mack	1M2N179YOGA 004554	XJ 70VZ
65	86 Mack	1M2N179Y2GA 004555	XJ 69VZ
66	86 Mack	1M2N179Y4GA 004556	XJ 92VZ
67	86 Mack	1M2N179Y6GA 004557	XM 67GT
68	86 Mack	1M2N179Y8GA 004558	XJ 59VZ
71	86 Mack	1M2N179YXGA 004558	SL 45LE
72	86 Mack	1M2N179Y6GA 004560	XE 81 XJ
73	86 Mack	1M2N179Y8GA 004561	XJ 11WA
74	86 Mack	1M2N179YXGA 004562	XJ 10WA
75	87 Mack	1M2N179Y2HA 008784	XH 14BW
76	87 Mack	1M2N179Y4HA 008785	XM 26VK
77	87 Mack	1M2N179Y6HA 008786	XM 97VH
78	87 Mack	1M2N179Y8HA 008787	XG 80YC
79	87 Mack	1M2N179YXHA 008788	XM 24VK

DOCKETED  
FEB 15 1989

DOCUMENT  
FOLDER





AREA CODE 609  
PHONE: 692-9200  
697-2800

**MARSHALL SERVICE, INC.**  
TRANSPORTATION OF PETROLEUM PRODUCTS  
PEARL STREET  
NEWFIELD, NEW JERSEY 08344

LIST OF TRAILERS 2/16/88

<u>CO #</u>	<u>YEAR/MAKE</u>	<u>SERIAL #</u>	<u>N.J. LICNESE #</u>	<u>GALLON CAPACITY</u>
T-11	69 Pennco	2116702	449 TTT	7350
T-16	69 Pennco	2116705	450 TTT	7350
T-20	69 Pennco	2116706	847 TSL	7350
T-25	69 Pennco	2116707	451 TTT	7350
T-26	75 Trailmobile	M 40187	736 TAT	8500
T-31	77 Polar	3236	452 TTT	6500
T-34	60 Fruehauf	OM 18566	453 TTT	7000
T-35	61 Fruehauf	OMB 136701	454 TTT	7005
T-36	61 Fruehauf	OMB 136702	455 TTT	7020
T-37	61 Trailmobile	5-06909	456 TTT	7000
T-38	61 Trailmobile	5-06910	457 TTT	7000
T-39	65 Trailmobile	B 50200	458 TTT	6500
T-40	65 Trailmobile	B 50201	459 TTT	6500
T-41	65 Trailmobile	B 50412	460 TTT	6500
T-42	65 Trailmobile	B 50413	461 TTT	6500
T-43	66 Trailmobile	T4DFC50184	462 TTT	6000
T-44	66 Trailmobile	T4DFC50185	463 TTT	6000
T-45	66 Trailmobile	4DCFD50298	464 TTT	6000
T-46	66 Trailmobile	4DCFD50299	465 TTT	6000
T-47	67 Trailmobile	F11T4DGFC 40377	466 TTT	6000
T-48	79 Trailmobile	T40879	371 TMX	7950
T-50	71 Fruehauf	UNM 400101	467 TTT	7500
T-51	64 Fruehauf	UND 144304	468 TTT	8600
T-52	64 Fruehauf	UND 148701	469 TTT	8600
T-54	70 Fruehauf	UIM 374216	470 TTT	8600
T-55	80 Polar	A1 5138	549 TGA	7000
T-56	81 Brenner	10BFR6211BF005538	333 TFB	6880
T-57	81 Brenner	10BFR6213BF005539	371 TFB	6880
T-58	84 Brenner	10BFR6218EF007176	726 TRK	6700
T-59	84 Brenner	10BFR621XEF007177	727 TRK	6700
T-61	77 Polar	3385	278 TMS	8240
T-62	77 Polar	3293	471 TTT	8240
T-63	71 Pennco	2117356	729 TXJ	7350
T-64	63 Fruehauf	A 14870 4	T 577 CY	8850

Marshall H3  
 100108158  
 Philly shift 260

DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
7/6/88	Marcus Hook	Warminster	Petroleum Product	6869
7/14/88	Marcus Hook	Warminster	" "	6660
7/15/88	Marcus Hook	Warminster	" "	6321
7/15/88	Marcus Hook	Warminster	" "	6567
7/26/88	Marcus Hook	Warminster	" "	6838
7/27/88	Marcus Hook	Warminster	" "	6829
7/27/88	Marcus Hook	Warminster	" "	6566
7/27/88	Marcus Hook	Warminster	" "	6816
7/28/88	Marcus Hook	Warminster	" "	6870
7/29/88	Marcus Hook	Warminster	" "	6330
8/16/88	Marcus Hook	Warminster	" "	7037
8/18/88	Marcus Hook	Warminster	" "	6740
8/18/88	Marcus Hook	Warminster	" "	6602
8/19/88	Marcus Hook	Warminster	" "	6756
8/23/88	Marcus Hook	Warminster	" "	6784
8/24/88	Marcus Hook	Warminster	" "	7075
8/31/88	Marcus Hook	Warminster	" "	6688
9/2/88	Marcus Hook	Warminster	" "	6577
9/2/88	Philadelphia	Warminster	" "	7000
9/7/88	Marcus Hook	Warminster	" "	6000
9/7/88	Marcus Hook	Warminster	" "	6769
9/8/88	Marcus Hook	Warminster	" "	6629
9/14/88	Marcus Hook	Warminster	" "	7069
9/15/88	Marcus Hook	Warminster	" "	6680
9/16/88	Marcus Hook	Warminster	" "	6842
9/20/88	Marcus Hook	Warminster	" "	6930
9/21/88	Marcus Hook	Warminster	" "	6851
10/10/88	Marcus Hook	Warminster	" "	6552
10/12/88	Marcus Hook	Warminster	" "	6538
10/12/88	Marcus Hook	Warminster	" "	6599
10/13/88	Marcus Hook	Warminster	" "	6833
10/13/88	Marcus Hook	Warminster	" "	6821
10/25/88	Marcus Hook	Warminster	" "	6997
10/25/88	Marcus Hook	Warminster	" "	6679
10/26/88	Marcus Hook	Warminster	" "	7173
10/27/88	Marcus Hook	Warminster	" "	6792
10/27/88	Philadelphia	Warminster	" "	7000
11/1/88	Marcus Hook	Warminster	" "	6666
11/1/88	Marcus Hook	Warminster	" "	6976
11/2/88	Marcus Hook	Warminster	" "	6876
11/3/88	Marcus Hook	Warminster	" "	6721
11/15/88	Marcus Hook	Warminster	" "	6521
11/16/88	Marcus Hook	Warminster	" "	3709
11/17/88	Marcus Hook	Warminster	" "	6641
11/22/88	Marcus Hook	Warminster	" "	6503

RECEIVED

FEB 10 1989

SECRETARY'S OFFICE  
 Public Utility Commission

DOCUMENT  
 FOLDER

INDEXED  
 FEB 15 1989

DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
11/28/88	Marcus Hook	Warminster	Petroleum Product	6703
11/29/88	Marcus Hook	Warminster	" "	6955
11/30/88	Marcus Hook	Warminster	" "	6899
12/1/88	Marcus Hook	Warminster	" "	6987
12/7/88	Marcus Hook	Warminster	" "	6304
12/8/88	Marcus Hook	Warminster	" "	6809
12/9/88	Marcus Hook	Warminster	" "	6659
8/18/88	Marcus Hook	Philadelphia	" "	5992
8/18/88	Marcus Hook	Philadelphia	" "	6292
10/4/88	Marcus Hook	Philadelphia	" "	6137
7/5/88	Marcus Hook	Philadelphia	" "	6000
7/20/88	Marcus Hook	Philadelphia	" "	6299
8/8/88	Marcus Hook	Philadelphia	" "	6000
9/26/88	Marcus Hook	Philadelphia	" "	6027
11/10/88	Marcus Hook	Philadelphia	" "	3515
9/9/88	Philadelphia	Philadelphia	" "	48670
9/9/88	Philadelphia	Philadelphia	" "	52620
9/9/88	Philadelphia	Philadelphia	" "	54660
9/16/88	Philadelphia	Philadelphia	" "	45500
9/16/88	Philadelphia	Philadelphia	" "	47600
9/16/88	Philadelphia	Philadelphia	" "	48930
9/16/88	Philadelphia	Philadelphia	" "	44180
9/23/88	Philadelphia	Philadelphia	" "	46080
9/23/88	Philadelphia	Philadelphia	" "	47960
9/23/88	Philadelphia	Philadelphia	" "	44120
9/23/88	Philadelphia	Philadelphia	" "	48980
11/3/88	Philadelphia	Philadelphia	" "	47980
11/3/88	Philadelphia	Philadelphia	" "	47620
11/4/88	Philadelphia	Philadelphia	" "	49360
11/4/88	Philadelphia	Philadelphia	" "	50920
11/4/88	Philadelphia	Philadelphia	" "	50240
11/3/88	Philadelphia	Philadelphia	" "	49540
11/3/88	Philadelphia	Philadelphia	" "	40540
11/4/88	Philadelphia	Philadelphia	" "	34660
7/1/88	Marcus Hook	Warminster	" "	6789
7/6/88	Marcus Hook	Warminster	" "	6402
7/7/88	Marcus Hook	Warminster	" "	5866
7/8/88	Marcus Hook	Warminster	" "	6417
7/11/88	Philadelphia	Warminster	" "	6800

DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
7/12/88	Marcus Hook	Warminster	Petroleum Product	6456
7/14/88	Marcus Hook	Warminster	" "	6370
7/14/88	Marcus Hook	Warminster	" "	6471
7/14/88	Philadelphia	Warminster	" "	6742
7/15/88	Marcus Hook	Warminster	" "	6528
7/15/88	Marcus Hook	Warminster	" "	6535
7/19/88	Marcus Hook	Warminster	" "	6733
7/20/88	Philadelphia	Warminster	" "	6500
7/20/88	Marcus Hook	Warminster	" "	6581
7/21/88	Marcus Hook	Warminster	" "	6517
7/22/88	Marcus Hook	Warminster	" "	6514
7/22/88	Philadelphia	Warminster	" "	6800
7/25/88	Marcus Hook	Warminster	" "	6493
7/26/88	Philadelphia	Warminster	" "	6500
7/27/88	Marcus Hook	Warminster	" "	6859
7/27/88	Philadelphia	Warminster	" "	7000
7/28/88	Philadelphia	Warminster	" "	6000
7/28/88	Marcus Hook	Warminster	" "	6522
7/29/88	Marcus Hook	Warminster	" "	6556
8/1/88	Philadelphia	Warminster	" "	6000
8/1/88	Marcus Hook	Warminster	" "	6509
8/2/88	Marcus Hook	Warminster	" "	6536
8/2/88	Philadelphia	Warminster	" "	6500
8/3/88	Marcus Hook	Warminster	" "	6616
8/4/88	Marcus Hook	Warminster	" "	6586
8/4/88	Philadelphia	Warminster	" "	7100
8/5/88	Marcus Hook	Warminster	" "	6366
8/5/88	Marcus Hook	Warminster	" "	6673
8/5/88	Marcus Hook	Warminster	" "	6441
8/8/88	Marcus Hook	Warminster	" "	6549
8/9/88	Marcus Hook	Warminster	" "	6539
8/9/88	Philadelphia	Warminster	" "	6720
8/10/88	Marcus Hook	Warminster	" "	6472
8/10/88	Philadelphia	Warminster	" "	6801
8/11/88	Marcus Hook	Warminster	" "	6729
8/12/88	Marcus Hook	Warminster	" "	6622
8/12/88	Marcus Hook	Warminster	" "	6729
8/11/88	Philadelphia	Warminster	" "	6502
8/16/88	Marcus Hook	Warminster	" "	6526
8/16/88	Marcus Hook	Warminster	" "	6529
8/17/88	Philadelphia	Warminster	" "	7000
8/17/88	Marcus Hook	Warminster	" "	6526
8/18/88	Marcus Hook	Warminster	" "	6545
8/18/88	Philadelphia	Warminster	" "	6801
8/19/88	Marcus Hook	Warminster	" "	6468
8/19/88	Philadelphia	Warminster	" "	6800
8/22/88	Marcus Hook	Warminster	" "	6532
8/22/88	Philadelphia	Warminster	" "	6799
8/23/88	Marcus Hook	Warminster	" "	6729
8/23/88	Marcus Hook	Warminster	" "	6526

DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
8/24/88	Philadelphia	Warminster	Petroleum Product	6800
8/24/88	Marcus Hook	Warminster	" "	6521
8/25/88	Marcus Hook	Warminster	" "	6830
8/26/88	Marcus Hook	Warminster	" "	6529
8/30/88	Philadelphia	Warminster	" "	7250
8/30/88	Marcus Hook	Warminster	" "	6514
8/31/88	Marcus Hook	Warminster	" "	6711
9/7/88	Marcus Hook	Warminster	" "	6539
9/8/88	Marcus Hook	Warminster	" "	6512
9/9/88	Marcus Hook	Warminster	" "	6296
9/12/88	Marcus Hook	Warminster	" "	6497
9/12/88	Marcus Hook	Warminster	" "	6000
9/12/88	Marcus Hook	Warminster	" "	6534
9/13/88	Philadelphia	Warminster	" "	6800
9/14/88	Marcus Hook	Warminster	" "	6497
9/14/88	Marcus Hook	Warminster	" "	6269
9/15/88	Marcus Hook	Warminster	" "	6994
9/15/88	Philadelphia	Warminster	" "	47640
9/15/88	Philadelphia	Warminster	" "	7500
9/16/88	Marcus Hook	Warminster	" "	6470
9/16/88	Marcus Hook	Warminster	" "	6613
9/19/88	Marcus Hook	Warminster	" "	6380
9/19/88	Marcus Hook	Warminster	" "	6464
9/20/88	Marcus Hook	Warminster	" "	6528
9/21/88	Marcus Hook	Warminster	" "	6489
9/21/88	Philadelphia	Warminster	" "	6800
9/22/88	Marcus Hook	Warminster	" "	7068
9/23/88	Marcus Hook	Warminster	" "	6453
9/23/88	Philadelphia	Warminster	" "	6000
9/30/88	Marcus Hook	Warminster	" "	6490
9/26/88	Marcus Hook	Warminster	" "	6528
9/26/88	Marcus Hook	Warminster	" "	6364
9/27/88	Marcus Hook	Warminster	" "	6507
9/28/88	Marcus Hook	Warminster	" "	6560
9/29/88	Marcus Hook	Warminster	" "	6516
9/29/88	Marcus Hook	Warminster	" "	6484
9/29/88	Philadelphia	Warminster	" "	47900
9/29/88	Marcus Hook	Warminster	" "	6531
10/3/88	Marcus Hook	Warminster	" "	6498
10/4/88	Marcus Hook	Warminster	" "	6753
10/5/88	Marcus Hook	Warminster	" "	6506
10/5/88	Marcus Hook	Warminster	" "	6506
10/6/88	Marcus Hook	Warminster	" "	6523
10/7/88	Marcus Hook	Warminster	" "	6517
10/10/88	Marcus Hook	Warminster	" "	6627
10/13/88	Marcus Hook	Warminster	" "	6522
10/13/88	Marcus Hook	Warminster	" "	6700
10/13/88	Marcus Hook	Warminster	" "	6434
10/14/88	Marcus Hook	Warminster	" "	6517

DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
10/19/88	Philadelphia	Warminster	Petroleum Product	6716
10/27/88	Marcus Hook	Warminster	" "	6458
10/27/88	Philadelphia	Warminster	" "	6516
10/27/88	Marcus Hook	Warminster	" "	6570
10/28/88	Marcus Hook	Warminster	" "	6411
10/31/88	Marcus Hook	Warminster	" "	6187
11/1/88	Marcus Hook	Warminster	" "	6403
11/3/88	Marcus Hook	Warminster	" "	6405
11/10/88	Philadelphia	Warminster	" "	6500
11/10/88	Marcus Hook	Warminster	" "	7000
11/11/88	Marcus Hook	Warminster	" "	6909
11/15/88	Marcus Hook	Warminster	" "	2483
11/16/88	Marcus Hook	Warminster	" "	6504
11/17/88	Marcus Hook	Warminster	" "	7002
11/18/88	Philadelphia	Warminster	" "	6801
11/21/88	Marcus Hook	Warminster	" "	6816
11/21/88	Philadelphia	Warminster	" "	6800
11/22/88	Marcus Hook	Warminster	" "	6822
11/23/88	Philadelphia	Warminster	" "	7000
11/28/88	Marcus Hook	Warminster	" "	6504
11/28/88	Philadelphia	Warminster	" "	6531
11/29/88	Marcus Hook	Warminster	" "	6806
11/30/88	Marcus Hook	Warminster	" "	6631
11/30/88	Philadelphia	Warminster	" "	6535
12/2/88	Marcus Hook	Warminster	" "	7042
12/2/88	Philadelphia	Warminster	" "	7000
12/2/88	Marcus Hook	Warminster	" "	2598
12/5/88	Marcus Hook	Warminster	" "	7002
12/6/88	Philadelphia	Warminster	" "	6544
12/6/88	Philadelphia	Warminster	" "	6800
12/8/88	Philadelphia	Warminster	" "	7000
12/8/88	Marcus Hook	Warminster	" "	6999
12/8/88	Philadelphia	Warminster	" "	7000
12/9/88	Marcus Hook	Warminster	" "	6185
7/1/88	Philadelphia	Frazer	" "	6000
7/13/88	Marcus Hook	Frazer	" "	3014
7/28/88	Philadelphia	Malvern	" "	4428
7/15/88	Marcus Hook	Philadelphia	" "	6000
7/29/88	Marcus Hook	Philadelphia	" "	5949
8/9/88	Marcus Hook	Philadelphia	" "	6000
8/17/88	Marcus Hook	Philadelphia	" "	6000
8/30/88	Marcus Hook	Philadelphia	" "	4010
9/21/88	Marcus Hook	Philadelphia	" "	6014

DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
11/30/88	Marcus Hook	Philadelphia	Petroleum Product	6000
12/6/88	Marcus Hook	Philadelphia	" "	3997
7/11/88	Marcus Hook	Philadelphia	" "	6000
8/8/88	Marcus Hook	Philadelphia	" "	3479
9/27/88	Marcus Hook	Philadelphia	" "	6000
11/18/88	Marcus Hook	Philadelphia	" "	6000
11/21/88	Marcus Hook	Philadelphia	" "	6012
12/1/88	Marcus Hook	Philadelphia	" "	6000
7/1/88	Marcus Hook	Philadelphia	" "	6000
7/7/88	Marcus Hook	Philadelphia	" "	6000
8/19/88	Marcus Hook	Philadelphia	" "	3021
8/23/88	Marcus Hook	Philadelphia	" "	6112
9/15/88	Marcus Hook	Philadelphia	" "	6206
9/20/88	Marcus Hook	Philadelphia	" "	6000
10/7/88	Marcus Hook	Philadelphia	" "	6000
10/26/88	Marcus Hook	Philadelphia	" "	6000
10/26/88	Marcus Hook	Philadelphia	" "	6370
10/7/88	Marcus Hook	Philadelphia	" "	6000
10/26/88	Marcus Hook	Philadelphia	" "	6000
10/26/88	Marcus Hook	Philadelphia	" "	6370
11/4/88	Marcus Hook	Philadelphia	" "	6000
12/2/88	Marcus Hook	Philadelphia	" "	6029
12/6/88	Marcus Hook	Philadelphia	" "	6000
7/8/88	Philadelphia	Philadelphia	" "	6000
5/26/88	Philadelphia	Philadelphia	" "	6463
7/19/88	Philadelphia	Philadelphia	" "	6526
7/20/88	Philadelphia	Philadelphia	" "	6681
7/20/88	Marcus Hook	Philadelphia	" "	5918
7/20/88	Marcus Hook	Philadelphia	" "	6000
7/21/88	Marcus Hook	Philadelphia	" "	6000
7/22/88	Philadelphia	Philadelphia	" "	6500
7/22/88	Marcus Hook	Philadelphia	" "	6516
7/22/88	Marcus Hook	Philadelphia	" "	6454
7/21/88	Philadelphia	Philadelphia	" "	6950
7/25/88	Marcus Hook	Philadelphia	" "	6436
7/25/88	Marcus Hook	Philadelphia	" "	6463

DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
8/3/88	Philadelphia	Philadelphia	Petroleum Product	6729
8/3/88	Philadelphia	Philadelphia	" "	6247
8/4/88	Philadelphia	Philadelphia	" "	7183
8/4/88	Philadelphia	Philadelphia	" "	7174
8/3/88	Modena	Philadelphia	" "	6000
8/5/88	Philadelphia	Philadelphia	" "	7254
8/8/88	Philadelphia	Philadelphia	" "	7000
7/29/88	Philadelphia	Philadelphia	" "	6554
8/12/88	Philadelphia	Philadelphia	" "	6912
8/15/88	Philadelphia	Philadelphia	" "	6578
8/25/88	Philadelphia	Philadelphia	" "	6600
8/26/88	Philadelphia	Philadelphia	" "	6622
8/29/88	Philadelphia	Philadelphia	" "	6931
9/15/88	Philadelphia	Philadelphia	" "	6893
9/22/88	Philadelphia	Philadelphia	" "	6917
9/23/88	Philadelphia	Philadelphia	" "	6521
9/26/88	Philadelphia	Philadelphia	" "	6611
9/27/88	Philadelphia	Philadelphia	" "	6444
9/27/88	Philadelphia	Philadelphia	" "	6578
9/28/88	Philadelphia	Philadelphia	" "	6597
9/28/88	Philadelphia	Philadelphia	" "	6986
9/29/88	Philadelphia	Philadelphia	" "	6500
10/11/88	Philadelphia	Philadelphia	" "	6674
10/11/88	Philadelphia	Philadelphia	" "	6701
10/13/88	Philadelphia	Philadelphia	" "	6523
10/19/88	Philadelphia	Philadelphia	" "	6718
10/20/88	Philadelphia	Philadelphia	" "	6663
10/21/88	Philadelphia	Philadelphia	" "	6663
10/24/88	Philadelphia	Philadelphia	" "	6671
10/28/88	Philadelphia	Philadelphia	" "	6181
11/2/88	Philadelphia	Philadelphia	" "	6759
11/4/88	Philadelphia	Philadelphia	" "	6712
11/10/88	Philadelphia	Philadelphia	" "	6953
11/10/88	Philadelphia	Philadelphia	" "	6953
11/11/88	Philadelphia	Philadelphia	" "	6759
11/14/88	Philadelphia	Philadelphia	" "	6567
11/15/88	Philadelphia	Philadelphia	" "	6000
12/2/88	Marcus Hook	Cornwell Hgt.	" "	6000
7/1/88	Marcus Hook	Philadelphia	" "	6526
7/1/88	Marcus Hook	Philadelphia	" "	6536
8/23/88	Philadelphia	Philadelphia	" "	6100
8/24/88	Philadelphia	Philadelphia	" "	6325
8/25/88	Philadelphia	Philadelphia	" "	6000



DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
9/9/88	Marcus Hook	Philadelphia	Petroleum Product	2747
10/5/88	Marcus Hook	Philadelphia	" "	6230
10/24/88	Marcus Hook	Philadelphia	" "	6232
7/25/88	Marcus Hook	Warminster	" "	6000
7/25/88	Marcus Hook	Philadelphia	" "	2932
7/13/88	Marcus Hook	Philadelphia	" "	6000
8/10/88	Marcus Hook	Philadelphia	" "	6134
8/17/88	Marcus Hook	Philadelphia	" "	6000
9/15/88	Marcus Hook	Philadelphia	" "	6000
10/31/88	Marcus Hook	Philadelphia	" "	6000
11/23/88	Marcus Hook	Philadelphia	" "	6005
12/8/88	Marcus Hook	Philadelphia	" "	6000
7/1/88	Marcus Hook	Trainer	" "	7018
7/1/88	Marcus Hook	Trainer	" "	6716
7/5/88	Marcus Hook	Trainer	" "	7033
7/5/88	Marcus Hook	Trainer	" "	7167
7/6/88	Philadelphia	Trainer	" "	6500
7/7/88	Philadelphia	Trainer	" "	6500
7/7/88	Marcus Hook	Trainer	" "	7047
7/7/88	Marcus Hook	Trainer	" "	7109
7/8/88	Philadelphia	Trainer	" "	6500
7/8/88	Philadelphia	Trainer	" "	6501
7/18/88	Marcus Hook	Trainer	" "	6666
7/18/88	Marcus Hook	Trainer	" "	6725
7/19/88	Marcus Hook	Trainer	" "	7223
7/19/88	Marcus Hook	Trainer	" "	7231
7/21/88	Marcus Hook	Trainer	" "	6980
7/21/88	Marcus Hook	Trainer	" "	6985
7/22/88	Marcus Hook	Trainer	" "	6985
7/22/88	Marcus Hook	Trainer	" "	7221
7/22/88	Marcus Hook	Trainer	" "	7181
7/25/88	Marcus Hook	Trainer	" "	6734
7/25/88	Marcus Hook	Trainer	" "	6681
7/26/88	Marcus Hook	Trainer	" "	6984
7/26/88	Marcus Hook	Trainer	" "	7108
7/27/88	Marcus Hook	Trainer	" "	6910
7/27/88	Marcus Hook	Trainer	" "	6668
7/29/88	Marcus Hook	Trainer	" "	6989
8/9/88	Philadelphia	Trainer	" "	6500
8/9/88	Philadelphia	Trainer	" "	6500
8/10/88	Philadelphia	Trainer	" "	6501
8/10/88	Philadelphia	Trainer	" "	6500

DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
8/11/88	Philadelphia	Trainer	Petroleum Product	6500
8/11/88	Philadelphia	Trainer	" "	6501
8/12/88	Philadelphia	Trainer	" "	6500
8/12/88	Philadelphia	Trainer	" "	7000
8/15/88	Philadelphia	Trainer	" "	6501
8/16/88	Marcus Hook	Trainer	" "	6667
8/16/88	Marcus Hook	Trainer	" "	6684
8/17/88	Philadelphia	Trainer	" "	6501
8/17/88	Philadelphia	Trainer	" "	7000
8/18/88	Philadelphia	Trainer	" "	6800
8/18/88	Philadelphia	Trainer	" "	6501
8/18/88	Philadelphia	Trainer	" "	6500
8/19/88	Philadelphia	Trainer	" "	6500
8/22/88	Marcus Hook	Trainer	" "	7119
8/22/88	Marcus Hook	Trainer	" "	7186
8/24/88	Marcus Hook	Trainer	" "	7194
8/24/88	Marcus Hook	Trainer	" "	7189
8/25/88	Marcus Hook	Trainer	" "	6855
8/25/88	Marcus Hook	Trainer	" "	6993
8/26/88	Marcus Hook	Trainer	" "	6549
8/26/88	Marcus Hook	Trainer	" "	6684
8/29/88	Marcus Hook	Trainer	" "	6653
8/29/88	Marcus Hook	Trainer	" "	6662
9/1/88	Marcus Hook	Trainer	" "	6533
9/1/88	Marcus Hook	Trainer	" "	6539
9/2/88	Marcus Hook	Trainer	" "	6634
9/2/88	Marcus Hook	Trainer	" "	6651
9/6/88	Marcus Hook	Trainer	" "	6804
9/6/88	Marcus Hook	Trainer	" "	6718
9/7/88	Marcus Hook	Trainer	" "	6758
9/7/88	Marcus Hook	Trainer	" "	6704
9/8/88	Marcus Hook	Trainer	" "	7021
9/8/88	Marcus Hook	Trainer	" "	6973
9/9/88	Marcus Hook	Trainer	" "	6678
9/9/88	Marcus Hook	Trainer	" "	6687
9/12/88	Marcus Hook	Trainer	" "	6556
9/12/88	Marcus Hook	Trainer	" "	6520
9/16/88	Marcus Hook	Trainer	" "	6584
9/16/88	Marcus Hook	Trainer	" "	6598
9/20/88	Marcus Hook	Trainer	" "	6571
9/20/88	Marcus Hook	Trainer	" "	6688
9/22/88	Marcus Hook	Trainer	" "	6566
9/22/88	Marcus Hook	Trainer	" "	6563
9/29/88	Marcus Hook	Trainer	" "	6841
9/29/88	Marcus Hook	Trainer	" "	6838
9/30/88	Marcus Hook	Trainer	" "	7022
9/30/88	Marcus Hook	Trainer	" "	7019
10/6/88	Marcus Hook	Trainer	" "	7138
10/6/88	Marcus Hook	Trainer	" "	7192
10/3/88	Marcus Hook	Trainer	" "	6678

DATE	(PA) ORIGIN	(PA) DESTINATION	COMMODITY	QUANTITY (In Gallons)
10/3/88	Marcus Hook	Trainer	Petroleum Product	6672
10/3/88	Marcus Hook	Trainer	" "	6725
10/4/88	Marcus Hook	Trainer	" "	6893
10/4/88	Marcus Hook	Trainer	" "	6878
10/5/88	Marcus Hook	Trainer	" "	7074
10/5/88	Marcus Hook	Trainer	" "	7205
10/14/88	Marcus Hook	Trainer	" "	7216
10/14/88	Marcus Hook	Trainer	" "	7210
10/10/88	Marcus Hook	Trainer	" "	6921
10/10/88	Marcus Hook	Trainer	" "	6686
10/11/88	Marcus Hook	Trainer	" "	6692
10/11/88	Marcus Hook	Trainer	" "	6114
10/12/88	Marcus Hook	Trainer	" "	6802
10/12/88	Marcus Hook	Trainer	" "	6487
10/13/88	Marcus Hook	Trainer	" "	6738
10/13/88	Marcus Hook	Trainer	" "	6727
10/18/88	Marcus Hook	Trainer	" "	6754
10/18/88	Marcus Hook	Trainer	" "	6757
10/19/88	Marcus Hook	Trainer	" "	7090
10/20/88	Marcus Hook	Trainer	" "	6947
10/20/88	Marcus Hook	Trainer	" "	6957
10/20/88	Marcus Hook	Trainer	" "	6950
11/20/88	Marcus Hook	Trainer	" "	6972
11/2/88	Marcus Hook	Trainer	" "	7033
11/11/88	Marcus Hook	Trainer	" "	7277
11/11/88	Marcus Hook	Trainer	" "	7167
11/7/88	Marcus Hook	Trainer	" "	6661
11/8/88	Marcus Hook	Trainer	" "	6656
11/8/88	Marcus Hook	Trainer	" "	6670
11/21/88	Marcus Hook	Trainer	" "	7187
11/28/88	Marcus Hook	Trainer	" "	6672
11/29/88	Marcus Hook	Trainer	" "	6747
12/9/88	Marcus Hook	Trainer	" "	6526
12/9/88	Marcus Hook	Trainer	" "	6537
12/9/88	Marcus Hook	Trainer	" "	6000

Marshall Hy  
100108155  
Philly 2/18/89 ee

RONALD G. SUPPA CERTIFIED PUBLIC ACCOUNTANT VINELAND BRIDGETON, N.J.

MARSHALL SERVICE, INC.  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

RECEIVED

FEB 10 1989

SECRETARY'S OFFICE  
Public Utility Commission

ASSETS

Current assets		
Cash in bank - payroll	(\$ 923)	\$ 1,372
- First Nat'l Elmer	22,927	9,572
Petty cash	800	800
Accounts receivable - customers	165,794	162,299
- officers & employees	( 561)	1,433
- other	3,245	1,402
Prepaid taxes & licenses	8,876	9,634
Prepaid insurance	17,516	17,784
Other prepaid expenses	-	-
Inventories	6,554	5,579
Deferred income tax charges	-	-
<b>Total current assets</b>	<b>\$ 224,228</b>	<b>\$ 209,875</b>
Property & equipment		
Land	\$ 11,300	\$ 11,300
Structures	112,979	112,979
Revenue equipment	1,334,920	1,129,599
Service cars & equipment	135,227	135,227
Shop & garage equipment	16,367	12,867
Furniture & office equipment	30,986	6,567
Other property	26,782	26,782
<b>Total property &amp; equipment</b>	<b>\$1,668,561</b>	<b>\$1,435,321</b>
less: accumulated depreciation	<u>686,091</u>	<u>613,322</u>
<b>Net property &amp; equipment</b>	<b>\$ 982,470</b>	<b>\$ 821,999</b>
Intangible assets		
Organization costs	\$ 339	\$ 338
Other investments	7,573	7,088
Other deferred charges	<u>15,353</u>	<u>16,828</u>
<b>Net intangible assets</b>	<b>\$ 23,265</b>	<b>\$ 24,254</b>
<b>Total assets</b>	<b>\$1,229,963</b>	<b>\$1,056,128</b>

DOCUMENT  
FOLDER

POCKETED  
FEB 15 1989

MARSHALL SERVICE, INC.  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

	1987	1986
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 89,817	\$ 69,847
Salaries & wages payable	4,133	1,828
Employment taxes	2,132	2,269
Federal Highway Use tax	4,400	4,675
Accrued liabilities - other	15,241	20,509
Accrued federal and state tax		1,137
Other advances payable	600	1,696
Current equipment obligations	124,137	186,159
Provision for bonuses	98	95
Accrued vacations	15,937	15,489
Notes payable bank	84,500	58,333
Loans payable - shareholders	<u>55,697</u>	<u>53,384</u>
Total current liabilities	\$ 396,692	\$ 415,421
Long term liabilities		
Equipment obligations	<u>626,541</u>	<u>468,300</u>
Total liabilities	<u>\$1,023,233</u>	<u>\$ 883,721</u>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock	\$ 33,136	\$ 33,136
Retained earnings	140,366	136,490
Net income - current year	<u>33,228</u>	<u>2,781</u>
Total stockholders' equity	\$ <u>206,730</u>	\$ <u>172,407</u>
Total liabilities & stockholders' equity	<u>\$1,229,963</u>	<u>\$1,056,128</u>

MARSHALL SERVICE, INC.  
COMPARATIVE STATEMENT OF INCOME  
FOR THE TWELVE MONTHS ENDED DECEMBER 31,

	1987		1986	
		Percent		Percent
Operating revenue				
Freight revenue	\$2,166,570	100.00	\$2,011,495	100.00
Total operating revenue	<u>\$2,166,570</u>	<u>100.00</u>	<u>\$2,011,495</u>	<u>100.00</u>
Operating expenses				
Equip. main. & gar. exp.	\$ 169,180	7.81	\$ 162,121	8.05
Transportation expense	1,125,369	51.94	1,077,611	53.58
Insurance & safety exp.	295,426	13.64	258,034	12.83
Adm. & gen. exp.	160,797	7.42	138,968	6.91
Operating taxes	162,483	7.50	170,616	8.48
Depreciation expense	<u>135,252</u>	<u>6.24</u>	<u>122,575</u>	<u>6.09</u>
Total operating exp.	<u>\$2,048,507</u>	<u>94.55</u>	<u>\$1,929,925</u>	<u>95.94</u>
Net profit (loss) from operations	\$ 118,063	5.45	\$ 81,570	4.06
Other income (deductions)	( <u>84,836</u> )	( <u>3.92</u> )	( <u>78,789</u> )	( <u>3.92</u> )
Net profit (loss)	<u>\$ 33,227</u>	<u>1.53</u>	<u>\$ 2,781</u>	<u>.14</u>

Meridell #15  
 A 00108155  
 Philly 2/18/89

RONALD G. SUPPA CERTIFIED PUBLIC ACCOUNTANT VINELAND BRIDGETON, N.J.

MARSHALL SERVICE, INC.  
 COMPARATIVE BALANCE SHEET  
 OCTOBER 31, 1988

RECEIVED

FEB 10 1989

SECRETARY'S OFFICE  
 1988 Public Utility Commission 1987

LIABILITIES

Current liabilities

Accounts payable	\$ 106,079	\$ 94,975
Salaries & wages payable	5,502	11,910
Employment taxes	1,195	2,343
Federal Highway Use tax	6,600	6,600
Accrued liabilities - other	21,100	15,541
Other advances payable	4,900	3,346
Current equipment obligations	165,887	136,137
Provision for bonuses	4,879	4,813
Accrued vacations	8,160	14,747
Notes payable - bank	95,084	79,333
Loans payable - shareholders	<u>64,795</u>	<u>51,384</u>

Total current liabilities \$ 484,181 \$ 421,129

Long term liabilities

Equipment obligations	\$ <u>645,909</u>	\$ <u>646,812</u>
-----------------------	-------------------	-------------------

TOTAL LIABILITIES \$1,130,090 \$1,067,941

STOCKHOLDERS' EQUITY

Common stock	\$ 33,136	\$ 33,136
Retained earnings	174,552	140,366
Net income - current year	( <u>14,155</u> )	<u>62,041</u>

TOTAL STOCKHOLDERS' EQUITY \$ 193,533 \$ 235,543

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY \$1,323,623 \$1,303,484

DOCUMENT  
 FOLDER

DOCKETED  
 FEB 15 1989

MARSHALL SERVICE, INC.  
COMPARATIVE STATEMENT OF INCOME  
FOR THE TEN MONTHS ENDED OCTOBER 31, 1988

	1988		1987	
		Percent		Percent
Operating revenue				
Freight revenue	<u>\$1,817,022</u>	<u>100.00</u>	<u>\$1,784,294</u>	<u>100.00</u>
Total operating revenue	<u>\$1,817,022</u>	<u>100.00</u>	<u>\$1,784,294</u>	<u>100.00</u>
Operating expenses				
Equipment main. & gar. exp.	\$ 152,440	8.39	\$ 139,065	7.79
Transportation expense	932,126	51.30	902,442	50.58
Insurance & safety expense	266,978	14.69	240,653	13.49
Admin. & general expense	133,069	7.32	131,110	7.35
Operating taxes	128,398	7.07	134,826	7.56
Depreciation expenses	<u>127,974</u>	<u>7.04</u>	<u>110,918</u>	<u>6.22</u>
Total operating expense	<u>\$1,740,985</u>	<u>95.81</u>	<u>\$1,659,014</u>	<u>92.99</u>
Net profit (loss) from operations	\$ 76,037	4.19	\$ 125,280	7.01
Other income (deductions)	( 90,192)	( 4.96)	( 63,238)	( 3.54)
NET PROFIT (LOSS)	<u>(\$ 14,155)</u>	<u>( .77)</u>	<u>\$ 62,042</u>	<u>3.47</u>



MARSHALL SERVICE, INC.  
COMPARATIVE STATEMENT OF INCOME  
FOR THE TEN MONTHS ENDED OCTOBER 31, 1988

	1988		1987
		Percent	Percent
Equip. main. & gen. expenses			
Salaries - vehicle repairs	\$ 101,201		\$ 86,012
Misc. paid time off	3,205		4,125
Vehicle parts	666		693
Tires	370		---
Supplies	36,830		36,122
Utilities	10,168		11,670
Miscellaneous	<u>        </u>		<u>443</u>
Total equip. main. & general expense	\$ <u>152,440</u>	<u>8.39</u>	\$ <u>139,065</u> <u>7.79</u>
Transportation expense			
Salaries - dispatcher	\$ 18,664		\$ 18,662
- drivers	364,601		375,493
Misc. paid time off	20,330		21,825
Fuel for motor vehicles	76,735		92,530
Vehicle parts	72,869		48,023
Tires & tubes	46,281		66,983
Supplies	137,123		124,585
Tariff & schedules	1,023		3,356
Misc. expense	741		141
Utilities	11,323		10,395
Purchased trans. w/drivers	<u>182,436</u>		<u>140,449</u>
Total transportation expense	\$ <u>932,126</u>	<u>51.30</u>	\$ <u>902,442</u> <u>50.58</u>
Insurance & safety expense			
Workmens compensation	\$ 49,201		\$ 30,904
Other fringes	58,000		52,787
Public liab. & prop. dam.	106,494		91,073
Cargo loss & damage	5,644		5,540
Fire, theft & collision	41,179		56,138
Insurance on buildings	<u>6,460</u>		<u>4,211</u>
Total insurance costs	\$ <u>266,978</u>	<u>14.69</u>	\$ <u>240,653</u> <u>13.49</u>

MARSHALL SERVICE, INC.  
COMPARATIVE STATEMENT OF INCOME  
FOR THE TEN MONTHS ENDED OCTOBER 31, 1988

	1988	Percent	1987	Percent
<b>Admin. &amp; general expense</b>				
Salaries - officers	\$ 56,085		\$ 56,080	
- office employees	26,431		26,475	
Office supplies	10,500		6,350	
Misc. expense	16,072		14,464	
Utilities	8,328		8,833	
(Gain) loss on disp. of assets	----		( 11,968)	
Professional fees	<u>15,653</u>		<u>30,876</u>	
Total admin. & gen. exp.	<u>\$ 133,069</u>	<u>7.32</u>	<u>\$ 131,110</u>	<u>7.35</u>
<b>Operating taxes</b>				
Federal payroll taxes	\$ 45,967		\$ 43,306	
State payroll taxes	3,374		4,548	
Federal fuel taxes	22,909		26,178	
State fuel taxes	21,692		22,264	
Vehicle licenses & fees, Fed.	7,332		7,610	
, other	13,915		17,559	
Real estate & per. prop. tax	4,774		4,600	
Other taxes	<u>8,435</u>		<u>8,761</u>	
Total operating taxes	<u>\$ 128,398</u>	<u>7.07</u>	<u>\$ 134,826</u>	<u>7.56</u>
<b>Depreciation expenses</b>				
Structures	\$ 6,056		\$ 6,056	
Revenue equipment	107,283		90,109	
Service cars & equipment	8,701		10,913	
Shop & garage	1,284		741	
Furnitures & office equip.	3,132		1,581	
Other property	<u>1,518</u>		<u>1,518</u>	
Total depreciation	<u>\$ 127,974</u>	<u>7.04</u>	<u>\$ 110,918</u>	<u>6.22</u>
<b>Other income &amp; deductions</b>				
Dividends	\$ 283		\$ 259	
Other non operating income	3,825		3,032	
Other non operating ded.	( 10,909)		( 2,394)	
Interest-equip. obligations	( 71,177)		( 55,547)	
Interest-current	( 12,214)		( 8,695)	
Interest income	<u>107</u>		<u>107</u>	
Total other income & ded.	( <u>\$ 90,192</u> )	( <u>4.96</u> )	( <u>\$ 63,238</u> )	( <u>3.53</u> )

MARSHALL SERVICE, INC.  
COMPARATIVE STATEMENT OF INCOME  
FOR THE MONTH OF OCTOBER 31,

	1988		1987	
		Percent		Percent
Operating revenue	<u>\$153,339</u>	<u>100.00</u>	<u>\$211,257</u>	<u>100.00</u>
Freight revenue	<u>\$153,339</u>	<u>100.00</u>	<u>\$211,257</u>	<u>100.00</u>
Operating expenses				
Equip. main. & gar. exp.	\$ 13,439	8.76	\$ 18,203	8.62
Transportation expense	73,045	47.64	107,325	50.80
Insurance & safety exp.	27,197	17.74	24,146	11.43
Admin. & gen. expense	16,081	10.49	12,917	6.11
Operating taxes	10,482	6.84	15,159	7.18
Depreciation expense	<u>13,171</u>	<u>8.59</u>	<u>\$ 11,946</u>	<u>5.65</u>
Total operating expense	<u>\$153,415</u>	<u>100.06</u>	<u>\$189,696</u>	<u>89.79</u>
Net profit (loss) from operations	(\$ 76)	( .06)	(\$ 21,561)	10.21
Other income (deductions)	<u>( 8,630)</u>	<u>( 5.63)</u>	<u>( 7,640)</u>	<u>( 3.62)</u>
Net profit (loss)	<u>\$ 8,706</u>	<u>( 5.69)</u>	<u>\$ 13,921</u>	<u>6.59</u>

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120

Control # 23  
A00108153  
Philly 2/17/89  
**RECEIVED**

STATEMENT OF OPERATING REVENUES FOR GENERAL ASSESSMENT  
PURPOSES OF COMMON CARRIER OF PROPERTY  
AND/OR PERSONS BY MOTOR VEHICLE

**FEB 10 1989**  
ASSESSMENT REPORT  
FORM MT-37

FILE THIS COPY WITH YOUR 1987 ANNUAL REPORT SECRETARY'S OFFICE

796350 TK  
MARSHALL SERVICE, INC.  
PEARL STREET  
NEWFIELD NJ 08344

Public Utility Commission  
P.U.C. Certificate No. 191153  
I.C.C. Permit No. MC 123274  
Did you operate during all  
of 1987 \_\_\_\_\_  
If not, show operating period \_\_\_\_\_  
(Property X)  
(Persons \_\_\_\_\_) (Both \_\_\_\_\_)

Do you haul \_\_\_\_\_

THIS REPORT MUST BE FILED ON OR BEFORE MARCH 31, 1988. NO EXTENSIONS  
IF THIS REPORT IS NOT FILED THE COMMISSION WILL ESTIMATE YOUR INTRASTATE  
OPERATING REVENUES AND ISSUE A BINDING ASSESSMENT UPON SAID BASIS.

GROSS OPERATING REVENUES

CALENDAR YEAR  
1987

- |  |                      |
|--|----------------------|
| 1. Total gross operating revenues earned from operating as a common carrier of property and/or persons, as shown by competent records. If you had no revenue, insert "NONE". | \$ <u>2,166,570.</u> |
| 2. Deduct: Operating revenues earned from <u>interstate</u> operations and/or revenues exempt under the Public Utility Code. <u>DO NOT DEDUCT EXPENSES.</u>                  | \$ <u>2,050,599</u>  |
| 3. Balance: Gross intrastate operating revenues, <u>on which assessment will be based</u> under Section 510 of the Penna. Public Utility Code.                               | \$ <u>115,971.</u>   |

THE SOURCE OF YOUR GROSS OPERATING REVENUE AS SHOW ON LINE 1 MUST BE SHOWN IN THE PROPER COLUMNS ON THE REVERSE SIDE OF THIS REPORT. MISCELLANEOUS (OTHER) OPERATING REVENUE MUST BE ITEMIZED ON THE REVERSE SIDE HEREOF.

**DOCKETED**  
FEB 15 1989

**DOCUMENT FOLDER**

FILE THIS COPY WITH YOUR 1987 ANNUAL REPORT

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120

STATEMENT OF OPERATING REVENUES FOR GENERAL ASSESSMENT  
PURPOSES OF COMMON CARRIER OF PROPERTY  
AND/OR PERSONS BY MOTOR VEHICLE

ASSESSMENT REPORT  
FORM MT-86

FILE THIS COPY WITH YOUR 1986 ANNUAL REPORT

796360

TK

MARSHALL SERVICE, INC.  
PEARL STREET  
NEWFIELD

NJ 08344

P.U.C. Certificate No. 101153

I.C.C. Permit No. MC 123274

Did you operate during all  
of 1986 Yes

If not, show operating period

(Property  )

Do you haul

(Both \_\_\_\_\_)

(Persons \_\_\_\_\_)

THIS REPORT MUST BE FILED ON OR BEFORE MARCH 31, 1987. NO EXTENSIONS  
IF THIS REPORT IS NOT FILED THE COMMISSION WILL ESTIMATE YOUR INTRASTATE  
OPERATING REVENUES AND ISSUE A BINDING ASSESSMENT UPON SAID BASIS.

GROSS OPERATING REVENUES

CALENDAR YEAR  
1986

1. Total gross operating revenues earned from operating as a common carrier of property and/or persons, as shown by competent records. If you had no revenue, insert "NONE". \$ 2,011,495.
2. Deduct: Operating revenues earned from interstate operations and/or revenues exempt under the Public Utility Code. DO NOT DEDUCT EXPENSES. \$ 1,843,432
3. Balance: Gross intrastate operating revenues, on which assessment will be based under Section 510 of the Penna. Public Utility Code. \$ 168,063

THE SOURCE OF YOUR GROSS OPERATING REVENUE AS SHOW ON  
LINE 1 MUST BE SHOWN IN THE PROPER COLUMNS ON THE REVERSE  
SIDE OF THIS REPORT. MISCELLANEOUS (OTHER) OPERATING REVENUE  
MUST BE ITEMIZED ON THE REVERSE SIDE HEREOF.

FILE THIS COPY WITH YOUR 1986 ANNUAL REPORT

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120

STATEMENT OF OPERATING REVENUES FOR GENERAL ASSESSMENT  
PURPOSES OF COMMON CARRIER OF PROPERTY  
AND/OR PERSONS BY MOTOR VEHICLE

ASSESSMENT REPORT  
FORM MT-85

FILE THIS COPY WITH YOUR 1985 ANNUAL REPORT

796860	TK	P.U.C. Certificate No. <u>MC 101153</u>
		I.C.C. Permit No. <u>MC 123274</u>
		Did you operate during all of 1985 <u>Yes</u>
		If not, show operating period _____
MAPSHALL SERVICE, INC.		(Property <u>X</u> )
PEARL STREET		(Persons _____)
NEWFIELD	NJ 08344	Do you haul (Both _____)

THIS REPORT MUST BE FILED ON OR BEFORE MARCH 31, <sup>1986</sup>. NO EXTENSIONS  
IF THIS REPORT IS NOT FILED THE COMMISSION WILL ESTIMATE YOUR INTRASTATE  
OPERATING REVENUES AND ISSUE A BINDING ASSESSMENT UPON SAID BASIS.

GROSS OPERATING REVENUES

CALENDAR YEAR  
1985

- |  |                      |
|--|----------------------|
| 1. Total gross operating revenues earned from operating as a common carrier of property and/or persons, as shown by competent records. If you had no revenue, insert "NONE". | \$ <u>2,111,606.</u> |
| 2. Deduct: Operating revenues earned from <u>interstate</u> operations and/or revenues exempt under the Public Utility Code.<br><u>DO NOT DEDUCT EXPENSES.</u>               | \$ <u>1,965,550</u>  |
| 3. Balance: Gross intrastate operating revenues, <u>on which assessment will be based</u> under Section 510 of the Penna. Public Utility Code.                               | \$ <u>146,056</u>    |

THE SOURCE OF YOUR GROSS OPERATING REVENUE AS SHOW ON  
LINE 1 MUST BE SHOWN IN THE PROPER COLUMNS ON THE REVERSE  
SIDE OF THIS REPORT. MISCELLANEOUS (OTHER) OPERATING REVENUE  
MUST BE ITEMIZED ON THE REVERSE SIDE HEREOF.

31st. March

Vice Pres.

FILE THIS COPY WITH YOUR 1985 ANNUAL REPORT  
Marshall Service, Inc.

RECEIVED

Control 24  
A00108185  
Philly 2/17/89

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120

FEB 10 1989

STATEMENT OF OPERATING REVENUES FOR GENERAL PURPOSES OF COMMON CARRIER OF PROPERTY AND/OR PERSONS BY MOTOR VEHICLE  
ASSESSMENT REPORT  
FORM MT-87

FILE THIS COPY WITH YOUR 1987 ANNUAL REPORT

726520

TK

CHEMICAL LEAMAN TANK LINES, INC  
102 PICKERING WAY  
EXTON PA 193410200

P.U.C. Certificate No. 74153  
I.C.C. Permit No. 110525  
Did you operate during all of 1987 YES  
If not, show operating period \_\_\_\_\_  
(Property X) (Both \_\_\_\_\_)  
(Persons \_\_\_\_\_)

Do you haul

THIS REPORT MUST BE FILED ON OR BEFORE MARCH 31, 1988. NO EXTENSIONS  
IF THIS REPORT IS NOT FILED THE COMMISSION WILL ESTIMATE YOUR INTRASTATE  
OPERATING REVENUES AND ISSUE A BINDING ASSESSMENT UPON SAID BASIS.

GROSS OPERATING REVENUES

CALENDAR YEAR  
1987

- 1. Total gross operating revenues earned from operating as a common carrier of property and/or persons, as shown by competent records. If you had no revenue, insert "NONE". \$202,358,517
- 2. Deduct: Operating revenues earned from interstate operations and/or revenues exempt under the Public Utility Code. DO NOT DEDUCT EXPENSES. \$191,155,902
- 3. Balance: Gross intrastate operating revenues, on which assessment will be based under Section 510 of the Penna. Public Utility Code. \$ 11,202,615

THE SOURCE OF YOUR GROSS OPERATING REVENUE AS SHOW ON LINE 1 MUST BE SHOWN IN THE PROPER COLUMNS ON THE REVERSE SIDE OF THIS REPORT. MISCELLANEOUS (OTHER) OPERATING REVENUE MUST BE ITEMIZED ON THE REVERSE SIDE HEREOF.

DOCUMENT  
FOLDER

DOCKETED  
FEB 15 1989

FILE THIS COPY WITH YOUR 1987 ANNUAL REPORT

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 HARRISBURG, PENNSYLVANIA 17120

STATEMENT OF OPERATING REVENUES FOR GENERAL ASSESSMENT  
 PURPOSES OF COMMON CARRIER OF PROPERTY  
 AND/OR PERSONS BY MOTOR VEHICLE

ASSESSMENT REPORT  
 FORM MT-86

FILE THIS COPY WITH YOUR 1986 ANNUAL REPORT

726520

TK'

P.U.C. Certificate No. 74103

I.C.C. Permit No. 110525

Did you operate during all  
 of 1986 YES

If not, show operating period

CHEMICAL LEAMAN TANK LINES, INC  
 P.O. BOX 200, 102 PICKERING WAY  
 LIONVILLE PA 19353

(Property X)

Do you haul

(Both \_\_\_\_\_)

(Persons \_\_\_\_\_)

THIS REPORT MUST BE FILED ON OR BEFORE MARCH 31, <sup>1987</sup> **NO EXTENSIONS**  
 IF THIS REPORT IS NOT FILED THE COMMISSION WILL ESTIMATE YOUR INTRASTATE  
 OPERATING REVENUES AND ISSUE A BINDING ASSESSMENT UPON SAID BASIS.

GROSS OPERATING REVENUES

CALENDAR YEAR  
1986

- |    |   |                      |
|----|---|----------------------|
| 1. | Total gross operating revenues earned from operating as a common carrier of property and/or persons, as shown by competent records. If you had no revenue, insert "NONE". | <u>\$ 184,527.07</u> |
| 2. | Deduct: Operating revenues earned from <u>interstate</u> operations and/or revenues exempt under the Public Utility Code.<br><u>DO NOT DEDUCT EXPENSES.</u>               | <u>\$ 173,273.42</u> |
| 3. | Balance: Gross intrastate operating revenues, <u>on which assessment will be based</u> under Section 510 of the Penna. Public Utility Code.                               | <u>\$ 11,243,665</u> |

THE SOURCE OF YOUR GROSS OPERATING REVENUE AS SHOW ON  
 LINE 1 MUST BE SHOWN IN THE PROPER COLUMNS ON THE REVERSE  
 SIDE OF THIS REPORT. MISCELLANEOUS (OTHER) OPERATING REVENUE  
 MUST BE ITEMIZED ON THE REVERSE SIDE HEREOF.

FILE THIS COPY WITH YOUR 1986 ANNUAL REPORT



PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120

STATEMENT OF OPERATING REVENUES FOR GENERAL ASSESSMENT  
PURPOSES OF COMMON CARRIER OF PROPERTY  
AND/OR PERSONS BY MOTOR VEHICLE

ASSESSMENT REPORT  
FORM MT-85

FILE THIS COPY WITH YOUR 1985 ANNUAL REPORT

726520

TK

P.U.C. Certificate No. 74103

I.C.C. Permit No. 110525

Did you operate during all  
of 1985 Yes

If not, show operating period

CHEMICAL LEAMAN TANK LINES, INC  
P.O. BOX 200, 102 PICKERING WAY  
LIONVILLE PA 19353

(Property X)

Do you haul

(Both \_\_\_\_\_)

(Persons \_\_\_\_\_)

THIS REPORT MUST BE FILED ON OR BEFORE MARCH 31, <sup>1986</sup>. NO EXTENSIONS  
IF THIS REPORT IS NOT FILED THE COMMISSION WILL ESTIMATE YOUR INTRASTATE  
OPERATING REVENUES AND ISSUE A BINDING ASSESSMENT UPON SAID BASIS.

GROSS OPERATING REVENUES

CALENDAR YEAR  
1985

1. Total gross operating revenues earned from operating as a common carrier of property and/or persons, as shown by competent records. If you had no revenue, insert "NONE". \$ 160,943,612
2. Deduct: Operating revenues earned from inter-state operations and/or revenues exempt under the Public Utility Code. DO NOT DEDUCT EXPENSES. \$ 150,938,157
3. Balance: Gross intrastate operating revenues, on which assessment will be based under Section 510 of the Penna. Public Utility Code. \$ 10,005,455

THE SOURCE OF YOUR GROSS OPERATING REVENUE AS SHOW ON  
LINE 1 MUST BE SHOWN IN THE PROPER COLUMNS ON THE REVERSE  
SIDE OF THIS REPORT. MISCELLANEOUS (OTHER) OPERATING REVENUE  
MUST BE ITEMIZED ON THE REVERSE SIDE HEREOF.

FILE THIS COPY WITH YOUR 1985 ANNUAL REPORT

**DOCKETED**  
FEB 15 1989

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

Control 25  
100108155  
2/10/89 Philly  
**RECEIVED**  
FEB 10 1989  
SECRETARY'S OFFICE  
Public Utility Commission

**DOCUMENT  
FOLDER**

FORM 10-Q  
Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For quarter ended October 2, 1988 Commission file number 0-2155

CHEMICAL LEAMAN CORPORATION

(Exact name of Registrant as specified in its charter)

Pennsylvania  
(State or other jurisdiction of  
incorporation or organization)

23-2021808  
(I.R.S. Employer  
Identification No.)

102 Pickering Way, Exton, PA  
(Address of principal executive offices)

19341-0200  
(Zip Code)

Registrant's telephone number, including area code (215) 363-4200

N/A  
Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No     

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Common Stock, \$2.50 par value  
(Title of class)

914,365  
(Shares outstanding at October 2, 1988)

CHEMICAL LEAMAN CORPORATION AND SUBSIDIARIES

INDEX

	<u>Page No.</u>
Part I. Financial information	
Report on review by independent certified public accountants	3
Consolidated balance sheet - October 2, 1988 and December 31, 1987	4 & 5
Consolidated statement of earnings and retained earnings - July 4 to October 2, 1988 and July 6 to October 4, 1987	6
Consolidated statement of earnings and retained earnings - January 1 to October 2, 1988 and January 1 to October 4, 1987	7
Consolidated statement of cash flows - January 1 to October 2, 1988 and January 1 to October 4, 1987	8
Notes to consolidated financial statements	9 & 10
Management's discussion and analysis of financial condition and results of operations	11 - 14
Statement by management concerning review of interim information by independent certified public accountants	15
Part II. Other information	
Item 5. Other information	16
Item 6. Exhibits and reports on Form 8-K	16
Signatures	17

# KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.  
1600 Market Street  
Philadelphia, PA 19103

Board of Directors  
Chemical Leaman Corporation:

We have made a review of the condensed consolidated balance sheet of Chemical Leaman Corporation and subsidiaries as of October 2, 1988, and the related condensed consolidated statements of earnings and cash flows for the periods listed in the accompanying index, in accordance with standards established by the American Institute of Certified Public Accountants.

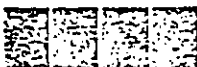
A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical review procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1987, and the related consolidated statements of earnings and retained earnings, and changes in financial position (not presented herein) for the year then ended; and in our report dated February 19, 1988, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1987, is fairly presented in all material respects in relation to the consolidated balance sheet from which it has been derived.

*Peat Marwick Main & Co.*

November 15, 1988



CHEMICAL LEAMAN CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET

	October 2, 1988	December 31, 1987*
	----- (Unaudited)	-----
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and temporary cash investment	\$15,367	\$2,764,739
Accounts receivable, net of allowance for doubtful accounts: 1988 - \$1,901,295; 1987 - \$1,928,258	30,272,140	29,891,358
Operating supplies	1,269,272	1,222,579
Prepaid expenses	6,263,897	6,012,494
Total current assets	----- 37,820,676	----- 39,891,170
Property, plant and equipment	142,401,129	144,537,980
Less accumulated depreciation and amortization	71,372,962	68,240,502
	----- 71,028,167	----- 76,297,478
Other assets	3,453,179	3,346,000
	-----	-----
	\$112,302,022	\$119,534,648
	=====	=====

\* Prepared from the Company's audited Balance Sheet as of December 31, 1987.

The accompanying notes are an integral part of these financial statements.

CHEMICAL LEAMAN CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET

	October 2, 1988 ----- (Unaudited)	December 31, 1987* -----
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities (excluding equipment obligations):</b>		
Accounts payable	\$12,012,602	\$10,917,795
<b>Accrued liabilities:</b>		
Salaries and wages	6,098,845	5,477,253
Income taxes	712,119	---
Other	5,124,732	1,885,600
Estimated self-insurance liabilities	13,892,400	11,915,458
Current maturities of long-term debt	4,085,838	4,025,929
	-----	-----
<b>Total current liabilities</b>	<b>41,926,536</b>	<b>34,222,035</b>
	-----	-----
Equipment obligations (includes current maturities: 1988 - \$7,000,669 and 1987 - \$10,473,043)	28,355,632	44,151,325
Long-term debt, net of current maturities	9,285,472	12,127,121
Estimated self-insurance liabilities, long term	3,678,714	---
Other noncurrent liabilities	2,002,782	2,032,401
<b>Stockholders' equity:</b>		
Common stock	3,266,640	3,266,640
Additional paid-in capital	5,818,108	5,818,108
Retained earnings	29,758,397	29,430,157
	-----	-----
	<b>38,843,145</b>	<b>38,514,905</b>
	-----	-----
<b>Less: Cost of 392,291 and 383,631     common shares in treasury</b>	<b>11,790,259</b>	<b>11,513,139</b>
	-----	-----
	<b>27,052,886</b>	<b>27,001,766</b>
	-----	-----
	<b>\$112,302,022</b>	<b>\$119,534,648</b>
	=====	=====

\* Prepared from the Company's audited Balance Sheet as of December 31, 1987.

The accompanying notes are an integral part of these financial statements.

CHEMICAL LEAMAN CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF EARNINGS  
(UNAUDITED)

	July 4 to October 2, 1988	July 6 to October 4, 1987
	-----	-----
Operating revenue	\$61,827,580	\$56,927,839
Operating expense:		
Salaries, wages and benefits	19,785,809	18,933,820
Supplies and expenses	11,273,826	10,497,924
Taxes and licenses	1,846,839	1,700,861
Insurance and claims	1,241,350	2,078,711
Communication and utilities	1,031,975	1,081,620
Purchased transportation and rents	17,759,678	17,320,648
Depreciation and amortization	3,253,569	3,223,913
(Gain) loss on disposition of operating property, net	87,329	(175,781)
Provision for environmental clean-up	4,702,314	---
	-----	-----
Total operating expenses	60,982,689	54,661,716
	-----	-----
Operating income	844,891	2,266,123
	-----	-----
Other deductions (additions), net:		
Interest	1,353,906	1,344,586
Miscellaneous	47,634	(31,232)
	-----	-----
	1,401,540	1,313,354
	-----	-----
Earnings (loss) before income taxes	(556,649)	952,769
	-----	-----
Income taxes (benefit)	(231,067)	481,140
	-----	-----
Net earnings (loss)	(\$325,582)	\$471,629
	=====	=====
Net earnings (loss) per share	(\$ .35)	\$ .39
	====	====
Weighted average shares outstanding	921,788	1,208,468
	=====	=====

The accompanying notes are an integral part of these financial statements.

CHEMICAL LEAMAN CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF EARNINGS  
(UNAUDITED)

	January 1 to October 2, 1988	January 1 to October 4, 1987
	-----	-----
Operating revenue	\$184,156,930	\$170,804,797
Operating expense:		
Salaries, wages and benefits	60,485,349	57,905,137
Supplies and expenses	33,972,845	32,032,301
Taxes and licenses	5,205,349	5,408,832
Insurance and claims	4,895,185	6,330,246
Communication and utilities	3,447,391	3,554,898
Purchased transportation and rents	52,311,761	50,797,232
Depreciation and amortization	9,813,493	9,201,811
(Gain) loss on disposition of operating property, net	90,760	(529,457)
Non-recurring expense	1,833,556	---
Provision for environmental clean-up	4,702,314	---
	-----	-----
Total operating expenses	176,758,003	164,701,000
	-----	-----
Operating income	7,398,927	6,103,797
	-----	-----
Other deductions (additions), net:		
Interest	4,305,905	3,472,525
Miscellaneous	45,995	(73,757)
	-----	-----
	4,351,900	3,398,768
Earnings before income taxes and cumulative effect of change in accounting principle	-----	-----
	3,047,027	2,705,029
Income taxes	-----	-----
	1,246,440	1,245,125
	-----	-----
Net earnings before cumulative effect of change in accounting principle	1,800,587	1,459,904
Cumulative effect on prior years of change in accounting for income taxes	-----	-----
	1,472,347	---
	-----	-----
Net earnings	\$328,240	\$1,459,904
	=====	=====
Net earnings (loss) per share:		
Net earnings before cumulative effect of change in accounting principle	\$1.95	\$1.20
Cumulative effect on prior years of change in accounting for income taxes	(1.59)	--
	-----	-----
Net earnings	\$ .36	\$1.20
	=====	=====
Weighted average shares outstanding	922,617	1,219,596
	=====	=====

The accompanying notes are an integral part of these financial statements.



CHEMICAL LEAMAN CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

	January 1 to October 2, 1988	January 1 to October 4, 1987
Cash flow from operating activities:		
Net earnings before cumulative effect of change in accounting principle	\$1,800,587	\$1,459,904
Adjustments to reconcile net earnings, before cumulative effect of change in accounting principle to net cash provided by operating activities:		
Depreciation and amortization	9,813,493	9,201,811
(Gain) loss on disposition of operating property	90,760	(529,457)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(380,782)	1,435,020
Increase in prepaid expenses & supplies	(298,096)	(781,768)
Increase in accounts payable & accrued items	10,611,187	2,008,681
Increase (decrease) in current income taxes payable	712,119	(408,612)
Increase (decrease) in other noncurrent liabilities	(29,619)	49,760
Total adjustments	20,519,062	10,975,435
Net cash provided by operating activities before cumulative effect of change in accounting principle	22,319,649	12,435,339
Cumulative effect on prior years of change in accounting principle	(1,472,347)	---
Net cash provided by operating activities	20,847,302	12,435,339
Cash flows from investing activities:		
Capital additions	(5,001,666)	(19,369,527)
Proceeds from sales of property and equipment	419,224	3,336,541
Purchase of treasury stock	(277,120)	(9,609,387)
Increase in other assets	(159,679)	(886,141)
Net cash used in investing activities	(5,019,241)	(26,528,514)
Cash flows from financing activities:		
Proceeds from revolving credit agreement	---	1,800,000
Net payments on revolving credit agreement - equipment obligations	(14,250,000)	(4,750,000)
Proceeds from issuance of equipment obligations	---	10,879,461
Principal payments on equipment obligations	(1,545,695)	(813,013)
Proceeds from issuance of long-term debt	---	9,000,000
Principal payments on long-term debt	(2,610,450)	(326,709)
Principal payments under capital lease obligations	(171,288)	(151,291)
Net cash provided by (used for) financing activities	(18,577,433)	15,638,448
Net increase (decrease) in cash	(2,749,372)	1,545,273
Cash at beginning of year	2,764,739	2,177,974
Cash at end of period	\$15,367	\$3,723,247

The accompanying notes are an integral part of these financial statements.

CHEMICAL LEAMAN CORPORATION AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (UNAUDITED)

NOTE 1: BASIS OF PRESENTATION

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods.

NOTE 2: ACCOUNTING PERIODS

For interim reporting purposes, the Company reports quarterly financial statements based on two four-week months and one five-week month.

NOTE 3: INCOME TAXES

The difference between the statutory federal income tax rate and the estimated effective rate is as follows:

	<u>January 1 to</u> <u>October 2, 1988</u>		<u>January 1 to</u> <u>October 4, 1987</u>	
	<u>Amount</u>	<u>% of</u> <u>Pretax</u> <u>Earnings</u>	<u>Amount</u>	<u>% of</u> <u>Pretax</u> <u>Earnings</u>
Computed "expected" tax expense	\$1,035,989	34.0%	\$1,082,012	40.0%
Increase (decrease) resulting from:				
Investment tax credit recapture	4,431	.2	5,455	.2
State income tax, net of federal tax benefit	207,907	6.8	154,964	5.7
Effect of anticipated yearly tax adjustment	51,092	1.7	30,776	1.1
Other	<u>(52,969)</u>	<u>(1.7)</u>	<u>(28,082)</u>	<u>(1.0)</u>
Estimated tax expense	<u>\$1,246,440</u>	<u>41.0%</u>	<u>\$1,245,125</u>	<u>46.0%</u>

NOTE 3: INCOME TAXES (Continued)

On January 1, 1988, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 96, which recognizes deferred income taxes under the liability method. The differences between tax basis assets and liabilities and the financial statement reported amounts is taxed at rates that will be applicable in future years. The provision for the change in recognizing such taxes amounts to a charge of \$1,472,347 and is reflected in the earnings statement under Change in Accounting Principle.

NOTE 4: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest	\$2,498,571
Income taxes	1,674,623

NOTE 5: COMMITMENTS

There were commitments for capital improvements at October 2, 1988 of \$5,175,000.

At a Board of Directors meeting on October 18, 1988, a resolution was passed providing for an Employees Share Purchase Plan wherein two officers of the Company and one officer of a subsidiary were granted rights to purchase a total of 72,000 shares of the Common Stock of the Company at \$30.40 per share.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Significant Development

During the quarter a pretax charge of \$4,702,314 was recorded as estimated environmental cleanup costs at several locations, including two Superfund sites. Over a period of years, the Company has been working with the appropriate environmental authorities regarding the sites to determine the extent of environmental damage and a feasible means to effect the cleanup. To date, the Company has expended considerable funds for consulting, legal and engineering services, and to also monitor ground water at the various locations. Recently cost estimates became available that, while not final since agreement has not been reached on the cleanup procedure, represent reasonable estimates of these cleanup costs. If these procedures are agreed upon and implemented, it is expected that funds will be expended over several years. Each of these locations are either on property owned by the Company or on a site used for disposal of its wastes. Each of the locations has not been active for a considerable period of time. At the time the sites were utilized for disposal, the Company was complying with all applicable environmental regulations. Also, the Company cooperated with the appropriate authorities in the closure of the sites in accordance with existing regulations and the then known technology.

### Liquidity and Capital Resources

#### Third Quarter Ended October 2, 1988

The following ratios are used to measure liquidity and employment of capital resources:

	Nine Months Ended <u>October 2, 1988</u>	Year Ended <u>December 31, 1988</u>
--	---	--

Working capital	.90 to 1	1.17 to 1
Cash provided from Operations (A) to Debt Due in One Year	2.50 to 1 (B)	1.25 to 1
Total Funded Debt to Stockholders' Equity	1.54 to 1	2.23 to 1
Property and Equipment (Net) to Stockholders' Equity	2.63 to 1	2.83 to 1
Revenue to Property and Equipment (Net)	3.45 to 1 (B)	2.97 to 1

(A) See Statement of Cash Flows for Cash Provided by Operating Activities.

(B) Annualized for comparison purposes.

Working capital declined in the period due to a decrease in cash occasioned by aggressive cash management that contributed to the significant reduction in debt levels and also from increased accruals from compensation expense due to an organizational restructuring, accruals for projected 1988 incentive payments and environmental liabilities. Total Funded Debt to Stockholders' Equity improved due to reduction in debt levels and also the relatively low rate of capital expenditures. Property and Equipment (Net) to Stockholders' Equity declined due to reduction in book values of fixed assets as depreciation exceeded capital expenditures for the period and Stockholders' Equity also increased slightly. The ratio of Revenue to Property and Equipment (Net) improved due to an approximate 8.0 percent increase in revenues while net book values declined. During the period, the Company purchased some of its common stock in the open market valued at \$277,000, with the funds provided from working capital. The Company's revolving credit was amended in the period but continues under the same basic terms; the total availability under the credit line at October 2, 1988 was \$9.7 million. At October 2, 1988 there were commitments for capital improvements of \$5,175,000.

Third Quarter, 1988 Versus Third Quarter, 1987

Revenue increased \$4.9 million in the period or 9.0 percent, which was the result of higher freight rate levels in the period. Significant freight rate increases were effective late in the first quarter of 1988. Operating income, before the effect of an environmental charge, increased over 140 percent due largely to this freight rate activity. Supplies and expenses increased due to increases in costs related to waste disposal, accruals for environmental cleanups and the change in an arrangement with a subcontractor providing transportation services wherein the Company agreed to absorb tank cleaning expense in return for reducing the sub-contractor's charges for services. This reduction is reflected in only a small increase in purchased transportation and rents relative to the increased business activity. Insurance and claims expense declined due to favorable experience in liability and self insured physical damage claims. Insurance expense also has been reduced as a result of a new insurance arrangement implemented in the second quarter in which the Company increased the self insured portion of liability coverage from \$500,000 per occurrence to \$1,500,000. Based on claims experience over the last several years, it is anticipated that this arrangement should continue to provide reduced insurance expenses. A loss on sale of equipment was recorded in the quarter due to losses on sale of trailer equipment and anticipated losses on sale of tractor equipment. Although debt levels declined from the prior period, interest costs remained at the same levels due to higher market interest rates and increases in the level of interest charges in loan agreements. Average interest rates in the 1988 period were 11.9 percent compared to 9.6 percent in 1987.

Nine Months, 1988 Versus Nine Months, 1987

Revenue increased 7.8 percent from the prior year due to the rate activity previously mentioned, which was the major contributor to over a 98

percent increase in operating income before giving effect to the environmental charge. Supplies and expenses increased due to increased waste disposal, environmental and tank cleaning cost. The increase was also due to a change in a subcontractor arrangement previously mentioned, wherein tank cleaning expenses increased and costs declined in purchased transportation. Taxes and licenses declined 4.0 percent due to a change in some licensing and vehicle permitting requirements in some states. Insurance and claims expense declined due to favorable experience and the new insurance arrangement established by the Company. A loss on sale of trailer equipment was recorded for the period in addition to establishing a reserve for anticipated loss on sale of tractor equipment. This loss on lease of trailer equipment was occasioned by a new operating policy of the Company to dispose of only marginal trailer equipment while reconditioning other older trailers and placing them back in service. Also, in the prior year, a substantial tractor replacement program produced gains on tractor disposals; the significantly reduced amount of tractor disposals presently projected is anticipated to produce a small loss on equipment sale. Interest expense increased 24 percent due to some increase in average debt levels and also an increase in interest rates due to higher market rates and an increase in interest charges in loan agreements. Average interest rates rose from 9.8 percent in the 1987 period to 11.0 percent in 1988.

Statement by Management Concerning Review of Interim Financial  
Information by Independent Certified Public Accountants

The October 2, 1988 and October 4, 1987 financial statements included in this filing of Form 10-Q have been reviewed by Peat Marwick Main & Co., in accordance with established professional standards and procedures for such a review. The report of Peat Marwick Main & Co., commenting upon their review, is included as Item 1 of Part I, Page 3.



PART II - OTHER INFORMATION

Item 5 - Other Information

On November 16, 1988, the Company issued a press release regarding its quarterly financial results and a previously announced possible tender offer which said in part:

The Company also announced that the conditions of the offer it expected to make in October, 1988 to purchase 200,000 shares of its common stock at \$30.40 per share in cash, had not been met and, therefore, the offer will not be made.

As previously reported, pursuant to an agreement dated August 3, 1987, among the Company and shareholders representing 68 percent of its outstanding shares, the Company purchased 300,000 shares at \$30.40 per share in cash under a tender offer completed in September, 1987. The Company agreed to make a second tender offer in October, 1988 for 200,000 shares at \$30.40 per share in cash, subject to certain conditions. The conditions included a requirement that the Company obtain a favorable opinion from an investment banking firm as to the fairness of the transaction, from a financial point of view, to the Company's public unaffiliated shareholders.

The Company's shares have been quoted in the over-the-counter market in recent weeks at prices in excess of \$30.40, and the Company determined that it is unable to obtain such an investment banker's opinion.

Item 6 - No reports on Form 8-K were filed by the Registrant during the third quarter of 1988.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant)

BY: (Signature and Title)

/s/ David R. Hamilton  
David R. Hamilton, President and  
Chief Executive Officer

DATE: November 11, 1988

BY: (Signature and Title)

/s/ Charles E. Fernald, Jr.  
Charles E. Fernald, Jr., Senior Vice  
President - Finance

DATE: November 11, 1988

Com 170 #26  
100108183  
Philly 2/18/89

16. Provide copies of the Income Statement of Protestant for the periods ending (a) December 31, 1986, (b) December 31, 1987 and (c) June 30, 1988.

Answer: See attached Income Statements.

**RECEIVED**

**FEB 10 1989**

SECRETARY'S OFFICE  
Public Utility Commission

**DOCKETED**  
**FEB 15 1989**

**DOCUMENT**  
**FOLDER**

CHEMICAL LEAMAN TANK LINES, INC.  
REGULATORY INCOME STATEMENT

	July 3, 1988	July 5, 1987
I. Carrier operating income		
Revenue:		
Freight revenue - Intercity common carrier	\$47,675,779	\$46,865,812
Freight revenue - Intercity contract carrier	57,720,278	50,805,200
Freight revenue - Local cartage	3,339,324	3,959,396
Other operating revenue	36,940	37,184
	-----	-----
Total carrier operating revenue	108,772,321	101,667,592
	-----	-----
Expenses:		
Salaries - officers and supervisory personnel	6,755,129	6,815,192
Salaries and wages	19,427,510	19,117,095
Miscellaneous	2,454,298	2,337,294
Other fringes	10,315,423	10,520,043
Operating supplies and expenses	15,837,876	12,072,315
General supplies and expenses	2,938,307	3,331,146
Operating taxes and licenses	3,307,624	3,605,944
Insurance	3,940,216	3,941,792
Communication and utilities	2,239,542	2,317,251
Depreciation and amortization	6,149,160	5,532,041
Revenue equipment rents & purchased transportation	27,775,738	27,220,914
Building and office equipment rents	1,057,117	1,008,459
Gain on disposition of operating assets - net	4,623	(345,963)
Miscellaneous expenses	1,343,286	895,277
	-----	-----
Total carrier operating expenses	103,545,849	98,368,800
	-----	-----
Total carrier operating income	5,226,472	3,298,792
	-----	-----
II. Other income		
Loss from noncarrier operations	168,576	(2,177)
Interest and dividend income	243,016	191,124
Gain on disposition of land and structures	---	1,800
	-----	-----
Total other income	411,592	190,747
	-----	-----
III. Other deductions from income		
Other nonoperating deductions	141,283	13,764
Interest and amortization of debt discount expense and premium	2,784,136	1,958,477
	-----	-----
Total other deductions	2,925,419	1,982,241
	-----	-----
Ordinary income before income taxes	2,712,645	1,507,298
	-----	-----
Income taxes on ordinary income	1,040,076	656,733
	-----	-----
Income before extraordinary item	1,672,569	850,565
	-----	-----
Cumulative change in accounting principle	(1,722,128)	---
	-----	-----
Net income (loss)	(\$49,559)	\$850,565
	=====	=====

CHEMICAL LEAMAN TANK LINES, INC.  
REGULATORY INCOME STATEMENT

SCHEDULE 1  
PART 1

	December 31, 1987	December 31, 1986
<b>I. Carrier operating income</b>		
<b>Revenue:</b>		
Freight revenue - Intercity common carrier	90,511,696	96,141,440
Freight revenue - Intercity contract carrier	104,147,124	82,051,588
Freight revenue - Local cartage	7,634,102	6,287,631
Other operating revenue	65,594	46,428
	-----	-----
Total carrier operating revenue	202,358,516	184,527,087
	-----	-----
<b>Expenses:</b>		
Salaries - officers and supervisory personnel	12,450,147	9,962,973
Salaries and wages	37,485,964	36,022,147
Miscellaneous	4,808,919	4,640,415
Other fringes	20,344,527	19,533,559
Operating supplies and expenses	25,716,415	24,974,535
General supplies and expenses	6,363,324	5,220,887
Operating taxes and licenses	7,026,274	6,564,599
Insurance	7,978,815	6,983,523
Communication and utilities	4,449,088	4,391,558
Depreciation and amortization	11,606,789	10,585,929
Revenue equipment rents and purchased transportation	54,948,880	46,391,265
Building and office equipment rents	2,063,394	1,834,991
Gain on disposition of operating assets - net	-538,040	-1,013,314
Miscellaneous expenses	1,897,866	903,297
	-----	-----
Total carrier operating expenses	196,602,362	176,996,365
	-----	-----
Total carrier operating income	5,756,154	7,530,722
	-----	-----
<b>II. Other income</b>		
Loss from non-carrier operations	-4,600	-4,117
Interest and dividend income	418,711	484,307
Gain on disposition of land and structures	---	-14,137
	-----	-----
Total other income	414,111	466,053
	-----	-----
<b>III. Other deductions from income</b>		
Other nonoperating deductions	96,456	31,061
Interest and amortization of debt discount expense and premium	4,786,701	4,038,208
	-----	-----
Total other deductions	4,883,157	4,069,269
	-----	-----
Ordinary income before income taxes	1,287,108	3,927,506
	-----	-----
Income taxes	559,589	770,050
	-----	-----
Net earnings	727,519	3,157,456
	=====	=====

Com 716 EXH. NO. 27  
A00108155  
Philly 2/17/89 1000

RECEIVED  
FEB 10 1989

SECRETARY'S OFFICE  
Public Utility Commission

17. Since January 1, 1986, has Protestant received any complaints, warnings, Notices of Claim or citations from the Pennsylvania Public Utility Commission, the Pennsylvania Department of Environmental Resources, the United States Environmental Protection Agency, the United States Department of Transportation, the Federal Bureau of Investigation, or any other governmental agencies of the Commonwealth of Pennsylvania or of the state (other than Pennsylvania), in or through which Protestant's vehicles operated the most miles during 1986 and 1987, in connection with alleged violations involving or affecting transportation.\* If so, give the following information for each instance:

- (a) Date of alleged violation.
- (b) Origin(s) and destination(s) of service being rendered or location of violation.
- (c) Commodity or commodities being transported, or nature of service being rendered.
- (d) Type of vehicle utilized, if any.
- (e) Nature of the incident or problem which formed the basis for the complaint, warning, Notice of Claim, etc.

Answer: Yes. See attached Schedule.

DOCKETED  
FEB 15 1989

DOCUMENT  
FOLDER

\* The term "involving or affecting transportation" for the purposes of this Interrogatory shall mean incidents or occurrences (i) during the operation of vehicles on the public highways, (ii) at or adjacent to terminals or cleaning facilities and (iii) during the process of repair or cleaning of vehicles.

Point 17

1. (a) 11/7/86  
(b) Elm Street, Dedham, MA  
(c) Butyl Acrylate  
(d) MC-307 Tank Trailer  
(e) Driver was on layover at a motel. Leak developed allowing a small quantity of material to be spilled.
  
2. (a) 11/23/86  
(b) I-80, Pine Creek Township, Jefferson County, PA  
(c) Combustible Liquid, NOS  
(d) MC-307 Tank Trailer  
(e) Our vehicle struck a black bear in the roadway at night. Our vehicle ran off the roadway and overturned.
  
3. (a) 9/28/87  
(b) Port of Milwaukee, WI  
(c) Lube Oil  
(d) MC-304 Tank Trailer  
(e) Failure to follow prescribed procedure in transferring material from tank trailer to ship.

4. (a) 2/1/88
- (b) Ironton, OH
- (c) Phenol
- (d) MC-307 Tank Trailer
- (e) Failure to file DOT Form 5800-1 within 15 days after  
discovery of unintentional release of material