

TC-041340

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 South Evergreen Park Drive SW, PO Box 47250
Olympia Washington 98504-7250
Phone (360) 664-1222
Fax (360) 586-1181

RECEIVED

JUL 23 2004

WASH. UT. & TP. COMM.

APPLICATION FOR BUS CERTIFICATE

Fee: \$150.00

CID 40882 Reception NO. 0007993 Application No. D79294
230-02

Date Received 7/26/04 Amount \$ 300.00 Additional Permit

Fitness Rates Schedule Insurance

Application is made to the Washington Utilities and Transportation Commission for a Certificate of Public Convenience and Necessity, as provided in Chapter 81.68 RCW.

6920 150.00
6921 150.00

APPLICATION

Fee - \$150

(Check One Only) ORIGINAL EXTENSION

NOTE: APPLICATION MUST BE COMPLETED IN FULL. INDIVIDUAL PARTNERSHIP CORPORATION

1. NAME OF APPLICANT PENNCO TRANSPORTATION INC
(Must correspond with name on insurance policy)

2. D/B/A:

3. MAILING ADDRESS P.O. Box 356 PHYSICAL ADDRESS 933 CARLSBORG RD
CARLSBORG WA 98324 SEQUIM WA 98382

602-259-971 BUSINESS TELEPHONE NUMBER (360) 582-3736 FAX NUMBER (360) 406-3800
UBI # 47-0906520 E-MAIL PENNCO@OLYPEN.COM

4. IF APPLICANT IS A CORPORATION, LIST NAME, TITLES, AND PERCENTAGE OF STOCK OF PRINCIPAL SHAREHOLDERS. IF APPLICANT IS A PARTNERSHIP, LIST NAMES, ADDRESSES, AND PERCENTAGE OF INTEREST OF ALL PERSONS HAVING AN EQUITY IN THE BUSINESSES:
Kevin Harris d/b/a Macrosystems 1819 31st St Port Townsend, 98368 73%
Don + Jan Needham 4907 W US Hwy 40, Greenfield, IN 46140 27%

5. Will an attorney be representing you at the hearing? Yes No

If yes, list specific attorney's name:
Phone No. Address:

6. If the Commission assigns this application for formal hearing, applicant will present approximately 3 witnesses at the hearing. Estimate how much time your presentation will take. 1 hour

Posted

7. Describe your proposed route using state or county highway numbers, AND attach a detailed map or sketch showing the proposed route or area.

SEE ATTACHED

(NOTE: This statement may be a separate attachment labeled "7").

8. Is this an application for extension of your present route? Yes NO
yes, attach a copy of your current certificate.

9. Attach two copies of your proposed tariff, which shows both the rates or fees to be charged for service and rules and regulations which govern how they will be assessed.
10. Attach two copies of your proposed time schedule and route, naming all service points.
11. State fully the conditions that justify the Commission granting you a certificate.

SEE ATTACHED

(NOTE: This statement may be a separate attachment labeled "11")

12. List the terminal facilities you propose to use at each of the named points on your proposed route.

Port Angeles Terminal - to be determined
Jefferson County Terminal - to be determined
Sequim Terminal - 324 Carlsburg Rd, Carlsburg WA 98356
Tokebo Terminal - to be determined
Bremer ton Terminal - to be determined

(NOTE: This statement may be a separate attachment labeled "12")

13. You must submit, prior to issuance of a certificate to operate as an Auto Transportation Company, a Form "E" Certificate of Insurance issued by an insurance company authorized to write insurance in the state of Washington.

14. List the names and addresses of all other transportation providers currently furnishing similar service by means of motor coach, railroad or boat lines, between any of the points or along any portion of the route you propose to serve.

KITSAP AIRPORTER 5748 BETHELL RD SE PORT ORCHARD
WA 98367

(NOTE: This statement may be a separate attachment labeled "14")

15. Complete the following financial data*:

OK All attachment

ASSETS		LIABILITIES	
Cash in Bank and on hand	\$	Salaries/Wages Payable	\$
Notes Receivable	\$	Accounts Payable	\$
Accounts Receivable	\$	Notes Payable	\$
Investments	\$	Mortgages Payable	\$
Other Current Assets	\$	Contracts and Bonds Payable	\$
Prepaid Expenses	\$	Other	\$
Land and Buildings		TOTAL LIABILITIES	\$
Equipment (buses)	\$	NET WORTH	
Office Furniture	\$	Preferred Stock	\$
Other Equipment	\$	Common Stock	\$
Other Assets	\$	Retained Earnings	\$
	\$	Capital	\$
TOTAL ASSETS	\$	TOTAL LIABILITIES AND NET WORTH	\$

*Enclose Balance Sheet and Profit and Loss Statement, if available, and label it "15"

16. Complete the following statement of equipment to be used in connection with proposed service or attach equipment list with the appropriate information.

LICENSE NUMBER	YEAR AND MAKE OF VEHICLE	SERIAL NUMBER (VEHICLE IDENTIFICATION NUMBER)	SEATING CAPACITY

(NOTE: This information may be an attachment labeled "16").

17. SAFETY COMPLIANCE REVIEW AND QUESTIONNAIRE:

GENERAL

Do you have a copy of the laws and rules relating to auto transportation companies?..... YES NO N/A

Have you been cited within the last three years by the Commission for violations of its rules or laws?..... YES NO N/A

If Yes, explain: _____

Are you familiar with the state passenger carrier safety rules?..... YES NO N/A

Will management review the carrier's compliance status on a periodic basis?.....

NOTIFICATION AND REPORTING OF ACCIDENTS

Are you familiar with the Commission accident reporting rule? **YES** **NO** **N/A**

Will you take any action against drivers involved in preventable accidents?.....

PART 391 - QUALIFICATION OF DRIVERS

Do you have written hiring policies/procedures that are being followed when hiring new drivers?..... **YES** **NO** **N/A**

Are oral interviews conducted with new drivers to verify information submitted on their applications?..

Will you have a system established to ensure drivers' medical certificates remain current?...

Will you verify that physicians completing medical certifications are knowledgeable about the instructions for performing and recording driver physical examinations?.....

Will you review the results of the health history and physical examination?.....

Will you have a system established that will ensure drivers' operating licenses remain current?.....

Will you have a system established that will ensure drivers' annual reviews and annual record of violations remain current?.....

Will you comply with the road test provisions of Section 391.31?.....

Can you maintain and produce complete driver qualification files on drivers?.....

PART 392 - DRIVING OF MOTOR VEHICLES

Do you have established procedures concerning the use of alcohol and drugs?..... **YES** **NO** **N/A**

Do you have a policy for monitoring speed?.....

PART 395 - HOURS OF SERVICE OF DRIVERS

Can you explain the hours of service limitations, i.e., 10, 15, 60 in 7, 70 in 8?..... **YES** **NO** **N/A**

Will you file records of duty status in systematic manner?.....

Will drivers be required to complete recaps of their records of duty status?.....

Will dispatchers be aware of drivers' hours of service prior to trip?.....

Will other independent records be compared to drivers records of duty status for accuracy?.....

Will you have a system for recording hours of duty status on 100 mile radius drivers?.....

Will you have a disciplinary policy for noncompliance with Part 395?.....

PART 396 - INSPECTION, REPAIR AND MAINTENANCE

Will you have written procedures explaining a systematic, periodic maintenance program?..... **YES** **NO** **N/A**

Will you periodically review maintenance records for all equipment?.....

Will you comply with the vehicle inspection procedure?.....

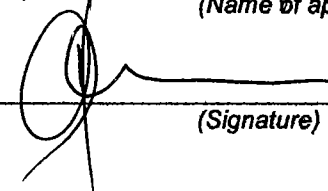
PART 396 – INSPECTION, REPAIR AND MAINTENANCE (con't)

	YES	NO	N/A
Will you train drivers to perform pre-trip inspections?.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will you maintain the prior three months vehicle inspection reports on a vehicle?.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will you maintain a complete maintenance file on all vehicles?.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The applicant understands that the filing of this application does not in itself constitute authority to operate; that he/she is familiar with the law and the rules of the Washington Utilities and Transportation Commission governing Auto Transportation Companies and promises strict compliance therewith.

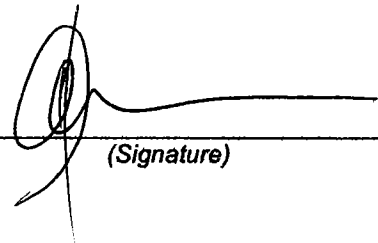
Dated at: Carlsborg, Washington, July 15, 2004
(City or Town) (Month/Day/Year)




Rennco Transportation, Inc
(Name of applicant)

By:  KEVIN WARRICK
(Signature) President

I certify (or declare) under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

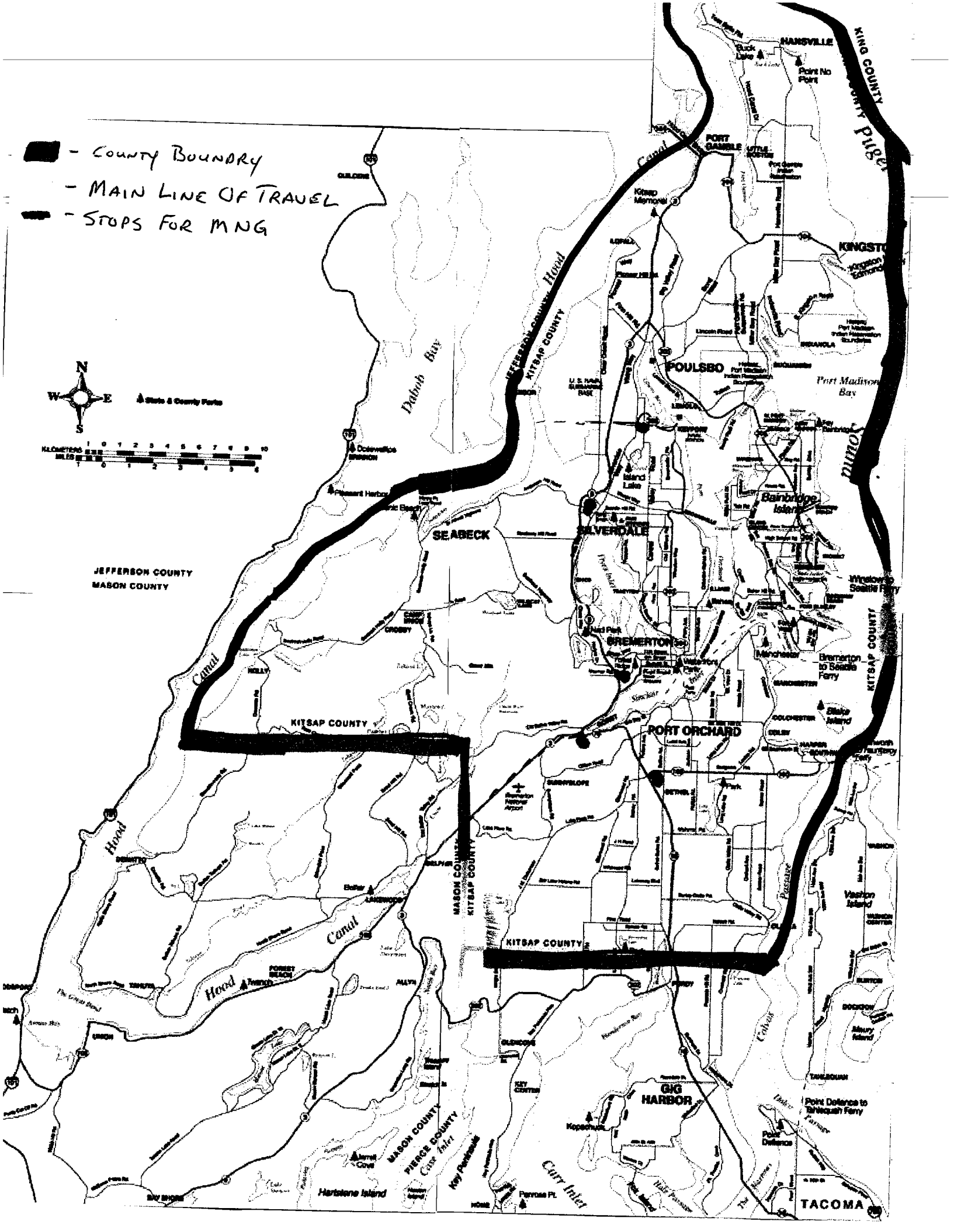
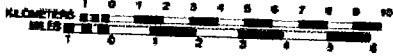
Carlsborg, WA July 14, 2004
(Date and Place)

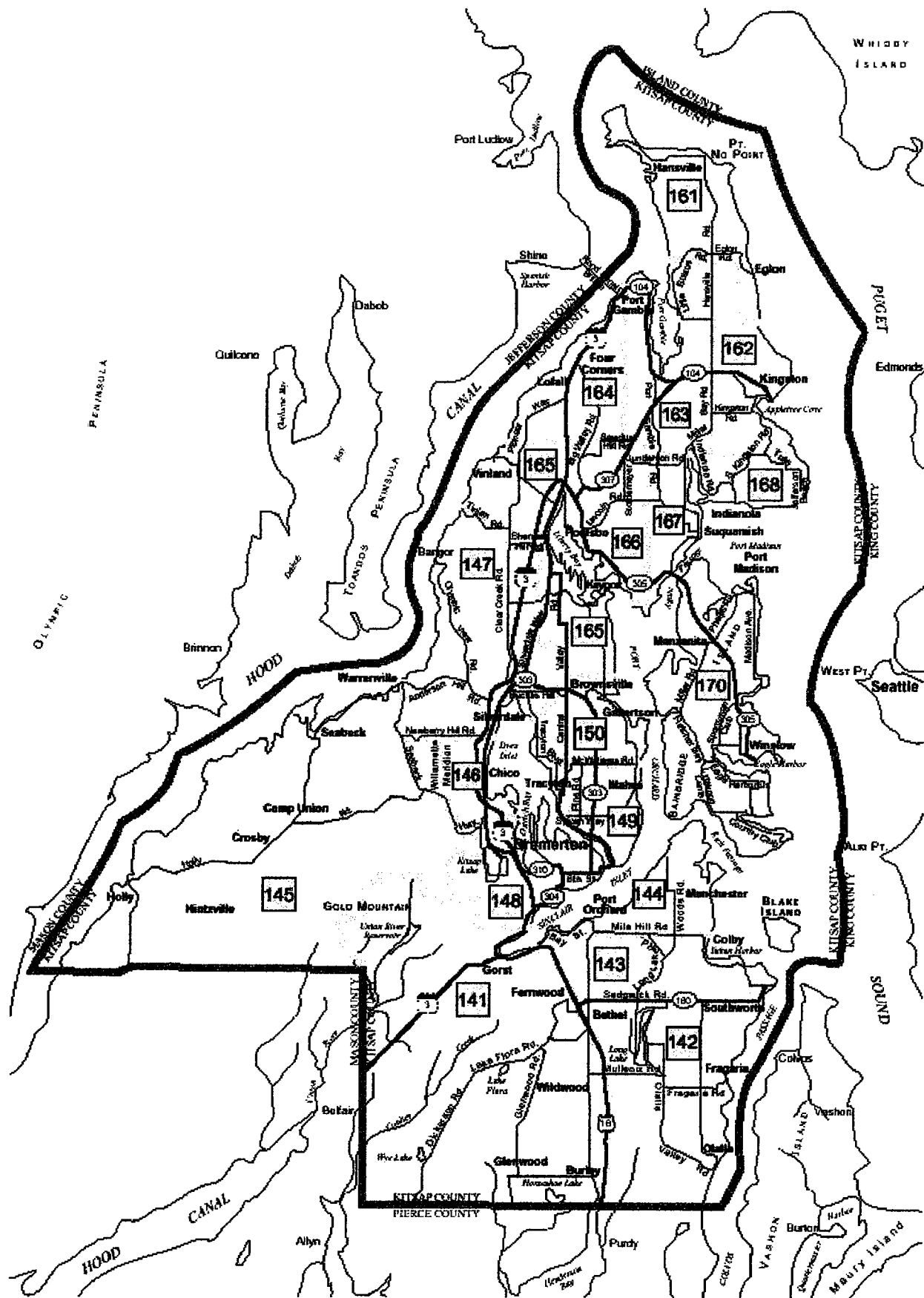

(Signature)

-  - COUNTY BOUNDARY
-  - MAIN LINE OF TRAVEL
-  - STOPS FOR MNG



State & County Ports





Northwest Waterfront



PENNCO

TRANSPORTATION

PO Box 356, Carlsborg, WA 98324
360-582-3736 Fax 360-683-4857 Toll Free 1-888-673-6626
www.penncoshuttle.com

July 9th 2004

PENNCO TRANSPORTATION Inc. is requesting authorization to expand our door to door service to and from Seatac and Seattle area to include Kitsap County.

Our currant line of travel to Seatac Airport and the Seattle area does go through Kitsap County using highway 3 and highway 16.

PENNCO TRANSPORTATION Inc.'s intention is to pick up and deliver passengers from and to their homes using our meet and greet technique to provide this service. This is done by another company van picking up passengers at their address and taking them to meet up with the main vehicle originating from Port Angeles and Sequim.

At this point, we intend to have our drivers meet and transfer passengers and luggage at the following possible points:

Keyport Park and Ride across from the AM/PM
Silverdale Mall north parking lot
Denny's on Kitsap way off hwy 3
Texaco in Gorst
McDonalds in Port Orchard

Attachment #17

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

For the Operation of Motor Propelled Vehicles

pursuant to the provisions of Chapter 81 RCW

THIS IS TO CERTIFY that authority is granted to operate as a MOTOR CARRIER in the transportation of the commodities and in the territory described herein to

PENNCO TRANSPORTATION, INC.
d/b/a PENNCO TRANSPORTATION
PO BOX 356
CARLSBORG, WA 98324

PERMIT NO.
C-1054

PASSENGER SERVICE: Door-to-door, by reservation only:

BETWEEN: Port Angeles and points in Clallam and Jefferson Counties.

BETWEEN: Clallam and Jefferson Counties, and Seattle and Tacoma hospitals, Amtrak stations, Greyhound stations, and the Seattle-Tacoma International Airport with closed door service between Clallam and Jefferson Counties, and the indicated points in King and Pierce Counties.

BETWEEN: Clallam and Jefferson Counties and Port Townsend, Port Ludlow, and Silverdale, for passengers whose point of origin or point of destination is in Clallam or Jefferson County.

Conditions: Pennco may not provide service to passengers from any point served by Heckman Motors, Inc., d/b/a Olympic Bus Lines, under Certificate No. C-992 without advance reservations made at least one hour in advance of the pick-up times at each such point indicated by Heckman Motors, Inc., d/b/a Olympic Bus Lines, schedule as published from time-to-time in accordance with WAC 480-30-060.

The holder of this certificate may operate a five foot by eight foot trailer when such a trailer is used to carry baggage or express and is towed by a vehicle in which passengers are being transported.

TC-030039

SERVICE DATE

03-18-03

FEB 27 2004

WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

By

Carolyn Shaskben





PENNCO

TRANSPORTATION

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July 9th 2004

PENNCO TRANSPORTATION Inc. is requesting authorization to expand our door to door service to and from Seatac and Seattle area to include Kitsap County on the basis of the following:

- Our current line of travel to Seatac Airport and the Seattle area does go directly through Kitsap County using highway 3 and highway 16.
- We at PENNCO TRANSPORTATION, receive inquires and requests on a daily basis for the professional door to door service that we provide and that unfortunately is not currently made available to these people.
- It is obvious this is a much needed and desired service that is not offered or available to this area of population. We feel the people of Kitsap County should not be deprived and allowed the option to use this type of service.
- PENNCO TRANSPORTATION Inc. believes it can provide the residents of Kitsap County this valuable, much needed, and requested service.

Attachment # 11



PENNCO

TRANSPORTATION

PO Box 356, Carlsborg, WA 98324
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July 9th 2004

PENNCO TRANSPORTATION Inc. intention is to pick up passengers at their address in Kitsap County and take to meeting location nearest to their pick up location.

The transfer locations currently under consideration is:

- Keyport park and ride across from Keyport AM/PM
- Silverdale mall north parking lot
- Denny's on Kitsap way
- Texaco in Gorst
- McDonalds in Port Orchard off Sedgewick exit

9 PM
23/04
crual Basis

Pennco Transportation Inc
Profit & Loss
April 2003 through March 2004

Attachment
15

Apr '03 - Mar 04

Ordinary Income/Expense	
Income	
Bank Interest	174.15
Charter Income	29,928.39
Detailing Income - Non Taxable	2,040.00
Detailing Income - Taxable	1,309.34
Jefferson Transit	4,067.70
Miscellaneous Income	781.44
Paratransit	254,878.84
Private Transport	1,495.01
Shuttle- Cash and Checks	450,242.04
Shuttle - Credit Cards	170,674.46
Shuttle Credit Card Fee Reserve	-3,436.67
Third Party Billings	7,237.84
Total Income	919,392.54
Cost of Goods Sold	
Ferry-Paratransit	12,635.70
Ferry-Shuttle	19.00
Fuel Cash	920.92
Fuel Charge	128,968.37
Parking-Paratransit	5.00
Parking-Shuttle	8.00
Total COGS	142,556.99
Gross Profit	776,835.55
Expense	
Administration	1,809.45
Advertising	25,856.38
Airporter Fees	2,207.59
Bank Adjustments	668.49
Building Maintenance	1,928.54
Business Credit Card	5,211.52
BUYOUT PAYMENTS	
Buyout Payment 1	1,610.46
Buyout Payment 2	16,055.00
Buyout Write-Off Jeep	4,801.58
Total BUYOUT PAYMENTS	22,467.04
Commission - Detail Income	267.43
Commission - Travel Agencies	211.90
Consultants	400.00
Credit Card Fees	500.00
Customer Relations	124.75
Driver Records	160.00
Drug Testing	3,796.97
Employee Relations	700.97
Hire Out Service	
Car Rentals	65.01
Mileage	866.01
Outside Help	59.78
Taxi	630.45
Towing	6,537.47
U-Haul	514.57
Total Hire Out Service	8,673.29
Hotel Partners	1,202.87
INSURANCE	
Business Insurance	456.60
Health Insurance	12,901.85
Vehicle Insurance	79,863.05
Total INSURANCE	93,221.50

9 PM
'23/04'
crual Basis

Pennco Transportation Inc
Profit & Loss
April 2003 through March 2004

	<u>Apr '03 - Mar 04</u>
INTEREST ON LOANS	
1ST Federal Loan	1,826.74
1st Federal LOC	190.18
1st Inc LOC	4,692.32
First Federal - Corp LT Loan	4,733.34
Jeep	1,836.16
Total INTEREST ON LOANS	<u>13,278.74</u>
Internet Service	1,463.12
Lease - Minibuses	5,040.00
Lease - Pinnacle Capital	39,651.89
Lease - Summit Leasing	10,601.67
Lease - USBEF Exchange Co.	2,881.52
Loan Fees	-492.00
Meals/Accomodations	110.00
Meetings/Seminars	109.10
Membership Fees	435.00
Office Expense & Supplies	12,376.62
Operating Supplies	16,749.04
Payroll Expenses	590,306.00
Payroll Taxes	90,777.18
Permits	
Business License	459.00
Trip Permits	47.00
Total Permits	<u>506.00</u>
Phones	
Phone - Office	13,979.23
Phones- Cell	18,826.98
Total Phones	<u>32,806.21</u>
Port of Seattle	757.50
Printing	1,562.87
RENTS	
Garage Rent	6,030.00
Office Rent	3,128.00
RENTS - Other	645.00
Total RENTS	<u>9,803.00</u>
Softball Sponsorship	338.58
Taxes	
Excise	14,240.16
Total Taxes	<u>14,240.16</u>
Training	3,609.96
Travel	1,297.83
Utilities	2,127.84
Vehicle Allowance	314.50
Vehicle License	2,340.50
Vehicle Maintenance	
Vehicle Parts	79,971.61
Vehicle Prep	11,615.83
Vehicle Repair	15,158.94
Vehicle Supplies	891.42
Wash	241.75
Vehicle Maintanance - Other	140.70
Total Vehicle Maintanance	<u>108,020.25</u>
Vehicle Purchases	0.00
Total Expense	<u>1,130,421.77</u>
Net Ordinary Income	-353,586.22
Other Income/Expense	
Other Income	
Assets Sold	1,613.60
REBATES	100.00

29 PM

1/23/04

Accrual Basis

Pennco Transportation Inc
Profit & Loss
April 2003 through March 2004

	<u>Apr '03 - Mar 04</u>
REIMBURSEMENTS	
Ins Refund	12,655.96
State Farm Ins	58.50
Utilities Refund	100.00
	<hr/>
Total REIMBURSEMENTS	12,814.46
	<hr/>
Total Other Income	14,528.06
Other Expense	
Comp Certificates	1,795.75
Driver Tips	174.00
Emp Comp	473.25
Refunds	1,480.00
	<hr/>
Total Other Expense	3,923.00
	<hr/>
Net Other Income	10,605.06
	<hr/>
Net Income	<u><u>-342,981.16</u></u>

16)

Attachment #16

PENNCO VEHICLE INVENTORY

#21)	1997 FORD 12 PASS MINI BUS VIN # 1FDJE30L9VHB51467	LIC # A81351R SEATAC	WHITE
#22)	1997 FORD 12 PASS MINI BUS VIN # 1FDJE30L9VHB51490	LIC # A81350R SEATAC	WHITE
#23)	1997 FORD 12 PASS MINI BUS VIN # 1FDJE30L8VHB51495	LIC # A81349R SEATAC	WHITE
#24)	1997 FORD 12 PASS MINI BUS VIN # 1FDJE30L9VHCO6388	LIC # A81353R SEATAC	WHITE
#25)	1997 FORD 12 PASS MINI BUS VIN # 1FDJE30L7VHB51486	LIC # A81352R SEATAC	WHITE
#96)	1996 FORD 14 PASS VAN VIN # 1FBJS31G7THA13656	LIC # A402321R SEATAC	BLUE
#98)	1998 FORD 14 PASS VAN VIN # 1FBSS31S6WHA30574	LIC # A52865D SEATAC	WHITE
#194)	1994 FORD 14 PASS VAN VIN # 1FBJS31GORHB76741	LIC # A39208M SEATAC	BLUE & SILVER
#197)	1997 FORD 14 PASS VAN VIN # 1FBJS31LX VHC00194	LIC # A401821 SEATAC	WHITE
#199)	1999 FORD 14 PASS VAN VIN # 1FBSS1L7XHB90568	LIC # A402311 SEATAC	GREEN
#92)	1991 FORD AEROSTAR 7 PASS VIN # 1FMADA31X3MZ57918	LIC # 416 RPD PARA / SEATAC	RED & SILVER
#93)	1993 FORD AEROSTAR 5 PASS VIN # 1FMCA1105PZB41939	LIC # A54650G PARA / SEATAC	BLUE
#94)	1994 FORD AEROSTAR 5 PASS VIN # 1FMCA1106RZA31596	LIC # A54652G PARA / SEATAC	MAROON
#97)	1997 FORD AEROSTAR 7 PASS VIN # 1FMADA41XXVZA79614	LIC # A40310D SEATAC / PARA	BLUE



PENNCO TRANSPORTATION

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July 12th 2004

PENNCO TRANSPORTATION Inc. would like to also submit as an addendum, request for on demand service.

PENNCO TRANSPORTATION Inc. is requesting that the commission also consider granting PENNCO TRANSPORTATION Inc. permission to perform on demand service at Seatac airport.

Our current authority states that passengers must have a reservation one hour in advance of service. In most cases, the majority of these travelers have to wait at least two hours or more before our next shuttle comes through, or until the only other shuttle servicing the Olympic peninsula arrives. We feel this is a disservice to these often tired and irritable travelers who just wish to go home.



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Denny's on Kitsap way off hwy 3
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McDonalds in Port Orchard



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THESE TIMES RUN ON RESERVATION ONLY TWO DAYS IN ADVANCE PREFERABLY.

ARRIVE IN SEA-TAC AIRPORT

6AM
9AM
12NOON
3PM
6PM

LEAVE SEA-TAC AIRPORT

8AM
11AM
2PM
5PM
8PM

**MUST HAVE 1 HOUR RESERVATION
BEFORE DEPARTURE FROM AIRPORT**

**When arriving at Sea-Tac pick up at level 3 island 2 of the parking garage
(BLUE CURB ZONE)**

Fares	Fares will be paid in full to the driver at time of pick-up at which time the driver will give the passenger a confirmation slip/receipt. Passengers should review the information for accuracy. Discrepancies need to be reported to the office at your earliest convenience.
Reduced Fares	A 10% discount will be given to seniors who have reached or passed their 62 nd birthday, children 12 and under, and groups of five or more per reservation.
Baggage Rules	Passengers will be limited to two pieces of luggage not to exceed 100 pounds total, and one carry-on bag. Prior arrangements must be made for large items such as golf clubs, bicycles, skis etc. Additional fees will be charged.
Animals	All animals must be contained in an approved carrier. Dogs traveling with sight or hearing-impaired passengers will be allowed to lie at the passenger's feet free of charge.
Scheduled Maintenance	Carrier will not be held liable for delays caused by accidents, weather, breakdowns, construction, or any other conditions beyond his/her control. The carrier does not guarantee to arrive at, or depart from any point at any specific time. The carrier will however make every effort to operate on schedule. Passengers should plan to be ready 30 minutes prior to the scheduled pick-up time. If a passenger should arrive off schedule they will be required to catch the next available vehicle.
Objectionable Passengers	Carrier reserves the right to refuse to transport persons under the influence of drugs and/or alcohol, who are incapable of taking care of themselves or whose conduct or behavior may be objectionable to other passengers. Carrier reserves the right to refuse transportation of any material that may be considered unsafe.
Cancellations & Refunds.	Tickets are non-refundable. If requested, an unused portion of a round trip reservation may be converted to an open reservation and must be used within 6 months of the original date of travel. Open reservations are only good for the unused direction of travel. There are no refunds for unused portions of a round trip reservation.
Reservations	Reservations must be made a minimum of 2 business days (48 hours) in advance.
Issue Date	16-May-03
Issued By	Pennco Transportation, Inc.

Effective Date: 16-May-03



PENNCO TRANSPORTATION

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THESE TIMES RUN ON RESERVATION ONLY TWO DAYS IN ADVANCE PREFERABLY.

ARRIVE IN SEA-TAC AIRPORT

6AM
9AM
12NOON
3PM
6PM

LEAVE SEA-TAC AIRPORT

8AM
11AM
2PM
5PM
8PM

**MUST HAVE 1 HOUR RESERVATION
BEFORE DEPARTURE FROM AIRPORT**

When arriving at Sea-Tac pick up at level 3 island 2 of the parking garage (BLUE CURB ZONE)

Fares	Fares will be paid in full to the driver at time of pick-up at which time the driver will give the passenger a confirmation slip/receipt. Passengers should review the information for accuracy. Discrepancies need to be reported to the office at your earliest convenience.
Reduced Fares	A 10% discount will be given to seniors who have reached or passed their 62 nd birthday, children 12 and under, and groups of five or more per reservation.
Baggage Rules	Passengers will be limited to two pieces of luggage not to exceed 100 pounds total, and one carry-on bag. Prior arrangements must be made for large items such as golf clubs, bicycles, skis etc. Additional fees will be charged.
Animals	All animals must be contained in an approved carrier. Dogs traveling with sight or hearing-impaired passengers will be allowed to lie at the passenger's feet free of charge.
Scheduled Maintenance	Carrier will not be held liable for delays caused by accidents, weather, breakdowns, construction, or any other conditions beyond his/her control. The carrier does not guarantee to arrive at, or depart from any point at any specific time. The carrier will however make every effort to operate on schedule. Passengers should plan to be ready 30 minutes prior to the scheduled pick-up time. If a passenger should arrive off schedule they will be required to catch the next available vehicle.
Objectionable Passengers	Carrier reserves the right to refuse to transport persons under the influence of drugs and/or alcohol, who are incapable of taking care of themselves or whose conduct or behavior may be objectionable to other passengers. Carrier reserves the right to refuse transportation of any material that may be considered unsafe.
Cancellations & Refunds.	Tickets are non-refundable. If requested, an unused portion of a round trip reservation may be converted to an open reservation and must be used within 6 months of the original date of travel. Open reservations are only good for the unused direction of travel. There are no refunds for unused portions of a round trip reservation.
Reservations	Reservations must be made a minimum of 2 business days (48 hours) in advance.
Issue Date	16-May-03
Issued By	Pennco Transportation, Inc.

Effective Date: 16-May-03

RATES FOR DOOR TO DOOR SERVICE

APR 15

FROM / TO	FORKS	PORT ANGELES	SEQUIM	PORT TOWNSEND	PORT LUDLOW	SILVERDALE	SEATTLE TACOMA	SEATAC
FORKS	NO SERVICE	\$42.50 OW \$60.00 RT \$30.00 AR	\$62.50 OW \$82.50 RT \$40.00 AR	\$82.50 OW \$102.50 RT \$60.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$82.50 OW \$102.50 RT \$60.00 AR	\$107.50 OW \$137.50 RT \$80.00 AR
PORT ANGELES	NO SERVICE	\$22.50 OW \$32.50 RT \$12.50 AR	\$22.50 OW \$32.50 RT \$12.50 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$67.50 OW \$87.50 RT \$55.00 AR
SEQUIM	NO SERVICE	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$67.50 OW \$87.50 RT \$55.00 AR
PORT TOWNSEND	NO SERVICE	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$67.50 OW \$87.50 RT \$55.00 AR
PORT LUDLOW	NO SERVICE	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$67.50 OW \$87.50 RT \$55.00 AR
SILVERDALE	NO SERVICE	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$67.50 OW \$87.50 RT \$55.00 AR
SEATTLE & TACOMA	NO SERVICE	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$67.50 OW \$87.50 RT \$55.00 AR
SEATAC	NO SERVICE	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$42.50 OW \$52.50 RT \$30.00 AR	\$67.50 OW \$87.50 RT \$55.00 AR

96.25

FARES

TO SEATTLE/TACOMA/SEATAC

FULL FARE				FULL FARE					
P.A./SEQ.				JEFFCO					
ONE	TWO	THREE	FOUR	ONE	TWO	THREE	FOUR		
ROUND TRIP	\$96.25	\$156.75	\$217.25	\$277.75	ROUND TRIP	\$90.75	\$151.25	\$211.75	\$272.25
ONE WAY	\$74.25	\$134.75	\$196.25	\$255.75	ONE WAY	\$68.75	\$129.25	\$189.75	\$250.25
ADD RIDER	\$60.50				ADD RIDER	\$60.50			
DISCOUNTED RATE FOR THOSE CUSTOMERS WHO CHOOSE TO MEET DRIVER AT OFFICE OR MNG LOCATION									
ROUND TRIP	\$87.50				ROUND TRIP	\$82.50			
ONE WAY	\$67.50				ONE WAY	\$62.50			
ADD RIDER	\$55.00				ADD RIDER	\$55.00			
SENIOR RATES					SENIOR RATES				
P.A./SEQ.					JEFFCO				
ROUND TRIP	\$86.50	\$143.50	\$200.50	\$257.50	ROUND TRIP	\$81.75	\$138.75	\$195.75	\$252.75
ONE WAY	\$66.50	\$123.50	\$180.50	\$237.50	ONE WAY	\$61.75	\$118.75	\$175.75	\$232.75
ADD RIDER	\$57.00				ADD RIDER	\$57.00			
DISCOUNTED RATE FOR THOSE CUSTOMERS WHO CHOOSE TO MEET DRIVER AT OFFICE OR MNG LOCATION									
ROUND TRIP	\$78.75				ROUND TRIP	\$72.50			
ONE WAY	\$60.75				ONE WAY	\$62.50			
ADD RIDER	\$49.50				ADD RIDER	\$49.50			
TWO PIECES LUGGAGE ALLOWED-- ADD LUGGAGE \$3.00 EA.					BICYCLES - SKIS - GOLF CLUBS: \$10.00				
CHILDREN UNDER 12 YEARS RIDE @ ADDITIONAL SENIOR RATE-- PARENTS SUPPLY CAR SEAT AND SECURE									
FREQUENT RIDER PACKAGES - 13 ROUND TRIPS FOR THE PRICE OF 10 - PRICES ARE FIGURED AT SENIOR RATE									
CLALLAM COUNTY PACKAGE RATE - \$865.00					JEFFERSON COUNTY PACKAGE RATE - \$817.50				
DOG KENNELS:									
	SMALL	MEDIUM	LARGE						
	\$5.00	\$10.00	\$15.00						



PENNCO
TRANSPORTATION

PO Box 356, Carlsborg, WA 98324
360-582-3736, Fax 360-683-1483 Toll Free 1-888-673-6626
www.penncoshuttle.com

Rebecca Harris
Corporate Secretary

July 22, 2004

Washington Utilities & Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Mailstop 47250
Olympia, WA 98504-7250

RECEIVED
JUL 23 2004
WASH. UT. & TP. COMM.

Dear Commissioner,

Based on the information included in this filing, we are entitled to a 59.4% rate increase. The market will not bear this increase, so we are requesting a 10% overall increase and a 15% increase in senior rate fares, for two or more seniors travelling together.

We are also requesting an extension of our authority into Kitsap County. With the combination of these two requests, we can operate profitably without unduly burdening our current riders.

If you have any questions, please call me at (360) 582-3736.

Respectfully,

Rebecca Harris
Corporate Secretary

	A	B	C	D	E	F	G	H	I	J	K
1	PENNCO TRANSPORTATION, INC										
2	PROFORMA INCOME STATEMENT										
3	12 MONTHS ENDED 03/31/04										
4											
5		PER	RESTATING	PER	PROFORMA	PROFORMA	EFFECT	PROFORMA			
6		BOOKS	ADJUSTMENT	BOOKS	ADJUSTMENT	B/4	OF	WITH			
7			NOTE 1	ADJUSTED		RATES	RATES	RATES			
8	ACCOUNT										
9	Income										
10	Bank Interest	174.15	-174.15	0.00		0.00	0.00	0.00			0.00
11	Charter Income	29,928.39	-29,928.39	0.00		0.00	0.00	0.00			0.00
12	Detailing Income - Non Taxable	2,040.00	-2,040.00	0.00		0.00	0.00	0.00			0.00
13	Detailing Income - Taxable	1,309.34	-1,309.34	0.00		0.00	0.00	0.00			0.00
14	Jefferson Transit	4,067.70	-4,067.70	0.00		0.00	0.00	0.00			0.00
15	Miscellaneous Income	781.44	-781.44	0.00		0.00	0.00	0.00			0.00
16	Paratransit	254,878.84	-254,878.84	0.00		0.00	0.00	0.00			0.00
17	Private Transport	1,495.01	-1,495.01	0.00		0.00	0.00	0.00			0.00
18	Shuttle- Cash and Checks	450,242.04		450,242.04		450,242.04	267,443.77	717,685.81			0.00
19	Shuttle - Credit Cards	170,674.46		170,674.46		170,674.46	101,380.63	272,055.09			0.00
20	Shuttle Credit Card Fee Reserve	-3,436.67		-3,436.67		-3,436.67	-2,041.38	-5,478.05			0.00
21	Third Party Billings	7,237.84	-7,237.84	0.00		0.00	0.00	0.00			0.00
22	Total Income	919,392.54	-301,912.71	617,479.83	0.00	617,479.83	366,783.02	984,262.85			0.00
23	Cost of Goods Sold										
24	Ferry-Paratransit	12,635.70	-12,635.70	0.00		0.00	0.00	0.00			0.00
25	Ferry-Shuttle	19.00		19.00		19.00	19.00	19.00			0.00
26	Fuel Cash	920.92	-297.09	623.83	2	131.00	754.84	754.84			0.00
27	Fuel Charge	128,968.37	-41,605.20	87,363.17	2	18,346.27	105,709.44	105,709.44			0.00
28	Parking-Paratransit	5.00	-5.00	0.00		0.00	0.00	0.00			0.00
29	Parking-Shuttle	8.00		8.00		8.00	8.00	8.00			0.00
30	Total COGS	142,556.99	-54,542.98	88,014.01		18,477.27	106,491.28	106,491.28			0.00
31	Gross Profit	776,835.55	-247,369.73	529,465.82		-18,477.27	510,988.55	366,783.02			877,771.57
32	Expense										
33	Administration	1,809.45	-583.73	1,225.72			1,225.72	1,225.72			0.00
34	Advertising	25,856.38	-8,341.27	17,515.11			17,515.11	17,515.11			0.00
35	Airporter Fees	2,207.59	0.00	2,207.59			2,207.59	2,207.59			0.00
36	Bank Adjustments	668.49	-215.65	452.84			452.84	452.84			0.00
37	Building Maintenance	1,928.54	-622.15	1,306.39			1,306.39	1,306.39			0.00
38	Business Credit Card	5,211.52	-1,681.24	3,530.28			3,530.28	3,530.28			0.00
39	BUYOUT PAYMENTS		0.00	0.00			0.00	0.00			0.00
40	Buyout Payment 1	1,610.46	-519.53	1,090.93			1,090.93	1,090.93			0.00
41	Buyout Payment 2	16,055.00	-5,179.34	10,875.66			10,875.66	10,875.66			0.00
42	Buyout Write-Off Leap	4,801.58	-1,548.99	3,252.59			3,252.59	3,252.59			0.00
43	Total BUYOUT PAYMENTS	22,467.04	-7,247.87	15,219.17		0.00	15,219.17	15,219.17			0.00
44	Commission - Detail Income	267.43	-267.43	0.00			0.00	0.00			0.00
45	Commission - Travel Agencies	211.90	0.00	211.90			211.90	211.90			0.00
46	Consultants	400.00	-129.04	270.96			270.96	270.96			0.00
47	Credit Card Fees	500.00	-161.30	338.70			338.70	338.70			0.00
48	Customer Relations	124.75	-40.24	84.51			84.51	84.51			0.00

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4											
5		PER	RESTATING	PER	PROFORMA	EFFECT	PROFORMA	OF	PROFORMA		
6		BOOKS	ADJUSTMENT	BOOKS	ADJUSTMENT	RATES	RATES	RATES	WITH	PROFORMA	
7			NOTE 1	ADJUSTED							
49	Driver Records	160.00	-51.62	108.38				108.38			108.38
50	Drug Testing	3,796.97	-1,224.90	2,572.07				2,572.07			2,572.07
51	Employee Relations	700.97	-226.13	474.84				474.84			474.84
52	Hire Out Service							0.00			0.00
53	Car Rentals	65.01	-20.97	44.04				44.04			44.04
54	Mileage	866.01	-279.37	586.64				586.64			586.64
55	Outside Help	59.78	-19.29	40.49				40.49			40.49
56	Taxi	630.45	-203.38	427.07				427.07			427.07
57	Towing	6,537.47	-2,108.99	4,428.48				4,428.48			4,428.48
58	U-Haul	514.57	-166.00	348.57				348.57			348.57
59	Total Hire Out Service	8,673.29	-2,798.00	5,875.29	0.00			5,875.29	0.00		5,875.29
60	Hotel Partners	1,202.87	0.00	1,202.87				1,202.87			1,202.87
61	INSURANCE							0.00			0.00
62	Business Insurance	456.60	-147.30	309.30				309.30			309.30
63	Health Insurance	12,901.85	-12,901.85	0.00				0.00			0.00
64	Vehicle Insurance	79,863.05	-79,863.05	0.00	6		78,004.64	78,004.64			78,004.64
65	Total INSURANCE	93,221.50	-92,912.20	309.30			78,004.64	78,313.94	0.00		78,313.94
66	INTEREST ON LOANS										
67	1st Federal Loan	1,826.74	-1,826.74	0.00				0.00			0.00
68	1st Federal LOC	190.18	-190.18	0.00				0.00			0.00
69	1st Inc LOC	4,692.32	-4,692.32	0.00				0.00			0.00
70	First Federal - Corp LT Loan	4,733.34	-4,733.34	0.00				0.00			0.00
71	Jeep	1,836.16	-1,836.16	0.00				0.00			0.00
72	Total INTEREST ON LOANS	13,278.74	-13,278.74	0.00			0.00	0.00	0.00		0.00
73	Internet Service	1,463.12	-472.00	991.12				991.12			991.12
74	Lease - Minibuses	5,040.00	0.00	5,040.00				5,040.00			5,040.00
75	Lease - Pinnacle Capital	39,651.89	0.00	39,651.89				39,651.89			39,651.89
76	Lease - Summit Leasing	10,601.67	-10,601.67	0.00				0.00			0.00
77	Lease - USBEF Exchange Co.	2,881.52	-2,881.52	0.00				0.00			0.00
78	Loan Fees	-492.00	492.00	0.00				0.00			0.00
79	Meals/Accommodations	110.00	-35.49	74.51				74.51			74.51
80	Meetings/Seminars	109.10	-35.20	73.90				73.90			73.90
81	Membership Fees	435.00	-140.33	294.67				294.67			294.67
82	Office Expense & Supplies	12,376.62	-3,992.70	8,383.92				8,383.92			8,383.92
83	Operating Supplies	16,749.04	-5,403.24	11,345.80				11,345.80			11,345.80
84	Payroll Expenses	590,306.00	-190,432.72	399,873.28	3		19,993.66	419,866.95			419,866.95
85	Payroll Taxes	90,777.18	-29,284.72	61,492.46	4		3,074.62	64,567.08			64,567.08
86	Permits							0.00			0.00
87	Business License	459.00	-148.07	310.93				310.93			310.93
88	Trip Permits	47.00	-47.00	0.00				0.00			0.00
89	Total Permits	506.00	-195.07	310.93			0.00	310.93	0.00		310.93

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4											
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6		BOOKS	ADJUSTMENT		BOOKS		ADJUSTMENT	B/4	OF	RATES	WITH
7			NOTE 1		ADJUSTED			RATES		RATES	RATES
90	Phones										
91	Phone - Office	13,979.23	-4,509.70		9,469.53			9,469.53			9,469.53
92	Phones- Cell	18,826.98	-6,073.58		12,753.40			12,753.40			12,753.40
93	Total Phones	32,806.21	-10,583.28		22,222.93	0.00		22,222.93		0.00	22,222.93
94	Port of Seattle	757.50	0.00		757.50			757.50			757.50
95	Printing	1,562.87	-504.18		1,058.69			1,058.69			1,058.69
96	RENTS							0.00			0.00
97	Garage Rent	6,030.00	-1,945.28		4,084.72			4,084.72			4,084.72
98	Office Rent	3,128.00	-1,009.09		2,118.91			2,118.91			2,118.91
99	RENTS - Other	645.00	-208.08		436.92			436.92			436.92
100	Total RENTS	9,803.00	-3,162.45		6,640.55	0.00		6,640.55		0.00	6,640.55
101	Softball Sponsorship	338.58	-109.23		229.35			229.35			229.35
102	Taxes										
103	Excise	14,240.16	-4,593.88		9,646.28			9,646.28	5	7,064.24	16,710.53
104	Total Taxes	14,240.16	-4,593.88		9,646.28	0.00		9,646.28		7,064.24	16,710.53
105	Training	3,609.96	-1,164.57		2,445.39			2,445.39			2,445.39
106	Travel	1,297.83	-418.68		879.15			879.15			879.15
107	Utilities	2,127.84	-686.44		1,441.40			1,441.40			1,441.40
108	Vehicle Allowance	314.50	-101.46		213.04			213.04			213.04
109	Vehicle License	2,340.50	-755.05		1,585.45			1,585.45			1,585.45
110	Vehicle Maintenance							0.00			0.00
111	Vehicle Parts	79,971.61	-25,798.84		54,172.77			54,172.77			54,172.77
112	Vehicle Prep	11,615.83	-3,747.27		7,868.56			7,868.56			7,868.56
113	Vehicle Repair	15,158.94	-4,890.27		10,268.67			10,268.67			10,268.67
114	Vehicle Supplies	891.42	-287.57		603.85			603.85			603.85
115	Wash	241.75	-77.99		163.76			163.76			163.76
116	Vehicle Maintenance - Other	140.70	140.70		140.70		0.00	140.70			140.70
117	Total Vehicle Maintenance	108,020.25	-34,661.24		73,218.31	0.00		73,218.31			73,218.31
118	Vehicle Purchases	0.00	0.00		0.00						
119	Total Expense	1,130,421.77	-429,504.62		700,776.45	101,072.93		801,849.38		7,204.94	808,913.63
120	Net Ordinary Income	-353,586.22	182,134.89		-171,310.63	-119,550.20		-290,860.83		359,578.08	68,857.95
121											
122											
123	Assets Sold	1,613.60	-1,613.60		0.00			0.00			0.00
124	REBATES	100.00	-100.00		0.00			0.00			0.00
125	REIMBURSEMENTS		0.00		0.00			0.00			0.00
126	Ins Refund	12,655.96	-12,655.96		0.00			0.00			0.00
127	State Farm Ins	58.50	-58.50		0.00			0.00			0.00
128	Utilities Refund	100.00	-100.00		0.00			0.00			0.00
129	Total REIMBURSEMENTS	12,814.46	-12,814.46		0.00	0.00		0.00		0.00	0.00
130		14,528.06	-4,686.75		9,841.31						9,841.31

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4											
5		PER	RESTATING		PER	PROFORMA	PROFORMA	PROFORMA	EFFECT	PROFORMA	
6		BOOKS	ADJUSTMENT		BOOKS	ADJUSTMENT	B/4	RATES	OF	RATES	WITH
7			NOTE 1		ADJUSTED				RATES	RATES	
131											
132	Comp Certificates	1,795.75	0.00	1,795.75				1,795.75			1,795.75
133	Driver Tips	174.00	0.00	174.00				174.00			174.00
134	Emp Comp	473.25	0.00	473.25				473.25			473.25
135	Refunds	1,480.00	0.00	1,480.00				1,480.00			1,480.00
136	Total Other Expense	3,923.00	0.00	3,923.00				3,923.00			3,923.00
137	Net Other Expense	10,605.06	-4,686.75	5,918.31				-3,923.00			-3,923.00
138	Net Income	-342,981.16	177,448.14	-165,392.32				-294,783.83			64,934.95
139											
140	OPERATING RATIO										93.00%
141	RATE PERCENTAGE INCREASE										59.40%
142											
143											
144											
145											
146											
147											
148											
149											
150											
151											
152											
153											
154											
155											
156											

NOTES:

1. TO REMOVE NON-SHUTTLE INCOME OR EXPENSE AND TO ALLOCATE COSTS BETWEEN NON-SHUTTLE AND SHUTTLE

2. TO GIVE EFFECT TO CURRENT FUEL PRICES

3. TO GIVE EFFECT TO 5% WAGE INCREASE

4. TO ALLOW FOR PAYROLL TAX INCREASE ASSOCIATED WITH WAGE INCREASE

5. TO ALLOW FOR INCREASE IN EXCISE TAX ASSOCIATED WITH FARE INCREASE

29 PM

/23/04

:crual Basis

Pennco Transportation Inc
Profit & Loss
April 2003 through March 2004

	Apr '03 - Mar 04
Ordinary Income/Expense	
Income	
Bank Interest	174.15
Charter Income	29,928.39
Detailing Income - Non Taxable	2,040.00
Detailing Income - Taxable	1,309.34
Jefferson Transit	4,067.70
Miscellaneous Income	781.44
Paratransit	254,878.84
Private Transport	1,495.01
Shuttle- Cash and Checks	450,242.04
Shuttle - Credit Cards	170,674.46
Shuttle Credit Card Fee Reserve	-3,436.67
Third Party Billings	7,237.84
Total Income	919,392.54
Cost of Goods Sold	
Ferry-Paratransit	12,635.70
Ferry-Shuttle	19.00
Fuel Cash	920.92
Fuel Charge	128,968.37
Parking-Paratransit	5.00
Parking-Shuttle	8.00
Total COGS	142,556.99
Gross Profit	776,835.55
Expense	
Administration	1,809.45
Advertising	25,856.38
Airporter Fees	2,207.59
Bank Adjustments	668.49
Building Maintenance	1,928.54
Business Credit Card	5,211.52
BUYOUT PAYMENTS	
Buyout Payment 1	1,610.46
Buyout Payment 2	16,055.00
Buyout Write-Off Jeep	4,801.58
Total BUYOUT PAYMENTS	22,467.04
Commission - Detail Income	267.43
Commission - Travel Agencies	211.90
Consultants	400.00
Credit Card Fees	500.00
Customer Relations	124.75
Driver Records	160.00
Drug Testing	3,796.97
Employee Relations	700.97
Hire Out Service	
Car Rentals	65.01
Mileage	866.01
Outside Help	59.78
Taxi	630.45
Towing	6,537.47
U-Haul	514.57
Total Hire Out Service	8,673.29
Hotel Partners	1,202.87
INSURANCE	
Business Insurance	456.60
Health Insurance	12,901.85
Vehicle Insurance	79,863.05
Total INSURANCE	93,221.50

29 PM
/23/04
:crual Basis

Pennco Transportation Inc
Profit & Loss
April 2003 through March 2004

	<u>Apr '03 - Mar 04</u>
INTEREST ON LOANS	
1ST Federal Loan	1,826.74
1st Federal LOC	190.18
1st Inc LOC	4,692.32
First Federal - Corp LT Loan	4,733.34
Jeep	1,836.16
Total INTEREST ON LOANS	<u>13,278.74</u>
Internet Service	1,463.12
Lease - Minibuses	5,040.00
Lease - Pinnacle Capital	39,651.89
Lease - Summit Leasing	10,601.67
Lease - USBEF Exchange Co.	2,881.52
Loan Fees	-492.00
Meals/Accomodations	110.00
Meetings/Seminars	109.10
Membership Fees	435.00
Office Expense & Supplies	12,376.62
Operating Supplies	16,749.04
Payroll Expenses	590,306.00
Payroll Taxes	90,777.18
Permits	
Business License	459.00
Trip Permits	47.00
Total Permits	<u>506.00</u>
Phones	
Phone - Office	13,979.23
Phones- Cell	18,826.98
Total Phones	<u>32,806.21</u>
Port of Seattle	757.50
Printing	1,562.87
RENTS	
Garage Rent	6,030.00
Office Rent	3,128.00
RENTS - Other	645.00
Total RENTS	<u>9,803.00</u>
Softball Sponsorship	338.58
Taxes	
Excise	14,240.16
Total Taxes	<u>14,240.16</u>
Training	3,609.96
Travel	1,297.83
Utilities	2,127.84
Vehicle Allowance	314.50
Vehicle License	2,340.50
Vehicle Maintanance	
Vehicle Parts	79,971.61
Vehicle Prep	11,615.83
Vehicle Repair	15,158.94
Vehicle Supplies	891.42
Wash	241.75
Vehicle Maintanance - Other	140.70
Total Vehicle Maintanance	<u>108,020.25</u>
Vehicle Purchases	0.00
Total Expense	<u>1,130,421.77</u>
Net Ordinary Income	-353,586.22
Other Income/Expense	
Other Income	
Assets Sold	1,613.60
REBATES	100.00

29 PM
/23/04
:crual Basis

Pennco Transportation Inc
Profit & Loss
April 2003 through March 2004

	<u>Apr '03 - Mar 04</u>
REIMBURSEMENTS	
Ins Refund	12,655.96
State Farm Ins	58.50
Utilities Refund	100.00
Total REIMBURSEMENTS	<u>12,814.46</u>
Total Other Income	14,528.06
Other Expense	
Comp Certificates	1,795.75
Driver Tips	174.00
Emp Comp	473.25
Refunds	1,480.00
Total Other Expense	<u>3,923.00</u>
Net Other Income	<u>10,605.06</u>
Net Income	<u><u>-342,981.16</u></u>

2003

Total Riders on Shuttle Runs

2003

	Apr	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec
Rider Count	34	38	62	43	59	26	53	29	57
	62	32	42	40	45	28	34	24	62
	26	23	53	31	39	65	29	31	62
	25	30	45	23	42	38	45	36	29
	23	24	34	50	45	26	35	43	28
	60	44	30	37	42	46	54	48	34
	24	36	27	40	54	28	56	41	37
	30	54	32	53	30	42	44	32	35
	34	45	26	36	33	36	39	35	37
	23	31	22	35	21	46	46	48	44
	24	24	45	25	45	50	30	48	25
	21	39	34	46	59	40	33	41	31
	24	58	29	53	54	41	33	31	41
	43	50	39	47	41	43	55	32	39
	35	41	31	48	45	43	46	25	53
	40	41	42	44	48	55	46	26	60
	29	42	37	42	46	44	52	22	80
	29	31	40	44	33	43	41	30	50
	18	39	34	29	39	37	35	34	45
	22	29	46	37	32	45	54	32	60
	33	34	21	31	39	38	66	27	53
	36	40	40	37	39	40	32	40	91
	33	60	37	50	44	54	38	38	79
	26	28	46	42	29	59	28	58	85
	17	24	40	42	36	45	29	61	31
	24	26	46	34	43	41	27	56	6
	19	38	35	43	51	30	29	20	43
	42	36	21	45	59	35	38	42	53
	43	38	13	48	48	44	49	33	8
	49	33	51	40	31	39	45	38	8
		23		42	35		33		50
Total	918	1131	1100	1257	1258	1247	1214	1101	1640
avg per day	32	36	37	41	41	42	41	37	53

Sheet
R1111

Anna

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT
1	62	43	28						
2	50	27	47						
3	76	46	45						
4	53	28	52						
5	82	23	27						
6	84	25	37						
7	68	34	44						
8	86	28	28						
9	46	25							
10	42	39							
11	32	52							
12	53	57							
13	37	37							
14	58	36							
15	50	34							
16	45	34							
17	31	35							
18	27	63							
19	28	30							
20	59	34							
21	39	25							
22	40	18							
23	41	30							
24	26	49							
25	24	34							
26	39	37							
27	21	37							
28	25	39							
29	41	47							
30	33								
31	36								

Total 31 1348 1041 1299 1289 1437

avg per day 43 36 ~~42~~ 42 43 46

1348

1289

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2002 or tax year

OMB No. 1545-0123

2002

beginning _____, ending _____
EXTENSION GRANTED TO 09/15/03

- A Check if a:**
- 1 Consolidated return (attach Form 951)
 - 2 Personal holding co. (attach Sch. PH)
 - 3 Personal service corp. (as defined in Regs. sec. 1.441-3(c))

Use IRS label. Otherwise, print or type.

Name
PENNCO TRANSPORTATION, INC.

Number, street, and room or suite no. (if a P.O. box, see page 7 of instructions.)
933 CARLSBERG ROAD

City or town, state, and ZIP code
SEOIUM, WA 98324

Employer identification number
22-0906520

C Date incorporated
01/01/2002

D Total assets (see page 8 of instructions)
149,936.

E Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1	Gross receipts or sales	732,033.	b Less returns and allowances		c Bal	1c	732,033.
	2	Cost of goods sold (Schedule A, line 8)					2	
	3	Gross profit. Subtract line 2 from line 1c					3	732,033.
	4	Dividends (Schedule C, line 19)					4	
	5	Interest	SEE STATEMENT 1				5	203.
	6	Gross rents					6	
	7	Gross royalties					7	
	8	Capital gain net income (attach Schedule D (Form 1120))					8	
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					9	19,042.
	10	Other income (attach schedule)	SEE STATEMENT 2				10	3,391.
	11	Total income. Add lines 3 through 10					11	754,669.
Deductions	12	Compensation of officers (Schedule E, line 4)					12	
	13	Salaries and wages (less employment credits)					13	328,096.
	14	Repairs and maintenance					14	4,444.
	15	Bad debts					15	
	16	Rents					16	1,338.
	17	Taxes and licenses	SEE STATEMENT 3				17	63,106.
	18	Interest					18	64,632.
	19	Charitable contributions	SEE STATEMENT 4 AND SEE STATEMENT 5				19	0.
	20	Depreciation (attach Form 4562)		20	29,425.		20	
	21	Less depreciation claimed on Schedule A and elsewhere on return		21a			21b	29,425.
22	Depletion					22		
23	Advertising					23	9,233.	
24	Pension, profit-sharing, etc., plans					24		
25	Employee benefit programs					25		
26	Other deductions (attach schedule)	SEE STATEMENT 6				26	254,395.	
27	Total deductions. Add lines 12 through 26					27	754,669.	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	0.	
29	Less: a Net operating loss (NOL) deduction		29a			29b		
	b Special deductions (Schedule C, line 20)		29b			29c		
30	Taxable income. Subtract line 29c from line 28					30	0.	
Tax and Payments	31	Total tax (Schedule J, line 11)					31	0.
	32	Payments: a 2001 overpayment credited to 2002	32a					
		b 2002 estimated tax payments	32b					
		Less 2002 refund applied for on Form 4486	32c					
		d Bal	32d					
	e Tax deposited with Form 7004		32e					
	f Credit for tax paid on undistributed capital gains (attach Form 2439)		32f					
	g Credit for Federal tax on fuels (attach Form 4136). See instructions		32g					
	33	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached					33	
	34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34	0.
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35		
36	Enter amount of line 35 you want: Credited to 2003 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>					36		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: _____ Date: _____ Title: **PRESIDENT**

Preparer's signature _____ Date: **09/14/03** Check if self-employed Preparer's SSN or PTIN: **539-72-1208**

Firm's name (or yours if self-employed), address, and ZIP code
BURTON & ASSOCIATES, INC.
1207 CEDAR
MARYSVILLE, WA 98270

EIN: **91-2094930**
Phone no.: **360-658-0800**

Schedule A Cost of Goods Sold (See page 14 of instructions.)

1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Additional section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	Total. Add lines 1 through 5	6
7	Inventory at end of year	7
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8

9a Check all methods used for valuing closing inventory:

(i) Cost as described in Regulations section 1.471-3

(ii) Lower of cost or market as described in Regulations section 1.471-4

(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No

If "Yes," attach explanation

Schedule C Dividends and Special Deductions

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	Total. Add lines 1 through 8		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))	100	
12	Dividends from affiliated group members subject to the 100% deduction (sec. 243(a)(3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DIBC dividends not included on lines 1, 2, or 3 (section 248(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1		

Schedule E Compensation of Officers (See instructions for line 12, page 1, on page 10 of instructions)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
1						
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

Schedule J Tax Computation (See page 17 of instructions)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/>		
	Important: Members of a controlled group, see instructions on page 17.		
2a	If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):		
	(1) \$	(2) \$	(3) \$
b	Enter the corporation's share of:	(1) Additional 5% tax (not more than \$11,750)	\$
		(2) Additional 3% tax (not more than \$100,000)	\$
3	Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 17) <input type="checkbox"/>		3 0.
4	Alternative minimum tax (attach Form 4626)		4
5	Add lines 3 and 4		5 0.
6a	Foreign tax credit (attach Form 1118)	6a	

Form 1120 (2002) **PENSCO TRANSPORTATION, INC.**

42-0906520 Page 4

Note: The corporation is not required to complete Schedules L, M-1, and M-2 if Question 13 on Schedule K is answered "Yes."

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				19,356.
2a Trade notes and accounts receivable			44,478.	
b Less allowance for bad debts	()	()		44,478.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (att. sch.) STMT 7				68.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (att. sch.) STMT 8				30,842.
10a Buildings and other depreciable assets			84,617.	
b Less accumulated depreciation	()	()	29,425.	55,192.
11a Depletable assets				
b Less accumulated depletion	()	()		
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()	()		
14 Other assets (att. sch.)				
15 Total assets		0.		149,936.
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (att. sch.) STMT 9				29,523.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (att. sch.) STMT 10				120,119.
22 Capital stock: a Preferred stock				
b Common stock			1,000.	1,000.
23 Additional paid-in capital				
24 Retained earnings - Appropriated (attach schedule)				
25 Retained earnings - Unappropriated				-706.
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock	()	()		
28 Total liabilities and shareholders' equity		0.		149,936.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see page 20 of Instructions)

1 Net income (loss) per books	-706.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation \$	
a Depreciation \$		b Charitable contributions \$	
b Charitable contributions \$ 237.			
c Travel and entertainment \$ 469.		9 Add lines 7 and 8	
8 Add lines 1 through 5	706.	10 Income (line 28, page 1) - line 6 less line 9	0.
	0.		

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year		5 Distributions: a Cash	
2 Net income (loss) per books	-706.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
4 Add lines 1, 2, and 3	-706.	7 Add lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	-706.

Form **4562**
 Department of the Treasury
 Internal Revenue Service

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**

OMB No. 1543-0172

2002

Attachment
 Sequence No. 67

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return: **PENNCO TRANSPORTATION, INC.** Business or activity to which this form relates: **OTHER DEPRECIATION** Identifying number: **42-0906520**

Part I Election To Expense Certain Tangible Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses	24,000.
2	Total cost of section 179 property placed in service (see instructions)	92,641.
3	Threshold cost of section 179 property before reduction in limitation	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	24,000.

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	SEE STATEMENT 11	25,729.	24,000.

7	Listed property. Enter amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	24,000.
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	24,000.
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	2,824.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	2,824.
13	Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12	13	21,176.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	18,185.
15	Property subject to section 166(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System

19a	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
b	5-year property		41,207.	5 YRS.	HY	200DB	8,241.
c	7-year property		1,225.	7 YRS.	HY	200DB	175.
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs.		S/L	
h	Residential rental property	/		27.5 yrs.	MM	S/L	
i	Nonresidential real property	/		27.5 yrs.	MM	S/L	
		/		39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L
b	12-year			12 yrs.	S/L
c	40-year	/		40 yrs.	MM S/L

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	29,425.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Form 4562 (2002) PENNCO TRANSPORTATION, INC.

42-0906520 Page 2

Part IV Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with columns (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Includes rows 25-29.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with columns (a) through (f) Vehicle. Rows 30-36 covering miles driven and personal use questions.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table with rows 37-41 regarding employer policies and vehicle use. Includes a Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part V Amortization

Table with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Includes rows 42-44.

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))
▶ Attach to your tax return.

OMB No. 1545-0184

2002

Attachment
Sequence No. **27**

Name(s) shown on return

Identifying number

PENNCO TRANSPORTATION, INC.

42-0906520

1 Enter the gross proceeds from sales or exchanges reported to you for 2002 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						
3	Gain, if any, from Form 4684, line 39					3
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37					4
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824					5
6	Gain, if any, from line 32, from other than casualty or theft					6
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 8, or Form 1120S, Schedule K, line 5. Skip lines 8, 9, 11, and 12 below. All others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, 11, and 12 below.					7
8	Nonrecaptured net section 1231 losses from prior years (see instructions)					8
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on Schedule D (see instructions)					9

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

STATEMENT 12 **27,066.** **8,024.** **19,042.**

11	Loss, if any, from line 7	11	()
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	17	
18	Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows: a For all except individual returns. Enter the gain or (loss) from line 18 on the return being filed. b For individual returns: (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions (2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14	18	19,042.
		18b(1)	
		18b(2)	

JWA For Paperwork Reduction Act Notice, see page 7 of the instructions.

Form 4797 (2002)

218001
11-04-02

PENNCO TRANSPORTATION, INC.

Form 4797 (2002)

Page 2

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D.	Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20			
21 Cost or other basis plus expense of sale	21			
22 Depreciation (or depletion) allowed or allowable	22			
23 Adjusted basis. Subtract line 22 from line 21	23			
24 Total gain. Subtract line 23 from line 20	24			
25 If section 1245 property:				
a Depreciation allowed or allowable from line 22	25a			
b Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a Additional depreciation after 1975	26a			
b Applicable percentage multiplied by the smaller of line 24 or line 26a	26b			
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d Additional depreciation after 1969 and before 1976	26d			
e Enter the smaller of line 26c or 26d	26e			
f Section 291 amount (corporations only)	26f			
g Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a Soil, water, and land clearing expenses	27a			
b Line 27a multiplied by applicable percentage	27b			
c Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:				
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	28a			
b Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:				
a Applicable percentage of payments excluded from income under section 126	29a			
b Enter the smaller of line 24 or 29a	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(See instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation. See instructions	34	
35 Recapture amount. Subtract line 34 from line 33. See instructions for where to report	35	

218002 JWA
11-04-02

PENNCO TRANSPORTATION, INC.

42-0906520

FORM 1120	INTEREST INCOME	STATEMENT 1	
DESCRIPTION	US	OTHER	
1ST FEDERAL S & L		203.	
TOTAL TO FORM 1120, LINE 5		203.	

FORM 1120	OTHER INCOME	STATEMENT 2	
DESCRIPTION	AMOUNT		
REFUNDS	3,391.		
TOTAL TO FORM 1120, LINE 10	3,391.		

FORM 1120	TAXES AND LICENSES	STATEMENT 3	
DESCRIPTION	AMOUNT		
PAYROLL TAXES	51,123.		
EXCISE	10,016.		
WUTC	1,967.		
TOTAL TO FORM 1120, LINE 17	63,106.		

CURRENT YEAR CONTRIBUTIONS		STATEMENT 4	
DESCRIPTION	AMOUNT		
VARIOUS	237.		
TOTAL CURRENT YEAR CONTRIBUTIONS	237.		

PENNCO TRANSPORTATION, INC.

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CONTRIBUTIONS

STATEMENT 5

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

- FOR TAX YEAR 1997
- FOR TAX YEAR 1998
- FOR TAX YEAR 1999
- FOR TAX YEAR 2000
- FOR TAX YEAR 2001

TOTAL CARRYOVER

TOTAL CURRENT YEAR CONTRIBUTIONS

237

TOTAL CONTRIBUTIONS

237

10% OF TAXABLE INCOME AS ADJUSTED

0

EXCESS CONTRIBUTIONS

237

ALLOWABLE CONTRIBUTIONS DEDUCTION

0

PENNCO TRANSPORTATION, INC.

42-0906520

FORM 1120	OTHER DEDUCTIONS	STATEMENT 6
DESCRIPTION		AMOUNT
ACCOUNTING		1,028.
ADMINISTRATION		12,883.
BACKGROUND CHECKS		80.
BANK FEES		210.
DRUG TESTING		3,053.
FERRY TRAVEL		6,506.
FUEL		85,383.
HIRE OUT SERVICES		4,924.
INSURANCE		36,950.
MEMBERSHIP FEES		100.
OFFICE SUPPLIES		1,413.
PARKING		72.
PERMITS		150.
CELL PHONE		7,360.
TELEPHONE		9,526.
PORT OF SEATTLE		6,267.
SPONSORSHIPS		147.
TRAINING		2,940.
UNIFORMS		366.
UTILITIES		1,567.
VEHICLES MAINTENANCE & REPAIRS		66,697.
VEHICLE WASH		485.
COMP CERTIFICATES		2,743.
DRIVER TIPS		1,028.
EMP COMP		957.
REFUNDS		1,091.
MEALS AND ENTERTAINMENT		469.
TOTAL TO FORM 1120, LINE 26		254,395.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT 7
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
UNDEPOSITED FUNDS		68.
TOTAL TO SCHEDULE L, LINE 6		68.

PENNCO TRANSPORTATION, INC.

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SCHEDULE L		OTHER INVESTMENTS		STATEMENT	8
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR			
LOAN RECEIVABLE		30,842.			
TOTAL TO SCHEDULE L, LINE 9		30,842.			

SCHEDULE L		OTHER CURRENT LIABILITIES		STATEMENT	9
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR			
PAYROLL TAXES PAYABLE		8,445.			
LOC FIRST FEDERAL		21,078.			
TOTAL TO SCHEDULE L, LINE 18		29,523.			

SCHEDULE L		OTHER LIABILITIES		STATEMENT	10
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR			
VEHICLE DEBT		120,119.			
TOTAL TO SCHEDULE L, LINE 21		120,119.			

FORM 4562		PART I - SECTION 179 EXPENSE		STATEMENT	11
(A) DESCRIPTION OF PROPERTY	(B) COST	(C) ELECTED COST			
1997 E350 15 PSGR VAN	2,293.	2,293.			
1999 E350 15 PSGR VAN	3,076.	3,076.			
COMPAQ LAPTOP COMPUTER	700.	700.			
COMPAQ COMPUTER SYSTEM	910.	910.			
ALL IN ONE SYSTEM	1,400.	1,400.			
CELL PHONES	350.	350.			
1994 FORD DIESEL TRUCK	17,000.	17,000.			
TOTAL TO FORM 4562, PART I, LINE 6	25,729.	25,729.			

PENNCO TRANSPORTATION, INC.

42-0906520

FORM 4797		ORDINARY GAINS AND LOSSES			STATEMENT 12	
DESCRIPTION OF PROPERTY	DATE ACQUIRED	DATE SOLD	SALES PRICE	DEPR ALLOWED	COST OR BASIS	GAIN OR LOSS
1990 FORD E250	01/01/02	12/31/02	3,766.		1,839.	1,927.
1991 FORD AEROSTAR	01/01/02	12/31/02	0.		667.	-667.
1999 FORD WINDSTAR	01/01/02	12/31/02	23,000.		4,818.	18,182.
STORAGE SHED	01/01/02	12/31/02	300.		700.	-400.
TOTALS TO FORM 4797, LINE 10			27,066.		8,024.	19,042.

FARES

TO SEATTLE/TACOMA/SEATAC

FULL FARE				FULL FARE					
P.A./SEQ.				JEFFCO					
ONE	TWO	THREE	FOUR	ONE	TWO	THREE	FOUR		
ROUND TRIP	\$96.25	\$156.75	\$217.25	\$277.75	ROUND TRIP	\$90.75	\$151.25	\$211.75	\$272.25
ONE WAY	\$74.25	\$134.75	\$196.25	\$255.75	ONE WAY	\$68.75	\$129.25	\$189.75	\$250.25
ADD RIDER	\$60.50				ADD RIDER	\$60.50			
DISCOUNTED RATE FOR THOSE CUSTOMERS WHO CHOOSE TO MEET DRIVER AT OFFICE OR MNG LOCATION									
ROUND TRIP	\$87.50				ROUND TRIP	\$82.50			
ONE WAY	\$67.50				ONE WAY	\$62.50			
ADD RIDER	\$55.00				ADD RIDER	\$55.00			
SENIOR RATES					SENIOR RATES				
P.A./SEQ.					JEFFCO				
ROUND TRIP	\$86.50	\$143.50	\$200.50	\$257.50	ROUND TRIP	\$81.75	\$138.75	\$195.75	\$252.75
ONE WAY	\$66.50	\$123.50	\$180.50	\$237.50	ONE WAY	\$61.75	\$118.75	\$175.75	\$232.75
ADD RIDER	\$57.00				ADD RIDER	\$57.00			
DISCOUNTED RATE FOR THOSE CUSTOMERS WHO CHOOSE TO MEET DRIVER AT OFFICE OR MNG LOCATION									
ROUND TRIP	\$78.75				ROUND TRIP	\$72.50			
ONE WAY	\$60.75				ONE WAY	\$62.50			
ADD RIDER	\$49.50				ADD RIDER	\$49.50			
TWO PIECES LUGGAGE ALLOWED-- ADD LUGGAGE \$3.00 EA. BICYCLES - SKIS - GOLF CLUBS: \$10.00									
CHILDREN UNDER 12 YEARS RIDE @ ADDITIONAL SENIOR RATE-- PARENTS SUPPLY CAR SEAT AND SECURE									
FREQUENT RIDER PACKAGES - 13 ROUND TRIPS FOR THE PRICE OF 10 - PRICES ARE FIGURED AT SENIOR RATE					FREQUENT RIDER PACKAGES - 13 ROUND TRIPS FOR THE PRICE OF 10 - PRICES ARE FIGURED AT SENIOR RATE				
CLALLAM COUNTY PACKAGE RATE - \$865.00					JEFFERSON COUNTY PACKAGE RATE - \$817.50				
DOG KENNELS:									
	SMALL	MEDIUM	LARGE						
	\$5.00	\$10.00	\$15.00						