

Delaware Bay lightering volumes averaged 125,000 b/d in 2019 compared with 152,000 b/d in 2018. In June 2019, one of our lightering customers, Philadelphia Energy Solutions (“PES”), suffered an explosion and fire at its refinery in the Delaware Bay. The refinery has been shut down since the fire. In July 2019, PES filed for protection under Chapter 11 of the U.S. Bankruptcy Code. Due to the reduction in lightering volumes, we redeployed one of our two lightering ATBs to the U.S. Gulf of Mexico for alternative employment.

## RESULTS FROM VESSEL OPERATIONS

During the year ended December 31, 2019, shipping revenues decreased by \$10,616 or 2.9% compared to 2018. The decrease primarily resulted from three fewer vessels in operation during most of 2019 compared to 2018 and one less Government of Israel voyage in 2019 compared to 2018. This decrease was partially offset by the addition of two new vessels to our fleet at the beginning of the fourth quarter of 2019.

Reconciliations of TCE revenues, a non-GAAP measure, to shipping revenues as reported in the consolidated statements of operations follows:

	<b>Years Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
Time charter equivalent revenues	\$ 335,133	\$ 326,707
Add: Voyage expenses	20,414	39,456
Shipping revenues	<u>\$ 355,547</u>	<u>\$ 366,163</u>

Consistent with general practice in the shipping industry, we use TCE revenues, which represents shipping revenues less voyage expenses, as a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. TCE revenues, a non-GAAP measure, provides additional meaningful information in conjunction with shipping revenues, the most directly comparable GAAP measure, because it assists management in decisions regarding the deployment and use of our vessels and in evaluating their financial performance.

The following table provides a breakdown of TCE rates achieved for the years ended December 31, 2019 and 2018 between spot and fixed earnings and the related revenue days.

	<b>2019</b>		<b>2018</b>	
	<b>Spot Earnings</b>	<b>Fixed Earnings</b>	<b>Spot Earnings</b>	<b>Fixed Earnings</b>
Jones Act Handysize Product Carriers:				
Average rate	\$ 25,036	\$ 57,910	\$ 31,254	\$ 60,252
Revenue days	523	4,052	1,142	3,141
Non-Jones Act Handysize Product Carriers:				
Average rate	\$ 30,671	\$ 13,912	\$ 25,925	\$ 12,097
Revenue days	482	417	707	3
ATBs:				
Average rate	\$ 19,117	\$ 21,861	\$ 15,333	\$ 22,207
Revenue days	255	773	990	998
Lightering:				
Average rate	\$ 63,162	\$ —	\$ 66,041	\$ —
Revenue days	713	—	697	—

During 2019, TCE revenues increased by \$8,426, or 2.6%, to \$335,133 from \$326,707 in 2018. The increase primarily resulted from an increase in average daily rates earned by our fleet and decreased spot market exposure. The total number of revenue days decreased from 7,678 days in 2018 to 7,215 days in 2019. The decrease primarily resulted from three fewer vessels in operation during most of 2019 compared to 2018.

Vessel expenses remained stable at \$134,618 in 2019 from \$134,956 in 2018. Depreciation expense increased by \$1,987 to \$52,499 in 2019 from \$50,512 in 2018. The increase was due to an increase in amortization of drydock costs and an increase in depreciation expense due to the *Overseas Gulf Coast* and *Overseas Sun Coast*, our two new vessels, which entered service at the beginning of the fourth quarter of 2019.