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MONONGAHELA RY., CO.

1978

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R-3

Class III Railroads

Approved by: SAO

B-180230 (R0533)

Expires 12-31-81

annual report

INTERSTATE
COMMERCE COMMISSION

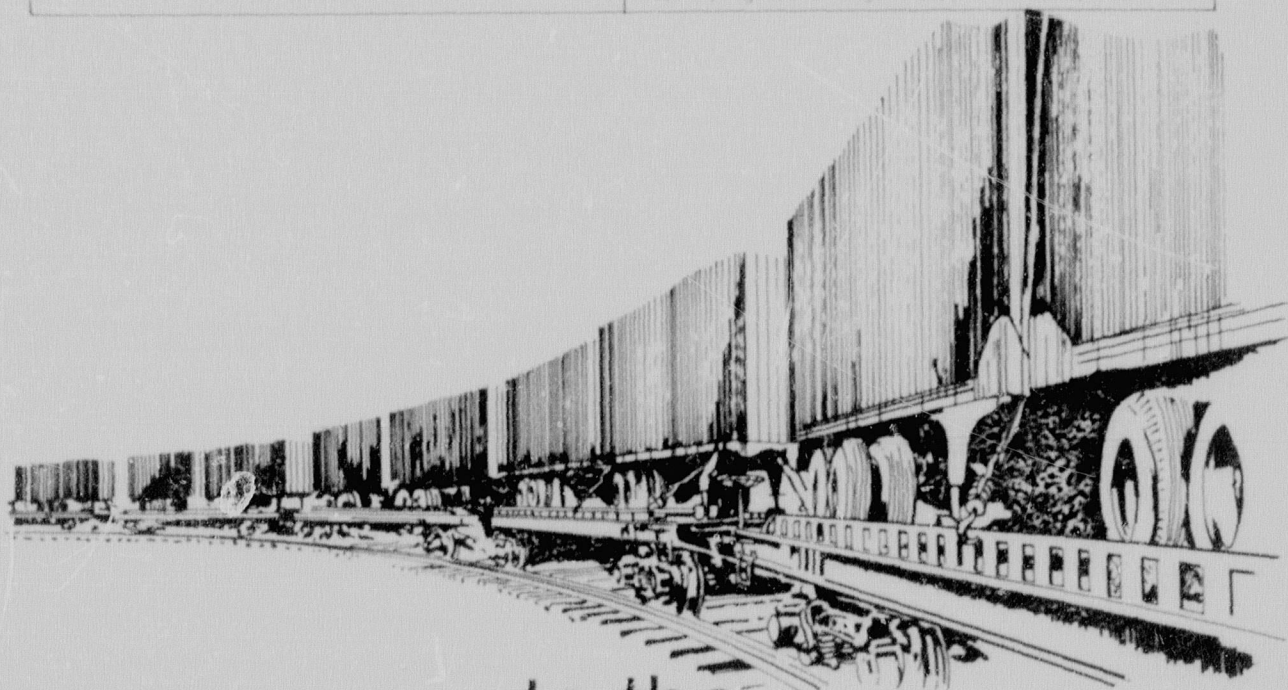
JUN 14 1979

ADMINISTRATIVE SERVICES
MAIL UNIT

RC000167 MONONGARY 3 0 3 116700
MGA MONONGAHELA RY CO.
PELE RR TERMINAL BLD
6 PENN CENTER PLAZA
PITTSBURGH PA 15219

correct name and address if different than shown

full name and address of reporting carrier
(use mailing label on original copy in full on duplicate)



to the
Interstate Commerce Commission
for the year ended December 31, 1978

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AB-159

COMMONWEALTH OF PENNSYLVANIA,)
) SS:
COUNTY OF ALLEGHENY,)

H. G. Allyn, Jr.

Donna R. Denner
Notary Public

My Commission Expires: Feb. 3, 1980

THE MONONGAHELA RAILWAY COMPANY

1978 ANNUAL REPORT

BOARD OF DIRECTORS

H. G. Allyn, Jr.	Pittsburgh, PA
J. E. Gobrecht	Cleveland, Ohio
R. L. Hintz	Cleveland, Ohio
T. C. Netherton	Pittsburgh, PA
C. W. Owens	Pittsburgh, PA
C. H. Wolfinger	Philadelphia, PA

OFFICERS

H. G. Allyn, Jr.	President	Pittsburgh, PA
C. W. Owens	Vice President	Pittsburgh, PA
J. E. Gobrecht	Vice President	Cleveland, Ohio
A. W. Johnston	Vice President	Pittsburgh, PA
D. R. Powell	Secretary	Philadelphia, PA
C. O. Washburn	Treasurer	Pittsburgh, PA
R. P. McConnell	Comptroller	Pittsburgh, PA
G. E. Neuenschwander	General Counsel	Pittsburgh, PA
D. E. Gratz	Superintendent	Brownsville, PA
D. E. Miller	Manager-Real Estate	Pittsburgh, PA
J. L. Gerst	Chief Engineer	Pittsburgh, PA

THE MONONGAHELA RAILWAY COMPANY

BALANCE SHEET

ASSETS

	December 31, 1978	December 31,* 1977
CURRENT ASSETS:		
Cash	\$ (73,192)	\$ 1,917,210
Accounts Receivable	1,037,734	153,336
Material and Supplies	797,391	736,795
Miscellaneous	42,216	37,165
Total Current Assets	<u>1,804,149</u>	<u>2,844,506</u>
INSURANCE AND OTHER FUNDS:	<u>14,554</u>	<u>14,327</u>
PROPERTIES:		
Transportation Property	21,215,172	22,088,927
Less: Accrued Depreciation and Amortization	<u>3,068,829</u>	<u>3,154,676</u>
Net Transportation Property	18,146,343	18,934,251
Miscellaneous Physical Property	1,424,509	982,254
Net Properties	<u>19,570,852</u>	<u>19,916,505</u>
OTHER ASSETS AND DEFERRED CHARGES:	<u>691,249</u>	<u>564,257</u>
TOTAL ASSETS	<u>\$ 22,080,804</u>	<u>\$ 23,339,595</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts Payable	\$ 2,812,516	\$ 2,033,659
Interest Payable	125,654	104,729
Federal Income Taxes Accrued	-	-
Other Taxes Accrued	101,240	109,475
Other Current Liabilities	20,507	11,457
Total Current Liabilities	<u>3,059,917</u>	<u>2,259,320</u>
LONG-TERM DEBT DUE AFTER ONE YEAR:		
Amounts Payable to Affiliated Companies:		
Baltimore and Ohio Railroad Company	2,585,667	2,615,667
Penn Central Corporation	2,630,667	2,630,667
Pittsburgh and Lake Erie Railroad Company	2,585,667	2,615,667
Total Long-Term Debt Due After One Year	<u>7,802,001</u>	<u>7,862,001</u>
CASUALTY AND OTHER RESERVES:	<u>544,906</u>	<u>281,788</u>
OTHER LIABILITIES AND DEFERRED CREDITS:		
Other Liabilities	1,914,785	1,724,279
Deferred Credits	551,564	1,391
Accrued Depreciation - Leased Property	526,473	624,869
Total Other Liabilities and Deferred Credits	<u>2,992,822</u>	<u>2,350,539</u>
SHAREHOLDERS' EQUITY:		
Capital Stock (124,900 shares, \$50 par value)	6,245,000	6,245,000
Retained Income	1,436,158	4,340,947
Total Shareholders' Equity	<u>7,681,158</u>	<u>10,585,947</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 22,080,804</u>	<u>\$ 23,339,595</u>

See Note - Page 4

*December 31, 1977 Restated to conform to new I.C.C. Uniform System of Accounts.

THE MONONGAHELA RAILWAY COMPANY

INCOME STATEMENT

	Year Ended December 31,	
	1978	1977
OPERATING REVENUES:		
Freight	\$ 7,567,016	\$ 9,658,994
All Other	109,819	81,250
Total	<u>7,676,835</u>	<u>9,740,244</u>
OPERATING EXPENSES:		
Maintenance of Way and Structures	5,112,115	4,707,936
Maintenance of Equipment	1,362,710	1,199,033
Net Hire of Equipment	684,180	855,583
Transportation	2,626,119	2,678,556
Other	558,869	500,782
*Total	<u>10,343,993</u>	<u>9,941,890</u>
NET REVENUE FROM RAILWAY OPERATIONS	<u>(2,667,158)</u>	<u>(201,646)</u>
NON-OPERATING INCOME:		
Contributions from Other Companies	156,571	202,356
Miscellaneous Rent Income	87,470	76,300
Interest Income	26,551	96,961
Profit from Sale of Property	13,095	57,273
Miscellaneous	176,144	(4,481)
Total	<u>459,831</u>	<u>428,409</u>
TOTAL INCOME	<u>(2,207,327)</u>	<u>226,763</u>
FIXED CHARGES AND OTHER DEDUCTIONS:		
Interest on Funded Debt	415,620	415,620
Interest on Unfunded Debt	84,900	82,236
Miscellaneous	173,027	51,980
Total	<u>673,547</u>	<u>549,836</u>
Ordinary Income	<u>(2,880,874)</u>	<u>(323,073)</u>
State and Other Income Taxes	<u>23,915</u>	<u>17,683</u>
NET INCOME (LOSS)	<u><u>\$ (2,904,789)</u></u>	<u><u>\$ (340,756)</u></u>

STATEMENT OF RETAINED INCOME

Balance January 1, 1978	\$ 4,340,947
Add: Net Income (Loss)	<u>(2,904,789)</u>
Balance December 31, 1978	<u>\$ 1,436,158</u>

*Railroad Retirement, Unemployment, and Other Property Taxes, Joint Facility Rents and Rent for Leased Road and Equipment are included in Operating Expenses under the new I.C.C. Uniform System of Accounts effective January 1, 1978.

THE MONONGAHELA RAILWAY COMPANY
DETAIL OF OPERATING EXPENSES

	1978	1977
MAINTENANCE OF WAY AND STRUCTURES:		
Superintendence	\$ 207,696	\$ 181,892
Track Material	826,859	525,376
Roadway and Track	1,231,846	1,025,657
Bridges and Structures	114,207	133,278
Communication and Signal Systems	143,304	172,760
Depreciation and Retirements	335,456	266,845
Other	183,693	147,273
Joint Facilities	(575)	(18,205)
Joint Facility Rents	12,677	114,354
Payroll Taxes	204,417	260,708
Other Income Items	1,852,535	1,897,998
Total Maintenance of Way and Structures	<u>5,112,115</u>	<u>4,707,936</u>
MAINTENANCE OF EQUIPMENT:		
Superintendence	151,432	130,426
Cost of Repairs - Machinery	1,772	3,112
Cost of Repairs - Equipment	812,010	715,759
Depreciation and Retirements	111,180	107,528
Other	153,905	96,339
Joint Facilities	20,927	12,846
Hire of Equipment	684,180	855,583
Joint Facility Rents	6,512	(855)
Payroll Taxes	104,972	133,878
Total Maintenance of Equipment	<u>2,046,890</u>	<u>2,054,616</u>
TRANSPORTATION:		
Superintendence	305,984	295,790
Station Service	71,045	75,834
Yard Service	272,576	364,227
Train Service	1,079,658	1,205,145
Casualties	329,965	134,162
Other	139,004	127,046
Joint Facilities	83,650	187,460
Joint Facility Rents	117,728	-
Payroll Taxes	226,509	288,892
Total Transportation	<u>2,626,119</u>	<u>2,678,556</u>
OTHER:		
Superintendence	19,735	15,667
Stationery and Printing	13,030	4,227
Salaries and Expenses	331,502	227,146
Pensions	514	1,899
Joint Facilities	746	-
Joint Facility Rents	1,356	-
Payroll Taxes	17,584	21,138
Property and Other Taxes	165,599	173,786
Other	8,803	56,919
Total Other	<u>558,869</u>	<u>500,782</u>
TOTAL OPERATING EXPENSES	<u>\$ 10,343,993</u>	<u>\$ 9,941,890</u>

On April 1, 1976, pursuant to the reorganization of the Penn Central Corporation (Penn Central), one third of the capital stock of this company was transferred and ownership acquired by Conrail.

As a result of the reorganization, Conrail will share proportionately in all aspects of the operations of the Company.

In regard to the fulfillment of all prior responsibilities of the Penn Central Corporation (Penn Central) to this Company, final settlement and the ultimate effect on the accounts of this company is indeterminable.

March 2, 1979

A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at it's option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
2. Show below the pages excluded and indicate the schedule number and title in this space provided below.
3. If no schedules were omitted indicate "NONE"

Page

Schedule No

Title

None

101. IDENTITY OF RESPONDENT

1. Give the exact name* by which the respondent was known in law at the close of the year
The Monongahela Railway Company
2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? The Monongahela Railway Company
3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made
No change.
4. Give the location (including street and number) of the main business office of the respondent at the close of the year The
Pittsburgh and Lake Erie Railroad Company, Terminal Building, Pittsburgh, PA 15219
5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	H. G. Allyn, Jr. Pittsburgh, PA
2	Vice president	C. W. Owens Pittsburgh, PA
3	Secretary	D. R. Powell Philadelphia, PA
4	Treasurer	C. O. Washburn Pittsburgh, PA
5	Comptroller Comptroller	R. P. McConnell Pittsburgh, PA
6	General counsel general counsel	G. E. Neuenschwander Pittsburgh, PA
7	V. President V. President	J. E. Gobrecht Cleveland, OH
8	General superintendent	D. E. Gratz Brownsville, PA
9	V. President V. President	A. W. Johnston Pittsburgh, PA
10	General passenger agent	
11	Mgr. Real Estate Mgr. Real Estate	D. E. Miller Pittsburgh, PA
12	Chief engineer	J. L. Gerst Pittsburgh, PA
13		

6. Give the names and office addresses of the several directors of the respondent at the close of the year, and the dates of expiration of their respective terms

Line No.	Name of director (a)	Office address (b)	Term expires (c)
14	H. G. Allyn, Jr.	Pittsburgh, PA	April 4, 1979
15	T. C. Netherton	Pittsburgh, PA	April 4, 1979
16	R. L. Hintz	Cleveland, OH	April 4, 1979
17	C. H. Wolfinger	Philadelphia, PA	April 4, 1979
18	C. W. Owens	Pittsburgh, PA	April 4, 1979
19	J. E. Gobrecht	Cleveland, OH	April 4, 1979
20			
21			
22			
23		07/01/1915 PA	

7. Give the date of incorporation of the respondent 07/10/1915 8. State the character of motive power used Diesel Electric
9. Class of switching and terminal company W. Va.
10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees
See Page 10.

11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent, and if so, give the names of all such corporations and state whether such right was derived through (a) title to capital stock or other securities issued or assumed by the respondent, (b) claims for advances of funds made for the construction of the road and equipment of the respondent, or (c) express agreement or some other source
See Page 10

12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing
See Page 10

*Use the initial word the when (and only when) it is a part of the name, and distinguish between the words railroad and railway and between company and corporation.

107. STOCKHOLDERS

Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information in schedule No. 70S, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED				
			Number of votes to which security holder was entitled	Stocks			
				Common	Preferred		Other securities with voting power
					Second	First	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Consolidated Rail						
2	Corporation	Philadelphia, PA	41,633-1/3	41,633-1/3			
3	The Pittsburgh and Lake						
4	Erie Railroad Co.	Pittsburgh, PA	41,633-1/3	41,633-1/3			
5	Baltimore and Ohio						
6	Railroad Company	Pittsburgh, PA	41,633-1/3	41,633-1/3			
7							
8							
9							
10							
11							
12							
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30							

Footnotes and Remarks

Lines 2, 4 and 6, Columns C and D include Stock registered in the names of directors and judges of election for qualifying purposes.

STOCKHOLDERS REPORTS

1. The respondent is required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☒ Two copies are attached to this report.

☐ Two copies will be submitted

(date)

☐ No annual report to stockholders is prepared.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	CURRENT ASSETS	\$	\$
1	Cash	(73 192)	99 898
2	Temporary Cash Investments	-	1 817 312
3	Special Deposits		
4	Accounts Receivable	1 037 734	888 043
5	Less: Allowance for Uncollectible Accounts		
6	Accumulated Deferred Income Tax Charges		
7	Other Current Assets	839 607	-
8	Total Current Assets	1 804 149	2 805 253
	OTHER ASSETS		
9	Special Funds	14 554	14 327
10	Other Investments and Advances - (Less Allowances and adjustments \$)		
11	Other Assets (Less Depreciation and Amortization \$233 544)	1 424 509	982 254
12	Other Deferred Debits	691 249	564 257
13	Total Other Assets	2 130 312	1 560 838
	ROAD AND EQUIPMENT		
14	Road and Equipment Property and Improvements on Leased Property	21 215 172	22 088 927
15	Less: Accumulated Depreciation and Amortization	3 068 829	3 154 676
16	Net Road and Equipment	18 146 343	18 934 251
17	Total Assets	22 080 804	23 300 342
	CURRENT LIABILITIES		
18	Loans and Notes Payable		
19	Accounts Payable	2 938 170	2 099 135
20	Interest and Dividends Payable		
21	Federal Income Taxes Accrued	101 240	109 475
22	Other Taxes Accrued	20 507	11 457
23	Other Current Liabilities		
24	Equipment Obligations and Other long-term Debt Due Within One Year	3 059 917	2 220 067
25	Total Current Liabilities		
	NON CURRENT LIABILITIES		
26	Funded Debt Unmatured		
27	Equipment Obligations		
28	Capitalized Lease Obligations		
29	Accumulated Deferred Income Tax Credits		
30	Other Long-term Liabilities and Deferred Credits	11 339 729	10 494 328
31	Total Non current Liabilities	11 339 729	10 494 328
	SHAREHOLDERS' EQUITY		
	Capital Stock		
32	Common Stock	6 245 000	6 245 000
33	Preferred Stock		
34	Discount on Capital Stock		
35	Additional Capital		

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY—Continued

Line No	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Begin- ning of Year (c)
	SHAREHOLDERS' EQUITY—Continued	\$	\$
	Retained Earnings		
36	Appropriated		
37	Unappropriated	1 436 158	4 340 947
38	Net unrealized Loss on Noncurrent Marketable Equity Securities		
39	Less: Treasury Stock		
40	Net Shareholders' Equity	7 681 158	10 585 947
41	Total Liabilities and Shareholders' Equity	22 080 804	23 300 342

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

The notes listed below are provided for the purpose of disclosing supplementary information concerning matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none", and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes explanatory statements explaining (1) service interruption insurance policies and indicate the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads, (2) particulars concerning obligations for stock purchase options granted to officers and employees, and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts \$ N/A

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made \$4,592,151

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year. Actuarial Evaluation

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$ None

(c) Is any part of pension plan funded? Specify Yes ☒ No

(i) If funding is by insurance, give name of insuring company

(ii) If funding is by trust agreement list trustee(s)

Girard Bank, Philadelphia, PA

Date of trust agreement or latest amendment

May 1978

If respondent is affiliated in any way with the trustee(s), explain affiliation

N/A

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement N/A

(e)(i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify. Yes No ☒

If yes, give number of the shares for each class of stock or other security

(ii) Are voting rights attached to any securities held by the pension plan? Specify Yes ☒ No If yes, who determines how stock is voted? Trustee

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610) YES NO ☒

210. RESULTS OF OPERATIONS**INSTRUCTIONS**

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.
2. List dividends from investments accounted for under the cost method on the appropriate line, under subsection "Other Income." List dividends accounted for under the equity method on the appropriate line under the "Income from Affiliated Companies" subsection of this schedule.
3. All contra entries hereunder should be indicated in parenthesis.

210. RESULTS OF OPERATIONS

Line No.	Item (a)	Amount for Current Year (b)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	Railway Operating Income	
1	Freight	7 567 017
2	Passenger	
3	Other	109 820
4	Total Railway Operating Revenues	7 676 837
5	Railway Operating Expenses	10 343 995
6	*Net Revenue from Railway Operations	(2 667 158)
	OTHER INCOME	
7	Dividend income	
8	Interest income	26 551
9	Other income; Other	433 279
	Income from affiliated companies:	
10	Dividends	
11	Equity in undistributed earnings (losses)	
12	Total other income (Lines 7-11)	459 830
13	Total income (Lines 6, 12)	(2 207 328)
	OTHER DEDUCTIONS	
14	Miscellaneous deductions from income	173 027
15	Fixed charges	500 519
	UNUSUAL OR INFREQUENT ITEMS	
16	Unusual or infrequent items (debit) credit	
17	Income (loss) from continuing operations (before income taxes) (Line 13 less Lines 14-16)	(2 880 874)
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
18	Federal income taxes	
19	State income taxes	23 915
20	Other income taxes	
21	Provisions for deferring income taxes	
22	Income before extraordinary items (Line 17 less Lines 18-22)	(2 904 789)
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
23	Extraordinary items (net)	
24	Income taxes on extraordinary items	
25	Provisions for deferred taxes - Extraordinary items	
26	Total extraordinary items (Lines 23-25)	
27	Cumulative effect of changes in accounting principles	
28	(Less applicable income taxes of \$)	
29	Net income	(2 904 789)

210. RESULTS OF OPERATIONS—Continued

Line No.	Item (a)	Amount for Current Year (b)
	RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)	
30	Net revenues from railway operations	(2 667 158)
31	Income taxes on ordinary income	23 915
32	Provisions for deferred income taxes	
33	Income from Lease of Road and Equipment	1 315
34	Rent for leased Roads and Equipment	1 853 850
35	Net Railway Operating Income	(838 538)
	Ton-miles, Revenue Freight (in thousands)	301 630

Responses to questions 10, 11, and 12, page 2.

10. The Public Service Co. Law of The Commonwealth of Pennsylvania approved July 26, 1913, effective January 1, 1914, Sec. 3(c), Article III, Page 15 and Sec. 18 and 19, Article V, Pages 41 and 42, State of West Virginia. Annotated West Virginia Code Edition 1913, Sec. 2559, Page 1,203, Chapter 54, Sec. 53. The Monongahela Railway Company is a Corporation organized under the laws of the States of Pennsylvania and West Virginia, being a corporation growing out of the consolidation.
11. Through Title to Capital Stock.

The Pittsburgh and Lake Erie Railroad Company	33-1/3%
The Baltimore and Ohio Railroad Company	33-1/3%
The Consolidated Rail Corporation	33-1/3%
12. Conrail acquired 33-1/3% ownership on April 1, 1976 under the final system plan of The Rail Reorganization Act. Under this plan, the transferrer's (P.C.T.C.) interest in the stock of the Monongahela was designated for transfer to Conrail.

330. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in Road and Equipment property, and Improvements on leased property.

2. Gross charges during the year should include disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, extensions of old lines, and for additions and betterments. Both the debit and credit involved in each transfer, adjustment, or clearance between road and equipment accounts, should be included in columns (c) and (d), as may be appropriate, depending on the nature of the item. Adjustments in excess of \$100,000 should be explained.

3. Report on line 35 amounts not includable in the primary road accounts. The items reported should be briefly identified and explained in a footnote on page 10.

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
1 (1)	Engineering	674 679		20 745	653 934	
2 (2)	Land for transportation purposes	2 581 596		471 099	2 110 497	
3 (2 1/2)	Other right-of-way expenditures	15 093		108	14 985	6 482
4 (3)	Grading	5 342 028		214 844	5 127 184	369 059
5 (5)	Tunnels and subways	418 154		16 003	402 151	93 104
6 (6)	Bridges, trestles, and culverts	3 205 011		228 626	2 976 385	1 142 019
7 (7)	Elevated structures					
8 (8)	Ties	641 925	3 539	14 181	631 283	
9 (9)	Rails	1 085 770	17 950	18 806	1 084 914	
10 (10)	Other track material	1 120 654	12 706	24 308	1 109 052	
11 (11)	Ballast	1 049 942	5 082	12 436	1 042 588	
12 (12)	Track laying and surfacing	798 657		19 404	779 253	
13 (13)	Fences, snowsheds, and signs	27 993	58	524	27 527	27 431
14 (16)	Station and office buildings	905 428	12 400	893	916 935	426 113
15 (17)	Roadway buildings	71 684	2 050		73 734	25 567
16 (18)	Water stations	529			529	409
17 (19)	Fuel stations	67 134			67 134	36 320
18 (20)	Shops and enginehouses	434 737			434 737	203 011
19 (21)	Grain elevators					
20 (22)	Storage warehouses					
21 (23)	Wharves and docks					
22 (24)	Coal and ore wharves					
23 (25)	TOFC/COFC terminals					
24 (26)	Communication systems	49 500			49 500	29 941
25 (27)	Signals and interlockers	392 039	8 513		400 552	180 043
26 (29)	Power plants	27 511			27 511	12 083
27 (31)	Power-transmission systems	101 899			101 899	85 868
28 (35)	Miscellaneous structures	3 734			3 734	2 085
29 (37)	Roadway machines	835 269	80 196	18 123	897 342	287 006
30 (38)	Roadway small tools	7 648			7 648	
31 (39)	Public improvements - Construction	296 029		19 733	276 296	105 860
32 (43)	Other expenditures - Road	356			356	
33 (44)	Shop machinery	176 239	53 076	302	229 013	73 247
34 (45)	Power-plant machinery	29 508			29 508	23 165
35	Other (specify and explain)					
36	Total Expenditures for Road	20 360 746	195 570	1 080 135	19 476 181	3 128 813
37 (52)	Locomotives	428 627			428 627	238 639
38 (53)	Freight-train cars	102 938			102 938	69 233
39 (54)	Passenger-train cars					
40 (55)	Highway revenue equipment					
41 (56)	Floating equipment	63 384			63 384	51 070
42 (57)	Work equipment	233 198	35 315	19 311	249 202	56 127
43 (58)	Miscellaneous equipment	828 147	35 315	19 311	844 151	62 209
44	Total Expenditures for Equipment					

330. ROAD AND EQUIPMENT PROPERTY—Continued

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
45 (71)	Organization expenses	(11 210)		2 802	(14 012)	
46 (76)	Interest during construction	797 732		21 593	776 139	
47 (77)	Other expenditures - General	113 467			113 467	
48	Total General Expenditures	899 989		24 395	875 594	
49	Total	22 088 882	230 885	1 123 841	21 195 926	3 066 604
50 (80)	Other elements of investments					
51 (90)	Construction work in progress	45	193 261	174 060	19 246	
52	Grand Total	22 088 927	424 146	1 297 901	21 215 172	3 066 604

705. IMPORTANT CHANGES DURING THE YEAR

Hereunder state the following matters, numbering the statements in accordance with the inquiries, and if no changes of the character below indicated occurred during the year, state that fact. Changes in mileage should be stated to the nearest hundredth of a mile. If any changes reportable in this schedule occurred under authority granted by the Commission in certificates of convenience and necessity, issued under paragraphs (18) to (22) of section 1 of the Interstate Commerce Act or otherwise, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

1. All portions of road put in operation or abandoned, giving (a) termini, (b) length of road, and (c) dates of beginning operations or of abandonment.*
2. All other important physical changes, including herein *all new tracks built*.*
3. All leaseholds acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
4. All agreements for trackage rights acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
5. All consolidations, mergers, and reorganizations effected, giving particulars.
6. All stocks issued, giving (a) purposes for which issued, (b) names of stocks, and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; give similar information concerning all stocks retired (if any).
7. All funded debt issued, giving (a) purposes for which issued, (b) names of securities and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; also give particulars concerning any funded debt paid or otherwise retired, stating (a) date acquired, (b) date retired or canceled, (c) par value of amount retired.
8. All other important financial changes.
9. All changes in and all additions to franchise rights, describing fully (a) the actual consideration given therefor, and stating (b) the parties from whom acquired; *if no consideration was given, state that fact*.
10. In case the respondent has not yet begun operation, and no construction has been carried on during the year, state fully the reasons therefor.
11. All additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

1. Portions of road abandoned:

Abandonment of Moser Run Branch between Browns Run Junction and Moser Run Junction, a distance of 2.8 miles in February 1978.

Abandonment of a portion of the Fairmont Secondary track from mile post 67.7 to 68.9, a distance of 1.2 miles in February 1978.

*If returns under items 1 and 2 include any first main track owned by respondent or presenting new construction or permanent abandonment give the following particulars:

Miles of road constructed

Miles of road abandoned

The item "Miles of road constructed" is intended to show the mileage of first main track laid to extend respondent's road, and should not include tracks relocated and tracks laid to shorten the distance between two points, without serving any new territory.

710. INVENTORY OF EQUIPMENT

INSTRUCTIONS

- 1 Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
- 2 In column (c) give the number of units of equipment purchased, built in company shops, or otherwise acquired.
- 3 Units leased to others for a period of one year or more are reportable in column (i); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (e); units rented from others for a period less than one year should not be included in column (f). Units installed during the year and subsequently leased to others for a year or more should be shown as added in column (c), as retired in column (d), and included in column (i).
- 4 For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operating at terminals.
- 5 A "self-propelled car" is a rail motor car propelled by electric motors receiving power from third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
- 6 A "Diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive, and whether power may at times be supplied from external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "Electric" unit includes all units which receive electric power from an overhead contact wire or third rail, and use the power to drive one or more electric motors that propel the vehicle. An "Other self-powered unit" includes all units other than diesel or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives but which draw their power from the "mother" unit, e.g., boosters, slugs, etc.
- 7 Column (h) should show aggregate capacity for all units reported in column (g), as follows: For locomotive units, report the manufacturer's rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes), or tractive effort of steam locomotive units; for freight-train cars report the nominal capacity (in tons of 2,000 lbs.) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily; for passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Item	Units in service of respondent at beginning of year (b)	Number added during year (c)	Number retired during year (d)	Number at close of year			Aggregate capacity of units reported in col. (g) (see ins. 7) (h)	Number leased to others at close of year (i)
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e + f) (g)		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		
	LOCOMOTIVE UNITS							10,000 (h.p.)	
1	Diesel-Freight A units	5	-	-	-	5	5		
2	Diesel-Freight B units								
3	Diesel-Passenger A units								
4	Diesel-Passenger B units								
5	Diesel-Multiple purpose A units	11	-	-	6	5	11	19,000	
6	Diesel-Multiple purpose B units								
7	Diesel-Switching A units								
8	Diesel-Switching B units								
9	Total (lines 1-8)	11	-	-	6	5	11	XXXXXX	
10	Electric-Locomotives								
11	Other self-powered units								
12	Total (lines 9, 10 and 11)	11	-	-	6	5	11	XXXXXX	
13	Auxiliary units								
14	Total Locomotive Units (lines 12 and 13)	11	-	-	6	5	11	XXXXXX	

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS—Cont.

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Number added during year (c)	Number retired during year (d)	Number at close of year			Aggregate capacity of units reported in col. (g) (see ins. 7) (h)	Number leased to others at close of year (i)
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e+f) (g)		
	FREIGHT TRAINCARS							Tons	
15	Plain Box Cars - 40' (B100-129)								
16	Plain Box Cars - 50' (B200-229, B300-329)								
17	Equipped Box Cars (All Code A)								
18	Plain Gondola Cars (G092-392, G401-492)								
19	Equipped Gondola Cars (All Codes C and E)								
20	Covered Hopper Cars (L 151-154; 251-254; 351-354; 451-454; 551-554; 651-654; 751-754)								
21	Open Top Hopper Cars - General Service (All Code H)								
22	Open Top Hopper Cars - Special Service (All Codes J and K)								
23	Refrigerator Cars - Non Mechanical (R 100, 101, 102, 103, 105, 106, 107, 108, 109, 113, 114, 115, 116, R 200, 201, 202, 203, 205, 206, 207, 208, 209, 213, 214, 215, 216)								
24	Refrigerator Cars - Mechanical (R 104, 110, 112, 117, 118, R 204, 210, 211, 212, 217, 218)								
25	Flat Cars - TOFC/COFC (F 071-078, F 871-978)								
26	Flat Cars - Multi-level (All Code V)								
27	Flat Cars - General Service (F 101-109, F 201-209)								
28	Flat Cars - Other (F 11-189, 211-289, 301-389, 401-540)								
29	Tank Cars - Under 22,000 Gallons (T-0, T-1, T-2, T-3, T-4, T-5)								
30	Tank Cars - 22,000 Gallons and over (T-6, T-7, T-8, T-9)								
31	All Other Freight Cars (F 191-199, 291-295, 391-399, L 006-048, L 070, L 080, L 090, All "L" with second numeric 6; L 161, L 764)								
32	Total (lines 15-31)	10			10		10	XXXXXX	
33	Caboose (All N)	10			10		10	XXXXXX	None
34	Total (lines 32-33)								

720. TRACKS

(1) Show, by State, total mileage of tracks owned and operated by respondent None *ind. 5*

(2) Show, by State, mileage of tracks owned but not operated by respondent. First main track, None
 second and additional main tracks, None industrial tracks, None
 yard track and sidings, None total, all tracks, None (i)

(3) Road is completed from (Line Haul Railways only)* Brownsville Jct. N. Fairmont, Total distance, 67.7
PA. W. Va. miles.

(4) Road located at (Switching and Terminal Companies only)* _____

(5) Gage of track 4 ft. 8 1/2 in.

(6) Weight of rail 85 to 132 lb. per yard.

(7) Kind and number per mile of cross-ties 3,114

(8) State number of miles electrified: First main track, None second and additional main tracks, None
 passing tracks, cross-overs, and turn-outs, None way switching tracks, None yard switching
 tracks, None

(9) Ties applied in replacement during year: Number of cross-ties, 23,639 average cost per tie, \$ 13.74 number of feet
 (B.M.) of switch and bridge ties, 6,945 average cost per M feet (B.M.), \$ 338.00

(10) Rail applied in replacement during year: Tons (2,000 pounds), 102.80 Weight per year, 115# 119# average
 cost per ton, \$ 402.30 (229.50)

*Insert names of places.

(i) Mileage should be stated to the nearest whole mile.

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It should be verified, also by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Pennsylvania
County of Allegheny
R. P. McConnell makes oath and says that he is Comptroller
(Insert here the name of the affiant) (Insert here the official title of the affiant)
of The Monongahela Railway Company
(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Interstate Commerce Commission, effective during the said period; that he has carefully examined the said report, and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period

of time from and including January 1, 1978 to and including December 31, 1978

R. P. McConnell
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
county above named, this 7th day of June 19 79

My commission expires JOHN D. HARTMAN, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES JUNE 20, 1981
Member, Pennsylvania Association of Notaries

John D. Hartman
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Pennsylvania
County of Allegheny
H. G. Allyn, Jr. makes oath and says that he is President
(Insert here the name of the affiant) (Insert here the official title of the affiant)
of The Monongahela Railway Company
(Insert here the exact legal title or name of the respondent)

that he has carefully examined the foregoing report, that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operation of its property during

the period of time from and including January 1, 1978 to and including December 31, 1978

H. G. Allyn, Jr.
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
county above named, this 11th day of June 19 79

My commission expires JOHN D. HARTMAN, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES JUNE 20, 1981
Member, Pennsylvania Association of Notaries

John D. Hartman
(Signature of officer authorized to administer oaths)