

535550

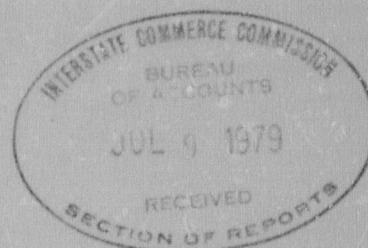
SAN DIEGO & ARIZONA EASTERN RY CO.

1978

535550

R-3Class III Railroads
Approved by GAO
B-180230 (R0583)
Expires 12-31-81

annual report

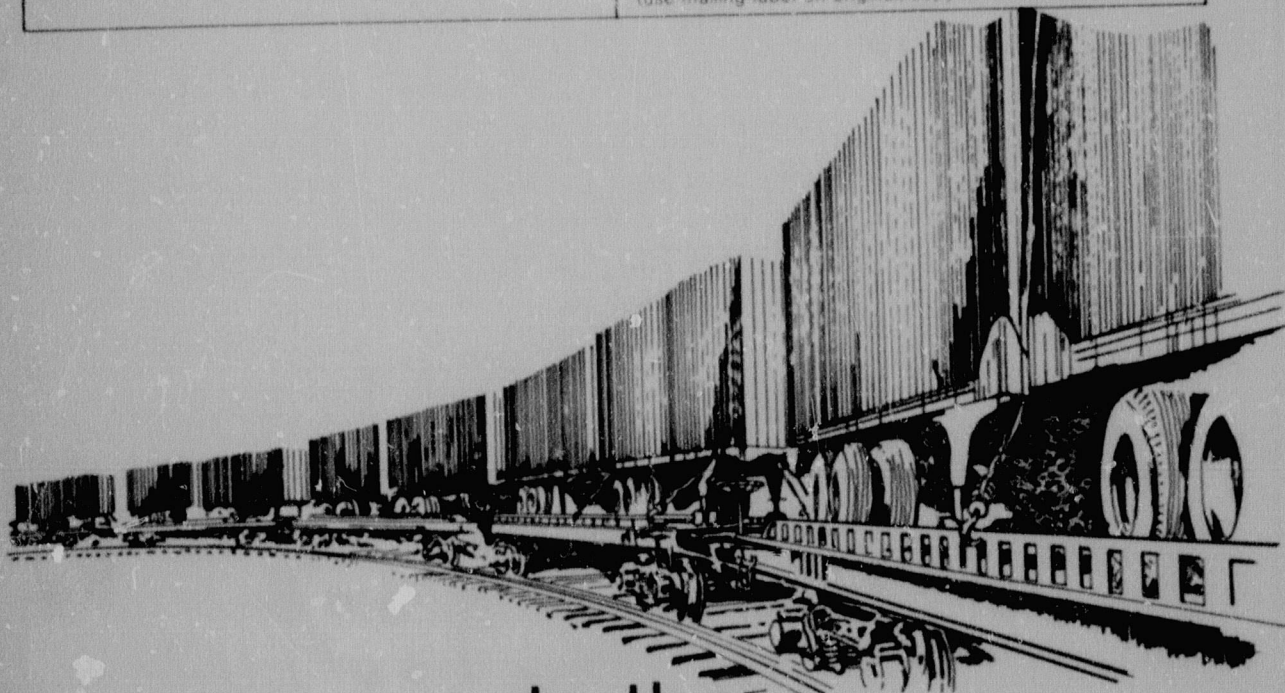


SAN DIEGO & ARIZONA EASTERN
RAILWAY COMPANY
SOUTHERN PACIFIC BUILDING
ONE MARKET PLAZA
SAN FRANCISCO, CA 94105

RC002550 SAN DIEG 3 0 3 535550
SDAE SAN DIEGO & ARIZONA EASTERN RY CO
SN. PAC. BLDG.
ONE MARKET ST
SAN FRANCISCO CA 94105

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

TABLE OF CONTENTS

	Schedule No.	Page
Schedules Omitted by Respondents.....	A	1
Identity of Respondent.....	101	2
Stockholders.....	107	3
Comparative Statement of Financial Position.....	200	4
Results of Operations.....	210	7
Road and Equipment; Property.....	330	11
Important Changes During the Year.....	705	13
Inventory Equipment.....	710	14
Tracks.....	720	16

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 San Diego & Arizona Eastern 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? Yes - San Diego & Arizona Eastern 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
None
4. Give the location (including street and number) of the main business office of the respondent at the close of the year Southern Pacific Building, One Market Plaza, San Francisco, California 94105
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	A. D. DeMoss San Francisco, California
2	Vice president	R. D. Krebs do
3	Secretary	A. G. Richards do
4	Treasurer	E. F. Grady do
5	Controller or auditor	D. L. Praeger do
6	Attorney or general counsel	
7	Vice President & General manager	R. G. Thruston Los Angeles, California
8	General Counsel	Alan C. Furth San Francisco, California
9	General freight agent	
10	General passenger agent	
11	General land agent	
12	Asst. Vice Pres.	H. B. Berkshire San Francisco, California
13	M/W and Engrg.	

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	L. E. Hoyt	San Francisco, California	*April 3, 1979
15	A. D. DeMoss	do	do
16	C. B. Nines	do	do
17			
18			
19			
20			
21			
22			*Or when successor is
23			duly elected and
			qualified.

7. Give the date of incorporation of the respondent Sept 9, 1931. 8. State the character of motive power used Diesel
9. Class of switching and terminal company Not a switching or terminal company

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 corporation law.
Under laws of the State of Nevada Act of March 21, 1925, providing a general

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 Southern Pacific
Transportation Company, by acquisition of capital stock of respondent as of midnight, November 26, 1969, from former Southern Pacific Company (Finance Docket 25723).

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 two inserted pages)

*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.

SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY

12. Companies forming San Diego & Arizona Eastern Railway Company, dates incorporated, corporate existence, and remarks:

<u>Company</u>	<u>Date Incorporated</u>	<u>Corporate Existence</u>	<u>Remarks</u>
Coronado Railroad Company	April 10, 1886	Terminated by Consolidation	Leased to the National City and Otay Railway Company, August 1, 1906, and some two years later it was sold to the San Diego and Southern Railway Company.
National City and Otay Railway Company (of 1887)	January 13, 1887	Voluntarily dissolved by order of the Court May 27, 1910	Consolidated with Otay Railway Company to form National City and Otay Railway Company (of 1888).
National City and Otay Railway Company (of 1888)	October 12, 1888	Voluntarily dissolved by order of the Court May 27, 1910	Consolidation formed San Diego Southern Railway Company.
Otay Railway Company	October 10, 1887	Consolidated October 1, 1888	Consolidation formed National City and Otay Railway Company (of 1888).
San Diego & Arizona Eastern Railway Company	September 9, 1931	Active	Active Company.
San Diego and Arizona Railway Company	December 15, 1906	Terminated by Consolidation	Consolidation formed San Diego & Arizona Eastern Railway Company.
San Diego, Cuyamaca & Eastern Railway Company	March 15, 1888	Foreclosed - 1909	Acquired at foreclosure sale by C. L. Bundy, later transferred to San Diego & Cuyamaca Railway Company.

SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY

<u>Company</u>	<u>Date Incorporated</u>	<u>Corporate Existence</u>	<u>Remarks</u>
San Diego & Cuyamaca Railway Company (of 1887)	September 12, 1887	Title and all property transferred March 31, 1888	Attempt to finance failed and all rights, franchises, real estate, construction material, capital stock and moneys transferred to San Diego, Cuyamaca & Eastern Railway Company.
San Diego & Cuyamaca Railway Company	July 19, 1909	Terminated by Consolidation	Sold to San Diego and South Eastern Railway Company.
San Diego & South Eastern Railway Company	March 2, 1912	Terminated by Consolidation	Sold to San Diego and Arizona Railway Company.
San Diego Southern Railway Company	February 5, 1908	Terminated by Consolidation	Sold to San Diego and South Eastern Railway Company.

Respondent was organized to enable SP Co. (now SP Transportation Co.) to acquire full ownership and control of line of railroad between San Diego and El Centro, California, with branches, from San Diego and Arizona Railway Company, jointly owned by the former SP Co. and JD&AB Spreckels Securities Company.

Properties and operations of San Diego and Arizona Railway Company were taken over by respondent, San Diego & Arizona Eastern Railway Company, on February 1, 1933.

Mileage: Owned 117.73 miles, leased from SP Transportation Co. 8.73 miles, trackage rights from SP Transportation Co. .27 of a mile and from T&T, Tijuana-Lindero, 44.38 miles, total operated 171.11 miles; San Diego to El Centro, California, with branches.

Capital provided by sale of 27,954 shares of Common Stock, no par value.

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		Other secu- rities with	
				Common	Preferred	voting power	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Southern Pacific	San Francisco,					
2	Transportation Company	California	27,954	27,954			
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

Footnotes and Remarks

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

STATE
1978

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	CURRENT ASSETS	\$	\$
1	Cash	28,422	31,768
2	Temporary Cash Investments		
3	Special Deposits		
4	Accounts Receivable	2,073,363	1,120,969
5	Less: Allowance for Uncollectible Accounts		
6	Accumulated Deferred Income Tax Charges		
7	Other Current Assets	130,547	135,762
8	Total Current Assets	2,232,332	1,288,499
	OTHER ASSETS		
9	Special Funds	4,058	4,058
10	Other Investments and Advances (Less Allowances and adjustments \$)	442	442
11	Other Assets (Less Depreciation and Amortization \$ 16,111)	18,372	25,809
12	Other Deferred Debits	280,372	367,094
13	Total Other Assets	303,244	397,403
	ROAD AND EQUIPMENT		
14	Road and Equipment Property and Improvements on Leased Property	9,822,896	9,949,280
15	Less: Accumulated Depreciation and Amortization	(1,624,217)	(1,594,820)
16	Net Road and Equipment	8,198,679	8,354,460
17	Total Assets	10,734,255	10,040,362
	CURRENT LIABILITIES		
18	Loans and Notes Payable		
19	Accounts Payable	1,773,046	594,612
20	Interest and Dividends Payable		
21	Federal Income Taxes Accrued	755	
22	Other Taxes Accrued	52,669	27,525
23	Other Current Liabilities	752,251	1,346,220
24	Equipment Obligations and Other long-term Debt Due Within One Year		
25	Total Current Liabilities	2,578,721	1,968,357
	NON CURRENT LIABILITIES		
26	Funded Debt Unmatured		
27	Equipment Obligations		
28	Capitalized Lease Obligations		
29	Accumulated Deferred Income Tax Credits	413,848	426,863
30	Other Long-term Liabilities and Deferred Credits	556,010	757,269
31	Total Non current Liabilities	969,858	1,184,132
	SHAREHOLDERS' EQUITY		
	Capital Stock		
32	Common Stock	2,795,400	2,795,400
33	Preferred Stock		
34	Discount on Capital Stock		
35	Additional Capital		

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

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	SHAREHOLDERS' EQUITY—Continued	\$	\$
	Retained Earnings:		
36	Appropriated	4 390 276	4 092 473
37	Unappropriated		
38	Net unrealized Loss on Noncurrent Marketable Equity Securities		
39	Less: Treasury Stock	7 185 676	6 887 873
40	Net Shareholders' Equity	10 734 255	10 040 362
41	Total Liabilities and Shareholders' Equity		

Dividends of \$1,352,634 were paid to Southern Pacific Transportation Company during 1978.

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 \$ None
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 \$ None
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. Normal pension costs, interest and amortization of unfunded past service are included in operating expenses. Past service liability is being funded over 20 years.
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$
- (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)
Date of trust agreement or latest amendment
If respondent is affiliated in any way with the trustee(s), explain affiliation:
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement.
- (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?
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 X

COMPARATIVE STATEMENT OF FINANCIAL POSITION
- EXPLANATORY NOTES

- (1) Respondent carried basic and supplemental insurance policies with the Imperial Insurance Company, Limited, under terms of which it would have been entitled to a maximum indemnity of \$3,242 per day up to 365 days for any single work stoppage. The maximum amount of additional premiums respondent would have been obligated to pay in the event losses were sustained by other railroads was \$64,840.

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	3,189,728
2	Passenger	
3	Other	95,857
4	Total Railway Operating Revenues	3,285,585
5	Railway Operating Expenses	3,088,322
6	*Net Revenue from Railway Operations	197,263
	OTHER INCOME	
7	Dividend income	
8	Interest income	
9	Other income; Other income from affiliated companies	486,585
10	Dividends	
11	Equity in undistributed earnings (losses)	
12	Total other income (Lines 7-11)	486,585
13	Total income (Lines 6, 12)	683,848
	OTHER DEDUCTIONS	
14	Miscellaneous deductions from income	36,262
15	Fixed charges	
	UNUSUAL OR INFREQUENT ITEMS	
16	Unusual or infrequent items (debit) credit	\$ 1,000,000
17	Income (loss) from continuing operations (before income taxes) (Line 13 less Lines 14-15 plus line 16)	1,647,586
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
18	Federal income taxes	755
19	State income taxes	9,409
20	Other income taxes	
21	Provisions for deferring income taxes	(13,015)
22	Income before extraordinary items (Line 17 less Lines 18-21)	1,650,437
	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	1,650,437
	* Reversal of 1976 storm damage repair accrual per ICC instruction.	

210. RESULTS OF OPERATIONS—Continued

SDAE
1978

Line No.	Item: (a)	Amount for Current Year (b)
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		\$197,263
		(10,164)
30	Net revenues from railway operations	(13,015)
31	Income taxes on ordinary income	
32	Provisions for deferred income taxes	
33	Income from Lease of Road and Equipment	217,000
34	Rent for leased Roads and Equipment	417,114
35	Net Railway Operating Income	10,245
Ton-miles, Revenue Freight (in thousands)		

3D/
197

10

SD/
197

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	298,562		37	298,525	68,978
2	(2) Land for transportation purposes	580,223		8,584	571,639	
3	(2 1/2) Other right-of-way expenditures		889	540	3,053,079	77,046
4	(3) Grading	3,052,730			1,100,368	357,640
5	(5) Tunnels and subways	1,100,368		53	964,385	703,455
6	(6) Bridges, trestles, and culverts	995,210	(30,772)			
7	(7) Elevated structures			656	422,574	
8	(8) Ties	423,230		994	836,022	
9	(9) Rails	837,016		380	557,627	
10	(10) Other track material	558,007		601	234,468	
11	(11) Ballast	231,218	3,851	1,609	342,135	
12	(12) Track laying and surfacing	332,281	11,463		26,898	27,121
13	(13) Fences, snowsheds, and signs	26,898			132,639	106,075
14	(16) Station and office buildings	136,171	630	4,162	7,442	7,449
15	(17) Roadway buildings	7,633		191	13,314	13,314
16	(18) Water stations	13,314			2,418	2,418
17	(19) Fuel stations	2,418			54,217	12,260
18	(20) Shops and enginehouses	54,217				
19	(21) Grain elevators					
20	(22) Storage warehouses					
21	(23) Wharves and docks					
22	(24) Coal and ore wharves					
23	(25) TOFC/COFC terminals				53,481	54,065
24	(26) Communication systems	53,481			121,912	28,490
25	(27) Signals and interlockers	121,009	903			
26	(29) Power plants				108	69
27	(31) Power-transmission systems	108			2,559	2,559
28	(35) Miscellaneous structures	2,559		78,064	41,122	12,579
29	(37) Roadway machines	119,186		7,990		
30	(38) Roadway small tools	7,990		9,388	209,553	127,335
31	(39) Public improvements - Construction	218,812	129	95		
32	(43) Other expenditures - Road	95			9,606	8,628
33	(44) Shop machinery	9,606				
34	(45) Power-plant machinery					
35	Other (specify and explain)					
36	Total Expenditures for Road	9,182,342	(12,907)	113,344	9,056,091	1,609,481
37	(52) Locomotives					
38	(53) Freight-train cars					
39	(54) Passenger-train cars					
40	(55) Highway revenue equipment					
41	(56) Floating equipment				7,864	7,463
42	(57) Work equipment	7,864			6,039	6,022
43	(58) Miscellaneous equipment	6,039			13,903	13,485
44	Total Expenditures for Equipment	13,903				

330. ROAD AND EQUIPMENT PROPERTY—Continued

SDAE
1978

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					
46 (76)	Interest during construction	636,698		46	636,652	
47 (77)	Other expenditures - General	116,337		12	116,325	
48	Total General Expenditures	753,035		58	752,977	
49	Total	9,949,280	(12,907)	113,402	9,822,971	1,622,966
50 (80)	Other elements of investments			75	(75)	
51 (90)	Construction work in progress					
52	Grand Total	9,949,280	(12,907)	113,477	9,822,896	1,622,966

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.

NONE

*If returns under items 1 and 2 include any first main track owned by respondent representing 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

SDAI
1978

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 manufacturers' 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)		
LOCOMOTIVE UNITS									
1	Diesel-Freight A units	5	1			6	6	(h.p.)	
2	Diesel-Freight B units							4800	
3	Diesel-Passenger A units								
4	Diesel-Passenger B units								
5	Diesel-Multiple purpose A units								
6	Diesel-Multiple purpose B units								
7	Diesel-Switching A units								
8	Diesel-Switching B units								
9	Total (lines 1-8)	5	1			6	6	XXXXXX	
10	Electric-Locomotives								
11	Other self-powered units								
12	Total (lines 9, 10 and 11)	5	1			6	6	XXXXXX	
13	Auxiliary units								
14	Total Locomotive Units (lines 12 and 13)	5	1			6	6	XXXXXX	

SDAE
1978

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 Code 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, 291-299, 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)	3		1		2	2	XXXXXX	
33	Caboose (All N)	3		1		2	2	XXXXXX	
34	Total (lines 32-33)								

720. TRACKS

SDA
197

- (1) Show, by State, total mileage of tracks owned and operated by respondent 141.05 miles - California
- (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 (t)
- (3) Road completed from (Line Haul Railways only)* San Diego Total distance, 117.73
 miles. to San Ysidro, Division to Seeley & Branch Lines
- (4) Road located at (Switching and Terminal Companies only)* _____
- (5) Gage of track 4 ft. 8 1/2 in.
- (6) Weight of rail 60 to 132 lb. per yard.
- (7) Kind and number per mile of crossties Fir, oak-treated & redwood-untreated: 2,880 per mile
- (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 crossties, 336; average cost per tie, \$ 9.59; number of feet
 (B.M.) of switch and bridge ties, 1701 average cost per M feet (B.M.), \$ 285.00
- (10) Rail applied in replacement during year: Tons (2,000 pounds), 14.5; Weight per yard, 75 & 90#; average
 cost per ton, \$ 30.00 SH

*Insert names of places.

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

(For use of Commission only)

Correspondence

[illegible]

Corrections

[illegible]

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 CALIFORNIA

County of SAN FRANCISCO
D. L. PRAEGER

ss.

makes oath and says that he is

Auditor

(Insert here the name of the affiant)

(Insert here the official title of the affiant)

SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY

of

(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

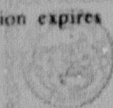
of time from and including January 1, 1978, to and including December 31, 1978

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and

county above named, this 26th day of June 1979

My commission expires November 23, 1979



FRED J. CROWE
NOTARY PUBLIC-CALIFORNIA
CITY AND COUNTY OF
SAN FRANCISCO

My Commission Expires Nov. 23, 1979

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of CALIFORNIA

County of SAN FRANCISCO
A. D. DEMOSS

ss.

makes oath and says that he is

President

(Insert here the name of the affiant)

(Insert here the official title of the affiant)

of

SAN DIEGO & ARIZONA EASTERN 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

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and

county above named, this 26th day of June 1979

My commission expires

FRED J. CROWE
NOTARY PUBLIC-CALIFORNIA
CITY AND COUNTY OF
SAN FRANCISCO

My Commission Expires Nov. 23, 1979

(Signature of officer authorized to administer oaths)