

M e m o r a n d u m**315.0260**

To: ---

Date: June 18, 1957

From: E. H. Stetson

Subject: ---

Following review of the agreement submitted by petitioner at the hearing before the Board, it is our conclusion that the charges made by petitioner under its contract with Pacific --- System are taxable only to the extent of the selling price of materials furnished. The charge for the stringing of the wires on the utility lines and other installations such as making connections, installing apparatus and guy wires, etc., are nontaxable installation charges.

This case differs from others in which contractors have contracted to furnish and erect transmission or distribution lines in that in this case the line was already erected and in use. Petitioner simple contracted to string wires on existing lines and therefore should not be regarded as fabricating the entire line. Will you please see that an appropriate adjustment is made and the matter presented to the Board for redetermination accordingly.

EHS:ds