

and, therefore, generally should be accounted for using nonoperating accounts.³ Consistent with this long-standing policy, the transfer of income tax credits should be treated as a nonoperating activity.

Accordingly, this accounting guidance requires an entity to treat the revenue received from the transfer of the income tax credit (*i.e.*, the entirety of the cash proceeds) and any costs to facilitate the transfer, as nonoperating income or expense consistent with the underlying nature of the transfer as a nonoperating activity. Additionally, upon a transfer of an income tax credit to an independent third party, an entity must derecognize all associated balances previously recorded on its books, including associated accumulated deferred income tax (ADIT) balances, consistent with the accounting treatment for a disposition of an asset that had associated ADIT prior to a sale.⁴

An entity that purchases a *non-investment* tax credit, such as a *production* tax credit, from an independent third party, is required to record the tax credit on its books using the same account (*i.e.*, an ADIT asset) that it would have used had the entity itself *generated* the tax credit for use on its own income tax return. An entity that purchases an *investment* tax credit from an independent third party is required to use either the flow-through or deferred method of accounting for investment tax credits, consistent with the Commission's existing accounting regulations, as if the entity itself received the upfront tax credit from the IRS. In all cases, an entity is required to record the costs incurred to facilitate a transfer of income tax credits as nonoperating.

This guidance is for accounting purposes only and is not intended to prejudice the rate treatment of the transfer of income tax credits in any proceeding before the Commission.

Appendix A provides an example that describes the accounting for transferability of an investment tax credit, and an example that describes

the accounting for transferability of a non-investment tax credit such as a production tax credit.

Appendix A

Illustrative Examples of the Application of the Accounting Release

Example 1: Accounting for transferability of an Investment Tax Credit (ITC).

The *entire* cash received from the transfer of ITCs is treated as nonoperating income because the transferred ITC is intended to merely take a new form (*i.e.*, the ITC is monetized into cash) upon its sale to a third party (*i.e.*, the seller effectively receives the entirety of the cash from the sale *as if the IRS directly paid the seller for the ITC*). Any costs to facilitate the sale are likewise treated as nonoperating expense. If an entity previously maintained accumulated deferred income tax (ADIT) (*e.g.*, in Account 190) associated with ITCs (*i.e.*, in Account 255), such an entity should derecognize, both the ITC and its associated ADIT upon transfer.

Journal entry to record the *entire* cash proceeds from the sale of the ITC:
Debit Account 131, Cash, Credit Account 421, Miscellaneous Nonoperating Income
Journal entry to record costs to facilitate the sale of the ITC:

Debit Account 426.5, Other Deductions Credit Account 131, Cash

Journal entry to derecognize the ITC upon the sale:

Debit Account 255, Accumulated Deferred Investment Tax Credits, Credit Account 411.4, ITC Adjustments, Utility Operations

Journal entry to derecognize the associated ADIT asset upon the sale of the ITC:

Debit Account 410.1, Provision for Deferred Income Taxes, Operating Income, Credit Account 190, Accumulated Deferred Income Taxes

Example 2: Accounting for transferability of a Production Tax Credit (PTC).

The *entire* cash received from the transfer of PTCs is treated as nonoperating income, and any costs to facilitate the sale are likewise treated as nonoperating expense. If an entity previously maintained ADIT assets (*e.g.*, in Account 190) for unutilized PTCs (*i.e.*, unused on the entity's income tax return), such ADIT should be derecognized upon the sale of the PTC.

Journal entry to record the *entire* cash proceeds from the sale of the PTC:
Debit Account 131, Cash, Credit

Account 421, Miscellaneous Nonoperating Income
Journal entry to record costs to facilitate the sale of the PTC:

Debit Account 426.5, Other Deductions, Credit Account 131, Cash

Journal entry to derecognize the associated ADIT asset upon the sale of the PTC:

Debit Account 410.1, Provision for Deferred Income Taxes, Operating Income, Credit Account 190, Accumulated Deferred Income Taxes

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings

Take notice that the Commission has received the following Natural Gas Pipeline Rate and Refund Report filings:

Filings Instituting Proceedings

Docket Numbers: RP24-1062-000.
Applicants: Equitrans, L.P.
Description: 4(d) Rate Filing: Formula Based Negotiated Rate—10/1/2024 Update to be effective 10/1/2024.
Filed Date: 9/12/24.
Accession Number: 20240912-5001.
Comment Date: 5 p.m. ET 9/24/24.
Docket Numbers: RP24-1063-000.
Applicants: Equitrans, L.P.
Description: Compliance filing: Operational Purchases and Sales 2024 to be effective N/A.
Filed Date: 9/12/24.
Accession Number: 20240912-5007.
Comment Date: 5 p.m. ET 9/24/24.
Docket Numbers: RP24-1064-000.
Applicants: Texas Eastern Transmission, L.P.
Description: 4(d) Rate Filing: Negotiated Rates—Nextera 911957 and 911890 eff 10-1-24 to be effective 10/1/2024.
Filed Date: 9/12/24.
Accession Number: 20240912-5043.
Comment Date: 5 p.m. ET 9/24/24.

Any person desiring to intervene, to protest, or to answer a complaint in any of the above proceedings must file in accordance with Rules 211, 214, or 206 of the Commission's Regulations (18 CFR 385.211, 385.214, or 385.206) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

The filings are accessible in the Commission's eLibrary system (<https://>

³ See 18 CFR parts 101 and 201, Plant Instruction No. 5 (f), *Plant Purchased or Sold* (where the Commission's regulations require the use of nonoperating accounts to record gains and losses, and sales costs, associated with the sale of plant); *Cent. La. Elec. Co.*, Opinion No. 394, 71 FERC ¶ 61,225 (1995) (where the Commission determined that sales of receivables should be treated as nonoperating activities, and the expenses associated with such sales should likewise be recorded as nonoperating); and *Sw. Pub. Serv. Co.*, 188 FERC ¶ 61,102 (2024) (where the Commission determined transaction costs associated with sales of production tax credits are nonoperating in nature).

⁴ See, *e.g.*, *Ga. Power Co.*, Docket No. AC16-109-000 (Aug. 5, 2016) (unpublished letter order).

elibrary.ferc.gov/idmws/search/fercgensearch.asp) by querying the docket number.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: <http://www.ferc.gov/docs-filing/efiling/filing-req.pdf>. For other information, call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, environmental justice communities, Tribal members and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502-6595 or OPP@ferc.gov.

Dated: September 12, 2024.

Debbie-Anne A. Reese,
Acting Secretary.

[FR Doc. 2024-21293 Filed 9-18-24; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 15337-001]

Lock 47 Hydro, LLC; Notice of Intent To File License Application, Filing of Pre-Application Document, and Approving Use of the Traditional Licensing Process

a. *Type of Filing:* Notice of Intent to File License Application and Request to Use the Traditional Licensing Process (TLP).

b. *Project No.:* 15337-001.

c. *Date Filed:* July 19, 2024.

d. *Submitted By:* Lock 47 Hydro, LLC.

e. *Name of Project:* Chain Dam Hydroelectric Project.

f. *Location:* On the Lehigh River, in Palmer Township, and the City of Easton Pennsylvania, both located in Northampton County. The project does not occupy any federal land.

g. *Filed Pursuant to:* 18 CFR 5.3 of the Commission's regulations.

h. *Potential Applicant Contact:* Michael Kerr, Lock 47 Hydro, LLC, 100 Cummings Center, Suite 451C, Beverly, MA 01915; (978) 360-2547; email—michael@nehdropower.com.

i. *FERC Contact:* Silvia Pineda-Munoz at (202) 502-8388; or email at silvia.pineda-munoz@ferc.gov.

j. Lock 47 Hydro, LLC filed its request to use the Traditional Licensing Process on July 19, 2024, and provided public notice of its request on July 25, 2024, and August 1, 2024. In a letter dated September 12, 2024, the Director of the Division of Hydropower Licensing approved 47 Hydro, LLC's request to use the Traditional Licensing Process.

k. With this notice, we are initiating informal consultation with the U.S. Fish and Wildlife Service under section 7 of the Endangered Species Act and the joint agency regulations thereunder at 50 CFR part 402; and NOAA Fisheries under section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act and implementing regulations at 50 CFR 600.920. We are also initiating consultation with the Pennsylvania State Historic Preservation Officer, as required by section 106, National Historic Preservation Act, and the implementing regulations of the Advisory Council on Historic Preservation at 36 CFR 800.2.

l. With this notice, we are designating Lock 47 Hydro, LLC as the Commission's non-federal representative for carrying out informal consultation pursuant to section 7 of the Endangered Species Act and section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act; and consultation pursuant to section 106 of the National Historic Preservation Act.

m. Lock 47 Hydro, LLC filed a Pre-Application Document (PAD; including a proposed process plan and schedule) with the Commission, pursuant to 18 CFR 5.6 of the Commission's regulations.

n. A copy of the PAD may be viewed on the Commission's website (<http://www.ferc.gov>), using the "eLibrary" link. Enter the docket number, excluding the last three digits in the docket number field, to access the document. For assistance, contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866) 208-3676 (toll free), or (202) 502-8659 (TTY).

You may register online at <https://ferconline.ferc.gov/ferconline.aspx> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

o. The applicant states its unequivocal intent to submit an application for an original license for Project No. 15337.

p. The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, environmental justice communities, Tribal members and

others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202)502-6595 or OPP@ferc.gov.

Dated: September 12, 2024.

Debbie-Anne A. Reese,
Acting Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 1922-052]

Ketchikan Public Utilities; Notice of Intent To Prepare an Environmental Assessment and Revising the Processing Schedule

On October 27, 2022, Ketchikan Public Utilities (KPU) filed an application for a new major license for the 7.1-megawatt Beaver Falls Hydroelectric Project (Beaver Falls Project; FERC No. 1922). The Beaver Falls Project is located on Beaver Falls Creek in Ketchikan Gateway Borough, Alaska. The project currently occupies 478.4 acres of United States lands administered by U.S. Forest Service.

In accordance with the Commission's regulations, on October 10, 2023, Commission staff issued a notice that the project was ready for environmental analysis (REA Notice). Based on the information in the record, including comments filed on the REA Notice, staff does not anticipate that licensing the project would constitute a major federal action significantly affecting the quality of the human environment. On January 5, 2024, the Commission issued a notice indicating that staff intended to prepare a draft and final Environmental Assessment (EA). However, upon further review, staff intends to prepare a single EA on the application to relicense the Beaver Falls Project.

The EA will be issued and circulated for review by all interested parties. All comments filed on the EA will be analyzed by staff and considered in the Commission's final licensing decision.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, environmental justice communities, Tribal members and others, access publicly available