the order terminates, and at other times as the Commission may require.

The parties will also be subject to an ''Order to Maintain Assets,'' to be issued by the Commission. Under the Order to Maintain Assets, between the date the Respondents sign the Agreement Containing Consent Orders and the date of divestiture of the applicable asset, the Respondents must maintain the assets to be divested in substantially the same condition as existing on the date the Respondents signed the Agreement Containing Consent Orders; use their best efforts to keep available the services of current personnel relating to the assets to be divested and to maintain the relations and good will of those entities which have business relationships with the assets to be divested; and preserve the assets to be divested intact as an ongoing business. Under the Order to Maintain Assets, the Respondents must also provide the acquirers of the assets to be divested an opportunity to transfer employment relationships from the Respondents to the acquirers. In addition, the Order to Maintain Assets imposes several obligations on the Respondents which are also imposed by he proposed Order and which are mentioned earlier in this notice.

Further, Dominion Resources, which already owns 16% of the Iroquois pipeline, has been made a party to the proposed Order for the purposes of requiring it to provide the Commission with advance written notification before increasing its interest in the Iroquois pipeline.

Finally, under the terms of the proposed Order, in the event that El Paso does not divest the assets required to be divested under the terms and time constraints of the proposed Order, the Commission may appoint a trustee to divest those assets, expeditiously, and at no minimum price. The proposed Order also authorizes the Commission to appoint a Monitor Trustee to oversee the Development Fund by ensuring that those funds are used in a manner consistent with the terms of the proposed Order.

V. Opportunity for Public Comment

The proposed Order has been placed on the public record for 30 days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the proposed Order and the comments received and will decide whether it should withdraw from the proposed Order or make it final. By accepting the proposed Order subject to final approval, the Commission anticipates that the competitive problems alleged in the Complaint will be resolved. The purpose of this analysis is to invite public comment on the proposed Order, including the proposed divestitures, to aid the Commission in its determination of whether to make the proposed Order final. This Analysis is not intended to constitute an official interpretation of the proposed Order, nor is it intended to modify the terms of the proposed Order in any way.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 01–3190 Filed 2–06–01; 8:45 am]

BILLING CODE 6750–01–M

FEDERAL TRADE COMMISSION

[File No. 001–0172]

Entergy Corporation, et al., Analysis to Aid Public Comment

AGENCY: Federal Trade Commission

ACTION: Proposed Consent Agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before March 2, 2001.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Ave., NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: William Vigdor, Frank Lipson or Anne Schenof, FTC/S–2105, 600 Pennsylvania Ave., NW., Washington, DC 20580. (202) 326–3177, 326–2617 or 326–2031.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and § 2.34 of the Commission's rules of practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for January 31, 2001), on the World Wide Web, at ''http://www.ftc.gov/os/2001/01/index.htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, 600 Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326–3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Ave., NW., Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's rules of practice (16 CFR 4.9(b)(6)(ii)).

Analysis of the Complaint and Consent Order To Aid Public Comment

I. Introduction

The Federal Trade Commission has accepted for public comment an Agreement Containing Consent Order (''Consent Agreement'') with Entergy Corporation and Entergy-Koch, LP (''EKLP''), a limited partnership owned equally by Entergy and Koch Industries, Inc., and has issued a Complaint and the Decision and Order (''Order'') contained in the Consent Agreement. The Order seeks to remedy the anticompetitive effects of EKLP's acquisition from Koch of the Gulf South Pipeline Company, LP (formerly the Koch Gateway Pipeline Company and referred to herein as ''Gulf South''). As a result of this acquisition, Entergy will own 50 percent of the Gulf South pipeline, a major natural gas pipeline serving Entergy's regulated utilities in Louisiana and Mississippi. The Order requires Entergy to adopt an open-solicitation process for its purchase of natural gas and gas transportation. Adoption of these measures will avoid affiliate bias in Entergy's purchase of gas supplies and the resulting higher energy prices.

II. Description of the Parties and the Proposed Joint Venture

Entergy, a Delaware corporation, is engaged in the generation, transmission, and distribution of electricity. Entergy provides retail electric service to customers in portions of Arkansas, Louisiana, Mississippi, and Texas. Entergy also owns the local natural gas distribution utility in New Orleans and Baton Rouge, Louisiana. In 1999, Entergy had revenues of approximately $8.77 billion and net income of approximately $595 million.

Koch is a privately held corporation headquartered in Wichita, Kansas. Through its subsidiaries and affiliates, Koch markets natural gas, natural gas transportation, chemicals, petroleum products, minerals, and financial services. Koch conducts its natural gas business through Koch Entergy Trading and Gulf South. Koch Entergy Trading markets natural gas, electric power, and weather derivatives. Gulf South owns and operates the Gulf South pipeline (formerly known as the Koch Gateway pipeline). The Gulf South pipeline consists of about 10,000 miles of natural gas pipeline serving parts of the states of Texas, Louisiana, Mississippi, Alabama and Florida.

On May 26, 2000, Entergy and Koch entered into an agreement to form EKLP. Pursuant to that agreement, EKLP will acquire, among other things, Entergy Power Marketing Corporation (Entergy's subsidiary that markets electricity and gas in the United States) and Gulf South and Koch Entergy Trading from Koch. As a result of the joint venture agreement, Entergy will own 50 percent of Gulf South and Koch Entergy Trading.

III. The Complaint

The Complaint alleges that consummation of the joint venture agreement would violate Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, and Section 7 of the Clayton Act, as amended, 15 U.S.C. 18. The Complaint alleges two markets in which the proposed joint venture is likely to lessen competitive discipline on prices substantially: the sale of electricity to consumers in areas of Louisiana and western Mississippi where Entergy subsidiaries are the regulated electric utilities (Count I); and the distribution of natural gas to consumers in New Orleans and Baton Rouge, where Entergy subsidiaries are the regulated natural gas distribution utilities (Count II). The Complaint alleges that prices in these relevant markets are ''likely to rise as a result of Entergy passing on inflated costs for natural gas transportation to consumers and the difficulties that regulators will have in reviewing and challenging Entergy's purchase of natural gas transportation.''

According to the Complaint, Entergy, through its regulated subsidiaries, has the exclusive right to sell retail electricity in parts of Louisiana and Mississippi. Entergy subsidiaries also have the exclusive right to distribute natural gas in New Orleans and Baton Rouge, Louisiana. Entergy purchases substantial quantities of natural gas transportation for its regulated subsidiaries.

Under the current regulatory framework of the States of Louisiana and Mississippi and the City of New Orleans, Entergy is permitted, subject to review, to recover 100 percent of the cost of natural gas transportation purchased for its natural gas and electric utilities by passing on this cost directly to consumers. The Complaint alleges that, once Entergy shares in the profits of Gulf South, it will have the incentive and ability, and is therefore likely, to pay higher prices for the transportation of Gulf South, and purchase a level of transportation service from Gulf South above what is necessary for effective operation of Entergy's utilities.

The Complaint alleges that after EKLP acquires the Gulf South pipeline it would be difficult for state and local regulators to determine whether Entergy improperly incurred inflation costs of natural gas transportation than before the transaction. Entergy's natural gas transportation purchasing decisions involve the consideration of multiple factors; the process by which Entergy purchases gas transportation is not transparent; and existing market benchmarks are inadequate to assist regulators in determining whether the cost was prudently incurred. Entergy's ownership of EKLP and the Gulf South pipeline increases Entergy's incentive to evade regulation and therefore, it is more likely that regulators will need to address such evasion.

IV. Terms of the Order

The Order issued by the Commission remedies the alleged anticompetitive effects of the proposed joint venture by establishing a transparent process that will increase the potential for competition and provide a benchmark that will make it easier for regulators to detect possible rate evasion. The Order affects how Entergy purchases its gas supply, whether it purchases pipeline transportation to deliver natural gas to facilities operated by its regulated utilities or it purchases delivered natural gas.

The Order recognizes Entergy's requirement to purchase a flexible, reliable, and economical gas supply. For this reason, this Order provisions are tailored to reflect the duration of Entergy's contracts. Paragraph II. B. of the Order applies to long-term (over three months) and short-term purchases (longer than one day but less than or equal to three months) and requires Entergy to prepare a written plan before requesting proposals for gas supply. This plan must include, among other things, a statement explaining the goals Entergy is attempting to achieve (*e.g.,* reliable supply of gas at certain plants). These planning documents will allow state and local regulators to compare actual purchases with Entergy's forecasted gas supply requirements.

The Order also requires Entergy to post information about its gas supply requirements on its website. The information posted and the timing of the post are based on the duration of the contract terms and the pace of the market activity. For long-term purchases (Paragraph II.C.1.), Entergy must post a request for proposal (''RFP'') where each RFP must contain, among other things, the criteria that suppliers must satisfy to be eligible for consideration and the types of services, the amount of gas, and the duration of the contract. Entergy must post this RFP at least 30 days before any purchase under a contract whose term is one year or more, and at least 14 days in advance of any purchase under a contract whose term is between three months and one year. These time frames provide suppliers with adequate time to prepare their bids, without causing unnecessary delay. Further, the Order requires Entergy to provide requests for proposals to any potential supplier upon its request, and to consider any proposal for any potential supplier.

The process is similar for short-term purchases (Paragraph II.C.2.). Entergy must post this information at least 72 hours before considering any proposal for a term of at least one month. As with long-term purchases, the Order requires EKLP to ensure that Gulf South posts each announcement on its electronic bulletin board before submitting a proposal to Entergy, and requires Entergy to consider all proposals from any potential supplier. The order requires Entergy to create a log for all short-term purchases documenting the date, time, seller, and terms of all offers received, and indicating the selected proposals(s).

For daily purchases, (Paragraph II.C.3), the Order requires Entergy to publish on its website its intention to purchase gas supplies at various receipt and delivery points. The information contained in this notice is more limited than the requests that Entergy must publish for short-term and long-term purchases. The Order requires Entergy to provide potential suppliers, upon request, with the specific terms and conditions for which it seeks to purchase gas supplies. Entergy must maintain a log containing the same information that is required for short-term purchases. The Order does not require Entergy to develop a planning document for its daily purchases, which is required for the other types of purchases.

These procedures will create a competitive, transparent process that will make it easier for regulators to detect whether Entergy purchased gas supplies at inflated costs. The planning document will provide regulators with Entergy's operational requirements for gas and gas transportation. The open-solicitation process will create competition to supply Entergy and establish a market price for gas supplies. Regulators will then be able to compare Entergy's operational requirements, Entergy's purchases and the market prices to identify whether Entergy purchased gas supplies from EKLP at inflated prices or a level of service that is above that necessary for effective operation.

The Order also designates Stephen P. Reynolds as Implementation Trustee. Mr. Reynolds has the expertise to determine the precise information that should be included in an RFP or other solicitation package, or information to be contained in a gas purchasing planning document. EKLP must bear all of the trustee's costs and expenses. The Implementation Trustee will serve until the earlier of one year or the date on which he certifies to the Commission that the parties have put in place adequate procedures with the Order and the Commission accepts such certification.

V. Effective Date of Order and Opportunity for Public Comments

The Commission issued the Complaint and the Decision and Order, and served them upon the respondents; at the same time it accepted the Consent Agreement for public comment. As a result of this action, the Order has already become effective. The Commission, in August 1999, adopted procedures to allow for immediate effectiveness of an Order prior to a public comment period. The Commission announced that it ''contemplates doing so only in exceptional cases where, for example, it believes that the allegedly unlawful conduct to be prohibited threatens substantial and imminent public harm.'' 65 FR 46267 (1999).

This case is an appropriate one in which to issue a final order before receiving public comment because it preserves an effective remedy for the Commission by subjecting the respondents to civil penalties for failing to comply with the Order. This ensures that the safeguards embodied in the Order will be implemented on schedule.

The Order has also been placed on the public record for 30 days for receipt of comments by interested persons, and comments received during this period will become part of the public record. Thereafter, the Commission will review the Order, and may determine, on the basis of the comments or otherwise, that the Order should be modified.[1]

The Commission anticipates that the Order, as issued, will resolve the competitive problems alleged in the Complaint. The purpose of this analysis is to invite public comment on the Order to aid the Commission in determing whether to modify the Order in any respect. This analysis is not intended to constitute an official interpretation of the Order, nor is it intended to modify the terms of the Order in any way.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 01–3191 Filed 2–6–01; 8:45 am]

BILLING CODE 6750–01–M

[1] If the respondents do not agree to such modifications, the Commission may (1) initiate a proceeding to reopen and modify the Order in accordance with Rule 3.72(b), 16 CFR 3.72(b), or (2) commence a new administrative proceeding by issuing an administrative complaint in accordance with Rule 3.11, 16 CFR 3.11. See 16 CFR 2.34(e)(2).

FEDERAL TRADE COMMISSION

[File No. 002 3015]

Indigo Investment Systems, Inc., et al.; Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before February 26, 2001.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Ave., NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Janet Evans, FTC/S–4002, 600 Pennsylvania Ave., NW., Washington, DC 20580. (202) 326–2125.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and § 2.34 of the Commission's rules of practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for January 25, 2001), on the World Wide Web, at ''http://www.ftc.gov/os/2001/01/index.htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, 600 Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326–3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania. Ave., NW, Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with § 4.9(b)(6)(ii) of the Commission's rules of practice (16 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from Indigo Investment Systems, Inc., a corporation, and Frank Alfonso, its CEO (together, ''respondents'') settling charges that they engaged in a deceptive advertising campaign for Indigo, a stock trading program.

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

Respondents sold Indigo through ads in various media, including investment magazines, Internet banner ads, and three websites: www.microstar-reserach.com, www.msindigo.com, and www.indigoinvestor.com. According to the FTC complaint, respondents'