

sale of natural gas to customers on the Consumers Energy system.

Consumers Energy controls the operation of its system, including its capacity to receive gas at pipeline interconnections. Currently, Consumers Energy, as a purchaser of interstate transportation services, has the incentive to maintain competitive access to its intra-state system to maintain maximum flexibility and minimum prices for the gas delivery. In fact, prices on both Panhandle and Trunkline are substantially below the maximum permitted by FERC. After the acquisition, however, CMS would have the incentive to restrict access to the Consumers Energy system by non-CMS pipelines to support higher post-acquisition transportation prices on Trunkline and Panhandle. CMS could restrict the access non-CMS pipelines have to the Consumers Energy system by reducing the capacity of the interconnections that service those pipelines. It is unlikely that either State or Federal regulatory agencies have the authority to interdict this behavior.

The resulting increase in the price of natural gas transportation into the Consumers Energy system would likely increase the price of gas sold to customers in the Service Area. In addition, the proposed acquisition is likely to adversely affect industrial plants locate in the Service Area that rely on natural gas as a feedstock to generate their electricity. Increased gas transportation rates are likely to increase the cost of self-generation and may force these plants, instead, to purchase electric power from Consumer Energy.

The Proposed Consent Order is designed to prevent CMS from restricting or eliminating the interconnection capacity available to competing pipelines. The Proposed Consent Order identifies a designated capacity for each interconnection based on historical usage to maintain non-CMS capacity at current levels. CMS may adjust the designated capacity for reasons related to force majeure or routine maintenance, resulting in an adjusted designated capacity for each interconnection.<sup>1</sup>

The Proposed Consent Order requires CMS to give shippers two options if

they cannot deliver gas into Consumers Energy's service area because the available interconnection capacity is less than actual capacity for any reasons other than force majeure or routine maintenance. First, if the shipper is able to nominate its shipments to another pipeline interconnection point into the Consumers Energy system at no additional cost to the shipper, CMS will accept the gas at such other pipeline interconnection point. Second, if the shipper would incur additional cost in delivering at another interconnection point, or if no other interconnection point is available to the shipper, CMS will provide gas from its own supply of gas and without interruption on the Consumer Energy system for the shipper's account equal to the volume of gas nominated by the shipper that could not be transferred through any of the interconnection points. The shipper must return the gas to Consumers Energy without penalty by the end of the month following the month in which CMS provided gas in offset to the shipper's blocked gas.<sup>2</sup>

The Proposed Consent Order requires CMS to post to an electronic bulletin board information which will let shippers know whether actual capacity is less than current capacity at non-CMS interconnects. Specifically, the Proposed Consent Order requires Consumers Energy to provide (for each interconnection point) the current capacity, current capacity as adjusted for maintenance and force majeure conditions (including the cause of the adjustment and the date it is expected to end), actual capacity, shipments nominated and confirmed (no later than the second business day of each month), and throughput for the previous month.<sup>3</sup> This information will permit industry participants to monitor access to CMS's intra-state distribution system.

The Proposed Consent Order, which will be effective for a period of ten years, requires Consumers Energy to incorporate these obligations into the tariffs it has filed with the Michigan Public Service Commission and into its contracts with shippers.

<sup>2</sup> The procedure is iterative in that the process repeats itself if Consumers Energy declines a shipper's return of gas because actual non-CMS interconnection capacity is less than current capacity, thereby giving the shipper additional time to settle the offset with Consumers Energy.

<sup>3</sup> The Proposed Consent Order requires the listing of "Recorded Throughput," meaning the data obtained electronically by Consumers Energy from its Supervisory Control And Data Acquisition system units located at each of the interconnection points at issue.

## V. Opportunity for Public Comment

The Proposed Consent Order has been placed on the public record for sixty (60) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the Proposed Consent Order and the comments received and will decide whether it should withdraw from the Proposed Consent Order or make the order final.

By accepting the Proposed Consent 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 Consent Order to aid the Commission in its determination of whether to make final the Proposed Consent Order. This analysis is not intended to constitute an official interpretation of the Proposed Consent Order, nor is it intended to modify the terms of the Proposed Consent Order in any way.

By direction of the Commission.

**Donald S. Clark,**

*Secretary.*

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## FEDERAL TRADE COMMISSION

[File No. 9923008]

### Delia's Inc.; 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 May 26, 1999.

**ADDRESSES:** Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580.

**FOR FURTHER INFORMATION CONTACT:** Carol Jennings, FTC/S-4302, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580, (202) 326-3010.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 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 sixty (60) 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 March 16, 1999), on the World Wide Web, at "http://www.ftc.gov/os/actions97.htm." A paper copy can be obtained from the FTC Public Reference Room, Room H-130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 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 Avenue, N.W., Washington, D.C. 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 Proposed Consent Order to Aid Public Comment**

The Federal Trade Commission has accepted, subject to final approval, an agreement to a proposed consent order from respondent Delia's Inc.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take other appropriate action or make final the agreement's proposed order.

This matter concerns practices related to the sale of textile and wool products by means of a print catalog and an on-line Internet catalog. The Commission's complaint charges that respondent violated the Federal Trade Commission Act, 15 U.S.C. 41 *et seq.*, the Textile Fiber Products Identification Act, 15

U.S.C. 70 *et seq.*, and the Wool Products Labeling Act, 15 U.S.C. 68 *et seq.*, by failing to disclose in its catalogs whether products offered for sale were made in the U.S.A., imported, or both.

Part I of the proposed consent order prohibits future violations of the Textile Fiber Products Identification Act, the Wool products Labeling Act, and Commission rules and regulations, found at 16 CFR parts 303 and 300, respectively, implementing the requirements of those statutes.

Part II of the proposed order requires the respondent, for five years after the date of issuance of the Order, to maintain records demonstrating compliance with the Order, including: (a) copies of mail order catalogs and mail order promotional materials, as defined in 16 CFR 303.1(u) and 300.1(h), that offer textile and/or wool products for direct sale to consumers; and (b) complaints and other communications with consumers, government agencies, or consumer protection organizations, pertaining to country-of-origin disclosures for textile and/or wool products.

Part III of the proposed order requires the respondent to distribute copies of the order to certain company officials and employees. Part IV of the proposed order requires the respondent to notify the Commission of any change in the corporation that may affect compliance obligations under the order. Part V of the proposed order requires the respondent to file one or more compliance reports. Part VI of the proposed order is a provision whereby the order, absent certain circumstances, terminates twenty years from the date of issuance.

The purpose of this analysis is to facilitate public comment on the proposed consent order. It is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

By direction of the Commission.

**Donald S. Clark,**

*Secretary.*

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#### **FEDERAL TRADE COMMISSION**

[File No. 9823257]

#### **Design Zone, Inc.; 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 May 26, 1999.

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

**FOR FURTHER INFORMATION CONTACT:** Carol Jennings, FTC/S-4302, 600 Pennsylvania Avenue, NW., Washington, DC 20580, (202) 326-3010.

**SUPPLEMENTARY INFORMATION:** Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and section 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 sixty (60) 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 March 16, 1999), on the World Wide Web, at "http://www.ftc.gov/os/actions97.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 Avenue, 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 Proposed Consent Order to Aid Public Comment**

The Federal Trade Commission has accepted, subject to final approval, an agreement to a proposed consent order