



Public Service Commission  
-M-E-M-O-R-A-N-D-U-M-

---

**DATE:** May 2, 2002  
**TO:** Division of the Commission Clerk & Administrative Services (Bayó)  
**FROM:** Division of Economic Regulation (Kyle) *[Signature]*  
**RE:** Docket No. 011190-SU, Tierre Verde Utilities, Inc.

---

Please place the enclosed letter from Mr. Carl Wenz, containing a settlement proposal, in the official file for Docket No. 011190-SU.

cc: Office of the General Counsel (Harris)

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- Sec \_\_\_\_\_
- CTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

04799 MAY-28

FPSC-COMMISSION CLERK

# UTILITIES, INC.

2335 Sanders Road  
Northbrook, Illinois 60062-6196  
Telephone 847 498-6440  
Facsimile 847 498-2066

March 20, 2002

Ms. Patricia W. Merchant  
Public Utilities Supervisor  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

via Fax (850) 413-6919 and U.S. Mail

RE: Tierra Verde Utilities, Inc. Earnings Issues for 2000, 2001 and 2002

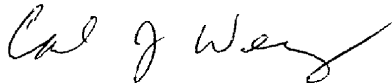
Dear Tricia:

This letter is to memorialize our agreement addressing your concerns about Tierra Verde Utilities, Inc.'s (TVUI) potential overearnings. In order to efficiently resolve this matter, TVUI will refund a total of \$10,000 to the current customers of the utility. The refund will be made as soon as practical after the approval of this agreement (note: Pinellas County bills for TVUI). This refund addresses your concerns regarding the possibility of overearnings in the year 2000.

Additionally, TVUI will review its 2001 by April 30, 2002 in order to determine if in fact any overearnings occurred for the year 2001. If the PSC Annual Report indicates an overearnings situation for 2001, TVUI will propose a settlement with the Staff to address a resolution of the problem for 2001 and later years. Any actual or projected earnings for 2001 and 2002 in excess of the maximum of the range of the leverage formula in effect at April 30, 2002 will be subject to the Commission's jurisdiction.

Regarding a lowering of TVUI's authorized return on equity and overall rate of return, we have agreed to table this issue pending the Commission's decision in Docket No. 011189-WS.

Respectfully submitted,



Carl J. Wenz  
Vice President, Regulatory Matters

ECONOMIC REGULATION

02 MAR 25 AM 11:28

FLORIDA PUBLIC SERVICE