

Chairman's Letter

Standards of Integrity

To TECO Energy board members and employees:

For over 100 years, the foundation of TECO Energy's business philosophy has been a strong sense of integrity. Like those who have preceded us, we have a duty to see that integrity prevails in all of our business operations and decisions.

This is why we will always conduct business based on principles of fair dealing, with the highest regard for the spirit and the letter of the law, for commonly accepted ethics, and for regulatory authority.

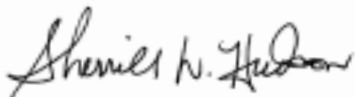
Through the years, our corporate integrity has also meant:

- A focus upon the best service possible to our customers;
- A return to the shareholders who have placed their trust in us;
- Opportunities and appreciation for the employee workforce that keeps our companies operating effectively;
- Support for the communities we serve;
- Committed stewardship for the environments in which we live and work; and
- Respect for diversity and the qualities that make each of us different.

Our board members and our employees (including officers) have the responsibility to preserve our company's respected reputation for integrity through our work, actions and decisions and through respect for and compliance with the laws that govern us. For that reason, you are given a copy of the Standards of Integrity booklet, and a list of the members of the Corporate Compliance Oversight Committee to contact should you have questions about a particular ethical or legal compliance issue.

Integrity is not a static goal to be reached, but an ongoing process to be lived every day. In holding to what we know is right, we can conduct our businesses successfully, knowing that our vision and our strategies are strengthened by the principles on which our company was founded.

I have every confidence that we can maintain these standards and preserve our well-established reputation for integrity.

A handwritten signature in black ink, reading "Sherrill W. Hudson". The signature is written in a cursive style.

Sherrill W. Hudson
Chairman of the Board and Chief Executive Officer