

TECO Energy's Energy Trading & Natural Gas Marketing and Price Reporting Code of Conduct

In keeping with the Federal Energy Regulatory Commission's Regulation 18 CFR § 284.403 (Natural Gas), 18 CFR § 35.37 (Electric) and the "Policy Statement On Natural Gas and Electric Price Indices", issued on July 24, 2003, in Docket No. PL03-3-000, TECO Energy and its subsidiaries, Tampa Electric Company and Peoples Gas System ("Subsidiaries") (collectively "TECO") hereby adopt the following Code of Conduct governing their natural gas and electric energy trading and price reporting activities:

1. **Applicability:** This Code of Conduct shall apply to all employees of TECO who engage in the purchase or sale of natural gas or electricity on behalf of the company and to all employees who engage in reporting such transactions to independent price-index developers.

2. **Ethical Standards**
 - a) In keeping with TECO's Standards of Integrity, employees shall conduct company business in compliance with all applicable international, federal, state and local laws, including, but not limited to the FERC "Anti-Manipulation Rules" and applicable requirements of the Commodity Futures Trading Commission and other governmental agencies to which the company is jurisdictional.
 - b) Employees shall not engage in energy transactions that have no legitimate business purpose and are intended to manipulate market prices, market conditions or, where present, market rules.
 - c) Neither TECO nor any of its employees shall collude with other market participants to affect the price or supply of a commodity, manipulate or divide markets, customers or products or otherwise unlawfully restrain competition.
 - d) Employees shall not knowingly:
 - i. use any fraudulent device, scheme or artifice, or make a material misrepresentation or a material omission as to which there is a duty to speak under a FERC-filed tariff, Commission order, rule or regulation; or
 - ii. engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any entity;
in connection with the purchase or sale of natural gas or electric energy or transportation of natural gas or transmission of electric energy.
 - e) TECO shall continue to maintain and enforce risk management policies and procedures designed to ensure compliance with this Code of Conduct.
 - f) All energy trading transactions shall be properly recorded, classified and summarized in accordance with TECO's accounting policies in order to

facilitate full, accurate, clear, fair and timely disclosure of the company's financial position.

3. Trading Practices

- a) No TECO Employee shall engage in energy trading on behalf of the company for the purpose of misrepresenting the financial condition of the company.
- b) No Employee shall arrange and execute simultaneous offsetting buy and sell trades that involve no economic risk and no net change in beneficial ownership, i.e. with the same counterparty and price, commodity, points of receipt and delivery, and quantity terms, with the intent to artificially affect reported revenues, trading volumes or prices.
- c) No employee shall engage in electric energy transactions or schedule electric energy resources with the intention of creating transmission congestion in order to manipulate prices or to jeopardize the security of dispatch operations.
- d) The Subsidiaries will separately and/or together "retain all relevant data relating to reported trades for a minimum of five years" (CITE: 18 CFR §284.403 and §35.37).

4. Price Reporting

- a) Employees charged with the responsibility for reporting data to index developers shall be independent from and not responsible for TECO's energy trading activities.
- b) The employees responsible for reporting trade data to independent price-index developers shall exercise due diligence to provide accurate and factual information and shall not knowingly submit false or misleading information or omit material information from such reports.
- c) Subject to the appropriate confidentiality agreements with the price-index developer, the Subsidiaries will report separately each bilateral transaction with non-affiliated companies in the physical (cash) markets for all applicable trades. Physical (cash) market reporting shall not include financial hedges, financial transactions or swaps or exchanges of gas or electricity. For each transaction, the following information shall be provided: (a) price; (b) volume; (c) buy/sell indicator; (d) delivery/receipt location; (e) transaction date and time; and (f) term (next day or next month).
- d) Errors in reported data shall be corrected by TECO as soon as practicable and TECO shall cooperate with index developers through the index developer's established error resolution process.
- e) TECO shall retain relevant data relating to reported trades and prices reported to independent index publishers, in keeping with the company's document retention policy, for a minimum of five years.

- f) TECO will notify the Federal Energy Regulatory Commission within 15 days of any change in its status of price reporting to independent index publishers.
- g) TECO shall annually engage an independent entity to audit its trading and price-reporting practices, including its "implementation of and adherence to (the) data gathering and submission process adopted by the company", to ensure they conform to this Code of Conduct, which may be amended from time-to-time, and the applicable regulations of the Federal Energy Regulatory Commission, the Commodity Futures Trading Commission, and any other governmental agency, and TECO Energy's Risk Management Policy.