



OUR RESPONSIBILITY TO THE COMMUNITY

We are part of the communities we energize. They are where we operate and where we live. It is not enough to be sure we have the resources to provide energy and energy products 25 years from now. We are part of these areas today.

FUNDS (2006)

- **Tampa Electric** paid over \$45 million in taxes and fees to local municipalities, primarily in Hillsborough, Polk, Highland, Pasco and Pinellas counties.
- **Peoples Gas** paid over \$24.5 million in taxes and fees to more than 100 communities throughout Florida.

Tampa Electric President Chuck Black dedicates a new solar energy array at Middleton High School in Tampa, Fla. Funded by Tampa Electric's Renewable Energy program, the array is the largest in Florida's schools.

We help our communities in four key ways. The first is through *TECO Energy providing funds for economic development initiatives and programs* in service areas of subsidiaries.

The second is through *stewardship*. Doing our part to keep the air, land and water clean for the future. Much of this is detailed in the **Environmental** portion of this report.

The third is through *active participation in the communities we serve* by volunteerism and social programs.

The fourth is through *emergency management*, those times when weather and related events bring communities together.

Economic Development

Tampa Electric and Peoples Gas work directly with local, state and regional agencies, chambers of commerce, the Tampa Bay Partnership and other economic development authorities to attract businesses to their service areas. They also support area builders and developers associations and Enterprise Florida, which markets the state to companies worldwide. This ultimately creates jobs and prosperity for the communities we serve, which

has significant impact on education, health and human services and the arts.

In addition, in 2006 alone, Tampa Electric purchased equipment and services totaling \$427.9 million with local businesses. Of that, \$24.8 million was business with minority vendors.

Community Involvement

The company's Community Relations team consists of regional managers who are responsible for government and community relations throughout Tampa Electric's and Peoples Gas' service territory. They work closely with government entities, business leaders and community organizations when it comes to the day-to-day operations of our business, supporting community events and providing leadership on boards and organizations that have impact.

These efforts often support economic development and social services to provide for the greater good of the community.

The company supports:

- *Chambers of commerce* throughout our service territories, including Brandon, North Tampa, Riverview, West Tampa, South Tampa, Plant City and the Greater Tampa Chamber.





The company works hard to communicate with the public about upcoming infrastructure projects.

- *Children and education-related programs*, such as Take Stock in Children; Boy and Girl Scouts; School Enrichment Resource Volunteers in Education; The Children's Board of Hillsborough County.

- *Civic organizations*, such as Rotary Clubs; Volunteer Improvement Partnership.

- *Women's support*, including participation in the Susan G. Komen 60-mile walk for Breast Cancer; The Centre for Women; and The Spring of Tampa Bay.

- *Professional associations* such as Refrigeration and Air Conditioning Contractors Association and the Tampa Bay Builders Association.

- *Miscellaneous groups*, such as Share of Florida; the Home Environment Advisory Committee for The University of Florida; the Friendship Trail Bridge Corp.; the City of Tampa Parks; Florida Kidney Disaster Coalition; Leadership Hillsborough; Leadership Tampa Bay; Tampa Connection; The Children's Board; and Junior Achievement, to name just a few.

OPEN HOUSES/COMMUNITY MEETINGS

Other community relations efforts include special community meetings that are held with customers affected by various operations and infrastructure activities. For example, meetings and open houses are held concerning new substations, transmission lines and power plant activities, such as the installation of selective catalytic reduction technology on the company's Big Bend Power Station.

Another example includes four open houses Tampa Electric hosted in February and March 2007, as the company prepared to start

a new power line project scheduled for completion in 2010. Residents were invited to discuss possible routes for a 230-kilovolt transmission line spanning 30 miles from Polk County to Hillsborough County.

In 2006, through the efforts of Community Relations regional managers at Tampa Electric, the company invested nearly \$150,000 and volunteer time to support diverse economic development efforts, including neighborhood comprehensive plans, chambers of commerce initiatives and events that help us market our communities for future growth.

In 2006, Tampa Electric provided nearly \$750,000 in community support and hundreds of volunteer hours serving on various state, local and regional boards.

Peoples Gas supports and works closely with chambers of commerce, economic development councils, professional associations and civic organizations in each of the communities it serves throughout Florida.

The Peoples Gas Charity Fishing Tournament has raised in excess of \$90,000 over the last three years to benefit Builders Care, a northeast Florida not-for-profit that repairs seriously deteriorated homes belonging to low-income, elderly and disabled members of the community.

Corporate Contributions

Between 2002 and 2006, TECO Energy contributed a total of \$8,131,000 to education, arts and culture, health and human services, and environmental initiatives (over and above Tampa Electric's environmental stewardship, detailed in the **Environmental** section of this report).

- Education

The company donated over \$2 million to educational institutions and programs from 2002 to 2006. Recipients included The University of Tampa, the University of South Florida Foundation, the Hillsborough Community College Foundation and the Hillsborough Education Foundation.

TECO Energy team members at all levels of the organization are highly involved in education, starting at the top.

President and Chief Operating Officer John Ramil is vice chairman of the Board of Trustees for the University of South Florida (USF).

Executive Vice President and Chief Financial Officer Gordon Gillette is chairman of the Hillsborough Education Foundation.

Senior Vice President and General Counsel Sheila McDevitt is Vice Chair of the Board of Governors for the Florida university system, as well as chairman of the board for Saint Leo University. She also chaired, at the request of former Florida Governor Jeb Bush, a special blue ribbon task force on the topic of increasing minority inclusion in the university system.

Peoples Gas President Bill Cantrell is on the Board of Trustees of The University of Tampa.

Tampa Electric President Chuck Black is on the Board of the College of Engineering at the University of South Florida.

Team members throughout the company take time each year to teach one or more classes at the Great American Teach-In and participate in school-based mentoring programs

through Big Brothers/Big Sisters, Junior Achievement and the Hillsborough Education Foundation.

TECO Energy believes the strength of the education system is a key facet of economic development. A strong educational system helps attract new businesses to an area, and a well-educated work force helps those new businesses and ours.

- Arts and Culture

TECO Energy has contributed almost \$1.5 million to arts and culture activities from 2002-2006. Key recipients have included the Florida Orchestra, the Tampa Bay History Center and the Tampa Bay Performing Arts Center.

We believe such programs are important tools to attract new businesses to our communities, and they also create a cultured and knowledgeable public.

- Health and Human Services

Over \$1.1 million has been donated to health and human services by TECO Energy between 2002 and 2006. Recipients have included The Centre for Women, the American Cancer Society, the Hurricane Relief Fund and the Salvation Army.

In addition, the company's total United Way pledge for the 2007 campaign was nearly \$760,000, including contributions from team members and the company.

Tampa Electric also provides services for low-income, elderly and disabled customers, which are detailed in the **Customer** section of this report.



Members of TECO Energy's Speakers Bureau speak on electrical and storm safety, and a variety of other topics, in classrooms and for numerous community groups.



The Tampa Bay Performing Arts Center

- Environmental

The company contributed \$174,987 to various environmental causes, over and above its considerable stewardship program, which is detailed in the Environmental section of this report and in the 2005 Environmental Report, available at tecoenergy.com/enviroreport.

Environmental recipients included the Tampa Audubon Society, the Tampa Bay Marine Institute and the Florida Coastal Islands Sanctuary, a program of Audubon of Florida.

Tampa Electric and Peoples Gas also communicate regularly with customers about conservation programs, detailed in this report's Environmental section and in the 2005 Environmental Report.

Volunteerism

Volunteerism is encouraged among team members at TECO Energy. In a recently conducted community involvement survey, team members reported volunteering over 66,000 hours during 2006. Over 38 percent of

the survey respondents participated in the TECO Energy VIP program through which TECO Energy makes a contribution of \$3 per volunteer hour to a given charity, up to a certain limit.

Much volunteer activity was in education, youth sports and human services agencies. One hundred thirty-two team members report serving on one or more community organization boards.

Tampa Electric

Tampa Electric team members participated extensively in volunteer activities ranging from school-based mentoring programs to providing home improvements for the elderly. Environmental volunteerism was also a prominent theme, with team members active in beach clean-up events and many other activities.

Peoples Gas

At Peoples Gas, team members across the state volunteered time to groups that include

TECO Energy team members participated in the 2006 American Heart Walk with one of the largest corporate presences in the area.





the American Heart Foundation; Kiwanis Club; Big Brothers/Big Sisters; United Way; Home at Last Pet Adoption; Florida Blood Services; Food Pantry; and the Literacy Foundation, as well as mentoring programs at schools.

TECO Coal

In 2006, TECO Coal donated over \$500,000 to the communities where it operates. TECO Coal was the major donor for Shelby Valley High School's new artificial turf and the scoreboard for Letcher County Central High School. In-kind donations were also given to local fire departments, emergency response groups and many civic organizations.

TECO Coal team members field a Relay for Life Team in their operational area, and in 2006, four teams raised over \$44,000 to support the American Cancer Society. TECO Coal was also among the top fundraisers in Buchanan County, Va., and in Whitley County, Ky.

TECO Coal was presented with an award in 2006 for its support of Project U.N.I.T.E., which combats substance abuse and addiction problems in East Kentucky through enforcement, treatment and education.

Each year during the holidays, The TECO Coal Children's Fund provides clothing and toys to as many as 900 underprivileged children in areas where the company has mining operations. The company also donates to support food charities in those areas.

TECO Coal was nominated for a "Friends of Education" award in the state of Kentucky for its work with the Whitley County school system in site preparation for some of its facilities. The

company has also worked with numerous high schools to renovate or build football and baseball fields.

TECO Guatemala

Since operations began, TECO Guatemala has been investing in the communities where its two power plants operate, focusing primarily in promoting education with the construction of schools.

The company began contributing materials and the volunteer time of its employees on the weekends to build classrooms and promote educational activities.

TECO Guatemala has constructed or rebuilt several small schools near its plant facilities. The company has also donated desks and chairs for the students and teachers.

In 2006, TECO Guatemala initiated a large-scale construction project at Los Lirios in Masagua, Guatemala. When completed in 2008, the school will have 16 classrooms and educate approximately 500 children in the area.

TECO Guatemala is also very active with a new project Universidad del Valle de Guatemala, in which every person in the community participates in some activity to help integrate the community itself. Some women in the community participate in cooking and sewing classes; children are now learning how to grow a fish species and earn money by selling their production. Other adults in the community are learning to read and write. There is also a school for parenting. TECO Guatemala has donated over \$100,000 to the project.



TECO Guatemala is active in improving educational opportunities in the areas it operates.



Tampa Electric works year-round to manage the fast-growing vegetation near its equipment.

Crisis Communication

When a community is in crisis, it's important that the electric and gas service providers have clear cut plans to deal with the crisis, responding quickly and working closely with local agencies.

Hurricane preparedness and restoration is of prime importance to any Florida utility.

Tampa Electric has a very detailed and comprehensive natural disaster preparedness and recovery plan designed to cover all aspects of emergency management.

Tampa Electric's Storm Implementation Plan is a key part of its joint approach with the Florida Public Service Commission, which is reviewing the infrastructure of the statewide grid to withstand severe weather conditions. The 2006 implementation plan included the company's existing response program and addresses some recent initiatives.

The company will spend more than \$3 million annually, a 37 percent increase based on current contractor rates, to implement its vegetation management plan. This plan provides a balance of trimming vegetation outside the right-of-way that are in danger of falling into distribution facilities. The plan calls for each circuit to be trimmed every three years, with special emphasis on areas identified by the company's reliability-based methodology.

Tampa Electric will spend over \$5 million each year for its pole inspection procedures, so that appropriate safety, reliability and capacity considerations are met regarding attachments to electric distribution poles.

The company has also expanded its transmission structure inspection program that identifies potential system issues using ground line, above ground and aerial inspection techniques. This enhanced inspection program is estimated to cost \$3 million.

The company's transmission and distribution geographic information system (GIS) will be fully implemented by the summer of 2007. This system replaces and enhances manual processes, and will aid the company in providing information on exact location of facilities and

performance. The incremental cost of enhancements to this system is about \$400,000.

The GIS will also enable post-storm data collection, and provide a basis for forensic analysis of data to determine the cause of equipment failures and assess preventive measures. The costs for this activity is a one-time expenditure of \$200,000 and a variable cost of \$100,000 for each storm.

The company will collect detailed outage data that can determine differences in reliability of overhead and underground systems. This will require enhancements to Tampa Electric's outage management system which will be completed in the summer of 2007 at a cost of \$500,000.

Tampa Electric team members conduct extensive mock storm drills each year prior to the start of the Atlantic hurricane season June 1. The drills are held within individual departments and as a whole through the company's Unified Command System. "After action" reviews are conducted following each storm to determine areas for improvement.

Tampa Electric participates in the Southeastern Electric Exchange's mutual assistance program, a cooperative arrangement wherein members support one another during times of natural disaster or other crises. The company most recently provided significant assistance to its fellow utilities following hurricanes Katrina, Rita and Wilma in 2005.

Tampa Electric won the Edison Electric Institute's Emergency Response Award for its



response to the unprecedented 2004 Florida hurricane season, in which four hurricanes directly impacted the company's service territory.

In preparation for future hurricane seasons, Peoples Gas adopted an Incident Command System in line with that of Tampa Electric. The emergency preparedness has included mock hurricane sessions. Vulnerability assessments were conducted in each location to determine specific needs and preparedness plans for each location.

Peoples Gas team members and families serve meals for Charlotte County families affected by the 2004 hurricane season.



Devastation in Auburndale, Fla. shows the amount of damage endured by Tampa Electric's system during the 2004 hurricane season.

Peoples Gas has also partnered with both the Southern Gas Association and American Gas Association for mutual assistance. Members can request or provide assistance to restore gas service when it has been disrupted and cannot be restored in a safe and timely manner by the affected companies alone.

Communication in Emergencies

Tampa Electric coordinates with local governments regarding critical service and restoration. Systems for local government involvement in reporting damaged or unsafe system conditions will be expanded across the company's service area.

During restoration after a storm, Tampa Electric communicates regularly with state and local officials, the news media and its customers. Power restoration updates, which include the number of outages remaining, the estimated time to fully restore power, safety information and other important details, are shared through a variety of channels. These include formal updates to state and local Emergency Operations Centers, news releases, media interviews and the company's Power Restoration Update Web page.