



**MARCH 2009**

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**TECO ENERGY, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

(All significant intercompany transactions have been eliminated in the consolidated financial statements.)

(millions except share data)	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2009	2008	2009	2008
<b>Revenues</b>				
Regulated electric and gas	\$653.8	\$640.2	\$2,791.8	\$2,785.8
Unregulated	170.2	151.5	615.7	720.7
Total revenues	<b>824.0</b>	791.7	<b>3,407.5</b>	3,506.5
<b>Expenses</b>				
Regulated operations				
Fuel	228.7	163.6	884.4	829.3
Purchased power	42.2	81.9	265.8	300.2
Cost of natural gas sold	88.3	119.0	445.9	401.1
Other	77.0	71.3	283.4	294.2
Operation other expense				
Mining related costs	118.5	107.2	451.9	448.0
Waterborne transportation costs	0.0	0.0	0.0	151.7
Other	4.1	4.3	18.0	17.4
Maintenance	52.4	46.0	180.2	180.5
Depreciation and amortization	69.7	65.0	270.9	257.0
Loss / (Gain) on sale, net of transaction related costs	0.0	0.9	0.0	(223.2)
Taxes, other than income	60.4	54.9	216.9	214.5
Total expenses	<b>741.3</b>	714.1	<b>3,017.4</b>	2,870.7
<b>Income from operations</b>	<b>82.7</b>	77.6	<b>390.1</b>	635.8
<b>Other income (expense)</b>				
Allowance for other funds used during construction	3.3	1.3	8.2	4.1
Other income	14.0	5.3	30.3	65.4
Loss on debt exchange / extinguishment	0.0	0.0	0.0	(32.9)
Income from equity investments	8.8	17.4	64.3	69.7
Total other income	<b>26.1</b>	24.0	<b>102.8</b>	106.3
<b>Interest charges</b>				
Interest expense	57.6	58.2	230.7	249.9
Allowance for borrowed funds used during construction	(1.3)	(0.5)	(3.2)	(1.5)
Total interest charges	<b>56.3</b>	57.7	<b>227.5</b>	248.4
<b>Income before provision for income taxes</b>	<b>52.5</b>	43.9	<b>265.4</b>	493.7
Provision for income taxes	17.8	13.1	99.1	195.5
<b>Income from Continuing Operations before Noncontrolling Interest</b>	<b>34.7</b>	30.8	<b>166.3</b>	298.2
Noncontrolling Interest	0.0	0.0	0.0	58.7
<b>Income from Continuing Operations</b>	<b>34.7</b>	30.8	<b>166.3</b>	356.9
<b>Discontinued operations</b>				
Income from discontinued operations	0.0	0.0	0.0	0.0
Income tax provision (benefit)	0.0	0.0	0.0	(14.3)
Total discontinued operations	<b>0.0</b>	0.0	<b>0.0</b>	14.3
<b>Net income</b>	<b>\$34.7</b>	\$30.8	<b>\$166.3</b>	\$371.2
<b>Average common shares outstanding - basic (millions)</b>	<b>211.4</b>	209.7	<b>211.0</b>	209.3
<b>Average common shares outstanding - diluted (millions)</b>	<b>212.2</b>	210.6	<b>211.8</b>	210.3
<b>Earnings per average common share outstanding:</b>				
Earnings per share from continuing operations -- basic	0.16	0.15	0.78	1.69
Earnings per share from continuing operations -- diluted	0.16	0.15	0.78	1.69
Earnings per share -- basic	0.16	0.15	0.78	1.76
Earnings per share -- diluted	0.16	0.15	0.78	1.76

**TECO ENERGY, Inc.**  
**CONSOLIDATED BALANCE SHEETS (Unaudited)**

(All significant intercompany transactions have been eliminated in the consolidated financial statements.)

(millions)	March 31, 2009	December 31, 2008
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$34.9	\$12.2
Short-term investments	0.0	2.4
Receivables	295.0	285.9
Inventories at average cost		
Fuel	122.8	90.2
Materials and supplies	67.9	72.8
Income tax receivables	2.1	3.5
Prepayments and other current assets	20.6	25.8
Current regulatory assets	238.5	272.6
<b>Total current assets</b>	<b>781.8</b>	<b>765.4</b>
<b>Property, plant and equipment</b>		
Utility plant in service		
Electric	5,590.5	5,528.3
Gas	984.2	964.4
Construction work in progress	521.5	463.5
Other property	362.4	354.8
Property plant and equipment at original cost	7,458.6	7,311.0
Accumulated depreciation	(2,110.8)	(2,089.7)
<b>Total property, plant and equipment, net</b>	<b>5,347.8</b>	<b>5,221.3</b>
<b>Other assets</b>		
Deferred income taxes	312.6	333.8
Other investments	17.1	21.3
Long-term regulatory assets	326.2	325.3
Investment in unconsolidated affiliates	280.9	284.0
Goodwill	59.4	59.4
Long-term derivative assets	0.3	0.1
Deferred charges and other assets	133.3	136.8
<b>Total other assets</b>	<b>1,129.8</b>	<b>1,160.7</b>
<b>Total assets</b>	<b>\$7,259.4</b>	<b>\$7,147.4</b>
<b>Liabilities and capital</b>		
<b>Current liabilities</b>		
Long-term debt due within one year		
Recourse	\$5.5	\$5.5
Non-recourse	1.4	1.4
Notes payable	136.0	93.0
Accounts payable	285.1	304.4
Other current liabilities	15.7	15.3
Customer deposits	146.5	144.6
Current derivative liabilities	168.9	132.1
Interest accrued	78.7	45.1
Taxes accrued	32.9	21.2
Current regulatory liabilities	27.5	21.7
<b>Total current liabilities</b>	<b>898.2</b>	<b>784.3</b>
<b>Other liabilities</b>		
Investment tax credits	11.1	11.2
Long-term regulatory liabilities	582.8	588.2
Long-term derivative liabilities	22.5	19.4
Deferred credits and other liabilities	532.1	530.0
Long-term debt, less amount due within one year		
Recourse	3,199.0	3,199.0
Non-recourse	6.2	7.6
<b>Total other liabilities</b>	<b>4,353.7</b>	<b>4,355.4</b>
<b>Total Liabilities</b>	<b>5,251.9</b>	<b>5,139.7</b>
<b>Capital</b>		
Common equity	212.9	212.9
Additional paid in capital	1,521.4	1,518.2
Retained earnings	314.7	322.6
Accumulated other comprehensive loss	(41.5)	(46.0)
<b>Total capital</b>	<b>2,007.5</b>	<b>2,007.7</b>
<b>Total liabilities and capital</b>	<b>\$7,259.4</b>	<b>\$7,147.4</b>
<b>Book Value Per Share</b>	<b>\$9.43</b>	<b>\$9.43</b>

**TECO ENERGY, Inc.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

(All significant intercompany transactions have been eliminated in the consolidated financial statements.)

(millions)	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2009	2008	2009	2008
<b>Cash flows from operating activities</b>				
Net income	\$34.7	\$30.8	\$166.3	\$371.2
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization	69.7	65.0	270.9	257.0
Deferred income taxes	18.1	15.5	98.0	171.0
Investment tax credits, net	(0.1)	(0.7)	(0.4)	(2.6)
Allowance for other funds used during construction	(3.3)	(1.3)	(8.2)	(4.1)
Non-cash stock compensation	1.8	2.4	9.1	11.5
Gain on sales of business / assets, pretax	(18.7)	(1.0)	(19.3)	(222.8)
Noncash debt extinguishment / exchange, pretax	0.0	0.0	0.0	2.6
Equity in earnings of unconsolidated affiliates, net of cash distributions on earnings	(7.1)	14.8	(44.8)	(7.9)
Noncontrolling interest	0.0	0.0	0.0	(58.7)
Derivatives marked to market	0.0	0.0	0.0	(63.8)
Deferred recovery clause	66.9	(11.4)	(37.5)	99.5
Receivables, less allowance for uncollectibles	(9.1)	(13.1)	14.0	(20.0)
Inventories	(27.7)	7.2	(44.0)	39.7
Prepayments and other current assets	5.2	1.0	1.3	2.5
Taxes accrued	13.1	1.3	(3.0)	(1.6)
Interest accrued	33.6	32.7	13.3	(20.9)
Accounts payable	(23.4)	(5.6)	(26.0)	1.1
Other	25.0	15.4	23.9	(5.6)
	<b>178.7</b>	<b>153.0</b>	<b>413.6</b>	<b>548.1</b>
<b>Cash flows from investing activities</b>				
Capital expenditures	(191.0)	(136.9)	(643.7)	(496.7)
Allowance for other funds used during construction	3.3	1.3	8.2	4.1
Net proceeds from sale of business / assets	29.1	(7.3)	37.0	390.0
Restricted cash	0.2	0.0	0.1	29.9
Distributions from unconsolidated affiliates	0.0	13.2	0.0	26.7
Other investments	2.4	76.3	2.3	119.6
	<b>(156.0)</b>	<b>(53.4)</b>	<b>(596.1)</b>	<b>73.6</b>
<b>Cash flows from financing activities</b>				
Dividends	(42.6)	(41.1)	(170.1)	(164.3)
Proceeds from sale of common stock	1.0	1.3	21.5	11.8
Proceeds from long-term debt	0.0	190.8	137.0	634.9
Repayment of long-term debt / Purchase in lieu of redemption	(1.4)	(288.1)	(7.1)	(1,352.8)
Debt exchange premiums	0.0	0.0	0.0	(21.2)
Noncontrolling interest	0.0	0.0	0.0	59.4
Net increase (decrease) in short-term debt	43.0	(7.0)	118.0	(33.0)
	<b>0.0</b>	<b>(144.1)</b>	<b>99.3</b>	<b>(865.2)</b>
Net increase (decrease) in cash and cash equivalents	22.7	(44.5)	(83.2)	(243.5)
Cash and cash equivalents at beginning of period	12.2	162.6	118.1	361.6
Cash and cash equivalents at end of period	<b>\$34.9</b>	<b>\$118.1</b>	<b>\$34.9</b>	<b>\$118.1</b>

# TECO ENERGY, Inc.

## SEGMENT INFORMATION (Unaudited)

<i>(millions)</i>		Tampa Electric	Peoples Gas	TECO Coal	TECO Guatemala	TECO Transport	Other & Eliminations	TECO Energy
<b>Three months ended March 31,</b>								
<b>2009</b>	Revenues - outsiders	\$ 507.3	\$ 146.5	\$ 168.1	\$ 2.1	\$ -	\$ -	\$ 824.0
	Sales to affiliates	0.3	6.5	-	-	-	(6.8)	-
	Total revenues	507.6	153.0	168.1	2.1	-	(6.8)	824.0
	Equity Earnings in Unconsolidated Affiliates	-	-	-	8.8	-	-	8.8
	Depreciation	48.0	10.8	10.6	0.2	-	0.1	69.7
	Total interest charges <sup>(1)</sup>	28.2	4.7	1.8	3.2	-	18.4	56.3
	Allocated interest expense (income) included above <sup>(1)</sup>	-	-	1.5	3.1	-	(4.6)	-
	Provision (Benefit) for income taxes	9.4	7.2	1.3	9.6	-	(9.7)	17.8
	Net income (loss) from continuing operations	\$ 18.3	\$ 11.2	\$ 8.0	\$ 13.2 <sup>(2)</sup>	\$ -	\$ (16.0) <sup>(3)</sup>	\$ 34.7
<b>2008</b>	Revenues - outsiders	\$ 461.2	\$ 179.0	\$ 149.1	\$ 2.3	\$ -	\$ 0.1	\$ 791.7
	Sales to affiliates	0.3	-	-	-	-	(0.3)	-
	Total revenues	461.5	179.0	149.1	2.3	-	(0.2)	791.7
	Equity Earnings in Unconsolidated Affiliates	-	-	-	17.4	-	-	17.4
	Depreciation	45.2	10.3	9.2	0.2	-	0.1	65.0
	Total interest charges <sup>(1)</sup>	29.4	4.2	2.5	3.8	-	17.8	57.7
	Allocated interest expense (income) included above <sup>(1)</sup>	-	-	2.3	3.8	-	(6.1)	-
	Provision (Benefit) for income taxes	8.5	6.4	1.9	1.9	-	(5.6)	13.1
	Net income (loss) from continuing operations	\$ 15.9	\$ 10.0	\$ 7.5	\$ 10.5	\$ -	\$ (13.1) <sup>(6)</sup>	\$ 30.8
<b>Twelve months ended March 31,</b>								
<b>2009</b>	Revenues - outsiders	\$ 2,135.9	\$ 655.9	\$ 607.3	\$ 8.1	\$ -	\$ 0.3	\$ 3,407.5
	Sales to affiliates	1.4	6.5	-	-	-	(7.9)	-
	Total revenues	2,137.3	662.4	607.3	8.1	-	(7.6)	3,407.5
	Equity Earnings in Unconsolidated Affiliates	-	-	-	64.0	-	0.3	64.3
	Depreciation	188.5	42.4	39.0	0.8	-	0.2	270.9
	Total interest charges <sup>(1)</sup>	113.5	18.7	7.4	14.7	-	73.2	227.5
	Allocated interest expense (income) included above <sup>(1)</sup>	-	-	6.0	14.4	-	(20.4)	-
	Provision (Benefit) for income taxes	82.8	18.0	1.8	22.6	-	(26.1) <sup>(3)</sup>	99.1
	Net income (loss) from continuing operations	\$ 138.0 <sup>(4)</sup>	\$ 28.3	\$ 18.6	\$ 39.5 <sup>(2)</sup>	\$ -	\$ (58.1) <sup>(3)(5)</sup>	\$ 166.3
<b>2008</b>	Revenues - outsiders	\$ 2,176.4	\$ 609.5	\$ 566.1	\$ 8.4	\$ 145.8	\$ 0.3	\$ 3,506.5
	Sales to affiliates	1.7	-	-	-	69.2	(70.9)	-
	Total revenues	2,178.1	609.5	566.1	8.4	215.0	(70.6)	3,506.5
	Equity Earnings in Unconsolidated Affiliates	-	-	-	69.8	(0.1)	-	69.7
	Depreciation	177.5	40.5	38.0	0.5	-	0.5	257.0
	Total interest charges <sup>(1)</sup>	114.8	17.1	12.2	15.2	3.5	85.6	248.4
	Allocated interest expense (income) included above <sup>(1)</sup>	-	-	11.3	14.9	1.1	(27.3)	-
	Provision (Benefit) for income taxes	82.7	15.9	28.1	8.4	12.0	48.4	195.5
	Net income (loss) from continuing operations	\$ 144.3	\$ 25.6	\$ 56.0	\$ 44.9	\$ 27.5	\$ 58.6 <sup>(6)(7)</sup>	\$ 356.9

- (1) Segment net income is reported on a basis that includes internally allocated financing costs. Allocated interest is included in "Total interest charges".
- (2) Results for the 3 and 12 months ended March 31, 2009 include a \$8.7 million gain related to the sale of Navega. Additionally, the 12 months ended March 31, 2009 results include \$9.6 million in taxes related to the repatriated cash and investments from Guatemala in the fourth quarter of 2008.
- (3) Results for the 3 and 12 months ended March 31, 2009 include a \$3.6 million loss related to the auction rate security valuation allowance. Additionally, the 12 months ended March 31, 2009 include a \$12.0 million valuation allowance in consolidated income taxes related to the cash and investments repatriated from Guatemala in the fourth quarter of 2008.
- (4) Results for the 12 months ended March 31, 2009 include a \$1.9 million after-tax charge related to a settlement in the fourth quarter of 2008 with the Florida Public Service Commission Staff of issues involving waterborne coal transportation services provided by a former affiliate company (TECO Transport).
- (5) Results for the 12 months ended March 31, 2009 include a \$3.2 million tax benefit booked in the fourth quarter of 2008 related to the sale of TECO Transport.
- (6) Results for the 12 months ended March 31, 2008 include \$15.2 million in after-tax transaction costs related to the sale of TECO Transport (\$8.3 million in the second quarter of 2007, \$2.9 million in the third quarter of 2007, \$3.3 million in the fourth quarter of 2007, and \$0.7 million in the first quarter of 2008).
- (7) Results for the 12 months ended March 31, 2008 include the \$149.6 million gain on the sale of TECO Transport and \$20.2 million of debt extinguishment costs.

**TAMPA ELECTRIC COMPANY**  
**ELECTRIC OPERATING STATISTICS (Unaudited)**

Three Months Ended March 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2009	2008	Percent Change	2009	2008	Percent Change
Residential	\$ 251,009	\$ 206,996	21.3	1,887,698	1,778,087	6.2
Commercial	166,282	147,473	12.8	1,399,862	1,468,015	(4.6)
Industrial -- Phosphate	20,958	16,622	26.1	246,845	244,636	0.9
Industrial -- Other	29,280	27,319	7.2	272,161	305,831	(11.0)
Other sales of electricity	49,994	42,606	17.3	414,512	418,585	(1.0)
	<b>517,523</b>	<b>441,016</b>	<b>17.3</b>	<b>4,221,078</b>	<b>4,215,154</b>	<b>0.1</b>
Deferred and other revenues	(32,488)	(7,255)	347.8	--	--	--
Sales for resale	12,135	16,036	(24.3)	145,537	189,146	(23.1)
Other operating revenue	10,487	10,792	(2.8)	--	--	--
SO <sub>2</sub> Allowance Sales	-	963	(100.0)	--	--	--
	<b>\$ 507,657</b>	<b>\$ 461,552</b>	<b>10.0</b>	<b>4,366,615</b>	<b>4,404,300</b>	<b>(0.9)</b>
Average customers	667,309	668,940	(0.2)	--	--	--
Retail Net Energy For Load				4,362,641	4,357,737	0.1
Total Degree Days				591	520	13.7

  

Twelve Months Ended March 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2009	2008	Percent Change	2009	2008	Percent Change
Residential	\$ 1,025,726	\$ 1,008,674	1.7	8,656,079	8,786,685	(1.5)
Commercial	657,781	654,491	0.5	6,330,566	6,550,704	(3.4)
Industrial -- Phosphate	70,400	70,832	(0.6)	971,344	1,023,143	(5.1)
Industrial -- Other	113,202	116,842	(3.1)	1,202,065	1,301,782	(7.7)
Other sales of electricity	193,107	180,502	7.0	1,835,475	1,781,086	3.1
	<b>2,060,216</b>	<b>2,031,341</b>	<b>1.4</b>	<b>18,995,529</b>	<b>19,443,400</b>	<b>(2.3)</b>
Deferred and other revenues	(43,526)	(55,419)	(21.5)	--	--	--
Sales for resale	65,783	69,462	(5.3)	840,362	896,210	(6.2)
Other operating revenue	44,042	40,625	8.4	--	--	--
SO <sub>2</sub> Allowance Sales	10,832	92,061	(88.2)	--	--	--
	<b>\$ 2,137,347</b>	<b>\$ 2,178,070</b>	<b>(1.9)</b>	<b>19,835,891</b>	<b>20,339,610</b>	<b>(2.5)</b>
Average customers	666,859	667,403	(0.1)	--	--	--
Retail Net Energy For Load				19,903,689	20,393,857	(2.4)
Total Degree Days				3,994	4,190	(4.7)

\* in thousands

**PEOPLES GAS SYSTEM  
GAS OPERATING STATISTICS (Unaudited)**

Three Months Ended March 31,	Operating Revenues*			Therms*		
	2009	2008	Percent Change	2009	2008	Percent Change
<b><i>By Customer Segment:</i></b>						
Residential	\$ 59,401	\$ 48,772	21.8	33,069	27,785	19.0
Commercial	47,233	44,365	6.5	110,096	106,996	2.9
Industrial	2,178	2,219	(1.8)	46,898	46,722	0.4
Off System Sales	26,414	68,574	(61.5)	51,013	78,542	(35.1)
Power generation	2,755	3,370	(18.2)	108,097	106,725	1.3
Other revenues	12,964	9,838	31.8	-	-	--
	<b>\$ 150,945</b>	<b>\$ 177,138</b>	<b>(14.8)</b>	<b>349,173</b>	<b>366,770</b>	<b>(4.8)</b>
<b><i>By Sales Type:</i></b>						
System supply	\$ 113,743	\$ 142,686	(20.3)	102,232	123,922	(17.5)
Transportation	24,238	24,614	(1.5)	246,941	242,848	1.7
Other revenues	12,964	9,838	31.8	-	-	--
	<b>\$ 150,945</b>	<b>\$ 177,138</b>	<b>(14.8)</b>	<b>349,173</b>	<b>366,770</b>	<b>(4.8)</b>
Average customers	335,604	336,123	(0.2)	--	--	--

Twelve Months Ended March 31,	Operating Revenues*			Therms*		
	2009	2008	Percent Change	2009	2008	Percent Change
<b><i>By Customer Segment:</i></b>						
Residential	\$ 161,087	\$ 134,600	19.7	79,660	68,717	15.9
Commercial	158,422	152,531	3.9	378,981	370,436	2.3
Industrial	8,202	9,370	(12.5)	189,698	181,678	4.4
Off System Sales	275,342	254,576	8.2	296,255	319,297	(7.2)
Power generation	12,051	15,237	(20.9)	456,976	512,961	(10.9)
Other revenues	39,623	36,362	9.0	-	-	--
	<b>\$ 654,727</b>	<b>\$ 602,676</b>	<b>8.6</b>	<b>1,401,570</b>	<b>1,453,089</b>	<b>(3.5)</b>
<b><i>By Sales Type:</i></b>						
System supply	\$ 527,034	\$ 475,591	10.8	436,086	449,695	(3.0)
Transportation	88,070	90,723	(2.9)	965,484	1,003,394	(3.8)
Other revenues	39,623	36,362	9.0	-	-	--
	<b>\$ 654,727</b>	<b>\$ 602,676</b>	<b>8.6</b>	<b>1,401,570</b>	<b>1,453,089</b>	<b>(3.5)</b>
Average customers	335,007	334,599	0.1	--	--	--

\* in thousands