



**JUNE 2008**

Figures appearing in these statements are presented as general information and not in connection with any sale or offer to sell or solicitation of an offer to buy any securities, nor are they intended as a representation by the company of the value of its securities. All figures reported are subject to adjustments as the annual audit by independent accountants may determine to be necessary and to the explanatory notes affecting income and balance sheet accounts contained in the company's Annual Report on Form 10-K. Reference should also be made to information contained in that and other reports filed by TECO Energy, Inc. and Tampa Electric Company with the Securities and Exchange Commission.

**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 June 30,		Six Months Ended June 30,		Twelve Months Ended June 30,	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Regulated electric and gas	<b>\$730.0</b>	\$687.5	<b>\$1,370.2</b>	\$1,328.1	<b>\$2,828.4</b>	\$2,676.0
Unregulated	<b>157.2</b>	179.0	<b>308.7</b>	359.7	<b>698.9</b>	761.0
Total revenues	<b>887.2</b>	866.5	<b>1,678.9</b>	1,687.8	<b>3,527.3</b>	3,437.0
<b>Expenses</b>						
Regulated operations						
Fuel	<b>176.2</b>	207.3	<b>339.8</b>	396.4	<b>798.1</b>	816.4
Purchased power	<b>115.9</b>	69.5	<b>197.8</b>	123.1	<b>346.6</b>	254.0
Cost of natural gas sold	<b>133.8</b>	92.5	<b>252.8</b>	200.2	<b>442.6</b>	354.6
Other	<b>71.9</b>	68.4	<b>143.2</b>	126.0	<b>297.6</b>	277.2
Operation other expense						
Mining related costs	<b>116.8</b>	100.0	<b>224.0</b>	194.5	<b>464.9</b>	424.8
Waterborne transportation costs	<b>0.0</b>	54.3	<b>0.0</b>	109.0	<b>97.4</b>	221.7
Other	<b>5.6</b>	4.1	<b>9.9</b>	7.6	<b>18.9</b>	16.6
Maintenance	<b>45.6</b>	47.4	<b>91.6</b>	96.4	<b>178.7</b>	184.9
Depreciation and amortization	<b>64.9</b>	66.8	<b>129.9</b>	138.4	<b>255.2</b>	279.6
Gain on sale, net of transaction related costs	<b>0.0</b>	13.5	<b>0.9</b>	16.3	<b>(236.7)</b>	16.3
Sale of previously impaired assets / Asset impairments	<b>0.0</b>	0.0	<b>0.0</b>	0.0	<b>0.0</b>	(10.0)
Taxes, other than income	<b>54.1</b>	55.0	<b>109.0</b>	113.8	<b>213.5</b>	221.1
Total expenses	<b>784.8</b>	778.8	<b>1,498.9</b>	1,521.7	<b>2,876.8</b>	3,057.2
<b>Income from operations</b>	<b>102.4</b>	87.7	<b>180.0</b>	166.1	<b>650.5</b>	379.8
<b>Other income (expense)</b>						
Allowance for other funds used during construction	<b>1.7</b>	1.1	<b>3.0</b>	2.8	<b>4.7</b>	4.9
Other income	<b>4.0</b>	22.6	<b>9.3</b>	74.5	<b>46.8</b>	138.3
Loss on debt exchange / extinguishment	<b>0.0</b>	0.0	<b>0.0</b>	0.0	<b>(32.9)</b>	(2.5)
Income from equity investments	<b>21.6</b>	18.7	<b>39.0</b>	34.9	<b>72.6</b>	65.3
Total other income	<b>27.3</b>	42.4	<b>51.3</b>	112.2	<b>91.2</b>	206.0
<b>Interest charges</b>						
Interest expense	<b>56.6</b>	66.1	<b>114.8</b>	133.9	<b>240.4</b>	274.0
Allowance for borrowed funds used during construction	<b>(0.7)</b>	(0.4)	<b>(1.2)</b>	(1.1)	<b>(1.8)</b>	(1.9)
Total interest charges	<b>55.9</b>	65.7	<b>113.6</b>	132.8	<b>238.6</b>	272.1
<b>Income before provision for income taxes</b>	<b>73.8</b>	64.4	<b>117.7</b>	145.5	<b>503.1</b>	313.7
Provision for income taxes	<b>22.4</b>	25.3	<b>35.5</b>	57.1	<b>192.6</b>	125.8
<b>Income from Continuing Operations before minority interest</b>	<b>51.4</b>	39.1	<b>82.2</b>	88.4	<b>310.5</b>	187.9
Minority Interest	<b>0.0</b>	20.3	<b>0.0</b>	43.8	<b>38.4</b>	72.5
<b>Income from Continuing Operations</b>	<b>51.4</b>	59.4	<b>82.2</b>	132.2	<b>348.9</b>	260.4
<b>Discontinued operations</b>						
Income from discontinued operations	<b>0.0</b>	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.0
Income tax provision (benefit)	<b>0.0</b>	(14.3)	<b>0.0</b>	(14.3)	<b>0.0</b>	(14.8)
Total discontinued operations	<b>0.0</b>	14.3	<b>0.0</b>	14.3	<b>0.0</b>	14.8
<b>Net income</b>	<b>\$51.4</b>	\$73.7	<b>\$82.2</b>	\$146.5	<b>\$348.9</b>	\$275.2
<b>Average common shares outstanding - basic (millions)</b>						
	<b>210.4</b>	208.9	<b>210.1</b>	208.8	<b>209.7</b>	208.5
<b>Average common shares outstanding - diluted (millions)</b>						
	<b>212.1</b>	210.0	<b>211.6</b>	209.7	<b>211.1</b>	209.2
<b>Earnings per average common share outstanding:</b>						
Earnings per share from continuing operations -- basic	<b>0.24</b>	0.28	<b>0.39</b>	0.63	<b>1.66</b>	1.25
Earnings per share from continuing operations -- diluted	<b>0.24</b>	0.28	<b>0.39</b>	0.63	<b>1.65</b>	1.25
Earnings per share -- basic	<b>0.24</b>	0.35	<b>0.39</b>	0.70	<b>1.66</b>	1.32
Earnings per share -- diluted	<b>0.24</b>	0.35	<b>0.39</b>	0.70	<b>1.65</b>	1.32

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

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

(millions)	Jun-30-2008	Dec-31-2007
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$171.8	\$162.6
Restricted cash	7.5	7.4
Short-term investments	2.4	0.0
Receivables	330.8	295.9
Crude oil options receivable, net	0.0	78.5
Inventories at average cost		
Fuel	92.6	85.8
Materials and supplies	69.3	68.2
Current derivative assets	142.8	0.3
Income tax receivables	0.2	0.7
Prepayments and other current assets	25.1	23.0
Current regulatory assets	138.5	67.4
<b>Total current assets</b>	<b>981.0</b>	<b>789.8</b>
<b>Property, plant and equipment</b>		
Utility plant in service		
Electric	5,388.4	5,275.2
Gas	935.0	917.4
Construction work in progress	365.9	364.8
Other property	348.6	336.4
Property plant and equipment at original cost	7,037.9	6,893.8
Accumulated depreciation	(2,028.6)	(2,005.6)
<b>Total property, plant and equipment, net</b>	<b>5,009.3</b>	<b>4,888.2</b>
<b>Other assets</b>		
Deferred income taxes	384.8	424.9
Other investments	22.0	22.9
Long-term regulatory assets	184.5	186.8
Investment in unconsolidated affiliates	269.2	275.5
Goodwill	59.4	59.4
Long-term derivative assets	24.8	1.9
Deferred charges and other assets	118.6	115.8
<b>Total other assets</b>	<b>1,063.3</b>	<b>1,087.2</b>
<b>Total assets</b>	<b>\$7,053.6</b>	<b>\$6,765.2</b>
<b>Liabilities and capital</b>		
<b>Current liabilities</b>		
Long-term debt due within one year		
Recourse	\$5.7	\$5.7
Non-recourse	1.4	1.4
Notes payable	0.0	25.0
Accounts payable	356.6	302.1
Other current liabilities	15.3	18.0
Customer deposits	142.9	138.1
Current derivative liabilities	0.0	26.0
Interest accrued	47.7	32.7
Taxes accrued	48.4	33.2
Current regulatory liabilities	174.8	35.4
<b>Total current liabilities</b>	<b>792.8</b>	<b>617.6</b>
<b>Other liabilities</b>		
Investment tax credits	11.2	12.2
Long-term regulatory liabilities	611.1	582.7
Long-term derivative liabilities	0.4	0.1
Deferred credits and other liabilities	398.3	377.2
Long-term debt, less amount due within one year		
Recourse	3,204.4	3,149.4
Non-recourse	7.7	9.0
<b>Total other liabilities</b>	<b>4,233.1</b>	<b>4,130.6</b>
<b>Total Liabilities</b>	<b>5,025.9</b>	<b>4,748.2</b>
<b>Capital</b>		
Common equity	212.7	210.9
Additional paid in capital	1,512.9	1,489.2
Retained earnings	332.9	334.1
Accumulated other comprehensive loss	(30.8)	(17.2)
<b>Total capital</b>	<b>2,027.7</b>	<b>2,017.0</b>
<b>Total liabilities and capital</b>	<b>\$7,053.6</b>	<b>\$6,765.2</b>
<b>Book Value Per Share</b>	<b>\$9.53</b>	<b>\$9.57</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		Six Months Ended		Twelve Months Ended	
	June 30,		June 30,		June 30,	
	2008	2007	2008	2007	2008	2007
<b>Cash flows from operating activities</b>						
Net income	\$51.4	\$73.7	\$82.2	\$146.5	\$348.9	\$275.2
Adjustments to reconcile net income to net cash from operating activities:						
Depreciation and amortization	64.9	66.8	129.9	138.4	255.2	279.6
Deferred income taxes	24.2	8.3	39.7	37.6	186.9	101.8
Investment tax credits, net	(0.3)	(0.7)	(1.0)	(1.3)	(2.2)	(2.6)
Allowance for other funds used during construction	(1.7)	(1.1)	(3.0)	(2.8)	(4.7)	(4.9)
Non-cash stock compensation	3.7	4.9	6.1	7.4	10.2	11.9
Gain on sales of business / assets, pretax	(0.1)	(20.2)	(1.1)	(44.5)	(202.7)	(84.8)
Noncash debt extinguishment / exchange, pretax	0.0	0.0	0.0	0.0	2.6	2.5
Equity in earnings of unconsolidated affiliates, net of cash distributions on earnings	(21.6)	(18.7)	(6.8)	(13.9)	(10.8)	(13.7)
Minority interest	0.0	(20.3)	0.0	(43.8)	(38.4)	(72.5)
Derivatives marked to market	0.0	6.5	0.0	(12.3)	(70.4)	(2.6)
Deferred recovery clause	(81.0)	13.9	(92.4)	26.7	4.6	12.5
Receivables, less allowance for uncollectibles	(20.9)	(8.6)	(34.0)	7.1	10.0	(5.5)
Inventories	(15.1)	(24.5)	(7.9)	(66.7)	49.2	(62.2)
Prepayments and other current assets	(3.1)	(4.2)	(2.1)	(2.4)	3.5	(1.5)
Taxes accrued	14.4	16.3	15.7	45.7	(3.4)	5.5
Interest accrued	(17.7)	(35.0)	15.0	0.8	(3.6)	(3.5)
Accounts payable	82.5	15.0	76.9	(21.4)	26.4	11.1
Other	5.9	2.7	21.3	32.6	(2.4)	76.3
	<b>85.5</b>	<b>74.8</b>	<b>238.5</b>	<b>233.7</b>	<b>558.9</b>	<b>522.6</b>
<b>Cash flows from investing activities</b>						
Capital expenditures	(128.8)	(137.6)	(265.7)	(272.1)	(488.1)	(548.6)
Allowance for other funds used during construction	1.7	1.1	3.0	2.8	4.7	4.9
Net proceeds from sale of business / assets	0.0	37.6	(7.3)	45.5	352.5	117.9
Restricted cash	0.0	(0.1)	0.0	(0.1)	29.9	(0.1)
Distributions from unconsolidated affiliates	0.0	0.0	13.2	14.0	26.7	21.3
Other investments	(0.1)	(2.3)	76.2	(46.1)	121.9	(53.9)
	<b>(127.2)</b>	<b>(101.3)</b>	<b>(180.6)</b>	<b>(256.0)</b>	<b>47.6</b>	<b>(458.5)</b>
<b>Cash flows from financing activities</b>						
Dividends	(42.4)	(41.0)	(83.5)	(80.8)	(165.6)	(160.3)
Proceeds from sale of common stock	18.7	4.8	20.0	8.4	25.5	17.3
Proceeds from long-term debt	137.1	321.0	327.9	321.0	451.1	320.8
Repayment of long-term debt / Purchase in lieu of redemption	0.0	(375.0)	(288.1)	(447.8)	(977.8)	(559.9)
Debt exchange premiums	0.0	0.0	0.0	0.0	(21.2)	0.0
Minority interest	0.0	26.0	0.0	47.8	33.4	70.5
Net decrease in short-term debt	(18.0)	(51.0)	(25.0)	(48.0)	0.0	0.0
	<b>95.4</b>	<b>(115.2)</b>	<b>(48.7)</b>	<b>(199.4)</b>	<b>(654.6)</b>	<b>(311.6)</b>
Net increase (decrease) in cash and cash equivalents	53.7	(141.7)	9.2	(221.7)	(48.1)	(247.5)
Cash and cash equivalents at beginning of period	118.1	361.6	162.6	441.6	219.9	467.4
Cash and cash equivalents at end of period	<b>\$171.8</b>	<b>\$219.9</b>	<b>\$171.8</b>	<b>\$219.9</b>	<b>\$171.8</b>	<b>\$219.9</b>

**TECO ENERGY, Inc.**  
**SEGMENT INFORMATION (Unaudited)**

<i>(millions)</i>	Tampa	Peoples	TECO	TECO	TECO	Other &	TECO
	Electric	Gas	Coal	Guatemala	Transport <sup>(8)</sup>	Eliminations	Energy
<b>Three months ended Jun. 30,</b>							
<b>2008</b>	Revenues - outsiders	\$ 545.7	\$ 184.3	\$ 155.2	\$ 2.0	\$ -	\$ 887.2
	Sales to affiliates	0.4	-	-	-	(0.4)	-
	Total revenues	546.1	184.3	155.2	2.0	(0.4)	887.2
	Equity Earnings in Unconsolidated Affiliates	-	-	-	21.6	-	21.6
	Depreciation	45.0	10.3	9.3	0.2	0.1	64.9
	Total interest charges <sup>(1)</sup>	27.9	4.5	2.0	3.7	17.8	55.9
	Allocated interest expense <sup>(1)</sup>	-	-	1.5	3.6	(5.1)	-
	Provision (Benefit) for income taxes	23.6	3.4	0.2	2.1	(6.9)	22.4
	Net income (loss) from continuing operations	\$ 40.2	\$ 5.3	\$ 4.2	\$ 14.9	\$ (13.2)	\$ 51.4
<b>2007</b>	Revenues - outsiders	\$ 544.3	\$ 143.2	\$ 127.1	\$ 2.1	\$ 49.6	\$ 866.5
	Sales to affiliates	0.4	-	-	-	(28.7)	-
	Total revenues	544.7	143.2	127.1	2.1	(28.5)	866.5
	Equity Earnings in Unconsolidated Affiliates	-	-	-	18.7	-	18.7
	Depreciation	47.3	10.0	9.1	0.2	0.2	66.8
	Total interest charges <sup>(1)</sup>	28.5	4.3	3.3	3.7	24.7	65.7
	Allocated interest expense <sup>(1)</sup>	-	-	3.1	3.6	(6.5)	-
	Provision (Benefit) for income taxes	19.4	3.4	7.7	2.1	(12.0)	25.3
	Net income (loss) from continuing operations	\$ 34.7	\$ 5.4	\$ 20.8	\$ 12.8	\$ (23.9)	\$ 59.4
<b>Six months ended Jun. 30,</b>							
<b>2008</b>	Revenues - outsiders	\$ 1,006.9	\$ 363.3	\$ 304.3	\$ 4.3	\$ 0.1	\$ 1,678.9
	Sales to affiliates	0.7	-	-	-	(0.7)	-
	Total revenues	1,007.6	363.3	304.3	4.3	(0.6)	1,678.9
	Equity Earnings in Unconsolidated Affiliates	-	-	-	39.0	-	39.0
	Depreciation	90.2	20.6	18.5	0.4	0.2	129.9
	Total interest charges <sup>(1)</sup>	57.3	8.7	4.5	7.5	35.6	113.6
	Allocated interest expense <sup>(1)</sup>	-	-	3.8	7.4	(11.2)	-
	Provision (Benefit) for income taxes	32.1	9.8	2.1	4.0	(12.5)	35.5
	Net income (loss) from continuing operations	\$ 56.1	\$ 15.3	\$ 11.7	\$ 25.4	\$ (26.3)	\$ 82.2
<b>2007</b>	Revenues - outsiders	\$ 1,015.7	\$ 312.4	\$ 254.6	\$ 4.0	\$ 100.9	\$ 1,687.8
	Sales to affiliates	0.9	-	-	-	(53.2)	-
	Total revenues	1,016.6	312.4	254.6	4.0	(53.0)	1,687.8
	Equity Earnings in Unconsolidated Affiliates	-	-	-	34.8	0.1	34.9
	Depreciation	93.7	19.8	18.6	0.4	0.3	138.4
	Total interest charges <sup>(1)</sup>	55.3	8.4	6.1	7.5	52.9	132.8
	Allocated interest expense <sup>(1)</sup>	-	-	5.7	7.3	(12.6)	-
	Provision (Benefit) for income taxes	30.4	10.3	27.7	3.4	(20.9)	57.1
	Net income (loss) from continuing operations	56.5	16.4	63.2	23.1	(43.0)	\$ 132.2
<b>Twelve months ended Jun. 30,</b>							
<b>2008</b>	Revenues - outsiders	\$ 2,177.7	\$ 650.6	\$ 594.1	\$ 8.3	\$ 96.3	\$ 3,527.3
	Sales to affiliates	1.6	-	-	-	(42.5)	-
	Total revenues	2,179.3	650.6	594.1	8.3	(42.2)	3,527.3
	Equity Earnings in Unconsolidated Affiliates	-	-	-	72.8	(0.2)	72.6
	Depreciation	175.0	41.0	38.3	0.5	0.4	255.2
	Total interest charges <sup>(1)</sup>	114.2	17.4	10.8	15.2	78.8	238.6
	Allocated interest expense <sup>(1)</sup>	-	-	9.7	14.9	(25.8)	-
	Provision (Benefit) for income taxes	86.8	15.9	20.7	8.5	53.4	192.6
	Net income (loss) from continuing operations	\$ 149.8	\$ 25.5	\$ 39.4	\$ 47.0	\$ 18.0	\$ 348.9
<b>2007</b>	Revenues - outsiders	\$ 2,109.7	\$ 566.3	\$ 544.7	\$ 7.8	\$ 208.2	\$ 3,437.0
	Sales to affiliates	1.9	-	-	-	(103.0)	-
	Total revenues	2,111.6	566.3	544.7	7.8	(102.7)	3,437.0
	Equity Earnings in Unconsolidated Affiliates	-	-	-	65.2	(0.3)	65.3
	Depreciation	187.0	38.1	36.8	0.6	16.7	279.6
	Total interest charges <sup>(1)</sup>	109.4	16.3	11.8	15.1	114.9	272.1
	Allocated interest expense <sup>(1)</sup>	-	-	10.8	14.7	(24.2)	-
	Provision (Benefit) for income taxes	75.8	17.5	50.3	6.0	(36.2)	125.8
	Net income (loss) from continuing operations	\$ 132.8	\$ 27.6	\$ 103.9	\$ 43.8	\$ 27.1	\$ 260.4

(1) Segment net income is reported on a basis that includes internally allocated financing costs. Allocated interest is included in "Total interest charges".

(2) TECO Transport's results include net storm costs of \$0.9 million for the 12 months ended Jun. 30, 2007.

(3) Beginning Apr. 1, 2007, no depreciation expense was recognized for TECO Transport as a result of the assets being classified as "held for sale". Depreciation expense for the second, third and fourth quarters of 2007 would have been \$3.6, \$3.6 and \$2.5 million, respectively.

(4) Results for the 12 months ended Jun. 30, 2007 include a \$3.1 million gain on the sale of a steam turbine originally reported in TECO Guatemala in the fourth quarter of 2006 and a \$2.6 million gain on the sale of another steam turbine originally reported in TECO Guatemala in the third quarter of 2006.

(5) Results for the 12 months ended Jun. 30, 2008 include \$7.0 million in after-tax transaction costs related to the sale of TECO Transport (\$3.0 in the third quarter of 2007, \$3.3 in the fourth quarter of 2007, and \$0.7 in the first quarter of 2008).

(6) Results for the 12 months ended Jun. 30, 2007 include \$10.1 million in after-tax transaction costs related to the sale of TECO Transport (\$1.8 in the first quarter of 2007 and \$8.3 in the second quarter of 2007).

(7) Results for the 12 months ended Jun. 30, 2008 include the \$149.6 million gain on the sale of TECO Transport and \$20.2 million of debt extinguishment costs.

(8) As a result of the sale, TECO Transport's results are through Dec. 3, 2007.

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

Three Months Ended June 30,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2008	2007	Percent Change	2008	2007	Percent Change
Residential	\$ 247,254	\$ 238,401	3.7	2,153,445	2,068,268	4.1
Commercial	161,872	160,256	1.0	1,621,521	1,598,169	1.5
Industrial -- Phosphate	16,468	17,389	(5.3)	240,165	249,113	(3.6)
Industrial -- Other	30,353	30,113	0.8	324,242	334,919	(3.2)
Other sales of electricity	46,811	43,443	7.8	463,998	425,180	9.1
	<b>502,758</b>	<b>489,602</b>	<b>2.7</b>	<b>4,803,371</b>	<b>4,675,649</b>	<b>2.7</b>
Deferred and other revenues	13,027	10,926	19.2	--	--	--
Sales for resale	19,144	17,571	9.0	230,654	223,118	3.4
Other operating revenue	10,100	9,032	11.8	--	--	--
SO <sub>2</sub> Allowance Sales	999	17,636	(94.3)	--	--	--
	<b>\$ 546,028</b>	<b>\$ 544,767</b>	<b>0.2</b>	<b>5,034,025</b>	<b>4,898,767</b>	<b>2.8</b>
Average customers	667,617	666,011	0.2	--	--	--
Retail Net Energy For Load				5,277,996	5,168,563	2.1
Total Degree Days				1,216	1,130	7.6

  

Six Months Ended June 30,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2008	2007	Percent Change	2008	2007	Percent Change
Residential	\$ 454,250	\$ 454,664	(0.1)	3,931,532	3,930,887	0.0
Commercial	309,345	306,863	0.8	3,089,536	3,057,005	1.1
Industrial -- Phosphate	33,090	36,162	(8.5)	484,801	520,476	(6.9)
Industrial -- Other	57,672	58,773	(1.9)	630,073	654,609	(3.7)
Other sales of electricity	89,417	83,900	6.6	882,583	817,179	8.0
	<b>943,774</b>	<b>940,362</b>	<b>0.4</b>	<b>9,018,525</b>	<b>8,980,156</b>	<b>0.4</b>
Deferred and other revenues	5,771	7,353	(21.5)	--	--	--
Sales for resale	35,181	33,138	6.2	419,800	421,190	(0.3)
Other operating revenue	20,892	18,192	14.8	--	--	--
SO <sub>2</sub> Allowance Sales	1,962	17,636	(88.9)	--	--	--
	<b>\$ 1,007,580</b>	<b>\$ 1,016,681</b>	<b>(0.9)</b>	<b>9,438,325</b>	<b>9,401,346</b>	<b>0.4</b>
Average customers	668,280	665,376	0.4	--	--	--
Retail Net Energy For Load				9,635,662	9,580,886	0.6
Total Degree Days				1,736	1,714	1.3

  

Twelve Months Ended June 30,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2008	2007	Percent Change	2008	2007	Percent Change
Residential	\$ 1,017,527	\$ 971,935	4.7	8,871,862	8,669,515	2.3
Commercial	656,108	624,114	5.1	6,574,056	6,418,229	2.4
Industrial -- Phosphate	69,911	68,732	1.7	1,014,195	1,018,931	(0.5)
Industrial -- Other	117,081	116,295	0.7	1,291,105	1,335,851	(3.3)
Other sales of electricity	183,871	168,975	8.8	1,819,904	1,699,378	7.1
	<b>2,044,498</b>	<b>1,950,051</b>	<b>4.8</b>	<b>19,571,122</b>	<b>19,141,904</b>	<b>2.2</b>
Deferred and other revenues	(53,318)	37,101	--	--	--	--
Sales for resale	71,035	65,887	7.8	903,746	812,984	11.2
Other operating revenue	41,692	38,103	9.4	--	--	--
SO <sub>2</sub> Allowance Sales	75,424	20,500	--	--	--	--
	<b>\$ 2,179,331</b>	<b>\$ 2,111,642</b>	<b>3.2</b>	<b>20,474,868</b>	<b>19,954,888</b>	<b>2.6</b>
Average customers	667,805	661,254	1.0	--	--	--
Retail Net Energy For Load				20,503,219	20,067,273	2.2
Total Degree Days				4,276	4,100	4.3

\* in thousands

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

Three Months Ended June 30,	Operating Revenues*			Therms*		
	2008	2007	Percent Change	2008	2007	Percent Change
<i>By Customer Segment:</i>						
Residential	\$ 32,182	\$ 31,038	3.7	14,819	14,437	2.6
Commercial	38,065	41,429	(8.1)	90,783	92,118	(1.4)
Industrial	2,271	2,409	(5.7)	53,432	48,434	10.3
Off System Sales	97,806	53,624	82.4	82,109	65,893	24.6
Power generation	3,789	3,549	6.8	132,920	117,146	13.5
Other revenues	8,591	9,426	(8.9)	--	-	--
	\$ 182,704	\$ 141,475	29.1	374,063	338,028	10.7

<i>By Sales Type:</i>						
System supply	\$ 151,672	\$ 109,730	38.2	111,010	96,478	15.1
Transportation	22,441	22,319	0.5	263,053	241,550	8.9
Other revenues	8,591	9,426	(8.9)	--	-	--
	\$ 182,704	\$ 141,475	29.1	374,063	338,028	10.7

Average customers	336,283	335,183	0.3	--	--	--
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Six Months Ended June 30,	Operating Revenues*			Therms*		
	2008	2007	Percent Change	2008	2007	Percent Change
<i>By Customer Segment:</i>						
Residential	\$ 80,953	\$ 85,370	(5.2)	42,605	43,591	(2.3)
Commercial	82,430	91,655	(10.1)	197,780	199,618	(0.9)
Industrial	4,490	4,931	(8.9)	100,154	99,822	0.3
Off System Sales	166,380	100,413	65.7	160,651	128,624	24.9
Power generation	7,159	6,325	13.2	239,644	182,598	31.2
Other revenues	18,430	20,273	(9.1)	--	-	--
	\$ 359,842	\$ 308,967	16.5	740,834	654,253	13.2

<i>By Sales Type:</i>						
System supply	\$ 294,358	\$ 242,366	21.5	234,932	208,571	12.6
Transportation	47,054	46,328	1.6	505,902	445,682	13.5
Other revenues	18,430	20,273	(9.1)	--	-	--
	\$ 359,842	\$ 308,967	16.5	740,834	654,253	13.2

Average customers	336,204	335,143	0.3	--	--	--
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Twelve Months Ended June 30,	Operating Revenues*			Therms*		
	2008	2007	Percent Change	2008	2007	Percent Change
<i>By Customer Segment:</i>						
Residential	\$ 135,744	\$ 140,717	(3.5)	69,099	72,156	(4.2)
Commercial	149,167	161,111	(7.4)	369,102	377,129	(2.1)
Industrial	9,232	10,991	(16.0)	186,675	196,146	(4.8)
Off System Sales	298,758	190,799	56.6	335,514	249,908	34.3
Power generation	15,477	13,685	13.1	528,734	397,585	33.0
Other revenues	35,527	42,826	(17.0)	--	-	--
	\$ 643,905	\$ 560,129	15.0	1,489,124	1,292,924	15.2

<i>By Sales Type:</i>						
System supply	\$ 517,534	\$ 428,051	20.9	464,226	392,127	18.4
Transportation	90,844	89,252	1.8	1,024,898	900,797	13.8
Other revenues	35,527	42,826	(17.0)	--	-	--
	\$ 643,905	\$ 560,129	15.0	1,489,124	1,292,924	15.2

Average customers	334,875	332,530	0.7	--	--	--
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\* in thousands