



DECEMBER 2007

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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 December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Revenues				
Regulated electric and gas	\$666.3	\$614.6	\$2,786.3	\$2,660.3
Unregulated	192.0	211.6	749.8	787.8
Total revenues	858.3	826.2	3,536.1	3,448.1
Expenses				
Regulated operations				
Fuel	207.2	193.8	854.7	803.4
Purchased power	64.3	51.6	271.9	221.3
Cost of natural gas sold	90.5	70.0	389.9	365.3
Other	79.2	80.2	280.4	294.0
Operation other expense				
Mining related costs	120.6	126.2	435.4	450.2
Waterborne transportation costs	42.4	57.2	206.4	217.8
Other	5.4	3.9	16.6	15.6
Maintenance	46.0	46.9	183.5	183.3
Depreciation	65.5	71.2	263.7	282.2
Gain on sale, net of transaction related costs	(242.5)	0.0	(221.3)	0.0
Sale of previously impaired assets / Asset impairments	0.0	(5.0)	0.0	(20.7)
Taxes, other than income	50.9	51.8	218.3	217.5
Total expenses	529.5	747.8	2,899.5	3,029.9
Income from operations	328.8	78.4	636.6	418.2
Other income (expense)				
Allowance for other funds used during construction	1.0	1.3	4.5	2.7
Other income	12.0	27.7	112.0	94.5
Loss on debt extinguishment / exchange	(32.9)	(2.5)	(32.9)	(2.5)
Income from equity investment	18.0	16.0	68.5	58.9
Total other income	(1.9)	42.5	152.1	153.6
Interest charges				
Interest expense	61.4	69.7	259.5	279.4
Allowance for borrowed funds used during construction	(0.3)	(0.5)	(1.7)	(1.1)
Total interest charges	61.1	69.2	257.8	278.3
Income before provision for income taxes	265.8	51.7	530.9	293.5
Provision (benefit) for income taxes	109.5	26.0	214.2	118.7
Income from Continuing Operations before minority interests	156.3	25.7	316.7	174.8
Minority Interests	17.6	22.7	82.2	69.6
Income (loss) from Continuing Operations	173.9	48.4	398.9	244.4
Discontinued operations				
Income (loss) from discontinued operations	0.0	0.0	0.0	2.3
Income tax provision (benefit)	0.0	(0.5)	(14.3)	0.4
Total discontinued operations	0.0	0.5	14.3	1.9
Net income (loss)	\$173.9	\$48.9	\$413.2	\$246.3
Average common shares outstanding (millions)				
	209.4	208.3	209.1	207.9
Earnings per average common share outstanding:				
Earnings per share from continuing operations -- basic	0.83	0.23	1.91	1.18
Earnings per share from continuing operations -- diluted	0.83	0.23	1.90	1.17
Earnings per share -- basic	0.83	0.23	1.98	1.19
Earnings per share -- diluted	0.83	0.23	1.97	1.18

TECO ENERGY, Inc.
CONSOLIDATED BALANCE SHEETS (Unaudited)

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

(millions)	Dec-31-2007	Dec-31-2006
Assets		
Current assets		
Cash and cash equivalents	\$162.6	\$441.6
Restricted cash	7.4	37.3
Receivables	295.9	334.9
Crude oil options receivable, net	78.5	3.4
Inventories at average cost		
Fuel	85.8	85.0
Materials and supplies	68.2	74.6
Current derivative asset	0.3	7.1
Income tax receivables	0.7	18.8
Prepayments and other current assets	23.0	27.3
Regulatory assets - current	67.4	255.7
Total current assets	789.8	1,285.7
Property, plant and equipment		
Utility plant in service		
Electric	5,275.2	5,030.4
Gas	917.4	877.7
Construction work in process	364.8	334.1
Other property	336.4	841.9
Property plant and equipment at original cost	6,893.8	7,084.1
Accumulated depreciation	(2,005.6)	(2,317.2)
Total property, plant and equipment (net)	4,888.2	4,766.9
Other assets		
Deferred income taxes	424.9	630.2
Other investments	22.9	8.0
Regulatory assets	186.8	231.3
Investment in unconsolidated affiliates	275.5	292.9
Goodwill	59.4	59.4
Long-term derivative asset	1.9	0.1
Deferred charges and other assets	115.8	87.3
Total other assets	1,087.2	1,309.2
Total assets	\$6,765.2	\$7,361.8
Liabilities and capital		
Current liabilities		
Long-term debt due within one year		
Recourse	\$5.7	\$566.7
Non-recourse	1.4	1.3
Junior subordinated debt	0.0	71.4
Notes payable	25.0	48.0
Accounts payable	302.1	326.5
Other current liabilities	18.0	14.2
Customer deposits	138.1	129.5
Current derivative liability	26.0	70.3
Interest accrued	32.7	50.5
Taxes accrued	33.2	25.3
Regulatory liabilities - current	35.4	46.7
Total current liabilities	617.6	1,350.4
Other liabilities		
Investment tax credit	12.2	14.7
Regulatory liabilities	582.7	555.3
Long-term derivative liability	0.1	3.7
Deferred credits and other liabilities	377.2	496.1
Long-term debt, less amount due within one year		
Recourse	3,149.4	3,202.2
Non-recourse	9.0	10.4
Total other liabilities	4,130.6	4,282.4
Total Liabilities	4,748.2	5,632.8
Capital		
Common equity	210.9	209.5
Paid in capital	1,489.2	1,466.3
Retained earnings	334.1	83.7
Accumulated other comprehensive income	(17.2)	(30.5)
Total capital	2,017.0	1,729.0
Total liabilities and capital	\$6,765.2	\$7,361.8
Book Value Per Share	\$9.57	\$8.25

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 December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Cash flows from operating activities				
Net income (loss)	\$173.9	\$48.9	\$413.2	\$246.3
Adjustments to reconcile net income to net cash:				
Depreciation	65.5	71.2	263.7	282.2
Deferred income taxes	94.2	22.7	184.8	112.5
Investment tax credit, net	(0.6)	(0.6)	(2.5)	(2.6)
Allowance for funds used during construction	(1.0)	(1.3)	(4.5)	(2.7)
Non-cash stock compensation	1.7	2.2	11.6	11.5
Gain on asset sales, pretax	(218.9)	(20.5)	(246.1)	(67.0)
Noncash debt extinguishment / exchange, pretax	2.6	2.5	2.6	2.5
Equity in earnings of unconsolidated affiliates	(10.7)	(11.5)	(18.0)	(3.4)
Minority interest	(17.6)	(22.7)	(82.2)	(69.6)
Derivatives	(34.0)	2.7	(82.7)	2.0
Deferred recovery clause	45.6	(8.7)	123.7	53.4
Receivables, less allowance for uncollectibles	132.5	1.5	51.0	(26.0)
Inventories	24.3	2.6	(9.6)	(5.8)
Prepayments and other current assets	2.8	1.3	3.2	11.4
Taxes accrued	(27.0)	(58.6)	26.6	(17.0)
Interest accrued	(50.1)	(39.4)	(17.8)	0.5
Accounts payable	(29.8)	27.0	(71.9)	(18.0)
Other	(13.6)	29.6	8.9	56.7
	139.8	48.9	554.0	566.9
Cash flows from investing activities				
Capital expenditures	(134.8)	(154.0)	(494.4)	(455.7)
Allowance for funds used during construction	1.0	1.3	4.5	2.7
Net proceeds from sale of assets	344.4	58.7	405.2	100.4
Restricted cash	30.0	0.0	29.9	0.3
Investment in unconsolidated affiliates	0.7	6.2	27.5	7.3
Other investments	27.3	(7.8)	(0.4)	(6.7)
	268.6	(95.6)	(27.7)	(351.7)
Cash flows from financing activities				
Dividends	(41.1)	(39.7)	(163.0)	(158.7)
Common stock	4.2	6.2	14.0	12.5
Proceeds from long-term debt	0.0	0.0	444.1	327.5
Repayment of long-term debt	(297.2)	(106.2)	(1,137.5)	(199.3)
Debt exchange premiums	(21.2)	0.0	(21.2)	0.0
Minority interest	21.4	18.2	81.3	65.7
Net increase (decrease) in short-term debt	(48.0)	48.0	(23.0)	(167.0)
	(381.9)	(73.5)	(805.3)	(119.3)
Net increase (decrease) in cash and cash equivalents	26.5	(120.2)	(279.0)	95.9
Cash and cash equivalents at beginning of period	136.1	561.8	441.6	345.7
Cash and cash equivalents at end of period	\$162.6	\$441.6	\$162.6	\$441.6

TECO ENERGY, Inc.

SEGMENT INFORMATION (Unaudited)

<i>(millions)</i>	Tampa Electric	Peoples Gas ⁽²⁾	TECO Coal	TECO Transport	TECO Guatemala	Other & Eliminations	TECO Energy
Three months ended Dec. 31,							
2007							
Revenues - outsiders	\$ 524.5	\$ 141.8	\$ 147.8	\$ 42.1	\$ 2.1	\$ -	\$ 858.3
Sales to affiliates	0.4	-	-	17.1	-	(17.5)	-
Total revenues	524.9	141.8	147.8	59.2	2.1	(17.5)	858.3
Equity Earnings in Unconsolidated Affiliates	-	-	-	-	18.0	-	18.0
Depreciation	45.4	10.2	9.6	-	0.2	0.1	65.5
Total interest charges ⁽¹⁾	28.1	4.3	3.2	0.9	3.9	20.7	61.1
Allocated interest expense ⁽¹⁾	-	-	2.9	0.9	3.9	(7.7)	-
Provision (Benefit) for income taxes	16.2	3.6	9.1	2.3	2.7	75.6	109.5
Net income (loss) from continuing operations	\$ 29.0	\$ 6.3	\$ 7.2	\$ 7.0 ⁽⁴⁾	\$ 11.4	\$ 113.0 ⁽⁶⁾⁽⁷⁾	\$ 173.9
2006							
Revenues - outsiders	\$ 492.1	\$ 122.6	\$ 153.0	\$ 56.5	\$ 2.0	\$ -	\$ 826.2
Sales to affiliates	0.5	-	-	24.4	-	(24.9)	-
Total revenues	492.6	122.6	153.0	80.9	2.0	(24.9)	826.2
Equity Earnings in Unconsolidated Affiliates	-	-	-	(0.1)	15.6	0.5	16.0
Depreciation	46.6	9.2	9.5	5.5	0.2	0.2	71.2
Total interest charges ⁽¹⁾	26.7	3.9	2.8	1.2	3.8	30.8	69.2
Allocated interest expense ⁽¹⁾	-	-	2.6	(0.5)	3.7	(5.8)	-
Provision (Benefit) for income taxes	11.0	4.5	13.5	2.7	3.5	(9.2)	26.0
Net income (loss) from continuing operations	\$ 19.4	\$ 7.0	\$ 19.3	\$ 7.8	\$ 11.0 ⁽⁵⁾	\$ (16.1) ⁽⁵⁾	\$ 48.4
Twelve months ended Dec. 31,							
2007							
Revenues - outsiders	\$ 2,186.6	\$ 599.7	\$ 544.5	\$ 197.1	\$ 8.0	\$ 0.2	\$ 3,536.1
Sales to affiliates	1.8	-	-	93.2	-	(95.0)	-
Total revenues	2,188.4	599.7	544.5	290.3	8.0	(94.8)	3,536.1
Equity Earnings in Unconsolidated Affiliates	-	-	-	-	68.5	-	68.5
Depreciation	178.6	40.1	38.4	5.6	0.5	0.5	263.7
Total interest charges ⁽¹⁾	112.2	17.1	12.5	4.8	15.2	96.0	257.8
Allocated interest expense ⁽¹⁾	-	-	11.6	0.8	14.9	(27.3)	-
Provision (Benefit) for income taxes	85.2	16.4	46.3	13.5	7.8	45.0	214.2
Net income (loss) from continuing operations	\$ 150.3	\$ 26.5	\$ 90.9	\$ 34.0 ⁽⁴⁾	\$ 44.7	\$ 52.5 ⁽⁶⁾⁽⁷⁾	\$ 398.9
2006							
Revenues - outsiders	\$ 2,082.7	\$ 577.6	\$ 574.9	\$ 205.1	\$ 7.6	\$ 0.2	\$ 3,448.1
Sales to affiliates	2.2	-	-	103.4	-	(105.6)	-
Total revenues	2,084.9	577.6	574.9	308.5	7.6	(105.4)	3,448.1
Equity Earnings in Unconsolidated Affiliates	-	-	-	(0.3)	58.7	0.5	58.9
Depreciation	186.3	36.5	36.4	22.1	0.6	0.3	282.2
Total interest charges ⁽¹⁾	107.4	15.7	10.6	4.5	15.0	125.1	278.3
Allocated interest expense ⁽¹⁾	-	-	9.9	(1.4)	14.6	(23.1)	-
Provision (Benefit) for income taxes	80.3	18.8	35.6	10.9	8.7	(35.6)	118.7
Net income (loss) from continuing operations	\$ 135.9	\$ 29.7	\$ 78.8	\$ 22.8 ⁽³⁾	\$ 37.6 ⁽⁵⁾	\$ (60.4) ⁽⁵⁾	\$ 244.4

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

(2) As of Jan. 1, 2006 results for Peoples Gas include the remaining operating TECO Solutions companies.

(3) TECO Transport's results include net storm costs of \$3.0 million for the 12 months ended Dec. 31, 2006.

(4) 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.

(5) Results for the 12 months ended Dec. 31, 2006 include a \$3.1 million gain on the sale of a steam turbine originally reported in TECO Guatemala in the fourth quarter of 2006, a \$2.6 million gain on the sale of another steam turbine originally reported in TECO Guatemala in the third quarter of 2006 and an \$8.1 million gain on the sale of the McAdams Power Station taking place in the second quarter of 2006.

(6) Results for the 12 months ended Dec. 31, 2007 include \$16.3 million in after-tax transaction costs related to the sale of TECO Transport (\$1.8 in the first quarter, \$8.3 in the second quarter \$2.9 in the third quarter and \$3.3 in the fourth quarter of 2007).

(7) Results for the three and 12 months ended Dec. 31, 2007 include the \$149.4 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 December 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2007	2006	Percent Change	2007	2006	Percent Change
Residential	\$ 236,258	\$ 221,381	6.7	2,048,032	2,005,360	2.1
Commercial	162,010	149,618	8.3	1,614,993	1,573,359	2.6
Industrial -- Phosphate	18,566	16,462	12.8	267,364	251,459	6.3
Industrial -- Other	28,746	27,978	2.7	317,970	328,832	(3.3)
Other sales of electricity	46,578	41,415	12.5	458,808	425,611	7.8
	492,158	456,854	7.7	4,707,167	4,584,621	2.7
Deferred and other revenues	(29,024)	10,318	--	--	--	--
Sales for resale	17,135	16,015	7.0	234,570	185,798	26.3
Other operating revenue	10,245	9,401	9.0	--	--	--
SO2 Allowance Sales	34,416	(1)	--	--	--	--
	\$ 524,930	\$ 492,587	6.6	4,941,737	4,770,419	3.6
Average customers	668,089	659,460	1.3	--	--	--
Retail Net Energy For Load				4,753,981	4,577,760	3.8
Total Degree Days				818	775	5.5

Twelve Months Ended December 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2007	2006	Percent Change	2007	2006	Percent Change
Residential	\$ 1,017,942	\$ 956,741	6.4	8,871,217	8,720,867	1.7
Commercial	653,625	602,370	8.5	6,541,525	6,356,828	2.9
Industrial -- Phosphate	72,983	61,510	18.7	1,049,870	936,070	12.2
Industrial -- Other	118,183	112,952	4.6	1,315,641	1,343,293	(2.1)
Other sales of electricity	178,353	162,146	10.0	1,754,500	1,668,006	5.2
	2,041,086	1,895,719	7.7	19,532,753	19,025,064	2.7
Deferred and other revenues	(51,737)	34,063	--	--	--	--
Sales for resale	68,992	71,068	(2.9)	905,140	862,135	5.0
Other operating revenue	38,993	39,043	(0.1)	--	--	--
SO2 Allowance Sales	91,098	45,032	--	--	--	--
	\$ 2,188,432	\$ 2,084,925	5.0	20,437,893	19,887,199	2.8
Average customers	666,354	653,706	1.9	--	--	--
Retail Net Energy For Load				20,448,441	20,025,082	2.1
Total Degree Days				4,254	4,039	5.3

* in thousands

PEOPLES GAS SYSTEM GAS OPERATING STATISTICS (Unaudited)

Three Months Ended December 31,	Operating Revenues*			Therms*		
	2007	2006	Percent Change	2007	2006	Percent Change
<i>By Customer Segment:</i>						
Residential	\$ 31,591	\$ 32,777	(3.6)	16,521	18,336	(9.9)
Commercial	35,327	36,412	(3.0)	91,511	94,984	(3.7)
Industrial	2,334	2,586	(9.7)	44,329	48,746	(9.1)
Off System Sales	58,613	36,318	61.4	77,119	52,645	46.5
Power generation	3,436	2,990	14.9	116,733	72,403	61.2
Other revenues	8,714	9,982	(12.7)			--
	\$ 140,015	\$ 121,065	15.7	346,213	287,114	20.6
<i>By Sales Type:</i>						
System supply	\$ 108,900	\$ 89,088	22.2	108,341	88,401	22.6
Transportation	22,401	21,995	1.8	237,872	198,713	19.7
Other revenues	8,714	9,982	(12.7)	--	--	--
	\$ 140,015	\$ 121,065	15.7	346,213	287,114	20.6
Average customers	333,629	331,010	0.8	--	--	--

Twelve Months Ended December 31,	Operating Revenues*			Therms*		
	2007	2006	Percent Change	2007	2006	Percent Change
<i>By Customer Segment:</i>						
Residential	\$ 140,161	\$ 145,976	(4.0)	70,086	73,040	(4.0)
Commercial	158,391	164,426	(3.7)	370,940	375,674	(1.3)
Industrial	9,674	11,467	(15.6)	186,344	209,111	(10.9)
Off System Sales	232,791	192,690	20.8	303,487	247,510	22.6
Power generation	14,643	13,997	4.6	471,687	395,714	19.2
Other revenues	37,370	43,351	(13.8)			--
	\$ 593,030	\$ 571,907	3.7	1,402,544	1,301,049	7.8
<i>By Sales Type:</i>						
System supply	\$ 465,542	\$ 439,226	6.0	437,865	391,165	11.9
Transportation	90,118	89,330	0.9	964,679	909,884	6.0
Other revenues	37,370	43,351	(13.8)			--
	\$ 593,030	\$ 571,907	3.7	1,402,544	1,301,049	7.8
Average customers	334,343	329,044	1.6	--	--	--

* in thousands