



DECEMBER 2014

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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 Dec. 31,		Twelve Months Ended Dec. 31,	
	2014	2013	2014	2013
Revenues				
Regulated electric and gas	\$692.9	\$559.8	\$2,557.3	\$2,342.5
Unregulated	2.6	2.4	9.1	12.6
Total revenues	695.5	562.2	2,566.4	2,355.1
Expenses				
Regulated operations & maintenance				
Fuel	168.5	162.9	692.3	680.2
Purchased power	12.3	13.9	71.4	64.7
Cost of natural gas sold	99.2	25.3	209.7	142.2
Other	162.5	147.0	547.8	524.4
Operations & maintenance other expense	6.9	4.3	29.5	12.5
Depreciation and amortization	85.3	69.0	315.3	291.8
Taxes, other than income	48.7	44.8	195.0	184.7
Total expenses	583.4	467.2	2,061.0	1,900.5
Income from operations	112.1	95.0	505.4	454.6
Other income (expense)				
Allowance for other funds used during construction	3.2	2.0	10.5	6.3
Other income	0.9	(0.6)	0.5	1.8
Total other income	4.1	1.4	11.0	8.1
Interest charges				
Interest expense	49.6	40.9	176.4	165.0
Allowance for borrowed funds used during construction	(1.7)	(1.1)	(5.3)	(3.6)
Total interest charges	47.9	39.8	171.1	161.4
Income before provision for income taxes	68.3	56.6	345.3	301.3
Provision for income taxes	40.9	21.2	138.9	112.6
Income from continuing operations	27.4	35.4	206.4	188.7
Discontinued operations				
Income (loss) from discontinued operations	(27.8)	5.2	(125.4)	5.2
Provision for income taxes	(11.2)	(1.4)	(49.4)	(3.8)
Income (loss) from discontinued operations, net	(16.6)	6.6	(76.0)	9.0
Net income	\$10.8	\$42.0	\$130.4	\$197.7
Average common shares outstanding - basic (millions)	232.5	215.2	223.1	215.0
Average common shares outstanding - diluted (millions)	233.1	215.7	223.7	215.5
Earnings per average common share outstanding:				
Earnings per share from continuing operations -- basic	\$0.11	\$0.17	\$0.92	\$0.88
Earnings per share from continuing operations -- diluted	\$0.11	\$0.17	\$0.92	\$0.88
Earnings per share from discontinued operations -- basic	(\$0.07)	\$0.03	(\$0.34)	\$0.04
Earnings per share from discontinued operations -- diluted	(\$0.07)	\$0.03	(\$0.34)	\$0.04
Earnings per share attributable to TECO Energy -- basic	\$0.04	\$0.20	\$0.58	\$0.92
Earnings per share attributable to TECO Energy -- diluted	\$0.04	\$0.20	\$0.58	\$0.92

TECO ENERGY, Inc.
CONSOLIDATED BALANCE SHEETS (Unaudited)

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

(millions)	Dec. 31, 2014	Dec. 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$25.4	\$185.2
Receivables	299.8	287.2
Inventories at average cost		
Fuel	96.4	118.7
Materials and supplies	75.4	85.9
Derivative assets	0.0	9.7
Deferred income taxes	72.8	100.3
Prepayments and other current assets	22.6	36.4
Regulatory assets	53.6	34.3
Assets held for sale	109.6	0.0
Total current assets	755.6	857.7
Property, plant and equipment		
Utility plant in service		
Electric	7,094.8	6,934.0
Gas	1,984.6	1,308.3
Construction work in progress	640.0	386.7
Other property	14.5	448.3
Property plant and equipment at original cost	9,733.9	9,077.3
Accumulated depreciation	(2,645.7)	(2,907.2)
Total property, plant and equipment, net	7,088.2	6,170.1
Other assets		
Regulatory assets	348.5	293.1
Goodwill	408.3	0.0
Derivative assets	0.0	0.3
Deferred charges and other assets	65.8	126.8
Assets held for sale	59.8	0.0
Total other assets	882.4	420.2
Total assets	\$8,726.2	\$7,448.0
Liabilities and capital		
Current liabilities		
Long-term debt due within one year		
Recourse	\$274.5	\$83.3
Notes payable	139.0	84.0
Accounts payable	\$288.6	\$261.7
Other current liabilities	16.8	19.5
Customer deposits	176.2	164.5
Derivative liabilities	36.6	0.1
Interest accrued	39.9	31.9
Taxes accrued	29.9	34.6
Regulatory liabilities	57.0	85.8
Liabilities associated with assets held for sale	39.4	0.0
Total current liabilities	1,097.9	765.4
Other liabilities		
Deferred income taxes	519.2	444.0
Investment tax credits	9.0	9.4
Regulatory liabilities	729.0	631.4
Derivative liabilities	6.1	0.2
Deferred credits and other liabilities	370.9	426.1
Liabilities associated with assets held for sale	65.4	0.0
Long-term debt, less amount due within one year		
Recourse	3,354.0	2,837.8
Total other liabilities	5,053.6	4,348.9
Total liabilities	6,151.5	5,114.3
Capital		
Common equity	234.9	217.3
Additional paid in capital	1,875.9	1,581.3
Retained earnings	479.6	548.3
Accumulated other comprehensive (loss)	(15.7)	(13.2)
Total capital	2,574.7	2,333.7
Total liabilities and capital	\$8,726.2	\$7,448.0
Book Value Per Share	\$10.96	\$10.74

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 Dec. 31,		Twelve Months Ended Dec. 31,	
	2014	2013	2014	2013
Cash flows from operating activities				
Net income	\$10.8	\$42.0	\$130.4	\$197.7
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization	86.2	78.2	341.9	329.5
Deferred income taxes & Investment tax credits	31.0	21.3	89.4	110.1
Allowance for other funds used during construction	(3.2)	(2.0)	(10.5)	(6.3)
Non-cash stock compensation	2.5	3.3	12.7	13.5
Gain on sales of business / assets, pretax	0.0	(1.3)	(0.2)	(1.6)
Deferred recovery clause	(9.7)	(2.4)	(15.2)	(6.2)
Asset impairment, pretax	17.5	0.0	115.9	0.0
Receivables, less allowance for uncollectibles	(10.7)	59.9	(36.6)	(4.5)
Inventories	22.4	(2.0)	12.8	1.1
Prepayments and other current assets	8.3	2.0	2.8	(2.2)
Taxes accrued	(47.5)	(42.6)	1.1	1.4
Interest accrued	(20.5)	(23.5)	7.3	(1.3)
Accounts payable	52.8	25.3	23.4	35.9
Other	18.7	(5.7)	(10.4)	(8.5)
	158.6	152.5	664.8	658.6
Cash flows from investing activities				
Capital expenditures	(222.5)	(161.5)	(714.3)	(532.4)
Allowance for other funds used during construction	3.2	2.0	10.5	6.3
Purchase of a business, net of cash acquired	1.0	0.0	(751.5)	0.0
Net proceeds from sale of business / assets	(0.1)	3.9	0.2	4.3
Other investments	(7.9)	0.0	(7.9)	0.0
	(226.3)	(155.6)	(1,463.0)	(521.8)
Cash flows from financing activities				
Dividends paid	(51.7)	(47.8)	(199.2)	(191.2)
Proceeds from sale of common stock	5.7	(0.7)	302.3	6.7
Proceeds from long-term debt	(0.6)	0.0	563.6	0.0
Repayment of long-term debt / Purchase in lieu of redemption	0.0	0.0	(83.3)	(51.6)
Net increase in short-term debt	67.0	84.0	55.0	84.0
	20.4	35.5	638.4	(152.1)
Net increase (decrease) in cash and cash equivalents	(47.3)	32.4	(159.8)	(15.3)
Cash and cash equivalents at beginning of period	72.7	152.8	185.2	200.5
Cash and cash equivalents at end of period	\$25.4	\$185.2	\$25.4	\$185.2
Supplemental disclosure of non-cash activities				
Debt assumed in NMGI acquisition	\$0.0	\$0.0	\$200.0	\$0.0
Capital expenditures accrued - excluded above	\$3.1	\$5.3	\$13.3	\$4.7

TECO ENERGY, Inc.
SEGMENT INFORMATION (Unaudited)

<i>(millions)</i>	Tampa Electric	Peoples Gas	TECO Coal	NMGC ⁽⁴⁾	Other ⁽⁵⁾	Eliminations ⁽⁵⁾	TECO Energy
Three months ended Dec. 31,							
2014	Revenues - outsiders	\$ 473.0	\$ 98.5	\$ --	\$ 121.3	\$ 2.7	\$ 695.5
	Sales to affiliates	0.3	0.5	--	--	10.2	--
	Total revenues	473.3	99.0	--	121.3	12.9	695.5
	Depreciation and amortization	63.0	13.7	--	8.2	0.4	85.3
	Total interest charges ⁽²⁾	23.7	3.5	--	3.1	17.8	47.9
	Allocated interest expense ⁽²⁾	--	--	--	0.0	0.4	--
	Provision (Benefit) for income taxes	21.0	5.7	--	7.6	6.7	40.9
	Net Income from continuing operations	37.4	8.9	--	11.4	(4.4)	27.4
	Income (loss) from discontinued operations, net of tax ⁽³⁾	--	--	(16.4)	--	(0.2)	(16.6)
	Net income (loss) ⁽¹⁾	\$ 37.4	\$ 8.9	\$ (16.4)	\$ 11.4	\$ (4.6)	\$ (25.9)
	Net income (loss) ⁽¹⁾	\$ 37.4	\$ 8.9	\$ (16.4)	\$ 11.4	\$ (4.6)	\$ (25.9)
2013	Revenues - outsiders	\$ 473.0	\$ 86.4	\$ --	\$ --	\$ 2.8	\$ 562.2
	Sales to affiliates	0.2	--	--	--	0.1	(0.3)
	Total revenues	473.2	86.4	--	--	2.9	562.2
	Depreciation and amortization	56.8	11.9	--	--	0.3	69.0
	Total interest charges ⁽²⁾	22.3	3.4	--	--	16.0	39.8
	Allocated interest expense ⁽²⁾	--	--	--	--	1.9	(1.9)
	Provision (Benefit) for income taxes	22.9	4.8	--	--	(6.5)	--
	Income from continuing operations	39.8	7.6	--	--	41.1	(53.1)
	Income (loss) from discontinued operations, net of tax ⁽³⁾	--	--	6.7	--	(0.1)	--
	Net income (loss) ⁽¹⁾	\$ 39.8	\$ 7.6	\$ 6.7	\$ --	\$ 41.0	\$ (53.1)
	Net income (loss) ⁽¹⁾	\$ 39.8	\$ 7.6	\$ 6.7	\$ --	\$ 41.0	\$ (53.1)
Twelve months ended Dec. 31,							
2014	Revenues - outsiders	\$ 2,019.9	\$ 398.5	\$ --	\$ 137.5	\$ 10.5	\$ 2,566.4
	Sales to affiliates	1.1	1.1	--	--	40.6	(42.8)
	Total revenues	2,021.0	399.6	--	137.5	51.1	2,566.4
	Depreciation and amortization	248.6	54.0	--	11.0	1.7	315.3
	Total interest charges ⁽²⁾	92.8	13.8	--	4.2	66.1	(5.8)
	Allocated interest expense ⁽²⁾	--	--	--	--	1.4	(1.4)
	Provision (Benefit) for income taxes	133.2	22.7	--	7.1	(24.1)	--
	Income from continuing operations	224.5	35.8	--	10.5	17.8	(82.2)
	Income (loss) from discontinued operations, net of tax ⁽³⁾	--	--	(82.0)	--	6.0	--
	Net income (loss) ⁽¹⁾	\$ 224.5	\$ 35.8	\$ (82.0)	\$ 10.5	\$ 23.8	\$ (82.2)
	Net income (loss) ⁽¹⁾	\$ 224.5	\$ 35.8	\$ (82.0)	\$ 10.5	\$ 23.8	\$ (82.2)
2013	Revenues - outsiders	\$ 1,949.6	\$ 392.7	\$ --	\$ --	\$ 12.8	\$ 2,355.1
	Sales to affiliates	0.9	0.8	--	--	0.5	(2.2)
	Total revenues	1,950.5	393.5	--	--	13.3	2,355.1
	Depreciation and amortization	238.8	51.5	--	--	1.5	291.8
	Total interest charges ⁽²⁾	91.8	13.5	--	--	63.9	(7.8)
	Allocated interest expense ⁽²⁾	--	--	--	--	7.8	(7.8)
	Provision (Benefit) for income taxes	116.9	21.9	--	--	(26.2)	--
	Income from continuing operations	190.9	34.7	--	--	177.3	(214.2)
	Income (loss) from discontinued operations, net of tax ⁽³⁾	--	--	9.0	--	--	9.0
	Net income (loss) ⁽¹⁾	\$ 190.9	\$ 34.7	\$ 9.0	\$ --	\$ 177.3	\$ (214.2)
	Net income (loss) ⁽¹⁾	\$ 190.9	\$ 34.7	\$ 9.0	\$ --	\$ 177.3	\$ (214.2)

(1) Results are based on GAAP net income. For a complete reconciliation between GAAP and non-GAAP items, see Results Reconciliation in Earnings Release.

(2) Segment net income is reported on a basis that includes internally allocated financing costs. Internally allocated costs were at pretax rates of 6.00% for 2014 and 2013. Rates were based on the average of each subsidiary's equity and indebtedness to TECO Energy assuming a 50/50 debt/equity capital structure. Internally allocated interest charges are a component of total interest charges.

(3) All periods have been adjusted to reflect the reclassification of results from operations to discontinued operations for TECO Coal and TECO Guatemala, along with certain charges at Parent that directly relate to TECO Coal and TECO Guatemala.

(4) Results for New Mexico Gas Company are reflective of results since the date of acquisition, Sep. 2, 2014.

(5) Represents a change in presentation to segment previously combined and reported as Other & Eliminations.

TAMPA ELECTRIC COMPANY
ELECTRIC OPERATING STATISTICS (Unaudited)

Three Months Ended Dec. 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2014	2013	Percent Change	2014	2013	Percent Change
Residential	\$ 229,978	\$ 227,533	1.1	1,964,382	2,007,976	(2.2)
Commercial	146,735	146,416	0.2	1,488,904	1,521,367	(2.1)
Industrial -- Phosphate	12,636	18,229	(30.7)	153,800	228,238	(32.6)
Industrial -- Other	25,877	25,355	2.1	287,088	283,856	1.1
Other sales of electricity	45,445	45,507	(0.1)	452,181	466,043	(3.0)
	460,671	463,040	(0.5)	4,346,355	4,507,480	(3.6)
Deferred and other revenues	(6,172)	(6,923)	10.8	--	--	--
Provision for Revenue Stipulation	--	--	--	--	--	--
Sales for resale	3,254	2,038	59.7	87,826	51,987	68.9
Other operating revenue	15,543	15,076	3.1	--	--	--
SO ₂ Allowance Sales	--	--	--	--	--	--
NOx Allowance Sales	--	--	--	--	--	--
	\$ 473,296	\$ 473,231	0.0	4,434,181	4,559,467	(2.7)
Average customers	709,873	698,826	1.6	--	--	--
Retail Net Energy For Load				4,342,208	4,469,299	(2.8)
Total Degree Days				682	777	(12.2)

Twelve Months Ended Dec. 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2014	2013	Percent Change	2014	2013	Percent Change
Residential	\$ 1,007,570	\$ 936,833	7.6	8,655,850	8,469,567	2.2
Commercial	602,093	581,205	3.6	6,142,206	6,089,719	0.9
Industrial -- Phosphate	59,912	71,895	(16.7)	737,576	895,363	(17.6)
Industrial -- Other	104,581	100,339	4.2	1,163,210	1,131,450	2.8
Other sales of electricity	181,897	177,385	2.5	1,826,897	1,831,563	(0.3)
	1,956,053	1,867,657	4.7	18,525,739	18,417,662	0.6
Deferred and other revenues	(7,502)	12,125	(161.9)	--	--	--
Provision for Revenue Stipulation	--	--	--	--	--	--
Sales for resale	12,955	8,492	52.6	259,072	222,265	16.6
Other operating revenue	59,493	62,219	(4.4)	--	--	--
SO ₂ Allowance Sales	1	--	--	--	--	--
NOx Allowance Sales	--	--	--	--	--	--
	\$ 2,021,000	\$ 1,950,493	3.6	18,784,811	18,639,927	0.8
Average customers	706,161	694,735	1.6	--	--	--
Retail Net Energy For Load				19,314,740	19,177,842	0.7
Total Degree Days				4,038	4,160	(2.9)

* in thousands

PEOPLES GAS SYSTEM
GAS OPERATING STATISTICS (Unaudited)

Three Months Ended Dec. 31,	Operating Revenues*			Therms*		
	2014	2013	Percent Change	2014	2013	Percent Change
<i>By Customer Segment:</i>						
Residential	\$ 37,534	\$ 31,271	20.0	21,562	17,519	23.1
Commercial	34,311	32,165	6.7	117,226	107,823	8.7
Industrial	3,205	3,527	(9.1)	72,359	68,961	4.9
Off System Sales	8,532	5,416	57.5	20,262	13,610	48.9
Power generation	1,187	1,954	(39.3)	149,322	169,777	(12.0)
Other revenues	11,740	9,972	17.7	--	--	--
	\$ 96,509	\$ 84,305	14.5	380,731	377,690	0.8
<i>By Sales Type:</i>						
System supply	\$ 55,771	\$ 46,328	20.4	48,795	38,434	27.0
Transportation	28,998	28,004	3.5	331,936	339,256	(2.2)
Other revenues	11,740	9,973	17.7	--	--	--
	\$ 96,509	\$ 84,305	14.5	380,731	377,690	0.8
Average customers	355,902	347,932	2.3	--	--	--

Twelve Months Ended Dec. 31,	Operating Revenues*			Therms*		
	2014	2013	Percent Change	2014	2013	Percent Change
<i>By Customer Segment:</i>						
Residential	\$ 144,117	\$ 128,148	12.5	80,775	74,370	8.6
Commercial	139,075	133,439	4.2	460,510	438,150	5.1
Industrial	13,101	13,432	(2.5)	274,283	272,010	0.8
Off System Sales	39,358	56,660	(30.5)	84,026	143,068	(41.3)
Power generation	6,794	9,885	(31.3)	643,512	744,360	(13.5)
Other revenues	48,472	42,166	15.0	--	--	--
	\$ 390,917	\$ 383,730	1.9	1,543,106	1,671,958	(7.7)
<i>By Sales Type:</i>						
System supply	\$ 225,723	\$ 226,808	(0.5)	194,225	249,482	(22.1)
Transportation	116,722	114,756	1.7	1,348,881	1,422,476	(5.2)
Other revenues	48,472	42,166	15.0	--	--	--
	\$ 390,917	\$ 383,730	1.9	1,543,106	1,671,958	(7.7)
Average customers	353,903	347,367	1.9	--	--	--

* in thousands

NEW MEXICO GAS COMPANY
GAS OPERATING STATISTICS (Unaudited)

Three Months Ended Dec. 31,	Operating Revenues*			Therms*		
	2014	2013 ⁽¹⁾	Percent Change	2014	2013 ⁽¹⁾	Percent Change
By Customer Segment:						
Residential	\$ 88,787	\$ 92,633	(4.2)	100,509	114,526	(12.2)
Commercial	23,743	24,250	(2.1)	33,507	37,974	(11.8)
Industrial	823	803	2.5	1,355	1,431	(5.3)
Off System Sales	--	--	--	--	--	--
On System Transportation	6,108	6,142	(0.6)	91,302	93,977	(2.8)
Off System Transportation	226	210	7.6	11,973	11,488	4.2
Other revenues	1,667	1,823	(8.6)	--	--	--
	\$ 121,354	\$ 125,861	(3.6)	238,646	259,396	(8.0)

By Sales Type:						
System supply	\$ 113,353	\$ 117,686	(3.7)	135,371	153,931	(12.1)
Transportation	6,334	6,352	(0.3)	103,275	105,465	(2.1)
Other revenues	1,667	1,823	(8.6)	--	--	--
	\$ 121,354	\$ 125,861	(3.6)	238,646	259,396	(8.0)

Average customers	513,403	511,186	0.4			
Total Degree Days				1,604	1,899	(15.5)

Four Months Ended Dec. 31,	Operating Revenues*			Therms*		
	2014	2013 ⁽¹⁾	Percent Change	2014	2013 ⁽¹⁾	Percent Change
By Customer Segment:						
Residential	\$ 99,872	\$ 103,655	(3.6)	108,208	122,933	(12.0)
Commercial	27,126	27,541	(1.5)	37,403	42,365	(11.7)
Industrial	936	920	1.7	1,538	1,636	(6.0)
Off System Sales	--	--	--	--	--	--
On System Transportation	7,104	7,185	(1.1)	111,622	114,202	(2.3)
Off System Transportation	312	277	12.6	16,484	15,015	9.8
Other revenues	2,197	2,372	(7.4)	--	--	--
	\$ 137,547	\$ 141,950	(3.1)	275,255	296,151	(7.1)

By Sales Type:						
System supply	\$ 127,934	\$ 132,116	(3.2)	147,149	166,934	(11.9)
Transportation	7,416	7,462	(0.6)	128,106	129,217	(0.9)
Other revenues	2,197	2,372	(7.4)	--	--	--
	\$ 137,547	\$ 141,950	(3.1)	275,255	296,151	(7.1)

Average customers	512,615	510,289	0.5			
Total Degree Days				1,621	1,937	(16.3)

(1) Information presented for 2013 is for comparative purposes only, as this was before the date of acquisition (Sep. 2, 2014).
* in thousands