

SUMMARY INFORMATION *for* INVESTORS



Investment Considerations

The information which follows contains forward-looking statements which are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause actual results to differ materially from those projected in these forward-looking statements are set forth in the "Investment Considerations" section under Tab VI or under "Investment Considerations" included as Exhibit 99.1 in the company's Quarterly Report on form 10-Q for the quarter ended June 30, 2001. Any forward-looking statement speaks only as of the date on which it was made, and the company undertakes no obligation to update any forward-looking statement to reflect subsequent developments or circumstances other than as may be required by law.



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OVERVIEW



SECTION I



Business Strategy

TECO Energy's three-pronged business strategy is to:

- Focus on its Florida operations, which include Tampa Electric, Peoples Gas System and the Florida energy services businesses at TECO Solutions;
- Grow its TECO Power Services independent power operations; and
- Use the returns of its family of other profitable unregulated businesses to continue its growth.



2001 Highlights

- **TECO Energy, Inc.**

- Earnings per share growth of 14 percent
- Net income growth of 21 percent
- Return on equity of 17 percent
- Increased dividend for 42nd consecutive year
- Added to the Standard & Poor's 500 Index

- **Florida operations**

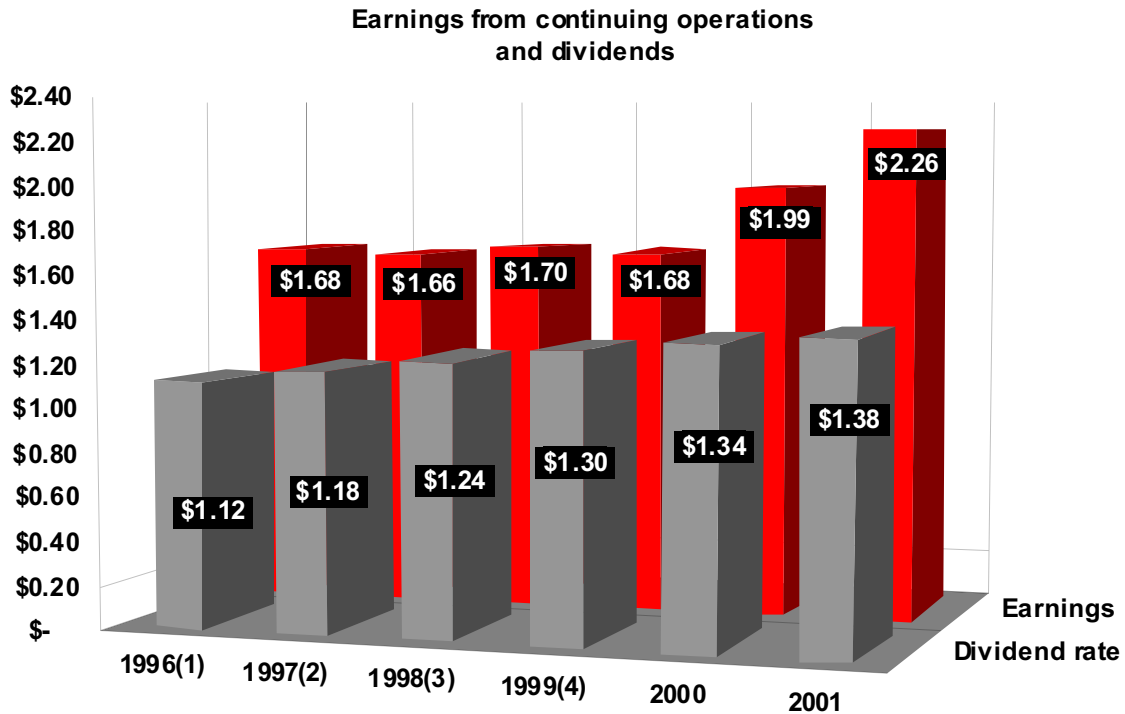
- Continued strong customer growth at regulated utilities
- Tampa Electric Gannon/Bayside repowering underway
- Peoples Gas completed expansions into Northeast Florida, other areas.
- TECO Solutions acquired Prior Energy Corporation, a leading natural gas marketing company in the Southeast

- **Independent power business – TECO Power Services**

- Completed construction on Commonwealth Chesapeake Station in Virginia
- Construction underway on four new generating projects
- Portfolio has interests in almost 6,600 megawatts of generation

- **Other businesses**

- TECO Transport subsidiary TECO Ocean Shipping acquired new 40,000 ton vessel to build business
- TECO Coal had increased production from Perry County Coal acquisition, as well as higher synthetic fuel production
- TECO Coalbed Methane benefited from strong natural gas prices in the first half of the year



- (1) Amounts shown prior to 1997 have been restated to include the results of Peoples companies merger.
- (2) Excludes the effect of one-time merger related transaction expenses, which reduced net income by \$5.3 million and earning per share by \$0.04 in 1997.
- (3) Excludes the effect of charges at TECO Coal and Tampa Electric Company, which reduced net income by \$19.6 million and earnings per share by \$0.15 in 1998.
- (4) Excludes the effect of charges at Tampa Electric Company and TECO Energy, which reduced net income by \$19.6 million and earnings per share by \$0.15 in 1999.



Financial summary

(all amounts have been restated to reflect the 1997 merger with the Peoples Gas companies)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998(3)</u>	<u>1997(3)</u>	<u>1996(3)</u>
Florida Operations						
Tampa Electric	\$ 1.15	\$ 1.15	\$ 1.06	\$1.07	\$1.03	\$1.08
Peoples Gas System	.17	.17	.15	.12	.11	.11
TECO Solutions	<u>.03</u>	<u>.09</u>	<u>.03</u>	<u>.03</u>	<u>.01</u>	<u>.02</u>
	1.35	1.41	1.24	1.22	1.15	1.21
TECO Power Services	.20	.18	.07	.07	.07	.08
TECO Transport	.20	.23	.20	.18	.19	.18
TECO Coal	.44	.27	.10	.13	.11	.11
Other Unregulated	.23	.13	.15	.21	.23	.22
Financing/other	<u>(.16)</u>	<u>(.23)</u>	<u>(.08)</u>	<u>(.11)</u>	<u>(.09)</u>	<u>(.12)</u>
Earnings from continuing operations	2.26	1.99	1.68	1.70	1.66	1.68
Non-recurring charges(1)	-	-	(.15)	(.15)	(.04)	-
Discontinued operations	<u>-</u>	<u>-</u>	<u>(.11)</u>	<u>.02</u>	<u>(.08)</u>	<u>(.01)</u>
Earnings per share	<u>\$2.26</u>	<u>\$1.99</u>	<u>\$1.42</u>	<u>\$1.57</u>	<u>\$1.54</u>	<u>\$1.67</u>
ROE - avg.(2)	17.0%	16.1%	14.5%	14.5%	16.4%	15.6%

(1) Excludes the effect of one-time merger related transaction expenses in 1997.

(2) 1998 and 1999 ROE exclude one-time charges and discontinued operations.

(3) 1996 through 1998 financing costs in Financing/other not allocated to the unregulated segments.

Equity and Equity Linked Issuance

In March 2001 TECO Energy sold 8.625 million new common shares at \$27.75 per share. Net proceeds from the offering totaled approximately \$232 million and were used to repay short-term debt and for general corporate purposes.

In October 2001, TECO Energy sold 3.5 million shares of its common stock at a price of \$26.72 per share in conjunction with TECO Energy's inclusion in the Standard & Poor's 500 Stock Index. Net proceeds to the company from the sale totaled approximately \$93.5 million and were used to repay short-term debt and for general corporate purposes.



Financial summary -continued

In January 2002 TECO Energy sold 17.965 million units of mandatorily convertible securities in the form of 9.5 percent security units at \$25 per unit. Each security unit consisted of \$25 in principle amount of a trust preferred security of TECO Capital Trust II, a Delaware business trust formed by TECO Energy, with a stated liquidation amount of \$25 and a contract to purchase shares of common stock of TECO Energy in January 2005 at a price per share of between \$26.29 and \$30.10 based on the market price at that time. The \$435.5 million net proceeds from the offering were used to repay short-term debt and for general corporate purposes.

Credit Rating/Senior Unsecured Debt

	Fitch	Moody's	Standard & Poors
Tampa Electric	A+	A1	A
TECO Finance / TECO Energy	A-	A3	A-

In 2000 and 2001, Moody's Investor Services, Inc., Standard & Poor's Ratings Service and Fitch Investor Services, Inc. lowered the ratings on the debt securities of TECO Energy and Tampa Electric. The outlook assigned by each agency is negative. The ratings actions were attributed to increased debt levels and the changing risk profile associated with the expansion of TECO Energy's independent power development activities, as well as the required capital outlays of Tampa Electric, the uncertainties related to industry restructuring and the additional risks and obligations undertaken by TECO Energy with respect to various TPS projects. These downgrades and any further downgrades, may affect the company's ability to borrow and increase its financing cost which may decrease earnings.

Dividend

- April 2001 increase 2.9%
- 5 year growth rate 4.4%
- 10 year growth rate 4.9%



Financial summary – continued

Capital investments including AFUDC

	<u>Actual</u>	<u>Forecast (millions)</u>			<u>Forecast</u>
	2001	2002	2003	2004-2006	Total
Florida Operations	533	603	359	761	1,723
Independent Power	554	514	352	0	866
Transportation	(4)	20	24	55	99
Other	23	46	29	46	121
Total	\$1,106	\$1,183	\$ 764	\$ 862	\$2,809

- For 2002, Tampa Electric expects to spend \$541 million, consisting of \$330 million for the repowering project at the Gannon Station, \$16 million in construction costs on Polk Unit 3 and \$195 million to support system growth and generation reliability. At the end of 2001, Tampa Electric had outstanding commitments of about \$453 million for the Gannon Station repowering project and Polk Unit 3. Tampa Electric's total capital expenditures over the 2003-2006 period are projected to be \$878 million, including \$131 million for the repowering project.

- Capital expenditures for Peoples Gas System are expected to be about \$62 million in 2002 and \$242 million during the 2003-2006 period. Included in these amounts are approximately \$42 million annually for projects associated with customer growth and system expansion. The remainder represents capital expenditures for ongoing maintenance and system safety.

- TECO Powers Services expects to invest \$514 million in 2002, net of \$500 million of non-recourse project financing expected for the Dell, McAdams, Frontera and Commonwealth Chesapeake power stations, and \$320 million in 2003 for the completion of the Gila River, Union, Dell and McAdams power stations. Estimates for TPS include net contributions to projects of unconsolidated affiliates and other investments of \$984 million. These amounts, consisting of equity investments in the Union and Gila River power stations, are estimated at \$664 million in 2002 and \$320 million in 2003. The 2002 amounts are net of \$460 million of non-recourse project construction for the Union and Gila River power stations, and including \$125 million of TPS equity investments upon completion of the first phase of the Union Power Station. Capital investment estimates reflect committed projects and do not take into account future opportunities that may emerge.

- The other unregulated companies expect to invest \$66 million in 2002 and \$154 million during the 2003-2006 period. Included in these amounts is normal renewal and replacement capital including coal mining equipment.

Environmental Highlights

TECO Energy companies are committed to protecting the environment, as evidenced by a wide variety of projects and partnerships.



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Tampa Electric

- Power generation
 - Repowering coal-fired Gannon Station to fire natural gas (to be re-named "Bayside Power Station" upon completion of repowering) will improve its ability to generate reliable electric power, reduce emissions and protect Tampa Bay's environment.
 - The flue gas desulfurization systems (or "scrubbers") at Big Bend Station remove 95 percent of the sulfur dioxide and reduce emissions in a cost-effective manner.
 - The Polk Power Station is a state-of-the-art, clean-coal technology plant using an integrated, coal gasification, combined-cycle process in a cost-efficient and environmentally friendly method to produce electricity from coal.
- Stewardship
 - A summer stewardship program employs Tampa Bay area students and teachers to restore natural habitats for plant, animal and marine life on company owned environmentally sensitive land.
 - Tampa Electric works with the National Audubon Society to ensure protection of the Piney Point Bird Colony. This colony is the second largest wading bird colony in Tampa Bay and among Florida's most diverse colonies.
 - The Manatee Viewing Center adjacent to Big Bend Station where West Indian Manatees or Sea Cows, an endangered species, gather in the warm water discharge canal during the normally colder winter months, offers education programs that include such areas as water conservation and responsible Florida landscaping. Each year teachers bring approximately 3,500 grade school children to the center to hear the Tampa Electric Company manatee message and see the mammals in the wild. Since 1986, the Manatee Viewing Center in Apollo Beach has attracted more than one million visitors.

Environmental Highlights – continued

- Recycling
 - Byproducts resulting from the power generation process are recycled. The scrubbers at Big Bend Station yield commercial grade gypsum. Fly ash from Big Bend and Gannon Stations is used in cement and the concrete industries. Boiler slag from Big Bend and Gannon Station is used as blasting grit and on roofing shingles. Water recycling and reuse programs have reduced potable water use at Big Bend Station by about 600,000 gallons daily.
- Green Energy and Energy Conservation
 - "Smart Source" utilizes clean energy sources such as natural sunlight and organic plant material to generate electricity and offers customers an option to purchase 50 kilowatt-hours of green energy each month.
 - The company has several energy conservation programs including free home energy audits in which the company provides instruction to customers on measures and practices they can implement to lower their energy consumption. The program began in 1980, and 6,000 - 7,000 audits are completed annually.

Peoples Gas System

- Peoples Gas offers energy conservation rebates to both residential and commercial customers as incentives to increase the conservation of energy resources with the installation of new energy efficient natural gas appliances.
- Peoples Gas provided design-build services for three (3) alternate fueling stations last year to provide compressed natural gas for fueling vehicles, which produce much lower exhaust emissions than those from gasoline-powered vehicles. These alternate fuel facilities supply compressed natural gas to vehicles at the Mayport Naval Air Station in Jacksonville, the City of Hollywood, and the Pinellas Suncoast Transit Authority in Pinellas County.
- Utilizing improvements in technology, related to guided directional boring, has provided Peoples Gas with alternatives to typical construction methods. This has made it possible to avoid disturbing delicate wetland areas during expansion of the natural gas system.

Environmental Highlights - continued

TECO Power Services

- TECO Power Services (TPS) is committed to protecting the environment by complying with all applicable environmental regulations and striving for environmental excellence. TECO Power Services takes an active role at each of its facilities. Each TPS facility incorporates features into its design to minimize impacts to the environment.
- Project designs incorporate state-of-the-art emission control technologies, including low nitrogen oxide (NOX) combustion technologies to control emissions of NOX and carbon monoxide (CO) while firing on natural gas or fuel oil.
- Use of dry low nitrogen oxide combustors (DLN), along with selective catalytic reduction (SCR) to further reduce nitrogen oxide emissions and an oxidation catalyst to control carbon monoxide and volatile organic compound emissions where required.
- Emissions of sulfur dioxide ("SO₂"), volatile organic compounds ("VOC") and particulate matter ("PM") are minimized by the choice of fuel, and the high combustion efficiency inherent in a modern design.
- Wastewaters are collected and treated prior to discharge or returned back to the plant for reuse whenever possible.
- Implementation of comprehensive Environmental Health and Safety management plans to strictly comply with all environmental laws and laws pertaining to Health and Safety.

TECO Ocean Shipping

- TECO Ocean Shipping delivers sea water to the Tampa Bay Aquarium to supply and refresh exhibit tanks. Specially coated ballast tanks, that hold 300,000 gallons of sea water, are loaded from the Gulf of Mexico while en route from New Orleans to Tampa.
- TECO Ocean Shipping provides leadership to the Tampa Bay Harbor Safety Committee, which is a partnership of commercial, regulatory and public interest representatives that provides guidance and recommendations on navigation safety, Port Security and other matters to protect the waters of Tampa Bay.

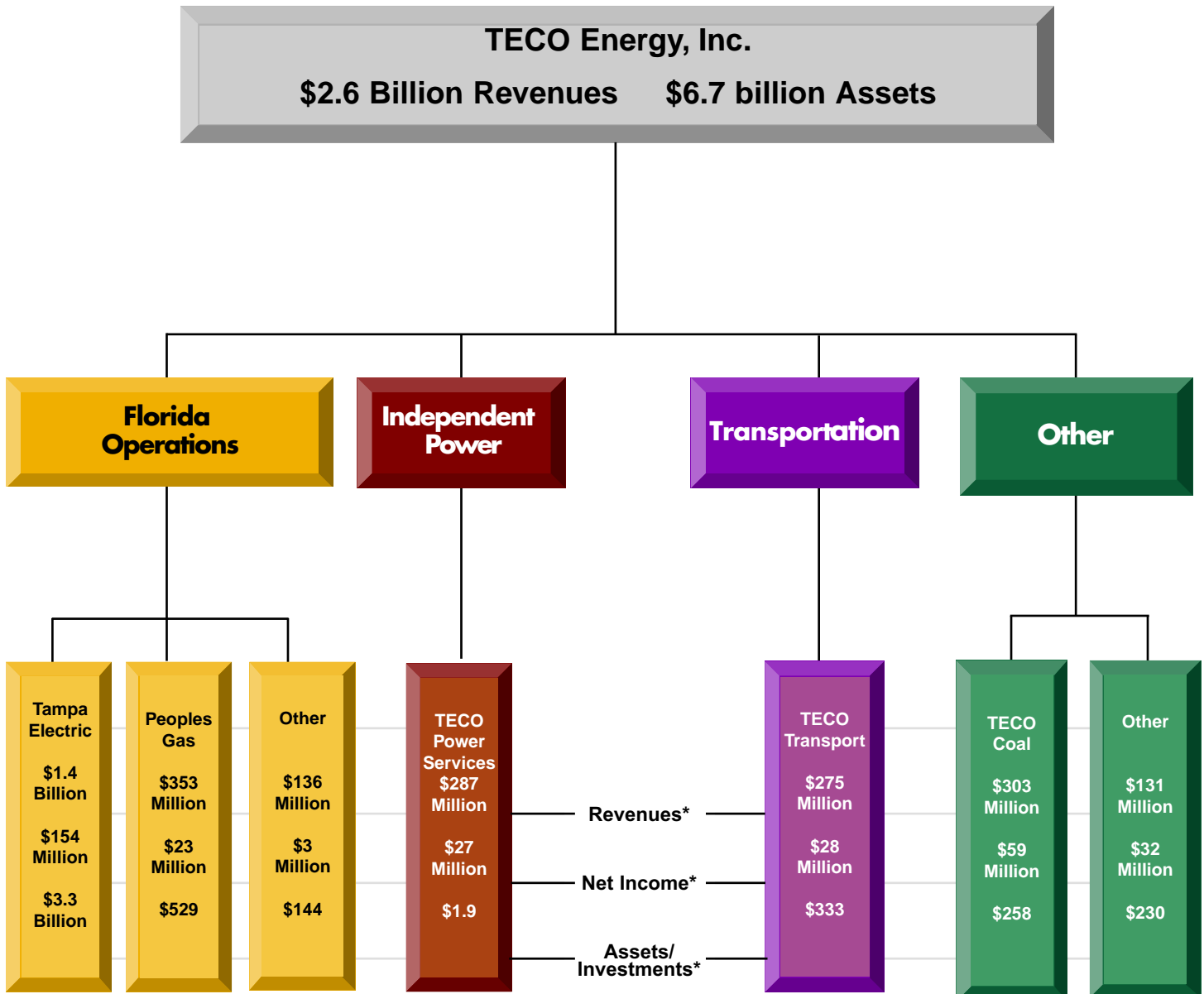
Environmental Highlights – continued

- TECO Ocean Shipping exceeds international and US requirements on many of its vessels by voluntarily complying with International Safety Management Code and International Training conventions. These standards raise the level of safety and environmental protection, through policies, procedures and practices to minimize the potential for harm to our employees, the public and the environment.

TECO Barge Line

- TECO Barge Line participates annually in the Ohio River Sweep in Metropolis, Illinois, a program that has communities along the Ohio River picking up trash and debris and sponsors "Friends of the Illinois River" as part of the Illinois River Sweep.
- TECO Barge Line is a sponsor of "Living Lands and Waters" to aid in the protection, preservation and restoration of the natural environment of the nation's major rivers and their watersheds; to expand awareness of environmental issues and responsibility encompassing the river; and to create a desire and an opportunity for stewardship and responsibility for a cleaner river environment.

2001 FINANCIAL SUMMARY

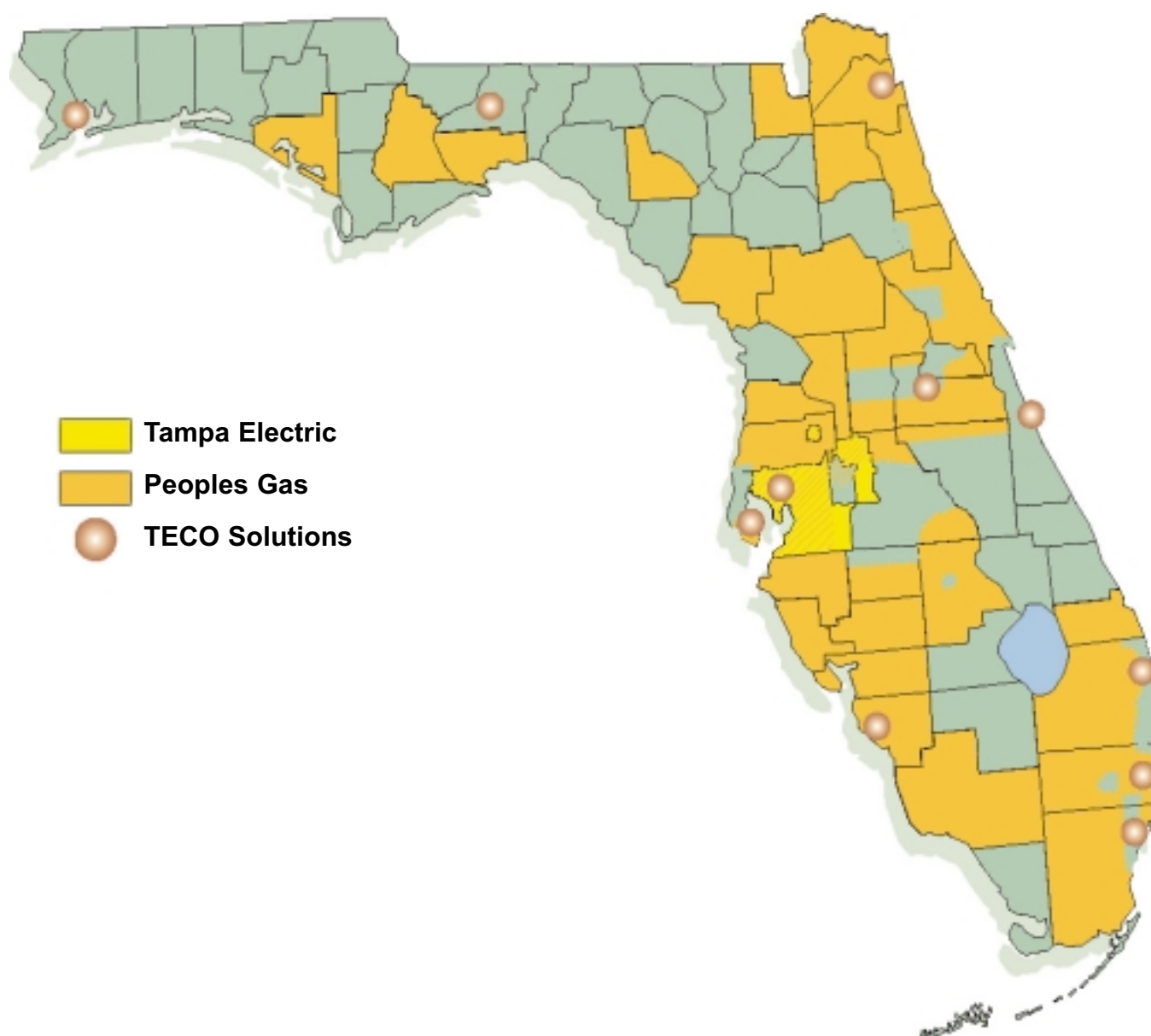


* Unconsolidated

FLORIDA OPERATIONS



Section II





Tampa Electric Company, incorporated in 1899, is TECO Energy's largest subsidiary. Tampa Electric, the electric division, serves over 580,000 customers in its 2,000-square-mile West Central Florida service territory, including Hillsborough County and parts of Pasco, Pinellas and Polk counties.

Strengths

- One of the best energy markets in the United States
- Stable regulatory environment with history of balanced regulation benefiting both customers and the company
- Strong local employment and new business growth
- Forecast strong energy sales growth of nearly 3% annually over the next five years
- Favorable customer mix – 85% of revenues from residential and commercial
- Competitive generation
- Adding base load capacity by repowering older, less-efficient, coal-fired units to highly efficient natural-gas fired units
- Consumers ranked Tampa Electric first in the nation in customer service quality according to the 2001 Electric Utility Customer Satisfaction Study by J. D. Power and Associates

Electric operations

Capacity

Tampa Electric has four steam-generating plants, one integrated gasification combined cycle plant (IGCC), one internal combustion plant and five combustion-turbine peaking units. These plants, the fuel they use and their capacities are:

Plant	Fuel	MW
Big Bend	Coal	1,825
Gannon	Coal	1,220
Hookers Point	Oil	90
Polk Unit 1	Coal / gasification	315
Polk Unit 2	Natural gas / Oil	180
Phillips	Diesel or #2 oil	36
Peaking units	Diesel or #2 oil	177
Distributive units		<u>56</u>
System total		3,899

Gannon Station repowering

- Gannon Station will be repowered to natural gas and renamed the Bayside Power Station. The repowered station is expected to have a nominal capacity of 1,828 MW (winter rating) with phase 1 (780 MW) to be completed in May 2003 and phase 2 (1,048 MW) in May 2004.
- The use of an existing site and existing infrastructure will give these units a low capital cost, below that of new green field capacity.
- Will be served by the FGT pipeline initially. When completed, the Gulf Stream pipeline will have the ability to supply the plant, making it the only plant served by both major pipelines serving Florida.

Demand

- Tampa Electric's peak demands occur in the winter because of electric heating. An all-time winter instantaneous peak load record of 3,991 MW was set on Jan. 5, 2001. Summer peaks are brought on by air conditioning. An all-time summer instantaneous peak load record of 3,556 MW was set on Aug. 8, 2000.

High reliability

- Fewest and shortest service interruptions per 1,000 customers of peninsular Florida's investor-owned utilities (IOUs) for each of the past six years.
 - A key consideration for relocating or expanding high technology and computer-intensive customers.

Competitive position

- Tampa Electric's retail prices are competitive nationwide among investor owned utilities.
- No large commitments to high cost purchased power.
- Customer per employee ratio has increased from 150 customers/employee in 1993 to 207 customers/employee in 2001, an improvement of over 38 percent.
- All employees have pay-at-risk based on achievement of corporate goals. The 2002 goals include net income, safety, customer satisfaction, capital spending, fuel and purchase power costs per MWH, non-KWH sales and O&M.
- Have sites permitted to accommodate 1,640 MW of additional generation capability.

Retail energy sales growth

- Tampa Electric continues to benefit from the growth in west central Florida.

	<u>2001 Growth</u>		<u>5-Year Avg. Historical</u> <u>Annual Growth</u>	
	<u>Customers</u>	<u>kWh Sales</u>	<u>Customers</u>	<u>kWh Sales</u>
Residential	2.9%	3.1%	2.6%	2.8%
Commercial	2.3%	2.6%	2.7%	3.4%
Industrial	8.9%	(2.5)%	8.4%	0.2%
Other retail	2.6%	2.3%	5.2%	2.6%
Total retail	2.8%	2.0%	2.6%	2.6%

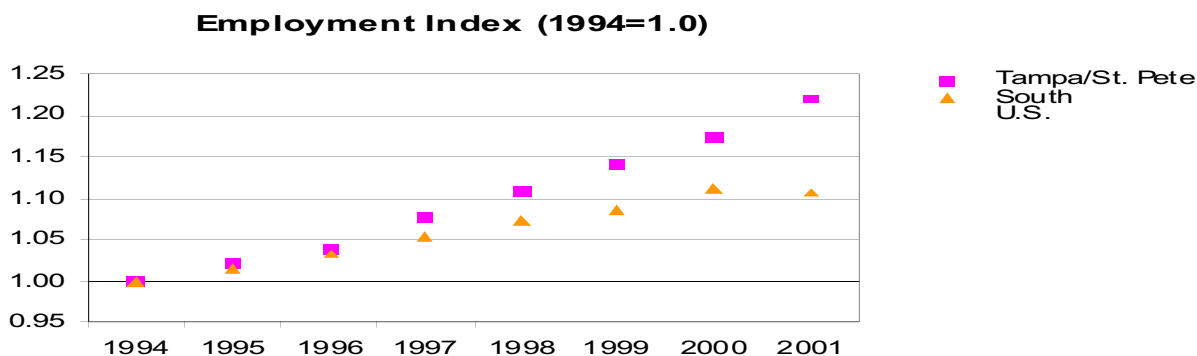
- The solid retail customer growth and strong commercial sales provided a higher-margin customer mix in 2001.

Customer sales outlook

- Expect customer growth of about 2.5 percent and energy growth of 3 percent in 2002.
- Expect customer growth of more than 2 percent annually and retail energy sales growth of 2.6 percent annually over the next five years.

Economic outlook

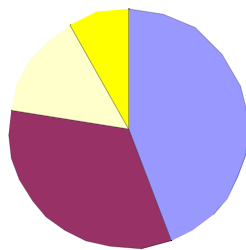
- Florida's economy slowed in response to the national economic downturn. In December 2001, the national jobless rate had risen to 5.8 percent compared to 5.7 percent in Florida. However, the Tampa areas relatively low 4 percent unemployment rate attests to the strength of its diverse economy during this period.
- Florida's diversified service-based economy has historically been less affected by economic downturns than other areas of the nation.
- Florida was once again among the top in both number of new jobs generated and percent growth in 2001.
- Florida ranked first in the U.S. and first in the Southeast, creating 138,200 net new jobs in 2001.
- Independent economic forecasts indicate that Florida is expected to continue to grow at rates above Retail customer mix



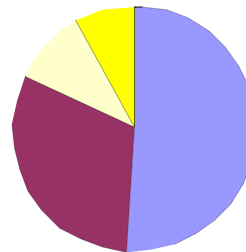
- Tampa metropolitan area employment growth is among the highest in the U.S.
- Employment grew at 3.3 percent annually for the five-years ended in 2001.
- Aggressive economic development activities continue to be successful. Many new jobs have been created from major corporate relocations and expansions over the past five years, primarily in the areas of financial services, information technology and telecommunications. However, consolidation in the financial and telecommunications industries and a slowdown in the U.S. economy may result in job eliminations or relocations.

Retail customer mix

Megawatt-Hour Sales



Revenues



■ Residential
■ Commercial
■ Industrial
■ Other retail

12 Months ended Dec. 31, 2001 (thousands)

	<u>Year end Customers</u>	<u>MWH Sales</u>	<u>Sales %</u>	<u>Base Revenues</u>	<u>Revenue %</u>	<u>Revenue/ MWH</u>
Residential	513.3	7,594	44.7	\$ 383,990	55.4	\$ 52
Commercial	64.0	5,685	33.5	209,119	30.1	37
Industrial	0.9	2,329	13.7	48,063	6.9	2
Other retail	5.8	1,368	8.1	55,604	7.3	41
Total retail	584.0	16,976	100.0	\$ 693,929	100.0	\$ 41

- Average residential and commercial customer usage is growing, up 4.9 percent and 3.6 percent respectively annually over the last five years. Usage is up 5.0 percent and 3.1 percent respectively on a weather-adjusted basis, reflecting the strong local economy.
- Proportion of sales to lower-margin industrial customers is below the national average and decreasing over time.

Regulatory information

1995 – 1999 Regulatory Arrangements

In 1995 and 1996 Tampa Electric reached a series of regulatory agreements with FIPUG and the Office of Public Counsel (OPC), which were approved by the FPSC. These agreements allowed the company to achieve its goal of obtaining full regulatory recovery for the Polk Unit One while keeping base rates to customers unchanged.

- In December 2000 the FPSC determined that \$6.1 million should be refunded to customers after completion of its audit for 1999. Again, the FPSC maintained the same 58.7 percent equity ratio for regulatory purposes for prior years.
- In February 2001, OPC protested the FPSC's decision. The protest claimed that the stipulations did not allow for the inclusion of the interest expenses on income tax positions in the refund calculations. The FPSC held hearings on the issue in August 2001 and upheld its earlier decision. In January 2002, the OPC filed a motion with the FPSC asking for reconsideration of its decision, alleging the FPSC relied on erroneous information. Tampa electric will begin making refunds to customers when the decision can no longer be appealed.

Current Regulatory Environment

- Upon expiration of the regulatory agreements that determined earnings for 1995 to 1999, Tampa Electric returned to traditional ROE based regulation. The current allowed ROE midpoint is 11.75 percent, with an allowed range of up to 12.75 percent.
- In December 1999, the Florida Department of Environmental Protection (DEP) approved a comprehensive 10 year environmental plan which includes:
 - Repowering Gannon Station – to be renamed Bayside Power Station after repowering.
 - Nitrogen oxide (NOx) control at Big Bend Station in 2010 and beyond.
 - By 2010, Tampa Electric’s sulfur dioxide emissions will decrease by 80 percent and NOx emissions will decrease by 85 percent from 1994 levels.
- In February 2000, the Environmental Protection Agency (EPA) and Tampa Electric reached a settlement on an environmental plan with provisions similar to the state agreement.
- In September 2000, the Florida Public Service Commission (FPSC) approved the first of many projects required by the DEP and EPA agreement for recovery through the Environmental Cost Recovery Clause (ECRC).
- Subsequently, the FPSC has consistently approved several more projects required by the DEP and EPA agreements through the ECRC.

Industry structuring in Florida –GridFlorida

- In December 1999, the Federal Energy Regulatory Commission (FERC) issued Order No. 2000, dealing with RTOs. This rule is driven by the FERC's continuing effort to effect open access to transmission facilities in large, regional markets. The rule provides guidelines to utilities for joining RTOs by December 2001. These guidelines specify minimum characteristics and functions.
- In anticipation of the FERC activity, the FPSC held workshops in 1999 to discuss transmission issues within peninsular Florida. Potentially affected parties and the FPSC agreed that a national one-size-fits-all approach is not appropriate. With the encouragement of the FPSC, Tampa Electric worked with utilities in the state and others to develop a peninsular Florida solution.
- The activities resulted in the peninsular Florida investor-owned utilities making joint RTO filings at FERC in October and December 2000. In the filing, Tampa Electric agreed with the other Florida investor-owned utilities to form an RTO to be known as GridFlorida LLC. GridFlorida would independently control the transmission assets of the filing utilities, as well as other utilities in the region that choose to join. The RTO would be an independent, investor-owned organization that would have control of the planning and operations of the bulk power transmission system of the utilities within peninsular Florida. In addition, GridFlorida was proposed to be a transmission company (or transco) that would own transmission assets. Tampa Electric planned to contribute its transmission assets to GridFlorida in exchange for a passive interest. The three filing utilities represent almost 80 percent of the aggregate net energy load in the region for the year 2000.
- In March 2001 FERC conditionally approved GridFlorida, which led to a May 2001 compliance filing by the three filing utilities at FERC addressing the changes FERC required in their approval before GridFlorida could move ahead. FERC has not yet acted on this latest filing.

Industry structuring in Florida –GridFlorida continued

- In May 2001, the FPSC questioned the prudence of the three filing utilities joining GridFlorida as conditionally approved by FERC. Upon the request of the three utilities, the FPSC granted the opening of an accelerated docket regarding the prudence of GridFlorida. Hearings were held in October 2001, and the FPSC ruled that, while the companies were prudent in forming GridFlorida, the FPSC was not satisfied with the transmission-owning features of the GridFlorida filing nor with the proposal that any of the filing utilities transfer ownership of their assets to GridFlorida. Accordingly, the FPSC ordered the companies to develop a new RTO model for filing at the FPSC by the end of March 2002 that addresses its concerns. Tampa Electric plans to comply with the FPSC order while continuing to take an active role in monitoring and influencing the development of possible RTOs in the southeast region.

Industry Restructuring in Florida – Energy 2020 Study Commission

- In 2000, Florida Governor Jeb Bush established the 2020 energy Study Commission to address the following issues by December 2001: current and future reliability of electric and natural gas supply; emerging energy supply and delivery options; electric industry competition; environmental impacts of energy supply; energy conservation and fiscal impacts of energy supply options on taxpayers and energy providers. TECO Energy has been supportive of the process.
- The Study Commission submitted its final recommendation to Governor Bush in December 2001 which included, among other things, elimination of barriers to entry for merchant power generators, an open competitive wholesale electric market, transfer of regulated generating assets to unregulated affiliates or sale to others, Florida electric system reliability and consumer protection. A proposal is expected to be forwarded to the legislature by the Governor for possible action as early as the 2002 legislative session. It is unclear at this time if this proposed legislation would pass.

Outlook

- Expect continued strong retail energy sales growth from an expanding state and local economy.
 - Project average combined commercial and residential annual energy sales growth of 2.6 percent for the next five years.
- Adding competitive generation to support growth.
- Florida approach to market change has been reasonable.
- Market is evolving in way that provides opportunity for Tampa Electric.

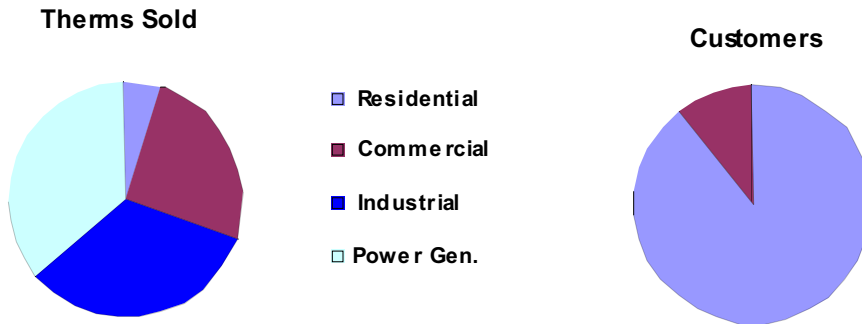


Peoples Gas System, acquired in 1997, is Florida's leading provider of natural gas. With a presence in all of the state's major metropolitan areas, Peoples Gas serves more than 270,000 residential and commercial customers. A recently completed expansion to Northeast Florida is just one of the company's continuing growth initiatives.

Strengths

- Expands the TECO brand statewide
- Gas in Florida is significantly underserved, providing major growth opportunities for natural gas usage
- Florida opportunities
 - Ability to expand into areas currently not served
 - Key Accounts – supplying gas to new and established commercial customers
 - Statewide Developer Agreements – supplying gas to new residential projects
- Customer growth averaged more than 5 percent over the last five years
- Regulation is gas friendly
 - Commodity gas cost is a pass through

Operating Information



	<u>Therms sold (millions)</u>	
	<u>2001</u>	<u>2000</u>
Residential	58.8	57.6
Commercial	308.9	292.1
Industrial	346.5	374.1
Power Generation	<u>403.5</u>	<u>418.6</u>
Total	1,117.7	1,142.4
 Customers	 272,527	 262,847

- Sales in 2000 reflect colder than normal weather late in the year. 2001 sales reflect nearly normal weather.
- In November 2000, Peoples Gas System instituted its "NaturalChoice" program, which unbundles gas services from all non-residential customers, affording these customers the opportunity to purchase the commodity gas from any provider. The net result of this unbundling is a shift from commodity sales to transportation sales. Because commodity sales are included in operating revenues at the cost of the gas on a pass-through basis, there is no net financial impact to the company of the transportation only sales. The program is expected to increase gas use due to increased marketing by third parties. At year-end 2001, 8,000 customers had elected to take services under this program.



Good prospects for growth

- Gas is underserved in the residential and commercial markets in Florida.

Southeastern U. S. Residential Gas Market Penetration Fall 2001

<u>State</u>	<u>Total Households (millions)</u>	<u>Utilization</u>
Louisiana	1.6	60%
Tennessee	2.1	44%
Georgia	2.8	62%
Alabama	1.7	46%
Mississippi	1.0	43%
S. Carolina	1.4	34%
N. Carolina	2.9	28%
Florida	6.0	9%

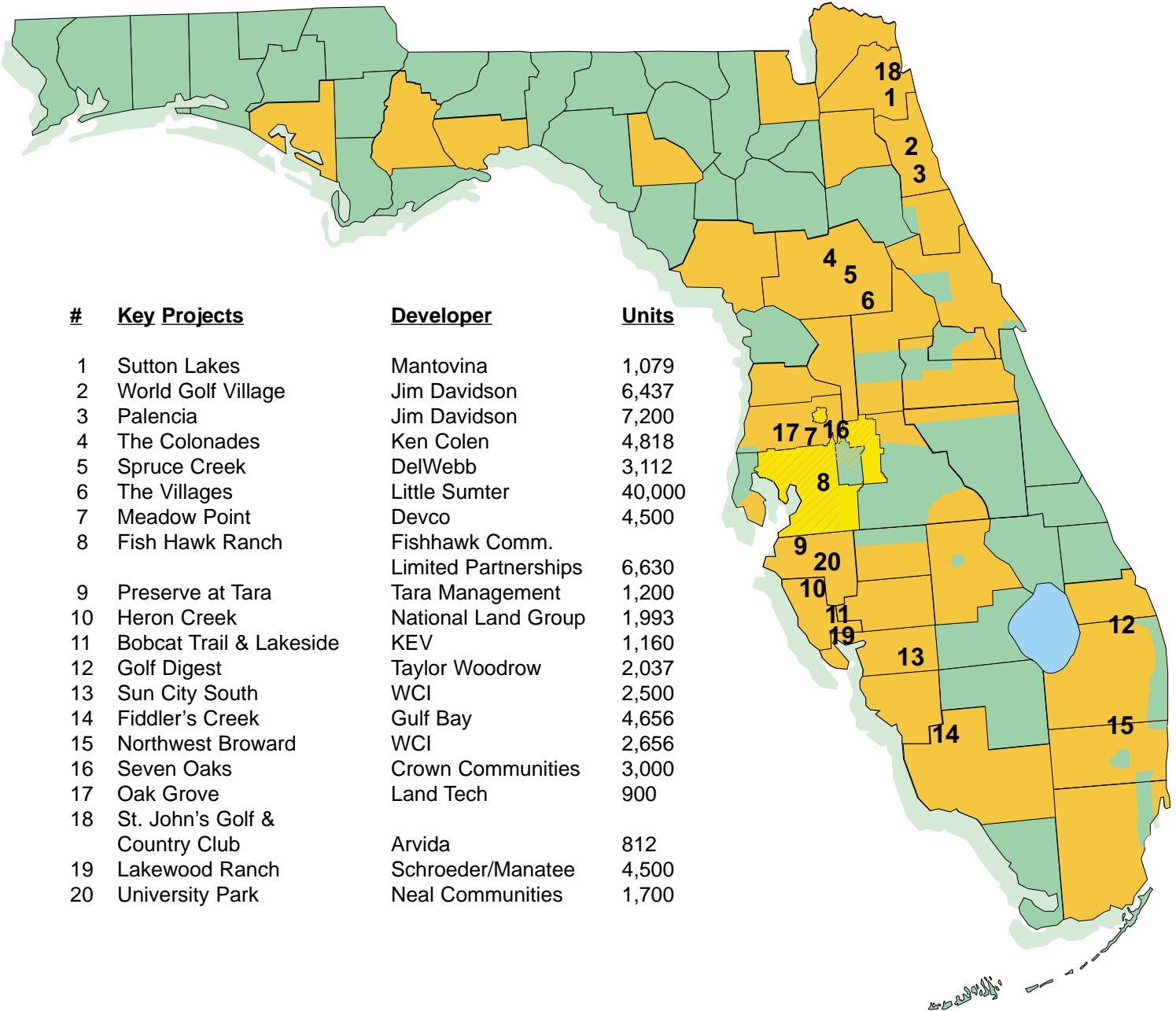
- Florida's growing residential/commercial market offers significant opportunities.
- Peoples Gas serves the high growth areas of Ft. Myers, Jacksonville, Naples, Ocala, Orlando, Palm Beach, Sarasota, Tampa, and surrounding areas.
- Expect more than 5 percent growth over the next five years.
- Capital expenditures in 2002 are expected to be about \$62 million, and annual capital expenditures are expected to average \$60 million over the next five years. The company expects to add infrastructure to serve new customers in areas currently served and expand the system into currently unserved areas.
- Florida Gas Transmission (FGT) pipeline capacity is adequate to meet current needs and will support the expected sales growth with the FGT Phase 5 expansion planned for 2002.



Good prospects for growth - continued

- Current committed major projects present attractive opportunities for significant residential and commercial gas use growth.
 - * Developers want to offer homes with natural gas service.
 - * Commercial and residential customers want natural gas.
 - * Targeting high-end residential developments with significantly higher annual usage than the current residential usage rate.
- In 2000, completed the 150-mile main line expansion to Southwest Florida.
 - Only remaining major metropolitan market in Florida where natural gas was not available.
 - Fifth fastest growing region in the country and among the highest in per capita income.
 - New homes and businesses expected to total over 100,000 in the Ft. Myers/Naples area over the next decade.
- In 2001, nearly 20,000 residential and commercial customers and more than 600 miles of pipeline were added to the distribution system.
 - Construction was completed on a pipeline expansion to Northeast Florida's St. Johns County. When planned developments are completed over the next 15 years, it is estimated that the expansion will serve nearly 7,000 residential and commercial customers.
 - Construction was completed on a 15-mile, \$5-million expansion north of Fort Lauderdale in Broward County.

DEVELOPERS/BUILDERS



#	Key Projects	Developer	Units
1	Sutton Lakes	Mantovina	1,079
2	World Golf Village	Jim Davidson	6,437
3	Palencia	Jim Davidson	7,200
4	The Colonades	Ken Colen	4,818
5	Spruce Creek	DelWebb	3,112
6	The Villages	Little Sumter	40,000
7	Meadow Point	Devco	4,500
8	Fish Hawk Ranch	Fishhawk Comm. Limited Partnerships	6,630
9	Preserve at Tara	Tara Management	1,200
10	Heron Creek	National Land Group	1,993
11	Bobcat Trail & Lakeside	KEV	1,160
12	Golf Digest	Taylor Woodrow	2,037
13	Sun City South	WCI	2,500
14	Fiddler's Creek	Gulf Bay	4,656
15	Northwest Broward	WCI	2,656
16	Seven Oaks	Crown Communities	3,000
17	Oak Grove	Land Tech	900
18	St. John's Golf & Country Club	Arvida	812
19	Lakewood Ranch	Schroeder/Manatee	4,500
20	University Park	Neal Communities	1,700



DESIGN, CONSTRUCTION & ENERGY SVCS

TECO Solutions was formed to support TECO Energy's strategy of offering customers a comprehensive and competitive package of energy services and products and provide opportunities for cross marketing with Tampa Electric and Peoples Gas. Operating companies under TECO Solutions include TECO BGA, BCH Mechanical, TECO Gas Services, TECO Properties, Prior Energy, TECO Propane Ventures and TECO Partners.

TECO BGA

A nationally known energy services/engineering company, TECO BGA has provided technical assistance to help facilities all across the country become more energy efficient. BGA has facilitated development and implementation of well over \$100 million in energy conservation initiatives for commercial, institutional, and governmental facilities across the country.

- One of Florida's premier engineering and energy services companies (ESCO).
- Provides energy-efficient electrical and mechanical design, engineering and construction services to more than 300 institutional, industrial and commercial customers throughout Florida.
- Provides energy efficiency turnkey services for public and private sector markets, power reliability solutions and district cooling/chilled water plants.

BCH Mechanical

A leading mechanical contracting firm in Florida.

- TECO Solutions increased its capabilities with the addition of BCH Mechanical in September 2000. BCH adds strong capabilities in O&M and construction management, and a statewide presence and provides the mechanical construction services that BGA previously provided by contracting with outside subcontractors.
- The BCH Mechanical businesses provide HVAC and electrical contracting services, preventive maintenance programs, mechanical and electrical system retrofits and 24-hour emergency service.

TECO Gas Services

- Provides gas management and marketing services for large municipal, industrial and power generation customers anywhere in Florida.
- Has expanded customer base to over 2,500 as a result of the unbundling activity occurring at natural gas LDC's in the state of Florida. High customer growth, although low-margin, is expected to continue as Peoples Gas System makes its "NaturalChoice" option for unbundled service available to all non-residential customers.

Prior Energy

Acquired in November 2001, Prior Energy is a leading natural gas management company in North America, serving customers throughout the Southeast.

- Handles all facets of natural gas energy management services for large commercial, industrial, power generation, municipal and other governmental agency customers, including natural gas acquisition and supply management, transportation management, asset management and consulting services.
- Activities typically consist of: contracting to purchase specific volumes of gas from producers, pipelines and other suppliers at various points of receipt; aggregating gas supplies and arranging for the transportation of these gas supplies; negotiating to sell specific trading gas volumes to optimize storage facilities and other asset management strategies; and providing related risk-management services to its customers

TECO Propane Ventures

TECO Propane Ventures (TPV) is the subsidiary in which the company's propane business investment is held. This business was formerly known as Peoples Gas Company, the unregulated propane gas business acquired in the 1997 Peoples Gas companies merger, which was the largest independent propane distributor in Florida.

- In February 2000, TECO Energy entered into an agreement to form US Propane L.P. to combine its Peoples Gas Company propane operations with the propane operations of Atmos Energy Corporation, AGL Resources, Inc. and Piedmont Natural Gas Company, Inc.
- In June 2000, US Propane announced that it would combine with Heritage Holdings, Inc., the general partner of Heritage Propane Partners, L.P. (NYSE: HPG), to create the fourth largest retail propane distributor in the United States. In August 2000, US Propane was formed combining the propane holdings of the four joint venture companies.
- The US Propane and Heritage Propane transactions transformed four local propane operations into a major regional company and then into a larger national operation that now markets over 340 million gallons of propane annually to nearly 600,000 customers in 28 states. The transactions created a significant market presence that allows pursuit of national accounts, balances seasonal and weather related demand fluctuations on a broader scale and provides a larger opportunity for growth.
- After Heritage Propane Partners issued new equity to the public in 2001, US Propane continued to own all the general partner and an approximate 29 percent limited partnership interest of Heritage Propane Partners,

INDEPENDENT POWER



Section III



TECO Power Services (TPS) builds, owns, and operates generation facilities in high- growth areas in the United States and Central America. In total, TPS has a net ownership interest of almost 6,600 net megawatts of announced generating projects, either operating, or in construction. TPS currently owns four power plants in operation within the United States and two in Guatemala. It also is part of a consortium that owns Empresa Eléctrica de Guatemala, S.A. (EEGSA), the largest electric distribution company in Central America. Domestically, projects operating or under construction call for TPS to serve customers in 18 states, primarily in the southern half of the United States.

Strengths

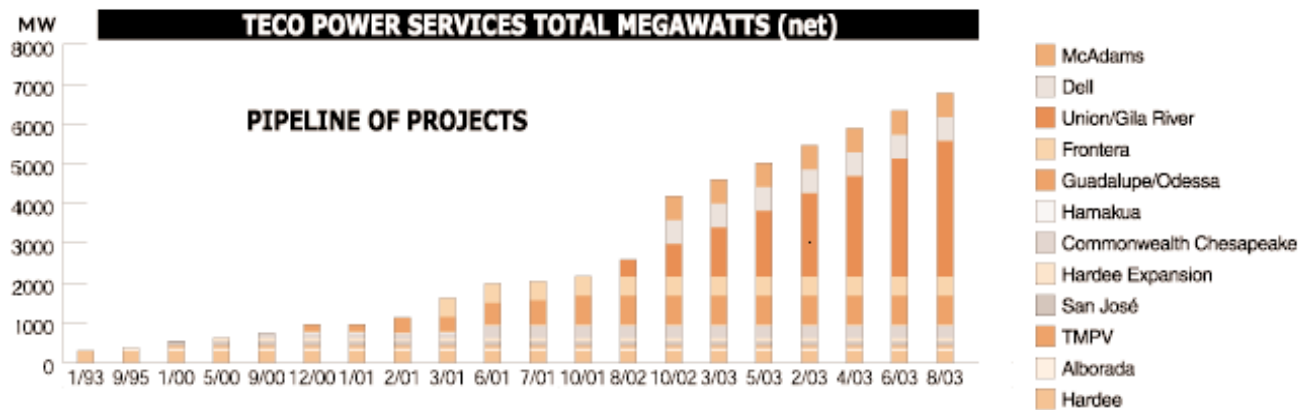
- Demonstrated greenfield and project management experience.
- Experience in a wide variety of technologies including solid-fuel gasification.
- Geographically diverse projects, located primarily in the high-growth sunbelt states.
- Strong alliances.
- Disciplined approach to risk assessment and project development.

TPS Strategy

- Focus on domestic projects.
- Achieve near-term earnings growth through joint ventures and acquisitions.
- Realize long-term earnings growth through greenfield development.
- Maximize profitability of Central American assets.

Accelerating Growth

- First project, Hardee Power Station, began operation in January 1993.
- Number of new projects coming on line has rapidly accelerated as the pipeline of projects grows.



TPS Project Summary

Project	Location	Size MW	TPS	TPS	In-service/
			Economic Interes	Net Participation Size MW	Date
Operating					
Hardee Power Station	Florida	370	100%	370	1/93 , 5/00
Alborada Power Station	Guatemala	78	96%	75	9/95
Empresa Eléctrica		618,000			
Guatemala S. A. (EEGSA		(retail electric			
(a distribution utility)	Guatemala	customers	24%		9/98
San José Power Station	Guatemala	120	100%	120	1/00
Hamakua Energy Project	Hawaii	60	50%	30	8/00, 12/00
Frontera Power Station	Texas	477	100%	477	5/00 / 3/01
Commonwealth Chesapeake	Virginia	312	95%	296	9/00, 8/01
Odessa/Guadalupe	Texas	2,000	(1)	750	12/00-10/01
Sub-total operating		3,417		2,118	
Under Construction					
Dell	Arkansas	599	100%	599	5/03
McAdams	Mississippi	599	100%	599	5/03
Union	Arkansas	2200	(2)	1650	4Q/02 – 3/03
Gila River	Arizona	2145	(2)	1609	2/03 – 8/03
Sub-total construction		5,543		4,457	
Total		8,960		6,575	

(1) Currently in the form of a loan, represents the potential economic interest estimated at 75 percent of Panda's 50-percent interest in these projects.

(2) Based on the effect of the preferred return, estimated at 75 percent over the life of the project.

- Detailed fact sheets are provided for each project at the end of this section.

Energy Markets

- Power plants are located in markets that have a history of high load growth.
- TPS believes that prices paid under negotiated contracts involving the inclusion of capacity payments and ancillary services, will be higher than indicated by current soft forward prices. TPS anticipates that forward prices should improve as the economy continues to improve and as the market recognizes the effects of cancelled projects.
- There is a premium for physical assets.
- Spot markets setting prices for power a year in advance of the time of sale are not liquid markets and do not necessarily provide accurate indication of future power prices.
- Strategy for selling plant output:
 - Enter into three to five-year contracts with load-servicing entities, or ultimate customers where it is allowed, for up to 50 percent of the output of the plants.
 - Contract another 25 percent of the output in the shorter term (less than one year market).
 - Remaining 25 percent sold in the spot market through experienced power marketers, such as Mirant for Commonwealth Chesapeake and Aquila for the Union and Gila station, expanding our in house sales capabilities, starting with Frontera.

TECO EnergySource (TES)

- Activated in 2001 to optimize the value of TPS generating assets.
 - Objective is to create and maintain a balanced generation portfolio of fuel supply and energy.
 - Presents a single face to the energy markets for TPS assets.
 - Utilizing fixed-price forward sales, purchase contracts, futures and options contracts traded on the NYMEX, as well as swaps and other types of financial instruments traded in the over-the-counter markets, is expected to allow TES to manage and hedge its contractual commitments and to reduce its exposure relative to the volatility of cash market prices.
 - TES will normally balance its fixed-price physical and financial purchase and sales contracts in terms of contract volumes and the timing of performance and delivery obligations.
 - Credit policies with regard to counterparties attempt to limit overall credit risk. Credit procedures include a thorough review of potential counterparties' financial position, collateral requirements under certain circumstances, monitoring net exposure to each counterparty and the use of standardized agreements.
 - Credit and overall risk management policies are monitored and administered by a function within TECO Energy that is independent of the trading and marketing activities.

TPS Highlights

- TPS's 2001 earnings were nearly triple 1999's earnings.
- Nearly doubled online capacity in 2001.
- Net ownership interest of almost 6,600 net megawatts of announced generating projects, either operating or in construction.
- Frontera project acquired March 2001.
- Construction underway on four major generating projects.

Outlook

- Solidify TPS' role in the independent power industry, both domestically and internationally.

TECO Power Services Corporation



Alborada Power Station

Name	Alborada Power Station
MW	78-MW Simple-Cycle
Technology	<p>The project consists of two GE LM6000 aeroderivative gas turbines operating in simple-cycle mode with inlet air chillers. The chiller system cools the gas turbine inlet air to achieve the gas turbine optimum inlet temperatures raising the total plant output from 65-MW to 78-MW at site ambient conditions.</p> <p>The facility includes a 230-kV switchyard and 1.7 km of transmission line connecting the switchyard with EEGSA's substation.</p>
Project Cost	\$50 Million
Ownership	TPS owns 96%, local partner owns 4%.
Commercial Operation	September 1995
Fuel Supply	TPS is providing fuel management services to EEGSA for the 15-year term of the power purchase agreement and is responsible for negotiating the fuel-related contractual arrangements. The gas turbines are fired with low sulfur distillate oil.
Power Purchaser	Empresa Eléctrica de Guatemala, S.A. (EEGSA)
Term of Purchase	15 years
Operator	TPS
Financing	Overseas Private Investment Corp.
Political Risk Insurance	Under a global policy.
Currency Risk	Weekly payments under the PPA are denominated in U.S. dollars; paid in Guatemalan quetzales.
Payment Risk	Minimized through a lockbox arrangement and TPS' ownership in EEGSA.

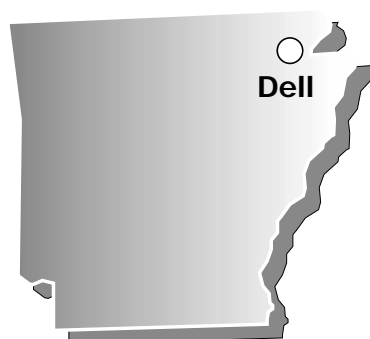
TECO Power Services Corporation



Commonwealth Chesapeake Project

Name	Commonwealth Chesapeake Project
MW	312-MW Oil-Fired, Simple-Cycle
Technology	The plant consists of seven General Electric LM6000 combustion turbines. The gas turbines operate in simple-cycle mode, and are fired with low sulfur No. 2 fuel oil. In addition, the turbines are equipped with inlet air chillers and are water-injected for NOx control.
Project Cost	\$185 Million
Ownership	TPS owns 95% on an economic basis.
Commercial Operation	Phase I - Sept. 2000, Phase II - Aug. 2001.
Power Market	Pennsylvania-New Jersey-Maryland Interconnection power pool (PJM) system Mirant is power marketer.
Transmission	Interconnected to Delmarva Power & Light's 138 kV transmission line that runs adjacent to the facility.
Fuel Supply	The project utilizes low sulfur No. 2 fuel oil with the project performing ongoing fuel management and day-to-day procurement.
Operator	TPS
Financing	Financing anticipated in 2002
Payment Risk	Revenue streams include: capacity sales, forward and option contracts, spot energy sales, and sale of ancillary services.

TECO Power Services Corporation



Dell Power Station

Name	Dell Power Station
MW	599-MW Combined Cycle
Technology	The Dell Project is configured with two GE 7FA combustion turbines, two heat recovery steam generators with supplemental firing and selective catalytic reduction for lowering NOx emissions and one reheat steam turbine.
Project Cost	\$392 Million
Ownership	TPS owns 100%
Commercial Operation	May 2003
Power Market	ENTERGY
Transmission	The facility will be interconnected to Entergy-Arkansas's 500-kV / 230-kV Substation located adjacent to the plant site. This will allow power sales from the plant to be made into the Entergy power market.
Fuel Supply	Natural gas will be delivered through the Reliant Energy Transmission system. Reliant will construct, own and operate a 2.5 mile lateral to connect to its existing 18" interstate pipeline to the Dell facility, as well as an upstream compression station to ensure gas pressure and deliverability to the project.
Power Purchaser	ACES Power Marketing - to market energy not under contract.
Energy Management Plan	Objective: 50% contract > 1 year, 25% contract 30 days - 1 year, 25% spot.
Operator	TPS
Financing	Construction financing expected in 2nd quarter 2002.
Payment Risk	TECO assumes credit risk.

TECO Power Services Corporation



Empresa Eléctrica de Guatemala, S.A.

Name	EEGSA
Location	Guatemala, Central America
Number of Customers	633,000 electric customers (as of 12/31/01)
Ownership	Consortium 80%, (Iberdrola 49%, TPS 30%, Electricidade de Portugal, S.A. 21%), TPS 24%.
Partners	Iberdrola, Electricidade de Portugal, S.A., private investors, & Guatemalan Government.
Purchase Price	\$520 million (9/98)
Operator	Iberdrola
Financing	\$200 million term loan from a group of lenders led by ABN Amro.
Energy Sales Growth	6%+ projected growth annually
Annual Energy Sales	3,497 Gwh (2000), up 6% from 1999 and 15% from 1998
Revenues	\$393 million (2000), up 48% from 1999 and 63% from 1998
Employees	486 (2000), reduced 13% from 1999 and 61% from 1998
Political Risk Insurance	Under a global policy.
Tariff/Currency Risk	Energy costs adjusted quarterly. Value added distribution component adjusted semi-annually.

TECO Power Services Corporation



Frontera Power Station

Name	Frontera Power Station
MW	477-MW
Technology	The facility uses two GE 7FA combustion turbines, two Nooter Eriksen heat recovery steam generators, and one ABB steam turbine in combined cycle.
Project Cost	\$270 million
Ownership	TPS owns 100%
Commercial Operation	May 2000, acquired 3/15/01
Power Market	ERCOT (with 150 MW capability to Mexico).
Transmission	The project is interconnected to the ERCOT market via three 138-kV transmission lines which tie to the Central and Southwest's JL Bates substation. The Frontera Power Station also consists of a 2-mile 13- kV transmission line which interconnects the project with the Comisión Federal de Electricidad (CFE) in Mexico.
Fuel Supply	The project company owns and operates a 12-inch gas header located within the Frontera plant site. The gas line is used to aggregate gas supplies delivered to the site from three pipelines.
Power Purchaser	Merchant
Energy Management Plan	Objective: 50% contract > 1 year, 25% contract 30 days - 1 year, 25% spot.
Operator	AEP 1st 5 years
Financing	Combination of recourse and non-recourse debt expected in 2nd quarter 2002.

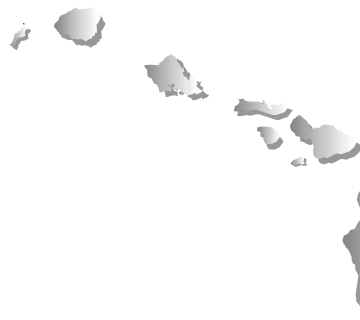
TECO Power Services Corporation



Gila River Power Station

Name	Gila River Power Station
MW	2,145-MW Combined Cycle
Technology	The Gila River Project is configured with eight GE 7FA combustion turbines, eight heat recovery steam generators with supplemental firing and selective catalytic reduction for lowering NOx emissions and four single-flow, axial exhaust condensing steam turbines.
Project Cost	\$1.3 Billion
Ownership	TPS and Panda Energy International each control 50%, with TPS receiving a preferred return.
Commercial Operation	536-MW - target 2/03 536-MW - target 4/03 536-MW - target 6/03 <u>537-MW</u> - target 8/03 2,145-MW - total
Power Market	Western Systems Coordinating Council.
Transmission	Output delivered to the 500-kV PaloVerde-Kyrene transmission line via two new 19-mile, 500-kV transmission lines.
Fuel Supply	Natural gas will be delivered through the El Paso Natural Gas Company pipeline system which links to multiple supply basins.
Power Purchaser	Aquila - to market energy not under contract.
Energy Management Plan	Objective: 50% contract > 1 year, 25% contract 30 days - 1 year, 25% spot.
Operator	TPS/Panda Energy Joint Venture Company.
Financing	5 year bank financing obtained June 2001.

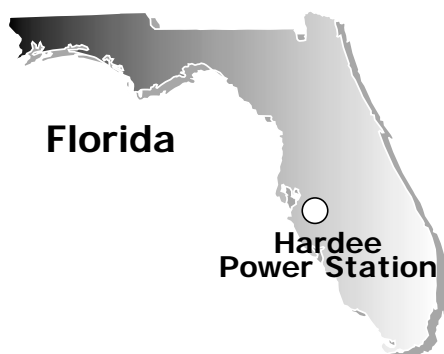
TECO Power Services Corporation



Hamakua Energy Project

Name	Hamakua Energy Project
MW	60-MW Naptha-Fired, Combined-Cycle Cogeneration Facility.
Technology	The project consists of two GE LM2500 combustion turbine generator sets and one 20 MW steam turbine.
Project Cost	\$115 Million
Ownership	TPS owns 50%, JA Jones Ventures 50%
Commercial Operation	Phase I - Aug. 2000, Phase II - Dec. 2000
Fuel Supply	Naptha fuel is provided to the project under a 10-year fuel contract with Tesoro Petroleum. Low sulphur No. 2 fuel oil as back up.
Power Purchaser	Hawaii Electric Light Company
Term of Purchase	30 years
Operator	TPS/JA Jones Ventures
Financing	27.5 year private placement with John Hancock closed in March 2001.
Payment Risk	Hawaiian Electric Light Company (long-term rating of BBB+).

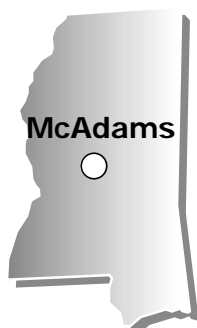
TECO Power Services Corporation



Hardee Power Station

Name	Hardee Power Station
MW	370 MW; 220-MW Combined-Cycle and 2 - 75-MW simple-cycle.
Technology	The Hardee Power Station consists of one combined-cycle system and two additional gas turbines operating in simple-cycle mode. The combined-cycle facility consists of two GE MS7001EA gas turbines with bypass stacks, two Vogt heat recovery steam generators, and an 80-MW GE steam turbine. Cooling is provided by a 580-acre cooling reservoir formed during the reclamation of a phosphate-mined area.
Project Cost	\$260 Million
Ownership	TPS 100%
Commercial Operation	January 1993/May 2000
Fuel Supply	Both facilities utilize natural gas and fuel oil. TPS also performs ongoing fuel management services for its customers. This service encompasses both the day-to-day activities associated with the management and procurement of natural gas and fuel, as well as the longer-term strategic activities associated with contract negotiation, administration and regulatory affairs.
Power Purchaser	Seminole Electric Cooperative and Tampa Electric Company.
Term of Purchase	PPA expires in 2012
Operator	TPS
Financing	Institutional lenders led by Teachers Insurance and Annuity Association.
Payment Risk	Strong-rated power purchasers.

TECO Power Services Corporation



McAdams Power Station

Name	McAdams Power Station
MW	599-MW Combined Cycle
Technology	The facility is configured to use two GE 7FA combustion turbines, two heat recovery steam generators with supplemental firing and selective catalytic reduction for lowering NOx emissions and one reheat steam turbine.
Project Cost	\$418 Million
Ownership	TPS owns 100%
Commercial Operation	May 2003
Power Market	ENTERGY
Transmission	The facility will be interconnected to Entergy-Mississippi's McAdams 500-kV/230-kV Substation. This will allow power sales from the plant to be made into both the Entergy and TVA Subregions of SERC.
Fuel Supply	The location was chosen to take advantage of the close proximity of a number of different gas pipelines (Texas Eastern, SONAT, & Koch). Natural gas will be delivered through interconnections with Texas Eastern, SONAT and Gulf South. The project has a firm transportation position on TETCO and plans to optimize swing gas requirements with its multiple supply connections.
Power Purchaser	ACES Power Marketing – to market energy not under contract.
Energy Management Plan	Objective: 50% contract > 1 year, 25% contract 30 days - 1 year, 25% spot.
Operator	TPS
Financing	Construction financing expected in 2nd quarter 2002.
Payment Risk	TECO assumes credit risk.

TECO Power Services Corporation



Panda - Odessa/Guadalupe Investment

Name	Panda-Odessa/Guadalupe Investment	
MW	2000-MW (1,000-MW each)	
Technology	Each facility uses 4 GE 7FA combustion turbines, 4 heat recovery steam generators, and 2 steam turbines.	
Project Cost	\$912 Million	
Ownership	50% PSEG, 50% Panda (in which TPS has an economic interest).	
Commercial Operation	Odessa 1,000 MW - 8/01	Guadalupe 1,000 MW - 1/01
Power Market	ERCOT	
Transmission	Guadalupe interconnected via Lower Colorado River Authority's adjacent 345-kV switching station. Odessa interconnection via Texas Utilities' adjacent 345-kV switching station.	
Fuel Supply	Guadalupe and Odessa connected to two and three pipelines, respectively. Each interconnects with major gas market hubs.	
Power Purchaser	Varies by project	
Energy Management Plan	Objective: 50% contract > 1 year, 25% contract 30 days - 1 year, 25% spot.	
Operator	Texas Independent Energy (JV with 50% PSEG/50% Panda).	
Financing	Mini-perm 2-year construction loan plus 5-year term loan with default option for additional 10 years.	
Payment Risk	Investment grade power marketer assumes credit risk.	

TECO Power Services Corporation

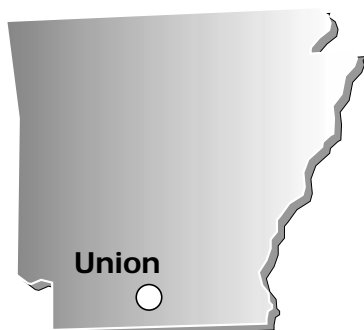


San José
Power Station

San José Power Station

Name	San José Power Station
MW	120-MW Pulverized coal
Technology	The project consists of a steam turbine using a cooling tower for condenser cooling, a steam generator and a substation. Low NO _x burners and a pulse jet fabric filter complement the low-sulphur coal selected as the fuel.
Project Cost	\$190 Million
Ownership	TPS owns 100%
Commercial Operation	January 2000
Fuel	TPS is performing ongoing fuels management for this project. This activity includes management of the day-to-day procurement process, as well as fuel contract negotiations and administration under a 6-year fuel supply contract.
Power Purchaser	Empresa Eléctrica de Guatemala, S.A. (EEGSA)
Term of Purchase	15 years
Operator	TPS
Financing	Bank of America - led bank group and Overseas Private Investment Corp.
Political Risk Insurance	Under a global policy.
Currency Risk	Monthly payments under the PPA are denominated in U.S. dollars; paid in Guatemalan quetzales.
Payment Risk	Minimized through revenue trust and TPS' ownership in EEGSA.

TECO Power Services Corporation



Union Power Station

Name	Union Power Station (formerly known as El Dorado Power Station).
MW	2,200-MW Combined Cycle
Technology	The Union Power Project is configured with eight GE 7FA combustion turbines, eight heat recovery steam generators with supplemental firing and selective catalytic reduction for lowering NOx emissions and four single-flow, axial exhaust condensing steam turbines.
Project Cost	\$1.2 Billion
Ownership	TPS and Panda Energy International each control 50%, with TPS receiving a preferred return.
Commercial Operation	550-MW Target 9/02 550-MW Target 11/02 550-MW Target 3/03 <u>550-MW Target 5/03</u> 2,200-MW Total
Power Market	ENTERGY
Transmission	The project will be interconnected to Entergy-Arkansas' 500-kV transmission substation adjacent to the site.
Fuel Supply	Natural gas, delivered via a new 42-mile, 30-inch pipeline (Trans Union) which will be owned and operated by the project. The new line will connect to El Paso's Gulf States Interstate Pipeline and Texas Gas Transmission. These direct interconnects will provide the project with access to additional major interstate pipelines.
Power Purchaser	Aquila – to market energy not under contract.
Energy Management Plan	Objective: 50% contract > 1 year, 25% contract 30 days - 1 year, 25% spot.
Operator	TPS/Panda Energy Joint Venture Company.
Financing	5 year bank financing obtained June 2001.





TECO Transport, a water transportation business, operates a U.S.-flag ocean-going fleet, a river barge fleet, and a dry-bulk commodity transfer and deep-water storage terminal. TECO Transport built its business on moving coal and other products via domestic inland rivers, the Gulf of Mexico, the Caribbean, and to world-wide markets, including South America, Asia, Africa and Europe.

Strengths

- Contributed \$.20 per share in 2001. TECO Transport has been profitable for more than 36 consecutive years, and has consistently made significant contributions to earnings and cashflow.
- TECO Transport offers unique turnkey services from origination on the river system, through storage and transfer to destination.
 - Good product and market diversity in all sectors of the business.
 - Operating assets acquired at attractive prices.
 - Equipment flexibility.
- Significant multi-year contract business provides a stable business base.



Business description

TECO Ocean Shipping (formerly known as Gulfcoast Transit)

- Largest U.S.-flag dry-bulk ocean-going company.
- Operates 12 tug-barge units ranging in size from 19,200 to 42,800 short tons and three ships at 33,500, 40,850 and 42,000 short tons for a combined capacity of over 478,000 short tons.
- Transports a variety of bulk commodities across the Gulf of Mexico as well as to all of the Americas, the Caribbean, Asia, Africa and Europe.
- Transports coal to Tampa for Tampa Electric Company from Louisiana and phosphate product on return trip.

TECO Barge Line (formerly known as Mid-South Towing)

- Eighth largest inland river barge company.
- Operates 17 linehaul towboats and approximately 750 barges primarily on the Mississippi, Illinois and Ohio rivers.
- Moves coal for Tampa Electric south and steel related products north.
- 200 covered barges move grain and other high-value commodity products.

TECO Bulk Terminal (formerly known as Electro-Coal Transfer)

- Largest transfer facility on the Gulf Coast and the second largest in the U. S.
- 20 to 25 million ton annual capacity; throughput in 2001 was 13 million tons.
- Handles a variety of products for both domestic and foreign movements, including Tampa Electric coal.



Steady Expansion

- TECO Transport has expanded consistently and opportunistically through acquisition of assets - improving the quantity and quality of our ocean and river equipment.

Recent acquisition	Year
TECO Ocean Shipping	
Purchase 42,000 ton ship	2001
Purchase two self discharging tug/barge units	2000
Return 23,000 ton barge to service	1999
Purchase 7,200hp tug	1998
7,000 ton barge midbody addition	1998
Purchase 41,000 ton ship	1997
Purchase 34,000 ton ship	1996
TECO Barge Line	
Purchased 25 covered barges	2002
Purchased 50 barges	2001
Midwest lease/purchase three towboats & 110 barges	1998
Purchase M/V Towey	1998
Lease 50 barges & M/V Towey towboat	1997
Purchase 48 barges	1996
TECO Bulk Terminal	
Add Mid-Stream Bouy System	2000
Add Mid-Stream Cranes	1999

Outlook

- Markets:
 - Tampa Electric volumes expected at normal levels in 2002.
 - Export coal market remains soft.
 - Phosphate volumes expected to improve in 2002.
 - Increased petroleum coke movements.
 - Opportunities for TECO Ocean Shipping to diversify into new foreign and domestic cargoes.
 - TECO Ocean Shipping expanding into Military Sealift projects.
- Expect continued improvement in fleet utilization on the river through northbound and east/west movements.
- Adding capacity on the ocean and the river to meet demand and to expand into new markets.
 - Opportunities for continued capacity expansion through acquisition of assets at favorable prices.
 - Purchase of replacement and expansion covered river barges to develop new northbound back-haul opportunities.

OTHER DIVERSIFIED



SECTION V



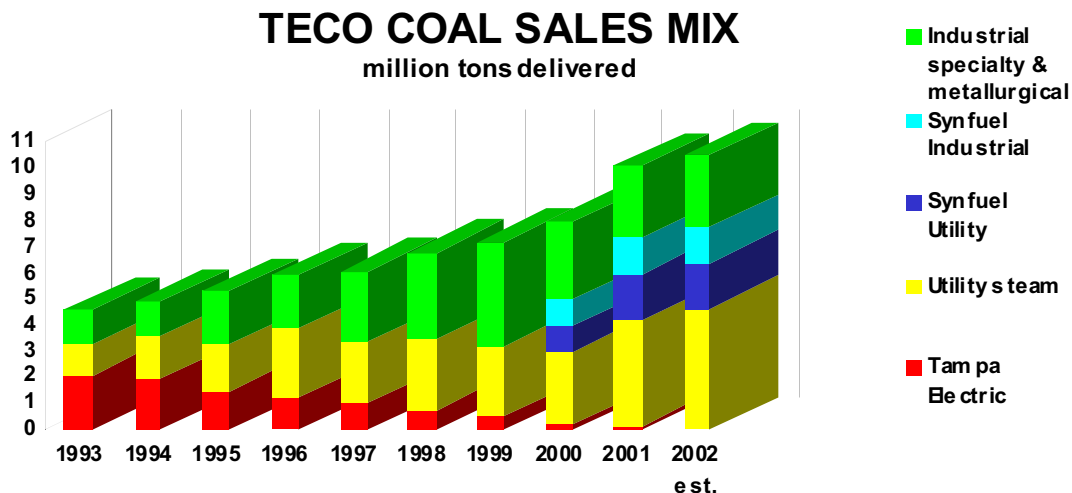
TECO Coal owns and operates low-sulfur coal mines and handling facilities in Kentucky and Tennessee. The company expects to mine and ship more than 10 million tons of conventional coal and synfuel in 2002. Its primary customers include the U.S. and European steel industry, as well as domestic utilities and industrial customers. In mid-2000, TECO Coal placed two synthetic fuel facilities into service. Sales of synthetic fuel are eligible for federal tax credits created to encourage the production of fuel from non-conventional sources.

TECO Coal's major market segments

- Since 1988: Industrial applications
Coals of specialty size and characteristics primarily for metallurgical markets.
- Since 1992: Electric utilities
Low-sulfur and compliance coals.

Sales

- Sales of utility steam and specialty coal have increased significantly, while Tampa Electric volumes have declined. The Tampa Electric contract expired in 1999 and was not renewed.
- Total sales of 10.1 million tons in 2001, compared to 7.9 in 2000.





Synthetic Fuel Production

- Purchased synthetic fuel production facilities in January 2000.
 - Located at TECO Coal's Premier Elkhorn and Clintwood Elkhorn mines in Kentucky.
 - Began operations in second quarter of 2000.
 - Produced almost 3.2 million tons of synthetic fuel in 2001.
- In November 2001, TECO Coal received a private letter ruling from the Internal Revenue Service regarding the production of synthetic fuel from its facilities. The private letter ruling confirms that the facilities produce a qualified fuel eligible for section 29 tax credits available for the production of such non-conventional fuels through 2007.

Outlook

- Volumes in 2002 are expected to exceed 10 million tons, including more than 3 million tons of synthetic fuel.
- Increasing production of steam coal for the utility industry.
- Coal prices are expected to remain strong through 2002.



TECO Coalbed Methane taps naturally occurring methane gas from seams in the coal beds of Alabama's Black Warrior Basin. The company has interests in wells qualifying for federal tax credits created to encourage the production of fuel from non-conventional sources.

Active in three major projects in Alabama's Black Warrior Basin

- Interests in 730 producing wells.
- Operated by Energen Resources, a subsidiary of Energen Corporation.

Investment

- Over \$210 million invested; cumulative cash flow to date is nearly \$400 million.

Operating Statistics

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Production - Bcf	15	16	17	18
Producing wells	730	739	741	744
Reserves - Bcf	67	82	159	162

- Production is sold under long-term contracts based at spot prices.
- Production is expected to decline 8 percent in 2002, reflective of the normal declining production profile for these types of gas wells without ongoing development effort.

Section 29 tax credit

- Available on production through the end of 2002.
- Estimated at \$1.06 per Mcf in 2001, equivalent to \$1.74 pretax.

* Adjusted annually based on inflation.

* History	\$/Mcf
1995	1.01
1996	1.03
1997	1.04
1998	1.05
1999	1.04**
2000	1.06
2001 estimated	1.06
2002 estimated	1.06

** The U.S. Commerce Department changed the methodology for calculating the GDP deflator in 1999 and reset the base year for the series to 1979.

Outlook

- Expect an 8 percent production decline in 2002.
- A 10 percent change in gas prices would have an estimated annual earnings impact of \$4 million.
- An industry alliance is seeking to extend the section 29 tax credits through 2007, coincident with the expiration of other tax credits under this section.

INVESTMENT CONSIDERATIONS



SECTION VI



Investment Considerations

The following are certain factors that could affect TECO Energy's future results. They should be considered in connection with evaluating forward-looking statements contained in this report and otherwise made by or on behalf of TECO Energy since these factors could cause actual results and conditions to differ materially from those projected in these forward-looking statements.

General Economic Conditions. The company's businesses are dependent on general economic conditions. In particular, the projected growth in Tampa Electric's service area and in Florida is important to the realization of Tampa Electric's and Peoples Gas System's forecasts for annual energy sales growth. An unanticipated downturn in the local area's or Florida's economy could adversely affect Tampa Electric's or Peoples Gas System's expected performance.

The activities of the unregulated businesses, particularly TECO Transport, TECO Coal and TECO Power Services are also affected by general economic conditions in the respective industries and geographic areas they serve, both nationally and internationally. TPS' investment in EEGSA is dependent on growth in the service areas and forecasts for annual energy sales growth.

Weather Variations. Most of TECO Energy's businesses are affected by variations in general weather conditions and unusually severe weather. Tampa Electric's, Peoples Gas System's and TECO Power Services' energy sales are particularly sensitive to variations in weather conditions. The TECO Energy companies forecast energy sales on the basis of normal weather, which represents a long-term historical average. Significant variations from normal weather could have a material impact on energy sales. Unusual weather, such as hurricanes, could also have an effect on operating costs as well as sales.

With a single winter peak period, Peoples Gas System is more weather sensitive than Tampa Electric, with both summer and winter peak periods. Mild winter weather in Florida can be expected to negatively impact results at Peoples Gas System.

Variations in weather conditions also affect the demand and prices for the commodities sold by TECO Coalbed Methane and TECO Coal, as well as electric power sales from TECO Power Services' merchant power plants. TECO Transport also is impacted by weather because of its effects on the supply of and demand for the products transported.



Potential Competitive Changes. The electric industry has been undergoing certain restructuring. Competition in wholesale power sales has been introduced on a national level. Some states have mandated or encouraged competition at the retail level, and in some situations required divestiture of generating assets. While there is active wholesale competition in Florida, the retail electric business has remained substantially free from direct competition. Changes in the competitive environment occasioned by legislation, regulation, market conditions or initiatives of other electric power providers, however, particularly with respect to retail competition, could adversely affect Tampa Electric's business and its performance.

The gas distribution industry has been subject to competitive forces for several years. Gas services provided by Peoples Gas System are now unbundled for all non-residential customers. Because Peoples Gas System earns margins on distribution of gas, but not on the commodity itself, unbundling has not negatively impacted Peoples Gas System results. However, future structural changes cannot be predicted and could adversely affect Peoples Gas System.

Regulatory Actions. Tampa Electric and Peoples Gas System operate in highly regulated industries. Their retail operations, including the prices charged, are regulated by the FPSC, and Tampa Electric's wholesale power sales and transmission services are subject to regulation by the FERC. Changes in regulatory requirements or adverse regulatory actions could have an adverse effect on Tampa Electric's or Peoples Gas System's performance by, for example, increasing competition or costs, threatening investment recovery or impacting rate structure.

The merchant plants being developed by TECO Power Services will require authorization from FERC for market-based rates. In granting such a request, FERC typically requires a showing that the plant's owners and affiliates lack market power in the relevant generation and transmission markets and in markets for related commerce such as fuel. Obtaining FERC authority for market-based rates would also require a showing by the seller that there is no opportunity for abusive affiliate transactions involving any of TECO Power Services' regulated affiliates. TECO Power Services does not anticipate any material difficulties in obtaining these authorizations, but it cannot guarantee that they will be granted.

TECO Coal's forecast includes Section 29 tax credits related to the production of non-conventional fuels. Future changes law, regulation or administration could impact TECO Coal's quantity of qualified synfuel production, and therefore the amount of available tax credits.



Commodity Price Changes. Most of TECO Energy's businesses are sensitive to changes in certain commodity prices which could be brought on by many factors. Such changes could affect the prices these businesses charge, their operating costs and the competitive position of their products and services.

In the case of Tampa Electric, currently fuel costs used for generation are mostly affected by the cost of coal; future fuel costs will be impacted by the cost of natural gas as well as coal. Tampa Electric is able to recover the cost of fuel through retail customers' bills, but increases in fuel costs affect electric prices and therefore the competitive position of electricity against other energy sources.

Regarding wholesale sales, the ability to make sales and the margins on power sales are currently affected by the cost of coal to Tampa Electric, particularly as it relates to the cost of gas and oil to other power producers.

Results at TECO Power Services are impacted by changes in the market price for electricity. The profitability of merchant power plants is heavily dependent on the price for power in the markets they serve. Wholesale power prices are set by the market assuming a cost for the input energy and conversion efficiency but the fixed costs may not be reflected in the price for spot, or excess power.

In the case of Peoples Gas System, costs for purchased gas and pipeline capacity are recovered through retail customers' bills, but increases in gas costs affect total retail prices and therefore the competitive position of Peoples Gas System relative to electricity, other forms of energy and other gas suppliers.

At the unregulated companies, changes in gas, oil and coal prices directly affect the margins at TECO Power Services, TECO Coalbed Methane, TECO Coal, and TECO Transport. TECO Coalbed Methane is exposed to commodity price risk through the sale of natural gas. A hypothetical 10-percent change for the year in the market price of natural gas would have an estimated earnings impact of \$4 million. TECO Coal is exposed to commodity price risk through coal sales. A hypothetical 10-percent change in the market price of coal in any one year would have an estimated earnings impact of between \$15 million and \$20 million. TECO Transport is exposed to commodity price risk through fuel purchases. A hypothetical 10-percent change in the market price of fuel in any one year would have an estimated earnings impact of \$1 million.

Natural gas prices recently have been increasingly volatile, and thus the earnings from TECO Coalbed Methane are increasingly difficult to predict.

At TECO Power Services, the price paid for natural gas is expected to pass through to the customer. In those instances where these costs are not passed directly to the customer, the price of gas is expected to be reflected in the price charged to the customer for electricity.



Gas Production Levels. Results at TECO Coalbed Methane are affected by its level of production, which is naturally declining. The company's forecast assumes that production will decline 8 percent annually. Actual production levels may be different than those assumed.

Tax Credits. TECO Energy derives a portion of its net income from nonconventional fuels tax credits. The realization of these tax credits are dependent on TECO Energy generating sufficient taxable income against which to use the credits, and these credits could be impacted by changes in law, regulation or administration.

Business growth opportunities. Part of the company's business strategy is to grow its unregulated businesses. Much of its growth is dependent on the ability to find attractive acquisition and development opportunities and independent power projects. The company's ability to successfully finance and complete current and future projects on schedule and within budget may also affect the success of this strategy. The company's outlook is based on its expectation that it will be successful in finding and capitalizing on these acquisition and development opportunities and independent power projects, but there can be no assurance that its efforts will be successful.

Construction and Development Risks. Tampa Electric currently has new power plants under construction and existing facilities under conversion and, TECO Power Services has new power plants under construction. The development of independent power plants involves considerable risks, including successful siting, permitting, financing and construction, contracting for necessary services, fuel supplies and power sales and performance by project partners. The construction of these plants, as well as future construction projects involves risks, such as shortages and inconsistent qualities of equipment; material and labor; engineering problems; work stoppages; unanticipated cost increases and environmental or geological problems.

Exposure to Enron. On December 2, 2001, Enron Corp., a large energy trading and services company, filed for protection under the U.S. Bankruptcy Code. TECO Energy believes that its exposure in operations from trade payables and other trading positions due to the Enron bankruptcy totals \$3.5 million or less after tax at its subsidiaries, TECO Power Services (TPS), Peoples Gas System and Prior Energy, its new gas marketing subsidiary.

An Enron subsidiary, NEPCO, is currently serving as the construction contractor for four merchant power stations in which TPS has interests.

If NEPCO had to be replaced as contractor, it is likely that there would be delays in the project schedules and substantial additional project costs, including payment of added fees to a new contractor. A new contractor would also have to be reasonably satisfactory to the project lenders for the Union and Gila River projects.



Merchant Power Plants. TPS is currently operating, developing, constructing and investing in merchant power plants. A merchant plant sells power based on market conditions at the time of sale, so there can be no certainty at present about the amount or timing of revenue that may be received from power sales from operating plants or about the differential between the cost of operations (in particular, natural gas prices) and merchant power sales revenue. With no guaranteed rate of return, TPS will also have no guarantee that it will recover its initial investment in these plants. The company's forecast assumes that TPS will avoid losses associated with these risks by building in well-established markets that enable the company to use established hedging mechanisms, hiring experienced power marketers, entering into negotiated contracts with offtakers resulting in higher revenues than the spot market for capacity payment and ancillary services for a significant portion of the plant's output, avoiding selling short and entering into non-energy related sales to offset potential operational risks.

Operational Risks. Each of the company's subsidiaries is subject to various operational risks, including accidents or equipment breakdown or failure, and operations below expected levels of performance or efficiency. As operators of power generation facilities, Tampa Electric and TECO Power Services could incur problems such as the breakdown or failure of power generation equipment, transmission lines, pipelines or other equipment or processes which would result in performance below normal levels of output or efficiency. The company's forecast assumes normal operations and normal maintenance periods for its subsidiaries' facilities.

Interest Rates and Access to Capital. Changes in interest rates can affect the cost of borrowing for TECO Energy and its subsidiaries on variable rate debt outstanding, on refinancing of debt maturities and on incremental borrowing to fund new investments. Included in the company's forecasts is the expectation that it will have access to the equity and capital markets on satisfactory terms to fund growth opportunities, including acquisition and development opportunities and independent power projects.

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Increased Debt Levels. To support its growth, the company has significantly expanded the amount of its indebtedness, increased its debt-to-equity ratio and lowered its interest coverage. This increase in debt levels has increased the amount of fixed charges the company is obligated to pay. The level of the company's indebtedness and restrictive covenants contained in existing or future financings could limit its ability to finance the acquisition and development of additional projects.

In 2000 and 2001, Moody's Investor Services, Inc., Standard & Poor's Ratings Service and Fitch Investor Services, Inc. lowered the ratings on the debt securities of TECO Energy and Tampa Electric. The outlook assigned by each agency is negative. The ratings actions were attributed to increased debt levels and the changing risk profile associated with the expansion of TECO Energy's independent power development activities, as well as the required capital outlays of Tampa Electric, the uncertainties related to industry restructuring and the additional risks and obligations undertaken by TECO Energy with respect to various TPS projects. These downgrades and any further downgrades, may affect the company's ability to borrow and increase its financing cost which may decrease earnings.

Certain of the company's debt obligations contain financial covenants related to debt to equity ratios and interest coverage that could prevent the repayment of subordinated debt and the payment of dividends if such payments would cause a violation of the covenants. In addition, certain of the company's subsidiaries have indebtedness with restrictive covenants which, if violated, could prevent them from making distributions to TECO Energy. As a holding company, TECO Energy is dependent on cash flow from its subsidiaries.

International Risks. TECO Power Services is involved in several international projects. These projects involve numerous risks that are not present in domestic projects, including expropriation, political instability, currency exchange rate fluctuations, repatriation restrictions, and regulatory and legal uncertainties. The company's forecast assumes that TECO Power Services will avoid losses associated with these risks through a variety of risk mitigation measures, including specific contractual provisions, teaming with strong international and local partners, obtaining non-recourse financing and obtaining political risk insurance where appropriate. TECO Ocean Shipping is exposed to operational risks in international ports, primarily in the form of suitable labor and equipment to safely discharge its cargoes in a timely manner. The company's forecast assumes that TECO Ocean Shipping will avoid losses associated with these risks through a variety of risk mitigation measures, including retaining agents with local knowledge and experience in successfully discharging cargoes and vessels similar to those used.

Environmental Matters. TECO Energy's businesses are subject to regulation by various governmental authorities dealing with air, water and other environmental matters. Changes in compliance requirements or the interpretation by governmental authorities of existing requirements may impose additional costs on the company or result in the curtailment of some activities.