



DECEMBER 2003

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

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

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

(thousands)	Three Months Ended December 31,		Year-To-Date December 31,	
	2003	2002	2003	2002
Revenues	\$ 633,763	\$ 665,247	\$ 2,739,965	\$ 2,664,924
Expenses				
Operation	444,809	428,791	1,773,882	1,626,843
Maintenance	46,600	47,004	152,401	162,134
Asset Impairment	40,937	-	145,062	-
Goodwill and Intangible Asset Impairment	27,506	-	122,662	-
Restructuring Charges	13,604	11,566	24,636	17,837
Depreciation	81,077	76,574	325,987	303,233
Taxes, other than income	43,067	43,346	175,222	173,065
Total expenses	697,600	607,281	2,719,852	2,283,112
Income from operations	(63,837)	57,966	20,113	381,812
Other income (expense)				
Allowance for other funds used during construction	4,112	8,034	19,777	24,928
Other income (expense), net	72,939	(2,479)	114,548	18,973
Loss on Debt Extinguishment	-	(34,125)	-	(34,125)
Contingent Arbitration Reserve	-	-	(32,000)	-
Earnings from equity investments	(7,043)	3,172	(411)	5,500
Total other income (expense)	70,008	(25,398)	101,914	15,276
Interest charges				
Interest expense	81,572	33,905	288,362	142,311
Distribution on Preferred Securities	9,987	9,988	39,950	38,900
Allowance for borrowed funds used during construction	(1,588)	(3,103)	(7,638)	(9,627)
Total interest charges	89,971	40,790	320,674	171,584
Income before provision for income taxes	(83,800)	(8,222)	(198,647)	225,504
(Benefit)Provision for income taxes	(65,670)	(36,675)	(135,150)	(51,673)
Net income (loss) from continuing operations before minority interest	(18,130)	28,453	(63,497)	277,177
Minority Interest	14,110	-	48,801	-
Net income (loss) from continuing operations	(4,020)	28,453	(14,696)	277,177
Discontinued Operations				
Income (loss) from discontinued operations	(1,225,498)	28,572	(1,394,640)	60,344
Income tax expense (benefit)-discontinued operations	(438,850)	6,941	(504,274)	7,411
Net income (loss) from discontinued operations	(786,648)	21,631	(890,366)	52,933
Cumulative effect of a change in accounting principle, net of tax	-	-	(4,344)	-
Net Income (loss)	\$ (790,668)	\$ 50,084	\$ (909,406)	\$ 330,110
Average common shares outstanding during the period (thousands)	187,829	170,877	179,862	153,202
Earnings per average common share outstanding:				
Earnings (loss) per share from continuing operations -- basic	(\$0.02)	\$0.17	(\$0.08)	\$1.81
Earnings (loss) per share -- basic	(\$4.21)	\$0.29	(\$5.05)	\$2.15
Earnings (loss) per share from continuing operations -- diluted	(\$0.02)	\$0.17	(\$0.08)	\$1.81
Earnings (loss) per share -- diluted	(\$4.21)	\$0.29	(\$5.05)	\$2.15

TECO ENERGY, Inc.
CONSOLIDATED BALANCE SHEETS (Unaudited)

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

(thousands)	December 31, 2003	December 31, 2002
ASSETS		
Current assets		
Cash and cash equivalents	\$108,228	\$411,142
Restricted cash	51,373	1,624
Short-term investments	6	6
Receivables, less allowance for uncollectibles	280,365	422,655
Note receivable	-	235,071
Inventories, at average cost		
Fuel	88,215	113,724
Materials and supplies	82,522	96,116
Current derivative assets	21,061	12,442
Prepayments and other current assets	68,653	30,426
Assets held for sale, current	169,358	-
Total current assets	869,781	1,323,206
Property, plant and equipment		
Utility plant in service-electric	5,245,634	5,054,354
Utility plant in service-gas	778,159	746,731
Construction work in progress	1,193,252	1,556,838
Other property	844,267	857,403
	8,061,312	8,215,326
Accumulated depreciation	(2,361,161)	(2,310,653)
Valuation adjustment	(21,118)	-
Total property, plant and equipment, net	5,679,033	5,904,673
Other assets		
Other investments	16,509	845,290
Investment in unconsolidated affiliates	343,476	149,169
Intangible assets	4,930	11,139
Goodwill	71,188	193,660
Long term derivative assets	-	122
Regulatory assets	188,305	163,234
Deferred income taxes	1,051,509	340,233
Deferred charges and other assets	160,179	147,711
Assets held for sale	2,077,438	-
Total other assets	3,913,534	1,850,558
Total assets	\$ 10,462,348	\$ 9,078,437
LIABILITIES AND CAPITAL		
Current liabilities		
Long-term debt due within one year		
Recourse	\$6,050	\$106,359
Non-recourse	25,496	20,759
Notes payable	37,500	360,500
Accounts payable	313,732	377,426
Current derivative liabilities	12,045	3,948
Customer deposits	101,405	94,631
Interest accrued	56,634	49,774
Taxes accrued	149,935	95,845
Liabilities associated with assets held for sale, current	1,544,368	-
Total current liabilities	2,247,165	1,109,242
Other liabilities		
Deferred income taxes	498,028	495,007
Investment tax credits	22,819	27,496
Accumulated reserve for cost of removal	-	440,633
Regulatory liabilities	560,227	98,079
Long term derivative liabilities	-	198
Other deferred credits and other liabilities	364,060	321,459
Liabilities associated with assets held for sale	697,846	-
Long-term debt, less amount due within one year		
Recourse	3,660,284	3,112,714
Non-recourse	83,237	211,622
Debt related to preferred securities	649,125	-
Minority interest	1,852	1,179
Preferred securities	-	649,125
Capital		
Common equity (outstanding 187,792,475 shares in 2003 and 175,841,512 shares in 2002)	1,692,347	2,642,776
Unearned compensation	(14,642)	(31,093)
Total liabilities and capital	\$10,462,348	\$9,078,437
Book value per share	\$9.01	\$15.03

TECO ENERGY, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

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

(thousands)	Three Months Ended December 31,		Year-To-Date December 31,	
	2003	2002	2003	2002
Cash flows from operating activities				
Net income	\$ (790,668)	\$ 50,084	\$ (909,406)	\$ 330,110
Adjustments to reconcile net income to net cash:				
Depreciation	111,190	76,574	382,021	303,233
Deferred income taxes	(574,517)	(29,588)	(709,356)	(96,471)
Investment tax credit, net	(1,169)	(1,431)	(4,677)	(4,815)
Allowance for funds used during construction	(5,700)	(11,137)	(27,415)	(34,555)
Amortization of unearned compensation	5,683	5,285	18,278	13,936
Cumulative effect of a change in accounting principle, pretax	-	-	7,064	-
Gain on sale of business/assets, pretax	(65,261)	(15,106)	(147,534)	(15,106)
Equity in earnings of unconsolidated affiliates	8,060	11,359	13,771	15,306
Minority loss	(14,110)	-	(48,801)	-
Asset impairment, pretax	1,226,616	-	1,330,741	-
Goodwill impairment and intangible asset impairment, pretax	27,506	-	122,662	-
Contingent arbitration reserve, pretax	-	-	32,000	-
Loss on TPGC transaction, pretax	-	-	153,933	-
Deferred recovery clause	(2,771)	(2,985)	(27,266)	72,210
Refunded to customers	-	(254)	-	(6,382)
Receivables, less allowance for uncollectibles	78,906	26,850	96,422	(64,098)
Inventories	(12,498)	(4,883)	7,003	(39,369)
Prepayments and other current assets	20,231	(1,027)	(16,534)	6,272
Taxes accrued	73,441	(6,054)	34,498	24,114
Interest accrued	(25,626)	(29,825)	(60,705)	14,191
Accounts payable	(16,966)	68,973	(17,453)	98,255
Other	16,444	19,572	99,388	38,916
	58,791	156,407	328,634	655,747
Cash flows from investing activities				
Capital expenditures	(130,118)	(273,429)	(590,608)	(1,065,179)
Allowance for funds used during construction	5,700	11,137	27,415	34,555
Purchase of minority interest	-	-	-	(9,928)
Net proceeds from sale of assets	20,757	103,276	188,779	103,276
Net proceeds from sale of business	107,718	-	107,718	-
Restricted cash	5	-	(63,453)	-
Investment in unconsolidated affiliates	(1,444)	(7,682)	(30,627)	(7,605)
Other non-current investments	4,284	(183,971)	(32,414)	(715,637)
	6,902	(350,669)	(393,190)	(1,660,518)
Cash flows from financing activities				
Dividends	(35,686)	(62,355)	(165,225)	(215,795)
Common stock	800	209,686	136,632	572,574
Proceeds from long-term debt	5,618	373,871	655,060	1,758,396
Minority interest	12,153	-	44,371	-
Restricted cash	26,368	-	(5,850)	-
Repayment of long-term debt	(10,790)	(227,843)	(526,482)	(949,735)
Settlement of joint venture termination obligation	-	-	(33,534)	-
Net increase (decrease) in short-term debt	(360,000)	129,682	(323,000)	(278,400)
Issuance of preferred securities	-	-	-	435,651
Equity contract adjustment payments	(5,082)	(5,083)	(20,330)	(15,247)
	(366,619)	417,958	(238,358)	1,307,444
Net increase (decrease) in cash and cash equivalents	(300,926)	223,696	(302,914)	302,673
Cash and cash equivalents at beginning of period	409,154	187,446	411,142	108,469
Cash and cash equivalents at end of period	\$ 108,228	\$ 411,142	\$ 108,228	\$ 411,142

TECO ENERGY, Inc.
SEGMENT INFORMATION (Unaudited)

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2003	2002	2003	2002
Revenues ⁽¹⁾				
Tampa Electric	\$ 380.1	\$ 385.1	\$ 1,586.1	\$ 1,583.2
Peoples Gas	83.5	81.0	408.4	318.1
TECO Wholesale Generation	12.0	29.0	95.9	111.1
TECO Transport	65.1	66.9	260.6	254.6
TECO Coal	70.4	73.0	296.3	317.1
Other unregulated companies	52.0	82.9	263.5	297.7
	663.1	717.9	2,910.8	2,881.8
Other/eliminations	(29.3)	(52.7)	(170.8)	(216.9)
Consolidated revenues	\$ 633.8	\$ 665.2	\$ 2,740.0	\$ 2,664.9
Net income ^{(1) (2)}				
Tampa Electric ⁽³⁾	\$ 15.1	\$ 27.3	\$ 98.9	\$ 171.8
Peoples Gas ⁽⁴⁾	4.9	6.9	24.5	24.2
TECO Wholesale Generation ⁽⁵⁾	(27.5)	(8.2)	(147.6)	(7.9)
TECO Transport	2.9	5.2	15.3	21.0
TECO Coal ⁽⁶⁾	12.2	17.6	77.1	76.4
Other unregulated companies ⁽⁷⁾	(11.9)	-	(5.4)	27.8
Other/financing/eliminations ⁽⁸⁾	0.3	(20.3)	(77.5)	(36.1)
Net income (loss) from continuing operations	(4.0)	28.5	(14.7)	277.2
Discontinued operations ^{(1) (9)}	(786.7)	21.6	(890.4)	52.9
Cumulative effect of change in accounting principle, net of tax ⁽¹⁰⁾	-	-	(4.3)	-
Net income (loss)	\$ (790.7)	\$ 50.1	\$ (909.4)	\$ 330.1
Average common shares outstanding during the period (thousands)	187,829	170,877	179,862	153,202

Notes:

- 1) All periods have been adjusted to reflect the reclassification of results from operations to discontinued operations for: the Union and Gila River projects (formerly part of TWG); and TECO Coalbed Methane, Prior Energy and TECO Gas Services (all formerly part of Other unregulated).
- 2) Segment net income is reported on a basis that includes internally allocated financing costs.
- 3) Net income for the 3-month and 12-month periods ended Dec. 31, 2003 included after tax charges of \$4.8 million and \$6.1 million, respectively, for restructuring activities. The 12-month period ended Dec. 31, 2003 also included a \$48.9 million after tax asset impairment related to turbine purchase cancellations. After tax restructuring charges included in the 3-month and 12-month periods ended Dec. 31, 2002 were \$6.4 million and \$10.3 million, respectively.
- 4) Net income for the 3-month and 12-month periods ended Dec. 31, 2003 included after tax charges of \$1.5 million and \$2.6 million, respectively, to record expenses associated with restructuring activities.
- 5) Net income for the 12-month period ended Dec. 31, 2003 for TWG operations included a \$0.3 million after tax charge for expenses associated with restructuring activities, \$61.2 million after tax charges to record goodwill impairments, and a \$26.7 million after tax charge associated with the recording of a reserve for an arbitration award against TMDP related to its indirect ownership interest of Commonwealth Chesapeake Power Station. The 3-month and 12-month periods ended Dec. 31, 2002 included a \$5.8 million after tax charge related to the sale of its ECKG investments and \$0.6 million for restructuring costs.
- 6) Net income for the 3-month and 12-month periods ended Dec. 31, 2003 included a reversal of \$7.0 million of tax credits which were not usable due to insufficient taxable income.
- 7) Other unregulated net income for the 3-month and 12-month period ended Dec. 31, 2003 included after tax charges of \$49.5 million and \$67.7 million, respectively, related to restructuring costs, asset impairment and goodwill impairments, tax credit reversals and other non-recurring charges, and a \$34.6 million after-tax gain on the sale of Hardee Power Partners.
- 8) Net income for the 3-month period ended Dec. 31, 2003 for Other/financing/eliminations included the reversal of \$28.5 million of deferred tax credits from previous quarters, and \$7.8 million for unallocable interest expense related to TPGC discontinued operations. The 12-month period ended Dec. 31, 2003 included \$25.5 million of unallocable TPGC related interest. The 12-month period ended Dec. 31, 2002 included a \$20.9 million after tax charge at TECO Energy for debt extinguishment.
- 9) Net income for the 3-month and 12-month periods ended Dec. 31, 2003 included \$762.0 million in after-tax asset impairment charges associated with the designation of the TPGC projects as a result of the decision to sell. The 12-months ended Dec. 31, 2003 also included an after-tax charge \$94.7 million related to the partnership termination and resulting consolidation of the Union and Gila River stations, and \$22.8 million after-tax partial gain recognition on the sale of TECO Coalbed Methane's assets. The 12-month period ended Dec. 31, 2002 included a \$7.7 million after tax gain on the first portion of the sale of the Coalbed Methane assets.
- 10) The 12-month period ended Dec. 31, 2003 included a \$3.2 million after tax charge for the cumulative effect of an accounting change to reflect the implementation of FAS 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*, and a \$1.1 million after-tax charge for the cumulative effect of an accounting change to reflect the adoption of FAS 143, *Accounting for Asset Retirement Obligation*.

TAMPA ELECTRIC COMPANY

ELECTRIC OPERATING STATISTICS (Unaudited)

Three Months Ended December 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2003	2002	Percent Change	2003	2002	Percent Change
Residential	\$ 180,085	\$ 181,797	(0.9)	1,905,129	1,933,422	(1.5)
Commercial	115,823	113,604	2.0	1,457,839	1,438,187	1.4
Industrial -- Phosphate	16,239	18,877	(14.0)	318,519	349,227	(8.8)
Industrial -- Other	22,256	21,382	4.1	327,657	312,096	5.0
Other sales of electricity	32,983	30,756	7.2	403,745	377,022	7.1
Deferred and other revenues	(3,462)	(7,710)	(55.1)	-	-	-
	\$ 363,924	\$ 358,706	1.5	4,412,889	4,409,954	0.1
Sales for resale	8,823	17,893	(50.7)	136,366	306,519	(55.5)
Other operating revenue	7,343	8,510	(13.7)	-	-	-
	\$ 380,090	\$ 385,109	(1.3)	4,549,255	4,716,473	(3.5)
Average customers	610,430	594,775	2.6	-	-	-
Retail Output to Line				4,496,823	4,439,674	1.3

Year-To-Date December 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2003	2002	Percent Change	2003	2002	Percent Change
Residential	767,405	753,936	1.8	8,264,748	8,046,430	2.7
Commercial	460,060	459,569	0.1	5,860,214	5,831,617	0.5
Industrial -- Phosphate	65,358	74,299	(12.0)	1,276,556	1,378,051	(7.4)
Industrial -- Other	88,526	83,766	5.7	1,302,778	1,233,922	5.6
Other sales of electricity	124,865	117,370	6.4	1,538,020	1,435,125	7.2
Deferred and other revenues	(5,208)	(15,757)	(66.9)	-	-	-
	\$ 1,501,006	\$ 1,473,183	1.9	18,242,316	17,925,145	1.8
Sales for resale	41,590	67,669	(38.5)	691,085	1,083,712	(36.2)
Other operating revenue	43,525	42,384	2.7	-	-	-
	\$ 1,586,121	\$ 1,583,236	0.2	18,933,401	19,008,857	(0.4)
Average customers	604,900	590,199	2.5	-	-	-
Retail Output to Line				19,209,915	18,860,187	1.9

PEOPLES GAS SYSTEM

GAS OPERATING STATISTICS (Unaudited)

Three Months Ended December 31,	Operating Revenues*			Therms*		
	2003	2002	Percent Change	2003	2002	Percent Change
By Customer Segment:						
Residential	\$ 25,495	\$ 21,861	16.6	14,833	16,006	(7.3)
Commercial	34,390	31,804	8.1	90,637	83,257	8.9
Industrial	2,618	3,166	(17.3)	56,760	60,066	(5.5)
Off System Sales	10,896	14,430	(24.5)	27,848	31,504	(11.6)
Power generation	2,493	2,608	(4.4)	77,867	100,718	(22.7)
Other revenues	7,634	7,180	6.3	-	-	-
	\$ 83,526	\$ 81,049	3.1	267,945	291,551	(8.1)
By Sales Type:						
System supply	\$ 56,242	\$ 54,387	3.4	63,668	70,503	(9.7)
Transportation	19,650	19,482	0.9	204,277	221,048	(7.6)
Other revenues	7,634	7,180	6.3	-	-	-
	\$ 83,526	\$ 81,049	3.1	267,945	291,551	(8.1)
Average customers	295,651	281,090	5.2	-	-	-

Year-To-Date December 31,	Operating Revenues*			Therms*		
	2003	2002	Percent Change	2003	2002	Percent Change
By Customer Segment:						
Residential	\$ 105,668	\$ 76,613	37.9	64,218	60,237	6.6
Commercial	143,687	122,336	17.5	354,821	327,639	8.3
Industrial	10,393	12,453	(16.5)	220,158	247,203	(10.9)
Off System Sales	104,506	67,868	54.0	186,094	176,555	5.4
Power generation	10,116	11,374	(11.1)	363,693	492,558	(26.2)
Other revenues	34,046	27,464	24.0	-	-	-
	\$ 408,416	\$ 318,108	28.4	1,188,984	1,304,192	8.8
By Sales Type:						
System supply	\$ 298,231	\$ 214,636	38.9	337,274	332,504	1.4
Transportation	76,139	76,008	0.2	851,710	971,688	(12.3)
Other revenues	34,046	27,464	24.0	-	-	-
	\$ 408,416	\$ 318,108	28.4	1,188,984	1,304,192	(8.8)
Average customers	291,919	277,530	5.2	-	-	-