



SEPTEMBER 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.)

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,	
(thousands)	2003	2002	2003	2002	2003	2002
Revenues	\$947,989	\$731,007	\$2,343,676	\$2,015,323	\$3,001,099	\$2,589,399
Expenses						
Operation	660,184	432,835	1,543,128	1,206,481	1,973,678	1,555,205
Maintenance	44,617	34,240	115,860	115,130	163,832	159,336
Asset Impairment	-	-	104,125	-	103,154	-
Goodwill Impairment	-	-	95,156	-	95,156	-
Restructuring Charges	11,032	-	11,032	-	21,463	-
Depreciation	104,364	79,613	280,585	234,500	349,492	313,328
Taxes, other than income	46,215	41,849	133,463	129,779	176,868	164,018
Total expenses	866,412	588,537	2,283,349	1,685,890	2,883,643	2,191,887
Income from operations	\$81,577	\$142,470	\$60,327	\$329,433	\$117,456	\$397,512
Other income (expense)						
Allowance for other funds used during construction	3,929	6,877	15,665	16,894	23,698	19,529
Other income (expense), net	5,889	13,591	52,990	43,935	71,383	57,186
Loss on Debt Extinguishment	-	-	-	-	(34,125)	-
Loss on TPGC Joint Venture Termination	-	-	(153,933)	-	(153,933)	-
Contingent Arbitration Reserve	(32,000)	-	(32,000)	-	(32,000)	-
Earnings from equity investments	1,384	661	(2,014)	(1,243)	(6,775)	2,420
Total other income (expense)	(20,798)	21,129	(119,292)	59,586	(131,752)	79,135
Interest charges						
Interest expense	103,578	35,163	239,343	108,604	275,391	150,398
Distribution on Preferred Securities	9,988	9,988	29,963	28,912	39,950	33,162
Allowance for borrowed funds used during construction	(1,518)	(2,655)	(6,050)	(6,524)	(9,152)	(7,542)
Total interest charges	112,048	42,496	263,256	130,992	306,189	176,018
Income before provision for income taxes	(51,269)	121,103	(322,221)	258,027	(320,485)	300,629
(Benefit) Provision for income taxes	(23,681)	8,301	(149,966)	(5,601)	(182,777)	(22,116)
Net income from continuing operations before minority interest	(27,588)	112,802	(172,255)	263,628	(137,708)	322,745
Minority Interest	11,275	-	34,691	-	34,691	-
Net income (loss) from continuing operations	(16,313)	112,802	(137,564)	263,628	(103,017)	322,745
Discontinued Operations						
Income from discontinued operations	-	3,765	38,232	7,471	56,853	9,468
Income tax expense (benefit)-discontinued operations	-	(2,350)	15,062	(8,927)	18,146	(12,629)
Net income (loss) from discontinued operations	-	6,115	23,170	16,398	38,707	22,097
Cumulative effect of a change in accounting principle, net of tax	(3,233)	-	(4,344)	-	(4,344)	-
Net Income (loss)	(\$19,546)	\$118,917	(\$118,738)	\$280,026	(\$68,654)	\$344,842
Average common shares outstanding during the period (thousands)	179,469	156,126	177,469	146,432	175,566	144,579
Earnings per average common share outstanding:						
Earnings (loss) per share from continuing operations -- basic	\$0.09	\$0.72	(\$0.78)	\$1.80	(\$0.59)	\$2.23
Earnings (loss) per share -- basic	(\$0.11)	\$0.76	(\$0.67)	\$1.91	(\$0.39)	\$2.38
Earnings (loss) per share from continuing operations -- diluted	\$0.09	\$0.72	(\$0.78)	\$1.80	(\$0.59)	\$2.23
Earnings (loss) per share -- diluted	(\$0.11)	\$0.76	(\$0.67)	\$1.91	(\$0.39)	\$2.38

TECO ENERGY, Inc.

CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	Sep. 30, 2003	Dec. 31, 2002
(thousands)		
ASSETS		
Current assets		
Cash and cash equivalents	\$409,154	\$411,142
Restricted cash	113,858	1,624
Short-term investments	15,826	6
Receivables, less allowance for uncollectibles	439,104	422,655
Note receivable	-	235,071
Inventories, at average cost		
Fuel	96,855	113,724
Materials and supplies	96,862	96,116
Current derivative asset	12,595	12,442
Prepayments and other current assets	68,741	30,426
Assets held for sale, current	21,143	-
Total current assets	1,274,138	1,323,206
Property, plant and equipment		
Utility plant in service-electric	7,719,911	5,054,354
Utility plant in service-gas	768,513	746,731
Construction work in progress	1,177,406	1,556,838
Other property	851,411	857,403
	10,517,241	8,215,326
Accumulated depreciation	(2,341,410)	(2,310,653)
Valuation adjustment	-	-
Total property, plant and equipment, net	8,175,831	5,904,673
Other assets		
Other investments	697,273	845,290
Investment in unconsolidated affiliates	344,363	149,169
Intangible asset	11,346	11,139
Goodwill	100,238	193,660
Long term derivative asset	5,169	122
Regulatory asset	184,350	163,234
Deferred income taxes	507,548	340,233
Deferred charges and other assets	170,989	147,711
Assets held for sale	141,466	-
Total other assets	2,162,742	1,850,558
Total assets	\$11,612,711	\$9,078,437
LIABILITIES AND CAPITAL		
Current liabilities		
Long-term debt due within one year		
Recourse	\$6,050	\$106,359
Non-recourse	1,442,198	20,759
Notes payable	397,500	360,500
Accounts payable	417,342	377,426
Current derivative liability	44,770	3,948
Customer deposits	98,958	94,631
Interest accrued	97,277	49,774
Taxes accrued	13,059	95,845
Liabilities associated with held for sale, current	16,460	-
Total current liabilities	2,533,614	1,109,242
Other liabilities		
Deferred income taxes	549,158	495,007
Investment tax credits	23,988	27,496
Accumulated reserve for cost of removal	-	440,633
Regulatory liability	555,651	98,079
Long term derivative liability	43,044	198
Other deferred credits and other liabilities	275,262	321,459
Liabilities associated with assets held for sale	98,291	-
Long-term debt, less amount due within one year		
Recourse	3,658,724	3,112,714
Non-recourse	758,969	211,622
Preferred company securities	649,125	-
Minority interest	(126)	1,179
Preferred company securities	-	649,125
Capital		
Common equity (outstanding 187,799,685 shares in 2003 and 175,841,512 shares in 2002)	2,487,700	2,642,776
Unearned compensation	(20,689)	(31,093)
Total liabilities and capital	\$11,612,711	\$9,078,437
Book value per share	\$13.25	\$15.03

TECO ENERGY, Inc.

SEGMENT INFORMATION (Unaudited)

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,	
	2003	2002	2003	2002	2003	2002
Revenues ⁽¹⁾						
Tampa Electric	\$ 456.2	\$ 439.1	\$ 1,206.0	\$ 1,198.1	\$ 1,591.1	\$ 1,517.3
Peoples Gas	103.2	74.4	324.9	237.1	405.9	302.9
TECO Power Services	266.5	98.5	447.8	229.2	528.5	287.1
TECO Transport	63.9	62.8	195.5	187.7	262.5	255.9
TECO Coal	72.3	82.9	225.9	244.1	298.9	326.0
Other unregulated companies	29.2	24.9	85.5	84.3	108.8	114.6
	991.3	782.6	2,485.6	2,180.5	3,195.7	2,803.8
Other/eliminations	(43.3)	(51.6)	(141.9)	(165.2)	(194.6)	(214.4)
Consolidated revenues	\$ 948.0	\$ 731.0	\$ 2,343.7	\$ 2,015.3	\$ 3,001.1	\$ 2,589.4
Net income ⁽²⁾						
Tampa Electric ⁽³⁾	\$ 53.3	\$ 63.1	\$ 83.8	\$ 144.5	\$ 111.1	\$ 173.1
Peoples Gas	2.9	3.1	19.6	17.3	26.5	23.2
TECO Power Services ⁽⁴⁾	(59.3)	25.6	(257.3)	39.4	(262.6)	41.5
TECO Transport	2.6	4.7	12.4	15.8	17.6	21.8
TECO Coal	18.4	21.7	64.9	58.8	82.6	77.2
Other unregulated companies	-	(1.0)	(1.0)	3.6	2.2	5.2
Other/financing/eliminations ⁽⁵⁾	(34.2)	(4.4)	(60.0)	(15.8)	(80.4)	(19.3)
Net income (loss) from continuing operations	(16.3)	112.8	(137.6)	263.6	(103.0)	322.7
Discontinued operations ⁽⁶⁾	-	6.1	23.2	16.4	38.7	22.1
Net income (loss) before cumulative effect of change in accounting principle	(16.3)	118.9	(114.4)	280.0	(64.3)	344.8
Cumulative effect of change in accounting principle, net of tax ⁽⁷⁾	(3.2)	-	(4.3)	-	(4.3)	-
Net income (loss) (including internally allocated finance costs)	\$ (19.5)	\$ 118.9	\$ (118.7)	\$ 280.0	\$ (68.6)	\$ 344.8
Average common shares outstanding during the period (thousands)	179,469	156,126	177,469	146,432	175,566	144,579

Notes:

- Revenues for all periods reflect the presentation of energy marketing related revenues on a net basis based on the deliberation of EITF 02-03, and the reclassification of TECO Coalbed Methane to Discontinued operations.
- Segment net income is reported on a basis that includes internally allocated financing costs.
- Net income for the 9-month and 12-month periods ended Sept. 30, 2003 for Tampa Electric included a \$48.9 million after tax asset impairment charge related to turbine purchase cancellations.
- Net income for the 3 periods ended Sept. 30, 2003 for TECO Power Services included a \$25.9 million after tax charge associated with the recognition of a reserve for an arbitration award against TMDP related to its indirect ownership interest of the Commonwealth Chesapeake Power Station. Net income for the 9-month and 12-month periods ended Sept. 30, 2003 for TPS also included a \$61.2 million after tax charge for goodwill impairments, a \$94.7 million after tax charge related to the partnership termination and resulting consolidation of the Union and Gila River stations and a \$15.3 million after tax asset impairment charge for turbine purchase cancellations. In addition to all these charges, the 12-month period ended Sept. 30, 2003 also included a \$5.8 million after tax charge related to the sale of TPS' ECKG investments recorded in the fourth quarter of 2002.
- Net income for the 3-month period ended Sept. 30, 2003 for Other/financing/eliminations included the deferral of \$18.0 million of tax credits related to the production of synthetic fuel at TECO Coal. The 9-month and 12-month periods ended Sept. 30, 2003 included the deferral of \$28.5 million of tax credits primarily due to the uncertainty created by the IRS' suspension of issuance of private letter rulings. The 12-month period ended Sept. 30, 2003 also included a \$20.9 million after tax charge at TECO Energy for debt extinguishment.
- The 9-month and 12-month periods ended Sept. 30, 2003 included an after-tax gain on the sale of TECO Coalbed Methane's assets of \$22.7 million and \$30.4 million, respectively.
- The 3 periods ended Sept. 30, 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*. The 9-month and 12-month periods ended Sept. 30, 2003 also included 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 Obligations*.