



December 2002

Figures appearing in these statements are presented as general information and not in connection with any sale or offer to see 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 December 31,		Twelve Months Ended December 31,	
(thousands)	2002	2001	2002	2001
Revenues	\$ 660,509	\$ 574,001	\$ 2,675,832	\$ 2,488,137
Expenses				
Operation	441,690	349,151	1,648,171	1,489,069
Maintenance	47,004	44,205	162,134	151,343
Depreciation	68,909	78,828	303,409	288,216
Taxes, other than income	43,404	33,735	173,183	161,292
Total expenses	601,007	505,919	2,286,897	2,089,920
Income from operations	59,502	68,082	388,935	398,217
Other income (expense)				
Allowance for other funds used during construction	8,034	2,635	24,928	6,658
Other income (expense), net	18,387	13,003	62,419	38,607
Loss on debt extinguishment	(34,125)	-	(34,125)	-
Earnings from equity investments	(4,761)	3,906	(6,004)	6,710
Total other income (expense)	(12,465)	19,544	47,218	51,975
Income before interest and income taxes	47,037	87,626	436,153	450,192
Interest charges				
Interest expense	38,422	41,789	147,123	164,045
Distribution on preferred securities	9,988	4,250	38,900	17,000
Allowance for borrowed funds used during construction	(3,103)	(1,017)	(9,627)	(2,571)
Total interest charges	45,307	45,022	176,396	178,474
Income before provision for income taxes	1,730	42,604	259,757	271,718
(Benefit) provision for income taxes	(32,816)	(16,514)	(38,417)	(2,074)
Net income from continuing operations	34,546	59,118	298,174	273,792
Discontinued Operations				
Income from discontinued operations (including pretax gain on disposal of \$12.7 million in 2002)	18,620	1,997	26,091	21,948
Income tax expense (benefit) - discontinued operations	3,082	(3,702)	(5,845)	(8,009)
Net income from discontinued operations	15,538	5,699	31,936	29,957
Net income	\$ 50,084	\$ 64,817	\$ 330,110	\$ 303,749
Average common shares outstanding during the period (thousands)	170,877	138,710	153,202	134,521
Earnings per average common share outstanding:				
Earnings per share from continuing operations - basic	\$ 0.20	\$ 0.43	\$ 1.95	\$ 2.04
Earnings per share - basic	\$ 0.29	\$ 0.47	\$ 2.15	\$ 2.26
Earnings per share from continuing operations - diluted	\$ 0.20	\$ 0.42	\$ 1.95	\$ 2.02
Earnings per share - diluted	\$ 0.29	\$ 0.47	\$ 2.15	\$ 2.24

TECO ENERGY, Inc.
CONSOLIDATED BALANCE SHEETS (Unaudited)

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

(thousands)	December 31,	
	2002	2001
ASSETS		
Current assets		
Cash and cash equivalents	\$ 411,142	\$ 108,469
Restricted cash	1,624	1,633
Short-term investments	6	6
Receivables, less allowance for uncollectibles	422,655	358,557
Note Receivable	235,071	92,685
Inventories, at average cost		
Fuel	113,724	87,283
Materials and supplies	96,116	83,188
Current derivative asset	12,442	7,702
Prepayments	30,426	36,698
Total current assets	1,323,206	776,221
Property, plant and equipment		
Utility plant in service-electric	5,054,354	4,861,050
Utility plant in service-gas	746,731	699,409
Construction work in progress	1,556,838	897,040
Other property	857,403	865,152
	8,215,326	7,322,651
Accumulated depreciation	(2,751,286)	(2,571,969)
	5,464,040	4,750,682
Property held for sale, net	-	87,562
Total property, plant and equipment, net	5,464,040	4,838,244
Other assets		
Other investments	845,290	210,406
Investment in unconsolidated affiliates	149,169	172,889
Intangible Asset	11,139	28,511
Goodwill	193,660	165,784
Long term derivative asset	122	2,165
Regulatory asset	163,234	198,264
Deferred income taxes	340,233	242,031
Deferred charges and other assets	147,711	128,852
Total other assets	1,850,558	1,148,902
Total assets	\$ 8,637,804	\$ 6,763,367
LIABILITIES AND CAPITAL		
Current liabilities		
Long-term debt due within one year	\$ 127,118	\$ 788,801
Notes payable	360,500	638,900
Accounts payable	377,426	267,361
Current derivative liability	3,948	33,509
Customer deposits	94,631	86,305
Interest accrued	49,774	35,583
Taxes accrued	95,845	71,731
Total current liabilities	1,109,242	1,922,190
Other liabilities		
Deferred income taxes	495,007	498,672
Investment tax credits	27,496	32,311
Regulatory liability	98,079	106,234
Long-term derivative liability	198	3,495
Other deferred credits	322,638	186,414
Long-term debt, less amount due within one year	3,324,336	1,842,474
Preferred company securities	649,125	200,000
Capital		
Common equity (outstanding 175,841,512 shares in 2002 and 139,636,726 shares in 2001)	2,642,776	2,015,926
Unearned compensation	(31,093)	(44,349)
Total liabilities and capital	\$ 8,637,804	\$ 6,763,367
Book value per share	\$ 15.03	\$ 14.44

TAMPA ELECTRIC COMPANY
ELECTRIC OPERATING STATISTICS (Unaudited)

Three Months End December 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2002	2001	Percent Change	2002	2001	Percent Change
Residential	\$ 181,797	\$ 143,305	26.9	1,933,422	1,608,467	20.2
Commercial	113,604	100,167	13.4	1,438,187	1,369,998	5.0
Industrial -- Phosphate	18,877	11,054	70.8	349,227	234,669	48.8
Industrial -- Other	21,382	18,148	17.8	312,096	290,326	7.5
Other sales of electricity	30,756	25,990	18.3	377,022	340,307	10.8
Deferred and other revenues	(7,710)	(3,190)	141.7	--	--	--
	358,706	295,474	21.4	4,409,954	3,843,767	14.7
Sales for resale	17,893	15,347	16.6	306,519	228,907	33.9
Other operating revenue	8,510	8,313	2.4	--	--	--
	\$ 385,109	\$ 319,134	20.7	4,716,473	4,072,674	15.8
Average customers	594,775	581,766	2.2	--	--	--
Retail Output to Line	--	--	--	4,439,674	4,041,485	9.9

Twelve Months Ended December 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2002	2001	Percent Change	2002	2001	Percent Change
Residential	\$ 753,936	\$ 659,757	14.3	8,046,430	7,594,089	6.0
Commercial	459,569	409,654	12.2	5,831,617	5,685,303	2.6
Industrial -- Phosphate	74,299	57,040	30.3	1,378,051	1,166,171	18.2
Industrial -- Other	83,766	71,844	16.6	1,233,922	1,162,536	6.1
Other sales of electricity	117,370	102,998	14.0	1,435,125	1,367,948	4.9
Deferred and other revenues	(15,757)	(6,803)	--	--	--	--
	1,473,183	1,294,490	13.8	17,925,145	16,976,047	5.6
Sales for resale	67,669	82,351	(17.8)	1,083,712	1,498,535	(27.7)
Other operating revenue	42,384	35,906	18.0	--	--	--
	\$ 1,583,236	\$ 1,412,747	12.1	19,008,857	18,474,582	2.9
Average customers	590,199	575,780	2.5	--	--	--
Retail Output to Line	--	--	--	18,860,187	17,770,234	6.1

* in thousands

TECO ENERGY, Inc.
SEGMENT INFORMATION (Unaudited)

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2002	2001	2002	2001
Revenues				
Tampa Electric	\$ 385.1	\$ 319.1	\$ 1,583.2	\$ 1,412.7
Peoples Gas	81.0	65.9	318.1	352.9
TECO Power Services	80.6	58.0	309.8	287.1
TECO Transport	66.9	68.2	254.6	274.9
TECO Coal	73.0	81.8	317.1	303.4
Other unregulated companies	24.9	34.3	122.1	106.9
	711.5	627.3	2,904.9	2,737.9
Other/eliminations	(51.0)	(53.3)	(229.1)	(249.8)
Consolidated revenues	\$ 660.5	\$ 574.0	\$ 2,675.8	\$ 2,488.1
Net Income (including internally allocated finance costs)				
Net income before charges:				
Tampa Electric	\$ 27.3	\$ 28.6	\$ 171.8	\$ 154.0
Peoples Gas	6.9	5.8	24.2	23.1
TECO Power Services	(5.3)	2.1	34.1	26.9
TECO Transport	5.2	6.0	21.0	27.6
TECO Coal	17.7	18.4	76.5	59.0
Other unregulated companies	3.2	1.6	6.8	4.0
Other/financing/eliminations	(20.4)	(3.4)	(36.2)	(20.8)
Net income from continuing operation:	34.6	59.1	298.2	273.8
Discontinued operations	15.5	5.7	31.9	29.9
Net income (including internally allocated finance costs)	\$ 50.1	\$ 64.8	\$ 330.1	\$ 303.7
Average common shares outstanding during the period (thousands)	170,877	138,710	153,202	134,521

Notes:

- 1) Revenues for all periods have been adjusted to reflect the presentation of energy marketing related revenues on a net basis based on the deliberation of EITF 02-03, the reclassification of TECO Coalbed Methane to Discontinued operations, and the reclassification of earnings from equity investments from Revenues to Other Income. There is no impact to net income as reported.
- 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 December 31, 2002 for TECO Power Services included a \$5.8 million after tax valuation reserve adjustment for TPS' ECKG investment.
- 4) TECO Coalbed Methane's results have been reclassified as Discontinued operations. There is no impact to net income as reported. Net income for the 3-month and 12-month periods ended December 31, 2002 for Discontinued operations included a \$7.7 million after-tax partial gain recognized on the sale of TECO Coalbed Methane's assets.
- 5) Net income for the 12-month period ended December 31, 2002 for Other unregulated companies included a \$3 million after tax

TECO ENERGY, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(All significant intercompany transactions have been eliminated in the consolidated financial statements.)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
(thousands)	2002	2001	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES				
NET INCOME	\$ 50,084	\$ 64,817	\$ 330,110	\$ 303,749
ADJ TO RECONCILE NET INCOME TO NET CASH				
DEPRECIATION	68,909	78,828	303,409	288,216
DEFERRED INCOME TAXES	(29,588)	(37,850)	(96,471)	(102,915)
INVESTMENT TAX CREDIT - NET	(1,431)	(1,257)	(4,815)	(4,946)
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	(11,137)	(3,652)	(34,555)	(9,229)
AMORTIZATION OF UNEARNED COMPENSATION	5,285	1,286	13,936	9,660
GAIN ON ASSET SALES, PRETAX	(15,106)	-	(15,106)	-
LOSS ON EARLY EXTINGUISHMENT OF DEBT, PRETAX	-	-	-	-
EQUITY IN EARNINGS OF UNCONSOLIDATED AFFILIATES	11,359	(3,346)	15,306	(3,143)
ASSET VALUATION ADJUSTMENT, PRETAX	9,257	-	14,144	11,089
DEFERRED REVENUE	-	-	-	-
DEFERRED RECOVERY CLAUSE	(2,985)	4,550	72,210	(19,010)
REFUNDED TO CUSTOMERS	(254)	-	(6,382)	-
COAL CONTRACT BUYOUT AND AMORTIZATION	-	-	-	-
NONRECURRING CHARGES	-	-	-	-
RECEIVABLES, LESS ALLOW FOR UNCOLLECT	26,850	51,961	(64,098)	57,058
INVENTORIES	(4,883)	13,478	(39,369)	(22,765)
TAXES ACCRUED	(6,054)	(50,444)	24,114	16,464
INTEREST ACCRUED	(29,825)	(22,554)	14,191	(6,287)
ACCOUNTS PAYABLE	68,973	8,560	98,255	(51,284)
OTHER	16,953	(606)	30,868	36,060
	<u>156,407</u>	<u>103,771</u>	<u>655,747</u>	<u>502,717</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
CAPITAL EXPENDITURES	(273,429)	(254,814)	(1,065,179)	(965,955)
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	11,137	3,652	34,555	9,229
PURCHASE OF MINORITY INTEREST	0	0	(9,928)	0
PURCHASE OF BUSINESS	0	(35,500)	0	(315,791)
NET PROCEEDS FROM SALE OF ASSETS	103,276	43,200	103,276	43,200
INVESTMENT IN UNCONSOLIDATED AFFILIATES	(7,682)	(172)	(7,605)	27,616
OTHER NON-CURRENT INVESTMENTS	(183,971)	(107,613)	(715,637)	95,668
	<u>(350,669)</u>	<u>(351,247)</u>	<u>(1,660,518)</u>	<u>(1,106,033)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
DIVIDENDS	(62,355)	(48,144)	(215,795)	(184,211)
COMMON STOCK	209,686	95,822	572,574	348,399
PURCHASE OF TREASURY STOCK	0	0	0	0
PROCEEDS FROM LONG-TERM DEBT	373,871	0	1,758,396	1,255,910
FUNDS HELD BY TRUSTEE - RESTRICTED CASH	0	0	0	0
REPAYMENT OF LONG-TERM DEBT	(227,843)	(5,179)	(949,735)	(236,486)
NET BORROWINGS (PAYMENTS) UNDER CREDIT LINES	0	0	0	0
NET INCR (DECR) IN SHORT-TERM DEBT	129,682	237,300	(278,400)	(570,050)
ISSUANCE OF PREFERRED SECURITIES	0	0	435,651	0
EQUITY CONTRACT ADJUSTMENT PAYMENTS	(5,083)	0	(15,247)	0
	<u>417,958</u>	<u>279,799</u>	<u>1,307,444</u>	<u>613,562</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	223,696	32,323	302,673	10,246
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	187,446	76,146	108,469	98,223
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$411,142	\$108,469	\$411,142	\$108,469

PEOPLES GAS SYSTEM

GAS OPERATING STATISTICS (Unaudited)

Three Months Ended December 31,	Operating Revenues*			Therms*		
	2002	2001	Percent Change	2002	2001	Percent Change
By Customer Segment:						
Residential	\$ 21,861	\$ 15,731	39.0	16,006	12,076	32.5
Commercial	31,804	27,951	13.8	83,257	77,561	7.3
Industrial	3,166	2,606	21.5	60,066	36,855	63.0
Off System Sales	14,430	9,264	55.8	31,504	34,865	(9.6)
Power generation	2,608	2,784	(6.3)	100,718	110,058	(8.5)
Other revenues	7,180	7,554	(5.0)	-	-	--
	\$ 81,049	\$ 65,890	23.0	291,551	271,415	7.4
By Sales Type:						
System supply	\$ 54,387	\$ 41,070	32.4	70,503	71,597	(1.5)
Transportation	19,482	17,266	12.8	221,048	199,818	10.6
Other revenues	7,180	7,554	(5.0)	--	--	--
	\$ 81,049	\$ 65,890	23.0	291,551	271,415	7.4
Average customers	281,090	270,374	4.0	--	--	--

Twelve Months Ended December 31,	Operating Revenues*			Therms*		
	2002	2001	Percent Change	2002	2001	Percent Change
By Customer Segment:						
Residential	\$ 76,613	\$ 88,222	(13.2)	60,237	58,843	2.4
Commercial	122,336	163,585	(25.2)	327,639	308,916	6.1
Industrial	12,453	12,488	(0.3)	247,203	240,818	2.7
Off System Sales	67,868	38,218	77.6	176,555	105,543	67.3
Power generation	11,374	11,301	0.6	492,558	403,540	22.1
Other revenues	27,464	39,070	(29.7)	--	--	--
	\$ 318,108	\$ 352,884	(9.9)	1,304,192	1,117,660	16.7
By Sales Type:						
System supply	\$ 214,636	\$ 250,966	(14.5)	332,504	292,181	13.8
Transportation	76,008	62,848	20.9	971,688	825,479	17.7
Other revenues	27,464	39,070	(29.7)	--	--	--
	\$ 318,108	\$ 352,884	(9.9)	1,304,192	1,117,660	16.7
Average customers	277,530	266,594	4.1	--	--	--

* in thousands