



## **MARCH 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 March 31,		Twelve Months Ended March 31,	
	2003	2002	2003	2002
<b>Revenues</b>	\$ 658,468	\$ 606,611	\$ 2,727,700	\$ 2,453,162
<b>Expenses</b>				
Operation	404,574	355,721	1,700,760	1,455,065
Maintenance	34,642	39,995	156,779	154,502
Valuation Adjustment	104,528	-	104,528	-
Depreciation	79,805	77,951	305,268	299,110
Taxes, other than income	43,426	43,722	172,891	160,391
Total expenses	666,975	517,389	2,440,226	2,069,068
Income from operations	(8,507)	89,222	287,474	384,094
<b>Other income (expense)</b>				
Allowance for other funds used during construction	7,586	4,339	28,175	10,238
Other income (expense), net	12,774	15,323	59,958	55,124
Loss on Debt Extinguishment	-	-	(34,125)	-
Earnings from equity investments	(5,681)	(279)	(11,406)	609
Total other income (expense)	14,679	19,383	42,602	65,971
<b>Interest charges</b>				
Interest expense	57,412	39,520	161,372	162,971
Distribution on Preferred Securities	9,988	9,031	39,856	21,781
Allowance for borrowed funds used during construction	(2,930)	(1,676)	(10,881)	(3,954)
Total interest charges	64,470	46,875	190,347	180,798
Income before provision for income taxes	(58,298)	61,730	139,729	269,267
<b>(Benefit)Provision for income taxes</b>	(38,922)	(8,164)	(69,177)	(12,333)
Net income from continuing operations	(19,376)	69,894	208,906	281,600
<b>Discontinued Operations</b>				
Income from discontinued operations (including pretax gain on disposal of \$38.9 in 2003 and \$12.7 in 2002)	38,231	2,171	62,151	18,260
Income tax expense (benefit)-discontinued operations	15,062	(3,312)	12,530	(9,525)
Net income from discontinued operations	23,169	5,483	49,621	27,785
<b>Cumulative effect of a change in accounting principle, net of tax</b>	(1,111)	-	(1,111)	-
<b>Net Income</b>	\$ 2,682	\$ 75,377	\$ 257,416	\$ 309,385
<b>Average common shares outstanding during the period (thousands)</b>	175,923	139,722	161,571	137,594
<b>Earnings per average common share outstanding:</b>				
Earnings per share from continuing operations -- basic	(\$0.11)	\$0.50	\$1.29	\$2.05
Earnings per share -- basic	\$0.01	\$0.54	\$1.59	\$2.25
Earnings per share from continuing operations -- diluted	(\$0.11)	\$0.50	\$1.29	\$2.03
Earnings per share -- diluted	\$0.01	\$0.54	\$1.59	\$2.23

# TECO ENERGY, Inc.

## CONSOLIDATED BALANCE SHEETS (Unaudited)

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

(thousands)	March 31, 2003	December 31, 2002
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 397,620	\$ 411,142
Restricted cash	1,621	1,624
Short-term investments	6	6
Receivables, less allowance for uncollectibles	480,301	422,655
Note Receivable	-	235,071
Inventories, at average cost		
Fuel	106,084	113,724
Materials and supplies	97,477	96,116
Current derivative asset	80,280	12,442
Prepayments	69,280	30,426
<b>Total current assets</b>	<b>1,232,669</b>	<b>1,323,206</b>
<b>Property, plant and equipment</b>		
Utility plant in service-electric	5,016,870	5,054,354
Utility plant in service-gas	753,300	746,731
Construction work in progress	1,493,155	1,556,838
Other property	860,611	857,403
	8,123,936	8,215,326
Accumulated depreciation	(2,733,415)	(2,751,286)
<b>Total property, plant and equipment, net</b>	<b>5,390,521</b>	<b>5,464,040</b>
<b>Other assets</b>		
Other investments	861,848	845,290
Investment in unconsolidated affiliates	275,802	149,169
Intangible Asset	6,398	11,139
Goodwill	195,292	193,660
Long term derivative asset	13,603	122
Regulatory Asset	167,002	163,234
Deferred income taxes	335,906	340,233
Deferred charges and other assets	158,125	147,711
<b>Total other assets</b>	<b>2,013,976</b>	<b>1,850,558</b>
<b>Total assets</b>	<b>\$ 8,637,166</b>	<b>\$ 8,637,804</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Current liabilities</b>		
Long-term debt due within one year	\$ 119,065	\$ 127,118
Notes payable	367,200	360,500
Accounts payable	398,192	377,426
Current derivative liability	79,527	3,948
Customer deposits	96,933	94,631
Interest accrued	81,460	49,774
Taxes accrued	24,384	95,845
<b>Total current liabilities</b>	<b>1,166,761</b>	<b>1,109,242</b>
<b>Other liabilities</b>		
Deferred income taxes	503,012	495,007
Investment tax credits	26,369	27,496
Regulatory liability	99,756	98,079
Long term derivative liability	13,544	198
Other deferred credits and other liabilities	310,061	322,638
Long-term debt, less amount due within one year	3,318,540	3,324,336
Preferred Company Securities	649,125	649,125
<b>Capital</b>		
Common equity (outstanding 175,925,608 shares in 2003 and 175,841,512 shares in 2002)	2,573,561	2,642,776
Unearned compensation	(23,563)	(31,093)
<b>Total liabilities and capital</b>	<b>\$ 8,637,166</b>	<b>\$ 8,637,804</b>
<b>Book value per share</b>	<b>\$ 14.63</b>	<b>\$ 15.03</b>

# 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 March 31,		Twelve Months Ended March 31,	
	2003	2002	2003	2002
<b>Cash flows from operating activities</b>				
Net income	\$ 2,682	\$ 75,377	\$ 257,416	\$ 309,385
Adjustments to reconcile net income to net cash:				
Depreciation	79,805	77,951	305,268	299,110
Deferred income taxes	15,160	(18,920)	(62,391)	(124,197)
Investment tax credit, net	(1,127)	(1,128)	(4,814)	(4,848)
Allowance for funds used during construction	(10,516)	(6,015)	(39,056)	(14,192)
Amortization of unearned compensation	4,413	4,490	13,859	12,274
Cumulative effect of a change in accounting principle, pretax	1,800	-	1,800	-
Gain on asset sales, pretax	(38,680)	-	(53,786)	-
Loss on early extinguishment of debt, pretax	-	-	-	-
Equity in earnings of unconsolidated affiliates	6,697	1,450	20,553	2,054
Asset valuation adjustment, pretax	104,528	-	118,672	-
Deferred revenue	-	-	-	-
Deferred recovery clause	(2,993)	28,311	40,906	16,972
Refund to customers	-	-	(6,382)	-
Coal contract buyout and amortization	-	-	-	-
Nonrecurring charges	-	-	-	-
Receivables, less allowance for uncollectibles	(56,906)	(20,220)	(100,784)	24,753
Inventories	6,279	(25,606)	(7,484)	(36,272)
Taxes accrued	(105,734)	12,969	(94,589)	22,940
Interest accrued	31,686	29,725	16,152	14,944
Accounts payable	29,985	25,318	102,922	9,115
Other	4,913	19,880	15,895	39,086
	71,992	203,582	524,157	571,124
<b>Cash flows from investing activities</b>				
Capital expenditures	(102,179)	(316,749)	(850,609)	(1,082,012)
Allowance for funds used during construction	10,516	6,015	39,056	14,192
Purchase of minority interest	-	-	(9,928)	-
Purchase of business	-	-	-	(35,500)
Net proceeds from sale of assets	124,905	-	228,181	43,200
Investment in unconsolidated affiliates	(1,014)	(410)	(8,209)	25,539
Other non-current investments	(44,113)	(208,379)	(551,371)	(294,683)
	(11,885)	(519,523)	(1,152,880)	(1,329,264)
<b>Cash flows from financing activities</b>				
Dividends	(62,436)	(48,185)	(230,046)	(190,043)
Common stock	2,585	4,448	570,711	115,950
Purchase of treasury stock	-	-	-	-
Proceeds from long-term debt	4,917	-	1,763,313	1,255,910
Funds held by trustee - restricted cash	-	-	-	-
Repayment of long-term debt	(20,312)	(8,010)	(962,037)	(228,274)
Net borrowings (payments) under credit lines	-	-	-	-
Net increase (decrease) in short-term debt	6,700	(93,600)	(178,100)	(605,000)
Issuance of preferred securities	-	435,651	-	435,651
Equity contract adjustment payments	(5,083)	-	(20,330)	-
	(73,629)	290,304	943,511	784,194
Net increase (decrease) in cash and cash equivalents	(13,522)	(25,637)	314,788	26,054
Cash and cash equivalents at beginning of period	411,142	108,469	82,832	56,778
Cash and cash equivalents at end of period	\$ 397,620	\$ 82,832	\$ 397,620	\$ 82,832

**TECO ENERGY, Inc.**  
**SEGMENT INFORMATION (Unaudited)**

(in millions)	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2003	2002	2003	2002
<b>Revenues</b>				
Tampa Electric	\$ 342.1	\$ 345.7	\$ 1,579.6	\$ 1,422.4
Peoples Gas	126.9	85.4	359.6	304.2
TECO Power Services	64.9	55.3	319.4	273.8
TECO Transport	65.0	64.2	255.4	267.2
TECO Coal	75.5	81.0	311.7	307.1
Other unregulated companies	30.8	30.8	110.7	106.8
	705.2	662.4	2,936.4	2,681.5
Other/eliminations	(46.7)	(55.8)	(208.7)	(228.3)
Consolidated revenues	\$ 658.5	\$ 606.6	\$ 2,727.7	\$ 2,453.2
<b>Net Income</b>				
Net income				
Tampa Electric	\$ (9.0)	\$ 36.0	\$ 126.7	\$ 159.6
Peoples Gas	11.9	9.8	26.4	22.3
TECO Power Services	(18.4)	4.9	10.8	29.3
TECO Transport	4.6	6.9	18.7	26.1
TECO Coal	25.7	17.4	84.7	62.4
Other regulated companies	0.8	2.5	5.1	3.6
Other/financing/eliminations	(34.9)	(7.6)	(63.5)	(21.7)
Net income from continuing operations	(19.3)	69.9	208.9	281.6
Discontinued operations	23.1	5.5	49.6	27.8
Net Income before cumulative effect of change in accounting principle	3.8	75.4	258.5	309.4
Cumulative effect of change in accounting principle, net of tax	(1.1)	-	(1.1)	-
Net Income (including internally allocated finance costs)	\$ 2.7	\$ 75.4	\$ 257.4	\$ 309.4
Average common shares outstanding during the period (thousands)	175,923	139,722	161,571	137,594

**Notes:**

- 1) 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.
- 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 March 31, 2003 for Tampa Electric included a \$49.1 million after tax valuation reserve adjustment related to anticipated turbine purchase cancellations.
- 4) Net income for the 3-month period ended March 31, 2003 for TECO Power Services included a \$15.3 million after tax valuation adjustment related to anticipated turbine purchase cancellations. The 12-month period ended March 31, 2003 included the \$15.3 million after tax turbine adjustment and a \$5.8 million after tax valuation reserve adjustment related to the sale of TPS' ECKG investment recorded in the fourth quarter of 2002.
- 5) Net income for the 12-month period ended March 31, 2003 for Other unregulated companies included a \$3 million after tax charge at TECO Investments to adjust the carrying value for an aircraft leased to US Airways.
- 6) Net income for the 3-month and 12-month periods ended March 31, 2003 for Other/financing/eliminations included a \$25.9 million intra-period tax benefit deferral required by generally accepted accounting principles (GAAP). The 12-month period ended March 31, 2003 also included a \$20.9 million after tax charge at TECO Energy for debt extinguishment.
- 7) TECO Coalbed Methane's results have been reflected as Discontinued operations for all periods. Net income for the 3-month period ended March 31, 2003 for Discontinued operations included a \$22.7 million after tax partial gain recognition on the sale of TECO Coalbed Methane's assets. The 12-month period ended March 31, 2003 included the entire \$30.4 million after-tax gain on the sale of these assets.

**TAMPA ELECTRIC COMPANY**  
**ELECTRIC OPERATING STATISTICS (Unaudited)**

Three Months End March 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2003	2002	Percent Change	2003	2002	Percent Change
Residential	\$ 169,135	\$ 162,738	3.9	1,878,770	1,714,340	9.6
Commercial	96,765	102,782	(5.9)	1,266,622	1,285,702	(1.5)
Industrial -- Phosphate	15,816	16,242	(2.6)	334,911	316,803	5.7
Industrial -- Other	19,257	19,134	0.6	299,336	283,322	5.7
Other sales of electricity	26,525	26,173	1.3	331,266	311,893	6.2
Deferred and other revenues	(5,256)	(9,454)	(44.4)	--	--	--
	\$ 322,242	\$ 317,615	1.5	4,110,905	3,912,060	5.1
Sales for resale	11,178	13,270	(15.8)	201,891	165,506	22.0
Other operating revenue	8,640	14,789	(41.6)	--	--	--
	\$ 342,060	\$ 345,674	1.0	4,312,796	4,077,566	5.8
Average customers	600,965	587,188	2.3	--	--	--
Retail Output to Line	--	--	--	4,285,054	4,098,538	4.6

  

Twelve Months Ended March 31,	Operating Revenues*			Sales -- Kilowatt-hours*		
	2003	2002	Percent Change	2003	2002	Percent Change
Residential	\$ 760,333	\$ 663,928	14.5	8,210,860	7,429,607	10.5
Commercial	453,553	420,664	7.8	5,812,537	5,666,648	2.6
Industrial -- Phosphate	73,874	57,289	28.9	1,396,159	1,139,821	22.5
Industrial -- Other	83,889	75,005	11.8	1,249,936	1,174,758	6.4
Other sales of electricity	117,722	105,960	11.1	1,454,498	1,365,982	6.5
Deferred and other revenues	(11,561)	(9,329)	--	--	--	--
	\$ 1,477,810	\$ 1,313,517	12.5	18,123,990	16,776,816	8.0
Sales for resale	65,577	68,068	(3.7)	1,120,097	1,034,960	8.2
Other operating revenue	36,236	40,810	(11.2)	--	--	--
	\$ 1,579,623	\$ 1,422,395	11.0	19,244,087	17,811,776	8.0
Average customers	593,643	579,552	2.4	--	--	--
Retail Output to Line	--	--	--	19,047,142	17,762,378	7.2

\* in thousands

# PEOPLES GAS SYSTEM

## GAS OPERATING STATISTICS (Unaudited)

Three Months Ended March 31,	Operating Revenues*			Therms*		
	2003	2002	Percent Change	2003	2002	Percent Change
<b>By Customer Segment:</b>						
Residential	\$ 41,644	\$ 25,819	61.3	29,665	25,265	17.4
Commercial	47,661	35,701	33.5	106,088	95,925	10.6
Industrial	3,063	3,354	(8.7)	59,463	67,389	(11.8)
Off System Sales	21,849	10,391	--	34,133	33,358	2.3
Power generation	2,418	2,873	(15.8)	86,609	116,173	(25.4)
Other revenues	10,295	7,316	40.7	-	-	--
	\$ 126,930	\$ 85,454	48.5	315,958	338,110	(6.6)

<b>By Sales Type:</b>						
System supply	\$ 95,540	\$ 57,850	65.2	94,345	91,645	2.9
Transportation	21,095	20,288	4.0	221,613	246,465	(10.1)
Other revenues	10,295	7,316	40.7	--	--	--
	\$ 126,930	\$ 85,454	48.5	315,958	338,110	(6.6)

Average customers	289,583	275,975	4.9	--	--	--
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Twelve Months Ended March 31,	Operating Revenues*			Therms*		
	2003	2002	Percent Change	2003	2002	Percent Change
<b>By Customer Segment:</b>						
Residential	\$ 92,438	\$ 72,241	28.0	64,637	56,625	14.1
Commercial	134,296	131,806	1.9	337,801	314,031	7.6
Industrial	12,162	11,903	2.2	239,276	246,189	(2.8)
Off System Sales	79,327	44,220	79.4	177,331	132,282	34.1
Power generation	10,920	11,289	(3.3)	462,994	441,685	4.8
Other revenues	30,442	32,742	(7.0)	--	--	--
	\$ 359,585	\$ 304,201	18.2	1,282,039	1,190,812	7.7

<b>By Sales Type:</b>						
System supply	\$ 252,326	\$ 203,772	23.8	335,204	301,800	11.1
Transportation	76,817	67,687	13.5	946,835	889,012	6.5
Other revenues	30,442	32,742	(7.0)	--	--	--
	\$ 359,585	\$ 304,201	18.2	1,282,039	1,190,812	7.7

Average customers	280,934	269,016	4.4	--	--	--
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\* in thousands