

TECO Energy

First Quarter Results

Tampa, FL

May 4, 2010

Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. Certain information included in this presentation contains statements that are forward-looking, such as statements relating to growth projections and trends as well as capital spending, cash generation and liquidity. Such statements are based on the company’s current expectations, and the company does not undertake any obligation to update or revise such statements. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by TECO Energy.

For more information regarding these risks and uncertainties, review the Risk Factors section of the TECO Energy Annual Report on Form 10-K for the period ended Dec. 31, 2009.

Sandra Callahan

Chief Financial Officer

1Q Financial Results Summary

<u>Net Income</u> (\$ millions)	<u>2010</u>	<u>2009</u>
Net income	\$ 55.8	\$ 34.7
Exclude charges and (gains) ⁽¹⁾	17.1	(5.1)
Non-GAAP results ⁽¹⁾	<u>\$ 72.9</u>	<u>\$ 29.6</u>
<u>Earnings Per Share</u> (\$/share)		
Earnings per share	\$ 0.26	\$ 0.16
Exclude charges and (gains) ⁽¹⁾	0.08	(0.02)
Non-GAAP results ⁽¹⁾	<u>\$ 0.34</u>	<u>\$ 0.14</u>

(1) See the reconciliation table in the appendix

Results Drivers

■ Tampa Electric

- Significantly higher retail energy sales
 - Abnormally cold winter weather
 - Weather benefit \$15 - \$10 million
- Higher base rates approved in 2009
- 0.4% higher average number of customers
- Lower non-clause O&M
 - Generating unit maintenance, benefits of restructuring

■ Peoples Gas

- Abnormally cold winter weather
 - Weather benefit approximately \$10 million
- 0.2% higher average number of customers – seasonal pattern
- Higher base rates approved in 2009

Results Drivers

■ TECO Coal

- \$3.3 million state income tax settlement
- 10% higher average selling price
- 4% higher all-in production cost

■ TECO Guatemala

- San José
 - Higher contract energy and spot sales from normal operations
 - Strong spot sales market due to low hydro-electric generating conditions
 - Lower capacity payment due to 2009 unplanned outages
- DECA II
 - Higher energy sales and customer growth at EEGSA

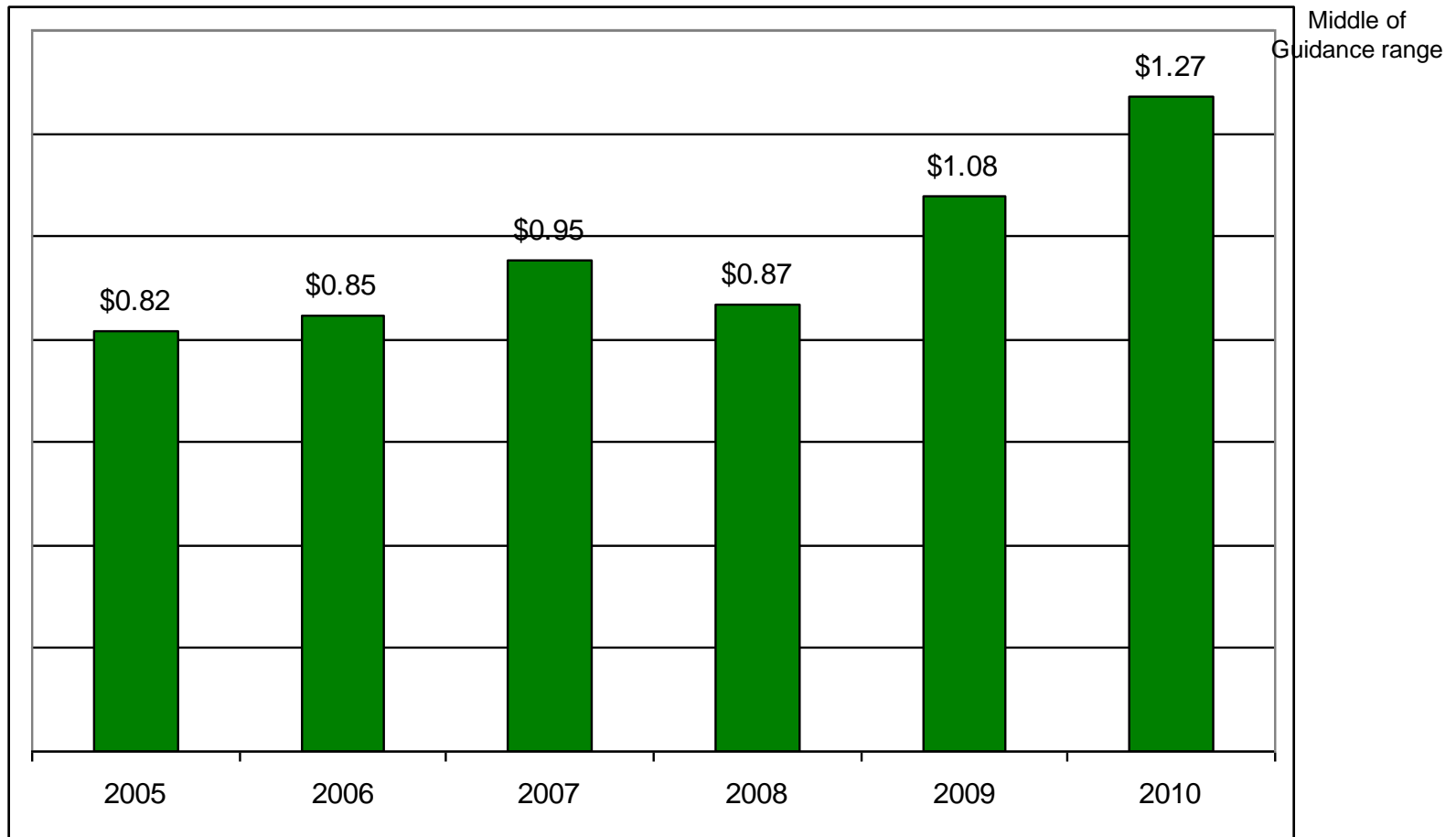
2010 Debt Management

- First quarter
 - Tendered and purchased \$300 million TECO Energy and TECO Finance 7.0% and 7.2% notes due in 2011 and 2012
 - Issued \$250 million 4.0% TECO Finance notes due 2016, and \$300 million 5.15% TECO Finance notes due 2020
 - Non-GAAP debt refinancing charges of \$16.2 million
- Second quarter
 - Retired \$100 million TECO Energy floating rate notes due May 2010
 - Retired \$100 million 7.2% TECO Energy notes due 2011
 - Expect Non-GAAP debt retirement charge of \$4.1 million
- \$300 million 2011 and 2012 notes remain outstanding for retirement at maturity
- Reduces 2011 and 2012 refinancing risk
- Reduces TECO Energy interest expense

2010 Guidance

- Maintaining earnings per share guidance in a range between \$1.20 and \$1.35
 - Excludes charges and gains

Non-GAAP Earnings*

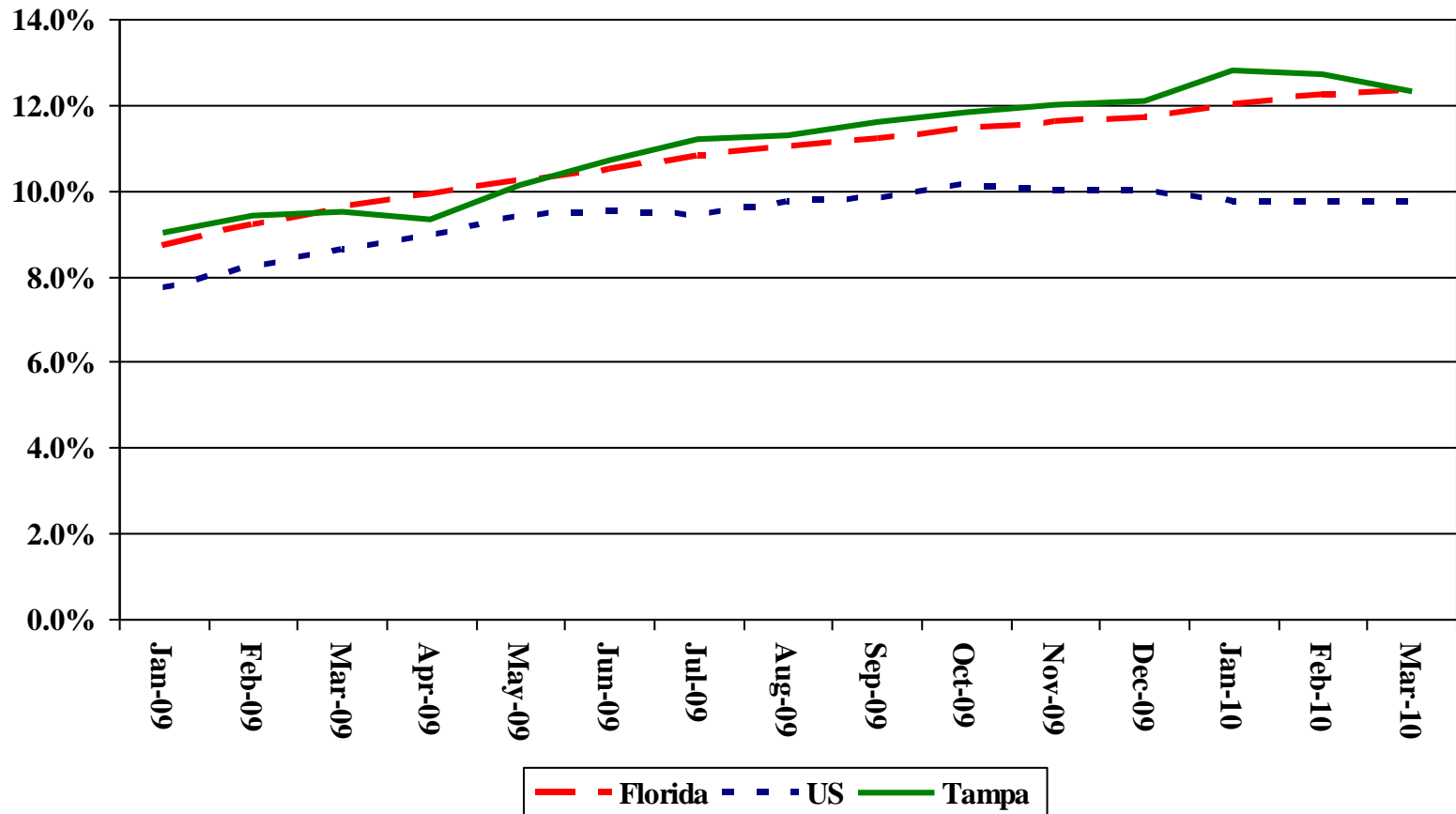


* See reconciliation table in appendix

Florida Economic Outlook

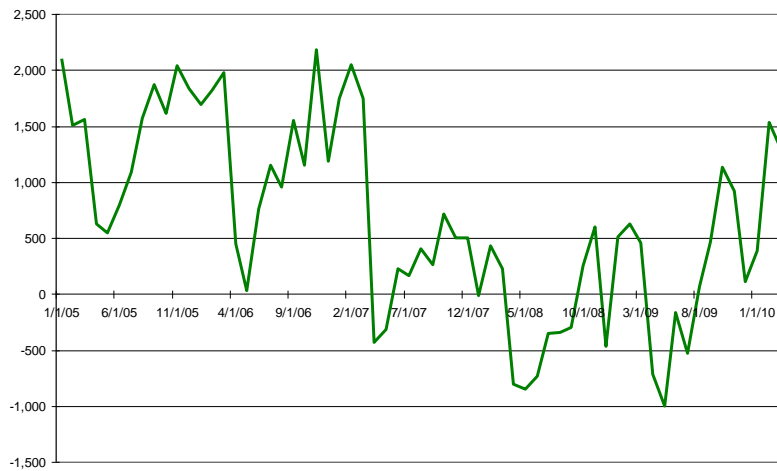
- Housing market showing signs of improvement
 - Home buyer tax credit driven?
- Unemployment situation expected to improve in 2010
- No weather normalized energy sales growth expected due to commercial and non-phosphate industrial sector weakness
 - Some selected improvements due to stimulus dollars

Unemployment Trends

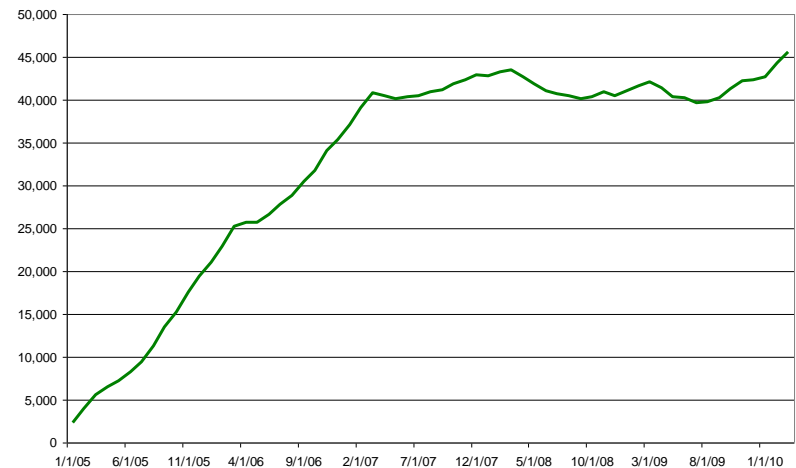


Tampa Electric Customer Additions

Sequential Month Customer Additions

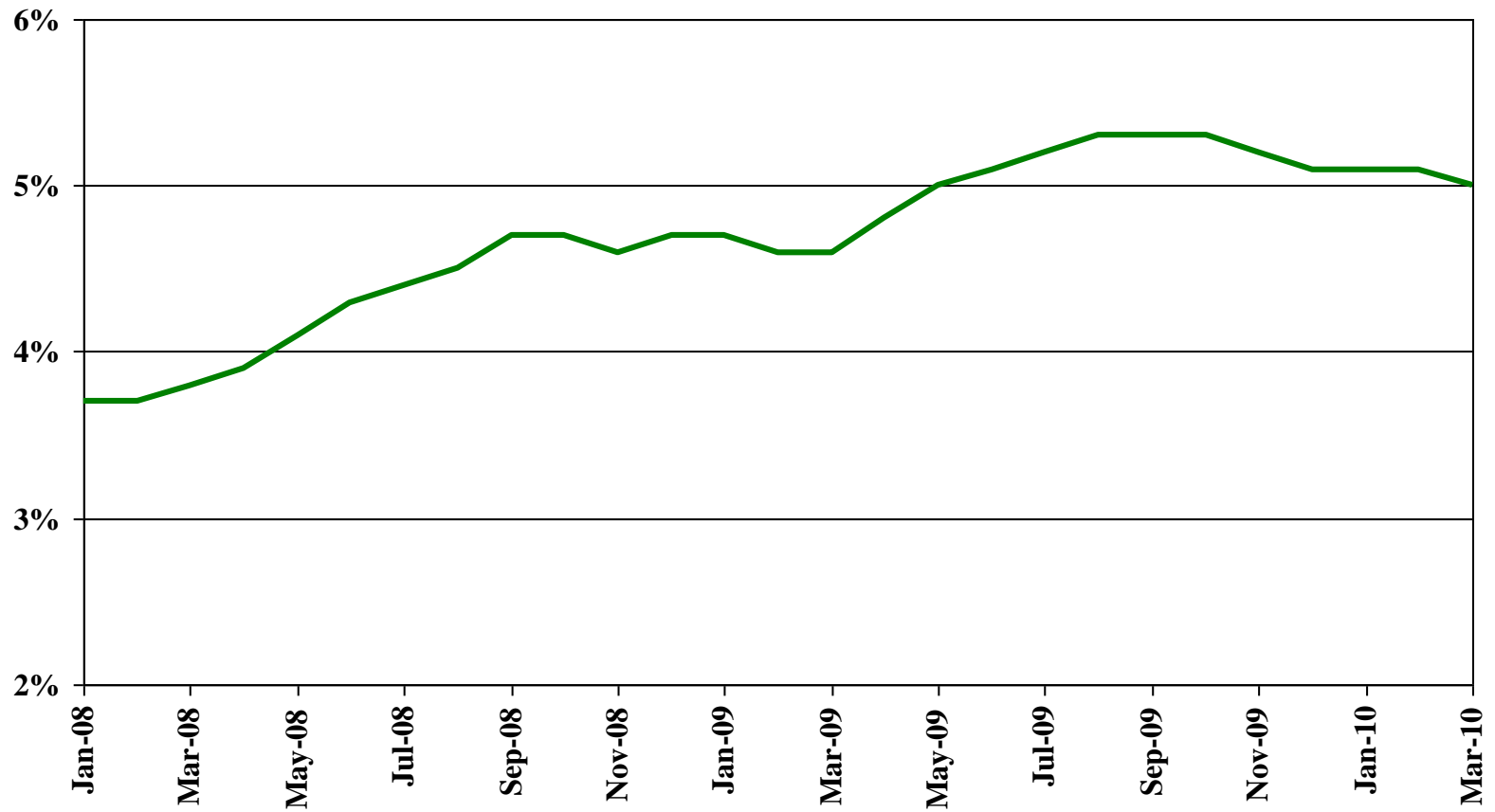


Cumulative Customer Additions



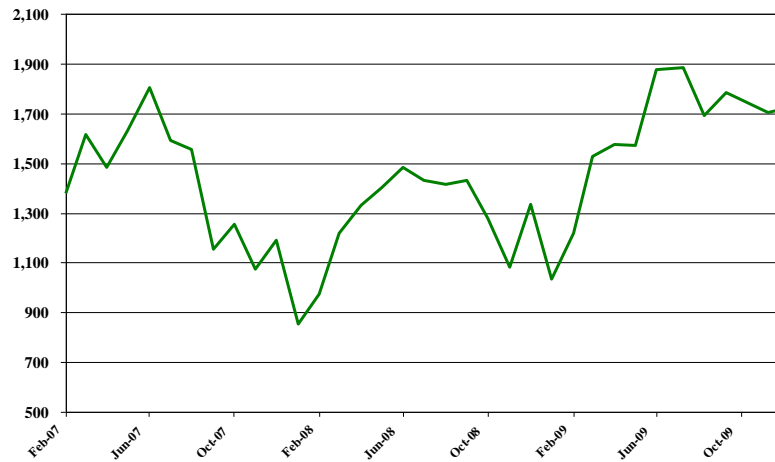
Have more than recovered all customers lost since the start of the housing market crisis

% Inactive Meters



Tampa Electric Housing Market Indicators

Tampa Area Existing Home Sales*



Tampa Area Single Family Building Permits



*Source: Greater Tampa Association of Realtors

2010 Business Drivers

■ TECO Coal

- Expect sales to be at the high end of the 8.3 to 8.7 million ton range
 - Fully contracted
 - Shifting deferred steam tons to the PCI market
- Average selling price of more than \$75/ton
- Product mix – about 35% specialty coals (met, PCI & stoker)
- Cost of production in a range between \$65 - \$69 per ton*

*Fully-loaded cost including DD&A, interest, G&A, and taxes other than income includes approximately \$5/ton non-cash costs

Current Coal Markets

- Metallurgical coal markets very strong
 - Domestic steel industry operating at 74%
 - Strong Asian demand
 - Market reaction to loss of supply from Massey Energy Upper Big Branch mine incident

- Central App steam coal market lagging met market
 - Utility inventories reduced by winter weather
 - Natural gas prices
 - Industry-wide shift of steam coal to met markets

2010 Business Drivers

■ TECO Guatemala

- Improved results at the San José Power Station
 - Assumes normal operations in 2010
 - Lower capacity payments in the first half due to 2009 unplanned outages
- Alborada Power Station contract renewal – September 2010
 - Discussions continue
- DECA II
 - EEGSA - VAD
 - Timing of resolution uncertain
 - Energy sales growth and cost control to mitigate the VAD
 - Earnings from unregulated affiliates

Planned Investor Communications

- May 4 – 1Q earnings release and conference call
- May 5 – Annual shareholder meeting
- May 6 – 10-Q filed
- May 17 – 18 – AGA Financial Forum – Palm Beach
- June 7 – Citi conference – Washington DC
- June 23 – EEI company visit program – New York

Q&A

APPENDIX

GAAP—Non-GAAP Reconciliation

Net income reconciliation (\$ millions)	<u>3-months ended Mar. 31</u>	
	<u>2010</u>	<u>2009</u>
GAAP net income	\$55.8	\$ 34.7
Add debt retirement costs	16.2	
Add restructuring charges	0.9	
Add valuation adjustment on student loan securities	—	3.6
Exclude gain on sale of Navega	—	(8.7)
Total charges and (gains)	<u>17.1</u>	<u>(5.1)</u>
Non-GAAP results	<u>\$72.9</u>	<u>\$ 29.6</u>

GAAP—Non-GAAP Reconciliation

Net income reconciliation (\$ millions)	<u>3-months ended Mar. 31</u>	
	<u>2010</u>	<u>2009</u>
GAAP net income	\$ 0.26	\$ 0.16
Add debt retirement costs	0.08	—
Add restructuring charges	—	—
Add valuation adjustment on student loan securities	—	0.02
Exclude gain on sale of Navega	—	(0.04)
Total charges and (gains)	<u>0.08</u>	<u>(0.02)</u>
Non-GAAP results	<u>\$ 0.34</u>	<u>\$ 0.14</u>

GAAP—Non-GAAP Reconciliation

Earnings reconciliation – (millions except per share amounts)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
GAAP net income	\$ 213.9	\$ 162.4	\$ 398.9	\$ 244.4	\$ 211.0
Total charges and gains	16.1	20.9	(122.6)	(10.8)	43.7
Exclude synfuel	—	—	(52.6)	(32.1)	(82.4)
Exclude TECO Transport	—	—	(24.3)	(25.8)	(19.1)
Exclude TWG Merchant	—	—	—	—	16.5
Non-GAAP results	\$230.0	\$183.3	\$199.4	\$175.7	\$169.7
Shares outstanding – basic	211.8	210.6	209.1	207.9	206.3
Non-GAAP results per share basis	\$ 1.08	\$ 0.87	\$ 0.95	\$ 0.85	\$ 0.82

