

TECO Energy

**American Gas Association
Financial Forum**

Orlando, FL

May 15, 2011

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, 2010 as filed with the SEC.

John Ramil

**President,
Chief Executive Officer**

Meeting Our Commitments

- We did what we said we would do in 2010
 - Focused on our utilities
 - Earned our allowed returns at the utilities
 - Maximized the value of our non-regulated businesses
 - Improved our balance sheet

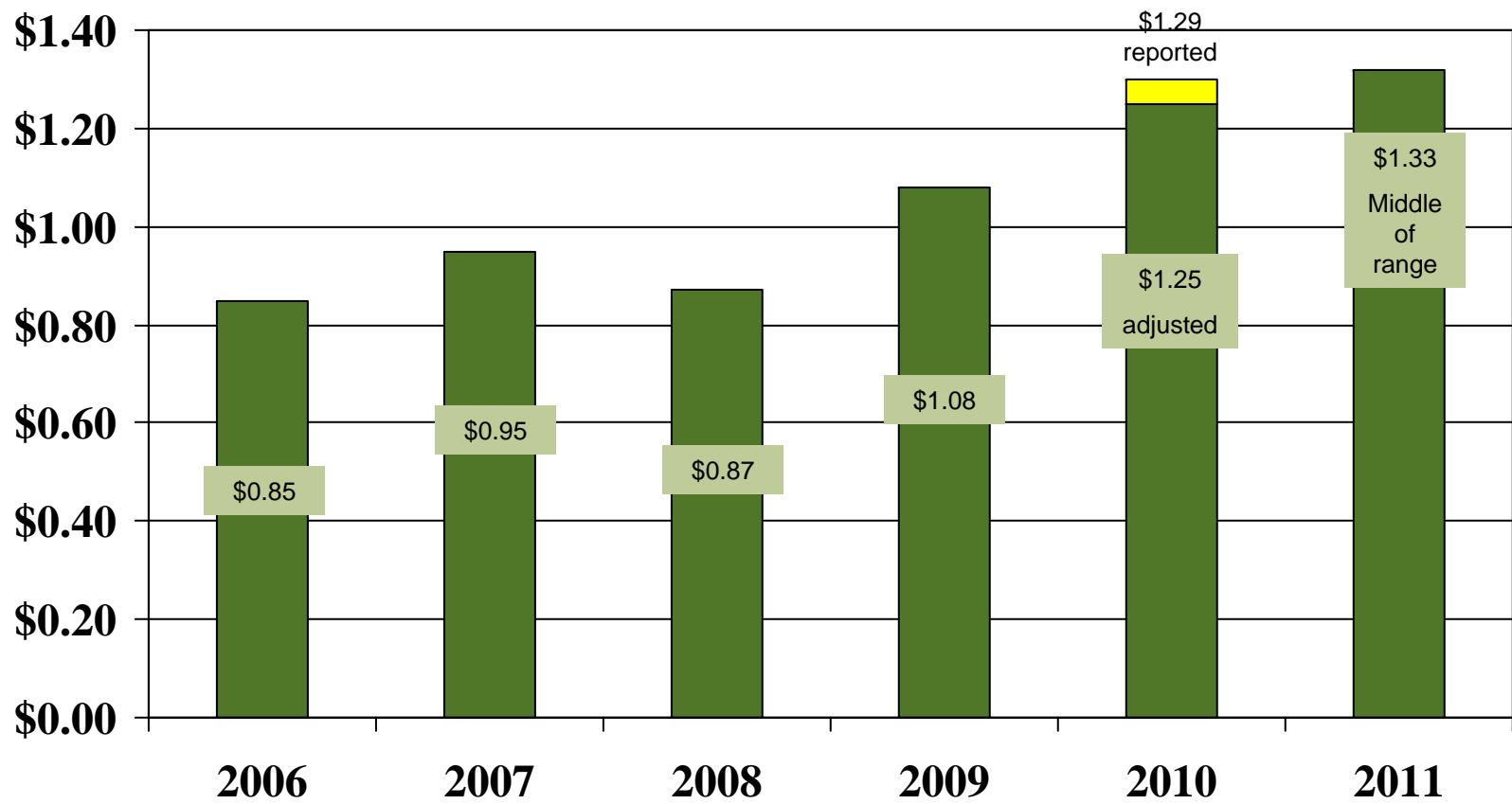
Accomplishments

- 2010 total shareholder return 15.9%
- Increased the dividend 3.7% to \$0.85 per share in 2011
- 2010 early retirement and refinancing of TECO Energy and TECO Finance debt
 - Year-end consolidated debt/capital ratio <60%
 - Effective interest rate on outstanding debt of 6%
 - Ratings upgrade at Fitch – Tampa Electric A-, TECO Energy BBB
- Completed final phase of \$1.2 billion environmental investment program for state-of-the art emissions controls and repowering old coal-fired generation to combined-cycle natural gas
 - Subject to additional verification, expect to be HAPS/MACT compliant without significant new capital investment

Opportunities for Future Utility Growth

- Expand the use of compressed natural gas in vehicles
- Infill opportunities on existing gas infrastructure as economy recovers
- Consolidation in Florida natural gas distribution market
- Longer-term opportunities in renewables
 - 2011 Florida legislative session robust debate
 - Several positive features proposed
 - Numerous interested participants in the debate
 - Legislation failed due to cost issues

Non-GAAP Earnings*



* See reconciliation table in appendix

1Q Financial Results Summary

<u>Net Income</u> (\$ millions)	<u>2011</u>	<u>2010</u>
Net income	\$ 51.7	\$ 55.8
Exclude charges and (gains) ⁽¹⁾	—	17.1
Non-GAAP results ⁽¹⁾	<u>\$ 51.7</u>	<u>\$ 72.9</u>
<u>Earnings Per Share</u> (\$/share)		
Earnings per share	\$ 0.24	\$ 0.26
Exclude charges and (gains) ⁽¹⁾	—	0.08
Non-GAAP results ⁽¹⁾	<u>\$ 0.24</u>	<u>\$ 0.34</u>

(1) See the reconciliation table in the appendix

Results Drivers

- Tampa Electric & Peoples Gas
 - Lower energy sales as expected
 - Mild weather compared to 2010
 - Higher average number of customers

- TECO Coal
 - Higher average selling price at more than \$81/ton
 - Timing of 2011 met coal contracts
 - \$76/ton all-in production cost

- TECO Guatemala
 - San José Power Station – improved results
 - DECA II – sold
 - Alborada Power Station – lower capacity payments under contract extension

- Parent
 - Lower interest expense

Florida Economy

- Housing market continues to show signs of improvement
 - Existing home resales increased in first quarter
 - March inventory of existing homes for sale was 6 months
 - Single family building permits increased in the first quarter

- Unemployment rate decreased
 - Hillsborough County (Tampa area) 10.7% - March
 - Florida 11.1% - March
 - Florida continuing to add jobs

- Positive trend in Tampa area taxable sales

- Continued improvement expected in 2011

2011 Outlook Update

- Earnings per share guidance in a range between \$1.25 and \$1.40
 - Excludes charges and gains

- On track to achieve expected results

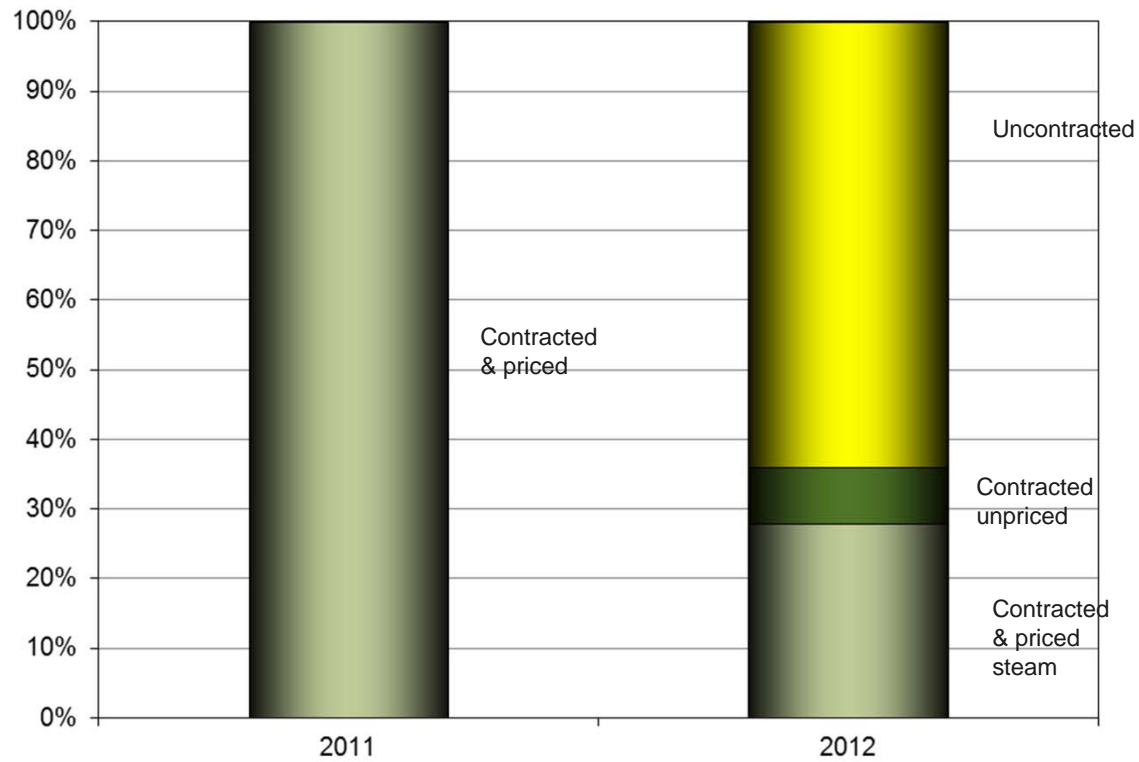
- Florida utilities
 - Expect to earn allowed ROE
 - Tampa Electric 10.25% - 12.25%
 - PGS 9.75% - 11.75%
 - Normal weather
 - Continued economic recovery
 - Customer growth in line with 2010 levels
 - Unemployment expected to improve
 - No major regulatory activities

2011 Outlook Update

■ TECO Coal

- Sales in a range between 8.5 and 9.0 million tons
 - Fully contracted
- Average contracted selling price more than \$88/ton
 - Mix 45% specialty (met, PCI & stoker) and 55% utility steam coal
- Fully loaded all-in cost of production expected to be in a range between \$74 and \$78/ton

TECO Coal Contracts



2011 Outlook Update

■ TECO Guatemala

- Normal operations at the San José Power Station
 - Spot sales opportunities
- Alborada Power Station contract renewal – September 2010
 - Incremental 2011 impact \$5.2 million lower
- DECA II
 - Sale completed October 2010

■ Parent & other

- Lower interest expense
- 2010 tax credit adjustments not expected to recur

Conclusion

- Meeting our commitments to investors
- Delivering strong shareholder returns
- Expect to deliver earnings growth
 - Expect the Florida utilities to earn allowed returns
 - Metallurgical coal markets expected to stay robust
- Strong cash flow generation
 - No major debt maturities until 2015
- Dividend policy targeting a payout ratio of 60-70% of consolidated net income

Q&A

APPENDIX

GAAP—Non-GAAP Reconciliation

Net income reconciliation (\$ millions)	<u>3-months ended Mar. 31</u>	
	<u>2011</u>	<u>2010</u>
GAAP net income	\$51.7	\$ 55.8
Add debt retirement costs	—	16.2
Add restructuring charges	—	0.9
Total charges and (gains)	—	17.1
Non-GAAP results	<u>\$51.7</u>	<u>\$ 72.9</u>

GAAP—Non-GAAP Reconciliation

Earnings per share reconciliation (Cents)	<u>3-months ended Mar. 31</u>	
	<u>2011</u>	<u>2010</u>
GAAP net income	\$ 0.24	\$ 0.26
Add debt retirement costs	—	0.08
Add restructuring charges	—	—
Total charges and (gains)	—	0.08
Non-GAAP results	<u>\$ 0.24</u>	<u>\$ 0.34</u>

GAAP—Non-GAAP Reconciliation

Earnings reconciliation – (millions except per share amounts)

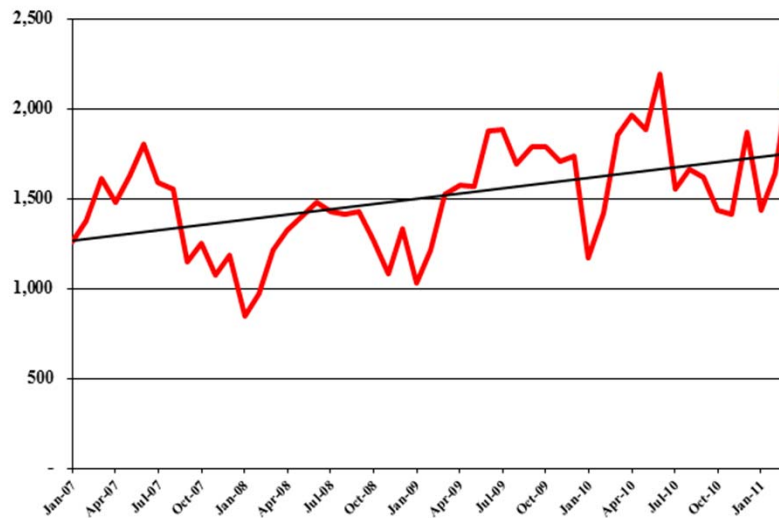
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
GAAP net income	\$ 239.0	\$ 213.9	\$ 162.4	\$ 398.9	\$ 244.4
Total charges and gains	36.5	16.1	20.9	(122.6)	(10.8)
Exclude synfuel	—	—	—	(52.6)	(32.1)
Exclude TECO Transport	—	—	—	(24.3)	(25.8)
Non-GAAP results	<u>\$275.5</u>	<u>\$230.0</u>	<u>\$ 183.3</u>	<u>\$199.4</u>	<u>\$175.7</u>
Shares outstanding – basic	212.9	211.8	210.6	209.1	207.9
Non-GAAP results per share basis	<u>\$ 1.29</u>	<u>\$ 1.08</u>	<u>\$ 0.87</u>	<u>\$ 0.95</u>	<u>\$ 0.85</u>
2010 adjusted for items affecting comparability	<u>\$ (0.04)</u>				
2010 adjusted non-GAAP results	<u>\$ 1.25</u>				

Items Affecting Comparability of 2010 Results to 2011

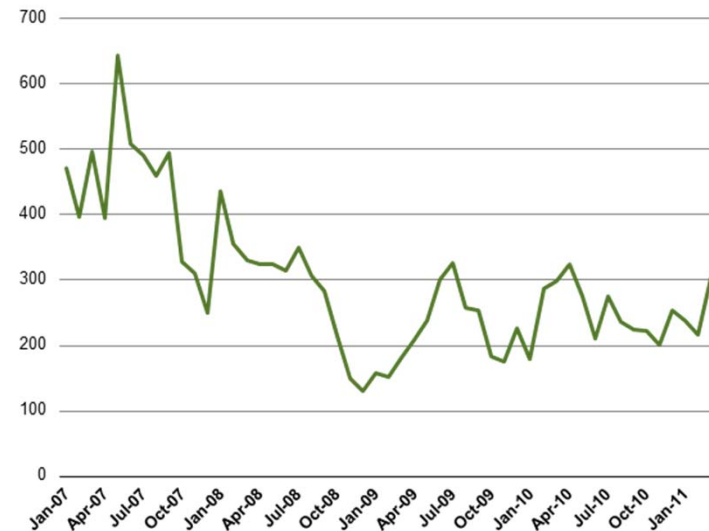
	<u>Results</u>	<u>Per share</u>
Non-GAAP results	\$ 275.5	\$ 1.29
<u>Comparability Factors</u>		
Subtract Tampa Electric weather	(21.6)	(0.10)
Add Tampa Electric regulatory stipulation	14.7	0.07
Add tax adjustments - net	4.4	0.02
Subtract DECA II earnings	(13.1)	(0.06)
Add lower interest expense	10.2	0.05
Subtract lower Alborada capacity payments	(5.2)	(0.02)
Total comparability factors	\$ (10.6)	\$ (0.04)
2010 adjusted non-GAAP results	\$ 264.9	\$ 1.25

Tampa Electric Housing Market Indicators

Tampa Area Existing Home Resales*

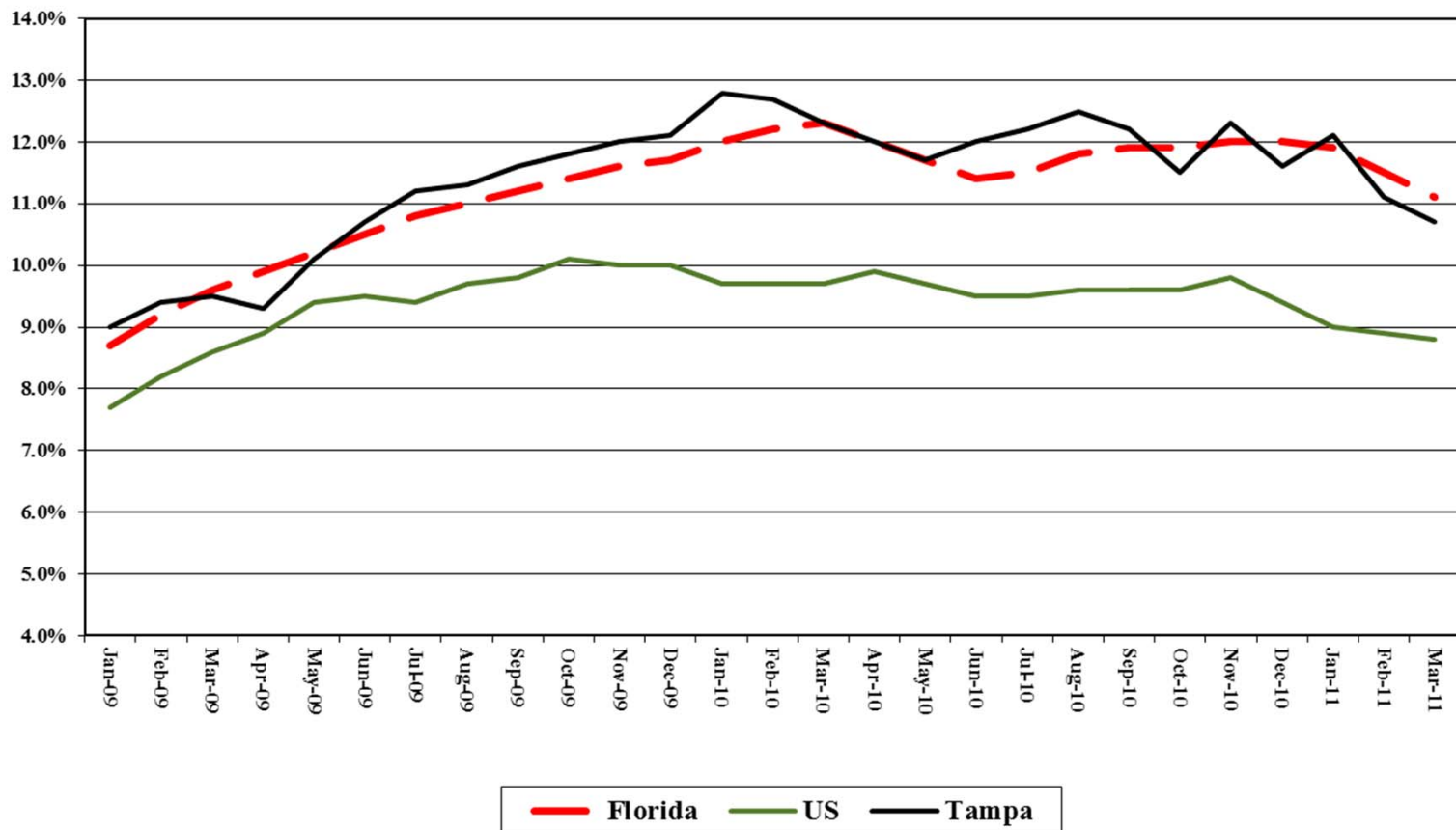


Single Family Building Permits



*Source: Greater Tampa Association of Realtors

Unemployment Trends



Source: Florida Agency for Workforce Innovation

Hillsborough County FL Monthly Taxable Sales

