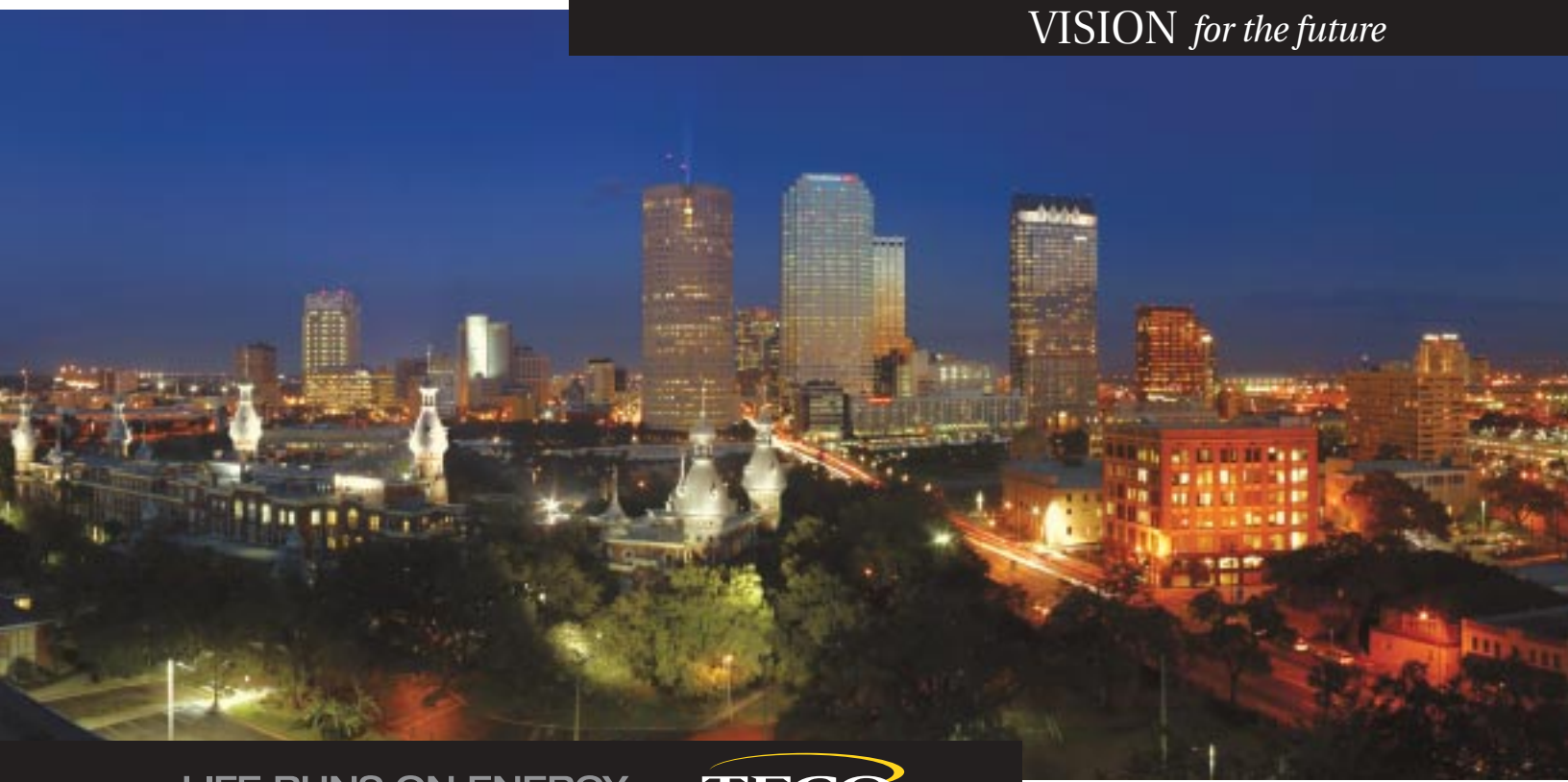


VISION *for the future*



LIFE RUNS ON ENERGYSM





TECO Energy, Inc. is an integrated energy provider with core businesses in the utility sector, complemented by a family of unregulated businesses. In addition to the regulated operations of Tampa Electric and Peoples Gas System, TECO Energy has interests in waterborne transportation, coal and synthetic fuel production and independent power.



Core Businesses

Tampa Electric is a regulated electric utility with more than 4,000 megawatts of generating capacity. Tampa Electric's service area covers 2,000 square miles in West Central Florida, one of the fastest-growing metropolitan areas of the country. More than 600,000 residential, commercial and industrial customers count on Tampa Electric, one of Florida's most reliable investor-owned electric utilities.

Peoples Gas System joined the TECO Energy family of companies in 1997. As the state's leading natural gas utility, fast-growing Peoples Gas serves most of the state's major metropolitan areas, bringing clean, efficient natural gas to more than 300,000 residential, commercial and industrial customers. Since its acquisition, Peoples Gas has expanded into areas of the state previously unserved by natural gas, including Southwest and Northeast Florida.

Unregulated Operations

TECO Transport is a marine transportation business operating a U.S.-flag oceangoing fleet, a river barge fleet on U.S. inland waterways and a deep-water storage and transfer facility on the Mississippi River in Louisiana. TECO Transport and its subsidiaries, TECO Ocean Shipping, TECO Barge Line and TECO Bulk Terminal, move coal, phosphate, grain and other commodities via rivers, through the Gulf of Mexico and the Caribbean and worldwide. International ports of call include Central and South America, Africa, Asia and Europe.

TECO Coal owns and operates low-sulfur coal mines and handling facilities in Kentucky and Virginia. The company produces up to ten million tons of coal annually for U.S. and European steel manufacturers, as well as domestic utilities and other industrial customers. TECO Coal also operates three synthetic fuel production facilities, the output of which qualifies for Section 29 tax credits for alternative fuel production.

TECO Wholesale Generation owns and operates independent power plants. The company's efficient domestic fleet provides electricity to wholesale customers including utilities and large industrial customers.

(Cover) Skyline view of downtown Tampa featuring The University of Tampa's famous minarets.

(Left) Peoples Gas serves many of Florida's fastest-growing areas, including The Villages, an active retirement community in Central Florida with more than 40,000 homes and another 25,000 planned for within seven years.

(Above) Tampa Electric line crews assemble at the company's Eastern Service Area, ready to maintain the company's 2,000 miles of power lines.

TECO Energy's principal subsidiaries include regulated utilities in some of the highest-growth areas of the nation. Florida continues to be one of the most attractive energy markets in the nation, enjoying strong residential and commercial growth which greatly benefits Tampa Electric and Peoples Gas.

The Florida Economy

- Florida's diverse, service-based economy was less affected by recent economic downturns than other parts of the country.
- Florida recently ranked first in the U.S. in job growth, with nearly 65,000 new jobs created in 2002.
- The Tampa metropolitan area's employment growth is among the highest in the nation.
- Tampa's service sector accounts for 40 percent of all jobs, with just 7 percent from the manufacturing sector, insulating the area from economic "down" cycles.
- Cost of living in the Tampa Bay area is less than the national average.

Tampa Electric

With historic customer growth at 2.5 percent annually, about twice the national average, Tampa Electric welcomed its 600,000th customer in 2003. To serve its growing customer base, the company repowered – on time and on budget – a state-of-the-art gas-fired power plant with 1,800 megawatts of capacity, 600 of which are incremental new generating capacity. The newly completed Bayside Power Station dramatically improves the company's environmental profile (see page 4).

Peoples Gas

Peoples Gas System has more than 300,000 customers throughout most of the state's major metropolitan areas. Compared with other parts of the nation and even the Southeast, natural gas is currently underutilized in Florida, offering the company excellent growth potential. Over the past five years, customer growth at Peoples Gas averaged more than 4 percent.

The availability of natural gas to Florida is also on the rise. The recent addition of the Gulfstream Natural Gas Pipeline to the state, the first new pipeline in Florida for 30 years, increases the transportation capacity into the state by 50 percent. This enhances the reliability of the Peoples Gas distribution system and helps meet the needs of the company's growing customer base.

(Below) TECO employees and community friends gather across the street from TECO Plaza to celebrate the lighting of the restored marquee at The Tampa Theatre.

(Right) TECO Ocean Shipping's integrated tug/barge Janis Guzzle/Marie Flood brings dry-bulk cargo into port.



ADDED BENEFITS *Proven Worth Over Time*

While regulated utility operations are the company's major area of focus, TECO Energy also has long-time affiliates in the transportation, coal and synthetic fuel production, and independent power industries.

TECO Transport

With more than 37 years of profitable operation, TECO Transport is a proven contributor to both earnings and cash flow. The company's unique turnkey combination of services – river and ocean transportation and deep water transfer and storage – has allowed it to continue contributing stable earnings and cash flow, even during a downturn in the economy. The company has shown resilience and flexibility, adjusting to less coal transportation business from Tampa Electric following the repowering of a major power plant from coal to natural gas.

TECO Coal

Synthetic fuel issues were resolved with the IRS in 2003, allowing the completion of the sale of 49 percent of TECO Coal's synfuel production to a third party. The company expects to sell an additional 40 percent of its production capacity in 2004. TECO Coal has increased its sale of utility steam and specialty coals, despite the termination of the company's affiliate contract with Tampa Electric in 1999. Total coal sales have been down slightly over the past two years due to weaker market conditions, but the company's synthetic fuel production has proven its ability to bolster TECO Coal's position. TECO Coal continues to provide feedstock to the synthetic fuel facilities, operate them for the new owners and market the outputs on a fee-per-ton basis, which significantly improves cash flow.

TECO Wholesale Generation

As part of its focus on utility operations, TECO Energy has significantly changed its approach to its competitive power assets. In addition to the sale of its Hardee Power Station, in early 2004 the company reached an agreement to sell its two largest merchant facilities, Union and Gila River power stations, back to the lending bank group. The company continues to work to maximize the value of its other independent power holdings and reduce financial risks associated with them.

Milestones

1887: Tampa Electric Company established by John Lesley, W.N. Conoley, R.A. Jackson, Wm. Sutliff and L.S. Dawes.

1887: In order to buy more powerful generators, Tampa Electric Company is reorganized as Tampa Electric Light & Power Company.

1948: The first unit of Tampa Electric's Hooker's Point Station begins operation.

1952: The Southeastern Electric Exchange awards Tampa Electric Company first place in an accident prevention competition.

1959: TECO Transport's predecessor companies, Gulfcoast Transit and Mid-South Towing, were formed. Mid-South had one tugboat and 64 jumbo barges.

1963: Tampa Electric Company and Peabody Coal form Electro-Coal Transfer, a deep water transfer and storage terminal on the Mississippi River in Louisiana. A Peabody subsidiary manages Gulfcoast, Mid-South and Electro-Coal Companies.

1967: Tampa Electric's Gannon Station's sixth and final unit comes online.

1968: Tampa Electric Company purchases the Peabody interest in Gulfcoast Transit, Mid-South Towing and Electro-Coal Transfer.

1970–1976: Big Bend Power Station brings Units One, Two and Three online.

1974: Tampa Electric Company purchases the Cal-Glo coal mine, which would later form the basis for TECO Coal.

1976: Tampa Electric is named Outstanding Electric Utility of the Year by *Electrical World*.

1981: TECO Energy, Inc., is formed to serve as the holding company for Tampa Electric and its sister companies.

1984: Big Bend Power Station brings Unit Four online.

1993: The Points of Light Foundation awards Tampa Electric the Thousand Points of Light Award presented by former President George Bush, in honor of outstanding community service.

1997: Peoples Gas System is acquired by TECO Energy.

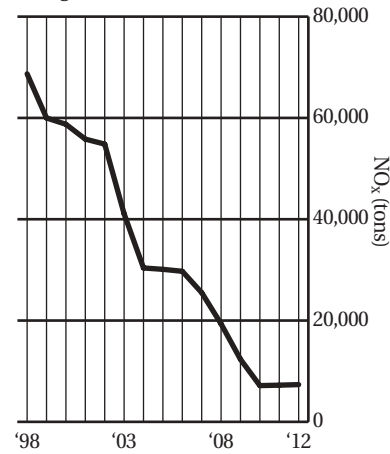
2000: TECO Energy's TECO Power Services subsidiary announces its participation in six new independent power projects.

2003: TECO Energy announces a "back to basics" business strategy focusing on core utility business.

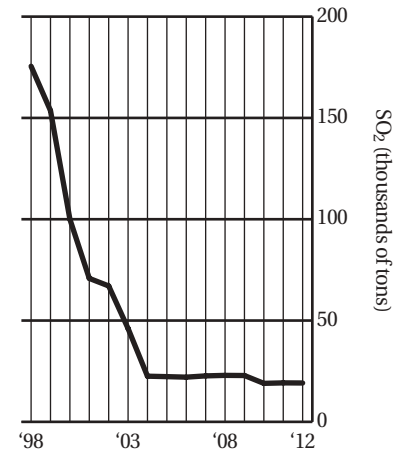
At TECO Energy, we believe strongly in corporate environmental citizenship – the idea that we – as a company and as individual employees – are connected to the larger ecosystem. Since 1999, the company has made dramatic strides to improve the emissions of its regulated electricity production, to further the use of clean-burning natural gas and renewable energy, and to find innovative ways to minimize our impact on the environment.

We also recognize the economic importance of a balanced fuel mix, and have made significant strides toward utilizing coal in our facilities while minimizing emissions through state-of-the-art pollution controls.

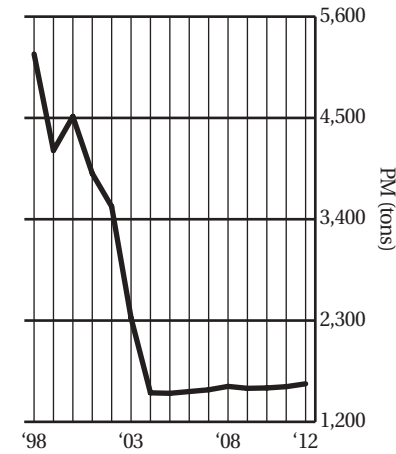
Projected Reduction in Nitrogen Oxide (NO_x) Emissions



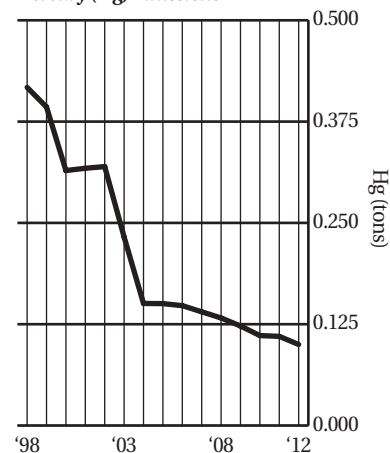
Projected Reduction in Sulfur Dioxide (SO₂) Emissions



Projected Reduction in Particulate Matter (PM) Emissions



Projected Reduction in Mercury (Hg) Emissions



Tampa Electric

As the nation's pioneer in utility environmental improvement, Tampa Electric has reduced its emissions system-wide. The repowering of the former Gannon (now Bayside) station from coal to natural gas not only reduces nitrogen oxide, sulfur dioxide, particulate matter, mercury and carbon dioxide emissions, it also adds 600 megawatts to serve customers and significantly decreases the average age of Tampa Electric's fleet.

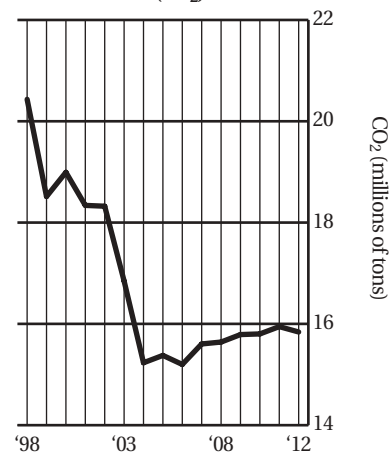
At Big Bend Power Station, Tampa Electric's largest coal-fired power plant, state-of-the-art pollution controls like flue gas desulfurization bring about significant emissions reductions. Technology like the company is using at Big Bend helps Tampa Electric utilize coal, a plentiful and economical fuel, in an environmentally friendly way.

The repowering at Bayside and the other initiatives associated with the 1999 environmental plan inked by Tampa Electric, the Environmental Protection Agency and the Florida Department of Environmental Protection prove that a company's environmental profile can be improved exponentially with minimal if any impact to customers' electric rates.

Peoples Gas

Natural gas is clean-burning and highly efficient and being used in a growing number of homes and businesses. Peoples Gas, Florida's largest natural gas distributor, offers rebates to residential and commercial customers to encourage the conservation of energy resources through the installation of new, energy-efficient natural gas appliances.

Projected Reduction in Carbon Dioxide (CO₂) Emissions



(Right) The newly completed Bayside Power Station helps illuminate downtown Tampa.

(Left) West Indian manatee in the warm water discharge canal next to Big Bend Power Station.





TECO Transport

The TECO Transport subsidiaries focus on operating in a manner that meets and exceeds domestic and international safety and environmental requirements. The company's subsidiaries are certified through the American Waterways Operators' Responsible Carrier Program, or certified by the International Safety Management (ISM) program, which focuses on improving safety and environmental performance of our ocean going carriers. The company is a proud sponsor of the Living Lands and Waters program, which aims to protect, preserve and restore the natural environment of the nation's rivers and their watersheds, to expand awareness of river environmental issues and responsibility and to create desire and opportunity for stewardship.

TECO Coal

Known for its innovative reclamation accomplishments, TECO Coal also works with federal, state and local groups to continually improve its operations. In partnership with the Federal Office of Surface Mining and Reclamation Enforcement, the company is experimenting with "low-compaction reclamation" methods on one of its surface mines. This innovative process will permit the reclaimed areas to produce trees rather than grasslands, to more closely resemble pre-mine conditions. On a separate site, the company is working with school groups and regulators on an experimental reforestation project.

TECO Wholesale Generation

The TECO Wholesale Generation facilities are built with state-of-the-art pollution control technologies to minimize nitrogen oxide, sulfur dioxide and particulate matter emissions. To the extent their clean-burning capacity displaces older, less efficient generation, the environment can benefit substantially.

(Left) West Indian manatees flocking to Tampa Electric's Big Bend Power Station during colder weather.

(Above) TECO Coal returns land back to nature through its many reclamation projects.

(Right) Tricolored heron chicks at Tampa Electric's Cockroach Bay habitat.



Milestones (cont'd.)

1986: Florida designates Big Bend Power Station discharge canal as a permanent sanctuary for manatees.

1989: Tampa Electric forms the Power Plant Siting Task Force, comprised of educators, environmentalists and businessmen seeking a site for a new power plant. Listening to the voice of the community, Tampa Electric opts to locate the new plant away from the Bay Area on the site of an old phosphate mine in Polk County.

1990: Cockroach Bay is designated for habitat protection. Teachers and students work with TECO Energy environmental staff to restore the site.

1997: *Power Magazine* names Polk Power Station the winner of its 1997 Powerplant Award for its holistic approach to coal utilization.

1999: Tampa Electric announces a \$1-billion environmental improvement plan that will make its system one of the cleanest in the nation.

2003: Bayside Power Station's Unit One (pictured page 5) comes online, phasing out the coal-fired Gannon Power Station .



Vision for the Future

From here on, our focus and our resources will be deployed to maximize the returns from our regulated businesses. Near term, we will continue to work actively on initiatives that are in the best interest of investors, such as improving our earnings outlook and maintaining a strong liquidity position. Balance sheet improvement will continue to be a significant focus.

We have taken significant steps toward limiting our exposure to the merchant power market, starting by limiting our flow of additional cash into the merchant projects, and finishing by announcing our intent to exit the two largest of those facilities.

Exiting the Gila River and Union stations was a necessary step in protecting our credit ratings and eliminating near-term losses. Regardless of their long term prospects, both of these plants create earnings and cash flow uncertainty that are unacceptable to our investors.

We expect to use the extensive talents of our employees for the benefit of our stakeholders including you, our shareholders.

Where will our new path take us? We expect TECO Energy to enhance its position as a high quality Florida utility with profitable electric and gas operations. We expect to continue to benefit from the stable earnings and cash flow from our long-term unregulated transportation and coal businesses.

This is who we are.

(Above) Installing a low pressure steam turbine at a TECO Wholesale Generation facility.

TECO Energy Executive Officers

Robert D. Fagan	Chairman of the Board, President and Chief Executive Officer
Charles R. Black	Senior Vice President – Generation
William N. Cantrell	President, Tampa Electric, Peoples Gas System and TECO Solutions
Clinton E. Childress	Senior Vice President – Human Resources and Services
Gordon L. Gillette	Senior Vice President – Finance and Chief Financial Officer
Richard Lehfeldt	Senior Vice President – External Affairs
Sheila M. McDevitt	Senior Vice President – General Counsel
John B. Ramil	Executive Vice President and Chief Operating Officer
D. Jeffrey Rankin	President, TECO Transport
J.J. Shackelford	President, TECO Coal

TECO Energy Staff Officers

Charles A. Attal III	Vice President – Deputy General Counsel
Phil L. Barringer	Vice President – Controller of Operations
Paul R. Bogenrieder	Vice President – Energy Risk Management
Deirdre A. Brown	Vice President – Regulatory Affairs
Sandra W. Callahan	Vice President – Treasury and Risk Management (Treasurer)
R. Bruce Christmas	Vice President – Fuels Management
Charles O. Hinson III	Vice President – State Government Affairs
Burnis L. Kilpatrick, Jr.	Corporate Compliance Officer
Karen M. Mincey	Vice President – Information Technology and Chief Information Officer
Shirley M. Payne	Vice President – Corporate Accounting and Tax (Chief Accounting Officer)
Michael R. Schuyler	Vice President – Wholesale Power
David E. Schwartz	Vice President – Assistant General Counsel and Corporate Secretary
Janet L. Sena	Vice President – Federal Affairs

Board of Directors

Robert D. Fagan ⁽³⁾	Chairman of the Board, President and Chief Executive Officer, TECO Energy, Inc., Tampa, Florida
DuBose Ausley ⁽³⁾	Attorney and former Chairman, Ausley & McMullen (attorneys), Tallahassee, Florida
Sara L. Baldwin ⁽²⁾	Private Investor, Tampa, Florida
James L. Ferman, Jr. ⁽⁴⁾	President, Ferman Motor Car Company, Inc. (automobile dealerships), Tampa, Florida
Luis Guinot, Jr. ⁽²⁾	Attorney and former Equity Partner, Shapiro, Sher, Guinot & Sandler, P.A. (attorneys), Washington, D.C., and former United States Ambassador to the Republic of Costa Rica
Ira D. Hall ⁽¹⁾⁽³⁾	President and Chief Executive Officer, Utendahl Capital Management, L.P. (money management), New York, New York, former Treasurer, Texaco, Inc. (integrated oil company), White Plains, New York
Sherrill W. Hudson ⁽¹⁾⁽³⁾	Former Managing Partner for South Florida, Deloitte & Touche LLP (public accounting), Miami, Florida
Tom L. Rankin ⁽¹⁾⁽³⁾	Independent Investment Manager, Tampa, Florida, former Chief Executive Officer, Lykes Energy, Inc. (the former holding company for Peoples Gas System)
William D. Rockford ⁽³⁾	President, Primary Energy Holdings LLC (power generation), Oak Brook, Illinois, former Managing Director, Chase Securities Inc. (financial services), New York, New York
William P. Sovey ⁽²⁾⁽⁴⁾	Chairman of the Board and former Chief Executive Officer, Newell Rubbermaid, Inc. (consumer products), Freeport, Illinois
J. Thomas Touchton ⁽¹⁾⁽⁴⁾	Managing Partner, The Witt-Touchton Company (private investment partnership), Tampa, Florida
John A. Urquhart ⁽²⁾⁽⁴⁾	President, John A. Urquhart Associates (management consultants), Fairfield, Connecticut, former Senior Vice President/ Executive Vice President, G.E. Industrial & Power Systems, General Electric Company
James O. Welch, Jr. ⁽²⁾	Former Vice Chairman, RJR Nabisco, Inc. and former Chairman, Nabisco Brands, Inc. (tobacco and food products), East Hanover, New Jersey

(1) Member of the Audit Committee
 (2) Member of the Compensation Committee
 (3) Member of the Finance Committee
 (4) Member of the Governance and Nominating Committee

Internet

Current information about TECO Energy is on the Internet at www.tecoenergy.com

TECO Energy is listed on the New York Stock Exchange symbol: TE

TECO Energy Offices

702 N. Franklin Street
Tampa, FL 33602
813-228-1111
Fax 813-228-1670

Auditors

PricewaterhouseCoopers LLP
Tampa, FL

Annual Meeting

The Annual Meeting of Shareholders will be held on April 28, 2004, 11:30 a.m. at:
Hilton Tampa Airport Westshore
2225 N. Lois Avenue
Tampa, FL 33607

Shareholder Inquiries

Communication concerning transfer requirements, lost certificates, dividends and change of address should be directed to the Transfer Agent.

Transfer Agent & Registrar

The Bank of New York
Receive and Deliver Department
P.O. Box 11002
Church Street Station
New York, NY 10286
www.stockbny.com

Dividend Reinvestment

The company offers a Dividend Reinvestment and Common Stock Purchase Plan which allows common shareholders of record to purchase additional shares of common stock at the current market price. All correspondence concerning this Plan should be directed to the Plan Agent:

The Bank of New York
Investment Services Department
P.O. Box 1958
Newark, NJ 07101-9774

Form 10-K Available

TECO Energy's Annual Report on Form 10-K, which is filed with the Securities and Exchange Commission, is available to shareholders at no charge on the Internet at www.sec.gov or through the Investor Relations page at www.tecoenergy.com. Requests should be addressed to:

TECO Energy, Inc.
Investor Relations
P.O. Box 111
Tampa, FL 33601
813-228-1326
800-810-2032

Analyst Contacts

Gordon L. Gillette, Senior Vice President - Finance and Chief Financial Officer

Sandra W. Callahan, Vice President - Treasury and Risk Management

Mark M. Kane, Director - Investor Relations
813-228-1111



TECO Energy Offices
TECO Plaza
702 N. Franklin Street
Tampa, FL 33602
813-228-1111
Fax 813-228-1670
www.tecoenergy.com



10% Post consumer fiber